

STATE OF ARIZONA  
ARIZONA STATE LIQUOR BOARD  
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JANICE K. BREWER  
Governor

J. D. GHELFI  
Board Chair

ALAN EVERETT  
Director

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Arizona State Liquor Board Hearing Minutes  
August 20, 2012

Members Present: J.D. Ghelfi –Chair (telephonically), Mike Farley -Vice-Chair, Bill DuPont  
Members Absent: Jim Carruthers, Robin Cantrell, Tim Linden, Vikki Scarafiotti  
Counsel Present: Sarah Selzer, Assistant Attorney General (telephonically)  
Staff Present: Stefanie Murphy, Board Administrator

**A. Call to Order**

The hearing of the Arizona State Liquor Board was called to order on August 20, 2012 at 10:02 a.m. in the City Council Chambers, Tucson City Hall, 255 W. Alameda St., 1st Floor, Tucson, AZ 85701 with Mr. Ghelfi, presiding.

**Roll Call**

Mr. Carruthers, Ms. Cantrell, Mr. Linden and Ms. Scarafiotti were absent. All other board members were present.

**B. Designation of Panel members pursuant to A.R.S. § 4-111(D)**

The Chairman designated a panel which included Mr. Ghelfi, Mr. Farley and Mr. DuPont.

**C. 10:00 a.m. Agenda: review, consideration and action**

**1. Restaurant Liquor License No. 12104168- Original Application**

Oscar Rembao, Agent  
Chickenuuevo  
OSSO, LLC  
4820 S. 6<sup>th</sup> Avenue  
Tucson, AZ 85714

This matter was continued from the July 12, 2012 and August 2, 2012 meetings and was set for hearing because the City of Tucson recommended disapproval of this application and due to public protest. The applicant, Oscar Rembao, appeared at the hearing and was not represented by counsel. Sandra Padilla was present at the hearing to interpret for the applicant. Dewey Zufelt also appeared at the hearing and was sworn and testified on behalf of the applicant. Assistant City Prosecutor Stacy Stauffer appeared on behalf of the City of Tucson. Protestor Yolanda Herrera was present on behalf of the Sunnyside Neighborhood Association. Mr. Rembao waived his right to an attorney.

The applicant asked that Mr. Zufelt be called as witness to testify first. Mr. Zufelt described his work experience and assistance with the liquor license application for the applicant. He stated that the applicant has ten years of experience in the restaurant currently and owns five restaurant locations with no issues with the police or health departments. He noted that the applicant has a liquor license at one location. He described a liquor license at the Fort

Lowell Mariscos Restaurant which operated in 2006-2007 with no citations. He referenced the hearing in which the City recommended disapproval and noted efforts to address protestor issues including the drive thru window and liquor sales control in which he answered that interior and exterior security cameras were installed and the window closed at 8:00 p.m. He discussed liquor storage and special events at the restaurant including quinceaneras. There were no questions from the Board.

Mr. Rembao was called as witness and testified and discussed his work relationship with Mr. Zufelt. He stated that he has been in business at the current location for eleven years and owns five other locations. He noted that he never applied for a liquor license at this location. There was discussion regarding a location in Marana, number of employees, training, hours of operation, underage sales prevention, and percent of take-out food sales. The applicant was asked about restaurant and liquor sales requirements and why the drive thru was not noted on the diagram in the application. He stated that the drive thru was not going to be used to sell alcohol. He described the liquor storage area and public access prevention. He noted that the patio was not part of the licensed premise. There was discussion regarding a dollar menu, business name change, clientele and taxes. The applicant noted that he owed back taxes to the IRS and asked if Mr. Zufelt could answer questions related to taxes. The City noted an objection. He testified that he did not know the details of the tax issue and that Mr. Zufelt handled financial matters. Mr. DuPont asked if Mr. Zufelt was an investor or an agent. He also asked about liquor law training and management at the five existing locations. Mr. Farley asked that Mr. Zufelt discuss the IRS tax issue. Mr. Zufelt described a partnership with the applicant and a cousin and a payment schedule in place in which the taxes would be paid in six years. Mr. Ghelfi asked about the outstanding amount and Mr. Zufelt stated that the current amount was \$80,000 and was initially higher but was negotiated to a lower amount. The applicant was asked if he understood the concerns of the City. Ms. Stauffer asked additional questions regarding liquor law training and when it was last provided.

Ms. Herrera was called to testify on behalf of the Sunnyside Neighborhood Association. She described her work as a community activist and addressed concerns regarding minors in consumption and alcohol sales control. There were no questions from the Board.

During Board discussion, Mr. DuPont noted that location was not an issue. He also stated that this was a high stressed area and noted concerns with the business plan in place, liquor storage, patio use, lack of training and lack of managers listed on the application. He stated he would support a motion to deny the license. Mr. Farley noted that the City verbatim from the hearing was not as clear as the testimony provided at today's hearing. He noted the applicants efforts to cooperate with the protestors and acknowledged efforts to prevent sales to minors. He stated he would support a motion to grant the license as the issues raised are correctable. Mr. Ghelfi noted concerns regarding training, patio control and professional representation. Mr. Farley noted that issues could have been resolved by obtaining legal counsel for the hearing. Mr. DuPont stated that location was not an issue.

Mr. DuPont made a motion to deny Liquor License No. 12104168 as to Person based on the lack of a business plan, staff had not completed the appropriate liquor law training and there being no management in place.

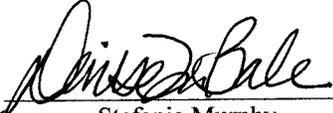
Motion to deny -	DuPont
Seconded -	Ghelfi
Yay -	Ghelfi, DuPont
Nay -	Farley
Abstained -	None
Disposition -	License denied as to Person

Mr. Farley noted the need for better minutes and facts from the local governing bodies and stated that the transcript for this case was vague and testimony provided more detailed.

**D. Call to the Public**

Mr. Aguilera acknowledged the Board's presence in the Tucson area and noted differences with Councilmember Steve Kozachik but agrees with his position to hold hearings in Tucson.

The Board adjourned at 11:38 a.m.

*Denise Bale for*  
  
\_\_\_\_\_  
Stefanie Murphy  
Administrator of the  
Arizona State Liquor Board

*8/21/13*  
\_\_\_\_\_  
Date