BEFORE THE ALCOHOLIC BEVERAGE CONTROL APPEALS BOARD
OF THE STATE OF CALIFORNIA

AB-10036
File: 47-627034; Reg: 24095095

JEREMY BLASI
Appellant/Protestant

v.

DEPARTMENT OF ALCOHOLIC BEVERAGE CONTROL
Respondent/Department

and

TRUE HOSPITALITY
dba Shore Hotel
1515 Ocean Avenue
Santa Monica, California
Respondent/Applicant

Administrative Law Judge at the Dept. Hearing: Hon. Doris Huebel

Appeals Board Hearing: October 9, 2026
Sacramento, CA/Videoconference

ISSUED OCTOBER 14, 2026

Appearances: Jordan Palmer, as Counsel for Protestant

Gillian Garrett, as Counsel for Applicant

Alanna Ormiston, as Counsel for Department

OPINION

I. INTRODUCTION

Protestant Jeremy Blasi appeals from the Department's decision dismissing his protest and approving the application of True Hospitality, doing business as Shore Hotel (Applicant), for a Type 47 on-sale general eating place license. The

central dispute concerns the past and present role of Steve Farzam, the brother of Applicant's sole owner, Jonathan "Jon" Farzam, and Applicant's compliance with Conditions 5 and 6 of its interim operating permit, which were imposed specifically to prevent Steve Farzam from holding an ownership, managerial, consulting, or employment role in the licensed operation.

Following a four-day hearing and a Department remand, the Administrative Law Judge (ALJ) ultimately found evidence that Applicant violated Conditions 5 and/or 6 during a portion of the period in which it operated under an interim operating permit but nevertheless concluded that Applicant had demonstrated sufficient prospective compliance to warrant issuance of the permanent license. While the matter remained pending before the Department, a separate criminal proceeding against Steve Farzam resulted in a March 9, 2026 superior court minute order reflecting pleas of *nolo contendere* (no contest) to 13 felony counts and corresponding findings of guilt.

We conclude that Protestant's challenges under Business and Professions Code[1] section 23084, subdivisions (a) through (d), do not independently warrant reversal and that his request for disciplinary relief is not available in this protest proceeding. We reach a different conclusion under section 23084, subdivision (e). The March 9 criminal disposition is relevant evidence that could not have been produced at the Department hearing because it did not yet exist. We express no

[1] All further statutory references are to the Business and Professions Code unless stated otherwise.

view as to the ultimate weight or effect of that evidence. Because there is a reasonable possibility that its consideration could affect the Department's prospective-compliance determination, we exercise our discretion under section 23085 and remand the matter for reconsideration.

II. FACTS AND PROCEDURAL HISTORY

True Hospitality is the applicant for the Type 47 on-sale general eating place license at issue in this appeal. Applicant operates the food and beverage business at the Shore Hotel, a hotel located at 1515 Ocean Avenue in Santa Monica, and has held Type 70 and Type 66 licenses at the premises since 2012. Applicant is a California corporation solely owned by Jon Farzam, who is its sole officer, director, and shareholder. Jon Farzam is also involved in the management of the hotel and, at the time relevant to the Department hearing, personally supervised the hotel's general manager and director of food and beverage.

The corporate structure surrounding the Shore Hotel is relevant to the protest. Sand and Sea, Inc. operates the hotel, while Sunshine Enterprises owns the real property and serves as landlord. Applicant, however, is the entity licensed to conduct the hotel's alcoholic beverage operations and is the exclusive provider of food and beverage service. Under a 2024 concession agreement between Applicant and Sand and Sea, Applicant receives the food and beverage revenues and retains ultimate control over the food and beverage business, while Sand and Sea provides hotel employees and performs managerial functions under the agreement.

Steve Farzam is Jon Farzam's brother. Steve has a longstanding historical connection to the Shore Hotel and Sand and Sea. Earlier corporate records identified Steve as Sand and Sea's sole director and as its chief executive officer, secretary, and chief financial officer, and Steve previously described himself in court filings as Sand and Sea's chief operating officer and as responsible for executive duties at the Shore Hotel. Later corporate records identified Jon, rather than Steve, as Sand and Sea's principal officer. The extent to which Steve retained any ownership, managerial, consulting, employment, or other role at the hotel—and particularly whether he had any such role in Applicant's licensed food and beverage business—became a central issue in the protest.

In June 2021, Applicant applied for a Type 47 on-sale general eating place license to replace its Type 70 license and to expand its alcoholic beverage service at the hotel. On July 8, 2021, Jeremy Blasi (Protestant) filed a verified protest to the application. The protest principally questioned whether Sand and Sea was an undisclosed owner of the licensed business and whether Steve Farzam was acting as an unqualified manager. The protest also raised Steve Farzam's prior criminal history and his historical involvement in the hotel.

Following its investigation, the Department recommended issuance of the license subject to conditions. Two conditions specifically addressed Steve Farzam. Condition 5 provides that Steve Farzam shall have no direct or indirect ownership interest and shall not act as a manager or consultant in the operation or control of the licensed premises or business activities conducted there.

Condition 6 provides that Steve Farzam shall not be employed in any capacity in the operation or control of the licensed premises. On February 29, 2024, Jon Farzam executed a Petition for Conditional License on Applicant's behalf agreeing to the conditions. Applicant subsequently began operating under an interim operating permit on June 21, 2024.

The protest was heard before ALJ Doris Huebel over four hearing days: April 9, July 8, October 27, and October 28, 2025. In addition to Jon Farzam, two witnesses particularly relevant to Applicant's day-to-day operations testified: Inessa Udovchenko, the hotel's general manager, and Conrad Gass, the hotel's director of food and beverage. Both testified that they reported to Jon Farzam and that Steve Farzam did not supervise the food and beverage operation. The ALJ credited their testimony on those points.

The parties presented extensive testimony and documentary evidence concerning the ownership and management of Applicant's licensed food and beverage operation, the relationship among Applicant, Sand and Sea, and other entities associated with the hotel, and Steve Farzam's past and present involvement with those entities and the premises. Jon Farzam testified that Steve had no current involvement in Applicant's operations or food and beverage service. The ALJ ultimately credited Jon's testimony that Steve held no title, position, or ownership interest in Applicant and, as of April 9, 2025, held no title, position, or ownership interest in Sand and Sea.

During the hearing, Protestant also presented materials concerning criminal charges then pending against Steve Farzam. The ALJ took judicial notice of the existence of the criminal court records but declined to take judicial notice of the truth of the factual allegations contained in those records. The ALJ further determined that much of Protestant's evidence concerning those allegations constituted administrative hearsay that could not, standing alone, support a finding.

On December 12, 2025, the ALJ issued an initial Proposed Decision recommending dismissal of the protest and issuance of the license subject to the agreed conditions. On March 3, 2026, the Director rejected that Proposed Decision pursuant to Government Code section 11517, subdivision (c)(2)(D). The Director identified errors concerning the standard applied to evidence of violations while Applicant operated under the interim operating permit and the treatment of conflicting evidence concerning Steve Farzam's involvement with the premises. The matter was remanded "for the purpose of correcting the identified errors, resolving conflicting testimony and taking additional evidence, if required, and for such other proceedings as may be necessary."

Six days after the remand order, on March 9, 2026, proceedings occurred in a criminal case against Steve Farzam in Los Angeles County Superior Court. The resulting minute order reflects no contest pleas to 13 felony counts and corresponding findings of guilt. This disposition occurred after the evidentiary

hearing in this matter had concluded. Protestant later moved to reopen the record so the Department could consider the criminal disposition.

Without receiving additional evidence, the ALJ prepared a Proposed Decision After Remand dated April 16, 2026, which was served on April 28. The ALJ determined that no further evidence or proceedings were necessary. In the revised decision, the ALJ found evidence that Applicant violated Conditions 5 and/or 6 between June 21, 2024, and April 8, 2025. That finding rested on unresolved evidence concerning whether Steve Farzam retained indirect involvement through Sand and Sea and Applicant's failure to produce corporate records that could have resolved the question.

The ALJ nevertheless concluded that the earlier violation did not warrant denial of the permanent license. The ALJ credited evidence that, as of approximately April 9, 2025, Steve Farzam no longer held a prohibited role; that Applicant understood the conditions required a separation between Steve and the licensed operation; and that Applicant intended to comply with the conditions prospectively.

On April 29, 2026, Protestant filed a Motion to Reopen the Record seeking to introduce the March 9 minute order from the criminal proceedings. Applicant subsequently opposed reopening but, in the alternative, requested an opportunity to present additional evidence if the matter were reopened. Applicant submitted its comments to the Director on June 1, 2026. The Director

adopted the Proposed Decision After Remand as the Department's decision[2] (Decision) on June 8, 2026. The Certificate of Decision is dated June 9, 2026. The Decision dismissed the protest and approved issuance of the Type 47 license subject to the conditions.

Protestant thereafter timely appealed. He contends, among other things, that the Department failed to comply with its remand order, that the findings and Decision cannot be reconciled with the condition violations found by the ALJ, and that the March 9 criminal disposition warrants remand for further consideration. He alternatively requests disciplinary relief against Applicant. Applicant and the Department seek affirmance.

III. STANDARD OF REVIEW

The Board's scope of review is defined by Business and Professions Code section 23084 and is further informed by the California Constitution, statute, and relevant appellate authority. (Cal. Const., art. XX, § 22; Bus. & Prof. Code, §§ 23083, 23085.) In reviewing the Department's decision, the Board determines whether the Department proceeded without or in excess of its jurisdiction, whether it proceeded in the manner required by law, whether the decision is supported by the findings, whether the findings are supported by substantial evidence in light of the whole record, and whether there is relevant evidence which, in the exercise of reasonable diligence, could not have been produced

[2] The Department's decision is set forth in the appendix.

or was improperly excluded at the hearing before the Department. (Bus. & Prof. Code, § 23084, subds. (a)–(e).)

Substantial evidence is evidence that a reasonable mind might accept as adequate to support a conclusion—evidence that is "reasonable in nature, credible, and of solid value." (*County of San Diego v. Assessment Appeals Bd. No. 2* (1983) 148 Cal.App.3d 548, 555, quoting *Ofsevit v. Trustees of California State University and Colleges* (1978) 21 Cal.3d 763, 773, fn. 9; see also *Hosford v. State Personnel Bd.* (1977) 74 Cal.App.3d 302, 307.) The Board may not independently reweigh the evidence, reconsider witness credibility, or substitute its judgment for that of the Department. (*Kirby v. Alcoholic Beverage Control Appeals Bd.* (1970) 7 Cal.App.3d 126, 129; *Reimel v. Alcoholic Beverage Control Appeals Bd*. (1967) 255 Cal.App.2d 40, 43; *Harris v. Alcoholic Beverage Control Appeals Bd.* (1963) 212 Cal.App.2d 106, 113–114.)

All conflicts in the evidence must be resolved in favor of the Department's decision, and the Board must accept all reasonable inferences supporting that decision. (*Harris*, supra, at p. 113.) Even where error is shown, the Board may not reverse unless the appellant demonstrates that the error was prejudicial. (*Reimel v. House* (1969) 268 Cal.App.2d 780, 787.) Under the California Constitution, a decision may be set aside only if the error resulted in a miscarriage of justice. (Cal. Const., art. VI, § 13; see *Leal v. Gourley* (2002) 100 Cal.App.4th 963, 968.)

The Board may not receive evidence in addition to that considered by the Department. Where, however, the Board finds relevant evidence that, in the

exercise of reasonable diligence, could not have been produced or was improperly excluded at the Department hearing, section 23085 authorizes the Board to remand the matter to the Department for reconsideration in light of that evidence. (Cal. Const., art. XX, § 22; Bus. & Prof. Code, §§ 23084, subd. (e), 23085.)

IV. ANALYSIS

A. The March 9, 2026 Criminal Disposition Warrants Remand Under Sections 23084, Subdivision (e), and 23085.

Protestant principally contends this matter should be remanded so the Department may consider the March 9, 2026 minute order reflecting Steve Farzam's pleas of no contest to 13 felony counts and the superior court's corresponding findings of guilt. The criminal disposition occurred after the evidentiary hearing in this matter concluded but before the Department adopted its final decision. Protestant contends the disposition constitutes relevant evidence that could not have been produced at the Department hearing within the meaning of section 23084, subdivision (e). Applicant disputes both that the evidence qualifies under subdivision (e) and that it is relevant to the issues raised by the protest.

We conclude that the March 9 disposition falls within section 23084, subdivision (e), and that a limited remand under section 23085 is appropriate. In reaching that conclusion, however, we do not adopt Protestant's broader assertions concerning what the criminal disposition establishes. Whether, and to what extent, the new evidence affects the Department's findings concerning

Applicant, Steve Farzam, or compliance with Conditions 5 and 6 is a matter for the Department to determine on remand after appropriate further proceedings.

1. Section 23084, subdivision (e), is not categorically limited to evidence that existed at the time of the Department hearing.

Section 23084 limits this Board's review to five enumerated questions. Subdivision (e) asks "[w]hether there is relevant evidence, which, in the exercise of reasonable diligence, could not have been produced or which was improperly excluded at the hearing before the department." (§ 23084, subd. (e).) When the Board finds such evidence, section 23085 provides that it "may enter an order remanding the matter to the department for reconsideration in the light of such evidence." (§ 23085.) Neither statute uses the phrase "newly discovered evidence" or expressly provides that qualifying evidence must have existed when the Department hearing occurred.

In *7-Eleven, Inc. et al.* (2026) AB-10029, this Board addressed evidence of a development in a criminal matter that occurred after the administrative hearing. Relying on *Aron v. WIB Holdings* (2018) 21 Cal.App.5th 1069, the Board applied the traditional rule governing newly discovered evidence and concluded that evidence arising after the administrative hearing did not qualify under section 23084, subdivision (e), because it did not exist when the hearing occurred. (*7-Eleven, Inc. et al.,* supra, AB-10029, at p. 8.)

Aron, however, construed Code of Civil Procedure section 657, subdivision (4), which expressly authorizes a new trial based upon "[n]ewly discovered

evidence." The court in *Aron* reasoned that evidence created after the pertinent proceeding was not "newly discovered" within the meaning of that statutory language. (*Aron*, supra, 21 Cal.App.5th at pp. 1079–1081.) The traditional rule is similarly reflected in *Cansdale v. Board of Administration* (1976) 59 Cal.App.3d 656, 667, which considered a motion for new trial based on newly discovered evidence and stated that, normally, such evidence must have existed at the time of trial. Neither case, however, construed section 23084, subdivision (e), or statutory language equivalent to it.

Section 23084, subdivision (e), is worded differently than Code of Civil Procedure section 657. Subdivision (e) does not ask whether evidence is "newly discovered." It asks whether relevant evidence, through reasonable diligence, "could not have been produced" at the Department hearing. (§ 23084, subd. (e).) Evidence of an event that had not yet occurred could not, as a practical matter, have been produced at an earlier hearing.

California authority interpreting Code of Civil Procedure section 1094.5, subdivision (e), supports that reading. The California Supreme Court has recognized that the constitutional provisions defining this Board's limited review authority were framed in language "quite similar" to Code of Civil Procedure section 1094.5. (*Martin v. Alcoholic Beverage Control Appeals Bd.* (1959) 52 Cal.2d 238, 242–243.) Code of Civil Procedure section 1094.5, subdivision (e), uses materially the same formulation at issue here: relevant evidence that, in the

exercise of reasonable diligence, could not have been produced at the administrative hearing.

In *Windigo Mills v. Unemployment Insurance Appeals Board* (1979) 92 Cal.App.3d 586, the court expressly rejected the contention that Code of Civil Procedure section 1094.5, subdivision (e), excludes evidence merely because the pertinent event occurred after the administrative hearing. The court concluded that the provision permits consideration of relevant evidence of later-occurring events in appropriate circumstances. (*Id.* at pp. 596–599 & fn. 4.)

Department of Parks & Recreation v. State Personnel Board (1991) 233 Cal.App.3d 813 likewise recognized that Code of Civil Procedure section 1094.5, subdivision (e), may encompass relevant evidence of events occurring after the administrative proceeding. (*Id.* at pp. 837–838.) And *Ashford v. Culver City Unified School District* (2005) 130 Cal.App.4th 344 expressly cautioned against treating the provision as synonymous with the traditional newly-discovered-evidence rule, observing that such a characterization goes further than the statutory text permits. (*Id.* at p. 352, fn. 8.)

This does not mean every later-occurring event permits reopening an administrative proceeding. The exception remains narrow. *Fort Mojave Indian Tribe v. Department of Health Services* (1995) 38 Cal.App.4th 1574 cautioned against allowing disappointed parties to generate new expert reports after an administrative decision and thereby create repeated opportunities to reopen the proceeding. (*Id.* at pp. 1593–1595.) The concern is particularly acute where the

supposed new evidence is merely a later-created opinion concerning facts already available to the agency.

The March 9 criminal minute order falls on the other side of that distinction. It was not an expert report commissioned after an unfavorable result, a reformulation of evidence that could have been presented earlier, or additional proof left undeveloped through lack of diligence. It reflects an independent judicial event that occurred more than four months after the Department hearing concluded. The evidentiary hearing ended October 28, 2025; the criminal disposition occurred March 9, 2026. It therefore could not have been produced at the Department hearing regardless of the diligence exercised by Protestant.

We therefore decline to extend AB-10029's reasoning into a categorical rule that genuinely emergent post-hearing evidence can never fall within section 23084, subdivision (e). The statutory text and the published authorities interpreting the materially similar language of Code of Civil Procedure section 1094.5, subdivision (e), support the conclusion that such evidence may qualify when the remaining statutory requirements are satisfied.

2. The March 9 disposition is relevant to the Department's determination of Applicant's prospective compliance.

The next question is relevance. That requirement is satisfied, although for narrower reasons than Protestant advances.

Evidence is relevant if it has any tendency in reason to prove or disprove a disputed fact of consequence. (Evid. Code, § 210.) Relevance does not require

that the evidence conclusively establish the proposition for which it is offered. Whether relevant evidence ultimately carries sufficient weight to affect an administrative determination is a separate question.

Here, the Department's own Decision makes prospective compliance a consequential issue. The ALJ found unresolved circumstantial evidence that Applicant violated Conditions 5 and/or 6 between June 21, 2024, and April 8, 2025. The ALJ nevertheless concluded that the earlier violation did not warrant denial of the permanent license, relying in part upon Jon Farzam's credited testimony that Applicant intended to comply, the conclusion that Applicant understood the conditions required a "clean break" from Steve Farzam, and findings that Steve Farzam no longer held a prohibited role in Applicant's licensed operation.

The criminal materials already before the ALJ were also addressed expressly in the Decision. The ALJ took judicial notice of the existence of court records concerning the then-pending criminal charges but declined to accept the truth of the factual allegations contained in those records. The ALJ further concluded that much of the material concerning the charges constituted administrative hearsay that could not independently support a factual finding.

The March 9 disposition materially changes that evidentiary circumstance as to 13 of the charged offenses. The superior court minute order reflects that Steve Farzam entered pleas of no contest to 13 felony counts and that the court found him guilty on those counts. For a felony, a plea of no contest has the same

legal effect as a guilty plea, and upon such a plea the court must find the defendant guilty. (Pen. Code, § 1016, subd. 3.) Thus, as to those offenses, the record no longer reflects only unresolved criminal charges.

That does not, however, establish the broader propositions Protestant urges this Board to accept. The March 9 minute order does not by itself establish that the Shore Hotel was a "base of operations" for Steve Farzam's crimes; that True Hospitality participated in, facilitated, or knew of criminal conduct; that Steve Farzam was an owner, manager, consultant, or employee of Applicant; or that his criminal conduct itself constituted a violation of Conditions 5 or 6. Nor does the fact of conviction necessarily establish every factual assertion contained in the prosecution materials previously presented to the ALJ.

The significance of the March 9 disposition is more limited. The Department found evidence of a past condition violation involving Steve Farzam, then approved the permanent license based in material part on its assessment that Applicant could maintain the separation from Steve Farzam necessary for prospective compliance. At the same time, the Department had declined to treat the criminal allegations concerning Steve as established facts because the court records reflected pending charges and much of the supporting material constituted administrative hearsay. The subsequent judicial disposition concerning that same person has at least some tendency in reason to bear on the Department's prospective assessment.

The evidence is therefore relevant within the meaning of section 23084, subdivision (e). Our conclusion goes no further. The weight to be assigned to the disposition—and whether it ultimately alters any finding concerning Applicant—is for the Department to determine on remand.

3. Protestant's failure to submit a separate Rule 198 declaration does not require denial of the remand request under the circumstances presented here.

California Code of Regulations, title 4, section 198 (Rule 198) prescribes the procedure for requesting a remand based upon evidence that could not, through reasonable diligence, have been produced at the Department hearing. The rule states that the requesting party "must, in the form of a declaration or affidavit," set forth the substance of the evidence, its relevance and relationship to the existing record, any witnesses and expected testimony, the nature of exhibits to be introduced, and detailed reasons why the evidence could not have been discovered and produced at the Department hearing through due diligence. (Cal. Code Regs., tit. 4, § 198, subd. (a).)

Protestant did not literally comply with the rule's declaration-or-affidavit requirement. His Notice of Appeal and the April 29 Motion to Reopen attached to it were signed by counsel, but neither was verified under penalty of perjury as a declaration or affidavit concerning the March 9 evidence. We do not treat counsel's signature on those filings as equivalent to the declaration Rule 198 requires.

The absence of a declaration, however, does not end the inquiry. A procedural requirement may be obligatory without every failure to comply necessarily invalidating the governmental action that follows. (*People v. McGee* (1977) 19 Cal.3d 948, 958–963.) In determining whether noncompliance must have an invalidating effect, courts look principally to the purpose served by the procedural requirement and whether invalidation is necessary to accomplish that purpose. (*Ibid.*)

We do not regard Rule 198's declaration requirement as a mere formality. A sworn declaration promotes the reliability of the factual showing, commits the requesting party to a definite factual position, assists the Board in evaluating whether the statutory prerequisites for remand have been met, and provides opposing parties with notice of the factual basis for the request. The requirement is therefore obligatory and should be followed. The separate question is whether failure to use the prescribed form necessarily defeats a remand request where those purposes have otherwise been satisfied.

Cal-Air Conditioning, Inc. v. Auburn Union School District (1993) 21 Cal.App.4th 655 is instructive. There, an administrative statutory procedure contemplated affidavits or declarations, but no affidavit or declaration was submitted and no sworn testimony was taken. Applying the principles discussed in *McGee*, the court distinguished between whether a procedural requirement was obligatory and whether noncompliance necessarily invalidated the resulting governmental action. The court concluded that the affidavit requirement was

directory in effect under the circumstances because its essential purposes—including fixing the claimant's factual position, promoting the integrity of the factfinding process, and providing notice to the opposing party—had otherwise been achieved, and the opposing party suffered no resulting prejudice. (*Cal-Air Conditioning*, supra, 21 Cal.App.4th at pp. 671–675.)

The circumstances here are similarly unusual. The precise evidence Protestant seeks to have considered, the March 9 superior court minute order, was identified and attached to his filings in this appeal and in Protestant's Motion to Reopen the record. The substance of that evidence therefore does not depend upon an unsworn factual assertion by counsel. The filings and the Motion to Reopen identify the portions of the administrative record to which Protestant contends the evidence relates and explain the asserted connection to Conditions 5 and 6 and the Department's prospective-compliance determination. The proposed evidence is documentary; no additional witness is identified as necessary to establish the occurrence of the March 9 judicial disposition. And the reasonable-diligence issue follows from an objective chronology: the administrative hearing concluded in October 2025, while the court disposition did not occur until March 2026.

The notice and adversarial purposes of Rule 198 have likewise been served. Applicant and the Department have had notice of the precise evidence at issue and have addressed its significance in their appellate briefing. Applicant disputes both the relevance of the minute order and its asserted connection to Applicant's

licensed food and beverage operation. Neither respondent has identified prejudice resulting from the absence of a separately verified Rule 198 declaration.

Under these particular circumstances, treating the absence of a separately verified declaration as dispositive would not materially advance the purposes served by Rule 198. The reliability of the central factual showing is supplied by the court record itself; the reason the evidence could not have been produced at the Department hearing is established by undisputed chronology; the asserted relevance of the evidence has been identified; and the opposing parties have had a meaningful opportunity to respond.

We therefore conclude that Protestant's failure to submit the required declaration does not preclude consideration of the section 23084, subdivision (e), request in this appeal.

Our conclusion is limited to the circumstances presented. We do not hold that Rule 198's declaration requirement may ordinarily be disregarded or that unsworn factual assertions in an appellate brief are an adequate substitute for the declaration the rule requires. Nor do we characterize Protestant as having substantially complied with the declaration requirement. Rather, consistent with *McGee* and *Cal-Air Conditioning*, we conclude only that the absence of the prescribed declaration does not require denial where the purposes served by that requirement have otherwise been fulfilled and no resulting prejudice has been shown.

4. The Board will exercise its discretion under section 23085 to remand the matter for reconsideration.

A finding that evidence satisfies section 23084, subdivision (e), does not make remand automatic. Section 23085 provides that the Board "may" remand the matter for Department reconsideration. (§ 23085.) The permissive language reflects a discretionary determination whether further administrative proceedings would serve a useful purpose.

In *Circle K Stores, Inc.* (2005) AB-8301, this Board relied upon *Department of Parks & Recreation* in recognizing that remand should not be ordered for marginal evidence where further proceedings would be fruitless. The pertinent inquiry is whether there is a reasonable possibility that consideration of the new evidence could change the administrative decision. (*Circle K Stores, Inc.*, supra, AB-8301, at p. 8; *Department of Parks & Recreation*, supra, 233 Cal.App.3d at p. 838.)

That threshold is satisfied here. The new evidence concerns the person expressly named in Conditions 5 and 6. The Department found evidence that Applicant had violated one or both of those conditions during a portion of the interim-permit period. The Department nevertheless approved the permanent license after concluding that Applicant had demonstrated an ability and willingness to comply prospectively and that the conditions would produce a sufficient separation between Steve Farzam and the licensed business. The Department had also declined to treat the then-pending criminal allegations concerning Steve Farzam as established facts.

The March 9 disposition does not necessarily dictate a different licensing result. But in view of the findings actually made by the Department and the role that prospective compliance played in its ultimate determination, we cannot say consideration of the disposition would necessarily be immaterial or that remand would be fruitless. There is at least a reasonable possibility that the Department's assessment could be affected after the new evidence and any appropriate responsive evidence are considered.

Remand is particularly appropriate because determining the significance of the March 9 disposition requires factual and evidentiary judgments this Board is not empowered to make. The administrative-review cases applying materially similar statutory language recognize that, where qualifying new evidence may bear materially on the administrative determination, remand allows the agency to evaluate that evidence through its factfinding process rather than having the reviewing tribunal make factual determinations outside the administrative record. (See *Windigo Mills*, supra, 92 Cal.App.3d at pp. 596–599 & fn. 4.)

Applicant opposes remand but alternatively requests that, if the Board remands under section 23084, subdivision (e), the reopened proceeding be limited to matters bearing upon Steve Farzam's relationship with Sand and Sea and Applicant's compliance with Conditions 5 and 6. Applicant identifies additional evidence it would seek to present, including Sand and Sea corporate records and evidence concerning Steve Farzam's access to hotel areas and his role, if any, during the period the ALJ found evidence of a condition violation.

Applicant maintains that this evidence would resolve the documentary gap underlying that adverse finding while leaving the ultimate licensing result unchanged.

We do not treat Applicant's alternative request as a concession that remand is warranted or that the March 9 disposition affects Applicant's qualifications. It does, however, demonstrate that further proceedings would permit meaningful development of the evidentiary issues implicated by the new disposition. Remand will allow the Department to consider the March 9 evidence together with appropriate responsive evidence through the Department's evidentiary process.

Our remand should not be understood as a determination that the criminal disposition proves any allegation asserted by Protestant, that Applicant violated a condition because of Steve Farzam's criminal conduct, or that the Type 47 license must be denied. Nor do we direct the Department to give the new evidence any particular weight. Section 23085 authorizes reconsideration "in the light of such evidence," while preserving the discretion vested by law in the Department.

Accordingly, this matter will be remanded to the Department for reconsideration in light of the March 9, 2026 criminal disposition. On remand, the Department may conduct such further proceedings as it determines appropriate to evaluate the evidentiary significance of that disposition to the issues properly

raised by the protest, including Applicant's compliance with Conditions 5 and 6 and its ability and willingness to comply with those conditions prospectively.

B. The March 3, 2026 Remand Order and Motion to Reopen Do Not Provide Independent Grounds for Reversal.

Protestant separately contends the Department exceeded its jurisdiction and failed to proceed in the manner required by law because the ALJ did not take additional evidence following the Director's March 3, 2026 remand order and because the Department adopted the revised Proposed Decision without separately ruling on Protestant's April 29 Motion to Reopen. Neither circumstance establishes an independent ground for reversal under section 23084, subdivisions (a) or (b).

The March 3 order was more limited than Protestant contends. The Director rejected the original Proposed Decision under Government Code section 11517, subdivision (c)(2)(D), after identifying two principal concerns. First, the original decision applied an improper standard in evaluating evidence that Applicant had violated conditions while operating under the interim operating permit. The appropriate inquiry was whether Applicant had demonstrated that it was qualified for the license and could operate prospectively without further violations, including violations of the license conditions. Second, the Director found the original decision unclear concerning conflicting evidence bearing on Steve Farzam's continuing relationship with the premises and the likelihood of future violations.

The Director therefore remanded the matter "for the purpose of correcting the identified errors, resolving conflicting testimony and taking additional evidence, *if required*, and for such other proceedings as may be necessary." (Order to Remand, Mar. 3, 2026, ¶ 3, italics added.) The qualifier "if required" is significant. The order did not direct that a supplemental evidentiary hearing occur in every event; it conditioned the receipt of additional evidence on whether it was necessary to correct the identified deficiencies.

The revised Proposed Decision addressed those deficiencies. The ALJ expressly determined that no further evidence or proceedings were necessary. The revised decision applied the prospective-compliance inquiry identified by the Director, addressed whether Applicant had demonstrated its ability and willingness to comply with the conditions going forward, and made findings concerning the period during which the evidence supported violations of Conditions 5 and/or 6. It also made express credibility determinations addressing conflicting testimony concerning Steve Farzam's historical and current relationship with Applicant, Sand and Sea, and the licensed operation.

Whether those revised findings are supported by substantial evidence is a separate question addressed below. But the record does not support Protestant's contention that the ALJ simply disregarded the express directives of the March 3 remand order.

Because we remand under sections 23084, subdivision (e), and 23085, we need not decide any broader question concerning whether Government Code section 11517, subdivision (c)(2)(D), considered apart from the terms of the Director's remand order, independently required the receipt of additional evidence following referral.

We reach a similar conclusion concerning Protestant's April 29 Motion to Reopen. Protestant relies in part on Government Code section 11521 and argues that the Department could not adopt the revised Proposed Decision while the motion remained unresolved. But section 11521 governs reconsideration of an agency decision. When Protestant filed the Motion to Reopen on April 29, the Department had not yet adopted the revised Proposed Decision; there was therefore no Department decision to reconsider under section 11521. We consequently do not adopt Applicant's characterization of the motion as a petition for reconsideration that was automatically "deemed denied" under that statute.

Protestant's Closing Brief reframes the argument somewhat, contending that the absence of any ruling on the Motion may indicate that the Department failed to consider it at all. Protestant correctly observes that an agency vested with discretion may not act arbitrarily or fail to exercise the discretion entrusted to it. (*Martin v. Alcoholic Beverage Control Appeals Bd.* (1961) 55 Cal.2d 867, 875–876; see *Fletcher v. Superior Court* (2002) 100 Cal.App.4th 386, 392.) But the record does not establish that the Director was unaware of or failed to consider

Protestant's Motion. Nor does the absence of a separate written ruling, standing alone, establish a failure to exercise discretion. We therefore decline to infer from the Department's silence that the Motion was overlooked.

Nor has Protestant identified a provision of Government Code section 11517 or section 11521 requiring the Department to issue a separate written ruling on a post-submission motion to reopen as a prerequisite to adopting an ALJ's proposed decision. The absence of such a ruling therefore does not, standing alone, establish that the Department acted without or in excess of its jurisdiction or failed to proceed in the manner required by law.

In any event, because the March 9 evidence independently satisfies section 23084, subdivision (e), and warrants reconsideration under section 23085, we need not determine what additional consequence would follow if the Department had failed to consider the Motion before adopting the Decision. The distinction is important: remand is warranted because qualifying evidence arose that could not have been produced at the Department hearing, not because the ALJ failed to comply with the express terms of the March 3 remand order or because Government Code sections 11517 and 11521 required a separate ruling on Protestant's Motion to Reopen.

C. The Decision Is Supported by Its Findings, and the Material Findings Are Supported by Substantial Evidence.

Protestant next contends the Department's Decision is not supported by its findings and that the findings themselves are not supported by substantial

evidence in light of the whole record. (§ 23084, subds. (c), (d).) Although the record contains significant conflicting evidence concerning Steve Farzam's historical relationship with the hotel and Sand and Sea, neither contention provides an independent basis for reversal.

Protestant's argument under subdivision (c) rests in part on findings the Department did not make. Protestant characterizes the Decision as finding that Applicant concealed Steve Farzam as a hidden manager, that Jon Farzam was dishonest throughout the hearing, and that Applicant failed to establish prospective compliance. The Decision instead found no hidden owner and found Jon Farzam, Inessa Udovchenko, and Conrad Gass to be qualified managers. The ALJ's adverse credibility determination concerning Jon Farzam was narrower: it concerned his ability to reliably recount Steve Farzam's historical titles, positions, and involvement in Sand and Sea and Sunshine Enterprises. The ALJ otherwise credited Jon's testimony that Steve held no title, position, or ownership interest in True Hospitality and, as of April 9, 2025, held no such interest in Sand and Sea. The ALJ also credited his testimony concerning Applicant's intent to comply prospectively.

The ALJ did find unresolved circumstantial evidence that Applicant violated Conditions 5 and/or 6 during a portion of the interim-permit period. But that finding is not logically inconsistent with the ultimate decision to issue the permanent license. The revised Decision expressly addressed whether the earlier violation warranted denial and concluded it did not, relying on Applicant's history

without formal discipline, Jon Farzam's credited testimony concerning future compliance, the evidence that Applicant understood the conditions required separation between Steve Farzam and the licensed business, and the absence of a law-enforcement objection. Thus, accepting the findings as made, they provide a rational basis for the licensing decision. Whether that prospective determination should be reconsidered in light of the March 9 evidence is the separate question addressed in section IV.A above.

The material findings are also supported by substantial evidence in the existing hearing record. Applicant's corporate records identified Jon Farzam as its sole officer, director, and shareholder, and Jon testified that no other person had held shares in True Hospitality. The concession agreement placed ultimate control of the licensed food and beverage business with Applicant. Conrad Gass, the hotel's director of food and beverage, testified that Steve Farzam had never supervised him and that Jon Farzam ran True Hospitality. Inessa Udovchenko, the hotel's general manager, likewise testified that Steve had never supervised the food and beverage operation or run True Hospitality and that she reported to Jon. The ALJ credited those witnesses on those points.

Jon Farzam's testimony presented a closer credibility question. The ALJ found portions of his testimony concerning Steve's historical relationship with Sand and Sea and Sunshine Enterprises conflicting, evasive, or unreliable, and the absence of corporate records contributed to the adverse inference supporting the finding of an earlier condition violation. But a trier of fact may credit portions

of a witness's testimony while rejecting others, and the ALJ expressly distinguished Jon's unreliable historical recollections from his credited testimony concerning Steve's current status and Applicant's prospective compliance.

There was contrary evidence, however. The record contained evidence of a continuing business presence by Steve Farzam associated with the hotel address, and gaps in the Sand and Sea corporate documentation reasonably raised questions concerning the precise timing and extent of his historical involvement. Read in context, therefore, the Decision's statement that there was "absolutely no evidence" of Steve's direct affiliation or involvement with the licensed premises or business operations should not be understood as resolving every question concerning his broader relationship with the hotel or Sand and Sea. The material finding for present purposes is narrower: the admitted evidence did not establish that Steve Farzam was then acting as an owner, manager, consultant, or employee of Applicant's licensed food and beverage operation.

The existence of contrary evidence, however, does not permit this Board to reweigh the record or choose among competing reasonable inferences. (*Boreta Enterprises, Inc. v. Department of Alcoholic Beverage Control* (1970) 2 Cal.3d 85, 94; *Kirby v. Alcoholic Beverage Control Appeals Bd.* (1970) 7 Cal.App.3d 126, 129.) Substantial evidence supports the Department's findings concerning Applicant's ownership and management structure and Steve Farzam's lack of then-current prohibited involvement in the licensed operation. The evidence concerning

future compliance is less definitive, but it is sufficient under the deferential standard governing this Board's review.

Accordingly, the Decision is supported by its findings within the meaning of section 23084, subdivision (c), and the material findings are supported by substantial evidence in light of the whole record within the meaning of subdivision (d). Our remand rests instead on the later evidence qualifying under section 23084, subdivision (e).

D. Protestant's Requested Disciplinary Relief Is Not Available in This Protest Proceeding.

Protestant alternatively asks this Board to impose disciplinary consequences against Applicant, including suspension or revocation of the Type 47 license. He argues, among other things, that the Department's finding of a violation of Conditions 5 and/or 6 requires at least a suspension and that other asserted violations warrant revocation.

That relief is not available in this proceeding. This matter arose from Protestant's challenge to the issuance of Applicant's license under Business and Professions Code section 24015. A protest hearing under that statute is limited to the issues raised in the protest. (§ 24015, subd. (d).) By contrast, a proceeding to revoke, suspend, limit, or condition an existing license is initiated by an accusation setting forth the acts or omissions charged and the statutes or rules allegedly violated. (Gov. Code, § 11503.) No accusation against Applicant is before us in this appeal.

It is true that violation of a condition imposed on a license constitutes grounds for suspension or revocation. (Bus. & Prof. Code, § 23804.) But the existence of grounds for discipline does not transform this protest proceeding into a disciplinary proceeding or authorize this Board to originate discipline against Applicant.

Nor does section 24200, subdivision (d), standing alone, provide the independent basis for revocation as Protestant suggests. That provision identifies as a ground for suspension or revocation a qualifying plea, verdict, or judgment "charged against the licensee." (§ 24200, subd. (d).) The March 9 criminal disposition concerns Steve Farzam, not Applicant True Hospitality. We therefore do not treat Steve Farzam's criminal disposition as itself establishing a basis for discipline against Applicant under subdivision (d).

More fundamentally, even in a proper disciplinary appeal, the Department has broad discretion to determine the appropriate penalty for a violation of the Alcoholic Beverage Control Act. The Board may not disturb the Department's choice of penalty unless the appellant demonstrates an abuse of discretion. (*Martin v. Alcoholic Beverage Control Appeals Bd.* (1961) 55 Cal.2d 867, 876; *Harris v. Alcoholic Beverage Control Appeals Bd.* (1965) 62 Cal.2d 589, 594.) Although the Board may review the Department's exercise of that discretion in a disciplinary appeal, it may not substitute its own penalty judgment for that of the Department. (See *Munro v. Alcoholic Beverage Control Appeals Bd.* (1959) 169 Cal.App.2d 294, 297–298.)

Section 23085 reflects the same limitation. When the Board reverses a Department decision, it may direct reconsideration or require further action specifically enjoined by law, but its order "shall not limit or control in any way the discretion vested by law in the department." (§ 23085.)

Accordingly, we reject Protestant's request that this Board impose a suspension, revocation, or other disciplinary penalty against Applicant. Our authority in this appeal is exercised through the limited remand described above. The Department remains free on remand to determine the appropriate licensing disposition within the scope of this protest proceeding. Any separate disciplinary action would have to proceed through the procedures applicable to such a proceeding.

V. CONCLUSION

Protestant has not established an independent basis for reversal under section 23084, subdivisions (a) through (d). The express directives of the March 3, 2026 remand order were addressed in the revised Decision; the Decision is supported by the findings actually made; and the material findings are supported by substantial evidence in light of the whole record. Protestant's request that this Board impose disciplinary relief is also unavailable in this protest proceeding.

The March 9, 2026 superior court disposition presents a different question. It occurred after the Department hearing concluded and therefore could not have been produced at that hearing through reasonable diligence. It is relevant to the Department's prospective-compliance determination, and, under the particular

circumstances presented, Protestant's failure to submit a separate Rule 198 declaration does not preclude consideration of the remand request.

We express no view as to what the March 9 disposition ultimately proves or what licensing result should follow from its consideration. Because there is a reasonable possibility that consideration of the disposition, together with appropriate responsive evidence, could affect the Department's determination, we exercise our discretion under section 23085 and remand the matter for reconsideration.

ORDER

Pursuant to Business and Professions Code section 23085, the Department's decision is REMANDED for reconsideration in light of the March 9, 2026 criminal disposition concerning Steve Farzam, consistent with this opinion.[3]

Nothing in this opinion or order shall be construed as directing the Department to make any particular factual finding, assign any particular weight to the March 9 disposition, approve or deny the license, or impose disciplinary action. The Department retains the discretion vested in it by law to determine the significance of the evidence and the appropriate disposition upon reconsideration.

MEGAN McGUINNESS, CHAIRPERSON
HON. FRANK C. DAMRELL JR. (Ret.), MEMBER
SHARLYNE PALACIO, MEMBER
ALCOHOLIC BEVERAGE CONTROL APPEALS BOARD

[3] This order of remand is filed in accordance with Business and Professions Code section 23085 and does not constitute a final order within the meaning of Business and Professions Code section 23089.

APPENDIX

BEFORE THE
DEPARTMENT OF ALCOHOLIC BEVERAGE CONTROL
OF THE STATE OF CALIFORNIA

IN THE MATTER OF THE PROTEST OF:

JEREMY BLASI

AGAINST THE ISSUANCE OF A LICENSE TO:

TRUE HOSPITALITY
SHORE HOTEL
1515 OCEAN AVENUE
SANTA MONICA, CA 90401-2118

ON-SALE GENERAL EATING PLACE - LICENSE

Respondent(s)/Licensee(s)
Under the Alcoholic Beverage Control Act

LAKEWOOD DISTRICT OFFICE

File: 47-627034

Reg: 24095095

CERTIFICATE OF DECISION

It is hereby certified that, having reviewed the findings of fact, determination of issues, and recommendation in the attached proposed decision, the Department of Alcoholic Beverage Control adopted said proposed decision as its decision in the case on June 8, 2026. Pursuant to Government Code section 11519, this decision shall become effective 30 days after it is delivered or mailed.

Any party may petition for reconsideration of this decision. Pursuant to Government Code section 11521(a), the Department's power to order reconsideration expires 30 days after the delivery or mailing of this decision, or if an earlier effective date is stated above, upon such earlier effective date of the decision.

Any appeal of this decision must be made in accordance with Business and Professions Code sections 23080-23089. The appeal must be filed within 40 calendar days from the date of the decision, unless the decision states it is to be "effective immediately" in which case an appeal must be filed within 10 calendar days after the date of the decision. Mail your written appeal to the Alcoholic Beverage Control Appeals Board, 400 R St, Suite 320, Sacramento, CA 95811. For further information, and detailed instructions on filing an appeal with the Alcoholic Beverage Control Appeals Board, see: https://abcab.ca.gov or call the Alcoholic Beverage Control Appeals Board at (916) 445-4005.

https://abcab.ca.gov/abcab_resources/

Sacramento, California

Dated: June 9, 2026

Paul Tupy
Director

RECEIVED
JUN 09 2026
Alcoholic Beverage Control
Office of Legal Services

BEFORE THE
DEPARTMENT OF ALCOHOLIC BEVERAGE CONTROL
OF THE STATE OF CALIFORNIA

IN THE MATTER OF THE PROTEST OF:

Jeremy Blasi, AGAINST THE ISSUANCE OF AN ON-SALE GENERAL EATING PLACE LICENSE TO: True Hospitality Dba: Shore Hotel 1515 Ocean Avenue Santa Monica, California 90401-2118 Under the Alcoholic Beverage Control Act	}	File: 47-627034 Reg.: 24095095 License Type: 47 Word Counts: 35,079 (4/9/25) 32,812 (7/8/25); 31,963 (10/27/25); 16,860 (10/28/25) Kennedy Court Reporters (CR) and Video Hosts (VH): CR: Kimberly Lopez (4/9/25), Dalauna Cardoza (7/8/25, 10/27/25 and 10/28/25) VH: Christopher Chain (4/9/25, 7/8/25, 10/28/25), and Alex Burke (10/27/25) **PROPOSED DECISION AFTER REMAND**

Administrative Law Judge D. Huebel, Administrative Hearing Office, Department of Alcoholic Beverage Control, heard this matter by videoconference on April 9, 2025, July 8, 2025, October 27 and 28, 2025.

Alanna Ormiston, Attorney, represented the Department of Alcoholic Beverage Control (the Department).

Gillian Garrett, Attorney, represented the Applicant, True Hospitality. Jonathan Farzam, also known as Jon Farzam, Applicant's CEO, CFO, director, Secretary and 100% shareholder, was present.

Jordan Palmer, Attorney, represented Protestant Jeremy Blasi, who was present. The Protestant was allowed to appear and participate in the hearing as a party pursuant to Government Code section 11500(b).

Oral evidence, documentary evidence, and evidence by oral stipulation on the record was received at the hearing. The matter was argued and submitted for decision on October 28, 2025. A proposed decision was prepared and submitted to the Director of the Department. The Director rejected the proposed decision and the matter was subsequently remanded to the undersigned for the purpose of correcting identified errors, resolving conflicting testimony and taking additional evidence, if required, and for such other proceedings as may be necessary. No further evidence or proceedings were necessary.

ISSUES

The issues to be determined are whether issuance of the applied-for license would be contrary to public welfare or morals on the basis that there is (1) a potential hidden owner for Applicant, namely, Sand and Sea; and (2) an unqualified manager pursuant to Business and Professions Code sections 23788.5.[1]

FINDINGS OF FACT

1. The application was filed with the Department on June 2, 2021. It seeks issuance of a type-47, on-sale general eating place license for premises located at 1515 Ocean Avenue, Santa Monica, California (the Proposed Premises).[2]

2. The Proposed Premises is a four-story, 164 guest room hotel, with a full-service restaurant, and pool-side fixed bar located on a major thoroughfare in a mixed commercial-residential area. The name of the hotel is "Shore Hotel" and the name of the

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[1] At the beginning of the hearing, the undersigned indicated to all parties the issues which would be considered. None of the parties objected to the issues. However, the Protestant objected to the characterization Applicant's counsel attempted to place on the issues. The undersigned reiterated that the issues to be considered are those which are stated in the original verified protest. (Exhibit A.) The original protest specifically stated its allegation that Sand and Sea was the hidden owner of the Applicant and that under rule 57.5's definition of a manager for purposes of section 23788.5 that Sand and Sea through its officer Steve Farzam is the unqualified manager of the Applicant's business. Business and Professions Code section 24200 cited by Protestant relates to enforcement actions by the Department, which are not at issue herein.

[2] ABC Licensing Representative II Tarin-Randle testified regarding her investigation into this application, the Applicant and the Proposed Premises on behalf of the Department. LR Tarin-Randle's report was admitted as Exhibit D2. LR Tarin-Randle signed said report on October 22, 2024, with her supervisors' signatures thereon dated October 23, 2024, and the Assistant Director's signature dated October 31, 2024.

restaurant is "Shoreside." The Shoreside restaurant[3] was constructed at some point (the date of which was not in the record), which resulted in the Applicant seeking the type-47 license. The hotel building and land are owned by Sunshine Enterprises.[4] Sunshine Enterprises is considered the landlord, which leases out space in the building, including, but not limited to leasing space to the Applicant (see Exhibit B pdf page 6, ABC-217 form lists Sunshine Enterprises LP as Applicants landlord) and to another unrelated, third-party restaurant located on the first floor of the building facing Ocean Avenue. (Exhibit A9 -color photo which depicts the location of the third-party restaurant lessee at the far left on the first floor; as does Exhibit B, pdf page 23, as testified to by Jon Farzam.) The hotel and restaurant are operated by Sand and Sea Incorporated, doing business as Shore Hotel (hereinafter referred to as Sand and Sea). The Applicant's planned operation is for True Hospitality to provide food and alcoholic beverage service to Sand and Sea's Shore Hotel, Shoreside restaurant and fixed bar. The hours of operation are 24 hours, which is for guest check in and check out hours, however the hours of operation for alcohol service are from 6:00 a.m. to 2:00 a.m. each day of the week. According to the testimony of the Applicant's CEO Jon Farzam, the proposed premises to be licensed includes all four stories of the hotel, guest rooms, restaurant, an outdoor patio with pool, deck, fixed bar and lounge area.[5] The hotel has a lobby, courtyard, multipurpose rooms which are used for private dining on occasion and private meetings, a kitchen, loading dock, offices, and parking. (Exhibit A9 – color photos of interior and exterior of Shore Hotel, plated food, and renderings of the new restaurant, exterior patio and fixed bar; Exhibit D3 – ABC-257 section 1 Planned Operation (Retail); Exhibit A18 at pdf pages 22-25 black and white copy of ABC-257 Licensed Premises Diagram (Retail) from 2021; Exhibit B at pages 23 to 30, black and white copy of ABC-257 Licensed Premises Diagram (Retail) from 2011.) The Proposed Premises is open and operating.

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[3] Jon Farzam testified to the location of the Shoreside restaurant using the Licensed Premises Diagram in exhibit B, at pdf page 23, pointing out that the notation of the "Green Room" on the Licensed Premises Diagram is the current location of the Shoreside restaurant.

[4] This is based on the testimony of Applicant's CEO, Jon Farzam.

[5] The Department and Applicant did not seek to admit into evidence a current, color copy of the Applicant's most recently certified ABC-257 Licensed Premises Diagram (Retail), despite the court's request for same. Hence the court and record relied upon the Applicant CEO Jon Farzam's testimony as to the boundaries of the proposed premises to be licensed under the type-47 license (as well as Exhibit A18 at pdf pages 22-25 black and white copy of ABC-257 Licensed Premises Diagram (Retail) from 2021; Protestant's exhibit B pdf pages 23-30, a black and white copy of the Applicant's ABC-257 Licensed Premises Diagram signed October 4, 2011, and which was on file with the Department when the Applicant applied for its types 70 and 66 licenses on October 17, 2011). The parties did not correct or change the record to reflect a different boundary to be licensed for the proposed premises under the type-47 license.

3. The Applicant filed its ABC-257 "Planned Operation" with the Department stating its "type of business" to be a hotel and full-service restaurant providing full American and Italian meals, for breakfast (5:00 a.m. to 12:00 p.m.), lunch (12:00 p.m. to 5:00 p.m.), and dinner (5:00 p.m. to 10:00 p.m.), with recorded music, amplified music, live entertainment and patron dancing (including for weddings and other events). The Applicant stated that alcoholic beverage sales will be five percent of its total sales. The Applicant's ABC-257 checked off that "no" manager would be hired for purposes of rule 57.5,[6] and that it would not have a food lessee. (Exhibits D2, D3, and Exhibit A18 at pdf page 13/bate stamp 12 through pdf page 27/bate stamp 26.)

4. The Proposed Premises has been actively licensed with a type-70 on-sale general restrictive license and duplicate type 66-control access cabinet license since June 27, 2012. At some point in time, True Hospitality entered into a concession agreement with Sand and Sea; the terms of that agreement were not entered into the record.[7] Since issuance in 2012 of the Applicant's type-70 license the Applicant, True Hospitality, has been providing food and beverage service to the hotel guests and their designated invitee(s) while utilizing the type-66 license to offer alcohol in-room bar service. The Applicant uses the type-70 license on the exterior patio and within the confines of the hotel property for guest events and happy hours. There is no disciplinary history under the Applicant's types-70 and 66 licenses. (Exhibit A6.)

5. The Proposed Premises is located in the heart of Santa Monica, across from the Santa Monica Pier, which is a local tourist attraction and "go-to" beach spot for tourists and locals. With the rise of tourists in the area the Applicant believes a type-47 on-sale general eating place license would enable it to provide service to the general public, as a dining and entertainment alternative for local residents and visitors of the area, hence its application for a type-47 license.[8] The Department determined the Applicant met the requirement for public convenience or necessity because the area is heavily populated with tourists, the Proposed Premises' close proximity to the Santa Monica Pier and the beach, and with the Proposed Premises operating as a hotel and full-service restaurant it will provide a cozy atmosphere that will cater to and serve as an additional dining option for the many visitors, tourists, local residents and workers.

6. The Proposed Premises complies with local zoning requirements, and a conditional use permit (CUP) was approved by the City of Santa Monica on August 22, 2022.

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[6] All rules referred to herein are contained in title 4 of the California Code of Regulations unless otherwise noted.

[7] A subsequent 2024 concession agreement was entered into the record.

[8] At the hearing on July 8, 2025, counsel for both Applicant and the Department confirmed that the hearing in the matter at hand was only for the application of the type-47 license and was not to include the type-68 license, which was pending.

(19ENT-0397-CUP.) On June 21, 2024, the Department issued to the Applicant an interim operating permit (IOP).[9] Thereafter the Applicant began exercising the privileges of a type-47 license under the IOP, which has been re-issued and remains in effect as of the date of the hearing. Since issuance of the IOP and while the Proposed Premises has been operating thereunder, there has been no disciplinary action taken by the Department. The Applicant, True Hospitality, entered into a subsequent concession agreement on July 3, 2024, with Sand and Sea (hereinafter referred to as the 2024 concession agreement). (Exhibit A4.) The Applicant, provides food and alcoholic beverage service for all four levels of the hotel and restaurant, including the fixed bar/patio area, and in-room service.[10]

7. The Proposed Premises is located in census tract 7019.02. Using the formula set forth in the Alcoholic Beverage Control Act, five (5) on-sale licenses are permitted within this census tract, and 168 exist. The Applicant's type-70 license will be canceled should the type-47 license be issued. (Exhibit A18 at pdf page number 42/bate stamp 41, ABC-231.)

8. The Proposed Premises is not located within the immediate vicinity of any church or hospital, and is not within 600 feet of any school, public playground or nonprofit youth facility, otherwise known as consideration points.

9. The Santa Monica Police Department (Santa Monica PD) has jurisdiction over the area in which the Proposed Premises is located. The Santa Monica PD does not provide statistical data within the meaning of section 23958.4. The Santa Monica PD has no concern or issues with or objection to issuance of the applied-for license. There was no evidence that said issuance would create a law enforcement problem or increase crime.

10. There are no residences located within 100 feet of the Proposed Premises or its parking lot.

11. On July 8, 2021, the Department received one verified protest from Jeremy Blasi. (Exhibit A.) Mr. Blasi, an attorney, submitted an eight-page, single-line, typed protest, with footnote references and website links, detailing the issues and concerns of his protest against issuance of the said license. Mr. Blasi explained in detail his concerns included that since the Applicant, True Hospitality, dba Shore Hotel, and Sand and Sea, dba Shore Hotel are so closely interconnected and interrelated, Sand and Sea has authority to control and manage the Applicant's business operations as prescribed under rule 57.5, and therefore Sand and Sea, allegedly through its sole director, COO and CFO, Steve Farzam, is the manager of the Applicant's licensed business. Mr. Blasi opines that

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[9] An interim operating permit temporarily allows an applicant to exercise the same privileges of the license being applied-for pending the final outcome of the application process.
[10] This is based on the testimony of Applicant's CEO, Jon Farzam.

pursuant to rule 57.5, the Applicant delegated to Steve Farzam and Sand and Sea "discretionary powers to organize, direct, carry on or control the operations of the [Applicant's] licensed business" and therefore Steve Farzam and Sand and Sea, "shall be deemed the manager" of True Hospitality "for purposes of applying section 23788.5" (an unqualified manager). Mr. Blasi is concerned that given Steve Farzam's criminal convictions in 2003, 2014, 2019, (all of which were dismissed in 2022) and now the 2025 criminal charges filed against him by the Los Angeles District Attorney's Office, that Steve Farzam is not a qualified manager under section 23788.5, especially given that some of the convictions, Mr. Blasi asserts, involve crimes against moral turpitude under section 24200(d). Mr. Blasi is further concerned that based on Sand and Sea's authority to control the Applicant's licensed premises that Sand and Sea is a hidden owner of the Applicant. Mr. Blasi questions why the Applicant did not include Sand and Sea and Steve Farzam in its application and Mr. Blasi opines that it was to hide Steve Farzam's criminal history.

(Jeremy Blasi)

12. Protestant Jeremy Blasi appeared and testified at the hearing on July 8, 2025, and October 27, 2025. Mr. Blasi said he is an attorney who works as general counsel for a labor union called Unite Here Local 11, and he also does "some teaching." Mr. Blasi reviewed the issues in his protest on the record. Mr. Blasi opined that the Applicant failed to meet its burden of proof, namely that the Applicant failed to prove that Steve Farzam has not been the sole director, COO and CFO of Sand and Sea since 2011 (Exhibit D – Sand and Sea Statement of Information filed with the California Secretary of State May 17, 2011) to the present, and further failed to show that Steve Farzam has no interest directly or indirectly in the ownership or does not act as a manager or consultant in the operation or control of the Proposed Premises/licensed premises or business activities conducted in said premises.

13. Mr. Blasi said that after July 8, 2025, the second day of hearing in this matter, it became public record and knowledge, and he became aware that the Los Angeles District Attorney, Nathan Hochman, filed on or about July 15, 2025, criminal charges, a 28-count felony complaint for arrest warrant against Steve Farzam, and a motion in support of no bail. (Exhibit J6 – Felony Complaint for Arrest Warrant; Exhibit J5 - People's Motion in Support of No Bail; Points and Authorities case 25CJCF04164.)[11] The said DA's motion

[11] The undersigned did not consider any of the 2025 charges/claims in the pleadings filed by the DA's office against Steve Farzam because they are merely allegations and formal statements outlining claims, which must be proven in a court of law. While the undersigned is taking judicial notice of the existence of the court records (including pleadings) the court is not taking judicial notice of the truth of the facts contained within those records relating to those charges.

discussed Steve Farzam's criminal history dating back to 1999 (convictions for providing false information on DMV documents and giving unlawful registration), 2002 (impersonating a firefighter and falsely reporting an emergency), 2004 (falsely reporting an emergency), and 2014 (felony criminal convictions of impersonating an FBI special agent during a call to the LA City Attorney's Office, possession of an assault weapon, and using the alias "Andrew Clark" for fraudulent, unauthorized computer access to CLETS and DMV records). The motion states the 2014 charges and convictions stemmed from an extensive California Department of Justice (CA DOJ) investigation and search warrants at Steve Farzam's home, business and vehicles, which resulted in seizing 16 firearms, including assault-stye and off-Roster rifles, 12 radios programmed to emergency channels, 43 forged badges from various public agencies, two counterfeit Santa Barbara County CCW permits, tactical gear, TSA and United Airlines "Flying While Armed" documents, and a fully marked CHP Crown Victoria with operational emergency lights. Those prior convictions were later reduced to misdemeanors and expunged in 2022. The motion describes further criminal acts by Steve Farzam in 2017 and 2018, which resulted in a felony complaint filed in December of 2019. All prior charges and convictions were dismissed after a mental health diversion was granted in 2022. (Exhibit A21.)

14. The DA's July 15, 2025, motion to deny bail states it is based on a multi-agency criminal investigation, in which the motion alleges Steve Farzam's sustained pattern of fraud, impersonation of public officials, unlawful acquisition of firearms, and repeated endangerment of public safety. The motion alleges that Steve Farzam created and used a fictious entity, the "Santa Muerte Fire Department," (an entity it states is not recognized by any legitimate government agency, including the CA DOJ, and the initials of which, SMFD, are the same as the initials of the Santa Monica Fire Department), through which he allegedly assumed false authority as a high-ranking fire official and allegedly used that fabricated role to obtain nine (9) government-issued exempt license plates, gain unlawful access to restricted emergency zones during the January 2025 Pacific Palisades fires, and allegedly acquire off-Roster firearms reserved for verified peace officers. The motion further alleges that on February 21, 2025, Steve Farzam struck, with a high-intensity blue laser beam, an ABC 7 News helicopter, a CHP helicopter and three commercial airlines inbound to LAX (one of which was tracked by the blue laser for nine minutes from 10,000 feet to 500 feet). The ABC 7 aircraft was struck multiple times, with the laser directly hitting the pilot, causing intense pain and temporary blindness, forcing the pilot to make evasive maneuvers. The motion states the helicopter news crew recorded footage of the incident and allegedly identified the origin of the laser being discharged from a black Cadillac Escalade SUV bearing Nevada plate 280Z29, which they followed and recorded driving from the incident to the Santa Monica Pier, near where the Shore Hotel is located. The aerial footage showed a person exiting the SUV during the laser activity. The motion states that detectives familiar with Steve Farzam reviewed the aerial footage

and allegedly identified him as the individual exiting the vehicle. The motion alleges that LAPD detectives confirmed the black Cadillac SUV was registered to the SIXT rental company and had been rented on February 20, 2025, by Steve Farzam from the SIXT rental office located at the Shore Hotel. The motion further alleges that on April 19, 2025, Steve Farzam struck an LAPD helicopter with a blue laser for approximately 10 seconds forcing the pilot to take evasive action. The DA's motion alleges that Steve Farzam owns and operates the Shore Hotel in Santa Monica, which the DA alleges "served as a base of operations for several fraudulent activities, including IP addresses linked to false submissions and vehicle registrations." (Exhibit J5.)

15. Mr. Blasi produced at the hearing, exhibit J8, the Articles of Incorporation for Santa Muerte Volunteer Fire Department, filed July 22, 2022, with the California Secretary of State. The form lists Michael Bernstein (the Applicant's general counsel who was present at the hearing at hand) as the agent for service of process and lists the agent's address of 1515 Ocean Avenue, Santa Monica, CA 90401, which is the Applicant's business address, and the Shore Hotel's address. Mr. Blasi also presented at the hearing exhibit J9, a screen shot from the Shore Hotel's website listing its leadership team, with Michael Bernstein depicted as legal counsel. Also produced was exhibit J10, a Bureau of Security and Investigative Services licensing detail for Steve Farzam's exposed firearm permit issued December 21, 2023, with expiration date December 31,2025, listing the Shore Hotel's address and registration type for a private investigator. Also produced is exhibit J11, a Bureau of Security and Investigative Services licensing detail for a private investigator license issued on May 31, 2024 (with expiration date May 31, 2026) to Steve Farzam listing the address of record to be 1515 Ocean Avenue in Santa Monica, and referring to a qualifying exposed firearm permit. Also produced was exhibit O, an April 8, 2025, Yelp post advertising Steve Farzam's alleged Hospitality Consulting business, open 9:00 a.m. to 5:00 p.m. Monday through Sunday, located in suite C at the Shore Hotel's address of 1515 Ocean Avenue in Santa Monica. Mr. Blasi testified he believed the Applicant has been in violation of conditions 5 and 6 of its PCL which Jonathan Farzam executed on behalf of the Applicant on February 29, 2024; which prohibits Steve Farzam from having any interest directly or indirectly in the ownership or acting as a manager or consultant in the operation or control of the licensed premises or business activities conducted in said premises, and that Steve Farzam shall not be employed in any capacity in the operation or control of the licensed premises. Mr. Blasi believes these afore-mentioned documents prove that since True Hospitality filed its application with the Department on June 2, 2021, and executed the PCL on February 29, 2024, Steve Farzam, while allegedly serving as the Sand and Sea COO and CEO, has allegedly been conducting business activities in the Shore Hotel, including using the Shore Hotel address and location, to (1) allegedly conduct a hospitality management consulting business as recently as April 8, 2025, (2) acquire on

December 21, 2023, an exposed firearms permit to acquire firearms, and (3) acquire a private investigator license on May 31, 2024, with Shore Hotel listed as the address of record, allegedly in furtherance of the alleged crimes filed against him by the DA's office. Mr. Blasi believes these documents demonstrate Steve Farzam is an unqualified manager of the Applicant, his ongoing presence and involvement at the Shore Hotel in connection with hospitality management, and the Applicant's alleged violation of condition 5, which prohibits Steve Farzam from being involved in the Applicant's hospitality management or the Applicant's operations or business activities conducted in the licensed premises, which is the Shore Hotel.

16. Mr. Blasi testified that the current charges against Steve Farzam echo the concerns of his protest and opined that they are consistent with Steve Farzam's past criminal history, and his alleged continued use of the Shore Hotel in connection with those crimes, in addition to the Applicant's recidivism of continuing to allegedly allow Steve Farzam to hold a position in the Shore Hotel to continue to commit those crimes, and the Applicant's alleged failure to prevent Steve Farzam from having anything to do with the Shore Hotel, its operations, including the food and beverage operations therein. Mr. Blasi testified to finding it disturbing that allegedly none of his protest concerns were investigated "even after we brought it to light as part of this protest" and especially in light of the wealth of information and detail he included in his protest. He said amongst what he asked the Department to investigate was whether the Applicant failed to disclose Sand and Sea as an entity that is part of its and the Shore Hotel's operations. Mr. Blasi opined that the Applicant concealed its true operators and managers because it did not want the Department to become aware of Steve Farzam's extensive criminal history, which allegedly continued into 2025, and who, Mr. Blasi asserts, has continued to hold title with Sand and Sea for an undetermined period of time.

17. In Mr. Blasi's opinion the conditions in the Applicant's PCL do not deal seriously with the issues in his protest or the problem that True Hospitality purports to be a distinct and separate entity from the other Farzam family entities, including Sand and Sea, in which "Steve Farzam was COO and has continued to be present within." Mr. Blasi asserts that the conditions on the license are not based on any investigation that involved examining the documents and detailed issues in his protest regarding the nexus between True Hospitality and Sand and Sea, which he said LR Tarin-Randle acknowledged during her testimony.

18. Mr. Blasi said he has been serving as general counsel to hospitality workers' unions in Los Angeles and Arizona since 2014 and has been involved in the bargaining process. He said he is familiar with the kinds of relationships hotels have with food and beverage operators/subcontractors, and the concession agreements between them, having examined six concession agreements. Mr. Blasi acknowledged he is not an expert, but said that in

all his years of experience, he finds it extremely unusual, and he has never seen a situation where the entity that runs the hotel is run by the same person who runs the food and beverage operations. Invariably, he says, the entities are always distinct corporate entities, with distinct corporate boards of directors and are distinct businesses. He said the food and beverage contractor is usually an actual company that employs people in its own name, cuts the checks with the name of the company thereon, and has a manager who supervises those workers directly. He has not seen a situation where, as with True Hospitality, the food and beverage operator literally has only one employee, Jon Farzam, the one person who happens to be the person who runs the hotel as the CEO of both entities, Sand and Sea and True Hospitality. He has never seen a situation, like the 2024 concession agreement between True Hospitality and Sand and Sea, where one person, Jon Farzam, represents himself as the operator of the hotel and at the same time as the head of the food and beverage subcontractor, with that single person, Jon Farzam, who is essentially negotiating with himself to enter into and sign a concession agreement with himself. In Mr. Blasi's opinion it is all a charade to hide Steve Farzam's involvement in the Applicant's business operations.

19. Mr. Blasi reiterated that he is disappointed the Department did not grapple with his protest issues or the fact the Applicant allegedly continues to put Steve Farzam, who has been charged with crimes, in charge or at the very least in the Shore Hotel where he has allegedly been able to continue to commit crimes. Mr. Blasi testified that these are matters of genuine public interest which the Department has a duty to investigate thoroughly.

(LR Tarin-Randle)

20. Licensing Representative Tarin-Randle appeared and testified at the hearing on April 9, 2025, and October 28, 2025. She conducted an investigation into the Proposed Premises, the Applicant and conducted an investigation into Protestant's issues but found based on her investigation that any further inquiry was not merited.[12] LR Tarin-Randle said she did not investigate the Protestant's concern relating to rule 57.5 for purposes of section 23788.5 regarding whether there was an unqualified manager (Steve Farzam/Sand and Sea) because the Applicant's ABC-257 Planned Operation answered "No" to question 12, "Will you hire a manager?" LR Tarin-Randle testified she did not investigate the Protestant's concern regarding whether there was a hidden owner (Sand and Sea/Steve Farzam[13]) because she looked at the Applicant's corporate documents,

[12] The Department, as required by law, investigated all issues arising from the application, not just those raised by the Protestant.

[13] LR Tarin-Randle testified that it is common for licenses to be issued to applicants who do not actually own the premises where they operate, and the Department does not investigate the owner of the applicant premises if they are not the applicant for the license at issue.

including its Statement of Information filed with the California Secretary of State on June 22, 2023, which listed only Jonathan Farzam as an officer, director and agent for service of process, with the Applicant's "Type of Business listed as "hotel business." (Exhibits D4 and A5.) LR Tarin-Randle further testified that she did not look at the footnoted documents or links attached to Mr. Blasi's protest. She said she added conditions 5 and 6 to the PCL believing that would address the Protestant's concerns.

21. LR Tarin-Randle said she did not undertake any investigation into whether the Applicant actually operates the food and beverage operations at the Shore Hotel and restaurant because "there was no manager mentioned so I didn't have to go any further than that." She did not request any documents related to Sand and Sea, including, but not limited to, any Statement of Information filed with the California Secretary of State for Sand and Sea to determine who is listed as the officers, directors and agents thereof and if any new filings with the Secretary of State had been made on behalf of Sand and Sea that do not show Steve Farzam as an officer, director, title holder or shareholder, since Sand and Sea's last filing May 17, 2011, with its type of business listed as "Management – Hotel." (Exhibit D.)

22. LR Tarin-Randle testified that she did not conduct any additional investigation beyond the Applicant's application and corporate documents[14] into whether Steve Farzam had any involvement at the Proposed Premises (the hotel and restaurant). LR Tarin-Randle determined Steve Farzam's criminal record was irrelevant because he was not listed on the Applicant's corporate documents. LR Tarin-Randle testified that she did not request from the Applicant information related to whom contracts for furniture, equipment and supplies for the Applicant's food and beverage operations. She did not request any information related to who makes policy decisions related to the food and beverage operations of the hotel and restaurant. She did not investigate whether the Applicant or Sand and Sea employs any employees for the Applicant's operations or whether anyone manages the Applicant's food and beverage department.

23. When LR Tarin-Randle made the decision to issue the IOP to the Applicant and recommend issuance of the applied for type-47 license with conditions, she did not know whether Sand and Sea was the operator of the hotel or whether Sand and Sea was involved with operating and/or managing the Applicant's food and beverage department and its employees at the hotel and restaurant. LR Tarin-Randle did not know whether she was provided a copy of the July 3, 2024 concession agreement between the Applicant and Sand and Sea (Exhibit A4 – 2024 Concession Agreement.) The ABC-220-P report she prepared and signed on October 22, 2024, did not include the 2024 concession agreement

[14] See Exhibits D2, D3, D4 and A18 at pdf pages 20 to 27, 30 to 32, 34 to 39, and 42.

as an attachment thereto. She testified she visited the proposed premises but did not state the date of her visit. Her report indicates a visit to the proposed premises on August 15, 2022.

24. To address the Protestant's concerns the Department recommended two conditions (numbers 5 and 6) be added to the initial four conditions recommended, so that six conditions would be attached to the type-47 license, should it issue. These conditions include: (1) No alcoholic beverages shall be consumed on any property adjacent to the licensed premises under the control of the licensee(s) as depicted on the most recently certified ABC-257 and ABC-253. (2) The petitioner(s) shall be responsible for maintaining free of litter the area adjacent to the premises over which they have control as depicted on the most recently certified ABC-257 and ABC-253. (3) Petitioner(s) shall actively monitor the area under their control in an effort to prevent the loitering of persons on any property adjacent to the licensed premises as depicted on the most recently certified ABC-253. (4) Any graffiti painted or marked upon the premises or on any adjacent area under the control of the licensee(s) shall be removed or painted over within 72 hours of being applied. (5) That Steve Farzam shall have no interest directly or indirectly in the ownership nor act as a manager or consultant in the operation or control of the licensed premises or business activities conducted in said premises. (6) That Steve Farzam shall not be employed in any capacity in the operation or control of the licensed premises. On February 29, 2024, the Applicant's president/CEO, Jonathan Farzam, executed a Petition for Conditional License (PCL) agreeing to said conditions on the applied-for license, should it issue. In signing the PCL, the Applicant/Petitioner understood that any violation of its conditions shall be grounds for suspension or revocation of its license. (Exhibit D5.) All of the conditions apply to operation of the Proposed Premises under the IOP subsequently issued June 21, 2024.

(2024 Concession Agreement)

25. On July 3, 2024, the Applicant, True Hospitality (as the "Concessionaire"), entered into a "subsequent" concession agreement with Sand and Sea (as the "Owner" of the Shore Hotel) effective May 15, 2024, agreeing "to continue to be engaged by" each other with the agreement to "supersede any and all existing agreements, understandings or concessions (whether written or oral)." (Exhibit A4[15].) The concession agreement states that it "is intended to establish Concessionaire's right to occupy and control the F&B [food and beverage] Business at the Premises for purposes of ABC Rule 60(m)."[16] The

[15] Exhibit A4, at pdf page 1, paragraph "Recitals" D.
[16] Exhibit A4, at pdf page 2, paragraph 1(a). Rule 60(m) states, "No license may be issued, or transferred to any person unless he owns or otherwise has possession and control, or a right to possession and control, of the premises for which he makes application for a license, evidenced by an instrument in writing or by other clear and convincing proof."

concession agreement states the parties' desire for Concessionaire to exchange the type-70 license for a type-47 license to be issued by the Department for use at the Proposed Premises. In the concession agreement the Applicant grants Sand and Sea, the authority to hire and separate employees, to contract for the purchase of furniture, equipment or supplies other than the occasional replenishment of stock, and to disburse funds of the licensed business other than for the receipt of regularly replaced items of stock, and to make, or participate in making, policy decisions relative to operations of the Applicant's licensed business.[17]

26. Pursuant to the said concession agreement the Applicant/Concessionaire shall continue to conduct the food and beverage operations at 1515 Ocean Avenue, Santa Monica, CA, (which includes the Shore Hotel and restaurant) and to provide full meals and beverage services to guests and customers at 1515 Ocean Avenue, Santa Monica, CA 90401 (referred to as the F&B Business). The concession agreement provides that the Concessionaire shall act in accordance with applicable law and "shall not take any action, or omit to take any action, that will jeopardize its right, authorization or permission to conduct the F&B Business at the location as contemplated by this Agreement without Owner's express prior written consent (which may be withheld or granted in Owner's sole and absolute discretion)."[18] The concession agreement continues to provide that Sand and Sea, as the "Owner shall furnish all fixtures, equipment, furnishings and furniture necessary for Concessionaire to conduct the F&B Business (the 'Leased Personal Property')..." and that "Owner shall be the sole owner of all Leased Personal Property, and upon any termination of this Agreement, Concessionaire shall immediately cease use of the Leased Personal Property."[19]

27. The concession agreement provides at paragraph 9, "Food and Beverage Receipts:"

> "The Food and Beverage Receipts from the operation of the F&B Business shall be deposited by Concessionaire into a general operating account or accounts established by Owner. No less frequently than once every calendar week during the Term, Owner shall issue a check to Concessionaire, drawn on the operating account into which the Food and Beverage Receipts from the operation of the F&B business have been deposited, in an amount equal to one hundred [*sic*] (100%) of the accumulated Food and Beverage Receipts attributable to the operation of the F&B Business."
>
> "Concessionaire shall open a separate account into which all such amounts shall be deposited. At the election of Concessionaire, Concessionaire may authorize Owner

[17] Exhibit A4, including but not limited to, at pdf pages 6-7 paragraphs 10 & 11, at pdf page 5 paragraph 8, pdf pages 5-6 paragraph 9, and pdf page 2 paragraph 1.
[18] Exhibit A4 at pdf page 2, paragraph 1(c).
[19] Exhibit A4 at pdf page 5, paragraph 8(a).

to electronically transfer from the general operating account to Concessionaire's separate account an amount equal to one hundred percent (100%) of the accumulated Food and Beverage Receipts attributable to the operation of the F&B Business."[20]

28. The concession agreement further provides:

"10(a) Concessionaire shall be responsible for the number and experience level of the personnel Concessionaire deems necessary or desirable to conduct the F&B Business at the Premises. Owner, as a service to Concessionaire, may establish and maintain any and all records required to be kept in regard to such employment, including, but not limited to, those required in connection with the payment of wages, salaries, income taxes, F.I.C.A. deductions, unemployment and worker's compensation taxes and coverages, and all other employee takes [*sic*] and expenses. 10(b) Owner shall administer and comply with any and all reporting requirements which may be imposed by any federal, state or local statute, regulation or ordinance in regard to such employees. Owner shall obtain and maintain any and all mandatory insurance coverage which may be required in regard to such employees including, but not limited to, worker's compensation. Concessionaire shall cause such employees to comply with and observe all of the requirements and regulations imposed by the Act and by ABC rules and regulations. Although Owner will provide certain services with respect to such employees, the ultimate control of such employees with respect to the conduct of the F&B Business shall be vested in Concessionaire."[21]

"During the Term, Owner agrees to provide the following accounting and administrative services to and for the benefit of Concessionaire concerning the F&B Business: (i) full payroll services; (ii) general accounting and bookkeeping services; (iii) maintenance and preparation of records and reports required by the ABC and any other applicable regulatory agency; (iv) provision of computer services as needed; and (v) provision of other administrative services as might reasonably be required by Concessionaire."[22]

29. The 2024 concession agreement was signed by Jon Farzam on behalf of both Sand and Sea and True Hospitality. There was no evidence in what capacity Jon Farzam executed said document on behalf of said parties. (Exhibit A4.)

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[20] Exhibit A at pdf pages 5-6 paragraph 9.
[21] Exhibit A4, at pdf page 6, paragraph 10(a) and 10(b).
[22] Exhibit A4, at pdf pages 6-7, paragraphs 11(a) and 11(b).

(Jonathan Farzam)

30. Jonathan Farzam appeared and testified at the hearing (hereinafter referred to as Jon Farzam) on April 9, 2025, and July 8, 2025. Jon Farzam described himself as the sole employee, officer, director and shareholder of the Applicant, True Hospitality, holding the following titles therewith: sole employee, CEO, CFO, president, secretary and director. (Exhibit A6 – ABC license query date April 3, 2025, for type-70 and type-66 licenses.) He described himself as the 100 percent owner of True Hospitality with the Applicant's role at the Shore Hotel as the exclusive food and beverage provider. He said True Hospitality provides food and beverages to the Shoreside restaurant[23] at the Shore Hotel, under the IOP issued by the Department. The Applicant applied for a type-47 license to be able to serve the general public and also applied for a type-68 portable bar license.[24] Jon Farzam said restaurants with a type-47 license are an important amenity for a hotel to offer to the general public, from a competitive point of view. The Applicant presented an ABC query dated April 3, 2025, reflecting no disciplinary action on its IOP for the temporary type-47 and type-68 licenses. (Exhibit A7.)

31. Jon Farzam is the secretary of True Hospitality, a California corporation. True Hospitality's Articles of Incorporation were filed with the California Secretary of State on September 14, 2011, naming Jonathan Farzam as the initial agent for service of process. (Exhibit A2.) True Hospitality's Bylaws were created and signed by Jonathan Farzam on September 26, 2011. (Exhibit A1.) True Hospitality's Board Action was signed on September 26, 2011, by Jonathan Farzam as sole director, therein designating Jonathan Farzam as president, secretary, chief financial officer, and sole shareholder (1,000 shares), and listing True Hospitality corporation's principal executive office location as 1515 Ocean Avenue, Santa Monica, CA 90401. (Exhibit A3.) Jon Farzam said no one has ever held shares in True Hospitality Corporation other than himself. He testified that he is present at the "Shore Hotel" almost daily.

32. Jon Farzam described the Shore Hotel as a beautifully designed modern hotel that prides itself on sustainability and is centrally located in downtown Santa Monica welcoming international and domestic tourists. (Exhibit A8 – Google aerial and satellite maps; Exhibit A9 – color photos of interior and exterior of Shore Hotel, plated food, and renderings of the new restaurant, exterior patio and fixed bar.) Jon Farzam presented the

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[23] Jon Farzam testified to the location of the Shoreside restaurant using the Licensed Premises Diagram in exhibit B, at pdf page 23, pointing out that the notation of the "Green Room" on the Licensed Premises Diagram is the current location of the Shoreside restaurant.

[24] At the hearing counsel for both Applicant and the Department confirmed that the hearing in the matter at hand was only for the application of the type-47 license and was not to include the type-68 license.

breakfast, lunch, dinner and cocktail menus at the hearing. (Exhibits A10a-A10d.) He also presented positive press coverage of the Shore Hotel from January 2, 2025, to February 19, 2025, which included print, digital and radio coverage. (Exhibit A11.) The general manager of Shore Hotel, Inessa Udovchenko, kept track of awards the Shore Hotel has received, including TripAdvisor ranking the Shore Hotel number one in the United States in 2024. (Exhibit A12 – Award List; Exhibit A13 – digital TripAdvisor article regarding Shore Hotel's 2024 number one ranking.) Jon Farzam produced letters of support for True Hospitality's applied-for licenses. (Exhibit A14 – dated March 28, 2025; Exhibit A15 -dated March 31, 2025; and Exhibit A16 – dated April 4, 2025.)

33. On April 9, 2025, Jon Farzam testified that he first started working at the Shore Hotel when it was developed in 2011. He said his father, Dr. Siroos Farzam, created Sand and Sea. He said he did not recall when Steve Farzam was an employee of Sand and Sea. Jon Farzam testified that Sand and Sea "currently" does not have multiple shareholders, that he currently is Sand and Sea's CEO, CFO, treasurer, secretary, director, and said he is the sole owner of both Sand and Sea and True Hospitality. Jon Farzam did not recall when he became CEO of Sand and Sea and did not recall whether or not Steve Farzam was ever an owner of Sand and Sea. Jon Farzam later said Steve Farzam does not hold an ownership interest in Sand and Sea.

34. On July 8, 2025, Jon Farzam said he did not know if Steve Farzam has ever had an ownership stake in Sand and Sea since 2021. Later, Jon Farzam testified Steve Farzam is not involved with Sand and Sea in any way. Jon Farzam testified that Steve Farzam is not involved in any capacity whatsoever in True Hospitality's operations. The Applicant did not present as evidence any Statement of Information filed with the California Secretary of State on behalf of Sand and Sea for any time period.[25] Jon Farzam said Sand and Sea, True Hospitality and Sunshine Enterprises encompass every entity which owns or operates the Shore Hotel.

35. Jon Farzam testified that Sand and Sea operates the Shore Hotel, running all hotel operations except for the food and beverage services. He said True Hospitality runs the food and beverage operations at the Shore Hotel and has been the exclusive provider of food and beverage services at Shore Hotel since it opened. Jon Farzam testified that Shore Hotel is owned by Sunshine Enterprises, which owns the land the hotel sits on. Jon Farzam testified that Sunshine Enterprises has multiple shareholders, of whom he is one. He did not know if Steve Farzam had an ownership stake in Sunshine Enterprises and said he would have to review the corporate documents to answer that question. Jon Farzam said he has described himself as the co-owner of Shore Hotel because he is the co-owner of Sunshine Enterprises. He said, based on his experience in the hospitality

[25] The Protestant had admitted into evidence Exhibit D, which was the Statement of Information for Sand and Sea initially filed May 17, 2011 with the State of California Secretary of State.

business since 2010, it is common for hotels to be owned and operated by different entities.

36. Jon Farzam acknowledged that the said 2024 concession agreement (Exhibit A4) provides that Sand and Sea is responsible for employing, hiring and firing the Applicant's employees. He said Shore Hotel's food and beverage department includes food and beverage managers. He acknowledged that Sand and Sea employs Shore Hotel's food and beverage managers and employees, and is the entity named on the paystubs issued to the Applicant's food and beverage employees at the Shore Hotel. Jon Farzam said Sand and Sea basically loans out its hotel employees to True Hospitality for the Applicant's food and beverage operations at the Shore Hotel. Jon Farzam said that when an employee is going through the hiring process with Sand and Sea, he does not know whether Sand and Sea makes any effort to obtain an applicant's criminal record. He did not know if True Hospitality is involved in the application and hiring process for food and beverage employees at the Shore Hotel. He said he is, and has always been, the only employee of True Hospitality. He said he supervises the Sand and Sea hotel employees who are in charge of the Applicant's food and beverage service at the Shore Hotel, namely Inessa Udovchenko (general manager of Shore Hotel) and Conrad Gass (director of food and beverage at Shore Hotel). Jon Farzam further explained that he personally supervises the general manager and director of food and beverage, who direct the work of the food and beverage employees. He said the 2024 concession agreement provides that True Hospitality is responsible for paying all of the expenses related to the food and beverage services at the Shore Hotel, which includes paying for wages for the hotel employees who work in the Applicant's food and beverage operations. (Exhibit A4, at paragraph 3(d)[26].) The said agreement provides that it is the parties' intentions that True Hospitality "shall be entitled to all of the net profits and net income from the operation of the F&B Business," which Jon Farzam said includes the sale of alcoholic beverages. (Exhibit A4, at paragraph 3(c).)

37. Jon Farzam acknowledged that the 2024 concession agreement requires that Sand and Sea furnish all the equipment and furniture necessary for True Hospitality's food and beverage operations. The concession agreement at paragraph 8(b) provides that True Hospitality has "exclusive control of any activities carried out at the Premises relating to the storage, distribution, possession, transportation and sale of food and beverages. Concessionaire shall be solely responsible for the acquisition and maintenance of adequate inventories of food and beverages necessary for the F&B Business. All personnel utilized by Concessionaire in the F&B Business shall be of legal age and meet

[26] Exhibit A4, at pdf page 4, paragraph 3(d) provides: "Concessionaire shall be responsible for all expense required or necessary for the conduct of the F&B Business (including, but not limited to, the purchase of food and beverage inventories, the cost of sales, wages, sales and benefits of Concessionaire's employees conducting F&B Business.")

all other laws and regulations pertaining to individuals who sell and dispense alcoholic beverages in the State of California. Concessionaire shall require all personnel who sell and dispense alcoholic beverages at the Premises to have completed the ABC's 'Responsible Beverage Service Training Program' (RBSTP) and have obtained a valid RBSTP certification from an ABC accredited provider." (Exhibit A4 at paragraph 8(d).)

38. Jon Farzam testified that he believed Jonah Breslau, who worked for Shore Hotel as a bellman for approximately 2 years until 2016, was a "salt" or person planted to work at the Shore Hotel by Unite Here Local 11, in an attempt to promote union membership to Shore Hotel employees. As far as John Farzam knows, no Shore Hotel employee belongs to a union. Jon Farzam testified he saw Jonah Breslau protesting outside the Shore Hotel (no dates were provided). Jon Farzam saw Mr. Breslau making public comments against the Shore Hotel at a Coastal Commission hearing, and against True Hospitality at a Santa Monica City Council meeting and a planning commission meeting.

39. Jon Farzam presented at the hearing court filings from his brother, Steve Farzam's prior criminal conviction cases, including: a Declaration and Application for Change of Plea and Request for Dismissal (under Penal Code section 1203.4/1203.4a) in case number 492860, filed with the County of Santa Barbara Superior Court of California on September 30, 2022; and three Orders For Dismissal filed with the Los Angeles Superior Court of California, one filed on September 12, 2022 case number 5WL01048, the second filed on October 28, 2022 under case number BA425132, and the third filed on April 21, 2023 under case number 2WL03683. Pursuant to all three orders: (1) the court granted Steve Farzam's petition for dismissal under Penal Code section 1203.4 relating to all convictions or pleas for deferred entry of judgment in the matters; (2) Steve Farzam is required to disclose the related convictions in response to any direct question contained in any questionnaire or application for public office, or for licensure by any state or local agency, or for contracting with the California State Lottery Commission. (3) "In any subsequent prosecution of the petitioner for any other offense, the prior conviction may be pleaded and proved and shall have the same effect as if probation had not been granted or the accusation or information dismissed." (Exhibit A21.)

40. Jon Farzam testified that his brother, Steve Farzam, has never been employed by True Hospitality. Jon Farzam said that Steve Farzam is not involved with True Hospitality or with the provision of food and beverage service with Shore Hotel. Jon Farzam testified that Steve Farzam is aware of conditions 5 and 6 placed on True Hospitality's alcohol license. Jon Farzam testified that it is his intention to maintain compliance with said conditions.

41. On July 8, 2025, Protestant's counsel asked Jon Farzam about exhibit O, the Yelp online post stating Steve Farzam is operating an alleged hospitality consulting business

out of the Shore Hotel, at 1515 Ocean Avenue, in suite C, in Santa Monica. Jon Farzam testified that the Protestant's exhibit O at page 2, does list the Shore Hotel's address of 1515 Ocean Avenue, but Jon Farzam claimed "I'm not aware of any suite C" in the Shore Hotel.

(Conrad Gass)

42. Conrad Gass appeared and testified at the hearing on July 8, 2025. Mr. Gass said he works for Sand and Sea as the Director of Food and Beverage at Shore Hotel, having passed his one-year mark two weeks prior to his testimony on July 8, 2025. His job duties and responsibilities in his position include overseeing all the Applicant's food and beverage operations, the menu creation, onboarding and training of new employees, overseeing guest services and all of the food and beverage offerings. Regarding the hiring and firing of food and beverage employees, Mr. Gass makes recommendations to the Sand and Sea Human Resource (HR) department or Sand and Sea's general manager, Ms. Udovchenko, who then completes the onboarding and offboarding from that point.

43. During the course of his duties Mr. Gass testified that he has never been supervised by Steve Farzam. To the best of Mr. Gass' knowledge Jon Farzam runs True Hospitality. When asked by Protestant's counsel, whether, to Mr. Gass' knowledge, Steve Farzam is the former CEO and COO of Sand and Sea, Mr. Gass testified that to his knowledge Steve Farzam is the former CEO of Sand and Sea. Mr. Gass testified that Jon Farzam directs and manages his work at the Shore Hotel, but not on a day-to-day basis.

44. When asked if Mr. Gass has any role in determining how the hotel's food and beverage operations are run, Mr. Gass testified that he collaborates with the Sand and Sea HR department and general manager Udovchenko regarding standard operating procedures, "so I make my recommendations and if it's approved then we implement further."

(Inessa Udovchenko)

45. Inessa Udovchenko appeared and testified at the hearing on July 8, 2025. Ms. Udovchenko said that she has worked for Sand and Sea for approximately three and one-half years, since November 2021. She is the general manager of Shore Hotel and has an office therein. She is responsible for overseeing all hotel operations, including the HR department and the Applicant's food and beverage operations. She supervises Conrad Gass and the Sand and Sea HR department. She collaborates with the HR department in the hiring and firing of food and beverage employees. The hotel has a handbook for its employees. Ms. Udovchenko said she reports to Jon Farzam. She makes recommendations in determining how the hotel's food and beverage operations are run,

which are usually to Jon Farzam's approval. She does not know when Jon Farzam is acting in his capacity as an officer of True Hospitality or Sand and Sea. Ms. Udovchenko does not know the terms of the 2024 concession agreement because she does not regularly refer to it in the course of her work as the general manager of the Shore Hotel.

46. Ms. Udovchenko said that during her employment, Steve Farzam has "never" supervised the food and beverage operations at the Shore Hotel and, to her knowledge, Steve Farzam has not ever run True Hospitality. She testified she is familiar with the interior of the Shore Hotel, including the offices, guest rooms and building itself since she works there. She claims she does not know if there is a suite C inside the Shore Hotel, in answer to a question about the Yelp post listing the address of the Shore Hotel and indicating Steve Farzam's alleged hospitality consulting business inside the Shore Hotel in suite C. When asked upon direct examination if she was aware of any consulting business being operated by Steve Farzam inside the Shore Hotel she replied, "There is no hotel work done."

(Jonah Breslau)

47. Jonah Breslau appeared and testified at the hearing on October 27 and 28, 2025. Mr. Breslau worked for Sand and Sea from 2014 to 2016 as a bellman and a room service server handling alcoholic beverages. At the beginning of his employment, he was provided with a Sand and Sea handbook, which referred to Steve Farzam as the key contact. The Sand and Sea HR manager provided Mr. Breslau with a standard operating procedure binder shortly after the beginning of his employment, which Mr. Breslau was required to review and sign. Mr. Breslau wore the same uniform as the other hotel employees.

48. While working at the Shore Hotel for Sand and Sea, he was given an organizational chart which was hung on the wall behind the front desk in the lobby. The chart listed all the different departments and depicted the persons and their names under each department heading, including Ownership (listing Dr. Farzam, Gina Farzam, Lida Khorsandi, Rob Farzam, Steve Farzam and Jon Farzam), Operations (Kevin Cunanan), Administration (Julie Ward), Human Resources (Brian Bechel and Emily Wineberg), Food & Beverage (Carlos Solis, Dana Hamilton, Raul Saldana and others but Mr. Breslau was not listed in this department), Guest Services (Aaron Peaslee, Christina Maranon, Adam Burke, and others including Jonah Breslau), as well as the following departments: Reservations, IT, Housekeeping, Sales & Marketing, Security, Engineering, and Valet. (Exhibit P – Organizational chart with revision date of 12/23/2014.) Mr. Breslau was not informed that there were separate entities responsible for the separate departments, including but not limited to the food and beverage department or the guest services

department. He understood that all the separate departments were all part of the Shore Hotel.

49. When asked upon cross examination, while Mr. Breslau was "employed by the Shore Hotel, was your direct manager in the Guest Services Department," Mr. Breslaw acknowledged they were. Mr. Breslau's direct managers were Aaron Peaslee, the front office manager and director of guest services, Christina Maranon, the assistant guest services manager, Adam Burke, and Carlos Solis, who was the food and beverage department manager. Mr. Breslau said he was also supervised by Steve Farzam, the COO of Sand and Sea. Mr. Breslau said his work as a bellman and room service server were not managed separately. In other words, Aaron Peaslee, Carlos Solis and Steve Farzam all managed his work as a room service server. When Mr. Breslau was scheduled to work at the Shore Hotel, he worked both as a bellman and room service server on the same shift. For example, when guests ordered alcoholic beverages through room service Mr. Breslau would get the alcoholic beverages from the bartenders and walk the beverages to the guest room, where he would serve the alcoholic beverages to the guests; or when guests checked in he helped them with their luggage to their room and would give them champagne, as each guest that came to the hotel was given champagne.

50. While Mr. Breslau worked for Sand and Sea at the Shore Hotel, he was not familiar with the entity True Hospitality and none of his employment paperwork contained True Hospitality thereon. When Mr. Breslau left his employment in 2016 at the Shore Hotel with Sand and Sea, Steve Farzam was still the COO.

51. Mr. Breslau has worked for United Here Local 11 on and off, including in the summer of 2014, then in August of 2016 until 2020, and he began working again for them beginning in 2021.

CONCLUSIONS OF LAW

1. Article XX, section 22 of the California Constitution delegates the exclusive power to license the sale of alcoholic beverages in this state to the Department of Alcoholic Beverage Control.

2. Business and Professions Code section 23958 requires that the Department conduct a thorough investigation to determine, among other things, if the applicant and the premises qualify for a license, if the provisions of the Alcoholic Beverage Control Act have been complied with, and if there are any matters connected with the application which may affect public welfare or morals. It provides, in part, that the Department shall deny an application for a license if the applicant or the premises do not qualify for a license under the Act.

3. In a protest matter, the applicant bears the burden of establishing that it is entitled to a liquor license from the start of the application process until the Department makes a final determination.[27]

4. The record established the Department conducted an investigation of the Applicant and Proposed Premises. LR Tarin-Randle testified to the extent of her investigation, which covered the legal requirements to obtain a license. She conducted an investigation into Protestant's issues. As part of her investigation, LR Tarin-Randle made one visit to the Proposed Premises. (Findings of Fact ¶¶ 20 to 23.)

5. While LR Tarin-Randle testified that it is common for licenses to be issued to applicants who do not actually own the premises where they operate and the Department does not investigate the owner of the applicant premises if they are not the applicant for the license at issue, given the detail of the Protestant's specific concerns, it might have behooved the Department to conduct further investigation into those issues. Here LR Tarin-Randle testified that she relied on a check mark on the Applicant's ABC-257 Planned Operation form, that the Applicant did not plan to have a manager and stopped her investigation other than to look at True Hospitality's corporate documents. (Findings of Fact ¶ 20.)

6. While the Department did not conduct an exhaustive investigation, in a protest matter it is still the Applicant who bears the burden of establishing that it is entitled to a liquor license. The Applicant attempted to narrow the scope of the issues and believed it was sufficient to present only evidence showing that Jon Farzam was the sole owner, officer, director, and shareholder of True Hospitality, because it said True Hospitality was the Applicant, and not Sand and Sea. However, the Protestant's issues cannot be viewed in such a narrow vacuum. The issues are complex and have many interconnected parts which must be considered.

7. Addressing the first of Protestant's issues, whether there is a potential hidden owner for Applicant, namely, Sand and Sea: Despite the language in the 2024 concession agreement, which provides that True Hospitality (aka the Concessionaire) "shall not take any action, or omit to take any action, that will jeopardize its right, authorization or permission to conduct the F&B [food and beverage] Business at the location as contemplated by this Agreement without Owner's express prior written consent (which may be withheld or granted in Owner's sole and absolute discretion),"[28] the concession agreement maintains that True Hospitality still retains control over its food and beverage

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[27] *Coffin v. Alcoholic Beverage Control Appeals Board* (2006)139 Cal. App. 4th 471, 43 Cal. Rptr. 3d 420.

[28] Exhibit A4 at pdf page 2, paragraph 1(c).

operations for purposes of ABC Rule 60(m),[29] as well as the ultimate control of the employees with respect to the conduct of the food and beverage business. Based on the preponderance of the record, there is no evidence of a hidden owner. True Hospitality is the true owner of the Proposed Premises for purposes of issuance of the type-47 license, should it issue. (Findings of Fact ¶¶ 25, 26 and 28.)

8. As for Protestant's second issue, whether there is an unqualified manager pursuant to Business and Professions Code section 23788.5, it is a more involved inquiry.

9. Section 23788.5 provides, "An on-sale licensee shall not knowingly employ any person to manage, direct, or conduct the business who does not have the qualifications required of a holder of the license. Any on-sale licensee requesting the department to make a determination of qualifications of a proposed manager shall submit with an application for such services a fee of one hundred forty dollars ($140), which shall be deposited in the Alcohol Beverage Control Fund as provided in Section 25761. This fee may be adjusted by the department pursuant to subdivisions (d) and (e) of Section 23320."

10. Rule 57.5 provides that, "A person to whom a licensee has delegated discretionary powers to organize, direct, carry on or control the operations of a licensed business shall be deemed the manager thereof for purposes of applying Section 23788.5 of the Alcoholic Beverage Control Act. Authority to control one or more of the following functions shall be prima facie evidence that such a person is the manager of the licensed business:

(a) To hire or separate employees.
(b) To contract for the purchase of furniture, equipment or supplies other than the occasional replenishment of stock.
(c) To disburse funds of the licensed business other than for the receipt of regularly replaced items of stock.
(d) To make, or participate in making, policy decisions relative to operations of the licensed business."

11. Rule 57.5 only requires that Sand and Sea be granted authority to control one of the four stated functions. In applying the elements of rule 57.5, to the evidence in the record, including, but not limited to witness testimony and the 2024 concession agreement entered between True Hospitality and Sand and Sea, there is prima facie evidence that

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[29] Exhibit A4, at pdf page 2, paragraph 1(a). Rule 60(m) states, "No license may be issued, or transferred to any person unless he owns or otherwise has possession and control, or a right to possession and control, of the premises for which he makes application for a license, evidenced by an instrument in writing or by other clear and convincing proof."

Sand and Sea is the manager of True Hospitality's licensed business for purposes of applying section 23788.5. True Hospitality, via the 2024 concession agreement, delegated discretionary powers to Sand and Sea to organize, direct, carry on or control True Hospitality's food and beverage/business operations.

12. In the concession agreement True Hospitality grants Sand and Sea, the authority to hire and separate employees, to contract for the purchase of furniture, equipment or supplies other than the occasional replenishment of stock, and to disburse funds of the licensed business other than for the receipt of regularly replaced items of stock, and to make, or participate in making, policy decisions relative to operations of the Applicant's licensed business.[30] The concession agreement provides that the Concessionaire shall act in accordance with applicable law and "shall not take any action, or omit to take any action, that will jeopardize its right, authorization or permission to conduct the F&B Business at the location as contemplated by this Agreement without Owner's express prior written consent (which may be withheld or granted in Owner's sole and absolute discretion)."[31] When asked if Mr. Gass, a Sand and Sea manager/employee, has any role in determining how the hotel's food and beverage operations are run, Mr. Gass testified that he collaborates with the Sand and Sea HR department and Sand and Sea general manager, Ms. Udovchenko, regarding standard operating procedures, "so I make my recommendations and if it's approved then we implement further." (Findings of Fact ¶¶ 25 to 29, and 36.)

13. Since Sand and Sea has been delegated managerial authority over the Applicant's licensed business, we must also look to the Applicant's conditions. The Applicant agreed to be bound by conditions on its type-47 license, should it issue, when it signed the PCL on February 29, 2024. Those conditions included conditions 5 and 6 relating to the prohibitions regarding Steve Farzam, including but not limited to, his acting as a manager or consulting in the operation or control of the licensed premises or business activities conducted in said premises. Conditions 5 and 6 are very broad in nature and were put in place to prevent Steve Farzam from being involved in the Applicant's licensed premises and business operations in any way, shape or form. All the conditions of the PCL applied to the IOP subsequently issued to the Applicant on June 21, 2024.

14. Addressing the broadness of the two conditions, condition 5 contains language that Steve Farzam "shall have no interest directly and *indirectly* in the "ownership ...of the licensed premises," "nor act as a manager or consultant in the operation or *control* of the licensed premises." The modifiers, "directly and indirectly" apply to the entire series of actions that follow it, including both ownership and the operational roles (management

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[30] Exhibit A4, including but not limited to, at pdf pages 6-7 paragraphs 10 & 11, at pdf page 5 paragraph 8, pdf pages 5-6 paragraph 9, and pdf page 2 paragraph 1.
[31] Exhibit A4 at pdf page 2, paragraph 1(c),

and control). Condition 6 contains language that Steve Farzam "shall not be employed in *any capacity* in the operation or *control* of the licensed premises." The boundaries of the licensed premises (or the proposed premises to be licensed should the license issue) pursuant to Applicant's CEO, Jon Farzam, encompass the entirety of Shore Hotel, including all four stories, the guest rooms, restaurant, outdoor patio with pool, deck, fixed bar and lounge area.[32] Jon Farzam also testified that Sand and Sea, True Hospitality and Sunshine Enterprises encompass every entity which either owns or operates in the Shore Hotel. As such, beginning June 21, 2024, if Steve Farzam has had any title, position, employment or involvement in any of the three family entities (which either own, operate or do business in the licensed premises) in which he could be considered to have a direct or indirect interest in the ownership of the licensed premises, or act as a manager or consultant in the operation or control of the licensed premises or business activities, or in which he could be considered to be "employed in *any capacity* in the operation or control of the licensed premises," it could violate conditions 5 and 6, respectively. (Findings of Fact ¶¶ 2, 34, and 35.)

15. The Protestant presented extensive alleged evidence claiming the Applicant may have violated conditions while operating under its IOP. However, the vast majority of that evidence was administrative hearsay not supported by other evidence as required under Government Code section 11513(d).[33] Nevertheless, when there is evidence an applicant may have violated conditions while operating under an IOP, it is up to the applicant to present evidence showing how it complied with its conditions and show how it will comply with all conditions in the future should the license issue permanently.

16. Part of determining whether an applicant and its premises are qualified for a license involves the inquiry into whether the Applicant has complied with IOP conditions upon its license. The purpose of the conditions is to mitigate protestant concerns. It cannot be

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[32] The determination that the type-47 licensed boundaries of the proposed premises to be licensed encompass the entirety of Shore Hotel, including all four stories, the guest rooms, restaurant, outdoor patio with pool, deck, fixed bar and lounge area, is based on Applicant CEO Jon Farzam's testimony. The parties did not correct or change the record to reflect a different boundary to be licensed for the proposed premises under the type-47 license. The parties did not present in evidence a current, colored copy of the Applicant's ABC-257 Licensed Premises Diagram which should outline in red the proposed premises to be licensed, despite the court's request for same.

[33] The undersigned did not consider any of the 2025 charges/claims in the pleadings filed by the DA's office against Steve Farzam because they are merely allegations and formal statements outlining claims, which must be proven in a court of law. While the undersigned is taking judicial notice of the existence of the court records (including pleadings) the court is not taking judicial notice of the truth of the facts contained within those records relating to those charges. The undersigned also did not consider any of the prior criminal convictions which were dismissed in 2022.

emphasized enough how important it is for a licensee to comply with conditions, because without the conditions the application would be denied. If there were violations, the Department would be well within its authority to revoke the IOP under section 24044.5(h) for any substantiated violations, which is not a remedy available for the matter at hand.

17. In regards to Sunshine Enterprises, there was no evidence that Steve Farzam held any position, title, ownership or interest (shareholder or otherwise) in Sunshine Enterprises that would have given him (a) any interest directly or indirectly in the ownership or acted as a manager or consultant in the operation or control of the Applicant's licensed premises or business activities conducted in said premises, or that would have given him the opportunity to be (b) employed in any capacity in the operation or control of the Applicant's licensed premises. (Findings of Fact ¶¶ 2, 20, 30, 31, 33- 36, 40, 43, 45, and 46.) In fact, there is no evidence that Sunshine Enterprises directly or indirectly owns or controls the Applicant's licensed premises or business. Furthermore, the Protestant did not allege that Steve Farzam had any interest or title in Sunshine Enterprises, and only suggested that Sand and Sea might be a hidden owner, which it has been determined it is not (as discussed above).

18. Given that Sand and Sea is the deemed manager of the Applicant's licensed business, it is relevant whether Steve Farzam has any involvement in Sand and Sea in relation to conditions 5 and 6. As there was no evidence of the terms of the prior concession agreement to which the 2024 concession agreement refers as being "subsequent" thereto, it cannot be said that Sand and Sea was granted any managerial authority pursuant to rule 57.5 over Applicant's licensed business for purposes of section 23788.5 prior to May 15, 2024 (the effective date of the 2024 concession agreement signed July 3, 2024). The inquiry, as it relates to Sand and Sea still remains, however, whether since issuance of the IOP on June 21, 2024, has Steve Farzam (a) had any interest directly or indirectly in the ownership or acted as a manager or consultant in the operation or control of the licensed premises or business activities conducted in said premises (condition 5), and (b) been employed in any capacity in the operation or control of the licensed premises (condition 6).

19. There is absolutely no evidence Steve Farzam had any *direct* affiliation or involvement with the Applicant's licensed premises or business operations at any time beginning November 2021, let alone beginning June 21, 2024, which would be in violation of conditions 5 and 6. The preponderance of the evidence established that the only persons directly involved in the management or control of the Applicant's food and beverage operations and licensed premises were Jon Farzam, Inessa Udovchenko and Conrad Gas. Ms. Udovchenko, who has worked as the general manager at the Shore Hotel since November 2021, credibly testified that during her employment, Steve Farzam

has "never" supervised the Applicant's food and beverage operations at the Shore Hotel. Ms. Udovchenko's credible testimony indicated that despite Steve Farzam having an office inside the Shore Hotel and presence therein, he was not and is not involved in anything related to the hotel's business. Ms. Udovchenko credibly testified that as the general manager she oversees all hotel operations, including the HR department and the Applicant's food and beverage operations. Ms. Udovchenko further credibly maintained that she reports to Jon Farzam, who runs True Hospitality, and that Steve Farzam, to her knowledge, has not ever run True Hospitality. Conrad Gass credibly testified that since his employment began with Sand and Sea on July 8, 2024, as director of the Applicant's food and beverage operations, he has never been supervised by Steve Farzam, that he reports to Inessa Udovchenko and is managed at times by Jon Farzam. Jon Farzam credibly testified that he is the sole owner, 100% shareholder, CEO, CFO, president, and director of True Hospitality, that he is the manager of the Applicant's food and beverage operations, and that he personally supervises Inessa Udovchenko and Conrad Gass, who direct the work of the food and beverage employees. Jon Farzam further credibly testified that Steve Farzam has never been employed by True Hospitality and that Steve Farzam was not involved with True Hospitality or with the provision of food and beverage service with Shore Hotel. (Findings of Fact ¶¶ 4, 6, 25, 30-33, 35, 40, 42-46.)
The preponderance of the evidence established that Jon Farzam, Inessa Udovchenko and Conrad Gass are qualified managers pursuant to Business and Professions Code section 23788.5. In other words, there is no evidence of any unqualified managers under section 23788.5.

20. On or after April 9, 2025, there is credible evidence that (a) Steve Farzam did not have any interest directly or indirectly in the ownership or act as a manager or consultant in the operation or control of the licensed premises or business activities conducted in said premises, and (b) Steve Farzam was not employed in any capacity in the operation or control of the licensed premises. The only managers of the food and beverage operations at the licensed premises continue to be Jon Farzam, Inessa Udovchenko and Conrad Gas. As aforementioned, they are qualified managers pursuant to Business and Professions Code section 23788.5.

21. Now to address whether Steve Farzam had any *indirect* affiliation or involvement with the Applicant's licensed premises or business operations between June 21, 2024, and April 8, 2025, which would be in violation of conditions 5 and 6. There was no clear evidence between June 21, 2024, and April 8, 2025, that Steve Farzam was no longer associated with Sand and Sea (i.e., was the sole director, CEO, CFO, COO) and therefore no longer had any *indirect* control of the Applicant's licensed premises as prohibited by the conditions. The Applicant failed to present any Sand and Sea Statement of Information filed with the California Secretary of State. The only Sand and Sea Statement of Information filing in the record, was produced by the Protestant, which was

Sand and Sea's initial filing in 2011, showing that Steve Farzam was the sole director, COO and CFO of Sand and Sea. (Exhibit D.) Had a subsequent filing been made, it would have been an easy burden for the Applicant to prove. Since the Applicant failed to present that stronger evidence, when it was within its power to produce it, the undersigned distrusts the Applicant's evasive testimony and weaker evidence otherwise presented. (Evidence Code, section 412.)[34]

22. Some of the evidence the Applicant presented whether Steve Farzam was involved any longer with Sand and Sea and the Applicant's licensed business between June 21, 2024, to April 8, 2025, was Jon Farzam's sometimes inconsistent, evasive, unclear testimony, and inability to recall some matters about which he testified in that regard. Jon Farzam said he signed on July 3, 2024, a concession agreement on behalf of both Sand and Sea and the Applicant. However, there was no evidence in what capacity Jon Farzam signed said concession agreement. The fact Jon Farzam signed on behalf of Sand and Sea also does not prove by a preponderance of the evidence that Steve Farzam no longer held any title, position or interest in Sand and Sea.

23. On each of the two days of his testimony Jon Farzam could only testify as to his current knowledge. On April 9, 2025, Jon Farzam credibly testified that Sand and Sea "currently" does not have multiple shareholders, that he currently is Sand and Sea's CEO, CFO, treasurer, secretary, director, and said he is the sole owner of both Sand and Sea and True Hospitality. However, Jon Farzam did not recall when he became CEO of Sand and Sea and did not recall whether or not Steve Farzam was ever an owner of Sand and Sea. Jon Farzam testified to his current knowledge that Steve Farzam does not hold an ownership interest in Sand and Sea. On July 8, 2025, Jon Farzam testified that he did not know if Steve Farzam has ever had an ownership stake in Sand and Sea since 2021. Later, Jon Farzam testified Steve Farzam is not involved with Sand and Sea in any way. Jon Farzam credibly testified that Steve Farzam is not involved with True Hospitality's provision of food and beverage service. (Findings of Fact ¶¶ 33-34.)

24. Due to the broadness of conditions 5 and 6 to ensure Steve Farzam has no involvement whatsoever in the Applicant's licensed premises and business activities, there is evidence the Applicant violated conditions 5 and 6 between June 21, 2024, to April 8, 2025, because the Applicant failed to establish, and there was no clear, credible

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[34] Although a defendant is not under duty to produce testimony adverse to himself, if he fails to produce evidence that would naturally have been produced, he must take the risk that the trier of facts will infer that if the evidence had been produced it would have been adverse. *Breland v. Traylor Engineering & Manufacturing Co.* (App. 1 Dist. 1942) 52 Cal.App.2d 415, 126 P.2d 455. Where defendant, refuses to produce evidence which would overthrow case made against him if not founded on fact, presumption arises that evidence, if produced would operate to defendant's prejudice. *Dahl v. Spotts* (App. 1932) 128 Cal.App. 133, 16 P.2d 774.

evidence, that during that time Steve Farzam no longer held any title, such as CEO, COO or director, with Sand and Sea, which entity had managerial authority over the Applicant's licensed business, which in turn would give Steve Farzam *indirect* control of the Applicant's licensed premises. By virtue of Steve Farzam's title as a CEO, COO or director, positions which are considered part of the indirect management exercising control over a premises, he would have *indirect* managerial authority of the Applicant's licensed premises or business activities, between June 21, 2024, to April 8, 2025. While True Hospitality retained control over its food and beverage operations and had ultimate control of the employees with respect to the conduct of the food and beverage business, Sand and Sea still had some degree of control over the Applicant's licensed premises pursuant to the 2024 concession agreement, in that Sand and Sea could withhold or grant its consent relating to any action that could jeopardize the Applicant's licensed premises. This same modicum of control would have been given indirectly to Steve Farzam as a CEO, COO or director, even if he had no direct control.[35]

25. There is no evidence that Steve Farzam has any indirect ownership in True Hospitality. The fact Steve Farzam may have been a stockholder or shareholder which gave him ownership of Sand and Sea, does not in turn give him indirect ownership of True Hospitality.

26. The only question which remains is whether the said violation relating to Steve Farzam's *indirect* involvement warrants denying the application, it does not. The Applicant has had a clean record of operating with its type-70 and type-66 licenses, without any disciplinary history for over 12 years. Jon Farzam credibly testified that he has every intention to maintain compliance with the conditions on the license. It is clear the Applicant will comply with said conditions in the future. The evidence established that the Applicant understands the conditions require a clean break from Steve Farzam. The Applicant took steps to ensure Steve Farzam is not involved with the Applicant's business in any way whatsoever, including through Sand and Sea. Steve Farzam was removed as Sand and Sea's sole director, COO and CFO, etc. Jon Farzam is Sand and Sea's sole director, CEO, CFO, treasurer, secretary, and sole owner of Sand and Sea. Despite, the fact Steve Farzam has an office at the Shore Hotel there was no evidence Steve Farzam will have any interest directly or indirectly in the ownership nor will act as a manager or consultant in the operation or control of the Licensed Premises or business activities conducted in said premises or that Steve Farzam will be employed in any capacity in the operation or control of the Licensed Premises. Also, since Sunshine

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[35] Exhibit A4 at pdf page 2, paragraph 1(c), states True Hospitality (aka the Concessionaire) "shall not take any action, or omit to take any action, that will jeopardize its right, authorization or permission to conduct the F&B [food and beverage] Business at the location as contemplated by this Agreement without Owner's express prior written consent (which may be withheld or granted in Owner's sole and absolute discretion)."

Enterprises is the landlord for the building, that entity is most likely leasing out the office space to Steve Farzam, just as it leases out the space to the third-party restaurant owner on the first floor, neither over which the Applicant has control. Furthermore, the City of Santa Monica approved a CUP for the applied-for license on August 22, 2022 (19ENT-0397-CUP). The Santa Monica PD has no concern or issues with or objection to issuance of the applied-for license, and great weight is given to the opinion of law enforcement. There was no evidence that said issuance would create a law enforcement problem or increase crime. Based on the record, denying the application for the said violation seems overly harsh. (Findings of Fact ¶¶ 4, 6, and 9.) That being said, nothing in this decision should be construed as authorizing or condoning any violations.

27. As part of the Department's investigation, although not at issue as part of the hearing in this matter, the Department made other determinations: (a) the Proposed Premises is properly zoned and the City of Santa Monica approved a CUP for the Applicant's upgrade to a type-47 license (Findings of Fact ¶ 6); (b) there are no residences located within 100 feet of the Proposed Premises or its parking lot pursuant to rule 61.4[36] and as such is not applicable, (Findings of Fact ¶ 10); (c) there are no consideration points pursuant to section 23789[37] (Findings of Fact ¶ 8); (d) issuance of the applied-for license will not result in or add to an undue concentration of licenses pursuant to section 23958.4's two-prong test for determining whether an area has an over-concentration of licenses: (1) the first prong relates to the number of reported crimes in the relevant reporting district and given the Santa Monica PD does not provide statistical data within the meaning of section 23958.4 the high-crime prong of this section does not apply, and (2) the second prong relates to the number of licenses within the relevant census tract and since the Applicant's type 70 license would be canceled should the type-47 license issue the number of licenses will not increase (Findings of Fact ¶¶ 7 and 9); (e) There was no evidence that said issuance would create a law enforcement problem or increase crime (Findings of Fact ¶ 9); (f) the Department found the Applicant met the requirement for public convenience or necessity because the area is heavily populated with tourists, the Proposed Premises' close proximity to the Santa Monica Pier and the beach, and with the Proposed Premises operating as a hotel and full-service restaurant it will provide a cozy atmosphere that will cater to and serve as an additional dining option for the many visitors, tourists, local residents and workers (Findings of Fact ¶ 5).

28. The Applicant's burden has been met in this matter, the Applicant and Proposed

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[36] All rules referred to herein are contained in title 4 of the California Code of Regulations unless otherwise noted.

[37] Section 23789 provides that the Department is specifically authorized to refuse to issue any retail license for premises located (a) within the immediate vicinity of churches and hospitals or (b) within 600 feet of schools and public playgrounds or nonprofit youth facilities, otherwise known as consideration points.

Premises is qualified to hold a type 47 license, and the evidence presented by the Protestant has not rebutted the findings relied on by the Department, that this license should issue, with the said conditions attached.

(Credibility Determinations)

29. In determining the credibility of a witness, as provided in section 780 of the Evidence Code, the administrative law judge may consider any matter that has any tendency in reason to prove or disprove the truthfulness of the testimony at the hearing, including the manner in which the witness testifies, the extent of the capacity of the witness to perceive, to recollect, or to communicate any matter about which the witness testifies, a statement by the witness that is inconsistent with any part of the witness's testimony at the hearing, the extent of the opportunity of the witness to perceive any matter about which the witness testifies, the existence or nonexistence of any fact testified to by the witness, and the existence or nonexistence of a bias, interest, or other motive.

30. The Applicant's contention that True Hospitality essentially pays Sand and Sea back in the form of its monthly fee payment for the furniture and equipment which Sand and Sea provides is disbelieved. The 2024 concession agreement at paragraph 8(a) specifically states that Sand and Sea, as the Owner, "shall furnish all fixtures, equipment, furnishings and furniture necessary for Concessionaire to conduct F&B Business (the 'Leased Personal Property')" and that True Hospitality as the "Concessionaire shall have the exclusive right *to use* all Leased Personal Property" but that the "Owner shall be the *sole owner* of all Leased Personal Property, and upon any termination of this Agreement, Concessionaire shall immediately cease use of the Leased Personal Property unless Owner otherwise agrees." (Exhibit A4, pdf page 5, paragraph 8(a) – emphasis by italics.) Since Sand and Sea is retaining its right to solely own all Leased Personal Property and only giving True Hospitality the right to "use" that said property, the Applicant is not reimbursing Sand and Sea for the fixtures, equipment, furnishings and furniture which Sand and Sea purchased. If True Hospitality were reimbursing Sand and Sea for said fixture, equipment and furnishings then True Hospitality would own said Leased Personal Property, not Sand and Sea. The 2024 concession agreement states that in consideration for Sand and Sea, the "Owner providing to Concessionaire the *use* of Leased Personal property…Concessionaire agrees to pay Owner, an amount equal to the sum of the expenses incurred by Owner in providing Concessionaire with such items set forth herein, including, but not limited to the maintenance cost of any such equipment. The amounts reimbursable to Owner set forth above, are hereinafter referred to as the 'Expenses Reimbursement.'" (Exhibit A4, paragraph 3(d).) The Applicant is merely paying for the *use* of the Leased Personal Property, which Sand and Sea is providing to True Hospitality.

31. The Applicant's contentions that Steve Farzam has no office in the Shore Hotel, has not had *any indirect* control of the Applicant's licensed premises and has not held any title or position (such as CEO, COO or director) in Sand and Sea since 2021, is disbelieved due to some conflicting and evasive testimony of Inessa Udovchenko and Jon Farzam.

32. When asked about the said Yelp advertisement and if the Shore Hotel has a suite C, Jon Farzam claimed that he was "not aware of any suite C." It is incredulous that Jon Farzam would not be aware of whether a suite C existed, given he said he is the CEO, CFO, treasurer, secretary, director of Sand and Sea, which is the operator of the Shore Hotel, his claim to be at the Shore Hotel almost daily, and the Applicant's agreement to the conditions on its IOP license for the type-47 license should it issue.

33. Ms. Udovchenko, the general manager of the Shore Hotel, testified she is familiar with the interior of the Shore Hotel, including the offices, guest rooms and building itself since she works there. Yet, she claimed she does not know if there is a suite C inside the Shore Hotel (in reference to the Yelp post listing the address of the Shore Hotel and indicating Steve Farzam has an office inside the Shore Hotel in suite C). Ms. Udovchenko, when asked upon direct examination if she was aware of any consulting business being operated by Steve Farzam inside the Shore Hotel she replied, "There is no hotel work done." This response, that Steve Farzam is not doing any "hotel work" at the Shore Hotel, indicates that Ms. Udovchenko is aware that Steve Farzam still has an office in the Shore Hotel. However, her testimony is deemed credible that Steve Farzam was not and is not involved in anything related to the hotel's business, which would include the Applicant's food and beverage operations. She credibly maintained that Steve Farzam has not ever run True Hospitality. Finally, the Yelp post that Steve Farzam is running a hospitality consulting business out of the Shore Hotel is hearsay, which was not supported by any other credible evidence, and therefore, under Government Code section 11513(d) cannot be the basis of a finding.

34. There was no credible evidence presented by the Applicant, as discussed above, that Steve Farzam did not hold any title, position or involvement with Sand and Sea, which would relate to the indirect control and management of the Applicant's licensed premises between June 21, 2024, and April 8, 2025.

35. The extent to which Jon Farzam lacked the capacity to recollect or communicate about whether or not Steve Farzam held any title, position, or involvement in the family enterprises which own and operate in the Shore Hotel (Sand and Sea and Sunshine Enterprises), and of which he is an officer and owner, demonstrates his poor credibility in relation to some of those matters about which he testified. On April 9, 2025, Jon Farzam credibly testified that Sand and Sea "currently" does not have multiple shareholders, that

he currently is Sand and Sea's CEO, CFO, treasurer, secretary, director, and said he is the sole owner of both Sand and Sea and True Hospitality. However, Jon Farzam did not recall when he became CEO of Sand and Sea and did not recall whether or not Steve Farzam was ever an owner of Sand and Sea. Jon Farzam could only testify to his current knowledge. With that said, Jon Farzam was otherwise credible in his testimony that Steve Farzam held no title, position, or ownership in True Hospitality and that Steve Farzam held no title, position, or ownership in Sand and Sea as of April 9, 2025.

36. Except as set forth in this decision, all other allegations in the protest and all other contentions of the parties lack merit.

ORDER

The protest filed by Jeremy Blasi is dismissed. The type-47, on-sale general eating place license shall issue to True Hospitality, subject to the conditions set forth in the Petition for Conditional License.

Dated: April 16, 2026

D. Huebel
Administrative Law Judge

☒ Adopt

☐ Non-Adopt: _____

_____

By: _____

Date: 06/08/2026

BEFORE THE
DEPARTMENT OF ALCOHOLIC BEVERAGE CONTROL
OF THE STATE OF CALIFORNIA

IN THE MATTER OF THE PROTEST OF: JEREMY BLASI AGAINST THE ISSUANCE OF A LICENSE TO: TRUE HOSPITALITY SHORE HOTEL 1515 OCEAN AVENUE SANTA MONICA, CA 90401-2118 ON-SALE GENERAL EATING PLACE - LICENSE under the Alcoholic Beverage Control Act.	File: 47-627034 Reg: 24095095 DECLARATION OF SERVICE BY MAIL

The undersigned declares:

I am employed at the Department of Alcoholic Beverage Control. I am over 18 years of age and not a party to this action. My business address is 3927 Lennane Drive, Suite 100, Sacramento, California 95834. On June 9, 2026, I served, by CERTIFIED mail (unless otherwise indicated) a true copy of the following documents:

DECISION AFTER REMAND AND CERTIFICATE OF DECISION

on each of the following, by placing them in an envelope(s) or package(s) addressed as follows:

TRUE HOSPITALITY
329 S HIGHWAY 101, STE 120, 130, 140
SOLANO BEACH, CA 92075

9589 0710 5270 2638 2166 83

JEREMY BLASI
464 LUCAS AVE, STE 201
LOS ANGELES, CA 90017

9589 0710 5270 2638 2166 69

Office of Legal Services
Headquarters, Inter Office Mail

GILLIAN GARRETT, ATTORNEY AT LAW
822 NEWHALL ROAD
BURLINGAME, CA 94010

9589 0710 5270 2638 2166 76

JORDAN PALMER, ATTORNEY AT LAW
UNITE HERE LOCAL 11
464 LUCAS AVE, STE 201
LOS ANGELES, CA 90017

9589 0710 5270 2638 2166 90

and placing said envelope or package for collection and mailing, following our ordinary business practices. I am readily familiar with this department's practice for collecting and processing correspondence for mailing. On the same day that correspondence is placed for collection and mailing, it is deposited in the ordinary course of business with the United States Postal Service, County of Sacramento, State of California, in an envelope with the postage fully prepaid. I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed on June 9, 2026 at Sacramento, California.

Mark Kinyon

Mark Kinyon

_X_ LAKEWOOD DISTRICT OFFICE (INTEROFFICE MAIL)
___ DIVISION OFFICE (INTEROFFICE MAIL)