



STATE OF ARIZONA
ARIZONA STATE LIQUOR BOARD
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KATIE HOBBS
Governor

TROY L. CAMPBELL
Board Chair

BEN HENRY
Director

Arizona State Liquor Board Hearing Minutes
August 3, 2023

Members Present: Troy L. Campbell – Chair, Lynn Shulman – Vice Chair, Jill Pernice, Victoria Yarbrough and Paul David

Members Absent: None

Counsel Present: Deanie Reh, Assistant Attorney General
Linda Bergevin, Assistant Attorney General
Roberto Pulver, Assistant Attorney General, Independent Advisor to the Board

Staff Present: Denise Bale, Board Administrator
Christina Saget, Interim Board Administrator

A. Call to Order

The hearing of the Arizona State Liquor Board was called to order on August 3, 2023 at 9:01 a.m. with Chair Campbell presiding. Google Meet was utilized for facilitating the meeting. Board members, staff, and all parties participated either online or telephonically. Board members were asked if they have, or a relative who has, a substantial interest or a remote interest with any of the matters on the agenda. Each member declared that he/she did not have a conflict of interest with any matters on the agenda.

Roll Call

All members were present.

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

1. Bar Liquor License No. 06070604, Application No. 232366 - Acquisition of Control Application

Jeffrey Alan Oursland, Agent
Crazy Girls Cabaret
2035 E. Montebello Avenue
Phoenix, AZ 85016

This matter was set for hearing because the City of Phoenix recommended disapproval based on the Applicant not being capable, qualified or reliable due to prior liquor license violations. The Applicant, James Gard, appeared and testified, and was represented by Thomas R. Aguilera. Jeffrey Oursland

appeared and testified in support of the Applicant. Assistant City Prosecutor Elizabeth M. Canez appeared on behalf of the City of Phoenix.

Mr. Gard has Bachelor's degrees in psychology and business, and a Master's degree in counseling. He joined his family in the real estate business and became a broker. When the market crashed, worked for community colleges as a counselor and teacher. He also published a magazine related to the adult entertainment industry. In 2017, he had an opportunity to go into business for himself and purchased a nightclub. Mr. Gard is the sole Member, Stockholder of Jamstar Media LLC, DBA Dirty's Topless Bar & Patio. He purchased Bernard Gard's membership interest in Stargard 1948, LLC, and timely filed Acquisition of Control with the Department. He stated that Basic Title 4 training is required of all employees.

On October 17, 2020, license number 06070689 issued to Jamstar Media LLC, was suspended for violation of Executive Order 2020-43 (State of Emergency relating to COVID-19), and A.R.S. § 4-210(A). Investigators observed no social distancing between patrons and staff, and no masks were being worn. Prior to this violation, Mr. Gard had no violations in any of the liquor-licensed entities of which he is a Member, Stockholder; and there have been no violations since. In responding to questions from counsel and board members, Mr. Gard and Mr. Oursland described the policies and procedures that are in place to ensure that all laws and regulations are followed in the future.

Mr. David made a motion to approve the application for license number 06070689 and find that Mr. James Gard is qualified, capable and reliable as an operator. Ms. Shulman amended the motion to include, based upon his compliance before and after this violation shows that Mr. Gard is capable, qualified and reliable. Mr. David accepted the amendment. Ms. Yarbrough seconded the motion.

Motion to grant license -	David
Seconded -	Yarbrough
Yay -	David, Yarbrough, Campbell, Shulman
Nay -	Pernice
Abstained -	None
Disposition -	License granted

2. Restaurant Liquor License, Application No. 231573 - Original Application

Sol Park, Agent
AZ Stone 1 LLC
The Stone Korean Tofu House
6910 E. Hampton Avenue
Phoenix, AZ 85042

This matter is set for hearing because of Department protest based on violation of A.R.S. § 4-203(A) Capability, Qualifications, Reliability. The Applicant, AZ Stone 1 LLC, and its Agent, Sol Park, appeared at the hearing and were not represented by counsel. Assistant Attorneys General Deanie Reh and Linda Bergevin appeared on behalf of the Department of Liquor Licenses and Control (Department). Sergeant Risa Williams appeared and testified in support of the Department. Assistant Attorney General Roberto Pulver provided independent legal advice to the Board.

Mr. Park made an opening statement regarding his violations and consent agreement with the Department. He is working closely with the Department's Compliance Officer, Robert Dorn. Mr. Park reported that in compliance with the consent agreement, all of his employees have completed Title 4 training.

Ms. Reh stated that the Department is protesting this application because of past compliance issues with Mr. Park. Mr. Park's other licensed premises, Central BBQ House, was twice found to have made

sales of liquor to underage buyers. Mr. Park entered a consent agreement in March of this year, under which he was required to pay a civil penalty starting on March 15, 2023. He was also required to provide training records to the Department. He did not pay the civil penalty until after this protest was filed, and to Ms. Reh's knowledge, he has not provided training records of his employees. Mr. Park recently entered into a second consent agreement for violation of the first consent agreement. For these reasons, the Applicant has not demonstrated that he has the capability, qualifications and reliability to obtain a second liquor license.

Ms. Reh called her witness, Sergeant Risa Williams. Sgt. Williams has been a police officer for 16 years. She was a police officer for two local jurisdictions prior to joining the Department in 2012. She has a bachelor's degree, a master's degree, and she is an Arizona Peace Officer Standards and Training (POST) certified officer. Sgt. Williams is familiar with Mr. Park from two compliance checks of his business that she performed while she was a special agent with the Department. Sgt. Williams met Mr. Park on an occasion in his licensed premise. In January 2022, in reference to alleged selling alcohol to underage persons, Department special agents went into Mr. Park's establishment with covert underage buyers (CUBs) who attempted to purchase alcohol. On January 17, 2022, the establishment sold alcohol to the underage buyers who were 17 and 18 years old. The special agents spoke with the owner after the underage sale and advised him of the violation. The agents also criminally cited the employee who sold to the underage buyers. The violation notice was mailed January 22, 2022 and the fine was paid March 2, 2022.

On June 9, 2022, underage buyers (ages 17 and 18) were sold alcohol, and there were other violations of "towers" of beer being sold. A tower holding 80 oz. of beer was sold to one person. On July 15, 2022, a compliance notification was mailed to the owner. On January 23, 2023, Mr. Park attended a compliance meeting. A second consent agreement was mailed to Mr. Park, and it was signed on March 7, 2023. As of May 9, Mr. Park had not made his first payment and had not provided training records of his employees. Special Agent Crystal Davis wrote a compliance case for capable, qualified and reliable (CQR), for failing to comply with the consent agreement for his first licensed establishment. Special Agent Davis also wrote the protest for this restaurant application for The Stone Korean Tofu House. Mr. Park paid the first payment on May 31, 2023 for the first consent agreement. The fine for serving CUBs and serving more alcohol than the law allows was \$500. There were questions from the Board. Sgt. Williams stated that Mr. Park paid the \$500 fine and the original consent agreement was fulfilled. There is a new consent agreement for CQR for not complying with first consent agreement and a \$1000 fine. The first payment for the second consent agreement is due August 15, 2023. Sgt. Williams did not know if the training records were submitted.

Mr. Park addressed the Board. He stated that he paid the \$1,000 fine in full yesterday (August 2). Mr. Park explained events and circumstances regarding his business that have prevented him from complying with the first consent agreement. He stated that the tower of beer was intended for two people to share. He noted that the tower holds 70, not 80, ounces of beer. He reported that he sent training records of six employees to Mr. Dorn during the first week of June.

Ms. Reh questioned Mr. Park about why he is having so much trouble complying at the first location and why the Department is having so much trouble communicating with him. Ms. Reh argued if Mr. Park is having so much trouble with complying at first location, a new series 12 license should not be issued to him. Mr. Park explained that staffing has been the biggest problem.

There was Board discussion regarding underage sales, employee training, the problem of retaining staff, owner's responsibilities, selling an 80-ounce drink when you can only serve 50 ounces to a customer, and the Department working with the Applicant has not been enough to prevent violations. The consensus of the Board was it would not be responsible to grant a second license when there are so many problems with the first license.

Ms. Yarbrough made a motion: In the matter of Restaurant Liquor License Application No. 231573, The Stone Korean Tofu House, I move the Liquor Board deny the license for the reason of Mr. Sol

Park not being capable, qualified or reliable, based on a history of multiple Title 4 violations. Ms. Shulman seconded the motion.

Motion to deny license -	Yarbrough
Seconded -	Shulman
Yay -	Yarbrough, Shulman, Campbell, David, Pernice
Nay -	None
Abstained -	None
Disposition -	License denied

Mr. Campbell requested a 5-minute break at 11:17 a.m. The Board reconvened at 11:22 a.m. All Members were present.

3. Bar Liquor License No. 06040048, Application No. 232301 - Person Transfer Application

From:	To:
Debby Nell Cutsinger	Jamie Renee Cary
Argo Venture LLC	Cary Adventures, LLC
Rim Country Bowl and The Arizona Bar	Rim Country Bowl and The Arizona Bar
1111 N. Beeline Highway	1111 N. Beeline Highway
Payson, AZ 85541	Payson, AZ 85541

This matter is set for hearing because of Department protest based on violation of A.R.S. § 4-244(14) Selling liquor to intoxicated or disorderly person, and allowing intoxicated person to remain on premises for 30 minutes; A.R.S. § 4-210(A)(3) Knowingly filing false information with Department; A.R.S. § 4-203(F) Failure to file notice of acquisition within 30 business days; and A.R.S. § 4-210(A)(10) Failure to take reasonable steps to protect the safety of a customer.

The Applicant, Cary Adventures, LLC, and its Agent, Jamie Renee Cary, appeared and testified at the hearing. Assistant Attorneys General Deanie Reh and Linda Bergevin appeared on behalf of the Department of Liquor Licenses and Control (Department). Sergeant Risa Williams appeared and testified in support of the Department. Assistant Attorney General Roberto Pulver provided independent legal advice to the Board.

Ms. Cary made an opening statement. Ms. Reh made an opening statement.

Ms. Reh called her witness, Sergeant Risa Williams. Regarding the violation of A.R.S. § 4-244(14) Selling liquor to intoxicated or disorderly person, and allowing intoxicated person to remain on premises for 30 minutes, Sgt. Williams described the events of March 10, 2023. Four special agents of the Department conducted a covert inspection of the licensed establishment due to an anonymous complaint stating the new owner was buying alcohol from an unauthorized source and overserving customers. The special agents observed that seven patrons, who were overserved and highly intoxicated, were allowed to remain on the licensed premise for more than 30 minutes. The special agents further observed the bartender and other employees present that evening did not provide any measures for the safety of the public or patrons. The special agents intervened in obtaining transportation for intoxicated patrons. Upon notification from the special agents about the possibility of an intoxicated driver, Payson Police arrested a patron for DUI.

Regarding the violation of A.R.S. § 4-210(A)(3) Knowingly filing false information with Department, Sgt. Williams testified that the question of ownership appeared during the investigation on March 10. A staff member identified "Christopher" as an owner, but when Special Agent Barrera approached him, Christopher denied having anything to do with ownership. When Sgt. Williams and Special Agent Barrera contacted the owner about the violations, the owner said that she had sold the

business to Jamie and Christopher Cary. Mr. Cary's name did not appear on any of the application paperwork. Sgt. Williams and Special Agent Barrera asked Ms. Cary to meet with them on April 4, 2023. Ms. Cary complied and brought the purchase documents with her. Jamie Cary and Christopher Cary purchased The Arizona Bar & Rim Country Bowl, and closed the purchase on January 6, 2023. The transfer application, listing Jamie Cary as the sole owner, was received by the Department on February 27, 2023. Ms. Cary admitted that she intentionally omitted her husband, Christopher Cary, from the application because of his felony conviction that occurred twenty years ago. After meeting with the Department's special agents and supervisors, Ms. Cary submitted an amended application with the "Applicant" as Cary Adventures, LLC, and Jamie Cary and Christopher Cary as Members of the LLC.

The Applicant paid a civil penalty of \$14,300 fine for (a) seven counts of selling liquor to intoxicated or disorderly person; (b) seven counts of allowing intoxicated patrons on the premises for thirty minutes; (c) one count of knowingly filing false information with Department; (d) one count of failure to file notice of acquisition within 30 business days; and (e) one count of failure to take reasonable steps to protect the safety of a patron.

The Applicant has initiated strong measures to prevent future violations, such as requiring all bartenders and managers to complete in-person Title 4 training. The Applicant now has two bartenders on staff at all times on weekends and as needed on weekdays. She recently hired a bartender with twelve years of bartending experience. The Applicant contacted the Rim Country Chamber of Commerce for assistance with reestablishing the Rim Country Bar's reputation. Ms. Cary apologized for her negligence and the mistakes she made. Going forward, all bartenders will use shot glasses instead of counts; water and snacks will be served at no cost with drinks; and transportation will be arranged for patrons who need it.

There was Board discussion about Ms. Cary taking responsibility for mistakes and making changes in her business to ensure that the violations never happen again. Board Members expressed appreciation for her integrity.

Ms. Shulman made a motion:

In the case of liquor license number 06040048, application number 232301, Person Transfer Application from Argo Venture LLC to Cary Adventures LLC, I'd like to make a motion that we approve the liquor license. Although there were violations, Ms. Cary has showed us that she does have the necessary 4-203 requirements: qualified, reliability, responsibility.

Motion to grant the license -	Shulman
Seconded -	Pernice
Yay -	Shulman, Pernice, David, Campbell, Yarbrough
Not voting -	None
Nay -	None
Abstained -	None
Disposition -	License granted

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

The next meeting is scheduled for September 14, 2023. At this time, one matter is set for hearing. Changes to Arizona Revised Statutes become effective on October 30, 2023. Ms. Pernice and Mr. Campbell requested training on Title 4 changes during the October meeting.

D. Call to the Public

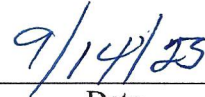
None.

Motion to adjourn meeting -
Seconded -
Disposition -

Shulman
David
Meeting adjourned at 12:36 p.m.



Denise M. Bale
Administrator of the
Arizona State Liquor Board



Date