

ADMINISTRATIVE HEARINGS DIVISION

July 18, 2024

STIPULATED SETTLEMENT AGREEMENTS - LIQUOR VIOLATION CASES

- 1. Dari-Mart Stores, Inc.  
 Marilyn Straube, President/Director  
 Gary Straube, Director  
 Kathleen Gibson, VP/Director  
 Kurt Straube, VP/Director  
 Joseph Gibson, Secretary/Dir  
 Oliver Gibson, Director  
 Michael Gibson, Director  
 Kimberly Gibson, Director  
 Scott Gibson, Director  
 Stephanie Gibson, Director  
 Janet Gibson, Director  
 Elizabeth Gibson, Director  
 Julie Gibson, Director  
 Christopher Gibson, Director  
 Kristine Olmsted, Director  
 Erica Olmsted, Director  
 Jock Gibson, Director  
 dba **DARI MART STORE # 13 (O)**  
 440 SW Western Blvd  
 Corvallis, OR 97330

OAR 845-006-0335(1)(a)(b)(c) – On or about September 20, 2023, Licensee’s employee, agent, or representative Kennedy Leach failed to verify the age of a minor before allowing her to buy or be served an alcoholic beverage, when she reasonably appeared to be under 26 years of age.

(1<sup>st</sup> Level Category II(b))

Note: Licensee was charged with this violation by Notice dated May 7, 2024. 12-day license suspension or a \$3,000.00 civil penalty Licensee requested a hearing and now wishes to enter into this settlement agreement.

**AGGRAVATION**

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

**TERMS OF AGREEMENT**

- 1. Licensee accepts responsibility for the violation as set out in the Notice. This was Licensee’s first Category II(b) violation within two years. Any subsequent Category II(b) violation within the same two years will be charged starting 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 the licensee.
- 2. The standard sanction for the violation is a 10-day license suspension or a civil penalty of \$2,500.00. Commission staff added two days aggravation because Licensee had previously been allowed to purchase age verification equipment as an offset to a penalty for a previous failure to verify the age of a minor. The total proposed penalty was a 12-day license suspension or a \$3,000.00 civil penalty.
- 3. The Commission will reduce the penalty for the violation by three days.
- 4. Licensee will either pay a \$2,250.00 civil penalty before 5:00 PM on August 15, 2024, **OR** serve a nine-day suspension beginning at 7:00 AM on August 22, 2024, and ending at 7:00 AM on August 31, 2024.
- 5. Licensee withdraws the request for hearing.

(continue **DARI MART STORE # 13**)

6. If a licensee's interest in the license expires or is transferred before the Commission issues a final order on this incident, the licensee agrees to accept a Letter of Reprimand for the 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 or permit by the licensee.
7. This agreement is conditioned upon final approval of the Commission and will be reviewed by the Commissioners at their July 2024 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.

2. Oard's Gallery & Service, LLC  
Sheila Pollreisz, Managing Member  
dba **OARD'S GALLERY AND  
SERVICE (L)**  
42456 Hwy 20 E  
Burns, OR 97720

OAR 845-006-0335(1)(a)(b)(c) – On or about February 11, 2024, Licensee Sheila Pollreisz 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.

(1<sup>st</sup> Level Category II(b))

OAR 845-006-0335(1)(a)(b)(c) – On or about March 20, 2024, Licensee Sheila Pollreisz 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.

(2<sup>nd</sup> Level Category II(b))

Note: Licensee was charged with these violations by Notice dated May 1, 2024. The total proposed penalty was a 44-day license suspension; Licensee was given the option to pay a \$7,950.00 civil penalty in lieu of 42 days of suspension, with the remaining two days mandatory.

**AGGRAVATION**

Commission staff added two days aggravation to each violation because Licensee was personally involved in the violations.

**TERMS OF AGREEMENT**

1. Licensee accepts responsibility for the violations as set out in the Notice. These were Licensee's first and second Category II(b) violations within two years. Any subsequent Category II(b) violation within the same two years will be charged starting at the third level. These violations 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 the licensee.
2. The standard sanction for Violation Number One is a 10-day 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 added two days aggravation to each violation because Licensee was personally involved in the violations. The total proposed penalty was a 44-day license suspension; Licensee was given the option to pay a \$7,950.00 civil penalty in lieu of 42 days of suspension, with the remaining two days mandatory.
3. Licensee will have the option to install age verification equipment (AVE) by August 1, 2024. In the event Licensee installs AVE, Licensee will utilize the equipment to verify the age of every patron who reasonably appears to be under 26 years of age. All alcohol sales will be run through registers at which age verification equipment is installed. Installation of age verification equipment that meets all standards set forth in this agreement and in OAR 845-009-0140(2) is done in lieu of 10 days of the suspension or \$2,500.00 of the civil penalty for Violation Number One.
4. The Commission will reduce the sanction for Violation Number Two by nine days.
5. If AVE is installed by August 1, 2024, and certified by Commission staff to meet all the standards identified in OAR 845-009-0140(2) by 5:00PM on August 10, 2024, Licensee will then pay a \$4,295.00 civil penalty before 5:00 PM on August 15, 2024, or serve a 25-day license suspension beginning at 7:00 AM on August 22, 2024, and ending at 7:00 AM on September 16, 2024.

(continue **OARD'S GALLERY AND SERVICE**)

6. If AVE is not installed by August 1, 2024, or AVE that meets all the standards identified in OAR 845-009-0140(2) is not in use by August 10, 2024, Licensee will either pay a \$6,795.00 civil penalty before 5:00 PM on August 15, 2024, **OR** serve a 44-day suspension beginning at 7:00 AM on August 22, 2024, and ending at 7:00 AM on October 5, 2024.
7. Licensee withdraws the request for hearing.
8. Licensee understands that it is eligible for a credit for installation of AVE only one time, that the equipment is expected to remain in good order, and that the equipment must be used for as long as Licensee has a liquor license at this premises. Licensee understands that failure to use the equipment, whether by human error or malfunction in future violations, may result in increased penalties and, if applicable, removal from the Responsible Vendor Program.
9. If a licensee's interest in the license expires or is transferred before the Commission issues a final order on this incident, the licensee agrees to accept a Letter of Reprimand for the 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 or permit by the licensee.
10. This agreement is conditioned upon final approval of the Commission and will be reviewed by the Commissioners at their July 2024 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. Tiga San Sushi, LLC  
Ibong Subagdja, Member  
Inyoman Tunas, Member  
Djoko Handojo, Member  
dba **SAN SUSHI & TERIYAKI (F-COM)**  
60 Gateway Blvd  
Cottage Grove, OR 97424

OAR 845-006-0335(1)(a)(b)(c) – On or about August 4, 2023, Licensee Ibong Subagdja 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.

(1<sup>st</sup> Level Category II(b))

OAR 845-006-0335(1)(a)(b)(c) – On or about November 17, 2023, Licensee’s employee, agent, or representative Senny Prasetyo 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.

(2<sup>nd</sup> Level Category II(b))

Note: Licensee was charged with these violations by Notice dated May 22, 2024. The total proposed sanction was a 42-day suspension or a \$7,950.00 civil penalty. Licensee requested a hearing and now wishes to enter into this settlement agreement.

**AGGRAVATION**

Commission staff proposed adding two days of aggravation because Licensee personally committed Violation Number One.

**TERMS OF AGREEMENT**

1. Licensee accepts responsibility for Violations Number One and Number Two as set out in the Notice. Violations Number One and Number Two were Licensee’s first and second Category II(b) violations within two years. Any subsequent Category II(b) violation within the same two years will be charged starting at the third level. These violations 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 the licensee.
2. The standard sanction for Violation Number One is a 10-day 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 proposed adding two days of aggravation because Licensee personally committed Violation Number One. The total proposed sanction was a 42-day suspension or a \$7,950.00 civil penalty.
3. The Commission will reduce the sanction by twelve days.
4. Licensee will pay a \$5,715.00 civil penalty before 5:00 PM on August 15, 2024 **or** serve a 30-day suspension beginning at 7:00 AM on August 22, 2024 and ending at 7:00 AM on September 21, 2024.
5. Licensee withdraws the request for hearing.
6. If a licensee’s interest in the license expires or is transferred before the Commission issues a final order on these allegations, that licensee agrees to accept a Letter of Reprimand for these violations. This reprimand will become a permanent part of the licensee’s Commission file and may be considered in any future application for any license or permit by that licensee.
7. This agreement is conditioned upon final approval of the Commission and will be reviewed by the Commissioners at their July 2024 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.

4. Farmers Supply Cooperative[<sup>1</sup>]  
Curtis Hickey, President  
Mike Recla, Vice President  
Ken Laubacher, Secretary  
Ray Turnbull, Director  
James Schram, Director  
dba **FARMERS SUPPLY COOP (O)**  
514 SW 4<sup>th</sup> Ave  
Ontario, OR 97914

OAR 845-006-0335(1)(a)(b)(c) – On or about August 26, 2023, Licensee’s employee, agent, or representative Dayton Barto 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.

(1<sup>st</sup> Level Category II(b))

Note: Licensee was charged with this violation by Notice dated May 14, 2024. The total proposed penalty was a 12-day license suspension or a \$3,000.00 civil penalty. Licensee requested a hearing and now wishes to enter into this settlement agreement.

### **AGGRAVATION**

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

### **TERMS OF AGREEMENT**

1. Licensee accepts responsibility for the violation as set out in the Notice. This was Licensee’s first Category II(b) violation within two years. Any subsequent Category II(b) violation within the same two years will be charged starting 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 the licensee.
2. The standard sanction for the violation is a 10-day license suspension or a civil penalty of \$2,500.00. Commission staff added two days aggravation because Licensee had previously been allowed to purchase age verification equipment as an offset to a penalty for a previous failure to verify the age of a minor. The total proposed penalty was a 12-day license suspension or a \$3,000.00 civil penalty.
3. The Commission will reduce the penalty for the violation by three days.
4. Licensee will either pay a \$2,250.00 civil penalty before 5:00 PM on August 15, 2024, **OR** serve a nine-day suspension beginning at 7:00 AM on August 22, 2024, and ending at 7:00 AM on August 31, 2024.
5. Licensee withdraws the request for hearing.
6. If a licensee’s interest in the license expires or is transferred before the Commission issues a final order on this incident, the licensee agrees to accept a Letter of Reprimand for the 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 or permit by the licensee.
7. This agreement is conditioned upon final approval of the Commission and will be reviewed by the Commissioners at their July 2024 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.

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<sup>1</sup> The caption in this Stipulated Settlement Agreement (Agreement) reflects the officers/directors of Licensee at the time of the execution of this Agreement. Any differences in the parties listed in the caption in the Notice of Proposed Suspension / Civil Penalty reflect Licensee of Record’s officers/directors at the time of the charged violation.

5. 2 Hovs and a Tubbs, LLC  
Brian Hovelsrud, Managing Member  
Stacey Hovelsrud, Member  
Alex Hovelsrud, Member  
Jason Crow, Member  
dba **THE BARN AT HICKORY  
STATION (L)**  
640 Hickory St NW  
Albany, OR 97321

ORS 471.360(1)(a) and (b) – From about March 10, 2022, to about June 28, 2023, Licensee permitted its employee, agent, or representative Madison Rowe to mix, sell, or serve alcoholic beverages, or supervise those who do, without a valid service permit issued by the Commission.

(1<sup>st</sup> Level Category III)

OAR 845-006-0335(1)(a)(b)(c) – On or about June 28, 2023, Licensee’s employees, agents, or representatives Madison Rowe and Jadyn Bellis 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.

(1<sup>st</sup> Level Category II(b))

Note: Licensee was charged with these violations by Amended Notice dated June 26, 2024. The total proposed penalty was a 24-day suspension or a \$4,980.00 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 Violation Number One involved employee, Madison Rowe, working without a permit for more than six months. Commission staff proposed adding two days of aggravation to Violation Number Two because the violation involved more than one employee.

**SYNOPSIS:** A service permit violation was discovered during Minor Decoy Operation which involved two employees in the sale and service of the alcoholic beverage to the minor decoy. Employee Rowe was hired without a service permit and served without one at the premises for over six months. Because more than one employee was involved in the Minor Decoy Operation the penalty was aggravated, and was a basis for Licensee’s removal from the Responsible Vendor Program.

### **TERMS OF AGREEMENT**

1. Licensee accepts responsibility for Violations Number One and Number Two as set out in the Notice and accepts removal from the Responsible Vendor Program. Violation Number One was Licensee’s first Category III violation. Violation Number Two was Licensee’s first Category II(b) violation. Any subsequent Category III or Category II(b) violations within the same two years will be charged starting at the second level.
2. Commission Staff proposed the standard sanction of a 10-day suspension or a civil penalty of \$1,650.00 for Violation Number One and a 10-day suspension or a civil penalty of \$2,500.00 for Violation Number Two. Commission staff proposed adding two days of aggravation because Violation Number One involved employee, Madison Rowe, working without a permit for more than six months. Commission staff proposed adding two days of aggravation to Violation Number Two because the violation involved more than one employee. The total proposed sanction was a 24-day suspension or a \$4,980.00 civil penalty, and removal from the Responsible Vendor Program.
3. Licensee will have the option to install age verification equipment (AVE) by August 1, 2024. In the event Licensee installs AVE, Licensee will utilize the equipment to verify the age of every patron who reasonably appears to be under 26 years of age. All alcohol sales will be run through registers at which age verification equipment is installed. Installation of age verification equipment that meet all standards set forth in this agreement and in OAR 845-009-0140(2) is done in lieu of 10 days of the suspension or \$2,500.00 of the civil penalty for Violation Number Two.
4. The Commission will reduce the sanction for Violation Number One by three days.

(continue **THE BARN AT HICKORY STATION**)

5. If AVE is installed by August 1, 2024 and certified by Commission staff to meet all the standards identified in OAR 845-009-0140(2) by August 10, 2024, Licensee will pay a \$1,985.00 civil penalty before 5:00 PM on August 15, 2024 **or** serve an 11-day suspension beginning at 7:00 AM on August 22, 2024 and ending at 7:00 AM on September 2, 2024.
6. If AVE is not installed by August 1, 2024, or AVE that meets all the standards identified in OAR 845-009-0140(2) is not in use by August 10, 2024, Licensee will pay a \$4,485.00 civil penalty before 5:00 PM on August 15, 2024 **or** serve a 21-day suspension beginning at 7:00 AM on August 22, 2024 and ending at 7:00 AM on September 12, 2024.
7. Licensee understands that it is eligible for a credit for installation of AVE only one time, that the equipment is expected to remain in good order, and that the equipment must be used for as long as Licensee has a liquor license at this premises. Licensee understands that failure to use the equipment, whether by human error or malfunction, in future violations may result in increased penalties and, if applicable, removal from the Responsible Vendor Program.
8. Licensee withdraws the request for hearing.
9. If a licensee's interest in the license expires or is transferred before the Commission issues a final order on these allegations, that licensee agrees to accept a Letter of Reprimand for these violations. This reprimand will become a permanent part of the licensee's Commission file and may be considered in any future application for any license or permit by that licensee.
10. This agreement is conditioned upon final approval of the Commission and will be reviewed by the Commissioners at their July 2024 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.



6. El Palacio Mexican Restaurant & Cantina, LLC  
Carlos Faiers, Managing Member  
dba **EL PALACIO (F-COM)**  
601 Main St.  
Klamath Falls, OR 97601

OAR 845-005-0355(5) – On January 25, 2018, restrictions were put on your license. On September 25, 2019, the Commission modified the restrictions on your license. Both the restrictions and the modified restrictions contained the following Restriction #4:  
“Licensee will not allow Antonio Cisneros ... to be on the licensed premises at any time.” On or about September 6, 2023, Licensee failed to exercise license privileges in compliance with this restriction when Antonio Cisneros was found on the licensed premises.

Note: Licensee was charged with these violations by Notice dated November 8, 2023. Commission staff originally proposed the standard penalty of license cancellation for these violations.

(Category I)

OAR 845-005-0355(5) – On January 25, 2018, restrictions were put on your license. On September 25, 2019, the Commission modified the restrictions on your license. Both the restrictions and the modified restrictions contained the following Restriction #4:  
“Licensee will not allow Antonio Cisneros ... to be on the licensed premises at any time.” On or about May 21, 2023, and June 21, 2023, and July 15, 2023, Licensee failed to exercise license privileges in compliance with this restriction when Antonio Cisneros was observed at the licensed premises.

(Category I)

**SYNOPSIS:** In January 2018, Licensee Carlos Faiers agreed to a license with restrictions under a Stipulated Settlement Agreement with the Commission. The restrictions included a prohibition against the previous licensee, Licensee’s father, Antonio Cisneros, being on the licensed premises or taking part in the operation or management of the business or to provide services to the business. The restrictions were based on a finding of a History of Serious and Persistent Problems at the premises in 2017 while Antonio Cisneros was a Licensee. Licensee previously violated the restrictions by allowing Antonio Cisneros on the premises in 2020. On multiple dates in 2023, Antonio Cisneros was observed leaving the licensed premises or his vehicle was observed in the premises’ s parking lot. In September 2023, OLCC Inspectors observed and then interviewed Antonio Cisneros and Licensee Faiers inside the premises at the same time; both admitted that Antonio Cisneros’ being at the business premises was in violation of the license restrictions. Antonio Cisneros also stated that he worked and assisted Licensee Faiers at the premises.

### **TERMS OF AGREEMENT**

1. Licensee admits to the facts described and accepts responsibility for the violations as set out in the Notice. These were Licensee’s second and third Category I violations. The first occurred on or about November 20, 2020. These violations 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.

(continue **EL PALACIO**)

2. This Settlement Agreement resolves only the violations identified in the Notice.
3. Commission staff originally proposed the standard penalty of license cancellation for these violations.
4. Licensee will surrender its license no later than 7:00 AM on July 30, 2024.
5. Each licensee agrees to accept a letter of reprimand for the violations specified above. This letter of reprimand will become 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 withdraws the request for a hearing.
7. If a licensee's interest in the license expires or is transferred before the Commission issues a final order on the violations, the licensee agrees to accept a Letter of Reprimand for the violations. This reprimand will become 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.
8. This agreement is conditioned upon final approval of the Commission and will be reviewed by the Commissioners at their July 2024 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 182) and to judicial review, or to otherwise challenge this agreement and the final order.
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 is a member-managed limited liability corporation. Carlos Faiers is the managing member of Licensee. Licensee represents and warrants that Carlos Faiers individually has the authority to enter into this Settlement Agreement and bind Licensee on its behalf. This agreement is binding upon Licensee, its agents, employees, representatives, shareholders, directors, officers, successors, and any and all persons or entities acting in concert or participation with or for it.
12. 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.
13. The Settlement Agreement must be signed and received by the Commission by June 28, 2024 or this settlement offer is deemed withdrawn.