March 10, 2015

TO: The Honorable Police Permit Review Panel

FROM: Commanding Officer, Commission Investigation Division

SUBJECT: REVIEW AND CONSIDERATION OF THE GRANTING OF A POLICE COMMISSION PERMIT

PERMIT TYPE: Cafe Entertainment/Show

APPLICANT: SUGAR SUITE INC

LOCATION: 11858 BALBOA BLVD

PERMIT NO.: 000079847400019P519

The permit application and various supporting documentation for the above-mentioned applicant were reviewed by staff of the Commission Investigation Division. The investigation performed as part of the application process revealed that:

- The application conforms to the written application requirements for police permits outlined in Los Angeles Municipal Code section 103.02.1.
- The Police Permit Review Panel may issue this permit pursuant to Los Angeles Municipal Code section 103.102, which regulates the Cafe Entertainment/Show permit.
- No criminal history for the Applicant that should prohibit granting of the permit existed in the California Department of Justice records at the time of investigation.
- No adverse Police Commission permit or disciplinary history was found.
- The Department of Building and Safety has deemed that the business is a permitted use at the location.
- Notice of Application was sent to the appropriate Council District Office and Neighborhood Council. No objections
- Notice of Application was sent to the appropriate geographic police division. Requested conditions (attached)
- Public input: None

It is recommended that the Panel approve the Applicant's permit application.

CHRIS WATERS, Lieutenant II
Commanding Officer
Commission Investigation Division

Attachments
INTRADEPARTMENTAL CORRESPONDENCE

June 25, 2014
7.1

TO: Commanding Officer, Commission Investigation Division

FROM: Commanding Officer, Devonshire Area

SUBJECT: REQUEST FOR CONDITIONS FOR SUGAR SUITE
CAFE ENTERTAINMENT AND SHOW PERMIT

The purpose of this correspondence is to inform Commission Investigation Division (CID) of recent incidents that have occurred at the Sugar Suite, an on-sale alcohol and beverage location, located at 11858 Balboa Boulevard in Granada Hills, and to request specific conditions, should a Cafe Entertainment and Show (CES) permit be granted.

Over the course of the last six months, five physical assaults/altercations have occurred inside or around this establishments; each of these incidents involved patrons who had been consuming alcohol at the Sugar Suite.

Pursuant to these incidents, the Devonshire Area Vice Unit conducted a series of undercover investigations in an attempt to determine what role the bar played in these incidents. These undercover investigations revealed that the number of patrons frequenting the establishment appeared to have increased over the last six months. Additionally, the investigation revealed that there is only one security guard on site at one given time and this guard does not appear to have control over the patrons; said security guard was observed, on multiple occasions, performing multiple duties such as clearing glasses and bottles from the tables. The investigation also revealed that the establishment provides a jukebox as well as karaoke and a disc jockey on the weekends but lacks the CES permit to perform these activities.

Based upon the series of undercover inspections, the Devonshire Area Vice Unit recommends the following conditions be applied to the CES, if granted:

1. Two state-licensed and bonded uniformed security guards shall be on the premises from Monday through Wednesday and three such guards from Thursday through Sunday, from 6:00 p.m. to one-half hour after closing. The guards shall, at all times, patrol the interior and exterior of the facility. The guards shall monitor the interior of the facility for illegal activities and the guards shall deter loitering, public drinking, pandering, graffiti, noisy or rowdy behavior, and littering in the parking lot. The guards shall be exclusively employed for The Sugar Suite and should not conduct any security duties for surrounding and neighboring businesses.

2. Sales, service and consumption of alcoholic beverages shall be permitted only between the hours of 6:00 am and 1:00 am, each day of the week.
3. Patrons shall be subject to pat down a search for weapons, by the security guards, prior to entering the establishment; any patrons with weapons shall be denied entry.

4. Security cameras shall be installed and maintained that covers all common areas of the business, high-risk areas, entrances and exits. The tapes shall be maintained for one month and made available to Los Angeles Police Department personnel, Alcohol Beverage Control personnel and the City of Los Angeles Zoning Administration upon request.

5. The rear exit of the location shall be used for emergencies only and shall not be used as a form of entry for patrons.

5. Within 90 days from the effective date of this grant, the applicant shall make arrangements with the Police Department to conduct STAR training for all employees who manage, supervise or dispense alcoholic beverages to patrons. This training shall be conducted for all new hires within 60 days of their employment. The applicant shall request written confirmation of completion of the initial training from the Police Department and shall concurrently submit a copy of such request to the Zoning Administrator.

6. The sale of distilled spirits by the bottle, for same day service, shall be prohibited; the sale of beer by the pitcher shall also be prohibited.

7. There shall be no dancing allowed on the premises unless a dance hall permit is obtained through CID.

8. The conditions of this grant shall be retained in a conspicuous place, on the premise, at all times and be immediately produced upon request of any Los Angeles Police Officer or Department of Alcohol Beverage Control investigator. The applicant, manager and all employees shall be knowledgeable of the Conditions herein.

8. The premises shall not be used exclusively for private parties from which the general public is excluded.

9. Signs shall be prominently posted, stating that California State law prohibits sale of alcoholic beverages to persons who under 21 years of age. "No Loitering or Public Drinking" signs shall be posted in and outside of the facility in the same languages.

10. The location shall implement a Designated Driver Program which shall be submitted to the Zoning Administrator for inclusion in the file. The availability of this program shall be made known to the patrons via a two-sided card placed on all tables.

11. The business operator shall comply with section 6404.5 (b) of the Labor Code which prohibits smoking within any place of employment. There shall be no ashtrays or other receptacles used for the purpose of collecting ash or cigarette/cigar butts in the karaoke rooms or anywhere else on the premises.
12. All licenses, permits and conditions shall be posted in a conspicuous location at the facility. Additionally, a copy shall be provided to all employees who shall sign an acknowledgement form stating that they have read and understood all of the ABC and conditional use permit conditions. Said form, as well as these conditions, shall be maintained at the location by the owner and or manager who shall present these to police personnel, ABC investigators or any other City agency upon request.

Should have any questions, please contact Sergeant II Catherine Leon, Serial No. 33634, Officer-in-Charge, Devonshire Area Vice, at (818) 832-0811.

KRIS E. PITCHER, Captain
Commanding Officer
Devonshire Area

Attachments
Run Date: 10/06/2014 11:09:11AM

City of Los Angeles
Office of Finance - LATAAX
Police Commission - Permit Information

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AGREEMENT OF CONDITIONS
TO GRANT
POLICE PERMIT

APPLICANTS: Gary Palmquist and Keith Palmquist

BUSINESS: Sugar Suite, Inc. DBA Sugar Suite Cocktail Lounge
11858 Balboa Boulevard, Granada Hills, California 91344

PERMIT: Police Commission Café Entertainment/Shows

We, Gary Palmquist and Keith Palmquist, do fully recognize the necessity for the imposition of conditions set by the Board of Police Commissioners, upon issuance of a Café Entertainment/Shows (CES) Police Permit at 11858 Balboa Boulevard, Granada Hills, California 91344.

In consideration for granting of this permit, we do hereby agree to the following:

1. Two state-licensed and bonded uniformed security guards shall be on the premises on Wednesday and Thursday during the hours of any entertainment that would require a Café Entertainment and Shows Police Commission Permit. The permittee shall be permitted to reduce the number of guards to one state-licensed and bonded uniformed security guard on Wednesday and/or Thursday if the rear door to the premises is to remain secured and used solely as an emergency exit. During the hours of any entertainment that requires a Café Entertainment and Shows Police Commission Permit the rear door shall not be open, propped open or used as a method of entry or exit when there is only one security guard on the premises.

2. Two state-licensed and bonded uniformed security guards shall be on the premises on Friday and Saturday during the hours of any entertainment that would require a Café Entertainment and Shows Police Commission Permit.

3. Sales, service and consumption of alcoholic beverages shall be permitted only between the hours of 6:00 a.m. and 2:00 a.m., each day of the week. After hours use of the facility, other than routine clean-up and maintenance is not permitted.

4. Security cameras shall be installed and maintained that cover all common areas of the business, high-risk areas, entrances and exits. The tapes shall be maintained for one month and made available to Los Angeles Police Department personnel, Alcoholic Beverage Control personnel and the City of Los Angeles Zoning Administration upon request.

5. Within 90 days from the effective date of this grant, the applicant shall make arrangements with the Police Department to conduct STAR training for all employees
who manage, supervise or dispense alcoholic beverages to patrons. This training shall be conducted for all new hires within 60 days of their employment. The applicant shall request written confirmation of completion of the initial training from the Police Department and shall concurrently submit a copy of such request to the Zoning Administrator.

6. The sale of distilled spirits by the bottle, for same day service, shall be prohibited; the sale of beer by the pitcher shall also be prohibited. Distilled spirits by the bottle does not include bottles of beer.

7. There shall be no dancing allowed on the premises unless a dance hall permit is obtained through Commission Investigation Division.

8. The conditions of this grant shall be retained in a conspicuous place, on the premise, at all times and be immediately produced upon request of any Los Angeles Police Officer or Department of Alcohol Beverage Control investigator. The applicant, manager and all employees shall be knowledgeable of the Conditions herein.

9. The premises shall not be used exclusively for private parties in which the general public is excluded.

10. Signs shall be prominently posted, stating that California State law prohibits sale of alcoholic beverages to persons who are under 21 years of age. “No Loitering or Public Drinking” signs shall be posted in and outside of the facility.

11. The location shall implement a Designated Driver Program which shall be submitted to the Zoning Administrator for inclusion in the file. The availability of this program shall be made known to the patrons via a two-sided card placed on all tables.

12. The business operator shall comply with section 6404.5 (b) of the Labor Code which prohibits smoking within any place of employment. There shall be no ashtrays or other receptacles used for the purpose of collecting ash or cigarette/cigar butts in the karaoke rooms or anywhere else on the premises.

13. All licenses, permits and conditions shall be posted in a conspicuous location at the facility. Additionally, a copy shall be provided to all employees who shall sign an acknowledgement form stating that they have read and understood all of the ABC and conditional use permit conditions. Said form, as well as these conditions, shall be
maintained at the location by the owner and or manager who shall present these to police personnel, ABC investigators or any other City agency upon request.

I understand any violation of the foregoing conditions shall be grounds for suspension or revocation of the conditioned permits for which this document applies. I further understand that these conditions are subject to Board approval and may be modified prior to the granting of this permit to ensure that the best interests of the City and the public are met.

[Signatures and dates]

Gary Palmquist, Chief Executive Officer
Sugar Suite Incorporated

Reich Palmquist, Chief Financial Officer
Sugar Suite Incorporated

CHRIS WATERS, Lieutenant II
Commanding Officer
Commission Investigation Division

Chairperson
Police Permit Review Panel

Date
**APPLICANT INFORMATION**

**Legal Name of Applicant:** Sugar Suite, Inc

**Name and Title of Person Submitting Application:** Keith Palmquist

**Business Name (Doing Business As):** Sugar Suite Cocktail Lounge

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<th>City &amp; State</th>
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Please type or print legibly

Legal Name of Applicant: Sugar Suite, Inc

Name and Title of Person Submitting Application: Keith Palmquist

Business Name (Doing Business As): Sugar Suite Cocktail Lounge

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**NATURE OF BUSINESS**

Please indicate "Yes" or "No" to the following questions, and place your initials in the box provided

1. Do the owners, managers, employees, or entertainers of this business provide sexually oriented materials, products, services or merchandise as defined by the Los Angeles Municipal Code Section 103.01?

   Please write Yes or No in the box provided

   [ ] Yes [X] No Initials: KP

2. Do the owners, managers, employees, entertainers or patrons of this business permit or engage in specified sexual activities at the business as defined by the Los Angeles Municipal Code Section 103.01?

   Please write Yes or No in the box provided

   [ ] Yes [X] No Initials: KP

3. Does this business possess or is it in the process of obtaining an Alcohol Beverage Control (ABC) License?

   Please write Yes or No in the box provided

   [X] Yes Initials: KP

ALL CORPORATE OFFICERS, GENERAL PARTNERS, AND OTHER PERSON(S) WITH GREATER THAN 5% FINANCIAL INTEREST IN BUSINESS MUST COMPLETE SECTIONS C&D.

THIS APPLICATION IS NOT COMPLETE UNTIL ALL QUESTIONS ARE ANSWERED, ALL INITIALS, AND SIGNATURES ARE OBTAINED, AND ALL DOCUMENTS REQUIRED ON GEN. FORM 195-I (REV 2-11) ARE SUBMITTED.
CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT
CIVIL CODE § 1189

State of California
County of Los Angeles
On January 21, 2015 before me, Sharon K. Yoon, Notary Public, personally appeared Gary Eugene Balquist and Keith Balquist who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature: ____________________________
Signature of Notary Public

OPTIONAL

Though this section is optional, completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

Description of Attached Document
Title or Type of Document: ____________________________ Document Date: ____________________________
Number of Pages: ________ Signer(s) Other Than Named Above: ____________________________

Capacity(ies) Claimed by Signer(s)
Signer's Name: ____________________________
[ ] Corporate Officer — Title(s): ____________________________
[ ] Partner — [ ] Limited [ ] General
[ ] Individual [ ] Attorney in Fact
[ ] Trustee [ ] Guardian or Conservator
[ ] Other: ____________________________

Signer Is Representing: ____________________________

Signer’s Name: ____________________________
[ ] Corporate Officer — Title(s): ____________________________
[ ] Partner — [ ] Limited [ ] General
[ ] Individual [ ] Attorney in Fact
[ ] Trustee [ ] Guardian or Conservator
[ ] Other: ____________________________

Signer Is Representing: ____________________________

© 2013 National Notary Association • www.NationalNotary.org • 1-800-US NOTARY (1-800-876-6827) Item #5907
Form

Los Angeles Police Commission—Police Permits

Zoning and Use Clearance for Police Permit

The Police Department cannot issue a permit for business activity which is not allowed at a location. This form must be signed off at an office of the Department of Building and Safety.

Instructions:
1. Enter type of police permit (1).
2. Enter address (2).
3. Go to one of the following Building and Safety offices to have this form signed off:
   - DOWNTOWN: 201 N. Figueroa St. (First floor) 90012
   - SAN PEDRO: 618 S. Beacon St. (Room 276) 90731
   - VAN NUYS: 6168 Van Nuys Bl. (Room 251) 91401
4. Make sure Building and Safety staff:
   - SIGNS the form.
   - DATES the form for the date it is signed off.
   - STAMPS the form.
This form is not complete until all required signatures are obtained (on this form), all questions are answered, and documents on required document list are submitted.

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Business Shown: A Permitted Use

Comment: Is Not

Signature: Print Name: Phone Number:

[Q] Conditions:
City Planning

**APPLICANT NOTE—There may be additional Building and Safety and/or Zoning requirements applicable to the business.

Conditional Use Permit Required: [ ] Yes [ ] No

Had use been vacated greater than one year? [ ] Yes [ ] No

Remarks: (Incidental Use, Auxiliary (Use)

RECEIVED
JUN 04 2014

PERMIT PROCESSING SECTION
California Department of Alcoholic Beverage Control
License Query System Summary
as of 2/5/2015

License Information
License Number: 472888
Primary Owner: SUGAR SUITE INC
ABC Office of Application: 05 - VAN NUYS
Doing Business As: SUGAR SUITE COCTAIL LOUNGE
Address: 11858 BALBOA BLVD Census Tract: 1066.46
City: GRANADA HILLS County: LOS ANGELES
State: CA Zip Code: 91344
Licensee Information
Licensee: SUGAR SUITE INC

Company Information
Officer: PALMQUIST, GARY E (PRESIDENT)
Officer: PALMQUIST, KEITH (SECRETARY TREASURER)
Stock Holder: PALMQUIST, GARY E
Stock Holder: PALMQUIST, KEITH

License Types
1) License Type: 48 - ON-SALE GENERAL PUBLIC PREMISES
License Type Status: ACTIVE
Status Date: 20-NOV-2008 Term: 12 Month(s)
Original Issue Date: 20-NOV-2008 Expiration Date: 31-OCT-2015
Master: Y Duplicate: 0 Fee Code: P40
License Type was Transferred On: 20-NOV-2008 FROM: 48-252644

Current Disciplinary Action
No Active Disciplinary Action found...

Disciplinary History
No Disciplinary History found...

Hold Information
No Active Holds found...
... No Escrow found ...

--- End of Report ---

For a definition of codes, view our glossary.
Aplicant(s): Sugar Suite, Inc., Keith Palmquist, Gary Palmquist

Company/Corporation: Sugar Suite, Inc.

Name of Restaurant/Bar, etc.: Sugar Suite Cocktail Lounge

Address of Establishment: 11858 Balboa Blvd., Granada Hills, CA 91344

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Fill out all information. If none, write NONE.

A. Type of Business Activity (night club, lounge, restaurant, etc.):
   Lounge

B. Type of Entertainment (hip hop, jazz, rock, arts, karaoke, etc.):
   DJ, Karaoke

C. I have a license from the State of California. YES #472888
   If yes, are there conditions? NO

D. Number of Pool Tables: NONE

E. Dance Floor Location and Size (minimum 200 square feet):
   NONE

F. Number of Arcade Games: One (1) Dartboard

G. Number of Games of Skill/Science (darts, etc.) & Type:
   NONE

H. Cyber Café: Describe operation & set up:
   NONE

I. Cyber Café: Number of Computers, Terminals, Workstations:
   NONE

J. Types of films to be shown & ratings:
   NONE

K. Seating Capacity:
   75 Capacity

L. Admission Fee:
   NONE

M. Number of Bowling Lanes:
   NONE

M. Parking Information:
   Public Parking

DECLARATION

I/We submit this information about my/our business. The full text of the Los Angeles Municipal Code is available through the City's website at www.lacity.org under "City Charter, Rules & Codes." Chapter X contains many laws regulating Police Permits. I/We declare that we understand laws applicable to my/our business and permit(s). I/We have received a copy of Police Commission Board Rules for each permit application for which Board Rules exist. I/We further declare that I/We will comply with all laws and/or rules. I/We understand that failure to comply may place my/our existing permits in jeopardy and may necessitate disciplinary action by the Board of Police Commissioners and/or a criminal complaint filed with the City Attorney or District Attorney. I/We sign this document on my behalf or on behalf of the company/organization/business, with full authority to do so.

Keith Palmquist
Date: 6/2/14
Signature:

Gary Palmquist
Date: 6/2/14
Signature:
FORM: Agreement for the Granting of a Police Permit for Cafe Entertainment/Shows

Los Angeles Police Commission—Police Permits
100 W. First St., #147
Los Angeles, CA 90012 (213) 966-1210

We, Sugar Suite, Inc. (Keith Palmquist and Gary Palmquist)
Owners of Sugar Suite, Inc., known as Sugar Suite Cocktail Lounge
Located at 11858 Balboa Blvd., Granada Hills, CA 91344

I/We hereby certify that I/We am/are aware of the Adult Entertainment Zoning Ordinance, Los Angeles Municipal Code Section 12.70; THAT I/We have read and understand the Prohibition section of that ordinance, as set forth below, and THAT the present or proposed business for which the attached application has been completed is, to the best of I/Our knowledge, not subject to the restrictions of said prohibition section.

C. Prohibition. (Amended by Ord. No. 158,879, eff. 1/23/84. No person shall cause or permit the establishment, substantial enlargement of transfer of ownership or control of an adult entertainment business within 1,000 feet of another adult entertainment business, or within 500 feet of a religious institution, school, or Public Park within the City of Los Angeles. No person shall cause or permit the establishment or maintenance of more than one adult entertainment business in the same building, structure or portion thereof, or the increase of floor area of any adult entertainment business in any building, structure or portion thereof containing another adult entertainment business.

No person shall cause or permit the establishment, or substantial enlargement of an adult entertainment business within 500 feet of any lot in a “A” or “R” zone, or within the “CR,” “CL,” or “CLL” zones in the City of Los Angeles.

THAT in consideration for the granting of this permit, I/We hereby agree:

1. That our intention is to present Karaoke and DJ and that we will take whatever measures necessary to prevent the exhibition of less than completely and opaquely covered human genitals, pubic region, buttocks, anus or female breasts below a point immediately above the top of the areolas.

2. That we will take whatever measures necessary to prevent the Karaoke and DJ from including the fondling or other explicit touching of human genitals, pubic region, buttocks, anus or female breasts, or masturbation, actual or simulated.

3. That we will remove and not reuse the advertising of the near owner or any other sign or advertisement which purports to describe the entertainment/shows as "Nude Dancing" or in any other way as being sexually oriented.

Sugar Suite, Inc.
Keith Palmquist and Gary Palmquist

I/We, Sugar Suite, Inc., have read the above conditions and have discussed them with members of the Police Investigation staff and fully understand them. The full text of the Los Angeles Municipal Code is available through the City's website at www.cityofla.org. I/We have received a copy of this agreement.

[Signature]

Date: 6/2/14
Keith Palmquist
Print Name

[Signature]

Date: 6/2/19
Gary Palmquist
Print Name

[Signature]