



# New Prague Police Department

City of New Prague In the Counties of Scott & Le Sueur

118 CENTRAL AVENUE NORTH, SUITE 3, NEW PRAGUE, MINNESOTA 56071

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Tim Applen, Chief of Police

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## MEMORANDUM

**To:** Honorable Mayor, Duane Jirik; Members of the City Council, Shawn Ryan, Maggie Bass, Bruce Wolf, Rik Seiler and City Administrator, Joshua Tetzlaff

**From:** Tim Applen Chief of Police / Emergency Manager

**Date:** Wednesday May 29, 2024

**Subject:** Liquor License with Sunday Sales Application for Don't be Lion LLC – DBA: The Rusty Spoke

The New Prague Police Department conducted a background check pursuant to City Ordinance 110.16(B) on the licensee(s), Pauline Rachel Baldazo for Don't be Lion LLC – DBA: The Rusty Spoke provided to staff on May 24<sup>th</sup>, 2024.

Listed below is additional background and previous information provided by city staff to the council.

In December 2021, a background investigation was completed by Police Chief Gareis (Ret.) after receiving liquor license application from Pauline Baldazo for Don't be Lion LLC – DBA: The Rusty Spoke located at 329 W Main St. In reviewing that memorandum from Chief Gareis to the council, two disqualifiers were identified. The council denied the permit request based upon those disqualifiers.

*The two disqualifiers in the application from December 2021 are listed below:*

*B. The applicant shall have good moral character and reputation. An applicant does not have good moral character and reputation if, based on past activities or criminal record, the applicant poses a threat to the public interest or to the effective regulation and control of alcohol or creates or enhances the dangers of unsuitable, unfair, or illegal practices, methods and activities in the manufacture, sale, distribution, or possession for sale or distribution of alcohol or the carrying on of the business and financial arrangements incidental to the manufacture, sale, distribution, or possession for sale or distribution of alcohol.*

*D. Neither the licensee nor anyone with business interests in the entity pursuing licensure shall have had an interest in a license which was revoked within the last five years for a willful violation of any laws or ordinances, or any felony.*

*In both articles B and D Ricardo Manual Baldazo was identified as an interested party in the business. Pauline and Ricardo were in a marital relationship at the time of application. Ricardo was involved as business partners with Lisa Monet Zarza in the Alibi Drinkery in Lakeville. The Alibi Drinkery was subject of liquor violations and liquor license revocation by the state. Additionally, Ricardo Baldazo's criminal record displayed poor moral character and would be a disqualifier for a liquor license application.*

A second application for liquor license with Sunday sale was made in November 2023 by Pauline Baldazo for Don't be Lion LLC – DBA: The Rusty Spoke located at 329 W Main Street. I along with city staff spoke with Pauline Baldazo about open building permits and unpaid property tax for the property located at 329 W Main St. These items would prevent the liquor license from being issued per New Prague Policy 110.19 Ineligibility. Pauline agreed that the city

would hold the license application until the permits were completed and taxes paid as she didn't have a desired date of opening. On April 15<sup>th</sup>, 2024, I was notified by city staff that all building/construction permits were closed, and that final inspection was completed. On April 23<sup>rd</sup>, 2024, I spoke with Pauline again, we discussed proceeding with the liquor license application. Pauline wished to proceed with the application and indicated everything was still active and correct on the application paperwork she had submitted. A check of property tax payment was current. I called to verify the liquor liability insurance was still current and active. I learned from the insurance carrier that the liquor liability insurance was cancelled in February 2024. Liquor liability is required to hold a liquor license in the state of Minnesota in accordance with MN Statute 340A.409. The New Prague city policy 110.01 Provisions of State Law Adopted follows MN Statute 340A for alcohol licensing, and therefore would also need liquor liability insurance for a liquor license to be issued. At the May 6<sup>th</sup> 2024 Council Meeting the liquor license application was denied by the council for lack of current liquor liability insurance.

Current Liquor License Application

Minnesota Criminal History: None

Minnesota Driver's License Check: Valid MN Driver's License

Business Organization Inquiry, MN Secretary of State: Member Active in Good Standing

After reviewing Minnesota Administrative Rule 7515.0410 Eligibility Requirements, the background check did not reveal any disqualifiers.

A. The applicant shall be over 21 years of age.

B. The applicant shall have a good moral character and reputation. An applicant does not have good moral character and reputation if, based on past activities or criminal record, the applicant poses a threat to the public interest or to the effective regulation and control of alcohol or creates or enhances the dangers of unsuitable, unfair, or illegal practices, methods and activities in the manufacture, sale, distribution, or possession for sale or distribution of alcohol or the carrying on of the business and financial arrangements incidental to the manufacture, sale, distribution, or possession for sale or distribution of alcohol.

C. The applicant shall not have been convicted within five years prior to the application of such license of any willful violation of law relating to the manufacture, sale, or possession for sale of alcoholic beverages or any felony.

D. Neither the licensee nor anyone with business interests in the entity pursuing licensure shall have had an interest in a license which was revoked within the last five years for a willful violation of any laws or ordinances, or any felony.

E. The off-sale licensee and anyone with an interest in the business shall not have any interest, direct or indirect, in another off-sale retail liquor store in the same municipality neither as proprietor, partner, or corporate stockholder.

F. The licensee cannot lease the business premises from anyone to whom no license could be issued, such as someone convicted of a willful violation of the Liquor Control Act.

G. No applicant shall refuse to serve alcoholic beverages to any person because of race, color, or national origin, and no applicant shall discriminate in the selection of its membership on the basis of race, color, or national origin.

There were no disqualifiers in articles A-G in the current application.

I spoke with Pauline about the current liquor license application in person and by email. I expressed my concern for the involvement of Ricardo Baldazo in the business and liquor license. Pauline told me that Ricardo was hired to complete the construction and remodel of the building. Pauline said that upon the business opening, Ricardo will not be employed by Don't be Lion LLC - DBA: The Rusty Spoke, and that she and Ricardo are now divorced. I was able to verify the divorce decree. Pauline has identified a family member to manage the business and will continue to hire bar and wait staff. The disqualifiers in previous background investigations have been resolved to date. Pauline indicated that she has no experience in bar/restaurant management or ownership and has invested a substantial amount of money into the renovations of the property. Pauline is the sole owner of the building with no other business partners or interests.

**Recommendation:** Approve On-Sale intoxicating Liquor License and Sunday Liquor License application to Don't be Lion LLC, dba – The Rusty Spoke.



Minnesota Department of Public Safety  
Alcohol and Gambling Enforcement Division (AGED)  
445 Minnesota Street, Suite 1600, St. Paul, MN 55101-5133  
Telephone 651-201-7525 Fax 651-297-5259 TTY 651-282-6555

**Certification of an On Sale Liquor License, 3.2% Liquor license, or Sunday Liquor License**

**Cities and Counties:** You are required by law to complete and sign this form to certify the issuance of the following liquor license types: 1) City issued on sale intoxicating and Sunday liquor licenses  
2) City and County issued 3.2% on and off sale malt liquor licenses

Name of City or County Issuing Liquor License New Prague License Period From: 4/1/24 To: 3/31/25

Circle One: New License License Transfer \_\_\_\_\_ Suspension \_\_\_\_\_ Revocation \_\_\_\_\_ Cancel \_\_\_\_\_  
(former licensee name) (Give dates)

License type: (check all that apply) ☒ On Sale Intoxicating ☒ Sunday Liquor ☐ 3.2% On sale ☐ 3.2% Off Sale

Fee(s): On Sale License fee: \$ \_\_\_\_\_ Sunday License fee: \$ \_\_\_\_\_ 3.2% On Sale fee: \$ \_\_\_\_\_ 3.2% Off Sale fee: \$ \_\_\_\_\_

Licensee Name: Don't be Lwn LLC DOB \_\_\_\_\_ Social Security # \_\_\_\_\_  
(corporation, partnership, LLC, or Individual)

Zip Code 56071 County Scott Business Phone \_\_\_\_\_ Home Phone 612-281-0212

Business Trade Name The Rusty Spoke Business Address 329 Main st W City New Prague

Licensee's Federal Tax ID # 86-2774575  
(To apply call IRS 800-829-4933)

If above named licensee is a corporation, partnership, or LLC, complete the following for each partner/officer:

Home Address 5178 Lexington CT City Prior Lake Licensee's MN Tax ID # 7347330  
Pauline Baldazo 5-14-77  
Partner/Officer Name (First Middle Last) DOB Social Security # Home Address

Partner/Officer Name (First Middle Last) DOB Social Security # Home Address

Partner/Officer Name (First Middle Last) DOB Social Security # Home Address

Intoxicating liquor licensees must attach a certificate of Liquor Liability Insurance to this form. The insurance certificate must contain all of the following:

- 1) Show the exact licensee name (corporation, partnership, LLC, etc) and business address as shown on the license.
- 2) Cover completely the license period set by the local city or county licensing authority as shown on the license.

☐ Yes ☒ No During the past year has a summons been issued to the licensee under the Civil Liquor Liability Law?

Workers Compensation Insurance is also required by all licensees: Please complete the following:

Workers Compensation Insurance Company Name: Great American Insurance company Policy # WCF198381

I Certify that this license(s) has been approved in an official meeting by the governing body of the city or county.

City Clerk or County Auditor Signature \_\_\_\_\_ Date \_\_\_\_\_  
(title)

**ON SALE INTOXICATING LIQUOR LICENSEES ONLY, must also purchase a \$20 Retailer Buyers Card. To obtain the application for the Buyers Card, please call 651-201-7507, or visit our website at [www.dps.mn.gov](http://www.dps.mn.gov).**





CC0515

Mailing Address:  
PO Box 64217  
St. Paul, MN 55164-0217

Email: dli.license@state.mn.us  
Website: dli.mn.gov  
Phone: (651) 284-5034

## Certificate of Compliance Minnesota Workers' Compensation Law

This form must be completed by the business license applicant.

Print in ink or type

Minnesota Statutes § 176.182 requires every state and local licensing agency to withhold the issuance or renewal of a license or permit to operate a business in Minnesota until the applicant presents acceptable evidence of compliance with the workers' compensation insurance coverage requirement of Minn. Stat. chapter 176. If the required information is not provided or is falsely stated, it shall result in a \$2,000 penalty assessed against the applicant by the commissioner of the Department of Labor and Industry.

A valid workers' compensation policy must be kept in effect at all times by employers as required by law.

License or certificate number (if applicable)	Business telephone number 612-281-0212	Alternate telephone number	
Business name (Provide the legal name of the business entity. If the business is a sole proprietor or partnership, provide the owner's name(s), for example John Doe, or John Doe and Jane Doe.) Don't be Lion LLC			
DBA ("doing business as" or "also known as" an assumed name), if applicable The Rusty Spoke			
Business address (must be physical street address, no P.O. boxes) 329 Main St W	City New Prague	State MN	ZIP code 55372
County Scott	Email address		

You must complete number 1 or 2 below.

**Note:** You must resubmit this form to the authority issuing your license if any of the information you have provided changes.

1. ☒ I have a workers' compensation insurance policy.

Insurance company name (not the insurance agent) Great American Insurance Group		
Policy number: WCF 198381	Effective date: 5-24-24	Expiration date: 5-24-25
<input type="checkbox"/> I am self-insured for workers' compensation. (Attach a copy of the authorization to self-insure from the Minnesota Department of Commerce; see <a href="https://mn.gov/commerce/industries/insurance/licensing/self-insurance">https://mn.gov/commerce/industries/insurance/licensing/self-insurance</a> .)		

2. I am not required to have workers' compensation insurance because:

- ☐ I only use independent contractors and do not have employees. (See Minn. Stat. § 176.043 for trucking and messenger courier industries; Minn. Stat. § 181.723, subd. 4, for building construction; and Minnesota Rules chapter 5224 for other industries.)
- ☐ I do not use independent contractors and have no employees. (See Minn. Stat. § 176.011, subd. 9, for the definition of an employee.)
- ☐ I use independent contractors and I have employees who are not required to be covered by the workers' compensation law. (Explain below.)
- ☐ I only have employees who are not required to be covered by the workers' compensation law. (Explain below.) (See Minn. Stat. § 176.041 for a list of excluded employees.)

Explain why your employees are not required to be covered

I certify the information provided on this form is accurate and complete. If I am signing on behalf of a business, I certify I am authorized to sign on behalf of the business.

Print name: Pauline Baldazo

Applicant signature (required) Pauline Baldazo	Title Owner	Date 5-24-24
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If you have questions about completing this form or to request this form in braille, large print or audio.

**State of Minnesota**  
**License Applicant Information**

Under Minnesota law (M.S. 270.72), the agency issuing you this license is required to provide to the Minnesota Commissioner of Revenue your Minnesota business tax identification number and the Social Security number of each license applicant.

Under the Minnesota Government Data Practices Act and the Federal Privacy Act of 1974, we must advise you that:

- This information may be used to deny the issuance, renewal or transfer of your license if you owe the Minnesota Department of Revenue delinquent taxes, penalties, or interest;
- The licensing agency will supply it only to the Minnesota Department of Revenue. However, under the Federal Exchange of Information Act, the Department of Revenue is allowed to supply this information to the Internal Revenue Service;
- Failing to supply this information may jeopardize or delay the issuance of your license or processing your renewal application.

Please fill in the following information and return this form along with your application to the agency issuing the license. **DO NOT RETURN THIS FORM TO THE DEPARTMENT OF REVENUE.**

Please print or type

Name of license being applied for and license number (if renewal):		License Number #:
On Sale Intoxicating, Sunday		
Licensing Authority (name of city, county, or state agency issuing license):		
City of New Prague, State of Minnesota		
License Renewal Date: 4/1/2025		

<b>PERSONAL INFORMATION:</b>		
Applicant's last name	Applicant's first name and middle initial	Social Security Number
Baldazo	Pauline R	
Applicant's address	City	State Zip Code
5178 Lexington Ct SE	Prior Lake	MN 55372

<b>BUSINESS INFORMATION:</b>		
Business name		
Don't be Lion LLC		
Business address	City	State Zip Code
329 mainst w	New Prague	MN 56071
Minnesota tax identification number	Federal tax identification number	
7347330	86-2774575	
If a Minnesota tax identification is not required, please explain on the reverse side of this form.		

Applicant Signature:

Pauline Baldazo	Owner	5-24-24
Signature	Title	Date





# CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

5/24/2024

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

**IMPORTANT:** If the certificate holder is an **ADDITIONAL INSURED**, the policy(ies) must have **ADDITIONAL INSURED** provisions or be endorsed. If **SUBROGATION** IS **WAIVED**, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

<b>PRODUCER</b> Trusted Coverage Professionals Agency, LLC 21250 Hawthorne Blvd Ste 450 Torrance CA 90503	<b>CONTACT NAME:</b> <b>PHONE (A/C, No, Ext):</b> 310-379-7788 <b>FAX (A/C, No):</b> <b>E-MAIL ADDRESS:</b>
<b>INSURED</b> Don't Be Lion LLC DBA: The Rusty Spoke 329 Main St W New Prague MN 56071-1230	<b>License#:</b> 6008301 DONTBEL-01
<b>INSURER(S) AFFORDING COVERAGE</b>	
<b>INSURER A:</b> Kinsale Insurance Company	<b>NAIC #</b>
<b>INSURER B:</b> Great American Insurance Co.	16691
<b>INSURER C:</b>	
<b>INSURER D:</b>	
<b>INSURER E:</b>	
<b>INSURER F:</b>	

**COVERAGES****CERTIFICATE NUMBER:** 1259764321**REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<b>COMMERCIAL GENERAL LIABILITY</b> <input type="checkbox"/> CLAIMS-MADE <input type="checkbox"/> OCCUR <input checked="" type="checkbox"/> LIQUOR LIABILITY GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC OTHER:			BOP05242410	5/24/2024	5/24/2025	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 100,000 MED EXP (Any one person) \$ PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COMP/OP AGG \$ 2,000,000 \$
	<b>AUTOMOBILE LIABILITY</b> <input type="checkbox"/> ANY AUTO <input type="checkbox"/> OWNED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS ONLY <input type="checkbox"/> NON-OWNED AUTOS ONLY						COMBINED SINGLE LIMIT (Ea accident) \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$
	<b>UMBRELLA LIAB</b> <input type="checkbox"/> OCCUR <b>EXCESS LIAB</b> <input type="checkbox"/> CLAIMS-MADE DED <input type="checkbox"/> RETENTION \$						EACH OCCURRENCE \$ AGGREGATE \$ \$
B	<b>WORKERS COMPENSATION AND EMPLOYERS' LIABILITY</b> ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) <input type="checkbox"/> Y/N If yes, describe under DESCRIPTION OF OPERATIONS below		N/A	WCF198381	5/24/2024	5/24/2025	<input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTH-ER E.I. EACH ACCIDENT \$ 1,000,000 E.I. DISEASE - EA EMPLOYEE \$ 1,000,000 E.I. DISEASE - POLICY LIMIT \$ 1,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)  
\*\*\* PROOF ONLY \*\*\*

**CERTIFICATE HOLDER****CANCELLATION**

PROOF OF INSURANCE ONLY  
THIS CERTIFICATE IS FOR  
NO ADDITIONAL NAMED INSURED

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

*Amanda Felix*

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