



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

MICHAEL J. TROYAN  
Board Chair

JOHN COCCA  
Director

Arizona State Liquor Board Hearing Minutes  
October 3, 2017

Members Present: Michael J. Troyan – Chair, Troy L. Campbell – Vice Chair, and Michael N. Widener  
Members Absent: John M. McLoughlin  
Counsel Present: Michael Raine, Assistant Attorney General  
John R. Tellier, Independent Legal Advisor for the Board  
Staff Present: Denise Bale, Board Administrator

**A. Call to Order**

The hearing of the Arizona State Liquor Board was called to order on October 3, 2017, at 4:15 p.m. with Mr. Troyan presiding.

**Roll Call**

John McLoughlin was absent. All other members were present (telephonically).

**B. 4:15 p.m. Agenda: Review, consideration and action**

**1. Bar Liquor License No. 06070280 – Person and Location Transfer Application**

From:	To:
James William Boyd, Jr.	Patrick Henry Zanzucchi
AZIZ Holdings, LLC	Peoria Ave, LLC
Welch's Garage	Centerfolds Cabaret
7345 E. Evans Road #116	2031 W. Peoria Avenue
Scottsdale, AZ 85260	Phoenix, AZ 85029

The Arizona State Liquor Board, through its chair, Michael J. Troyan, issued Board Order No. B-025-17, designating a three-person panel to preside over the Board's scheduled October 5, 2017, hearing to consider the Person and Location Transfer application in this matter. The City of Phoenix (City) through its counsel, Jessica J. Breedlove, filed its Objection to the Order Designating a Panel and requested a continuance until a quorum of Board Members could hear the pending application. The Department of Liquor Licenses and Control (Department), through its counsel, Michael Raine, filed its Motion to Vacate the Order Designating a Panel and Motion to Refer the Matter for a Hearing before the Office of Administrative Hearings. The Applicant, Peoria Ave, LLC, through its counsel, Francis J. Slavin and Heather N. Dukes, filed its Response in opposition to the City's and Department's motions.

The Board met to consider the Motions and the Response. The Applicant did not appear at the hearing and was represented by counsel, Francis J. Slavin and Heather N. Dukes. Assistant City Prosecutor Jessica J. Breedlove appeared on behalf of the City. Assistant Attorney General Michael Rained appeared on behalf of the Department. Licensing and Enforcement Section Chief Counsel John R. Tellier was present and provided independent legal advice to the Board.

Ms. Breedlove presented the City's objection to having this matter heard by a panel, citing A.R.S. § 4-201(J), rather than the entire Board. Ms. Breedlove agrees with the Department's position that a quorum of at least four board members should hear this matter. Ms. Breedlove also agrees with the Department that because of the complexity and time it would take to hear this case, it would be more efficient to refer the matter to the Office of Administrative Hearings (OAH) and have it heard by an administrative law judge (ALJ).

Mr. Raine stated that he supports the City's arguments. Mr. Raine presented the Department's motion to urge the Board to continue the hearing to a date when all four members can hear the matter, or to refer the matter to OAH. Mr. Raine argued that OAH is a more efficient venue to hear such a complex case because OAH has more experience handling these types of cases and an ALJ will prepare detailed findings of fact and conclusions of law for the Board's consideration. Under A.R.S. § 4-201(F), the Board "may affirm, reverse, adopt, modify, supplement, amend or reject the administrative law judge's report in whole or in part."

Mr. Slavin presented the Applicant's response in opposition to the motions filed by the City and Department. Mr. Slavin argued in favor of the Board hearing this matter as scheduled, on October 5, 2017, before a three-person panel. Mr. Slavin stated that all of the discovery has been submitted and continuing the hearing postpones the date when the Applicants can open for business. Mr. Slavin described the Applicant's substantial investment in the property. There were Board questions and discussion about the options available for Board action.

Motion to have the hearing as scheduled on October 5, 2017 -	Widener
Seconded -	Troyan
Yay -	Widener, Troyan
Nay -	Campbell
Abstained -	None
Disposition -	Motion passes

There was discussion by Ms. Breedlove, Mr. Raine, Mr. Slavin, Mr. Tellier, Mr. Widener, Mr. Troyan, and Mr. Campbell regarding conflict of interest, possible appeal issues, and the Board's decision to have the hearing on October 5, 2017.


Motion to reconsider previous motion -	Widener
Seconded -	Troyan
Yay -	Widener, Troyan, Campbell
Nay -	None
Abstained -	None
Disposition -	Motion reconsidered

There was Board discussion and questions for counsel. Mr. Campbell made a motion to refer the case to Office of Administrative Hearings for purposes of gathering of the facts, for them to present the facts. Mr. Widener suggested an amendment to the motion. After the report of the OAH judge, that the findings of fact and conclusions of law will be considered by the entire Board, assuming that the entire Board is available, so that we eliminate any confusion about whether it is coming back to the panel or the full Board. Mr. Campbell accepted the amendment.

Motion to refer the entire matter to the Office of Administrative Hearings -	Campbell
Seconded -	Widener
Yay -	Campbell, Widener, Troyan
Nay -	None
Abstained -	None
Disposition -	Matter referred to OAH

Mr. Tellier clarified the hearing scheduled for October 5, 2017, is cancelled.

The Board adjourned at 5:50 p.m.

  
Denise M. Bale

Administrator of the  
Arizona State Liquor Board

  
Date