



STATE OF ARIZONA
ARIZONA STATE LIQUOR BOARD
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DOUGLAS A. DUCEY
Governor

CYNDY A. VALDEZ
Board Chair

JOHN COCCA
Director

Arizona State Liquor Board Hearing Minutes
January 23, 2017

Members Present: Michael Troyan – Vice Chair, Sergio Arellano, and Troy Campbell
Members Absent: Cyndy Valdez – Chair – recused herself
Counsel Present: Michael Raine, Assistant Attorney General
Elizabeth Campbell, 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 January 23, 2017, at 9:18 a.m. with Mr. Troyan presiding. Pursuant to A.R.S. § 4-111(D), Ms. Valdez called a Panel of Mr. Troyan, Mr. Campbell, and Mr. Arellano.

Roll Call

Ms. Valdez recused herself from the hearing. All other members were present (Mr. Campbell, telephonically).

B. 9:00 a.m. Agenda: Review, consideration and action

1. Restaurant Liquor License No. 1207A770 – Original Application

Amy S. Nations, Agent
Tempe Tacos LLC
Fuzzy's Taco Shop
414 S. Mill Avenue, Suite 115
Tempe, AZ 85281

This matter was continued from the January 12, 2017, meeting. This matter was set for hearing because of Department protest. The Applicant, Tempe Tacos LLC, appeared at the hearing and was represented by counsel, Peter H. Schelstraete. Jeffery Alan York, Scott Bradley McKnight, Samuel Patrick Woodson, Jeffery Craig Miller, Kevin Grojean, and Alan Parris appeared in support of the Applicant. Assistant Attorney General Michael Raine appeared on behalf of the Department of Liquor Licenses and Control ("Department"). Special Investigator Benjamin Swift appeared in support of the Department. Assistant Attorney General Elizabeth Campbell was present and available to provide independent legal advice to the Board. All witnesses were sworn.

Mr. Schelstraete presented a brief opening statement. Mr. Raine presented a brief opening statement. Mr. Schelstraete called his first witness, Jeffery Alan York. Mr. York has 25 years' experience in restaurant management and ownership. Mr. York is the President of the Franchise Advisory Board for Fuzzy's franchise of 115 stores. Mr. York discussed Fuzzy's standardization of policies and procedures through its advisory board. Mr. York described the underage buying program, cameras, and ID scanning equipment at the Tempe location. Mr. York testified that two incidents of underage sales occurred in September and November of 2016. Mr. York explained the disciplinary action, additional employee training, and remodeling that has taken place since the incidents. Mr. Raine cross-examined Mr.

York about the WeScan system, the employees who were trained to use the system, and the prevalence of attempted underage drinking in downtown Tempe. There were Board questions.

Mr. Schelstraete called his second witness, Samuel Patrick Woodson. Mr. Woodson graduated from law school in 1992. Mr. Woodson practices law in Fort Worth, Texas. Mr. Woodson and Mr. McKnight are the majority owners of Fuzzy's Taco Shop in Tempe. There are 107 Fuzzy's Tacos nationwide. Mr. Woodson and Mr. McKnight have the rights to the state of Oklahoma and currently have five restaurants there. Mr. Schelstraete questioned Mr. Woodson about the Oklahoma locations including the proximity to college campuses and business. Mr. Woodson testified that in Oklahoma there has been one violation where the employee failed to ID a customer in Fuzzy's Tacos. The employee was terminated. There were Board questions.

Mr. Schelstraete called his third witness, Jeffery Craig Miller. Mr. Miller is a partner in Arizona Liquor Industry Consultants (ALIC). His partner, Amy Nations, is listed as the Agent on this establishment. Mr. Miller is a retired peace officer from the Department, where he worked most of his law enforcement career. Mr. Miller developed and presented liquor law training for law enforcement. He also developed trade practice and training for the liquor industry and has presented at conferences throughout the United States. Mr. Miller described the services ALIC provides Tempe Tacos LLC. Mr. Schelstraete questioned Mr. Miller about the WeScan system and fictitious IDs. Mr. Raine questioned Mr. Miller. There were Board questions.

Mr. Schelstraete called his next witness, Kevin Grojean. Mr. Grojean has lived in Arizona over 23 years. During that time, he has worked in the restaurant and bar industry as an employee, manager, general manager, and has owned and operated establishments in the Phoenix metro area. Mr. Grojean currently works as a Basic and Management liquor law trainer for ALIC. He is also a private consultant for individuals who are setting up restaurants and bars. Mr. Schelstraete questioned Mr. Grojean about working with Tempe Tacos LLC including the capability, qualifications and reliability of the Applicant. Mr. Raine questioned Mr. Grojean. There were no Board questions.

Mr. Schelstraete call his last witness, Alan Parris. Mr. Parris has been an Arizona POST certified police officer since 1979. Mr. Parris' background includes City of Mesa as a police officer and four state agencies as a regulatory investigator. Mr. Parris served seven years with the Department as a Special Investigator. Currently he is a contract employee for ALIC, developing and presenting Basic and Management training. Mr. Schelstraete questioned Mr. Parris about the Applicant's policies, procedures, and employee training. Mr. Raine questioned Mr. Parris about the remodeled floor plan, the counter where all food and beverages are sold, and the efforts to avoid underage sales. There were Board questions.

Mr. Raine submitted on the record. He reiterated that the Board has copies of the incident reports and both of the investigators are present to answer any questions. There were no Board questions.

Mr. Schelstraete presented a closing statement. Mr. Raine presented a closing statement.

Mr. Arellano made a motion. In the case of Restaurant Liquor License No. 1207A770, Tempe Tacos LLC, operating as Fuzzy's Taco Shop at 414 S. Mill Avenue, Suite 115, Tempe, Arizona, I move that the Applicant is capable and qualified and reliable as required by A.R.S. Section 4-203 based on the following facts. Applicant reflects appropriate business knowledge and has experience in running a liquor establishment. I believe the Applicant has been truthful and forthcoming; and he has obtained and his staff has obtained appropriate liquor training.

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| Motion to grant license - | Arellano |
| Seconded - | Campbell |
| Yay - | Arellano, Troyan, Campbell |
| Nay - | None |
| Abstained - | None |
| Disposition - | License granted |

C. Call to the Public

None.

The Board adjourned at 11:25 a.m.



Denise M. Bale
Administrator of the
Arizona State Liquor Board


Date