

SETTLEMENT AGREEMENT

The Department of Safety and Inspections ("DSI"), JC&MTM, INC., a Minnesota corporation ("Licensee") enter into this Settlement Agreement as outlined below.

WHEREAS, Licensee holds a Liquor On Sale – 100 -180 seats, Liquor On Sale – Sunday, and Gambling Location licenses issued by the City for the premises located at 981 University Avenue West in Saint Paul, License ID # 20040000766 ("Johnny Baby's"); and

WHEREAS, on January 3, 2019, Saint Paul Police ("SPPD") were called to Johnny Baby's on a report that a man was in the bar with a handgun. Saint Paul Police spoke with the security guard, Derrick Woodson. Mr. Woodson told the officers that he saw an individual arguing with two unknown males in the bar. Mr. Woodson stated that at one point he saw the individual reach towards his coat and pull out a black handgun. Mr. Woodson further stated that the individual didn't point the gun at anyone, but displayed it saying he was going to kill the two males. Mr. Woodson stated that the individual displayed the gun a second time, again saying he was going to kill the two men; and

WHEREAS, SPPD officers requested and received a copy of the video recording from the Licensee for the timeframe in which the January 3, 2019 incident occurred; and

WHEREAS, Sergeant Stanway, the SPPD Sergeant assigned to DSI subsequently reviewed the video provided by Licensee and observed and documented a number of violations related to improper wand, failure to wand and socializing with patrons; and

WHEREAS, these were violations of conditions 2, 3(a) and 5 of the Licensee's liquor license conditions which state:

2. All patrons will be checked for weapons (wanded) prior to entry, while security is on duty.
3. The license holder will employ properly trained security personnel who will be on duty seven (7) days a week from 8PM to closing. A minimum of one (1) will be on duty Sunday's through Thursdays and a minimum of two (2) will be on duty Friday's and Saturday's. The security guards will adhere to the following guidelines:
 - a. The security guards will not socialize with patrons and will not be allowed to drink alcoholic beverages while on duty.

5. Licensee will create a video surveillance camera and lighting placement plan (video surveillance plan) for the interior and exterior of the licensed premises. Licensee will submit the video surveillance plan to the Saint Paul Police Department (SPPD) liaison with the Department of Safety and Inspection (DSI) for review and approval. In accordance with the approved video surveillance plan, licensee will ensure that video surveillance camera system is in good working order, ensure it is recording 24 hours per day, ensure it can produce recorded surveillance video in a commonly used, up-to-date format, and ensure that accurate date and time of day are visible on all recorded video. Licensee will retain surveillance video for a minimum of thirty (30) days. If an incident is deemed serious by SPPD, licensee shall have the technology, materials and staff available to immediately make the copy. In all other cases, licensee shall provide a copy of the surveillance video to the requestor within 48 hours.

and;

WHEREAS, based on these observations, DSI recommended adverse action; and

WHEREAS, based on two prior adverse actions against the Licensee's license within the previous 18 months DSI recommended the matrix penalty for a third offense of \$2,000.00 and a ten (10) day suspension; and

WHEREAS, the violations observed by Sergeant Stanway along with notice of the requested third time matrix penalty were articulated in a February 20, 2019 Amended Notice of Violation; and

WHEREAS, the Licensee received the notice and requested a hearing before an Administrative Law Judge; and

WHEREAS, on April 3, 2019 at approximately 2:20 hours SPPD were called to Johnny Baby's on a report of a shooting and recovered 23 casings from the parking lot; and

WHEREAS, as part of the investigation into the April 3, 2019 incident Licensee provided a copy of the video related to that incident to SPPD; and

WHEREAS, Sergeant Stanway reviewed video provided by Licensee and observed and documented a number of violations related to improper wandering, failure to wand and socializing with patrons; and

WHEREAS, DSI notified the Licensee of the new violations; and

WHEREAS, the parties met on April 12, 2019 and discussed actions that Licensee had taken and could take to address problems at Johnny Baby's; and

WHEREAS, attorneys for the parties appeared before the Administrative Law Judge on April 15, 2019 and made a record that the parties would be entering into a Settlement Agreement and would notify the Judge when it was executed; and

WHEREAS, this Settlement Agreement will provide certainty regarding the violation and accompanying penalties; and,

WHEREAS, the parties agree that settling this matter as described below is beneficial to both parties; and

WHEREAS, both parties knowingly and voluntarily enter into this Settlement Agreement; and,

NOW THEREFORE, in consideration of the terms herein set forth, the parties agree:

1. Licensee admits to the facts as articulated in the February 20, 2019 Amended Notice of Violation.
2. Licensee understands that as part of this Settlement Agreement DSI has agreed that it will not take adverse action on the wandering violations detailed in the April 3, 2019, Saint Paul Police CN 19067115.
3. DSI has agreed that it will ask that Saint Paul City Council impose the standard \$2,000.00 and ten (10) day suspension matrix penalty, but stay \$1,000.00 of that penalty pending the commitment of the licensees to work with a business and/or retail association (such as the Minnesota Licensed Beverage Association) to put together training for the employees of licensed beverage retailers on proper wandering and security check techniques.
4. Licensee agrees that another license condition violation or violations of any of the provisions of the legislative code relating to the license it holds may be considered a fourth violation under the matrix penalty; and
5. The parties anticipate that this matter will be placed on for Public Hearing before Saint Paul City Council on _____, 2019 and DSI and the Licensee will make a joint recommendation that

the Council consider the voluntary closure of Johnny Baby's from May 6, 2019 through May 15, 2019 as fulfilling the 10 day suspension required by the matrix penalty; and

6. The City agrees that any Administrative Fees resulting from April 15, 2019 Administrative Hearing will be paid by the City.

JC&MTM, INC.

Date: 5/14/2019 Jonathan M. Price
By: JONATHAN M. PRICE
Its: President

Date: 5/21/19 [Signature]
Dan Niziolek, Deputy Director Department of Safety and Inspections

