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Club Velvet lawyer picked to head ABC board

By Michael Martz

The Virginia Alcoholic Beverage Control Board will be led by one of the attorneys for a Richmond strip club fighting to keep its liquor license from being revoked by the board.

James Neal Insley, a Poquoson lawyer with an extensive background in law enforcement and liquor law, was named chairman of the ABC Board yesterday by Gov. Bob McDonnell, who completed the makeover of a panel that oversees the profitable state agency he has vowed to take private.

McDonnell also tapped Wayne Ozmore, a former GOP 4th District chairman from Chesterfield County, to serve on the board, ousting current ABC Chairwoman Susan R. Swecker and former Richmond City Council President William J. Pantele.

He already had replaced former Richmond Del. Franklin P. Hall with Sandra C. Canada, a Republican fundraiser from Virginia Beach who had served as a commissioner under Gov. Jim Gilmore.

Insley's appointment sets up a potential conflict of interest when the board hears an appeal of a hearing officer's decision to revoke the ABC license of Velvet, a strip club in Shockoe Bottom that he has represented along with another attorney from Hampton Roads. The hearing is scheduled for May 4.

Stacey Johnson, press secretary for McDonnell, said last night that "there is no conflict" between

Insley's past work for the LeClair Ryan law firm and future duties on the board.

"It has been the practice in the past and will continue to be the practice that if a commissioner at ABC has a conflict or believes there could be an appearance of impropriety he/she will remove themselves from the case," Johnson said.

A former ABC agent, "he understands privatization, enforcement and ABC regulations," she said.

However, Insley has been sharply critical of the department he will oversee. He accused ABC agents of going too far in an undercover investigation of Velvet and its controversial owner, Samuel J.T. Moore III, whose liquor license was revoked last month, pending appeal, on nine violations of state law.

He also accused the department last year of targeting another of his clients, The Alley, a Newport News nightclub, because it caters to blacks.

Insley is a Virginia Commonwealth University graduate. He received his law degree from Regent University, as did McDonnell.

Kevin E. Martingayle, a Virginia Beach attorney who represents Velvet, said Insley clearly cannot hear the appeal, which an ABC spokeswoman said would proceed as scheduled. Martingayle would prefer that a substitute be named for the case, but the spokeswoman said it would be heard by the remaining two commissioners.

Martingayle, who describes himself as a Democrat, was enthusiastic about the choice yesterday. "I don't agree with much the governor does," he said, "but I think he's made a brilliant move here."

"Neal's a very practical, ethical, intelligent guy, who will follow the law," he said.

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