

IN THE MATTER OF THE VIOLATION	* BEFORE THE BOARD
HEARING OF CHANDRAKANT DESAI,	* OF
FOR A CLASS A – BEER, WINE &	* LICENSE COMMISSIONERS
LIQUOR LICENSE FOR THE USE OF	* FOR
GREENMOUNT GROUP, INC., T/A THE	* CARROLL COUNTY, MARYLAND
LIQUOR SHOPPE, 2275 HANOVER PIKE,	*
HAMPSTGEAD, MD 21704, IN	* HEARING NO. 5770
ELECTION DISTRICT 8	*

DECISION

On September 17, 2014, the Board of License Commissioners for Carroll County (hereinafter the Board) convened to hear Case No. 5770, the violation hearing of Chandrakant Desai for a Class A – Beer, Wine and Liquor License for the use of Greenmount Group, Inc., t/a The Liquor Shoppe, 2275 Hanover Pike, Hampstead, MD 21074, in Election District 8.

The Licensee was charged with a violation of Rule 13 of the Board Rules for providing false statements to the Board. The parties commenced the hearing with an agreed statement of facts or a stipulation presented by Gail Kessler, Deputy County Attorney.

On Aug 4, 2014, Jo Vance, Administrative Hearings Coordinator, received a call from a gentleman. He wanted to know if the license had been renewed for The Liquor Shoppe. The caller identified himself as Mr. Desai. The caller asked that his name be taken off of the license and that he had not been involved with the establishment for at least three years. The person said that he did not sign for that license for the year from May 1, 2014 to April 30, 2015. Mr. Desai did not sign any of the documents on Exhibit 1. Exhibit 1 is three pages of documents that were necessary for liquor license renewal. Each of the documents was signed with the name Chandrakant Desai. Each of the documents was notarized by someone named S. M. Desai. All of the matters occurred in Carroll County Maryland.

Mr. Sangay Kumar Chokshi is the majority owner of The Liquor Shoppe. He has not been on the license to this point because he was not a United States citizen. He has been in the process of becoming a citizen. He in fact, became a U.S. citizen as of July 31, 2014. He has known Mr. Chandrakant Desai, the Licensee, for more than ten years. He considers Chandrakant Desai to be a good friend. He was aware that Chandrakant Desai wanted his name to be removed from the liquor license. The process for getting his citizenship took longer than he had hoped, and he expected to get Chandrakant Desai removed from the license at an earlier time. He presently has an application pending to replace Chandrakant Desai on the liquor license for the establishment. Mr. Chokshi testified that Chandrakant Desai's daughter was married this year. Mr. Chokshi contacted Chandrakant Desai's nephew, Neil Desai, about the signing of the papers for the license renewal. Chandrakant Desai gave his nephew authority to place his name on the liquor license for the establishment. Mr. Chokshi testified that he did not sign the documents in Exhibit 1. He further testified that he did not know who signed the documents in Exhibit 1. However, he used the documents in Exhibit 1 to submit to the liquor board. His establishment had a previous violation involving a storage permit in 2010. He also testified that he had a violation hearing before the liquor board and was given a one hundred dollar fine for a violation.

Neil Desai, Chandrakant Desai's nephew, also testified. He got his uncle, Chandrakant Desai, to sign the renewal papers for the liquor board last year in 2013. Mr. Neil Desai was contacted by Mr. Chokshi because his uncle was difficult to get communications to. The biggest reason for the uncle's busyness was his business and his daughter's wedding. Mr. Neil Desai contacted his uncle about signing the necessary papers for the renewal of a liquor license in 2014 too. He testified that Mr. Chokshi gave him a blank version of the Exhibit 1 documents and that he then gave the Exhibit 1 documents back to Mr. Chokshi as the actual documents reflected in evidence. He testified that he did not know who signed the documents in Exhibit 1.

The wedding preparations involved a year of planning. The wedding lasted three days and involved the travel of many people. Neil Desai testified that his uncle did not sign the documents in Exhibit 1. However, he stated that his uncle gave him permission to get the documents in Exhibit 1 signed using his uncle's name.

Chandrakant Desai testified at the hearing. He is the current licensee for the establishment and lives in Mt. Airy, Maryland. He has been the licensee on the license since the

beginning in 2007. He became the licensee to accommodate his friend, Mr. Chokshi. However, although there were no problems associated with his wanting to be removed from the license, he still wanted to be taken off of the license. He had inquired about when he could be taken off of the license a few years ago. He was aware that Mr. Chokshi was in the process of becoming an American citizen.

His daughter had a large wedding on or about April 19, 2014. The wedding activities involved more than three hundred guests and lasted for three days. He trusted his nephew, Neil. Since he did not want to fool around with signing the paperwork for the liquor license in 2014, he gave his nephew permission to use his name. He testified that he did not want to bring any harm to the owners of the establishment. However, he was frustrated that he was still on the liquor license. At one point he stated that he did not remember if he gave his nephew permission to have his name signed on Exhibit 1.

At one point he stated that he did not put up any money for the business when it commenced. At another point he stated that he paid \$5,000 for his portion of the business. He expected to get his money back when he left the business. However, he did not participate in the profits and losses of the business.

In his closing statements, Mr. Ritchey stated that the establishment did not contest the false statement charges. He wanted to present a case of how the mistake of the documents signed in Exhibit 1 occurred. He suggested that the problem of giving permission to get the renewal documents signed would not reoccur because Mr. Chokshi was now a citizen and intended to get his own name on the license. He stated that The Liquor Shoppe was a well-run establishment. He further stated that the owners of the business viewed the violation as a serious matter and took it seriously.

The Board found that a violation did occur with regard to the charges of false statements provided to it. The Board noted that there was testimony that Chandrakant Desai may have given someone permission to sign his name on the renewal papers in Exhibit 1. It was not clear that the permission to sign his name was given. In any case, someone signed his name in Exhibit 1. None of the three witnesses at the hearing admitted to signing Exhibit 1. However, Exhibit 1 was signed with the intention of renewing a liquor license. The documents in Exhibit 1 were necessary to be signed to obtain a liquor license. The documents were given from Mr. Chokshi to Neil Desai as unsigned documents. Per the testimony of Neil Desai, The documents were

returned to Mr. Chokshi in the form of Exhibit 1 as unsigned documents. It strains the belief of the Board that not one of the three witnesses knows who signed the documents or how the documents came to be signed. The Board agreed that stating the documents that needed to be signed for a liquor license renewal were mysteriously signed was incredible testimony. The signatures on Exhibit 1 were placed there by someone for the benefit of the establishment. Everyone concerned was clear about that fact. The fact that no one can dot the "i's" as to how the document came to be signed is not believable, However there is testimony from Neil Desai that he returned the documents in Exhibit 1 to Mr. Chokshi unsigned. Neil Desai's purpose for contacting his uncle was to facilitate getting the documents in Exhibit 1 signed. This purpose was accomplished whether before or after the documents were given back to Mr. Chokshi.

The Board looked at this matter as not being a case of mistake as claimed by the establishment. The Board did not find that Chandrakant Desai was too busy with his daughter's wedding to have signed and notarized three pages that had been signed in prior years. The reason for the testimony given can easily be explained by the close relationship between the witnesses. In this close relationship no one wanted to see the business harmed.

Although it was not explained during the hearing, the Board noted that the notary of the documents in Exhibit 1 was signed by someone named S. M. Desai. The notary S. M. Desai notarized a statement of Chandrakant Desai. It was clear from all of the evidence that Chandrakant Desai did not sign the notarized statements with his signature as reflected in Exhibit 1. No one admitted to signing the documents in Exhibit 1. However, Exhibit 1 was clearly signed by someone. Exhibit 1 was clearly signed for the benefit of the business in spite of the fact that the actual Licensee did not sign the documents.

The Board was very troubled by several aspects of this case. It is uncontested that false statements were relied on by the Board to grant a license renewal. It is uncontested that the owner of the business supplied the Board with the false statements in Exhibit 1. Someone signed notarized statements for the Board, that was not the Licensee for the establishment, with the intention of obtaining a license renewal. It would appear that a notary allowed someone to sign a notarized document of an individual other than the individual named in the document. No one seems to question who signed the documents in Exhibit 1. The well-run business had someone sign renewal documents other than the actual Licensee. The documents in Exhibit 1 were signed in order to get the Board's approval of a renewal. The license for the establishment was renewed

by the Board as a result of Exhibit 1 being accepted and received. The submission of Exhibit 1 to the Board did not involve a mistake. The submission of the documents was voluntary and intentional. The submission clearly involved false statements being provided to the Board.

There is no question that false statements were submitted to the Board. There is no question that the Board received the false statements. There is no question that the Board relied on the false statements in issuing a renewal license. The establishment, The Liquor Shoppe, is necessarily responsible for these false statements being provided to the Board. The Board did not accept a large wedding and the planning and responsibilities for arranging and paying for it as an acceptable reason for the submission of false statements to the Board. The wedding merely creates an excuse as to how papers might be signed by someone other than the person who should have signed them.

The Board recognized that this case would not have occurred but for someone telephoning the Board's office and complaining that he did not sign papers for this year's liquor license renewal. In Mr. Chandrakant Desai's testimony, he described coming to the Board office in August 2014 about the matter of his name being on the license. The caller made reference to being the licensee for the establishment. This started the investigation that led to the instant charges of false statements.

Since the establishment received the benefit of the submission of the false statements in Exhibit 1 being submitted to the Board, the establishment should be responsible for the penalties of these documents being submitted to the Board. The Board found the licensee in violation of the charge and voted to fine the establishment \$2000 and voted to suspend the license for a period of ten business days to include two weekends. The license will be suspended from 7 a.m. September 27, 2014 to 11:00 p.m. October 6, 2014.

THE BOARD OF LICENSE COMMISSIONERS
FOR CARROLL COUNTY

DATE

ROLAND MEERDTER, Chairman

ROBERT TABLER, Member

DAVID L. BRAUNING, SR., Member

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