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March 22, 2021

TO: Honolulu Liquor Commission

FROM: Wayne Luke

RE: Application No. 21-22198 Masao Properties Incorporated
Item No. 6, March 25, 2025 Liquor Commission Hearing, Preliminary Hearing

For your information Beer Lab HI is operating under its second temporary license. The following is how it operates its restaurant.

A patron comes into Beer Lab and orders food. The food order goes to a kitchen with suitable facilities on the licensed premises containing the necessary equipment and supplies for cooking an assortment of foods which may be required for ordinary meals. The kitchen was previously approved by the Board of Health and Liquor Commission. The order is met and the food is brought out for consumption. Payment for the order is made, collected by the server and recorded as a food sale. The only other Restaurant requirement to be met is that, when totaled with other food sales and liquor sales, at least 30% met be food sales.

The Liquor Commission has no rules as to who buys the food or who cooks the food. This is strictly up to the licensee.

However, by cooking and having the food on the licensed premises the provider in this case called food trucks, are considered by the Liquor Commission to be employees.

The definition of an employee is contained on Page 2 of the Rules of the Liquor Commission which states:

> "Employee" means any person who performs a service on or within a licensed premises regardless of whether that person is under contract (in this case Beer Lab and food trucks) registered or not registered, compensated or not compensated.

The Applicant has a lease and is obligated to operate the premises. If for some reason this current practice is deemed to be against Commission rules, the Applicant will adjust.

This is a Preliminary Hearing and any concerns can be addressed between the parties before the Public Hearing.

Respectfully submitted,

Wayne Luke
Attorney for Applicant