



## **Quick Guide: Amending or Terminating Settlement Agreements**

In the District of Columbia, an applicant for an alcoholic beverage license and potential objectors to the application may settle the dispute in the form of a settlement agreement. Once approved by the Alcoholic Beverage Control Board (Board), a settlement agreement places restrictions on the operations of a licensed establishment. Parties to a settlement agreement are entitled to change or terminate the agreement if the parties come to a mutual agreement and notify the Board of the proposed change or termination.

If the parties cannot agree on amending or terminating an existing settlement agreement, a licensee may request that the Board amend or terminate the agreement so long as the licensee fulfills certain conditions.

### **LAW**

The law governing the amendment and termination of settlement agreements may be found in section 446 of the District of Columbia Official Code Title 25.

### **ELIGIBILITY**

A licensee may only apply to have its agreement unilaterally amended or terminated by the Board under the following circumstances:

- (1) The agreement is at least four years old from the date the Board originally approved the agreement;
- (2) The request is received during the licensee's renewal period; and
- (3) The request is filed with the licensee's renewal application.

In addition, before the petition is submitted to the Board, the licensee must show that it made a good faith effort to negotiate an amendment to the settlement agreement with the other parties. Therefore, licensees must prove the following at the time the application is filed:

- (1) He or she made a diligent effort to locate the other parties to the agreement; and

- (2) If the other parties are located, the licensee made a good faith effort to negotiate an amended settlement agreement.

## **APPLICATION PROCESS**

In order to request the unilateral amendment or termination of a settlement agreement, a licensee must complete and submit a Petition to Unilaterally Amend or Terminate a Settlement Agreement form.

The petition must be submitted with a renewal application and include the settlement agreement or settlement agreements to be amended or terminated.

Petitions filed after a licensee's renewal date may be rejected by the Board. Therefore, it is important that this form be filed in a timely fashion.

Finally, the Board treats this type of request as a substantial change. Upon receipt of a completed petition, the Board will provide public notice of the request and give the public an opportunity to object to the petition in the form of a protest.

## **QUALIFICATIONS**

In order to approve a petition, a licensee must show the following:

- (1) The licensee made a diligent effort to locate and contact the other parties to the settlement agreement;
- (2) If all parties to the agreement are located, then the licensee must show it made a good faith effort to negotiate an amended settlement agreement, or that the other parties refused to negotiate an amended settlement agreement;
- (3) The need for the amendment or termination of the agreement is caused by circumstances beyond the control of the licensee or due to a change in the neighborhood where the establishment is located; and
- (4) The request for an amendment or termination of the agreement will not have an adverse impact on the neighborhood.

## **DOCUMENTATION**

A licensee should document its attempts to negotiate an amended settlement agreement. Therefore, ABRA recommends:

- (1) Licensees use certified mail or email to document attempts to contact the other parties.
- (2) Licensees maintain records of all written correspondence with the other parties when attempting to negotiate an amended settlement agreement.

## **CONTACT ABRA**

For more information, visit [ABRA.DC.Gov](http://ABRA.DC.Gov) or contact ABRA at 202-442-4423 or [ABRA@DC.Gov](mailto:ABRA@DC.Gov).