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Sales to Minors – an Issue of Brain Damage

By Earl Dorius

You have probably noticed from past issues of this newsletter that most of the alcohol violations committed by our licensees have involved the unlawful sale to minors. Indeed, during the past year, 84 out of the 141 cases adjudicated by the commission involved sales to minors. The commissioners are concerned about this trend, and want to urge licensees to do all they can to prevent such violations.

Doug Murakami, our department's director of education, presented some rather alarming information during a recent meeting of our state liquor store managers. The latest scientific research indicates that alcohol can damage and interfere with critical brain development during the teen years – development that is critical to youth becoming mature, thoughtful, responsible adults.

“Damage from alcohol during this time of brain development can be long-term and irreversible.”

American Medical Association Fact Sheet 2003

Alcohol affects a teen brain differently than an adult brain. During the teen years and even into the early 20's, the brain is going through dynamic change with respect to its “wiring” neural connections. According to the research, alcohol affects two important brain areas – the prefrontal cortex (frontal lobe) and the hippocampus. The frontal lobe area of the brain develops last and is called the boss or CEO of the brain. It governs good judgment, complex thinking, decision making, planning, impulse control, etc. The hippocampus is the key part of the brain responsible for learning and memory. *“Damage from alcohol during this time of brain development can be long-term and irreversible.”* (AMA Fact Sheet 2003)

Dr. Aaron White, Duke University Medical Center, states: *“It has become clear that during adolescence the brain is highly plastic and shaped by experience. Neural plasticity refers to the ability of the circuitry in the brain to reorganize itself as a result of experience. Alcohol appears to interfere with the changes in circuitry that occur during learning.”*

Research also shows that 40% of those who start drinking before the age of 15 will become alcohol dependent.

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Governor: Jon M. Huntsman Jr., Director: Kenneth F. Wynn,
Newsletter Editor: Earl F. Dorius, Newsletter Coordinator: Neil Cohen,
Contributing Editors: John Bryant, Keith Zuzpan, Stephne Pilling,
Chris Johnson, Abe Kader, Tom Zdunich, Al Potvien.

Sales to Minors - an Issue of Brain Damage

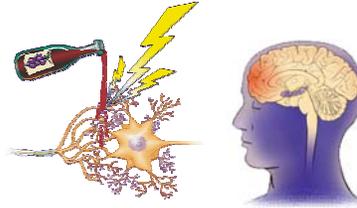
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So what does this all mean? To put it simply, alcohol and youth don't mix. DABC Director, Ken Wynn expressed, *"The results of underage drinking are clear. Youth who drink alcohol tend to make poor decisions, get into trouble, do poorly in school, and have a greater risk to develop alcoholism. There is no good reason for underage youth to drink alcohol."*

At a recent national meeting of the states in Washington D.C., a "call to action" was issued to increase awareness and concern about underage drinking including the adverse impact on the developing teen brain. New public service announcements will be broadcast beginning next year and local town hall meetings will be organized to take action in communities throughout Utah. Also, a new informative web site has been launched

www.stopalcoholabuse.gov.

To have any measure of success, underage drinking prevention requires a collective and strategic approach. In Utah, parents, educators, state/local agencies, community, youth, law enforcement, policy makers, **and licensees** need to combine their efforts and work together to address this serious matter. ♦



Eliminate Alcohol Sales to Youth (E.A.S.Y.) Bill

By Earl Dorius

As noted in the previous article, the latest research shows that alcohol affects a teen brain differently than a mature adult brain. Unfortunately, alcohol remains the drug of choice of youth in Utah as well as in the U.S. – higher than tobacco and other drugs.

The average age a person takes that first drink in Utah is 12.3 years old, with many starting even younger. Binge drinking (4-5 drinks within a single setting) starts in middle school and increases in frequency through the high school years.

Youth who drink alcohol before age 15 are four times more likely to become alcohol dependent than those who put off drinking until the legal age of 21. Recent studies also indicate that youth primarily obtain alcohol from adults and friends, and commercial outlets such as convenience and grocery stores.

In response to these issues, the Alcoholic Beverage Control Commission has submitted a bill for the 2006 legislative session that will (1) limit youth access to alcohol at grocery and convenience stores, and (2) fund statewide education and media campaigns to alert youth, parents, and communities of the dangers of alcohol to the developing teen brain.

Here are the details of the bill:

GROCERY & CONVENIENCE STORES

- Requires that those who sell or directly supervise the sale of beer in a grocery or convenience store take a state approved alcohol server training seminar that covers such topics as underage drinking laws (zero tolerance), the importance of compliance, the consequences of violations, new research on alcohol and the developing teen brain, and checking for I.D.
- Requires that each store issue a unique identification badge to any employee who sells or directly supervises the sale of beer.
- Provides funding to local law enforcement agencies to

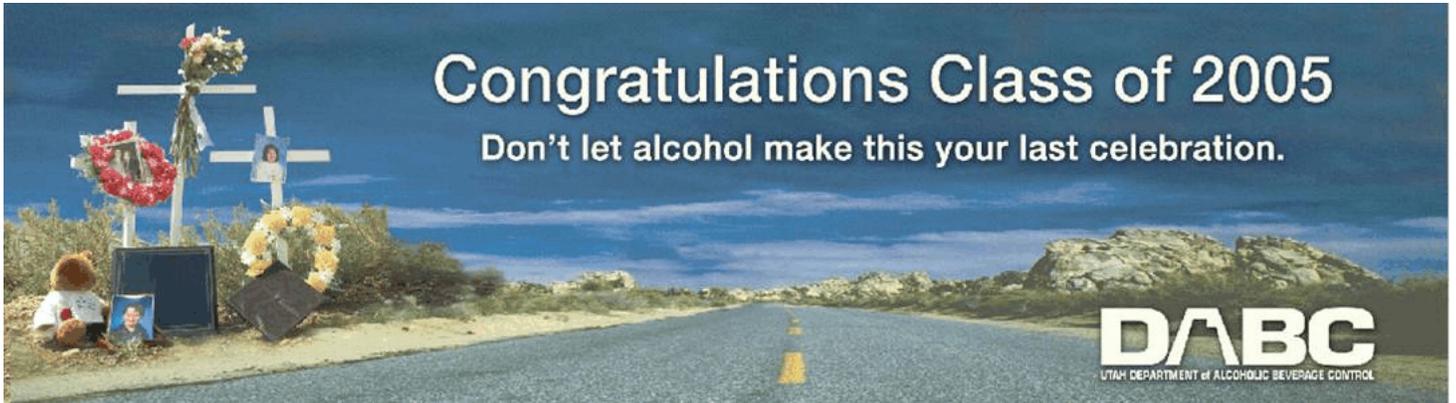
conduct random compliance checks using underage youth to attempt to purchase alcohol.

- Provides statewide uniform administrative penalties for selling beer to minors by grocery and convenient stores and their employees. Penalties may be assessed against both the employee and the store. These are in addition to any criminal penalties that may be assessed.
- Provides a state system for tracking those who have been found in violation of selling to minors. The Highway Safety Office in the Department of Public Safety will develop and operate a system to collect, analyze, maintain, track and disseminate the violation history information received to assist local authorities in assessing administrative penalties and inform stores of violation histories of individuals.

Youth who drink alcohol before age 15 are four times more likely to become alcohol dependent than those who put off drinking until the legal age of 21.

STATEWIDE EDUCATION & MEDIA CAMPAIGN

- Provides funding for statewide education and media campaigns administered by the Division of Substance Abuse and Mental Health of the Department of Human Service with oversight by the Utah Substance Abuse and Anti-Violence Council.
- The campaigns will target the sources of alcohol to minors, and focus on underage drinking from the perspective of impairment to the teenage developing brain and resultant increased addiction from early use.
- The source of funding will come from an increased appropriation to a restricted account from beer excise tax revenue. ♦



Statewide public awareness billboard campaign, launched mid-May through June 2005

The Six 'P's and the RASP

By Neil Cohen

If you are a regular reader of the *Violations and Penalties* section in our newsletters and as mentioned in the first two articles in this issue, you know that a majority of the violations are for sales to minors. Due to a recently enacted commission rule (R81-1-24), licensees who have had violations adjudicated for sales to minors or for the over service of alcohol have been required to have a Responsible Alcohol Service Plan (RASP).

A summary of this rule was published in the Summer 2005 edition of this newsletter and is available on-line at www.abc.utah.gov

Basically, these plans must outline the licensee's house policies and procedures for employees and management to:

- (a) prevent over-service of alcohol;
- (b) prevent service of alcohol to persons who are intoxicated;
- (c) prevent service of alcohol to persons under the age of 21;

- (d) provide alternate transportation options for problem customers; and
- (e) deal with hostile customers

Suggestions and techniques to establish house policies for the above plan elements are taught in every alcohol server training class that each employee, supervisor and manager are required to take every three years. There are also several resources available on the web. Just type in "responsible service of alcohol" in any search engine.

Alcohol service plans can be a valuable tool for you to help keep your patrons on the safe side of social drinking. Even if you have *not* had a violation, it may be a good idea for you to formulate a plan anyway. Remember the six 'P's: **"Proper prior planning prevents poor performance."** Practicing the techniques and periodically training your staff to adhere to the elements of your plan may help prevent a violation. And that's pretty much where you want to be, right?♦

Daily Dispensing Records - They're a Must

By Stephne Pilling

If you are a licensee that sells wine by the glass or distilled spirits, you are required to keep daily dispensing records that **show the amount poured compared to the amount sold.**

For distilled spirits, this means reading the meters that measure the number of one ounce portions that are dispensed and comparing the readings to how much was sold.

This can be done by taking the beginning and ending meter

reading by brand or sales price level and the number of portions dispensed through the dispensing system. Then compare number of the portions dispensed to the cash register tape (portions sold) which is sometimes called a P.O.S., Z tape report or PMIX. Include any explanations of any variances by brand or sales price level.

For wine-by-the-glass, this means keeping track of how much wine was poured and comparing it to how much was sold.

We have some suggested forms to use and your compliance

specialist will explain and walk you through the process.

The fundamental principle is to monitor what was used and make sure it is accounted for. By comparing what your sales should be and what your sales are, you will have a better handle on your operation. Using your dispensing system and daily record keeping to its best advantage will help you do this.♦

The Alcoholic Beverage Control Commission meets once a month on the third Thursday of each month. Meeting dates and times are subject to change. Call 801-977-6800 for the current schedule.

The meetings are open to the public and are held in the board room at the DABC office building: 1625 S 900 W Salt Lake City.

Free training....

Free liquor law training is available to all licensees and their employees. This training helps licensees to understand the alcoholic beverage laws, prevent violations, and to provide better and consistent service to patrons. It gives licensees and employees the opportunity for a one-on-one session with the DABC to deal with specific questions and concerns. We will tailor our training to fit your needs and schedule. If you are interested in having one of our Compliance Specialists present a training session to your staff, please call at (801) 977-6800.

2006 Holiday Calendar

State liquor stores, package agencies, DABC administrative offices and warehouse* will be closed.

New Years Day January 1st (SUN)
 *stores, agencies, offices and warehouse closed on
 January 2nd (MON)
 Martin Luther King Jr. Day January 16th (MON)
 Washington and Lincoln Day . . . February 20th (MON)
 Memorial Day May 29th (MON)
 Independence Day July 4th (TUE)
 Pioneer Day July 24th (MON)
 Labor Day September 4th (MON)

Columbus Day October 9th (MON)
 Veteran's Day November 11th (SAT)
 *offices and warehouse closed on November 10th
 Thanksgiving Day November 23rd (THUR)
 Christmas Day December 25th (MON)
 ●Election Days hours apply in 2006
 Primary Election June 27th (TUE)
 General Election November 7th (TUE)

On-Premise Beer License Renewal Reminders - 2006 Edition

By Neil Cohen

On-Premise Beer License renewal forms and fees are due on **Tuesday, January 31, 2006**. This is a month before the actual expiration date printed on your current license. We will mail the renewal packet to you by the end of December. If for some reason you do not receive this packet by the first week in January, please call us. The packets contain instructions as to what items must be completed and submitted in order to qualify for renewal of your license.

- **The renewal fee is \$200 for on-premise beer retailers that are not taverns.**
- **The renewal fee for taverns is \$1000.**

Please remember, you must send in or hand in your completed renewal application by **Tuesday, January 31**. This deadline is set by the legislature and we can not extend it. If you miss this deadline, you may not *renew*. You will have to *re-apply* for your license. This means you will have to pay an additional application fee and initial license fee. Please do not wait until the last minute.

You may either hand deliver (**by 5:00 pm on January 31**) the completed renewal or **we will accept a postmark** up to and including **January 31** as timely.

We will send a separate notice to you *if* you have delinquent taxes or are otherwise not in good standing with the Utah Tax Commission (sales tax/payroll withholding), Labor Commission, Division of Industrial Accidents (workers compensation coverage), or The Department of Workforce Services (unemployment insurance tax requirements).

We'll also provide you with a name and phone number to call in each agency. You are responsible for calling the appropriate agency directly to find out what they want you to do to clear up the delinquency. When you satisfy their requirements, they will send us a letter of good standing that will clear your account. Please take action to clear up the delinquency as soon as possible. Your license can not be renewed if the delinquency is not cleared.♦

Returned Checks Penalty

By Abe Kader

The number of returned checks from our licensees has increased, according to Rae Jordison, the DABC Accounting Manager. Ms. Jordison said that “the increase includes licensees who have had returned checks in the past.” The consequences of having a check returned can be as simple as a \$20 returned check charge and being placed on COD or as serious as a license **revocation** and **forfeiture** of a bond.

Checks are returned for the following reasons: (1) insufficient funds, (2) refer to maker (3) account closed or (4) stop payment. The Commission Rule states that “Receipt of a check payable to the department which is returned by the bank for any of these reasons may result in the **immediate**

suspension of the license, permit or operation of the package agency of a person tendering the check...” [R81-1-3 (6)]

If a suspension is imposed and the face value of the check plus the \$20 returned check charge is not paid, it could result in a revocation.

The rule states that “Failure to make good the returned check and pay the twenty dollars returned check charge within **thirty days** after the license, permit, or operation of the package agency is **suspended**, is grounds for **revocation** of the license or permit, or **termination** of the package agency contract, and the **forfeiture** of the licensee’s, or package agent’s bond.” [R81-1-3 (6)]

Returned checks are currently processed by TeleCheck, a check collection agency. If a check does not clear the bank it is sent to TeleCheck for collection. TeleCheck will notify the person tendering the check that they owe a \$20 returned check charge. The check is then redeposited or the person tendering the check can authorize an electronic fund transfer. If the check is returned again, TeleCheck will send a collection notice for the face value of the check plus the \$20 returned check charge.

If you have a check returned, please make it good as soon as possible. The customer service office for TeleCheck can be reached at 1-800-366-2425.♦

Licensees That “Self Serve” Could End up with a Violation

By Tom Zdunich

The sales and display areas of state liquor stores and package agencies are set up to serve walk-in customers – members of the general public – not to service the high volume demands of licensees. For this reason, the commission has enacted rules that **require** licensees to place their liquor orders in advance with their local liquor store or package agency. Of course, the department’s club and restaurant “satellite” warehouse in Salt Lake is set up exclusively to fill licensee orders.

The rules provide an orderly and efficient procedure to accommodate the needs of licensees, and to prevent the disruption that can occur when a licensee attempts to “self serve” at our stores and agencies which not only depletes the inventory on the display shelves, but can slow things at the check out counters to the frustration of other customers.

A number of our liquor stores and package agencies have asked us to remind you of the order procedures outlined in the commission rules. Please note that a violation of these procedures can result in administrative fines and even a suspension of your license! Here are the procedures:

►The licensee must place the order in advance to allow department personnel sufficient time to assemble the

order.

►The licensee or employees of the licensee may not pick merchandise directly from the shelves of a state store or package agency to fill the licensee’s order.

►The order shall include the business name of the licensee, department licensee number, and list the products ordered specifying each product by code number and quantity.

►The licensee shall allow at least four hours for department personnel to assemble the order for pick-up. When the order is complete, the licensee will be notified by phone and given the total cost of the order.

►The licensee may pay for the product in cash, company check or cashier’s check.

►The licensee or the licensee’s designee shall examine and sign for the order before it leaves the store, agency or satellite warehouse to verify that the product has been received.

The vast majority of our licensees are using the proper procedures when purchasing liquor from our liquor stores and package agencies, and we appreciate their efforts.♦



Violations and Penalties

by Chris Johnson

Below is a list of the most recent violations and penalties assessed for all licensees. Please review the violations listed below with your staff to prevent similar violations from occurring in your own establishment. As you can see by the number of alcohol violations listed, law enforcement agencies have been very active. PLEASE BE CAREFUL!!

CL = Private Club Liquor
RE = Full Service Restaurant
SE = Single Event Permittees

OPB = On-Premise Beer
RL = Limited Service Restaurant
BW = Beer Wholesaler

TV = Taverns
TB = Temporary Beer permittees
* = Prior Violation History

License Type	Name of Establishment	Description of Violation(s)	Penalty Assessed
CL	Christopher J Christin (former employee of Canyon Inn, Salt Lake)	1. Allowing minors on to the premises of a class "D" club 2. Non-member entry & sale	1. Fine of \$100.00 2. Dismissed
BE	All Star Lanes, West Jordan and Tabatha Augustus (employee)	1. Sale to minors	1. Fine of \$3,000.00 plus costs
CL	Area 51, Salt Lake	1. Allowing minor under the age of 18 years onto club's dance hall area	1. Fine of \$1,000.00 plus costs
BE	Golden Dragon, Salt Lake and Yenwha Chen (employee)	1. Sale to minors 2. No ID badge	1. 6 day suspension 2. Written warning
CL	Robert Carroll (former employee of Hog Wallow, Salt Lake)	1. Allowing minors on to the premises of a class "D" club 2. Non-member entry & sale	1. Fine of \$100.00 2. Fine of \$25.00
BE	Las Palmeras, St George	1. Allowing patrons to leave with open containers 2. No ID badge	1. 6 day suspension 2. Written warning
RE	Spotted Dog Café @ Flanigan's Inn, Springdale	1. Sale of A/B not in connection with an order of food	1. Written warning
CL	Triangle Lounge & Office, Mt. Pleasant and Janet Seely (employee)	1. Sale to intoxicated persons 2. Allowed gambling on the premises	1. 15 day suspension 2. 20 day suspension plus costs
BW	Winkel Distributing, Richfield	1. Selling or distributing beer to an unlicensed retailer	1. Fine of \$500.00 plus costs
CL	World Famous Woody's Tavern, Moab and Lacey B Miller (employee)	1. Sale to minors 2. Non-member entry & sale 3. Wrong ID badge	1. 6 day suspension 2. Fine of \$250.00 plus costs 3. Written warning
CL	Zax Watering Hole, Moab and Travis J Holderness (employee)	1. Sale to minors 2. Sold a visitor card to a minor	1. 6 day suspension 2. Fine of \$250.00 plus costs
RE	Christine Weidner (former employee of Chili's St. George)	1. Sale to minors	1. Fine of \$100.00
BE	Tabatha Augustus (former employee of All Star Lanes, West Jordan)	1. Sale to minors	1. Fine of \$100.00
RE	Baci Trattoria, Salt Lake and Deon Gabor and Serena Rees (employees)	1. Giving away free drinks	1. Fine of \$250.00 plus costs
BE	Chubby's, Salt Lake and Lucila V Carbajal (employee)	1. Sale to minors	1. 10 day suspension
RE	Eddie McStiff's, Moab and George H Lasater (employee)	1. Sale to minors	1. Fine of \$3,000.00 plus costs
RL	Fairway Grill, St George and Jodine Gray (employee)	1. Sale to minors 2. Untrained server	1. 6 day suspension 2. Fine of \$150.00 plus costs
RE	Fiesta Guadalajara, Layton and Marco A Moreno (employee)	1. Sale to minors	1. 10 day suspension plus costs
RE	Francesco's, West Valley and Juniper K Wright (employee)	1. Sale to minors	1. 5 day suspension plus costs
CL	Goldbar Saloon, Salt Lake and Catherine Clark, Jackie Mitchell and Melissa Valdez (employees)	1. Allowing lewd acts 2. Allowing lewd acts 3. Allowing lewd acts 4. Allowing lewd acts 5. Employee consuming on duty 6. Availability of food on the premises 7. Giving away free drinks 8. No ID badge	1-5. 30 day suspension 6. Fine of \$150.00 7. Fine of \$200.00 plus costs 8. Written warning
RE	La Puente, Salt Lake and Alberto Alcantar (employee)	1. Sale to minors	1. 5 day suspension plus costs

License Type	Name of Establishment	Description of Violation(s)	Penalty Assessed
CL	Mambo Club Plus, Salt Lake and Bradley F Petersen and Arthur Rodolfo (employees)	1. Sale to minors 2. Minors on the premises of a class "D" club 3. Sold a membership to a minor 4. No ID badge	1& 2. 6 day suspension 3. Fine of \$250.00 plus costs 4. Written warning
RE	Red Iguana, Salt Lake and Trevor Jones (employee)	1. Sale to minors	1. Fine of \$3,000.00 plus costs
RE	Roberts Restaurant and Deli, Salt Lake and Lance P Roberts (employee)	1. Sale to minors	1. 5 day suspension plus costs
BE	Rusted Sun Pizzeria, Salt Lake and Jared McIntyre (employee)	1. Sale to minors	1. 5 day suspension plus costs
RE	Scaldoni's, St George and Tara Lalli (employee)	1. Sale to minors	1. Fine of \$3,000.00 plus costs
RE	Squatter's Pub, Salt Lake and Michael R Arcaris (employee)	1. Sale to minors	1. Fine of \$3,000.00 plus costs
RE	Tacos Daniel, Salt Lake and Juana D Cortez (employee)	1. Sale to minors	1. 5 day suspension plus costs
BE	Ted & Allen's Sports Grill, Hurricane and Scott S McGuire (employee)	1. Sale to minors 2. No ID badge	1. 6 day suspension plus costs 2. Written warning
TV	Tradewinds Lounge, Midvale and Linda Peroceschi (employee)	1. Sale to minors 2. Minors on the premises of a tavern	1 & 2. 6 day suspension plus costs
RE	Juniper K Wright (employee of Francesco's West Valley)	1. Sale to minors	1. Fine of \$100.00
RL	Shalea K Parkes (former employee of Noodles & Co.)	1. Sale to minors	1. 5 days suspension
RE	Trevor Jones (former employee of Red Iguana, Salt Lake)	1. Sale to minors	1. Fine of \$100.00
RE	Applebee's, West Valley and Cynthia M Anderton (employee)	1. Sale to minors	1. Fine of \$3,000.00 plus costs
CL	Canyon Inn, Salt Lake and DeAnn Nowell and Christopher J Christin (employees)	1. Sale to minors 2. Minors on the premises of a class "D" club 3. Non-member entry & sale	1& 2. 5 day suspension and a fine of \$750.00 plus costs 3. Dismissed
RE	Don Pedro's, St George and Gerardo Plazuelos (employee)	1. Sale to minors	1. 5 day suspension plus costs
CL	Jeremy Golf & Country Club, Park City and Charles Lamb (employee)	1. Non-member entry & sale 2. License not displayed 3. Warning sign not displayed	1. Fine of \$250.00 plus costs 2. Written warning 3. Written warning
BE	Ming's Garden, Salt Lake and Yanping Wang (employee)	1. Sale to minors	1. 5 day suspension plus costs
BE	Nuevo Vallarta's, West Valley and Fabiola J Garcia (employee)	1. Sale to minors 2. No ID badge	1. 6 day suspension plus costs 2. Written warning
BE	Salazar's Mexican Café, Salt Lake and Marilene Vasquez and Ida Salazar (employees)	1. Sale to minors 2. Minor selling to minors	1. 12 day suspension plus costs
BE	Sno-Cap Lanes, Ephraim	1. Unlawful gaming devices on premises	1. 20 day suspension plus costs
RL	Wok Inn, Kanab	1. Allowing patrons to leave with open containers 2. No ID badge	1. 5 day suspension plus costs 2. Written warning
RE	Jamie Wilson (former employee of Ruby Tuesday St. George)	1. Sale to minors	1. Fine of \$100.00
TV	Art's Place, Salt Lake and Courtney J Rios and Dolores Sanchez (employees)	1. Sale to minors 2. Minors on the premises of a tavern	1 & 2. 6 day suspension plus costs
RL	Burr Trail Grill & Deli, Boulder and Billy Raaen (employee)	1. Allowing patrons to leave with open containers	1. 5 day suspension plus costs
RL	China Tea Garden, Park City and Mei Kuang (employee)	1. Sale to minors 2. No ID badge	1. 6 day suspension plus costs 2. Written warning

License Type	Name of Establishment	Description of Violation(s)	Penalty Assessed
CL MP	Club Vortex, Salt Lake and Reggie Murdock (employee)	1. Sale to minors 2. Minors on the premises of a class"D" club 3. Minors in the bar area of a club	Club license 1 & 2. 6 day suspension and a fine of \$1,200.00 3. Fine of \$600.00 Minor Permit 1 & 2. 6 day suspension and a fine of \$1,200.00
RE	Cowboy Blues, Escalante	1. Open bottled not affixed to dispensing system or not properly labeled	1. 5 day suspension plus costs
RE	Famous Daves' Bar-B-Que, Layton and Nathan Bonney (employee)	1. Sale to minors	1. Fine of \$3,000.00 plus costs
RL	Joy Luck Restaurant, Woods Cross and Phuong Quan (employee)	1. Sale to minors	1. 5 day suspension plus costs
CL	Rum Bunnies Bikini, Park City	1. Giving away free drinks 2. Failure to charge for memberships 3. License not displayed 4. Warning sign not displayed	1. Fine of \$500.00 2. Fine of \$250.00 plus costs 3. Written warning 4. Written warning
RE	Spotted Dog Café @ Flanigan's Inn, Springdale and Pete Hasemeier (employee)	1. Sale to minors	1. 6 day suspension plus costs
RL	The Spotted Frog Bookstore, Park City and Kimberly Angeli (employee)	1. Sale to minors 2. No ID badge	1. 6 day suspension plus costs 2. Written warning
BE	Western Food Service, Co. Dba Utah State Fair Park, Salt Lake and Cathy R Howell, Kim Sanchez and Laurina Schouten (employees)	1. Sale to minors	1. 5 day suspension and a fine of \$500.00 plus costs



Missing Employees

The DABC is attempting to locate the following individuals that either currently or previously worked for the licensees listed below. We have adjudicated violations with the licensees, but the employees either could not be located or did not attend the proceedings when the violations were adjudicated. If any of these employees are currently working for your business, please have them immediately contact Chris Johnson in the Licensing & Compliance Division at 801 977-6800.

Stan G. Allen - The Standard
 Anita Anderson - Tony Romas (Sandy)
 Cynthia M Anderton - Applebee's (West Valley)
 Michael R. Arcaris - Squatter's Pub
 Braeden M. Brinton - The Standard
 Sara Bryson - Mimi's Café (Orem)
 Deana Bundy - One & Only
 Tonya Capson - Whiskey
 Catherine Clark - Goldbar Saloon
 David Durrant - Tucci's (Salt Lake)
 Kristina M. Erskine - Asuka Japanese Sushi

Robert J. Gardner - Juhl Hause Deli & Market
 David Homer - One & Only
 Derek Johnson - Andy's Place
 Charles Lamb - Jeremy Golf & Country Club
 George H. Lasater - Eddie McStiff's
 Lacey B. Miller - World Famous Woody's Tavern
 Reggie Murdock - Club Vortex
 Bryce Pearson - Old Spaghetti Factory (Salt Lake)
 Courtney J. Rios - Art's Place
 James D. Santini - P.F. Chang's (Orem)

Election Day – A Look Back and a Look Ahead

By Al Potvien

Local elections were recently held on November 8th, 2005, and local primaries were held on October 4th. Because these were not statewide general elections, state laws regarding the sale of alcohol for on-premise consumption did not apply. Restrictions on alcohol sales were governed by the local ordinances of those cities, towns, and counties that were holding the local elections. Nonetheless, the DABC received numerous inquiries as to whether alcohol sales were affected at on-premise licensed establishments. Those inquiring were informed to contact their local city, town, or county attorney or licensing office for correct information.

As to state liquor stores and package agencies, some were closed on the days of these local elections, but only if the local governing authority timely submitted a written request under a provision of state law. One city also requested that the department notify private clubs in the area of a restriction on alcohol sales on their election day. In another instance, a town that realized they did not have an ordinance dealing with alcohol sales on local election days, acted promptly to create one.

State law does provide that "liquor may not be sold, offered for sale, served, or otherwise furnished on the day of any regular general election, regular primary election, or statewide special election until after the polls are closed."

Regular General Election means an election held throughout the state on the first Tuesday after the first Monday in November of each even-numbered year (which will be next November, 2006).

Regular Primary Election means an election held throughout the state on the fourth Tuesday of June of each even numbered year, to nominate persons for national, state, school board, and county offices.

Also, please note that state law does not specifically prohibit the sale of 3.2% beer on election days in on-premise licensed establishments (except for on-premise banquet licensees and single event permittees where sale of 3.2% beer *is* restricted on election days until after the polls are closed). However, local governments do have the authority to regulate the sale of beer, and even though state law is silent, the local governments may have ordinances dealing with this issue. With respect to 3.2% beer sales and local beer ordinances, call your local city, town or county attorney or licensing office. ♦



What's in Your Income Statement?

by Abe Kader

A periodic income statement, also known as a profit and loss-statement, is a very important part of determining the operating performance of a business. An income statement will tell you where your money went and if any of it came back as a profit. It is also very important to format an income statement so that it complies with the liquor law.

The income statement should include at least three sections: **Sales, Cost of Sales and Expenses**. The required line items under **Sales** should include food, beer (3.2%), liquor, wine, and heavy beer (including set-ups and corkage), and

memberships for a private club income statement.

The **Cost of Goods Sold** represents the amount paid to purchase the raw materials of the products that you sold. The required line items for Cost of Goods Sold are food, beer (3.2%) and liquor (including wine and heavy beer).

Operating Expenses are the ongoing expenses incurred in the operation of the business. This section does not include the items that are under Cost of Goods sold. For example, this section includes payroll, supplies, repair and maintenance, utilities, rent, insurance, taxes, etc.

Restaurants are required to prepare income statements at least quarterly. Clubs are required to prepare monthly income statements. Properly prepared income statements will make it easier to have the renewal figures on hand for the license renewal "Form E". "Form E" is the financial form of the renewal application for licensees to report the figures for the **Sales and Cost of Sales** for liquor, beer and food.

A suggested income statement format is available at the Licensing and Compliance Division of the Department of Alcoholic Beverage Control. ♦



And You Thought Our Penalties Were Tough

By John Bryant

Years ago, the Commission established guidelines for imposing penalties for violations of the alcoholic beverage laws. The guidelines were written to ensure that licensees are treated fairly and uniformly. They were also designed to make sure that the severity of the penalty meets the severity of the offense. Thus, minor violations typically carry a penalty of a written warning; moderate violations carry a penalty of a written warning up to a \$1000 fine; serious violations carry a penalty of a \$500 to \$3000 fine and/or a 5 to 30 day license suspension; and grave violations carry a penalty of a \$1000 - \$25,000 fine and/or a 10 day license suspension up to revocation.

We are convinced that when licensees know they will be treated fairly, consistently, and that the penalties are proportionate to the violations, they will be more likely to settle their cases and avoid protracted litigation. Indeed, very few of our cases are appealed.

Not so on the Blackfoot Indian Reservation in Browning, Montana. According to a recent article in the "State Capitals Newsletter", the reservation has an ordinance that prohibits retail stores from selling alcohol on Easter and Christmas. The operators of a convenience store were charged with selling alcohol on Easter. A spokeswoman for the "Town Pump" acknowledged selling about \$3500 in alcohol on that day. The tribal council initially voted to revoke the "Town Pump's" liquor license after someone told the reservation's revenue department about the violation. However, the council later rescinded that order and voted to fine the business \$1500 for each violation – which could add up to \$180,000. (Ouch!!!)

Needless to say, "Town Pump" is appealing the decision.♦



Tips and Tricks....No its not Halloween

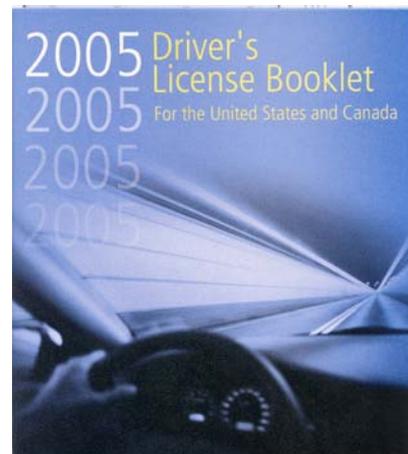
By Keith Zuspan

Checking identification cards (IDs) and driver licenses are extremely important in preventing sales to minors. The Beer Institute and Beer Wholesalers Association have produced many items which are available for your use. One of these items is the Driver License Booklet. The booklet displays reproductions of all current valid license formats. Samples of licenses are shown in their actual size to allow side-by-side comparisons. Other

items such as the WE I.D. legal age calendars display the birth date a person must be to purchase alcoholic beverages. Both items are excellent tools for your employees. So when you place your next order with your beer wholesaler ask for your driver license booklet and legal age calendar. Remember "Responsibility Matters" and "21 Means 21".♦



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...But it *IS* New Years Eve

Planning a Party Package?



By Neil Cohen

Licensees who are planning party packages for the holidays may not include, pre-sell, or give away alcoholic beverages as part of a package.

Please note:

- The club and restaurant laws specifically require liquor, wine, and heavy beer to be listed on a separate price list and sold by the glass or bottle.
- In clubs, the prices must be set in the house rules.
- The advertising rules prohibit promotions that encourage over-consumption or promote increased consumption.
- Promotions are not allowed that require the purchase or consumption of alcoholic beverages in order to participate.

Generally speaking, those who desire to consume alcohol on New Year's Eve will most likely do so without encouragement or inducement. We advise licensees who want to promote a "value added" New Year's Eve package (or any holiday package) to emphasize the value

in the food or entertainment component (and in a lodging component if applicable).

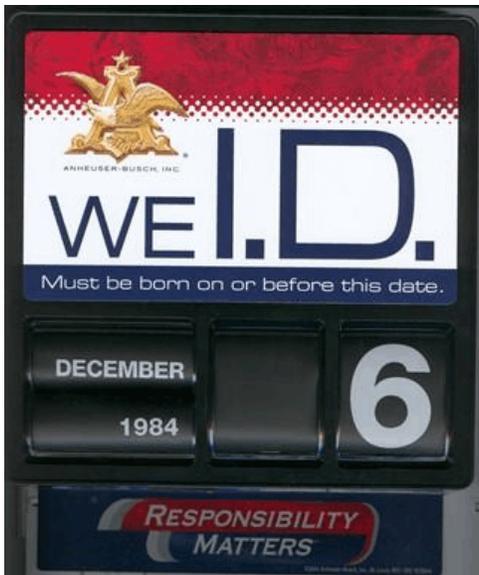
All servers are required to be trained to keep track of the number of drinks served to a patron and not to over-serve a patron.

So our advice is to focus the festivities on the food, favors, and fun (entertainment).

In summary:

- Alcoholic beverages may not be included in the price of a New Year's Eve Package.
- Alcoholic beverages may not be pre-sold.
- Alcoholic beverages must be priced and charged for separately.
- A price list must be made available for patrons.

Be wise, be safe, and have a happy New Year. ♦



21 means 21

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