

DISTRICT OF COLUMBIA
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ALCOHOLIC BEVERAGE CONTROL BOARD
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MEETING

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IN THE MATTER OF: :
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2446 RU, LLC :
t/a Roofers Union : Protest
2442 18th Street, NW : Hearing
Retailer CT : (Status)
License No. 93592 :
ANC 1C :
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November 6, 2013

The Alcoholic Beverage Control Board met in Alcoholic Beverage Control Hearing Room, Reeves Building, 2000 14th Street N.W., Washington, D.C., Chairperson Ruthanne Miller presiding.

PRESENT:

RUTHANNE MILLER, Chairperson
NICK ALBERTI, Member
MICHAEL SILVERSTEIN, Member

ALSO PRESENT:

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

2 (10:22 a.m.)

3 CHAIRPERSON MILLER: All right, so
4 I'm going to call the next Fact Finding
5 Hearing, which is 2446 RU, LLC, trading as
6 Roofer's Union, located at 2442 18th Street
7 NW, License Number 93592 in ANC 1C. And this
8 is in regards to a transfer application.

9 MR. O'BRIEN: Good morning, Madam
10 Chair, Stephen O'Brien for the Applicant.

11 CHAIRPERSON MILLER: Good morning.

12 MR. O'BRIEN: And I'm accompanied
13 by Curtis Large.

14 CHAIRPERSON MILLER: Good morning.

15 MR. O'BRIEN: Curtis with a C, L-
16 A-R-G-E, who's the managing member, and Roger
17 Marmet on the far side here, who is a member
18 of the LLC also, the transferee applicant.

19 CHAIRPERSON MILLER: Okay. So
20 this is just a Fact Finding Hearing.
21 Nobody's going to be put under oath. We're
22 not taking in evidence.

1 We have a transfer application
2 before the Board. Oh, I don't have my quorum
3 to consider. Hold on.

4 (Pause)

5 CHAIRPERSON MILLER: Okay, so as I
6 was saying, this is just really to gather a
7 little more information for the Board to
8 evaluate the transfer application.

9 And this just raised some
10 concerns, because of the previous history
11 where there was a very unfortunate event,
12 violence at the previous establishment.

13 And so part of this hearing is
14 just to find out if there's a relationship
15 between the new owner and the previous owner,
16 and also just general information about your
17 history in running businesses to alleviate
18 any of the concerns related to the history of
19 the other establishment.

20 So if you want to start to address
21 that, that would be fine. You know, first of
22 all is there any relationship between the

1 transferee and the transferor?

2 MR. O'BRIEN: The transferee is
3 purchasing from the transferor tangible
4 assets, tables, chairs and the like.

5 But I would like to emphasize what
6 the procedural posture of this case is now.
7 The transferee, I'm sorry, the transferor is
8 actually not The Reef.

9 CHAIRPERSON MILLER: Okay.

10 MR. O'BRIEN: Pursuant to a lease
11 termination agreement, The Reef, which was
12 Perculus, P-E-R-C-U-L-U-S, Inc., signed over
13 its license rights, and this is a moratorium
14 area, to the landlord, which is 2436 18th
15 Street NW.

16 The landlord then filed an
17 application to place the license in
18 safekeeping with the Board, which the Board
19 approved last week, October 30th.

20 Stephen Greenlee represents the
21 landlord, he's a partner in the landlord.
22 And he's sitting in the front row here to

1 answer any questions the Board may have.

2 But procedurally, the license is
3 before the Board for transfer out of
4 safekeeping, where it's being held in the
5 name of the landlord, to the incoming tenant.

6 Now the incoming tenant is paying
7 some funds to Perculus, trading as The Reef,
8 for its tangible assets.

9 I will tell you a very significant
10 portion of those funds is going straight to
11 DC Government to satisfy some back sales
12 taxes.

13 Now, there is no other connection
14 whatsoever between the proprietor of The Reef
15 and the principals of the transferee
16 applicant.

17 This is a totally arms length
18 transaction. It is not, by any means, a scam
19 or a subterfuge.

20 And I can represent to the Board
21 that I have personal knowledge of that. And
22 I personally am entirely satisfied that this

1 is a bona fide, arms length transaction.

2 The second prong was, and maybe I
3 could rephrase what the board said. The
4 Board wants to make sure this doesn't turn
5 into Reef Two.

6 CHAIRPERSON MILLER: Yeah. What
7 kind of establishment, right, is it going to
8 be, yeah?

9 MR. O'BRIEN: Mr. Large and Mr.
10 Marmet are the principals of Ripple, is the
11 trade name, in Cleveland Park, up across from
12 the Uptown Theater, which is a serious food
13 business, if anybody is familiar with it.

14 Mr. Large has interests in other
15 taverns, tavern licensees here in DC,
16 including Nanny O'Briens, Rocket Bar, Iron
17 Horse. Did I miss one?

18 MR. MARMET: No, that's right.

19 MR. O'BRIEN: And I think it's
20 pretty safe --

21 MR. MARMET: As well as Ripple.

22 MR. O'BRIEN: As well as Ripple,

1 yes.

2 MR. MARMET: I'm on four licenses.

3 MR. O'BRIEN: And I think it's
4 fairly safe to say that none of those names
5 I've just supplied to you are on the Board's
6 radar screen as troublesome establishments.

7 Mr. Large, when I said he has an
8 interest in, I should have said that he is
9 the principal of. So Mr. Large is an
10 experienced restaurant, I'm sorry, tavern
11 operator and runs responsible businesses.

12 He and Mr. Marmet together run a
13 very respected restaurant. And the reason
14 they're teaming on this particular project is
15 they intend to have a very significant food
16 component to this business.

17 They were very pleasantly
18 surprised when they viewed the premises,
19 visited in preparation for signing the lease,
20 to find there is a full kitchen there that is
21 in pretty good shape.

22 So this will be a tavern but with

1 a very significant food component. At that
2 point, I would invite any questions.

3 CHAIRPERSON MILLER: I do have a
4 follow-up to that. What does that mean, a
5 tavern with significant food component. I
6 mean, is there a comparison? Is there going
7 to be something in between Ripple, and Iron
8 Horse or Nanny O'Briens or --

9 MR. LARGE: Well, Ripple is also a
10 tavern license. Our chef at Ripple will also
11 be the executive chef at this location, a
12 much simpler menu with a focus on, I would
13 say, more, you know, a lower price point.

14 But this will be a destination for
15 foodies. We like the direction that Adams
16 Morgan is going with places like Mintwood
17 Place, Cashion's. And we are excited to
18 bring a simpler, lower priced food concept
19 from the same team behind Ripple.

20 CHAIRPERSON MILLER: Great, okay.
21 Other questions from Board members? Yes, Mr.
22 Alberti?

1 MEMBER ALBERTI: Yes, good
2 morning. I'm a little curious about how
3 you're going to go about hiring staff. And
4 by that I mean are you going to be relying
5 on, will you be keeping some of the staff
6 that we had at Reef, and if so, how much of
7 that staff and what positions?

8 Because there was concern. I
9 think, at least on my part, there's a concern
10 that The Reef staff, the buck stops with the
11 owner, but I think The Reef staff had shared
12 some responsibility in past events there.

13 MR. MARMET: Yeah, we're hiring a
14 completely new staff, new general manager.
15 We have no intention of rehiring people who
16 were there. The place has been shut for six
17 weeks. In this industry, everyone already
18 has new jobs.

19 MEMBER ALBERTI: Great, thank you.

20 CHAIRPERSON MILLER: Anything
21 else? Oh, this is pretty easy. Okay. Then
22 thank you very much for coming down and

1 giving us that information. And we'll move
2 forward.

3 MR. O'BRIEN: All right. I don't
4 know if the file is going to be before the
5 Board today.

6 If it's not, it'll be, I think it
7 was next Wednesday. But as soon as the Board
8 approves it, we can go to settlement and send
9 a very significant amount of money to Office
10 of Tax and Revenue.

11 CHAIRPERSON MILLER: Okay.

12 MEMBER ALBERTI: It's up to our
13 licensing staff to determine when it gets to
14 us. But we do have the application and the
15 letter.

16 MR. O'BRIEN: Okay. I just wanted
17 you to be alert that it was coming.

18 MEMBER ALBERTI: Okay.

19 CHAIRPERSON MILLER: I appreciate
20 that. And, you know, this is what we were
21 waiting for. So there's no reason it isn't
22 going to move forward.

1 MR. O'BRIEN: All right. Well,
2 thank you very much.

3 CHAIRPERSON MILLER: Okay. Thank
4 you.

5 MALE PARTICIPANT: Thank you.

6 (Whereupon, the hearing in the
7 above-entitled matter was concluded at 10:33
8 a.m.)

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<p style="text-align: center;">A</p> <p>A-R-G-E 2:16 a.m 2:2 11:8 above-entitled 11:7 accompanied 2:12 Adams 8:15 address 3:20 agreement 4:11 Alberti 1:17 8:22 9:1,19 10:12,18 Alcoholic 1:2,12,13 alert 10:17 alleviate 3:17 amount 10:9 ANC 1:9 2:7 answer 5:1 anybody 6:13 applicant 2:10,18 5:16 application 2:8 3:1 3:8 4:17 10:14 appreciate 10:19 approved 4:19 approves 10:8 area 4:14 arms 5:17 6:1 assets 4:4 5:8</p>	<p>case 4:6 Cashion's 8:17 Chair 2:10 Chairperson 1:14 1:16 2:3,11,14,19 3:5 4:9 6:6 8:3,20 9:20 10:11,19 11:3 chairs 4:4 chef 8:10,11 Cleveland 6:11 COLUMBIA 1:1 coming 9:22 10:17 comparison 8:6 completely 9:14 component 7:16 8:1,5 concept 8:18 concern 9:8,9 concerns 3:10,18 concluded 11:7 connection 5:13 consider 3:3 Control 1:2,12,13 CT 1:8 curious 9:2 Curtis 2:13,15</p>	<p>executive 8:11 experienced 7:10</p> <p style="text-align: center;">F</p> <p>Fact 2:4,20 fairly 7:4 familiar 6:13 far 2:17 fide 6:1 file 10:4 filed 4:16 find 3:14 7:20 Finding 2:4,20 fine 3:21 first 3:21 focus 8:12 follow-up 8:4 food 6:12 7:15 8:1 8:5,18 foodies 8:15 forward 10:2,22 four 7:2 front 4:22 full 7:20 funds 5:7,10</p>	<p style="text-align: center;">I</p> <p>including 6:16 incoming 5:5,6 industry 9:17 information 3:7,16 10:1 intend 7:15 intention 9:15 interest 7:8 interests 6:14 invite 8:2 Iron 6:16 8:7 it'll 10:6</p> <p style="text-align: center;">J</p> <p>jobs 9:18</p> <p style="text-align: center;">K</p> <p>keeping 9:5 kind 6:7 kitchen 7:20 know 3:21 8:13 10:4,20 knowledge 5:21</p> <p style="text-align: center;">L</p> <p>L 2:15 landlord 4:14,16,21 4:21 5:5 Large 2:13 6:9,14 7:7,9 8:9 lease 4:10 7:19 length 5:17 6:1 letter 10:15 license 1:9 2:7 4:13 4:17 5:2 8:10 licensees 6:15 licenses 7:2 licensing 10:13 little 3:7 9:2 LLC 1:6 2:5,18 located 2:6 location 8:11 lower 8:13,18</p>	<p>manager 9:14 managing 2:16 Marmet 2:17 6:10 6:18,21 7:2,12 9:13 matter 1:5 11:7 mean 8:4,6 9:4 means 5:18 MEETING 1:3 member 1:17,17 2:16,17 9:1,19 10:12,18 members 8:21 menu 8:12 met 1:13 MICHAEL 1:17 Miller 1:14,16 2:3 2:11,14,19 3:5 4:9 6:6 8:3,20 9:20 10:11,19 11:3 Mintwood 8:16 money 10:9 moratorium 4:13 Morgan 8:16 morning 2:9,11,14 9:2 move 10:1,22</p>
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