

WESOLICK LAW FIRM

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Writer's e-mail:
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February 20, 2012

Ms. Pauline Sumption
City Finance Officer
300 Sixth Street
Rapid City, SD 57701

Re: Alcoholic Beverage License Applications, Agenda Items #74 and #75 Set for
February 21, 2012

Security License Appeal, Agenda Item #66

Dear Ms. Sumption:

I am outside general counsel for the Ifrits Hookah Lounge and its principals. On the agenda for tomorrow evening's City Council meeting are the items referenced above.

I am writing to advise the City that my client is withdrawing both applications for the transfer of the wine and malt beverage licenses, No. CC020612-04.2 and No. CC020612.04.3. Additionally, Mr. Desmond has elected not to continue his appeal of the denial of his application for a security license No. CC022112-04.1. Both of these actions are taken without prejudice to my clients' rights to re-file applications in the future deemed to be in their business interest.

Understanding that the agenda has been set, I will appear at the City Council meeting to confirm these developments and to advise the City Council that no action should be taken on these agenda items.

Very truly yours,



Stephen J. Wesolick

/lja
c: Client



OFFICE OF THE PENNINGTON COUNTY STATE'S ATTORNEY

Glenn A. Brenner—State's Attorney

300 Kansas City Street, Suite 400

Rapid City, SD 57701

Phone: (605) 394-2191

Fax: (605) 394-6093

February 13, 2012

Mayor Sam Kooiker
300 Sixth St
Rapid City SD 57701

Dear Mayor,

I understand you are looking for a correspondence you can share with the City Council updating them on the status of the Ifrit's Hookah Lounge. I can tell you that there is a case pending relating to the establishment selling/providing alcohol to underage people. There is also an Attorney General investigation relating to the selling of synthetic drugs.

I am personally working the compliance side of the business. It is my opinion that the business is in violation of SDCL §34-46-19. I have addressed this issue in a letter and am requesting that they either come into compliance by March 4, 2012, or enforcement of the statute will commence.

This is the current status. Please contact me should you have any additional questions or concerns.

Sincerely,

A handwritten signature in black ink, appearing to read "Glenn A. Brenner". The signature is written in a cursive style with a large initial "G" and a long, sweeping underline.

Glenn Brenner
Pennington County State's Attorney



RAPID CITY POLICE DEPARTMENT

Steve Allender, Chief of Police

February 2, 2012

B&C Incorporated
Ifrit's Hookah Lounge
725 Saint Joseph Street
Rapid City, SD 57701

Dear Sir;

A review of your Beer and Wine transfer request has been conducted and I am recommending to Council that they deny this request based on recent events such as furnishing alcohol to minors and the pending synthetic drug investigation.

This license transfer is currently on the Council agenda for February 6th. Please be prepared to attend this Council meeting. However, due to the short notice it may be appropriate to continue the hearing to the February 20th Council meeting. In order to make this request you will need to contact Ms. Pauline Sumption, the Rapid City Finance Officer.

Sincerely,

A handwritten signature in cursive script that reads "Steve Allender".

Steve Allender
Chief of Police

vj

Copy - Sumption
Landeer
Mitchell

RAPID CITY POLICE DEPARTMENT
MEMORANDUM

January 23, 2012

MEMO TO: Chief of Police Steve Allender

FROM: License Compliance Inspector L.A. Rose

SUBJECT: Alcohol License Transfer: Retail (on-off sale) Wine
B & C Incorporated
Ifrit's Hookah Lounge
725 Saint Joseph Street
Rapid City, South Dakota 57701

Licensing Information:

Charles Desmond, listed as both the CFO and Secretary, on behalf of B & C Incorporated, dba Ifrit's Hookah Lounge, applied for a Retail (on-off sale) Wine license transfer on behalf of Ifrit's Hookah Lounge, located at 725 Saint Joseph Street.

The license in question is not actually being from one owner to another or moving to another location. The license transfer is being filed per State Statute whenever a business undergoes a change in corporation name. The business name and owners of Ifrit's Hookah Lounge will all remain the same.

A local background check was conducted on all of the Officers/Directors/Partners/Owners or Managers listed in the application.

Local Criminal Records Check:

- Charles Desmond Record Satisfactory
- Brian Winckel Record Satisfactory

Alcohol Compliance Check(s):

- No violations noted in 2011.

Non-compliance activity:

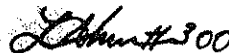
- Warrant issued for Furnishing Alcohol to Underage Persons (35-9-1.1) on 01/09/2012.
- Warrant issued for Common Nuisance (35-10-17) on 01/09/2012.
- See attached reports from Compliance Officer Ollerich – CR#12-202579 and #12-206417.
- See attached report from Detective Soucy – CR# 12-200846.
- See attached report from Senior Officer Holt – CR#11-278618.

Bar file information:

- The alcohol file information for Ifrit's Hookah Lounge already exists and will continue to be maintained in CID.

Recommendation:

- Information provided pending your approval for transfer.


L. A. Rose #300
License Compliance Inspector
Criminal Investigations Division

Ref: 2012

February 3, 2012

Pauline Sumption
City Finance Officer

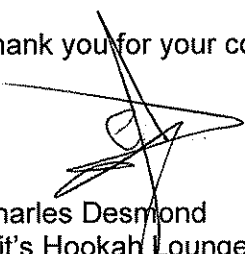
Re: City Council Agenda for Monday, February 6, 2012

I am requesting that the Set for Hearing action for the following two items be continued to the Tuesday, February 21, 2012 Council meeting.

Alcoholic Beverage License Applications Set for Hearing (February 21, 2012)

1. B & C Inc DBA Ifrit's Hookah Lounge, 725 St Joseph Street for a Retail (on-off sale) Wine License TRANSFER from Charles J Desmond General Partnership DBA Ifrit's Hookah Lounge, 725 St Joseph Street (No. CC020612-04.2)
2. B & C Inc DBA Ifrit's Hookah Lounge, 725 St Joseph Street for a Retail (on-off sale) Malt Beverage License TRANSFER from Charles J Desmond General Partnership DBA Ifrit's Hookah Lounge, 725 St Joseph Street (No. CC020612.04.3)

Thank you for your consideration of this request.



Charles Desmond
Ifrit's Hookah Lounge