

# Why Miami's House Nightclub is Picking a Fight With City of Miami

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After sparring with financial backers, promoters, neighbors and its landlord, House Nightclub is battling the city of Miami in court to stay open.

Glass House Productions LLC, the company behind the club at 1915 NW Miami Court, filed suit June 29 in Miami-Dade Circuit Court seeking an order saying its existing certificate of use "is valid and remains in full force and effect."

The legal action is meant to keep the City Commission from confirming a municipal staff decision in January to revoke the certificate of use.

After receiving complaints from nearby residents, the city informed House it was pulling its license to operate for not complying with several permit requirements. In anticipation of an appeal, the city agreed to delay immediate enforcement of the revocation.

The city zoning board this month sided with the nightclub. The final decision is now up to the City Commission but will likely be deferred due to the lawsuit.

In its lawsuit, House notes the city reviewed its application, didn't object at the time and issued the permit.

Miami bureaucrats said House misrepresented its distance from the nearest school, Phyllis Wheatley Elementary School.

The city requires establishments serving alcohol to be at least 1,000 feet from schools, but the club's property line is 874 feet away.

The club maintained it measured the distance door to door. The city standard is from the door of the business to the closest school corner.

The club owners say they spent millions of dollars renovating the venue after the permit was issued. Citing the doctrine of equitable estoppel, House attorney Eduardo Ramos of Holland & Knight in Miami argued in the suit that the city is barred from pulling the club's license. He didn't respond to a request for comment by deadline.

"Based on neighbor complaints, the city's zoning department uncovered irregularities with the surveys needed to open the club, which were submitted by House's agent," said Victoria Mendez, Miami's city attorney, in a statement. "The city merely wanted House to be a good corporate citizen and be sensitive to neighbors' concerns while addressing the survey issues."

## Other Litigation

Adding a twist to the fight, the nightclub's partners are suing each other, claiming mismanagement and theft.

It's the third legal action filed this year involving House. On May 6, investors controlling 73 percent of the venture, Alfred Abiouness and Mahesh Harjani, sued fellow partner Mark Lowe demanding he relinquish control of club management. The suit claims Lowe, an 11 percent partner and the club's day-to-day manager, repeatedly failed to provide the majority partners

with an accounting of the club's finances and tax filings.

The suit claims Lowe has driven House into the ground financially with overdrawn bank accounts, overdue rent, missed sales tax payments and missing insurance. Abiouness and Harjani also allege Lowe used club funds to pay his own rent and allowed employees to raid the cash register.

Lowe did not respond to a request for comment by deadline.

**Roger Slade of Haber Slade**, who represents Abiouness and Harjani, said Friday that the parties are trying to settle their differences.

In February, House sued landlord A.A. Holdings LLC, claiming the property owner left the venue swimming in a sea of municipal code violations that were blamed for its oft-delayed opening. The landlord is threatening to evict House over failure to pay the rent.

In a case that later settled, investor Barry Cohen filed suit in January 2014 demanding House forfeit its liquor license to satisfy an alleged default on a \$105,000 loan.

House has been battling to exist since before it opened. Lowe faced opposition from nearby neighbors led by civic leader Cecilia Stewart in October 2013 when he went before the City Commission for permission to serve liquor until 5 a.m. It's a common closing time in Miami-Dade County, but the city standard is 3 a.m.

Stewart said she was worried patrons would "embolden illegal activities" and result in hundreds of clubgoers "trampling with drunkenness, soliciting sex and drugs and whatever." Since then, she has filed noise complaints and persuaded the city's Overtown Community Advisory Board to stand against the venue.

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