



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

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In the matter of the request of	)	
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<b>PLATINUM PETROLEUM, INC.</b>	)	Request ID No. 799812
36900 Harper	)	
Clinton Township, Michigan 48035	)	
	)	
Clinton Township	)	Macomb County

At the October 8, 2015 hearing of the Michigan Liquor Control Commission (Commission) in Southfield, Michigan.

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

**LICENSING APPEAL ORDER**

On April 16, 2015, Platinum Petroleum, Inc. (applicant) filed a request to transfer ownership of escrowed 2015 Specially Designated Distributor (SDD) and Specially Designated Merchant (SDM) licenses with Sunday Sales Permit (P.M.) from Lafayette Group, L.L.C. The applicant also requested to transfer location (governmental unit) under MCL 436.1531(18) from 43015 Hayes, Sterling Heights, Macomb County, to the above-noted address; requested permission to maintain motor vehicle fuel pumps on or adjacent to the licensed premises under MCL 436.1541(1); and requested a new Sunday Sales Permit (A.M.).

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.

At a meeting held on September 9, 2015, the Commission denied this request under administrative rule R 436.1105(2)(g)(ii) after considering the prior arrest and conviction record of applicant stockholder, Louy M. Pattah, which includes a 2013 conviction of operating while impaired by liquor.

The request was also denied 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.

The Commission also considered the prior licensing record of applicant stockholder, Alvin M. Pattah, who previously held an SDM license at another location that was subsequently terminated pursuant to MCL 436.1501(2) and administrative rule R 436.1107, for failure to renew the license by April 30, 2015. Commission records also reflect that at the time the license was terminated, a pending sale to minor violation existed and was not adjudicated and subsequently closed due to termination of the license.

Joseph Shallal, legal counsel on behalf of the applicant, submitted a timely request for an appeal in this matter and represented the applicant at the October 8, 2015 hearing, held at the Commission's Southfield office.

After hearing arguments, reviewing the MLCC file and exhibit submitted, and discussion of the issue on the record, the Commission finds that the applicant adequately demonstrated mitigating circumstances relative to the conviction history of Louy Pattah. The Commission further finds that the Affidavit of Kristen E. Davis dated March 3, 2015 submitted at the hearing sufficiently answers the questions regarding this application.

The Commission finds that the investigation revealed the proposed licensed location appears to qualify for SDD and SDM licensure with permission to maintain motor vehicle fuel pumps on or adjacent to the licensed premises under MCL 436.1541(1), providing the applicant installs and maintains a minimum inventory on the premises, excluding alcoholic liquor and motor vehicle fuel, of not less than \$250,000.00, at cost, of those goods and services customarily marketed by approved types of businesses.

Administrative rule R 436.1133 provides that an application for the transfer location of an existing SDD license shall not be approved by the Commission if there is an existing SDD license located within 2,640 feet of the proposed site, unless a waiver of this rule is granted by the Commission under subsections (a) – (e) of this rule.

The Commission finds that there are two (2) existing SDD licenses located within 2,640 feet of the applicant's proposed location: Baba M, Inc. and Harper 16, Inc. Both SDD licenses are separated from the applicant's proposed location by Metro Parkway (16 Mile Road), which is identified as being a qualifying major thoroughfare of not less than 4 lanes of through traffic. Thus, the Commission finds that the applicant qualifies for a waiver of administrative rule R 436.1133, because a major thoroughfare of not less than 4 lanes separates the applicant from both existing SDD licenses located within 2,640 feet.

After reviewing the file and discussion of the issues at the meeting, the Commission finds that the applicant qualifies for a waiver under MCL 436.1133 as permitted under (c) in regards to both existing SDD licensed outlets.

The applicant is authorized to do business in Michigan, as required under MCL 436.1535 for licensure. Under MCL 436.1537(1)(f) and (g) the licensee may sell spirits, mixed spirit drink, beer and wine for consumption off 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 September 9, 2015 issued in this matter is reversed and the applicant's request to transfer ownership of the escrowed 2015 Specially Designated Distributor and Specially Designated Merchant licenses from Lafayette Group, L.L.C. is APPROVED, subject to the following:

1. The licensee shall submit to a Final Inspection to be conducted by the Commission's Enforcement Division to determine if remodeling has been completed as proposed; to determine that the licensee has purchased and installed an approved type inventory of at least

\$250,000.00, at cost, as required under MCL 436.1541(1)(a)(ii), on the licensed premises, including an itemized breakdown of the installed inventory; to determine that the nearest motor vehicle fuel pump is not less than 50 feet from the points of sale and selection of alcoholic beverages and to determine that the licensed premises meets all requirements of the Michigan Liquor Control Code and Administrative Rules.

2. 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 licenses and permits until the licensee provides the Commission with proof of financial responsibility as required under MCL 436.1803.
3. The licensee shall submit to the Commission a Warranty Deed or Quit Claim Deed.
4. The licensee shall submit to the Commission an executed and acceptable Lease Agreement.
5. The licensee shall submit to the Commission documentary proof that Platinum Petroleum, Inc. received a loan in the amount of \$175,000.00 from Louy Pattah.
6. The licensee shall submit to the Commission documentary proof that Platinum Petroleum, Inc. received a loan in the amount of \$125,000.00 from BMK Realty LLC.
7. The licensee shall submit to the Commission documentary proof that Parkway Equities, LLC received a loan in the amount of \$370,000.00 from BMK Realty LLC.
8. The licensee shall submit to the Commission form LCC-3010 "Report of Stockholders/Members/Partners" for Platinum Petroleum, Inc.
9. The licensee shall submit to the Commission form LCC-3012 "Closing

Form for License Sale”.

B. The applicant’s request to transfer location (governmental unit) under MCL 436.1531(18) from 43015 Hayes, Sterling Heights, MI 48313, Macomb County to 36900 Harper, Clinton Township, Clinton Township, Macomb County, is APPROVED.

C. The applicant’s request to transfer the existing permit to sell alcoholic liquor after Noon on Sundays 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.

D. The applicant’s request for permission to maintain motor vehicle fuel pumps on or adjacent to the licensed premises under MCL 436.1541(1) is APPROVED, subject to compliance with the requirements contained therein. The licensee shall maintain on the licensed premises at all times, a minimum inventory of at least \$250,000.00, at cost, of goods and services customarily marketed by approved types of businesses, excluding alcoholic liquor, motor vehicle fuel, inventory on a consignment, or inventory owned by others, as required for licensure under MCL 436.1541(1)(a)(ii).

E. The applicant’s request for a new permit to sell alcoholic liquor between 7 A.M. and Noon on Sundays is APPROVED, pursuant to Public Act 213 of 2010, MCL 436.2111-2115. This permit is subject to revocation by operation of law or otherwise if the Commission receives notice from a county, city, village, township, or the local governmental unit, that it prohibits or otherwise objects to the sale of spirits, mixed spirit drink or beer and wine between the hours of 7 A.M. and Noon on Sundays. If notice and supporting documentation is received by the Commission a Show Cause Hearing will be scheduled before the Commission under administrative rule R 436.1925(1) to determine if the permit must be revoked.

F. 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 licenses by the Michigan Liquor Control Commission does not waive any of these requirements. The licensee must obtain all other required state and local licenses, permits, and approvals before serving or selling alcoholic liquor.

G. 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 licenses and permits.

MICHIGAN LIQUOR CONTROL COMMISSION



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Andrew J. Deloney, Chairman



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Dennis Olshove, Commissioner

Date Mailed:

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