Supreme Court of the United States

JAMES F. SCHAD ET AL.,	
APPELLANTS,)) No. 79-1640
V.)
BOROLICH OF MOLINT EPHRAIM	

Washington, D. C. February 25, 1981

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ORIGINAL



IN THE SUPREME COURT OF THE UNITED STATES IN THE SUPREME COURT OF THE UNITED STATES JAMES F. SCHAD ET AL., Appellants, No. 79-1640 BOROUGH OF MOUNT EPHRAIM

Washington, D. C.

Wednesday, February 25, 1981

The above-entitled matter came on for oral argument before the Supreme Court of the United States at 11:12 o'clock a.m.

APPEARANCES:

ROBERT E. LEVY, ESQ., Levy and Robertson, 1319 Memorial Drive, P.O. Box 150, Asbury Park, New Jersey 07712; on behalf of the Appellants.

ARNOLD N. FISHMAN, ESQ., 501 Cooper Street, Camden, New Jersey 08102; on behalf of the Appellee.

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PROCEEDINGS

MR. CHIEF JUSTICE BURGER: We will hear arguments next in Schad v. Borough of Mount Ephraim.

Mr. Levy, I think you may proceed whenever you are ready.

ORAL ARGUMENT OF ROBERT E. LEVY, ESQ.,

ON BEHALF OF THE APPELLANTS

MR. LEVY: Mr. Chief Justice, and may it please the Court:

The appellant in this matter is a business enterprise that commenced its business in the Borough of Mount
Ephraim in 1973. At that time there was a zoning ordinance
that was in effect. The business of the appellant was that
it sold at retail books, magazines, and films, and at the
same time it operated an enterprise that is referred to as
a peepshow operation. These are booths which are individual
booths which have a projector and a screen upon which images
can be seen.

QUESTION: Is this what is euphemistically called an adult bookstore?

MR. LEVY: Euphemistically, realistically, and directly, sir, it's called an adult bookstore.

In 1976, some three years after it began this operation, it attempted to expand that operation by having the equivalent of film, or in the same location as the film,

in these peepshow booths --2 QUESTION: Mr. Levy, I should know, but is Mount Ephraim in Burlington? 3 MR. LEVY: Pardon, sir? 4 QUESTION: What county is Mount Ephraim in? 5 should know --6 7 MR. LEVY: This is in Camden County, Judge. QUESTION: Oh, is it in Camden? 8 9 MR. LEVY: It's in Camden County, sir. 10 QUESTION: Where? South of the city? 11 MR. LEVY: It is to the south, and, I believe, to 12 the east of the city. 13 QUESTION: Small? MR. LEVY: It's on the Black Horse Pike on the way 14 15 to Atlantic City from the Camden-Philadelphia area. 16 QUESTION: And a very small borough, isn't it? 17 MR. LEVY: It's a small borough. It's about 17 18 miles, I would estimate, from the city of Camden and from the 19 river which divides Pennsylvania from New Jersey. 20 QUESTION: Would you tell us a little more about 21 Mount Ephraim? How's it zoned and so on? 22 MR. LEVY: It's zoned, if I understand, sir, in 23 two zones. It has a residential zone and it provides for 24 both multifamily and single family in a residential zone, 25

and then it has a commercial zone. The Black Horse Pike,

which is the main artery between Camden and Atlantic City, cuts right through the borough. For 250 feet on each side of the Black Horse Pike you have a commercial zone, and then the balance of the community is residential, either multi-or single-family. It does not have any zone that provides for industrial use. It's solely commercial.

QUESTION: Commercial or, and residential?

MR. LEVY: And/or residential.

QUESTION: And what's its population?

MR. LEVY: May I call on my --

MR. FISHMAN: Less than 5,000 people, Your Honor.

QUESTION: And do the residents live and work -they're living there, of course. Do they work in the community, or more particularly, do they commute to Camden and
Philadelphia?

MR. LEVY: I think that they would have to go beyond the borough of Mount Ephraim in order to provide sufficient occupations for the --

QUESTION: Except, of course, for your client and others similarly situated, who run commercial establishments in the community?

MR. LEVY: That's right. There are, along the entire length of the Black Horse Pike, on both sides, it is commercially occupied and active. But there would not be sufficient opportunity for all the inhabitants to work.

QUESTION: Employment, there; yes. Is it a farming community?

MR. LEVY: I would think not. I think that maybe at some time it might have been. It is certainly, I think --

QUESTION: But not now?

MR. LEVY: -- more suburban than it is urban.

QUESTION: What sort of commercial establishments are permitted? Are there motion picture theaters and -- ?

MR. LEVY: There is a motion picture theater.

There are restaurants. There are car showrooms, used car showrooms. There are basically supermarket-type as well as discount-type stores that can be found within the community.

QUESTION: And taverns?

MR. LEVY: Taverns? Yes.

QUESTION: Restaurants?

MR. LEVY: There are taverns, there are restaurants with liquor licenses, and within some of those there is the live entertainment about which we had some colloquy in the lower courts.

At the time that we went ahead and we put in the peepshow operation we did it on the strength of the content of the zoning ordinance. That's the zoning ordinance that said that there was no objection at all to what has now been determined to be other than live entertainment. And we were then confronted with the fact that live entertainment is not

a permitted use but is prohibited. And as one looks at the zoning ordinance it becomes terribly difficult to be able to find out how it is that there has been a determination of such a distinction since entertainment is not addressed in that ordinance at all. It does not appear. Since we are in a commercial zone, we concerned ourselves primarily with the commercial aspect of that zoning ordinance, but there is nothing even in the residential parts of this ordinance that in any way relate to entertainment.

Now, an ad hoc determination has obviously been made that commercial live entertainment across the board is not a permitted use, but somehow or other commercial non-live entertainment, which includes the motion picture theater, which includes the fact that we have been providing in the peepshow booths a nonlive type of operation.

Now, to carry on the anomaly of this, if we were to go along with what has been proposed to us, it is not possible for me to show a young lady dancing alive, nude or otherwise, but that I could have taken a videotape of that earlier in the morning and I could present the exact same performance on videotape in the same booth.

Now, the question became, and I think it's a threshold question, do we have a First Amendment situation here? Is the communicative quality of what it is that we are proposing specifically, and with respect to all other

entertainment that's banned? Do we have a First Amendment situation? Because if we do, then the fact that there is a power on the part of the municipality to enact zoning, would not in and of itself immediately then set forth that there is no First Amendment issue?

What we have here is a zoning issue, but it's a zoning issue where in the very terms of that zoning ordinance, we have a burden, a restraint, an impingement, and finally a total prohibition of a form of communication.

QUESTION: The ordinance in question is the one that appears on page 3 of your brief, is it?

MR. LEVY: Yes, sir, at 99-15B, I believe, is its designation.

QUESTION: All right. Then it's 99-15B, -B(1).

And then follows by saying "all uses not expressly permitted are prohibited."

MR. LEVY: Yes.

QUESTION: And I suppose "dinners" means "diners,"
doesn't it? I suppose that these restaurants can serve
breakfast and lunch. But, for example -- well, let's see.
I don't see flower stores, for example. Are they prohibited?

MR. LEVY: If that is to be interpreted as it's presently being interpreted, I would imagine that if you had dead flowers they would be permitted, but live ones, because they are live entertainment --

QUESTION: Well, nurseries is here. Nurseries, but not florists. 2 QUESTION: But on the sixth line it refers to 3 "flowers." I suppose that would cover florists. 4 Moving picture theaters? Are they here? QUESTION: 5 MR. LEVY: No, sir. 6 QUESTION: Is there one in the city? MR. LEVY: There is one. It's right on the Black 8 Horse Pike and would be just somewhat to the east of our location. 10 QUESTION: Are newsstands here? 11 MR. LEVY: I do not see them here. 12 QUESTION: Bookstores? Yes, books are. 13 MR. LEVY: Books are allowed to be sold -- between 14 gifts and stationery. 15 QUESTION: Yes. 16 What is your contention that is defec-QUESTION: 17 tive in this zoning ordinance or in this conviction of your 18 client? 19 MR. LEVY: I've had the problem from the outset, 20 Mr. Justice Rehnquist, I cannot literally come here and say 21 to you that this ordinance is defective as it's written. 22 As it's written, there doesn't seem to be a defect. As it 23 is being interpreted and applied, there seems to be an 24

infringement on First Amendment rights by setting forth

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are literally then coming forth and saying, that bookstores or means of live communication offerings are not permitted. Therefore I am in a quandary because I can't say to you that this is defective and therefore has to be declared invalid, but I must say that if this is the springboard for the position they've taken, that there has to be a curbing on the interpretation that is being placed. The ad hoc determination I stress, because the building inspector, who may be the source of our original complaints, changes. From time to time officials do change and the next one may come along and read it even more severely and now say, from this text, even nonlive entertainment is going to be prohibited.

that everything that's not expressly permitted here, they

QUESTION: Well, the courts of New Jersey have interpreted this ordinance to forbid what you want to do.

MR. LEVY: Exactly.

QUESTION: So it's been officially interpreted and applied to you, your client.

MR. LEVY: If the lack of any issue ever reaching a court with respect to what we do in this location is the equivalent of having approved what we're doing, it may well be that if they're sustained with this ordinance on the basis of live, that they can come back tomorrow and on the basis of this ordinance now attack nonlive.

QUESTION: Are you attacking this ordinance on its

face, or as applied to you?

MR. LEVY: As applied to us, and as applied across the board. I feel that we do have standing just as a citizen with respect to any ordinance that either as written or applied would have any sort of effect of restraint on First Amendment rights.

QUESTION: Well, it's been applied to you because you're wanting to show what the courts of New Jersey have held to be live entertainment, and that is banned by this ordinance.

MR. LEVY: That's correct.

QUESTION: And so, as applied to you, you're claiming that the ordinance is unconstitutional.

MR. LEVY: There is no question that we are arguing about its application to us.

QUESTION: And then you also say, I suppose, that you're entitled because it's a First Amendment case to say that because it also bans bookstores, that the ordinance is invalid?

MR. LEVY: No, it doesn't ban bookstores.

QUESTION: Well, I mean -- well, you mean as applied?

MR. LEVY: As applied, as we look at this ordinance, the fair warning that we would normally be entitled to when we are beginning to use our enterprise, I look at this

ordinance and I realize that for three years I've been allowed to offer --

QUESTION: How do you know it doesn't ban book-stores?

MR. LEVY: Because it specifically sets forth that as a permitted use there are books. On page 3.

QUESTION: I see. All right.

QUESTION: Well, do you contend that a town such as Mount Ephraim could not totally ban any commercial enterprise?

MR. LEVY: No. What happens is this: were we to have an ordinance before us that deals with the desire to form a noncommercial entity, I would have some difficulty setting forth that there has been an infringement upon our rights. The moment the door is open to commercial enterprise, then I think the burden is on the community to justify the elimination of some and the propagation or fostering of others. And we do have some rules that will set that forth. One is, can they do it? Yes, they are empowered to enact zoning ordinances. Secondly, that it must be a purpose other than that which is the regulation of freedom of speech.

And therefore this is an omnibus-type zoning ordinance. The concept is to develop the community, and therefore it is not directed toward the regulation of freedom of speech.

The third aspect, however, the moment they open

that unit to commercial enterprises, is there a substantial, compelling reason that's being advanced by the enactment of this ordinance and is there any other way in which that could have been accomplished, the furthering of that purpose, other than by the total ban? And actually, in this instance, when we look around the entire country and we realize that live entertainment is basically the rule, not the exception, it is obvious that in the light of regulation there are less stringent methods of coping and curbing live entertainment, not its total ban.

And if we get into the question again where a community wants to restrict something and allow others, into time, place, and manner, I submit that there must be the existence of that which is going to be regulated, and if it doesn't exist then there can't be any implication of time, place, or manner.

QUESTION: Well, you can say it's a time, place, and manner provision in the sense that it permits entertainment in certain ways, but it doesn't permit live entertainment.

MR. LEVY: All right. Let's submit that if it were to set forth that, if they had given us the benefit of an enactment, where time, place, and manner sets forth, no live, at least under those circumstances we could begin to question why there is the restriction on live as opposed to

nonrestriction of anything else.

QUESTION: I don't know why you aren't in a position to make that argument now, because that's why your operation is in trouble on account of the ordinance, because it is live entertainment according to the authorities.

MR. LEVY: According to their reading of it. They claim that there is a restriction on live entertainment.

We have set it forth, we have set forth in our due process an equal protection of the law argument here that there is no rational distinction that has been set forth and if there be the ability to rationally distinguish between live and nonlive entertainment, we must note the compelling force that led to that distinction to see if it's furthered. What is more inimical to the purposes of zoning than if we can show the same performance on film and can't show it alive?

Now, if we get into the questions that arose in something like California v. LaRue, where there at least were hearings and there was a full setting forth of what it is that was the concern of the community and what they wanted to eliminate --

QUESTION: That wasn't a First Amendment case, really, was it?

QUESTION: That was the 21st Amendment.

MR. LEVY: Yes, but isn't -- well, it was First Amendment, but then it was also --

QUESTION: No, it --

MR. LEVY: -- one that dealt with the 21st Amend-

QUESTION: The 21st Amendment was what controlled LaRue.

MR. LEVY: Well, what happened is that it originally got up before the court, I think it started, at least the people who were affected basically by LaRue -- were talking in terms of First Amendment -- and we found now that there was an interplay between the First and the 21st Amendment.

And then we found out --

QUESTION: I would think that LaRue reflects the idea that a state may prohibit the sale of salted peanuts or potato chips in a bar if it wants to.

MR. LEVY: All right. I have no problem with that, but I think before we get to that point, Mr. Chief Justice, we have a situation as to whether or not the reasoning that was utilized in LaRue is the type of reasoning that would be required, necessary, and essential in the event that a distinction was going to be drawn between the live entertainment and the nonlive entertainment. What are the consequences, what is it that is trying to be avoided by drawing that distinction? Is it going to be a question of traffic? All communities have a problem with traffic. In fact we couldn't possibly generate the traffic of a supermarket.

That's why we have traffic rules, that's why we have policemen, and we don't come along and ban all supermarkets because it creates a problem. It's possible no matter where that there could be unruliness. We don't ban every type of activity where unruliness may follow. What we do is that we form other means of curbing, the less restrictive manner of achieving the purpose that's involved in the enactment and the doctrine of any zoning ordinance.

And this is implicit where there is a First Amendment or a fundamental right, that these must be adhered to; they must be within the contemplation of the community.

Here, through four courts, we have yet to hear any substantial, compelling, or any other type of interest to be furthered by the restriction on live entertainment.

And therefore I submit that time, place, and manner has not been able to be brought into this matter because there is no item that's recognized as being worthy, or the object of regulation. Unless we have live entertainment, then we can't begin to talk about its regulation in time, place, and manner.

QUESTION: I gather, Mr. Levy, that what, the key to Judge Deighan's opinion is that one sentence, is it, at page 12a: "Live entertainment is simply not a permitted use in any establishment, regardless to whether there is a relationship to nude entertainment." This is the key to it,

isn't it?

MR. LEVY: Yes, and what he did is, he -QUESTION: Just across the board barred any live

entertainment, clothed or unclothed.

MR. LEVY: As a consequence of a zoning ordinance, both of the judges did that.

QUESTION: And I gather, at least we've had cases that indicate that live entertainment often has communicative aspects that are protected by the First Amendment. The play "Hair" -- I've forgotten the name of the case --

MR. LEVY: They do. What it also means is that across the board live entertainment is not deemed to be non-protected under the First Amendment. We have in the Doran v. Salem Inn cases the fact that under certain circumstances it may well be, but we haven't even been given the opportunity of determining whether in our situation, are we entitled to that protection? And is there anything at all that we do that may thereafter take from us that protection? We have been told across the board, from the very outset, no way; you can't do it. Because we have the power to enact zoning and it is given a presumption of validity; that's it.

And throughout all of the documents submitted throughout all of the courts including this one, we have emphasized that this is not a First Amendment case; it's a zoning case. But I submit that it's a combination of the two.

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It's a zoning case which does impinge upon First Amendment freedoms and therefore the community now has the burden of establishing the necessity for banning totally and would equally have had the problem had it not been a total ban, to set forth how much of a ban it could justify in terms of some sort of interest which it was attempting to further and --

QUESTION: Mr. Levy?

MR. LEVY: -- without infringing beyond that which would become necessary --

QUESTION: May I ask you a question, Mr. Levy, please?

MR. LEVY: Yes, sir, Justice Stevens.

QUESTION: If the ordinance had totally banned motion pictures, which I thought it did, but you told us there is in fact a motion picture theater on this street, but that's a protected form of communication, would you say such an ordinance would be unconstitutional?

MR. LEVY: I would say that --

QUESTION: It seems perfectly clear, so there's no vagueness problem.

MR. LEVY: I would say that, again, we would have the problem of putting the community to the test. A community can enact and there's nothing I can do to prevent it from enacting, but the moment it enacts and my toes are stepped upon, I have the right to go in and set forth that this is a

prior restraint. I have the right to be able to challenge the validity of what you've enacted and you must now justify for me --

QUESTION: You have the right to do that as a defense to a criminal prosecution?

MR. LEVY: What I do is, I attempt to challenge the validity of the statute in the criminal prosecution, and therefore contain it within that. I have made my --

QUESTION: So then in a criminal trial the prosecutor has the burden of setting forth the factual justification for the ordinance?

MR. LEVY: He has that burden. I challenge the validity of the statute and I feel that, presumptively, the moment that there is a challenge and that I can show the Court that there is a First Amendment right involved, that it now becomes the obligation on the burden of proof of the community to justify that cutting back on what would be a presumptive, protected right.

QUESTION: The issue would be the same if it were a motion picture theater or if it's a place where they have live entertainment?

MR. LEVY: I would say it's exactly the same wherever there's a First Amendment issue involved. The community must support and substantiate its cutting back, its restraint.

QUESTION: But didn't you agree that a community

could zone out entirely commercial uses and make it entirely residential?

MR. LEVY: I have said that, and if that were part of the unspoken part of Mr. Justice Stevens' question, then I would have answered it the same way. I understood his question to say that they were going to only rule out motion picture theaters. I believe, Mr. Justice Rehnquist, that a community can set forth that it will be totally residential, and I think it might meet all of the O'Brien problems. I think it has the right to make that sort of an enactment. I think there's a purpose that would be served. I think you could set forth that that purpose would be furthered by the fact that we eliminate all commerce. We don't want trucks who are delivering, we don't want any of those things, and that it possibly is the most least restrictive method of coping with that.

But the moment they open the door to discount stores and gasoline stations -- by the way, if you look at this ordinance, it's strange; it doesn't even allow gasoline stations as a permitted use.

QUESTION: How about newspapers?

MR. LEVY: It's not listed here, unless it's an accessory use to books or stationery, which are both allowed. But then you'd have to make a quality judgment of accessory use. But I submit that if they wanted to eliminate all

commerce, that that would be then necessary that they eliminate all commerce. And then we have the problem of, if a doctor or dentist has his office within the town, have they really strictly kept it to all commerce?

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QUESTION: But if they did strictly keep it to all commerce, they could exclude people who wanted to purvey books, movies or anything else, so long as they just made it an absolute flat ban.

MR. LEVY: I would have some problem being able to speak as forcibly about that situation as I do about this situation. I would have some difficulty with some of the prongs of what I call the O'Brien test. There's no question that two of those are satisfied immediately. They have complied. They have the power, and it is not addressed to First Amendment rights directly. There are other purposes which are being furthered. Whether or not they will -that purpose will be furthered by the total ban may well be something that we have to think about in terms of that which preceded the enactment and then further, whether or not there's any other less restrictive manner in which that type of purpose can be served. And therefore I think there would have to be some enlargement of the proposition to include whatever factual situation there was, what is it that they're trying to undo or prevent happening? But at least if they would follow the same possible course and road, and meet all of these

problems that are their obligation and their burden, it may well be the courts would decide that you could have a totally residential and noncommercial unit. But once the door is opened and a distinction is made with respect to any commerce, then I think you have to treat it as if it's a community with commerce and then under what guise or right could they prevent us from bringing in our form of commerce?

Now, there have been some other suggestions as to what it is that we might be able to do here. You have to understand that at the time that we became aware of the interpretation of this ordinance, it was as a consequence of being served with criminal process, so we were already in the courts. A suggestion that we go ahead and get a variance I think would violate both Freedman and Blount. There is just no way at all that we can get a speedy determination and the burden of proof is not cast upon the community.

In a variance we take on all of the burdens of showing that we will not in any way transgress what it is is the purpose of the enactment of the zoning ordinance and that we won't be violating health, welfare, morals, and the rest. There is a further suggestion in the documents that have been presented to you, that we have a right to go into chancery and that we can get a restraining order. And what happens is that that rule in chancery deals with civil cases and we were already in a criminal case. The question as to whether

or not courts will begin to in any way enjoin pending criminal proceedings, Donbrowskiv. Pfister being one of the cases that specifically sets forth. That is a rare, rare exception. It is not the rule.

And then lastly, when we have the entire question of declaratory judgment. We were beyond declaratory judgment at that point on a civil basis. We were already in the criminal courts, and declaratory judgment is that there may well be a controvery between individuals that can be resolved by means of this method. So that at the time that we were presented with process, there was really nothing that we could do except go along with the process, fight it in the criminal court, raise all of the constitutional questions, and then discover that the local court said, if it's nude dancing — not live entertainment, by the way — if it's nude dancing, it's not protected speech at all.

Then we get into the county court, which is an appeal but scalled a trial de novo. There we find that the court says, well, there are First Amendment guarantees involved in dancing, but they don't apply in this case. And why not? We were never told why they don't apply here at all. And then we find that the appellate division affirms basically for the opinion of the judge in the county court, but without any elaboration or without any clarification. The Supreme Court refuses our petition for certification,

QUESTION: Let me go back to what you had said Do I understand you to say that the municipality could not ban all filling stations? MR. LEVY: No, I didn't say that at all. QUESTION: They could, couldn't they? I say it could. I'm saying --QUESTION: Then they could ban all grocery stores? MR. LEVY: It could, but again subject to challenge as to the basis upon which there is this --QUESTION: Just because they don't want any filling stations, they don't want any grocery stores. MR. LEVY: And if they --QUESTION: And they could ban all liquor establish-MR. LEVY: And if they did, sir --But you say they can't ban a theater? No, what I've said is that --Of the kind you've got here? MR. LEVY: My answer with respect to the theater was that if they, they cannot ban a theater if there are other commercial uses without being subject to a challenge. That could be a First Amendment challenge. I submit that

which is not protected by one of the first ten amendments. But that again, that type of banning would be subject to some form of review, and if there were an equivalent use in terms of whatever it be, traffic, congregation of people, litter-ing, whatever it is that may be their concern, if there is a comparable use that is being allowed, then there would have to be a question, either equal protection of the law, or any other aspect that would then allow them to make that distinction. A ration would have to come from them as to why there is that distinction, so that we don't have gasoline stations, but that we could have coalyards, and that I could go down and fill up my car with coal and take it home for my stove.

And I think that in each instance there is power, but that the power does not mean that there is then a necessity for an abdication of objection on the part of those who are affected by it.

And when we went into the question of a fundamental right where there is First Amendment, the requirement on the part of the state is not only brought to bear sooner but it's a deeper problem that they have. This Court has put it on the basis of careful scrutiny. And every time this Court has talked of careful scrutiny, it has basically set aside any presumptions of validity in terms of an enactment. It does not cloak it with the presumption of validity that

would be whether or not a fundamental right. And I think the two cases of the Village of Belle Terre and the East Cleveland case seems to set forth what the attitude of this Court has been in the past relative to the question of when there is a fundamental right and when there is not a fundamental right.

QUESTION: How do you see the Belle Terre case as aiding your argument?

MR. LEVY: Well, in Belle Terre what we have is, there was an attempt to pass an ordinance, or there was an ordinance passed, setting forth that there would be an allowance, or a disallowance of family and friends, but that would keep the basic family unit as one that could rent, but that there could be a preventation of anyone who was not a member of the family. And it was set forth that this isn't a social right. The family itself is basically something that is recognized by the courts as something that should be in some way or other advanced in all the methods possible.

And therefore the statute itself -- shall I finish?

MR. CHIEF JUSTICE BURGER: Finish your sentence; yes.

MR. LEVY: In Belle Terre they did not sustain.

They sustained the prohibition against renting in terms of other than family. The Court recognized as a fundamental right the preservation of the family and in East Cleveland, where there was a distinction drawn between members of the

family. They created degrees of family. It was then set forth that that would violate the recognized fundamental right and therefore there was no presumption of validity granted to the ordinance in East Cleveland, but rather with careful scrutiny the community was put to the test of having to prove what it is that was its purpose in distinguishing between cousins because of the consanguineous situation.

QUESTION: I think that answers my question that I put to you.

MR. LEVY: Thank you, sir.

MR. CHIEF JUSTICE BURGER: Thank you, Mr. Levy.
Mr. Fishman.

ORAL ARGUMENT OF ARNOLD N. FISHMAN, ESQ.,

ON BEHALF OF THE APPELLEE

MR. FISHMAN: Mr. Chief Justice, and may it please the Court:

What is being decided here today is the right and power of a small residential community, primarily residential community, to determine its character. In every residential community traffic patterns create major arteries. The land fronting on those arteries by virtue of the traffic patterns becomes unuseable for residential use and suitable for commercial purposes. At the same time the residents of those communities demand and desire that some of their commercial needs be met within the community.

In that context the Borough of Mount Ephraim has adopted a comprehensive zoning ordinance in an effort to accommodate all of these interests. There has been a suggestion here that this ordinance regulates between live entertainment and nonlive entertainment. And yet if you will look at the ordinance itself entertainment is not addressed at all. What we have created here is a retail zone for the sale of retail products and services to the local inhabitants.

QUESTION: Of course, as my brother White earlier said, what we have before us is the ordinance as construed by the New Jersey courts.

MR. FISHMAN: That's correct, Your Honor.

QUESTION: And the ordinance doesn't even seem to allow moving picture theaters, but there is one in town, we've been told.

MR. FISHMAN: That moving picture theater, Your Honor, would be a nonconforming use --

QUESTION: But in any event, we've been told that whatever this ordinance may seem on its face to say, what it does do is permit moving pictures and an adult bookstore but not live entertainment. Isn't that correct?

MR. FISHMAN: That's correct. It is correct from -QUESTION: And therefore that's the ordinance as it
comes to us, just as though it were written in so many words,
in the ordinance.

MR. FISHMAN: But it is correct on a basis, not that we distinguish between live entertainment and nonlive entertainment. It was felt, since the movies which are viewed are movies that sold by the appellant, certainly we can't regulate how these people sell their product. If they want to permit somebody to view the product -- in the same way that you can walk into a bookstore and leaf through the book to determine whether or not you want to buy it -- if they want to permit you to view the film prior to its purchase, certainly the borough cannot regulate how they sell their product. I can remember times when if you wanted to buy a phonograph record you went into a store and you took the record, you put it on a phonograph, and you listened to it. If you liked it, you bought it. If you didn't, you didn't.

There was no move against the filmed entertainment because it was felt that the borough could not regulate the way in which these products were sold. And what this is is a zone for selling things to the consuming public of the Borough of Mount Ephraim. It is not --

QUESTION: I didn't understand that to be the reasoning of Judge Deighan, which is the only full-dress opinion we seem to have in this case.

MR. FISHMAN: Judge Deighan's rationale as I understand it is, he found that appellants' live entertainment was First Amendment protected, but was nonetheless subject to

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the reasonable exercise of the zoning power of the Borough of Mount Ephraim. You have to appreciate, Your Honor, that we're dealing here with a, well, Mr. Abrams indicated that perhaps there would be a community small enough and sleepy enough -- I think I represent that community. Mount Ephraim is less than one square mile, it has less than 5,000 people, it has less than 2,000 homes. It exists on the periphery of the Philadelphia market area. These uses are accommodated not only in Camden County but in Philadelphia County and in the surrounding areas. We have a true bedroom community here. It's got three zones, or one or two, basically, distinction, single-family, multi-family; and commercial. And we have defined that commercial zone by listing those uses which we permit. And in case there be any doubt about our attempting to establish a retail sales zone, the ordinance provides retail stores such as, but not limited to, and then it lists a lot of things.

So there is no -- when you talk about, can you have a flower shop? The answer is yes. Can you have a gift shop?

Of course. Even if they're not in there. The answer is --

QUESTION: Well, flowers are mentioned, as was brought to my attention.

MR. FISHMAN: The answer is clearly yes. You can have all of those things.

QUESTION: Then it says, all uses not expressly

permitted are prohibited.

MR. FISHMAN: That's correct. That's a separate provision of the ordinance.

QUESTION: It' your point, let me just be sure I understand your point. Your point is that certain retail establishments, even if not expressly mentioned, would be permitted because these retails that are listed are illustrative of the total rather than -- ?

MR. FISHMAN: Absolutely. For example, there is nothing in the ordinance which gives the appellant the right specifically to sell films. But surely the Borough couldn't distinguish between selling records, selling books, selling films. This is a zone to sell things to the community. So we never moved against the sale of films, and we can't move, in my opinion, at least, against the way in which those films are sold. But this is not an entertainment zone. Entertainment is afforded through --

QUESTION: I was under the impression that when a customer viewed one of these films, he had to put a coin in the viewing --

MR. FISHMAN: That's correct.

QUESTION: Well, that's a little different from the record sales, or you're just doing it to see if you want to buy it.

MR. FISHMAN: I don't think the Borough could

prohibit the record shop from charging the customer a dime or a quarter to listen to the record even if he was going to buy it. I don't think that the Borough has a right to get behind the cash register and tell somebody how to run his business.

This matter arises in the context of a criminal prosecution where the burden is clearly on the state beyond a reasonable doubt, and we couldn't pick what we considered to be close situations.

QUESTION: But the peepshow is more a matter of consumption than being on consignment or return in ten days and you get your money back.

MR. FISHMAN: I don't think any of that is involved.

What is involved is that if you view a film in a peepshow,

you can then come down and purchase that film. And once you -
QUESTION: You don't get to view it for nothing,

do you?

MR. FISHMAN: No. You pay money for that viewing.

I don't see, however, where that makes any constitutional significance at all. Additionally, what I fail to appreciate about the appellants' argument, it seems as though everyone is willing to concede that in a residential zone the outlawing or prohibition of any of the matters that we've been talking about now is permissible, and yet the appellant would have you believe that commercial is an all-or-nothing

proposition, and I don't really understand that argument.

Certainly, if some rational basis for distinguishing between commercial uses can be found, then a classification based upon this kind of commercial or that kind of commercial has got to be as constitutionally sound as a classification based upon residential -- .

QUESTION: But, you do agree, or don't you, that the ordinance bans all live entertainment?

MR. FISHMAN: I agree that the ordinance prohibits the utilization of land and structures in the commercial zone --

QUESTION: For any live entertainment?

MR. FISHMAN: -- for any live entertainment,
Shakespeare --

QUESTION: And, of course, I take it that live entertainment is not permitted in any other zone -- ?

MR. FISHMAN: That's correct.

QUESTION: So there is no live entertainment in the Borough?

MR. FISHMAN: That's incorrect. If a person -a lot of examples have been raised as to whether or not you
can have Christmas carols at the office. Christmas party.
The answer to that is yes.

QUESTION: But there is no commercial live entertainment?

MR. FISHMAN: That's correct.

QUESTION: In the city?

MR. FISHMAN: That's correct.

QUESTION: And so it would ban a play, any kind of a play, for example?

MR. FISHMAN: It would ban a theater. It would not necessarily ban a play.

QUESTION: Well, it would ban a commercial theater.

MR. FISHMAN: Correct.

QUESTION: Or a circus.

MR. FISHMAN: Correct.

QUESTION: And it would ban any kind of commercial live entertainment, any kind of live entertainment for which a fee is charged for profit, profit-making -- ?

MR. FISHMAN: At the point that the structure or land ceases to be an office or a home and becomes either a theater or an opera house or a concert hall or a sports arena or whatever, at that point it offends the zoning ordinance because this ordinance is created as a retail sales zone to satisfy the immediate needs --

QUESTION: Now, what's your justification for saying that the ordinance is valid even though it forbids any, although it forbids among other things a commercial theater with a live cast?

MR. FISHMAN: You're asking for a compelling

state interest?

QUESTION: Yes. What is your -- well, I'm asking your justification. I don't know whether you concede that you have to show a compelling interest.

MR. FISHMAN: I didn't think I do because I don't really think this is a First Amendment case, but I'll be privileged to respond to the question.

I think that a compelling state interest -
QUESTION: Well, you would agree that live entertainment in some forms, at least, is entitled to First

Amendment protection?

MR. FISHMAN: Absolutely.

QUESTION: Like a theater?

MR. FISHMAN: Absolutely.

QUESTION: Would you also agree that the Borough of Mount Ephraim is entitled to prohibit, say, a rock concert that is apt to draw 50,000 people from Philadelphia and Atlantic City because of the congestion problems involved, even though it does involve live entertainment?

MR. FISHMAN: Certainly; and has. At least, and has if they're going to utilize the land or structures of the Borough of Mount Ephraim, it has.

QUESTION: But without all of that crowd, could you have live entertainment in the existing movie theater?

MR. FISHMAN: I don't think you could -- no, you

cannot, Your Honor, you cannot.

QUESTION: Even the high school play in the movie theater would be barred if they charged money to raise money to go to a football game or something?

MR. FISHMAN: The line may -- I'm sorry, sir.

QUESTION: Would it not be? The high school play --

MR. FISHMAN: At the moment that the structure in which it is being performed ceases to become a high school and becomes something other than that.

QUESTION: No, no, I asked about your existing motion picture theater. You answered my brother Marshall that it would bar a play in the motion picture theater.

MR. FISHMAN: Yes, it does --

QUESTION: It would bar the high school putting on its play in the -- ?

MR. FISHMAN: Perhaps not on a one-time basis, but QUESTION: Well, that is certainly not the way I
read, and I gather that's as my brother Stewart suggested
to you early, that's what we have to take as the reach of
this ordinance, what Judge Deighan -- is that the way you pronounce it?

MR. FISHMAN: "Deegan."

QUESTION: The way, that sentence I read your colleague earlier, that it does not grant any kind of live entertainment.

QUESTION: And what is your -- you were going to suggest to me what the justification was for that.

MR. FISHMAN: Well, I think there are several justifications. One is that zoning in and of itself is a compelling state interest. I think that the combining of compatible uses into zones and the blending of compatible zones into a comprehensive zoning ordinance is as has been said by this Court the most essential function performed by local government because it's in that way that the quality of life in these communities can be preserved.

Officially, the devotion of the limited amount of commercial space that a town like the Borough of Mount Ephraim has to the satisfaction of immediate needs of the residents of a borough is certainly a compelling state interest. The avoidance of those problems inherent in the omitted uses of live entertainment, like traffic, crowds, parking, trash, demands for medical and police facilities, the avoidance of these things for a Borough like Mount Ephraim is a compelling state interest. So at each of these levels I think a compelling state interest has been shown.

QUESTION: Well, do you think that covers the situation if the owner of the motion picture theater says, by the way, I would -- three nights a week are going to be movies and three nights a week are going to be plays?

MR. FISHMAN: You have to appreciate, Your Honor,

that that movie --

QUESTION: That, you would say, movies are all right and plays are not, or not?

MR. FISHMAN: You have to appreciate that that movie is a nonconforming use in our borough, Your Honor. It precedes anyone's memory, it precedes any zoning ordinance, and I don't think that that movie would be a permissible use were it to move into town today.

QUESTION: I suppose it also precedes the song, "New York Throughway's Closed, Man."

MR. FISHMAN: I'm at a loss, Your Honor.

QUESTION: Well, what about -- does the ordinance ban the showing in this store that we have here, this adult bookstore, of movies?

MR. FISHMAN: No, because that is -- at least, it could be argued and it probably would be argued that that is the method by which they choose to sell their movies.

In that way it would become an accessory use to their sale of films, which is clearly permitted, even though not specifically mentioned, under the phrase, "Retail stores such as ...but not limited to..." Additionally, --

QUESTION: Mr. Fishman, let me ask one other question about the motion picture theater. You're saying this is a nonconforming use, meaning that it was in existence before the ordinance was passed --

MR. FISHMAN: Are we discussing the movie, sir?

QUESTION: The motion picture theater. Does that
mean that --

MR. FISHMAN: This motion picture, or a movie?

QUESTION: No, no, I'm talking about the theater,
the --

MR. FISHMAN: Yes, sir.

QUESTION: Does that mean that if someone else wanted to open a motion picture theater that would be prohibited by the ordinance?

MR. FISHMAN: I believe so, sir.

QUESTION: So that in a way this is like, the same case as if this is the second -- this is an application to -- I mean, it's not application, but if it were, to be a second place of entertainment within the area?

MR. FISHMAN: Yes, it could be so viewed. And the first place, of course, didn't get there because we just didn't close our eyes and permit it to come in in the face of the ordinance, it got there before the ordinance, and our ordinance has a saving nonconforming use provision across the board.

QUESTION: In other words, if they had had vaudeville in that motion picture theater before the ordinance was passed, presumably they could continue to have it then? That would be an exception to the live entertainment? MR. FISHMAN: I think so, although that's not present at all.

QUESTION: Well, we didn't even know about the

motion picture theater until you told us about it. It's not

even in the record.

MR. FISHMAN: I understand this, Your Honor, but it exists. I think Mr. Levy was questioned about that in appellants' exhibit.

QUESTION: Well, if a -- could there be a dinner theater that didn't have a live play but which showed movies in connection with their restaurant operation?

MR. FISHMAN: No, sir. No, sir. A movie in a dinner theater, I don't think would be an accessory use. There are only three --

QUESTION: You're really saying that since it's not permitted there's no entertainment of any kind permitted in the Borough commercially?

MR. FISHMAN: The land of the Borough -- OUESTION: Whether it's live or not live?

MR. FISHMAN: That's correct. The Borough of Mount Ephraim has created a commercial zone to satisfy the immediate needs of the residents. It's a bedroom community. If you come home at night and you forgot to buy your bread, your milk, your gift --

QUESTION: Do you think that's the way your

New Jersey courts construed this ordinance as banning all entertainment rather than just all live entertainment? 2 3 MR. FISHMAN: I think so, sir. We proceeded on the theory of live entertainment in the municipal court because 4 we wanted as narrow an imposition as possible. 5 6 QUESTION: But I know, Mr. Fishman, but don't we have to -- the only opiion, as Justice Stewart reminded you 8 earlier, is the county court opinion, isn't it? 9 MR. FISHMAN: That's correct. 10 QUESTION: And that's all we know about what the 11 meaning of this ordinance that has been --12 MR. FISHMAN: That is correct. 13 MR. CHIEF JUSTICE BURGER: We'll resume at 1 o'clock. 14 You have some remaining time. 15 MR. FISHMAN: Thank you. 16 (Recess) 17 MR. CHIEF JUSTICE BURGER: Mr. Fishman, you may 18 continue. 19 MR. FISHMAN: Mr. Chief Justice, and may it please 20 the Court: 21 It is submitted by the Borough of Mount Ephraim 22 that this ordinance passes every constitutional test developed 23 under the First Amendment. We passed the O'Brien test, in 24 that clearly the ordinance is within the power of government

and clearly is unrelated to the suppression of expression.

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These points are actually conceded by the appellant. The
appellant, however, denies that we advance a significant
governmental interest or that the ordinance is sufficiently
narrow so as to not impinge upon the First Amendment any more
than is necessary. We submit that we do advance a significant governmental interest, as I've said before, because
zoning in and of itself is not just a significant governmental
interest but perhaps the most essential governmental interest
served by any local community.

In addition, what we have really striven to do in this matter is devote the limited amount of commercial land which fronts on this main highway through the Borough of Mount Ephraim to satisfy the immediate needs of the residents of the Borough of Mount Ephraim, and in so doing we contend that we advance a significant governmental interest.

QUESTION: Mr. Fishman, how many prosecutions under this ordinance have there been?

MR. FISHMAN: That I've handled, only one, and that's all I would know of, Your Honor.

QUESTION: This is the only one?

MR. FISHMAN: This is the only attempt at entertainment that has ever come into the town of Mount Ephraim that
I am aware of, and I've been its prosecutor for a number of
years, sir.

QUESTION: There have never any other nonconforming uses?

MR. FISHMAN: There are three restaurants in the town that offer music with the meal. The municipal court found that that music with a meal is an accessory use and in addition to that a hearing was held on the issue of selective enforcement, which was the only testimony ever taken in this matter, and at that hearing everyone testified that those uses predated any ordinance that anyone could remember. So that they would be the only live entertainment in the town, and they would be there by virtue of the nonconforming use, and also --

QUESTION: Or the only entertainment?

MR. FISHMAN: Or the only nonconforming entertainment; that is correct, Your Honor.

QUESTION: Or any entertainment, conforming or nonconforming.

MR. FISHMAN: Well, we don't ban entertainment.

What we do is we regulate the use of buildings and structures within the town. If someone wanted, for example --

QUESTION: I know, but there can't be any commercial business in entertainment in a building?

MR. FISHMAN: That's correct. That is absolutely correct, Your Honor. This zone has been created in order to sell things and provide those --

QUESTION: You can't sell entertainment under the zoning ordinance?

MR. FISHMAN: That's correct. Entertainment is accommodated throughout the County of Camden; specifically, live nude entertainment is accommodated throughout the county of Camden, and it has to be remembered that the traditional concepts of zoning -- one of the cases cited in my brief is Village of Valley View v. Proffett. And in that case the court said that traditional concepts of zoning envision a community as a self-contained unit containing its own -- or, a municipality as a self-contained unit, and containing its own residential, commercial, and industrial areas.

Mount Ephraim, like Valley View, is on the periphery of a huge metropolitan center and it is not a self-contained unit, it is, as they said in that case, merely an adventitious fragment of the social and economic whole, and as such what is really at issue here is whether the Borough of Mount Ephraim or any such small residential community has the right and the power to determine its character, what it's going to look like in the future.

We have a town in Mount Ephraim called Tavestock.

According to the 1980 census figures, Tavestock has four homes and nine residents. Certainly an inappropriate town for entertainment. We have another town called Pine Valley

Borough, has 24 residents and 14 homes, another town in which uses of this nature or entertainment in general just doesn't

make sense.

The county of Camden is comprised of 37 separate municipalities. Some of those municipalities are the type of municipalities where this use would properly be accommodated and in some of those municipalities it just really doesn't make sense. This Court in Young v. American Mini Theatres sustained a reasonable time, place, and manner restriction for the City of Detroit. Implicit in that decision is that the City of Detroit could prohibit these uses or any entertainment uses or any commercial uses or commercial speech uses from the residential areas of Detroit.

Well, the Borough of Mount Ephraim is absolutely indistinguishable from those residential areas of a large metropolitan area. The fact that we have 37 governing bodies instead of, let's say, a county-wide planning board — if we had a county-wide planning board, it would be extremely rational to not permit Mount Ephraim to have an entertainment zone. It's just not that kind of a town. The entertainment zone would most probably be located in more of the downtown area. We're on the outskirts of a large market area. The Philadelphia market area encompasses five counties in Pennsylvania and three counties in New Jersey, and certainly every municipality encompassed within that sprawling megalopolis does not need to accommodate all commercial uses, be they constitutionally protected or not.

I maintained initially that this really -- I submit that there are really no constitutional issues presented
in this matter.

I say that because it would seem to me of necessity that before a content-neutral zoning ordinance, clearly valid on its face, can be held to implicate First Amendment principles, there must of necessity be some type of a constitutional showing that the use is not accommodated elsewhere in the community at large, and there should also be some obligation to establish that the proposed site of this use is at least reasonably suitable to accommodate the use.

There's been no showing; the record is barren with respect to that. This could, for example, and does, according to the strip-type commercial uses that have grown up in the town of Mount Ephraim, backs up on residences, on home upon home upon home. That's an inappropriate place to place this kind of a use. The Library of Congress, as wonderful an institution as that may be, just doesn't belong everywhere. There are some places where that is inappropriate.

And the real issue before this Court is, who is to decide where these uses are appropriate? Appellants' argument would have you graft on every such zoning ordinance, change the definition of every such zoning ordinance to include constitutionally permissible uses. And in so doing you are really being asked to homogenize zoning at the national level.

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If there is anything that does not lend itself to homogenization at the national level, it's zoning. At the municipal level, where these zoning decisions are made, you have decisions like, let's not put the drainage ditch here because Mrs. Jones' septic tank backs up when it rains now. There is local expertise that goes into the creation of a comprehensive zoning ordinance at the local level which this Court should not interfere with. There is expertise that really must of necessity be deferred to.

QUESTION: What is the expertise that shows you that you couldn't have live entertainment? What is the expertise there?

MR. FISHMAN: You phrase it negatively. I'd rather phrase it positively, if I may, to answer your question.

We haven't decided not to have entertainment. What we have decided is to create a zone which is devoted to selling things that satisfy the immediate needs of the residents.

QUESTION: And you couldn't set up a newspaper there either, could you?

MR. FISHMAN: Yes, you can, sir. You can sell newspapers, you can sell almost --

QUESTION: I didn't say, I said, set up a newspaper, publish it or print it.

MR. FISHMAN: Oh, frankly, I --

QUESTION: Well, it's not included in that list.

MR. FISHMAN: I agree.

QUESTION: So that means you couldn't do it.

MR. FISHMAN: I think that's probably accurate.

What we're trying to achieve here is to create a commercial zone to satisfy the immediate needs of the residents of the Borough of Mount Ephraim and that's what we've done, or that's what we've striven to do, and to engraft upon that definition all constitutionally protected uses would bring about bizarre results.

The illustration that Justice Marshall just gave.

Certainly newspapers are constitutionally protected, but

that doesn't mean that you can put up the large newspaper

factories that are necessary to create, the printing presses

that are necessary to create a newspaper in any place. There

are some places where that use is inappropriate. Now, if a

newspaper could come to our courts -- our courts are sensi
tive to these problems.

In the Mt. Laurel decision which I'm sure you gentlemen are familiar with, from New Jersey -- I think it's been before this Court -- we found that a constitutional right was being denied, not just by one municipality but by zoning ordinances throughout Burlington County and Camden County as well.

If a newspaper could come to -- it wouldn't have to get to this court, if it would come to our local courts -- and say, listen, we've looked at all of the zoning ordinances available

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and the only place we can print our papers is west of the Mississippi River, a constitutional issue has clearly been presented. And if the proposed site is a site reasonably which would accommodate that use, I think our courts would be sensitive to that. But there is no showing here that this use is in any way denied access to the market, not just within the confines of this one square mile, but in the community at large. And so long as it is accommodated in the community at large, then this ordinance becomes just a reasonable time, place, and manner restriction. Time is not implicated in any way, manner directs itself to the live entertainment, and place, in one sense, is no place in Mount Ephraim --

QUESTION: Could you have a commercial adult education establishment in Mount Ephraim along the strip there? You are teaching people how to be mechanics or how to vote, or things about citizenship? People are just, are willing to pay to learn something, so they --

MR. FISHMAN: On a commercial basis?

QUESTION: Yes.

MR. FISHMAN: A school?

QUESTION: Commercial school, proprietary school.

MR. FISHMAN: I don't think so, Your Honor. I don't think so. That would be my opinion. I would so urge a court, and I don't know whether the local courts would follow

my need, but I do believe that what we have striven to do
was accommodate just the immediate needs of the Borough in
terms of, have I forgotten something? I can send my kid to
the store. He can buy those things which we're going to need.
Thank you.

MR. CHIEF JUSTICE BURGER: Thank you, gentlemen. The case is submitted.

(Whereupon, at 1:13 o'clock p.m., the case in the above-entitled matter was submitted.)

CERTIFICATE

North American Reporting hereby certifies that the 3 attached pages represent an accurate transcript of electronic 4 sound recording of the oral argument before the Supreme Court of the United States in the matter of: No. 79-1640 6 JAMES F. SCHAD ET AL. 7 V. 8 BOROUGH OF MOUNT EPHRAIM 9 10 11 and that these pages constitute the original transcript of the 12 proceedings for the records of the Court. BY: Willia J. Wilson 13 14 15 16 17 18 19 20 21 22

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