April 17, 2009

To:

Lorraine Lee, Chairmen

Roger Hoen, Board Member

Ruth Ann Kurose, Board Member

From:

Rex Prout, Deputy Chief, Enforcement and Education Division

Subject:

Rescind LCB Interim Policy No. 01-1 Deferring Administrative Violation

Notices (AVN)

Upon review, the Enforcement Division recommends that the Board rescind LCB Interim Policy No. 01-1 — Deferring Administrative Violation Notices. The portion of the policy referring to deferrals is outdated and problematic. Practical application has shown that the routine deferral of AVNs is unnecessary based on the low reapplication by problematic licensees. Additionally there is a significant fiscal impact to pursuing what are in most scenarios moot issues.

Regarding the stated ability of the Board to dismiss violations for cause, the other subject of this policy, the Board may exercise this authority based simply on the broad authority granted under Title 66.

A limited deferral procedure for licensees with extensive public safety violation history will be addressed within the WAC review process. Until that time we will communicate closely with the Attorney General's Office to ensure appropriate actions are taken to ensure proper weight is given to violation history both at the time of business discontinuance as well as in the event of a future application of a problematic licensee.

Move to rescind LCB Interim Policy No. 01-1 Deferring AVNs -

| Approve | Not Approve | Amaine Lee |
|---------|-------------|------------------------------|
| | | Lorraine Lee, Board Chairman |
| Approve | Not | |
| | Approve | |
| | | Roger Hoen, Board Member |
| Approve | Not | |
| | Approve | · |
| · | | Ruthann Kurose, Board Member |
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