



February 5, 2025

**NOTICE OF VIOLATION
AND REQUEST FOR IMPOSITION OF
\$2,000 MATRIX PENALTY AND 7-DAY LICENSE SUSPENSION**

Rice St Tobacco Inc
d/b/a Rice St Tobacco
956 Rice St
Saint Paul, MN 55117
Attn: Raed Aquel

RE: Tobacco Products Shop license held by Rice St Tobacco Inc d/b/a Rice St Tobacco for the premises located at 956 Rice St in Saint Paul.
License ID #: 150001586

Dear Licensee:

The Department of Safety and Inspections ("Department") has recommended adverse action against the Tobacco Products Shop License held by Rice St Tobacco Inc ("Licensee") d/b/a Rice St Tobacco located at 956 Rice St ("Licensed Premises").

Legal Basis for Action:

Saint Paul Legislative Code §310.01, defines Adverse Action as:

"The revocation or suspension of a license, the imposition of conditions upon a license, the denial of an application for the grant, issuance or renewal of a license, the imposition of a fine, the assessment of the costs of a contested hearing, and any other disciplinary or unfavorable action taken with respect to a license, licensee, or applicant for a license. Adverse action includes any of the foregoing directed at one (1) or more licenses held by a licensee at any location in the city. Adverse action also includes disapproval of licenses issued by the state under statutory provisions which permit the governing body to disapprove the issuance of the license."

Saint Paul Legislative Code §310.03 (m) provides for a presumptive penalty of \$2,000 and a 7-day suspension for a third-time violation of a provision of the legislative code related to the licensed activity.

Saint Paul Legislative Code §310.14 states: "Any act or conduct by any clerk, employee, manager or agent of a licensee, or by any person providing entertainment or working for or on behalf of a licensee, whether



compensated or not, which act or conduct takes place either on the licensed premises or in any parking lot or other area adjacent to (or under the lease or control of) the licensed premises, and which act or conduct violates any state or federal statutes or regulations, or any city ordinance, must be considered to be and treated as the act or conduct of the licensee for the purpose of adverse action against all or any of the licenses held by such licensee. To the extent this section is in conflict with sections 409.14 and 410.09 of the Legislative Code, this section must be controlling and prevail; but must not otherwise amend, alter or affect such sections."

Saint Paul Legislative Code §324.07(i) states: "No holder of a license issued under this chapter, nor any employe or agent of same may sell tobacco products to a person under the age of twenty-one (21) years. Sale to persons under the age of twenty-one (21) years prohibited."

Minnesota Statute §461.12 Subd. 2 & 3 state:

"Administrative penalties for sales and furnishing; licensees. If a licensee or employee of a licensee sells, gives, or otherwise furnishes tobacco, tobacco-related devices, electronic delivery devices, or nicotine or lobelia delivery products to a person under the age of 21 years, or violates any other provision of this chapter, the licensee shall be charged an administrative penalty of \$300 for the first violation. An administrative penalty of \$600 must be imposed for a second violation at the same location within 36 months after the initial violation. For a third or any subsequent violation at the same location within 36 months after the initial violation, an administrative penalty of \$1,000 must be imposed, and the licensee's authority to sell tobacco, tobacco-related devices, electronic delivery devices, or nicotine or lobelia delivery products at that location must be suspended for not less than seven days and may be revoked. No suspension, revocation, or other penalty may take effect until the licensee has received notice, served personally or by mail, of the alleged violation and an opportunity for a hearing before a person authorized by the licensing authority to conduct the hearing. A decision that a violation has occurred must be in writing.

Administrative penalty for sales and furnishing; individuals. An individual who sells, gives, or otherwise furnishes tobacco, tobacco-related devices, electronic delivery devices, or nicotine or lobelia delivery products to a person under the age of 21 years may be charged an administrative penalty of \$50. No penalty may be imposed until the individual has received notice, served personally or by mail, of the alleged violation and an opportunity for a hearing before a person authorized by the licensing authority to conduct the hearing. A decision that a violation has occurred must be in writing."

Factual basis for imposition of \$2,000.00 matrix penalty:

On September 24, 2024, at 1:43 p.m., Inspector Allan Vang conducted a Tobacco Underage Buyers Compliance Check Inspection. A 19-year-old underage female entered the shop to purchase a pack of Camel



Crush Menthol. The clerk did not ask the age of the 19-year-old female, nor did he request that an ID be shown. No ID was shown to the clerk, who nonetheless proceeded with the transaction and provided the underage female with a pack of the Camel Crush Menthol. Therefore, the clerk failed the Tobacco Underage Buyers Compliance Inspection.

Adverse Action Recommendation:

The Department of Safety and Inspections will recommend a \$2,000.00 matrix penalty and 7-day suspension of your license for violating Saint Paul Legislative Code § 310.03 (m), 310.14, 324.07(i), and Minnesota State Statute 461.12 Subd. 2 & 3. This is due to the failure of the Tobacco Underage Buyers Compliance Inspection.

You have four (4) options to proceed:

1. If you do not contest the imposition of the proposed adverse action, you may do nothing. If I have not heard from you by **February 18, 2025**, I will presume that you have chosen not to contest the proposed adverse action and the matter will be placed on the City Council Consent agenda for imposition of the \$2,000 matrix penalty and 7-day suspension of your License.
2. You can pay the \$2,000 matrix penalty. If this is your choice, you should make payment directly to the Department of Safety and Inspections, at 375 Jackson Street, Ste. 220, St. Paul, Minnesota 55101-1806 no later than **February 18, 2025**. A self-addressed envelope is enclosed for your convenience. Payment of the \$2,000 matrix penalty will be considered an admission to the violation and waiver of the hearing to which you are entitled.
3. If you wish to admit the facts but you contest the \$2,000 matrix penalty and a 7-day suspension of your License, you may have a hearing before the Saint Paul City Council. You will need to send me a letter with a statement admitting to the facts and requesting a Council hearing no later than **February 18, 2025**. The matter will then be scheduled before the City Council to determine whether to impose the \$2,000 matrix penalty and 7-day License suspension. You will have an opportunity to appear before the Council and make a statement on your own behalf.
4. If you dispute the facts outlined above, you may request a hearing before an Administrative Law Judge (ALJ). You will need to send me a letter disputing the facts and requesting an administrative hearing no later than **February 18, 2025**. At that hearing, both you and the City will appear and present witnesses, evidence and cross-examine each other's witnesses. After receipt of the ALJ's report (usually within 30 days), a hearing will need to be scheduled. At that time, the City Council will decide whether to adopt, modify or reject the ALJ's report and recommendation.



Please note: If you choose an administrative hearing, the Department of Safety and Inspections reserves the right to request that City Council impose the costs of the administrative hearing per Saint Paul Legislative Code § 310.03 (k).

If you have not contacted me by February 18, 2025, I will assume that you do not contest the 7-day suspension of your License and imposition of the \$2,000 matrix penalty. In that case, the matter will be placed on the City Council Consent Agenda for approval of the recommended penalty.

If you have questions about these options, please contact my Paralegal Riddhi Mistry at riddhi.mistry@ci.stpaul.mn.us, (651) 266-8835.

Sincerely,

Sly Onyia
Assistant City Attorney
License No. 0402320

Cc: Raed Aquel, 2864 Pascal Street North, Roseville, MN 55113
Rice St Property Development LLC, 954 Rice Street, Saint Paul, MN 55117-4948
Executive Director, Kerry Antrim, North End Neighborhood Organization, 171 Front Avenue, Saint Paul, MN 55117

Attachments: Tobacco Underage Buyers Compliance Check Inspection Form – 09/24/2024
Photo Evidence
Saint Paul Legislative Code §310.01
Saint Paul Legislative Code §310.14
Saint Paul Legislative Code §324.07(i)
Minnesota State Statute 461.12 Subd. 2 & 3