



STATE OF NEW JERSEY

OFFICE OF THE ATTORNEY GENERAL
DEPARTMENT OF LAW AND PUBLIC SAFETY
DIVISION OF ALCOHOLIC BEVERAGE CONTROL
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A.B.C. BULLETIN 2486

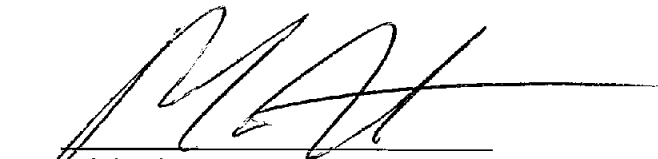
June 30, 2015

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This Bulletin is hereby published and disseminated to the alcohol
beverage industry, pursuant to N.J.S.A. 33:1-39



Michael I. Halfacre, Director

STATE OF NEW JERSEY
DEPARTMENT OF LAW AND PUBLIC SAFETY
DIVISION OF ALCOHOLIC BEVERAGE CONTROL

IN THE MATTER OF THE)	
CONDITIONAL DETERMINATION)	
OF QUALIFICATION OF TETERBORO)	
LANDING AS A DEVELOPMENT)	
PROJECT UNDER <u>N.J.S.A.</u> 33:1-12.50)	ORDER GRANTING
)	CONDITIONAL DETERMINATION
)	OF QUALIFICATION UNDER
)	<u>N.J.S.A.</u> 33: 1-12.50
CATELLUS TETERBORO)	
DEVELOPMENT URBAN RENEWAL,)	
LLC and PROLOGIS, LLC)	

Julie R. Tattoni, Esq., Attorney for Petitioner

BY THE DIRECTOR:

This matter has been opened to Michael I. Halfacre, Director of the New Jersey Division of Alcoholic Beverage Control, by Catellus Teterboro Development Urban Renewal, LLC and Prologis, LLC (hereinafter collectively "Developers"), for a conditional determination that Teterboro Landing Project (hereinafter "Project") qualifies as a development project under N.J.S.A. 33:1-12.50.

Under N.J.S.A. 33:1-12.50(g), a "qualifying development project" means a real estate development project that: 1) Is located in a municipality which has a population of fewer than 1,000 residents; and 2) Is in an area subject to a redevelopment plan adopted by the New Jersey Meadowlands Commission pursuant to N.J.S.A. 13:17-21.

Petitioner Developers have supplied documentation showing that the population of Teterboro Borough is 67 according to the 2010 U.S. Census Profile. In addition, Petitioner supplied a copy of the New Jersey Meadowlands Commission Teterboro/Industrial Avenue Redevelopment Plan (Resolution No. 09-49, May 2009) (hereinafter "Plan"). The Plan indicates that Block 202, Lot 4 is within the redevelopment area. The Overall Site Layout Plan for Teterboro Landing indicates that the Project is sited within the Plan. The Developers further included a copy of Commission Conditional Zoning Certificate issued August 6, 2013 for construction of the project, which concluded that the Project complies with the Plan. The

timetable for the Project's build-out and the opening schedule were also provided, along with a letter from licensed engineer, Alexander J. Lapatka, PE, PP which sets forth the square footage for the retail and office/light industrial buildings assuming full project build-out.

Under N.J.S.A. 33:1-12.50, a maximum of three retail consumption licenses and two retail distribution licenses may be issued for a qualifying development project which satisfies minimum square footage requirements. The requirements are as follows: for every 50,000 square feet of improvements in the qualifying development project, one (1) consumption license may be issued and for every 100,000 square feet of improvements in the qualifying development project, one (1) distribution license may be issued.

Based upon the Overall Site Plan provided by Petitioner Developers, at full build-out the Project will have 160,000 square feet of light industrial/office space and 442,000 square feet of retail space, which is enough to support issuance of the maximum number of licenses under N.J.S.A. 33:1-12.50(a) and (b). The maximum number of licenses which may be considered for issuance are three consumption licenses and two distribution licenses.

For the foregoing reasons, I have determined that the Project is a qualifying development project, conditioned upon the build-out of the necessary square footage to support the respective licenses and issuance of a certificate of occupancy associated with that space. Tenants are authorized to begin the process of applying for the appropriate retail consumption or distribution licenses. Each tenant will be required to submit to the Division of Alcoholic Beverage Control a fully executed lease, as well as a letter of consent signed by the Developers as part of the approval process. Licenses cannot be issued until a fee schedule is established pursuant to N.J.S.A. 33:1-12.50(e). Each retail licensee will fall under the direct authority of the N.J. Division of Alcoholic Beverage Control and be subject to all rules and regulations contained in Title 33 and Chapter 13 of the administrative regulations, and specifically N.J.S.A. 33:1-12.50 [P.L. 2013, c. 63].

Accordingly, it is on this 21 day of January, 2014,

ORDERED, that the Teterboro Landing Project is conditionally determined to be a qualifying Development Project within the scope of N.J.S.A. 33:1-12.50.



MICHAEL I. HALFACRE
DIRECTOR

MIH/DPL



CHRIS CHRISTIE
GOVERNOR

KIM GUADAGNO
LT. GOVERNOR

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JOHN J. HOFFMAN
ACTING ATTORNEY GENERAL

MICHAEL I. HALFACRE
DIRECTOR

NOTICE TO THE INDUSTRY REGARDING PAIRING DINNERS

The Division of Alcoholic Beverage Control ("ABC") has become aware of a problematic practice that is becoming increasingly popular between licensed retail establishments and unlicensed restaurants throughout the State of New Jersey. Recently, events known as "Pairing Dinners" have become very common. Generally, "Pairing Dinners" are events for which an unlicensed restaurant develops a menu for the evening and a licensed retail establishment supplies wine, beer, or spirits for the event that compliments the food to be served. The event is held at an unlicensed premise or a "B.Y.O.B." Tickets are sold prior to the event with food and drink included as part of the fee for admission. As explained below, these "Pairing Dinners" raise issues regarding potential violations of the rules and regulations of the Division of Alcoholic Beverage Control.

When tickets for a "Pairing Dinner" have been sold at the unlicensed premises and the tickets include payment for the alcohol portion of the "Pairing Dinner," the act of selling alcohol at an unlicensed establishment violates of the Alcoholic Beverage Control Act (the "ABC Act"). Pursuant to N.J.S.A. 33:1-2(a), it is unlawful to sell alcoholic beverages in the State of New Jersey, except pursuant to and within the terms of a license. Specifically, N.J.S.A. 33:1-26 provides in part that, "A separate license is required for each specific place of business and the operation and effect of every license is confined to the licensed premises." Moreover, "Any person who shall exercise or attempt to exercise, or hold himself out as authorized to exercise, the rights and privileges of a license except the licensee, shall be guilty of a misdemeanor." Ibid. In the above scenario, due to the fact the unlicensed entity sold tickets, the price of which included the sale/purchase of alcohol, the unlicensed entity has sold alcohol in clear violation of N.J.S.A. 33:1-2(a) and N.J.S.A. 33:1-26.



Furthermore, by participating in the "Pairing Dinner" in violation of the ABC Act, the licensed partner aids and abets the unauthorized sale of alcohol on its behalf, a violation of N.J.S.A. 33:1-25, -26, and -31(a).

In order for a licensee and an unlicensed restaurant to host a "Pairing Dinner" without violating the ABC Act, the food portion and alcohol portion of the ticket should be sold separately. For example, the alcohol portion should be purchased directly from the licensee at its premises prior to the event and include delivery to the licensed premises. Prior to the event, the patron could then bring a voucher to the restaurant indicating that the alcohol has been purchased and subsequently pay the remaining balance of the ticket for food to the restaurant, if any. By implementing this system or a similar system that separates alcohol and food purchases, the licensee can be assured that it will not be in violation of the rules and regulations of the ABC Act. Please be advised that if a "Pairing Dinner" is not held in accordance herewith, the ABC may take appropriate actions.

STATE OF NEW JERSEY
DEPARTMENT OF LAW AND PUBLIC SAFETY
DIVISION OF ALCOHOLIC BEVERAGE CONTROL

)	
)	FIRST AMENDED
IN THE MATTER OF)	SPECIAL RULING AUTHORIZING
APPLICATION FOR)	THE TEMPORARY ISSUANCE OF
FESTIVAL EVENT PERMITS)	CERTAIN FESTIVAL EVENT PERMITS
_____)	
)	

BY THE DIRECTOR:

The Division of Alcoholic Beverage Control (“ABC” or “Division”) has received requests for opinion letters, permits, waivers and other authorizations to permit various types of Alcoholic Beverage Festivals. The ABC has also reviewed advertisements for and investigated “events” that may not have been in compliance with statutory and regulatory requirements.

These Festivals have become very popular with the growing awareness of New Jersey wines and with the growth of small craft breweries and distilleries. Requests seeking authorization to conduct Festivals have come from various entities, some of which have not held a license or permit.

Also troubling is licensee and permittee sponsorship or participation in these events when the operation may violate New Jersey statutes, regulations or other legal obligations of a licensee. Some examples of potential violations include, but are not limited to the following:

1. The use of third party promoters who share in proceeds from the sale of alcohol and are neither licensed nor controlled by the licensee, and;
2. The practice of allowing unlimited samples, potentially in violation of N.J.S.A. 33:1-12(d), and;
3. The practice of allowing an unlimited availability of alcohol for a set price in violation of N.J.A.C. 13:2-23.16, and;
4. The sale, service or delivery to, or consumption by, persons who are underage and/or actually or apparently intoxicated in violation of N.J.A.C. 13:2-23.1.

Conversely, many of these events have been conducted responsibly and in conjunction with legitimate educational and entertainment components. After further consideration by this Division, it has been determined that conditions can be imposed on

these events that will address the statutory and regulatory concerns. Absent authorization and imposition of conditions, these events would otherwise be prohibited.

Therefore, in order to establish a uniform criteria and to insure compliance with states and regulations, I will authorize the issuance of Festival Event Permits under the requirements set forth in Schedule "A" permitting unique and *bona fide* Festival Events that might otherwise be prohibited. Further, this Special Ruling will allow the Division to collect data and information as the basis for the development of regulations.

Moreover, failure to receive a permit for a festival event may subject organizers to prosecution for regulatory or statutory violations.

Accordingly, it is on this 22 day of August, 2014,

ORDERED, pursuant to N.J.S.A. 33:1-39 and N.J.S.A. 33:1-74, that the Division does hereby establish an Alcoholic Beverage Festival Event Permit and; it is further,

ORDERED, applicants for an Alcoholic Beverage Festival Event Permit shall comply with the terms and conditions in the attached Schedule "A," as may be amended from time to time and; it is further,

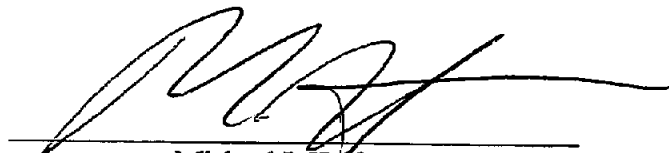
ORDERED, that this ruling shall be effective for 18 months unless extended by my further Order and; it is further,

ORDERED, that the fee for such Festival Event Permit shall be \$1,000.00 for each consecutive day or part of day of the event, subject to a maximum of \$2,000.00 and; it is further,

ORDERED, that all licensees, permittees and promoters shall be liable for any violations of the Alcoholic Beverage Control Act and/or the regulations promulgated pursuant thereto, and it is further

ORDERED, that nothing herein shall be construed to allow the use of promoters in circumstances other than authorized by a festival permit issued pursuant to this Order and Schedule A attached hereto, and it is further,

ORDERED, this ruling and the attached Schedule "A" may be withdrawn or modified by the Director at his discretion.



Michael I. Halfacre
Director

SCHEDULE "A"

Consumer alcoholic beverage festivals

(a) Definitions:

1. "Festival" means an indoor or outdoor scheduled gathering, function, occasion or event that shall be sponsored or hosted by either a retail consumption licensee, concessionaire permittee, or a social affairs permittee wherein small samples of an alcoholic beverage are available from multiple offerings from multiple suppliers, served for a single admission price or "per sample" price, and/or where the Tasting and Sampling statute (N.J.S.A. 33:1-12d) and Regulation (N.J.A.C. 13:2-37.1) are not adhered to.

A "festival" may or may not have a third party *promoter* involved for the purpose of organizing or serving, in any capacity, to create the event, but *if* a third party *promoter* is involved in such manner the event shall be deemed a "festival."

Nothing herein shall prevent a social affairs permittee from making application for a social affairs permit where the event does not meet the definition above.

2. "Third party promoter" means a person or entity engaged to assist in operating and/or organizing the festival for a fee.

(b) Consumer alcoholic beverage festivals may only be hosted by a consumption licensee, concessionaire permittee or social affairs permittee. (hereafter, "festival permittee") under the following conditions:

1. The Festival Permittee shall hold an actively operated license or a valid permit authorizing sales of alcohol for immediate on-premises consumption. Further, Festival Permittees, as Licensees or Permittees, shall at all times be in control of the event and the premises and responsible for same;
2. All festival attendees consuming alcoholic beverages must be at least twenty-one (21) years of age;
3. The festival must provide an educational component relating to the type of alcohol being served or promoted at the event;
4. All alcoholic beverages used or consumed at a festival shall be brand-registered, stored securely with all transportation permits intact and purchased in accordance with all the Division laws and rules;
5. For an initial festival application, the Division must receive the completed application sixty (60) days in advance of the festival date; thereafter,

future applications made by the same host shall be made thirty (30) days in advance of the festival date;

6. A festival session shall not be longer than four (4) hours in duration, but multiple sessions separated by at least a one hour break are permitted provided attendees are not permitted to attend more than one (1) four hour session per day. The Director may extend a session for up to one hour upon a showing of good cause;
7. Title to all alcohol to be available at the festival must pass from the licensed supplier or wholesaler to the Festival Permittee prior to service to the festival attendees. No alcohol, neither an open sample nor sealed container, may be removed from the site of the festival unless the seller has the privilege to sell to the public at such an event, as in the case of a New Jersey Winery;
8. Festivals shall last no longer than three (3) consecutive days;
9. A consumption licensee, concessionaire licensee or social affairs permittee, as the "host" or "sponsor" of the festival, shall only be allowed to conduct up to two (2) festivals within a calendar year per licensee or permittee and only four (4) festivals per year per licensed premises; and
10. The categories for festivals are: malt alcoholic beverage, wine, distilled spirits, or some combination thereof.

(c) Sample sizes for use at a festival are as follows:

1. Two ounce samples for malt alcoholic beverages
2. One ounce samples for wine
3. One-half ounce samples for distilled spirits

(d) All pourers/servers shall be supervised by an employee who is TIPS/TAMS certified or the equivalent. All pourers shall be an employee or agent of a licensee or permittee. Agents or employees of a brewer, distiller, winery or wholesaler may also pour. However, if the brewer, distiller, or wine-maker is not a New Jersey licensee/permittee, the pourer shall be considered an employee or agent of the licensee/permittee to whom the festival permit is issued.

(e) By definition a festival involves multiple suppliers (distillers, breweries, wineries, etc.). A minimum of fifteen (15) participating suppliers shall be necessary to conduct a festival.

- (f) A festival shall have sufficient food and non-alcoholic beverages available, whether complimentary or for purchase.
- (g) At least sixty (60) days in advance of an initial festival, festival applicants must submit a completed application, together with the non-refundable filing fee, which application shall include, but not be limited to the following:
1. The consent of the Municipal Clerk and Police Chief of the municipality where the festival is taking place. In addition, if the festival is taking place in or on publicly owned or controlled property, the consent of the political subdivision in control of the property and the Chief Law Enforcement Officer of the law enforcement entity with jurisdiction over the property must be obtained.
 2. A detailed security plan to assure general safety, as well as emergency medical assistance. The plan must provide for the following: age verification; "pass-off" control; prevention of intoxication; compliance with regulatory requirements on sample sizes; identification of security personnel, duties, numbers and experience; confirmation that all servers shall be employees of the applicant and that each serving station will be directly supervised by an identified TIPS/TAMS or similar certified person acceptable to the Director.
 3. A map or detailed sketch of the area where the festival is to take place shall be provided.
 4. A comprehensive event plan for the festival, including, but not limited to:
 - a) Complete information regarding any involvement of a third party promoter;
 - b) Explanation of the *required* educational component of the festival event;
 - c) Explanation and information relating to any entertainment and/or recreational activities included at the festival;
 - d) Dates, times, ticket and other pricing;
 - e) Identification of participating manufacturers or wholesalers of the featured products that will be serve; and
 - f) Description of food, non-alcoholic beverages, entertainment or other recreational activities that will be offered at the event, whether for sale or included in the admission price.

Be advised that the Director's evaluation will focus on regulatory compliance and policy concerns relating to public safety and preventing under-age consumption and over-consumption of alcohol. The primary purpose of the event should be educational and entertainment and not for the consumption of alcohol.

- (h) In order for a third party promoter to participate in the festival said promoter shall first meet the qualifications of a licensee, permittee or employee of such, under N.J.S.A. 33:1-26 prior to the festival event.
- (i) If a promoter will be involved in a festival, it shall be mandatory that a complete copy of the promoter's contract be provided to the Division prior to the festival event. Generally, third parties such as promoters or other entities **may not receive a percentage of profits or exert control over the festival permittee's activities or employees.** Exceptions for unique events and extraordinary circumstances may be considered by the Director on an extraordinarily limited basis.
- (j) Please be advised that the Division will require a post-event accounting documenting all alcohol purchases, other payments, purchases and costs as well as the allocation of any proceeds within fifteen (15) days of the event. The post-event accounting will also include a summary of any incidents requiring security or police intervention, such as fights, theft or incidents of alleged intoxication or underage service or consumption, whether or not security or law enforcement was involved.

Failure to comply fully with these disclosure requirements and explain said incidents will result in denial of future permit applications, or in the case of a promoter, disapproval of participation in future events.

- (k) Upon receipt of a completed application and fee, and after initial review, the Division will schedule an in-person conference with the applicant and interested parties prior to issuance or denial of the festival permit. In the case of subsequent applications for the identical event, this requirement may be waived in the discretion of the Director.
- (l) A social affair permittee operating without the assistance of a promoter may seek a waiver or reduction of the application fee upon good cause shown.

STATE OF NEW JERSEY
DEPARTMENT OF LAW AND PUBLIC SAFETY
DIVISION OF ALCOHOLIC BEVERAGE CONTROL

IN THE MATTER OF THE
APPLICATION FOR A LIMITED
BREWERY LICENSE BY
FORGOTTEN BOARDWALK
BREWING, LLC

-) SPECIAL RULING
-) DENYING ISSUANCE OF LIMITED
-) BREWERY LICENSE WITHOUT
-) PREJUDICE AS PREMATURE, DENYING
-) TEMPORARY PERMIT
-) PENDING DECISION ON
-) APPLICATION FOR LICENSE, AND
-) DENYING REQUEST TO
-) MAINTAIN ILLEGALLY BREWED
-) MALT ALCOHOLIC BEVERAGES
-)

John F. Vassallo, Jr., Esquire, Attorney for Applicant, Forgotten Boardwalk Brewing, LLC

BY THE DIRECTOR:

Before me are two petitions related to a Limited Brewery License application filed by Forgotten Boardwalk, LLC ("Forgotten Boardwalk"). The first petition is a request that the Division should expeditiously issue a Limited Brewery License, or at the very least, a temporary permit. The second request is a Petition Seeking Special Ruling to Permit Maintaining Malt Alcoholic Beverages in Anticipation of Issuance of Limited Brewery License. Because both matters stem from the same application, I will issue one Special Ruling addressing both petitions.

PRELIMINARY STATEMENT

The Legislature has long recognized that "The retail alcoholic beverage industry is one of the most highly regulated industries of the State." N.J.S.A. 33:1-12.40(a). "It is the public policy of this State . . . to strictly regulate alcoholic beverages to protect the health, safety and welfare of its citizens." N.J.S.A. 33:1-12.40(b).

Given this public policy, the Alcoholic Beverage Control Act ("ABC Act") grants to the Director of the Division the duty to "supervise the manufacture, distribution and sale of alcoholic beverages in such a manner as to fulfill the public policy and legislative purpose of this act." N.J.S.A. 33:1-3. The ABC Act also "vests the Director or other license-issuing authority with extensive regulatory and investigative power over the liquor industry." Circus Liquors, Inc. v. Governing Body of Middletown Twp., 199 N.J. 1, 10(2009) (quoting In re C. Schmidt & Sons, Inc., 79 N.J. 344, 353).

Further, in implementing the ABC Act, one of the Director's duties is to "protect against the infiltration of the alcoholic beverage industry by persons with known criminal records, habits or associations." N.J.S.A. 33:1-3.1(b)(5).

With the foregoing in mind, the Division of Alcoholic Beverage Control (the "Division" or "ABC") is in the process of reviewing an application for a Limited Brewery License ("License") submitted by Forgotten Boardwalk. If granted, this License would allow Forgotten Boardwalk, among other things, to brew any malt alcoholic beverages in a quantity not to exceed 300,000 barrels of 31 fluid gallons per year, and to sell and distribute this product to wholesalers and retailers licensed under the ABC Act. See N.J.S.A. 33:1-10(1)(b). As set forth below, those who wish to obtain a license to participate in this industry have the burden of demonstrating that they are qualified. See Sturchio v. Harrison, 9 N.J.A.R. 78 (1978); Lyons Farm Tavern v. Mun.

Bd. of ABC, 68 N.J. 44 (1975).

A. Forgotten Boardwalk's Application.

On or about February 4, 2014, the Division's Licensing Bureau ("Licensing Bureau") received an application for a new Limited Brewery License filed by Forgotten Boardwalk.¹ The principals of the company are Jamie Queli, 51 percent owner, and Seth Dolled, 49 percent owner. The application submission consisted of the Division's standard 12-page application; Forgotten Boardwalk's Business Plan; bank statements from the Credit Union of New Jersey from June 1, 2013 through October 31, 2013²; a Bank of America bank statement from Forgotten Boardwalk's business account for December 1, 2013 through December 31, 2013³; a March 1, 2013 letter from the Credit Union of New Jersey approving a \$600,000.00 commercial Small Business Administration ("SBA") loan; and the 2011 and 2012 tax returns of Jamie Queli and Seth Dolled. (ABC 1-100). In filing this application, both Ms. Queli and Mr. Dolled signed Affidavits of Qualification, in which they each swore under oath that they are qualified to hold a liquor license in New Jersey. (ABC 69-72). At approximately the same time as the application was submitted, the Licensing Bureau was contacted by the Waterfront Commission of New York Harbor ("Waterfront Commission") regarding their ongoing investigation of Seth Dolled. The application contained no information about this investigation.

On February 6, 2014, the Licensing Bureau acknowledged receipt of Forgotten

¹ Attachments to this Special Ruling are found in Appendices 1-7. The attachments will be referred to herein as ABC followed by a number. For purposes of this Special Ruling, I will take administrative notice that Forgotten Boardwalk submitted an application to the Licensing Bureau. The file contains the standard 12-page application, including supporting documents that have been submitted by the applicants in response to information requests by the Licensing Bureau.

² Forgotten Boardwalk's Credit Union of New Jersey's business account ends in 6650.

³ Forgotten Boardwalk's Bank of America business account ends in 3606.

Boardwalk's application for a Limited Brewery License. The Licensing Bureau specifically advised the applicants that a background investigation into their qualifications would be conducted and that the review process may take several months to complete. (ABC 101).

The Licensing Bureau immediately began its review of Forgotten Boardwalk's application, and on February 12, 2014, sent Jamie Queli a letter requesting additional, detailed information. The Licensing Bureau was specifically interested in learning more about the proposed business and its operations; the applicants' experience in the industry; the \$600,000.00 SBA loan; the current employment of the applicants; and an itemization of the expenses of the business to date, with information on the origin of the funds used for such expenditures. Perhaps, most importantly, the Licensing Bureau requested documentation on the source of all funds that were used, directly or indirectly, to finance the proposed business, which was especially significant because the only source of funds explained in the initial application was from the SBA loan. The applicants were also requested to complete State and federal fingerprint checks as part of the qualifying investigation. The Licensing Bureau asked for this information in order to determine whether Ms. Queli and Mr. Dolled were qualified to participate in the alcohol industry. It should be noted that such requests by the Licensing Bureau are routine, and fulfill the various statutory and regulatory mandates imposed upon the Division. (ABC 102-104).

On or about March 5, 2014, Jamie Queli responded to the Licensing Bureau with an undated affidavit. Ms. Queli provided banking information from Forgotten Boardwalk's Bank of America business account and the Credit Union of New Jersey business account. Registers from these accounts, from January 1, 2013 through March 3, 2014, showed significant expenditures related to Forgotten Boardwalk's start-up and operational expenses. Significantly, the largest

expenditures during this time related to construction of the facility and purchase of brew house equipment, which were made prior to the License application being submitted to the Division. Ms. Queli also submitted, with no accompanying explanation, a single bank statement of Lonny M. Dolled and Sharon E. Dolled, Seth Dolled's parents, for January 24 through February 23, 2014, which showed a debit of \$165,000.00.⁴ Also included in Ms. Queli's response were several Bank of America bank statements from her personal checking accounts for February 16, 2013 through April 18, 2013. Of particular note, and again without any explanation, there was an April 8, 2013 withdrawal of \$284,545.00 from Ms. Queli's personal checking account and an apparent deposit into Forgotten Boardwalk's Bank of America business account.⁵ The financial information provided was devoid of explanations, and included deposits from undocumented sources. In addition, as for the current employment of the applicants, Ms. Queli stated that Seth Dolled is employed as a checker at Maher Terminals, in Elizabeth, New Jersey. However, she again neglected to divulge that an administrative proceeding by the Waterfront Commission was pending against him due, in part, to his alleged association with a member of organized crime, who happens to be Jamie Queli's father, Joseph M. Queli. (ABC 105-180).

After reviewing Ms. Queli's affidavit and supporting documents, the Licensing Bureau was left with many unanswered questions. On March 19, 2014, it sent a follow up letter to Jamie Queli requesting clarification and additional information. Specifically, the Licensing Bureau

⁴ There was a corresponding deposit of \$165,000.00 into Forgotten Boardwalk's business account ending in 3606 on February 4, 2014.

⁵ Ms. Queli's Combined Statement for March 20, 2013 through April 18, 2013 shows an April 8, 2013 withdrawal of \$284,545.00 from her checking account ending in 6244 and a transfer to Forgotten Boardwalk's business checking account ending in 3606. However, there does not appear to be a corresponding transaction in the Register provided by Ms. Queli for the business account ending in 3606 on or about April 8, 2013. This deposit is, however, reflected in Forgotten Boardwalk's business account statement ending in 3606 for April 8, 2013 through April 30, 2013. Although there may be an explanation for this discrepancy, Ms. Queli fails to provide one.

asked for, among other things, a copy of the SBA loan guarantee provided by Jamie Queli and Seth Dolled; bank statements for Jamie Queli's personal checking account that reflected the source of the \$284,545.00 that was transferred to Forgotten Boardwalk's business account; an explanation of the source of funds for a May 30, 2013 wire transfer of \$155,000.00 into Forgotten Boardwalk's Credit Union business account; a notarized gift or loan document pertaining to \$300,000.00 provided by Sharon and Lonny Dolled; and an explanation of the source of other deposits made into Forgotten Boardwalk's Credit Union account. (ABC 181-182).

On or about March 31, 2014, Forgotten Boardwalk provided a response. Sharon and Lonny Dolled provided an affidavit, dated March 25, 2014 stating that the \$300,000.00 deposited into Forgotten Boardwalk's accounts was a loan to their son, Seth Dolled. Jamie Queli provided an affidavit, also dated March 25, 2014, explaining that the \$284,545.00 deposited into Forgotten Boardwalk's account came from Jamie Queli's personal savings account.⁶ There was no explanation provided about where or how Jamie Queli, a business analyst making between \$60,000 and \$70,000 per year, acquired \$284,545.00 to invest in her new business. Finally, Ms. Queli provided the unconditional guarantees signed individually by her and by Seth Dolled, in which they each personally guaranteed the \$600,000.00 loan provided by the SBA. (ABC 183-250).

The answers provided by Jamie Queli continued to be unsatisfactory, and on April 23, 2014, the Division sent another letter requesting information. Of specific concern was Ms. Queli's continued failure to document the source of the \$284,545.00 that was transferred from

⁶ The account from which this money came was actually a "Regular Checking Platinum Privileges Relationship Account." (ABC 206-228).

her personal checking account to Forgotten Boardwalk's business account. According to the Licensing Bureau's letter, Ms. Queli stated in a telephone conversation to Licensing Bureau staff that the source of this money was from her mother's home equity loan or line of credit ("HELOC"), yet no documentation was ever supplied to support that assertion. In addition, the Licensing Bureau also requested a notarized statement pertaining to the source of the \$164,398.00 that Lonny and Sharon Dolled loaned to Seth Dolled, which were claimed to be from the cashing in of United States savings bonds. (ABC 251-252).

In response to the Licensing Bureau's April 23, 2014 letter, Ms. Queli produced a May 1, 2014 affidavit signed by Joseph Queli (her father), Regina Queli (her mother) and Jamie Queli. According to this sworn statement, Regina Queli received and transferred a portion of a HELOC in the amount of \$117,000.00 in August 2010 and \$250,000.00 in March 2011 into Jamie Queli's personal savings account.⁷ The Licensing Bureau reasonably had questions about the representations contained in this affidavit since the HELOC was obtained on a joint asset held by both Joseph and Regina Queli, and both parents signed the affidavit. Thus, the representation that the proceeds of the HELOC came only from Regina Queli was suspect, and the Licensing Bureau continued to have concerns about the source of this money. The Dolleds also submitted an affidavit (undated) stating that the source of the \$164,398.00 loaned to Seth Dolled was from cashing in of savings bonds. (ABC 253-280; 737-787).

On June 17, 2014, Seth Dolled provided the Licensing Bureau with a Promissory Note, in which he agreed to pay his parents, Lonny Dolled and Sharon Dolled, the \$300,000.00 principal over the course of ten years. On this same date, Jamie Queli provided the Licensing Bureau with

⁷ Again, the deposits were made into Jamie Queli's personal checking account, not her personal savings account.