

DISTRICT OF COLUMBIA
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ALCOHOLIC BEVERAGE CONTROL BOARD
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MEETING

IN THE MATTER OF: :
 :
DC Irish, LLC :
t/a Sign of the Whale :
1825 M Street NW : Fact Finding
Retailer CT - ANC 2B : Hearing
License No. 85120 :
Case #17-CMP-00721 :
 :
(No ABC Manager on Duty, :
Trade Name Change Without:
Board Approval) :

Wednesday
March 14, 2018

The Alcoholic Beverage Control Board
met in the Alcoholic Beverage Control Hearing
Room, Reeves Building, 2000 14th Street, N.W.,
Suite 400S, Washington, D.C. 20009, Chairperson
Donovan W. Anderson, presiding.

PRESENT:

DONOVAN W. ANDERSON, Chairperson
NICK ALBERTI, Member
BOBBY CATO, JR., Member
DONALD ISAAC, SR., Member
MIKE SILVERSTEIN, Member
JAMES SHORT, Member

ALSO PRESENT:

ANDREW KLINE, Licensee's Counsel
KEVIN PUENTE, ABRA Investigator
MARK BRASHEARS, ABRA Investigator

1 P-R-O-C-E-E-D-I-N-G-S

2 10:30 a.m.

3 CHAIRPERSON ANDERSON: The next case
4 on our calendar, and I guess we are -- we have an
5 11:00, so what I'll do, I'll do some work. I'm
6 sorry?

7 MR. KLINE: I'm ready to go and I
8 don't think it will take very long.

9 CHAIRPERSON ANDERSON: Oh, you're
10 talking about Sign of the Whale?

11 MR. KLINE: I am, yes.

12 CHAIRPERSON ANDERSON: Okay. All
13 right. So we will have this Fact Finding Hearing
14 on Case No. 17-CMP-00721, Sign of the Whale,
15 License No. 85120.

16 Will the parties approach and identify
17 themselves for the record, please?

18 MR. KLINE: Yes, good morning. My
19 name is Andrew Kline. I represent the secured
20 creditor of the licensee had been contacted by
21 legal and I'm appearing today as a courtesy to
22 the Board. Inasmuch as I don't have a role on

1 behalf of the current licensee, but would like
2 the Board to know that yesterday we filed an
3 involuntary transfer application on behalf of the
4 secured creditor, which will be before you in due
5 course.

6 I'm happy to explain/expound upon that
7 further. I know there are other issues that
8 relate to the licensee. I don't represent the
9 licensee, the current licensee.

10 CHAIRPERSON ANDERSON: I'll have --
11 let the Investigator introduce yourself for the
12 record, please.

13 INVESTIGATOR PUENTE: Kevin Puente,
14 Investigator.

15 INVESTIGATOR BRASHEARS: Mark
16 Brashears, ABRA Investigator.

17 CHAIRPERSON ANDERSON: Mr. Puente, Mr.
18 Brashears. And I guess so, Mr. Kline, you do not
19 represent the current owner of this
20 establishment?

21 MR. KLINE: Right. The establishment
22 is closed. The current licensee of record has

1 entered into an agreement with the landlord to
2 surrender possession of the premises. My clients
3 are working both with the secured creditor and
4 the ultimate transferee, but working with the
5 landlord on a lease.

6 And as I said an involuntary transfer
7 application has been filed. My principal client
8 is the secured creditor and has foreclosed on the
9 assets pursuant to its security agreement.

10 CHAIRPERSON ANDERSON: Go ahead, Mr.
11 Alberti.

12 MEMBER ALBERTI: Mr. Kline, you said
13 the establishment is closed?

14 MR. KLINE: Yes, sir.

15 MEMBER ALBERTI: It's not operating
16 right now?

17 MR. KLINE: That is correct.

18 MEMBER ALBERTI: Has the license been
19 surrendered? I know it's not your client.

20 MR. KLINE: I understand.

21 MEMBER ALBERTI: Do you know, has the
22 license been surrendered for safekeeping?

1 MR. KLINE: I don't know the answer to
2 that question.

3 MEMBER ALBERTI: Okay. I'm sure our
4 Investigators will find out.

5 INVESTIGATOR PUENTE: It has not.

6 MEMBER ALBERTI: It has not. All
7 right.

8 CHAIRPERSON ANDERSON: All right.

9 MEMBER ALBERTI: We will talk to
10 Director Moosally about that. Thank you.

11 CHAIRPERSON ANDERSON: Mr. Puente,
12 what can you tell us about why we are here?

13 INVESTIGATOR PUENTE: Yes. So on
14 December 9, 2017, myself, Investigator Brashears
15 were monitoring establishments along M Street,
16 N.W. We observed that Sign of the Whale had a
17 trade name change, a new trade name on the
18 outside of the building called DC Tap House. We
19 went inside and asked to speak to an ABC Manager.
20 It took about 20 minutes to locate someone.

21 Someone finally approached us with a
22 temporary manager's license that had expired. He

1 only had a Costco ID on him to verify who he was.
2 Another manager approached, who I dealt with in
3 the past, and he told me that they just recently
4 opened back up. They are under new management.
5 They have new employees, so they are working on
6 getting ABC Manager Licenses and he stated that a
7 trade name application will be filed.

8 A check of ABRA records showed that on
9 October 28, 2017, the establishment was cited for
10 the same thing, no ABC manager and trade name.
11 And as of today -- as to date, there is two other
12 cases pending after this date with the same
13 issues.

14 And we tried speaking to the
15 ownership. They are not returning our phone
16 calls. We got a hold of the owners. They were
17 surprised that this was happening, because they
18 are based out of New York City.

19 I went and spoke to go do a regulatory
20 inspection and do some paperwork for a sale to
21 minor case that occurred last month. When I
22 went, it was to my surprise that I met the new

1 owner that has taken over the building and
2 establishment and he advised me that he got --
3 the old owner sold it to him just two days prior
4 to all of this.

5 And we can't get in touch with the old
6 owner.

7 CHAIRPERSON ANDERSON: So as far as
8 you are concerned, is this establishment still
9 open?

10 INVESTIGATOR PUENTE: It has not -- we
11 have been watching it. We tried serving several
12 service forms. It is closed for renovation right
13 now.

14 CHAIRPERSON ANDERSON: So as of -- do
15 you know as of when it has been closed? Do you
16 know?

17 INVESTIGATOR PUENTE: It has been
18 about a month. I reached out to Mr. Kline's
19 office and advised him that the license was in
20 safekeeping or trying to get the owner to put the
21 license in safekeeping until everything sorts out
22 with the new ownership.

1 CHAIRPERSON ANDERSON: Okay. Any
2 questions by any of the Board Members? Yes, Mr.
3 Alberti?

4 MEMBER ALBERTI: Yes, thank you for
5 the excellent work on this. Do you have the name
6 of the person who claims to be the new owner and
7 to whom you spoke?

8 INVESTIGATOR PUENTE: I spoke to --
9 his name was Michael Palmero. I spoke with him.

10 MEMBER ALBERTI: Michael Palmero? I
11 wanted to get that on the record.

12 CHAIRPERSON ANDERSON: Any other
13 questions by any of the Board Members?

14 MEMBER ALBERTI: Mr. Kline, does that
15 ring a bell?

16 MR. KLINE: No, sir. That name -- the
17 principal of my client is Britt Swan, who is the
18 secured creditor, so I don't know that name.

19 MEMBER ALBERTI: Other licenses?

20 MR. KLINE: He has been in and out of
21 the business for a number of years.

22 MEMBER ALBERTI: Okay. I thought.

1 MR. KLINE: In fact, he was in this
2 business and it was called Save the Whale, LLC.

3 MEMBER ALBERTI: Okay.

4 MR. KLINE: He sold it to DC Irish,
5 LLC, which continued to operate it as Sign of the
6 Whale. DC Irish ultimately defaulted. He is
7 taking it back over and has an arrangement to
8 transfer it to a third party.

9 MEMBER ALBERTI: I thought I
10 recognized the name.

11 MR. KLINE: Yeah.

12 MEMBER ALBERTI: But just to be clear,
13 Mr. Palmero you have no knowledge of him being a
14 representative of --

15 MR. KLINE: I do not, but I will
16 check.

17 MEMBER ALBERTI: -- your client?

18 MR. KLINE: I don't, but I will check
19 on it.

20 MEMBER ALBERTI: All right. Thank
21 you.

22 CHAIRPERSON ANDERSON: Go ahead.

1 INVESTIGATOR BRASHEARS: I just want
2 to add as well, sir, we don't know the extent of
3 renovations, repairs and what may be going on,
4 but to our knowledge, there hasn't been any kind
5 of substantial change request made to make any
6 major alterations inside of the establishment.

7 MR. KLINE: For the record, we don't
8 believe that there is anything there that, I
9 guess, has changed. Simply putting a fresh coat
10 of paint and some lipstick on it.

11 CHAIRPERSON ANDERSON: Okay. Any
12 other questions by any of the Board Members?
13 Hearing none, any final representations from
14 either of the Investigators? Mr. Kline?

15 MR. KLINE: Yeah, the only thing I
16 would say is the involuntary has been filed. You
17 will have it. If there is anything that you need
18 with respect to the involuntary, please, let us
19 know. We will get it to you immediately. Our
20 clients are anxious to move this forward as
21 quickly as possible and want to cooperate with
22 the Board in all respects, which is why I'm here

1 today even though I don't represent the licensee.

2 CHAIRPERSON ANDERSON: All right.

3 Well, thank you, Mr. Kline, for your
4 representation. Thank you, Investigator
5 Brashears, Puente. And the Board will take this
6 matter under advisement. All right.

7 MR. KLINE: Thanks.

8 CHAIRPERSON ANDERSON: All right.

9 Thank you.

10 MR. KLINE: And thanks for talking to
11 us.

12 CHAIRPERSON ANDERSON: All right.

13 (Whereupon, the Fact-Finding Hearing
14 was concluded at 10:37 a.m.)

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C E R T I F I C A T E

This is to certify that the foregoing transcript

In the matter of: DC Irish, LLC

Before: DC ABRA

Date: 03-14-18

Place: Washington, DC

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Court Reporter

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