

The Commonwealth of Massachusetts
Department of the State Treasurer
Alcoholic Beverages Control Commission
Boston, Massachusetts 02114

Deborah B. Goldberg
Treasurer and Receiver General

Kim S. Gainsboro, Esq.
Chairman

NOTICE OF SUSPENSION

June 22, 2016

UNION CLUB, INC.
141 CABOT STREET
BEVERLY, MA 01915
LICENSE#: 010000004
VIOLATION DATE: From 04/13/1985 to Present
HEARD: 06/21/2016

After a hearing on June 21, 2016, the Commission finds Union Club, Inc. violated:

- 1) M.G.L. c. 138, §1- Failure to file with the Commission annually a list of the names and residences of its officers, together with the amount of salary or compensation received by each employee engaged in the handling or selling of alcoholic beverages;
- 2) M.G.L. c. 138 § 15A- Change of Officers and Directors in the non-profit corporation without authorization.

Therefore, the Commission **INDEFINITELY SUSPENDS** the license of Union Club, Inc. **effective forthwith** until further written order of the Commission. The Commission will not issue any further order without a written request from the Licensee showing good cause to reconsider this indefinite suspension and a hearing before the Commission that the Licensee attends.

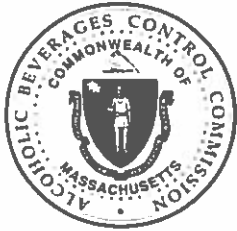
You are advised that you have the right to appeal this decision under M.G.L. c. 30A to Superior Court within thirty (30) days upon receipt of this notice.

ALCOHOLIC BEVERAGES CONTROL COMMISSION

Kim S. Gainsboro
Chairman

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cc: Local Licensing Board
Frederick G. Mahony, Chief Investigator
Joseph Di Cicco, Investigator
Thomas C. Fallon, Esq. via facsimile 978-922-0661
Administration, File



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Department of the State Treasurer
Alcoholic Beverages Control Commission
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DECISION

UNION CLUB, INC.
141 CABOT STREET
BEVERLY, MA 01915
LICENSE#: 010000004
VIOLATION DATE: From 04/13/1985 to Present
HEARD: 06/21/2016

Union Club, Inc. (the "Licensee") holds an alcohol license issued pursuant to M.G.L. c. 138, §12. The Alcoholic Beverages Control Commission (the "Commission") held a hearing on Tuesday, June 21, 2016, regarding alleged violations of:

- 1) M.G.L. c. 138, §1- Failure to file with the Commission annually a list of the names and residences of its officers, together with the amount of salary or compensation received by each employee engaged in the handling or selling of alcoholic beverages;
- 2) M.G.L. c. 138 § 15A- Change of Officers and Directors in the non-profit corporation without authorization.

The above captioned occurred on various dates from 04/13/1985 to the Present, according to Investigator Di Cicco's report.

The following documents are in evidence:

1. Investigator Di Cicco's Report;
2. Licensee's 1985 Corporate Officer List;
3. Licensee's 1999 Change of Manager Corporate Vote Listing Officers & Directors;
4. Licensee's 2007 Change of Manager Petition;
5. Licensee's 2007 Change of Manager Corporate Vote;
6. Licensee's 2009 Change of Manager Petition;
7. Licensee's 2009 Change of Manager Corporate Vote;
8. Licensee's 2015 Filing with the Secretary of the Commonwealth for its Officers and Directors;
9. Licensee's Annual Reports filed with the Secretary of the Commonwealth for 2002 to 2016.

- A. Licensee's Affidavit for Club's Officers and Directors from 1997 to 2016; and
- B. Licensee's Application for Change of Officers and Directors.

There is one (1) audio recording of this hearing.

The Commission took administrative notice of the Licensee's file.

FACTS

1. On April 13, 1985, the Union Club, Inc. filed with the Commission for New Officers/Directors. The filing listed the corporate officers, directors, and managers as:

President:	Joseph Tosi
Vice President:	Paul Ambrefe
Treasurer:	Kevin Rudden
Secretary:	Robert Hamilton
Director:	Richard Crean
Director:	Michael Colanto
Director:	Donn Hopkins.

2. After the April 1985 filing, the Licensee did not file with this Commission any documents indicating a change in officers/directors.
3. On November 23, 1999, the Union Club voted for Ronald F. Czarnecki to become general manager. This corporate vote indicated officers/directors as:

President:	Thomas Burns
Vice President:	Jeano Gauthier
Treasurer:	Kevin Ruddin
Secretary:	James Dean
Director:	David Fanning
Director:	Stewart Holden
Director:	Frank Davenport

4. On June 27, 2007, Union Club filed a Change of Manager Petition to change the license manager to Peter Gauthier. The Petition and the Corporate Vote were signed by Robert D. Hamilton, who is not an authorized representative of the corporation. The Commission approved the Change of Manager petition on July 25, 2007.
5. On April 1, 2009, Union Club filed a Change of Manager Petition to change the license manager to Frederick Spline. The Petition and the Corporate Vote were signed by Matthew A. Kelleher and Tom Smith respectively, both of whom are not authorized representatives of the corporation according to Commission records. The Commission approved the Change of Manager petition on June 23, 2010.
6. On March 3, 2015, the Union Club, Inc. filed its Articles of Organization with the Massachusetts Secretary of the Commonwealth indicating the corporate officers, directors, and stockholders as:

President:	Robert D. Hamilton
Vice President:	Thomas Smith

Treasurer:	Kevin Rudden
Secretary:	Michael Deering
Director:	Robert O'Hearn
Director:	Robert Borders
Director:	George Cokorogianis

7. The Licensee has not annually filed with the Commission a list of the names and residences of its officers, together with the amount of salary or compensation received by each employee engaged in the handling or selling of alcoholic beverages.

DISCUSSION

M.G.L. c. 138, §15A requires that a licensee or applicant for an alcoholic beverages license disclose all individuals who have a direct or indirect beneficial interest in the license. M.G.L. c. 138, §15A. The Appeals Court held in Number Three Lounge, Inc. v. Alcoholic Beverages Control Comm'n, 7 Mass. App. Ct. 301 (1979), the concept of a "direct or indirect beneficial interest" in a license can range from an ownership interest to an absolute proprietary interest to a mere possessory right and includes the right of control. The approved officers and directors of a license corporation are the control group of a corporation. M.C.R.C. Inc. d/b/a Champions (ABCC Decision, June 18, 2014).

The Commission is convinced that the Licensee violated M.G.L. c. 138, §15A (Failure to disclose all individuals who have a direct or indirect beneficial interest in the license). Following the time the Licensee obtained its license 1985, each time the Licensee changed its officers and directors, it should have sought authorization from the Commission.

Likewise, the Licensee should have annually filed with the Commission a list of the names and residences of its officers, together with the amount of salary or compensation received by each employee engaged in the handling or selling of alcoholic beverages. The Licensee's failure to do so is a violation of M.G.L. c. 138, §1.

CONCLUSION

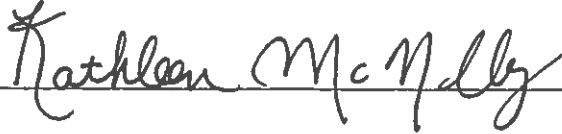
Based on the evidence, the Commission finds the Licensee violated:

- 1) M.G.L. c. 138, §1- Failure to file with the Commission annually a list of the names and residences of its officers, together with the amount of salary or compensation received by each employee engaged in the handling or selling of alcoholic beverages;
- 2) M.G.L. c. 138 § 15A- Change of Officers and Directors in the non-profit corporation without authorization.

Therefore, for all of the above violations, the Commission **INDEFINITELY SUSPENDS** the license of Union Club, Inc. **effective forthwith** until further written order of the Commission. The Commission will not issue any further order without a written request from the Licensee showing good cause to reconsider this indefinite suspension and a hearing before the Commission that the Licensee attends.

ALCOHOLIC BEVERAGES CONTROL COMMISSION

Kathleen McNally, Commissioner



Elizabeth A. Lashway, Commissioner



Dated: June 22, 2016

You have the right to appeal this decision to the Superior Courts under the provisions of Chapter 30A of the Massachusetts General Laws within thirty (30) days of receipt of this decision.

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