

In the Matter of the
On-Sale Liquor with Sunday Sales, Class A License
Held by Karma Entertainment LLC
DBA: Karma
315 1st Avenue North
Minneapolis, MN 55402

Findings of Fact,
Conclusions, and
Recommendations

License Number: L188 50046

This matter came before the Division of Licenses and Consumer Services at a License Settlement Conference on Tuesday, January 5, 2010 at 1:30 PM in Room 1C, Minneapolis City Hall. Appearing on behalf of the licensee were Ned Abdul, representative of Karma and Michael Norton, legal counsel for Karma. Appearing for the City of Minneapolis were Ricardo Cervantes, Deputy Director of Licenses and Consumer Services, Linda Roberts, District Supervisor of Licenses and Consumer Services, Craig Eliason, License Inspector, Joel Fussy, Assistant City Attorney, Lt. Chris Hildreth, Commander of the Minneapolis Police License Investigative Division, Lt. Matthew Clark of the Minneapolis Police Department 1st Precinct and Sgt. Rolf Markstrom, Minneapolis Police License Investigative Division. The License Settlement Conference was reconvened on Monday, July 19, 2010 at 2:00 PM in Room 1 C, Minneapolis City Hall. Appearing on behalf of Karma was John Barlow, representative of Karma. Appearing for the City of Minneapolis were Ricardo Cervantes, Deputy Director of Licenses and Consumer Services, Linda Roberts, District Supervisor of Licenses and Consumer Services, Craig Eliason, License Inspector, Greg Buenning, License Inspector, Inspector Kris Arneson of the Minneapolis Police Department 1st Precinct and Lt. Chris Hildreth, Commander of the Minneapolis Police License Investigative Division. The License Settlement Conference was reconvened on December 2, 2010 at 11:00 AM in Room 1 C, Minneapolis City Hall. Appearing on behalf of Karma were John Barlow, Ned Abdul, representatives of Karma and Michael Norton, legal counsel for Karma. Appearing for the City of Minneapolis were Grant Wilson, Acting Deputy Director of Licenses and Consumer Services, Linda Roberts, District Supervisor of Licenses and Consumer Services, Craig Eliason, License Inspector, Joel Fussy, Assistant City Attorney and Lt. Chris Hildreth, Commander of the Minneapolis Police License Investigative Division. Based on information presented at the hearing, the Division makes the following findings of fact, conclusions, and recommendations:

FINDINGS OF FACT

1. Karma Entertainment LLC has held an On-Sale Liquor with Sunday Sales, Class A license at this location since 2005.
2. Between December 1, 2008 and December 1, 2009 there were allegedly 47 police calls to Karma. Consensus was reached that the type of calls at issue were the type of calls for which MPD wanted to receive a call for service. Consensus was reached that several of these calls listed Karma's business address, but that many of the incidents did not arise out of anything relating to issues with the operations of Karma, but resulted, for example, from ejected patrons who later returned, persons involved in assaultive



behavior outside Karma, people drinking in public, and other anti-social behavior not the result of Karma's business operations.

3. On December 11, 2009 representatives of the City of Minneapolis Licenses and Consumer Services Division conducted an inspection at Karma. Administrative citations were issued for violation of the indoor smoking standards, business license and operating conditions were not posted on the property. These matters were resolved by the execution of a negotiated Consent Decree.
4. At the December 2, 2010 LSC, consensus was reached on how Karma could assist MPD during emergency situations, general crowd control activities during business operations and generally assist MPD in ushering its patrons into and out of Karma. Karma agreed to revise its operating procedures to reflect how it would provide assistance to MPD and address concerns of Licenses staff.

CONCLUSIONS

1. On December 11, 2009 Karma was found to be in violation of Minneapolis Code of Ordinances 234.30 regarding indoor smoking standards.
2. On December 11, 2009 Karma was found to be in violation of Minneapolis Code of Ordinances 259.135 requiring the business license certificate and operating conditions to be posted in a conspicuous place of said business.
3. The licensee has paid the administrative citation fine relating to the above.
4. Karma has come into compliance with its liquor licensing conditions as of March 26, 2010.
5. Karma will undertake revisions to its Operating Procedures to assist MPD in its duties in the Warehouse District pursuant to Exhibit A, attached to this Agreement.

RECOMMENDATIONS

Based on evidence presented at the hearing, the Division makes the following recommendations:

1. Karma will adopt the following procedures (described more fully in Ex. A):
 - a. Clothing and identification for security personnel will be provided.
 - b. Karma will attempt to usher its patrons and other citizens on to the public sidewalk.
 - c. Karma will adopt an emergency evacuation plan effective for all seasons.
 - d. Karma and its security and staff will liaison with Minneapolis Police on-site

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supervisors to address MPD response to emergency situations in or adjacent to Karma.

e. Karma will offer emergency medical service to any injured patron, and security staff will exercise reasonable discretion to call for emergency medical service, even without a victim's request, when an injury is severe.

f. Karma security will exercise reasonable judgment and contact 911 for an emergency situation or when a criminal act is observed on the premises.

g. Karma security will take reasonable steps to attempt to identify any suspects and victims to police officers in an emergency situation or when a crime occurs in or adjacent to Karma.

h. Karma has adopted last call and closing procedures that include starting and ending times of entertainment.

i. Karma will meet and confer with the Minneapolis Police Department 1st Precinct to discuss its security plan if future issues arise.

2. Karma will attempt to provide reasonable notice to the Minneapolis Police Department 1st Precinct Inspector in writing prior to holding an "18 plus" event, but no later than 24 hours prior to the event.
3. Karma will minimize the service of beverages in glass containers for under-21 events in the establishment, except in its VIP areas where under 21 patrons are not authorized.
4. Karma will participate in MPD Bar Watch meetings.
5. Karma agrees that the license conditions signed on April 21, 2008 and attached as Exhibit B remain in full force and effect.

I have read the above report and recommendations. I agree with the report and recommendations. I understand that failure on my part or on the part of the business to adhere to this agreement may lead to further action against the license. I understand that this report must be accepted by the Minneapolis City Council and signed by the Mayor.

For Karma Entertainment LLC
DBA: Karma

By: _____

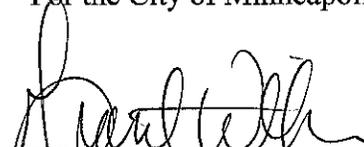


Owner

Dated: February 18, 2011

For the City of Minneapolis:

By: _____



Licenses & Consumer Services

Dated: 2/17/ 2011