

**THE DISTRICT OF COLUMBIA  
ALCOHOLIC BEVERAGE CONTROL BOARD**

Kraken 3400, LLC t/a Kraken Axes	)	Case Nos.:	18-CMP-00106
	)		18-CMP-00180
Application for a New Retailer's Class CT License	)	License No.:	ABRA-109296
	)	Board Order No.:	2018-525
	)		
at premises	)		
3400 A Georgia Avenue, N.W.	)		
Washington, D.C., 20010	)		

**BEFORE:** Donovan Anderson, Chairperson  
Nick Alberti, Member  
James Short, Member  
Donald Isaac, Sr., Member  
Bobby Cato, Member  
Rema Wahabzadah, Member

**ALSO PRESENT:** Andrew Kline, Counsel, on behalf of Kraken 3400, LLC, t/a  
Kraken Axes, Applicant

Martha Jenkins, General Counsel  
Alcoholic Beverage Regulation Administration

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**CONSENT ORDER**

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In Board Order No. 2018-479, Kraken 3400, LLC, t/a Kraken Axes, (Kraken Axes) (hereinafter the "Applicant") was directed to appear before the Alcoholic Beverage Control Board (Board), located at the Reeves Center, 2000 14th Street, N.W., Suite 400, Washington, D.C., on August 15, 2018, at 1:30 p.m. to demonstrate its qualifications for licensure. *In re Kraken 3400, LLC, t/a Kraken Axes and D.C. Fieldhouse, LLC, t/a D.C. Fieldhouse*, ABRA License Nos. 109296, 110012, Board Order No. 2018-479, 1 (D.C.A.B.C.B. Aug. 1, 2018) [*In re Kraken*].

In order to resolve the issues and concerns raised by the Board, the Applicant and the Board, pursuant to D.C. Official Code § 2-509(a), are in agreement that the following conditions resolve the matter and satisfy the public interest in the operation of safe and lawful licensed establishments.

## ORDER

Therefore, the Board, on this 26th day of September 2018, hereby **APPROVES** the application filed by the Applicant and by the authority granted by D.C. Official Code § 25-104(e), imposes the following terms and conditions on the license:

1. The Applicant waives the right to appeal and judicial review of this Order.
2. Under the authority granted by D.C. Official Code § 25-823(a), Anna Valero, and the Applicant, Kraken Axes, agrees to a staff settlement to resolve the violations alleged in Case Report Nos. 18-CMP-00106 and 18-CMP-00180. The terms of the staff settlement are as follows:
  - a. On April 12, 2018 and April 13, 2018, the Applicant is alleged to have engaged or permitted another party to engage in the illegal sale or service of alcohol or otherwise permitted the consumption of alcohol on the premises in violation of D.C. Code § 25-102 and 23 DCMR § 213.2. The Applicant, as an Offer in Compromise, shall agree to two counts of violating D.C. Official Code § 25-102 and 23 DCMR § 213.2, which shall be deemed first level primary tier violations. In order to resolve the violations, the Applicant shall pay a fine of \$2,000 for each offense.
  - b. On April 12, 2018 and April 13, 2018, the Applicant is alleged to have held or permitted another party to host events and invited members of the public onto the premises, and stored alcohol at the premises even though the premises lacked an appropriate Certificate of Occupancy in violation of D.C. Official Code § 25-823(a)(1). The Applicant shall, as an Offer in Compromise, agree to two counts of violating D.C. Official Code § 25-823(a)(1), which shall be deemed first level primary tier violations. In order to resolve the violations, the Applicant shall pay a fine of \$2,000 for each offense.
  - c. On April 12, 2018 and April 13, 2018, the Applicant is alleged to have interfered or attempted to interfere with an investigation in violation of D.C. Official Code § 25-823(a)(5). The Applicant, as an Offer in Compromise, shall agree to two counts of violating D.C. Official Code § 25-823(a)(5), which shall be deemed first level primary tier violations. In order to resolve the violations, the Applicant shall pay a fine of \$2,000 for each offense.
  - d. In total, the Applicant shall pay a fine of \$12,000. The violations shall be attached solely to the license of Kraken Axes. The Applicant shall be deemed to have two primary tier violations on its license.
  - e. All other alleged violations stemming from the above mentioned case reports shall not be referred for prosecution to the District of Columbia Office of the Attorney General and the matter shall be deemed resolved.



- f. All issues regarding the Applicant's compliance with D.C. Official Code § 25-301(a)(1) and 23 DCMR § 401.1 stemming from the above mentioned case reports shall be deemed resolved.
    - g. The Application filed by Kraken Axes shall be reviewed and approved, and the license issued in accordance with the law so long as the Applicant satisfies all remaining requirements imposed by Title 25 of the D.C. Official Code.
3. ABRA shall not issue any licenses, including temporary licenses to Anna Valero, the Applicant, or any entity under their joint or individual ownership or control until all fines owed to ABRA are paid in full.
4. The Applicant agrees that five (5) stayed suspension days shall go into effect for any primary tier violation found to have been committed within one (1) year from the issuance of the license.
5. The Applicant shall not allow or permit an event to occur where alcohol will be sold, served, or consumed unless a valid Certificate of Occupancy has been issued and remains in good standing for such premises. This condition applies to the entirety of the District of Columbia and is not limited to the business locations identified in any application filed by the Applicant.
6. The Applicant agrees to submit a current Certificate of Occupancy (COO) with any application for a temporary license filed with the Board. This condition may also be waived by the Board on a case-by-case basis for good cause (e.g., federal property that lacks a COO or outdoor property for which no COO might be required).
7. Anna Valero and the Applicant agree not to have a direct or indirect ownership interest in District Still, LLC, Foggy Bottom, LLC, or any other D.C. licensed off-premise retailer so long as the parties hold a direct or indirect ownership interest in an on-premise retail license in accordance with D.C. Official Code § 25-303. Anna Valero and the Applicant agree not to permit any person or entity that directly or indirectly controls or owns a D.C. licensed off-premise retailer to hold a direct or indirect ownership interest in any on-premise retail license held by the parties. Anna Valero agrees not to become an agent or employee of District Still, LLC, or Foggy Bottom, LLC, or purchase alcohol for those entities. Anna Valero further agrees not to share the profits from the sale of alcohol with any third party in accordance with Title 25 of the D.C. Official Code. Nothing herein shall preclude or prohibit the payment of percentage rent required by any lease.
8. Anna Valero and the Applicant agree not to store any alcohol on the licensed premises owned or controlled by a third party. The parties also agree to only store alcohol on their licensed premises or any other location approved by the Board.
9. The Applicant shall file and comply with the terms of a security plan and install security cameras that provide clearly visible video footage for any area of the establishment

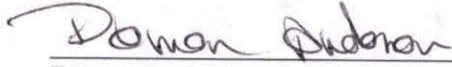
accessible to the public in accordance with D.C. Official Code §§ 25-113, 25-402, and 25-403.

10. The Applicant agrees that should any other license be issued or operate on the same property where the Applicant has been licensed, the Applicant shall take steps to reasonably separate the premises controlled by the separate business. This provision shall be deemed satisfied if the licensed premises operate on separate floors of the same building or are otherwise separated by a wall.
11. After the issuance of this Order, the Board agrees not to consider Case Report Nos. 18-CMP-00106 or 18-CMP-00180 in determining whether to issue a temporary license to Anna Valero or the Applicant.
12. Anna Valero and the Applicant agree not to allow or permit a caterer to host an event at any property under their individual or joint direction or control without first entering into or possessing a written catering contract that identifies the parties, the caterer and its license number, the date and location of the event, the type of food and beverages provided, and the amount charged for each. The catering contract shall be kept on site during the event and made available for review upon the request of any ABRA official, a police official, or the Board. The parties agree to maintain such contracts in their records and make them available to ABRA or the Board for inspection within 3 business days upon request.
13. Anna Valero and the Applicant may petition the Board to have any or all of the conditions imposed by this Order lifted upon good cause shown.

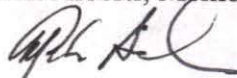
A copy of this Order shall be provided to the Applicant.

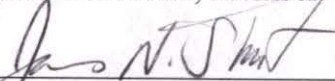


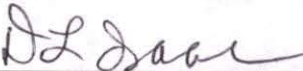
District of Columbia  
Alcoholic Beverage Control Board

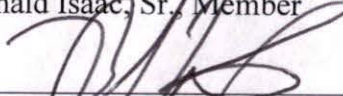
  
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Donovan Anderson, Chairperson

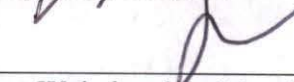
  
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Nick Alberti, Member

  
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Mike Silverstein, Member

  
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James Short, Member

  
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Donald Isaac, Sr., Member

  
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Bobby Cato, Member

  
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Rema Wahabzadah, Member

Under 23 DCMR § 1719.1, any party adversely affected may file a Motion for Reconsideration of this decision within ten (10) days of service of this Order with the Alcoholic Beverage Regulation Administration, Reeves Center, 2000 14th Street, NW, 400S, Washington, D.C. 20009.

Also, under section 11 of the District of Columbia Administrative Procedure Act, Pub. L. 90-614, 82 Stat. 1209, D.C. Official Code § 2-510 (2001), and Rule 15 of the District of Columbia Court of Appeals, any party adversely affected has the right to appeal this Order by filing a petition for review, within thirty (30) days of the date of service of this Order, with the District of Columbia Court of Appeals, 500 Indiana Avenue, N.W., Washington, D.C. 20001. However, the timely filing of a Motion for Reconsideration under 23 DCMR § 1719.1 (2008) stays the time for filing a petition for review in the District of Columbia Court of Appeals until the Board rules on the motion. See D.C. App. Rule 15(b) (2004).