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FOR IMMEDIATE RELEASE

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ABC Dismisses Case against Great American Music Hall

(Sacramento) - An Administrative Law Judge has recommended dismissal of the Department of Alcoholic Beverage Control (ABC) disciplinary action against the Great American Music Hall in San Francisco for changing its operation without obtaining approval from the ABC.

The Administrative Law Judge held that while Great American Music Hall had in fact changed its operation, the regulation relied upon by the ABC was ambiguous. While ABC does not agree with the Administrative Law Judge's ruling, and has not accepted the proposed decision, it has decided to dismiss the action against the Great American Music Hall. This decision does not necessarily affect any other pending cases.

To address the issues raised by the Administrative Law Judge, ABC will engage in the rulemaking process through the State Office of Administrative Law in order to clarify the regulation. The goal of the rulemaking process would be to establish clear standards for licensee compliance in the area of premises designation and substantial changes in operation so licensees understand their obligations.

Background:

Last year, upon receipt of a complaint, ABC conducted an investigation and then filed an administrative accusation alleging that Great American Music Hall had substantially altered its operation without obtaining departmental approval. ABC's investigation determined that Great American Music Hall was operating more like a nightclub than a restaurant. Nightclub operations tend to create more community concerns and need for law enforcement services than do restaurants without nightclub operations.

Because there was no notification of the changes, there was no opportunity for review and community input. The Administrative Law Judge determined that the regulation defining the need to report operational changes is ambiguous and difficult to interpret.

"ABC understands how important it is for communities to know how licensed businesses intend to operate, and for residents to have the opportunity to provide input if those operations should change," said ABC Director Steve Hardy. "It is also important for our licensees to know what their obligations are under the law. In the meantime, ABC will continue to respond to complaints, conduct investigations and work with local communities and business owners to ensure the public safety and welfare is preserved."