



STATE OF MICHIGAN
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS
LIQUOR CONTROL COMMISSION

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In the matter of the request of)
)
KWALITY FOODS LLC) Request ID No. 772720
25750 Novi, Suite 101)
Novi, Michigan 48375)
)
Oakland County)
_____)

At the June 25, 2015 hearing of the Michigan Liquor Control Commission
(Commission) in Southfield, Michigan.

PRESENT: Andrew J. Deloney, Chairman
Dennis Olshove, Commissioner

LICENSING APPEAL ORDER

On December 1, 2014, Kwaliti Foods LLC (applicant) filed a request to transfer ownership of a 2014 Class C license with Sunday Sales Permit (P.M.), Dance-Entertainment Permit and Specific Purpose Permit (Food) from Ruchi LLC at the above-noted address.

At a meeting held on March 25, 2015, the Commission denied this request under administrative rule R 436.1105(2)(a) after considering the prior operating record and management experience of applicant member, Srilaxmi Seri, as a prior licensee of the Commission having been cited and found responsible for numerous violations of the Michigan Liquor Control Code and Administrative Rules.

The Commission also denied this request under administrative rule R 436.1105(2)(j) after considering the effects that issuance of a license would have on the health, welfare, and safety of the general public when determining whether an applicant should be issued a

license or permit.

Daniel Schouman, legal counsel on behalf of the applicant, submitted a timely request for an appeal in this matter and represented the applicant at the June 25, 2015 hearing, held at the Commission's Southfield office.

After hearing arguments, reviewing the MLCC file and updated documents presented, and discussion of the issue on the record, the Commission finds that the violation history that was a concern to the Commission was not due to the actions of the applicant because a Receiver, appointed on December 18, 2009 through an Ingham County Court Order (Case No. 09-001695-CZ), was operating the business.

Article IV, Section 40, of the Michigan Constitution (1963), permits the legislature to establish a Liquor Control Commission, which shall exercise complete control of the alcoholic beverage traffic within this state, including the retail sales thereof, subject to statutory limitations. MCL 436.1201(2) provides the Commission with 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.

The applicant is authorized to do business in Michigan, as required under MCL 436.1535 for licensure. Under MCL 436.1537(1)(b), the licensee may sell beer, wine, mixed spirit drink and spirits for consumption on the premises only.

The Commission finds sufficient reasons to reverse its denial issued in this matter and to approve the applicant's request for the reasons stated on the record.

THEREFORE, IT IS ORDERED that:

A. The denial order of March 25, 2015 issued in this matter is reversed and the applicant's request to transfer ownership of the Class C license from Ruchi LLC at the above-noted address is APPROVED, subject to the following:

1. The licensee shall submit to the Commission documentary proof that Kwality Foods LLC has received a loan in the amount of \$40,000 from

Competitive Computer Information Technologies Inc.

2. The licensee shall submit to the Commission an acceptable and executed Lease Agreement.
3. The licensee shall submit to the Commission form LCC-3010 "Report of Stockholders/Members/Partners".
4. The licensee shall submit to the Commission Form LC-3012 "Closing Form for License Sale".
5. The licensee shall submit proof of financial responsibility providing security for liability as required under MCL 436.1803. Failure to maintain proof of financial responsibility providing security for liability will result in the immediate suspension of the subject license and permits until the licensee provides the Commission with proof of financial responsibility as required under MCL 436.1803.
6. The licensee shall provide documentary proof to the Commission to demonstrate that, at a minimum, supervisory personnel on each shift and during all hours in which alcoholic liquor is served have successfully completed a server training program approved by the Commission as required under MCL 436.1501(1), within 180 days from the issuance of the license and permits, as provided in administrative rule R 436.1060.
 - a. The licensee shall maintain active certification of completion for server training on the licensed premises at all times as provided in administrative rule R 436.1060.
 - b. Failure to provide this documentary proof to the Commission within 180 days of the issuance of the licenses shall result in the licensee being charged with failure to comply with this order, under administrative rule R 436.1029, which may result

in fines, suspension and/or revocation of the license and permits.

B. The applicant's request to transfer the existing Sunday Sales Permit (P.M.) is APPROVED, subject to the following:

1. A reference to the time of day includes daylight savings time, when observed.
2. This permit is subject to revocation by operation of law or otherwise if the Commission receives notice from a county, city, village, or township that it prohibits the sale of spirits, mixed spirit drink, or beer and wine during the time authorized by this permit.

C. The applicant's request to transfer the existing Dance-Entertainment Permit is APPROVED, subject to the following:

1. The licensee must have a well-defined and clearly marked dance floor that is 100 square feet or larger under administrative rule R 436.1415.
2. The licensee is prohibited from having tables, chairs, or other obstacles on the dance floor while customers are dancing.

D. The applicant's request to transfer the existing Specific Purpose Permit (Food) is APPROVED, subject to the following:

1. Under administrative rule R 436.1437(2), the licensee shall not allow customers on the licensed premises during the time period provided by the Specific Purpose Permit unless the activity, and only that activity, allowed by the Specific Purpose Permit, is occurring.

E. Under administrative rule R 436.1003, the licensee shall comply with all state and local building, plumbing, zoning, sanitation, and health laws, rules, and ordinances as determined by the state and local law enforcements officials who have jurisdiction over the licensee. Approval of the license and permits by the Michigan Liquor Control Commission does not waive any of these requirements. The licensee shall obtain all other required state and local licenses, permits, and approvals before selling or serving alcoholic liquor.

F. Failure to comply with all requirements of licensure in the State of Michigan will result in the licensee being charged with a violation of the Michigan Liquor Control Code, Administrative Rules, and Commission order, which may result in fines, suspension, and/or revocation of the license and permits.

MICHIGAN LIQUOR CONTROL COMMISSION



Andrew J. Deloney, Chairman



Dennis Olshove, Commissioner

Date Mailed:

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