

ADMINISTRATIVE HEARINGS DIVISION
August 15, 2024

STIPULATED SETTLEMENT AGREEMENTS FOR LIQUOR LICENSING CASES

2. Secret Lounge, LLC
Alin Gruia, Member
dba **SECRET LOUNGE**
1195 Main Street
Springfield, OR 97477

(Appl. for F-COM)

OAR 845-005-0355 states, in pertinent part:

- (1) The Commission may restrict a license or service permit when:
 - (a) In the absence of a restriction, the Commission has a basis to cancel, suspend/fine or deny the license ...
 - (d) The Commission has a basis to refuse the license and the applicant or licensee has submitted a qualifying control or operating plan as good cause to overcome the refusal basis. In these circumstances the Commission shall impose as restrictions those elements of the control or operating plan that the Commission determines are essential to overcoming the refusal basis.

Note: Licensee was issued a Notice of Proposed License Restrictions dated July 17, 2024. Licensee wishes to dispose of this licensing matter by settlement agreement, including the imposition of the listed restrictions.

ORS 471.313 states, in pertinent part:

The Oregon Liquor and Cannabis Commission may refuse to issue a license, or may issue a restricted license, to any applicant under the provisions of this chapter if the Commission has reasonable ground to believe any of the following to be true:...

- (5) That there is a history of serious and persistent problems involving disturbances, lewd or unlawful activities or noise either in the premises proposed to be licensed or involving patrons of the establishment in the immediate vicinity of the premises if the activities in the immediate vicinity of the premises are related to the sale or service of alcohol under the exercise of the license privilege. Behavior which is grounds for refusal of a license under this section, where so related to the sale or service of alcohol, includes, but is not limited to obtrusive or excessive noise, music or sound vibrations; public drunkenness; fights; altercations; harassment; unlawful drug sales; alcohol or related litter; trespassing on private property; and public urination. Histories from premises currently or previously operated by the applicant may be considered when reasonable inference may be made that similar activities will occur as to the premises proposed to be licensed. The applicant may overcome the history by showing that the problems are not serious or

persistent or that the applicant demonstrates a willingness and ability to control adequately the premises proposed to be licensed and patrons' behavior in the immediate vicinity of the premises which is related to the licensee's sale or service of alcohol under the licensee's exercise of the license privilege.

(continue **SECRET LOUNGE**)

SYNOPSIS: Applicant, Secret Lounge, LLC (Alin Gruia), applied for a Full On-Premises License at a premises that has a History of Serious and Persistent Problems under the former licensee due to 30 serious incidents from August 4, 2021 to August 19, 2023, including violence, use of weapons, and DUIIs. Applicant submitted a Control Plan for the premises that included drink limits, video surveillance and recordings, security personnel on the premises, and reduced hours of alcohol sales and service. The proposed settlement and restrictions are the result of the Applicant's understanding of their responsibilities and a collaborative effort to address the issues with the premises.

TERMS OF AGREEMENT

1. This Settlement Agreement resolves only the basis for denial identified in the Notice.
2. Applicant admits to the facts described in the Notice and that OLCC has a basis to deny the Applicant's application as described in the Notice.
3. Applicant shall comply with the following restrictions upon signing this Settlement Agreement and at all times when licensed unless or until the restrictions are removed or modified by the Commission in writing:
 - a. (1) The sale and service of alcohol is prohibited from 1:00 am to 7:00 am on the same calendar day. Patron possession and consumption of alcohol is prohibited from 1:30 am to 7:00 am on the same calendar day.
 - b. (2) Patron entry and reentry is prohibited from 1:00 am to 7:00 am on the same calendar day.
 - c. (3) A patron may possess no more than one container of alcohol at one time and each container of alcohol will contain no more than 16 ounces of malt beverage, 16 ounces of cider, 6 ounces of wine, or 2 ounces of distilled spirits.
 - d. (4) After 11:00 pm daily, any drink containing distilled spirits shall not contain any malt beverage, wine, or cider, and shall contain an amount of nonalcoholic beverage that is equal to or greater than the amount of distilled spirits.
 - e. (5) Licensee and licensee's alcohol servers will use a one ounce measuring device to measure the amount of distilled spirits poured into a container intended for patron possession and consumption.
 - f. (6) When the premises is open to the public, after 6:00 pm until the close of business, licensee will have at least one DPSST-certified security guard on the premises and on-duty and will have a minimum of two DPSST security guards on the premises and on-duty between 9:00 pm and 2:30 am Thursday through Saturday nights. (Note: each night includes the following morning after 12:00 am until closing.) DPSST-security guards will evaluate each individual entering the premises for signs of intoxication and refuse entry to any person who is visibly intoxicated or disorderly. All on-duty DPSST-certified staff members must wear an outer garment that clearly displays the word "security" in a readable size

and font on the person's chest and back. DPSST-certified security guards shall work solely in the role of security to verify identification, monitor patron entrances and exits, and control disorder inside and in the immediate vicinity of the premises. The people acting in this role will not be allowed to mix, sell, or serve alcohol while on duty as DPSST-certified staff.

(continue **SECRET LOUNGE**)

- g. (7) When the premises is open to the public, from 6:00 pm to the close of business, in addition to their regular security duties, at least one DPSST-certified security person will patrol the areas adjacent to or outside the premises, including the parking lot, at least every 15 minutes to discourage loitering and illegal activity. Licensee or its employees, agents, or representatives will immediately report any violent or illegal activity observed within or outside and in the vicinity of the premises to local law enforcement.
 - h. (8) The level of lighting inside of the premises will always be sufficient to allow each person monitoring patron activity to see within a radius of at least five feet from his/her person and to be able to read common newsprint.
 - i. (9) Licensee will maintain a security video surveillance system with digital video recording capabilities sufficient to capture clear and specific legible video of all areas controlled by the licensee, including the lot adjacent to the licensed building. Licensee will maintain a copy of the surveillance footage for a minimum of 30 days and will make the video surveillance footage available and unaltered, upon request to any OLCC Inspector or law enforcement officer.
 - j. (10) Licensee will not employ or allow minor entertainers on the licensed premises.
 - k. (11) Licensee's employees, agents, or representatives will immediately report any violent or illegal activity observed within or outside the premises to law enforcement and document the activity in the bar log within 12 hours of its occurrence.
4. Upon execution and final approval of this Settlement Agreement by the Commission, Commission staff will continue to process Applicant's application in accordance with applicable statutes and rules. Any license issued pursuant to the Application will include the restrictions listed in this Settlement Agreement. Nothing in this Settlement Agreement prevents the Commission from considering facts, violations, or qualifications, currently known or unknown, that are not specifically identified in the Notice and resolved by this Settlement Agreement when processing the application, including when determining whether to issue or deny the license or impose additional restrictions.
5. Applicant accepts this Settlement Agreement without any conditions or reservations. Applicant is aware of Applicant's right to seek judicial review if this matter was not resolved through this Settlement Agreement. Applicant is aware of Applicant's right to seek judicial review of a final order issued in the matter. Applicant freely and voluntarily waives all such rights to judicial review. In full satisfaction and settlement of this matter, Applicant agrees to the Commission's issuance of a Final Order incorporating this Settlement Agreement as described in paragraph 6.
6. This Settlement Agreement is conditioned upon the final approval by the Commission and will be reviewed by the Commissioners at a commission meeting. If the Commission does not accept and approve this agreement in its entirety, it is deemed null and void, and Applicant's hearing rights, if any, will be restored. If the Commission accepts and approves this agreement in its entirety, Applicant withdraws any request for hearing.
7. If the Applicant fails to comply with any restrictions in this Settlement Agreement at any time after signing this Settlement Agreement or at any time after a license has been issued, unless the restriction has been removed or modified by the Commission in writing, the Commission may do any or a combination of the following: deny the application, impose civil penalties, suspend, or revoke the license issued to Applicant

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under this Settlement Agreement. If OLCC notifies Applicant that Applicant has violated this Settlement Agreement, Applicant will be given the opportunity to contest whether or not Applicant violated the Settlement Agreement in a contested case proceeding. Applicant may not contest the facts or the basis for the denial contained in the Notice or the appropriateness of OLCC's decision to deny, suspend, or revoke the license or to impose civil penalties.

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. Applicant 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. Applicant is an Oregon limited liability company (LLC). Alin Gruia is a member of Applicant. Applicant represents and warrants that Alin Gruia individually has the authority to enter into this Settlement Agreement and bind Applicant on its behalf. This agreement is binding upon Applicant, its agents, employees, representatives, shareholders, directors, officers, successors, and any and all persons or entities acting in concert or participation with or for it.
11. The parties agree that this Settlement Agreement and Final Order 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 July 28, 2024, or this settlement offer is deemed withdrawn.