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GOVERNMENT OF THE DISTRICT OF COLUMBIA
ALCOHOLIC BEVERAGE REGULATION ADMINISTRATION
ALCOHOLIC BEVERAGE CONTROL BOARD

- - - - -X
IN THE MATTER OF: :
727 Concepts, LLC, :
t/a L8 :
727 15th Street Northwest : Case #15-251-00224
License #99695 :
Retailer A :
ANC 5B :
Wednesday, January 6, 2016 :

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Wednesday, January 6, 2016

Whereupon, the above referenced matter
came on for hearing at the Alcoholic Beverage
Control Board, Reeves Center, 2000 14th Street,
N.W., Suite 400S, Washington, D.C. 20009.

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CHAIRPERSON: DONOVAN ANDERSON

ARMAN ARMISHAHI

OTHER PERSONS PRESENT

NICK ALBERTI, BOARD MEMBER

RUTHANNE MILLER, BOARD MEMBER

JAMES SHORT, BOARD MEMBER

MIKE SILVERSTEIN, BOARD MEMBER

MARTHA JENKINS, GENERAL COUNSEL

DANETTE WALKER, LEGAL SPECIALIST

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P R O C E E D I N G S

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CHAIRPERSON ANDERSON: The board is back in session. The next case is on our schedule, the fact finding hearing is 727 Concepts LLC, trade name L8, License #99695. Will the parties appear? And please identify yourself for the record.

10

MR. AMIRSHAHI: Arman Armishahi.

11

CHAIRPERSON ANDERSON: I -- okay -- and I'm sorry -- and let me -- what's your name again, sir? I'm sorry. Spell that for me.

14

MR. AMIRSHAHI: The first name is A-R-M-A-N, the last name is A-M-I-R-S-H-A-H-I.

16

CHAIRPERSON ANDERSON: A-R? I'm sorry. MR. AMIRSHAHI: A-R-M-A-N is the first name. Last name is A-M-I-R-S-H-A-H-I.

19

CHAIRPERSON ANDERSON: Okay. Let me apologize to you that I know that you were here

20

1 early, and we were just trying to do some
2 administrative matters backstage, on the back
3 side, so I apologize for our tardiness. I know
4 your time is precious. It's -- alright -- and I
5 -- hold on -- Please tell us what is it -- what
6 is it you're seeking?

7 MR. AMIRSHAHI: I'm seeking for a change of
8 hours. This is -- was a -- a transfer of
9 previous business that was in bankruptcy and we
10 took it over. This is a similar situation. You
11 weren't here during that time, but we had asked
12 for the same situation at Soundcheck. We have
13 the four board members who were involved with it
14 when we requested the extended hours and they
15 decided that the hours of 5:00 a.m. were too much
16 at the time and they asked me if I could make it
17 4:00 a.m. and if I had no issues for one year
18 they would consider making it 5:00 a.m. So I
19 went with our newest location that we have (this
20 is our fifth location) to present for the board's

1 last consideration of our last establishment to
2 request the 4:00 hours, the same scenario, with
3 the option of asking for until 5:00 if we show
4 our good standing.

5 CHAIRPERSON ANDERSON: Is it 5:00 or 4:00?
6 Which one are you asking?

7 MR. AMIRSHAHI: We're asking for 4:00 because
8 that's what was granted by the board on our last
9 location that we were here for.

10 CHAIRPERSON ANDERSON: Right. But you're ask
11 -- so today you're asking for 8:00 a.m. to 4:00
12 a.m.

13 MR. AMIRSHAHI: Yes, sir.

14 CHAIRPERSON ANDERSON: Alright. Since I was
15 not here before, so I don't know anything, so can
16 you tell me about your business and why is it
17 that you believe that we should, the board
18 should, consider the extension.

1 MR. AMIRSHAHI: Well, since you might not be
2 aware, we have four other locations. All of them
3 have extended hours until, for --

4 CHAIRPERSON ANDERSON: I don't know what you
5 are talking about. I don't know what the
6 locations are, so if you're asking me to base it
7 on your four other locations, I don't know what
8 your four locations are. And I don't even know
9 what this business is, so just provide for my --
10 just give me some background information on your
11 business model, what the locations are that
12 you're referencing, and -- and what this business
13 is and why is it that you want the board to
14 consider this change, yes, sir.

15 MR. AMIRSHAHI: Alright. I'll start from
16 scratch. I just -- we have Ultrabar on 911 F
17 Street, we have Echostage at 2135 Quins Chapel,
18 we have Barcode at 1101 17th Street and we have
19 Soundcheck at 1420 K Street. All four of them
20 have hours that extend and basically the reason

1 for that has been a very successful model that
2 we've had. We've advocated that for years, which
3 I had mentioned before when you were not here,
4 about the success that we had regarding the soft
5 closing and the allowing floors to close one at a
6 time, allowing people to go out and not be thrown
7 in the middle of the street whether it's one
8 person or a thousand people, so that it doesn't
9 cause the issues.

10 We've seen great success with our nightclubs
11 with that strategy, that we're able to let people
12 out slowly, do last call, make sure the drinks
13 are picked up, make sure people are not drinking
14 and then turning the lights down. During that
15 time we see that 30% to 40% of the people leave
16 during last call, they get to their cars, they
17 have valet, they are able to go out slowly and
18 then when the rest of the people decide to go out
19 at a slower pace, they are able to leave at their
20 own discretion rather than being thrown out at

1 2:59 or 1:59 a.m. We've had great success with
2 that.

3 We feel that there has been no -- much less
4 fights or arguments or any kind of confrontation
5 that could happen whether its 30 people waiting
6 for valet or people all standing out there
7 waiting for a cab or Uber or whatsoever. So,
8 we've asked to have those hours at our operation
9 because you have certain districts that
10 technically if you have a 1:59 and 2:59 closing,
11 technically there's not supposed to be any
12 patrons whatsoever there, needing to close up for
13 checks other than employees and staff, and we'd
14 rather be up front with it and try to ask for the
15 later hours now and we feel that doing our
16 business models at the other locations that we
17 have it's been very successful.

18 CHAIRPERSON ANDERSON: Any members have
19 questions you want to ask? Yes, Ms. Miller.

1 MS. MILLER: Good morning, happy new year.
2 So, I remember our discussion about the K Street
3 establishment, so you know the rationale, but
4 some of it's also related, I think, to when we
5 look at an establishment, like what else is in
6 the area? And we talked about, you know, are
7 there residences in the area of your
8 establishment or other businesses? So, you
9 know, I have a good memory of K Street, but as
10 far as this particular location, can you tell us
11 what other businesses are near there or
12 residences and how late they are open?

13 MR. AMIRSHAHI: Yes. We're actually close to
14 W Hotel, across the street from Joe's Stone Crab,
15 and next to Warford Table and a block away from
16 Opera and two blocks away from Soundcheck, our
17 other establishment, so the only places that are
18 within us is Park, Opera and Soundcheck and we do
19 share the same valet and garage, so they are all
20 within a block area. Again, this used to be a

1 troubled spot, it seems I'm kind of good at
2 taking over troubled spots, but this used to be
3 The Old Reserve spot, if you're familiar with
4 that, a few years ago, so that's what this spot
5 is. We've completely made it a whole new site,
6 it looks incredible, we're really excited about
7 getting a different draw of people there which is
8 more from the White House area, from the W Hotel,
9 people from Joe's Stone Crab and we feel it's
10 sort of a niche and a different type of place
11 that we don't have.

12 Usually we don't do small spots like this,
13 this is only 2900 square feet. But I feel that
14 if we start going after more of a smaller
15 boutique type lounge/nightclubs that we're more
16 attractive to private events. The goal of this
17 location is not to be necessarily open every day
18 but to be able to have a place finally in D.C.
19 that you're able to rent out on the weekends,
20 Friday and Saturday, for private events, because

1 we feel that other than hotels there's really
2 nowhere that you can rent for a birthday party, a
3 group of 150 who want to do a birthday party on a
4 Friday or Saturday in the city, so that's been
5 our goal with this spot.

6 MS. MILLER: So what's the capacity?

7 MR. AMIRSHAHI: The capacity is, I believe,
8 150.

9 MS. MILLER: Okay.

10 MR. ALBERTI: On your license it says 142.

11 MR. AMIRSHAHI: 142.

12 MS. MILLER: Oh.

13 MR. ALBERTI: For the record.

14 MR. AMIRSHAHI: Thank you.

15 MS. MILLER: So --

16 MR. ALBERTI: And just to help you out, the
17 license also says it's first floor and basement.
18 Two floors? It's actually -- it's actually
19 totally a basement but we move it down to first
20 floor because we do have the entrance, just to be

1 extra cautious. So, there's no first floor
2 activity in the sense of people drinking, but
3 there's a stairwell that goes downstairs to the
4 basement.

5 MR. ALBERTI: Thank you.

6 MS. MILLER: So, how late do the other
7 establishments stay open? Do you know?

8 MR. AMIRSHAHI: Well, obviously Souncheck is
9 open until 4:00. We've been there for about, I
10 think the last time we were here was five months
11 ago, six months ago, we've had no issues.

12 MS. MILLER: Right.

13 MR. AMIRSHAHI: And no incidents whatsoever,
14 no incidents. We have Park that I believe has
15 until 4:00, I'm not sure, and I'm not sure about
16 the other establishments.

17 MS. MILLER: Okay. And are there any
18 residential buildings nearby?

19 CHAIRPERSON ANDERSON: Okay. Yes, Mr. Short.

20 MS. MILLER: Thank you.

1 MR. SHORT: Yeah, good morning, good
2 afternoon to you. We're kind of familiar with
3 most of your places and as you say we haven't had
4 a lot of problems with them. Now, this new
5 smaller model that you're going to do, when that
6 block, 700 block and 15th, what are the other
7 businesses?

8 MR. AMIRSHAHI: Which other businesses are
9 there?

10 MR. SHORT: Yeah.

11 MR. AMIRSHAHI: There's Joe's Stone Crab that
12 just opened about, I think, a year and a half
13 ago, two years. The Woodford Table. They're
14 both restaurants. Next to us. Then it's really
15 a commercial district.

16 MR. SHORT: My question is, is -- again, so
17 you're going to have more or less like a bar,
18 private bar.

19 MR. AMIRSHAHI: Yes. We are open for other
20 activities, but that's the goal right now is that

1 we have four establishments that have defined
2 roles. One is a nightclub, a concert venue, one
3 is a restaurant/lounge bar, Barcode, the other
4 one is strictly open six days a week, Soundcheck,
5 that we used to open. All of them have been
6 doing great.

7 We feel sometimes when you -- as you -- to
8 answer your question about the private thing, our
9 direction is that we want to attract everyone to
10 rent the spot out, all our other nightclubs and
11 restaurants either don't have a private area, or
12 don't have an area where they can be separate,
13 and I don't think there's anywhere in the city
14 right now that you can rent a private area, again
15 with a bar, other than a private hotel and a lot
16 of people don't like that kind of atmosphere
17 because either the staffing is not equipped to
18 deal with that or, if you have a group of 100, as
19 I mentioned, for birthday parties or private
20 events for any kind of event, a pre-party for a

1 wedding or afterwards, there is nowhere to rent
2 on Friday and Saturdays. So we feel that this is
3 a niche that does not need to be open seven days
4 a week, we have a very great relationship with
5 the landlord. It's a nonprofit building,
6 actually. They are letting us have the space
7 before which was a nightclub that they had a lot
8 of issues with previously because of the
9 ownership and paying the bills and all of that
10 stuff, so they're very happy to be -- have us
11 there. We're putting a lot of money in there to
12 be a state of the art location.

13 MR. SHORT: Great answer. Thank you very
14 much. That's all I have, Mr. Chair.

15 CHAIRPERSON ANDERSON: Do you have any
16 questions, Mr. Silverstein?

17 MR. SILVERSTEIN: No.

18 MS. MILLER: I have one more question. I'm
19 just curious about the food. I know it's a
20 nightclub, I understand that, but then you're

1 talking about having private events there, so
2 could you address what kind of -- what the food
3 situation would be?

4 MR. AMIRSHAHI: I'd be happy to. The food
5 thing has been a tricky situation there. I don't
6 like to do food at our places unless we can do it
7 100%. Barcode is my flagship with that, we do
8 over a million and a half in food there. We have
9 done, even at Soundcheck, almost 10 different
10 catering type things there, so we do have a whole
11 food truck that's coming out in two months from
12 Barcode as well as -- and I'm not saying to sell
13 food outside, but to be able to equip the parties
14 that we have. And we've done a test at
15 Soundcheck. We just did one for 300 people that
16 was very successful and that's sort of what we're
17 doing is we're bringing food which is Barcode,
18 you know, two blocks down the street, that equips
19 our food there, we will not be having, making or
20 producing food there.

1 MS. MILLER: Okay. I have just one other
2 question. Because all of your places are a
3 little bit different, right? Okay, so but you're
4 asking for 4:00 and so I'm just wondering, like,
5 why 4:00 versus 3:00? I understand what you're
6 saying about soft closing, that it might apply to
7 everything, but as far as to whatever your
8 business plan is for this place are you just
9 asking for 4:00 for maximum flexibility? Or is
10 there some reason that it needs to be 4:00?

11 MR. AMIRSHAHI: I honestly would rather have
12 5:00 but I didn't want to be insulting. Mr.
13 Alberti last time went through this a long time
14 with our other location and why we wanted it. I
15 think I've proved that with our track record that
16 Soundcheck for six months has not had any issues
17 so far and the reason for it, to be honest with
18 you, Barcode, and Mr. Silverstein knows this, is
19 open to -- has hours until 5:00 a.m. We probably
20 have never opened until 5:00 a.m. and the

1 flexibility being able to do a 3:30, 4:00, 4:01,
2 I have seen the city, at least for us, the last
3 two or three years is just moving later and later
4 and later. New Year's Eve we didn't even have a
5 crowd buildup until 11:30, 11:45 and with this
6 stuff it used to never happen.

7 So, I just feel that people feel that D.C. is
8 now a later spot to go to, they can leave later
9 and if I can make it safer in the sense of asking
10 for the hours up front, I've been pretty up front
11 with you guys all of the time of saying why we
12 want the hours, because we do have issues, not
13 with the board, but with police who comes
14 randomly and says, "It's 2:59, everybody has to
15 be out." And for me to try to explain this every
16 single time, it's very difficult, so I'd like the
17 option of -- you know we've never -- rarely used
18 the option to be open past 4:00, to just have it.

19 MS. MILLER: Okay.

1 MR. AMIRSHAHI: We can do our soft closing
2 and it's helped us a lot, I'm telling you. It
3 helps the police detail, it helps everything. We
4 had 'til 5:00 in the morning with detail for New
5 Year's Eve and everybody was gone by 3:45. But
6 at least you don't have 200 people in the middle
7 of the street at one time.

8 MS. MILLER: Okay, thank you. Thank you Mr.
9 Chairman.

10 MR. AMIRSHAHI: Thank you.

11 CHAIRPERSON ANDERSON: Any other questions?
12 Thank you, sir, for your presentation and we will
13 make a decision in due course.

14 MR. AMIRSHAHI: I appreciate it.

15 CHAIRPERSON ANDERSON: Thank you.

16 MR. AMIRSHAHI: Thank you.