

STATE OF ILLINOIS
LIQUOR CONTROL COMMISSION

In the Matter of the Appeal of:

CH House Corp.
d/b/a Coach House Bar & Grill
1626 East Algonquin Road
Schaumburg, IL 60173

Appellant

v.

Cook County Local Liquor Control Commission

Appellee

Case No.: 22 APP 01

State License Number: 1A-1129443

Order

THIS MATTER having come to be heard before the Liquor Control Commission of the State of Illinois (hereinafter “State Commission”) upon the appeal of CH House Corp, Appellant, (hereinafter “Coach House”) the Commission being otherwise fully informed, and a majority of its members do hereby state the following:

Procedural History

Coach House is the holder of a Cook County Retail Liquor License, a Special Late License, and an Additional Late Liquor License. The Cook County Liquor Control Commission (hereinafter “Cook County Commission” or “County”) provided a “Notice of Violation of the Liquor Control Act and In-Person Administrative Hearing” (hereinafter “Notice of Violation”) on or about June 8, 2021, for an initial hearing to be held on June 24, 2021. The Notice of Violation sought revocation of all Coach House liquor licenses including the Retail Liquor License, Special Late License, and Additional Late Liquor License. On June 30, 2021, because of pending proceedings, the Cook County Commission notified Coach House that the County refused to renew the Special

Late License and Additional Late Liquor License (not the Retailer Liquor License). On July 1, 2021, Coach House filed a “Protest and Petition for Hearing” to the County’s refusal to renew the Special Late License and Additional Late Liquor License. After the July 1, 2021, Protest but prior to a December 15, 2021, administrative law judge written recommendation, the County consolidated the revocation and refusal to renew cases and held evidentiary hearings on charges contained in the June 8, 2021, Notice of Violation. On December 15, 2021, in “Findings of Fact and Conclusions of Law,” an administrative law judge found Coach House liable for a three-count violation and recommended the revocation and non-renewal of the Special Late License and Additional Late Liquor License and a \$5,000 fine. The administrative law judge further recommended that the Retail Liquor License not be revoked. In a January 7, 2022, letter to Coach House from Cook County Liquor Commissioner Toni Preckwinkle and Deputy Liquor Commissioner Zahra Ali, the Cook County Liquor Commission adopted the factual findings, legal conclusions, and penalty recommendations of the administrative law judge. On January 26, 2022, Coach House filed a “Notice of Appeal of Revocation of Special Late License And Additional Late License and Imposition of a Fine” with the State Commission. On January 27, 2022, Coach House filed a “Notice of Appeal of Denial of Special Late License and Additional Late License with the State Commission.”¹ After multiple status calls, and pre-hearing review of a *motion in limine* filed by Coach House, the State Commission, presided over by Chair Cynthia Berg and Commissioner Julieta LaMalfa, held a *de novo* evidentiary hearing on the matter on August 29, 30, 31, 2022². On November 16, 2022, the State Commission as a whole deliberated on the entire record created at the State Commission *de novo* evidentiary hearing.

¹ The State Commission consolidated both appeals under one case number, 22 APP 01, *sua sponte*.

² Cook County ordinances do not mandate that appeals of Cook County Liquor Commissioner orders be heard by the State Commission “on the record.” Therefore, notwithstanding the fact that the Cook County Commission held

Decision

After consideration of the evidence presented at the State Commission *de novo* hearing and a review of the legal issues presented, the State Commission AFFIRMS the order of the Cook County Commission to revoke the Coach House Special Late License and Additional Late Liquor License (hereinafter collectively “Late Licenses”) and to impose a \$5,000 fine.

Findings of Fact

1. Coach House holds a Retailer Liquor License permitting it to sell alcoholic liquor until 1 a.m. every day except Fri/Sat and Sat/Sun on which it may sell alcoholic liquor until 2:00 a.m. *Cook County Code, Chapter 6, Section 34.*
2. Coach House holds a Special Late License permitting it to sell alcoholic liquor until 2:00 a.m. every day except Fri/Sat and Sat/Sun on which it may sell alcoholic liquor until 3:00 a.m. *Id.*
3. Coach House holds an Additional Late Liquor License permitting it to sell alcoholic liquor until 4:00 a.m. every day. *Id.*
4. Christopher Pate (“Pate”) testified at the administrative hearing and was a credible witness.
5. Pate has been an investigator supervisor for six years for the Cook County Department of Revenue Investigations Division. *ILCC p. 042-043.*
6. Pate supervises six Department of Revenue supervisors and six Cook County Sheriff’s officers. *Id., p. 043.*
7. Pate conducts all in-person inspections of the Cook County Liquor Commission. *Id.*
8. The purpose of Pate’s inspection of Coach House was to check for any Cook County home rule tax violations and any violations of the Cook County Liquor Code. *Id.*

an evidentiary hearing prior to the assessment of the penalties against Coach House, the State Commission was required by law (235 ILCS 5/7-9) to hold a second administrative hearing on appeal.

9. Pate conducted an inspection of Coach House because the Cook County Commission received complaints about Coach House from area residents. *ILCC p. 043.*
10. Pate conducted an inspection of Coach House with other County and State Commission officers on May 12, 2021, at or around 8:00 pm. *Id. p. 044.*
11. Pate prepared a report documenting the results of the May 12, 2021, inspection. *LC Exhibit 1.*
12. Pate's inspection states the following:
 - a. Investigator Pawlak found (7) seven open packs of various brands of cigarettes concealed behind the bar counter adjacent to the cash register. Upon further inspection, two packs had the proper IL and Cook County stamps, 3 packs had only the IL tax stamp, 1 pack had an Indiana tax stamp, and 1 pack had a mutilated tax stamp.
 - b. Supervisor Martinez asked for the books and records for the last 90 days of alcohol delivered by wholesaler. Bucaro attempted to locate the records but was unsuccessful.
 - c. While in the lower level, several areas were locked. Investigator Owens was able to see through a window inside a locked room illuminating the inside with his flashlight which revealed a large room of boxed spirits. Bucaro did not have a key for this locked area and no inspection could be completed.
 - d. In another basement room, Supervisor Martinez found some boxed spirits which appeared to have been purchased from a Meijer Supermarket not from a wholesaler.
 - e. Bucaro related the cover charge is \$15.00 for Thursday, Friday, and Saturday nights. I asked if there were books and records available showing how much has been collected each night in May and how much cover charge has been collected this year. Bucaro explained those books and records are kept by the owner in a locked room and not available for inspection.
 - f. They began inspecting the open bottle service and found a 750 ML bottle of Sailor Jerry rum to have bugs floating in the bottle. However, upon further inspection it appears to be foreign matter and unknown scaley matter floating inside.

LC Exhibit 1, ILCC p. 333-334.

13. As a result of the May 12, 2021, inspection, Pate cited Coach House with the following violations of the Cook County Home Rule Tax Code and Cook County Liquor Control Act:
 - a. Possession of unstamped cigarettes.

- b. Sale and distribution of loose cigarettes.
- c. Failure to allow inspection of liquor records during business hours.
- d. Failure to keep books and records at the place of amusement.
- e. Failure to allow inspection of amusement records during business hours.
- f. Foreign matter and scaley substance items found floating in open spirits offered for sale.

LC Exhibit 1, ILCC p. 334.

14. As a result of the May 12, 2021, inspection, Pate cited Coach House with the following violations of the Illinois Liquor Control Act:

- a. Failure to allow books and records to be inspected.
- b. Failure to open locked storage area which contained beer, wine and spirits.
- c. Boxed liquor in storage area which appeared to have been purchased at Meijer Grocery Store instead of from a liquor wholesaler.
- d. Beer and spirits manufactured decorations without appropriate tax paperwork.

Id.

15. Coach House licensed premises is at 1626 E. Algonquin Road in unincorporated Cook County. *ILCC p. 044.*

16. As a part of the normal course of the investigation of Coach House, Pate contacted the Cook County Sheriff's Office Record Custodian, Deputy Chief Sean Gleason, to obtain Incident Computer Aided Dispatch ("CAD") reports for the location. *Id. p. 049.*

17. Per Pate testimony, CAD reports are created per incident within the Cook County Sheriff's Office by a dispatcher. The Report generates a ticket number or CAD number, and the CAD report contains the location of where the service is needed. *Id.*

18. Per Pate testimony, the report is time stamped and identified with a unique case number of the specific call for service like a 9-1-1 call. *Id.*

19. Per Pate testimony, he requested that the CAD reports be filtered for the address 1626 E. Algonquin Road. *Id.*

20. Per Pate testimony, he received the CAD reports via email from Cook County records custodian Deputy Chief Sean Gleason. *Id.*

21. Per Pate testimony, he downloaded the CAD reports from the email he received from Sean Gleason and printed the reports.

22. Three CAD reports read in part as follows:

- a. SH-21-00150835 – May 8, 2021 4:00 a.m. 1626 E. Algonquin Rd – Palatine Twp – Aggravated Discharge of a Firearm
- b. SH-21-00143841 – May 2, 2021 3:35 a.m. – 1626 E. Algonquin Rd – Palatine Twp – Aggravated Discharge of a Firearm
- c. SH-20-00233246 – June 20, 2020 3:11 a.m. 1626 E. Algonquin Rd -Palatine Twp – Aggravated Battery – Handgun.

LC Exhibit 2, ILCC p. 336, 353.

23. In the normal course of his investigation, Pate also received Cook County Sheriff Incident Reports (“Incident Reports”) in a similar manner and from the same source as the CAD reports. Similarly, Pate downloaded, printed, and retained custody of the Incident Reports.

ILCC p. 065-066.

24. Incident Report for SH-20-00233246 describes an incident occurring at 3:10 a.m. on June 20, 2020, at 1626 E. Algonquin Rd parking lot with a narrative that includes:

Upon arrival, R/O observed a female victim with a gun shot wound to the upper thigh.... R/O spoke with witness Smith, Dennis F who related that he was smoking a cigarette in front of coach house when he heard 2-3 gunshots. When he approached the area (west end of the parking lot) he saw a person applying first aid to the victim now known as Easterling. . . . R/O spoke with witnesses . . . who all related that they saw two females fighting and a male subject with dreads, shot two rounds toward the females fighting.

LC Exhibit 17, ILCC p. 413.

25. Incident Report for SH-20-00316592 describes an incident occurring at 2:58 a.m. on August 22, 2020, at 1626 E. Algonquin Rd parking lot with a narrative that includes:

R/O arrived on the scene and appeared to be a gun shot hole in the windshield of the vehicle. R/O Plech along with other units canvassed the

area for the evidence finding two firearm casings in WB lanes of the Algonquin Rd. ...

R/O interviewed three witnesses who have given varying statements regarding the incident. At the time when the incident had occurred the parking lot was occupied by multiple cars and 10s of subjects hanging out in the above parking lot, by the 7-11 Convenience store and across the street by the Mobil gas station.

First witness from Mobil gas station (across from strip mall parking lot) related "that she heard gunshots that possibly came from across the street."

Second witness "related that he heard gunshot sounds and M/B subject in wearing black clothes running up and down in front of 7-11 store holding what appeared to be black in color handgun, getting into black in color BMW vehicle and driving away from the scene."

Third witness "related that he heard few gunshots and observed four B/M subjects in S/W corner of the parking lot running and driving away from the scene."

LC Exhibit 18, ILCC p. 417.

26. Incident Report for SH-21-00143841 describes an incident occurring on May 2, 2021, 0335 at 1626 E. Algonquin Rd with a narrative that includes:

R/O also spoke with (witness) Brown, Cori who stated she has video of the fight and a masked man that fired shots. R/O viewed parts of the video but was unable to see the masked man with a gun.

Two shell casings were found . . . which were inventoried by the crime scene investigator . . . who arrived at 0605 hours.

LC Exhibit 9, ILCC p. 372.

27. Incident Report for SH-21-00150835 describes an incident occurring at 4:00 a.m. on May 8, 2021, directing the first responders to the parking lot at 1626 E. Algonquin Rd with a narrative that includes:

In summary, but not verbatim, R/O Bowens #232 answered an IN-PROGRESS CALL at the Coach House Bar and Grill parking lot. Upon arrival, R/O observed several groups of patrons departing the bar and getting into their vehicles to depart the premises. There were no patrons

fighting. R/O was conversing with food truck operator on scene and was requesting that he relocate his truck away from the bar's parking lot when about 5-6 gunshots rang out. R/O observed a muzzle flash coming from a dark colored vehicle. The vehicle sped off northbound on Thorn tree Lane. ... A Canvas of the area revealed seven (7) 40 caliber spent shell casings on the ground adjacent to 1602 Algonquin Road. An additional 4 casings were discovered on the ground in the parking lot at Wendy's at 1530 E. Algonquin Rd.

LC Exhibit 10, ILCC p. 375

28. A supplemental report to Incident Report SH-21-00150835 included a supplemental narrative which includes:

R/O ... was dispatched to Northwest Community Hospital to talk to Subject ... who allegedly stated he was involved in an incident whereas it was later learned to be a shooting involving patrons from Coach House Bar/Grill near Algonquin/Thorntree Palatine Twp.

Subject allegedly related, while inside said Bar, he had an interest with a Female who's Boyfriend ...was not happy Subject was eyeing her. Afterwards, while the Subject was walking towards the parking lot of the Wendy's Fast-food Restaurant nearby (Village of Schaumburg), he was approached by female's Boyfriend and his friend. Subject then gets into a physical confrontation which lead (*sic*) him to be incoherent with injuries. Subject stated, he did not know he was shot at until it was brought to his attention while being transported to Northwest Community Hospital by another patron from the Bar.

Id., ILCC p. 375

29. Calls for service for Coach House at 1626 E. Algonquin Rd, are routed to Village of Schaumburg, Rolling Meadows, and Palatine first responders. *ILCC p. 059.*
30. Pate is a former first responder and has knowledge of call response procedures for unincorporated Cook County. *Id. p. 059-060.*
31. Pate was copied on and secured an email sent to County Deputy Liquor Commissioner Zahra Ali containing a letter from Rolling Meadows Fire Chief, Jeff Moxley. *LC Exhibit 5, ILCC p. 058.*

32. The May 26, 2021, letter from Moxley to Ali referenced Coach House Bar at 1626 E. Algonquin “specifically their 4:00 a.m. liquor license and the impact on operations with the Rolling Meadows, ... and Palatine Rural Fire Departments.” *LC Exhibit 5*.

33. The May 26, 2021, letter from Moxley to Ali states:

Most calls at this establishment result in more than one patient requiring a response from multiple agencies. Due to the severity and safety concerns that ensue, our Battalion Chief also responds as incident commander for the high possibility of mass casualty incident – ensuring the safety of the first responders on the scene.

More than half of the medical calls for service were due to trauma from fighting or falls due directly to intoxicated persons. Several of the calls involved weapons such as knives and firearms. Most calls involved negative interaction from the patient to the paramedics rendering aid due to the patient’s high level of alcohol consumption. All of the calls required the response of the police, Cook County Sheriff is the primary law enforcement organization but is understaffed to handle the crowds at the establishment. More times than not, Rolling Meadows police, Schaumburg Police, and Palatine Police are called to assist Cook County....

We have documented call logs for the past 12 months that show delayed responses to other calls for service due to ambulances and support vehicles that should have been available but were not due to calls at Coach House. The demand for emergency medical services at the Coach House are directly related to the 4 a.m. liquor license. The calls at the Coach House Bar directly affect service to the citizens of Rolling Meadows. The Rolling Meadows City Council will be made aware of this issue at the next council meeting.

LC Exhibit 5, ILCC p. 358-359.

34. Pate testified he received and secured a May 26, 2021, letter from Deputy Liquor Commissioner Ali addressed to Ali from Schaumburg Chief of Police Bill Wolf. *LC Exhibit 6, ILCC p. 061.*

35. Statements in the letter from Wolf to Ali include:

Thank you for your concerns in reference to the impact the issues at the Coach House bar have on the Village of Schaumburg. Our crime analyst sent you a list of calls which required our officers to respond in a mutual aid capacity to a serious incident and other calls that we responded to as a result of patrons leaving the establishment. After the closing hours of Coach House, we routinely get calls at

our area businesses and hotels in that area for issues involving intoxicated subjects that are not contained in the statistics that you were sent. We only included those calls where it was confirmed that the persons involved came from the Coach House. We have a good working relationship with the Sheriff's police and are always willing to assist them and help with the problem. However, this has required us to staff additional officers on weekends to address the overflow of issues into our community.

As you may know, our village board recently changed the latest closing time for liquor establishments from 3am to 2am. We believe this will have a positive impact on these types of issues and ask that such changes be considered for the Coach House. We are happy to work on other potential solutions collaboratively. Please do not hesitate to reach out to me or other members of our department for assistance or more information.

LC Exhibit 6, ILCC p. 361.

36. Pate collected and made a record of the Schaumburg Police calls for service prior to May 14, 2021. *ILCC p. 062; LC Exhibit 6, ILCC p. 362.*
37. Included in Pate's records of Schaumburg Police calls for service at 1626 E. Algonquin Rd are incidents occurring on June 20, 2020, August 22, 2020, and May 2, 2021. *Id.*
38. As part of his data collection and inspection processes, Pate contacted the Palatine Police Department Deputy Chief Bryce Baker to obtain records for any reports related to 1626 E. Algonquin Road. *ILCC p. 052.*
39. As part of his data collection and inspection processes, Pate collected and received Palatine Police and Fire records related to 1626 E. Algonquin Road via email from Deputy Chief Bryce Baker. Pate downloaded and printed the copies of such reports. *Id., p. 052, 070.*
40. EMS Reports from the Palatine Fire Department contain statements including:
 - a. 5/2/2021 03:39 - A84 assisted Rolling Meadows 16 units for the possible shots fired with multiple victims. ...Large crowd surrounded A84 a PT exited the ambulance. Police on scene were unable to deescalate the situations. E16 advised the scene was no longer safe at this time. All FD units cleared the scene due to the scene no longer being secure....

LC Exhibit 12, ILCC p. 378.

- b. 5/8/2021 04:12 - E16 and A16 dispatched for incident at The Coach House. RMFD handled the incident. See PCR for medical care details.

LC Exhibit 13, ILCC p. 384.

- c. 6/20/2020 03:12 - See EMS report for patient care details. Bat8 responded because the call was for gunshot victim.

LC Exhibit 14, ILCC p. 388.

41. As part of his data collection and inspection processes, Pate collected and received Rolling Meadows Fire Department records for 1626 E. Algonquin Rd from a crime analyst of the Schaumburg dispatch center. *ILCC p. 072.*

42. EMS Reports from the Rolling Meadows Fire Department contain statements including:

- a. 5/2/2021 03:39 - Crews called to the above location for up to 3 assault victims and one possible gun shot wound per dispatch. Scene secured per CCSPD, upon arrival FD crews were met with large crowd swearing at EMS and one adult male John Doe bleeding from a head wound, this would be the only patient. ... E16 determined the scene to be unsafe, occupants leaving above bar/club exceeded the capacity for PD/FD to control. Multiple vehicles came close to striking A16, A84, and FD members while attempting to leave parking lot. ...

LC Exhibit 15, ILCC p. 394.

- b. 5/8/2021 04:12 – Crews called to the above location for the assault victim. Upon arrival, crews were rerouted to overflow parking near Chicago prime and informed by PD that assault victim fled police and ‘jumped into a running car’. E16 had units fall back to staging area after RMPD member carrying a long gun informed crew that they were investigating a shooting/documenting shell casings in the same parking lot....

LC Exhibit 16, ILCC, p. 399.

43. Cook County Sheriff Incident Report for SH-20-00404433 describes an incident alleged on October 29, 2020, by a victim that his handgun was stolen from his vehicle parked in the Coach House parking lot on October 27, 2020, 2100. *LC Exhibit 19.*

44. Cook County Sheriff Incident Report for SH-20-00267507 describes a 9-1-1 call for service on July 16, 2020, in the parking lot at 1626 E. Algonquin Rd in which the complainant reported shots fired in the parking lot at approximately 4:40 a.m. Responders did not find physical evidence of shots. *LC Exhibit 7.*
45. Pate testified that Coach House’s licenses authorize it to remain open through 4 a.m. everyday. *ILCC p. 044.*
46. Pate testified that Coach House is part of a “strip mall right off of – near the intersection of Route 53 and Algonquin Road. It’s in unincorporated Cook County but it’s near the Village of Schaumburg, Palatine, and Rolling Meadows.” *ILCC p. 047.*
47. Pate testified that behind the strip mall area “there is a wooden fence and then homes behind that business from – that run kind of north to southeast behind that location.” *Id.*
48. Pate testified the strip mall is “L-shaped” and that Coach House shares the strip mall area and parking lot with other businesses. *ILCC p. 048.*
49. Pate testified that while canvassing the area, he observed one other open business in the same strip mall to the south of Coach House, a 7-11 convenience store selling packaged alcoholic liquor. *Id.*
50. Pate determined that his review of the calls for service were for the address 1626 Algonquin Road from 1:50 a.m. to 4:30 a.m. *ILCC p. 080.*
51. Pate testified that there are “only three businesses that are open at these specific hours, one is the Mobile (*sic*) gas station directly across the street, doesn’t serve alcohol. There is the 7-11, which is directly next door but that only carries package goods so alcohol is not consumed inside that business.” Coach House is the other business. *Id.*

52. Pate testified that Coach House specifically advertised “that cash is only accepted between two and four a.m. shows that they’re specifically targeting a crowd between two and four a.m.” *ILCC p. 081.*
53. Pate testified that “the data that was driven from four different municipalities or government agencies led me to believe that Coach House is operating in a nuisance capacity to the adjacent property owners, to the adjacent residents.” *ILCC p. 082.*
54. Demetri Kouvelis is a security employee for Coach House. *ILCC p. 225.*
55. Kouvelis generally worked security at Coach House from 10:00 p.m. to 4:00 a.m. every Friday and Saturday between May 14, 2020, and May 14, 2021. *ILCC p. 226.*
56. Kouvelis testified that “at times” between May 14, 2020, and May 14, 2021, police “would always have one or two squads just rolling in the lot throughout the night.” *ILCC p. 230.*
57. Kouvelis testified as follows:
- There have been times where [the police have] gotten out of their cars and they’ve blocked the lot, like three or four officers have walked together throughout the whole lot. There’s been times where they’ve gone – just driven around with their lights on, trying to get the cars to move from blocking everybody. At the end of the night they eventually put their sirens on a couple of times to get people to leave the lot.
- ILCC p. 232.*
58. Kouvelis testified that no other strip mall business except for 7-11 is open after midnight on weeknights and weekends. *ILCC p. 233.*
59. Nick Ibrahim is the owner of the 7-11 store located at 1644 E. Algonquin Road in the same strip mall parking lot as Coach House. *ILCC p. 271-272.*
60. Ibrahim testified that beginning March 2021, he voluntary closed the 7-11 store or “locked the doors” from 2:00 a.m. to 5:00 a.m.. *ILCC p. 273.*
61. Ibrahim testified he would see:

100 to 200 people in the parking lot. Okay. Those are not my customers. I have never had 200 customers in the parking lot, making loud noises, bothering the neighbors. ... And I advised my staff to shut the door and minimize the operation down to 2a.m. and not – not to open the doors until 5 a.m. or -5:00, 5:30 a.m. until you see it's safe.

ILCC p. 276.

62. Ibrahim testified that 7-11 customers may park in the entire lot because “the whole strip mall is for everyone.” *ILCC p. 278.*

63. Demetrios (Jim) Matsas is the owner of Coach House. *ILCC p. 253.*

64. Matsas testified that people randomly gathered in the middle of the shared parking lot and on the south side of the shared parking lot in front of 7-11 on Friday and Saturday nights. *ILCC p. 255.*

65. Matsas testified that he could see the entrance to 7-11 from just outside of Coach House entrance. *Id.*

66. Matsas testified Coach House maximum occupancy level is 295 persons. *ILCC p. 261.*

67. Matsas acknowledged the shared strip mall parking lot could have 70 parking spots. *Id.*

68. Matsas testified that Coach House shares the parking lot with all other strip mall businesses including the 7-11. *Id.*

69. Another parking lot or parking area is located across Thorntree Lane northwest of the Coach House strip mall parking lot. This parking lot is commonly referred to as the Chicago Prime parking lot. *LC Exhibit 21, ILCC p. 073, 426.*

70. Per the Coach House and County map exhibits, the southeastern portion of the Chicago Prime parking area (hereinafter “Chicago Prime Parking Lot”) appears physically closer to the nearest point of the northwest portion of the Coach House strip mall parking lot than to

the nearest point of the parking lot directly outside Chicago Prime Steakhouse. *LC Exhibit 21, ILCC p. 426; Coach House Exhibit 2, ILCC p. 428.*

71. Matsas testified that “many patrons of Coach House park [in the Chicago Prime Parking Lot] and then walk over to” Coach House. *ILCC p. 262.*

72. Matsas testified that it is “possible” that between 1:30 a.m. and 3:30 am, “when Coach House is operating at capacity, that ... when your parking lot in the shopping plaza is full, but there’s people parked in the parking lot across from Thorntree Lane.” *Id.*

73. Matsas testified that he has instructed Coach House security personnel “to walk over to the [Chicago Prime Parking Lot] just to make sure that everything is going fine.” *ILCC p. 263.*

74. Pam Lasilla resides at 2282 Thorntree Lane two houses north of the southeast portion of the Chicago Prime Parking Lot. *ILCC p. 147.*

75. Lasilla’s testimony was credible.

76. Lasilla testified she possesses a front door Google Nest audio and video recording device “constantly recording video and audio” based on “motion and audio.” *ILCC p. 149.*

77. Lasilla testified that the Google Nest system stores recordings up to five days but that she could also permanently store recordings on her computer. *ILCC p. 149-150.*

78. Lasilla testified that only she and her husband have access to the recordings stored on their home computer. *ILCC p. 149.*

79. Lasilla testified the Google Nest system automatically stamps the recording with a date and time of when the recording was taken. *ILCC p. 150.*

80. Lasilla testified that the angle of the Google Nest door camera faces at a south/southeast angle. *ILCC p. 151.*

81. Lasilla testified that the angle of Google Nest door camera faces in the direction of Coach House. *ILCC p. 151.*
82. Lasilla testified that her camera is able to view a part of the Coach House or Coach House strip mall parking lot (hereinafter “Park Place Parking Lot”). *ILCC p. 159.*
83. Lasilla testified that she is familiar with the sounds of gunshots by hearing shooting in relation to outdoor hunting done by her husband’s family members. *ILCC p. 151.*
84. Lasilla testified that on July 12, 2020, at 4:13 a.m. she heard what sounded like a gunshot. *Id.*
85. On July 12, 2020, at 0413, Lasilla’s Google Nest door camera recorded a flash of light and a single loud pop or small explosion coming from a vehicle southeast of Lasilla’s home near the Park Place Parking Lot. *LC Exhibit 22.*
86. On August 22, 2020, 0254, Lasilla’s Google Nest door camera recorded the sound of six repeated loud pops or small explosions. *LC Exhibit 23.*
87. On May 2, 2021, 0335, Lasilla’s Google Nest door camera recorded the sound of a single pop or small explosion and flickering lights in a southeast direction toward the Park Place Parking Lot. *LC Exhibit 24.*
88. Lasilla testified that she was woken up at approximately the same time as the video. *ILCC p. 154.*
89. Lasilla testified that the May 2, 2021, sound from the recording was a gunshot. *Id.*
90. On May 8, 2021, at 4:06 a.m., Lasilla’s Google Nest door camera recorded the sounds of six loud pops or small explosions followed by four more distant pops or small explosions without any flashes of light. *LC Exhibit 25.*

91. Lasilla testified that she was woken up at approximately the same time as the video.
ILCC p. 155.
92. On May 8, 2021, at 4:07 a.m., Lasilla’s Google Nest door camera recorded a vehicle with red and blue flashing lights traveling northbound on Thorntree Lane in front of Lasilla’s home and then stopping and reversing southbound on Thorntree Lane
93. back toward the direction of Coach House. *LC Exhibit 26, ILCC p. 155.*
94. Lasilla testified that she has lived in her home for 35 years. *ILCC p. 156.*
95. Lasilla testified that prior to when Coach House opened in 2016, there was a restaurant called La Margarita in the same space as the Coach House at 1626 E. Algonquin Road. *Id.*
96. Lasilla testified that she was not woken up by gunshots when La Margarita operated its restaurant prior to 2016. *Id.*
97. Lasilla testified that she has seen patrons of Coach House “park in the parking lot across on the west side of Thorntree in the Prime’s – The Shoppes at Prime Village.” [a.k.a. Chicago Prime Parking Lot] *ILCC p. 157.*
98. Lasilla further testified that she assumes persons parking in the Chicago Prime Parking Lot are going to Coach House “no other businesses are really open at that time.” *ILCC p. 158.*
99. Lasilla testified that the Chicago Prime Parking Lot is the lot “just south of the house south of me” and that the house to the south of hers is owned by Debre Alde. *Id.*
100. Lasilla testified there was an Airbnb rental property located to the north of her home on the east side of the street (2261 Thorntree) but that she has not seen people walking from the Chicago Prime Parking Lot toward the Airbnb rental property. *ILCC p 163.*
101. John Hupfauer testified that he has lived at a home on 2317 Thorntree Lane for 17 years.
ILCC p. 164.

102. Hupfauer’s testimony was credible.
103. Hupfauer testified that he can view the Chicago Prime Parking Lot from his kitchen and bedroom windows. *ILCC p. 166.*
104. Hupfauer testified that between May 2020 and May 2021 he witnessed in the Chicago Prime Parking Lot:
- A lot of cars, groups of people exiting their cars and walking south on Thorntree. It was a continuous flow, anywhere between typically around –well, when we woke up, depending on the time we woke up from the noise, we would see people congregating in the parking lot or walking, again south towards the Park Place shopping mall.
- ILCC p. 166.*
105. Hupfauer testified that the activity in the Chicago Prime Parking Lot increased in the period of May 2020-May 2021 as compared to prior years. *Id.*
106. Hupfauer testified that he observed increased parking on Thorntree Lane between the hours of 2:00 a.m. and 4:00 am between May 2020 and May 2021. *ILCC p. 168.*
107. Debra Alde testified that she has lived at 2298 Thorntree Lane for 33 years. *ILCC p. 172.*
108. Alde’s testimony was credible.
109. Alde testified that she is familiar with Coach House because the parking lot to the south of her home [Chicago Prime Parking Lot] “was filled with cars in the middle of the night. And that’s when I realized something is going on at the wee hours of early morning.” *Id.*
110. Alde testified that she believes the Coach House opened in 2016 or 2017. *ILCC p. 173.*
111. Alde testified that she did not see cars parked in the Chicago Prime Parking Lot prior to 2016, 2017. *Id.*

112. Alde testified that she witnessed cars parked in the Chicago Prime Parking Lot on Wednesday, Fridays, and Saturdays between the hours of 1:30-4:30 a.m. between May 2020 and May 2021. *ILCC p. 173.*
113. Alde testified she witnessed groups of people (5-7) walking “up the street” towards Algonquin from the Chicago Prime Parking Lot. *Id.*
114. Alde testified that only the 7-11 and Coach House are open in that area between 1:30 and 4:00 a.m. *ILCC p. 174.*
115. Alde testified 7-11 has been open longer than Coach House. *Id.*
116. Alde testified that she heard the sounds of gunshots three times between May 2020 and May 2021. *ILCC p. 175.*
117. Gerald Hedum has lived at 2273 Thorntree Lane since 2012. *ILCC p. 177.*
118. Hedum’s testimony was credible.
119. Hedum testified that he noticed increased noise in the area beginning in 2016 but the “noise and gunshots” began around July 12, 2020. *Id.*
120. Hedum testified that he was woken by a gunshot at 0400 on July 12, 2020 and saw a car “racing down Thorntree Lane.” *ILCC p. 178.*
121. Hedum testified that noise from playing music progressively increased from midnight to 4:00 a.m. and that it was a “madhouse” at 4:00 a.m.. *ILCC p. 179.*

Conclusions of Law

Section 7-9 of the Liquor Control Act of 1934 places the statutory responsibility to hear appeals from final orders entered by local liquor commissioners on the State Commission. 235 *ILCS 5/7-9.* If the local municipality “has adopted a resolution requiring that such review be on the record” then the “only evidence which may be considered in the review, shall be the evidence

found in the certified official record of the proceedings of the local liquor control commissioner.”

235 ILCS 5/7-9. If the local municipality has not adopted an “on the record” resolution, then the State Commission shall review the decision of the local commission *de novo*. Section 7-9 further states:

In any trial *de novo* hearing before the State Commission ...the local liquor control commissioner shall be entitled to 10 days notice and to be heard. All such trial *de novo* hearings shall be open to the public and the Illinois Liquor Control Commission ...shall reduce all evidence offered thereto to writing.

If after trial *de novo* hearing or review as provided herein, the State Commission ... shall decide that the license has been improperly issued, denied, revoked, suspended or refused to be revoked or suspended or a hearing to revoke or suspend has been improperly refused or that the licensee has been improperly fined or not fined, it shall enter an order in conformity with such findings, which order shall be in writing.

A certified copy of the order shall be transmitted to the particular local liquor control commissioner and it shall be the duty of the local liquor control commissioner to take such action as may be necessary to conform with the order.

Id.

In consideration of the evidence presented at the *de novo* hearing held at the State Commission on August 29-31, 2022, and, considered by the State Commission as a whole on November 16, 2022, the State Commission AFFIRMS the decision of the Cook County Commission to revoke and refuse to renew the Coach House Special Late License and Additional Late Liquor License (hereinafter collectively “Late Licenses”), and to fine Coach House \$5,000, having determined the Cook County Commission did not improperly deny, revoke, or fine such licenses.

The Cook County Commission charged Coach House with a three-count violation of the Cook County Liquor Control Act (“County Liquor Act”). Count 001 charged Coach House with a violation of Section 6-33 of the County Liquor Act which states the following:

A licensee is responsible to the community surrounding the licensed premises. A retailer's liquor license issued or renewed after the effective date of this Section shall be subject to a fine, suspension, or revocation if the licensee's business becomes or creates a nuisance under this Section. A licensee may also be assessed a fine if the licensee's business becomes or creates a nuisance under this Section. A licensed business is or creates a nuisance under this Section, if within any consecutive 12 months, not less than three separate incidents occur on the licensed premises, on or in the licensed premises' parking facility or on adjacent property, while the business establishment is open for business or within one hour of the time the establishment is opened or closed for business, involving acts that violate any federal or state law defining a felony, or any federal or state law or local government ordinance regulating narcotics, controlled substances or weapons.

County Liquor Act, Section 6-33. In Count 002, Cook County also charged Coach House with violating Section 6-32 (referencing the ordinance language of 6-32(b)³) which states the following:

It is the affirmative duty of the licensee to keep the premises free at all times from the presence of disorderly persons, and to prevent any immoral practices thereon. It is also the affirmative duty of the licensee to make any and all reasonable attempts to prevent the violation of any Federal, State or County law or ordinance upon the premises.

County Liquor Act, Section 6-32(b). In Count 003, Cook County charged Coach House with violating Section 6-6(d) which states the following:

No person shall sell at retail any alcoholic liquor in unincorporated Cook County in violation of any part or portion of the Liquor Control Act of 1934, as amended, 235 ILCS 5/1-1 et seq.) or the provisions of this Chapter.

County Liquor Act, Section 6-6(d).

In summary, the State Commission finds Coach House liable for a three-count violation of the County Liquor Act Sections 6-33, 6-32(b), and 6-6(d). In affirming the penalty of the revocation and refusal to renew the Late Licenses, the State Commission cites to a preponderance of evidence in the record proving a violation of Section 6-33. Because a preponderance of evidence

³ In the charging document related to Count 002, Cook County mistakenly referenced Section 6-32(c) while also citing the language of 6-32(b). Because the charging document referenced the substantive language of the intended Section 6-32(b), the State Commission finds Coach House to have adequately received notice of the intended charges.

demonstrated that the minimum number of illegal events occurred in the Coach House’s parking lot and adjacent properties within a one-year period, the Cook County Commission was authorized by ordinance to revoke and refuse to renew the Late Licenses. In affirming the \$5,000 fine, the State Commission found evidence of violations of Sections 6-32(b) and 6-6(d) of the County Liquor Act because the County adequately proved underlying violations of County and State tax and liquor laws. The State Commission did not, however, find sufficient evidence to prove that Coach House failed in its duty as a license holder “to keep the premises free at all times from the presence of disorderly persons, and to prevent any immoral practices thereon.” [1st half of Section 6-32(b)]. The State Commission also did not find evidence that Coach House violated County Tax Code by selling loose cigarettes [County Tax Code Section 74-43(b)(3)] nor found evidence of beer and spirits manufactured decorations without appropriate tax paperwork.

Liability and Evidence of Violations

Per the *de novo* hearing requirements of Section 7-9 of the Illinois Liquor Control Act, the State Commission must determine the propriety of the Cook County Commission’s decision to revoke and deny the renewal (hereinafter “Revoke”) the Late Licenses and to impose a \$5,000 fine against Coach House. As stated, there is sufficient evidence in the record to prove by a preponderance of evidence that Coach House is liable for violations of Section 6-33, 6-32(b), and 6-6(d) of the Cook County Ordinances.

Evidence related to Coach House liability for violations of Section 6-32(b) and 6-6(d)

Cook County and other law enforcement agents investigated the Coach House licensed premises at 1626 E. Algonquin Road in unincorporated Cook County on May 12, 2021. During the approximate one hour and twenty-minute inspection, agents found evidence Coach House had violated Section 6-32(b) and 6-6(d) of the County Liquor Code by finding other underlying

violations of the County Tax Code, County Liquor Code and State of Illinois alcoholic beverage statutes and rules. Such violations included possession of unstamped packs of cigarettes [County Tax Code Section 74-435(a)(5)]; Failure to allow inspection of liquor records; [County Tax Code Section 74-336(a)]; Failure to keep books and records at a place of amusement and failure to allow inspection of place of amusement records during regular business hours [County Tax Code Section 74-395(b)]; Failure to maintain liquor books and records available for inspection/Failure to allow inspection of liquor area [County Liquor Code Section 6-15; 235 ILCS 5/6-10]; Foreign matter/scaly substance found floating in open spirits offered for sale [County Liquor Code Section 6-21]; Purchasing alcoholic liquor from another retailer (11 Ill. Admin. Code 100.250(b)).

Such violations of the County tax and liquor code, and Illinois Liquor Control Act and State Commission Rules support charges 002 and 003 against Coach House because Section 6-32(b) requires a license holder to make “any and all reasonable attempts to prevent the violation of any Federal, State or County law or ordinance upon the premises” while 6-6(d) of the County Liquor Code prohibits license holders from selling alcoholic liquor “in violation of any part or portion of the Liquor Control Act of 1934, as amended, 235 ILCS 5/1-1 et seq.) or the provisions of [the County Liquor Code].”⁴

As a result of the May 12, 2021, inspection, County Commission Investigator Christopher Pate cited Coach House with the following violations of the Cook County Home Rule Tax Code and Cook County Liquor Control Act:

- a. Possession of unstamped cigarettes.
- b. Sale and distribution of loose cigarettes.
- c. Failure to allow inspection of liquor records during business hours.

⁴ During the hearing, counsel for Cook County responded to an objection by stating that “unstamped cigarettes are not an issue at this hearing” (*ILCC p. 045*) but because the County charged Coach House with a violation of Section 6-32 of the County Liquor Code, Coach House was required to abide by “any Federal, State or County law or ordinance upon the premises.” Because the possession of unstamped or mis-stamped cigarettes is a violation of the County Tax ordinance, evidence of such a violation proves charges 002 and 003.

- d. Failure to keep books and records at the place of amusement.
- e. Failure to allow inspection of amusement records during business hours.
- f. Foreign matter and scaley substance items found floating in open spirits offered for sale.

LC Exhibit 1, ILCC p. 334.

As a result of the May 12, 2021, inspection, Investigator Pate cited Coach House with the following violations of the Illinois Liquor Control Act:

- a. Failure to allow books and records to be inspected.
- b. Failure to open locked storage area which contained beer, wine and spirits.
- c. Boxed liquor in storage area which appeared to have been purchased at Meijer Grocery Store instead of from a liquor wholesaler.
- d. Beer and spirits manufactured decorations without appropriate tax paperwork.

Id.

The evidence supporting charges 002 and 003 comes from Pate's investigation report which is not effectively rebutted by Coach House witnesses. Pate's inspection report narrative supports the charges related to possession of unstamped or mis-stamped cigarettes by stating the following:

Investigator Pawlak found (7) seven open packs of various brands of cigarettes concealed behind the bar counter adjacent to the cash register. Upon further inspection, two packs had the proper IL and Cook County stamps, 3 packs had only the IL tax stamp, 1 pack had an Indiana tax stamp, and 1 pack had a mutilated tax stamp.

LC Exhibit 1, ILCC p. 333.

Pate's inspection report narrative supports the charges related to failure to provide 90 days of liquor invoices (required to be on-premises), access to storage areas, and failure to provide amusement records by stating the following:

Supervisor Martinez asked for the books and records for the last 90 days of alcohol delivered by wholesaler. Bucaro attempted to locate the records but was unsuccessful.

While in the lower level, several areas were locked. Investigator Owens was able to see through a window inside a locked room illuminating the inside with

his flashlight which revealed a large room of boxed spirits. Bucaro did not have a key for this locked area and no inspection could be completed.

Bucaro related the cover charge is \$15.00 for Thursday, Friday, and Saturday nights. I asked if there were books and records available showing how much has been collected each night in May and how much cover charge has been collected this year. Bucaro explained those books and records are kept by the owner in a locked room and not available for inspection.

LC Exhibit 1, ILCC p. 334.

Pate's inspection report narrative supports the charges related to purchasing liquor from a retailer not a wholesaler stating the following:

In another basement room, Supervisor Martinez found some boxed spirits which appeared to have been purchased from a Meijer Supermarket not from a wholesaler.

Id.

Pate's inspection report narrative supports the charges related to finding contaminated liquor on the premises by stating the following:

They began inspecting the open bottle service and found a 750 ML bottle of Sailor Jerry rum to have bugs floating in the bottle. However, upon further inspection it appears to be foreign matter and unknown scaly matter floating inside.

Id.

The County, however, did not provide sufficient evidence that Coach House was selling loose cigarettes. The only evidence in the record of loose cigarette sales was the presence of open packs of cigarettes on-premises. Such evidence is not sufficient to prove an active sale of loose cigarettes in violation of local ordinance. Moreover, there was no evidence in the record of a violation of beer and spirits manufactured decorations without appropriate tax paperwork.

The County also did not establish by a preponderance of evidence that Coach House violated the first half of Section 6-32(b) of the County Liquor Act by failing to act against disorderly persons. As stated, the County Liquor Code requires Coach House "to keep the premises

free at all times from the presence of disorderly persons, and to prevent any immoral practices thereon.” While the County proffered a theory that the State Commission infer disorderly conduct *on the license premises* from evidence of “disorderly persons” *in the parking lots and surrounding neighborhood*, the State Commission denied the review of such evidence as outside the scope of the specific charges. While it may be true that disorderly persons in the parking lots and surrounding neighborhood would not be present but for the presence of Coach House selling alcoholic liquor, this does not mean that Coach House and its agents are liable for failing to keep the premises free from disorderly conduct. While there is an abundance of evidence in the record of disorderly persons in the parking lots and surrounding neighborhood, there is no evidence of disorderly persons within Coach House, nor is there evidence that Coach House failed to “keep the premises free” from disorderly persons. If Cook County intended to prove Coach House contributed to or failed to prevent disorderly conduct, it should have provided evidence that Coach House over-served alcoholic liquor to its patrons or violated noise ordinances by playing music too loud. While there is some evidence of intoxicated patrons and loud music, there is not a preponderance of evidence in the record demonstrating Coach House over-served alcohol or that it violated local noise ordinances. Inferring Coach House violated the first half of 6-32(b) because of the presence of disorderly persons in the parking lots and neighborhoods is too tenuous to prove liability for a violation on such grounds.

Evidence related to Coach House liability for violation of Section 6-33

Unlike the charges related to “disorderly persons” requiring evidence action or inaction of Coach House agents on the licensed premises, liability for Coach House becoming a “public nuisance” does not require proof of action or inaction by Coach House agents and only requires evidence of specific crimes on the “parking facility or on adjacent property.” Section 6-33 of the

County Liquor Code requires Coach House to be “responsible to the community surrounding the licensed premises” by imposing liability if:

1. Not less than three separate incidents occur;
2. On or in the licensed premises parking facility or on adjacent property;
3. While the business establishment is open for business or within one hour of the time the establishment is open or closed for business;
4. Involving acts that violate any federal or state law defining a felony, or any federal or state law or local government ordinance regulating narcotics, controlled substances or weapons.

County Liquor Code, Section 6-33.

Cook County provided sufficient evidence of more than three incidents involving an illegal shooting or unauthorized use of a firearm occurring in Coach House’s parking lot and/or adjacent property within twelve consecutive months while Coach House was open or within an hour after Coach House had closed. The incidents are identified as follows:

1. Cook County Sheriff Incident Report for SH-20-00233246 describes an incident occurring on June 20, 2020, 0310 at 1626 E. Algonquin Rd Parking Lot with a narrative that includes:

Upon arrival, R/O observed a female victim with a gun shot wound to the upper thigh.... R/O spoke with witness Smith, Dennis F who related that he was smoking a cigarette in front of coach house when he heard 2-3 gunshots. When he approached the area (west end of the parking lot) he saw a person applying first aid to the victim now known as Easterling. . . . R/O spoke with witnesses . . . who all related that they saw two females fighting and a male subject with dreads, shot two rounds toward the females fighting.

LC Exhibit 17, ILCC p. 413.

Corroborating evidence of the June 20, 2020, incident is Cook County Sheriff Computer Aided Dispatch Report (“CAD Report”) (*LC Exhibit 2, ILCC p. 353*); Schaumburg Police calls for service records; (*LC Exhibit 6, ILCC p. 362*); Palatine Fire Department EMS report responding to a call “for a gunshot victim.” (*LC Exhibit 14, ILCC*

p. 388). Reports and narratives clearly describe the shooting occurring at 1626 E. Algonquin Road parking lot “in front of coach house.” *LC Exhibit 17, ILCC p. 413.*

2. Incident Report for SH-20-00316592 describes an incident occurring on August 22, 2020, at 2:58 a.m. at 1626 E. Algonquin Rd Parking Lot with a narrative that includes:

R/O arrived on the scene and appeared to be a gun shot hole in the windshield of the vehicle. R/O Plech along with other units canvassed the area for the evidence finding two firearm casings in WB lanes of the Algonquin Rd. ...

R/O interviewed three witnesses who have given varying statements regarding the incident. At the time when the incident had occurred the parking lot was occupied by multiple cars and 10s of subjects hanging out in the above parking lot, by the 7-11 Convenience store and across the street by the Mobil gas station.

First witness from Mobil gas station (across from strip mall parking lot) related “that she heard gunshots that possibly came from across the street.”

Second witness “related that he heard gunshot sounds and M/B subject in wearing black clothes running up and down in front of 7-11 store holding what appeared to be black in color handgun, getting into black in color BMW vehicle and driving away from the scene.”

Third witness “related that he heard few gunshots and observed four B/M subjects in S/W corner of the parking lot running and driving away from the scene.”

LC Exhibit 18, ILCC p. 417.

Corroborating evidence of the August 22, 2020, gunshot is video from a Google Nest doorbell camera/audio system at 2282 Thorntree Lane which recorded the sound of six repeated loud pops or small explosions. *LC Exhibit 23.* The evidence for this incident demonstrates that two parties engaged in a shooting near the south end of the common parking lot used by Coach House and a 7-11 Convenience store. The engagement may have included one party across Algonquin Road at a Mobil gas station. *LC Exhibit 18, ILCC p.*

417. The evidence is clear that a shooting occurred in Coach House's common parking lot or adjacent property.

3. Cook County Sheriff Incident Report for SH-21-00143841 describes an incident occurring on May 2, 2021, at 3:35 a.m. at 1626 E. Algonquin Rd with a narrative that includes:

R/O also spoke with (witness) Brown, Cori who stated she has video of the fight and a masked man that fired shots. R/O viewed parts of the video but was unable to see the masked man with a gun.

Two shell casings were found . . . which were inventoried by the crime scene investigator . . . who arrived at 0605 hours.

LC Exhibit 9, ILCC p. 372.

Corroborating evidence of the May 2, 2021, incident is Cook County CAD Report (*LC Exhibit 2, ILCC p. 336*); Schaumburg Police calls for service record (*LC Exhibit 6, ILCC p. 362*); Palatine Fire Department report stating:

... possible shots fired with multiple victims. ...Large crowd surrounded A84 a PT exited the ambulance. Police on scene were unable to deescalate the situations. E16 advised the scene was no longer safe at this time. All FD units cleared the scene due to the scene no longer being secure....

LC Exhibit 12, ILCC p. 378; Rolling Meadows EMTs report stating:

Crews called to the above location for up to 3 assault victims and one possible gun shot wound per dispatch. Scene secured per CCSPD, upon arrival FD crews were met with large crowd swearing at EMS and one adult male John Doe bleeding from a head wound, this would be the only patient. ... E16 determined the scene to be unsafe, occupants leaving above bar/club exceeded the capacity for PD/FD to control. Multiple vehicles came close to striking A16, A84, and FD members while attempting to leave parking lot. ...

LC Exhibit 15, ILCC p. 394; Another video from a Google Nest doorbell camera/audio system at 2282 Thorntree Lane which records the sound of a single pop or small explosion and flickering lights in a southeast direction toward the Coach House common parking lot.

LC Exhibit 24. All evidence demonstrates that the gun shots were in the common parking lot used by the Coach House patrons.

4. Cook County Sheriff Incident Report for SH-21-00150835 describes an incident occurring on May 8, 2021, at 4:00 a.m. directing the first responders to the parking lot at 1626 E. Algonquin Rd with a narrative that includes:

In summary, but not verbatim, R/O Bowens #232 answered an IN-PROGRESS CALL at the Coach House Bar and Grill parking lot. Upon arrival, R/O observed several groups of patrons departing the bar and getting into their vehicles to depart the premises. There were no patrons fighting. R/O was conversing with food truck operator on scene and was requesting that he relocate his truck away from the bar's parking lot when about 5-6 gunshots rang out. R/O observed a muzzle flash coming from a dark colored vehicle. The vehicle sped off northbound on Thorn tree Lane. ... A Canvas of the area revealed seven (7) 40 caliber spent shell casings on the ground adjacent to 1602 Algonquin Road. An additional 4 casings were discovered on the ground in the parking lot at Wendy's at 1530 E. Algonquin Rd.

LC Exhibit 10, ILCC p. 375.

A supplemental report to Incident Report SH-21-00150835 included a supplemental narrative:

R/O ... was dispatched to Northwest Community Hospital to talk to Subject ... who allegedly stated he was involved in an incident whereas it was later learned to be a shooting involving patrons from Coach House Bar/Grill near Algonquin/Thorntree Palatine Twp.

Subject allegedly related, while inside said Bar, he had an interest with a Female who's Boyfriend ...was not happy Subject was eyeing her. Afterwards, while the Subject was walking towards the parking lot of the Wendy's Fast-food Restaurant nearby (Village of Schaumburg), he was approached by females Boyfriend and his friend. Subject then gets into a physical confrontation which led him to be incoherent with injuries. Subject stated, he did not know he was shot at until it was brought to his attention while being transported to Northwest Community Hospital by another patron from the Bar.

ILCC p. 375.

Corroborating evidence of the May 8, 2021, incident is a CAD Report (*LC Exhibit 2, ILCC p. 336*); Palatine Fire Department report stating:

E16 and A16 dispatched for incident at The Coach House. RMFD handled the incident. See PCR for medical care details.

LC Exhibit 13, ILCC p. 384. Rolling Meadows EMTs report stating:

Crews called to the above location for the assault victim. Upon arrival, crews were rerouted to overflow parking near Chicago prime and informed by PD that assault victim fled police and ‘jumped into a running car’. E16 had units fall back to staging area after RMPD member carrying a long gun informed crew that they were investigating a shooting/documenting shell casings in the same parking lot....

LC Exhibit 16, ILCC, p. 399; Google Nest door camera at 2282 Thorntree Lane recorded the sounds of six loud pops or small explosions followed by four more distant pops or small explosions without any flashes of light. *LC Exhibit 25.*

5. On July 12, 2020, at 4:13 a.m., a Google Nest door camera at 2282 Thorntree Lane recorded a flash of light and a single loud pop or small explosion in the southeast direction of the parking lot used by Coach House patrons. *LC Exhibit 22.* The owner of the home with the Nest door camera, Pam Lasilla, testified that she is familiar with the sounds of gunshots by hearing shooting related to hunting done by her husband’s family members. *ILCC p. 151.* Lasilla testified that on July 12, 2020, at 4:13 a.m., she heard what sounded like a gunshot. *ILCC p. 156.* This incident is corroborated by a nearby resident named Gerald Hedum living at 2273 Thorntree Lane who testified that he was woken by a gunshot at 4:00 a.m. on July 12, 2020, and saw a car “racing down Thorntree Lane.” *ILCC p. 178.* Hedum testified that he noticed increased noise in the area beginning in 2016 after Coach House opened but the “noise and gunshots” began around July 12, 2020. *ILCC p. 177.*

Location of the Incidents

To establish a license violation against Coach House, it is necessary that at least three of the previously cited shooting incidents occurred in the parking lot used by Coach House patrons or an adjacent property. Having reviewed all of the evidence, the State Commission holds that three or more shootings occurred in Coach House's parking lot and/or adjacent property areas also used for Coach House patron parking.

Coach House's business address is 1626 E. Algonquin Road and shares a common parking area with many other businesses as part of the Park Place shopping mall. The Park Place parking area ("Park Place Parking Lot") has approximately 70 parking spaces. *ILCC p. 261*. Based on the business address of *1626 E. Algonquin Road* on the incident reports, the police were called to the Coach House for the June 20, 2020, August 22, 2020, May 2, 2021, and May 8, 2021, shooting incidents. The evidence is clear that the June 20, 2020, and May 2, 2021, shootings occurred at or near the main Coach House business location within the Park Place Parking Lot. For the August 22, 2020, incident, the evidence of a shooting is based on a bullet hole in a car window parked at the south end of the Park Place Parking Lot and eyewitness accounts of gunshots and a man with a gun on the south end of the Park Place Parking Lot near the 7-11 convenience store. *LC Exhibit 18, ILCC p. 417*.

The 7-11 has dedicated parking for 7-11 patrons but there are no physical barriers between the 7-11 parking area and the rest of the Park Place Parking Lot. It is one large parking area for all of the businesses. 7-11 owner Nick Ibrahim testified that 7-11 customers may park in the entire lot because "the whole strip mall is for everyone." *ILCC p. 278*. Coach House owner Jim Matsas testified that people randomly gathered in the middle of the shared parking lot and on the south side of the shared parking lot in front of 7-11 on Friday and Saturday nights. *ILCC p. 255*. Matsas

testified that the Park Place Parking Lot is for all of the businesses, including the 7-11. *ILCC p. 261*. Matsas testified that he could see the entrance to 7-11 from just outside of Coach House entrance. *ILCC p. 255*. Therefore, the location of the August 22, 2020, shooting occurred in the same parking lot as Coach House, or, at a minimum, in an adjacent area to the Coach House parking area. Liability for a violation of Section 6-33 of the County Liquor Code is established based on clear evidence of three shootings in 12 consecutive months within the Park Place Parking Lot.

In addition to the three minimum shootings in the Park Place Parking Lot, the May 8, 2021, shootings occurred either in an additional Coach House parking area or an adjacent parking area used for Coach House parking. The additional parking area is referred to as the Chicago Prime parking area (hereinafter “Chicago Prime Parking Lot”) and is rectangular parking area across Thorntree Lane to the northwest of the Park Place Parking Lot. The Chicago Prime Parking Lot is a short walk from Coach House, and importantly, was regularly used as a Coach House overflow parking lot. Per a street map in the record, the Chicago Prime Parking Lot is a located just across a residential street, Thorntree Lane, a few steps northwest of the Park Place Parking Lot. *LC Exhibit 21*. Because the Park Place Parking Lot has only 70 parking spaces and Coach House capacity is close to 300 (*ILCC p. 261*), it was necessary for Coach House patrons to park in the far southwest corner of the Chicago Prime Parking Lot to go the Coach House.

The testimony of various hearing witnesses show the Chicago Prime Parking Lot was the parking area for Coach House patrons. Christopher Pate testified that there are “only three businesses that are open at these specific hours, one is the Mobile (*sic*) gas station directly across the street, doesn’t serve alcohol. There is the 7-11, which is directly next door but that only carries package goods, so alcohol is not consumed inside that business.” Coach House is the other

business. *ILCC p. 080*. Demetri Kouvelis testified that no other strip mall business except for 7-11 is open after midnight on weeknights and weekends. *ILCC p. 233*. Nick Ibrahim testified that beginning March 2021, he voluntarily closed the 7-11 store or “locked the doors” from 2:00 a.m. to 5:00 a.m.. *ILCC p. 273*. Jim Matsas testified that he has instructed Coach House security personnel “to walk over to the [Chicago Prime Parking Lot] just to make sure that everything is going fine.” *ILCC p. 263*. Neighbor Pam Lasilla testified that she has seen patrons of Coach House “park in the parking lot across on the west side of Thorntree in the Prime’s – The Shoppes at Prime Village.” (a.k.a. Chicago Prime Parking Lot) *ILCC p. 157*. Lasilla further testified “that I have seen people park in The Shoppes at Prime Village. And they – no other businesses are really open at that time.” *ILCC p. 158*. John Hupfauer testified that he can view the Chicago Prime Parking Lot from his kitchen and bedroom windows. *ILCC p. 166*. And that between May 2020 and May 2021, he observed in the Chicago Prime Parking Lot:

A lot of cars, groups of people exiting their cars and walking south on Thorntree. It was a continuous flow, anywhere between typically around –well, when we woke up, depending on the time we woke up from the noise, we would see people congregating in the parking lot or walking, again south towards the Park Place shopping mall.

ILCC p. 166.

Hupfauer testified that the activity in the Chicago Prime Parking Lot increased in the period of May 2020-May 2021 as compared to prior years. *Id.* Hupfauer testified that he observed increased parking on Thorntree Lane between the hours of 2:00 a.m. and 4:00 a.m. between May 2020 and May 2021. *ILCC p. 168*. Debra Alde, living just north of the Chicago Prime Parking Lot, testified that she did not see cars parked in the Chicago Prime Parking Lot prior to 2016, 2017 before Coach House opened. *ILCC p. 173*. Alde testified that she witnessed cars parked in the Chicago Prime Parking Lot on Wednesday, Fridays, and Saturdays between the hours of 1:30-4:30

a.m. between May 2020 and May 2021. *ILCC p. 173*. Alde testified she witnessed groups of people (5-7) walking “up the street” towards Algonquin from the Chicago Prime Parking Lot. *Id.*

Therefore, not only is Chicago Prime Parking Lot a very short distance from Coach House, but it is also clearly used as a Coach House parking area. Because the evidence of the violent May 8, 2021, shooting occurred in and around the Chicago Prime Parking Lot, the State Commission finds the May 8, 2021, shootings to have occurred in the Coach House parking lot or, at a minimum, on an adjacent property to the Coach House parking area satisfying the conditions for liability for Section 6-33 of the County Liquor Code.

Lastly, even though there is no police report filed for the July 12, 2020, shooting evidenced by the Google Nest door camera and by eyewitness testimony (Gerry Hedum), the recorded evidence and eyewitness testimony is substantially similar to the other incidents on the other dates in which there are confirmed shootings in police reports. The doorbell system recorded gunshot sounds and a flash of light from the southeast direction of Coach House similar to the other confirmed incidents that occurred in the Park Place Parking Lot and the Chicago Prime Parking Lot, both of which are Coach House parking areas.

Based on the five separate shooting incidents of June 20, 2020, July 12, 2020, August 22, 2020, May 2, 2021, and May 8, 2021, occurring in the Coach House parking areas during business hours or within one hour of Coach House closing, the conditions of Section 6-33 of the County Liquor Code have been met to establish liability against Coach House for creating a public nuisance.

Fine and Revocation Penalties

In reviewing the propriety of the local order, the State Commission analyzes whether the evidence in the record constitutes grounds to refuse to renew, revoke, or fine the license. The

Illinois Appellate Court has ruled: “It is well established that the violation of any statute, ordinance, or regulation related fairly to the control of liquor, upon liquor-licensed premises, generally constitutes cause for revocation of a license. (*Hanson v. Illinois Liquor Control Comm'n* (1990), 201 Ill. App. 3d 974, 983, 559 N.E.2d 1092, 1097, 147 Ill. Dec. 752, citing *Leong v. Village of Schaumburg* (1990), 194 Ill. App. 3d 60, 550 N.E.2d 1073, 141 Ill. Dec. 27, and *Lopez v. Illinois Liquor Control Comm'n* (1983), 120 Ill. App. 3d 756, 458 N.E.2d 599, 76 Ill. Dec. 199.) “The issue is not whether the reviewing court would decide upon a more lenient penalty were it initially to determine the appropriate discipline, but rather, in view of the circumstances, whether this court can say that the commission, in opting for a particular penalty, acted unreasonably or arbitrarily or selected a type of discipline unrelated to the needs of the commission or statute. *Jacquelyn's Lounge, Inc. v. License Appeal Comm'n of City of Chicago*, 277 Ill. App. 3d 959, 966, (1st Dist. 1996). “A reviewing court, however, may overturn sanctions imposed by an agency which have been determined to be overly harsh in view of mitigating circumstances.” (*Feliciano v. Illinois Racing Board* (1982), 110 Ill. App. 3d 997, 443 N.E.2d 261, 66 Ill. Dec. 578.) Based on the evidence in the record, the Cook County Commission did not act “unreasonably or arbitrarily” to refuse to renew, revoke the Coach House Late Licenses or impose a \$5,000 fine in as such sanctions were not “overly harsh in view of mitigating circumstances”

Revocation of Late Licenses

The Cook County Commission decision to refuse to renew and revoke (hereinafter collectively “Revoke”) Coach House’s Late Licenses effectively limiting Coach House’s hours of operation from 4:00 a.m. every day to 1:00 a.m. on weekdays or 2:00 a.m. on weekends is far from arbitrary and a considerably measured and proportionate regulatory action in consideration of the multiple violent events occurring in Coach House’s parking lot and/or adjacent properties. Section

6-33 of the County Liquor Code expressly authorizes the County to revoke all Coach House licenses, even the main Retailer license, if conditions of the public nuisance ordinance are met. The fact that the County Commission only revoked the Late Licenses is a proportionate response to the cause of the violent events occurring as a result of late night/very early morning Coach House operations.

Even though Section 6-33 of the Cook public nuisance ordinance does not require proof that Coach House caused violent shootings creating dangerous conditions, the evidence in the record is nevertheless convincing that the operation of Coach House in the very early morning hours was at least a partial, and likely main, cause of the violent incidents. Public officials from impacted communities lodged written complaints about Coach House and the drain Coach House had on public safety operations because of the multitude of service calls to Coach House. (See Letters from Rolling Meadows Fire Chief Jeff Moxley, *LC Exhibit 5*; Schaumburg Chief of Police, Bill Wolf, *LC Exhibit 6*). Chief Wolf's letter referenced calls for service that specifically involved persons "from Coach House." *LC Exhibit 6*. Fire Chief Moxley stated that the public safety problems caused by Coach House threatened the cancellation of an intergovernmental agreement between Cook County and Rolling Meadows that enable Rolling Meadows to provide resources to the unincorporated area. *LC Exhibit 5, ILCC p. 358-359*. Even Coach House's own witness confirmed Coach House strain on police resources by stating:

There have been times where [the police have] gotten out of their cars and they've blocked the lot, like three or four officers have walked together throughout the whole lot. There's been times where they've gone – just driven around with their lights on, trying to get the cars to move from blocking everybody. At the end of the night they eventually put their sirens on a couple of times to get people to leave the lot.

Kouvelis Testimony, ILCC p. 232. Furthermore, even though Cook County did not charge Coach House with over-serving its patrons, the common thread of the public official statements was the

high level of intoxication by Coach House patrons. *LC Exhibit 5, ILCC p. 358; LC Exhibit 6, ILCC p. 361.*

Moreover, the community members who testified at the hearing attributed the cause of the problems in the area to Coach House. Community residents who testified attributed the noise and violence in the area to the operation of Coach House. All residents who testified have lived in the area between 10 and 35 years. Many testified that the problems began when the Coach House opened in 2016 stating that the area was much quieter with no violence when Coach House's location was operated by a Mexican restaurant. There were simply no other businesses that operated in the early morning hours that would have led to the early morning noise and violence of a "madhouse." (*See Hedum testimony, ILCC p. 179*)

The theory posited by Coach House that the operation of the 7-11 convenience store, not Coach House, could have been a main cause of the public safety problems, defies credibility based on the evidence in the record. First, the operation of the 7-11 pre-dated Coach House without prior public safety issues. (*See Alde testimony, ILCC p. 174*). Second, during the May 2, 2021, and May 8, 2021, shootings, the 7-11 had voluntarily closed between 2:00 a.m. and 5:00 a.m. to help discourage Coach House patrons from continuing to loiter in and around the common parking lot. (*See Ibrahim testimony, ILCC p. 273*). Third, as stated, the nearby residents testified that the public safety problems began after Coach House opened, not before. (*See testimony of all residents, ILCC pp. 156, 166, 173, 177*). Lastly, while it is possible that some persons purchased alcohol from the 7-11 and consumed alcohol while loitering in the common parking lot, it defies logic that such behavior is the primary cause of the public safety problems in the parking area. If 7-11 was the cause, then why would this 7-11 be any different than 7-11's located elsewhere that do not cause public safety problems? To the contrary, common sense would dictate that the patrons consuming

alcohol in the 4:00 a.m. nightclub are the cause public safety problems and that alcohol purchased at the 7-11 and consumed in the parking lot is an ancillary effect of the presence of Coach House's late night/early morning operations. Removing such late night/early morning operations by Revoking the Late Licenses will go a long way toward making the area safer and occupying fewer public safety resources.

\$5,000 Fine

Cook County's imposition of a \$5,000 fine ("Fine") against the Coach House's underlying Retailer license is not against the weight of the evidence nor is it arbitrary. The State Commission has found that the basis for the Fine is the finding of liability on Counts 002 and 003 [Sections 6-32(b) and Section 6-6(d) of the County Liquor Act]. Based on a May 12, 2021, Cook County investigation of the Coach House premises, the State Commission has found sufficient evidence to prove Coach House violated both State law and local ordinances in the operation of its business.

Such violations included

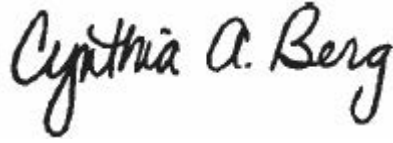
- a. Possession of unstamped cigarettes.
- b. Failure to allow inspection of liquor records during business hours.
- c. Failure to allow inspection of amusement records during business hours.
- d. Foreign matter and scaley substance items found floating in open spirits offered for sale.
- e. Failure to open locked storage area which contained beer, wine and spirits.
- f. Boxed liquor in storage area which appeared to have been purchased at Meijer Grocery Store instead of from a liquor wholesaler.

Per the County Revenue Code, a finding of the possession of 40 packs or less of mutilated/unstamped/illegally imported cigarettes is \$2,000 for a first offense. *County Revenue Code, Section 74-435*. After factoring in the other violations against Coach House as a result of the May 12, 2021, inspection, a \$5,000 fine against the Coach House Retailer license is not arbitrary or unreasonable.

IT IS HEREBY ORDERED:

For the reasons stated herein, the Cook County Liquor Commission decision to Refuse to Renew and Revoke the Coach House Special Late License and Additional Late Liquor License and to assess a \$5,000 fine is AFFIRMED.

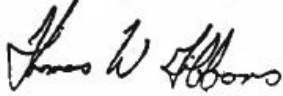
ENTERED before the Illinois Liquor Control Commission at Chicago, Illinois, on November 16, 2022.



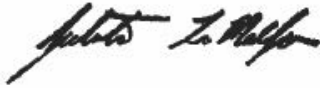
Cynthia Berg, Chair



Melody Spann Cooper, Commissioner



Thomas Gibbons, Commissioner



Julieta LaMalfa, Commissioner

Steven Powell, Commissioner



Brian Sullivan, Commissioner

STATE OF ILLINOIS)
COUNTY OF COOK) 22 APP 01

UNDER PENALTY OF PERJURY, as provided by law, section 1-109 of the Illinois Code of Civil Procedure, the undersigned certifies that I caused copies of the foregoing ORDER to be e-mailed by agreement of the parties prior to 5:00 p.m. on the following date: December 14, 2022.

/s/ Richard R. Haymaker

Richard R. Haymaker

CH House Corp.
c/o Irene Bahr
irene@bahrandersonlaw.net

Rob Anderson
rob@bahrandersonlaw.net

Cook County Liquor Control Commissioner
c/o Joseph Kerins
joseph.kerins@cookcountyil.gov

William Clifton Holmes
william.holmes@cookcountyil.gov