



STATE OF ARIZONA  
ARIZONA STATE LIQUOR BOARD  
800 WEST WASHINGTON, 5<sup>TH</sup> FLOOR  
PHOENIX, AZ 85007  
PHONE: (602) 542-9789 FAX: 602-542-5707  
Website: [www.azliquor.gov](http://www.azliquor.gov)  
Website: [www.azliquor.gov/liquor\\_board.asp](http://www.azliquor.gov/liquor_board.asp)

JANICE K. BREWER  
Governor

J. D. GHELFI  
Board Chair

ALAN EVERETT  
Director

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Arizona State Liquor Board Hearing Minutes  
April 3, 2014

Members Present: J.D. Ghelfi - Chair, Bill DuPont – Vice-Chair, Vikki Scarafiotti, Robin Cantrell, Jim Carruthers, Cyndy Valdez

Members Absent: None

Counsel Present: Sarah Selzer, Assistant Attorney General

Staff Present: Denise Bale, Board Administrator

**A. Call to Order**

The hearing of the Arizona State Liquor Board was called to order on April 3, 2014 at 9:05 a.m. with Mr. Ghelfi presiding.

**Roll Call**

All board members were present. Mr. Ghelfi welcomed the newest member, Ms. Valdez. She previously served on the Board and as Board Chair.

**B. Agenda: review, consideration and action**

**1. Restaurant Liquor License No. 12079716 - Original Application**

Lawrence Edward Elliget, Agent  
Al Meshwar, LLC  
Midnight Café and Bar  
10215 N. 28th Drive #A  
Phoenix, AZ 85051

This matter was set for hearing because the City of Phoenix recommended disapproval of this application and due to public protests. Subsequent to this matter being scheduled for hearing, the applicant filed a motion to continue. The Agent, Lawrence Edward Elliget, did not appear at the hearing and was represented by counsel, Harvey Yee. Assistant City Prosecutor Patricia George and Assistant Bureau Chief for Community Prosecution Will Gonzalez appeared on behalf of the City of Phoenix. Public protestors Gail Morgan, representing Metro Neighborhood Block Watch Association, and Gloria Brookins were present. Mr. Yee explained the reason for the motion to continue is that the premises are currently under construction. Mr. Yee referenced the photographs that were submitted with his Notice of Appearance and Motion to Continue. Ms. George did not object to the 30 day continuance. Mr. Gonzalez stated that a 45 to 60 day continuance was more realistic given the amount of work that needed to be done on the building.

Motion to continue hearing for 60 days -	DuPont
Seconded -	Carruthers
Yay -	DuPont, Carruthers, Ghelfi, Cantrell, Scarafiotti, Valdez
Nay -	None
Abstained -	None
Disposition -	Continued 60 days

The Board proceeded to agenda item #3.

**3. Beer and Wine Store Liquor License No. 10076445 - Original Application**

Lauren Merrett, Agent  
 I-10 Freeway & 51st Ave LLC  
 AAA Food Mart  
 1042 N. 51st Avenue  
 Phoenix, AZ 85043

This matter was set for hearing because the City of Phoenix recommended disapproval of this application. The Agent, Lauren Merrett, did not appear at the hearing and was represented by counsel, Harvey Yee. Assistant City Prosecutor Elizabeth Sugges appeared on behalf of the City of Phoenix. Mr. Yee explained the reason for requesting a 30 day continuance. Ms. Sugges stated the City's recommendation was based on a Police Department report and that she did not object to the 30 day continuance.

Motion to convene in executive session for legal advice -	Ghelfi
Seconded -	DuPont
Yay -	Ghelfi, DuPont, Scarafiotti, Cantrell, Carruthers, Valdez
Nay -	None
Abstained -	None
Disposition -	Convene in executive session

The Board convened in executive session at 9:17 a.m. and reconvened in open session at 9:19 a.m.

Motion to continue hearing until the next regularly scheduled Board meeting -	Valdez
Seconded -	DuPont
Yay -	Valdez, DuPont, Carruthers, Ghelfi, Cantrell, Scarafiotti
Nay -	None
Abstained -	None
Disposition -	Continued to the May 1, 2014 or next regularly scheduled Board meeting

The Board proceeded to agenda item #5.

**5. Beer and Wine Store Liquor License No. 10076479 - Agent Change/Acquisition of Control Application**

Blanca Barrota, Agent  
 Snappy Convenience Store, LLC  
 Snappy Convenience Store  
 702 E. Roeser Road  
 Phoenix, AZ 85040

This matter was set for hearing because the City of Phoenix recommended disapproval of this application. The Agent, Blanca Barrota, did not appear at the hearing and was represented by counsel, Harvey Yee. Assistant Bureau Chief for Community Prosecution Will Gonzalez appeared on behalf of the City of Phoenix. Mr. Yee explained the reason for requesting a 30 day continuance was to work out an arrangement with the City. Mr. Gonzalez did not object to the 30 day continuance.

Motion to continue hearing until the next regularly scheduled Board meeting -	DuPont
Seconded -	Carruthers
Yay -	DuPont, Carruthers, Ghelfi, Cantrell, Valdez, Scarafiotti
Nay -	None
Abstained -	None
Disposition -	Continued to the May 1, 2014 or next regularly scheduled Board meeting

The Board proceeded to agenda item #4.

**4. Beer and Wine Store Liquor License No. 10103706 - Original Application**

Aymen M. Ameen, Agent  
 Sultan, LLC  
 Los Compas Super Carniceria y Mercado  
 2620 E. 22nd Street  
 Tucson, AZ 85713

This matter was set for hearing because the City of Tucson recommended disapproval of this application. The Agent, Aymen M. Ameen, did not appear at the hearing and was not represented by counsel. Assistant City Attorney Stacy Stauffer appeared on behalf of the City of Tucson. Ms. Stauffer reported the Applicant has had opportunities to work out the taxes and penalties owed to the City; however, there is still a balance due. There was Board discussion about the capability, qualification and reliability of the Applicant.

Mr. DuPont made a motion regarding Liquor License 10103706: I move that based upon the applicant's failure to contact the Financial Department of the City of Tucson, to send any notification to the Department of Liquor Licenses and Control and the State Liquor Board, concerning their process, or what point they are in the process of paying their tax obligation, and the fact that they did not appear today, we find that the applicant is not capable, qualified and reliable as required by A.R.S. § 4-203 and therefore deny this application based on personal qualification.

Motion to deny license -	DuPont
Seconded -	Scarafiotti
Yay -	DuPont, Scarafiotti, Cantrell, Ghelfi, Valdez
Nay -	Carruthers
Abstained -	None
Disposition -	License denied as to person

Motion to revoke interim permit in place -	DuPont
Seconded -	Cantrell
Yay -	DuPont, Cantrell, Scarafiotti, Ghelfi, Valdez, Carruthers
Nay -	None
Abstained -	None
Disposition -	Interim Permit revoked

The Board proceeded to agenda item #6.

**6. Liquor Store Liquor License No. 09070343 - Person and Location Transfer Application**

Shahinda Siddiqui, Agent  
Cottage Liquors  
5609 S. Central Avenue  
Phoenix, AZ 85040

Jason Morris, Agent  
WinCo Foods LLC  
WinCo Foods  
16951 W. Bell Road  
Surprise, AZ 85388

This matter was set for hearing due to public protest. Subsequent to this matter being scheduled for hearing, the protestor requested a 90 day continuance of the hearing. The Applicant, WinCo Foods, LLC, appeared at the hearing through its co-counsel, Camila Alarcon and G. Adam Baugh. Protestor LDR-Bell & Cotton LN, L.L.C. was represented by counsel, Jeffrey M. Blilie. The Board heard oral argument from the Protestor and Applicant regarding zoning issues that led to the request for a 90 day continuance.

Motion to convene in executive session for legal advice - Ghelfi  
Seconded - Cantrell  
Yay - Ghelfi, Cantrell, DuPont, Scarafiotti, Carruthers, Valdez  
Nay - None  
Abstained - None  
Disposition - Convene in executive session

The Board convened in executive session at 9:45 a.m. and reconvened in open session at 10:00 a.m.

Motion to deny the request for continuance - Valdez  
Seconded - DuPont  
Yay - Valdez, DuPont, Ghelfi, Cantrell, Scarafiotti, Carruthers  
Nay - None  
Abstained - None  
Disposition - Request for continuance denied

Witnesses Mark Lavin, Robert Rhodes, and Gordon Keig were sworn and testified on behalf of the Applicant. Mark Lavin is Senior Director of Real Estate for WinCo Foods. WinCo Foods is an employee owned company of 93 stores, four of which are in Arizona. There are plans for five new stores and a distribution center in the state. Mr. Lavin described WinCo customer demographics, area maps that were exhibits in the Applicant's memorandum, and criteria for store locations. Mr. Lavin further testified about the City of Surprise hearings and the status of City permits.

Robert Rhodes is District Manager of the Southwest Division for WinCo Foods. WinCo Foods is open 24 hours and alcohol is sold from 6:00 a.m. to 2:00 a.m. Mr. Rhodes described the liquor training that employees have from their date of hire. The state liquor training is administered to management and employees every year. Mr. Rhodes testified that WinCo's compliance record is excellent and that WinCo has never been denied a liquor license. He discussed the method of securing alcohol, the process for purchasing alcohol, and ID verification procedures.

Gordon Keig is a Senior Vice President with Kornwasser Shopping Center Properties, a shopping center real estate developer. His company began working with WinCo Foods and the City of Surprise on the Land Use application in the second quarter of 2013. He conducted some of the neighborhood meetings and attended several others. Mr. Keig discussed the organized opposition to this WinCo store and the neighborhood issues focused on land use. He also noted another area of Phoenix where there are four large chain grocery stores around a major intersection.

Mr. Blilie addressed the Board.

Motion to convene in executive session for legal advice -	Ghelfi
Seconded -	DuPont
Yay -	Ghelfi, Cantrell, DuPont, Scarafiotti, Carruthers, Valdez
Nay -	None
Abstained -	None
Disposition -	Convene in executive session

The Board convened in executive session at 11:22 a.m. and reconvened in open session at 11:25 a.m.

Mr. Baugh cross-examined Mr. Blilie. Ms. Alarcon made closing remarks. Mr. Blilie made closing remarks.

There was Board discussion. Ms. Valdez made a motion regarding Liquor License Number 0907034: Based upon the extensive in-house training program that the applicant has for liquor training, the zero tolerance adopted by them, and worked with local jurisdictions to come up with this training program, it has been refined; that their liquor is locked up during certain hours; the camera surveillance; they have an excellent compliance record, DLLC is not protesting; they operate over 93 full service grocery stores, four in Arizona all with liquor licenses; the City of Surprise unanimously recommended approval, I move therefore that we find the applicant is capable, qualified and reliable as required by ARS 4-203(A); and that based upon the low density in this area with only nine liquor licenses in the one mile radius, only three of which are a Series 9, that serves over 14,800 in the one mile radius; they work closely with the local homeowners' association; the City of Surprise received no valid protests; there was testimony that there is no negative impact on traffic and it should have a positive impact on the commercial area; therefore, we find that the public convenience does require and that the best interest of the community will be served as required by ARS 4-203(A) by granting the liquor license.

Motion to grant license -	Valdez
Seconded -	Carruthers
Yay -	Valdez, Carruthers, Ghelfi, DuPont, Scarafiotti, Cantrell
Nay -	None
Abstained -	None
Disposition -	License granted

The Board proceeded to agenda item #2.

**2. Restaurant Liquor License No. 12083330 - Appeal of Director's Decision & Order**

Randall A. Leonard, Agent  
 Gallagher LLC  
 Gallagher's  
 3524 McCulloch Blvd.  
 Lake Havasu City, AZ 86408

This matter is set for hearing because the Licensee requests that the Board reverse the Decision and Order of the Department Director. The Agent, Randall A. Leonard, appeared telephonically at the hearing and was not represented by counsel. Assistant Attorney General Sarah Selzer appeared on behalf of the Department. Assistant Attorney General Christopher Munns, from the Solicitor General's Office, was available telephonically to provide independent legal advice to the Board. Mr. Leonard was sworn and testified.

Mr. Leonard discussed his restaurant business and his issues with the Department's auditing procedure. Mr. Leonard has a Series 7 Beer and Wine Bar license as well as the Series 12 Restaurant license. He argued that revoking the Series 12 license will close this business and impact his other business interests. Ms. Selzer stated the Administrative Law Judge found the Department followed standard auditing procedure and conducted the investigation appropriately. The violation in this case took place in 2011 and the Department has given Mr. Leonard the opportunity to obtain a Series 6 Bar license.

There was Board discussion. Mr. DuPont made a motion: I move concerning Liquor License 12083330 that this Board affirm the Director's Decision and revoke the license.

Motion to affirm	
Director's Decision -	DuPont
Seconded -	Carruthers
Yay -	DuPont, Carruthers, Valdez, Ghelfi, Scarafiotti, Cantrell
Nay -	None
Abstained -	None
Disposition -	Director's Decision & Order affirmed

**C. Minutes**

Motion to approve the	
March 6, 2014 minutes -	Carruthers
Seconded -	Scarafiotti
Yay -	Carruthers, Scarafiotti, Cantrell, Ghelfi, DuPont
Nay -	None
Abstained -	Valdez
Disposition -	March 6, 2014 minutes approved

Motion to approve the	
March 6, 2014	
Executive Session minutes -	Scarafiotti
Seconded -	Cantrell
Yay -	Scarafiotti, Cantrell, Ghelfi, Carruthers, DuPont
Nay -	None
Abstained -	Valdez
Disposition -	March 6, 2014 Executive Session minutes approved

Motion to approve the	
November 1, 2012 minutes -	Carruthers
Seconded -	Cantrell
Yay -	Carruthers, Cantrell, Ghelfi, DuPont
Nay -	None
Abstained -	Scarafiotti, Valdez
Disposition -	November 1, 2012 minutes approved

Motion to approve the	
November 1, 2012	
Executive Session minutes -	DuPont
Seconded -	Cantrell
Yay -	DuPont, Cantrell, Ghelfi, Carruthers
Nay -	None
Abstained -	Scarafiotti, Valdez
Disposition -	November 1, 2012 Executive Session minutes approved

Motion to approve the	
October 4, 2012 minutes -	DuPont
Seconded -	Carruthers
Yay -	DuPont, Carruthers, Cantrell, Ghelfi, Scarafiotti
Nay -	None
Abstained -	Valdez
Disposition -	October 4, 2012 minutes approved

Motion to approve the  
October 4, 2012  
Executive Session minutes - Scarafiotti  
Seconded - DuPont  
Yay - Scarafiotti, DuPont, Cantrell, Ghelfi, Carruthers  
Nay - None  
Abstained - Valdez  
Disposition - October 4, 2012 Executive Session minutes approved

**D. Reports on Current Events, Matters of Board Procedure, Requests and Items for Future Agenda**

Mr. DuPont tendered his resignation as Board Vice Chair.

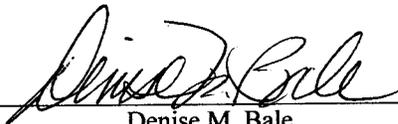
Motion to accept the resignation  
of Mr. DuPont as Vice Chair - Cantrell  
Seconded - Scarafiotti  
Yay - Cantrell, Scarafiotti, Ghelfi, Carruthers, Valdez  
Nay - None  
Abstained - DuPont  
Disposition - Resignation of Mr. DuPont as Vice Chair accepted

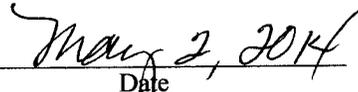
Mr. Ghelfi asked for an item, Nomination of Vice Chair, to be added to the May 1, 2014 meeting agenda.

**E. Call to the Public**

None.

The Board adjourned at 1:52 p.m.

  
Denise M. Bale  
Administrator of the  
Arizona State Liquor Board

  
Date