

MEMORANDUM

Memo # 14-093-01

TO: Chief Kevin Treadway

FROM: Sgt. Matt Wright

DATE: September 25, 2014

REF Series 6 Liquor License Person Transfer for “Mad Italian”

On June 27, 2014, I initiated an investigation into an application for a series 06 (bar) liquor license person to person transfer. The liquor license application has been filed by James Mansene (Agent and Controlling Person) the owner of the bar Mad Italian. The Mad Italian (aka Mad I) is located at 101 S. San Francisco in Flagstaff. The license number being applied for is 06030055 a full bar license.

I conducted a query through local systems and public access on James Mansene. I found James had been cited criminally in 2009 for three separate noise complaints. These complaints came from the noise generated on the roof top bar of the Mad I. James Mansene plead guilty to the three charges entered a deferred prosecution and the charges were later dropped due to the successful completion of the court mandates.

I checked the Arizona Department of Liquor and found between the years of 2004 and 2014 Mad I had received 12 liquor violations. These violations resulted in warning letters and fines. I confirmed all fines had been paid in full by the end of 2013.

I found that James has owned this liquor license since 1991. The license was issued for the Mad I on behalf of the Gulf Stream Corporation owned by James Mansene. In October of 2013, James had sold the liquor license and the bar to an LLC owned by Jay Johari. Jay Johari and his business partners were granted a temporary license and thus allowed to operate the bar (Jax) once known as the Mad I. This temporary license was never approved to be a permanent license by the City of Flagstaff or the Arizona Department of Liquor Licensing because Jay Johari and his business partners closed their doors prior to the permanent license being transferred from James Mansene (Mad I) to Jay Johari (Jax).

In February of 2014, Jay Johari sold the license back to James Mansene. The ADLLC requires this person to person transfer due to the temporary license being issued in October of 2013, to Jay Johari.

On June 25, 2014, I spoke with James Mansene. James confirmed he received three criminal citations for the noise coming from his roof top bar. James said he completed his court requirements and between 2009 and 2013 was able to work out the noise level on the roof top bar to keep from receiving any other complaints.

James confirmed that he sold the license to Jay Johari and his business partners on or around October of 2013, and they operated the bar with a new name called "Jax". James also confirmed the new owners got in over their heads and left the business in the middle of the night. James was able to get his license back, but due to the previously mentioned temporary license being issued to Jay and his business partners he again has to go through this process to have the license transferred back in his name.

James explained that he had no intention of opening the Mad I again, but needed the license in his name at the location the Mad I previously operated out of so he can continue to pursue his options in selling the license and bar. Currently James is renting space to other businesses that are operating out of space previously known as the Mad I. I confirmed these other businesses are not selling alcohol. I also confirmed James has not requested an interim permit to sell alcohol which would be required if he wanted to open the bar and sell alcohol while he waited on a buyer.

James has not attended a liquor law training course but planned to prior to the issuance of the person to person transfer.

On or about July 17, 2014, I learned the Mad I liquor license had been pulled from the July 15, 2014 agenda. On September 23, 2014, I learned it had been placed on the agenda for October 7, 2014. Due to the lapse of time I contacted James again. James stated nothing has changed in his plans. James confirmed he owned the license, but due to the reasons already documented he needed the license placed back in his name. James stated he does not plan to re-open the Mad I and that it is his intention to sell the license and lease the space. James indicated it is also possible he would sell the license and lease the space for another bar to open at 101 S. San Francisco.

James is currently leasing some of the space to two different businesses. Neither of the businesses is selling alcohol as one is a coffee shop and the other is a business that makes and sells cookies.

Due to this investigation the recommendation to council would be for approval.