



## CITY COUNCIL AGENDA ITEM

Date: September 11, 2013

To: Brian Kischnick, City Manager

From: Gary Mayer, Chief of Police *GM*  
 Lieutenant Thomas Gordon *TG*  
 Sergeant George Zielinski *GZ*

Subject: Liquor License Application from Simbad, Inc. regarding Transfer of All Stock Interest

### Background

Simbad, Inc. requests to transfer all stock interest in 2012 Class C and SDM licensed business with Sunday Sales Permit (PM), and Dance-Entertainment Permit wherein Sabah Garmo transfers 1,334 shares of stock to new stockholder, Loretta Garmo, and 666 shares of stock to new stockholder, Muayad Gorgees {MLCC Request #668985}.

Simbad's liquor license is CURRENTLY IN ESCROW, and it cannot be used at this time. The license was escrowed by the Michigan Liquor Control Commission (MLCC) effective May 1, 2013. Prior to that date, the City of Troy passed Resolution #2013-03-064 on March 18, 2013 to object to the renewal of the license. The City passed the resolution due to the problems that were occurring at the business location. After the resolution was sent to the MLCC, they conducted a hearing and placed the license in escrow. In addition, the MLCC ruled that the license shall not be renewed until the City of Troy approves the application for renewal. Therefore, the license cannot be renewed unless the City reverses its objection to the renewal.

On September 9, 2013, attorney Joseph Shallal, applicant Loretta Garmo, Imad Koki, Kristen Davis, and Haitham Izzat Zora were present to answer questions from the Liquor Advisory Committee. Mr. Shallal informed the Committee that his client, Loretta Garmo, is purchasing this restaurant and banquet hall business from Sabah Garmo. He also stated that Ms. Garmo and Mr. Garmo are of no relation. Ms. Garmo has no restaurant experience, but has prior business experience in that she owned a salon for several years. Ms. Garmo plans to hire all new employees, i.e., one to two chefs, three to four servers, and one dishwasher. Mr. Muayad Gorgees (the other stockholder) will act in a public relations capacity.

The Police Department conducted an investigation into this application. Loretta Garmo and Muayad Gorgees were made aware of our concerns regarding the current stockholder Sabah Garmo. Both Ms. Garmo and Mr. Gorgees stated Sabah Garmo would have no interest at all in the business. Attorney Joseph Shallal modified the stock purchase agreement to indicate that if Muayad Gorgees or Loretta Garmo default, then the stock would not return to Sabah Garmo. The Police Department also expressed a concern regarding Ms. Garmo's original plan to hire "Danny" Haitham Izzat Zora as business manager. After a background check was completed on Mr. Zora, the Police Department informed Ms. Garmo through her attorney that we would object to Mr. Zora managing the business. Loretta Garmo then advised us that Mr. Zora would have no management or decision making

privileges of this business and will be employed only as a promoter/marketer. Mr. Imad Koki will be hired as the manager.

The Liquor Advisory Committee members asked questions of Mr. Shallal and Ms. Garmo in order to clarify the relationship of all involved parties, and the Committee unanimously approved the request.

The request complies with all applicable Troy City Ordinances and Michigan Liquor Control Commission Rules.

### Recommendation

Recommend approval of the license renewal application from Simbad, Inc., and recommend approval of the request to transfer all stock interest.

Prepared by: Jeff Oberski

A regular meeting of the Liquor Advisory Committee was held on Monday, September 9, 2013 in the Lower Level Conference Room of Troy City Hall, 500 West Big Beaver Road. Chairman Max K. Ehlert called the meeting to order at 7:00 p.m.

**ROLL CALL:**

**PRESENT:** Max K. Ehlert, Chairman  
Matthew Binkowski  
W. Stan Godlewski  
Patrick C. Hall  
Andrew Kaltsounis  
Timothy P. Payne  
Bohdan L. Ukrainec

**ALSO PRESENT:** Susan Lancaster, Assistant City Attorney  
Jeffrey Oberski, Police Department Analyst/Planner  
Mitch Huber, Student Representative  
Pat Gladysz

**Resolution to Approve Minutes of September 10, 2012 Meeting**

Resolution #LC2013-09-001  
Moved by Ukrainec  
Seconded by Godlewski

RESOLVED, That the Minutes of the September 10, 2012 meeting of the Liquor Advisory Committee be **APPROVED**.

Yes: 7  
No: 0  
Absent: 0

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**Agenda Items**

1. **Simbad, Inc.** requests to Transfer All Stock Interest in 2012 Class C and SDM licensed business with Sunday Sales Permit (PM), and Dance-Entertainment Permit, located at 336 John R., Troy, MI, 48083, Oakland County, wherein stockholder Sabah Garmo transfers 1,334 shares of stock to new stockholder, Loretta Garmo, and 666 shares of stock to new stockholder, Muayad Gorgees {MLCC Request #668985}.

Present to answer questions from the Committee were attorney Joseph Shallal, Loretta Garmo, Imad Koki, Kristen Davis, and Haitham Izzat Zora.

Mr. Shallal informed the Committee that his client, Loretta Garmo, is purchasing this restaurant and banquet hall business from Sabah Garmo. He also stated that Ms. Garmo and Mr. Garmo are of no relation. Ms. Garmo has no restaurant experience, but has prior business experience in that she owned a salon for several years.

Ms. Garmo plans to hire all new employees, i.e., one to two chefs, three to four servers, and one dishwasher. Mr. Muayad Gorgees (the other stockholder) will act in a public relations capacity. Ms. Garmo's original plan was to hire Mr. Izzat Zora as business manager.

Mr. Oberski informed the Committee that his investigation revealed background information which would cause the Police Department to object to Mr. Zora acting as manager of this new business. This potential objection was communicated to Ms. Garmo. In light of this, Ms. Garmo advised the Police Department that Mr. Zora would have no management or decision making privileges of this business and will be employed only as a promoter/marketer. Mr. Imad Koki will be hired as the manager.

The Committee members asked questions of Mr. Shallal and Ms. Garmo in order to clarify the relationship of all involved parties.

Resolution #LC2013-09-002

Moved by Hall

Seconded by Payne

RESOLVED, That the Liquor Advisory Committee recommends that the request of Simbad, Inc. to transfer all stock interest in 2012 Class C and SDM licensed business with Sunday Sales Permit (PM), and Dance-Entertainment Permit, located at 336 John R., Troy, MI, 48083, Oakland County, wherein stockholder Sabah Garmo transfers 1,334 shares of stock to new stockholder, Loretta Garmo, and 666 shares of stock to new stockholder, Muayad Gorgees, be **APPROVED**.

Yes: 7  
No: 0  
Absent: 0

The meeting adjourned at 7:55 p.m.

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Max K. Ehlert, Chairman

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Patricia A. Gladysz, Secretary II

**AGREEMENT REGARDING LIQUOR LICENSE REQUEST**

Re: Applicant: COLETTA LORETTA GARMO / MARYAD GOLGEEES Date: JUNE 6, 2013  
Address: 2556 LORENZO DR. Type of License/s: CLASS C  
City/State/Zip: ST. HTS MI 48314 MLCC Request ID: 668985

This Agreement, made by and between the CITY OF TROY, MICHIGAN, a municipal corporation, with offices located at 500 W. Big Beaver Road, Troy, Michigan, 48084, hereinafter known as THE CITY, and the Applicant as indicated above, hereinafter known as APPLICANT.

- The City Council of the City of Troy, for and in consideration of the following covenants and conditions, agrees to recommend to the Michigan Liquor Control Commission Approval of the requested Liquor License to be located as indicated above in Troy Michigan.
- In consideration of the City of Troy's recommendation for approval of the request, the applicant hereby agrees that:
  - It has read and is aware of the provisions of City of Troy Ordinances, Chapter No. 67, Chapter No. 68, Chapter No. 98 and Chapter No. 101, and agrees that it shall be deemed to have knowledge of any subsequent amendments to said Chapters which may become effective during the term of this agreement.
  - It agrees to observe and comply with all laws, statutes, ordinances, rules, regulations or resolutions of the United States government, State of Michigan, and the City of Troy, or any department or agency of the governmental entities, as well as the rules and regulations of the Michigan Liquor Control Commission as they pertain to the operation of a liquor licensed business in the City of Troy.
  - It agrees to immediately require all employees who serve/sell alcohol to attend a recognized alcohol awareness program, and forward the names of each certified employee to the Troy Police Department. The alcohol awareness program must either be recognized by the Troy Police Department (i.e. TIPS, TAMS), or the program must be reviewed by the Troy Police Department to insure that the program is comparable to the recognized programs.
- Applicant agrees that the recommendation for Approval agreed upon by the City Council is not a property right and is approved upon the express and continuing condition that no violation as set forth in paragraph 2 of this agreement shall occur.
- Applicant agrees that the recommendation for Approval agreed upon by the City Council is approved upon the express and continuing condition that the physical characteristics (including but not limited to the inside layout, building design and engineering, seating capacity, parking space allocations, fire exits, and other physical attributes); and also the nature and type of business intended to be conducted remain virtually the same.
- Applicant agrees that upon such violation, after full investigation and an opportunity for said applicant to be heard, upon a finding by the City Council that a violation as set forth in paragraph 2 of this agreement has occurred, the City Council shall have just cause for revocation of said recommendation for approval.

**LICENSEE AUTHORIZED REPRESENTATIVE**

Witnesses: Robert E. Berg Jr. By: Loretta Garmo

Subscribed and sworn to before me this 6th day of June 2013  
Notary Public, Macomb County, MI  
Acting in the County of Macomb  
My commission expires: 4/15/2017

JAGQUELINE A. KOOK  
NOTARY PUBLIC, STATE OF MI  
COUNTY OF MACOMB  
MY COMMISSION EXPIRES Apr 15, 2017  
ACTING IN COUNTY OF Macomb

**CITY OF TROY**

Witnesses: \_\_\_\_\_ By: Dane Slater, Mayor  
\_\_\_\_\_ By: M. Aileen Bittner, City Clerk

Subscribed and sworn to before me this \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_\_\_  
Notary Public, \_\_\_\_\_ County, MI  
Acting in the County of Oakland  
My commission expires: \_\_\_\_\_



The Commission noticed a Show Cause Hearing under administrative rule R 436.1925(1) as to whether the license should be renewed based on the objection received by the local legislative body under MCL 436.1501(2). Assistant City Attorney Julie DeBrink represented the City of Troy at the April 19, 2013 hearing held at the Commission's Lansing office. Although notice of the hearing was sent to the licensed business address on April 8, 2013 via certified and regular mail, there was no representation on behalf of the licensee at the hearing.

Based on the evidence submitted, testimony, and the local governmental unit proceedings, the Commission finds that the City of Troy has filed with the Commission an objection to the application for the 2013-2014 renewal year. The Commission finds that the population of Troy is less than 600,000. The Commission finds that MCL 436.1501(2) requires the approval of the local legislative body for renewal of the license since an objection to renewal was filed at least 30 days before April 30, 2013. The Commission finds that without approval of the local legislative body, the license for 2013 shall not be renewed until the local legislative body approves the application for renewal.

Under Article IV, Section 40, of the Constitution of Michigan (1963), the Commission shall exercise complete control of the alcoholic beverage traffic within this state, including the retail sales thereof, subject to statutory limitations. Further, the Commission shall have the sole right, power, and duty to control the alcoholic beverage traffic and traffic in other alcoholic liquor within this state, including the manufacture, importation, possession, transportation and sale thereof under MCL 436.1201(2).

THEREFORE, IT IS ORDERED that:

A. The Class C and SDM licenses and permits shall be placed in escrow for the 2013-2014 licensing year effective April 30, 2013 at 11:59 p.m. EST, subject to the escrow requirements of administrative rule R 436.1107, including the payment of all fees by April 30<sup>th</sup> of each year.

B. The Class C and SDM licenses and permits shall remain in escrow for the 2013-2014 licensing year, subject to the escrow requirements of administrative rule R

Business ID No. 221640  
Request ID No. 679286  
Page 3

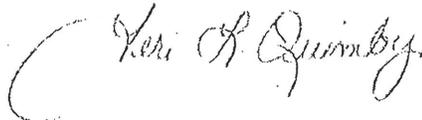
436.1107, until approval is received from the City of Troy and filed with the Commission, or until a transfer is approved by the MLCC within the escrow time period authorized.

MICHIGAN LIQUOR CONTROL COMMISSION



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Andrew J. Deloney, Chairman



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Teri L. Quimby, Commissioner



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Dennis Olshove, Commissioner



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Prepared by:  
Terri Chase, Commission Aide

Date Mailed: APR 30 2013