

**HEARING BEFORE A PANEL
OF THE BOARD OF
ALBERTA GAMING, LIQUOR AND CANNABIS COMMISSION**

**IN THE MATTER OF the *Gaming, Liquor and Cannabis Act*
Revised Statutes of Alberta 2000, Chapter G-1, as amended
and the Regulation**

and

**2103424 Alberta Ltd.
o/a Good Neighbor Pub & Grill (Licensee)
11824 103 Street NW
Edmonton AB, T5G 2J2**

DATE OF HEARING:	January 16, 2023
HEARING PANEL:	Len Rhodes, Presiding Member Patti Grier, Panel Member Vincent Vavrek, Panel Member
LICENSEE / REPRESENTATIVE:	Xing Kai Huang, Owner/Operator
REGULATORY SERVICES DIVISION:	Toni Hazelwood, Hearing Officer

DECISION OF THE HEARING PANEL

The Panel finds that the Licensee contravened section 69(1)(a) of the *Gaming, Liquor and Cannabis Act* (the Act) on two counts.

In accordance with section 91(2)(d) of the Act, the Panel cancels the Class A liquor licence numbered 778359-3 for 2103424 Alberta Ltd., effective immediately upon issuance of this decision.

The Board orders that Xing Kai Huang, 2103424 Alberta Ltd., their employees and associates and any persons with connections to them are ineligible to hold a liquor licence for a period of three (3) years. After February 1, 2026, 2103424 Alberta Ltd. or its associates are eligible to reapply to become a licence holder in accordance with the licence application process set out in section 2 of the Liquor Licensee Handbook.

I. Jurisdiction and Preliminary Matters

[1] On October 20, 2022, Gary Peck, the Vice President of the Regulatory Services Division (Regulatory Services) of the Alberta Gaming, Liquor and Cannabis Commission (AGLC) contacted Len Rhodes, Board Chair, via email to request that the Board convene a hearing for 2103424 Alberta Ltd., operating as Good Neighbor Pub & Grill (the Licensee), as a result of two alleged contraventions of:

- section 69(1)(a) of the Act: No liquor licensee or employee or agent of a liquor licensee may permit any activity in the licensed premises that is contrary to any municipal bylaw or any Act or regulation of Alberta or Canada.

[2] Pursuant to sections 91(1)(a) and 91(2) of the Act and the Administrative Sanction Guideline for Violations, the Board Chair directed that a hearing before a Panel of the Board be convened.

[3] In accordance with section 11 of the Act, the Chair of the Board designated three members of the Board to sit as a Panel to conduct the hearing and make a decision – Len Rhodes (Presiding Member), Patti Grier, and Vince Vavrek.

[4] The hearing was scheduled and the Licensee was provided notice and the hearing record via recorded mail on October 28, 2022. The hearing was subsequently rescheduled and an Updated Notice of Hearing with the new hearing date was delivered to the Licensee on December 8, 2022.

[5] The parties and the Panel were provided with a record containing various documents pertaining to the issues before the panel. The Licensee confirmed receipt of the Updated Notice of Hearing dated November 10, 2022 and the attached hearing record. The following documents were entered into evidence:

- Exhibit 1 Hearing Record, including Tabs A to C
- Exhibit 2 Edmonton Police Service files, including Tabs 1 to 12

II. Issues

[6] Did Good Neighbor Pub & Grill contravene section 69(1)(a) of the Act? If so, did the Licensee contravene section 69(1)(a) on one or two counts?

[7] If the Licensee contravened section 69(1)(a) of the Act on one or both counts, what sanction should the Panel impose in accordance with section 91(2) of the Act?

III. Regulatory Services Submissions

[8] Regulatory Services called four witnesses to give evidence:

- Brad Smith, Investigator
- Constable Brys Francis, Edmonton Police Service (EPS)
- Conrad Moschansky, Investigator
- Dennis Storey, Director, Investigations

[9] The following is a summary of the evidence provided by Investigator Smith, Constable Francis, Investigator Moschansky and Mr. Storey.

Background

[10] Constable Francis, who has been an EPS member for 16 years, investigated Mr. Huang and Good Neighbor Pub & Grill as a result of an operation conducted by him and the EPS Focused Intervention and Apprehension Team (FIAT), called Project Capone.

[11] Project Capone began in 2020 as a result of the rapidly rising number of large quantity liquor thefts and associated violence in Edmonton since 2018.

[12] Constable Francis clarified that large quantity liquor thefts do not include thefts of single bottles for personal use but rather thefts of multiple bottles or cases of liquor. These thefts are often paired with violence towards employees, whether the employees attempt to intervene or not.

[13] Constable Francis stated that the reported violence associated with liquor thefts ranged from verbal threats to physical assault and assault with weapons such as knives, bear spray and firearms, resulting in significant injuries.

[14] In 2018, 3,300 liquor thefts were reported to EPS and in 2019 there were 9,600 reported. Constable Francis stated that early in 2020, EPS anticipated that the number of thefts would continue to rise and surpass each of the previous years, with 600 reported liquor thefts in January 2020 alone.

[15] In December 2020, Constable Francis initiated Project Capone. The operation began with the observation of two street-level thieves who were known for stealing cases of liquor and stealing from multiple retail liquor stores per day. Constable Francis and his team determined that the liquor was being trafficked but were unable to identify the source of the demand for the stolen liquor due to the COVID-19 pandemic and resulting restrictions.

[16] In 2021, EPS members commenced the undercover component of Project Capone to identify other individuals involved in the liquor thefts and subsequent trafficking. The goal was to determine the hierarchy of the group, identify peripheral members that EPS was not yet aware of, take enforcement action against businesses purchasing stolen liquor and prosecute the traffickers.

[17] EPS members conducted surveillance and undercover scenarios and eventually identified three individuals that appeared to be the organizers of criminal activities including the trafficking of contraband tobacco, stolen liquor, stolen property and illicit substances. Their network was found to span throughout the Edmonton area, across Alberta and into British Columbia.

[18] During one of the scenarios, undercover officers communicated with the three individuals identified as the organizers and the undercover officers sold them liquor that was held out to be stolen.

[19] Constable Francis advised the Panel that all of the liquor bottles sold by the officers that were purported to be stolen were individually marked with unique markings that could later be identified by EPS. Photos of the uniquely marked bottles were included as Exhibit 2, Tab 12.

[20] Through Project Capone, Constable Francis stated that his team was able to gather enough evidence to obtain search warrants for residential and commercial properties identified as locations where the stolen liquor was either housed or trafficked from and the cell phones of the three targeted organizers.

[21] As a result of the search warrants, multiple criminal charges were laid against the three individuals including charges related to the distribution of contraband tobacco, trafficking of stolen property, possession and trafficking of controlled substances, and more.

[22] The information extracted from the cell phones of the individuals provided EPS with sufficient evidence to link the group to other individuals, including liquor licence holders, some of which were also criminally charged.

[23] Through a Memorandum of Understanding between the Investigations branch of Regulatory Services and local law enforcement agencies, EPS advised the Investigations branch about Project Capone. At the conclusion of the operation, EPS shared the results with the Investigations branch to allow Regulatory Services to follow up on any regulatory matters related to the licensees identified in the EPS operation, which included allegations of trafficking contraband tobacco products.

[24] Good Neighbor Pub & Grill was one of the 16 licensees that had illegally purchased or were believed to possess cases or bottles of liquor held out to be stolen or contraband tobacco products.

[25] EPS shared a list of the licensees with the Senior Manager of the Investigations branch as well as a document with descriptions and photos of the uniquely-marked and identifiable liquor that was sold under Project Capone.

Contravention 1: Section 69(1)(a) - first count

[26] Constable Francis advised the Panel that as part of the cell phone review of one of the criminally charged individuals, EPS discovered communications from an individual named "Kye" (Exhibit 2, Tab 5) regarding the purchase of cases of contraband tobacco.

[27] EPS members entered the phone number into various databases and were able to link it to Xing Kai Huang. Constable Francis verified the name and phone number in the motor vehicle database and confirmed that Mr. Huang listed the same phone number when he last renewed his driver's licence. Copies of the database search results were provided as Tabs 6, 7 and 8 of Exhibit 2.

[28] Investigator Smith, who is an investigator with the Tobacco Enforcement Unit (TEU) with AGLC, had also initiated a separate investigation of Good Neighbor Pub & Grill in relation to contraband tobacco as a result of an anonymous Crimestoppers tip received in March 2022. The tipster alleged that

Good Neighbor Pub & Grill was selling illegal tobacco and that portions of video lottery terminal (VLT) payouts were being kept by staff as tips.

[29] Between April 1 and June 30, 2022, Investigator Smith and TEU members conducted surveillance both in an undercover capacity within the licensed premises and outside the premises.

[30] On April 1, 2022, Investigator Smith attended Good Neighbor Pub & Grill in an undercover capacity to observe the activities in the premises. He was able to identify both owners, Mr. Huang and his business partner. Investigator Smith observed them both working in the premises and trafficking contraband cigarettes.

[31] Investigator Smith advised the Panel that contraband cigarette packaging is easy to identify and distinguish from legal tobacco products for the following reasons:

- Legal cigarette packaging is dull brown, with no pictures or unique fonts
- Legal cigarettes include large health warnings and appropriate markings for tax paid sale
- Contraband cigarettes are packaged in bright blue, green, red and/or white packs or cartons
- Contraband cigarette packaging is longer, has large font and small health warnings

[32] Investigator Smith observed three transactions where Mr. Huang or his partner accepted cash from a patron for a package or carton of contraband cigarettes.

[33] Investigator Smith approached Mr. Huang at the main service bar and asked if he could purchase a pack of cigarettes but Mr. Huang advised him that Good Neighbor Pub & Grill does not have a licence to sell cigarettes.

[34] While conducting his observations in the premises on April 1, 2022, Investigator Smith did not observe any issues with VLT payouts.

[35] On May 26 and June 1, 2022, TEU members conducted surveillance of the premises and observed one patron exiting the premises with a package of contraband cigarettes and observed one patron enter the premises empty-handed then exit carrying a plastic bag containing a long, blue and white rectangular item similar in size and shape to a carton of contraband cigarettes.

[36] TEU members also conducted a visual check of an unlocked garbage bin outside of the rear door of the premises and found two empty cartons of contraband cigarettes and could clearly identify VLT and payment receipts that came from Good Neighbor Pub & Grill in the bin.

[37] On June 30, 2022, Investigator Smith returned to the premises and observed a total of 10 to 15 individuals exiting the premises with products that he identified as contraband tobacco products.

[38] Investigator Smith entered the premises to conduct a tobacco compliance inspection and identified himself to Mr. Huang and explained the purpose of his visit. Investigator Smith described Mr.

Huang as accommodating and easy to deal with. Mr. Huang confirmed that he had contraband tobacco and led Investigator Smith to the back storage room where it was kept.

[39] Investigator Smith located and seized 4 cartons and 26 packages, totaling 1,325 cigarettes. The seized tobacco was later destroyed.

[40] On July 21, 2022, Investigator Smith returned to Good Neighbor Pub & Grill and issued a violation ticket to 2103424 Alberta Ltd. under the *Tobacco Tax Act* for the possession of less than or equal to 1,000 cigarettes not marked for tax paid sale. On September 7, 2022, the Licensee plead guilty and paid the voluntary fine amount. A copy of the ticket and proof of payment were attached to the Incident Report (Exhibit 1, Tab A).

[41] Investigator Smith advised the Panel that although trafficking contraband tobacco is a criminal offence, no criminal charges were laid against the Licensee and only the provincial sanction under the *Tobacco Tax Act* was issued.

Contravention 2: Section 69(1)(a) – second count

[42] On July 19, 2022, Investigator Moschansky, a Peace Officer and an AGLC investigator, was asked to assist in an investigation of Good Neighbor Pub & Grill following the information provided by EPS regarding Project Capone.

[43] On August 3, 2022, Investigator Moschansky attended Good Neighbor Pub & Grill with AGLC inspectors Carla Hamilton and Kaitlyn Lima. Investigator Moschansky instructed the AGLC inspectors to enter the premises to conduct a maintenance inspection. Investigator Moschansky asked the inspectors to search for the liquor bottles that were specially marked by Constable Francis' team as part of Project Capone.

[44] The inspectors found three bottles of Crown Royal Whisky with the identifiable markings. One was empty and had been thrown into a garbage can, one was opened and located on the main service bar and the other was found in the back storage room.

[45] The inspectors advised Investigator Moschansky of their findings and he entered the premises to speak with Mr. Huang. Investigator Moschansky advised Mr. Huang who he was but did not divulge that the inspectors had located liquor bottles that they knew had been obtained illegally. Instead, Investigator Moschansky told Mr. Huang that he and the inspectors were looking for liquor that was sub-standard and not of sufficient quality to be sold and, for that reason, he was seizing the three bottles of Crown Royal Whisky.

[46] Investigator Moschansky stated that he did not divulge the real intent of the inspection to Mr. Huang as Regulatory Services did not know Mr. Huang's connections with other licensees and, as the investigations into the numerous other licensees on the list provided by EPS had just begun, Investigator Moschansky did not want Mr. Huang to know the basis of the investigation or to disclose to other suspected licensees what investigators were looking for.

[47] Investigator Moschansky advised the Panel that during their conversation, Mr. Huang explained that he had been the manager for the Licensee for five years. He explained that he usually purchases liquor for the premises from various retail liquor stores all over the city, based on where there are products on sale.

[48] Investigator Moschansky advised the Panel that at the time of the hearing, the three seized bottles of liquor were locked in a secure exhibit room at AGLC.

[49] Both Constable Francis and Investigator Moschansky asserted that there was no way Good Neighbor Pub & Grill could have obtained the liquor legally as the bottles contained the markings placed by Constable Francis and his team on the “stolen” liquor.

[50] On September 15, 2022, Inspector Lima contacted Mr. Huang to advise him that an Incident Report would be submitted as a result of the discovery of stolen liquor at Good Neighbor Pub & Grill.

[51] Constable Francis advised the Panel that Mr. Huang was not criminally charged because the Licensee’s involvement with the alleged criminals was discovered as a result of mobile phone analysis which was conducted after arrests were made. EPS was unable to safely introduce undercover officers to obtain more information about Good Neighbor Pub & Grill or Mr. Huang after the arrests and the conclusion of the operation. Instead, EPS identified Good Neighbor Pub & Grill as one of the licensees that Regulatory Services should investigate.

[52] Constable Francis advised the Panel that he is not aware of any further criminal activity in the licensed premises since September 2022.

[53] Although there were no criminal charges laid against the Licensee, Dennis Storey, Director of Investigations at AGLC, advised the Panel that if the Licensee applied for a liquor licence today neither 2103424 Alberta Ltd. nor Mr. Huang would clear a background check or be eligible to hold a liquor licence.

[54] Mr. Storey explained that, in accordance with section 13 of the Gaming, Liquor and Cannabis Regulation, the Licensee and its operators are identified by Regulatory Services as not acting in accordance with law, with honesty and integrity, and are considered by Regulatory Services to be a detriment to liquor activities in Alberta.

[55] Mr. Storey advised the Panel that since the conclusion of Project Capone, EPS and Regulatory Services have seen a significant reduction in harm and criminal activity in the community around Good Neighbor Pub & Grill.

[56] However, Mr. Storey suggested that in his opinion, the licence should be cancelled. He suggested that when a Licensee invites criminal activity into the licensed premises, they invite the activity into Alberta. Mr. Storey asserted that, by trafficking contraband tobacco, the Licensee contributed to organized crime and the continued operation of Good Neighbor Pub & Grill would continue to attract criminal activity.

[57] Further, Constable Francis stated that if licensees continue to purchase stolen liquor, that will drive the demand and liquor thefts will continue.

[58] Mr. Storey submitted that Crown Royal Whisky is not unique or difficult to obtain from an approved source, such as a retail liquor store. Despite that, the Licensee chose to purchase the liquor from an unapproved source. Mr. Storey suggested that the Licensee is willing to put the best interests of the community at risk in order to increase revenue.

[59] Despite not being criminally charged by EPS with respect to the illegitimate purchase of liquor, Mr. Storey maintained that the Licensee committed a criminal offence. Regulatory Services is of the opinion that Mr. Huang could have chosen to purchase liquor from a legitimate source but he chose not to follow the clear rules set out by AGLC. Further, Mr. Huang could have easily obtained an endorsement from the City of Edmonton to sell legal tobacco in his store but he chose to operate outside of the process and the law.

[60] Ms. Hazelwood clarified for the Panel that Regulatory Services does not have control over the placement or removal of VLTs. VLT agreements are managed by Retail Services at AGLC; Regulatory Services notified Retail Services that an investigation was being conducted but was not involved in the termination of the VLT agreement.

IV. Good Neighbor Pub & Grill Submissions

[61] The representative for the Licensee, Mr. Huang, gave evidence on behalf of Good Neighbor Pub & Grill.

[62] When asked by the Panel to clarify the ownership structure of Good Neighbor Pub & Grill, Mr. Huang confirmed that he shares ownership of the numbered company but that his partner is an elderly woman who does not speak English, so he acts as the premises manager and as the representative for the Licensee.

[63] Mr. Huang advised the Panel that the COVID-19 pandemic was difficult on Good Neighbor Pub & Grill as the business was required to close multiple times as a result of public health protocols. As a result of the decreased sales, the Licensee has had to cut down staff at the premises. Currently, Mr. Huang works six days per week as the manager and bartender and he and his business partner are the only employees.

[64] In addition, Mr. Huang admitted to taking a financial shortcut by purchasing contraband tobacco to be sold for profit from Good Neighbor Pub & Grill.

[65] Mr. Huang stated that since Investigator Smith issued the violation tickets for the possession of contraband tobacco, neither he nor his business partner have purchased or sold any contraband tobacco. Mr. Huang assured the Panel that he and his partner regret their actions every day and will never be involved in the sale of contraband tobacco again.

[66] With respect to the violation involving stolen liquor, Mr. Huang asserted that he was unaware the three bottles of liquor he purchased were stolen. He stated that an individual came into the premises and offered to sell him the liquor and Mr. Huang declined the offer. The individual sat at a table in Good Neighbor Pub & Grill and advised Mr. Huang he had no money and was desperate to sell the liquor to get by. Mr. Huang stated that he took pity on the individual and purchased the three bottles of Crown Royal Whisky for \$60.

[67] Mr. Huang advised the Panel that he placed the bottles with all the other liquor in the storage room at the premises and suggested that if he knew the bottles were stolen, he would have hidden them or rotated them with his legitimate stock.

[68] Mr. Huang admitted that although he was unaware the liquor was stolen, he was at fault as he did not purchase the liquor from an approved source in line with AGLC's policies, which he confirmed he was aware of.

[69] As a result of the violations, the VLT agreement between Good Neighbor Pub & Grill and AGLC was terminated and the VLTs were removed from the premises on November 4, 2022 for a minimum of six months. Mr. Huang submitted that the loss of the VLTs has resulted in a significant decrease in revenue for the Licensee.

[70] Mr. Huang submitted that Good Neighbor Pub & Grill is well-liked by its patrons and that he has worked tirelessly to improve both the premises and the community.

V. Summation

Regulatory Services

[71] Further to the two alleged contraventions of section 69(1)(a) of the Act, Regulatory Services submits that the Licensee is no longer eligible to hold a liquor licence, in accordance with section 92(1) of the Act and section 13.1 of the Gaming, Liquor and Cannabis Regulation.

[72] With respect to the first contravention, Regulatory Services is of the opinion that the evidence presented by Investigator Smith, Constable Francis and Investigator Moschansky is clear; Investigator Smith found that the Licensee had purchased and sold contraband tobacco. Charges were laid under the *Tobacco Tax Act*, which the Licensee pled guilty to and is not contesting.

[73] Project Capone was initiated to address the rising liquor thefts and resulting violence. As a result of the substantial surveillance and undercover operation described by Constable Francis, Mr. Huang was found to have direct communications with members of an alleged organized crime group with the apparent goal of obtaining contraband tobacco.

[74] The Licensee was also found by AGLC inspectors and Investigator Moschansky to be in possession of liquor that was held out to be stolen via the undercover operation.

[75] Regulatory Services takes the position that their follow up investigations have identified the Licensee's willingness to support illegal activity by possessing property obtained by crime for the purpose of the trafficking.

[76] Mr. Storey has confirmed that such actions contravene section 13 of the Gaming, Liquor and Cannabis Regulation and constitute a detriment to gaming and liquor activities. If Good Neighbor Pub & Grill were to apply for a liquor licence today, they would not clear a background check and would not be granted a liquor licence.

[77] Regulatory Services is of the opinion that if the Licensee were allowed to continue to operate a licensed premises, criminal activity will continue and likely escalate in and around the premises. Complicit licensees generate profit for organized crime groups and leave Albertans at risk.

[78] Regulatory Services believes that a monetary penalty would not serve as a deterrent for the Licensee. Although Regulatory Services acknowledges that Mr. Huang admitted he made a mistake, it maintains the position that the licence should be cancelled.

[79] Regulatory Services requests that the Panel cancel the liquor licence and direct that the licensee become ineligible to hold a licence for a minimum of five years.

Good Neighbor Pub & Grill

[80] Mr. Huang asked the Panel to give him a second chance to allow him to prove that he can operate the premises in accordance with the law. He regrets the choices he made on behalf of the Licensee.

[81] Mr. Huang assured the Panel that he would not permit any illegal activity in the premises and would work with EPS to stop criminal activity in the community, should the Panel allow Good Neighbor Pub & Grill to maintain its liquor licence.

VI. Analysis

[82] The Panel carefully considered the oral evidence of the witnesses and the submissions of the parties.

[83] With respect to the first contravention, the Panel finds as fact that the Licensee admitted to the possession and sale of contraband tobacco products. Investigator Smith confirmed that he seized 4 cartons and 26 packages of contraband cigarettes from the licensed premises on June 30, 2022. The Panel finds that Investigator Smith also observed numerous purchases of contraband tobacco products from Good Neighbor Pub & Grill while surveilling the premises on April 1, May 26, June 1, and June 30, 2022.

[84] The Panel finds that when Mr. Huang was approached by Investigator Smith on June 30, 2022, Mr. Huang provided the investigator with all of the contraband tobacco in his possession and acknowledged that it was contraband. Mr. Huang admitted that the Licensee was guilty and made the voluntary payment on the violation ticket issued under the *Tobacco Tax Act*. The Panel notes that

documentary evidence of the fine payment was provided and attached to the Incident Report (Exhibit 1, Tab A).

[85] The Panel finds as fact that Mr. Huang communicated via text message (Exhibit 2, Tab 5) with an individual to acquire contraband tobacco to be sold in the licensed premises. The individual trafficking the contraband tobacco was later charged with multiple criminal offences involving trafficking and possession of contraband tobacco, stolen liquor, stolen property and other illicit substances, as a result of the EPS operation.

[86] With respect to the second contravention of section 69(1)(a) of the Act, the Panel finds that Mr. Huang admittedly acquired three, 1.14 litre bottles of Crown Royal Whisky from an individual who was not licensed to sell liquor.

[87] Pursuant to section 6.1.1 of the Liquor Licensee Handbook, Class A liquor licensees are able to purchase liquor from the following AGLC-approved sources: AGLC St. Albert warehouse (i.e. Connect Logistics Services Inc.), a liquor supplier or liquor agency authorized to warehouse and distribute products, or a Class D retailer authorized to sell to licensees (i.e. retail liquor store). The Panel finds that the Licensee is aware of the approved sources and failed to purchase liquor in accordance AGLC's policies.

[88] The Panel finds as fact that the three bottles seized by Investigator Moschansky from Good Neighbor Pub & Grill contained unique identifiers placed by Constable Francis and his team as part of Project Capone. The Panel finds that the evidence provided by Constable Francis and Investigator Moschansky confirms that the specially marked bottles were held out to be stolen and could not have been legally acquired by the Licensee.

[89] As such, the Panel finds that the licensee contravened section 69(1)(a) of the Act on two counts.

[90] The Panel believes the Licensee understands that the liquor was not purchased legally nor in accordance with the Act or AGLC's policies. The Panel acknowledges that Mr. Huang is remorseful for his actions, however, operating a licensed premises is a privilege and not a right. By purchasing liquor from illegitimate sources, Good Neighbor Pub & Grill has knowingly contributed to liquor store thefts and organized criminal activity.

[91] Good Neighbor Pub & Grill's involvement in the purchase of contraband tobacco and stolen liquor has created a demand for these products. By allowing Good Neighbor Pub & Grill to continue to operate, the community will be placed at risk and other liquor licensees could continue to be the subject of theft and violence.

[92] AGLC is responsible for acting in the public interest and ensuring licensees operate in accordance with the law for the safety of other licensees and Albertans as a whole.

[93] Pursuant to section 13 of the Regulation, the Panel finds that the Licensee has not acted in accordance with the law, with honesty and integrity and in the public interest and is not eligible to hold a liquor licence at this time.

VII. Finding

[94] For the reasons noted above, the Panel finds that the Licensee contravened section 69(1)(a) of the *Gaming, Liquor and Cannabis Act* (the Act) on two counts.

[95] In accordance with section 91(2)(d) of the Act, the Panel cancels the Class A liquor licence numbered 778359-3 for 2103424 Alberta Ltd., effective immediately upon issuance of this decision.

[96] The Board orders that Xing Kai Huang, 2103424 Alberta Ltd., their employees and associates and any persons with connections to them are ineligible to hold a liquor licence for a period of three (3) years. After February 1, 2026, 2103424 Alberta Ltd. or its associates are eligible to reapply to become a licence holder in accordance with the licence application process set out in section 2 of the Liquor Licensee Handbook.

Signed at St. Albert, this 1st day of February, 2023

A handwritten signature in blue ink, appearing to read "Len Rhodes". The signature is stylized and cursive.

Len Rhodes, Presiding Member, Hearing Panel