

1 P-R-O-C-E-E-D-I-N-G-S

2 2:13 p.m.

3 CHAIRPERSON ANDERSON: So now let's
4 move on to the next case on our calendar is L8,
5 License No. 99695. And this is also a stock
6 ownership transfer application.

7 Will the parties -- so can -- let us
8 for the record identify who were the owners of
9 L8. L8, who are the owners of L8 and the
10 percentage of ownership?

11 MR. METZ: The owners of L8 are Mr.
12 Karagounis 33.33 percent.

13 CHAIRPERSON ANDERSON: 33 point what?

14 MR. METZ: .33.

15 CHAIRPERSON ANDERSON: Okay.

16 MR. METZ: Biabani Group, LLC 33.33
17 percent. And Mr. Amirshahi 33.34 percent.

18 CHAIRPERSON ANDERSON: It's 30 what?

19 MR. METZ: 33.34.

20 CHAIRPERSON ANDERSON: 33.34 percent.

21 And once again we have the --

22 MR. METZ: Biabani.

23 CHAIRPERSON ANDERSON: -- Biabani
24 Group who owns 33.33 percent of this
25 establishment that the Agency is not aware of the

1 -- of this entity and the Agency to date is not
2 aware whether or not this entity can or is able
3 to qualify for a license. Is that correct?

4 MR. METZ: That's correct. This is
5 the same situation that we discussed with the
6 last entity.

7 CHAIRPERSON ANDERSON: And so if the
8 ABC Board was to approve the entities to -- that
9 stock ownership, who would be the managing
10 member? Who now is the face of -- who is of
11 this, of L8?

12 MR. KARAGOUNIS: That would be me
13 again.

14 MR. METZ: Mr. Karagounis.

15 MR. KARAGOUNIS: Antonios Karagounis.

16 CHAIRPERSON ANDERSON: So what role --
17 prior to this change, what role, if any, did you
18 have in L8, sir?

19 MR. KARAGOUNIS: I was one of the two
20 managing partners, me and Mr. Amirshahi.
21 Unfortunately, now I will be the only one trying
22 to operate the business.

23 CHAIRPERSON ANDERSON: So you are
24 still the -- so you were -- so what role did you
25 play before? I mean in the sense of what -- how

1 were the responsibilities divided?

2 MR. KARAGOUNIS: It's mostly in
3 marketing and branding.

4 CHAIRPERSON ANDERSON: Whose role is
5 that?

6 MR. KARAGOUNIS: That would be me.
7 Marketing and branding of the business,
8 conceptual design of the business, the day-to-day
9 operations and legal and ABRA matters were Mr.
10 Amirshahi up until now.

11 CHAIRPERSON ANDERSON: So who is going
12 to be doing this role now?

13 MR. KARAGOUNIS: Well, I would have to
14 do that and again rely on a manager to take care
15 of the day-to-day operations, one or two managers
16 depending on how many days we are open.

17 CHAIRPERSON ANDERSON: So what
18 experience do you have to -- you are taking on --
19 because you have basically told me that you were
20 basically in the background, so what experience
21 do you have managing? This is an entity, a huge
22 entity. Now you have told me that you are now
23 going to -- so far that you are going to manage
24 Rewind and you are going to manage L8.

25 So what experience do you have in

1 doing this type of work?

2 MR. KARAGOUNIS: I have been a
3 nightclub and lounge owner since 2006 with
4 Ultrabar that is Toppromo, that is actually on
5 the docket further down for today.

6 CHAIRPERSON ANDERSON: So what -- so
7 explain as far as L8 is concerned, can -- and I'm
8 just trying to build a record. So what is the
9 financial considerations that were provided for
10 this entity?

11 MR. METZ: So this was part of the
12 overall transaction with the \$3 million purchase
13 price by Mr. Paez' entity. \$100,000 of the \$3
14 million was allocated to this entity.

15 CHAIRPERSON ANDERSON: How much?

16 MR. METZ: \$100,000.

17 CHAIRPERSON ANDERSON: So how will the
18 previous Mr. Amirshahi, how will he be
19 compensated for his ownership in this -- based on
20 the sale?

21 MR. METZ: So consistent with what we
22 discussed earlier, the purchase price is paid by
23 \$120,000 down payment and the remaining
24 \$2,880,000 to be paid quarterly over 39 quarters.

25 CHAIRPERSON ANDERSON: So are there

1 any business or financial relationship with --
2 between Mr. Amirshahi and any of the entities
3 that are left as ownership of L8?

4 MR. KARAGOUNIS: No.

5 CHAIRPERSON ANDERSON: And outside of
6 this, I guess, the payment arrangement, will Mr.
7 Amirshahi receive any other financial
8 compensation from the operation of L8?

9 MR. KARAGOUNIS: No. No, sir.

10 CHAIRPERSON ANDERSON: And let me ask
11 Mr. Paez, you are taking on -- what's your
12 expertise in managing a club? I mean what role,
13 if any, will you be playing in L8?

14 MR. PAEZ: I have had restaurant
15 business in the past, but I haven't had any
16 nightclub experience and I'm not planning to play
17 any role. I'm just, like I said, an investor and
18 that's about it.

19 CHAIRPERSON ANDERSON: Well, what
20 restaurants have you -- is it restaurants here in
21 the District of Columbia?

22 MR. PAEZ: Over in Maryland.

23 CHAIRPERSON ANDERSON: And what
24 restaurants are those, sir?

25 MR. PAEZ: I had two restaurants. Mix

1 Bar and Grill, one in Potomac, one in Silver
2 Spring. And I own Cafe Elan in Bethesda and also
3 Perione in Bethesda.

4 CHAIRPERSON ANDERSON: Any questions
5 by any Board Members?

6 MEMBER SHORT: I just have --

7 CHAIRPERSON ANDERSON: Yes, Mr. Short.

8 MEMBER SHORT: Now, the same
9 arrangement 39 quarters just like we had for the
10 first case, correct?

11 MR. KARAGOUNIS: Yes.

12 MEMBER SHORT: So who will be making
13 those payments?

14 MR. KARAGOUNIS: I will be making
15 those payments.

16 MEMBER SHORT: You will be making the
17 payments on both of these?

18 MR. KARAGOUNIS: It's --

19 MR. KLINE: If I could clarify, it's
20 one deal.

21 MR. PAEZ: Right.

22 MR. KLINE: So in other words, the way
23 the contract is set up, it's a purchase and sale
24 of the interest in the three entities. So it's
25 one purchase price and then there is an

1 allocation within the agreement as to which
2 portion of the purchase price is attributable to
3 the share of each business.

4 And there is one note, so the 39
5 quarters that we have talked about --

6 MEMBER SHORT: Right.

7 MR. KLINE: -- is the same money for
8 all three. It's a package. It's a bucket. So I
9 don't want to get confused and think that --

10 MEMBER SHORT: That's why I wanted
11 that clarified.

12 MR. KLINE: Yeah.

13 MEMBER SHORT: Thank you.

14 MR. KLINE: Okay. Sure.

15 MEMBER SHORT: That's all I have, Mr.
16 Chair.

17 CHAIRPERSON ANDERSON: Any other
18 questions by any other Board Members? Any final
19 comments by any of the entities regarding L8?

20 MR. METZ: No. We appreciate --

21 CHAIRPERSON ANDERSON: Yes?

22 MR. METZ: -- the process.

23 CHAIRPERSON ANDERSON: All right.

24 Well, with that said, then I -- I then make a
25 motion that the ABC Board will allow the transfer

1 application to move forward, providing that the
2 proper documentations are provided to licensing
3 for them to determine whether or not the entities
4 that are presented to the Agency, whether or not
5 they could or can qualify to have a license to
6 run this establishment.

7 Is there a second?

8 MEMBER CATO: Second.

9 CHAIRPERSON ANDERSON: Mr. Cato has
10 seconded the motion.

11 All those in favor say aye.

12 ALL: Aye.

13 CHAIRPERSON ANDERSON: Those opposed?
14 The matter passes 5-0-0.

15 (Whereupon, the Fact-Finding Hearing
16 was concluded at 2:22 p.m.)
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C E R T I F I C A T E

This is to certify that the foregoing transcript

In the matter of: L8

Before: DCABRA

Date: 10-02-19

Place: Washington, DC

was duly recorded and accurately transcribed under
my direction; further, that said transcript is a
true and accurate record of the proceedings.

Neal R Gross

Court Reporter

NEAL R. GROSS

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