BEFORE THE ALCOHOLIC BEVERAGE CONTROL APPEALS BOARD
OF THE STATE OF CALIFORNIA

AB-10035
File: 20-400438; Reg: 25096026

7-Eleven, Inc. and Dhanya, Inc.
Dba 7-Eleven Store 2173 24142
345 West Manchester Boulevard
Inglewood, California 90301
Appellants/Licensees

v.

DEPARTMENT OF ALCOHOLIC BEVERAGE CONTROL,
Respondent

Administrative Law Judge at the Department Hearing: Honorable Doris Huebel

Appeals Board Hearing: October 9, 2026
Sacramento, CA/Videoconference

ISSUED OCTOBER 14, 2026

Appearances: Aldrin Jude Datoon Panganiban, of Solomon, Saltsman & Jamieson, as counsel for appellants;

Jennifer Chavez, as counsel for the Department of Alcoholic Beverage Control.

OPINION

7-Eleven Inc. and Dhanya, Inc., doing business as 7-Eleven Store 2173 24142, ("appellants") appeal from an order of the Department of Alcoholic Beverage Control (hereinafter referred to as the "Department") suspending its license for 25 days on the grounds that appellants' employee sold an alcoholic beverage to an individual under the age of twenty-one, in violation of Business

and Professions Code[1] section 25658(a). For the following reasons, the Department's decision is affirmed.

I. FACTUAL BACKGROUND & PROCEDURAL HISTORY

The Department issued an off-sale beer and wine license to appellants on June 24, 2003. The Department suspended appellants' license for ten days for a prior violation of section 25658(a) which occurred on April 27, 2024.

On April 22, 2025, Santino Mosley ("the decoy") was serving as a minor decoy in an operation conducted by the Inglewood Police Department ("IPD"). The decoy was five feet, eight inches tall and weighed 150 pounds. The decoy wore a green hooded sweatshirt, black straight jeans, and white shoes.

On April 22, 2025, IPD Officer Jennings entered the licensed premises in a plain clothes and undercover capacity. Shortly thereafter, the decoy entered the licensed premises, walked straight to the alcoholic beverage refrigerator, and selected a 16.9-ounce Beat box (an alcoholic beverage). The decoy brought the beverage to the sales counter.

Mohammad Hasan ("the clerk") scanned the Beat Box, and the decoy handed him a $20 bill, which the clerk took and made change, handing the change to the decoy. The decoy took the change and the beverage and exited the licensed premises. There was no verbal exchange between the

[1] All statutory references are to the California Business and Professions Code unless otherwise stated.

decoy and the clerk, and the decoy did not show any identification to the clerk. Officer Jennings witnessed the transaction with a clear view and within hearing range of the clerk and the decoy.

Officer Jennings contacted the clerk, identified himself as an officer, and informed the clerk that he sold an alcoholic beverage to a minor. The decoy then re-entered the licensed premises, identified the clerk as the person who sold him the beverage, and took a photograph with the clerk while holding the beverage and his change. (Exhibit 5.) Officer Jennings issued a citation to the clerk.

The Department filed an accusation against appellants on December 17, 2025. Oral evidence, documentary evidence, and evidence by oral stipulation on the record was received at the administrative hearing. The matter was argued and submitted for decision on March 10, 2026.

On April 20, 2026, the administrative law judge (ALJ) issued a Proposed Decision sustaining the accusation and recommending a 25-day suspension. The Department adopted the Proposed Decision on May 26, 2026, and issued a certificate of decision[2] on May 28, 2025.

Appellants filed a timely appeal with the Board contending that: 1) the decoy did not display the appearance which could generally be expected of a

[2] The Department's Decision is set forth in the appendix.

person under twenty-one years of age, and; 2) the penalty is excessive. For the reasons discussed below, the Board disagrees.

II. STANDARD OF REVIEW

The scope of the Board's review is defined by section 23084. The Board is not a trier of fact, and it does not reweigh evidence, evaluate witness credibility, or substitute its judgment for that of the Department. The Board's review is limited to determining:

> 1. Whether the Department has proceeded without or in excess of its jurisdiction;
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> 2. Whether the Department has proceeded in the manner required by law;
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> 3. Whether the Department's decision is supported by its findings, and;
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> 4. Whether the findings are supported by substantial evidence in light of the whole record.

Substantial evidence is relevant evidence that a reasonable mind might accept as adequate to support a conclusion. The Board does not reweigh conflicting evidence but instead considers whether the Department's findings are supported by such evidence in light of the whole record. (*Martin v. Alcoholic Beverage Control Appeals Board* (1959) 52 Cal.2d 287, 291.)

The Board also considers whether any procedural error or evidentiary ruling prejudiced the appellant. Reversal is not warranted unless the appellant affirmatively demonstrates that an error resulted in prejudice. (Cal. Const., art. VI, § 13; Code Civ. Proc., § 475; *Reimel v. House* (1969) 268 Cal.App.2d 780, 787;

Citizens for Open Government v. City of Lodi (2012) 205 Cal.App.4th 296, 308.) The burden is on the party seeking reversal to show that it is reasonably probable a more favorable result would have been reached absent the alleged error. (*City of Oakland v. Public Employees' Retirement System* (2002) 95 Cal.App.4th 29, 51–52; *Thornbrough v. Western Placer Unified School Dist.* (2013) 223 Cal.App.4th 169, 200.)

This standard imposes a high threshold. The Board may not overturn a decision simply because different inferences could be drawn from the evidence. The question is not whether the Board would have reached the same result, but whether the Department's findings are supported by substantial evidence and whether appellant has shown prejudicial error.

III. ANALYSIS

On appeal, appellants argue that the Department improperly relied on the decoy's appearance at the administrative hearing as evidence of how the decoy appeared on the day of the violation. (Appellants' Opening Brief (AOB) at pp. 7-8.) Appellants further argue that the penalty is not supported by substantial evidence and fails to consider or explain mitigating circumstances. (*Id*. at pp. 8-14.) We will discuss in turn.

A. The Decoy's Appearance

Appellants contend that "ALJ Huebel's findings of fact and law impermissibly rely on Decoy Mosely's appearance at the hearing, rather than solely on how he appeared to the seller during the operation." (AOB at p 7.)

Appellants claim this error "fatally undermin[es] the findings regarding Appellants' Rule 141(b)(2) defense" and is a "reversible error." (*Id*. at p. 8.) The Board disagrees.

Rule 141(b)(2) provides:

> The decoy shall display the appearance which could generally be expected of a person under 21 years of age, under the actual circumstances presented to the seller of alcoholic beverages at the time of the alleged offense.

This rule provides an affirmative defense, and the burden of proof lies with appellants. (*Chevron Stations, Inc.* (2015) AB-9445; *7-Eleven, Inc./Lo* (2006) AB-8384.)

Here, the Department found that the decoy's appearance complied with rule 141(b)(2). (Findings of Fact ¶ 13.) Therefore, this Board is required to defer to those findings so long as they are supported by substantial evidence. (See *Department of Alcoholic Beverage Control v. Alcoholic Beverage Control Appeals Bd.* (*Southland*) (2002) 103 Cal.App.4th 1084, 1094 [127 Cal.Rptr.2d 652, 659] [citing *Kirby v. Alcoholic Beverage Control Appeals Bd.* (1968) 261 Cal.App.2d 119, 122 [67 Cal.Rptr. 628] ["In considering the sufficiency of the evidence issue the court is governed by the substantial evidence rule[;] any conflict in the evidence is resolved in favor of the decision; and every reasonably deducible inference in support thereof will be indulged. [Citations.]"; see also *Kirby v. Alcoholic Bev. etc. Appeals Bd.* (1972) 25 Cal.App.3d 331, 335 [101 Cal.Rptr. 815] ["When two or more inferences can be

reasonably deduced from the facts, the reviewing court is without power to substitute its deductions for those of the department."].) "Substantial evidence" is "evidence of ponderable legal significance, which is 'reasonable in nature, credible and of solid value.' " (*County of Los Angeles v. Commission on State Mandates* (1995) 32 Cal.App.4th 805, 814 [38 Cal.Rptr.2d 304, 307–308], internal citations omitted.)

The Department found:

> 5. Decoy Mosley appeared and testified at the hearing. On April 22, 2025, he was 5'8" tall and weighed approximately 150 pounds. He wore a green hooded sweatshirt, black straight jeans and white shoes. Decoy Mosley did not wear the hood of the sweatshirt over his head at any time while he was in the Licensed Premises. (Exhibits 3, 4, and 5.) His appearance at the hearing was the same, except that he weighed 160 pounds.
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> […]
>
> 13. Decoy Mosley appeared his age, as a teenager, at the time of the decoy operation. Based on his overall appearance, i.e., his physical appearance, dress, poise, demeanor, maturity, and mannerisms shown at the hearing, and his appearance and conduct in front of clerk Hasan at the Licensed Premises on April 22, 2025, decoy Mosley displayed the appearance which could generally be expected of a person under 21 years of age under the actual circumstances presented to the clerk. At the hearing, decoy Mosley appeared youthful, still appearing as a teenager despite being 20.

(Findings of Fact, ¶¶ 5, 13.) As noted above, "we are bound to construe the evidence in the light most favorable to the ALJ's decision" and will uphold the findings so long as they are supported by substantial evidence. (*Southland*, *supra*, 103 Cal.App.4th at 1087.)

To support its findings, the Department relied on photographs of the decoy from the day of the operation. (Exh. 3-5; Findings of Fact, ¶¶ 5-, 13.) Photographs of a decoy from the day of the operation are "arguably the most important piece of evidence in considering whether the decoy displayed the physical appearance of someone under 21 years of age." (*Southland*, *supra*, 103 Cal.App.4th at 1094.) Further, the Department relied on the ALJ's personal observations of the decoy's appearance at the hearing. The evidence established that the decoy was approximately 5'8" tall and 160 pounds at the administrative hearing. (Findings of Fact, ¶ 5.) The ALJ found the decoy credibly testified that his appearance at the hearing was the same as the day of the operation, except that he was approximately ten pounds heavier at the hearing. (*Id*. at ¶ 5.)

The Department is entitled to rely on an ALJ's personal observations of a decoy when the decoy testifies that his appearance and mannerisms were "the same on the stand as it was when he purchased the beer." (*Southland*, *supra*, 103 Cal.App.4th at 1094.) The Board sees no error with the Department's findings regarding the decoy's appearance, which are supported by the photograph of the decoy from the date of the operation, as well as the ALJ's personal observations of the decoy at the hearing. Both sources are "reasonable in nature, credible and of solid value." (*County of Los Angeles*, *supra*, 32 Cal.App.4th at 814.) Extensive legal authority requires the Board to

affirm the Department's findings regarding the decoy's appearance. (*Southland*, *supra*, 103 Cal.App.4th at 1094.)

B. Penalty

Appellants argue the 25-day suspension is excessive. (AOB, at pp. 8-14.) Appellants argue the Department erred by considering that the proximity in time between this violation and appellants' prior violation (11 months) was an aggravating factor. (*Id*. at p. 9.) Appellants further contend that the Department erroneously treated a lack of meaningful training for appellants' clerks as an aggravating factor. (*Id*. at p. 11.) Finally, appellants claim the Department erred by ignoring their mitigation evidence; namely, the length of licensure without any violations, positive actions to correct sales to minors, documented training, and cooperation in the Department's investigation. (*Id*. at pp. 11-14.)

This Board may examine the issue of excessive penalty if it is raised by an appellant. (*Joseph's of Cal. v. Alcoholic Bev. Control Appeals Bd.* (1971) 19 Cal.App.3d 785, 789 [97 Cal.Rptr. 183].) However, the Board will not disturb the Department's penalty order in the absence of an abuse of discretion. (*Martin v. Alcoholic Bev. Control Appeals Bd. & Haley* (1959) 52 Cal.2d 287, 291 [341 P.2d 296].) An administrative agency abuses its discretion when it "exceeds the bounds of reason." (*County of Santa Cruz v. Civil Service Commission of Santa Cruz* (2009) 171 Cal.App.4th 1577, 1582 [90 Cal.Rptr.3d 394, 397].) However, "[i]f reasonable minds might differ as to the propriety of the penalty imposed, this

fact serves to fortify the conclusion that the Department acted within its discretion." (*Harris v. Alcoholic Bev. Control Appeals Bd.* (1965) 62 Cal.2d 589, 594 [43 Cal.Rptr. 633].)

In determining disciplinary action, the Department is required to consider the penalty guidelines incorporated in California Code of Regulations, title 4, section 144. The standard penalty for a first-time violation of section 25658 is 15 days. (Cal. Code Regs., tit. 4, § 144.) A second violation of section 25658 within 36 months warrants a recommended penalty of a 25-day suspension. (*Ibid*.) Nevertheless, rule 144 allows the Department to deviate from the standard penalty when, "*in its sole discretion*[, it] determines that the facts of the particular case warrant such deviation — such as where facts in aggravation or mitigation exist." (*Ibid*., emphasis added.)

Factors in aggravation include prior disciplinary history, prior warning letters, licensee involvement, premises located in high crime area, lack of cooperation by the licensee in investigation, appearance and actual age of minor, and continuing course or pattern of conduct. (Cal. Code Regs., tit. 4, § 144.) Factors in mitigation include the length of licensure at the subject premises without prior discipline or problems, positive action by the licensee to correct the problem, documented training of the licensee and the employees, and cooperation by the licensee in the investigation. However, neither list of factors is exhaustive; the Department may use its discretion to determine whether other aggravating or mitigating circumstances exist. (*Ibid*.)

The Department justified its 25-day suspension based on appellants' mitigation evidence. (Decision at pp. 6-7.) In fact, appellants *recommended a 25-day suspension*, while the Department advocated for a 35-day suspension. (*Ibid*.) Apparently, appellants want a shorter suspension on appeal. This is something the Board cannot give them.

The Department offered aggravating evidence which included "the lack of meaningful training after the prior violation," "the close proximity in time between the prior and current violations," as well as the clerk's "lack of diligence and failure to ask for the minor decoy's ID or age prior to selling an alcoholic beverage." (Decision at p. 6.) Appellants offered mitigation evidence, which apparently the Department found persuasive, as that evidence was enough to offset the Department's aggravation evidence and land on the standard, recommended penalty of a 25-day suspension. Again, this is the same length suspension that appellants asked for at the administrative hearing.

As the Board has said many times over the years, the extent to which the Department considers mitigating or aggravating factors is a matter entirely within its discretion. Rule 144 allows the Department to exercise discretion to consider aggravation and mitigation. The Department's balancing of its own aggravation evidence with appellant's mitigation evidence was reasonable and not an abuse of discretion. Therefore, the penalty must stand.

IV. CONCLUSION

For the above reasons, the appeal is denied, and the Department's decision is affirmed.

ORDER

Pursuant to Business and Professions Code section 23085, the decision of the Department is affirmed.[3]

MEGAN McGUINNESS, CHAIR
HON. FRANK C. DAMRELL JR. (Ret.)
SHARLYNE PALACIO, MEMBER
ALCOHOLIC BEVERAGE CONTROL
APPEALS BOARD

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[3] This final order is filed in accordance with Business and Professions Code section 23088, and it shall become effective 30 days following the date of the filing of this order as provided by section 23090.7.

Any party, before this final order becomes effective, may apply to the appropriate court of appeal, or the California Supreme Court, for a writ of review of this final order in accordance with Business and Professions Code section 23090 et seq. Service on the Board pursuant to California Rules of Court (Rule 8.25) should be directed to: 400 R Street, Ste. 320, Sacramento, CA 95811 and/or electronically to: abcboard@abcappeals.ca.gov.

APPENDIX

PETITION FOR PAYMENT OF FINE IN LIEU OF SUSPENSION AND FINANCIAL STATEMENT

Licensee:	7-ELEVEN, INC., AND DHANYA, INC.	File:	20-400438
DBA:	7-ELEVEN STORE 2173 24142	Reg.:	25096026
Address:	345 WEST MANCHESTER BLVD. INGLEWOOD, CA 90301		
District:	LAKEWOOD		

IMPORTANT INFORMATION-READ CAREFULLY

YOU MAY BE ELIGIBLE TO PAY A FINE IN LIEU OF THE SUSPENSION IMPOSED

Business and Professions Code section 23095 establishes that in certain circumstances a licensee may file a petition requesting to pay a fine in lieu of serving a suspension. Fines range from $750 to $6,000 for a first offense, $1,500 to $12,000 for a second offense within 36 months, and $2,500 to $40,000 for a second sale to a minor within 36 months.

The Department will only authorize payment of a fine in lieu of suspension if:

- Allowing a fine would not be contrary to public welfare and morals
- A fine would serve the desired disciplinary purpose of the Department, and
- The records and books of the licensee are kept in such a manner that the fine amount can be properly calculated.

To request payment of a fine in lieu of suspension YOU MUST SUBMIT A PETITION stating the grounds for why you believe a fine is appropriate in your case. Space is provided below for your petition or you may attach a separate document. YOU MUST ALSO complete and submit the financial statement on page 3 below. Submit both documents together.

Your petition must be received by the Department no more than **TWENTY (20) DAYS** after the mailing of this notice. Mail your petition to the LAKEWOOD District Office at 3950 PARAMOUNT BOULEVARD, SUITE 250, LONGBEACH, CA 90712 or contact them at (562) 982-1337 if you have any questions.

The Department will commence an investigation into your request that may include a request for sales records. If your petition is accepted you will be notified of the fine amount and payment instructions. If your petition is denied you will be notified of the start date for your suspension.

RECEIVED
MAY 28 2026
Alcoholic Beverage Control
Office of Legal Services

PETITION FOR PAYMENT OF FINE IN LIEU OF SUSPENSION AND FINANCIAL STATEMENT

Describe why 1) allowing your business to pay a fine instead of serving a suspension would not be contrary to public welfare and morals and 2) how paying a fine will achieve the desired the disciplinary purpose of a suspension. You may use a separate sheet or may attach additional pages if necessary.

Signed: _____ *Position:* _____

Printed Name: _____ *Date:* _____

PETITION FOR PAYMENT OF FINE IN LIEU OF SUSPENSION AND FINANCIAL STATEMENT

Estimate of alcoholic beverage sales, including all State and local sales taxes:

1. Gross sales of all alcoholic beverages for the preceding 12 full months: (1) $_____

   (If sales of alcoholic beverages are not separated from total sales or you have not operated for a full 12-month period, you may offer a reasonable formula for figuring the amount.)

   Period covered in computing offer _____ *(Example: 4/1/04 thru 3/31/05)*

   If offer is based upon markup of purchases, show percentage markup or cost: _____

2. Estimated daily average gross sales: (2) $_____
   (Figure in (1) divided by 365 days or the actual number of sales days used in figuring (1))

   If open less than 365 days, show number of days used in your computation: _____

3. 50% of estimated daily average gross sales: (3) $_____
   (Figure in (2) multiplied by 50%.)

4. Basic offer in compromise: (4) $_____
   (Figure in 3 multiplied by the number of days (**25**) upon which I am proposing to pay the offer in compromise.)

5. You must use either Method (a), (b) or (c), below, for computing the amount for Item 6 below. Department records show you should use Method __c__.

Method (a)	**Method (b)**	**Method (c)**
Use this method if you ***have not*** had another accusation filed against your license within three years prior to the date you first requested permission to petition the Department. If amount in Item (4) is more than $6,000, enter $6,000 in Item (6) below. If amount in Item (4) is less than $750, enter $750 in Item (6) below. If amount in Item (4) is less than $6,000, and more than $750, enter that amount in Item (6) below.	Use this method if you ***have*** had an accusation filed against your license within three years prior to the date you first requested permission to petition the Department. If amount in Item (4) is more than $12,000, enter $12,000 in Item (6) below. If amount in Item (4) is less than $1,500, enter $1,500 in Item (6) below. If amount in Item (4) is less than $12,000, and more than $1,500, enter that amount in Item (6) below.	Use this method if this petition involves a violation of Section 25658 and you have had a previous violation of Section 25658 within 36 months. If amount in Item (4) is more than $40,000, enter $40,000 in Item (6) below. If amount in Item (4) is less than $2,500, enter $2,500 in Item (6) below. If amount in Item (4) is less than $40,000 and more than $2,500, enter that amount in Item (6) below.

6. Sum offered in payment: (6) $_____

If this form is prepared or reviewed by a public accountant, the account must sign the statement below:

THIS FORM PREPARED IN ACCORDANCE WITH RULES PRESCRIBED BY THE CALIFORNIA STATE BOARD OF ACCOUNTANCY.

_____ *License Number*_____

BEFORE THE
DEPARTMENT OF ALCOHOLIC BEVERAGE CONTROL
OF THE STATE OF CALIFORNIA

IN THE MATTER OF THE ACCUSATION AGAINST:

7-ELEVEN, INC., AND DHANYA, INC.
7-ELEVEN STORE 2173 24142
345 WEST MANCHESTER BLVD.
INGLEWOOD, CA 90301

OFF-SALE BEER AND WINE - LICENSE

Respondent(s)/Licensee(s)
Under the Alcoholic Beverage Control Act

LAKEWOOD DISTRICT OFFICE

File: 20-400438

Reg: 25096026

CERTIFICATE OF DECISION

It is hereby certified that, having reviewed the findings of fact, determination of issues, and recommendation in the attached proposed decision, the Department of Alcoholic Beverage Control adopted said proposed decision as its decision in the case on May 26, 2026. Pursuant to Government Code section 11519, this decision shall become effective 30 days after it is delivered or mailed.

Any party may petition for reconsideration of this decision. Pursuant to Government Code section 11521(a), the Department's power to order reconsideration expires 30 days after the delivery or mailing of this decision, or if an earlier effective date is stated above, upon such earlier effective date of the decision.

Any appeal of this decision must be made in accordance with Business and Professions Code sections 23080-23089. The appeal must be filed within 40 calendar days from the date of the decision, unless the decision states it is to be "effective immediately" in which case an appeal must be filed within 10 calendar days after the date of the decision. Mail your written appeal to the Alcoholic Beverage Control Appeals Board, 400 R St, Suite 320, Sacramento, CA 95811. For further information, and detailed instructions on filing an appeal with the Alcoholic Beverage Control Appeals Board, see: https://abcab.ca.gov or call the Alcoholic Beverage Control Appeals Board at (916) 445-4005.

On or after July 8, 2026, a representative of the Department will contact you to arrange to pick up the license certificate.

https://abcab.ca.gov/abcab_resources/

Sacramento, California

Dated: May 28, 2026

Paul Tupy
Director

BEFORE THE
DEPARTMENT OF ALCOHOLIC BEVERAGE CONTROL
OF THE STATE OF CALIFORNIA

IN THE MATTER OF THE ACCUSATION AGAINST:

7-Eleven, Inc., and Dhanya, Inc. Dba: 7-Eleven Store 2173 24142 345 West Manchester Blvd., Inglewood, California 90301 Respondents	}	File: 20-400438 Reg.: 25096026 License Type: 20 Word Count: 11,901 Kennedy Court Reporters Dalauna Cardoza, Court Reporter Christopher Chain, Video Host
Off-Sale Beer and Wine License	}	**PROPOSED DECISION**

Administrative Law Judge D. Huebel, Administrative Hearing Office, Department of Alcoholic Beverage Control, heard this matter by video conference on March 10, 2026.

Jennifer Chavez, attorney, represented the Department of Alcoholic Beverage Control (the Department).

Adam Koslin, attorney, represented Respondents, 7-Eleven, Inc. and Dhanya, Inc.

The Department seeks to discipline the Respondents' license on the grounds that, on or about April 22, 2025, the Respondents'-Licensees' agent or employee, Mohammad Hasan, at said premises, sold, furnished, gave or caused to be sold, furnished or given, an alcoholic beverage to Santino Mosley, an individual under the age of 21, in violation of Business and Professions Code section 25658(a).[1] (Exhibit 1.)

Oral evidence, documentary evidence, and evidence by oral stipulation on the record was received at the hearing. The matter was argued and submitted for decision on March 10, 2026.

FINDINGS OF FACT

1. The Department filed the accusation on or about December 17, 2025.

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[1] All statutory references are to the Business and Professions Code unless otherwise noted.

2. The Department issued a type 20, off-sale beer and wine license to the Respondents for the above-described location on June 24, 2003 (the Licensed Premises). The parties stipulated that from 1995 to 2003 a type 20 off-sale beer and wine license with license number 307183 was an ABC license for retail held at 345 West Manchester Boulevard, Inglewood, California 90301, with licensees 7-Eleven, Inc., Sundeep Bhatia, and Rimjhim Bhatia.

3. The following is the record of prior Department discipline against the Respondents' license as established by official records introduced by the Department, which matter is final (Exhibit 2):

Date of Violation	Reg. No.	Violation	Penalty
April 27, 2024	25095374	BP §25658(a)	10-day all stayed suspension

4. Santino Mosley (hereinafter referred to as decoy Mosley) was born on February 25, 2006. On April 22, 2025, he was 19 years old. On that date he served as a minor decoy in an operation conducted by the Inglewood Police Department (hereinafter the IPD).

5. Decoy Mosley appeared and testified at the hearing. On April 22, 2025, he was 5'8" tall and weighed approximately 150 pounds. He wore a green hooded sweatshirt, black straight jeans and white shoes. Decoy Mosley did not wear the hood of the sweatshirt over his head at any time while he was in the Licensed Premises. (Exhibits 3, 4, and 5.) His appearance at the hearing was the same, except that he weighed 160 pounds.

6. On April 22, 2025, IPD Officer Jennings and other IPD officers arrived outside of the Licensed Premises. They were there conducting spot checks at licensed premises during general enforcement to observe for compliance with the law and Alcoholic Beverage Control Act.

7. At 5:10 p.m. Officer Jennings entered the Licensed Premises in a plain clothes capacity, followed shortly thereafter by decoy Mosley. Decoy Mosley walked straight to the alcoholic beverage refrigerator and selected a 16.9 fluid ounce Beat Box, which is an alcoholic beverage. Decoy Mosley brought the Beat Box to the sales counter.

8. Decoy Mosley placed the alcoholic beverage upon the sales counter. Clerk Mohammad Hasan (hereinafter referred to as clerk Hasan) scanned the Beat Box. Decoy Mosley handed the clerk $20, which clerk Hasan took and thereafter gave the decoy his change. The decoy took the change, the Beat Box and exited the store. Clerk Hasan did not ask the decoy for his identification (ID) or any age-related questions. There was no

verbal exchange between the clerk and decoy. Officer Jennings witnessed the transaction with a clear view and within hearing range of clerk Hasan and decoy Mosley.

9. Officer Jennings confirmed with the outside team of officers that the clerk had sold alcohol to decoy Mosely. Officer Jennings made contact with clerk Hasan, identified himself as an officer and informed clerk Hasan that he had just sold alcohol to a minor.

10. Decoy Mosley re-entered the Licensed Premises and met up with Officer Jennings and clerk Hasan. Officer Jennings asked decoy Mosley to identify the person who sold alcohol to him. Decoy Mosley pointed at clerk Hasan and verbally identified clerk Hasan as the person who sold him alcohol. Clerk Hasan was looking at decoy Mosley when the decoy identified the clerk.

11. A photograph was taken of clerk Hasan and decoy Mosley after the face-to-face identification, with decoy Mosley holding the alcohol and his change while standing next to clerk Hasan. (Exhibit 5.) Clerk Hasan cooperated with the minor decoy investigation conducted by the IPD.

12. Officer Jennings issued a citation to clerk Hasan after the face-to-face identification. There was no evidence that clerk Hasan was distracted during the sales transaction or the face-to-face identification. Clerk Hasan did not appear at the hearing.

13. Decoy Mosley appeared his age, as a teenager, at the time of the decoy operation. Based on his overall appearance, i.e., his physical appearance, dress, poise, demeanor, maturity, and mannerisms shown at the hearing, and his appearance and conduct in front of clerk Hasan at the Licensed Premises on April 22, 2025, decoy Mosley displayed the appearance which could generally be expected of a person under 21 years of age under the actual circumstances presented to the clerk. At the hearing, decoy Mosley appeared youthful, still appearing as a teenager despite being 20.

(Respondents' Witness)

14. Sundeep Bhatia appeared and testified at the hearing. Mr. Bhatia is the president of Dhanya, Inc. He described himself as the franchise owner through Dhanya, Inc. Mr. Bhatia formed Dhanya, Inc. in 2003. Prior to that incorporation he and his wife, Rimjhim Bhatia, co-owned the type 20 Licensed Premises in their personal capacities along with 7-Eleven, Inc. from 1995 to 2003 under license number 307183. As such, Mr. Bhatia said he has owned and operated this Licensed Premises for over 30 years, during which time, there has been one violation under section 25658(a) on April 27, 2024, along with the current alleged violation of April 22, 2025.

15. Mr. Bhatia works at the Licensed Premises approximately 20 to 25 hours per week, and the rest of the time his employees run the store. Mr. Bhatia ensures all employees receive extensive training in relation to the sale of alcohol to minors. Employees are trained regularly on the 7-Eleven computer module training, and they undergo the Department's LEAD[2] training. The Respondent produced LEAD certificates of completion for the Respondents' employees. (Exhibit B – seven LEAD certificates of completion for seven employees.) The Respondents participate in a secret shopper program where a third-party minor decoy attempts to purchase alcohol at the Licensed Premises to test the Respondents' employees to ensure they are complying with store policy relating to the sale of alcohol to minors. If the clerk does not sell alcohol to the covert shopper, they receive a green card and a "pat on the back, for good work." If the clerk sells alcohol to the secret shopper, the clerk receives a red card and is required to repeat their training. Mr. Bhatia also makes daily calls to employees to remind them not to sell to minors.

16. The Respondents have signs posted throughout the interior and exterior of the store reminding patrons and employees that "WE CHECK I.D." Those signs are posted at the counter, the alcoholic beverage refrigerators and at the exterior of the store. The signs at the sales counters state that, "WE CHECK I.D. If you LOOK under 30, we will check your I.D. before any age-restricted product is sold. Alcohol, tobacco and lottery. We will scan your I.D. before completing the sale of any vape product. NO I.D. NO Vape product. Buying tobacco for minors could cost you. It's not just wrong, it's illegal." The signs at the alcoholic beverage coolers state, "WE CHECK I.D. If you LOOK under 30, we will check your I.D. before any age-restricted product is sold. Alcohol, tobacco and lottery. Alcohol sold here from 6 a.m. to 2 a.m." (Exhibit A – four color photos of signs posted in Licensed Premises.)

17. After the sale to minor violation of April 22, 2025, Mr. Bhatia said that clerk Hasan was required to go through the LEAD training again, which he completed on May 11, 2025. (Exhibit B page 4.) Mr. Bhatia said that clerk Hasan is no longer working at the Licensed Premises. There was no evidence whether he quit or he was discharged.

18. Mr. Bhatia said that clerk Hassan was able to override the point of sale (POS) safety protocol and allow the sale to minor decoy Mosley on April 22, 2025, by pressing the "Visual ID OK" button. After said violation, Mr. Bhatia learned that despite his having already removed in the past, the "Manual Enter" and "Visual ID OK" buttons from the POS system, some technological glitch had allowed both buttons to be accessible to his staff, including clerk Hasan on April 22, 2025. Thereafter, Mr. Bhatia again had both buttons removed from the POS system to prevent any employee from bypassing the POS

[2] LEAD is the acronym for the Department's Licensee Education on Alcohol and Drugs program.

safety protocol relating to age-restricted sales. The POS thereafter only allows sales of alcohol if a clerk either scans or swipes the customer's ID and the POS verifies the customer is 21 years of age or older. Once an age-restricted product is scanned on the POS, the screen warns the clerks, "ID Verification Required. ID IS REQUIRED. MUST BE 21 TO PURCHASE. Scan or Swipe ID." The "Manual Enter" and "Visual ID Ok" buttons are greyed out; in other words, they cannot be accessed any longer. (Exhibit D.) The Respondents took this step again, to ensure all clerks not only ask a customer for their ID, but scan or swipe the ID and allow the POS system to verify that the age-restricted sale is legal.

CONCLUSIONS OF LAW

1. Article XX, section 22 of the California Constitution and section 24200(a) provide that a license to sell alcoholic beverages may be suspended or revoked if continuation of the license would be contrary to public welfare or morals.

2. Section 24200(b) provides that a licensee's violation, or causing or permitting of a violation, of any penal provision of California law prohibiting or regulating the sale of alcoholic beverages is also a basis for the suspension or revocation of the license.

3. Section 25658(a) provides that every person who sells, furnishes, gives, or causes to be sold, furnished, or given away, any alcoholic beverage to any person under the age of 21 years is guilty of a misdemeanor.

4. Cause for suspension or revocation of the Respondents' license exists under Article XX, section 22 of the California State Constitution and sections 24200(a) and (b) on the basis that on April 22, 2025, Respondents' employee, clerk Mohammad Hasan, inside the Licensed Premises, sold an alcoholic beverage, to-wit: Beat Box, to Santino Mosley, a person under the age of 21, in violation of Business and Professions Code section 25658(a). (Count 1.) (Findings of Fact ¶¶ 1, 2, 4-13, and 18.)

5. The Respondents argued that although prior case law has established that a licensee may permissively be held accountable for actions of employees even when they go against stated employer policy, case law does not state that such imputation is mandatory. Respondents argued that clerk Hasan's actions were his and his alone and did not reflect the Respondents' will, intent or lack of supervision given Mr. Bhatia's testimony that he works at the Licensed Premises at least 25 hours a week and exercises significant control over educating employees regarding policy and employees' actions.

6. Respondents' argument is rejected. An employee's on-premises acts and knowledge are imputed to the Respondent. (See *Yu v. Alcoholic Bev. etc. Appeals Bd.* (1992) 3 Cal.App.4th 286, 295 [4 Cal.Rptr.2d 280]; *Laube v. Stroh* (1992) 2 Cal.App.4th 364, 377 [3 Cal.Rptr.2d 779]; *Kirby v. Alcoholic Bev. Etc. Appeals Bd.* (1973) 33 Cal.App.3d 732, 737 [109 Cal.Rptr. 291].) "...a licensee can draw no protection from his lack of knowledge of violations committed by his employees or from the fact that he has taken reasonable precautions to prevent such violations.' There is no requirement . . . that the licensee have knowledge or notice of the facts constituting its violation.' [Citations.]" (*Reimel v. Alcoholic Beverage Control Appeals Bd.* (1967) 252 Cal.App.2d 520, 522 [60 Cal. Rptr. 641].) A licensee is vicariously responsible for the on-premises acts of his employees. Such vicarious responsibility is well settled by case law.[3] The types of misconduct historically imputed to a licensee are those that are foreseeable in the operation of a licensed premise. One such traditional ground is when a clerk sells alcohol to a minor, even though the licensee is not present, he or she is liable for that sale as if he or she had made the sale themselves – the conduct is imputed to the licensee because it is foreseeable, and is therefore the type of conduct the licensee has an obligation to prevent.

7. Except as set forth in this decision, all other allegations in the accusation and all other contentions of the parties lack merit.

PENALTY

The Department requested the Respondents' license be suspended for a period of 35 days, based on the following aggravating factors: (1) clerk Hasan's lack of diligence and failure to ask for the minor decoy's ID or age prior to selling an alcoholic beverage; (2) the lack of meaningful training after the prior violation of April 27, 2024, in which the department claims that had there been training after that violation the current violation likely would not have occurred, (3) the close proximity in time between the prior and current violations, citing Precedent Decision 19-02-E[4] (*Gytari*).

The Respondents recommended a 25 day suspension citing the following mitigating factors: (1) documented cooperation by the licensees in that clerk Hasan cooperated during the investigation as testified to by both decoy Mosely and officer Jennings;

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[3] See *Harris v. Alcoholic Beverage Control Appeals Board* (1962) 197 Cal.App.2d 172 [17 Cal.Rptr. 315, 320]; *Morell v. Department of Alcoholic Beverage Control* (1962) 204 Cal.App.2d 504 [22 Cal.Rptr. 405, 411]; *Mack v. Department of Alcoholic Beverage Control* (1960) 178 Cal.App.2d 149 [2 Cal.Rptr. 629, 633]

[4] *7-Eleven and Gytari,* Precedential Decision No. 19-02-E (April 12, 2019).

(2) documented training of Respondents' employees with the production of employee LEAD certificates of completion; (3) positive action by the licensees to correct the problem. The Respondents removed the mechanism clerk Hasan used to violate the policy, preventing any clerk from being able to use the Visual ID Ok button, and requiring employees physically obtain proof of age by scanning or swiping a customer's ID through the cash register. (4) Mr. Bhatia's general record as a licensee spans over 30 years, whether as an individual licensee from 1995 to 2003, or as a principal officer of Dhanya Inc, as a corporate licensee from 2003 to the present. During that time there have been only two violations. Furthermore, Officer Jennings testified that to his knowledge the Licensed Premises is not singled out as one the IPD must check-up on, and is not a source of any community impact issues concerning the sale of alcoholic beverages. (5) The Respondents further argue that while it is regrettable that clerk Hasan appears to have made a very unfortunate mistake, human error to a certain degree is inevitable.

In assessing an appropriate measure of discipline, the Department's penalty guidelines are in California Code of Regulations, Title 4, Division 1, Article 22, section 144, commonly referred to as rule 144. Under rule 144, the presumptive penalty for a first violation of selling or furnishing an alcoholic beverage to a minor in violation of section 25658 is a 15-day license suspension. For a second violation of section 25658 within 36 months the presumptive penalty is a 25-day suspension. Rule 144 also permits imposition of a revised penalty based on the presence of aggravating or mitigating factors.

In balancing the aggravating and mitigating factors, the penalty recommended herein complies with rule 144.

ORDER

The Respondents' off-sale beer and wine license is hereby suspended for a period of 25 days.

Dated: April 20, 20226

D. Huebel
Administrative Law Judge

☒ Adopt

☐ Non-Adopt: _____

_____

By: _____

Date: 05/26/2026

BEFORE THE
DEPARTMENT OF ALCOHOLIC BEVERAGE CONTROL
OF THE STATE OF CALIFORNIA

IN THE MATTER OF THE ACCUSATION AGAINST: 7-ELEVEN, INC., AND DHANYA, INC. 7-ELEVEN STORE 2173 24142 345 WEST MANCHESTER BLVD. INGLEWOOD, CA 90301 OFF-SALE BEER AND WINE - LICENSE under the Alcoholic Beverage Control Act.	File: 20-400438 Reg: 25096026 DECLARATION OF SERVICE BY MAIL

The undersigned declares:

I am employed at the Department of Alcoholic Beverage Control. I am over 18 years of age and not a party to this action. My business address is 3927 Lennane Drive, Suite 100, Sacramento, California 95834. On May 28, 2026, I served, by CERTIFIED mail (unless otherwise indicated) a true copy of the following documents:

DECISION AND CERTIFICATE OF DECISION

on each of the following, by placing them in an envelope(s) or package(s) addressed as follows:

7-ELEVEN, INC., AND DHANYA, INC.
7-ELEVEN STORE 2173 24142
345 WEST MANCHESTER BLVD.
INGLEWOOD, CA 90301

9589 0710 5270 2638 2165 15

ADAM KOSLIN, ATTORNEY AT LAW
426 CULVER BLVD
PLAYA DEL REY, CA 90293

9589 0710 5270 2638 2165 22

Office of Legal Services
Headquarters, Inter Office Mail

and placing said envelope or package for collection and mailing, following our ordinary business practices. I am readily familiar with this department's practice for collecting and processing correspondence for mailing. On the same day that correspondence is placed for collection and mailing, it is deposited in the ordinary course of business with the United States Postal Service, County of Sacramento, State of California, in an envelope with the postage fully prepaid. I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed on May 28, 2026 at Sacramento, California.

Mark Kinyon
Mark Kinyon

_X_ LAKEWOOD DISTRICT OFFICE (INTEROFFICE MAIL)
___ DIVISION OFFICE (INTEROFFICE MAIL)

DEPARTMENT OF ALCOHOLIC BEVERAGE CONTROL

April 23, 2026

To all parties:

Please find enclosed a copy of the proposed decision prepared by the Administrative Law Judge ("ALJ") in this matter. This is being provided to all parties pursuant to Government Code section 11517(c)(1), and the proposed decision is hereby filed as a public record.

PLEASE NOTE: This proposed decision has not been adopted by the Department. The Director has up to 100 days from the date it was received from the Administrative Hearing Office to act on the proposed decision. Such action may include, among other things, adoption or rejection of the proposed decision. (See Government Code section 11517(c)(2).)

There is no provision in the Government Code that specifically authorizes parties to submit written comments to the Director regarding the proposed decision. However, there is also no restriction in the law that prohibits parties from doing so, and it is not uncommon for parties to submit such comments, identifying asserted errors or flaws in the proposed decision.

The Director is limited to reviewing the proposed decision based upon the record developed at the hearing. As such, if you do choose to send comments, the Director can only consider them to the extent that they identify alleged error based on the law and/or on the evidence presented at hearing. In addition, **any comments should be sent to the Administrative Records Secretary and must be served on all parties** (which includes the attorney representing the Department at the hearing) and be **accompanied by a proof of service** establishing that this was done. Failure to do so will result in the comments being considered an *ex parte* communication, which is prohibited pursuant to Government Code sections 11430.10, *et seq*., and the Director will not review such comments.

Although proposed decisions are typically acted on within 30 to 60 days following receipt, action may be taken earlier than this. As such, if you do decide you wish to submit comments, you should do so promptly. Action on proposed decisions will not be delayed awaiting receipt of comments.

Whether or not comments are submitted, parties have all rights to request reconsideration (Government Code section 11521), to appeal a decision to the ABC Appeals Board, or to pursue such other legal remedies as provided by law.

Sincerely,

Mark Kinyon

Mark Kinyon

Administrative Records Secretary
Department of Alcoholic Beverage Control
3927 Lennane Drive, Suite 100
Sacramento, CA 95834

BEFORE THE
DEPARTMENT OF ALCOHOLIC BEVERAGE CONTROL
OF THE STATE OF CALIFORNIA

IN THE MATTER OF THE ACCUSATION AGAINST: 7-ELEVEN, INC., AND DHANYA, INC. 7-ELEVEN STORE 2173 24142 345 WEST MANCHESTER BLVD. INGLEWOOD, CA 90301 OFF-SALE BEER AND WINE - LICENSE under the Alcoholic Beverage Control Act.	File: 20-400438 Reg: 25096026 DECLARATION OF SERVICE BY MAIL

The undersigned declares:

I am employed at the Department of Alcoholic Beverage Control. I am over 18 years of age and not a party to this action. My business address is 3927 Lennane Drive, Suite 100, Sacramento, California 95834. On April 23, 2026, I served, by regular mail (unless otherwise indicated) a true copy of the following documents:

PROPOSED DECISION

on each of the following, by placing them in an envelope(s) or package(s) addressed as follows:

7-ELEVEN, INC., AND DHANYA, INC.
7-ELEVEN STORE 2173 24142
345 WEST MANCHESTER BLVD.
INGLEWOOD, CA 90301

ADAM KOSLIN, ATTORNEY AT LAW
426 CULVER BLVD
PLAYA DEL REY, CA 90293

JENNIFER CHAVEZ
3927 LENNANE DRIVE, SUITE 100
SACRAMENTO, CA 95834

MATTHEW GAUGHAN
CHIEF COUNSEL
3927 LENNANE DRIVE, SUITE 100
SACRAMENTO, CA 95834

and placing said envelope or package for collection and mailing, following our ordinary business practices. I am readily familiar with this department's practice for collecting and processing correspondence for mailing. On the same day that correspondence is placed for collection and mailing, it is deposited in the ordinary course of business with the United States Postal Service, County of Sacramento, State of California, in an envelope with the postage fully prepaid. I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed on April 23, 2026 at Sacramento, California.

Mark Kinyon
Mark Kinyon

_X_ LAKEWOOD DISTRICT OFFICE (INTEROFFICE MAIL)
___ DIVISION OFFICE (INTEROFFICE MAIL)

BEFORE THE
DEPARTMENT OF ALCOHOLIC BEVERAGE CONTROL
OF THE STATE OF CALIFORNIA

IN THE MATTER OF THE ACCUSATION AGAINST: 7 Eleven, Inc. & Dhanya, Inc. Dba: 7 Eleven Store 2173 24142 345 W Manchester Blvd. Inglewood, CA 90301 Off-Sale Beer and Wine - License Under the Alcoholic Beverage Control Act.	FILE: 20-400438 REG: 25096026 **PROOF OF SERVICE BY MAIL** **(CCP §§ 1013(A), 2015.5)**

I, the undersigned, hereby certify as follows:

I am a citizen of the United States and employed in the County of Sacramento, California. I am over the age of eighteen (18) years and I am not a party to the above-captioned action. My business address is P.O. BOX 348210, Sacramento, CA 95834.

On January 29, 2026, I mailed from Sacramento:

NOTICE OF HEARING BY VIDEO CONFERENCE ON ACCUSATION
VIDEO CONFERENCE HEARING NOTICE TO PARTIES

7 Eleven, Inc. & Dhanya, Inc.
Dba: 7 Eleven Store 2173 24142
345 W Manchester Blvd.
Inglewood, CA 90301

R. Bruce Evans, Attorney at Law
Solomon, Saltsman & Jamieson
426 Culver Boulevard
Playa Del Rey, CA 90293

7 Eleven, Inc.
Attn: Licensing Department
PO Box 139044
Dallas, TX 75313-9044

{X} **BY MAIL** - I served the documents by enclosing them in an envelope and: placing the envelope for collection and mailing following our ordinary business practices. I am readily familiar with this business's practice for collecting and processing correspondence for mailing. On the same day that correspondence is placed for collection and mailing, it is deposited in the ordinary course of business with the United States Postal Service in a sealed envelope with postage fully prepaid.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Administrative Hearing Office
Diana Villanueva

x OLS (Inter-Departmental Mail)
x LB/Lakewood District Office (Inter-Departmental Mail)

Paul Tupy
Director

Gavin Newsom
Governor

Department of Alcoholic Beverage Control
Administrative Hearing Office
P.O. BOX 348210
Sacramento, CA 95834-8210

April 23, 2026

RECEIVED
APR 23 2026
Alcoholic Beverage Control
Administrative Records Office

In the Matter of the Accusation Against:

7-Eleven, Inc., and Dhanya, Inc.
Dba: 7-Eleven Store 2173 24142
345 West Manchester Blvd.,
Inglewood, California 90301

File: 20-400438
Reg: 25096026

Director, Department of Alcoholic Beverage Control,

Enclosed is the Proposed Decision resulting from the hearing before the Department of Alcoholic Beverage Control, Administrative Hearing Office in the above-entitled matter.

This Proposed Decision is submitted for your review and action.

Respectfully,

John W. Lewis

John W. Lewis
Chief Administrative Law Judge