



BUSINESS

The battle over an iconic Miami bar is playing out in court, online, and in the street

BY ANDRES VIGLUCCI AND AARON LEIBOWITZ

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Churchill's Pub in Miami celebrated its 40-year anniversary in 2019 with a blowout hosted by next-door neighbor Sweat Records in Little Haiti.
BY ALEXIA FODERE | [MARTA OLIVER CRAVIOTTO](#) ✉




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For 42 years, Churchill's Pub has stood its offbeat ground as a Miami landmark like few others. A live music venue with a rock'n'roll heart in a city where most have fallen by the wayside. A raw, unpretentious watering hole with cheap beer, famously rank bathrooms and an anything goes, everyone's welcome vibe, plunked down incongruously in Little Haiti.

And the music: Though Churchill's long hosted a weekly jazz night and the occasional rapper, it's best known as the heart of Miami's punk and hardcore scene, open to talents from the relatively polished to the execrable.

 This story is a subscriber exclusive

But now long-simmering tensions between Churchill's owner, Mallory Kauderer, and a seasoned manager he brought in to run it has turned into a veritable scraper of a pub brawl over control of the legendary bar and its name. For months, a bitter eviction battle, brought to a boil by the COVID-19 pandemic, has been playing out in court in slow motion amid allegations of fraud, misfeasance and other illegalities. At the core is a dispute over ownership of the Churchill's name.

In the past few weeks, matters have come to a head. A parking-lot altercation between one of Kauderer's backers and Churchill's manager Franklin Dale, who has a lease to operate the pub, ended up with Dale in handcuffs, charged with misdemeanor battery.

Around the same time, Kauderer pulled Churchill's liquor license from Dale's control and had the state suspend it. Now Churchill's, whose patio Dale had reopened briefly after a prolonged pandemic closure, is closed again, this time indefinitely.

Kauderer says he intends to reopen with a combination of new and veteran figures behind the bar as soon as he can get a judge to order Dale evicted from the premises. He alleges Dale failed to pay rent, stiffed liquor suppliers and created a fake Churchill's corporation in an illicit attempt to wrest control of the business from Kauderer and his business partner, Donita Leavitt.

"It's an institution. It's an iconic Miami brand, and I bought it to keep it that way," Kauderer, who has extensive holdings in Little Haiti and bought Churchill's from founder Dave Daniels in 2014, said in an interview. "If Dale weren't there, it would be open."



Churchill's Pub in Little Haiti. Alexia Fodere *FOR THE MIAMI HERALD*

Dale has embarked on a full-on kamikaze counter-offensive. He filed a counterclaim in Miami-Dade Circuit court alleging Kauderer misled him, thwarted his efforts to improve the ramshackle Churchill's property, then siphoned off COVID relief money meant for the pub to his own separate real-estate corporation — an allegation Kauderer and Leavitt strenuously deny.

“Churchill's is closed because the landlord defrauded the government, got called out, then shamelessly weaponized pandemic relief funds and retaliated in disgusting ways against the business and across other properties I lease,” said Dale. He also leases several properties from Kauderer around the main pub building, which occupies the corner of Northeast Second Avenue and 55th Street.

The drawn-out eviction battle, prolonged by a court system overwhelmed by the pandemic, is playing out against a backdrop of baffled and frustrated Churchill's loyalists, musicians and fans pining to get back to live bands and booze.

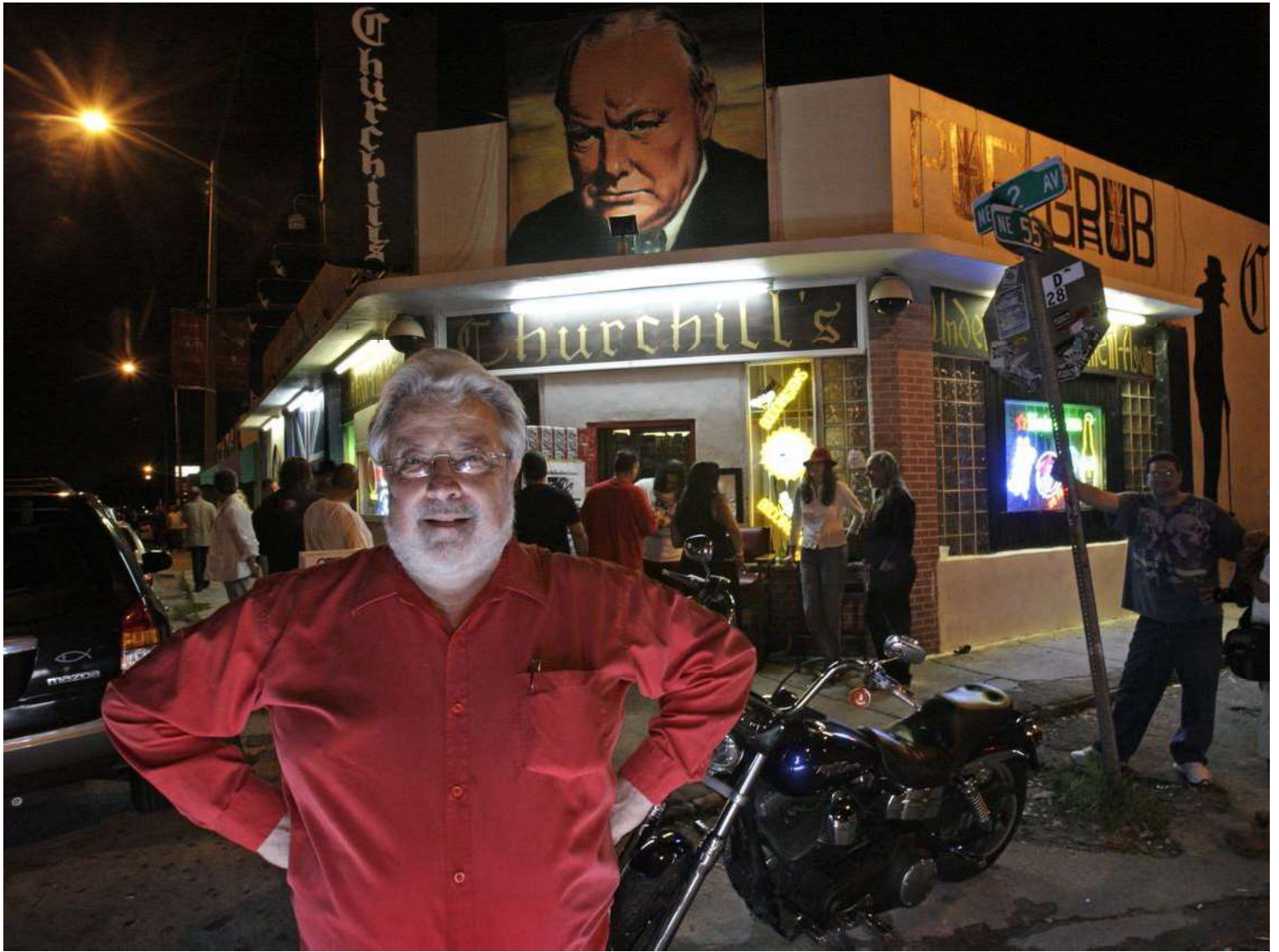
“There is no other place like it in Miami,” said Lauren “Lolo” Reskin, owner of neighboring Sweat Records, which has long shared a wall, a sensibility and a clientele, but not a landlord, with Churchill's. “Where else can you go to see a band every night? I know people miss it a lot. It really is an oasis for many people. You can get a cheap beer, talk to friends, listen to music, without any pretense. People love it for the place and the community.”

“And, of course, the more they thrive, the better we do. It's not been great having all that turmoil next door.”

Like other fans, Reskin fears the worst. As developers push into Little Haiti and the area gentrifies, the possibility that Churchill's could be lost looms large. In 2006, its far more consequential downtown Manhattan parallel, CBGB's, was sold and turned into a designer boutique as the down-at-the-heels Bowery turned into valuable real estate — despite the club's status as the cradle of American punk rock and new wave.

'THINGS JUST WENT DOWNHILL'

The Churchill's saga began when founder and longtime owner Dave Daniels, an expatriate Brit, took over a day-drinker's bar in 1979 and renamed it. Before long, Daniels, who had been a music promoter back home, began booking punk bands after rockers discovered the place, giving them almost total freedom to perform as they saw fit and earning the devotion of musicians and fans alike.



Dave Daniels outside Churchill's Pub in 2009. *MIAMI HERALD STAFF*

Churchill's also became known internationally as a place to watch live soccer and rugby matches from around the globe on hi-tech equipment Daniels installed.

In 2014, tired and looking to cash in and travel, Daniels sold the property and the Churchill's Pub name to Kauderer, who was amassing property in the neighborhood after doing well with early investments in South Beach and the Miami Design District. Kauderer has also been a driving force behind creation of the Little River Business District, which revitalized Little Haiti's dim and crime-ridden warehouse area, luring art galleries and other businesses while raising gentrification fears.

To run Churchill's, Kauderer hired Dale, who studied business operations at the University of Central Florida. Dale also worked for Levy Restaurants, a national food-services operator, as beverage manager for the Miami Heat and Miami Marlins, among others.

Kauderer turned over the reins of Churchill's to him and officially made Dale manager of the bar's prized liquor license, owned by Leavitt. Kauderer acknowledges putting Dale to work at some of his other ventures, including Little River Studios, an event and commercial shoot set he owns in the neighborhood, and a sandwich shop in the north end of Little Haiti, since closed. Kauderer and Leavitt said they paid Dale for the side work.

"He was a trusted member of our team," Kauderer said. "But at a certain point, things just went downhill."

Kauderer and Leavitt say monthly revenue at Churchill's started dropping, and they began hearing about conflicts Dale had with promoters and concert bookers who had long worked with the pub.

Dale, however, says business was booming under his watch until Kauderer borrowed against the business. Kauderer said he took out the loans to cover accrued debts, including to suppliers, because Dale was "losing money."





Franklin Dale *COURTESY*

The trouble began after Dale and Kauderer made a 2019 agreement that gave Dale more authority over the running of Churchill's after the manager said he could do better financially with full control. Dale signed a lease on the Churchill's property and other buildings Kauderer owns or rents across the street. Dale leased the pub's liquor license under a separate agreement.

But the three-year, as-is property lease came with some limits and some big risks for Dale. The Churchill's name and "intellectual property" remained property of Kauderer and Leavitt, they say. A copy of the lease reviewed by the Miami Herald states it doesn't confer to Dale any business rights other than use of the property.

And it put Dale on the hook not just for rent, starting at \$10,200 a month, but also made him financially responsible for required insurance, property taxes, all utilities and all maintenance, improvements and repairs of the properties. The lease also entitles Kauderer to a cut of gross sales.

BUILDING IN DISREPAIR

The Churchill's property, Dale later said in court filings, was not in good shape. There were ceiling leaks in the kitchen and bathroom, a kitchen gas leak and a tumbledown structure behind the main building that Dale claims he only later learned had been condemned by the city of Miami, and would have to be demolished.

To improve the bar's finances and secure its long-term future, Dale said, he began to draw up a vision for a broader entertainment, dining and live-music district in Kauderer's properties across Northeast Second Avenue with Churchill's at its center. Dale claims he sank \$100,000 of his savings into renovation work.

But conflicts soon arose. Kauderer now claims he has "no idea" what Dale was planning, and that he only got a vague letter from Dale outlining the idea and never agreed to anything.

Daniels, the Churchill's founder, said "FD" — as many call him — was overextended and made some odd decisions, such as trying to turn one of the spaces across the street into a skateboarding venue. And instead of keeping some of the features that made the bar money when bands weren't playing — like daytime soccer broadcasts and daily lunch — Dale cut hours to evening only, Daniels said.

"He was hemorrhaging money," Daniels said. "FD ought to have made money at Churchill's. It remains very viable as a business."

But Dale and others who worked alongside him insist things were going well until Kauderer and Leavitt intervened, diverting profits to their other businesses.

"Every time they were doing well, [Kauderer and Leavitt] would take money away from the business," said Zussy Coello, a former Churchill's bookkeeper who worked

closely with Dale until last year.

When the pandemic hit, Daniels said, Dale stopped paying rent. Daniels knows because he holds the mortgage on the pub property, and has allowed Kauderer to fall behind on his payments because there's no income from it. Daniels said he's confident Kauderer is good for the money once Churchill's reopens.

Other than giving Dale some advice, though, Daniels said he has tried to stay out of the fray.

"It's been like civil war," he said.



Music fans at Churchill's Pub in 2019. Alexia Fodere *FOR THE MIAMI HERALD*

When Miami-Dade County ordered bars and restaurants to close last March, Dale said he had no revenue coming in from Churchill's. He said he made partial rent payments after working out a deal for "abatements" with Kauderer and Daniels. Dale insists he owes no back rent, and that it's Kauderer who owes him money: \$120,000 in "advising" fees for work he's done at several properties in the area.

Kauderer and Leavitt paint a different picture. They say Dale simply stopped paying rent, prompting them to look closer at the businesses' finances. They claimed they discovered that even before the pandemic struck, Dale had failed to pay liquor distributors, owed back taxes and had never taken out required insurance on the business — by itself cause for a lease default.

"When we shut down, we realized the extent of what he owed," Kauderer said. "I can't say how much, but there was a lot. COVID only exposed just how bad things were."

Dale and his partners dispute that, too. He says he's done everything in his power to restore Churchill's to its former glory, but that Kauderer has undercut him at every turn, perhaps in an effort to lease the property to someone else.

"Had it not been for these people's roadblocks, we would've already had the south side of the music district rocking," said Pablo Barg, one of Dale's partners.

PUB FIGHT SPILLS INTO THE STREET

On the morning of St. Patrick's Day, the fight over control of Churchill's Pub got physical.

Dale called a towing company and then police to complain about a car trespassing on the pub's property. He says he only later learned that the car belonged to Aaron

Goldstein, a principal of Broward-based Midgard, a property management group and a financial backer of Kauderer.

Dale and Goldstein got into a heated exchange. Dale says Goldstein pulled a buck knife to intimidate him. Miami police, who arrived later, spoke to Goldstein and learned that Dale “got into [Goldstein’s] face” and pushed him, then tried to block his car from leaving. They placed Dale under arrest. The arrest report says Goldstein had a small cut to his upper lip and makes no mention of a knife.

Goldstein, who declined an interview request from the Herald, told police he was there with an adjuster to inspect the property, according to the arrest report.

Dale says it was a wrongful arrest, and that Kauderer has been weaponizing the police against him in recent months.

“When we reopened in February, the police were out there every night harassing us for noise complaints as if we hadn’t been playing loud music for the last 40 years,” he said.

The scrap over control of the pub has also played out in bizarre ways on social media.

Dale claims that a contractor, likely working at the behest of Kauderer, stole his administrative privileges over various Churchill’s accounts on Facebook, Instagram, Twitter and Google.



Marceline Steelp stands in front of a British flag at Churchill's Pub in 2019. Alexia Fodere *FOR THE MIAMI HERALD*

That means the contractor, Churchill's veteran employee Ian Michael Loughlin, controls one Instagram account, @churchills_pub, which has over 17,000 followers, while Dale controls another, @churchillsmiami. Dale runs a Facebook page called "Churchill Pub," but not another called "Churchill's Pub." Earlier this year, a listing on Google said the pub was closed, even when its patio was open on weekends.

"I don't understand what's going on; your social media accounts are saying two different things," one commenter wrote on Facebook after Dale [announced on March 26](#) that the pub had lost its liquor license and would be shutting down. Dale replied: "It is confusing, the landlord hacked the [Instagram] account last September & [is] posting as if they run the pub."

Last week, the @churchills_pub Instagram account blasted Dale in a new post, calling him a "delinquent tenant."

Kauderer says he discovered Dale had created a dummy state corporation using the name Churchill — no "s" or apostrophe — shortly after signing the lease in 2019.

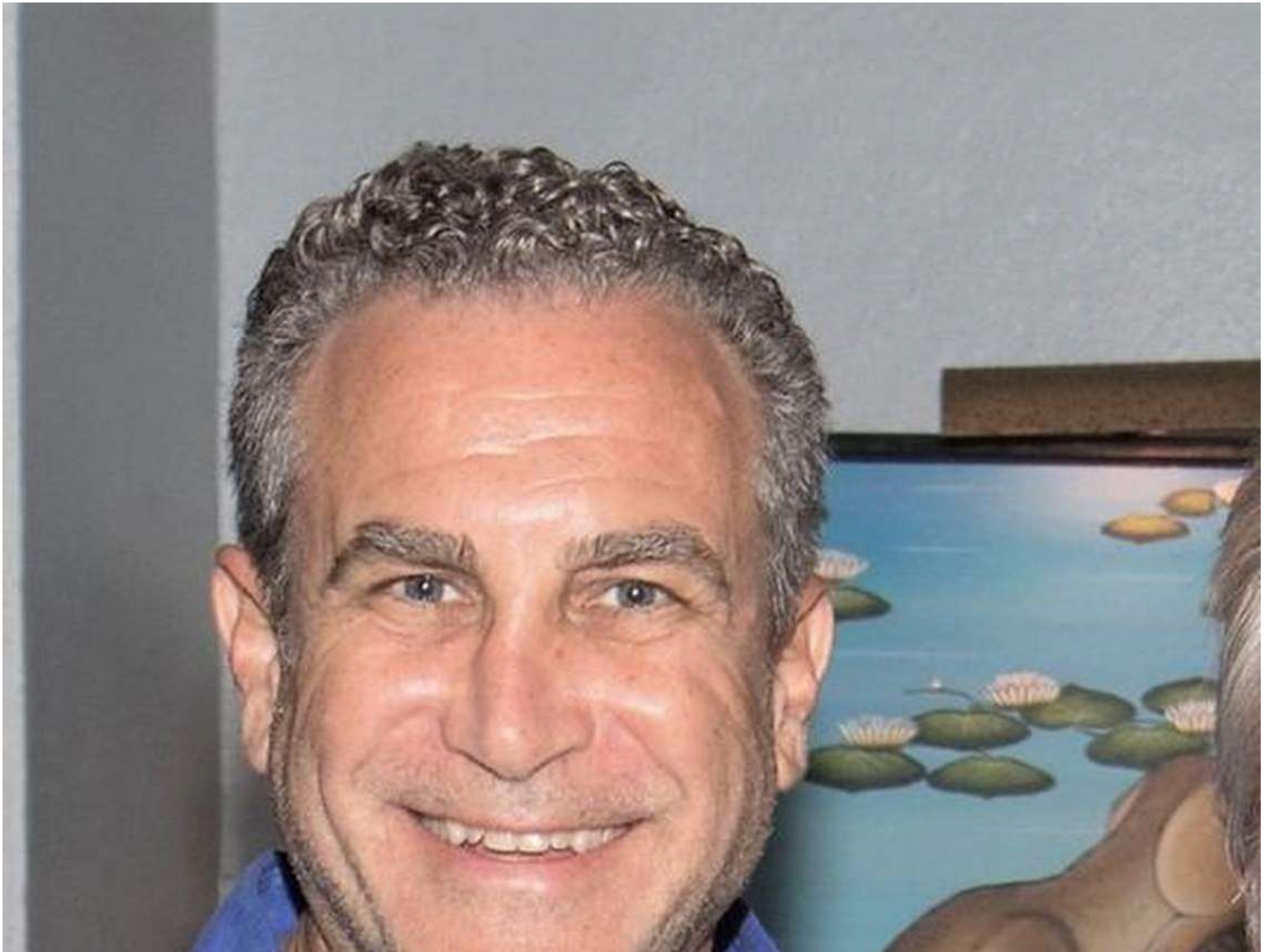
Dale has insisted in interviews that he had a right to create the entity to run the business, and that he controls the Churchill's name, a claim Kauderer calls ridiculous.

WERE COVID RELIEF FUNDS USED PROPERLY?

Things got really ugly after Kauderer [filed to evict Dale](#) and his District Live from Churchill's on Aug. 25.

In his counterclaim, Dale alleged that Kauderer improperly routed almost \$150,000 in pandemic assistance from the federal government — an [Economic Injury Disaster Loan](#) — through the Churchill's account into Kauderer's own company, Little Haiti

Development Partners LP. He says he has no idea how Kauderer spent the money, which is intended to give relief to businesses in low-income communities.





Mallory Kauderer ALBERTO E. TAMARGO - SPECIAL TO EL NUEVO HERALD

“I can only tell you where [the EIDL loan] hasn’t gone: Churchill’s. Not a single dollar towards staff, vendors, or utilities,” Dale said.

Kauderer called those fraud claims “absurd.”

“It’s not his money or his account, and the company used it appropriately,” he said, adding that the money went to taxes and assorted back bills related to the property, as program regulations require. “These are all fabrications. Wild allegations.”

Dale said he also had no control over \$40,000 in Paycheck Protection Program federal money that Kauderer received for Churchill’s. Kauderer said it went to cover partial back rent and payroll, including about \$8,000 in salary for Dale, which Dale called a “complete lie.”

Kauderer roundly denies he owes Dale any money beyond that, for consulting fees or anything else. He acknowledges that Dale made improvements to the properties, but notes those expenses aren't refundable under the terms of the lease.

He and Leavitt showed a reporter letters terminating Dale as manager of Churchill's liquor license in September 2020 and another asking the state to put it on "inactive status" after discovering liquor suppliers had not been paid.

The state approved the license suspension in March, another letter shows.

Dale, once again, tells a different story. He says that Kauderer removing the liquor license was a violation of their lease agreement and a move to prevent Churchill's from making money.

"They've pulled the liquor license off the property in a final, desperate attempt to steal and screw [us over]," he said. "They've never cared about the pub or the community."

In hindsight, Kauderer said he blames his own lack of experience running a retail business.

"I supported him, and he left me on the hook," he said. "I have to deal with it."





Bartender Tiffany Kinard at Churchill's Pub. ALEXIA FODERE FOR THE MIAMI HERALD



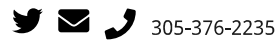
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