

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
DEPARTMENT OF BUSINESS REGULATION
233 RICHMOND STREET
PROVIDENCE, RHODE ISLAND 02903

IN THE MATTER OF:

ESTLIN, INC. D/B/A GROUCHO'S

RESPONDENT.

DBR No. 07-L-0249

CONSENT AGREEMENT

It is hereby agreed between the Department of Business Regulation ("Department") and Estlin, Inc. d/b/a Groucho's ("Respondent") as follows:

1. Respondent holds a Class B license for the retail sale of alcoholic beverages pursuant to R.I. Gen. Laws § 3-7-7.

2. R.I. Gen. Laws § 3-5-21 provides that every license is subject to revocation or suspension and a licensee is subject to fine by the Department, on its own motion, for breach by the holder of the license of the conditions on which it was issued or for violation by the holder of the license of any statute, rule or regulation applicable.

3. R.I. Gen. Laws § 3-7-18 provides:

All holders of retail licenses except retail Class G licenses shall purchase beverages for sale under their licenses only from the holder or holders of wholesale licenses under this title.

4. R.I. Gen. Laws § 3-5-12 provides, in pertinent part:

Only beverages which have been legally manufactured and on which all taxes and charges, federal and state, have been paid, shall be kept for sale or sold by a licensee.

5. Rule 20 of *Commercial Licensing Regulation 8 -- Liquor Control*

Administration provides:

All wholesaler deliveries of alcoholic beverages to a retail licensee shall be accompanied by an invoice of sale and/or delivery slip which shall bear as its date the date of delivery of such alcoholic beverages.

6. Rule 30 of *Commercial Licensing Regulation 8 - Liquor Control*

Administration provides, in pertinent part:

All licensees holding Class A, B, B-L, B-T, B-M, C, D, D-L, E, ED, or J licenses will preserve, as part of their records, the consignor's bills or sales slips showing each purchase of alcoholic beverages made by the licensee. These records on the forms of the consignors will be kept by the licensees at their licensed premises for one (1) year from the dated of each bill of sale or sales slip, and shall at all times be available for inspection by local licensing authorities and/or the Department. For purposes of this regulation, photocopies of the original of said invoices are acceptable.

7. Rule 38 of *Commercial Licensing Regulation 8 - Liquor Control*

Administration provides, in pertinent part:

Possession of unauthorized alcoholic beverages in a licensed premise by the licensee or any of his employees shall be presumptive evidence that said beverages are for sale by the licensee and may result in suspension or revocation of the license.

8. On May 3, 2007 an inspector of the Department found on Respondent's premises alcoholic beverages that were not purchased in accordance with the above-referenced statutes and regulations.

9. Based on the foregoing, the Department has reason to believe that Respondent violated R.I. Gen. Laws §§ 3-7-18 and Rules 20, 30, and 38 of *Commercial Licensing Regulation 8 - Liquor Control Administration*.

10. The Department has sufficient cause to impose an administrative penalty pursuant to R.I. Gen. Laws § 3-5-21.

11. In an effort to resolve the above-referenced violation and allow Respondent to maintain its license in good-standing, Respondent agrees to the following:

- A. Respondent understands that the Department is charged with protecting the public by ensuring that its Licensees are competent and trustworthy and are reasonably familiar with the statutes and law relating to the sale of alcoholic beverages.
- B. Respondent shall comply with all terms and requirements for licensure under R.I. Gen. Laws §§ 3-5-1, *et seq.* and 3-7-1, *et seq.*, and *Commercial Licensing Regulation 8 - Liquor Control Administration*.
- C. Respondent acknowledges that a failure to comply with all terms and requirements for licensure as described in paragraph 11(B) may result in the revocation of Respondent's license.
- D. Respondent agrees to cease and desist from any activity requiring licensure as a Class B retailer, pursuant to R.I. Gen. Laws § 3-7-7, on September 30, 2007.
- E. Respondent shall pay a fine (payable to the General Treasurer, State of Rhode Island) in the amount of One Thousand Seven Hundred and Fifty Dollars (\$1,750.00) to be paid as follows:
 - \$750.00 to be paid at the execution of this order;
 - \$500.00 to be paid on October 1, 2007;

- \$500.00 to be paid on November 1, 2007.

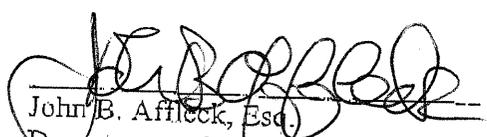
F. Respondent voluntarily waives its right to the hearing process, voluntarily waives its right to appeal to Superior Court, admits that the allegations in Paragraph 8, *supra*, are true, and agrees to take all necessary action as delineated in this Consent Agreement in order to maintain its license in good-standing.

12. If Respondent does not comply with the terms of this Consent Agreement, the Department reserves its right to revoke Respondent's license pursuant to R.I. Gen. Laws §§ 3-5-1, *et seq.*, §3-5-21 and §42-35-9.

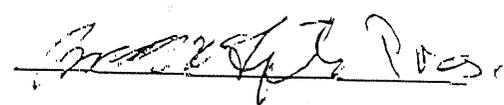
[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

THE DEPARTMENT AND RESPONDENT HEREBY CONSENT AND AGREE TO THE FOREGOING AS TO FORM AND SUBSTANCE:

Department of Business Regulation
By its Legal Counsel:


John B. Affleck, Esq.
Department of Business Regulation

Respondent
By:


Estlin, Inc. d/b/a Groucho's

Date: 9-28-07

Date: 9-27-07