

Citation: 0936068 B.C. Ltd. dba On the Rocks Liquor Store (RE), 2026 BCLCRB 02
Date: 2026-02-11

**DECISION OF THE
GENERAL MANAGER
LIQUOR AND CANNABIS REGULATION BRANCH**

IN THE MATTER OF
A hearing held pursuant to Section 51 of

The Liquor Control and Licensing Act, S.B.C. 2015, c. 19

Licensee:	0936068 B.C. Ltd. dba On the Rocks Liquor Store 102-9024 100th Avenue Fort St. John, B.C. V1Y 1X4
Case:	EH25-186
For the Licensee:	John Hynes Licensee's Representative
For the Branch:	Hugh Trenchard Branch Advocate
General Manager's Delegate:	R. John Rogers
Date of Hearing:	January 13, 2026
Date of Decision:	February 11, 2026

INTRODUCTION

[1] 0936068 B.C. Ltd. (the “Licensee”) holds Licensee Retail Store licence no. 195114 (the “Licence”), pursuant to which it operates the establishment called “On the Rocks Liquor Store” (the “Store”), located at 101-9104 100th Avenue, Fort St. John, B.C. The Store is permitted to sell liquor between 7 am and 11 pm daily. Minors are permitted in the Store if accompanied by a parent, guardian, stepparent, grandparent, spouse of the minor or another adult who could reasonably be expected to act in place of a parent and be responsible for supervision of the minor.

[2] The Licence is, as are all retail store licences issued in the province, subject to the terms and conditions contained in the publication "Licensee Retail Store Terms and Conditions" (the “Terms and Conditions Handbook”).

ALLEGED CONTRAVENTION AND PROPOSED PENALTY

[3] The Liquor and Cannabis Regulation Branch's (the "Branch") allegations and proposed penalty for the alleged contravention included in EH25-186 are set out in the Notice of Enforcement Action dated August 14, 2025 (" NOEA") (Ex 1 tab 1).

[4] In the NOEA, the Branch alleges that on Friday, August 8, 2025, the Licensee contravened s. 77(1)(a) of the *Liquor Control and Licensing Act*, S.B.C. 2015, c. 19 (the “Act”) when its employee (the “Employee”) sold liquor to a minor. Item 7, Schedule 2 of the *Liquor Control and Licensing Regulation*, BC Reg 106/2019 s. 1. (the “Regulation”) sets out the range of penalties for a first contravention of this type as being a 7-to-11-day licence suspension and/or a \$7,000 to \$11,000 monetary penalty.

[5] The Licensee has admitted that the contravention alleged in the NOEA occurred but has submitted that as it had been duly diligent in complying with the provisions of the Act, the Regulation and the Licence, that the defence of due diligence applies and that it is not liable for the contravention. However, the Licensee has requested that if it is found to be liable for the contravention, that a monetary penalty rather than a licence suspension be ordered and that the monetary penalty be less than that the \$7,000 monetary penalty recommended by the Branch in the NOEA.

[6] For the purposes of this hearing and in accordance with Section 5 of the Act, the general manager has delegated to me the powers, duties and functions provided to the general manager by Section 51 of the Act.

RELEVANT STATUTORY PROVISIONS

Liquor Control and Licensing Act, S.B.C. 2015, c. 19

Supplying liquor to minors

- 77 (1) Subject to the regulations, a person must not
 (a) sell, give or otherwise supply liquor to a minor.

Liquor Control and Licensing Regulation, B.C. Reg. 106/2019 s.1.

**Schedule 2
 (B.C. Reg.106/2019, s.1)
 Monetary Penalties and Licence Suspensions**

Table

Item	Contravention	Monetary Penalty			Period of Suspension (Days)		
		First Contravention	Second Contravention	Subsequent Contraventions	First Contravention	Second Contravention	Subsequent Contraventions
Minors							
7	Contravention of section 77 of the Act [supplying liquor to minors]	\$7 000 – \$11 000	\$11 000– \$15 000	\$15 000 – \$25 000	7 -11	11-21	21-41

ISSUES

1. Did the contravention occur?
2. If so, has the Licensee established a defence to the contravention?
3. If the contravention is proven, what penalty is appropriate?

EXHIBITS

- Exhibit #1: Branch book of documents, tabs 1 to 12.
 Exhibit #2: The Licensee’s book of documents, pages 1 to 41, referencing:
- The training history of the Employee,

- General Staff Training and Ongoing Compliance for the Licensee
 - Newly Implemented Training Measures (Post-Incident), and
- the following attachments:
- a copy of the Employee’s Serving It Right certificate,
 - a copy of the Licensee’s Employee Training Manual (the “Training Manual”),
 - a copy of the employment agreement (the “Employment Agreement”) signed by the Employee on July 9, 2025
 - a copy of a document entitled “Liquor Rules” (the “Liquor Rules Document”) signed by the Employee on July 16, 2025,
 - a copy of a picture of the pop up on the POS system in the Store reminding the salesclerk to ask for identification,
 - a copy of a picture at the cash desk (the “Cash Desk Picture”) at the Store reminding the salesclerk to ask for identification,
 - a copy of the statement of the Store supervisor (the “Store Supervisor”) who was responsible for the initial training of the Employee (the “Store Supervisor’s Statement”),
 - a copy of the Staff News 5 - May 2025 which was directed to all staff, and which included a reminder to check for identification as the “Grad Season was around the corner”,
 - a copy of the Staff News 6 - July 2025 which was directed to all staff, and which included a reminder to staff to follow the Liquor Rules,
 - a copy of the Staff News 2 – February which was signed by all staff,
 - a copy of the Staff News 3 – February 22, 2025 which was signed by all staff,
 - a copy of the Staff News 4 – April 2025 which was signed by all staff,
 - a copy of the Staff News 5 – May 2025 which was signed by all staff,
 - a copy of the Staff News 6 – July 2025 which was signed by all staff,
 - a copy of the Statement of the current acting supervisor of the Store (the “Current Store Supervisor” referencing the practice of the Licensee to reinforce the Licensee’s Liquor Rules,
 - a copy of the messages on the employee messaging system on What’s App (the “WhatsApp Messages”) reminding employees to check for identification, which messaging system was deployed following the incident on August 8, 2025,
 - a copy of the Quarterly Liquor Rules entitled “Under 30ID Program” updated in December 2025 and which was signed by all employees of the Licensee,

- a copy of the “ID and Intoxicatiomm Log Book implemented by the Licensee on August 9, 2025, and
- a copy of the First Day Hiring Check List updated following the incident on August 8, 2025.

WITNESSES

[7] The Branch called Liquor and Cannabis inspector A (“Inspector A”).

[8] The Licensee’s Representative called the Licensee’s General Manager (the “Manager”) and gave evidence himself.

EVIDENCE – BRANCH

The NOEA

[9] The evidence presented by the Branch with respect to the allegation contained in the NOEA might be summarized as follows:

The Minors as Agents Program

[10] In 2011, the Act was amended to permit the Branch to establish its Minors as Agents Program (“MAP”) for the purpose of carrying out MAP inspections to ensure that a licensee was not selling or supplying liquor to persons under the age of 19 in contravention of the Act, the Regulation, and the provisions of the Terms and Conditions Handbook.

[11] Best practices for a licensee where a patron appears to be of a young age are to inspect two pieces of identification to verify the age of this patron. To ensure that these best practices are being followed by licensees, the Branch has hired 16- to 18-year-old minors as agents of the Branch to carry out compliance inspections. These minor agents when hired are given training on the Act and the Regulation, on making and documenting observations made during their inspections, and on safety considerations.

[12] Since its inception, the Branch has continuously notified licensees and industry associations of the existence of MAP, both by the issuance of public notices and by conversations between licensees and liquor and cannabis inspectors during compliance inspections of such inspectors at the licensees’ licensed locations.

The Alleged Contravention

[13] The NOEA provides that:

- On Friday, August 8, 2025, MAP compliance inspections were carried out at various licensed establishments in the Fort St. John area. Inspector A and Senior Liquor and Cannabis Inspector B (“Inspector B”), together with Minor Agent #237 constituted the inspection team carrying out these inspections.
- Prior to the inspection of the Store, Minor Agent #237 was photographed, their identification was viewed and photographed, and they were confirmed to be 16 years of age.
- At approximately 2:00 pm on August 8, 2025, the inspection team arrived at the parking lot adjacent to the Store and the team reviewed the Store’s floor plan and safety considerations.
- Then Inspector A entered the Store to conduct a risk assessment and observed the Employee working behind the sales counter. She sent a text message to Inspector B that it was safe for Minor Agent #237 to enter the Store.
- At approximately 2:05 pm, Minor Agent #237 entered the Store, proceeded to the walk-in cooler on the right side of the Store and picked out a six pack of clear bottles in a multicoloured carton, later identified as 330ml bottles of Corona beer 4.6% alc./vol, (the “Liquor Product”).
- Minor Agent #237 then proceeded to the sales counter and placed the Liquor Product on the sales counter in front of the Employee.
- When the Employee asked Minor Agent #237 for identification, Minor Agent #237 stated that they did not have it on them.
- The Employee then stated “no problem” and proceeded to complete the sale of the Liquor Product to Minor Agent #237.
- Minor Agent #237 paid for the Liquor Product producing \$25 and received back from the Employee \$3.30 in change.
- Pleasantries were exchanged between the Employee and Minor Agent #237 and Minor Agent #237 then left the Store and returned to the government vehicle where Inspector B was waiting.
- At no time did the Employee ask Minor Agent #237 for their identification to confirm that they were not a minor, either upon Minor Agent #237 entering the Store unaccompanied by an adult, or prior to completing the sale of the Liquor Product to Minor Agent #237.
- Following the sale, Inspector A left the Store and returned to the government vehicle and took pictures of the Liquor Product.
- At approximately 2:14 pm, Inspector A re-entered the Store, identified herself to the Employee, advised the Employee of the alleged contravention, and was advised by the Employee of the name of the Manager.

- Inspector A then secured a copy of the Employee's identification and Serving it Right certificate and exited the Store.
- On August 8, 2025, Inspector A had a telephone conversation with the Manager advising her of the alleged contravention
- The Manager advised Inspector A that she had received a phone call from the Employee advising the Manager of the alleged contravention.

Evidence of Inspector A

[14] Inspector A testified that her area of responsibility within the province is focused on licensees in the area extending from Prince George to 100 Mile House and up to Bella Bella. She confirmed that the Store was not directly in her jurisdiction, but noted that as a liquor and cannabis inspector, her authority extended province wide.

[15] Since commencing her employment with the Branch in 2019, she testified, she has conducted over 3,000 inspections of licensed entities, of which inspections approximately 1,000 have been inspections of licensed retail liquor stores.

[16] These inspections of licensed entities involved two general formats, she stated. The first format is to inspect the establishment to ensure that there is compliance with all the necessary licences and certificates, such as Serving it Right certificates, and that documentation reflecting these licences and certificates is readily available for inspection.

[17] The second format is inspecting the establishment for issues of public safety to ensure that the licensee is fully compliant with the rules involving the responsible serving of alcohol and that it is taking all necessary steps to ensure that there is no overserving of alcohol and to ensure that alcohol is not sold or served to minors. She noted that due to the serious consequences of a finding of non-compliance following a MAP inspection, the MAP program is regularly discussed during these inspections.

[18] She testified that, at the commencement of each shift for a MAP inspection, the minor is advised to dress as they usually would dress, to act normally when attempting to complete a purchase of alcohol, and, if asked for identification, to advise that they did not have any identification with them, to not complete the purchase, and to immediately leave the establishment.

[19] Inspector A identified a copy of the email dated November 22, 2022 (Ex 1 tab 9) sent to all licensees by the Branch advising the recipient of MAP and the reason for this program. She testified that through notifications such as these and through regular briefings by liquor

inspectors when they carried out their routine inspections, all licensees in British Columbia should be well aware of MAP and its ongoing enforcement activities.

[20] Inspector A also identified among other items:

- A copy of the NOEA (Ex 1 tab 1) of which, she confirmed, she was the author, and which she testified accurately set out what occurred at the Store on the afternoon of August 8, 2025,
- A copy of the Electronic Notification (Non-Compliance) and of the email sent to the Licensee advising that the details of the allegation contained in the NOEA could be found in the Inspection Report on the Branch's website, (Ex 1 tab 2),
- A copy of the Licence and the floor plan of the Establishment (Ex 1 tabs 4 and 5), noting the walk-in cooler where Minor Agent #237 secured the Liquor Product,
- A copy of the Terms and Conditions Handbook (Ex 1 tab 10), of which, she testified, as a condition of their licences, all licensees are required to be fully aware. She noted that this awareness should include an understanding of the requirement that the Licensee have and utilize an incident log, and, further, the understanding that the Licensee prevents the sale of liquor to minors by ensuring that when there is any doubt as to whether or not a customer is 19 years of age or over to ask for and secure two pieces of acceptable identification,
- Copies (Ex 1 tab 6) of:
 - the notes of Minor Agent #237 made following the alleged contravention on August 8, 2025,
 - a picture of Minor Agent #237 inside the Store on August 8, 2025 purchasing the Liquor Product,
 - pictures of the Liquor Product,
 - pictures of the Employee's identification and her Serving it Right Certificate,
 - a picture of the sales receipt for the Liquor Product,
 - pictures of Minor Agent #237 taken on the day of the alleged contravention both at the commencement of and at the end of their shift, and
 - pictures of the identification of Minor Agent #237 demonstrating that they were 16 years old on August 8, 2025, and
- A copy of her notes and those of Inspector B made following the alleged contravention on August 8, 2025 (Ex 1 tab 7).

[21] Inspector A testified that when Minor Agent #237 went to the sales counter, she saw that the Employee was the only employee of the Licensee working at the Store and that there were two customers in front of them. The Employee finished serving these customers and then Inspector A observed Minor Agent #237 place the Liquor Product on the sales counter and then pat their pockets.

[22] Following this, she observed that the Employee completed the sale of the Liquor Product to Minor Agent #237.

[23] When Inspector A re-entered the Store and spoke to the Employee, she was advised that the Employee was newly employed and had had two weeks of training.

[24] Inspector A testified that the Licensee had a clean compliance history and had no previous contraventions and that, therefore, the Branch was recommending on a finding of liability either a monetary penalty of \$7,000 or a suspension of the Licence for a period of 7 days.

EVIDENCE – LICENSEE

Evidence of the Manager

[25] The Manager testified that she was the general manager of the Licensee and that she was part of the Licensee's management team that managed the Store together with six other retail licensees. She stated that she was responsible for ensuring that the Licensee's staff were properly trained and in carrying out her duties that she attempts to visit the Store every day to ensure that the Licensee's policies are being followed including asking customers who appeared to be minors for two pieces of identification.

[26] She stated that one supervisor and four employees work at the Store and that there is usually only one employee working at the Store at any one time, unless training is going on, in which case, there will be the new employee and the trainer.

[27] The Manager referenced the statement of the Current Store Supervisor included in the Licensee's book of documents where the Current Store Supervisor confirms that in the Licensee's staff training program the "absolute rule" is repeatedly reinforced that the Licensee does not "*ever* allow the purchase of our items to individuals who are not of sufficient age or are under the influence of substances be it alcohol or otherwise".

The Employee

[28] The Manager testified that the Employee was a new employee of the Licensee. The Employee was hired by the Manager and commenced her employment with the Licensee on July 9, 2025. At that time, the Employee started her training with the Store Supervisor which lasted for about three weeks and then commenced her first independent shift August 2, 2025.

[29] In keeping with the Licensee's policy, the Manager testified, even though the Employee had asked Minor Agent #237 for identification which was not produced, the Employee still had sold

liquor to Minor Agent #237 clearly contrary to the Licensee's strict policies and that therefore the Employee's employment with the Licensee was terminated on August 8, 2025, immediately following the sale.

[30] The Manager stated that on her first day of working for the Licensee on July 9, 2025, the Employee was added to the staff WhatsApp group and that she had signed the Employment Agreement which included an acknowledgement of the Licensee's Employee Policy.

[31] The Manager testified that during her training by the Store Supervisor, on July 16, 2025 the Employee reviewed with the Store Supervisor all the contents of the Licensee's Training Manual, including all the policies on liquor service, and that on that date, the Employee signed and agreed to the Liquor Rules document confirming that she understood and would follow these policies.

[32] The training program for the Employee, the Manager testified, involved the Employee for the first week of her training reading and understanding the Training Manual, understanding the Store layout, and then possibly job shadowing. After her second week of training the Store Supervisor stepped back and was there to shadow the Employee.

[33] The Manager referenced the Store Supervisor's Statement and noted that in this statement the Store Supervisor confirmed that in her training of the Employee that she had reviewed the Liquor Rules with the Employee and was confident that the Employee fully understood the requirement to ask for two pieces of identification from any customer who appeared to be under the age of 30.

[34] When asked, the Manager confirmed that at the end of the Employee's training period there was no written test that the Employee had taken to ensure that she was properly trained and fully understood all of the Liquor Rules, however, the Manager stated, following the incident on August 8, 2025, the First Day Hiring Check List has been updated and that this document requires the trainee to sign off confirming that the trainee fully understood the training.

[35] In addition, when asked what the referenced age for asking for identification was at the date of the alleged contravention, the Manager testified that it was 25, but that it has since been increased to 30 years old as set out in the Licensee's Quarterly Liquor Rules entitled "Under 30ID Program", a copy of which is included in the Licensee's book of documents. However, when asked, the Manager confirmed that there was no specific employee training as to how to determine the age of a customer and that was the reason the Licensee increased the age limit from 25 to 30.

Employee Reminders

[36] The Manager referenced the copy of the picture of the pop-up message on the POS system in the Store that was included in the Licensee's book of documents. The Manager confirmed that the purpose of the pop-up was to prompt employees before completing a sale, to ask any customer appearing to be underage for identification and, if this identification was produced, to verify the relevant birthdate to ensure that the customer was over 19 years of age.

[37] The Manager also referenced the Cash Desk Picture included in the Licensee's book of documents which illustrates the sticker on the receipt printer at the Store which also serves as a reminder to an employee to ask for identification.

[38] In addition, the Manager testified, the Licensee's employees were constantly reminded, as is evidenced by the Staff News letters, copies of which are in the Licensee's book of documents, to be fully cognizant of and compliant with the Licensee's Liquor Rules, including the requirement to ask any customer who appeared to be under 30 years old for identification. However, when asked, the Manager confirmed that there were no regular staff meetings or mandatory pre-shift meetings for an employee nor was there a form of documentation confirming that the Licensee's employees had read and understood the Staff Newsletters.

Measures Implemented by the Licensee After August 8, 2025

[39] Following the incident on August 8, 2025, the Manager testified, as demonstrated in the copies of the documents included in the Licensee's book of documents:

- regular WhatsApp Messages reminding employees about asking for identification are sent out to all of the Licensee's employees on a monthly basis,
- a system of mandatory three-month re-signing of Liquor Rules for all of the Licensee's employees has been implemented,
- an ID Checking and Intoxication Log is now in place, a document and policy which the Manager had been in the middle of implementing when the incident occurred on August 8, 2025, and
- the First Day Hiring Check List has been updated.

[40] The Manager testified that the Licensee does not conduct a secret shopper program to ensure that its rules concerning responsible liquor sales are followed but might consider doing so in the future. She also acknowledged that the signage in the Store did not reference the age limit of 30.

SUBMISSIONS – LICENSEE

[41] The Licensee's Representative submitted that the Licensee takes its responsibility for following the policies on responsible liquor service very seriously. He noted that this has been demonstrated since August 8, 2025 with the updating of its training program and the Licensee's ongoing and regular communication with its employees to ensure that these policies are adhered to.

[42] The Employee was a new employee, she clearly broke the rules, he stated, and, in keeping with the Licensee's strict policies, the Employee was terminated.

SUBMISSIONS – BRANCH

[43] The Branch noted that the Licensee has agreed that on August 8, 2025, the Employee sold liquor to Minor Agent #237 as set out in the NOEA in contravention of section 77 (1) (a) of the Act which prohibits the sale of liquor to a minor.

[44] With respect to the Licensee's claim of due diligence, the Branch acknowledged that the Employee had been fired and that the Licensee had certainly worked to have improved its compliance since the date of the incident, but, the Branch submitted, the evidence disclosed that there were a number of areas where the Licensee appeared to have failed to meet the requisite standard for due diligence on the day of the alleged contravention.

[45] The first failure, the Branch submitted, was leaving the Employee on her own after her training without ensuring that in the Employee's training she was given confidence in insisting on the production of identification. It would appear that the Employee asked Minor Agent #237 for their identification and that when Minor Agent #237 patted their pockets and failed to produce the identification, the Employee still sold the Liquor Product to Minor Agent #237. This appear to be a failure in the Employee's training.

[46] The second was that at the time of the incident, the Licensee was not using an incident log to either record incidents or to use these recorded incidents to assist with and reinforce ongoing training.

[47] And the third was that the evidence did not suggest that the Licensee had clear policies and training to assist a Licensee's staff member in determining whether or not to ask a person for identification. Having a blanket policy of asking anyone under the age of 25, now 30, was clearly the Licensee's policy, but, the Branch submitted, assistance to a staff member in how to make this determination would be helpful.

[48] Therefore, the Branch submitted, as the Licensee has not met the requisite standard, the defence of due diligence does not apply and the Licensee is liable for the contravention as alleged in the NOEA.

REASONS AND DECISION

Contravention

[49] The Licensee has admitted that on August 8, 2025, as alleged in the NOEA, liquor was sold to Minor Agent #237 by the Employee in contravention of section 77(1)(a) of the Act.

[50] To address the Licensee's submissions on the defense of due diligence.

Due Diligence

[51] As the Employee sold liquor to Minor Agent #237 in contravention of section 77(1)(a) of the Act, the Licensee is liable unless it can demonstrate that it was duly diligent in taking reasonable steps to prevent the contravention from occurring. The onus falls on the Licensee to demonstrate on a balance of probabilities this due diligence and, in doing so, the Licensee must not only clearly demonstrate that it has established procedures to identify and prevent from happening activities that might lead to this contravention of the Act, it must also clearly demonstrate that it continues to ensure that such procedures are consistently in operation and acted upon by its employees.

[52] The leading case is *R v. Sault Ste. Marie* (1979) 2 SCR 1299, where at page 1331, Dickson, J. sets out the test of due diligence:

Where an employer is charged in respect of an act committed by an employee acting in the course of employment, the question will be whether the act took place without the accused's direction or approval, thus negating wilful involvement of the accused, and whether the accused exercised all reasonable care by establishing a proper system to prevent commission of the offence and by taking reasonable steps to ensure the effective operation of the system. The availability of the defence to a corporation will depend on whether such due diligence was taken by those who are the directing mind and will of the corporation, whose acts are therefore in law the acts of the corporation itself.

[53] There may be more than one directing mind of a corporation and the authority to make decisions on behalf of a corporation may be delegated or sub-delegated. The test for determining whether an individual is a directing mind is set out in *Rhone (The) v. Peter AB Widener (The)*, [1993] 1 SCR 497:

The focus of the inquiry must be whether the impugned individual has been delegated the “governing executive authority” of the company within the scope of his or her authority. I interpret this to mean that one must determine whether the discretion conferred on an employee amounts to an express or implied delegation of executive authority to design and supervise the implementation of corporate policy rather than simply to carry out such policy. In other words, the courts must consider who has been left with the decision-making power in a relevant sphere of corporate activity...

The key factor which distinguishes directing minds from normal employees is the capacity to exercise decision-making authority on matters of corporate policy, rather than merely to give effect to such policy on an operational basis... (paras. 32 and 42).

[54] The BC Supreme Court, in *Beverly Corners Liquor Store Ltd. v. British Columbia (Liquor Control and Licensing Branch)*, 2012 BCSC 1851, considered and clarified the application of the defence of due diligence in the context of the sale of liquor to a minor contrary to the Act (see paragraphs 41 to 44).

[55] In accordance with *Beverly Corners*, the defence of due diligence is to be considered in two stages:

1. Whether the employee who made the sale was a directing mind of the licensee – if so, the defence of due diligence is not available, and the inquiry stops there.
2. If the employee who made the sale was not a directing mind of the licensee, then the questions to be considered and answered are whether the licensee had:
 - a. implemented adequate training and other systems to prevent the contravention;
and
 - b. taken reasonable steps to ensure the effective application of that education and the operation of those systems.

[56] Both of these issues are factual, and their determination will depend upon the evidence presented. In summary, *Beverly Corners* provides that as referenced above the onus is on the Licensee to establish on a balance of probabilities that it had exercised all reasonable care by establishing adequate training and other systems and ensuring effective application of them.

Directing Mind

[57] The Licensee’s “directing mind” as above noted is someone who has the authority to devise or develop corporate policy or make corporate decisions within the Licensee.

[58] The evidence before me is clear that the Employee was not a directing mind of the Licensee.

[59] Therefore, I find that a directing mind of the Licensee did not sell liquor to Minor Agent #237 and move to the second part of the analysis as set out in *Beverly Corners*.

Implementation of Adequate Training and Systems and Effective Application and Operation of these Systems

[60] The onus is on the Licensee to prove on the evidence before me that it has met the test for due diligence and can demonstrate that it has implemented adequate training and other systems to identify if a patron is over 19 years old and, further, that it has taken reasonable steps to ensure the application of this training and the operation of its systems in a consistent and effective manner.

[61] In the matter at hand, what constitutes reasonable steps must be considered in light of the reasons for the prohibition against selling liquor to minors, including:

- the effects of liquor on growing bodies and developing minds,
- the effects on individuals and society of irresponsible drinking behaviour learned at an early age,
- a minor's lack of capacity to metabolize liquor in the same manner as an adult, and, therefore, liquor having a more intoxicating effect on minors, and
- liquor being a significant factor in many crimes committed by youth, including serious driving offences, assault, sexual assault and theft.

[62] In addition to evidence of a reasonably rigorous initial staff training environment, the Licensee must provide evidence of ongoing reinforcement of this training and culture which should most likely include at a minimum the following:

1. A well-defined minimum age policy which requires that any customer under a certain age be asked for identification,
2. The clear communication of the rationale for this policy as being the effect of liquor on youth,
3. Appropriate signage,
4. Appropriate training manuals including current best practices,
5. An incident logbook utilized and regularly reviewed,
6. Regular staff meetings at which compliance matters are stressed and the discussions of these matters recorded by way of minutes, and
7. Written quizzes for the employees testing them for an understanding of the Act, the Regulation and the Terms and Conditions Handbook.

[63] The evidence before me demonstrates that the Licensee on August 8, 2025 had at the Store:

1. A minimum age policy which required that any customer under 25 years of age be asked for identification, which age limit the Licensee has now increased to 30 years of age,

2. No clear communication of the rationale for this policy as being the effect of liquor on youth,
3. Appropriate signage and a pop-up system included in the Store's POS designed in order to remind the Licensee's employees of the requirement to ask for identification. However, there was no evidence before me of signs at the Store's entrance to communicate the Licensee's minimum age policy to patrons entering the Store,
4. The Training Manual which is being constantly upgraded by the Licensee to ensure that it contains current best practices, as well as the Employment Agreement and the Liquor Rules Document which all employees of the Licensee are required to sign off on. However, as of August 8, 2025 there did not appear to be a training checklist, although that has been remedied with the introduction of the First Day Hiring Check List,
5. There was no incident logbook, although it too was subsequently implemented in the form of the ID Checking and Intoxication Log, and
6. Although there was no evidence of regular staff meetings, there was clear evidence of online communications using the WhatsApp application during which compliance matters were stressed.

[64] The test for due diligence is not perfection. However, to be found duly diligent, the Licensee must clearly demonstrate an atmosphere of compliance with the Act, the Regulation, the Terms and Conditions Handbook, and its own responsible service policies within the Store. In other words, good intentions are not sufficient to meet the onus placed upon the Licensee for it to establish a defense of due diligence.

[65] In the matter at hand, notwithstanding the Licensee's clearly stated wish to achieve such an atmosphere of compliance within the Store as above set out there were a number of items lacking at the time of the sale of liquor to Minor Agent #237 on August 8, 2025, many of which items the Licensee has since remediated.

[66] However, what is to me the most disturbing element of the evidence before me is the fact that the Employee did in fact ask Minor Agent #237 for identification and, despite being advised that they did not have the requested identification, still sold the Liquor Product to Minor Agent #237.

[67] In other words, this was not a case of the Employee being distracted and failing to ask for identification. She did ask for identification and yet still completed the sale when it was not produced. I find that such action illustrates that the Licensee's desire for strict compliance was not achieved in practice and that from the evidence before me the Licensee has not, therefore, established the defense of due diligence and that the Licensee is liable for the contravention as set out in the NOEA.

Additional Features

[68] As it was clear from the testimony of the Licensee's witnesses before me that the Licensee wishes to ensure that there is not a sale of liquor to a minor in the future, it might consider the following additions to its ongoing compliance program:

- With reference to the Branch's closing submissions, as the usual practice at the Store is to have only one employee working on a given shift, the Licensee might wish to consider including in both its initial training and its ongoing training reinforcement measures to encourage employees to have the confidence to ask for identification and then to absolutely refuse service if the requisite identification is not produced,
- A regular use of the new Intoxication Log to ensure that all incidents are recorded and then the ongoing use of this to review both for training and for ongoing reinforcement of the Licensee's policies,
- The inclusion of signage at the Store's entrance to communicate the Licensee's minimum age policy to patrons entering the Store, and
- The use of a secret shopper program to ensure that the Licensee's policies and procedures are being properly observed by the Licensee's staff.

PENALTY

[69] Pursuant to section 51(2) of the Act, having found that the Licensee has contravened the Act, the Regulation and/or the terms and conditions of the Licence, I may do one or more of the following:

- Impose terms and conditions on the Licence or rescind or amend its existing terms and conditions,
- Impose a monetary penalty on the Licensee,
- Suspend all or any part of the Licence,
- Cancel all or any part of the Licence, or
- Order the Licensee to transfer the Licence.

[70] I am not bound to order the penalty proposed in the NOEA. However, if I find that either a licence suspension or a monetary penalty is warranted, I am bound to follow the minimums set out in Schedule 2 of the Regulation. I am not bound by the maximums and may impose higher penalties when it is in the public interest to do so.

[71] The factors that I have considered in determining the appropriate penalty in this case include:

- whether there is a proven compliance history;
- a past history of warnings by the Branch and/or the police;
- the seriousness of the contraventions;

- the threat to the public safety; and
- the well-being of the community.

[72] Licensees are obliged to comply with the legislation and the terms and conditions of their licenses. Enforcement action is intended to both redress the licensee's noncompliance, and to encourage future compliance by way of deterrence.

[73] There is before me no record of a proven contravention of the same type for the Licensee at the Establishment within the 24-month period preceding this incident. This contravention is therefore properly treated as a first contravention for the purposes of the penalties set out in Schedule 2.

[74] In its submissions the Licensee has taken the position that if a penalty is to be imposed the penalty should be in the form of a monetary penalty and that given the actions taken by the Licensee, the amount of the penalty should be less than the \$7,000 minimum set out in Schedule 2. However, even though I acknowledge the Licensee remedial measures and good intentions to achieve an atmosphere of strict compliance as I have found the Licensee liable for the contravention, as referenced above, I am not permitted by the Regulation to impose a monetary penalty less than the \$7,000 minimum.

[75] I therefore find the appropriate penalty to be a \$7,000 monetary penalty.

ORDER

[76] Pursuant to section 51(2)(b) of the Act, I order that the Licensee pay a monetary penalty in the amount of \$7,000 to the general manager of the Liquor and Cannabis Regulation Branch on or before March 11, 2026.

[77] Signs satisfactory to the General Manager notifying the public that the monetary penalty has been imposed against the Licensee shall be placed in a prominent location in the Establishment by a Branch inspector or a police officer.

Original signed by

A handwritten signature in black ink that reads "R. John Rogers". The signature is written in a cursive style with a large, sweeping underline that extends across the width of the signature.

R. John Rogers

Date: February 11, 2026

cc: Liquor and Cannabis Regulation Branch, Kelowna Office
 Attn: Heath Hilchey, Regional Manager
 Liquor and Cannabis Regulation Branch, Victoria Office
 Attn: Hugh Trenchard, Branch Advocate