

1 GOVERNMENT OF THE DISTRICT OF COLUMBIA
 2 ALCOHOLIC BEVERAGE REGULATION ADMINISTRATION
 3 ALCOHOLIC BEVERAGE CONTROL BOARD
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6 IN THE MATTER OF: :
 7 Cinema Beverages Holding :
 8 Company, LLC t/a West End : Fact-Finding
 9 Cinema Beverage Service : Hearing
 10 2301 M Street NW :
 11 License #100805, Retailer DX :
 12 ANC-2A :
 13 Application for New License :

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15 Wednesday, November 18, 2015

16
 17 Whereupon, the above-referenced matter
 18 came on for hearing at the Alcoholic Beverage
 19 Control Board, Reeves Center, 2000 14th Street,
 20 N.W., Suite 400S, Washington, D.C. 20009.

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1 CHAIRPERSON:

2 DONOVAN W. ANDERSON, Presiding

3

4 BOARD MEMBERS:

5 RUTHANNE MILLER

6 NICK ALBERTI

7 MICHAEL SILVERSTEIN

8 JAMES SHORT

9

10 ALSO PRESENT:

11 CAMELIA MAZARD, ESQ.,

12 on behalf of the Licensee

13 LANARK THORNTON

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

2 [10:32 a.m.]

3 CHAIRMAN ANDERSON: The next case on our
4 calendar is Case No. 15-CMP-00272, Lucky 7, LLC.

5 MS. MILLER: We did that. We did Lucky
6 7.

7 MR. ALBERTI: Oh, we did that one out of
8 turn. Sorry.

9 [Laughter.]

10 MR. ALBERTI: That's my fault.

11 CHAIRMAN ANDERSON: We now have a -- we
12 have a fact-finding hearing scheduled for Cinema
13 Beverage Holding Company, LLC, 2301 M Street,
14 Northwest; License No. 100805, Retailer DX.

15 Will the parties approach, and can you
16 identify yourselves and sign --

17 MS. MAZARD: Welcome, Chairman. My name
18 is Camelia Mazard with the law firm of Doyle,
19 Barlow & Mazard. We actually spent last week in
20 ethics training. I didn't introduce myself, but
21 welcome.

22 CHAIRMAN ANDERSON: Thank you.

1 MS. MAZARD: With me is Leonard Thornton.
2 He's the general manager of the West End Cinema
3 and the E Street [inaudible] Cinema. He will
4 give you some background about the company and
5 the three operations that we have here in the
6 District of Columbia.

7 MS. MILLER: Mr. Chairman, could I ask
8 that the -- could you say your names again? I
9 didn't hear them.

10 MS. MAZARD: Camelia, C-a-m-e-l-i-a, is
11 the first name. Last name is Mazard, M-a-z-a-r-
12 d. And I'm with Lanark, L-a-n-a-r-k, Thornton,
13 T-h-o-r-n-t-o-n.

14 MS. MILLER: Thank you.

15 CHAIRMAN ANDERSON: Now, this is fact-
16 finding hearing for -- you've provided the Board
17 some information on the establishment.

18 MS. MAZARD: Yes. We brought materials
19 if you want us to --

20 CHAIRMAN ANDERSON: I just want to let you
21 know that this is not an adversarial hearing.
22 It's just for the Board to collect some

1 information to find out about the establishment
2 and the type of license that you're asking for.
3 I'm not going to have many questions, but I know
4 that the rest of the Board who requested this
5 hearing will have several questions to ask of
6 you, and so I thank you for your appearance.

7 And it would help me some more if I
8 received this information before. There is no
9 way I am going to look and have any idea what's
10 going on in this package, so I guess while -- are
11 there -- I know that the Board has requested this
12 hearing, so are there Board members who have
13 specific questions about this establishment?

14 MR. ALBERTI: Chairman Anderson, I would
15 like Ms. Mazard to sort of maybe just give an
16 outline of how you're going to operate, and that
17 would be helpful, before we start questions.

18 MS. MAZARD: Sure.

19 MR. ALBERTI: Okay, thank you.

20 MS. MAZARD: What I included in the
21 package was a menu, a little bit of background
22 about the [inaudible] itself, the company. We

1 have also requested [inaudible] license which
2 ANC-2A has provided you with that declaration.
3 They're in the process of working at a settlement
4 agreement with ANC-2A. We will finalize that
5 tonight at their hearing. [Inaudible] with the
6 application are [inaudible] agreement, our CFO,
7 and an explanation by the old license was
8 canceled. That's what's in your package, but
9 he'll go ahead and give you a little bit of
10 background of that.

11 MS. MILLER: Can I just follow up,
12 though? You know, as Mr. Anderson said, we're
13 just seeing that packet, but that may not be
14 because of when you submitted it. And I'm just
15 curious when you did submit the package.

16 MS. MAZARD: We actually never submitted
17 it.

18 MS. MILLER: You never submitted this?

19 MS. MAZARD: No, not the menu or the --

20 MS. MILLER: I mean, to us. You
21 submitted it. We got it this morning.

22 MS. MAZARD: Yes. Well, the stipulated

1 license came November 10th, and the application
2 and the sublease agreement and CFO --

3 MS. MILLER: Oh, I see it.

4 MS. MAZARD: It's all in the application.
5 We submitted the application probably a couple
6 months ago.

7 MS. MILLER: A couple months ago.

8 MS. MAZARD: The license [inaudible] next
9 week.

10 MS. MILLER: Okay, okay.

11 CHAIRMAN ANDERSON: I know you -- as Mr.
12 Alberti -- just tell us about the concept and
13 what was said, what is the establishment, please.

14 MR. THORNTON: Certainly. [Inaudible]
15 specializes in independent foreign films. We are
16 the largest exhibitor dedicated to those types of
17 movies in the United States.

18 As a result of that, we tend to attract a
19 much more upscale, affluent demographic than,
20 like, you know, general movies.

21 We do feature bars in I think 20, 25,
22 somewhere in there of our theaters across the

1 country, including E Street, which hopefully
2 you've been to.

3 The bar operation itself at West End will
4 be contained within the physical space of the
5 concession stand, which I think there is actually
6 a diagram in that packet. Beer and wine only.
7 We do tend to favor some local micro brews, not
8 necessarily going to see big-name multi-million-
9 dollar advertising budget type of offerings on
10 the menu. Things that are unique that our guests
11 would enjoy.

12 If there's any specific questions, I'd be
13 happy to answer them for you.

14 CHAIRMAN ANDERSON: So you're saying it's
15 the same menu as at E Street?

16 MR. THORNTON: It will be a pared-down
17 version just because the physicality of the
18 space, but yes.

19 MS. MAZARD: And a couple months ago, you
20 approved a CX license for [inaudible]. That was
21 beer, wine, and spirits.

22 MR. SILVERSTEIN: Could you speak up?

1 MS. MAZARD: But this is only going to be
2 beer and wine at this facility.

3 CHAIRMAN ANDERSON: Yes.

4 MR. ALBERTI: So, again, I'm looking at
5 this picture, which a picture is worth a thousand
6 words. So am I right in assuming that the
7 service of alcohol and food is all integral to
8 the viewing experience, the movie viewing
9 experience?

10 MR. THORNTON: Yes, sir.

11 MR. ALBERTI: Okay. So will the bar be
12 open for long periods after the movies?

13 MR. THORNTON: No, sir.

14 MR. ALBERTI: So it's there. The service
15 is there so just --

16 MR. THORNTON: Yes.

17 MR. ALBERTI: -- while your --

18 MR. THORNTON: Correct.

19 MR. ALBERTI: For the movie experience.

20 MR. THORNTON: When we open the doors,
21 the first show of the day, it will be opened
22 then, and when we close the box office, we tend

1 to wait 15 or 30 minutes after the last show has
2 begun. That's when operations will cease.

3 MR. ALBERTI: And the reason I ask is
4 just to make sure that we don't have someone who
5 has been operating a tavern, sort of, late into
6 the night, after the movies are over, so that's
7 what's important to us. So thank you for that
8 information.

9 MR. SHORT: I'm looking at your diagram,
10 and I'm very familiar with the cinema. This is
11 the same establishment that was formerly at
12 another location?

13 MR. THORNTON: Same location, a different
14 operator.

15 MR. SHORT: Okay. So you say just wine
16 and beer?

17 MR. THORNTON: Yes.

18 MR. SHORT: So all your permits with the
19 city other than [inaudible] in place?

20 MR. THORNTON: That's correct.

21 MR. SHORT: Thank you. That's all I
22 have.

1 CHAIRMAN ANDERSON: Any other --

2 MS. MILLER: I have a question.

3 CHAIRMAN ANDERSON: Yes, Ms. Miller.

4 MS. MILLER: So there's an existing
5 theater there now that doesn't serve beer and
6 wine, and you all have taken over that theater?

7 MR. THORNTON: Yes.

8 MS. MILLER: Is that the case?

9 And did you say you own the E Street
10 Theater?

11 MR. THORNTON: I'm the general manager
12 for both, but yes.

13 MS. MILLER: Okay. And they serve beer
14 and wine there?

15 MR. THORNTON: And spirits at each
16 location.

17 MS. MILLER: And spirits.

18 And how will this theater compare to that
19 one?

20 MR. THORNTON: In what particular way?

21 MS. MILLER: Well, in operations and any
22 way that would affect why because they got, you

1 know, a license to serve alcohol there --

2 MR. THORNTON: Right.

3 MS. MILLER: -- you all should -- you
4 should be able to serve it at this place?

5 MR. THORNTON: Well, demographically, the
6 two buildings would be very similar because in
7 reality they're only 2 miles apart. So, from a
8 demographic standpoint, the type of patrons that
9 we're going to be attracting, I think that's, you
10 know, lockstep with what's going on at E Street.

11 As far as the scale of the operation,
12 it's much, much smaller. You know, the capacity
13 of E Street is four times what West End is, so
14 it's much, you know, a more scaled-down version.

15 And when the beer and wine menu is
16 finally solidified, it's going to be much more
17 pared down in terms of number of selections that
18 you have physical space to work and serve. I
19 think I have 35 different wines at E Street right
20 now and about 18 or 19 different beers. I can't
21 do that much with West End or I won't try to.

22 So I've pared it down so that we have a

1 good offering for different wine, different types
2 of beer, but not necessarily duplication that I
3 do at E Street where I might have two or three
4 different chardonnays, two or three different
5 cabernet sauvignons, you know, a couple different
6 things that are optimal with. Those types of
7 things would be reduced down to a singular
8 offering.

9 MS. MILLER: So, you know, I haven't had
10 a chance to review all this material either, so
11 excuse me if I'm asking somewhat obvious
12 questions. But is this like -- or different from
13 where you go to a theater and you buy your
14 popcorn and you buy a beer and you go sit down --

15 MR. THORNTON: Nope. That's --

16 MS. MILLER: -- and watch the movie?

17 MR. THORNTON: Exactly right.

18 MS. MILLER: So, in this case, people are
19 buying a meal, a dinner, a salad, or whatever,
20 and a wine or whatever and bringing it to their
21 seat in the theater?

22 MR. THORNTON: Try champagne and popcorn.

1 It's amazing.

2 [Laughter.]

3 MS. MILLER: So --

4 MR. SHORT: I can't wait.

5 [Laughter.]

6 MS. MILLER: And that's the same concept
7 at E Street?

8 MR. THORNTON: Correct.

9 MS. MILLER: Okay. And how long has it
10 been going on at E Street?

11 MR. THORNTON: I've been there now 6 1/2,
12 almost 7 years, and it was in operation when I
13 got there, so I believe -- and please don't hold
14 me to this because I don't know. I don't have
15 firsthand knowledge, but I believe it was right
16 after the theater opened --

17 MS. MILLER: Okay.

18 MR. THORNTON: -- in 2004.

19 MS. MILLER: And has that been a success?

20 MR. THORNTON: Hugely.

21 MS. MILLER: Really? Okay. Just as a
22 movie goer when I've gone into a theater, and

1 sometimes I've been -- probably E Street or
2 whatever -- somebody has made an announcement
3 about it, and I didn't necessarily see anything
4 happening, but okay. They just buy it there and
5 bring it down. Okay.

6 MR. THORNTON: Correct.

7 MS. MILLER: And you haven't had any
8 problems with --

9 MR. THORNTON: None.

10 MS. MILLER: Okay.

11 MR. THORNTON: And I think a couple
12 points that could be made, one, as I alluded to
13 before, we have a much more upscale kind of
14 international type of clientele. Through the
15 pricing model, things of that nature, you're not
16 going to get what we would call a "power drinker"
17 coming into the theater for the sole intent of
18 getting drunk.

19 MS. MILLER: Mm-hmm.

20 MR. THORNTON: If you're going to do
21 that, there are other places. You know, so it is
22 operated in such a way, marketed internally in

1 such a way to our guests, you know, that this is
2 kind of an upscale experience. We're trying to
3 bring something unique to our guests, things that
4 they may not have heard of before, may not have
5 tried before, and we're fortunate in geography in
6 that we have some great -- there are some great
7 distilleries and great vendors within close
8 proximity of the city that not everyone knows
9 about, so it provides some unique opportunities
10 to educate people.

11 MS. MILLER: And how much does it cost
12 for a glass of wine?

13 MR. THORNTON: Well, of course, there's
14 different --

15 MS. MILLER: Mm-hmm.

16 MR. THORNTON: But to answer your
17 question, I believe right now, the lowest that I
18 have is \$8. The highest is \$15.50 per glass.

19 MS. MILLER: Okay.

20 MR. THORNTON: And the highest by the
21 bottle is \$75.

22 MS. MILLER: You can buy a bottle there?

1 MR. THORNTON: Mm-hmm. Two people.

2 MS. MILLER: Two --

3 MR. THORNTON: So if you come with your
4 husband or your wife or whatever and you want to
5 share a bottle, we'll accommodate that.

6 MS. MILLER: And is there a rationale
7 that goes with that? Is it just your rationale,
8 or do you think that's the -- is that the legal
9 rationale?

10 MR. THORNTON: I don't think there's
11 anything illegal about it, but as far as like --
12 if I understand your question correctly, it's
13 having two people. Well, you know, to comply
14 with the laws as far as how many drinks you can
15 serve, that would necessary -- but again, it's
16 one of the devices that I use internally to
17 manage the situation because I don't want to
18 become -- we all know the venues around town.
19 That's not what we're after.

20 MS. MILLER: Right. Okay.

21 MR. THORNTON: And it's not what we're
22 ever going to have.

1 MS. MILLER: Thank you.

2 Thank you, Mr. Chairman.

3 CHAIRMAN ANDERSON: All right. Thank
4 you, Ms. Miller.

5 Are there any other Board members --

6 MR. SILVERSTEIN: I believe that the
7 previous iteration of West End Theater closed in
8 March of this year?

9 MR. THORNTON: I believe so, yes.

10 MR. SILVERSTEIN: And there was great
11 sadness in the community. There was great
12 concern because it was our only movie theater,
13 and the idea of dinner and a movie is not
14 revolutionary, but the idea of having them
15 together is somewhat novel. I'm certainly
16 persuaded by the ANC's request to give you a
17 step, and I wish you well.

18 MR. THORNTON: Thank you.

19 MR. SILVERSTEIN: It sounds like a great
20 idea, and this sounds like a business plan that
21 perhaps can save the sole remaining movie theater
22 in the West End. Good luck to you.

1 MR. THORNTON: I am going to give it my
2 best shot.

3 CHAIRMAN ANDERSON: Thank you.

4 Are there any other Board members --
5 questions?

6 [No audible response.]

7 CHAIRMAN ANDERSON: All right. Hearing
8 none, thank you very much for your presentation.
9 We will consider your license and get back to
10 you, but I wish you luck, and thank you for the
11 presentation and the future. It's a very nice
12 package, and if I received it earlier, I at least
13 would act like I read it, okay?

14 [Laughter.]

15 CHAIRMAN ANDERSON: But at least today, I
16 can't read it, but thank you very much.

17 MS. MAZARD: Thank you.

18 CHAIRMAN ANDERSON: Okay. Have a good
19 day.

20 MR. ADAMS: Thank you.

21 [Whereupon, at 10:47 a.m., the above-
22 entitled matter concluded.]