



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

TROY L. CAMPBELL  
Board Chair

JOHN COCCA  
Director

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Arizona State Liquor Board Hearing Minutes  
January 9, 2020

Members Present: Troy L. Campbell – Chair, Michael N. Widener, Jeffrey K. Oravits, and Lynn Shulman

Members Absent: Walter W. Jahn – Vice Chair

Counsel Present: Michael Raine, Assistant Attorney General  
Mary D. Williams, Assistant Attorney General, 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 January 9, 2020, at 10:00 a.m. with Mr. Campbell presiding.

**Roll Call**

Mr. Jahn was absent, all other members were present.

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

**1. Craft Distiller Liquor License, Application No. 70415 – Original Application**

Paul L. Shields Jr., Agent  
MPS Distilling LLC  
MPS Distilling  
425 S. McClintock #6  
Tempe, AZ 85281

This matter is set for hearing because the City of Tempe recommended disapproval. This matter is also set because of a Department protest. The Applicant has requested that it be allowed to withdraw its application. The Department has objected to that request. The Applicant, MPS Distilling LLC, and its Agent, Paul L. Shields Jr., did not appear at the hearing and were represented by Peter H. Schelstraete. Counsel for the City of Tempe did not appear at the hearing. Assistant Attorney General Michael Raine appeared on behalf of the Department of Liquor Licenses and Control (Department). Assistant Attorney General Mary D. Williams was present and provided independent legal advice to the Board.

Mr. Raine addressed the Board. The Applicant entered into a consent agreement with the Department, resolving the Department's objection to the Applicant's request to withdraw its application.

Mr. Widener commented on the procedural issue of the City of Tempe holding a hearing on an application that was not perfected and then recommending disapproval.

Motion to accept application withdrawal -	Oravits
Seconded -	Shulman
Yay -	Oravits, Shulman, Campbell, Widener
Nay -	None
Abstained -	None
Disposition -	Application withdrawal accepted

## **2. Bar Liquor License No. 06020052 – Appeal of Director’s Decision**

Noreen Lynn Carrafa, Agent  
Doc Holliday’s Saloon, LLC  
Doc Holliday’s Saloon  
511 E. Allen Street  
Tombstone, AZ 85638

This matter is set for hearing because the Respondent requests that the Board reverse the Director’s Final Decision. Counsel for the Agent, Joel P. Borowiec, appeared at the hearing. Noreen Carrafa and Mike Carrafa appeared in support of the Licensee. Assistant Attorney General Michael Raine appeared on behalf of the Department. Assistant Attorney General Mary D. Williams was present and provided independent legal advice to the Board.

Mr. Borowiec argued the Director’s Decision was based on the Findings of Fact and Conclusions of Law as determined by the assigned Administrative Law Judge (ALJ) in this matter, and is unsupported by any competent evidence as disclosed by the entire record. Mr. Borowiec stated there are gross errors of fact in the Director’s Decision. He also stated the Decision is arbitrary and capricious. Mr. Borowiec referenced the Department’s Response to Respondent’s Appeal and Proposed Modified Findings of Fact and Conclusions of Law to support his argument.

Mr. Raine argued the Licensee has violated several Department statutes on six separate occasions over the last five years. In addition, there were the four separate matters that were tried to the ALJ, which resulted in her recommendation for discipline and to sustain all those violations. The Director accepted the ALJ’s decision and then levied additional punishment of a \$12,000 fine and two-week suspension. Mr. Raine noted that the Department has authority to fine \$3,000 for each violation and to revoke a license.

There were questions from the Board. Mr. Widener asked Mr. Borowiec about A.A.C. R19-1-505 Report of Act of Violence and why the Licensee failed to report the violent incidents to the Department.

The Board recessed from 10:33 a.m. to 10:38 a.m.

Mr. Raine argued that a gunshot wound to the leg is an act of violence and why the Licensee is required to report the incident in writing to the Department. Rule 505 requires a report for an act of violence that occurs on the licensed premises or on the property immediately adjacent to the licensed premises. Mr. Raine asked the Board to accept the findings of fact as modified by the State’s Proposed Modified Findings of Fact and Conclusions of Law. He asked the Board to affirm the Director’s Decision.

Mr. Borowiec explained the incidents surrounding the accidental shooting and local enforcement with respect to period costumes and wearing firearms. Mr. Borowiec argued that this is a case of selective enforcement, and asked the Board for no sanctions against his clients.

Ms. Williams asked the Board Chair and each member to affirm that in addition to hearing the presentation from the parties, that they have reviewed the materials presented to them which included the Director's Decision and the record from the hearing. Ms. Shulman, Mr. Widener, Mr. Campbell, and Mr. Oravits each affirmed verbally for the record.

There was Board discussion. Mr. Widener made a motion initially that the Board adopt the Department's Proposed Modified Findings of Fact and Conclusions of Law, and he asked Mr. Borowiec if he was in agreement with the way those modifications are stated. Mr. Borowiec was in agreement with the nine modified findings of fact. He was not in agreement with the modified Conclusion of Law 12. Mr. Widener made a motion to adopt as written, subject to certain clarifications and typographical errors, the State's modified findings of fact and conclusions of law.

Motion to accept Modified Findings of Fact and Conclusions of Law -	Widener
Seconded -	Campbell
Yay -	Widener, Campbell, Oravits, Shulman
Nay -	None
Abstained -	None
Disposition -	Modified Findings of Fact and Conclusions of Law accepted

Ms. Williams asked if any of the Board members wanted to make other modifications to the Findings of Fact and Conclusions of Law. Mr. Oravits made a motion to affirm the Director's Decision as modified.

Motion to affirm the Director's Decision as modified -	Oravits
Seconded -	Shulman
Yay -	Oravits, Shulman, Widener, Campbell
Nay -	None
Abstained -	None
Disposition -	Director's Decision affirmed with modifications

### **3. 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 November 7, 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 and testified in support of the City of Phoenix. Mr. Khananisho and Mr. Rascon made opening statements.

Mr. Khananisho called Mr. Dinkha. Mr. Dinkha purchased the property from its previous owner in March of 2019. A liquor license was in place at the location when Mr. Dinkha purchased the property. Mr. Dinkha hired someone to prepare the paperwork for his liquor license application. He was unaware that the application form did not indicate that he had been convicted of a misdemeanor in the City of Scottsdale. When Officer Gokool approached Mr. Dinkha about his application, Mr. Dinkha told Officer Gokool about the conviction arising out of disorderly conduct at a liquor-licensed premises. After meeting with Officer Gokool, Mr. Dinkha withdrew his application and resubmitted it with the correct conviction information. Mr. Dinkha was not represented by counsel when he appeared at the Scottsdale court. He spoke directly with the City's prosecutor, and did not understand that he was being convicted of a crime.

Mr. Dinkha assumed that if he paid the fines, the case would be dismissed. He did not assume that a conviction was on his record.

Mr. Khananisho provided the Board copies of liquor law training certificates for Mr. Dinkha and his brother, Christopher Dinkha. He also provided copies of Mr. Dinkha's income tax returns for 2017 and 2018, and a gift letter regarding the funds from his family members. Mr. Dinkha's family gifted the money to him for purchasing the property. The City's inspection report included pornographic pictures being displayed behind the cash register. Mr. Dinkha was unaware of the pictures on display. Officer Gokool approached Christopher Dinkha about the pictures. Mr. Khananisho exhibited photos showing how the adult materials are now covered. Mr. Dinkha testified that he corrected everything that was at issue in the City's recommendation of disapproval.

Mr. Rascon questioned Mr. Dinkha about the incident that occurred in Scottsdale. Mr. Dinkha confirmed that he waived the right to an attorney on the night of the incident. Mr. Dinkha confirmed that he pled guilty after speaking with the City prosecutor. Mr. Dinkha acknowledged that he did not review the application before it was submitted to the Department. Mr. Rascon questioned Officer Gokool about meeting with Mr. Dinkha. Officer Gokool described his three visits to the store. Mr. Dinkha was not there on two occasions and Christopher Dinkha was acting in charge. Christopher Dinkha was not listed as an employee or manager on the liquor license application.

There were questions from the Board. Mr. Khananisho and Mr. Rascon gave closing statements. There was Board discussion. Ms. Shulman made a motion to deny the application based on the qualifications of the Applicant, providing false information on the questionnaire, having a conviction on his record, not being familiar with the laws, and not being capable and reliable.

Motion to deny license -	Shulman
Seconded -	Widener
Yay -	Shulman, Campbell, Oravits
Nay -	Widener
Abstained -	None
Disposition -	License denied
Motion to revoke interim permit -	Campbell
Seconded -	Widener
Yay -	Campbell, Widener, Shulman, Oravits
Nay -	None
Abstained -	None
Disposition -	Interim permit revoked

The Board recessed from 12:58 p.m. to 1:05 p.m.

#### **4. Beer and Wine Store Liquor License, Application No. 74793 – Original Application**

Sergio Aurelio Villa, Agent  
Villa's Wholesale, Inc.  
City Wide Produce  
6221 S. Campbell Avenue  
Tucson, AZ 85706

This matter is set for hearing because of public protest. The Applicant, Villa's Wholesale, Inc., and its Agent, Sergio Aurelio Villa, appeared at the hearing and were represented by Peter Schelstraete. Sergio Villa, Laura Villa, Oscar Villa, and Bob Ingram appeared in support of the Applicant. Public protestors Yolanda Herrera, speaking for Southside Neighborhood Association Presidential Partnership,

and Jamal Givens, speaking for Liberty Partnership Community Council, appeared and testified in opposition to the Applicant. Mr. Schelstraete, Ms. Herrera and Mr. Givens made opening statements.

Mr. Schelstraete called Sergio Villa. Mr. Villa and his wife, Laura Villa, live in Tucson. Mr. Villa grew up in the grocery business. He followed in his father's footsteps and now his son is working with him in the grocery business. Mr. Villa, Ms. Villa, their son Oscar, and two managers have completed Title 4 training. The business operations include a 20,000 square foot warehouse in Nogales, Arizona, a store next to the warehouse and a meat processing plant across the street from the store. The Villas wholesale groceries and serve stores in Nogales and Tucson. Mr. Villa stated that they are known for service and pricing. The Villas own 2 series 10 liquor licenses and have never had a violation. At the existing store, beer and wine sales make up 8% of the total sales. There are 100 security cameras for the three stores. Mr. Villa described their employee benefits and community fund raising events. Laura Villa and Oscar Villa will run the Tucson store. There were Board questions.

Mr. Schelstraete, Ms. Herrera and Mr. Givens made closing statements. Mr. Widener addressed the protestors, community members and students who accompanied them. There was Board discussion. Mr. Oravits made a motion to find the applicant is capable, qualified and reliable as required by A.R.S. section 4-203(A), based upon the following facts: they have the training; no violations at their other location; manager support with the city council; and 50 plus years' business experience. And based upon the following facts, the location provides a community need, the existing store is a retail location, the best interest of the community will be served if we grant this license at the location.

Motion to grant license -	Oravits
Seconded -	Shulman
Yay -	Oravits, Shulman, Campbell, Widener
Nay -	None
Abstained -	None
Disposition -	License granted

##### **5. In State Microbrewery Liquor License, Application No. 65905 – Original Application**

Tyler James Hartnell, Agent  
Parker Strip Brewing Co LLC  
Parker Strip Brewing Co  
8794 Riverside Drive  
Parker, AZ 85344

This matter is set for hearing because the La Paz County Board of Supervisors recommended disapproval. The Applicant, Parker Strip Brewing Co, LLC, and its Agent, Tyler James Hartnell, did not appear at the hearing and were not represented by counsel. Counsel for the La Paz County Board of Supervisors did not appear at the hearing. All parties received service of the Notice of Hearing.

Mr. Widener discussed the record submitted by the La Paz Board of Supervisors. The Board of Supervisors did not provide a statement of the specific reasons for disapproval as required by A.R.S. § 4-201(C). The record is incomplete, and there is insufficient information on which to make a decision. Mr. Widener made a motion to remand the application to the Department for the purpose of clarifying the basis for the La Paz County Board of Supervisors' disapproval recommendation.

Motion to remand application -	Widener
Seconded -	Campbell
Yay -	Widener, Campbell, Oravits, Shulman
Nay -	None
Abstained -	None
Disposition -	Application remanded to the Department

**C. Minutes: Review, Consideration and Action**

Mr. Campbell announced that approval of minutes will be postponed until the next meeting.

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

Ms. Shulman was introduced as the newest member of the Board. The 54<sup>th</sup> Legislature will convene on January 13, 2020, for its 2<sup>nd</sup> Regular Session. Mr. Oravits and Ms. Shulman will be confirmed later in the session. The liquor industry is working on its liquor omnibus bill. Board members will receive updates on legislation throughout the session.

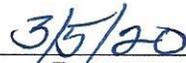
There are no matters set for hearing in February. The Board will meet again on March 5, 2020.

**E. Call to the Public**

None.

Meeting adjourned at 2:35 p.m.

  
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 Denise M. Bale  
 Administrator of the  
 Arizona State Liquor Board

  
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 Date