

**DEPARTMENT LICENSING AND CONSUMER PROTECTION
DENVER, COLORADO**

ORDER OF SUMMARY SUSPENSION

**IN THE MATTER OF A BUSINESS LICENSE HELD BY CORPORATE HOUSING ON
WAZEE, LLC, DOING BUSINESS AS NATIV HOTEL & GATSBY SOCIAL, AT 1612
WAZEE STREET, DENVER, COLORADO 80202**

**HOTEL AND RESTAURANT LIQUOR LICENSE # 2018-BFN-0002789
DANCE CABARET LICENSE # 2018-BFN-0002789
RETAIL FOOD LICENSE # 2024-BFN-0018795**

Pursuant to Denver Revised Municipal Code (the “D.R.M.C.”) section 32-14 and Colorado Revised Statutes (C.R.S.) section 44-3-601(2), the Manager of the Department of Licensing and Consumer Protection (the “Department”) hereby ORDERS the immediate summary suspension of Corporate Housing on Wazee, LLC, doing business as Nativ Hotel & Gatsby Social (the “Respondent”) Hotel and Restaurant Liquor License, Dance Cabaret License, and Retail Food License.

Law Supporting Summary Suspension

D.R.M.C. § 32-14 provides that “[w]here the department has objective and reasonable grounds to believe and finds, upon a reasonable ascertainment of the underlying facts, that the licensee has been guilty of deliberate and willful violation or that the public health, safety, or welfare imperatively requires emergency action and incorporates the findings in its order, it may summarily suspend the license pending proceedings for suspension or revocation which shall be promptly instituted and determined as provided in section 32-15.”

D.R.M.C. §§ 32-15(a)(1) and (a)(2) state that the Manager may, upon her own motion or upon complaint and after investigation and a show-cause hearing, impose penalties on any license where “[a]ny fact or condition exists which would qualify for the denial of the license” as well as when the licensee fails to “furnish such information as may be reasonably required by the manager.” Similarly, D.R.M.C. §§ 32-15(a)(5) allows the Manager to impose sanctions and penalties where “[t]he licensee or any of the agents, servants or employees of the licensee, have violated any ordinance of the city or any state or federal law or have permitted such a violation by any other person.”

Furthermore, C.R.S. § 44-3-601(2) states that “[a]ny license or permit may be summarily suspended by the issuing licensing authority without notice pending any prosecution, investigation, or public hearing.”

C.R.S. § 44-3-413 (1)(a) requires a hotel and restaurant licensee to “sell alcohol beverages ... to customers of the restaurant and only if meals are actually and regularly served and provide not less than twenty-five percent of the gross income from sales of food and drink of the business

of the licensed premises over any period of time of at least one year.” Subsection (c) further requires that licensee to “serve meals between the hours of 8 a.m. and 8 p.m. and meals or light snacks and sandwiches after 8 p.m.” Additionally, subsection (6) makes clear that the intent behind these requirements is that license holders “maintain a bona fide restaurant business and not a mere pretext of such for obtaining a hotel and restaurant license.”

D.R.M.C. § 6-35(a) states: “Each licensee shall conduct his establishment in a decent, orderly and respectable manner. No licensee, manager, agent, or employee of a licensee, nor a member of any organization licensed herein, shall permit within or upon the licensed premises: the loitering of intoxicated persons or persons under the influence of alcohol, narcotic drugs, stimulants or depressants; nor lewd or obscene displays or activities; nor disturbances, disorderly conduct, or undue noise; nor any unlawful act; nor other activity offensive to the residents of the neighborhood in which the establishment is located...” Additionally, D.R.M.C. § 6-35(b) requires any licensee and any manager, agent, or employee to “immediately report to the police department any unlawful or disorderly act or conduct committed on the licensed premises ...”.

D.R.M.C. § 6-61 provides that in addition to grounds shown in Chapter 32 of the D.R.M.C., a Cabaret License may be revoked or suspended where “[t]he nature of the licensed premises or of the business conducted therein encourages a disturbance of the peace” as well as where “the conduct of persons in or about the licensed premises is such as to annoy or disturb the peace of the residents in the vicinity, or of the passersby on any public sidewalk, street, highway or any other public right-of-way.”

Grounds for Summary Suspension

On April 10, 2026, the Department summarily suspended the Respondent’s Hotel and Restaurant Liquor License, Dance Cabaret License, Lodging License, and Retail Food License due to numerous fire code violations, the Respondent’s continued operation despite a Stop Work Order issued by the Denver Fire Department, and incidents of violence associated with the business. On April 16, 2026, the Department issued an Order to Show Cause to set a hearing on the issues identified in the Summary Suspension Order.

Under state law, the April 10 summary suspension of the Respondent’s liquor license automatically expired on April 25, 2026. On April 24, 2026, the Department issued an order lifting the suspension of the Lodging License and Retail Food License in recognition of the Respondent’s progress in addressing the fire code violations. The Dance Cabaret License, however, remained suspended until June 4, 2026, when the Department lifted that suspension and dismissed the April 16, 2026, Show Cause Order. On that same day, the Department issued a new Show Cause Order to address the earlier fire code violations and the Respondent’s interference with the Department’s investigations during the suspension period. The Department incorporates by reference the allegations set forth in the June 4, 2026, Show Cause Order.

Criminal Activity Associated with Nativ Hotel & Gatsby Social

Prior to the April closure, the Department received community complaints regarding the Respondent’s impact on the surrounding area. DPD noted that while the Respondent was closed during the prior summary suspension, there were virtually no calls for service in the area during

the 2:00 a.m. out-crowd hours. After the business reopened, the Department again began receiving complaints, including complaints about incidents occurring within the first twenty-four hours of re-opening. These complaints involved noise disturbances and violent events associated with the Respondent's operations. Since the reopening, DPD has had to assign a dedicated team of officers to the Respondent's location to respond to recurring violence, weapons complaints, shots fired, and other disturbances.

Neighboring businesses and property owners reported that on August 30, 2026, a violent altercation occurred between one of the Respondent's security guards and one of the Respondent's patrons. A crowd of approximately 40 people gathered to watch and follow the fight, which took place at or near the sidewalk adjacent to the Oxford Hotel, which is less than a block away from the Respondent's licensed premises. At one point, employees noticed an individual associated with the commotion was holding a firearm in his waistband. Because of the scale of the incident, its proximity to the hotel, and the presence of weapons, the Oxford Hotel was required to initiate a full lockdown of its premises to ensure the safety of guests and employees. Additionally, over that same weekend, Respondent's patrons were driving away after leaving the licensed premises, made a left turn onto 17th Street and collided with parked vehicles before hitting a tree in front of the Vintage Label Store. The driver and the group of individuals riding in the vehicle fled the scene.

Also on August 30, 2026, at approximately 1:46 a.m., DPD officers were stationed directly outside of the Respondent's licensed premises as patrons were exiting the premises. An intoxicated patron began to climb on top of the officers' patrol vehicle, and the officers ordered him to stop and leave the area. When the patron refused to comply with officers' lawful orders they took him into custody, at which point he began physically resisting and fighting with them. During the struggle, the patron struck an officer twice in the genitals, and after being placed in the patrol vehicle, repeatedly hit the interior of the rear passenger-side door, damaging the safety cage and bending the door frame. The estimated damage is between \$15,000 and \$20,000.

Further, the Respondent has failed to notify law enforcement when crimes occur on its premises. On August 19, 2026, a security guard reported to DPD that she had been assaulted on August 16, 2026, at approximately 1:00 a.m., when a patron struck her in the chin as she attempted to escort him out for aggressive behavior. She also reported that a fellow security guard suddenly grabbed her from behind and placed her into a chokehold. Although staff accounts differ regarding the chokehold, the Respondent did not report either incident to DPD. Moreover, the security guard who allegedly applied the chokehold did not possess a security guard license issued by the Department, and the security company hired by the Respondent, National Legacy Security Company, was likewise unlicensed.

On August 2, 2026, officers assigned to violence-mitigation efforts observed an unsecured firearm on the floorboard of a white Mercedes Benz parked at 1521 16th Street, a parking lot adjacent to the licensed premises. The firearm's owner, an employee of the Respondent, unlocked the vehicle, revealing a weapon loaded with a 34-round magazine containing 33 rounds and one round in the chamber. On August 16, 2026, while breaking up a fight between two females in a parking lot adjacent to the Respondent's licensed premises, officers were confronted by a male acting in a threatening and aggressive manner. A modified handgun equipped with a laser was

later found in the male's cross-shoulder bag along with a loaded 15-round magazine. He did not possess a concealed carry permit.

On June 28, 2026, an employee of the Oxford Hotel was assisting an older couple with an Uber when she heard approximately eight to ten gunshots in the vicinity, prompting all three to run back inside for safety. DPD investigation revealed the shooting occurred because of a gang related argument between a number of the Respondent's patrons after leaving the licensed premises. The shooting resulted in a woman being shot in the leg. Officers recovered 39 spent shell casings at the scene of multiple calibers indicating that there were several shooters. That same night, the hotel received noise complaints related to loud music and loud crowds dispersing from the licensed premises.

On June 14, 2026, DPD officers conducting out-crowd operations observed several groups engaged in fights in the 1600 block of Wazee Street. While clearing the area, officers encountered an intoxicated male who escalated both physically and verbally with several individuals; after being instructed to leave, he instead punched an officer. On July 4, 2026, officers intervened in a fight involving approximately a dozen individuals in a nearby alley. Although the parties initially stopped and separated, officers later found them several blocks away continuing the altercation and ultimately had to deploy pepper spray to break up the fight.

The above referenced incidents are, by way of example, to show the violence and disturbances that have occurred in the surrounding neighborhood due to the Respondent's operation and these are in no way an exhaustive list. Owners of commercial and residential properties surrounding the licensed premises have expressed concern over the Respondent's continued operation and consider such operation as a threat to community safety, to their employees' safety, to their guests, and to the health of their businesses. They have observed patrons leaving the club having been severely overserved; patrons consuming drugs and alcohol outside of the club in public; patrons publicly urinating; patrons driving their vehicles intoxicated, at high speeds, drag racing and otherwise unsafely; patrons routinely breaking out into fights; and, most troublingly, club patrons brandishing weapons, including guns, at each other.

Interference with Department Investigation

On May 13, 2026, at approximately 1:00 p.m., Mr. Hussam Kayali and Mr. Kevin Henderson appeared at DLCP offices and provided signed Commercial Space Management Lease Agreements with the Respondent that had not been previously disclosed, despite repeated Department requests on February 10, 2026. Both individuals stated they were unaware of any other agreements and denied knowledge of the unsigned "Services Agreement" the Respondent had earlier provided as referenced in the June 4, 2026, Order to Show Cause. Mr. Kayali alleges his signature was forged on the Services Agreement between his and the Respondent's companies.

The signed agreement produced by Mr. Henderson is effectively a lease allowing his company to operate a nightclub on the licensed premises. It was in effect from 2023 through 2025—overlapping with the Respondent's liquor license application—and was never disclosed to City or State licensing authorities. This omission would have been disqualifying.

The agreement between Mr. Kayali and the Respondent designates Corporate Housing on Wazee, LLC as “Owner” and Mr. Kayali (d/b/a Gatsby Social Club) as “Manager,” granting him authority to operate and manage the premises. The agreement requires significant financial commitments, including a \$150,000 investment, monthly operational contributions of \$25,000 for the main area and \$5,000 for the annex, a \$100,000 management reserve, responsibility for taxes, utilities, all operating costs, maintaining licenses, and limiting operating hours to Friday and Saturday between 8:00 p.m. and 2:00 a.m. The Manager retains net income, and risk is assigned solely to the Manager. This structure qualifies Mr. Kayali as an owner under Colorado Regulation 47-318 and should have been disclosed on the liquor license.

Financial documents provided on May 13 and May 22, 2026, show that Mr. Kayali paid for liquor purchases and operational expenses through accounts for Gatsby Social Club, LLC, Whiskey Realty Group, LLC, and an account titled Corporate Housing on Wazee, LLC—where he was the sole signor. These statements contradict the Respondent’s earlier submissions and show liquor payments from January through March 2026 matching invoices provided by Breakthru Beverage. Deposits into the Gatsby Social Club account reflected operational income far exceeding the January 2026 revenue reported by the Respondent. Kayali also showed transfers consistent with the required \$100,000 management reserve payment.

Text messages from January 12, 2026, provided by Mr. Kayali show the Respondent referencing “Section 5.2” of the Management Agreement—confirming the Respondent knew of the agreement when the Department requested it in February 2026, but Respondent but failed to disclose it.

Although the Respondent claimed the only agreements in place were “Services Agreements,” the Department’s investigation revealed multiple undisclosed management and operational agreements granting nightclub control to Mr. Kayali and Mr. Henderson under the Respondent’s license. These agreements violate C.R.S. § 44-3-301 by giving non-licensees authority to benefit from the license. The investigation established that the Respondent withheld and misrepresented agreements, minimized the involvement of Mr. Kayali and Mr. Henderson, and provided false information to the Department.

Respondent’s Refusal to Identify the Manager Running its Day to Day Operations

Despite the pending Show Cause, the Respondent has still failed to register any management company or manager as required under C.R.S. § 44-3-413 and 1 CCR 203-2:47-318. During the late-night hours of September 3 and early morning of September 4, 2026, the DPD Vice Unit conducted a compliance visit to the licensed premises to verify security-guard licensing and identify the acting manager. Officers identified two individuals—Victor Barragan and Ryan Carbrey—as managers. Mr. Barragan stated he oversees day-to-day operations and that the owner was out of state. The Respondent has not registered either Mr. Barragan or Mr. Carbrey as its registered managers.

That evening, two security guards stationed at the entrance possessed security guard licenses; however, both reported employment with National Legacy Security Company, while their licenses listed different companies, one of which previously surrendered their company license. A

third security guard was unlicensed and received a summons for acting as a security guard without the required license.

Failure to Abide by Hotel and Restaurant License Rules

During the Vice Unit's compliance operation on September 3–4, 2026, the Respondent failed to have food available as required for a Hotel and Restaurant license. Officers observed only minimal items in two freezers—tortillas, frozen hamburgers, and a bag of frozen potatoes—and no food being prepared or available for service. When asked, the acting manager stated that “a girl usually brings in the food” by that time, but she was not present. The Respondent's own menu states that food is available Friday through Sunday only, confirming that no food service was offered on Thursdays.

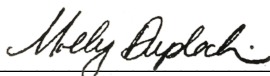
Summary Suspension

The Manager, having reviewed the Department's investigation, DPD police reports, community impact statements, and relevant documents, hereby finds that the grave and life-threatening incidents of violence that occurred as a result of the Respondent's operations, the hiring unlicensed security guard company and unlicensed security guards, the hinderance of the Department's investigation, and failing to abide by state and local liquor licensing laws and rules and regulations as described above constitute deliberate and willful violations and are a significant risk to public health, safety, and/or welfare, which imperatively require emergency action and summary suspension of the Respondent's licenses.

Therefore, pursuant to D.R.M.C. § 32-14 and C.R.S. § 44-3-601(2), the Director hereby **ORDERS** the immediate summary suspension of the Hotel and Restaurant Liquor License, the Dance Cabaret License, and the Retail Food License until further investigation and Show Cause hearing. Summary suspension means the immediate suspension of a license or licenses without a prior hearing, requiring the licensee to cease operations and close immediately. All the rights and privileges afforded by a license are not in effect during this suspension.

The Respondent shall post and maintain notice of the summary suspension on the premises until further notice, in the manner provided by the Department. During the pendency of the suspension the Respondent shall not conduct any activities for which a Hotel and Restaurant Liquor License, Dance Cabaret License, and Retail Food License are required, including, but not limited to: selling or providing alcohol beverages, providing any form of live entertainment, or permitting patron dancing on the premises.

SO ORDERED this 4th day of September 2026.



Molly Duplechian, Manager
Dept. of Licensing and Consumer Protection

CERTIFICATE OF MAILING

The undersigned hereby states and certifies that one true copy of the foregoing Order was sent via email on the 4th day of September 2026 to the following:

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Dept. of Licensing and Consumer Protection