

ADMINISTRATIVE HEARINGS DIVISION

September 23, 2021

STIPULATED SETTLEMENT AGREEMENTS FOR LIQUOR VIOLATION CASES

1. Vino Oregon, Inc.
Robin Sikkens, Pres/Secretary/Dir
Danny Sikkens, Vice Pres/Treas/Dir
dba **SOCIAL GOODS MARKET**
500 E 1st St.
Newberg, OR 97132

OAR 845-006-0345(11)(a)(B) – On or about April 12, 2020, Licensee and/or Licensee’s employees, agents, or representatives sold, offered to sell, or served alcoholic beverages for a price per drink that is less than the licensee’s cost for the alcohol to persons paying a fixed “buy in” price, when Licensees pulled their tap trailer to neighborhoods in the City of Newberg and dispensed free beer to “Mug Club” or “Social Goods Beer Club” members who paid an annual membership fee.

(1st Level Category III)

Note: Licensee was charged with this violation by Notice Dated October 14, 2020. The total proposed sanction for this violation was a 14-day suspension or a \$2,310.00 civil penalty. Licensee originally requested a hearing and now wishes to enter into this settlement agreement.

AGGRAVATION

Staff added four days of aggravation because the violation was personally committed by licensees and involved more than one patron or employee.

SYNOPSIS Licensee was charged with using their tap trailer to dispense free beer to “Mug Club Members” and/or those individuals who had paid an annual membership fee of \$135 to join the Social Goods Beer Club. Licensee’s tap trailer was taken to different houses in several locations in Newberg and where Licensee provided free beer to club members.

TERMS OF AGREEMENT

1. Licensee accepts responsibility for the violation as set out in the Notice. This was Licensee’s first Category III violation within two years. Any subsequent Category III violation within the same two years will be charged at the second level. This violation will become a permanent part of each licensee’s Commission file and may be considered in any future application for any license or permit by that licensee.
2. The standard sanction for this violation is a 10-day license suspension or a \$1,650.00 civil penalty. Staff added four days of aggravation because the violation was personally committed by licensees and involved more than one patron or employee.
3. Commission staff recommended a 14-day suspension or a civil penalty of \$2,310.00 for this violation.
4. The Commission will reduce the sanction by three days. Licensee will either pay a \$1,815.00 civil penalty before 5:00 PM on October 15, 2021 **OR** serve an 11-day suspension beginning at 7:00 AM on October 22, 2021 and ending at 7:00 AM on November 2, 2021.
5. Licensee withdraws the request for a hearing.

(continue **SOCIAL GOODS MARKET**)

6. If a licensee's interest in the license expires or is transferred before the Commission issues a final order on this allegation, the licensee agrees to accept a Letter of Reprimand for this violation. This reprimand will become a permanent part of the licensee's Commission file and may be considered in any future application for any license by the licensee.
7. This agreement is conditional upon final approval of the Commission and will be reviewed by the Commissioners at their September 2021 Commission Meeting. If the 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. If the agreement is accepted and approved in its entirety by the Commission, Licensee waives any and all rights to a contested case hearing under the Administrative Procedures Act (ORS Chapter 183) and to judicial review, or to otherwise challenge this agreement and the final order and to judicial review, or to otherwise challenge this agreement and the final order.

2. Shelby D. Blevins, LLC, Co-Licensee
Shelby Blevins, Managing Member
Haritha Corporation, Co-Licensee
Nagendramma Lakireddy, President/Stkhlr
dba **TAJ PALACE INDIAN CUISINE / WALL
ST BAR**
917 NW Wall St
Bend, OR 97701

OAR 845-006-0345(6) - On or about July 4,
2020, Licensees and/or Licensees'
employees, agents or representatives
permitted patrons to take open containers of
alcohol from the licensed premises other than
permitted by law, when unsupervised patrons
took open containers of alcohol from the
elevated concrete patio abutting the premises
into the adjoining alleyway.

(1st Level Category V)

Note: Licensee was charged with this violation by
Amended Notice dated July 20, 2021. The total
proposed sanction for this violation was a five-day
suspension or \$825.00 civil penalty. Licensee now
wishes to enter into this settlement agreement.

AGGRAVATION

Staff added two days of aggravation because the violation
involved more than one patron.

SYNOPSIS: Patrons on the outdoor patio were observed carrying open pints of beer off the patio and walking down the adjoining alley with them in hand. No employee supervised activity on the patio during 15 minutes of inspector observation.

TERMS OF AGREEMENT

1. Licensee accepts responsibility for the violation as set out in the Notice. This was Licensee's first Category V violation within two years. Any subsequent Category V violation within the same two years will be charged at the second level.
2. The standard sanction for this violation is a three-day suspension or a civil penalty of \$495.00. Commission staff added two days aggravation because the violation involved more than one patron. The total proposed penalty was a five-day license suspension or an \$825.00 civil penalty.
3. The Commission will reduce the penalty by one day.
4. Licensee will either pay a \$660.00 civil penalty before 5:00 PM on October 15, 2021 **OR** serve a four-day suspension beginning at 7:00 AM on October 22, 2021 and ending at 7:00 AM on October 26, 2021.
5. This agreement is conditioned upon final approval of the Commission and will be reviewed by the Commissioners at their September 2021 meeting. If the 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. If the agreement is accepted and approved in its entirety by the Commission, Licensee waives any and all rights to a contested case hearing under the Administrative Procedures Act (ORS Chapter 183) and to judicial review, or to otherwise challenge this agreement and the final order.

3. Copper Cane, LLC
Joseph Wagner, Manager
Attn: Comp Services of America
54476 Maria Road
Myrtle Point, OR 97458
dba **COPPER CANE**
1960 St. Helena Hwy
Rutherford, CA 97573

27 CFR § 4.25(e) (3) (iv), incorporated by reference by OAR 845-010-0280 - Between about November 22, 2017 and November 20, 2018, Copper Cane, LLC (Copper Cane) or Copper Cane's employees, agents, servants, or representatives used labels that improperly claimed or implied an appellation of origin in an American Viticultural Area (AVA) within the State of Oregon on its Elouan Klamath's Kettle 2016 Pinot Noir bottles of wine (COLA TTB ID Number 17244001000302), which are sold or available for purchase by Oregon consumers, when the back label made reference to "the Rogue Basin" and discussed the attributes of pinot noir from that region, including that the Rogue Basin was a "deep fertile bowl surrounded by protective hills" that "paired with the cool, Mediterranean climate" to yield "a pinot noir with weight and elegance" and that Elouan worked "to focus these discrete elements into a unique Oregon reserve pinot noir," despite the wine not meeting the requirements for claiming an appellation of origin in the Rogue Valley AVA because it was not finished in the State of Oregon.

27 CFR § 4.25(e) (3)(iv), incorporated by reference by OAR 845-010-0280 - Between about January 9, 2017 and November 20, 2018, Copper Cane or Copper Cane's employees, agents, servants, or representatives used labels that improperly claimed or implied an appellation of origin in an AVA within the State of Oregon on its Elouan Reserve Rogue Valley 2015 Pinot Noir bottles of wine (COLA TTB ID Number 16019001000291), which are sold or available for purchase by Oregon consumers, when the front and back labels

Note: Copper Cane was charged with these violations by Amended Notice dated February 23, 2020. Commission staff recommended revocation of the Certificate of Approval for these violations. Licensee requested a hearing and now wishes to enter into this settlement agreement.

(continue **COPPER CANE**)

included the phrase “Rogue Valley,” despite the wine not meeting the requirements for claiming an appellation of origin in the Rogue Valley AVA because it was not finished in the State of Oregon.

845-007-0020(1)(a) - From about June 1, 2018 to about October 25, 2018, Copper Cane or Copper Cane’s employees, agents, servants, or representatives engaged in advertising that contained false or misleading information when it utilized display cartons, shipping cartons, and/or wine labels that stated that the grapes were from the Oregon Coast or a coastal area in Oregon when there are no grape-producing areas on the Oregon Coast for the following wine sold or available for purchase by Oregon consumers:

- 1) Elouan 2017 Rosé wine label (COLA TTB ID Number 17124001000400)
- 2) Elouan 2016 Rosé display carton displaying the words “Oregon Coast • Pinot Noir,” and/or shipping carton displaying the words “2016 Red Wine Rose Oregon Coast”
- 3) Elouan 2016 Pinot Noir display carton displaying the words “Oregon Coast • Pinot Noir,” and/or shipping carton displaying the words “Elouan Pinot Noir – Oregon Coast”

27 CFR § 4.38a and 27 CFR § 4.25(e)(3)(ii), incorporated by reference by OAR 845-010-0280 - From about June 1, 2018 to about October 25, 2018, Copper Cane or Copper Cane’s employees, agents, servants, or representatives improperly claimed or implied an appellation of origin in an AVA within the

(continue **COPPER CANE**)

State of Oregon on its bottle cartons or containers for its Elouan Pinot Noir when those bottle cartons or containers made reference to the Willamette Valley AVA, Umpqua Valley AVA, and Rogue Valley AVA, because wine cannot claim an appellation of origin from more than one AVA due to the requirement under 27 CFR § 4.25(e)(3)(ii) that 85 percent of the grapes used to make the wine have to be from an AVA to claim an appellation of origin from that AVA. A single bottle of wine cannot be made from grapes grown in three different AVAs, each making up 85% of the composition of the wine.

27 CFR § 4.38a and 27 CFR § 4.25(e)(3)(ii), incorporated by reference by OAR 845-010-0280 - On or about October 24, 2018 and/or October 25, 2018, Copper Cane or Copper Cane's employees, agents, servants, or representatives improperly claimed or implied an appellation of origin in an AVA within the State of Oregon on its bottle cartons or containers for its Elouan Rosé when those bottle cartons or containers made reference to the Willamette Valley AVA, Umpqua Valley AVA, and Rogue Valley AVA, because wine cannot claim an appellation of origin from more than one AVA due to the requirement under 27 CFR § 4.25(e)(3)(ii) that 85 percent of the grapes used to make the wine have to be from an AVA to claim an appellation of origin from that AVA. A single bottle of wine cannot be made from grapes grown in three different AVAs, each making up 85% of the composition of the wine.

(continue **COPPER CANE**)

SYNOPSIS: The Commission issued several violations against Copper Cane, the holder of a Certificate of Approval allowing it to import wine into the State of Oregon, stemming from labels on certain bottles of wine and shipping/display cartons that the Commission alleged violated the rules regarding label standards. Specifically, the Commission alleged that the labels and/or the shipping display cartons improperly implied or claimed an appellation of origin within one of Oregon's American Viticultural Areas, or were false and misleading.

TERMS OF AGREEMENT

1. Copper Cane agrees that it will not import or cause to be imported any wine products, packaging, labeling, shipping containers or other materials that are used for marketing and identification of wines manufactured by Copper Cane that contain text, pictures or other information in violation of Oregon's laws relating to wine labeling, advertising and content.
2. Copper Cane will pay \$50,000.00 to the Oregon Liquor Control Commission on or before 5:00 PM on October 15, 2021. If the Commission does not receive the full amount of on the due date, Copper Cane's CERA will be deemed permanently revoked without opportunity given for a contested case hearing.
3. Copper Cane does not by its signature below admit to any of the violations or other matters set forth in the Charging Notice. The Parties represent further that their agreement to and execution of this Agreement shall not be construed in any way as evidence that Copper Cane has committed the acts and violations set forth in the Charging Notice.
4. Copper Cane agrees to waive any and all rights to a contested case hearing in this matter under the Administrative Procedures Act (ORS Chapter 183) and to judicial review, or to otherwise challenge this agreement and any final order.
5. This agreement is conditioned upon final approval of the Oregon Liquor Control Commission and will be reviewed by the Commissioners at their September 2021 Commission Meeting. If the agreement is accepted and approved in its entirety by the Commission, the Commission will issue a final order dismissing this matter and incorporating this Agreement. If the agreement is not accepted and approved in its entirety by the Commission it is deemed null and void and Copper Cane's hearing rights, if any, will be restored.