

LICENSE APPEAL COMMISSION  
CITY OF CHICAGO

Westside Discount, Inc. )  
Aladdin Shaban, President )  
Applicant (Packaged Goods) )  
For the premises located at ) Case No. 11 LA 28  
3821-23 West Roosevelt Road )  
)  
v. )  
)  
Department of Business Affairs and Consumer Protection )  
Local Liquor Control Commission )  
Gregory Steadman, Commissioner )

ORDER

OPINION OF CHAIRMAN FLEMING JOINED BY COMMISSIONER O'CONNELL

Westside Discount, Inc. applied for a Packaged Goods liquor license for the premises located at 3821 West Roosevelt Road. Gregory Steadman, in his position as Local Liquor Control Commissioner for the City of Chicago, denied this application on June 16, 2011. The denial letter listed two separate bases for the denial based on law enforcement grounds. The first was the response from the Chicago Police Department reflecting the issuance of this packaged goods license at this location would tend to create a law enforcement problem. The second basis for a law enforcement problem arises from the fact that the present licensee had a history of two sales to a minor in 2010. A third sale to minor within three years would subject the licensee to revocation. Based on the brother relationship between the current licensee and the applicant, the Local Liquor Control Commission feels this application is filed to escape the current disciplinary history of the present licensee Roosevelt Discount, Inc.

Section 4-60-040 (h) of the City of Chicago Municipal Code specifically allows for the denial of a liquor license if the issuance of the license would tend to create a law enforcement problem.

The applicant filed a timely Notice of Appeal with this Commission. The matter proceeded to hearing on September 20 and November 9 of 2011. Attorney Francis Ostian represented the applicant and Assistant Corporation Counsel Rachel Berger and Jamie Zehr represented the City of Chicago.

Since this is a case arising out of the denial of an application for a liquor license, the issue before this Commission is to determine de novo the propriety of the decision to deny the packaged goods license.

A synopsis of the testimony will aid in understanding the analysis of this case.

Bryan Knipper is a supervisor with the Department of Business Affairs and Consumer Protection who works in the hospitality section dealing with liquor applications. He is familiar with the application for a packaged goods license filed by Westside Discount, Inc., for the premises located at 3821-23 W. Roosevelt Road. Aladdin Shaban was listed as the president of that corporation and his address was listed as 8241 S. Merrimac in Burbank, Illinois 60459. His employment history form states he was employed by Roosevelt Discount, Inc., at 3821-23 W. Roosevelt Road from June of 2010 through the date of the application which was January 31, 2011. The “doing

business as” for Roosevelt Discount, Inc., and for Westside Discount, Inc., is Solid Gold. The president of Roosevelt Discount, Inc. is Ibrahim Shaban with an address of 8241 S. Merrimac, Burbank, Illinois. The lessor on the lease for Westside Discount is Ibrahim Shaban at the 8241 S. Merrimac, Burbank, Illinois address.

This application was denied by the Local Liquor Control Commission for two law enforcement concerns. There was concern from the commander who objected based on the calls for service at this location. There was also a concern that there were sale to minor violations attributed to this address, including two that occurred under the current owner. There were three violations attributed to the owner prior to Roosevelt Discount, Inc. At the time of the review of this case the witness did not know the Shabans were related but is now aware they are brothers.

The Local Liquor Control Commission considered the violations attributable to Roosevelt Discount as a major factor in the denial of this application. It was noted Aladdin Shaban was working at the establishment for one of the sales to minor and there was a question whether creating a new entity was a way to get away from the history of sales to a minor, as there was a potential for revocation. A revocation would bar the owners of the legal entity from holding a liquor license and the location would be revoked for one year.

Mr. Knipper reviewed the individual history form for Aladdin Shaban which indicates an address of 5A Millstone, Palos Hills, Illinois, 60465. That is also the address

listed on the Financial Disclosure Form. The address of Mr. Shaban's driver's license was the Palos Hills address and that address was on a form prepared by the case manager that was sent to the police commander. The witness did not actually speak with Greg Steadman, the Local Liquor Control Commissioner, or Assistant Commissioner Althea Cotton about the adjudication history or about this application.

Neither Aladdin Shaban nor Ibrahim Shaban were owners of Solid Gold Food and Liquor, Inc. There is no indication that Aladdin Shaban has any interest in Roosevelt Discount, Inc., and Aladdin Shaban is listed as the one hundred percent owner of Westside Discount, Inc. Aladdin Shaban provided the City with an alcohol training certificate. Ms. Parker did make a recommendation of approval based on the information present on the application. The witness does not know if Ms. Parker took into account certain points about the relationship.

It was noted that Ibrahim Shaban has a financial interest in this business as he is listed as the landlord of the property.

The testimony of Police Commander Berscott Ruiz will be summarized at this point in the report but evidence was taken out of order at the hearing.

Berscott Ruiz has been a Chicago Police Officer for twenty-four and a half years and has been the District Commander for the 10<sup>th</sup> District for two and a half years. He is in charge of the day to day operations of the district. He is familiar with the location of

3821-23 West Roosevelt. He opposed to the issuance of a new packaged goods liquor license at this location. This is a very busy location with a number of issues. It is very congested with people loitering. There is the selling of narcotics and loose cigarettes, and a lot of traffic in that area. A search of the department's records showed that for the beginning of 2011 through the date of his testimony, which was November 9, 2011, there were 275 calls for service at that location. Calls by Solid Gold were 157 with 31 disturbance calls and 74 narcotics-related calls. For the year 2010, at that location, there were 349 calls for service. Solid Gold made 188 calls and there were 33 disturbance calls and 84 narcotics-related calls. There was also an ATF investigation in the sale of loose cigarettes but the sale of loose cigarettes continues.

The Commander explained that the sale of alcohol contributes to issues he is facing at this location by bringing people into the area and adding to the congestion of the area. His experience with the liquor establishments that have closed is the calls for service has gone down dramatically and restored peace to the area. This is not an opinion directed against Solid Gold which he is sure is running a good operation.

The Commander is also concerned that the issuance of a new license with a clean slate would be a law enforcement problem for the district.

The Commander did not know that no tickets for a sale to a minor have been issued since November 6, 2010. He also stated the Municipal Code requires an owner to call the police for service if there is suspected criminal activity at that location.

Aladdin Shaban is the one hundred percent owner of Westside Discount, Inc. He bought the liquor store located at 3821-23 West Roosevelt Road, Chicago, Illinois from his brother Ibrahim Shaban. Applicant's Exhibit 1, in evidence, is the contract for the purchase of this business. It is dated February 14, 2011, and set a purchase price of \$100,000.00. There was a down payment made of \$25,000.00, and he has paid an additional \$10,000.00. His vision for the future is to work hard to make the store better. He is a family man with four kids under the age of five. This store is his only source of income. He is aware of the sale to minor in November of 2010, because he was present. He takes responsibility. Since that date they ask anyone looking under 35 for ID's and check hard. Since that policy was implemented there have been no other sales to minor. Applicant's Exhibit 2, in evidence, is a lease he signed with his brother for \$3,000.00 a month. Subsequent to that lease his brother and his brother's wife transferred the building to him by a quitclaim deed recorded on September 15, 2011. He took over the mortgage payments for the building. At the time of the application, he lived at 5A Millstone Court, Palos Hills, Illinois. He listed that address on the financial disclosure. Applicant's Group Exhibit 5, in evidence, are documents he received in the mail at the Palos Hills address. Applicant's Exhibit 6, is the closing statement from Chicago Title and Trust with respect to the Palos Hills property. He has moved from Palos Hills and now lives at 9812 West Sayre in Chicago Ridge, Illinois.

The witness reviewed his application and admitted the address listed for him as president and secretary was 8241 S. Merrimac. The phone number is his house phone. His brother is listed as the building owner at the same Merrimac address. He paid his

brother the \$25,000.00, about three weeks before the hearing on September 20, 2011. This was after he knew the license was denied. He has to pay his brother \$5,000.00 a month, every month, and he started those payments three months ago. His brother never worked at the store and has another business that sells liquor on the west side. His brother gave him the building and it was recorded on September 15, 2011. The witness initially stated the price for the building was \$100,000.00, but then stated he would pay rent for the building at \$3,000.00 a month.

Aladdin Shaban was aware that the Commission denied this license in part because of the two sales to minors in 2010. He and his brother know that a liquor license is taken away if there are three sales to a minor within two years. He has been working at the store since June of 2010, and his brother stopped working at the store three weeks ago. He identified Mr. Miller as a former police officer hired to help with security to protect the business. Miller works morning and evenings everyday. The witness does not want the sale to minor that happened in November of 2010 to be counted towards his new corporation even though he accepted responsibility for that sale to minor.

Aladdin Shaban then stated he paid \$25,000.00 down payment to his brother when he signed the contract. He has paid \$3,000.00 for mortgage payments to Harris Bank and pays his brother \$5,000.00. He has a record of that \$3,000.00 payment but did not bring it to the hearing. He paid the \$5,000.00 by cashier's check. In response to questions from Commissioner O'Connell, the witness testified he paid \$25,000.00 in February and \$25,000.00 in September.

Horace Miller is retired from the Chicago Police Department after 24 years of service and is also retired from his position as an assistant dean of students for the Chicago Public Schools. He was hired three weeks prior by Aladdin Shaban to act as liaison with the police district and to remedy some of the social problems in the area. He has already spoken with some of the beat officers and hopes to talk to the neighborhood relations sergeant and the district commander. He hopes to establish who is responsible for the problem because many arise from numerous people congregating and loitering. There are people selling cigarettes in the lot next to Solid Gold. Dispersing the people loitering will help business.

Over the last three weeks he has observed cigarette sales but cannot confirm if there have been any narcotic sales. He has seen drinking on the public way, loitering, and continuous disturbances and skirmishes. He has called the police about these incidents. He worked his entire career in the 10<sup>th</sup> District. He will be paid a salary, but has not reached an agreement on the terms of his employment.

Ibrahim Shaban is the owner of Roosevelt Discount, Inc. at 3821-23 West Roosevelt. He sold this business to his brother's corporation Westside Discount, Inc. His other sources of income include being an officer of S & A Food and Liquor at 2551 East 75<sup>th</sup> Street in Chicago, and his ownership of real estate which he intends to develop. He plans to sell S & A Food and Liquor and has no intention to stay in the liquor business.



He disagrees that the sale of his business to his brother is a fake transaction. His brother and another guy were interested and his brother had priority. His bookkeeper told him the best way to do the deal was for his brother to start over. Since it is his brother's deal, it was better to have a different corporation and a clean license. He gave his brother the building because he did not want to be dealing with insurance or mortgage. All his brother needs to do is pay the mortgage which is around \$2,000.00. His brother will pay him and the monies will be taken from his account. His brother paid him \$35,000.00 for partial payment of the business not too long ago. He is aware the police are objecting because of the number of calls from the address but he has been encouraged by the same commander to call over and over if you see illegal activity.

The question of what must be proved by the City in cases denying liquor licenses was discussed by the Illinois Appellate Court in the Vino Fino case. Under the facts presented in that case, the Appellate Court defined the term denial based on law enforcement as denial to one who would violate the liquor laws or the law in general. This Commissioner has consistently taken the position that definition is applicable to the fact pattern set out in Vino Fino, but that Vino Fino does not prevent the denial of a liquor license if its issuance would tend to cause a law enforcement problem from sources other than the applicant. That is the scenario presented in this case with respect to the denial on law enforcement grounds from the district commander.

The description of the area around 3821-23 W. Roosevelt was consistent in the testimony of the applicant, the district commander, and the applicant's security advisor.

All testified to the fact that this area is menaced by narcotics, loitering, public drinking, and by the sale of loose cigarettes. While there is no connection between the owner of the present license, or the applicant for this new license to these criminal acts it is clear that the area around these premises is plagued with criminal activity caused by the people that loiter and congregate by the liquor store. The Commander with twenty four and a half years experience as a Chicago Police Officer explained his opinion that issuing a new packaged goods license, at this location, would tend to create a law enforcement problem in that it will continue to bring in people to the area which adds to the congestion and the problems. His experience with other taverns that have closed or been revoked is that calls for service have gone down dramatically and some peace restored to the area.

It is obvious that denying this applicant will not remedy the problems that currently exist but that is not the focus of this analysis. The City has proven that the issuance of this packaged goods liquor license at this location would tend to create a law enforcement problem due to the problems currently existing in the area of the existing liquor store.

The City also alleged that this new application is filed to escape the disciplinary history of Roosevelt Discount, Inc. This is a comparable set of facts that existed in the Vino Fino case. While this Commissioner does not believe there can never be a legitimate sale of a corporation with a liquor license which has a history of discipline to a family member, the evidence presented at this hearing is sufficient for the city to have

proved that the issuance of this license would allow Ibrahim Shaban to avoid a potential revocation under Municipal Code Section 4-60-181 (d), and to maintain a direct and beneficial interest in a packaged goods liquor store at this location.

The bases for this finding include the fact that:

- a. Roosevelt Discount, Inc. has been liable for two sales to minor which occurred on March 27, 2010, and November 6, 2010.
- b. The conflicting testimony from Aladdin Shaban as to when he made the \$25,000.00 payment and subsequent two \$5,000.00 payments to his brother Ibrahim.
- c. The questionable transfer of title to the property at 3821-23 West Roosevelt by quit claim deed dated September 14, 2011, and recorded on September 15, 2011. There is nothing in evidence that shows the terms of the “sale” and there is nothing from the mortgage agreeing to an assignment of the mortgage. It actually appears the mortgage on the property signed by Ibrahim and Michelle Shaban, or whoever it might have been, is in effect and will be paid for by the Ibrahim Shaban from monies paid to him from Aladdin from the operation of the liquor business at this address. That seems to show a continuing financial interest in the new license by Ibrahim.

Since Ibrahim Shaban would maintain an interest in this new license and since his history includes two sales to minors, he is the type of person who would not obey liquor laws. The denial of this license on this law enforcement basis is also affirmed.

The decision to deny the packaged goods liquor license application filed by Roosevelt Discount, Inc., for the premises located at 3821-23 W. Roosevelt Road is affirmed.

THEREFORE, IT IS HEREBY ORDERED That the said order or action of the Local  
Liquor Control Commissioner of the City of Chicago be and the same hereby is AFFIRMED.

Pursuant to Section 154 of the Illinois Liquor Control Act, a petition for rehearing may be filed with this Commission within TWENTY (20) days after service of this order. The date of the mailing of this order is deemed to be the date of service. If any party wishes to pursue an administrative review action in the Circuit Court, the petition for rehearing must be filed with this Commission within TWENTY (20) days after service of this order as such petition is a jurisdictional prerequisite to the administrative review.

Dated: January 27, 2012

Dennis M. Fleming  
Chairman

Donald O'Connell  
Member