

CITY OF NORTHFIELD, MINNESOTA
CITY COUNCIL RESOLUTION NO. 2025-113

FINDINGS, CONCLUSIONS AND ORDER OF NORTHFIELD CITY COUNCIL
SUSPENDING LIQUOR LICENSES ISSUED TO FROGGZ L.L.C. D/B/A/ FROGGZ

WHEREAS, Froggz L.L.C. a/k/a Froggz LLC (the “Licensee”) is the holder of liquor licenses issued by the City of Northfield (the “City”) to sell alcoholic beverages at the licensed establishment named Froggz, located at 307 Water Street S., Ste B and 303 Water Street S., Northfield, MN 55057 (the “Licensed Premises”); and

WHEREAS, pursuant to Northfield City Code, Section 6-66, all licenses shall be granted subject to the conditions set forth in Chapter 6 of the City Code and subject to all City ordinances and sections of the City Code applicable thereto and the laws of the State; and

WHEREAS, pursuant to Northfield City Code, Section 6-65, and Minn. Stat. § 340A.409, no retail license may be issued, maintained or renewed unless the applicant / licensee demonstrates proof of financial responsibility with regard to liability imposed by Minn. Stat. § 340A.801; and

WHEREAS, such proof of financial responsibility may be evidenced by the Licensee filing with the City Clerk one of the following:

- (1) A certificate showing that there is in effect for the license period a liability insurance policy which satisfies all requirements of Minn. Stat. ch. 340A, including Minn. Stat. § 340A.409, subd. 1(1);
- (2) A bond of a surety company with minimum coverages as provided by Minn. Stat. ch. 340A, including Minn. Stat. § 340A.409, subd. 1 (1) and (2); or
- (3) A certificate of the state commissioner of finance that the licensee has deposited with him/her \$100,000.00 in cash or securities in compliance with the requirements of Minn. Stat. ch. 340A, including Minn. Stat. § 340A.409, subd. 1(3)

; and

WHEREAS, on November 3, 2025, following an inquiry to the Minnesota Alcohol, and Gambling Enforcement department of the State, and the insurance carrier for the Licensee identified in the Certificate of Insurance provided to the City Clerk by the Licensee regarding the status of the liability insurance policy for the Licensee, the City Clerk discovered that the insurance policy under the certificate of insurance provided to the City by the Licensee had lapsed and was therefore no longer in effect; and

WHEREAS, Froggz L.L.C. confirmed on November 4, 2025, via phone call to the City Clerk that the mandatory liability insurance had in fact lapsed; and

WHEREAS, pursuant to Minn. Stat. § 340A.409, “[n]o retail license may be . . . maintained . . . unless the applicant demonstrates proof of financial responsibility with regard to liability imposed by section 340A.801”; and

WHEREAS, pursuant to City Code Sec. 6-69(c) “[f]ailure to maintain such proof of financial responsibility shall be grounds for immediate suspension of a license by resolution of the city council without notice or hearing”; and

WHEREAS, attached hereto and incorporated herein by reference as Exhibit A is the correspondence and notice of cancelation from the insurance carrier confirming the lapse / expiration of the liability insurance for Froggz L.L.C. for the Licensed Premises; and

WHEREAS, attached hereto and incorporated herein by reference as Exhibit B are the applicable local ordinances and state statutes applicable to persons licensed to sell liquor within the City limits with regard to insurance and financial responsibility requirements; and

WHEREAS, pursuant to City Code Sec. 6-69, the City Council may also take action to suspend or revoke any license for the sale of intoxicating or 3.2 percent malt liquor for the “[e]xpiration or cancellation of any required insurance, or failure to notify the city within a reasonable time of changes in the term of the insurance or the carriers,” among other reasons; and

WHEREAS, based on the foregoing, City staff have found that the failure to maintain required liability insurance at the Licensed Premises is a violation of Northfield City Code and applicable State liquor laws; and

WHEREAS, pursuant to Northfield City Code Section 6-69(c), a public hearing is not required before the Northfield City Council considers the suspension of the on-sale intoxicating liquor license, on-sale Sunday intoxicating liquor license, and 2:00 a.m. liquor license and all other licenses including with respect to lower-potency hemp edible products or hemp-derived THC products issued to the Licensee for the Licensed Premises; and

WHEREAS, an on-sale liquor license issued pursuant to Minn. Stat. § 340A is required to sell lower-potency hemp edible products or hemp-derived THC products under Minn. Stat. §§ 151.72 and 342.46, subd. 8; and

WHEREAS, pursuant to Northfield City Code, separate notice and a public hearing are required before the Northfield City Council may consider revocation of the on-sale intoxicating liquor license, on-sale Sunday intoxicating liquor license, and 2:00 a.m. liquor license and all other licenses including with respect to lower-potency hemp edible products or hemp-derived THC products issued to the Licensee for the Licensed Premises, and as a result the action herein is limited to the recommended action below.

NOW, THEREFORE, BE IT RESOLVED THAT THE CITY COUNCIL OF THE CITY OF NORTHFIELD, MINNESOTA, based upon the record, testimony and evidence presented at the November 4, 2025 City Council meeting, makes the following:

FINDINGS

1. The above recitals and exhibits attached hereto are hereby adopted and incorporated herein by reference as Findings.
2. The issue before the Northfield City Council at the November 4, 2025 meeting was the following:

Should the on-sale intoxicating liquor license, on-sale Sunday intoxicating liquor license, and 2:00 a.m. liquor license and all other licenses including with respect to lower-potency hemp edible products or hemp-derived THC products for Froggz L.L.C. be suspended indefinitely until evidence of financial responsibility in the form of a certificate showing that there is in effect for the license period on the Licensed Premises a liability insurance policy, which satisfies all requirements of Minn. Stat. ch. 340A, including Minn. Stat. § 340A.409, subd. 1(1), is filed with the City Clerk?

3. That cause exists pursuant to Northfield City Code, Sections 6-65, 6-66, and 6-69 and Minn. Stat. § 340A.409, based upon these findings for the immediate suspension of all liquor licenses issued by the City to the Licensee including with respect to lower-potency hemp edible products or hemp-derived THC products.
4. Further, that cause exists pursuant to Northfield City Code, Sections 6-65, 6-66, and 6-69 and Minn. Stat. § 340A.409, based upon these findings, that the matter of license revocation or other civil penalty for the Licensee be brought back to the City Council at a subsequent Council meeting following all applicable notice requirements for a hearing on such matter.

BE IT FURTHER RESOLVED THAT THE CITY COUNCIL OF THE CITY OF NORTHFIELD, MINNESOTA, based upon the record and evidence presented and the above findings, concludes and orders as follows:

CONCLUSIONS AND ORDER

1. SUSPENSION.
 - a. That the on-sale intoxicating liquor license, the Sunday on-sale intoxicating liquor, and the 2:00 a.m. liquor license, including with respect to lower-potency hemp edible products or hemp-derived THC products, issued to Licensee shall be suspended until satisfactory evidence of financial responsibility pursuant to City Code, Section 6-65, and Minn. Stat. § 340A.409, is filed with the City Clerk, commencing immediately, Tuesday, November 4, 2025 (the “suspension period”).
 - b. At all times and days during the above liquor license suspension period, Licensee is prohibited from making all sales and allowing or permitting the consumption of alcohol, lower-potency hemp edibles or hemp-derived THC products, and all

other intoxicating beverages covered by the referenced liquor licenses, on the Licensed Premises.

- c. The City Clerk and Police Department are authorized and directed to immediately serve this Resolution upon Licensee at the Licensed Premises and enforce compliance with the same.
 - d. Licensee shall return Licensee's suspended liquor license to the City Clerk by no later than the first day following the initiation of the liquor license suspension period, and may retrieve said license upon filing satisfactory evidence of financial responsibility pursuant to City Code Section 6-65 and Minn. Stat. § 340A.409 with the City Clerk.
2. FUTURE ACTION ON LICENSES UP TO AND INCLUDING REVOCATION. That City staff is hereby authorized and directed to issue all applicable notices for the consideration of further suspension or revocation of the on-sale intoxicating liquor license, the Sunday on-sale intoxicating liquor, and the 2:00 a.m. liquor license and all other related licenses including with respect to lower-potency hemp edible products or hemp-derived THC products issued to Licensee at the November 18, 2025 meeting of the City Council for the City of Northfield.

Passed by the City Council of the City of Northfield on this 4th day of November, 2025.

Mayor

ATTEST

City Clerk

EXHIBIT A

From: Security Insurance Agency <info@securityinsurancekenyon.com>
Sent: Monday, November 3, 2025 2:20 PM
To: Lynette Peterson <Lynette.Peterson@northfieldmn.gov>
Subject: Re: Insurance COI for Froggz

Warning: Unusual sender <info@securityinsurancekenyon.com>

You don't usually receive emails from this address. Make sure you trust this sender before taking any actions.

Hi Lynette,

It is not current with our agency.

Thank you,
Kayla

Security Insurance Agency
PO Box G
Kenyon MN 55946
Phone: (507)789-6366
Fax: (507)789-6793

From: Lynette Peterson <Lynette.Peterson@northfieldmn.gov>
Sent: Monday, November 3, 2025 1:57 PM
To: Security Insurance Agency <info@securityinsurancekenyon.com>
Subject: Insurance COI for Froggz

Good afternoon –

I just wanted to double check that Froggz is still current with their COI that you had sent in May. Thank you!

Lynette R. Peterson

City Clerk

City of Northfield

801 Washington Street | Northfield, MN 55057

Office: 507-645-3001

Cell: 507-649-2705

www.northfieldmn.gov



<div>FOUNDERS INSURANCE COMPANYSM</div> <div>A MULTIPLE LINE STOCK COMPANY</div> <div>1350 EAST TOUHY AVENUE, SUITE 200W, DES PLAINES, ILLINOIS 60018-3303</div> <div>(800)972-8778</div> <div>LIQUOR LIABILITY</div> <div>CANCELLED DEC</div> <div>EFFECTIVE 07/02/2025</div> <div>AGENCY ACCT</div>				
POLICY NUMBER		FROM POLICY PERIOD TO		
2025014648		03/06/2025 03/06/2026		12:01 AM STANDARD TIME 3933
NAMED INSURED AND ADDRESS			PRODUCER	
FROGGZ LLC DBA: FROGGZ 307 WATER ST S NORTHFIELD, MN 55057			ERICKSON - LARSEN, INC. 6425 SYCAMORE COURT N. MAPLE GROVE, MN 55369 (763)257-1347	
THE NAMED INSURED IS FROGGZ LLC DBA: FROGGZ				
COVERAGES				
THIS POLICY CONSISTS OF THE FOLLOWING COVERAGE PARTS/POLICIES FOR WHICH A PREMIUM IS INDICATED. THIS PREMIUM MAY BE SUBJECT TO ADJUSTMENT.				
COVERAGE PART/POLICY ATTACHED				
COMMERCIAL LIQUOR LIABILITY COVERAGE				PREMIUM \$1,217.00
TOTAL ADVANCE PREMIUM				\$1,217.00
THE CANCELLATION OF THIS POLICY HAS RESULTED IN AN RETURN PREMIUM OF \$824.00 -				
FORMS THAT APPLY TO APPLICABLE COVERAGE PARTS				
ENDORSEMENT NO	EDITION DATE	DESCRIPTION		
FIC-PN	07-15	PRIVACY NOTICE		
MN-LL01	12-07	ASSAULT AND/OR BATTERY COVERAGE BUY-BACK		
CG 21 70	01-15	CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM		
IL 09 85	01-15	DISCLOSURE PURSUANT TO TERRORISM RISK INSURANCE ACT		
LLCAN6	04-16	CANCELLATION ENDORSEMENT		
MN-CSL	12-07	MINNESOTA LIQUOR LIABILITY COVERAGE PART		
16E-0006	07-21	VIRUS OR BACTERIA EXCLUSION		
16E-0026	04-22	EXCLUSION - FIREARMS		
16E-0049	05-24	EXCLUSION - TRADE OR ECONOMIC SANCTIONS		
16E-0048	04-24	CANNABIS EXCLUSION		
CERTIFICATE HOLDER(S)				
CH#	NAME AND ADDRESS			
1	MINNESOTA DEPARTMENT OF PUBLIC SAFETY ALCOHOL AND GAMBLING REINFORCEMENT DIVISION 445 MINNESOTA ST., SUITE 222 ST. PAUL, MN 55101			

EXHIBIT B

Applicable Statutes and Ordinances

Minnesota Statutes:

340A.409 LIABILITY INSURANCE.

Subdivision 1. Insurance required.

(a) No retail license may be issued, maintained or renewed unless the applicant demonstrates proof of financial responsibility with regard to liability imposed by section 340A.801. The issuing authority must submit to the commissioner the applicant's proof of financial responsibility. This subdivision does not prohibit a local unit of government from requiring higher insurance or bond coverages, or a larger deposit of cash or securities. The minimum requirement for proof of financial responsibility may be given by filing:

(1) a certificate that there is in effect for the license period an insurance policy issued by an insurer required to be licensed under section 60A.07, subdivision 4, or by an insurer recognized as an eligible surplus lines carrier pursuant to section 60A.206 or pool providing at least \$50,000 of coverage because of bodily injury to any one person in any one occurrence, \$100,000 because of bodily injury to two or more persons in any one occurrence, \$10,000 because of injury to or destruction of property of others in any one occurrence, \$50,000 for loss of means of support of any one person in any one occurrence, \$100,000 for loss of means of support of two or more persons in any one occurrence, \$50,000 for other pecuniary loss of any one person in any one occurrence, and \$100,000 for other pecuniary loss of two or more persons in any one occurrence;

(2) a bond of a surety company with minimum coverages as provided in clause (1); or

(3) a certificate of the commissioner of management and budget that the licensee has deposited with the commissioner of management and budget \$100,000 in cash or securities which may legally be purchased by savings banks or for trust funds having a market value of \$100,000.

(b) This subdivision does not prohibit an insurer from providing the coverage required by this subdivision in combination with other insurance coverage.

(c) An annual aggregate policy limit for dram shop insurance of not less than \$310,000 per policy year may be included in the policy provisions.

(d) A liability insurance policy required by this section must provide that it may not be canceled for:

(1) any cause, except for nonpayment of premium, by either the insured or the insurer unless the canceling party has first given 60 days' notice in writing to the insured of intent to cancel the policy; and

(2) nonpayment of premium unless the canceling party has first given ten days' notice in writing to the insured of intent to cancel the policy.

(e) In the event of a policy cancellation, the insurer will send notice to the issuing authority at the same time that a cancellation request is received from or a notice is sent to the insured.

(f) All insurance policies which provide coverage with regard to any liability imposed by section 340A.801 must contain at least the minimum coverage required by this section.

340A.801 CIVIL ACTIONS.

Subdivision 1. Right of action.

A spouse, child, parent, guardian, employer, or other person injured in person, property, or means of support, or who incurs other pecuniary loss by an intoxicated person or by the intoxication of another person, has a right of action in the person's own name for all damages sustained against a person who caused the intoxication of that person by illegally selling alcoholic beverages. All damages recovered by a minor under this section must be paid either to the minor or to the minor's parent, guardian, or next friend as the court directs.

Subd. 2. Actions.

All suits for damages under this section must be by civil action in a court of this state having jurisdiction.

Subd. 3. Comparative negligence.

Actions under this section are governed by section 604.01.

Subd. 3a. Defense.

The defense described in section 340A.503, subdivision 6, applies to actions under this section.

Subd. 4. Subrogation claims denied.

There shall be no recovery by any insurance company against any liquor vendor under subrogation clauses of the uninsured, underinsured, collision, or other first party coverages of a motor vehicle insurance policy as a result of payments made by the company to persons who have claims that arise in whole or part under this section. The provisions of section 65B.53, subdivision 3, do not apply to actions under this section.

Subd. 5.

MS 1986 [Repealed, 1987 c 152 art 2 s 5]

Subd. 6. Common law claims.

Nothing in this chapter precludes common law tort claims against any person 21 years old or older who knowingly provides or furnishes alcoholic beverages to a person under the age of 21 years.

Northfield City Code:

Sec. 6-65. - Proof of financial responsibility.

- (a) No retail license required under this division may be issued, maintained or renewed unless the applicant demonstrates proof of financial responsibility with regard to liability imposed by Minn. Stat. § 340A.801. Each application for a license shall be accompanied by proof of financial responsibility, evidenced by filing with the city clerk of the following:
 - (1) A certificate showing that there is in effect for the license period a liability insurance policy which satisfies all requirements of Minn. Stat. ch. 340A, including Minn. Stat. § 340A.409, subd. 1(1);
 - (2) A bond of a surety company with minimum coverages as provided by Minn. Stat. ch. 340A, including Minn. Stat. § 340A.409, subd. 1 (1) and (2); or
 - (3) A certificate of the state commissioner of finance that the licensee has deposited with him/her \$100,000.00 in cash or securities in compliance with the requirements of Minn. Stat. ch. 340A, including Minn. Stat. § 340A.409, subd. 1(3).
 - (b) Subsection (a) of this section does not apply to licensees who by affidavit establish that:
 - (1) They are on-sale 3.2 percent malt liquor licensees with sales of less than \$25,000.00 of 3.2 percent malt liquor for the preceding year;
 - (2) They are off-sale 3.2 percent malt liquor licensees with sales of less than \$50,000.00 of 3.2 percent malt liquor for the preceding year;
 - (3) They are holders of on-sale wine licenses with sales of less than \$25,000.00 for wine for the preceding year; or
 - (4) They are holders of temporary wine licenses issued under law.
- (Ord. No. 730, § 800:65, 8-17-2000; Ord. No. 887, 1-5-2009)

Sec. 6-66. - Conditions.

All licenses granted under this division shall be granted subject to the conditions set forth in this chapter and subject to all city ordinances and sections of this Code applicable thereto and the laws of the state.

Sec. 6-69. - Revocation and suspension.

- (a) Any violation of any section of this chapter or the laws or regulations of the state with respect to the sale of 3.2 percent malt liquor or intoxicating liquor by the license holder or his/her employee or any falsification of any statement in the application for a license is a penal offense and shall also be grounds for revocation of the license or for

suspension of the license for up to 60 days or for imposition of a civil penalty of up to \$2,000.00 for each violation or any combination of these sanctions.

- (b) The council may impose a fine and/or suspend or revoke any license for the sale of intoxicating or 3.2 percent malt liquor for any of the following reasons:
 - (1) False or misleading statements made on a license application or renewal, or failure to abide by the commitments, promises or representations made to the city council.
 - (2) Violation of any special conditions under which the license was granted, including, but not limited to, the timely payment of real estate taxes, and all other charges.
 - (3) Violation of any federal, state, or local law regulating the sale of intoxicating liquor, 3.2 percent malt liquor, or controlled substances.
 - (4) Creation of a nuisance on the licensed premises or in the surrounding area.
 - (5) That the licensee suffered or permitted illegal acts upon the licensed premises or on property owned or controlled by the licensee adjacent to the licensed premises, unrelated to the sale of intoxicating liquor or 3.2 percent malt liquor.
 - (6) Expiration or cancellation of any required insurance, or failure to notify the city within a reasonable time of changes in the term of the insurance or the carriers.
- (c) No suspension or revocation shall take effect until the licensee has been given an opportunity for a hearing under Minn. Stat. §§ 14.57—14.69 of the Administrative Procedure Act, provided that the city is not required to conduct the hearing before an employee of the office of administrative hearings, and provided further that absolutely no license may be maintained unless the applicant or licensee demonstrates proof of financial responsibility with regard to liability imposed by state and local law. Failure to maintain such proof of financial responsibility shall be grounds for immediate suspension of a license by resolution of the city council without notice or hearing.