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Office of the City Clerk

Ronald D. Leonhardt
City Clerk

Jim Owczarski
Deputy City Clerk

December 8, 2008

Jack A. Castiglione
3545 South 92nd Street
Milwaukee, WI 53228

Andrew Arena, Esq.
1110 North Old World Third Street
Suite 515
Milwaukee, WI 53203

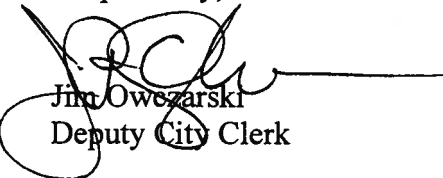
Dear Mr. Castiglione and Mr. Arena:

You are hereby notified that the Milwaukee Common Council will hold a hearing on December 16, 2008, commencing at 9:00 a.m., or as soon thereafter as this matter may be heard, in the Common Council chambers on the third floor of City Hall, 200 East Wells Street, Milwaukee, Wisconsin to consider the revocation of your Class "A" Liquor and Malt and Food Dealer licenses.

Attached you will find a copy of the Report of the Licenses Committee which includes its Findings of Fact, Conclusions of Law and Recommendation, recommending revocation based upon a police complaint. The recommendation is the result of a public hearing before the Committee held on December 5, 2008.

You may file a written objection to the report of the Licenses Committee. If you file a written objection to the report you may also appear before the Milwaukee Common Council to make oral arguments supporting your written objections and present oral arguments supporting that objection to the Common Council. Any written objections to the Committee's Report must be filed with the City Clerk by 4:30 p.m. on December 11, 2008. You or a legal representative may then also appear at the Common Council meeting and request an opportunity to address the Common Council for approximately five (5) minutes to present an oral argument on your own behalf.

Respectfully,



Jim Owczarski
Deputy City Clerk

Enclosure



JAMES A. BOHL JR.
Alderman, 5th District

Date: December 5, 2008

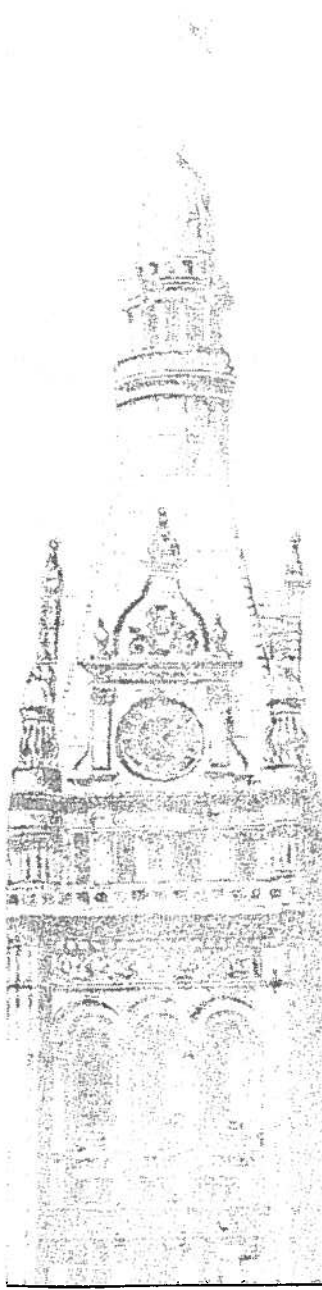
To: All members of the Milwaukee Common Council

From: Licenses Committee

Re: Report on a complaint seeking the revocation of the Class "A" Liquor and Malt Beverage license and Food Dealer license of Paul's Beverage Center, LLC, Jack A. Castiglione, Agent, for the license premises at 6220 West Silver Spring Drive in the City and County of Milwaukee, Wisconsin ("Paul's Beverage Center").

FINDINGS OF FACT

1. Jack A. Castiglione (hereinafter the "Licensee") is the holder of the Class "A" Liquor and Malt Beverage and Food Dealer licenses of Paul's Beverage Center, LLC for the licensed premises at 6220 West Silver Spring Drive in the City and County of Milwaukee, Wisconsin ("Paul's Beverage Center"). Said license expires at midnight, June 30, 2009.
2. A complaint seeking the revocation of said licenses was filed with the City Clerk by Captain Eric Moore of the Milwaukee Police Department on October 24, 2008. The complaint also sought revocation of a cigarette dealer license held by the license, but that portion of the complaint was withdrawn, and the Licenses Committee accepted the withdrawal of that complaint at the time of hearing in this matter.
3. Pursuant to Chapter 68 and 90 of the Milwaukee Code of Ordinances and Chapter 125 of the Wisconsin Statutes, the Summons and Complaint demanding the appearance of the Licensee before the Licenses Committee of the Milwaukee Common Council on December 5, 2008 at 9:00 a.m. was served on Mr. Castiglione as licensee of the premises located at 6220 West Silver Spring Drive in the City and County of Milwaukee, Wisconsin ("Paul's Beverage Center"), on November 20, 2008 by



Police Officer Kristyn Kukowski, a Police Officer of the Milwaukee Police Department.

4. At said date, time and place, the licensee appeared and admitted receipt of the notice and police report. He was represented by Attorney Andrew Arena, Kopp & Arena, S.C., 1110 North Old World Third Street, Suite 515, Milwaukee, WI 53203.
5. Based upon the sworn testimony heard and the evidence received at the hearing, the Committee finds the following:
 - A. On July 29, 2008, an alleged drug dealer was found shot to death. During the investigation of the death officers of the Milwaukee Police Department found a cell phone on the deceased drug dealer. That cell phone indicated calls had been received by the decedent from a telephone that turned out to be the telephone in the licensed premises located at 6220 West Silver Spring Drive, Milwaukee, Wisconsin ("Paul's Beverage Center"). Subsequent investigation confirmed phone calls made from the telephone at the licensed premises to the cell phone in question.
 - B. During the course of two separate police interviews, the licensee informed police that he and his family have owned and operated the liquor store at 6220 West Silver Spring Drive for the last 29 years.
 - C. During the two separate voluntary interviews of the licensee by Milwaukee Police conducting the investigation of the homicide, the licensee indicated to police that he had previously bought crack cocaine from the murdered drug dealer on several occasions in order to provide it to a certain Ms. Lula "Lola" Carmichael.
 - D. According to the explanation given by the licensee, Ms. Carmichael would consume the crack cocaine while Mr. Castiglione and Ms. Carmichael would engage in sexual activity known as "freakin."
 - E. According to further explanation given by the licensee to Milwaukee Police on July 29, 2008, and in the two separate interviews, Mr. Castiglione bought five twenty (\$20) dollar rocks of crack cocaine from the deceased drug dealer and gave them to Ms. Carmichael and another female by the name of Sandra. Ms. Carmichael and Sandra smoked the crack cocaine with a metal pipe and shared it with the

licensee by blowing the crack smoke into his mouth. The three then engaged in multiple sex acts for a few hours inside the licensed premises. At hearing, the licensee confirmed that he gave the above explanations to the Milwaukee Police detectives investigating the homicide of the alleged drug dealer.

- F. Because Ms. Carmichael had a warrant, she was arrested and in custody. During a separate interview of Ms. Carmichael, Ms. Carmichael told the same story as given by the licensee to Milwaukee Police.
- F. During a search of the office area and storerooms of the licensed premises, police discovered a metal pipe containing copper scrubbing material with burnt residue on each end in the middle drawer of the desk in the office. There were also three suspected crack pipes with burnt residue and a metal spoon and white powdery substance with burnt residue found in the desk as well.
- G. In a shelving unit behind the desk, police officers found multiple unlabeled plastic baggies containing controlled substances such as oxycodone, hydrocodone, Valium, and Xanax.
- H. No arrests have been made regarding the homicide and no arrest was made of the licensee since the Milwaukee Police considered this matter a homicide investigation.
- I. Police also found multiple firearms in the premises to include two 12-gauge semi-automatic shotguns, a 20-gauge single shotgun and ammunition for a .357 caliber, .25 caliber and .40 caliber and 12-gauge shotgun. The licensee is not a convicted felon and as such he was entitled to legally possess the weapons and ammunition in question.
- J. At hearing, the licensee asserted that he twice made the admissions he did because during the first interview, conducted at the licensed premises, he was intimidated by the detective conducting the interview. Though the licensee admitted that the second detective who interviewed him at the Police Administration Building, and who testified in these proceedings, did not intimidate him, he felt that he had to follow through with the same, claimed false story, he gave at the licensed premises.

- K. The licensee pointed out that no information was ever brought forth regarding the "Sandra" in this matter. The licensee further pointed out that this premises, prior to the instant situation, has not had any problems save for a robbery some ten years ago. The licensee further pointed out that the police have videotape from the premises that shows the cash register and would show the murdered drug dealer in the premises at an early hour of the morning and that no drug transaction would appear on the tape. Finally, the licensee notes that the tape would not show the presence of a third person at the licensed premises engaging in any sexual activity.
- M. The representatives of the Milwaukee Police Department testified that the tape in question is very unclear regarding who was in the area of the store where the desk was located and where the claimed sexual activity took place. It does show that the deceased drug dealer was at the store in the early morning hours on July 29, 2008 and left before the store opened for business. No drug transaction appears on the tape.
- N. The licensee's explanation for these things is that he and the deceased drug dealer were friends, and that "Lola" Carmichael was an individual he would help out by letting her clean and stock the store from time to time. On the morning in question, the drug dealer did stop by the store and left. Ms. Carmichael was there but left early in the day. The licensee denies that the drug paraphernalia had anything to do with him, and that Ms. Carmichael or someone else probably left the items where they were found. His explanation for the prescription drugs is that he found them at the store one day and simply put them on a shelf and forgot about them. The licensee testified that he did not know about the paraphernalia, but did know about the prescription drugs. The licensee denies that he had sex with Ms. Carmichael or anyone else. The licensee asserts that the explanation that related to the Milwaukee Police detectives was one that Ms. Carmichael had told him the day before of an event that occurred some years previously involving Ms. Carmichael. When he was intimidated by the first detective that interviewed him at the store, it was a story he thought would explain the situation.
- O. The Committee notes that the licensee gave the explanation he did to the Milwaukee police on two separate occasions

in two separate locations. The explanation given by the licensee comported to that given by Ms. Carmichael during her interview and while in custody. The phone records in question confirm that the licensee contacted the drug dealer and the tape records show that the licensee and the drug dealer met at the licensed premises. The fact that no hand-to-hand drug transaction appears on the tape simply indicates that the transaction did not take place on the tape. It would be extremely unwise for someone purchasing drugs to do so where it could be recorded on a taping system. The Committee believes the story originally given by the licensee and disbelieves his recant of the explanation.

CONCLUSIONS OF LAW

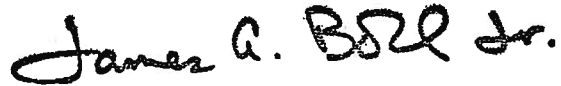
1. The Committee has jurisdiction to hold hearings and provide Findings of Fact, Conclusions of Law and a Recommendation to the full Common Council pursuant to Chapter 125 of the Wisconsin Statutes and Chapters 68 and 90 of the Milwaukee Code of Ordinances.
2. Based upon the above facts found, the Committee finds that the licensee, Jack A. Castiglione, has not met the criteria of Chapter 125, Wis. Stat. or Chapters 68 and 90 of the Milwaukee Code of Ordinances to allow the continued operation of this premise under a Class "A" Liquor and Malt beverage license or a Food Dealer license.
3. The Committee recommends that the full Common Council of the City of Milwaukee exercise its judgment to revoke the Class "A" Liquor and Malt Beverage license and the Food Dealer license for the licensed premises at 6220 West Silver Spring Drive in the City and County of Milwaukee, Wisconsin ("Paul's Beverage Center") held by Jack A. Castiglione based upon the danger that his conduct represents to the health, safety and welfare of the citizens of the City of Milwaukee.

RECOMMENDATION

Based upon the Findings of Fact and Conclusions of Law stated above, the Committee, by a vote of four (4) ayes and one (1) no, recommends that the Class "A" Liquor and Malt Beverage license and Food Dealer license held by Jack A. Castiglione, as agent for Paul's Beverage Center, LLC for the premises at 6220 West Silver

Spring Drive in the City and County of Milwaukee, Wisconsin
("Paul's Beverage Center"), be revoked.

Dated and signed at Milwaukee, Wisconsin this 8th day of
December, 2008.

A handwritten signature in black ink that reads "James A. BOHL Jr." The signature is written in a cursive style with some capital letters.

JAMES A. BOHL, Jr.
Chair, Licenses Committee