



CITY OF NEW YORK

**MANHATTAN COMMUNITY BOARD FOUR**

330 West 42<sup>nd</sup> Street, 26<sup>th</sup> floor New York, NY 10036  
tel: 212-736-4536 fax: 212-947-9512  
www.nyc.gov/mcb4

**CHRISTINE BERTHET**  
Chair

**JESSE BODINE**  
District Manager

December 8, 2014

Mr. Dennis Rosen, Chair  
New York State Liquor Authority  
80 South Swan Street  
Albany, NY 12210

**Re: Fondue 26 LLC d/b/a The Orchard a.k.a. The Ainsworth,  
and Windsor Custom LLC, 122 West 26<sup>th</sup> Street, NYC, 10001**

Dear Mr. Rosen:

We write with respect to Fondue 26 LLC d/b/a The Orchard a.k.a. The Ainsworth, 122 West 26<sup>th</sup> Street, NYC, 10001 (herein referred to in this letter as “The Ainsworth,” the name under which this establishment presently operates) and Windsor Custom LLC, a related but separate corporation. The Ainsworth is managed and owned by its holding company—the Paige Hospitality Group (PHG)—whose president, Matt Shendell (operator), was the co-applicant on the original liquor license.

As per the attached letter dated October 22, 2009, Manhattan Community Board 4 (MCB4) voted to recommend denial of a new liquor license unless the applicant agreed to the stipulations. It is our understanding that the applicant consented to all terms upon which its liquor license was conditioned. However, after hearing considerable complaints from the community, which sparked substantial research by MCB4, it became clear that The Ainsworth is in violation of the stipulations and operates in a manner materially different from what was initially represented.

Despite meeting with representatives from The Ainsworth four times in the past month alone, and exchanging dozens of emails over the past three months, MCB4 has been unable to entreat the operator to fully comply with the stipulations or to take effective ‘good neighbor’ measures to alleviate problems associated with inadequate security necessitated by operating in a manner inconsistent with the terms of its liquor license.

Contrary to the liquor serving family-friendly restaurant for which its license was granted, The Ainsworth also has a diverse array of operations including:

- 1) a clandestine clothing store with a second bar that was never approved by the SLA;
- 2) a sports bar that USA Today named among the “*10 Best*” in the country featuring 40

- large screen televisions, two projectors and a state of the art sound system;<sup>1</sup>
- 3) a 6,000 square foot event space for corporate and private events;
  - 4) and a club-like party venue.<sup>2</sup>

Indeed, an Ainsworth representative was quoted as saying, “*We’ve done everything from building a stage for athletes to interact with their clients, to driving a car into the center of the venue.*”<sup>3</sup> The operator himself pointed out “*You name it, we do it at The Ainsworth on 26th.*”<sup>4</sup>

MCB4, therefore, respectfully requests that the SLA enforce The Ainsworth’s terms of operation, require adherence to the stipulations, and necessitate the closure of the illicit liquor-serving clothing store that exists beneath The Ainsworth.

#### OPERATING WITHOUT A LICENSE

According to the operator, the PHG came up with the idea for a “*bespoke, speakeasy style, appointment-only custom men’s clothing shop...as an amenity...that has become a busy business.*”<sup>5</sup>

The New York Department of State recognizes that the clothing store is owned by Windsor Custom, LLC, an entirely different business entity from The Ainsworth that was described as “*A Secret Custom Suit Shop Under NYC’s Hottest Sports Bar*” where “*the bar is stocked.*”<sup>6</sup>

#### ONGOING VIOLATIONS OF THE STIPULATIONS

**1) Capacity** In contradiction to the stipulation’s cap of 250 people, The Ainsworth’s website advertises that it can accommodate up to 450 people.<sup>7</sup>

**2) Applicant Will Not Apply For A Cabaret License** While The Ainsworth does not have a cabaret license, dancing does take place. The website partyearth.com states that people arrive on the scene, “*to check out the action on the dance floor.*”<sup>8</sup> On yelp.com a patron commented that The Ainsworth is actually “*confused about whether it is a sports bar or a club.*”<sup>9</sup>

In fact, during the November 10, 2014 meeting of the MCB4’s Quality of Life Committee, The Ainsworth’s Chief Operating Officer, Joe Arongino, referred to The Ainsworth not once but four times as a “*club.*” One committee member noted that she had been turned away by bouncers who attempted to prohibit her family from entering the establishment for dinner because her ten-year-old child was underage. Another said that he (along with a long line of rather lively patrons) was carded by bouncers on the sidewalk when he attempted to enter The Ainsworth for a late-night snack.

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<sup>1</sup> <http://www.usatoday.com/story/travel/destinations/10greatplaces/2014/01/23/sports-bars/4801737/>

<sup>2</sup> <http://www.ainsworthnyc.com/about.htm> and <http://paigegroupny.com/windsor-custom/>

<sup>3</sup> <http://insidechelseanyc.com/the-ainsworth-chelsea/>

<sup>4</sup> <http://www.bbook.com/industry-insiders-matt-shendell-president-of-paige-hospitality-group/>

<sup>5</sup> <http://www.bbook.com/industry-insiders-matt-shendell-president-of-paige-hospitality-group/>

<sup>6</sup> <http://www.businessinsider.com/windsor-custom-2012-4?op=1#ixzz3JjMol0ug>

<sup>7</sup> <http://www.ainsworthnyc.com/events.htm> (“AV/CAPACITY” pop-up caption)

<sup>8</sup> <http://www.partyearth.com/new-york/bars/the-ainsworth-2/#review>

<sup>9</sup> <http://www.yelp.com/biz/the-ainsworth-new-york>

**3) No DJ or Live Music** As reflected on several floor plans posted on its own website, The Ainsworth installed a permanent DJ booth that facilitates live spinning during parties, corporate events, and sports broadcasts, which frequently attract large, often boisterous crowds.

- **Game Days:** On yelp.com patrons commented that DJ's were, "*blowing out the speakers,*" and that television sportscasters could not be heard over "*the thumping music.*"<sup>10</sup>

- **Promoters' Parties:** Joonbug, a promoter that does business with The Ainsworth, advertised that, a top DJ "*will be turning up the heat on the dance floor.*"<sup>11</sup> And on the same yelp web page referenced above, a customer observed "*haggling/bartering with bouncers at the door,*" prompting another to query "*why a restaurant needs bouncers in the first place?*"

- **Corporate and Private Events:** In two separate emails to MCB, the operator mistakenly asserted that The Ainsworth is "*allowed to have a DJ for private events and corporate events. We have them maybe 50 days a year,*" and, "*There is NO reason why we cannot have one if it means losing...a corporate event.*"<sup>12</sup>

**4) No Outside Promoters** In contradiction to its stipulations, The Ainsworth rents out space to at least one promoter to host parties with a club-like atmosphere.<sup>13</sup> For example, on its website, promoter Joonbug advertised an adult-only 2014 Halloween party as a "*nightclub*" and urged people buy tickets, "*for some serious hell-raising party mayhem.*"<sup>14</sup>

At the November 10<sup>th</sup>, 2014 MCB4 Quality of Life (QOL) Committee meeting, two Ainsworth executives promised that they would immediately stop working with Joonbug or any other promoter but that parties would none-the-less continue with tickets sold directly by PHG.<sup>15</sup> In a subsequent email to MCB4, the operator stated that he cancelled Joonbug's New Year's Eve party and noted that he "*did not view them as an 'outside' promoter*" and that working with them was "*unintentional.*"<sup>16</sup>

After MCB4 requested documentation of the cancellation, we received a one-line email from Joonbug's CEO stating "*We have canceled the event for NYE for Ainsworth.*"<sup>17</sup> However, as of December 3rd, 2014, the event is still being promoted, and tickets are being sold on Joonbug's sister site—Cravetickets.com—both of which are owned by SkyNet Media Group.<sup>18</sup> Tickets are also being sold on Clubzone.com.

While MCB4 is hopeful that the operator will fulfill his promise to cancel the New Year's

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<sup>10</sup> <http://www.yelp.com/biz/the-ainsworth-new-york>

<sup>11</sup> <http://joonbug.com/newyork/events/The-Ainsworth/11-01-2014/Haunted-Halloween-at-The-Ainsworth/oye5kXOfL7i>

<sup>12</sup> October 30<sup>th</sup>, 2014, 6:12pm and November 12<sup>th</sup>, 2014, 3:33pm

<sup>13</sup> Email dated October 30<sup>th</sup>, 2014, 6:12pm

<sup>14</sup> <http://joonbug.com/newyork/newyeareve/The-Ainsworth-NYC-New-York/nE0mTy8aoLL>

<sup>15</sup> Tom Simpson, Paige Hospitality Group, V.P. of Operations, and, Joe Arongino, Paige Hospitality Group, COO

<sup>16</sup> November 21<sup>st</sup>, 2014 email to MCB4

<sup>17</sup> <http://nightout.cravetickets.com/events/the-ainsworth-new-years-eve-2014>

<sup>18</sup> November 21<sup>st</sup>, 2014 email from Jonathan Gabel, CEO, SkyNet Media Group.

Eve party, we remain doubtful that The Ainsworth will permanently sever its relationship with promoters in the future.

5) **Hours Of Operation** The Ainsworth regularly opens its doors at 11 a.m. instead of the stipulated 12 p.m.

It should also be noted that, as advertised by the promoter CraveTickets.com, The Ainsworth's New Years Eve party is slated to end at 4 a.m. instead of the stipulated 1 a.m. There is no indication that an after-hours permit has been applied for, or approved.

#### **6) Certified Sound Engineer To Mitigate Noise Disturbances To The Neighboring Residents**

The operator asserts that he hired an acoustician but could not recount exactly when. He conceded it may have been when The Ainsworth opened in 2009 or perhaps in 2008, during his involvement with the event business "Lotus Space NYC, Inc.", which was dissolved by proclamation in 2011 for non-payment of state taxes.<sup>19</sup> Since the operator cannot find any documentation related to an acoustician, he has expressed a willingness to pay for a sound evaluation but there is no indication that he has, as of yet, taken action.

#### **ADDITIONAL PROBLEMATIC CONDUCT OF CONCERN TO THE COMMUNITY**

The Ainsworth's manner of operation contributes to the deleterious impact that the establishment continues to have on West 26<sup>th</sup> Street, which is comprised of an increasing number of residences with children and aging persons. These problems include extreme crowding of sidewalks, traffic back-ups, fist-fights, yelling by inebriated patrons, and cheering by people loitering or smoking on the sidewalk while watching sports broadcasts on multiple large screen televisions that are viewable through the glass frontage from as far away as across the street.

In an October 23<sup>rd</sup>, 2014 meeting attended by community members and representatives from The Ainsworth, Michael Hesekeel, the president of All Star Security (the company that handles security for The Ainsworth) admitted that the large crowds that congregate on the sidewalk and street are at times "*hard to police*". In an attempt to reassure residents, Mr. Hesekeel stated that one of the security measures being taken to "*discourage riff-raff from coming around*" is the enforcement of a "*very strict dress code.*" Two All Star Security guards nodded in agreement when MCB4's Quality of Life Committee Co-Chair Tina DiFeliciano asked if part of the problem might stem from the fact that bouncers need to be mindful not to offend well-heeled patrons and corporate clients at an establishment characterized by US Magazine as a "*VIP Scene*", where, according to the New York Times, tables can "*command a \$1,000 minimum*" on big game days.<sup>20</sup>

During MCB4's attempts to negotiate with The Ainsworth, it made a commitment to bag garbage properly, pack broken glass safely, clean the sidewalk more effectively, hang

<sup>19</sup>[http://appext20.dos.ny.gov/corp\\_public/CORPSEARCH.ENTITY\\_INFORMATION?p\\_nameid=3312175&p\\_corpid=3294423&p\\_entity\\_name=Lotus%20space&p\\_name\\_type=%25&p\\_search\\_type=CONTAINS&p\\_srch\\_results\\_page=0](http://appext20.dos.ny.gov/corp_public/CORPSEARCH.ENTITY_INFORMATION?p_nameid=3312175&p_corpid=3294423&p_entity_name=Lotus%20space&p_name_type=%25&p_search_type=CONTAINS&p_srch_results_page=0) and <http://www.bbook.com/industry-insiders-matt-shendell-president-of-paige-hospitality-group/>

<sup>20</sup> [http://www.nytimes.com/2011/12/15/fashion/windsor-custom-at-the-ainsworth.html?pagewanted=all&\\_r=0](http://www.nytimes.com/2011/12/15/fashion/windsor-custom-at-the-ainsworth.html?pagewanted=all&_r=0)

longer curtains, and— during busy times—add a security guard and close the drapes/windows. While these measures are intended to help ameliorate The Ainsworth's negative impact on the neighborhood, they do not change the fact that until PHG adheres to the stipulations, West 26<sup>th</sup> Street's quality of life problems may remain intractable.

This is of particular concern since PHG is planning to expand its operations across New York State based on The Ainsworth's current business model. As explained by Mr. Shendell, it is therefore vital for The Ainsworth brand to demonstrate profitability for investors. As such, MCB4 lacks confidence that this enterprise will adhere to the stipulations, and end its association with the illegal operation of Windsor Custom LLC.

MCB4 respectfully requests swift intervention by the SLA.

Sincerely,



Christine Berthet  
Chair

[Signed 12/8/14]

Tina DiFelicantonio  
Co-Chair  
Quality of Life Committee

[Signed 12/8/14]

David Pincus  
Co-Chair  
Quality of Life Committee