

ADMINISTRATIVE HEARINGS DIVISION

January 15, 2026

STIPULATED SETTLEMENT AGREEMENT - LIQUOR VIOLATION CASE

1 Magela, Inc.
Scott McFarland,
Pres/Sec/Treas/Dir/Stkhldr
Mark O'Brien, Vice Pres/Dir/ Stkhldr
dba **AMERICAN DREAM PIZZA**
& CROWBAR (F-COM)
214 SW 2nd St
Corvallis, OR 97333

OAR 845-006-0335(1)(a)(b)(c) – On or about December 9, 2023, Licensee's employee, agent, or representative Jacob Young failed to verify the age of a minor before allowing them to buy or be served an alcoholic beverage, when they reasonably appeared to be under 26 years of age.

(1st Level Category II(b))

OAR 845-006-0335(1)(a)(b)(c)- On or about February 2, 2024, Licensee's employee, agent, or representative Bjorn Ellenburg failed to verify the age of Elizabeth Watson, a minor, before allowing them to buy or be served an alcoholic beverage, when they reasonably appeared to be under 26 years of age.

(2nd Level Category II(b))

Note: Licensee was charged with these violations by Notice dated September 30, 2025. The total proposed sanction was a 44-day license suspension or a \$7,950.00 civil penalty with a mandatory two-day suspension.. Licensee requested a hearing and now wishes to enter into this settlement agreement.

AGGRAVATION

Commission staff proposed aggravating the penalty for Violation Number One and Violation Number Two by four days or \$830.00, because Licensee was allowed to purchase age verification equipment as an offset to a penalty for a previous failure to verify the age of a minor and the age verification equipment was not used to prevent these current violations.

TERMS OF AGREEMENT

1. This Settlement Agreement resolves only the violations identified in the Notice.
2. Licensee admits the facts described in the Notice and accepts responsibility for the violation(s) described in the Notice. Violation Number One was Licensee's first Category II(b) violation within two years. Violation Number Two was Licensee's second Category II(b) violation within two years. Any subsequent Category II(b) violations within the same two years will be charged starting at the third level. Upon execution and final approval of this Settlement Agreement by the Commission, these violations shall become a permanent part of Licensee's Commission file and may be considered in any future application for any license or permit by the Licensee.
3. The standard sanction for Violation Number One is a 10-day license suspension or a civil penalty of \$2,500.00. The standard sanction for Violation Number Two is a 30-day suspension or a civil penalty of \$4,950.00. Commission staff determined that aggravation was appropriate for Violations Number One and Violation Number Two because Licensee was allowed to purchase age verification equipment as an offset to a penalty for a previous failure to verify the age of a minor and the age verification equipment was not used to prevent these current violations. OAR 845-006-0500(8)(e)(C). Accordingly, the Notice proposed aggravating the penalty by four days or \$830.00. The Notice proposed a total penalty of a 44-day suspension or a \$7,950.00 civil penalty with a mandatory two-day suspension.

(continue AMERICAN DREAM PIZZA AND CROWBAR)

4. As an alternative to the proposed penalty in the Notice, Licensee shall either pay a \$6,045.00 civil penalty before 5:00 PM on February 17, 2026 OR serve a 32-day suspension beginning at 7:00 AM on February 24, 2026 and ending at 7:00 AM on March 28, 2026. If Licensee or its employees, agents, or representatives act in any way that is not allowed by rule or statute while under suspension, OLCC may file a violation against Licensee and Licensee's license may be cancelled, suspended, or Licensee may receive a civil penalty. If OLCC notifies Licensee that Licensee has violated a rule or statute while under suspension, Licensee will be given the opportunity to contest the alleged violation in a contested case proceeding and the appropriateness of OLCC's decision to deny, suspend, or revoke the license or impose civil penalties.
5. Licensee withdraws the request for a hearing.
6. If Licensee's interest in the license expires or is transferred before the Commission issues the final order incorporating this Settlement Agreement, the Licensee agrees to accept a Letter of Reprimand for the violations. This reprimand becomes a permanent part of the Licensee's Commission file and may be considered in any future application for any license or permit by the Licensee.
7. Licensee accepts this Settlement Agreement without any conditions or reservations. Licensee is aware of Licensee's right to a contested case hearing under the Administrative Procedures Act (ORS Chapter 183) and to judicial review if this matter was not resolved through this Settlement Agreement. Licensee is aware of Licensee's right to seek judicial review of a final order issued in the matter. Licensee freely and voluntarily waives all such rights to a contested case hearing, judicial review, or to otherwise challenge this Settlement Agreement and the Final Order incorporating this Settlement Agreement. In full satisfaction and settlement of this matter, Licensee agrees to Commission's issuance of a Final Order incorporating this Settlement Agreement as described in paragraph 9.
8. This Settlement Agreement is conditioned upon final approval by the Commission and will be reviewed by the Commissioners at their January 2026 meeting. If the Settlement Agreement is not accepted and approved in its entirety by the Commission it is deemed null and void and Licensee's hearing rights, if any, will be restored.
9. The parties agree that this Settlement Agreement constitutes the sole, entire, and complete agreement between the parties to resolve the administrative proceeding commenced by the Notice and that no promises, inducements, or agreement not herein expressed have been made and that all terms of this Settlement Agreement are contractual and not a mere recital.
10. Licensee releases and waives any and all claims of any kind, known or unknown, past or future, against the State of Oregon or its agencies, instrumentalities, employees, officers, or agents arising out of the matters set forth in the Notice or this Settlement Agreement, including but not limited to any claim under federal or state law for damages, declaratory or equitable relief, under 42 USC § 1983 et seq, and for attorney's fees or costs. Licensee of record is an Oregon Corporation. Scott McFarland is the President of Licensee of record. Licensee of record represents and warrants that Scott McFarland individually has the authority to enter into this Settlement Agreement and bind Licensee of record on its behalf.
11. The parties agree that this Settlement Agreement and Final Order Incorporating Settlement Agreement may be executed in one or more multiple counterparts, including facsimile, scanned, and electronically transmitted counterparts, each of which shall constitute an original and all of which together shall constitute one and the same agreement.
12. The Settlement Agreement must be signed and received by the Commission by 5:00 PM on December 26, 2025, or this settlement offer is deemed withdrawn.