



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

TROY L. CAMPBELL
Board Chair

JOHN COCCA
Director

Arizona State Liquor Board Hearing Minutes
November 7, 2019

Members Present: Troy L. Campbell – Chair, Walter W. Jahn – Vice Chair, and Jeffrey K. Oravits (telephonically).

Members Absent: Michael N. Widener

Counsel Present: Michael Raine, Assistant Attorney General
John R. Tellier, Licensing & Enforcement Section Chief Counsel, Independent Advisor to 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 November 7, 2019, at 10:00 a.m. with Mr. Campbell presiding.

Roll Call

Mr. Campbell had designated a three-person panel of consisting of himself, Mr. Jahn, and Mr. Oravits to preside over the meeting.

B. 10:00 a.m. Agenda: Review, consideration and action

1. Bar Liquor License No. 06073609 – Review of Director’s Decision

Vartan Nazareth Seferian, Agent
Ambassador Fine Cigars, Inc.
Ambassador Fine Cigars
10810 N. Tatum Boulevard, Suite 140
Phoenix, AZ 85028

This matter was continued from the October 3, 2019 meeting. This matter is set for hearing because the Licensee requests an appeal of the Director’s decision regarding A.R.S. § 4-203(G).¹ The Licensee, Ambassador Fine Cigars, Inc., and its Agent, Vartan Nazareth Seferian, appeared at the hearing and were not represented by counsel. Assistant Attorney General Michael Raine appeared on behalf of the Department of Liquor Licenses and Control (Department). Licensing & Enforcement Section Chief Counsel John R. Tellier was present and provided independent legal advice to the Board.

¹ A license automatically reverts to the state after being held in continuous nonuse for more than thirty-six months.

Motion to convene in executive session for the purpose of receiving legal advice -	Campbell
Seconded -	Jahn
Yay -	Campbell, Jahn, Oravits
Nay -	None
Abstained -	None
Disposition -	Convene in executive session

The Board convened in executive session at 10:03 a.m. and reconvened in open session at 10:12 a.m.

Mr. Seferian provided Board members a Supplement to Appeal. Mr. Seferian argued that the Director did not hold an administrative hearing regarding nonuse of the license before the license reverted to the State, that Mr. Raine should not participate in this matter, and that the Board “should remand the matter to the Director with instructions that he hold a hearing on the factual issues involving ‘use’ of the Liquor License . . .” Mr. Seferian asked the Board to return his license.

Mr. Raine argued that there are two issues. The first issue is the Board’s scope of appellate review. A.R.S. § 4-210.02(A) governs appeals to the Board. The statute states, “Any aggrieved party may appeal any final decision of the director regarding applicants or licensees to the board.” Citing *Ariz. State Liquor Bd. v. Poulos*,² Mr. Raine argued that reversion occurs by operation of law and neither the Director nor the Board can reverse Ambassador’s unfortunate outcome. An Attorney General Opinion on reversion (AG Op. I90-51) reached the same conclusion as the Supreme Court in *Poulos*. An inactive license automatically reverts unless the licensee applies for an extension before the license reverts. The Attorney General also stated “if the license has reverted before such a request is made, the Board is powerless to grant any extension to the licensee.”³

There were questions and Board discussion. Mr. Jahn made a motion to deny the appeal based on the fact that the Board lacks jurisdiction over the statute 4-203(G).

Motion to deny appeal -	Jahn
Seconded -	Oravits
Yay -	Jahn, Oravits, Campbell
Nay -	None
Abstained -	None
Disposition -	Appeal denied

The Board recessed from 10:45 a.m. to 10:49 a.m.

2. Beer and Wine Store Liquor License, Application No. 63363 – Original Application

Mark Yakou Dinkha, Agent
 MC Mini Mart LLC
 MC Mini Mart
 2720 W. Indian School Road
 Phoenix, AZ 85017

This matter was continued from the October 3, 2019 meeting. This matter is set for hearing because the City of Phoenix recommended disapproval. The Applicant, MC Mini Mart LLC, and its Agent, Mark Yakou Dinkha, appeared at the hearing and were represented by Sargon Khananisho. Community Prosecutor Noel E. Rascon appeared on behalf of the City of Phoenix. Detective Robin Gokool appeared in support of the City of Phoenix. Mr. Khananisho requested a continuance because he had been retained

² *Ariz. State Liquor Bd. v. Poulos*, 112 Ariz. 119 (1975).

³ AG Op. I90-51 at 3.

the day before the hearing and would need additional time for preparation. Mr. Rascon objected to the request on the basis that the Applicant has known about this hearing since September.

Motion to continue hearing to the next board meeting:	Campbell
Seconded -	Jahn
Yay -	Campbell, Jahn, Oravits
Nay -	None
Abstained -	None
Disposition -	Hearing continued

C. 2020 Hearing Schedule: Review, consideration and action

Mr. Campbell made a motion to accept the following hearing schedule for 2020: January 9, February 6, March 5, April 2, May 7, June 4, July 9, August 6, September 10, October 1, November 5, and December 3.

Motion -	Campbell
Seconded -	Jahn
Yay -	Campbell, Jahn, Oravits
Nay -	None
Abstained -	None
Disposition -	Approved

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

Governor Ducey reappointed Mr. Oravits for another term on the Board. The next meeting is tentatively scheduled for December 5, 2019. One matter is an appeal of a Director's Decision.

E. Call to the Public

None.

Motion to adjourn -	Oravits
Seconded -	Jahn
Yay -	Oravits, Jahn, Campbell
Nay -	None
Abstained -	None
Disposition -	Board adjourned at 11:02 a.m.



Denise M. Bale
Administrator of the
Arizona State Liquor Board


Date