



STATE OF ARIZONA
 ARIZONA STATE LIQUOR BOARD
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 Website: www.azliquor.gov/liquor_board.asp

JANICE K. BREWER
 Governor

J. D. GHELFI
 Board Chair

ALAN EVERETT
 Director

Arizona State Liquor Board Hearing Minutes
 May 1, 2014

Members Present: J.D. Ghelfi - Chair, Vikki Scarafiotti, and Robin Cantrell,
 Members Absent: Bill DuPont – Vice-Chair, Jim Carruthers, and Cyndy Valdez
 Counsel Present: Nancy J. Beck, Assistant Attorney General
 Diana Day, 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 May 1, 2014 at 10:07 a.m. with Mr. Ghelfi presiding.

Roll Call

Mr. Dupont, Mr. Carruthers, and Ms. Valdez were absent. All other members were present. A.R.S. § 4-111(D) was invoked, designating a panel of Mr. Ghelfi, Ms. Scarafiotti, and Ms. Cantrell.

B. Nomination and Election of Vice Chairman

Motion to elect Cyndy Valdez as Vice Chairman -	Scarafiotti
Seconded -	Cantrell
Yay -	Scarafiotti, Cantrell, Ghelfi
Nay -	None
Abstained -	None
Disposition -	Cyndy Valdez elected Vice Chairman

C. Agenda: review, consideration and action

1. Bar Liquor License No. 06090030 - Person Transfer Application

Stanley Ernest Walls
 SE & G Enterprises LLC
 The Lodge Sports Bar and Grill
 857 E. White Mountain Blvd.
 Pinetop, AZ 85935

Evan Lewis Lehr
 Epic Developments Inc.
 The Lodge Sports Bar and Grill
 857 E. White Mountain Blvd.
 Pinetop, AZ 85935

This matter was set for hearing because the Department of Liquor Licenses and Control ("Department") is protesting the application. Subsequent to this matter being scheduled for hearing, the applicant filed a request to continue in order to obtain legal counsel. The Department did not object to the continuance. It was previously ruled that it would be continued to the next meeting date which is currently set for June 5, 2014.

2. Bar Liquor License No. 06070721 - Person and Location Transfer Application

Randy D. Nations, Agent
Sound Bites Restaurant LLC
Phase 54
1020 N. 54th Street #100
Chandler, AZ 85226

Fares Youssef Faddoul
Bada Bing Gentlemen's Club
1702 E. McDowell Road
Phoenix, AZ 85006

Subsequent to this matter being scheduled for hearing, the applicant filed an Application Withdrawal. This matter was set for hearing because the Department is protesting the application and because the City of Phoenix recommended disapproval of this application. The Applicant, Fares Youssef Faddoul, appeared at the hearing through his counsel, Harvey Yee. Assistant City Prosecutor Patricia George appeared on behalf of the City of Phoenix. Assistant Attorney General Nancy J. Beck appeared on behalf of the Department. Investigator Herbert Carruthers was sworn and testified on behalf of the Department. Assistant Attorney General Diana Day, from the Solicitor General's Office, was present and provided independent legal advice to the Board.

Ms. Beck stated the Department opposes the request to withdraw and asks that the Board deny the withdrawal of the application. She argued that public policy is not served by allowing the applicant to withdraw the application; and that the Board should go forward with the hearing and deny the application based on the evidence because the location is within 300 feet of a church.

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

The Board convened in executive session at 10:11 a.m. and reconvened in open session at 10:19 a.m.

Motion to deny application withdrawal - Cantrell
Seconded - Scarafiotti
Yay - Cantrell, Scarafiotti, Ghelfi
Nay - None
Abstained - None
Disposition - Application withdrawal denied

Neither the City nor the Department contested the personal qualifications of the Applicant. Investigator Herbert Carruthers testified that the location of the Bada Bing Gentlemen's Club is within 300 feet of a church. Mr. Yee and Ms. Beck questioned Investigator Carruthers about the primary use of the building.

Ms. Scarafiotti made a motion regarding Liquor License No. 06070721: to deny on location, based on the following findings; it is within 300 feet of a church; the church is separate and identifiable; it has been converted for church use; there is a separate structure with occupancy even though it is in a strip mall location; there is regular service since 2007; and it is reasonable to believe it is operating as a church.

Motion to deny license - Scarafiotti
Seconded - Cantrell
Yay - Scarafiotti, Cantrell, Ghelfi
Nay - None
Abstained - None
Disposition - License denied

3. Restaurant Liquor License No. 12079592 - Request for Review

Walter Salazar Lopez
Villa Peru Restaurant
1857 N. Scottsdale Road
Tempe, AZ 85281

This matter was set to consider the Applicant's Request for Review filed with the Board. This Original Application was denied at the February 6, 2014 Board meeting. The applicant, Walter Salazar Lopez, did not appear at the hearing and was not represented by counsel. Assistant Attorney General Nancy J. Beck appeared on behalf of the Department. Assistant Attorney General Diana Day, from the Solicitor General's Office, was present and available to provide independent legal advice to the Board. After hearing argument from counsel, and after considering the motions submitted by both parties, the Board found that Applicant does not meet any of the grounds for review or rehearing under A.A.C. R19-1-703(C).

Motion to deny request	
for review -	Cantrell
Seconded -	Scarafiotti
Yay -	Cantrell, Scarafiotti, Ghelfi
Nay -	None
Abstained -	None
Disposition -	Request for review denied

4. 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 continued from the April 3, 2014 meeting and was set for hearing because the City of Phoenix recommended disapproval of this application. The Agent, Lauren Merrett, and the sole member of I-10 Freeway & 51st Ave LLC, Saleema Barkatali Somani, were not present and were represented by counsel, Harvey Yee. Assistant City Prosecutor Elizabeth Sugges appeared on behalf of the City of Phoenix. Detective Shon Washburn was sworn and testified on behalf of the City of Phoenix.

Mr. Yee argued that personal qualifications of the Applicant and her husband are not at issue because they are both current licensees; however, the City had issues with the ownership of the store. Detective Washburn testified that the ownership issues with the application have been resolved; and that the remaining objection is the Applicant stating on her application that she would be the controlling person and working eight hours a day at the store. She later admitted to Detective Washburn that she would not be working at the store, and the application has not been amended. There was Board discussion about the application and the Applicant. Mr. Yee requested a continuance of the hearing in order for the Applicant to appear before the Board and to answer their questions.

Ms. Scarafiotti made a motion regarding Liquor License No. 10076445: to deny the license based on capable, qualified and reliable; with knowledge that there is false and misleading information on the application; that the hours of business reported are a discrepancy about the owner on site; and that the owner, Ms. Somani, is not present but had been noticed for hearing after a continuance from last month's meeting. Location is not at issue.

Motion to deny license -	Scarafiotti
Seconded -	Cantrell
Yay -	Scarafiotti, Cantrell
Nay -	Ghelfi
Abstained -	None
Disposition -	License denied

5. Beer and Wine Store Liquor License No. 10074679 - 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 continued from the April 3, 2014 meeting and was set for hearing because the City of Phoenix recommended disapproval of this application. The Applicant, Blanca Barrota, was present and was represented by counsel, Harvey Yee. Assistant City Prosecutor Elizabeth Sugges appeared on behalf of the City of Phoenix.

The Board recessed from 11:47 to 11:51 a.m.

Ms. Barrota was sworn and testified. Mr. Yee described the application process and how this matter came before the Board. Ms. Sugges stated the Board has the basis for the City Council's recommendation for disapproval, and that remains an issue to be discussed.

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

The Board convened in executive session at 12:00 p.m. and reconvened in open session at 12:04 p.m.

Mr. Ghelfi offered the opportunity for the Applicant to withdraw the Application, and the Applicant decided to proceed with the hearing. Mr. Yee questioned Ms. Barrota about the events that transpired in the application process with the Department and the City of Phoenix. Ms. Barrota testified that she shared ownership (50/50) of Snappy Convenience Store with her husband, Gilbert Barrota. Ms. Barrota is the Agent on the liquor license. Ms. Barrota wants her husband to have 100% ownership of the store and she will remain the Agent on the liquor license. Ms. Sugges questioned Ms. Barrota about the store's practices of displaying and selling adult videos and tobacco materials.

A motion was suggested to accept the change in acquisition of control as to the fact that there has been no material demonstration of the lack of capable, qualified and reliable on behalf of the applicant or the agent.

Motion to accept application -	Scarafiotti
Seconded -	Cantrell
Yay -	Scarafiotti, Cantrell, Ghelfi
Nay -	None
Abstained -	None
Disposition -	Change/Acquisition of Control Application granted

C. Minutes

Motion to approve the April 3, 2014 minutes -	Scarafiotti
Seconded -	Cantrell
Yay -	Scarafiotti, Cantrell, Ghelfi,
Nay -	None
Abstained -	None
Disposition -	April 3, 2014 minutes approved

Motion to approve the
April 3, 2014
Executive Session minutes - Cantrell
Seconded - Scarafiotti
Yay - Cantrell, Scarafiotti, Ghelfi
Nay - None
Abstained - None
Disposition - April 3, 2014 Executive Session minutes approved

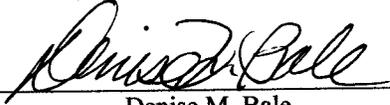
D. Reports on Current Events, Matters of Board Procedure, Requests and Items for Future Agenda

There was discussion about holding a summer meeting in northern Arizona. Ms. Bale was asked to research and possibly schedule the June 5, 2014 meeting in Pinetop or Show Low.

E. Call to the Public

None.

The Board adjourned at 12:43 p.m.



Denise M. Bale
Administrator of the
Arizona State Liquor Board



Date