

# Memo

To: Stacy Saltzberg, Deputy City Clerk

From: Ranbir Cheema - Tax, Licensing & Revenue Manager; Anja Wendel – Senior Assistant City Attorney

Date: February 6, 2014

Re: Series 7 Liquor License – Person and Location Transfer – Nomads

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Hillside Enterprises LLC DBA Nomads (and Grand Canyon Hostel), located at 19 W Phoenix Ave has a current sales tax license. They are current on their tax returns filing, tax payments and are in good standing with the Sales Tax Section of the City.

However, the seller in this transaction SB Restaurant Inc has an outstanding balance for unpaid sales tax and Water bill. SB Restaurant had filed a chapter 11 bankruptcy on 12/29/2011, for which City had submitted a claim of \$8,403.46 in unpaid sales tax and \$1,261.45 in unpaid Water Utilities bill. The City has not received any update or resolution through this bankruptcy filing and these amounts are still outstanding. Unless the seller demonstrates this liquor license sale is according to the court approved plan I would recommend against approval of transfer. Please ask the seller to provide such information.

In addition, the City Attorney's Office will follow-up to determine if the City has any ability to collect outstanding debts through the bankruptcy proceeding.

/liquor licenses/Nomads.doc