GOVERNMENT OF THE DISTRICT OF COLUMBIA 1 ALCOHOLIC BEVERAGE REGULATION ADMINISTRATION 2 ALCOHOLIC BEVERAGE CONTROL BOARD 3 4 - - - - - X 5 IN THE MATTER OF: : 6 The Watergate Hotel Lessee LLC: CASE#16-PRO-00085 7 t/a Watergate Hotel 8 : 2650 Virginia Ave. NW 9 : License #91162 10 : Retailer CH 11 : ANC 2A 12 : Application to Renew : 13 14 - -X Wednesday, November 9, 2016 15 16 Whereupon, the above-referenced matter 17 came on for hearing at the Alcoholic Beverage 18 Control Board, Reeves Center, 2000 14th Street, 19 N.W., Suite 400S, Washington, D.C. 20009. 20 21 22

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- 2 BOARD MEMBERS PRESENT
- 3 DONOVAN ANDERSON, CHAIRMAN
- 4 JAMES SHORT, BOARD MEMBER
- 5 MIKE SILVERSTEIN, BOARD MEMBER
- 6 JAKE PERRY, BOARD MEMBER
- 7 MAFARA HOBSON, BOARD MEMBER
- 8
- 9 ALSO PRESENT:
- 10 STEPHEN O'BRIEN
- 11 BARBARA KAHLOW
- 12 JACQUES COHEN
- 13 SARAH MADDUX
- 14 TASHA CULLINGS
- 15 ROBERT MUEHLICH
- 16 VINCENT MERCURIO
- 17 FREDERICK SCHWARTZ
- 18

PROCEEDINGS 1 PROTEST HEARING 2 CHAIRPERSON ANDERSON: We now call case 3 #16-PRO-00085, The Watergate Hotel, license 4 #91162. Will the parties please appear and 5 identify themselves for the record, please? 6 MR. O'BRIEN: Stephen O'Brien, with Matthew 7 Minora for the applicant. We are accompanied by 8 Jacques Cohen who is the managing member of the 9 applicant, in essence the owner of the hotel, and 10 it's spelled J-A-C-Q-U-E-S, C. C-O-H-E-N. 11 CHAIRPERSON ANDERSON: There is a sign-in 12 sheet on the table that I would like each party 13 to sign your name in, please. Yes, ma'am. 14 Thank you, Mr. Chair. 15 MS. KAHLOW: I′m Barbara Kahlow, secretary treasurer of the West 16 End Citizens Association and I am representing 17 them today. I have five other witnesses. To my 18 right is the West End Citizens Association 19 president, Sara Maddux, and the others are in the 20 audience. Shall I introduce them now or when 21 they come up? 22

CHAIRPERSON ANDERSON: You can introduce them
 when you call them as witnesses.

3 MS. KAHLOW: Thank you.

4 CHAIRPERSON ANDERSON: Are there any5 preliminary matters in this case?

MR. O'BRIEN: I believe that you do have apreliminary matter.

8 CHAIRPERSON ANDERSON: What is that, sir?

9 MR. O'BRIEN: I believe it's a request from 10 an individual to be heard.

11 CHAIRPERSON ANDERSON: I know, besides that. 12 What I'm saying do either parties have any 13 preliminary matters?

MR. O'BRIEN: No, except that I would ask for a rule on the witness.

16 CHAIRPERSON ANDERSON: Yes, I will. Ms.
17 Kahlow?

MS. KAHLOW: I also have a preliminary matter. I received an ABRA subpoena for documents already in your possession since the WCA is a registered, certified civic association with you, and I have given the documents to the

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applicant. I just thought that was unusual and I 1 want to tell the board the circumstances. I got 2 a call from my front desk and they said that 3 somebody had to interview me on a case urgently, 4 and I said 'I don't have an appointment, I 5 haven't taken a shower, ' and they said 'okay.' 6 And I said, 'come on up for a moment.' I opened 7 the door in bathrobe and nightgown and I said, 8 'how long will this interview take?' and they 9 said, 'oh, it's not an interview, we're just 10 handing you a subpoena.' I thought that was not 11 particularly well handled and I thought you 12 should know about it. 13

CHAIRPERSON ANDERSON: Well, the board -- I 14 15 know that Mr. O'Brien had requested a subpoena and the board issued the subpoena but the board 16 is not in the process of serving subpoenas so I'm 17 not sure who the process server was, but --18 MS. KAHLOW: The process server was ABRA. 19 CHAIRPERSON ANDERSON: Was it ABRA --20 MS. KAHLOW: I have this card, it's from ABRA 21 employees. 22

CHAIRPERSON ANDERSON: I wasn't aware that --1 I'm not sure of the process of our subpoenas that 2 are followed by our board staff but if you 3 believe that it was not served properly I do 4 apologize on behalf of the board. I'm not saying 5 that the person did or didn't do anything wrong, 6 but I'm just saying that if it's in your view if 7 you believe it was not done properly then on 8 behalf of the board, I signed the subpoena. I do 9 apologize to you on behalf of the board. 10

MS. KAHLOW: Thank you so much. I thought 11 the board would want to know the circumstances. 12 I have one other preliminary matter. Under the 13 board's rules all of the exhibits we had to 14 provide the board last Wednesday, seven days in 15 advance. We received one of the exhibits from 16 the applicant on Friday, a second one on 17 Saturday, and the others are not yet provided. 18 It's not a big deal, it's just that I hope the 19 board will enforce the rules for all parties 20 equally. 21

22 CHAIRPERSON ANDERSON: Well, what do you mean

1 it's not a big deal? So, you need to explain to2 me what you mean by it's not a big deal.

MS. KAHLOW: I still don't have the exhibits but I can move ahead with this protest without having them.

6 CHAIRPERSON ANDERSON: Mr. O'Brien?

7 MR. O'BRIEN: May I ask what exhibits she's8 talking about?

MS. KAHLOW: You have listed the subpoena as 9 being an exhibit as well as, if I can pull your 10 thing out, exhibit #1 is a copy of the agreement 11 of May 1st, 2013, agreement between the various 12 Watergates, and you had given that to me some 13 time ago and that's why it's not a big deal, but 14 it wasn't provided to the board, that's why --15 CHAIRPERSON ANDERSON: I'll say this to you. 16 The board has not seen documents. Whatever 17 documents were served on the board, none of the 18 board members, we have not seen any documents so 19 we have not looked at any documents so I don't 20 know -- that's why I'm having you two address it 21 because I don't know what documents you're 22

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speaking to because none of the board members
 have looked at this file.

MR. O'BRIEN: Well, exhibit #1 is an aerial photograph that I was provided.

5 CHAIRPERSON ANDERSON: Do you have that, 6 ma'am?

MS. KAHLOW: Yes, we got it on Friday, two8 days late.

9 MR. O'BRIEN: Two days? I'm asking a 10 question, Mr. Chair.

11 CHAIRPERSON ANDERSON: Yes?

MR. O'BRIEN: Two days late according to what rule?

14 CHAIRPERSON ANDERSON: I think what -- go 15 ahead, ma'am.

MS. KAHLOW: I just understood that was the rule but if it's not then I'm mistaken.

18 CHAIRPERSON ANDERSON: I think the statement 19 was that she thought all the documents in the 20 case have to be exchanged seven days prior to the 21 hearing. I'm saying that's what she was saying, 22 and she did not receive the documents within the

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seven-day period. I think that's the statement
 that has been made.

MR. O'BRIEN: The PIF and the exhibit list 3 are required not by rule but by board 4 instructions to be produced seven days. There's 5 no such requirement with respect to the exhibits 6 7 themselves but notwithstanding when Ms. Kahlow asked for the exhibits, we have a total of six 8 listed. We gave her the three we had. The other 9 three were documents that were subpoenaed for 10 this hearing and I'd asked her for advance copies 11 of those but she just handed them to me as you 12 took the bench, so we're reviewing them for the 13 first time. 14

MS. KAHLOW: I -- just to be clear, the first -- document 1 we got on Friday, document 2 we got a month or so ago. The next three are subpoenaed. The fourth we got on Saturday, but it's okay because we have what we have.

20 CHAIRPERSON ANDERSON: I think what I'm being 21 told is that whenever the documents were 22 submitted, that they're not an issue in the sense

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that the board has not been asked to make a 1 decision on whether or not any documents should 2 or should not be included. How many witnesses do 3 you have, Mr. O'Brien? 4 MR. O'BRIEN: Four. 5 CHAIRPERSON ANDERSON: Four? And who are the 6 witnesses that you have? 7 MR. O'BRIEN: Jacques Cohen, the owner, 8 sitting next to me; Vincent Mercurio, the 9 managing director of the hotel; Robert Muehlich 10 who is the beverage manager of the hotel, and we 11 also subpoenaed ANC commissioner Florence Harmon 12 but I don't know that I've seen her today. 13 MS. KAHLOW: My understanding --14 CHAIRPERSON ANDERSON: Go ahead. 15 MS. KAHLOW: -- is that she was not served 16 and will not be here. 17 MR. O'BRIEN: I will note that I did see from 18 the board staff a return of service on the 19 subpoena to Ms. Harmon. 20 CHAIRPERSON ANDERSON: All right, so Ms. 21 Harmon was served. I'm not quite sure whether or 22

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not the board has an enforcement procedure but I 1 know that I did sign off on the subpoena for the 2 board to serve it and the board, as you stated, 3 you said you have the information that she was 4 served. I'm not quite sure if she does not show 5 up -- I quess the assumption is that she will not 6 be here today, so the board -- you can make 7 whatever argument you want to make regarding that 8 issue, but I'm not quite sure if we have served a 9 subpoena and the person has not shown up, what 10 type of enforcement mechanism the board has. 11

MR. O'BRIEN: Referral to the superior courtfor enforcement.

14 CHAIRPERSON ANDERSON: We'll --

MR. O'BRIEN: Otherwise a subpoena is auseless piece of paper.

17 CHAIRPERSON ANDERSON: Right. I know. So 18 what is it that you're asking -- because is this 19 -- what is it that you want the board to do? The 20 witness is not here, the witness was served, the 21 witness is not here, what is it that you're 22 asking the board to do?

MR. O'BRIEN: Let me suggest this. Let us 1 see how the hearing goes and if I conclude at the 2 end that her testimony is not necessary, if we're 3 able to get it in through other means, then it'll 4 become meaningless and I'll just let the board 5 decide whether it wishes to make a point of 6 enforcing its subpoena power or whether we will 7 consent to people simply thumbing their nose at a 8 subpoena. 9

10 CHAIRPERSON ANDERSON: Okay, thank you.

MR. O'BRIEN: But, what I'm saying is I don't think we have to make that decision now.

13 CHAIRPERSON ANDERSON: Okay, fine. So at the 14 end of your case then you can let me know what is 15 it that you want the board to do as far as the 16 subpoena.

MR. O'BRIEN: At the end of all the evidence. CHAIRPERSON ANDERSON: Yes. Ms. Kahlow, who are your witnesses? Can they -- give me the name of your witnesses again.

21 MS. KAHLOW: I'm first, Ms. Maddux is second, 22 the third is Victoria Jennings in the first row -

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Dr. Victoria Jennings, fourth is Pauline Neman
in the next row, the fifth is Cynthia Walker on
the left in the next row and the last is Michael
Walsh who is in the next row at the end.

5 CHAIRPERSON ANDERSON: I'm sorry, the lady 6 sitting next to you. What's her name again, 7 please?

Sara Maddux. M-A-D-D-U-X. MS. KAHLOW: 8 CHAIRPERSON ANDERSON: And who is she? 9 MS. KAHLOW: President of the civic 10 association the West End Citizens Association. 11 CHAIRPERSON ANDERSON: And give me your title 12 again, please. I know you've done it before. 13 14 I'm saying this for a reason, so give me your 15 title again.

MS. KAHLOW: Secretary treasurer of the WestEnd Citizens Association.

18 CHAIRPERSON ANDERSON: Okay. Mr. O'Brien has 19 requested the rule on witnesses so I need his two 20 witnesses to -- with the exception of the owner 21 to stay -- I am requesting that the two other 22 gentleman, any other witnesses that he has, that

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they leave the room and I'm requesting that Ms.
Kahlow that all your witnesses, with the
exception of Ms. Maddux, leave the room.
MS. KAHLOW: Okay, and where will I find
them?

6 CHAIRPERSON ANDERSON: There is a -- within -7 - Mr. Moussavi can you show the witnesses where 8 the conference room is where they can sit, for 9 me, please?

10 MR. MOUSSAVI: What?

11 CHAIRPERSON ANDERSON: There's a conference12 room that the witnesses can sit.

13 MR. MOUSSAVI: Absolutely.

CHAIRPERSON ANDERSON: Please. 14 For Ms. Kahlow witnesses, I need the ones who are going 15 to testify -- I need them to step out of the 16 room. You can follow Mr. Moussavi, he can show 17 you where you need to be. There was a 18 preliminary that Mr. Schwartz had requested from 19 the board stating that he has the right as a 20 citizen to be heard and so what I will do is that 21 prior to closing arguments he will get an 22

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opportunity to speak, so we will have the parties
present their case and I will give him an
opportunity to speak. Mr. Schwartz, can you
identify yourself for the record, please?

5 MR. SCHWARTZ: I'm sorry, I can't hear, there 6 seems to be a dead spot.

7 CHAIRPERSON ANDERSON: I'm sorry, can you
 8 identify yourself for the record, please?
 9 MR. SCHWARTZ: Yes, Frederick Schwartz, Mr.
 10 Chairman.

11 CHAIRPERSON ANDERSON: And who are you, sir?
12 MR. SCHWARTZ: I'm sorry?

CHAIRPERSON ANDERSON: And who are you? 13 MR. SCHWARTZ: I, as you know, submitted a 14 15 request to the board and requested under the board's rules and statutes to testify. I've been 16 advised that the board wishes me to testify 17 before they decide whether I can testify. I'm 18 addressing the board now because if I am to be a 19 witness then I should join the other witnesses in 20 the other room. If I am not to be a witness, 21 then I'd certainly like to stay. 22

CHAIRPERSON ANDERSON: Well, part of the 1 issue -- you're not a party to this case so 2 you're not a witness, per se because you're not 3 being called by either side and so I guess, as 4 you stated that you have an opportunity that you 5 want to speak, the board will grant you -- I'm 6 not sure what it is that you want to speak about 7 but let me ask you a question. About how long do 8 you believe that you need to speak? 9

MR. SCHWARTZ: I suspect that -- it's four
pages, 14 point type, so if I go over three
minutes I will have failed my duty to the court.
CHAIRPERSON ANDERSON: So you're saying
you're asking for about ten minutes to speak.
MR. SCHWARTZ: Assuming a great number of
board interruptions.

17 CHAIRPERSON ANDERSON: Well, I'm being 18 generous when I say ten minutes to speak. You 19 said three minutes so I'm being generous when I 20 say ten minutes to speak, so I understand, so 21 yeah. It's -- this is not something that -- this 22 is new to the board but the board will grant you

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an opportunity to speak since you have stated
that you can, and so prior to -- after each side
has presented its case then I will allow you to
speak for that time and we will take it for what
it's worth and I think that either party would
have an opportunity to ask questions if they so
desire.

8 MR. SCHWARTZ: The reason I'm addressing the 9 board is in terms of timing. Does the board wish 10 me to join the other witnesses?

11 CHAIRPERSON ANDERSON: That's something that 12 I'm wrestling with at the moment because you're 13 not --

MR. SCHWARTZ: I don't belong to anybody. I don't want anybody to think I'm influenced by what any of the witnesses say.

17 CHAIRPERSON ANDERSON: Well no one knows -- I 18 clearly do not know what is it that you're going 19 to speak about, I'm not sure that it's Mr. 20 O'Brien or Ms. Kahlow is aware, but, Mr. O'Brien? 21 MR. O'BRIEN: May I suggest that it simply 22 might be more expeditious if the board has made a

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decision that Mr. Schwartz shall be heard, just
 get it over with now.

MS. KAHLOW: I would prefer it be after our testimony, please.

5 MR. SILVERSTEIN: I'm sorry?

CHAIRPERSON ANDERSON: I think the direction 6 7 was after the testimony, but -- my preference is that, and I'll say it this way, and I know that 8 Ms. Kahlow always talks about, from what I was 9 told, she talks a lot about the BCA and how it 10 operates in the BCA and although this is not a 11 BCA hearing I, in my other capacity as an ANC 12 commissioner, I testified at -- I was a party to 13 a case and I testified at a BCA hearing. After 14 each side presented its case then the chair would 15 ask is there anyone in the audience who wished to 16 be heard. And so that's one of the reasons why I 17 decided I'd follow that same guideline since it's 18 new to the board in the sense that we've never 19 had someone who's not a party who stated that our 20 rules state that he should be heard as a witness 21 and so, therefore, I think that we'll have him 22

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speak at the end of the case prior to closing and 1 you'll still have an opportunity if he says 2 something that either side believes that they 3 need to respond to, then you'll have the 4 opportunity at that time to respond or if you 5 believe that in this one particular case if 6 either side believes that they need to call a 7 rebuttal witness to rebut something that he 8 stated I will give you the opportunity to do 9 that, okay? So, I'm not going to require that 10 you cart yourself off to sit in a room. If you 11 care to sit here, you can sit here, sir, but 12 after each side has presented its case then I'll 13 have you speak, so it's your choice. 14

MR. SCHWARTZ: Thank you very much Mr. Chair.
CHAIRPERSON ANDERSON: All right, thank you.
Are there any other preliminary matters? No?

18 MR. O'BRIEN: No, sir.

19 CHAIRPERSON ANDERSON: Are there -- and I'm 20 doing this a little bit different -- are there 21 any documents, because since the board has not --22 we have not looked at any of the documents as

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yet, we have not read -- and I want the record to 1 reflect we have not read our board -- the report 2 submitted by our witness, so my rule is that 3 we're not going to review that. So, all the 4 information is coming to us first impression when 5 we hear the case. So, one way I will do, I will 6 ask do you have any documents that you wish to 7 submit? And so, if you submit them now we can, 8 if there are no objections, then the board will 9 have the documents so we can review while the 10 testimony. If there are objections to documents 11 then I'm not going to accept them at this moment. 12 I'll wait and then I'll make a ruling later on on 13 those documents. Are there any questions? 14

MR. O'BRIEN: I don't have any questions. Ican identify the exhibits.

17 CHAIRPERSON ANDERSON: That's what I'm 18 saying, so tell me what other documents you have 19 so I can move them into evidence if there are no 20 objections.

21 MR. O'BRIEN: Our number one is the aerial 22 photograph.

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CHAIRPERSON ANDERSON: Hold on one minute. 1 Let me find. And therefore I wanted you to know 2 that maybe under previous leadership of the board 3 maybe board members have seen the documents 4 before but I just wanted you to know these 5 protest hearings or show cause hearings, the 6 7 board members will not review any documents prior to their introduction in front of the hearing, so 8 I just wanted it clear that no one thinks that 9 when the board comes to listen to these cases 10 that we've already reviewed the documents and we 11 have already made our decisions and have 12 background information, and so we have no first-13 hand knowledge of any of the issues in this case. 14 We're going to make our decisions based on what 15 is presented today at this hearing, okay? I just 16 want the record to reflect that. Let me find 17 your documents. The first document is the aerial 18 photograph. Okay, that's -- Ms. Kahlow do you 19 have any objection to his exhibit #1? 20 No objection. MS. KAHLOW: 21

22 CHAIRPERSON ANDERSON: So exhibit #1 is moved

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as a part of the evidence. Any other documents,
 Mr. O'Brien?

MR. O'BRIEN: Number two is a copy of the May 1st, 2013, settlement agreement. I think we agreed that the board would not look at those, but that's what it is.

7 CHAIRPERSON ANDERSON: I'm not sure when this 8 person put this binder together. That's one --9 memorandum of agreement? That's the top of the 10 document?

MR. O'BRIEN: No, I believe the word is just
document -- I'm sorry, the word is just

13 agreement.

14 CHAIRPERSON ANDERSON: This one dated 11th of15 September 2016?

16 MR. O'BRIEN: No, sir. May 1, 2013.

17 CHAIRPERSON ANDERSON: Do you have an extra
 18 copy of that document, Mr. O'Brien, because I - 19 MR. O'BRIEN: I've got multiple copies of all
 20 these documents for the board.

21 CHAIRPERSON ANDERSON: Yes, please do because22 I don't. Oh, you know what? Is there a board

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1 order attached to it?

2 MR. O'BRIEN: Yes, sir.

CHAIRPERSON ANDERSON: Okay. All right, the 3 way my folder is put together. All right, yes, I 4 do have that document. Ms. Kahlow, do you --5 MS. KAHLOW: Yes, I have it. I got it months 6 7 ago. CHAIRPERSON ANDERSON: And you have no 8 objection to this document? 9 MS. KAHLOW: I do not. 10 CHAIRPERSON ANDERSON: Okay, so that's moved, 11 that's a part -- that's moved into evidence. 12 What other documents, sir? 13 MR. O'BRIEN: Number three is one of the 14 subpoenaed documents. We will not be introducing 15 that. Scratch #3 off the list. 16 CHAIRPERSON ANDERSON: What's the other 17 document? 18 MR. O'BRIEN: The others are #4 and #5 and 19 the answer is I don't know yet because they were 20 subpoenaed documents and we were just handed them 21 as the board took the bench and we haven't been 22

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1 through them yet.

2 CHAIRPERSON ANDERSON: So, what's #4 and #5, 3 what is that?

MR. O'BRIEN: Number four should be the
bylaws of the West End Citizens Association and
number five should be the minutes of the meeting,
I believe, and Ms. Kahlow can correct me, but I
believe the date is July 22nd.

9 CHAIRPERSON ANDERSON: So, we don't have 10 those documents. So, do you want to move that 11 into evidence now or do you want to wait?

MR. O'BRIEN: I don't know. I haven't had a
chance to review them. CHAIRPERSON ANDERSON:
Okay. All right.

MR. O'BRIEN: If they're used, they'll be used on cross examination.

17 CHAIRPERSON ANDERSON: So, if you're going to 18 use them you can introduce them so right now --19 any other documents?

20 MR. O'BRIEN: Our #6 is four pages of e-mails 21 from ANC commissioner Florence Harmon in March 22 through May of 2013. Ms. Harmon does not appear

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1 to respond this a.m.

2 CHAIRPERSON ANDERSON: Okay, what else? Any3 other documents?

We only listed six exhibits. MR. O'BRIEN: 4 CHAIRPERSON ANDERSON: Can you give me a set 5 of those documents, please? All the documents 6 you plan to rely on, because the package that I 7 have here is not -- it might be somewhere in my 8 folder but it's not the way I want it to be so at 9 least I'll have it. No, just one set is fine. Ι 10 think that the rest of the board might have it 11 but it's not in the order that you -- I just want 12 to make sure that I have it and then I can figure 13 out where they are. What documents do you have? 14 Mr. Chairman, our PIF and 15 MS. KAHLOW: exhibit list have four and I was asked to bring 16 seven sets for you, and I have them for you. 17 The first is a chart that was attached to our protest 18 letter on July 25th. It's entitled Proposal for 19 Watergate Hotel's Outdoor Venues Ending Hours, 20 The second is also on your docket but I etc. 21 wanted you to have your own copy of our chart, 22

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the West End Citizens Association chart that was 1 attached to our September 25th follow-up letter, 2 and it is captioned Comparison of Closing Hours 3 and Music Foggy Bottom West End Establishments. 4 The third is something you've not seen, is a 5 memorandum agreement between a new property owner 6 7 and the West End Citizens Association directly across the street from The Watergate, 1601 8 Virginia Avenue. It is referenced in that chart 9 and I thought you'd probably want to see the full 10 terms. And the fourth is an agreement that you 11 do have because it's a settlement agreement 12 that's been filed with ABRA by a new hotel a 13 couple of blocks away on Virginia Avenue called 14 It is soon to open and it's a January 15 The Hive. 5th, 2016, settlement agreement. It is mentioned 16 in the chart, and I thought you may want to see 17 the full context. 18

CHAIRPERSON ANDERSON: Mr. O'Brien do you
have any objections to any of the documents?
MR. O'BRIEN: I don't object to #1. I object
to #2, #3 and #4 on relevance grounds. They

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1 discuss other licensees and other hotels.

CHAIRPERSON ANDERSON: All right. I will 2 accept #1 into evidence currently and #2, #3 and 3 #4 you can present them later on and then I'll 4 see how it's been used, then I'll see what 5 objection Mr. O'Brien has at that time and then 6 I'll make a decision whether or not we will 7 accept them into the record. 8 MS. KAHLOW: Do you want me to hand your 9 staff all sets now? 10 CHAIRPERSON ANDERSON: Just the first one. 11 MS. KAHLOW: Just the first one. 12 CHAIRPERSON ANDERSON: But remember as the 13 14 case progresses that you need to move the other documents into evidence -- yes, sir? 15 MR. O'BRIEN: You want one copy? 16 CHAIRPERSON ANDERSON: No, just document #1. 17 MR. O'BRIEN: And you only want one copy of 18 #1 at this time. 19 CHAIRPERSON ANDERSON: Yeah, I think we 20 should all have one already. The reason why I'm 21

22 asking you guys to give it to me, I have this

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binder that has a whole lot of documents, but they're not in order the way I want them to be, so at least to be on the same page as you are I want to make sure --

5 MR. O'BRIEN: We were told to give one set, 6 one of each, so that you would have it. I can 7 see Ms. Kahlow's compiling seven right now of 8 exhibit #1.

9 MS. KAHLOW: Your general counsel asked for10 seven and I complied.

11 CHAIRPERSON ANDERSON: I think it's to make 12 sure that each board member has a copy to review. 13 MR. O'BRIEN: And we have all the copies of 14 our exhibits and were just told not to pass them 15 out.

CHAIRPERSON ANDERSON: Mr. O'Brien, just 16 remember when we started off, the board has this 17 folder. I think all the documents are in the 18 I'm not sure. That's one of the reasons folder. 19 when I was asking you I was like going through 20 flipping and I couldn't find them so that's why I 21 said just give it to me so I will have it and I 22

will look at it and then I will look in my folder
to make sure that the board has these documents,
but I -- since we have never looked -- since my
rule is we're not going to review the documents
prior to sitting here, so I don't know what's in
the folder.

7 MR. O'BRIEN: Okay.

8 CHAIRPERSON ANDERSON: So that's why. So 9 what I'm asking her to do is just give me one 10 copy so I will have it in the official record as 11 we go through, then I will know what's in the 12 folder so I can advise my other board members 13 where the documents are.

MR. O'BRIEN: What I'm saying, she just passed up seven copies.

16 CHAIRPERSON ANDERSON: I am only taking one.17 MR. O'BRIEN: Okay.

18 CHAIRPERSON ANDERSON: I am only taking one 19 for the board, the same way I took one from you, 20 okay? So just one. Now that I've seen the 21 document, it's in my folder and the board has 22 these documents in the folder. It just wasn't

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where -- I couldn't find it while we were 1 discussing it. All right, the purpose of this --2 this is a protest hearing and the board does not 3 intend to hear documents -- or, hear witnesses or 4 to rely on documents that are not relevant to the 5 matter here, so I'm asking each party to be 6 cognizant of the issues, why this protest hearing 7 was filed and that we keep on that process. The 8 way this process is going to go is we're going to 9 have -- the board will call its witness who will 10 testify, then the board will ask questions of its 11 witness. Once the board has asked questions of 12 its witness, then the applicant will have an 13 opportunity to -- then the applicant will have an 14 opportunity to ask questions of the board's 15 witness and the protestant will have an 16 opportunity to ask questions of the board's 17 witness, and then we'll do the process. Each 18 side is supposed to have 90 minutes to present 19 its case. I'm not going to be a stickler to say 20 that, okay here's your time, but time is of the 21 essence so I would ask both parties to be 22

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cognizant of the time. This is the only hearing 1 that we have this afternoon. The board will sit 2 here until it's over, but I don't think we want 3 to be here until midnight, but I'm just saying 4 that to folks that we're all here and we'll just 5 keep it on point so, therefore, we will all be 6 here listening and paying full attention to 7 what's being said. 8

9 During this process, does the applicant wish 10 to make an opening statement? Yes, sir, go 11 ahead.

This case is before the board MR. O'BRIEN: 12 in what I consider to be an unusual posture. 13 Typically, the board protestors says that either 14 a discussion or debate on the likely consequences 15 and impact of a business which is not yet open, 16 or the board's hearing a renewal process will be 17 based on allegations of disruption in the 18 neighborhood, or violation of a settlement 19 agreement. This case is unique in that we have a 20 business that is up and running, subject to a 21 settlement agreement which you will see in 22

evidence, and no history of violation of a 1 settlement agreement or disruption. Rather, the 2 bedrock of this protest is a fear, and I'm 3 paraphrasing here, or summarizing I should say, 4 that somehow the settlement agreement is just 5 plain not good enough. The evidence will show 6 that the Watergate Hotel, located within the 7 Watergate complex which is bounded by the Rock 8 Creek and Potomac Parkway and the Potomac River 9 immediately to the west, by eight-lane Virginia 10 Avenue plus eight-lane sunken Potomac River 11 Freeway to the east, and to the south by the 12 Kennedy Center. The Potomac River Freeway curls 13 around the back of the Kennedy Center and onto 14 Roosevelt Bridge. The evidence will show that 15 the Watergate Hotel -- the Watergate complex, 16 which consists of six buildings, three 17 residential buildings, two office buildings and a 18 hotel -- the evidence will show that the 19 Watergate complex is an island unto itself, set 20 off, it's different. The evidence will show that 21 the Watergate Hotel went into foreclosure about 22

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eight years ago and has been closed until it was 1 reopened in May of this year by the new owner, 2 our client. And in that eight years, evidence 3 will show, the Watergate Hotel became a decaying, 4 decrepit, rodent-infested hulk, virtually 5 The evidence will show that in 2010, abandoned. 6 7 Jacques Cohen, sitting next to me, purchased that abandoned, decaying hulk for \$45 million dollars, 8 purchased it from the bank that had acquired it 9 at foreclosure. The evidence will show that in 10 2012 Mr. Cohen caused filing of an application 11 for a hotel ABC license. That application, the 12 evidence will show, was protested by a number of 13 individuals who lived in the Watergate complex 14 and by the Advisory Neighborhood Commission --15 that's ANC 2A. The evidence will show that 16 arduous negotiations ensued over a six-month 17 period culminating in execution of a settlement 18 agreement dated May 1, 2013. That's our exhibit 19 #2. It's a detailed settlement agreement and 20 it's all encompassing. You will hear then the 21 evidence that based on that 2013 settlement 22

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agreement Mr. Cohen embarked on renovation of the 1 decaying hulk. I say based on the agreement. 2 The evidence will show that projections were made 3 as to revenue that could be generated from the 4 hotel including, importantly for purposes of this 5 hearing, the outdoor venues including the 6 The evidence will show that Mr. Cohen 7 rooftop. made compromises in order to reach a settlement 8 as to hours of operation, as to hours of music at 9 all of the outdoor venues at the hotel, but based 10 on the projections of anticipated revenue from 11 these outdoor venues, Mr. Cohen embarked on total 12 renovation of the decrepit, decaying hulk to the 13 tune of an additional \$145 million dollars. 14 The evidence will show that the settlement agreement 15 was entered into between the applicant, the 2013 16 settlement agreement, and the governing boards of 17 the three residential buildings in the Watergate 18 complex known as Watergate South, Watergate East 19 and Watergate West. 20

The ANC which had been a protestant dropped
out -- withdrew its protest when the settlement

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agreement was submitted by the three residential 1 The evidence will show that once the ANC boards. 2 was satisfied that the residents had protected 3 themselves, the ANC withdrew its protest. The 4 hotel opened, a soft opening in May. The 5 evidence will show that the outdoor venues were 6 7 not used until approximately September 1st. You will hear evidence of the extensive measures that 8 the hotel has undertaken to ensure compliance 9 with the settlement agreement. You will learn 10 that no complaints have been received regarding 11 operation of the hotel's outdoor venues in the 12 two-plus months it's been open. 13

The evidence will also show that the West End 14 Citizens Association, your protestant today in 15 the person of Ms. Kahlow and Ms. Maddux, knew in 16 2013 about this application and chose not to 17 participate. What you'll find is that, 18 notwithstanding no breach of the settlement 19 agreement, the present protestants wish to take 20 the 2013 settlement agreement, use it as a 21 baseline, and then demand more in the way of 22

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concessions, and I think that the conclusion that 1 the board will reach -- actually I'm reminded of 2 a case -- when I talked about the West End 3 Citizens Association doing nothing when this 4 application was submitted and the settlement 5 agreement was approved -- doing nothing -- and 6 now, after the fact, coming in and saying 'we 7 don't like it, we don't think it's good enough' -8 - I'm reminded of the Maryland Court of Appeals 9 case Jaworski versus Jaworski -- I'll have the 10 spelling -- which is at 95 and on page 99 which 11 stands for the lesson and I'm going to change 12 this quote just for gender: "She who is silent 13 when she ought to have spoken, will not be heard 14 to speak when she ought to be silent." Thank 15 you. 16

17 CHAIRPERSON ANDERSON: Ms. Kahlow, do you18 wish to make an opening statement?

MS. KAHLOW: I do, thank you. I, Barbara Kahlow, am testifying on behalf of the West End Citizens Association. The WCA as it's known was named for the area west of the White House and

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before -- many, many years before -- the office 1 of planning named the west end a different group 2 -- a different geographic area. It was 3 established in 1910. It is one of the old 4 citizens' associations in D.C. It is primarily 5 interested in maintaining the guality of life for 6 7 the existing residential community in Foggy Bottom West End. On August 8th, WCA and ABRA 8 register community association -- that's why you 9 have our bylaws and our articles of incorporation 10 -- received protestant status for this case. The 11 applicant is seeking renewal of its 2013 license 12 including for six outdoor summer gardens. Today, 13 the WCA requests that the board add conditions to 14 its action on the renewal of these summer 15 gardens. We have six witnesses today: Ms. 16 Maddux and me for the West End Citizens 17 Association and four owners in the Watergate West 18 Cooperative apartment building which is next door 19 to the hotel. As our PIF states, I will be 20 primarily presenting the WCA case. Ms. Maddux 21 will discuss community objections to like 22

establishments and the four Watergate [inaudible
1:18:12] will discuss historical information
including before and immediately after the 2013
settlement agreement, ABRA case law and expected
adverse effects on them.

I want to say this is an unusual protestbecause:

8 1) There is critically missing information 9 which the board should have prior to any action 10 on the renewal application. We will be -- I will 11 be enumerating that.

2) Some of the summer gardens approved in 2013 are not yet operational. In fact, two of them are not even accessible to the public. That'll be discussed.

3) Neither of the two summer gardens 16 approved for live music have yet had any live 17 music. The WCA does not want to wait three years 18 to protest to the board problems after these 19 outdoor venues and live music have become 20 operational. Previously, I understand the board 21 allowed -- was able to do one year renewals, but 22

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now you have to do a full three years, so we don't want to wait a full three years for problems that we anticipate. Thank you very much for letting me make an opening statement.

5 CHAIRPERSON ANDERSON: Thank you. The board 6 will now call its first witness, Ms. Tasha 7 Cullings. Can you raise your right hand, please? 8 Do you swear or affirm to tell the truth and 9 nothing but the truth?

10 MS. CULLINGS: I sure do.

CHAIRPERSON ANDERSON: Thank you. Can you
 just introduce yourself for the record, please?
 MS. CULLINGS: Yes, Tasha Nicole Cullings,
 investigator with Alcoholic Beverage Regulation
 Administration.

16 CHAIRPERSON ANDERSON: And can you just --17 how are you involved in this case?

MS. CULLINGS: I was assigned the protest of a class CH license renewal for Watergate Hotel lessee trading as Watergate Hotel, located at 2650 Virginia Avenue Northwest.

22 CHAIRPERSON ANDERSON: And as a result of

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1 your investigation did you write a report?

2 MS. CULLINGS: Yes, I did.

3 CHAIRPERSON ANDERSON: And can you summarize 4 the report for us, please?

5 MS. CULLINGS: Yes.

6 CHAIRPERSON ANDERSON: Do the parties have a7 copy of the report?

8 MR. O'BRIEN: We do, thank you. The

9 applicant does.

10 MS. KAHLOW: Yes, I do, thank you.

CHAIRPERSON ANDERSON: All right, thank you.
 Go ahead, Ms. Cullings.

MS. CULLINGS: Yes, I was assigned to a 13 protest of a class CH license renewal for 14 Watergate Hotel. The Watergate license renewal 15 was being protested by West End Citizens 16 Association and they are represented by Ms. 17 Barbara Kahlow who identified herself as the 18 secretary/treasurer for the West End Citizens 19 Association. The protest issues are the effect 20 of the establishment on peace, order and quiet, 21 including noise and litter provisions set forth 22

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1 in Title 25-725 and Title 25-726.

In my protest packet I received a letter 2 dated July 25th that was sent to Chairman 3 Anderson of the ABC board from Ms. Sarah Maddux, 4 president of the West End Citizens Association, 5 and I included that in my packet as exhibit #1. 6 7 The letter is in protest of the recent license renewal of Watergate Hotel. The members of West 8 End Citizens Association are concerned that the 9 establishment will interfere with the peace, 10 order and quiet of the relevant area. 11

The specific concerns of the West End 12 Citizens Association, and I quote, "are the 13 adverse impacts, especially for two of the six 14 outdoor summer gardens with live entertainment, 15 entertainment and live music for the rooftop 16 until 2:00 a.m. on Fridays and Saturdays, and 17 until midnight the rest of the week, are highly 18 objectionable. The West End Citizens Association 19 believes that such late night noise will 20 adversely affect the quality of life in the 21 surrounding neighborhood which houses not only 22

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three Watergate complex cooperative apartment
buildings, but also the Plaza Condominium across
Virginia Avenue and many homes in the nearby
Foggy Bottom Historic District. Many Foggy
Bottom residents will be unable to sleep until
midnight on weekdays and until 2:00 a.m. on
weekends. This is unacceptable."

On Wednesday, October 5th, I e-mailed Ms. 8 Barbara Kahlow, the designated representative for 9 the West End Citizens Association so that I could 10 discuss with her the specific concerns that the 11 West End Citizens Association had for the license 12 renewal, CH, for the Watergate Hotel. On 13 Wednesday, October 5th, I also sent an e-mail to 14 attorney O'Brien, the representative for the 15 applicant of Watergate Hotel to discuss with him 16 the specific concerns that the protestants had in 17 regard to the license renewal of the Watergate 18 Hotel. 19

On Thursday, October 6th, 2016, I had an
opportunity to speak telephonically with Ms.
Kahlow. Ms. Kahlow advised me of her concerns as

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it relates to the license renewal of Watergate 1 Hotel and they are as follows: Ms. Kahlow stated 2 that ABRA should not have approved the ABC 3 license and that the hours -- and with the hours 4 as they are currently listed. The currently 5 listed hours of the rooftop summer garden shall 6 be allowed to operate until 12:00 a.m. Sunday 7 through Thursday and until 2:00 a.m. Friday, 8 Saturday and the eve of federal holidays. That 9 information came from exhibit #2 which is the 10 settlement agreement -- the previous -- or, the 11 current settlement agreement on file, labeled as 12 exhibit #2. 13

Ms. Kahlow also stated that there were many, 14 many elderly residents in the community and they 15 will be unable to sleep due to the allowance of 16 live music from a rooftop summer garden at such 17 late hours. Ms. Kahlow advised me that the West 18 End Citizens Association was also concerned about 19 terrace -- the area called The Terrace over the 20 ballroom area. Exhibit #2 also lists the current 21 settlement agreement and I labeled the pages #23 22

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through #24, paragraph #6 status that the terrace 1 summer garden above the ballroom shall operate no 2 later than 10:30 p.m. Sunday through Thursday and 3 11:30 p.m. Friday and Saturday, and the eve of 4 federal holidays. Live music may be offered 5 occasionally and recorded music other times until 6 7 10:00 p.m. Sunday through Thursday and 11:00 p.m. Friday and Saturday and the eve of federal 8 holidays. Music level will be controlled with a 9 55 dBA standard applicable to residential 10 balconies, terraces after 10:00 p.m. on each 11 evening. Ms. Kahlow stated to me that her 12 concerns as the current settlement agreement 13 states, was that the occupancy of the terrace 14 over the summer garden -- the terrace above the 15 ballroom area, the occupancy was not listed and 16 when it stated occasional live and recorded music 17 she wanted to know what that meant, the frequency 18 of live and recorded music in that area. 19

20 Ms. Kahlow also advised me that that area is 21 not being utilized at this time because there is 22 no accessibility to that area. Ms. Kahlow

advised me that the proper forms were not filled 1 out with ABRA and that the current ABC license 2 should not have been approved by ABRA. 3 Ms. Kahlow advised me of a follow-up letter that was 4 dated September 25th, and I contacted the 5 adjudication division of ABRA to receive a copy 6 7 of that and that is also in your packet labeled exhibit #3. This letter contains a comparison 8 chart and it lists other nearby establishments, 9 two of which are not open yet and two other 10 hotels that are open, none of which have any live 11 The letter is asking that the ABC board music. 12 agree to a one year renewal extension since there 13 has been no experience with allowing live music 14 venues in the area. 15

On Thursday, October 6, 2016, I spoke telephonically with attorney O'Brien and advised him of the issues that the West End Citizens Association had with the license renewal of Watergate Hotel. Attorney O'Brien advised me that after the hotel was purchased and the ABC license was approved in 2013, and the current

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settlement agreement was approved that is dated
May 1st, 2013, again, listed as exhibit #2, the
settlement agreement is between Watergate Hotel
lessee, trading as Watergate Hotel, and the
Watergate West Inc., Watergate East Inc., and
Watergate South Inc.

Attorney O'Brien advised me that the 7 applicant has spent \$150 million dollars to 8 renovate the hotel that was recently opened in 9 May, 2016. Attorney O'Brien stated that in 2013, 10 when West End Citizens Association had an 11 opportunity to be involved in the previous 12 protest of the new license, they were not 13 involved in the protests or the negotiations of 14 15 the current settlement agreement. Attorney O'Brien stated that money had been spent to 16 remodel and that many concessions were made to 17 the hours and the noise level that was previously 18 approved by the ABC board according to the 19 details that are specifically outlined in the 20 settlement agreement. 21

I advised Attorney O'Brien that Ms. Kahlow

had expressed the objection to any live music in 1 two of the outdoor areas. Attorney O'Brien 2 stated that during the protest in 2013 the 3 settlement agreement that was signed and agreed 4 upon specifically addressed the concern of noise 5 for the residents from the outdoor venues. 6 Attorney O'Brien advised me that after money had 7 been spent to remodel the hotel to be in 8 compliance with what was previously agreed upon 9 that West End Citizens Association wants to ask 10 that the applicant not have live music and that 11 they change the agreed upon hours. 12

On Wednesday October 12th, I visited 13 Watergate Hotel and met with Attorney O'Brien and 14 Mr. Robert Muehlich, the food and beverage 15 director of the Watergate Hotel. I asked to be 16 shown the area that was considered the terrace 17 over the ballroom and I included some pictures 18 labeled exhibits #4 through #7. This area is not 19 currently being utilized and is not accessible at 20 The area is a small courtyard area this time. 21 that is over the top of the ballroom. 22 I was

asked -- the pictures may not be very clear to
see the area. I was asked by Attorney O'Brien if
I wanted to go up and see the area a little
better but again, as I stated, it's not
accessible to the public now and it would have
been dangerous to do so.

I asked Mr. Muehlich were there any plans to 7 open that area anytime soon and he stated that in 8 addition to putting in an elevator that there 9 would need to be a lot of additional renovations 10 over the terr -- before the terrace over the 11 ballroom would be able to open and at this time 12 explained to me again that it was not accessible, 13 no accessibility. 14

I advised Mr. Muehlich that the West End 15 Citizens Association was concerned that the 16 current settlement agreement states that live 17 music will be offered in that area occasionally 18 and about the listing of -- not having an 19 occupancy listed. I asked Mr. Muehlich if he 20 could explain to me what occasionally meant and 21 Mr. Muehlich stated that the occasional use of 22

the area would only be at the request of a person 1 that was utilizing the ballroom for an event. 2 He stated it may be utilized as a cocktail area 3 prior to the start of a wedding reception. He 4 also stated that there would be no parties or 5 happy hour events and that the area would be 6 utilized by guests of the ballroom area only. 7 Mr. Muehlich stated that the area was very small 8 and he did not foresee dancing if that was an 9 issue from Ms. Kahlow also in that area. He 10 pretty much said after a wedding or other event 11 that the outdoor area may be used temporarily for 12 guests to enjoy cocktails and maybe live music 13 consisting of a violinist, keyboard player or 14 possibly a two or three-member band. 15

I then asked Attorney O'Brien to show me where the Plaza Condominium was located which is where Ms. Kahlow resides and I was pointed that it was located across eight lanes of traffic across Virginia Avenue. I provided exhibits of that and those are labeled exhibits #8 through #11. Attorney O'Brien also advised me that Rock

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Creek Parkway was directly behind the Watergate 1 Hotel and it was a heavily traveled street with 2 lots of noise and that planes frequently fly over 3 the hotel from Reagan National Airport and that 4 also contributes to noise in the area. I also 5 included in exhibits #12 through #18 the 6 Watergate residential buildings that are located 7 nearby. 8

I was then taken to the rooftop summer garden 9 area and from there I was able to see other 10 residential buildings in the proximity to the 11 The first area that I was shown was the rooftop. 12 Virginia Avenue side of the building to determine 13 the proximity of The Plaza Condominium. 14 I was not able to see the Plaza Condominium from the 15 rooftop because it was obstructed by a mechanical 16 penthouse and that's labeled exhibits #19 through 17 #20. 18

Mr. Muelich also advised me that since the hotel had been open they had not yet utilized any live music on the rooftop area and he also explained to me that live music on the rooftop

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area would only be utilized at the request of
guests for special events and that live music
would only be played during a booked event. Mr.
Muehlich showed me the speakers and those are
labeled as exhibit #21, where music would be
played on the rooftop area.

On Monday, October 17th, I e-mailed Ms. 7 Kahlow to advise her that I had visited the 8 Watergate and spoke with Attorney O'Brien and 9 Mr. Muehlich and had taken a tour of the hotel. 10 I advised Ms. Kahlow that I had addressed the 11 concerns that she had mentioned to me while I was 12 there, during my visit. I explained to -- and 13 this is exhibit #22 which is an e-mail exchange 14 between myself and Ms. Kahlow -- I explained to 15 her that it appeared that many of her concerns 16 were already being addressed in the current 17 settlement agreement that's on record with the 18 ABC board in reference to music being heard in 19 residences and at or above a certain level. Ms. 20 Kahlow e-mailed me back and she had some 21 additional concerns that I was unable to answer. 22

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Characteristics of the neighborhood as far as 1 zoning: The Watergate Hotel is located in a 2 mixed use zone. Zones provided for mixed use 3 development permit a wide -- a broad range of 4 commercial institutional and multi dwelling unit 5 residential development of various densities, or 6 7 page #6 of my report, nearby establishments, according to the District of Columbia Geographic 8 Information System map there are nine ABC 9 licensed establishments within 1200 feet of 10 Watergate Hotel and that's labeled as exhibit 11 #24. 12

For the record, there were some errors made 13 on page #6 and I have provided corrected copies 14 of that to the adjudication department. At the 15 bottom of the page, of the nine establishments, 16 five of these establishments have summer gardens, 17 four of the establishments do not and of the nine 18 establishments one of the establishments has live 19 entertainment or entertainment endorsement which 20 would include live music, and that would be 21 Sequoia Grill. 22

According to the District of Columbia 1 District of Columbia Geographical Information 2 System there are no schools, public libraries or 3 daycare centers within 400 feet of the 4 establishment. The Watergate Hotel is located 5 primarily in a mixed use area in a block with 6 7 numerous commercial and residential buildings, exhibit #23. 8

9 Exhibit #27 lists the hours of operation for
10 the Watergate Hotel. I listed the public
11 transportation station that is closest to
12 Watergate Hotel, Foggy Bottom Metro Subway
13 Station which is located at 2301 I Street
14 Northwest.

Days and hours of visit: I visited on 15 Friday, October 14th, 2016, from 10:00 p.m. until 16 11:30 p.m. During the hours I visited or 17 monitored the establishment, no ABRA violations 18 were observed. Monitoring was only done on one 19 occasion because at the present time the 20 establishment is not utilizing one of the areas 21 and the other area does not currently utilize 22

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1 live music.

Also, for the record, on page 9 at the top, I want to make a correction that there is one other establishment within 1200 feet that has live music and an entertainment endorsement, and, again, that's Sequoia Grill.

I listed as exhibits #28 through #31 --7 excuse me, #28 through #33, I listed pictures of 8 the parking garage area and street parking as 9 There are signs coming out of the parking well. 10 garage stating in reference to no deliveries 11 prior to 7:00 a.m. and talking about noise 12 control and advised the people that that is a 13 residential area. 14

A record search of the D.C. Office of Unified 15 Communications there were no calls for service at 16 the Watergate Hotel between October 2015 and 17 October 2016. A review of the D.C. Noise Task 18 Force Complaint Log indicates also no calls or 19 complaints for Watergate Hotel, and in their 20 investigative history there were no ABRA 21 violations found. 22

1 CHAIRPERSON ANDERSON: Thank you. Do we have 2 any questions by any board members? Mr. Short? 3 MR. SHORT: Good afternoon, Ms. Cullings.

4 MS. CULLINGS: Good afternoon.

5 MR. SHORT: Or investigator Cullings. Thank 6 you for an excellent report. It looks like you 7 did a lot of work and it was easy to follow your 8 report. Your communications with the community, 9 you mentioned talking with Ms. Barbara Kahlow? 10 MS. CULLINGS: Yes.

MR. SHORT: Did you speak with anyone else inthe community while you were doing the

13 investigation?

MS. CULLINGS: No, I did not. The letter I got that I believe is labeled exhibit #1 it had Ms. Kahlow listed as the point of contact.

MR. SHORT: To your knowledge were there any other community persons who were interested or concerned about this particular hotel and its rooftop operations?

21 MS. CULLINGS: Well, one of the letters -- I 22 believe it was to the chairman, was from Ms.

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Maddux. I did not make contact with her because
I had spoken with -- I had the contact
information for Ms. Kahlow and it stated that she
was the designated representative so I only made
contact with her.

6 MR. SHORT: Okay. Thank you for those 7 answers and thank you for that excellent report. 8 CHAIRPERSON ANDERSON: Are there any other 9 questions by any other board members? Mr. 10 Silverstein?

MR. SILVERSTEIN: Ms. Cullings, could you describe how far this proposed sidewalk -- or summer garden -- is from the nearest residence? MS. CULLINGS: The summer garden over the ballroom?

MR. SILVERSTEIN: Yes, the outdoor facility. MS. CULLINGS: Well, there are three condos condominiums in that area and they do have -most of them do have balconies, so I don't know how close you would say. I guess people could come out on their balconies and if I could --MR. SILVERSTEIN: Is it in eyeshot? Is there

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1 a direct view of it? Is it in earshot?

2 MS. CULLINGS: I would imagine ear and 3 eyeshot of some of the balconies.

MR. SILVERSTEIN: Very well, that's fine.
CHAIRPERSON ANDERSON: Are there any other
questions by any other board members? Mr.
O'Brien?

8 MR. O'BRIEN: Thank you.

9 CHAIRPERSON ANDERSON: Hold on one minute, 10 Mr. O'Brien. We're good, I just want to remind 11 you that each side has 90 minutes and so we're 12 going to time you. Try to make sure that you 13 comply with the timeline moving forward from now. 14 Thank you.

15 MR. SILVERSTEIN: And to the protestants that includes your cross examination, the 90 minutes. 16 I'm sorry? In 90 minutes? MS. KAHLOW: 17 MR. SILVERSTEIN: Each side has 90 minutes to 18 present your case and that 90 minutes includes 19 the time you spend cross examining witnesses. 20 Thank you for explaining that. MS. KAHLOW: 21 MR. SILVERSTEIN: Thank you. Just to make 22

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1 sure.

2 MR. O'BRIEN: May I ask her a question? 3 CHAIRPERSON ANDERSON: Yes.

MR. O'BRIEN: Investigator Cullings, bringing your attention back to where you referred in your report to the protest letter, you describe, you quoted from that letter describing the Plaza Condominiums as being across Virginia Avenue from the hotel. Am I accurate?

10 MS. CULLINGS: Yes.

MR. O'BRIEN: Now I ask you, if you don't mind standing up to look at the [inaudible 1:44:47] at exhibit #1 and the board has a copy. To orient you, you see where the Watergate Hotel is?

16 MS. CULLINGS: Yes.

MR. O'BRIEN: Okay, do you see where thePlaza Condominium is?

MR. SILVERSTEIN: Mr. O'Brien, I think it would be better if you could get both of you -because we -- we're trying to get us to see but we can't because you're obstructing.

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MR. O'BRIEN: I don't think Ms. Kahlow will have any problem stipulating that that is the Plaza Condominiums that the investigator just pointed to. Ms. Kahlow is shaking her head to confirm it.

6 CHAIRPERSON ANDERSON: All right.

MR. O'BRIEN: You stated in your -- first of
all does the Watergate Hotel front on Virginia
Avenue:

10 MS. CULLINGS: Yes.

11 MR. O'BRIEN: It does?

MS. CULLINGS: Well, there's a parking spot -- a parking area that you have to go into, but the main entrance is not on Virginia Avenue.

MR. O'BRIEN: Okay. What's between theWatergate Hotel and Virginia Avenue?

MS. CULLINGS: There were, I want to say --If not sure which direction --but there were four lanes of traffic --

20 MR. O'BRIEN: No, I am sorry.

MS. CULLINGS: Four lanes of travel -MR. O'BRIEN: Can one step out of the

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Watergate Hotel and step onto Virginia Avenue
 directly?

MS. CULLINGS: Not out the front door. 3 MR. O'BRIEN: Okay. 4 MS. CULLINGS: Not the entrance I went in. 5 MR. O'BRIEN: Okay. What is between the 6 7 Watergate Hotel -- let me suggest that this is Virginia Avenue here. There's the hotel. What 8 is between the hotel and Virginia Avenue? 9 MS. CULLINGS: I believe there was another 10 office -- I think there was another building. 11 MR. O'BRIEN: Right. In order to then get to 12 the Watergate Hotel you have to go the driveway 13 behind another building. 14 15 MS. CULLINGS: Yes. MR. O'BRIEN: A driveway off of Virginia 16 Avenue to get to the hotel itself? 17 MS. CULLINGS: Yes. 18 MR. O'BRIEN: Okay. 19 MS. CULLINGS: At the entrance I came in. 20 MR. O'BRIEN: Now, you stated that there were 21 -- that Virginia Avenue was eight lanes wide 22

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1 there. Did I understand your testimony to be 2 correct?

MS. CULLINGS: Well, I was saying including 3 the underpass. I took pictures. I can't 4 remember if this was four lanes or two. I can't 5 recall. I did note it in my report. 6 MR. O'BRIEN: Well, I'm suggesting to you 7 that Virginia Avenue is eight lanes including two 8 parking lanes. Is that consistent with your 9 observation? 10 MS. CULLINGS: I don't recall. I can't 11 recall. 12 MR. O'BRIEN: Okay, and then beyond Virginia 13 Avenue before you get to the Plaza Condominium 14 there's what? 15 MS. CULLINGS: There's another underpass, 16 possibly six lanes of traffic. 17 Okay. And would you point to MR. O'BRIEN: 18 that so the board knows what you're talking 19 about? 20 MS. CULLINGS: Yes. 21

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MR. O'BRIEN: Okay. If I suggested to you

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1 that that is known as the Potomac River Freeway,2 would you be familiar with that name?

3 MS. CULLINGS: Yes.

MR. O'BRIEN: Okay, and my suggestion to you of the Potomac River Freeway is eight lanes itself, would that be consistent with your observations?

8 MS. CULLINGS: Yes,.

9 MR. O'BRIEN: Okay. Those are my questions 10 of the investigator.

11 CHAIRPERSON ANDERSON: Thank you. Ms. Kahlow12 do you have any questions?

MS. KAHLOW: I do not. I want to compliment Ms. Cullings for being available, asking good questions, writing a good report. I thought she did a great job.

17 CHAIRPERSON ANDERSON: Thank you. But I'll 18 just give the board members -- do they have any 19 questions of Ms. Cullings based on the questions 20 that were asked by Mr. O'Brien? Thank you very 21 much, Ms. Cullings. You're excused. Mr.

22 O'Brien, do you wish to call your first witness?

MR. O'BRIEN: Yes. Jacques Cohen, please.
 CHAIRPERSON ANDERSON: I'm sorry? The last
 name?

4 MR. O'BRIEN: Cohen. C-O-H-E-N.

5 CHAIRPERSON ANDERSON: Mr. Cohen, can you 6 raise your right hand, please? Do you swear or 7 affirm to tell the truth and nothing but the 8 truth?

9 MR. COHEN: Yes.

10 CHAIRPERSON ANDERSON: Thank you, have a 11 seat. Can you pull the microphone to you so we 12 can hear when you speak? All right, thanks. 13 Your witness, sir.

14 MR. O'BRIEN: State your full name, please.

15 MR. COHEN: Jacques Laurent Cohen.

16 MR. O'BRIEN: Okay, and what is your

17 relationship to the Watergate Hotel?

MR. COHEN: I am the developer and managerand owner representative, so basically I

20 represent the owners.

21 MR. O'BRIEN: Mr. Cohen, how did you become 22 involved with the Watergate Hotel? How and when?

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MR. COHEN: In 2010, we purchased the 1 Watergate Hotel from a European bank called PB 2 Capital that had foreclosed on the property after 3 it had been closed since 2007. 4 MR. O'BRIEN: And after you foreclosed on the 5 property what did you do next? 6 MR. COHEN: For about a year and a half we 7 were working on planning for new hotel 8 construction. 9 MR. O'BRIEN: Okay and did there come a time 10 when you applied for an alcohol beverage control 11 license? 12 MR. COHEN: Excuse me? 13 14 MR. O'BRIEN: Did there come a time that you 15 applied for an alcoholic beverage control license? 16 MR. COHEN: Yes. 17 Do you recall when that was? MR. O'BRIEN: 18 MR. COHEN: That was around the end of 2012. 19 MR. O'BRIEN: I want to show you what's 20 already in evidence as exhibit #1. If you don't 21 mind standing, it's right this way. What does 22

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1 this depict generally speaking?

2	MR. COHEN: This is the part of the Foggy
3	Bottom Neighborhood and the Watergate complex.
4	MR. O'BRIEN: Okay. Would you identify the
5	location of the Watergate Hotel for the board?
6	MR. COHEN: The Watergate Hotel is that
7	building in green here that is right behind the
8	Virginia 2600 office building.
9	MR. O'BRIEN: What is to the west of the
10	hotel?
11	MR. COHEN: It is the Potomac Parkway and
12	Potomac River.
13	MR. O'BRIEN: Okay. What is to the east of
14	the hotel?
15	MR. COHEN: To the east of the hotel there is
16	a 300,000 square foot office building and then
17	Virginia Avenue.
18	MR. O'BRIEN: Let me interrupt you. Does the
19	hotel front on Virginia Avenue?
20	MR. COHEN: No, it does not have any frontage
21	on Virginia Avenue.
22	MR. O'BRIEN: What is between the hotel and

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1 Virginia Avenue?

2 MR. COHEN: A 300,000 square foot office 3 building.

4 MR. O'BRIEN: Okay. Now, what is east then 5 of that office building?

6 MR. COHEN: It's Virginia Avenue.

7 MR. O'BRIEN: And how wide is Virginia8 Avenue?

9 MR. COHEN: It's about 8 lanes, it's 8 lanes 10 wide.

MR. O'BRIEN: Okay and if you continue west -- oh, east, excuse me -- east. If you continue east from Virginia Avenue what comes next?

MR. COHEN: The Potomac River Freeway that's also I believe eight lanes.

MR. O'BRIEN: Okay. Is that at the groundlevel, the Potomac River Freeway?

18 MR. COHEN: It's sunken.

MR. O'BRIEN: Now, this map depicts -- well,

20 let me go back a step. What is to the south of

21 the Watergate complex?

22 MR. COHEN: The Kennedy Center and then just

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past the Kennedy Center the Potomac River Freeway
 wraps around.

MR. O'BRIEN: And where does it go? MR. COHEN: It goes to the bridge to cross to Virginia, I guess.

6 MR. O'BRIEN: All right, thank you. You 7 stated that you applied for an alcoholic beverage 8 license in, I think you said 2012.

MR. COHEN: If I remember well I believe so.
MR. O'BRIEN: At that time had you commenced
extensive renovations of the hotel?

MR. COHEN: No, we had specifically not done this. We wanted to make sure that we were able to go forward with our planning and projections before we did so.

16 MR. O'BRIEN: Was your ABC application in

17 2012 protested?

18 MR. COHEN: Yes, it was.

19 MR. O'BRIEN: What happened after the protest

20 was filed?

21 MR. COHEN: We ended up signing an agreement 22 with the neighborhoods and agreeing to some

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substantial reductions in what we were able to do
 on the summer gardens to get the neighborhood
 happy and get started with our project.

MR. O'BRIEN: When you say that you signed an agreement with the neighborhood who actually -what other parties to the agreement were there other than the hotel?

MR. COHEN: Originally the way at least I 8 understand it is the whole neighborhood, whoever 9 in the neighborhood was able to protest has 10 protested including the ANC and we've actually 11 entered in negotiations with everybody that was 12 protesting. We signed the agreement with the 13 three Watergate residential buildings and at the 14 time we came up with this deal, ANC decided that 15 they did not need to be a party to that agreement 16 anymore and decided not to be a party to it 17 because they didn't need to. 18

MR. O'BRIEN: Were these negotiations easy?
MR. COHEN: It was terribly difficult. It's
put a huge burden on the business. We were
literally stuck for six months.

MR. O'BRIEN: What was six months? 1 MR. COHEN: We were stuck for about six 2 months during the whole negotiation. 3 MR. O'BRIEN: Okay. 4 MR. COHEN: The project had absolutely no 5 progress for about six months. 6 MR. O'BRIEN: Already in evidence, and I'm 7 not going to bother to show it to you at this 8 juncture, is an applicant's exhibit #2 which is 9 the May 1st, 2013, settlement agreement. Are you 10 familiar with that document? 11 MR. COHEN: Yes, I am. 12 MR. O'BRIEN: Okay. Was that document 13 everything that you would have liked? Did it 14 contain everything that you would have liked? 15 MR. COHEN: No. It was a settlement 16 17 agreement. Okay. Did you make any MR. O'BRIEN: 18 concessions? 19 MR. COHEN: Yes we did. 20 MR. O'BRIEN: Can you give me an example of 21 some of the concessions you made? 22

MR. COHEN: We have reduced the hours of the
 rooftop terrace. We have limited our --

3 MR. SILVERSTEIN: Can you speak up a little4 louder?

5 MR. COHEN: Excuse me. We have reduced our 6 hours on every one of the summer garden terraces. 7 We have reduced the noise -- we have reduced the 8 noise allowance on every one of these terraces 9 and we have agreed with the neighbors to monitor 10 any activity on the rooftop very closely. On the 11 other terraces as well.

MR. O'BRIEN: Speaking of the rooftop, do you know what authorized capacity on the rooftop would be if you simply were limited by building code?

MR. COHEN: If I remember well, it's about 475.

MR. O'BRIEN: Okay. Did you, in the settlement agreement, attain a consent to 475 people?

21 MR. COHEN: It was actually our largest 22 concession, is that we reduced -- we reduced the

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number of patrons in that rooftop significantly.
I mean, now we're about -- we would have been
able to make it -- to have about 50% more people
in there but we've agreed with the neighbors to
limit it at 350 people.

6 MR. O'BRIEN: Again, that agreement is dated 7 May 1st, 2013. Once that agreement was signed 8 and approved by the ABC board, what happened 9 next?

MR. COHEN: Then we have followed through to actually get our construction permits and get the building renovated and built and hire all the employees, etc., etc.

MR. O'BRIEN: Okay. After execution of the 14 settlement agreement in 2013 -- well, let me go 15 back a step. Did I ask you how much you 16 purchased the building out of foreclosure for? 17 MR. COHEN: It's about \$45 million dollars. 18 \$45 million. After you had the MR. O'BRIEN: 19 settlement agreement approved by the board and 20 you started with redeveloping the building, how 21 much more did you spend to get the doors open? 22

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MR. COHEN: Up until now it's about \$145
 million dollars.

3 MR. O'BRIEN: On top of the original \$454 million dollars?

5 MR. COHEN: On top of the original \$45 yes. 6 MR. O'BRIEN: Okay. Would you have spent 7 that money without knowing that you had reached a 8 settlement with the community in 2013?

9 MR. COHEN: Absolutely not. I mean, as we 10 had mentioned many times, these summer gardens 11 were key to our projections.

MR. O'BRIEN: What do you mean byprojections? Explain to the board.

MR. COHEN: You kind of make projections -- I 14 mean we -- when we took this building, we had a 15 vision and dream for it to do what nothing wanted 16 to do. I mean other developers were looking at 17 this project as a, you know, two or three star 18 hotel and this is why they couldn't find a buyer. 19 We had a vision for it but that vision also 20 included energizing the area with nicer, 21 different offerings that would let it take full 22

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advantage of its positioning on the Potomac River 1 which it didn't before, necessarily always. 2 Ιt didn't always do that. So, for us in order to 3 make that dream happen it was extremely important 4 that we would be able to get as much as possible 5 use of these terraces in order to make the 6 business model viable. And after we knew that we 7 were able to get these terraces, then we felt 8 comfortable that we could go ahead and make the 9 investment. 10

MR. O'BRIEN: Are you present at the hotel every day?

13 MR. COHEN: No, I'm not.

14 MR. O'BRIEN: Where do you live?

15 MR. COHEN: I live in New York.

MR. O'BRIEN: And how often are you at the hotel?

18 MR. COHEN: Two to three days a week.

MR. O'BRIEN: Okay. Since you can't be there at all times, what, if anything, have you done to ensure that your staff complies with the May 1st, 2013, settlement agreement?

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MR. COHEN: We have made it very clear to our staff that the agreement was something to take very seriously. We have even paid a consultant, Mr. O'Brien, to come and train our staff so that they would understand all of the obligations that the hotel has in this agreement and they would follow it by the letter.

8 MR. O'BRIEN: Thank you, Mr. Cohen. Thank 9 you, Mr. Chair.

10 CHAIRPERSON ANDERSON: Ms. Kahlow, do you11 have any questions?

MS. KAHLOW: Yes, I do. Shall I wait untilall of his witnesses have spoken?

14 CHAIRPERSON ANDERSON: No, ma'am, this is
15 your opportunity to -- this is your only
16 opportunity to ask him questions.

MS. KAHLOW: Okay. Mr. O'Brien made the settlement agreement one of your exhibits and I have a couple of questions about that since you negotiated it. What does occasionally mean in terms of frequency for the terrace of the ballroom?

MR. COHEN: Well, I believe that occasionally is a word that was used in this agreement because we do not know what the frequency is exactly. It is up to the clients to let us know when they are going to want live music or not, so it means what occasional means, I guess.

7 MS. KAHLOW: Will there be any dancing in8 that venue?

9 MR. COHEN: Which terrace are you mentioning 10 again?

11 MS. KAHLOW: The Terrace over Ballroom.

MR. COHEN: Okay. This terrace is about, if 12 I remember well, 1200 square feet or so, so it's 13 not very large. I think the maximum number of 14 15 people we could put in there standing is about 100 at a maximum. Our -- we believe that what 16 clients are going to want to use it for the most 17 is for cocktail events, so we do not necessarily 18 foresee any dancing in there, but I can't say 19 either that it will never happen. 20

21 MS. KAHLOW: Okay, is November considered 22 summer, since the rooftop summer garden is

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1 operating in November? What will be the

2 permanent calendar year periods for each of the 3 summer gardens? But is November considered 4 summer?

5 MR. O'BRIEN: I object to the question, it's 6 asking for a commitment as to what function will 7 be used? Obviously summer gardens you use 8 [inaudible 2:05].

9 CHAIRPERSON ANDERSON: Ms. Kahlow?

10 MS. KAHLOW: So, are you not willing --

11 CHAIRPERSON ANDERSON: Ms. Kahlow, he 12 objected to your question, so he's telling me I 13 should not allow his witness to answer the 14 question so I'm asking you why I should allow him 15 to speak, to answer the question.

MS. KAHLOW: I think it's important for the board to know how long there'll be noise effects on residents and you'll be hearing from residents.

20 CHAIRPERSON ANDERSON: I'll allow the
21 question, Mr. O'Brien. I hear you. I will give
22 her some leeway at the start of this hearing and

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see where she's going to go. So, can you answer
 the question, sir, or do you need her to respond?
 MR. COHEN: Can you ask the question again,
 please?

MS. KAHLOW: Is November considered summer?
MR. O'BRIEN: Objection.

MR. COHEN: I don't understand the question.
CHAIRPERSON ANDERSON: Hold on, Ms. Kahlow,
hold on.

10 MR. O'BRIEN: It's argumentative.

MR. O'BRIEN: The term summer garden is a term the board and ABC uses, so if the ABC wants to define the word summer, fine. But, it's argumentative to say 'well, is November summer?'

15 MR. SILVERSTEIN: Mr. Chair.

16 CHAIRPERSON ANDERSON: Yes, Mr. Silverstein? 17 MR. SILVERSTEIN: Is summer garden not a term 18 of art to differentiate between what is on 19 private property and what is on public property 20 that a sidewalk café is on public property, and a 21 summer garden rather than season?

22 CHAIRPERSON ANDERSON: Well, I think I know

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what she's -- I think what she's asking is that what period? Maybe you can rephrase the question. I think why don't you ask him what period do they plan to use it?

5 MS. KAHLOW: That's my second question. 6 CHAIRPERSON ANDERSON: Because the reason I'm 7 saying that's what -- so rephrase the question 8 and just ask -- I think you're trying to find out 9 what period, so why don't you ask him the 10 question?

MS. KAHLOW: Thank you, Mr. Chair. What will be the permanent binding calendar year periods for each summer garden?

MR. O'BRIEN: Objection. There is no 14 obligation for this gentleman to state a 15 permanent and binding number of months for use of 16 the summer garden. When the weather permits, 17 they'll use it. If it doesn't permit in July 18 they won't. If it does permit it in December 19 they will. I don't think the protestants have 20 the position here to demand a binding commitment 21 from us. 22

CHAIRPERSON ANDERSON: Well, I'm not taking 1 it that way, so maybe her question is inartful, 2 so I would ask you to rephrase the question and 3 I'm not -- I'm not taking anything that she's 4 asking a question that he's saying that this is 5 binding and the board is going to write -- at 6 7 least I would not be in favor to say the board is going to write to say 'well, on the cross 8 examination you said this is what it is so this 9 is what we're going to do,' I just think, at 10 least for me anyway I'm -- I thought she's just 11 trying to get some information, so just rephrase 12 the question. Ask him what it is -- what's --13 when will he be using the summer garden? I think 14 that's what you're trying to ask, just ask him 15 the question and if he can't answer it then we 16 can move on from there. 17

MS. KAHLOW: Would any of these six outdoor venues be used year round depending on the weather?

21 MR. COHEN: These venues will be open weather 22 permitting.

MS. KAHLOW: Including any time during theyear? Is that what you're saying?

3 MR. COHEN: Weather permitting.

MS. KAHLOW: Okay, let's move to the next 4 question. Under the settlement agreement section 5 2A there is a June 15th through September 15th 6 test period for the rooftop summer garden which 7 would possibly result in renegotiating the hours 8 and it says, if I can quote, that it was supposed 9 to be done in 2014 or 2015. When will the test 10 period be now that you didn't open that until the 11 middle of this period? 12

13 MR. O'BRIEN: Mr. Chair?

14 CHAIRPERSON ANDERSON: Yes.

MR. O'BRIEN: Since this is a question about the document that is in evidence, may we have a copy of it?

18 CHAIRPERSON ANDERSON: Yes, that is19 appropriate. I myself am looking for the

20 document too, so --

21 MS. KAHLOW: Section 2A. I can read the part 22 where it says. My question now is when is the

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June 16 to September 15th test period? When is
 it? When will it be?

CHAIRPERSON ANDERSON: Well, I -- what I 3 asked you before why don't you ask the question 4 for -- did they do this test period? Because 5 we're now in 2016, I don't know whether or not 6 this test period was ever done so I think that a 7 better question to ask, and maybe you know and I 8 don't know, did they comply with this provision 9 to have this test period and if it did, what was 10 the result? If they didn't, are they going to 11 have it done in some other period of time because 12 I'm not -- I don't -- anyway. 13

MR. COHEN: I mean what I understand here 14 from this document is, it says the parties which 15 are ourselves and the signatories agree to go 16 through an interim period. The way I understand 17 this is that interim monitoring period should 18 adjustments be needed. So, we haven't been asked 19 for any adjustments, you know we've now been open 20 for a while, people have -- the applicants, I 21 mean the other signatories of this agreement are 22

very aware of what the agreement says and right 1 now we're not aware of any need to make any 2 adjustments, so --3

MS. KAHLOW: Was it operating? Has there 4 been any live music yet? 5

We have not had any live music on 6 MR. COHEN: any of these menus -- on any of these venues yet. 7 MS. KAHLOW: As a consequence when will the 8 three-month test period be? 9

I don't think the agreement calls MR. COHEN: 10 for a test period. 11

Thank you. I'll move to the MS. KAHLOW: 12 next question. What is your plan to provide 13 access to the Terrace over Ballroom summer 14 garden? Will there be an elevator?

The rooftop summer garden? MR. COHEN: 16 The Terrace over Ballroom summer MS. KAHLOW: 17

garden. 18

15

Terrace over Ballroom. MR. COHEN: So, we 19 still have to do a little bit of construction 20 work in order to gain access to the small Terrace 21 over Ballroom. I do not know exactly when it's 22

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finished for sure before the next spring season. 2 MS. KAHLOW: Spring 2017? 3 MR. COHEN: Yes. 4 MS. KAHLOW: And my question was, will there 5 be an elevator? 6 There is an ADA lift that is MR. COHEN: 7 compulsory by law that will be there and stairs 8 to access the terrace. 9

going to be completed but the plan is to get this

10 MS. KAHLOW: It's not there yet?

11 MR. COHEN: It's not there yet.

1

MS. KAHLOW: Thank you. Will there be a log available to ABRA, the ANC and the West End Citizens Association of all outdoor venue noise complaints registered with the hotel?

MR. O'BRIEN: If I may -- a log available to whom?

MS. KAHLOW: ABRA, ANC and us, and if you don't want us, at least the other two, ABRA and the ANC?

21 MR. COHEN: I believe ABRA keeps a log of 22 their complaints so I think complaints go through

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1 ABRA

MS. KAHLOW: Well, my understanding, and 2 maybe I'm wrong, is that you have directed the 3 three Watergates, not the other buildings like 4 mine, to call the Watergate food beverage manager 5 or somebody else and the question is are you 6 maintaining a log that will be available to ABRA 7 when we come back in three years? 8 MR. COHEN: I think we would. Right now we 9 haven't had any complaints since we opened all of 10 these venues over two months ago, so we don't 11 have a log currently as we have had no 12 complaints. 13 MS. KAHLOW: But you intend to have a log. 14 15 MR. COHEN: Should we have any complaints we will talk about it again. 16 MS. KAHLOW: Okay. When will the not-yet-17 open summer gardens begin operation? If you 18 could tell me month and year. The Terrace over 19 Ballroom first? 20 Excuse me, I'm not getting your MR. COHEN: 21 question. 22

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MS. KAHLOW: When will it be open? It's not
 open yet, there's no accessibility.

MR. COHEN: I think I've already answered that question.

5 MS. KAHLOW: You hoped spring 2017. How 6 about the hospitality suites?

MR. COHEN: The hospitality suites terrace
has been -- is already open and merged with the
other terrace, what's called the Café Terrace.

10 MS. KAHLOW: And it's open?

MR. COHEN: Yes.

MS. KAHLOW: When we did a walk-through they said there was no access. Thank you, I didn't know that. Is anything else not yet open?

15 MR. COHEN: No.

MS. KAHLOW: Thank you, that's all for this witness.

18 CHAIRPERSON ANDERSON: All right. Thank you.19 Any questions by the board? Mr. Short?

20 MR. SHORT: Good afternoon Mr. Cohen. So, 21 you've been involved with this building since it 22 was bought back from the bank?

1 MR. COHEN: Yes.

2	MR. SHORT: And you've made a lot of
3	progress. Is the hotel functioning now?
4	MR. COHEN: It is. It is now, yes.
5	MR. SHORT: So, how many outdoor venues do
6	you have approximately right now?
7	MR. COHEN: Right now I think there was is
8	that six summer gardens in the agreement?
9	MR. SHORT: How many are functioning right
10	now?
11	MR. COHEN: So, right now, everything but
12	one.
13	MR. SHORT: So you have five?
14	MR. COHEN: Five summer gardens and one is
15	merged so it's two in one, yes.
16	MR. SHORT: What are the hours of these five
10	Int. BHORT. What are the hours of these five
17	venues?
17	venues?
17 18	venues? MR. COHEN: I think I will read from the
17 18 19	venues? MR. COHEN: I think I will read from the agreement. So the hours of operation for the

1 hour to what hour? When do they open and when do2 they close?

MR. COHEN: So, the opening time depends on 3 the day. The closing time also depends on the 4 day, it depends on the business, it depends on 5 the weather, so in September we opened very late 6 in August, very late August early September. 7 We were opening later in the day because it was too 8 hot so around 4:00 or 5:00 p.m. is when we were 9 opening our doors. Closing at around midnight 10 throughout the whole month of September -- end of 11 August, the whole month of September. 12

What are the latest hours? MR. SHORT: 13 MR. COHEN: Closing at midnight and then in 14 the weekends about the same because it was too 15 hot during the day so we couldn't open really 16 earlier than that. And then closing at 2:00 a.m. 17 Okay, and so how many months has MR. SHORT: 18 this been operating? 19

20 MR. COHEN: So, this has been operating now 21 for two and a half months. I don't remember 22 exactly which date of August we opened in but

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1 it's two and a half to three months.

2	MR. SHORT: I guess we hear about peace,
3	order and quiet, so pretty much have there been
4	any complaints from the community since you've
5	been operating.
6	MR. COHEN: We've had zero complaints.
7	MR. SHORT: Okay, no complaints, you're
8	operating pretty much daily.
9	MR. COHEN: We're fully operating.
10	MR. SHORT: Midnight.
11	MR. COHEN: We've had 10,000 people, over
12	10,000 people go through the rooftop since we
13	opened.
14	MR. SHORT: I can imagine, I've had a chance
15	to be on top of the Watergate and a couple of
16	other buildings. That view is absolutely
17	breathtaking.
18	MR. COHEN: Breathtaking, yes. We think
19	we're the best in town.
20	MR. SHORT: Okay, so this is a question
21	and a comment and you can comment after you hear
22	this. What I'd like to see is more businesses

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coming to Washington D.C. and flourish but I also want our community to stay comfortable with the businesses, so what are you doing to make sure that the community and your business stay so both of you can be comfortable?

6 MR. COHEN: We are actually extremely 7 involved with the community. Our director of 8 beverage and director of food and beverage and 9 general manager are in regular contact with 10 residents. They even have cell phone numbers of 11 residents of the three --

MR. SHORT: Excuse me, by contact you mean byphone?

MR. COHEN: Phone. Phone contact, yes. They 15 --

MR. SHORT: Is this daily, weekly, monthly? MR. COHEN: It is regular and whenever needed, but we have been communicating with friendly residents on a weekly basis at the opening of the rooftop to make sure that they -everything was okay. It's actually residences that are pretty close to the rooftop --

1 MR. SHORT: How close?

MR. COHEN: -- make sure -- pretty much as 2 close as it gets to the complex. They've been 3 choosing, we call the general managers for the 4 buildings, ask them for some contacts, we've been 5 in touch with them to monitor if there were any 6 7 issues with noise or other issues coming from these venues and right now it's been zero 8 complaints. 9 MR. SHORT: Okay. Thank you, that's all I 10 have. Thank you, Mr. Cohen. That's all I have, 11 Mr. Chair. 12 CHAIRPERSON ANDERSON: Mr. Silverstein? 13 MR. SILVERSTEIN: Mr. Cohen , you said that 14 15 these people live as close as it gets. That can mean two things. It means either they're closest 16 to it or they're somewhere between you and me. 17 MR. COHEN: Sir, I --18 MR. SILVERSTEIN: Does 'as close as it gets' 19 mean -- how close are the nearest residents to 20 the rooftop? 21 I mean, the best way is probably 22 MR. COHEN:

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1 to show it on the aerial, I guess.

2 MR. SILVERSTEIN: Give me in feet. I don't 3 do meters.

4 MR. COHEN: I'm not sure -- it's --

5 MR. SILVERSTEIN: Are they closer --

MR. COHEN: They're in a residential building so it's -- they are a lot closer than this. I mean, this is more than a thousand feet away, it's very far. A thousand.

MR. SILVERSTEIN: Okay, let me ask you this. You're pointing at that. Are they as close to me as the end of this building, where the window is out there in the hall?

14 MR. COHEN: This building?

15 CHAIRPERSON ANDERSON: Generally.

MR. SILVERSTEIN: Are they as close as the building across the street over there, looking down the hallway? How far away is the nearest person? Or tell me how many feet. I mean, if we're talking a quarter of a mile, that's one thing, if we're talking a certain number of feet that's something else.

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MR. COHEN: I'm not sure what the -- I wouldn't want to say something that I'm not sure of.

4 MR. SILVERSTEIN: Give me a guess. Of course 5 you can.

6 CHAIRPERSON ANDERSON: If he can't answer --7 I say well, Mr. -- if you're looking at this 8 building I guess he's saying from where he's 9 sitting to the end of the hallway, so maybe you 10 can look to see and you can say yes or no.

11 MR. SILVERSTEIN: Is the nearest person as 12 far away from your roof deck as I am from the end 13 of the hallway? Do you understand me?

14 MR. COHEN: Yes, yes I do.

MR. SILVERSTEIN: Are they farther than that?

MR. COHEN: The end of the building here?

17 MR. SILVERSTEIN: Yeah.

MR. COHEN: I think probably yes for all of them. Some are further, some are about this or a little bit more, yes.

21 MR. SILVERSTEIN: And are they at the same 22 height? Is there anything between them -- are

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they within direct eyesight and direct earshot?
MR. COHEN: They are in direct eyesight. We
can see the balconies from the rooftop and they
probably can see the rooftop from their balconies
because they are lower.

6 MR. SILVERSTEIN: So, if somebody were to go 7 up there. You can sit down, now. Thank you 8 very much. So, if someone were to go out there 9 and say, play the tuba, would there be anything -10 - they're not I know --

11 MR. COHEN: Excuse me?

MR. SILVERSTEIN: You could hear that or would there be anything in between that would mitigate the noise? Are there any plants, is there any structure that would in any way baffle the noise?

MR. COHEN: What I know is from what we've heard from the neighbors that do have residences and balconies, they haven't heard any noise.

20 MR. SILVERSTEIN: That's not the question I 21 asked, sir. Please answer the question I asked. 22 MR. COHEN: Okay.

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MR. SILVERSTEIN: The question I asked wasn't 1 had there been any complaints, is there any bad 2 The question is, is there anything in noise. 3 between the roof deck and these people that would 4 baffle the noise? That would -- are there any --5 you know, many places have plants or have a 6 little wall or something like that, some noise 7 mitigation. 8

9 MR. COHEN: We have a little bit of plants on 10 the rooftop but it's not all over, so it's not a 11 wall, a plant wall or anything like this.

12 MR. SILVERSTEIN: Okay.

MR. COHEN: And then there's the ambient noise from the Parkway and the planes and the helicopters, etc., etc.

MR. SILVERSTEIN: Sure, I mean, you know, 16 you're in the city. If you want absolute peace 17 and quiet you're welcome to move to Sterling. We 18 all know that on both sides. The issue here is 19 the noise from the rooftop. Is there any music 20 Is there any amplified music? played out there? 21 MR. COHEN: There has been amplified music 22

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played up there all through the opening times. 1 MR. SILVERSTEIN: All through the? 2 MR. COHEN: All through the time it was 3 opened, through those -- those -- that, you know, 4 two and a half to three months. 5 MR. SILVERSTEIN: Okay. Is it music simply 6 where people are talking, where the music is not 7 so loud that it would interrupt their 8 conversation, or is this the kind of music where 9 people are up there dancing and partying? 10 MR. COHEN: No, I mean the concept is there's 11 no dancing, it's a lounge, so --12 MR. SILVERSTEIN: So, this is basically 13 ambient music. 14 MR. COHEN: People can have conversations. 15 It's a good music level but it's --as far as we 16 know it's not audible from the residences. 17 MR. SILVERSTEIN: Great. No further 18 questions. Thank you sir. 19 CHAIRPERSON ANDERSON: Are there any other 20 questions by any other board members? 21 22

MS. HOBSON: I have a question.

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CHAIRPERSON ANDERSON: Hold on -- I'm sorry,
 Ms. Hobson.

MS. HOBSON: That's okay. Mr. Cohen, has anyone in your working with the tenant group or the community, has anyone suggested that you install any type of barrier between the patios and the residences or suggested that there was a need to do so?

9 MR. COHEN: No.

MS. HOBSON: And so, it was never part of any agreement or any discussion that you've had?

12 MR. COHEN: No.

MS. HOBSON: Okay, that's all I have.

14 CHAIRPERSON ANDERSON: Mr. Short.

MR. SHORT: Again, Mr. Cohen. How many

16 stories is the hotel rooftop -- the height?

MR. COHEN: It's on floor -- we have 14 floors but it's really 13, and the rooftop is on top of this, so it's the 14th elevation.

20 MR. SHORT: And what is the tallest building, 21 how many stories is the next tallest building 22 near that's residential?

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MR. COHEN: They're all about the same height
 in the complex.

MR. SHORT: Okay, just for the record, it might say 14th floor but there's no 13th floor, is that correct?

6 MR. COHEN: Exactly.

7 MR. SHORT: That's normal in business.

8 MR. COHEN: They're all 13-story buildings as9 far as I understand.

MR. SHORT: Okay. Thank you. That's all Ihave, Mr. Chair.

MR. O'BRIEN: Can I ask one question based onboard member Hobson's question?

CHAIRPERSON ANDERSON: Yeah, I'm going to ask 14 15 her, it's your witness so I'm going to ask her first and you go last. Ms. Kahlow, do you have 16 any questions based on the questions that were 17 asked of him by the board? So, you have to ask, 18 it has to be based on the questions that were --19 MS. KAHLOW: I don't have any. But I have a 20 request after this witness is finished. 21

22 CHAIRPERSON ANDERSON: Okay, fine. Go ahead,

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1 sir.

2 MR. O'BRIEN: Are there any governmental 3 restrictions that you're aware of that would 4 prohibit you from building walls or barriers on 5 the rooftop?

6 MR. COHEN: The Watergate complex is a 7 historical building. We have had a lot of 8 discussions with the fine arts and we did 9 actually discuss potential barriers with them. 10 They were absolutely against it, then.

MR. SILVERSTEIN: Mr. Cohen, please speak a
little closer to the mic. I'm having trouble
hearing, I apologize.

MR. COHEN: I mean, everything that we do at 14 15 the Watergate Hotel that's of any permanent construction nature has to go through the 16 historical board, so anything we have to do there 17 we would need to get permits to do anything 18 Their opinion was very negative when we there. 19 approached the issue with them back a few years 20 21 ago.

22 MR. O'BRIEN: The issue of?

MR. COHEN: Of potentially putting in a glass barrier. We thought it would be more aesthetic for our clients to get a high glass barrier instead of the current barrier that Watergate complex buildings have, and they were against it. It's very late to do this now, it would be a big undertaking after the fact.

8 MR. O'BRIEN: Thank you.

9 MR. SILVERSTEIN: HPRB -- you applied for it 10 and HPRB said no?

MR. COHEN: We haven't applied for it. The way we have been doing things is we go to HPRB and Fine Arts, we discuss with them what would be acceptable and then we submit it, because --

MR. SILVERSTEIN: They said you wouldn't get anywhere with this, correct?

17 MR. COHEN: Excuse me?

18 MR. SILVERSTEIN: So, OHP staff said this 19 probably wouldn't go anywhere?

20 MR. COHEN: Exactly, exactly.

21 MR. SILVERSTEIN: Okay.

22 MR. COHEN: Yes.

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1 MR. SILVERSTEIN: Thank you.

2 CHAIRPERSON ANDERSON: All right, thank you.3 Do you have any other questions for him?

4 MR. O'BRIEN: No, sir.

5 CHAIRPERSON ANDERSON: Thank you for your 6 testimony, sir. You can step down. You're still 7 under oath. Please do not discuss your testimony 8 with anyone else until this case is over, so you 9 can have a seat. Yes, Ms. Kahlow, what's your 10 request?

MS. KAHLOW: I'm sorry, and I'm asking the 11 board's indulgence. Ms. Maddux has to take her 12 mother to a doctor appointment that was 13 unexpected and I wonder if she could testify out 14 It's not a long statement but I would 15 of order. like her to be able to do that. If not, that 16 would be a problem. 17

18 CHAIRPERSON ANDERSON: Mr. O'Brien?

MR. O'BRIEN: I would certainly always want

20 to accommodate my friend, Ms. Maddux.

21 MS. KAHLOW: Thank you.

22 CHAIRPERSON ANDERSON: All right. Then we'll

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1 --

2 MR. O'BRIEN: If it's okay with the board 3 it's certainly okay with me.

4 CHAIRPERSON ANDERSON: I -- if you don't
5 have an objection I'm fine with it. Ms. Maddux?
6 MS. MADDUX: Thank you on behalf of my
7 mother.

8 CHAIRPERSON ANDERSON: Are you asking her9 questions or is she making a statement?

10 MS. KAHLOW: She's making a statement.

MR. O'BRIEN: If there's going to be evidenceI think she should still be under oath.

13 CHAIRPERSON ANDERSON: I know, that's what 14 I'm, I was just trying to find -- can you raise 15 your right hand, please? Do you swear or affirm 16 to tell the truth and nothing but the truth?

17 MS. MADDUX: I do, sir.

18 CHAIRPERSON ANDERSON: Okay. Your witness,
19 Ms. Kahlow. I don't know what's going to happen.
20 MS. KAHLOW: Ms. Maddux, would you please

21 give a statement?

22 CHAIRPERSON ANDERSON: Well, why don't you

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kind of ask her to introduce herself and kind of
 sort of ask her a question but then she can give
 her statement.

4 MS. KAHLOW: Aha. Ms. Maddux, in your 5 experience as president --

6 CHAIRPERSON ANDERSON: Have her introduce7 herself first for the record.

8 MS. MADDUX: I'm Sarah Maddux. I'm president 9 of the West End Citizens Association, WCA. I 10 reside at 522 21st Street Northwest and have been 11 there since the 1960s.

MS. KAHLOW: Ms. Maddux, with your positions as president of the West End Citizens Association and an officer of the Federation of Civic Citizens' Association, could you please offer us some of your knowledge?

MS. MADDUX: Thank you. I am secretary of
the Board of Directors of the Federation of
Citizens' Association. The federation's
membership is composed of 21 Citizens'
Associations from across the District of
Columbia. One of the issues the members

frequently discuss is the impact of noise from 1 establishments which purvey alcoholic products as 2 part of their services. The noises from such 3 establishments impact the peace and quiet 4 enjoyment of residences in their areas. This is 5 a city where residential and commercial functions 6 are intermingled as the District of Columbia has 7 grown since its original establishment. Now you 8 are hearing cases from many areas of the city 9 including, but not limited to, Dupont Circle, 10 Kalorama, Adams Morgan and Congress Heights. 11 Now, also the neighborhood around the Walter Reed 12 development areas concern about the forthcoming 13 establishments with liquor licenses. A repeating 14 issue is noise and its impact upon the taxpaying 15 residences. 16

In our neighborhood of Foggy Bottom West End,
as described, there has been a successful effort
to accommodate the issues while the commercial
establishments have been able to operate
successfully. The Watergate Hotel, as has been
testified to, is part of a historic landmarked

area and takes its brand name from the national
and international public recognition of the whole
complex which, by majority, a series of
residential and commercial areas. The residents
have been supportive of the resurrection of the
hotel and expect reciprocal respect from the
hotel as a residential area.

8 The mayor of the District of Columbia has a 9 major program -- Age Friendly D.C., guided by the 10 World Health Organization. It is a city-wide 11 initiative that works to transform the District 12 into an easier place to grow older by bringing 13 together District residents of all ages with 14 government and community partners.

According to the report of the D.C. Office of 15 Aging released October 11, 2016, D.C. is on pace 16 to become only the third U.S. city designated by 17 WHO as an Age Friendly city. To quote the 18 announcement from the mayor's initiative works to 19 prepare D.C. for a future with more residents and 20 visitors who are age 50 and older and to ensure 21 that we offer to people of all ages opportunities 22

to thrive and live with purpose. The residents 1 of the Watergate residential buildings are 2 definitely within the intention and purpose of 3 this program. The need for mutual accommodation 4 between the hotel and the residents of the 5 compound centers upon the issues of noise and its 6 impact upon the peaceful and quiet enjoyment. 7 The issue is the sound of music and entertainment 8 which becomes noise as it impacts the hearing 9 sense of the residents. A dictionary definition 10 is: Sound: A vibration that travels through the 11 air that can be detected by the ear. The issue 12 definition of noise is "sound, especially one 13 that is loud or unpleasant." But this issue 14 we're talking about devolves to the impact of 15 It can interfere with verbal noise. 16 communications between and among individuals, 17 distract one's attention while reading, watching 18 television or listening to one's own music within 19 one's home and also interrupt one's rest or 20 sleep. 21

Given that the requested hours on the license

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22

are after 11:00 p.m. the impact of the noise from 1 the hotel venues delivers a health threat. 2 In a report from the Washington Post Health and 3 Science section on September 14, 2016, Matthew 4 Walker, a professor of neuroscience and 5 psychology at the University of California at 6 7 Berkley, and director of the U.C. Berkley Sleep and Neuro Imaging Laboratory, states "It is very 8 clear right now that the sleep loss epidemic is 9 the greatest public health crisis of first world 10 nations of the 21st century. Every disease 11 that's killing us in first world countries can be 12 linked to loss of sleep." The article continues: 13 "Indeed, the lack of sleep, in addition to 14 causing fatal accidents and injuries, has been 15 linked to an increase in hypertension, diabetes, 16 depression, obesity and even cancer. Just about 17 all citizens" -- excuse me, "scientists and 18 medical professionals agree that good sleep helps 19 keep the body healthy." We've all had 20 experiences with our sleep being interrupted by 21 loud noise and the impact on our night and the 22

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next day is a misery. Thus, in the interests of 1 good neighbors and good health among all, there 2 should be no music, live or amplified, and 3 serving hours should be in keeping with the 4 standards of the neighborhood. As has previously 5 been cited in our exhibits, there are other 6 establishments in our neighborhood that maintain 7 these hours that are part of our good, friendly 8 neighborhood. 9

Additionally, I'd like to offer one 10 observation about there is an aspect about the 11 time of the day when there is noise, because it 12 rises and falls according to the various layers. 13 Early in the morning, the neighborhood is very 14 quiet. As the day builds, the trucks, the 15 traffic, everything builds up, and it all sort of 16 layers on each other and as the day goes by it 17 gets quieter and quieter until the end of the day 18 you can hear sounds bouncing off the buildings 19 coming from individual things. In the quiet 20 hours of the late night and early morning, sound 21 is more noticeable regardless of how close or far 22

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away it is, especially without traffic or 1 delivery trucks. For instance, yesterday I could 2 hear the canons for salute from Arlington 3 Cemetery and you can imagine how far 21st Street 4 is from Arlington Cemetery. But I heard the 5 canons of salute for a funeral in the middle of 6 our area. So, it depends on the day, the time of 7 the day there is noise and how it's transmitted 8 and heard, and also the buildings it can bounce 9 from, because what you might think is something 10 next door can actually be coming from a building 11 three or four buildings away. 12

So, this sound issue is a very complicated 13 issue, but it is also a very health-sensitive 14 issue and I thank you for your time and your 15 accommodation for me to take care of my mother. 16 CHAIRPERSON ANDERSON: Thank you. Do you 17 have any questions for her, Mr. O'Brien? 18 Ms. Maddux, it's correct, is it MR. O'BRIEN: 19 not, for me to say that you are not aware of 20 anybody complaining that they've lost sleep as a 21 result of operations at the Watergate Hotel? 22

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MS. MADDUX: Unfortunately, Mr. O'Brien, several of the residents have told me that it does interrupt them and I think you'll be hearing from them later.

5 MR. O'BRIEN: Okay, you mentioned the 6 residents. You're talking about the residents of 7 the Watergate residential buildings, correct?

8 MS. MADDUX: Yes, sir, yes.

9 MR. O'BRIEN: Okay. You are aware that in 10 2013 the governing bodies of those three 11 residential buildings entered into a settlement 12 agreement are you not?

MS. MADDUX: A certain group of them, yes.
MR. O'BRIEN: I said the governing bodies.
MS. MADDUX: Okay, excuse me. Correct. The

16 governing bodies, correct.

MR. O'BRIEN: Each of the three entered intothe settlement agreement. Is that your

19 understanding?

MS. MADDUX: I think that's why democracy -the governing bodies represent the residents, either all, part or some.

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MR. O'BRIEN: The board of directors of each 1 of those three Watergate residential buildings 2 entered into the 2013 settlement agreement, 3 correct? 4 MS. MADDUX: Yes, sir. 5 MR. O'BRIEN: Okay. None of those boards --6 none of those three have sought to modify it, is 7 that correct? 8 MS. MADDUX: To my knowledge. 9 MR. O'BRIEN: Okay. But somehow, you know 10 better than the residents of the Watergate 11 buildings what is best for them? Is that 12 correct? 13 MS. MADDUX: I wouldn't say better than, but 14 15 I would say jointly as residents of the area. MR. O'BRIEN: Those are my questions, Mr. 16 Chair. 17 CHAIRPERSON ANDERSON: Thank you. Do we have 18 any questions of any board members? 19 MS. HOBSON: Yes. 20 CHAIRPERSON ANDERSON: Yes, Ms. Hobson. 21 Where do you live? 22 MS. HOBSON:

OLENDER REPORTING, INC. 1100 Connecticut Avenue N.W., #810, Washington, D.C. 20036 Washington: 202-898-1108 • Baltimore: 410-752-3376 Toll Free: 888-445-3376 MS. MADDUX: On 21st Street, between E and F. MS. HOBSON: And how far away is that from the hotel?

MS. MADDUX: I would say seven blocks, seven and a half blocks.

6 MS. HOBSON: Okay, thank you.

7 MS. MADDUX: Do you want me to point it out8 on the map?

9 MS. HOBSON: No, no, no I'm good.

10 CHAIRPERSON ANDERSON: Any other questions? 11 Any -- Ms. Kahlow do you have any questions of 12 her based on the questions that were asked by Mr. 13 O'Brien and the board.

MS. KAHLOW: I do not, Mr. Chairman, and I
thank you so much for making this accommodation.
CHAIRPERSON ANDERSON: Thank you very much
and thank you, Mr. O'Brien. Thank you, ma'am,
you're free to go.

MR. O'BRIEN: Mr. Chairman, I know Ms. Maddux is blasting out of here but may she be instructed that she's not to discuss her testimony with any other witness?

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CHAIRPERSON ANDERSON: Yes, you are -- please 1 2 be directed that you cannot discuss the nature of your testimony with any of the witnesses until 3 this case is over. 4 MS. MADDUX: I hear and I observe, thank you. 5 CHAIRPERSON ANDERSON: Thank you, ma'am. 6 CHAIRPERSON ANDERSON: Mr. O'Brien, your next 7 witness, please. 8 MR. O'BRIEN: Yes, Vincent Mercurio. 9 CHAIRPERSON ANDERSON: He has been 10 sequestered, so -- can you raise your right hand, 11 please, sir? Do you swear or affirm to tell the 12 truth and nothing but the truth? 13 MR. MERCURIO: 14 Yes. 15 CHAIRPERSON ANDERSON: Thank you. Have a seat please. Mr. O'Brien? 16 MR. O'BRIEN: Will you state your full name, 17 please? 18 MR. MERCURIO: Vincent Mercurio. 19 MR. O'BRIEN: And would you make sure the 20 microphone is pulled up to you? How do you spell 21 your last name, sir? 22

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MR. MERCURIO: M-E-R-C-U-R-I-O. 1 MR. O'BRIEN: And what relationship do you 2 have to the Watergate Hotel? 3 MR. MERCURIO: I'm the managing director 4 there. 5 MR. O'BRIEN: How long have you been in that 6 7 position? MR. MERCURIO: Just over two months. 8 MR. O'BRIEN: Have you ever offered to meet 9 with the board of directors of the West End 10 Citizens Association and/or the Plaza 11 Condominium? 12 MR. MERCURIO: I have. 13 MR. O'BRIEN: Have they taken you up on those 14 offers? 15 MR. MERCURIO: They have not. 16 MR. O'BRIEN: What procedures are in place 17 for receipt of complaints for such complaints as 18 might be lodged. What procedures within the 19 hotel are in place in order to deal with any 20 complaints? 21 MR. MERCURIO: As a 24/7 operation we have 22

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staff on all shifts to receive calls at our main 1 Those staffers are strictly trained to 2 number. ensure that they advise management on duty 3 inclusive of myself for a quick investigation and 4 rapid action to address any concerns. 5

MR. O'BRIEN: Have you -- are you familiar 6 with the May 1st, 2013, agreement with the boards 7 of the three Watergate residential buildings? 8 MR. MERCURIO: I am.

MR. O'BRIEN: Have you had an opportunity to 10 read through them? 11

MR. MERCURIO: I have. That was handed to me 12 within my first days of employment. 13

MR. O'BRIEN: All right, as managing director 14 what steps have you taken in order to ensure that 15 your staff complies with the terms of that 16

agreement? 17

9

Well, as soon as I read MR. MERCURIO: 18 through that I wanted to be sure that my team was 19 fully fluent in understanding the limitations and 20 that those hours were fully respected in our 21 outlets and I followed up with my team personally 22

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1 to ensure they've understood that.

2	MR. O'BRIEN: Very well. I asked you to look
3	at your last your most recent payroll run.
4	Did you have an opportunity to do that?
5	MR. MERCURIO: I did, yes.
6	MR. O'BRIEN: Okay. How many employees were
7	on the payroll for the most recent pay period,
8	employees of the hotel?
9	MR. MERCURIO: 222.
10	MR. O'BRIEN: Okay. Does that represent all
11	persons who work at the hotel?
12	MR. MERCURIO: No, we also have additional
13	third party companies that assist us for cleaning
14	and for service within the hotel which is
15	probably an additional 100 staff.
16	MR. O'BRIEN: Okay. Of the 222 employees,
17	actual employees on the payroll, how many are
18	D.C. residents, based on withholding from their
19	paychecks for D.C.?
20	MR. MERCURIO: 71.
21	MR. O'BRIEN: Those are my questions, thank
22	you.

OLENDER REPORTING, INC. 1100 Connecticut Avenue N.W., #810, Washington, D.C. 20036 Washington: 202-898-1108 • Baltimore: 410-752-3376 Toll Free: 888-445-3376 1 CHAIRPERSON ANDERSON: Do you have any 2 questions based on the questions he asked? 3 MS. KAHLOW: I do. I have two questions. 4 First, when and how did you offer to meet with 5 the Plaza Condominium board of directors, and 6 when and how did you offer to meet with the West 7 End Citizens Association?

8 CHAIRPERSON ANDERSON: Why don't you -- one
9 question at a time.

MS. KAHLOW: Well, he mentioned themtogether.

12 CHAIRPERSON ANDERSON: Okay.

MS. KAHLOW: What about the Plaza condoboard? When and how did you do that?

MR. MERCURIO: That was a request that was made to us by a meeting and it was also offered in writing that I would extend myself, without any response.

MS. KAHLOW: I'm sorry, that was not my question. The Plaza Condominium, which is a separate entity, when and how did you speak to them, did you try to have a meeting with them?

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MR. MERCURIO: This was offered in writing and this was Stephen O'Brien assisted us with this offer.

MS. KAHLOW: And it was written to the -- who -- who was it addressed to, the Plaza resident board in reference?

7 MR. MERCURIO: You can refer to the letter8 that was sent.

9 MS. KAHLOW: I haven't seen it.

CHAIRPERSON ANDERSON: Well, if he can't 10 answer the question, he can't answer, so -- do 11 you know, sir, who this letter was sent to? 12 MR. MERCURIO: It was sent to those boards. 13 MS. KAHLOW: Thank you. I knew nothing about 14 it. How about the West End Citizens Association? 15 Did you write them a letter? I didn't ask --16 didn't know. 17

18 CHAIRPERSON ANDERSON: She asked a question 19 - did you --

20 MR. MERCURIO: No, I didn't write to them, 21 no.

22 CHAIRPERSON ANDERSON: Okay.

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MS. KAHLOW: Okay. The next question has to 1 do with -- you said you were familiar with the 2 exhibit of the 2013 agreement. Are there any 3 conditions in that agreement such as cover charge 4 events or whatever that may no longer be needed? 5 Not to my knowledge. MR. MERCURIO: 6 MS. KAHLOW: Will there be rooftop dancing? 7 MR. MERCURIO: I have no answer for that 8 question. 9 Thank you, that's all I have. MS. KAHLOW: 10 CHAIRPERSON ANDERSON: Any questions by the 11 board? 12 MR. O'BRIEN: I have redirect, if I may. 13 CHAIRPERSON ANDERSON: I'm coming to you, Mr. 14 O'Brien. 15 MR. O'BRIEN: Okay, thank you. 16 CHAIRPERSON ANDERSON: You asked, she's 17 asked, we have a board --18 MR. O'BRIEN: Very well. 19 CHAIRPERSON ANDERSON: -- and then you get 20 the last laugh. So any questions by the board? 21 All right. I'll go back to her, because I want 22

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to give you the last -- well I'll go back to you
because the board didn't ask any questions, so go
ahead, Mr. O'Brien.

4 MR. O'BRIEN: I'd ask that this be marked as 5 applicant's exhibit #7.

6 CHAIRPERSON ANDERSON: Did you show it to 7 her, please? Did you identify the document? Do 8 you have any objection to the document, ma'am? 9 MS. KAHLOW: I do not.

10 CHAIRPERSON ANDERSON: Okay. Go ahead, sir.

11 MR. O'BRIEN: Do you need copies?

12 CHAIRPERSON ANDERSON: Oh, I'm sorry.

MR. O'BRIEN: Do you have what is marked exhibit #7?

15 MS. KAHLOW: Oh okay.

16 CHAIRPERSON ANDERSON: Do you have a copy I

17 can look at so --

18 MR. O'BRIEN: I don't have an extra copy --

19 MS. KAHLOW: Can I make a copy?

20 CHAIRPERSON ANDERSON: No that's not -- it's 21 --

22 MR. O'BRIEN: I'll just write exhibit 7 on

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1 it.

CHAIRPERSON ANDERSON: Then you don't even 2 have to put 7 on it because if you don't intend 3 to introduce it into the record, into evidence. 4 MR. O'BRIEN: I [inaudible 2:49:35]. 5 CHAIRPERSON ANDERSON: All right, go ahead. 6 MR. O'BRIEN: Mr. Mercurio, I'm going to show 7 you what's been marked as applicant's exhibit --8 or what hopefully will be marked applicant's 9 exhibit #7 for identification. Do you recognize 10 this document? 11

12 MR. MERCURIO: I do.

MR. O'BRIEN: What do you recognize thatdocument as?

This document was an offer on 15 MR. MERCURIO: behalf of the hotel for myself to present myself 16 to the boards as referred to, to let them know 17 and assure them our commitment to the 18 neighborhood to listen -- that I could come to 19 them, present myself, and let them know that we 20 were committed to noise control, address their 21 complaints as they would arise and to assure them 22

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of our fullest cooperation as a neighbor. 1 MR. O'BRIEN: Okay. Who is the author of 2 that document? 3 MR. MERCURIO: Yourself, Stephen . 4 MR. O'BRIEN: Who is the author of that 5 document? 6 MR. MERCURIO: Yourself, Stephen O'Brien. 7 MR. O'BRIEN: Okay, did you review that 8 document before it was sent out? 9 MR. MERCURIO: I've seen this, correct. 10 MR. O'BRIEN: Did you approve it before it 11 was sent out? 12 MR. MERCURIO: I did. 13 MR. O'BRIEN: All right, I move this letter 14 into evidence, #7, and then I will ask him to 15 read the pertinent portion to the board. 16 CHAIRPERSON ANDERSON: So moved. 17 MR. O'BRIEN: Thank you. Would you read, 18 please, the first paragraph of that letter aloud 19 to the board? 20 MR. MERCURIO: I write to commemorate our 21 commitment at the September 13th mediation 22

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session at the Alcoholic Beverage Regulation 1 Administration, Vincent Mercurio, the new 2 managing director of the Watergate Hotel, will 3 appear at the next meeting of the board of the 4 West End Citizens Association and the Plaza 5 Condominum to introduce himself to the community 6 members, discuss hotel offerings and operations, 7 and provide a contact mechanism in the event that 8 questions or complaints regarding activities at 9 the hotel arise. Because dates for these 10 meetings have not been provided, we must allow 11 for the need to substitute other high level 12 management personnel for Mr. Mercurio in the 13 event of unavoidable conflicts. 14

MR. O'BRIEN: And who was that letter addressed to?

MR. MERCURIO: To Sarah Maddux, president,
and Barabara Kahlow, secretary of the West End
Citizens Association.

20 MR. O'BRIEN: And what's the date of the 21 letter?

MR. MERCURIO: September 19th, 2016.

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1 MR. O'BRIEN: Okay, thank you.

2 CHAIRPERSON ANDERSON: Do you have any other3 questions?

4 MR. O'BRIEN: No, sir.

5 CHAIRPERSON ANDERSON: Do you have any 6 questions?

MS. KAHLOW: Yes. Mr. Mercurio, are you aware of the 5/13 e-mail that was a response to the 452 copy of this letter that was sent from me to Mr. O'Brien? Are you aware of the response?

11 MR. MERCURIO: I am not.

MS. KAHLOW: Thank you.

13 CHAIRPERSON ANDERSON: Do you have any other 14 questions for him, Mr. O'Brien?

15 MR. O'BRIEN: No, sir.

16 CHAIRPERSON ANDERSON: You can step down sir, 17 remember you're under oath and please do not 18 discuss the nature of your testimony with any 19 witness, or any other parties in this matter. Do 20 you have another witness, Mr. O'Brien? 21 MR. O'BRIEN: Yes, I do.

22 CHAIRPERSON ANDERSON: Who is that? How many

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1 other witnesses do you have?

2	MR. O'BRIEN: This is the third of my four
3	witnesses, however the fourth may not be needed.
4	CHAIRPERSON ANDERSON: Okay. Can you raise
5	your right hand, sir? Do you swear or affirm to
6	tell the truth and nothing but the truth?
7	MR. MUEHLICH: Yes, I do.
8	CHAIRPERSON ANDERSON: Okay, have a seat,
9	please. Your witness.
10	MR. O'BRIEN: Would you state your full name,
11	please, and spell your last name?
12	MR. MUEHLICH: Sure. It's Robert Muehlich.
13	And Muehlich is spelled M-U-E-H-L-I-C-H.
14	MR. O'BRIEN: All right, what is your
15	familiarity with the Watergate Hotel?
16	MR. MUEHLICH: In terms of?
17	MR. O'BRIEN: Are you employed at the
18	Watergate Hotel?
19	MR. MUEHLICH: Yes, absolutely, I'm employed.
20	MR. O'BRIEN: In what capacity?
21	MR. MUEHLICH: Director of Food and Beverage.
22	MR. O'BRIEN: All right, as Director of Food

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and Beverage, what responsibilities do you have 1 with respect to the operation of the outdoor 2 venues? 3 MR. MUEHLICH: Full responsibility in terms 4 of operation of all of the outside venues. 5 MR. O'BRIEN: Okay. Are you familiar with 6 the May 1, 2013, agreement between the hotel and 7 the three residential buildings? 8 MR. MUEHLICH: Yes, I am. 9 Have you read it carefully? MR. O'BRIEN: 10 MR. MUEHLICH: Yes, I did. 11 MR. O'BRIEN: Are you aware that the 12 agreement envisioned testing of noise levels from 13 the rooftop as measured to residences and 14 15 balconies within the Watergate complex. MR. MUEHLICH: Yes, I'm very well aware of 16 it. 17 MR. O'BRIEN: All right. Has any such 18 testing been undertaken? 19 MR. MUEHLICH: Yes, they have been taking 20 place last week and this week. 21 MR. O'BRIEN: All right. Did you personally 22

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1 participate?

2 MR. MUEHLICH: I personally did this, yes. 3 MR. O'BRIEN: Okay, tell me generically, or 4 tell the board, I should say, generically what it 5 is you did.

MR. MUEHLICH: So, I got in touch with the 6 7 general managers of each one of the associations and made an appointment to gain accessibility to 8 certain units and had one person stationed on the 9 rooftop, the other person was me on the 10 respective balconies and we had the volumes being 11 gradually increased and then the decibel level 12 being measured on the speakers, meaning on the 13 rooftop, as well as on the balconies. 14

MR. O'BRIEN: And were you able to determine from that testing -- to which buildings did you -- 77 -

MR. MUEHLICH: I did the first building was the south building, then the west building, and yesterday, or the day before it was the east building.

22 MR. O'BRIEN: And the units that you -- the

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residential units that you measured from were 1 they on the outside of the Watergate facing city 2 streets or were they on the inside facing the 3 hotel? 4 MR. MUEHLICH: They were all facing the hotel 5 and, therefore, the lawn in between us. 6 MR. O'BRIEN: Okay. Were you able to 7 determine just how far you could turn up the 8 speakers? 9 MR. MUEHLICH: Absolutely. 10 MR. O'BRIEN: Let me finish the question. 11 MR. MUEHLICH: Sorry. 12 Were you able to determine just MR. O'BRIEN: 13 how far you could turn up the speakers on the 14 15 rooftop without music being heard at any of these balconies? 16 MR. MUEHLICH: Absolutely. 17 What have you done with that MR. O'BRIEN: 18 information? 19 MR. MUEHLICH: Well, I mean, it's helpful for 20 us now to know in terms of up until what point we 21 will be able to increase the volume on the 22 **OLENDER REPORTING, INC.**

rooftop itself without, obviously, interfering
 with our neighbors.

MR. O'BRIEN: Is there any other noise -- any 3 other noise conditions prevailing? 4 MR. MUEHLICH: Absolutely. I mean you have 5 air traffic very frequent during the day, 6 helicopter traffic, vehicular traffic on what's 7 it called, Rock Creek Parkway, and then obviously 8 just regular surrounding noise which you have 9 within the lawn in between the buildings. 10

MR. O'BRIEN: As food and beverage director, how many employees report directly or indirectly to you? How many in your department?

MR. MUEHLICH: Obviously, depending on the season, but in between 70 and 100.

MR. O'BRIEN: What have you done to ensure that your staff complies strictly with the terms of the May 1st, 2013, agreement?

MR. MUEHLICH: Well, first we started with the manager's training, meaning everyone who is reporting to me, as a matter of fact Mr. O'Brien came to the property and did a very detailed

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revision of the 2013 agreement and then, 1 obviously, we as management team share that 2 information and train our staff members on the 3 daily lineups. 4 MR. O'BRIEN: When was the rooftop first used 5 for quests? 6 MR. MUEHLICH: Approximately September the 7 3rd. 8 MR. O'BRIEN: Okay, now do you have private 9 events on the rooftop? 10 MR. MUEHLICH: Yes we do. 11 MR. O'BRIEN: That is events not open to the 12 general public? 13 14 MR. MUEHLICH: Yes, we do. 15 MR. O'BRIEN: Okay, how many of those have you had since September 3rd? 16 MR. MUEHLICH: Five. 17 MR. O'BRIEN: Now, on those days when the 18 rooftop is not booked for a private event what 19 use is made of it? 20 It's a regular, I mean, MR. MUEHLICH: 21 reception, welcome reception, cocktail reception, 22

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1 that type of gathering in terms of guests

visiting the rooftop within a group setting, ifyou want to call it, privately.

4 MR. O'BRIEN: Perhaps I wasn't clear. We 5 understand you've had five booked events on the 6 rooftop.

7 MR. MUEHLICH: Correct.

8 MR. O'BRIEN: Other nights.

9 MR. MUEHLICH: Oh, I'm sorry.

MR. O'BRIEN: What happens on the rooftop? 10 MR. MUEHLICH: It's basically guests, local, 11 as well as inhouse guests, meaning hotel guests, 12 coming, visiting, having drinks, having bites to 13 eat, and yeah, normal lounge setting if you will. 14 15 MR. O'BRIEN: Can the rooftop be used every night? 16

MR. MUEHLICH: Weather permitting, yes itcan.

MR. O'BRIEN: Okay. I asked you to take a look at what had been done in the months of September and October. Were you able to determine how many times the rooftop was used for

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1 -- was open to the general public as opposed to2 those private events?

MR. MUEHLICH: Yeah, we had a total, I mean 3 both months combined, 59 days, and minus the five 4 private events, minus seven days where we 5 couldn't open due to either weather -- meaning 6 7 rain -- or even windy conditions, all the remaining days were basically open to the public. 8 MR. O'BRIEN: And how many days was that 9 roughly? 10

MR. MUEHLICH: 47.

MR. O'BRIEN: Okay. Have you -- during the two months that it's been open are you aware of any complaints from anybody regarding noise coming from that rooftop?

16 MR. MUEHLICH: Not one.

MR. O'BRIEN: All right. Are you familiarwith where the Plaza Condominium is?

19 MR. MUEHLICH: Yes.

20 MR. O'BRIEN: Let me show you the exhibit. 21 This is exhibit #1, applicant's #1, Mr. Chair. 22 See where you enter the hotel, there?

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1 MR. MUEHLICH: Yes.

2 MR. O'BRIEN: Do you know where the Plaza 3 Condominium is?

4 MR. MUEHLICH: It's there.

5 MR. O'BRIEN: Is it possible to see the Plaza 6 Condominium from the rooftop or the [inaudible 7 3:01:03]?

8 MR. MUEHLICH: No.

9 MR. O'BRIEN: Why not?

MR. MUEHLICH: Because you have the mechanical from the mechanical rooms or mechanical units from the buildings on top of it. So, if you're standing on this far end here, you're trying to look over it, visually you can't. You have all of this upper equipment on the rooftop.

MR. O'BRIEN: You mentioned a minute ago that on the days that the rooftop is not booked for private events that it is open to the public and I think you used the word locals.

21 MR. MUEHLICH: Mm hmm.

MR. O'BRIEN: To what extent, and I realize

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you can't quantify this, but to what extent have you experienced patronage on the rooftop or the other -- let me take that back to here. To what extent has the hotel, including the rooftop, been patronized by local residents. Can you give a sense of that?

7 MR. MUEHLICH: My guess would be between 60 8 and 70% out of all of the guests coming to the 9 rooftop specifically are from our local 10 community.

MR. O'BRIEN: Those are my questions. Thankyou, Mr. Chair.

13 CHAIRPERSON ANDERSON: Do you have any 14 questions for him, ma'am?

MS. KAHLOW: One. Has there been any dancing, so far, on the roof?

17 MR. MUEHLICH: No.

MS. KAHLOW: Has there been, I shouldn't say -- has there been any live music?

20 MR. MUEHLICH: Live music in terms of piped 21 in music?

22 MS. KAHLOW: Live is with a band or --

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1 MR. MUEHLICH: No.

2 MS. KAHLOW: Never. Thank you.

3 CHAIRPERSON ANDERSON: Any questions by any4 board members? Yes, Mr. Silverstein?

5 MR. SILVERSTEIN: Thank you, Mr. Muehlich. 6 The first question Mr. O'Brien asked about local 7 residents, how are you defining local residents 8 at 60 to 70%. You mean of Washington, D.C., of 9 the Watergate itself, of the neighborhood? 10 What's the net you're casting here?

MR. MUEHLICH: Basically non-hotel guests. That's what I mean by locals. Meaning guests -they're coming from the outside, they're not staying with us on property.

MR. SILVERSTEIN: How much business do you do after 11:00 on weekdays and after midnight on weekends?

18 MR. MUEHLICH: None.

19 MR. SILVERSTEIN: None?

20 MR. MUEHLICH: Especially not now because of 21 the weather.

22 MR. SILVERSTEIN: Well, let's say we're

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talking about a nice day in September. How much
do you do after 11:00 on weeknights and midnight
on weekends?

MR. MUEHLICH: If I have to quantify right 4 now I would say the biggest bulk of the business 5 is coming in between before sunset, meaning that 6 time of the year sunset probably is around 7:30-7 ish, and then the majority of the business leaves 8 by 10:30, 11:00. There might be some people 9 still mingling around, but not much more than 10 that. 11

MR. SILVERSTEIN: Okay, so many places have -12 - in the district -- a template in many 13 neighborhoods where the outdoor establishments 14 close at 11:00 on weeknights and midnight on 15 weekends, and that's a general thing. It's not 16 everywhere and it's case specific. Would that 17 pose an undue burden on you? Understanding that 18 you -- it would put restrictions on you. 19 MR. MUEHLICH: I mean, at least for the time 20

21 we have been open so far we haven't seen -- I

22 mean those restrictions being playing against us.

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MR. SILVERSTEIN: How about private parties and things like that? If there was a wedding party or some kind of event such as that, would it pose a problem for that?

5 MR. MUEHLICH: We haven't had that case yet, 6 however I don't think the rooftop would even be -7 - from its structure and from its layout -- be so 8 conducive for a wedding party. A wedding party 9 is more in a like sit-down setting. I would 10 agree with you it's more like a wedding 11 reception.

MR. SILVERSTEIN: Right, that's what I meant. MR. MUEHLICH: Yeah, for a wedding reception, yes, but we don't have wedding receptions that late at night.

16 MR. SILVERSTEIN: Okay. No further

17 questions. Thank you very much, sir.

18 CHAIRPERSON ANDERSON: Are there any other 19 questions by any other board members?

20 MS. HOBSON: I have a question.

21 CHAIRPERSON ANDERSON: Yes, Ms. Hobson.

MS. HOBSON: So, when you guys did the sound

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study and you sort of determined like what volume 1 -- where you choose the level -- so I think you 2 got asked the question about whether or not you 3 guys had had live music playing out on the 4 rooftop. So, if you were to have live music, 5 would that live music be amplified in any kind of 6 way? Where it would be part of your testing --7 do you know what I mean? 8 MR. MUEHLICH: Yeah, not necessarily. 9 MS. HOBSON: Okay. 10

MR. MUEHLICH: I mean we could have -- let's say for a wedding reception you can have a harpist, a violinist, and it doesn't necessarily -- it doesn't at all need to be amplified at all. MS. HOBSON: Okay.

16 MR. MUEHLICH: At all.

MS. HOBSON: That's it.

18 CHAIRPERSON ANDERSON: Do you have any

19 questions, ma'am, based on the questions the

20 board members asked?

MS. KAHLOW: I do not.

22 CHAIRPERSON ANDERSON: Mr. O'Brien?

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1 MR. O'BRIEN: No, sir.

CHAIRPERSON ANDERSON: Thank you, sir, for 2 your testimony. You can step down. Please do 3 not discuss the nature of your testimony with any 4 other member or party until this case is over. 5 Thank you. Mr. O'Brien, I know that you had 6 another witness who you had subpoenaed who is not 7 here today. Any representations you want to 8 make? 9

MR. O'BRIEN: I would prefer to reserve until the close of all of the evidence whether I want to keep my case open in order to ask the board to enforce the subpoena. It may not be necessary, although I'm still very troubled by it, by them thumbing their nose at the board's subpoena.

16 CHAIRPERSON ANDERSON: At this juncture, you17 are resting then?

18 MR. O'BRIEN: Only if I can unrest.

CHAIRPERSON ANDERSON: That's why I said, at
this juncture. That's why I phrased it that way.
MR. O'BRIEN: It won't be the final word.
CHAIRPERSON ANDERSON: No, I understand, sir.

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1 So, you're resting at this --

2	MR. O'BRIEN: I have no further evidence to
3	present at this time, subject to revisiting the
4	issue of the court ordered subpoena.
5	CHAIRPERSON ANDERSON: That's fine. It's
6	understood. Normally when we say you rest, I
7	know it's final, you still have an opportunity to
8	call a rebuttal witness, but I know that there's
9	a subpoena witness that is still problematic and
10	you will make a determination after the
11	protestant has presented its case, whether or not
12	you still require the testimony of that witness.
13	MR. O'BRIEN: Thank you.
14	CHAIRPERSON ANDERSON: Ms. Kahlow, do you
15	wish to call your first witness?
16	MS. KAHLOW: I'm the first witness after Ms.
17	Maddux, and I have a lengthy statement. I'm not
18	a lawyer, so I can make a statement.
19	CHAIRPERSON ANDERSON: Hold on hold on
20	yes?
21	MR. O'BRIEN: If Ms. Kahlow's a witness she
22	needs to be sworn before we take the statement.

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1 CHAIRPERSON ANDERSON: Yeah, I'm going to do 2 that. The board's going to take a five minute 3 recess.

All right, Ms. Kahlow, can you raise your
right hand, please? Do you swear or affirm to
tell the truth and nothing but the truth?
MS. KAHLOW: I do.

CHAIRPERSON ANDERSON: All right. One thing 8 I'll say to you, and Mr. O'Brien doesn't object, 9 in these type of proceeding the way normally it's 10 done we'll have someone ask you a question and 11 you'll answer the question. I know that when the 12 previous witness testified she made a statement 13 and that's -- we normally don't, because in doing 14 a hearing we normally have an attorney ask direct 15 questions and they go back and forth. So, I know 16 that you're going to read a statement, but be 17 open to the fact that Mr. O'Brien will have an 18 opportunity to question you in aspects of your 19 statement and the board will also do that. So I 20 think what Mr. O'Brien has asked, which Mr. 21 O'Brien has requested, and I do not have a 22

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problem with, is that you take the witness stand
 and move from there.

MR. O'BRIEN: Ms. Kahlow has asked me because of the volume issues, whether I would consent to her delivering her testimony from the table. I don't have a problem with it, Mr. Chair.

7 CHAIRPERSON ANDERSON: Well, I don't have a 8 problem, sir, and I am glad that we had the break 9 so the parties could talk and come to agreement, 10 and anytime the parties have agreement with 11 matters I will not interfere with the agreement 12 of the parties, so if the parties agree, go 13 ahead, ma'am.

Thank you, and thank you for the 14 MS. KAHLOW: 15 bathroom break. For people my age, we need it. CHAIRPERSON ANDERSON: I'll say this to 16 everybody. If we need a break, we're in class, 17 just raise your hand or say something and I will 18 grant you that. But thank you, I appreciate 19 that. Go ahead. 20

21 MR. SILVERSTEIN: Make sure to take along 22 your hall pass.

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Thank you. You asked me to MS. KAHLOW: 1 begin by asking if I could get into evidence the 2 other exhibits, and I also want to ask, besides 3 the other exhibits, having been a staff member in 4 congress and having testified repeatedly in front 5 of the zoning bodies and other D.C. bodies, I 6 7 find it most helpful to have a copy of the statement so you can follow along. I have copies 8 for each of you. I speak very fast -- I'm a 9 twin, and people have difficulty and if, in fact, 10 I'm too fast, raise your hand, just like in 11 class, and say 'slow down, Barbara.' But I do 12 think that would be helpful so I'd like to submit 13 the other exhibits and give you a copy of the 14 written testimony so that you can follow along. 15 CHAIRPERSON ANDERSON: Mr. O'Brien? 16 MR. O'BRIEN: I already objected to the 17 admission of numbers #2, #3 and #4 on relevance 18 grounds. 19 CHAIRPERSON ANDERSON: I've not seen the

20 CHAIRPERSON ANDERSON: I've not seen the 21 documents, so what is document #2?

22

MS. KAHLOW: It is a chart that is in your

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file already because it was appended to our July
 25th letter.

3 CHAIRPERSON ANDERSON: Oh, but remember as I 4 -- you're talking about -- there's where you 5 stated what your protest was and the hours that 6 you were --

MS. KAHLOW: We had two letters we wrote the8 board.

9 CHAIRPERSON ANDERSON: Mm hmm.

MS. KAHLOW: July 25th which is the protest 10 and included chart 1 which is already in your 11 exhibit #1. We then wrote on September 25th 12 after unsuccessful mediation, so we could bring 13 you up to date on the other precedents in our 14 neighborhood and it's a comparison so you could 15 understand what they are as we're speaking, and 16 exhibits #3 and #4 are samples of those. I can 17 understand if you don't want #3 and #4, it's not 18 the end of the world, but exhibit #2 you already 19 have in your record and it's going to be 20 impossible to talk about what neighbor 21 impressions are without your being able to see 22

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1 it.

CHAIRPERSON ANDERSON: So, you're saying #2 2 is a July 25th chart that you attached to --3 MS. KAHLOW: September 25th chart. 4 CHAIRPERSON ANDERSON: And I'm sorry, what's 5 the chart again? 6 It's the title: Comparison of 7 MS. KAHLOW: Closing Hours and Music, Foggy Bottom West End 8 Establishments, and here it has two rows on the 9 Watergate and four other institutions nearby. Ι 10 need to tell you, Mr. Chairman, I am a 11 statistician. I did charts for a living. It's 12 the only way I can understand how things work, so 13 I was trying to be helpful. 14 CHAIRPERSON ANDERSON: And, Mr. O'Brien, 15 you're saying that it's not relevant? 16 MR. O'BRIEN: Yes. Two responses: Number 17 one, the fact that Ms. Kahlow may have appended 18 the chart to a letter to the ABC board does not 19 mean it's admitted as evidence. That's what 20

21 we're talking about now. The second is that the 22 chart is intended to show what other licensees in

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the Foggy Bottom area have in the way of 1 restrictions on music and entertainment hours and 2 things like that and that is simply not relevant. 3 The purpose of going through the great lengths of 4 showing this aerial photograph was that the 5 Watergate complex is an island to itself. It's 6 cut off from the rest of the neighborhood and I 7 would invite the attention of the board to this 8 issue of our Court of Appeals Jimmy Inc. Versus 9 D.C. ABC board, which is a report at 433 Atlantic 10 Second 1090 and in particular to page 1093. Ι 11 will say that I provided staff and Ms. Kahlow 12 with this site last night. 13

14 MS. KAHLOW: I don't have that.

CHAIRPERSON ANDERSON: And what's 1093 code? 15 MR. O'BRIEN: Case 1093 with Court of Appeals 16 said that every location is unique and the board 17 must evaluate each application according to the 18 particular circumstances involved. So I find 19 that somebody might have a 12:00 restriction on a 20 summer café elsewhere in Foggy Bottom far removed 21 from the Watergate complex has nothing to do with 22

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the appropriate hours for the hotel within the
Watergate complex. And that's the [inaudible
3:15:58]

CHAIRPERSON ANDERSON: Well, I mean, in this 4 particular case I'm going to allow her to do 5 this. It's just a matter of she's saying, I 6 quess in basing their case, they're saying that 7 the other establishments have these restrictions, 8 they're asking for similar restrictions. That 9 doesn't necessarily mean that the board is going 10 to utilize these restrictions as their guide. In 11 presenting their case they're saying that -- at 12 least I'm taking it that in presenting their case 13 they're saying that all of these other 14 establishments have these hours it's reasonable 15 to do this. I might disagree with it, I might 16 agree with it. So, I'll take it for what it's 17 worth. For what it's worth. It's not binding on 18 I hear what you're saying but I'll the case. 19 take it for what it's worth in the sense that 20 these are other establishments that ABRA has 21 given them licenses to -- I mean one of the 22

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things that you look at with the board, in our 1 board reports, it will give -- it tells us the 2 establishments within the -- I think it's, if I 3 look in here, the board report, it gives a list 4 of all the ABC licensed establishments within 5 that area which I take in the same way, to say 6 7 this is what's going on in the neighborhood. То me, I'm not going to take -- I'm just saying I 8 will utilize -- I do have a copy of the case that 9 you provided staff and so I will rely on also 10 that case, but I will take it for what it's 11 worth. I'll let the document in. 12 MS. KAHLOW: Thank you. 13 MR. O'BRIEN: #3 and #4. 14 CHAIRPERSON ANDERSON: What are #3 and #4? 15 MS. KAHLOW: #3 and #4 are the actual 16 agreements made for two not-yet-opened 17 establishments that are nearer than those listed 18 by the ABRA investigator's report, and they are -19 - so you can see them. They're mentioned in the 20 chart but you might actually want to read the 21 terms of the agreement. 22

CHAIRPERSON ANDERSON: Are these settlement
 agreements that the board has signed off on?
 MS. KAHLOW: Number 4 you have, but #3 you
 have not seen.

5 CHAIRPERSON ANDERSON: Well, I will admit #4
6 but I will not admit #3.

7 MS. KAHLOW: Okay.

8 MR. O'BRIEN: I do object to your admission 9 of #4. What somebody else agreed to is utterly 10 irrelevant to what the board should decide is 11 appropriate. That's our position.

12 CHAIRPERSON ANDERSON: I do take that for 13 what it is worth. I -- for what it's worth I 14 will admit the document, but I will not admit #3 15 since we have never seen that one.

MS. KAHLOW: The one you're not admitting in, just so you know, is across the street.

18 CHAIRPERSON ANDERSON: Well, that's not an 19 agreement that the board has -- it's not the 20 board -- that's not an agreement that the board 21 has seen and signed off on, so I will not admit 22 that one but I think these are establishments

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that the board has -- as in general I'll allow 1 documents in and take it for what it's worth. 2 I'm not going to use these documents to say 3 because this is what we approved in this -- this 4 is what's approved for an establishment across 5 the street so, therefore, I'm going to use this 6 as a quide to make a determination for this 7 establishment. 8

9 MR. O'BRIEN: I understand what the Chair is 10 saying. I respect the rule. if I can say? 11 CHAIRPERSON ANDERSON: Yes, go ahead. 12 MR. O'BRIEN: My problem with the ruling is -13 -

14 CHAIRPERSON ANDERSON: Yes, sir.

15 MR. O'BRIEN: -- it suggests that it is relevant. Now, I understand the Chair is saying 16 we'll decide just how relevant when you 17 deliberate, but the threshold is if it's 18 I suggest what's relevant here is the relevant. 19 May 1st, 2013, agreement which the board has 20 The board approved the hours in this approved. 21 2013 agreement. 22

1 CHAIRPERSON ANDERSON: That is correct.

2 MR. O'BRIEN: And that's what's relevant in 3 my view, not what the board approved in some 4 other case.

CHAIRPERSON ANDERSON: And in making a 5 decision the board will consider the previous 6 agreement that -- the previous -- the current --7 The board will look at the previous yeah. 8 settlement agreement and will make a decision and 9 it's -- the board will give the document the 10 weight it deserves. We -- I hear your objection 11 and your objection for the record, but I'll admit 12 that document. 13

14 MR. O'BRIEN: Thank you, Mr. Chair.

15 CHAIRPERSON ANDERSON: Okay.

MS. KAHLOW: And then the copies of my testimony because I speak quickly, and every other board that I've ever been involved with, as well as all congressional committees require --CHAIRPERSON ANDERSON: Well, the board, ABRA, we don't require that, so that's not necessary. MS. KAHLOW: Even though you could follow it

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1 much more easily?

2 CHAIRPERSON ANDERSON: I prefer to just
 3 listen --

4 MS. KAHLOW: Okay.

CHAIRPERSON ANDERSON: -- and give your testi 5 -- I prefer -- and the reason why I'm not going 6 to allow that is because that's not what we do 7 here, because you're not supposed to be giving a 8 statement. You're supposed -- the way it is, is 9 that you're supposed to be -- it's like we're in 10 court and someone asks you questions and you 11 answer and normally the procedure that you're 12 following would not be allowed, and if Mr. 13 O'Brien had said I have an objection to it then I 14 wouldn't allow it because a witness is not 15 allowed to just make a statement. 16

MS. KAHLOW: Well, I think the difference here for me and my other witnesses is I'm not a lawyer and I don't know how to ask the right questions, and the other people had a two-page statement so I just want to speak and in my case I want to lay out the entire argument because

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1 most of it has not been discussed as yet.

CHAIRPERSON ANDERSON: And one of the things 2 that you could have done, you could have had one 3 of your witnesses, you have the statement, they 4 could have framed it in questions and then asked 5 you the questions that would elicit the same 6 information, because normally we just don't have 7 someone just sit and speak. We need to have 8 questions asked. You answer the questions, 9 questions asked. And so in the future what you 10 can do is you have your statement and you can 11 break it up into questions, have the person ask 12 you a question, you can have one of your 13 witnesses ask you the questions, and we'll get 14 15 the same information rather than you sitting there and read a statement, so --16

MS. KAHLOW: I'm going to read and ad libfrom it.

19 MR. SILVERSTEIN: Ms. Kahlow.

20 MS. KAHLOW: Yes?

21 MR. SILVERSTEIN: This is a legal proceeding 22 and we want to be fair to non-lawyers but not to

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1 the degree that we jeopardize the legal

2 proceeding or are unfair to others.

MS. KAHLOW: Thank you so much, Mr.4 Silverstein.

MR. O'BRIEN: Mr. Chair, I need -- I'm sorry 5 to prolong it but I need it in the record, I did 6 not consent to Ms. Kahlow reading a statement as 7 opposed to answering questions. What I consented 8 to was, merely for convenience purposes, her 9 delivery from here instead of the witness box, 10 but I'm at the point now where each sentence I 11 have to scrutinize and if the sentence would 12 suggest an answer to a question that was 13 objectionable I'm going to have to be constantly 14 interrupting Ms. Kahlow as she reads it. 15

16 CHAIRPERSON ANDERSON: And I will allow you17 to do that.

MR. O'BRIEN: I don't like to do that.
CHAIRPERSON ANDERSON: I will allow you to -MR. O'BRIEN: That's my position I'm left in.
CHAIRPERSON ANDERSON: And I will allow you

22 to do that, sir.

MS. KAHLOW: Thank you for indulging me as a non-lawyer. I've already given the opening statement so you know who I am. I'm --

CHAIRPERSON ANDERSON: What I will do, Mr. 4 O'Brien, I'm not quite sure how to -- since I 5 don't know -- normally a question has been asked 6 and then I will have an idea why you're objecting 7 and ask each side to -- so what I'll ask you to 8 do -- maybe you can take notes and ask her 9 questions and that -- because I'm not guite sure 10 how to respond in the middle of her statement 11 because I don't know what is it -- where it's 12 qoing. 13

MS. KAHLOW: Mr. Anderson, I have five sections and perhaps we should go section and then question, section and then question. That may be easier and more fair.

18 CHAIRPERSON ANDERSON: The problem is that 19 the way -- the problem is that the lawyer would 20 ask the witness a question and the question -- so 21 they would object before the answer comes out 22 because a lot of times you don't want the answer

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to come out. I have no -- that's why if you 1 watch the legal shows the lawyer will ask a 2 question, the other lawyer will say 'objection' 3 and I will say 'don't say nothing, let us decide' 4 and then I will let you know whether or not you 5 can answer the question but because I have no 6 7 idea what you're about to say and even if he objects in the middle of -- you make a statement, 8 he objects, then the cat's already out of the 9 bag. So what I'm going to ask you to do, Mr. 10 O'Brien, let her make the statement -- I know 11 it's somewhat unfair, but I don't know how else 12 to do it because I don't know what's in the 13 document and she might start something and I 14 don't know where she's going. 15

MR. O'BRIEN: It's inherently unfair and thank you for recognizing that, but, for instance, if Ms. Kahlow was to say, 'well another place in Foggy Bottom has different hours' as we've been discussing, my objection would be based on relevance. Now, the board might sustain the objection or overrule the objection, but if

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the board sustains the objection then I have to
move the board to strike what's already in the
record. That's the awkwardness of this.

4 CHAIRPERSON ANDERSON: And I do recognize 5 that, and I do recognize that. What I'll do is 6 that if something is objectionable you can object 7 and let's -- I would prefer for you to wait but 8 if you believe that it's so prejudicial that you 9 need to object at the moment, please do, and I'll 10 make a ruling.

MR. O'BRIEN: I will try to exercise
restraint but I [inaudible 3:26:56].

CHAIRPERSON ANDERSON: I know you're in a 13 difficult position, Mr. O'Brien, and so I'm 14 15 trying to be fair to both parties, so I do recognize that. In my other practice I am a 16 lawyer and I do administrative hearings and the 17 most difficult hearings are when I'm working with 18 someone who's not a lawyer. So, I do understand, 19 okay? Can you raise your right hand, please, 20 since I haven't done that? Do you swear or 21 affirm to tell the truth and nothing but the 22

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1 truth?

2 MS. KAHLOW: I do.

3 CHAIRPERSON ANDERSON: Okay, go ahead.

So, I've told you already who I MS. KAHLOW: 4 I'm the secretary treasurer of the West End 5 am. Citizens Association and I live within earshot of 6 7 the Watergate complex across the street. I hear everything that goes on in that complex. Today, 8 we'll discuss five areas: 1) Missing and 9 erroneous information in the original 2012 10 application, the 2013 settlement agreement and 11 the March 2016 renewal application; 2) 12 Objectionable provisions in the 2013 settlement 13 agreement; 3) Comparisons of other 14 establishments in Foggy Bottom West End and, most 15 importantly long-standing community precedents 16 (so, maybe I can do it without naming the 17 people); 4) Unusual circumstances; and 5) 18 requested conditions for the renewal by the 19 board. 20

21 CHAIRPERSON ANDERSON: What's the first area?22 MS. KAHLOW: Missing and erroneous

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1 information.

CHAIRPERSON ANDERSON: In what?
 MS. KAHLOW: In three different documents.
 CHAIRPERSON ANDERSON: What documents is
 that?

MS. KAHLOW: The original application, the settlement agreement and the renewal application. CHAIRPERSON ANDERSON: All right, I'm not going to have you discussing about the original application because you're protesting their renewal.

12 MS. KAHLOW: They --

13 CHAIRPERSON ANDERSON: You're protesting 14 their renewal of -- what are you protesting here 15 today?

16 MS. KAHLOW: I'm protesting the renewal --

17 CHAIRPERSON ANDERSON: Right.

MS. KAHLOW: -- and since the renewal is based on the original application with missing information, I think the board needs to know the missing information.

22 CHAIRPERSON ANDERSON: I'm not going to allow

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1 you to go all the way back to the --

2 MS. KAHLOW: Okay.

3 CHAIRPERSON ANDERSON: -- talk about -- it's 4 about the renewal so if you have information for 5 the renewal application you can move there.

MS. KAHLOW: Okay, thank you for that. 6 Ι 7 will then talk about only the second two. The settlement agreement, the capacity information, 8 as the chart shows, chart #1, exhibit #1 is 9 missing for three of the six outdoor venues. 10 Number two, the agreement talks about occasional 11 use for live music on the terrace over ballroom 12 summer garden and it's unclear what occasional 13 means. We heard some testimony today and it 14 could be up to 365 days a year if there's booked 15 events. 16

17 MR. O'BRIEN: I object, Mr. Chair.

18 CHAIRPERSON ANDERSON: What are your 19 objections?

20 MR. O'BRIEN: I challenge Ms. Kahlow's 21 standing to object to the 2013 settlement 22 agreement. She and the West End Citizens

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Association was not a party to that agreement and
 deliberately chose not to participate in
 negotiations.

4 MS. KAHLOW: That is correct.

5 MR. O'BRIEN: She does not have standing now 6 to say what's wrong with it. If she didn't like 7 it then in 2013 she could have tried to appeal it 8 to the Court of Appeals but the board has 9 approved that settlement agreement.

That is part of the renewal and MS. KAHLOW: 10 I will be explaining why we did not do anything 11 Basically, the civic association wanted in 2013. 12 the hotel to open and we didn't want to be 13 responsible for having any interference. That 14 same is true with several of the Watergate --15 witnesses of the Watergate buildings. We didn't 16 want to interfere with the hotel opening. 17 Our civic association is involved with almost every 18 alcohol license in our neighborhood. We 19 represent the greater good, the greater number of 20 people, and it is critical for this board to 21 allow us as a registered, certified agent to be 22

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able to do our job. And I'm going to be
 explaining how this matters now.

3 CHAIRPERSON ANDERSON: You're -- it's correct 4 that you were not a party to this agreement, so 5 I'm not going to allow you to say what portion of 6 the agreement you don't agree with.

7 MS. KAHLOW: Okay.

CHAIRPERSON ANDERSON: So, I think you should 8 tell us why is it that you believe that the board 9 should not renew the -- if you're saying that the 10 board should not renew their license, or are you 11 asking the board to put these conditions on the 12 license, and why is it that you believe that 13 these conditions would -- that without these 14 15 conditions it would not impact the neighborhood peace, order and quiet. I think that's where --16

17 MS. KAHLOW: Okay.

18 CHAIRPERSON ANDERSON: -- that's how you 19 should address --

20 MS. KAHLOW: Okay.

21 CHAIRPERSON ANDERSON: -- what is it that 22 you're requesting the board to do? What

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conditions, if any, are you asking the board to
put on the application and how is it that without
these restrictions, if any, how peace, order and
quiet is impacted if these restrictions are not
placed on the renewal.

MS. KAHLOW: Okay. A reason that we wanted 6 to discuss this is because the renewal 7 application was filed erroneously. It requested 8 hours that are inconsistent with the settlement 9 agreement, I was trying to explain that, and both 10 the renewal application requested summer garden 11 hours of operation that were inconsistent, and 12 hours of sales and service and consumption were 13 inconsistent. We wrote the staff director of 14 ABRA and he confirmed that they were erroneous 15 and that there were different ones in the 16 agreement and I said, "are you going to re-notice 17 it?" and he did not. In every other group that 18 I'm familiar with, when you find that the notice 19 to the public about these are the hours, 2:00 20 a.m., 3:00 a.m., which is no longer relevant, you 21 re-notice it so the public can know what we're 22

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talking about and that was never done, so I was
trying to show you what it said before and why we
would have liked a notice that was accurate, but
it's not the end of the world, that's why I
wanted to explain it.

Let's get to the heart of the matter then. 6 That was the first section which as I said was 7 errors, miscellaneous and erroneous information. 8 The second section is objectionable provisions. 9 The W's concern is with the ABC appropriateness 10 standard for peace, order and quiet. Nearby 11 residents, especially in the three Watergate 12 cooperative buildings and the Plaza where I live, 13 many of whom are elderly, deserve peace, order 14 and quiet in their homes, especially evening 15 hours after their often early bedtimes. The 16 first exhibit #1, which you have is the chart, 17 Proposal for Watergate Hours Outdoor Venues 18 Ending Hours. Unfortunately, the negotiators of 19 the 2013 Watergate settlement agreement were 20 unaware of the limitations negotiated with all 21 the other Foggy Bottom West End outdoor 22

establishments. The end result was two outdoor
summer gardens with live music and too late
closing hours. These are completely
inappropriate hours both for weekend and weekdays
that are highly objectionable to the WCA. 2:00
a.m. on Friday and Saturday for recorded music is
absolutely objectionable.

In addition, unspecific, occasional frequency 8 for live music in the terrace over ballroom 9 summer garden is troublesome. The applicant's 10 attorney told me that occasional could mean up to 11 365 days a year if events are booked that go on. 12 That's flatly unacceptable. The board in its 13 renewal should specify all of the missing 14 information indicated in chart #1, which you 15 have, exhibit #1, as well as specify permanent 16 yearly calendar dates for each summer garden. 17 And the reason that's important is for people 18 like me, we will go out of town to a second home 19 so we wouldn't have to suffer the noise. Not 20 everybody, people in their 80s and 90s, have the 21 ability to do that, but other people -- right now 22

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there's construction noise in my building, I go to California. I don't have to put up with it and that's why the hours are important for the -for the residents to be able to plan their lives.

Curiously, the ABRA's investigator report 5 that we heard earlier about following discussions 6 with the applicant made certain points. For the 7 terrace over ballroom, she said, 'there was no 8 immediate plans to use the area because an 9 elevator would need to be installed and other 10 means to make it accessible to the public. That 11 appears to be a long way off and they're not 12 applying for permits or permission to utilize 13 that area at this time. She said "in addition to 14 putting in an elevator, there would need to be a 15 lot of additional renovations before the terrace 16 over ballroom be opened. Before that work 17 commences, we -- and I asked her if there was any 18 amendment to the renewal application, because 19 it's not going to happen, and a long way off, she 20 said 'no, there has been no amendment filed" but 21 meanwhile this is a problem as I'm going to 22

1 explain in a few minutes.

Second, regarding the rooftop summer garden, 2 the ABRA investigator said there would only be 3 live music at the request of a hotel guest or 4 special booked event, it will not be used as a 5 frequent happy hour place with live music. Also 6 regarding the rooftop summer garden, she stated 7 she was told that because it's such a small area 8 it would be unlikely that a live band and quests 9 could actually fit in the area and that dancing 10 would be allowed, it would be almost impossible 11 because of the narrowness of the area. All of 12 that's not specified in the agreement and there's 13 been no amendment application to change the 14 terms; therefore, we request that limitations be 15 added by the board with this renewal for that 16 site as well as the other. 17 Mr. Chair, I've got to object. MR. O'BRIEN: 18

19 CHAIRPERSON ANDERSON: Yes.

20 MR. O'BRIEN: All of this is argument. I 21 haven't heard a shred of evidence in this. 22 MS. KAHLOW: The witnesses --

1 CHAIRPERSON ANDERSON: Hold on.

MS. KAHLOW: I'm sorry, did I interrupt? 2 CHAIRPERSON ANDERSON: What I'm hearing 3 normally comes at the end of the case when I ask 4 you to wrap up and tell me -- I'm not sure what 5 to do Mr. O'Brien. She is a lay person, she has 6 a statement and she wants to read the statement, 7 and it's -- it would more -- it would more be in 8 the style of a closing argument, but I don't know 9 where she is going and I'm trying to direct her 10 in the sense of what -- I'll just ask you to move 11 I'm not sure how to limit what's coming in. on. 12 The only problem I have is the MR. O'BRIEN: 13 statement becomes itself evidence. When I'm 14 15 wrapping up, my closing argument is based -- I'm arguing to you what the evidence was. 16

17 CHAIRPERSON ANDERSON: Yes.

MR. O'BRIEN: And here, we're not hearing any evidence, we're hearing the closing argument which becomes evidence to be relied on as the board is drafting it's findings of fact and conclusions of law. That's my problem.

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MS. KAHLOW: I need to explain -- maybe I 1 should have earlier -- the first case I took 2 before this board I ended up at the court of 3 appeals, the D.C. Court of Appeals, because my 4 written statement was rejected, and the Court of 5 Appeals unanimously overturned the order, the 6 board's order, and said of course they should 7 have been able to have the testimony in the 8 record. That's how you make your case, 9 especially for a non-lawyer. So that we won. 10 CHAIRPERSON ANDERSON: Well, that's a 11 different -- that's a different situation. You 12 could have -- when you're doing your opening 13 statement you're making a statement because 14 you're saying this is what we're going to prove, 15 this is where we're going, these are our 16 witnesses. Now you are actually testifying. 17 That's what you're doing right now. 18 That's what we did in the other MS. KAHLOW: 19

20 case.

21 CHAIRPERSON ANDERSON: But -- but -- but when 22 you're testifying, so when I ask you a question,

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this is not where you're before the BZA or some 1 other agency where you're testifying, you're 2 actually -- we're an administrative hearing, we 3 are -- you have to prove something. You're being 4 asked questions, you're answering the questions, 5 but what we have here today is that you've 6 written a statement, you've said 'this is my 7 statement and it's not open to cross examination. 8 MS. KAHLOW: I'm very happy to have cross 9 examination. 10

11 CHAIRPERSON ANDERSON: But the problem is 12 that because you're just reading something, it's 13 -- I don't know where else, where are we going? 14 MS. KAHLOW: I was trying to give you a copy 15 but --

16 CHAIRPERSON ANDERSON: No, but that's still -17 - that still doesn't address the issue when you 18 give me a copy because I'm here sitting --19 because it's just a statement that you're making 20 and then at the end of it, then if I have any 21 questions I'll ask you, but maybe some of the 22 things that you're saying should not be in the

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record because I don't know if it's true or not and that's part of the problem is that you're making some statements and are they factual, are you drawing some conclusions and I've not heard for example, you said that 2:00 a.m. time is objectionable. Why is it objectionable?

7 MS. KAHLOW: Because people are trying to8 sleep.

9 CHAIRPERSON ANDERSON: But it's -- but you're 10 making a statement, you're not telling me why --11 how does that impact peace, order and quiet. 12 It's not -- you're just putting it out there and 13 --

MR. O'BRIEN: Mr. Chair, may I make a suggestion?

16 CHAIRPERSON ANDERSON: Yes, Mr. O'Brien. 17 MR. O'BRIEN: Just allowing Ms. Kahlow 18 continued reading I'd like to have the board to 19 recognize on record that opinions such as "that's 20 too late" are not evidence, but factual 21 statements are. In other words, the entire 22 statement itself is not evidence.

CHAIRPERSON ANDERSON: I'm aware of that and 1 that's one of the reasons why, Mr. O'Brien, I had 2 asked -- it was my suggestion before to say let 3 her read her statement. If there are certain 4 things that she stated that you believe that you 5 need to address then you can ask her about those 6 things to clarify the record, because these are 7 just statements that have already been made, and 8 if you don't believe that they are factual then 9 you can ask to clarify the record, because 10 there's no other way to do it. 11

MR. O'BRIEN: I don't know that I brought enough legal pads to write down each statement of what I'm told is lengthy.

CHAIRPERSON ANDERSON: Then maybe one of the 15 things that -- ask her for a copy of the 16 statement that she has and you can put --17 underline certain things on the statement as 18 she's going through and make sure that you bring 19 to the attention of the board that 'okay, I need 20 to rebut this because I don't need to have this 21 in the record because I'm not quite sure which 22

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1 other way to do it.

MS. KAHLOW: Let me just tell you about the 2 other case, it was a protest case in front of 3 this board for an ABC license where liquor is 4 served, and it wasn't the west end, but I was 5 involved in that lawsuit and the D.C. Court of 6 Appeals said that the entire statement, some of 7 which was statistical data that I had gotten from 8 the library and some of which is what you call 9 opinions, was all of it had to go in, and the 10 board as a consequence now has regulations -- it 11 didn't have regulations back then, it is my test 12 case, it now has regulations. I was under the 13 understanding that I could present what I could 14 and each of the other witnesses could present 15 what they could, some of which will be 16 statistical, some of which won't be, and the 17 chart was supposed to be a side-by-side of facts, 18 those are facts, and I tried to get the other 19 documents in. Some of this is opinion, but the 20 whole idea is for us to be heard and since I'm 21 not a lawyer, all I know is the court of appeals 22

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agreed that the whole statement should go in. That was a very lengthy statement and from then 2 on I've been told I was allowed to make a 3 statement. 4

1

CHAIRPERSON ANDERSON: But you can't make a 5 statement in -- you have an opening, in the 6 presenting the case you make an opening argument 7 and then you call your witnesses. 8

MS. KAHLOW: And I'm one of the witnesses, I 9 can ask myself a question if that would be 10 helpful. 11

CHAIRPERSON ANDERSON: Then why don't you ask 12 yourself a question and provide the answer. 13

Okay, okay, good. MS. KAHLOW: 14

CHAIRPERSON ANDERSON: And then when you ask 15 yourself a question, then Mr. O'Brien will object 16 to the question and I will tell you that you 17 can't answer that. 18

MS. KAHLOW: Okay. That's a good solution. 19 Thank you. 20

MR. SILVERSTEIN: I'm glad you agree. 21

MS. KAHLOW: I -- well, I think -- you know, 22

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I'm not a lawyer, Mr. Silverstein, and I'm doing
 the best I can here --

CHAIRPERSON ANDERSON: And we all understand 3 that, so that's one of the reasons why you know 4 what is it that you're trying to bring up, so ask 5 yourself a question, then I will know what the 6 question is, Mr. O'Brien will know what the 7 question is and then prior to you providing the 8 answer then he will object and I will let you 9 know whether or not you can answer that question 10 and then I'll say move on. 11

Thank you. This section is MS. KAHLOW: 12 called Objectionable Versions. Barbara (asking 13 myself), besides yourself and the witnesses 14 today, have you heard from other affected --15 adversely affected -- people and do they have 16 concerns as well? So, that's the question. 17 And the answer is: Yes, thanks to the ANC 18 commissioner, he has put me in touch with people 19 in each of the buildings and I have written 20 statements, e-mails from those people, Watergate 21 South, Watergate East, etc., about their problems 22

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and what they've experienced and I was going to read them in the record if you'll allow me to, from other people.

4 MR. O'BRIEN: I object to that because I 5 cannot cross examine them.

MS. KAHLOW: Okay, all right, but I've got
them. The next section is called Comparisons
With Other Establishments.

9 QUESTION BY MS. KAHLOW: Barbara: Have you 10 been able to compare the Watergate 2013 terms 11 with all of the other precedents that have been 12 set over the years by the WCA and the other 13 establishments in our neighborhood. Are there 14 any others with live music?

15 ANSWER BY MS. KAHLOW: No.

16 QUESTION BY MS. KAHLOW: Are there any other 17 with outdoor amplified music?

18 ANSWER BY MS. KAHLOW: No.

19 QUESTION BY MS. KAHLOW: Do others have very

20 limited hours for recorded music?

21 ANSWER BY MS. KAHLOW: Yes.

22 MR. O'BRIEN: Objection to all of those

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questions on relevance grounds as previously
 stated.

3 CHAIRPERSON ANDERSON: Overruled, go ahead. 4 But I -- your objection is recorded for the 5 record.

Thank you. Thank you both. 6 MS. KAHLOW: So, 7 exhibit #2 we have and that's precedent setting for other nearby outdoor venues and you can see 8 that there's nothing as late as 2:00 a.m. or 9 12:00 midnight or anything else like that, so 10 this is precedent setting. In the Watergate, as 11 Ms. Maddux was starting to tell you, it's an 12 elderly community. My witnesses are in their 13 80s, some of them, and they like to go to bed by 14 10:00 and they -- this is just who we are. 15 In my building I'm the youngest and I'm 70. 16

17

MR. O'BRIEN: Objection, relevance.
MS. KAHLOW: I'm just explaining that they
have an earlier bedtime than some other places.
CHAIRPERSON ANDERSON: It's overruled.
MS. KAHLOW: Thank you. So, we wanted the

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board condition #1 to renew with no music in any 1 of the venues and more limited operating hours, 2 which I'll enumerate later, in all of them. 3 We wanted to protect our community as the other 4 establishments have done. So, the exhibits -- #3 5 I wasn't allowed in, but #4 is the nearby hotel 6 that's opening three blocks down the street and 7 they have very limited hours and you can see that 8 by the chart what they are. 9

MR. O'BRIEN: Objection. Relevance.
 CHAIRPERSON ANDERSON: Why is it relevant
 that these other establishments have limited
 hours.

Because the -- what the civic 14 MS. KAHLOW: association does -- and I think we're no 15 different than most civic associations -- we try 16 to protect the community standards. We try to 17 have consistency, fairness for every single 18 applicant -- you're shaking your head. We try to 19 do the same thing for everybody, and we share 20 everybody's agreement with the other entities and 21 we all try to be fair, and everybody comes to the 22

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table, has sat down with us, and made an 1 agreement. And these two establishments which I 2 wanted exhibit #3 and #4, we went to as soon as 3 the ownership changed, before they even put the 4 construction thing in and the second had just 5 started construction, and that way they could 6 plan their life, and we think that's important. 7 The Watergate is a very unusual circumstance 8 because we didn't want to interfere, we didn't 9 want to be blamed since we've been living with an 10 ugly, decrepit building for a while and we wanted 11 to protect the community when three years came up 12 and that's what I'm doing, and we'll do it three 13 more years from now if, in fact, there's a 14

15 problem. What we're trying --

16 CHAIRPERSON ANDERSON: The problem with that, 17 Ms. Kahlow, is that it can't be a cookie cutter 18 approach, so not because -- and I think that's 19 the issue where you need to respond. The 20 Watergate is not the same establishment as the 21 establishment next door, so you told the 22 establishment next door that they can close at

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10:00 and they agreed to 10:00, but how is that 1 I mean is it the same establishment? relevant? 2 If you could say to me, maybe if you said that 3 the establishment next door was a hotel and have 4 the same type of -- it's the same type of 5 business, they have the same business model, then 6 you can say 'well, for competition's sake we 7 provided this hotel, which is next door or across 8 the street, 10:00, so we think it's relevant that 9 for the community standard for the operation of a 10 hotel, 10:00 is -- ' but you can't say that 11 because we have a bar here, we have a hotel here 12 that we should use the same standard. 13

MS. KAHLOW: Well, the exhibit #3 was right across the street, and we showed them what the Watergate had as later hours. We said 'we will be protesting it, it's completely inconsistent, this is what every other establishment has done, we want you to fall in with the rest' and they agreed.

21 CHAIRPERSON ANDERSON: Okay, but, yeah that's22 their choice. The Watergate didn't but you can't

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say to them that because the person across the 1 I allow you to bring it into the record 2 street. because it's part of your case, but you need to 3 say to me, or prove to the board, why is the 4 10:00 hours -- why is it -- say whatever time --5 why this is the time that will -- this is the 6 time that is agreed upon that if it's closed at 7 10:00 it's appropriate. Yes? 8

MS. HOBSON: So, I don't think she's already 9 prepared these statements, and I think as she 10 reads it and we -- there are objections where 11 we're not clear, she's not going to be able to 12 sort of do that because she has no way of knowing 13 what part of her statement that she reads is 14 going to be sort of an issue. So, maybe we 15 should sort of rethink how she is going to serve 16 as her own witness. Because I don't think her 17 reading the statement, and I don't think her 18 asking questions, is going to do it because we're 19 going to keep, you know, she's never going to get 20 through it. 21

MS. KAHLOW: I'm almost through it because

I've crossed out the stuff, but thank you for
 your --

MS. HOBSON: How much more would you say you4 have?

MS. KAHLOW: I have two pages of eight.
MS. HOBSON: That's not almost there.
MS. KAHLOW: What's that?

8 MS. HOBSON: That's a lot. Because I feel 9 like as you complete one sentence, someone has a 10 comment and then we have to take time to --

CHAIRPERSON ANDERSON: So, this is what I'm 11 going to do, okay? I know that Mr. O'Brien you 12 have an objection. Do you have a standing 13 objection? Because I'm looking at time. So, I'm 14 going to allow her to go through her statement 15 and you're objecting to her statement -- you are 16 objecting to her reading the statement for -- you 17 have a standing objection to the statements that 18 are being made, and the board will take the 19 statement for whatever it's worth. The board 20 will not make a determination on the statements 21 that are being made unless there are facts in 22

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evidence presented to support the statements that
 are being made.

3 MR. O'BRIEN: Well I'll attempt to expedite 4 it.

5 CHAIRPERSON ANDERSON: Okay.

6 MR. O'BRIEN: I have made clear my objection, 7 relevance grounds, as to what other people have 8 done.

9 CHAIRPERSON ANDERSON: Yes.

MR. O'BRIEN: If the board recognizes that
it's a standing objection --

12 CHAIRPERSON ANDERSON: Yes.

MR. O'BRIEN: -- I will not continue to interrupt each time with something else that comes up.

MR. SHORT: Mr. Chair, can I make just one comment?

18 CHAIRPERSON ANDERSON: Yes, Mr. Short.

19 MR. SHORT: There is something in our

20 regulations that states that witnesses should

21 bring something new. I think that your witness,

22 your very first witness, Ms. Maddux, Sarah

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Maddux, pretty much is saying the same thing 1 you're saying. What different things are you 2 going to say that Ms. Maddux didn't say? 3 MS. KAHLOW: Well, my next two sections are 4 completely brand new information: Unusual 5 circumstances. 6 CHAIRPERSON ANDERSON: So go ahead. 7 MS. KAHLOW: And Ms. Maddux was supposed to 8 talk about the city-wide efforts protecting the 9 elderly and how important it is to the mayor and 10 it is to the United States, but particularly in 11 D.C. 12 MR. SHORT: She did that. 13 I'm not talking about that. 14 MS. KAHLOW: She did that. 15 MS. HOBSON: But I'm not talking about that, she talked 16 about that. 17 All right. CHAIRPERSON ANDERSON: 18 The city-wide stuff, she's on MS. KAHLOW: 19 the federation board. I'm talking about Foggy 20 But I -- we've already -- you're already Bottom. 21 beating a dead horse on that. So let me talk 22

1 about: Are there Barbara, any unusual

circumstances in this case? Yes, there are two. 2 First there was supposed to be a test period as 3 we discussed earlier in 2014 and 2015, so we 4 haven't had a test with live music yet of this 5 The WCA doesn't want to wait three years venue. 6 to protect it's interest when there's going to be 7 noise testing. Second is much more important, 8 federal reviewing problems. Ms. Maddux and I in 9 the West End Citizens Association were involved 10 in the Kennedy Center recent expansion plans to 11 the south -- they want to add three buildings --12 and they wanted to have an elevator to be able to 13 access it from below the other buildings up, and 14 the National Capitol Planning Commission and the 15 Commission of Fine Arts said, 'absolutely not 16 because you'll be above the view shed, and be 17 visible from the Potomac, from Georgetown, from 18 Teddy Roosevelt and you can't do it.' And we 19 went through a lengthy process, finally the 20 Kennedy Center agreed and they're having a ramp 21 over the whole thing; no elevator because they 22

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don't want to have it any higher. So the West 1 End is asking the applicant when we went on our 2 walkthrough that that is the law and we wanted to 3 alert the board about that law, that there would 4 have to be -- it's a multi-year process to go 5 through all the different federal agencies before 6 they can use the terrace over ballroom venue, and 7 I was going to explain the different laws, 8 section 106 of the Historic Preservation View 9 Act, the National Capitol Planning Act, and go 10 through all of that with you, but at least it's 11 an unusual circumstance that one of the six 12 venues is not accessible and it can't be for a 13 long period, maybe the whole three-year period if 14 you're going to have this renewal. 15

16 So, the last thing I want to do is talk about 17 the three conditions we want. No outdoor music, 18 live, amplified or recorded in all of the summer 19 gardens. Two, closing by 10:00 p.m. daily seven 20 days a week in all six summer gardens. And 21 three, no use of the terrace over ballroom summer 22 garden until completion of the federal review

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process if an elevator is to be added to allow
 access.

MR. O'BRIEN: Objection. None of this is 3 4 factual evidence. It's all argument. MS. KAHLOW: It may be argument. Those are 5 the conditions that we want and that we are 6 7 asking the board to have. CHAIRPERSON ANDERSON: I'm overruling the 8 objection but I understand. 9 MS. KAHLOW: I will have four more witnesses. 10 One's a non-lawyer and three are lawyers, and I 11 will ask them questions and the first is the non-12 lawyer, so be patient with her. Should we call 13 14 Dr. Jennings? 15 CHAIRPERSON ANDERSON: Sure. MS. KAHLOW: Do I do that or how does that 16 work? And now you've educated me about the 17 questions, that's great. 18 CHAIRPERSON ANDERSON: Yes. 19 MR. O'BRIEN: Is that the end of Ms. Kahlow's 20 testimony? 21 CHAIRPERSON ANDERSON: Yes, I apologize. 22

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1 Before you call the witness, yes, yes, yes.

2 MR. O'BRIEN: Okay.

3 CHAIRPERSON ANDERSON: I apologize, Mr.4 O'Brien.

5 MR. O'BRIEN: Okay because I.

6 CHAIRPERSON ANDERSON: You can cross examine7 her now.

8 MR. SILVERSTEIN: Mr. Chairman, the 9 protestant has used up 52 of their 90 minutes, 10 the licensee 30 of their 90.

11 CHAIRPERSON ANDERSON: All right --

MS. KAHLOW: Thank you. The rest is easy. CHAIRPERSON ANDERSON: I'm going to be -we've spent probably the last 20 minutes arguing --

16 MR. SILVERSTEIN: I didn't count that.

17 CHAIRPERSON ANDERSON: All right. But, I'm 18 going to give them some leeway, I mean I'm not 19 going to say fine, she has three more witnesses, 20 I'm going to allow her to present her witnesses 21 so, but I'm just asking that we speed the process 22 up a bit.

MS. KAHLOW: I think the other four witnesses are fast. Thank you very much for that time keeping.

4 CHAIRPERSON ANDERSON: Go ahead. Hold on,
5 Mr. O'Brien is going to ask questions of you.
6 MS. KAHLOW: Okay.

MR. O'BRIEN: Ms. Kahlow, I put it to you
that the West End Citizens Association is nothing
more than you and Sarah Maddux.

MS. KAHLOW: There are no members, is that what you're saying?

12 CHAIRPERSON ANDERSON: Mr. O'Brien, are you 13 asking a question or are you making a statement? 14 MR. O'BRIEN: I'm sorry, that's the old 15 English way -- "I put it to you" is a question, 16 sorry. Ms. Kahlow, the West End Citizens 17 Association is really nothing more than Sarah 18 Maddux and you, correct?

MS. KAHLOW: Incorrect. We have paid membership, we have meetings, we have one November 19th. We have speakers, we are participating in lots of activities and we have a

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five-person board. And yes, we have lots of 1 members, and we've become, we're a regular 2 witness at proceedings all across the city 3 agencies, so I'm not sure what your question is. 4 MR. O'BRIEN: You answered the question. 5 I'll show you what has been marked as Applicant's 6 7 Exhibit #4 which is the bylaws that you provided pursuant to the subpoena today, the bylaws of the 8 West End Citizens Association. Do you have a 9 copy? 10

11 MS. KAHLOW: I do.

MR. O'BRIEN: Good. I will tell you that the only mention of votes that I can see is in Article III, Section V regarding votes of the membership of the association.

MS. KAHLOW: Please refer to Article IV,Section III.

18 MR. O'BRIEN: I'm sorry, are you answering my 19 question?

20 MS. KAHLOW: That is not the only one, to 21 your question.

22 MR. O'BRIEN: I didn't get my question out.

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1 MS. KAHLOW: Oh, I'm sorry.

MR. O'BRIEN: I invite your attention to 2 Article III, Section V, which deals with voting 3 by the members of the association at meetings. Ι 4 do not see, and I ask you to point out, if you 5 will, where the board of directors of the 6 association is empowered to take a vote to 7 protest an ABC license. 8 Article IV, Section III. MS. KAHLOW: 9

MR. O'BRIEN: And what does it say in ArticleIV, Section III regarding taking a vote.

MS. KAHLOW: "Meetings will take place by means of conference telephone or other means of communication equipment which allow for persons to hear each other at the same time." It explains what that is, etc.

MR. O'BRIEN: My question, again, is where does -- where do the bylaws of the West End Citizens Association authorize the board of directors, as opposed to the membership, to take a vote to protest an ABC license.

MS. KAHLOW: Though I was not on the board

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when this was done, let me read you the section. 1 "Meetings and board of directors are called by 2 the president, notice of the meeting of the board 3 specifying the business to be conducted, shall be 4 provided to the directors at least five business 5 days in advance of the meeting. The presence of 6 the majority of the directors constitutes a 7 quorum, a quorum must be present in order for the 8 board to take any action, including a protest, 9 meetings may take place --10

MR. O'BRIEN: Excuse me, excuse me, you're not saying that this says any action including protests are you?

14 MS. KAHLOW: No, I'm saying action --

MR. O'BRIEN: You added the words including protests.

MS. KAHLOW: Yes, correct, including
protests. Meetings may take place by means of a
conference call or by other means of
communication equipment which allow for persons

to hear each other at the same time." Action,

very similar to the ANC law about D.C. agency

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actions require -- include menus, cases, protests 1 and all that, that's what action is in the 2 general term in D.C. and that is what I've 3 always understood it to mean. Every -- I'm on 4 the board of many other groups that have been, 5 currently only a few of them, but I've been on 6 many and this is all the same. Everybody 7 operates the same way. The board is able to call 8 a meeting and vote on if they need to go for a 9 grant, if they need to protest something, that's 10 how it works. 11

MR. O'BRIEN: Is it your testimony that the power of the board of directors, as opposed to the membership, to protest an ABC license is implied by Article IV, Section III.

MS. KAHLOW: I don't think it's implied, I think it says the board can take any action.

18 MR. O'BRIEN: Okay, now --

MS. KAHLOW: I don't think it's implied, I think it's explicit.

21 MR. O'BRIEN: Now, read again the last 22 sentence to me, please. Let me go back a step.

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The protest letter that you filed in this case, I 1 think actually it was signed by Ms. Maddux, 2 states that a vote was taken on the 22nd of July, 3 is that correct? 4 MS. KAHLOW: 5 Yes. MR. O'BRIEN: Okay. 6 I believe -- I don't have the MS. KAHLOW: 7 letter right in front of me, but yes I believe 8 so. 9 MR. O'BRIEN: Okay, I would ask you to read 10 aloud, again, you've done it once, Article IV, 11 Section III, the last sentence. 12 MS. KAHLOW: "Meetings may take place by 13 means of a conference call or by any other means 14 of electronic equipment (e-mails) which allow all 15 persons --" 16 MR. O'BRIEN: Now, Ms. Maddux. 17 MS. KAHLOW: I'm not Ms. Maddux. 18 MR. O'BRIEN: I'm sorry. 19 MS. KAHLOW: Okay. 20 What she does is she adds words MR. O'BRIEN: 21 that aren't in here. 22

1 CHAIRPERSON ANDERSON: Mr. O'Brien I don't 2 have the document in front of me, so I don't 3 know, so --

4 MR. O'BRIEN: All right.

5 MS. KAHLOW: I'll read it without -- straight 6 -- "meetings may take place by means of a 7 conference telephone or by any other means of 8 communications equipment which allows all persons 9 to hear each other at the same time." We have 10 been interpreting that to mean e-mail.

MR. O'BRIEN: No -- there's no question pending. Where did the board of directors meeting on July 22nd take place? What was the location of the meeting?

Everybody's computer. If you 15 MS. KAHLOW: see, on July 15th, in your other exhibit, we 16 wrote everybody and then everybody answered on 17 July 21st or July 22nd. We wrote everybody 18 saying we just went and met with the applicant 19 and this was the situation, here's the chart that 20 you all have, should we protest? And everybody 21 said yes, yes, yes -- all five board members. 22

MR. O'BRIEN: Okay. I'm looking now at 1 applicant's exhibit #5, which we subpoenaed the 2 minutes of the meeting of July 22nd and instead 3 we were given an e-mail --4 MS. KAHLOW: Because --5 MR. O'BRIEN: Is this e-mail stream the 6 minutes? 7 MS. KAHLOW: Yes, because it was a vote. 8 MR. O'BRIEN: All right. Now, this was what 9 we would call, I guess, an internet meeting? 10 MS. KAHLOW: Yes. 11 MR. O'BRIEN: Okay, how does that comport 12 with the requirement that you just read that 13 meetings may take place by either conference 14 telephone or by any other means of communication 15 which allows all persons to hear each other at 16 the same time." 17 It says means of communications MS. KAHLOW: 18 putting everybody, all five board members were 19 copied on all of these e-mails. Everybody was 20 copied and spoke to each other that way. 21

MR. O'BRIEN: Mr. Chair, I'm moving to

dismiss the protest on grounds that the vote of 1 the West End Citizens Association was not taken 2 in conformity with its own bylaws. Issue number 3 one, that the members who take votes, not the 4 board of directors, plus number two, that 5 everyone on this e-mail stream couldn't hear each 6 other at the same time as explicitly required by 7 Article IV, Section III of the bylaws. 8

MS. KAHLOW: And everyone was on the same e-9 mail chain at the same time and some of these 10 people were out of the country. One of them, Ms. 11 , was out of the country. We couldn't make a 12 long distance telephone call and that's why we 13 did an electronic vote in this instance. 14 Usually, it's in a home, but this time, because 15 one was out of the country, we wanted to have 16

17 everybody on the same e-mail.

18 CHAIRPERSON ANDERSON: All right, Mr. O'Brien 19 can you give me a copy of the document that you 20 have since I don't have a copy of it, please? 21 CHAIRPERSON ANDERSON: As chairperson of the 22 Alcoholic Beverage Control Board for the District

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of Columbia, and in accordance with section 405 1 of the Open Meetings Amendment Act of 2010, I 2 move that the ABC board hold a closed meeting for 3 the purpose of seeking legal advice from our 4 counsel on Case #16-PRO-00085, Watergate Hotel, 5 per section 405 B4 of the Open Meetings Amendment 6 Act of 2010. Is there a second? 7 MR. SHORT: Second. 8 CHAIRPERSON ANDERSON: Mr. Short has seconded 9 I will now take a roll call vote on the motion. 10 the motion before us now that it has been 11 seconded. Mr. Short? 12 MR. SHORT: I agree. 13 CHAIRPERSON ANDERSON: Mr. Silverstein? 14 15 MR. SILVERSTEIN: I agree. Ms. Hobson. CHAIRPERSON ANDERSON: 16 MS. HOBSON: 17 I agree. CHAIRPERSON ANDERSON: Mr. Anderson? Ι 18 agree. As it appears that the motion has passed 19 I hereby give notice that the ABC board will hold 20 a closed meeting in the ABC Board conference room 21 to discuss your motion. We're in recess. 22

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CHAIRPERSON ANDERSON: We're back on the 1 record. A motion was made by the applicant to 2 state that the protestant did not have standing 3 to do this motion -- I'm sorry -- to do this 4 protest. Section 25601 provides guidelines to 5 standing to file a protest against a licensee and 6 a citizen's association, which this organization 7 is, incorporated under the laws of the District 8 of Columbia located within the affected area, 9 provides that the following conditions are met: 10 a) Membership in the citizen's association is 11 open to all residents of the area represented by 12 the association and, b) a resolution concerning 13 the license application has been duly approved in 14 accordance with the association's articles of 15 incorporation or bylaws at a duly called meeting 16 with notice of the meeting given to the board and 17 body and the application at least seven days 18 before the date of the meeting. So, I now turn 19 to the bylaws of the articles of incorporation, 20 Article IV, Board of Directors' Meetings: 21 Article IV, Number III: Meetings: Meetings of 22

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the board of directors are called by the 1 president. Notice of the meeting of the board 2 specifying the business to be conducted shall be 3 provided to the directors at least five days in 4 advance of the meeting, the presence of the 5 majority of the directors constitutes a quorum, a 6 quorum must be present in order for the board to 7 take any action. Meetings may take place by 8 means of conference call or by any other means of 9 communications equipment which allows all persons 10 to hear each other at the same time. 11

MS. KAHLOW: There's one more section that I forgot.

14 CHAIRPERSON ANDERSON: What section?

Section V, right below it. 15 MS. KAHLOW: In Article V, paragraph V, written consent. I′m 16 sorry, I didn't have that in front of me. 17 CHAIRPERSON ANDERSON: All right, Written 18 Consent: Any action that is required in a 19 meeting of the directors may be taken without a 20 meeting if a consent in writing set in forth the 21 action to be taken is sent via U.S. postal 22

service or by fax to the registered board member, 1 is signed by all members of the board. 2 Such consent in writing shall have the same force and 3 effect as a unanimous vote of the board and shall 4 be filed with the corporate minutes of the board 5 of directors. It's my understanding that Mr. 6 7 O'Brien had requested the minutes from the board of directors meeting. This is what was provided 8 which is Applicant's #5, as the minutes from the 9 board of directors. There was an e-mail sent on 10 -- sent July 22nd, 2016, at 5:37 a.m. which 11 states that "you always have my vote." There was 12 another e-mail sent on July 22nd at 2:21 a.m. to 13 say that "it's a yes" -- that was July 22nd at 14 There's another e-mail sent on July 15 2:21 a.m. 22nd, 2016, at 7:34 p.m. and I guess, the e-mail 16 that was sent out requesting the vote was sent 17 out on July 21st, 2016, at 9:34 a.m. That's what 18 it is. I'm reading it now. There was an e-mail 19 sent out on July 21st at 9:34 a.m. All: Sarah 20 and I met with the manager of the Watergate Hotel 21 and his attorney last night. Sarah attended the 22

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ANC meeting and was -- by the ANC commissioner 1 and the ANC will be submitting a letter in 2 support of the expected WCA protest. Hurrah. 3 Attached is my chart showing items in the 4 settlement agreement. It shows a lot of 5 misinformation. Please e-mail as soon as 6 possible your vote to support or not a protest by 7 WCA ." So that notice was sent out on July 21st, 8 2016 at 9:34 a.m. 9

I make a motion to move forward, that we grant the motion brought by -- filed by the applicant -- I'm sorry, filed by the licensee -that the association did not comply with its Article IV, Section III of its own bylaws that talks about what constitutes a meeting because no meeting was held.

MS. KAHLOW: And paragraph five also?
CHAIRPERSON ANDERSON: Pursuant to -- I don't
think that five is relevant, but still I'll also
bring five, that the organization did not comply
with its bylaws pursuant to Article IV, Section
III, with precedent of also five, I don't think

five is relevant because it basically states that 1 in order to have a meeting all members need to 2 hear each other at the same time, and even 3 consent, I still don't see anything as far as 4 Article V is written as far as Section V of 5 Article IV I don't see any written consent that's 6 signed off by all of the other members, but be 7 that it may, I make a motion -- I'm making a 8 motion to my board members that we grant the 9 motion to dismiss based on the fact that they did 10 not comply with Article IV regarding the 11 provision -- that no meeting was held or 12 authorized -- to authorize this vote. 13 MR. SHORT: I second that motion, Mr. Chair. 14 CHAIRPERSON ANDERSON: Mr. Short has seconded 15 the motion. I will now take a roll call vote on 16

17 this matter. Mr. Short?

18 MR. SHORT: I agree.

19 CHAIRPERSON ANDERSON: Mr. Silverstein?

20 MR. SILVERSTEIN: Reluctantly, I agree.

21 CHAIRPERSON ANDERSON: Ms. Hobson?

MS. HOBSON: I agree.

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1 CHAIRPERSON ANDERSON: Mr. Anderson? I 2 agree. It appears that the matter has passed 5-3 zero and so, therefore, we are dismissing this 4 matter based on the fact that the organization 5 does not have standing.

6 MS. KAHLOW: Mr. Chairman, I have a question 7 when you're finished.

8 CHAIRPERSON ANDERSON: The organization did 9 not comply with Chapter 25601 regarding having a 10 meeting as per its articles of incorporation.

11 Yes?

MS. KAHLOW: My question is, will there be a written order that's appealable to the court? CHAIRPERSON ANDERSON: Yes, we'll issue a final order which will be appealable by -- which you will have the opportunity to appeal, but I will -- Mr. O'Brien, did you move the bylaws into evidence?

MR. O'BRIEN: I believe, no because I hadn'treviewed them beforehand so I so move now.

21 CHAIRPERSON ANDERSON: Ms. Kahlow, they're22 your bylaws. Do you have any objection?

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MS. KAHLOW: They're already in your
 DCRA/ABRA's files when they were certified, I
 believe, so I have no objection.

4 CHAIRPERSON ANDERSON: So, marked appellant 5 IV, which are the bylaws, are part of the record 6 in this case. Yes, ma'am. Do you have any other 7 questions or was that your question?

8 MS. KAHLOW: I'm stunned. I just want to 9 make a quick statement that I've testified in 10 front of every single body and I'm stunned. So, 11 this is very unfortunate.

12 CHAIRPERSON ANDERSON: One other, before 13 closing the record, Mr. O'Brien, did you move #5, 14 the e-mails, into the record also?

MR. O'BRIEN: I'm sorry, just now I thought I
said #4 and #5.

17 CHAIRPERSON ANDERSON: Numbers #4 and #5?
18 Okay. Ms. Kahlow, do you have any objection.

19 It's basically applicant #5 which is the minutes

20 from the meeting?

MS. KAHLOW: I do not.

22 CHAIRPERSON ANDERSON: Okay, so #4 which is

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the bylaws, #5 the minutes of the meeting are
moved in as part of the record. Yes, Mr.

3 Silverstein?

MR. SILVERSTEIN: Thank you, Mr. Chair. Mv 4 concern here was that there's no indication there 5 was any contemporaneous conversation going on, 6 that these particular e-mails to one another 7 occurred several hours apart and did not appear 8 to be even a conversation, so I could not -- it 9 would be more than a stretch to consider that a 10 meeting. 11

12 MS. KAHLOW: Because we --

13 MR. SILVERSTEIN: Excuse me.

14 MS. KAHLOW: Oh, I'm sorry --

MR. SILVERSTEIN: And that to me is the difficult part and that's why I voted the way I did.

18 CHAIRPERSON ANDERSON: Ms. Kahlow, do you 19 need to respond?

20 MS. KAHLOW: I was trying to explain one was 21 in Europe, that's the time change, and the other 22 was out of the country -- was out of the city --

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so that's why the times are all different. We
couldn't have a board meeting together if they
were out of the country and we had to file by
July 25th.

CHAIRPERSON ANDERSON: But did you have a 5 board meeting where everyone was -- your -- the 6 7 rules -- this is what -- and we're still on the record -- it states that "meetings may take place 8 by means of a conference telephone or by any 9 other means of communications equipment which 10 allows all persons to hear each other at the same 11 time." 12

MS. KAHLOW: And I believe hearing includes
written language when you're across the
continent.

16 CHAIRPERSON ANDERSON: At the same time? 17 MS. KAHLOW: They all got the e-mail at the 18 same time. That's what -- the way we all operate 19 in the 21st century.

20 CHAIRPERSON ANDERSON: Hear each other at the 21 same time. So, if I send an e-mail to everyone 22 at the same time, if I'm not sitting at my e-

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1 mails, how do you know that when I sent the e-2 mail to the five people, all five people were 3 sitting at their desks checking their e-mails at 4 the same time?

MS. KAHLOW: One may have been asleep because he was across the Atlantic Ocean, but they all were -- every single reply was "reply to all" -everybody was able to talk to each other.

9 CHAIRPERSON ANDERSON: At the same time? 10 MS. KAHLOW: They all got the e-mail at the 11 same time.

12 CHAIRPERSON ANDERSON: But did they hear each13 other at the same time?

MS. KAHLOW: When you have international -people traveling constantly, you can't always be in the same room, so you send e-mails. This is the way it's done all over the country at the same time the people respond and then you copy all of them on it all at the same time.

20 CHAIRPERSON ANDERSON: I'm only going -- you
21 wrote your bylaws.

MS. KAHLOW: I didn't write it, I was not in

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1 the organization then.

CHAIRPERSON ANDERSON: Well, your 2 organization wrote the bylaws and the bylaws 3 stated that you have to hear each other at the 4 same time, and hearing each other, as an 5 attorney, hearing each other at the same time 6 means that we are at the same time we're hearing 7 the same information at the same time so we can 8 respond to each other at the same time, so 9 sending -- at least in my view and in the 10 reviewing this document, sending an e-mail at the 11 same time, folks are not hearing each other at 12 the same time and, again, your bylaws doesn't 13 talk about hear -- I mean it's a stretch to say 14 15 in e-mails people are hearing each other at the same time but --16

MS. KAHLOW: That's the way we do business in this day and age.

19 CHAIRPERSON ANDERSON: I know, but the 20 recommendation is that the board of directors 21 should review the articles of incorporation and 22 change it to reflect what's happening. The way

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it's read it says, "hear each other at the same time" -- sending an e-mail does not appear to comply with your bylaws.

MS. KAHLOW: When the articles were written 4 sometime after 1920 they didn't have e-mails and 5 maybe you're right that they could be cleaner up. 6 I don't think this has ever been an issue before. 7 When e-mails started, that's how common business 8 is conducted. For example, when I do real estate 9 transactions it's all done electronically so I do 10 it, they do it, everyone's doing it when they can 11 read it. Everything is done that way now. 12 That's the way business is conducted. This is, 13

14 as I say, a very old organization. I wasn't part
15 of either of these things, bylaws or I joined the
16 organization after I retired.

MR. SILVERSTEIN: What we meant, that's why the constitution gets amended every now and then because you have to bring it up to date.

20 CHAIRPERSON ANDERSON: And as things -- in 21 review of the document in front of us which is 22 exhibits #4 and #5, you presented exhibit #5 as

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the minutes for the meeting. That's -- it's
 based on a combination of reviewing both
 documents.

MS. KAHLOW: But there were subsequent e-4 mails which nobody seemed to ask for which were 5 all the different things that had taken place in 6 the last period including this and what the votes 7 were and they were sent to all five 8 simultaneously, put together all the various 9 votes that had taken place, so there are other e-10 mails. These were the ones where you wanted to 11 see how people voted, so that's all I produced. 12 I didn't know I was supposed to produce minutes 13 later what had happened recently. 14

15 CHAIRPERSON ANDERSON: Thank you. Mr. Schwartz, I think you missed -- you stepped out 16 of the room at one point, and you stepped out of 17 the room at the wrong time because I think you 18 missed a lot of discussion that occurred. I know 19 that you had stated that per board rule that you 20 wanted to speak as a witness in this case. Mr. 21 O'Brien, the attorney for the licensee, made a 22

motion that they did not comply with the 1 regulations to constitute having a meeting, 2 meaning that they did not comply with their own 3 rules and regulations in voting to protest this 4 matter. The board has ruled and agreed with the 5 applicant's motion, so therefore we are ending 6 this case without having an opportunity for you 7 to speak because this is not a live matter, the 8 case is over without finishing, and that's 9 including the testimony, so that's why you're not 10 speaking today, sir. 11

Thank you for the explanation, Mr. Chair. Ι 12 actually heard a lot of it just before you 13 adjourned to talk to counsel. I'm very familiar 14 with that argument and procedures and actually 15 [inaudible 4:26:26]. So, I'm saying thank you 16 very much for feeling sorry for me, but I'm a 17 lawyer, too, and we all suffer these burdens. 18 CHAIRPERSON ANDERSON: Well, thank you for 19 being nice, but I appreciate the fact that you've 20 been here all this time and I know you wanted to 21 be heard, and that's one of the reasons why I 22

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wanted to explain to you why -- what the ruling
was made and why your testimony was not necessary
in this particular case, so I just want to thank
you for being here today, sir.

5 MS. KAHLOW: Mine too. Mr. Chairman, could 6 you tell my witnesses too? They've been here the 7 whole time. You can -- Mr. O'Brien before I 8 adjourn -- before I end the case you can bring 9 the witnesses in now.

MS. KAHLOW: Thank you. They're all lawyers
and they might have something --

12 CHAIRPERSON ANDERSON: As a courtesy to the13 folks who have been here.

MS. KAHLOW: I don't know where they are.

15 CHAIRPERSON ANDERSON: All right, well --

16 MS. KAHLOW: I think Ms. --

17 CHAIRPERSON ANDERSON: I will close the 18 record and our general counsel will brief them on 19 what occurred today, so I -- all right, thank 20 you.

As Chairperson of the Alcoholic Beverage
Control Board for the District of Columbia and in

OLENDER REPORTING, INC.

accordance D.C. Official code Section 2574 B, 1 Closed Meetings and Section 2574 Notice of 2 Meetings of Open Meetings Amendment Act, I move 3 that the ABC Board hold a closed meeting on 4 November 16, 2016, for the purpose of discussing 5 and hearing reports concerning ongoing or planned 6 7 investigations of alleged criminal or civil misconduct or violations of law or regulations 8 and seeking legal advice from our counsel on the 9 board's investigative, licensing and legal agenda 10 for November 16, 2016 as published in the D.C. 11 Register on November 10, 2016. Is there a 12 second? 13

14 MR. SILVERSTEIN: Second.

15 CHAIRPERSON ANDERSON: I will now take a roll 16 call vote on the motion before us now that it has 17 been seconded.

18 CHAIRPERSON ANDERSON: Ms. Hobson?

19 MS. HOBSON: Aye.

20 CHAIRPERSON ANDERSON: Mr. Silverstein?

21 MR. SILVERSTEIN: Aye.

22 CHAIRPERSON ANDERSON: Mr. Short?

1 MR. SHORT: I agree.

CHAIRPERSON ANDERSON: Mr. Anderson? Т 2 agree. As it appears that the motion has passed, 3 4 I hereby give notice that the ABC Board will hold its aforementioned closed meeting pursuant to the 5 Open Meetings Amendment Act. Notice will also be 6 7 posted on the ABC board here in the room on the room bulletin board, placed on the electronic 8 calendar on ABRA's website and published in the 9 D.C. Register in as timely a manner as is 10 practical. It's 5:52 and we are adjourned for 11 the day. Thank you. 12 13

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14 (Whereupon, the above-entitled matter was 15 concluded.)

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