

ADMINISTRATIVE HEARINGS DIVISION

March 20, 2025

STIPULATED SETTLEMENT AGREEMENT - LIQUOR VIOLATION CASE

1. Kraftworks Taphouse, LLC
Karl Knudson, Managing Member
Liam Riddell, Member
dba **KRAFTWORKS TAPHOUSE
(F-COM)**
241 Liberty St. NE
Salem, OR 97301

OAR 845-005-0400(1)(a)(b) – From about April 20, 2021, to about December 29, 2021, Licensee failed to maintain liquor liability insurance or a bond with a corporate surety authorized to transact business in this state in the amount of not less than \$300,000.00 for Kraftworks Taphouse.

Note: Licensee was charged with this violation by Notice dated July 31, 2024. The proposed sanction was to cancel the licensee's license. Licensee requested a hearing and now wishes to enter into this settlement agreement.

(1st Level Category I)

SYNOPSIS: An investigation initiated in August 2023 because of inquiries about Licensee's Liquor Liability Insurance (LLI) led to the discovery that Licensee's LLI had lapsed between April 20, 2021, and December 29, 2021, a period of about eight months. Licensee obtained LLI after December 29, 2021 and continued to maintain LLI without any lapses in coverage from that time until present. Licensee stated that the lapse occurred during the Covid-19 pandemic and because of unique circumstances during that time for the Licensee, they failed to notice missing a premium payment and a notice that their coverage was cancelled. Licensee noted that once they were aware of the lapse in coverage, they secured LLI.

TERMS OF AGREEMENT

1. This Settlement Agreement resolves only the violation identified in the Notice.
2. Licensee admits the facts described in the Notice and accepts responsibility for the violation described in the Notice. This was Licensee's first violation within two years. Upon execution and final approval of this Settlement Agreement by the Commission, this violation 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 the violation described in the Notice is license cancellation.
4. As an alternative to the proposed penalty in the Notice, Licensee shall pay a \$4,950.00 civil penalty no later than 5:00 PM on April 15, 2025; serve a 30-day license suspension beginning at 7:00 AM on April 22, 2025 and ending at 7:00 AM on May 22, 2025; and no later than 5:00 PM on April 15, 2025, provide the Commission with proof of premium payment for at least a continuous 12-month period prospectively from April 15, 2025 for liquor liability insurance or a bond in an amount of not less than \$300,000 for Kraftworks Taphouse. 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.

CONTINUED KRAFTWORKS TAPHOUSE

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 violation. 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 8.
8. This Settlement Agreement is conditioned upon final approval by the Commission and will be reviewed by the Commissioners at their March 2025 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.
11. Licensee of record is an Oregon limited liability company. Karl Knudson is a Managing Member of Licensee of record. Licensee of record represents and warrants that Karl Knudson individually has the authority to enter into this Settlement Agreement and bind Licensee of record on its behalf.
12. 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.
13. The Settlement Agreement must be signed and received by the Commission by February 28, 2025, or this settlement offer is deemed withdrawn

1. PacWest Energy, LLC
Jacksons Food Stores, Inc., Mng Mbr
John Jackson, Pres/Dir/Stkhldr
Cory Jackson, Secretary/Director
Brody Kesler-Mauch, Vice President
Jason Manning, Treasurer
JDJ GT Trust, Stockholder
Jason Manning, Trustee
Equilon Enterprises, LLC, Member
SOPC Holdings West, LLC, Mng Mbr
TMR Company, Member
3450 E Commercial Ct
Meridian, ID 83642

dba **JACKSONS #538**
2005 SW Hwy 99W)
McMinnville, OR 97128

OAR 845-006-0335(1)(a)(b)(c) – On or about May 25, 2024, Licensee's employee, agent, or representative Debra Montano 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))

Note: Licensee was charged with this violation by Notice dated January 8, 2025. The total proposed sanction was a 12-day license suspension or a \$3,000.00 civil penalty and removal from the Responsible Vendor Program. Licensee requested a hearing and now wishes to enter into this settlement agreement.

AGGRAVATION

Commission staff proposed adding two days of aggravation because Licensee had previously been allowed to purchase age verification equipment as an offset to a failure to verify the age of a minor.

TERMS OF AGREEMENT

1. This Settlement Agreement resolves only the violation(s) identified in the Notice.
2. Licensee admits the facts described in the Notice and accepts responsibility for the violation described in the Notice. This was Licensee's first Category II(b) violation within two years. Any subsequent Category II(b) violations within the same two years will be charged starting at the second level. Upon execution and final approval of this Settlement Agreement by the Commission, this violation 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 this violation is a 10-day suspension or a civil penalty of \$2,500.00. Commission staff proposed adding two days of aggravation because Licensee was allowed to purchase age verification equipment (AVE) as an offset to a previous penalty and that AVE was not used to prevent the charged violation. The total proposed sanction was a 12-day suspension or a \$3,000.00 civil penalty, and removal from the Responsible Vendor Program.
4. As an alternative to the proposed penalty in the Notice, Licensee shall be removed from the Responsible Vendor Program and either pay a \$2,250.00 civil penalty before 5:00 PM on April 15, 2025, **OR** serve a nine-day suspension beginning at 7:00 AM on April 22, 2025 and ending at 7:00 AM on May 1, 2025. If the full penalty is not paid prior to 5:00 PM on April 15, 2025, then Licensee shall serve the full suspension. 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.

CONTINUED JACKSONS #538

5. 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 violation. 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.
6. 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 7.
7. This Settlement Agreement is conditioned upon final approval by the Commission and will be reviewed by the Commissioners at their March 2025 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.
8. 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.
9. 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.
10. Licensee of record is a Delaware limited liability company. Jason Manning is the Treasurer of Jacksons Food Stores, Inc, Managing Member of PacWest Energy, LLC and Trustee of JDJ GT Trust, Stockholder of Jacksons Food Stores, Inc, Managing Member of PacWest Energy, LLC, Licensee of record. Licensee of record represents and warrants that Jason Manning individually has the authority to enter into this Settlement Agreement and bind Licensee of record on its behalf.
11. The 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 February 7, 2025, or this settlement offer is deemed withdrawn