

---

In re the Seizure of Property  
From 2857 Irving Av. So.

**EMERGENCY MOTION (TRO)  
AND PETITION FOR RETURN OF  
PROPERTY AND OTHER RELIEF**

---

**BACKGROUND<sup>1</sup>**

2857irving.com is a website that allows the entrant to pay \$20 to state the number of screws/bolts in a chest. The prize? A newly-built dream house or one million dollars. (See screen shots at Clark Aff. **Exh. A** - "The Project"). This website allows someone who is not rich, to have a dream house. It is a creative way to deal with the blows that small real estate developers have been dealt in the housing crash. It is an imaginative way to weather the mortgage crisis. It was intended to put money in the hands of a non-profit and eventually help the homeless. It was a way for a "little guy" to take back some power. It may have angered rich and powerful people and corporations. But that does not make it criminal.

On May 24, 2008, the StarTribune ran an article on the house contest. (Clark Aff. **Exh. B**). The following Wednesday, May 28, 2008, Sgt. Ritschel of the Minneapolis Police Licensing Investigations unit, came into the dream house without consent to enter and without any warrant. Evidence of the lack of consent included a sign that said "ring bell to enter" (or similar).

Sgt. Ritschel confronted Stepnes with a conclusion – that he was engaged in unlawful gambling. He not interview Stepnes, but when Stepnes said something to the effect that he was doing nothing wrong, that he had discussed The Project with the head of the State Gambling Board, the head of the Senate Legal Department, and Senator Scott Dibble. Rather than calling

---

<sup>1</sup> Stepnes is prepared to put on all this evidence at an evidentiary hearing, but his counsel did not ask him to sign an affidavit for this motion. (Clark Aff. ¶2).

any of these individuals, rather than investigating these obvious leads to exculpatory evidence, Ritschel grew irate and custodially arrested Stepnes for a purported misdemeanor.<sup>2</sup>

Stepnes had been giving an interview and tour to the Southwest Journal at the time of his arrest. Ironically, the reporter from the SW Journal spent more time investigating Stepnes' version of events, than did Ritschel (who was required to do so by law). The reporter *did* call those that Stepnes had named to the officer, including Tom Barrett of the State Gambling Board. (Clark Aff. **Exh. C**). Barrett confirmed that Stepnes had talked to him about the screws/bolts contest, and that he did not view it as gambling. (*Id.*)

Shortly after the arrest, Ritschel suggested that Stepnes was holding an illegal weekly drawing, for example, for a prize of a microwave (not verbatim). Stepnes told Ritschel that there was no charge to enter that drawing. Apparently Ritschel has now dropped that idea, since the website clearly states that no consideration is required to win those prizes.

Shortly after being arrested, but while still parked at the dream house, Stepnes told police that he was going to sue. The female Sergeant (Moore) made a note of that fact. The false arrest claim is easy to see. Indeed, even the MinnPost.com commented on the custodial arrest, "expect a lawsuit." (Clark Aff. **Exh. D**).

Sgt. Ritschel signed an Authority to Detain (Clark Aff. **Exh. E**), trying to hold Stepnes without bail, on PC hold for "unlawful gambling" under "609.735?" (question mark in original). That cited statute deals with concealing one's identity in public by wearing a mask.<sup>3</sup> Surely Ritschel cannot have done much investigation, if he did not even know what statute was at issue.

---

<sup>2</sup> An officer contemplating an arrest is not free to disregard plainly exculpatory evidence, even if substantial inculpatory evidence, standing by itself, suggests that probable cause exists. Keuhl v. Burtis, 173 F.3d 646, 649 (8<sup>th</sup> Cir. 1999).

<sup>3</sup> **609.735. Concealing identity.** A person whose identity is concealed by the person in a public place by means of a robe, mask, or other disguise, unless based on religious beliefs, or incidental to amusement, entertainment, protection from weather, or medical treatment, is guilty of a misdemeanor.

Sgt. Ritschel also alleged that detention without bail was necessary because Stepnes would cause bodily harm to himself or others. (Exh. E). There was no evidence to support this.<sup>4</sup> Shortly after he was jailed, Judge DuFresne released Stepnes on his own recognizance, pending complaint.

On the morning of May 29, 2008, Stepnes' attorney spoke with Sgt. Ritschel. Ritschel said he was investigating "the website." He said he was investigating "all of the gambling statutes." The attorney gave him an opportunity to identify a part of the website that he thought was illegal, so that it could be reviewed by counsel and the client advised. Ritschel declined to do so. (Clark Aff. ¶3).

At some point Ritschel apparently approached the Signing Judge for a search warrant.

In the early afternoon of May 29, 2008, police arrived at 2857 Irving Av. So. Stepnes was put in the back of a squad car. Police entered the house, the garage and Stepnes' car. A civilian who was present told police that "The Jills" were on their way, at which time police appeared to speed up their efforts. Police hauled out bags and boxes full of items that were not inventoried, even utilizing Stepnes' own garbage bags for this hurried process. Although a purported "inventory" was left in the kitchen of the building, it is not detailed as required by Minn. Stat. §626.16.

When Stepnes' Attorney arrived, she asked to see the items that police were removing in a large truck. She was prevented from seeing them and comparing them to the warrant. She asked for a copy of the search warrant affidavit, but that was denied. She asked for a copy of the inventory and warrant, but was told they were in the kitchen. Police quickly left, before the Attorney could compare the seized items to the purported inventory. (Clark Aff. ¶4).

---

<sup>4</sup> Some police (assumed to be Ritschel) made a false claim about Stepnes in the police report, but even if that allegation were true, the statement in the Authority to Detain would still be false.

Stepnes was released from the squad car. He went into the house and began to note what was missing. The following is likely a partial list of what was taken. It is presented in chart form, along with the items police identified as seized,<sup>5</sup> as well as whether said item was authorized seized by the search warrant:

<b>Items police identify as seized</b>	<b>Items that Stepnes can identify</b>	<b>Authorized by warrant?</b>
1 antique bench filled w/ nails, bolts, etc.	See pictures from website	No. Not evidence of unlawful gambling, not a "gambling device" <sup>6</sup>
1 bag financial and gambling documents (kitchen)	Contains attorney-client privileged communications, evidence of false arrest, and/or personal communications and other items	No/no detailed description
1 bag financial and gambling documents (first floor)	Contains attorney-client privileged communications, evidence of false arrest, and/or personal communications and other items	No/no detailed description
1 bag financial and gambling documents (car in garage)	Contains attorney-client privileged communications, evidence of false arrest, and/or personal communications and other items	No/no detailed description
1 apple computer	Contains attorney-client privileged communications, evidence of false arrest, and/or personal communications and other items	No – no evidence of unlawful gambling
1 apple laptop computer	Contains attorney-client privileged communications, evidence of false arrest, and/or personal communications and other items	No – no evidence of unlawful gambling
1 digital camera w/ digital storage chips	Contains evidence of false arrest being prepared for Stepnes'	Not authorized by warrant

<sup>5</sup> The inventory is difficult to read on the goldenrod copy, but a copy is produced at Clark Aff.

**Exh. F.**

<sup>6</sup> A gambling device has a specific definition. Minn. Stat. §609.75, **Subd. 4. Gambling device.** A gambling device is a contrivance which for a consideration affords the player an opportunity to obtain something of value, other than free plays, automatically from the machine or otherwise, the award of which is determined principally by chance. "Gambling device" also includes a video game of chance, as defined in subdivision 8.

	attorneys	
1 attache black with --- and document	Computer case containing business papers, checks	No
1 box w/ keys	Box of keys	Not authorized by warrant
1 Sony digital recorder	Still in case (just purchased)	Not authorized by warrant
Not on inventory	Business cards from others (including but not limited to Tom Barrett of State Gambling Board)	No/not evidence of unlawful gambling
Not on inventory	Business cards for The Project (just purchased and in box)	No/not evidence of unlawful gambling
Not on inventory	Head phones	No
Not on inventory	Copies of newspaper articles, including laminated copy of StarTribune article of 5/24	No
Not on inventory	Forms	No
Not on inventory	Attorney-client privileged communications	No
Not on inventory	Evidence of false arrest (including pictures on digital camera, print-outs, and other documents)	No
Not on inventory	Notes	No
Not on inventory	Sign from front of house – ring bell for entry (evidence of false arrest)	No
Not on inventory	Sign from front of house (see pictures)	No

Stepnes may well continue to recall specific items that were seized. Police refusal to allow his attorney to inspect the items being removed, combined with the undetailed inventory, has made this identification difficult. Ritschel should not be allowed to gain an advantage from his violation of the statutes.

Early morning on May 30, 2008, pursuant to Minn. Stat. §626.04, Stepnes' attorney made a demand for return of the items seized. (Clark Aff. **Exh. K**).

## MOTIONS

1. For temporary restraining order, preventing police from destroying any items/documents, requiring their safe-keeping, preventing review of documents/electronic data or attorney-client privileged communications.
2. For Stepnes' Attorney to be able to inventory the documents and obtain copies of all paper and electronic data, and take pictures of physical objects, to ensure that they remain in the same condition as when seized, and to know the full extent of the seizure (including attorney-client privileged communications), until such time as further hearing can be held.
3. For the return of all items seized at 2857 Irving Avenue south on May 29, 2008.
4. For the immediate return of all attorney-client-privileged communications.
5. For the safe storage of all items/data.
6. For a hearing on these issues if necessary.

## ARGUMENT

### **I. MINNESOTA CHAPTER 626 SETS FORTH PROCESS.**

Stepnes has not been able to review the search warrant application and reserves all arguments regarding same. Minnesota Chapter 626 sets forth the process that police must follow when seizing items pursuant to a search warrant. Selected 626 statutes are reprinted at Clark Aff.

**Exh. G.** Ritschel failed to make a detailed inventory pursuant to Minn. Stat. §626.16.

Pursuant to Minn. Stat. §626.21, Stepnes is an aggrieved by an unlawful search and seizure.

#### **626.21. Return of property and suppression of evidence.**

A person aggrieved by an unlawful search and seizure may move the district court for the district in which the property was seized or the district court having jurisdiction of the substantive offense for the return of the property and to suppress the use, as evidence, of anything so obtained on the ground that (1) the property was illegally seized, or (2) the

property was illegally seized without warrant, or (3) the warrant is insufficient on its face, or (4) the property seized is not that described in the warrant, or (5) there was not probable cause for believing the existence of the grounds on which the warrant was issued, or (6) the warrant was illegally executed, or (7) the warrant was improvidently issued. The judge shall receive evidence on any issue of fact necessary to the decision of the motion. If the motion is granted the property shall be restored unless otherwise subject to lawful detention, and it shall not be admissible in evidence at any hearing or trial. The motion to suppress evidence may also be made in the district where the trial is to be had. The motion shall be made before trial or hearing unless opportunity therefor did not exist or the defendant was not aware of the grounds for the motion, but the court in its discretion may entertain the motion at the trial or hearing.

See also §626.04.

It will likely not be necessary to determine suppression issues (there is no criminal case pending). Stepnes urges return of the property, and reserves the right to argue for any other relief.

## **II. STEPNES SEEKS EMERGENCY (TRO) RELIEF.**

Ritschel knew or should have known that Tom Barrett issued an opinion that the content involving the chest of nails/bolts was not gambling. Yet he seized that item and other items relating to that items. The seizure of the chest was not specifically authorized by the search warrant. It is not a “gambling device” (which has a specific definition under statute), and it is not evidence of unlawful gambling. Seizure of the chest has effectively shut the contest down. This items and associated items should be released immediately, and Stepnes seeks a mandatory injunction on an emergency basis, to effectuate that return.<sup>7</sup>

Stepnes has made a demand for return of the items pursuant to Minn. Stat. §626.04 (Clark Aff. **Exh. G**), but the 48 hours has not elapsed. The police inventory is not detailed. In order to be able to proceed with this action, or to otherwise protect his rights, Stepnes seeks an order allowing his representative(s) to inventory all items and take pictures.

---

<sup>7</sup> Stepnes reserves all argument that Ritschel’s actions have damaged the value of the contest.

By Monday, June 2, 2008, the 48 hours will be up. Stepnes either moves to compress the time police have to return the items, or he moves for a hearing on June 2 to determine the issue (compressing the 10 days' notice described in Minn. Stat. §626.04, since the City Attorney's Office already has actual notice of this filing). Waiting any length of time will *de facto* shut down The Project.

**III. RITSCHEL ABUSED HIS AUTHORITY TO SEIZE ITEMS THAT SUPPORTED FALSE ARREST CASE AGAINST HIM.**

Stepnes was preparing a false arrest case against Ritschel. (Clark Aff. ¶1, 5). Stepnes was preparing evidence for his attorneys. *Id.* Such evidence was seized by Ritschel in his purported criminal evidence warrant. Not only are police not authorized by police powers to seize evidence to defend themselves against a false arrest case (that is not evidence of Stepnes' criminal conduct), but police who exceed their warrant authority are themselves committing a crime. Minn. Stat. §626.22. Perhaps Ritschel is worried about criminal liability as well.

Ritschel made obvious mistakes on 5/28 when he custodially arrested Stepnes.<sup>8</sup> Misdemeanor arrests are not authorized unless a crime was committed in the presence of the officer. No warrant was obtained before Ritschel entered the house. Ritschel disregarded exculpatory evidence (that even the newspaper reporter gathered), and the Authority to Detain shows that Ritschel had not even investigated enough to know the number of the statute allegedly violated (wearing a mask in public seems not to be part of this case). Then Ritschel sought Stepnes' continued detention on false pretences. There is significant evidence that Ritschel violated Stepnes' Fourth Amendment rights.

Stepnes (and the Federal Court) has a right to the evidence of false arrest. Ritschel had no basis to arrest Stepnes on 5/28. It appears the search warrant the next day was a desperate

---

<sup>8</sup> Stepnes reserves the right to argue that Ritschel's actions were deliberate and malicious.



attempt to locate evidence of criminal conduct, to justify his 5/28 arrest (if Ritschel had enough to arrest Stepnes on 5/28 then why did he need more evidence on 5/29?). Ritschel indicated that he was investigating the website. The website is the website. Why would Ritschel need additional evidence in order to seeking criminal charging, if the website shows unlawful gambling?

Ritschel should not be allowed to misuse the state warrant system in order to protect himself. Seizure of the camera and the tape recorder, both of which were not authorized by the warrant, as well as the 'ring bell to enter' sign (a picture of which was on the digital camera) is evidence that Ritschel was out to protect himself, not enforce the criminal law.

**IV. RITSCHEL IS ATTEMPTING TO SKIRT THE SPECIFIC FORFEITURE LAWS.**

Minnesota Statutes set forth a specific process for seeking forfeiture of items used in unlawful gambling. By using a vague and broad search warrant for a case that he states is proven by the website, Ritschel is purposely skirting the due process provided by the forfeiture laws. He has, essentially, shut down the contest before any legal ruling that it is illegal (let alone criminal), or any opportunity for Stepnes to have notice and opportunity to be heard.

Stepnes seeks immediate return of all items seized, since their seizure violates the forfeiture statutes.

**V. NO EVIDENCE SUFFICIENT TO OBTAIN SEARCH WARRANT.**

The search warrant begs the underlying issue. What is evidence of illegal gambling? Ritschel had not been able, in the Authority to Detain, or in the conversation with Stepnes' attorney, to identify a criminal statute. Stepnes challenges each and every conclusion by Ritschel that items seized are evidence of unlawful gambling. He challenges Ritschel's claimed evidence to be able to obtain a search warrant, and urges that police cannot obtain a search warrant to find

the evidence they should have had to be able to obtain the warrant. This type of 'confirmatory search' is not allowed. State v. Lozar, 458 N.W.2d 434 (Minn. Ct. App. 1990).

Stepnes further urges that Ritschel is not allowed to obtain entry into a residence, even by warrant, if he did not have sufficient evidence of criminality, if his goal was to seize evidence to protect himself from liability, or if he did not make a fair and full disclosure to the warrant-issuing judge. For example, Stepnes highly doubts that Ritschel disclosed that he was worried he would be sued for false arrest on 5/28.

**VI. NO BASIS TO SEIZE ATTORNEY-CLIENT PRIVILEGED COMMUNICATIONS.**

Notwithstanding any other argument herein, Ritschel had no legal basis to seize, and has no continuing basis to hold, attorney-client privileged communications. If police are allowed to peruse the documents and electronic data, these communications will be compromised. Even if later returned, police will have had the opportunity to learn their contents and gain an advantage from reading them. Stepnes does not trust police not to do this, but he will not be able to prove what they do or don't do with the items/data seized.


Therefore, Stepnes moves for the immediate return (unread) of any and all privileged communications. This can be effectuated by allowing his Attorney to review the documents and electronic data, or in some other fashion that the court instructs.

**CONCLUSION**

For all of the reasons stated herein, and in oral argument, Stepnes seeks the relief noted herein.

Dated: May 30, 2008

**ATTORNEYS FOR PETITIONER**



---

Jill Clark, Esq. (196988)  
Jill Clark, P.A.  
2005 Aquila Avenue North  
Golden Valley, MN 55427

In re the Seizure of Property  
From 2857 Irving Av. So.

**AFFIDAVIT OF JILL CLARK,  
ESQ. SUPPORTING  
EMERGENCY MOTION (TRO),  
AND PETITION FOR RETURN OF  
PROPERTY AND OTHER RELIEF**

---

I, Jill Clark, Esq., being first duly sworn depose and state:

1. I am attorney for Paul Stepnes in this matter, in a contemplated civil action against Sgt. Peter Ritschel, and in any criminal seizure of purported case against Mr. Stepnes.
2. I am prepared to put on as evidence, the "facts" set forth in the Motion/Petition/Memorandum filed by Stepnes this date. However, I have advised my client not to sign an affidavit at this time.
3. On the morning of May 29, 2008, Stepnes' attorney spoke with Sgt. Ritschel. Ritschel said he was investigating "the website." He said he was investigating "all of the gambling statutes." The attorney gave him an opportunity to identify a part of the website that he thought was illegal, so that it could be reviewed by counsel and the client advised. Ritschel declined to do so. This is not a complete recitation of the conversation, nor is it verbatim. Further documentation exists.
4. When I arrived at the seizure site, I asked to see the items that police were removing in a large truck. I was prevented from seeing them (Ritschel stood in front of me and the truck was quickly closed and driven away) and comparing them to the warrant. I asked for a copy of the search warrant affidavit, but Ritschel said he would not provide it until he filed his warrant with the Court (presumably 10 days later). I asked for a copy of the

inventory and warrant, but was told they were in the kitchen. Police quickly left, before I could get into the kitchen to obtain the documentation, and compare the seized items to the purported inventory.

5. Paul Stepnes was gathering information and evidence to support his false arrest case against Sgt. Ritschel. Based on facts known to this attorney, this appears to be a good and important case. Initially, a case regarding the events of May 28 was contemplated. The events of May 29 were not known at the time. The “ring bell” sign was important to the civil case, to show that police had no authority just to enter off the street (not a retail-type environment). Other evidence was being gathered by the client, contained on the digital camera.

**Exhibits.**

Attached as Exhibit A are screen shorts from the website.

Attached as Exhibit B is the StarTribune article on the dream house, from May 24, 2008.

Attached as Exhibit C is the SW Journal article from May 28, 2008

Attached as Exhibit D is an excerpt from, and a printout of MinnPost.com from May 29, 2008

Attached as Exhibit E is a copy of the Authority to Detain signed by Ritschel

Attached as Exhibit F is a copy of the inventory left by police on May 29, 2008

Attached as Exhibit G are selected statutes from Chapter 626

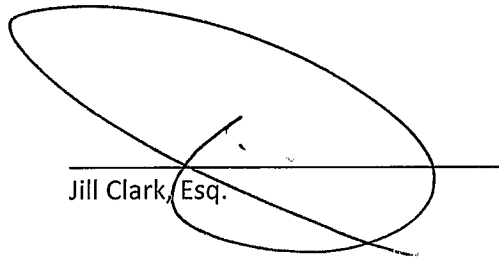
Attached as Exhibit H are selected statutes from 609.75

Attached as Exhibit J is an email sent to Ritschel by Attorney Clark.

Signed and sworn before me  
This 30<sup>th</sup> day of May, 2008.



Notary Public



Jill Clark, Esq.

# BIG DREAM HOUSE GIVE AWAY!

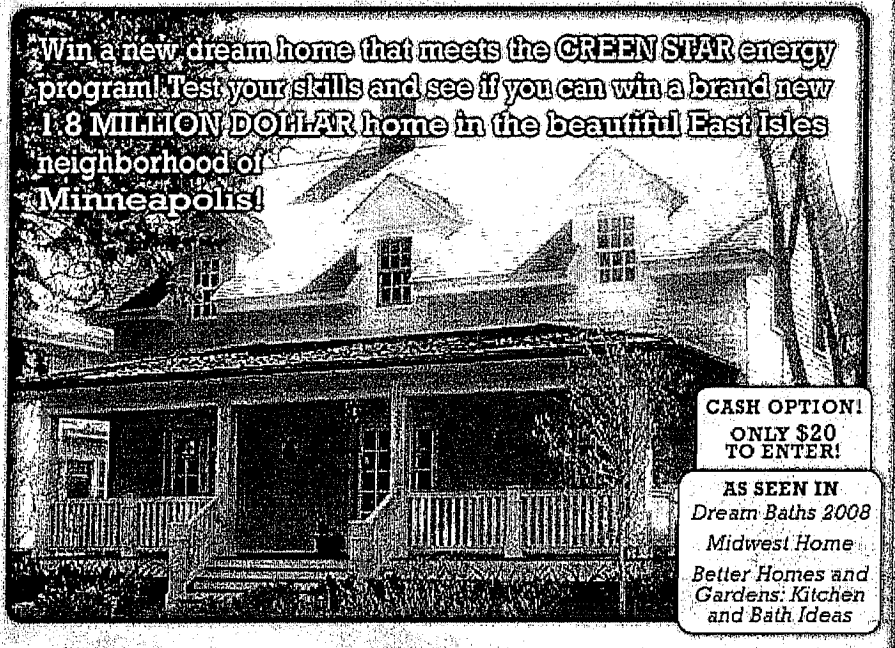
TEST YOUR SKILLS OF ANALYSIS AND MATH



**REGISTER NOW TO  
BE IN OUR WEEKLY  
PRIZE DRAWING!**

- HOW TO PLAY**
- MEMBERS AREA**
- RULES**
- OVERVIEW**
- PRIZES**
- PRIZE WINNERS**
- CONTACT US**
- THE HOUSE**
- PHOTOS**
- DETAILS**
- LOCATION**
- CHESTER HOUSE  
FOUNDATION**
- PRESS**
- BLOG**

Win a new dream home that meets the **GREEN STAR** energy program! Test your skills and see if you can win a brand new **1.8 MILLION DOLLAR** home in the beautiful East Isles neighborhood of **Minneapolis!**



**CASH OPTION!  
ONLY \$20  
TO ENTER!**

**AS SEEN IN**  
*Dream Baths 2008*  
*Midwest Home*  
*Better Homes and  
Gardens: Kitchen  
and Bath Ideas*

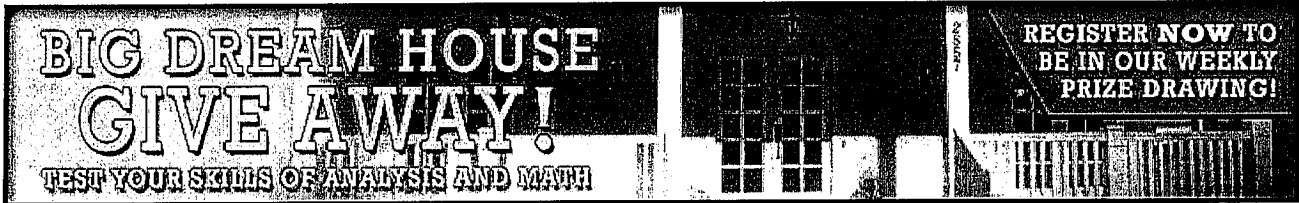
**For a good cause...**

Let's take a negative situation and make something positive come out of it by raising enough money to pay off the mortgage of a housing shelter for women and children who want to rebuild their lives! If we can do that, this organization will have another **\$70,000.00** a year that they can use for helping others!

**2857 Irving Avenue South, Minneapolis, Minnesota**

New construction takes a step back in time by simply crossing the threshold. Seamlessly, modern conveniences are designed into this home, while maintaining the historic integrity and vintage glory this neighborhood possesses. Wonderful features include four bedrooms, three upstairs including the lovely master suite offering a walk-in closet and vintage-styled bath. The formal dining room and living room offer French doors which open to the front porch. The living room is highlighted by an inset fireplace surrounded by enameled custom cabinetry. It also opens into both the screen porch and the heart of this home, the kitchen/hearth room. A three-stop elevator makes for easy grocery delivery by way of the garden and wine room in the home's lower level. Attention to detail throughout this gracious American Revival is truly unsurpassed. Near downtown and Uptown shops and fine restaurants, this prime residence represents the best of city lakes living!

EXHIBIT     A



- HOW TO PLAY**
- MEMBERS AREA**
- RULES**
- OVERVIEW**
- PRIZES**
- PRIZE WINNERS**
- CONTACT US**
- THE HOUSE**
- PHOTOS**
- DETAILS**
- LOCATION**
- CHESTER HOUSE FOUNDATION**
- PRESS**
- BLOG**

Welcome to the MEMBERS AREA

**Returning Members**  
Please log in below.

email address:

password:

**LOG IN**

**Not a member?**

Want to play? Register to become a member now! Registration costs nothing (contest entry fee is \$20 per entry)!

**REGISTER**

This is a contest of skill based on your mathematical and analytical skills.

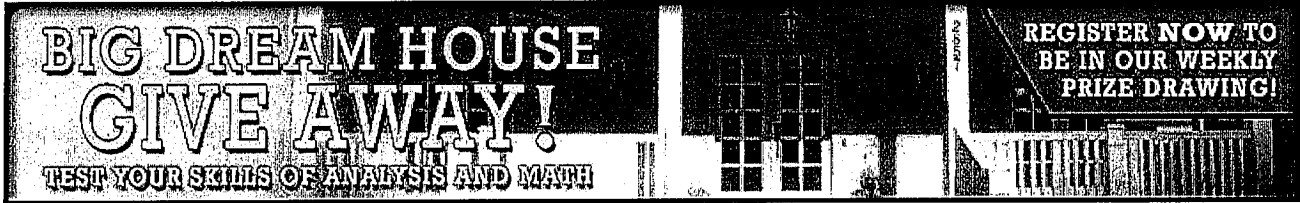
**The contest:**

We have placed a large chest (visit the [how to play](#) page for description and pictures) in the kitchen hearth room of this home and have filled it with enough nuts, bolts, screws and nails to reasonably build a home with. Using your skills of math and analysis, simply tell us what you think that number is. You may tell us as many numbers as you choose.

The individual who comes up with the **exact number** is the winner of the house. If nobody comes up with the correct number, the individual who is closest to the exact number **without going over the number** wins. If there is more than one person who has the number, it will be considered a tie and there will be a very fun and challenging face off that also involves your skills of math and analysis. This will be held in a very public venue in November 2008 (see the [rules](#)). The face off will continue on that day until there is a single winner.

To play, you must first register (or log in if you're already a member) and then pay an entry fee (\$20) for each number you choose to submit.





- [HOW TO PLAY](#)
- [MEMBERS AREA](#)
- [RULES](#)
- [OVERVIEW](#)
- [PRIZES](#)
- [PRIZE WINNERS](#)
- [CONTACT US](#)
- [THE HOUSE](#)
- [PHOTOS](#)
- [DETAILS](#)
- [LOCATION](#)
- [CHESTER HOUSE FOUNDATION](#)
- [PRESS](#)
- [BLOG](#)

We will be having a weekly prize that is drawn each Sunday evening of the contest. The prize for each week will be posted on Monday prior to the drawing. **Register** early so that you are eligible for the prize each week of the 26 weeks of the contest!

Our next prize for the Sunday, May 25 drawing is a \$300 gift certificate to the Brass Handle!

Winners of the weekly prizes do not need to be present to win. Winners will be notified by phone, email or USPS.

**StarTribune.com** | MINNEAPOLIS - ST. PAUL, MINNESOTA

## With a good guess, you can win this house

By **JIM BUCHTA**

May 23, 2008

In today's tough housing market, home builder/developer Paul Stepnes has come up with a novel way to market a house he built in south Minneapolis. He's filled a chest with enough nails, screws and nuts to build a house and, for \$20 each, he's selling guesses at how many there are. The person who guesses, or comes closest without going over the amount, wins the \$1.8 million house -- but only if at least 250,000 guesses are sold by Nov. 9.

The winner can opt for a \$1 million cash prize instead. Some proceeds from the contest will be used to fund the Chester House Foundation. The goal is to raise \$1.5 million to fund organizations that help homeless people. If fewer than 250,000 guesses are sold, proceeds will be divided between the best guesser and the foundation. The house itself, which has never been lived in, is already somewhat famous. It's near Lake of the Isles and has been featured in several magazines, including Midwest Home and Better Homes and Gardens.

Designed to resemble a New England-style farmhouse with dormer windows and an open front porch, the four-bedroom house was conceived as a condo alternative for the baby boomer who wants to age in place. It has a three-stop elevator and was built to meet Green Star energy-efficiency standards. To learn more, go to [www.2857irving.com](http://www.2857irving.com) or call 612-872-9466.

© 2008 Star Tribune. All rights reserved.

EXHIBIT

**B**

[Mobile content](#)

[RSS feeds](#)

[Save Today](#)

[On Sale calendar](#)

[Coupons + Deals](#)

[E-mail offers](#)


[Advertise with us](#)


[Home](#) | [Homes](#)


## With a good guess, you can win this house


By JIM BUCHTA


Last update: May 23, 2008 - 11:25 AM

 [Print this story](#)

 [E-mail this story](#)

 [Save to del.icio.us](#)

 [Share on newsvine](#)

 [Share on Digg](#)

### Related Content



The south Minneapolis house that Paul Stepnes built is valued at \$1.8 million, but he hopes to sell at least \$5 million worth of tickets in a \$20-a-ticket lottery.

Courtesy Paul Stepnes



Courtesy Paul Stepnes



Courtesy Paul Stepnes

### More from Homes

- [Realty leader expects further price decline](#)
- [Foreclosure help](#)
- [Residential real estate transactions](#)
- [FORECLOSURE BUS TOUR](#)
- [Hexagonal hideaway](#)

In today's tough housing market, home builder/developer Paul Stepnes has come up with a novel way to market a house he built in south Minneapolis. He's filled a chest with enough nails, screws and nuts to build a house and, for \$20 each, he's selling guesses at how many there are. The person who guesses, or comes closest without going over the amount, wins the \$1.8 million house -- but only if at least 250,000 guesses are sold by Nov. 9.

The winner can opt for a \$1 million cash prize instead. Some proceeds from the contest will be used to fund the Chester House Foundation. The goal is to raise \$1.5 million to fund organizations that help homeless people. If fewer than 250,000 guesses are sold, proceeds will be divided between the best guesser and the foundation. The house itself, which has never been lived in, is already somewhat famous. It's near Lake of the Isles and has been featured in several magazines, including *Midwest Home* and *Better Homes and Gardens*.

Designed to resemble a New England-style farmhouse with dormer windows and an open front porch, the four-bedroom house was conceived as a condo alternative for the baby boomer who wants to age in place. It has a three-stop elevator and was built to meet Green Star energy-efficiency standards. To learn more, go to [www.2857irving.com](http://www.2857irving.com) or call 612-872-9466.

**Be the first one to post a comment**

Please [register](#) or [login](#) to post and/or vote a comment

**Ad Links**

**Today's Mortgage Tip:**

Refinance \$300,000 for only \$1,751/mo. Payment FIXED for 30 years!  
[www.LendingTree.com](http://www.LendingTree.com)

**What's Your Credit Score?**

View All 3 Credit Scores and Credit Reports Online Now. See it for \$0.  
[FreeCreditReportsInstantly.com](http://FreeCreditReportsInstantly.com)


**Refinance Now at 5.2% FIXED!**

\$200,000 mortgage under \$599/mo. No SSN req. Compare 4 FREE...  
[www.FetchARate.com](http://www.FetchARate.com)

**Mortgage Rates Drop - Fed at 2%**

\$200,000 loan for \$708/month. Free Quotes - No SSN Rqd. Save...  
[Mortgage.RefinanceFrontier.com](http://Mortgage.RefinanceFrontier.com)

Get the Star Tribune delivered to your home each day!  
Click here to subscribe.



Most Popular    Most e-mailed    Most viewed

- [Realty leader expects further price decline](#)
- [With a good guess, you can win this house](#)
- [FORECLOSURE BUS TOUR](#)
- [Hexagonal hideaway](#)

\*\*\*LET'S GET\*\*\*  
AMERICA MOVING

2.88% FIXED YEAR 1

3.88% FIXED YEAR 2

4.88% (5.42% APR)  
FIXED FOR LIFE!\*\*

LENNAR.COM

Click for details. © 2008 Lennar Corporation. UAMC

Top Cars

Search

home > s

SOUTHWEST STORIES

ARCHIVES

WRITE US

RESOURCES

May 19, 2008 Issue

EVENTS

SOUTHWEST MINNEAPOLIS



E-NEWSLETTER

Enter e-mail Sign up Privacy by SafeSubscribe

FORUM

com POST SOUTHWEST JOURNAL BLOG The law against lurking Read More Send a Letter to the Editor Tell us what you think Comment

MULTIMEDIA



Peter Eley, visual arts coordinator for the Walker Art Center, talks about the center's Sculpture Garden, which turns 20 this year.

View All

FOX 9 UPDATE

Exclusive Southwest Journal Update from Fox 9 News Fox 9 news, weather and traffic

EVENTS CALENDAR

Calendar for May 2008 with days of the week and dates.

News

'Dream House' builder arrested

Web Only UPDATE

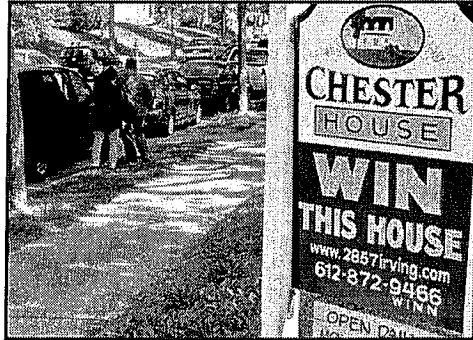
UPDATED May 28, 2008, 12:13pm

BY DYLAN THOMAS

Police say contest for East Isles home was illegal

By Dylan Thomas

EAST ISLES — The contest to win an East Isles home valued at \$1.8 million came to an early end Wednesday morning when police arrested the homebuilder for illegal gambling.



Police in plain clothes escort "Dream House" builder Paul Stepnes into a van.

ROBB LONG

Paul Stepnes was giving a tour of the home at 2857 Irving Ave. S. when two plainclothes police officers from city licensing arrived at the home and confronted him. After a brief conversation, Stepnes was placed in handcuffs and led to an unmarked green minivan parked in front of the home.

Sgt. William Palmer, a spokesman for the Minneapolis Police Department, said Stepnes did not have the proper licensing to hold the contest, which also involved weekly drawings for prizes.

"If you're doing a raffle, you have to have a license," Palmer said.

Stepnes, a homebuilder and developer, said he came up with "The Big Dream House Give Away!" contest after he was unable to sell the home, completed in 2006. The contest would raise money for local charities, he said.

Participants paid \$20 to guess the number of nuts, bolts, screws and other fasteners in a large chest located in the house's dining room. The person closest to the number without going over would claim either the home or a cash prize of \$1 million, according to rules posted on the contest website.

"It's a game of skill," Stepnes said when describing the game to a reporter just moments before his arrest. "It's not a game of chance, and I think that's the thing people need to understand."

A winner was to be selected Nov. 15. The website also described weekly prize drawings for early entrants.

Sen. Scott Dibble (DFL-60) said Stepnes, an acquaintance, sought his advice on the legality of a raffle for the house. Dibble said a raffle was clearly impermissible under state gambling rules, so he later arranged a meeting at his office with Stepnes, state senate counsel and Tom Barrett, executive director of the Minnesota Gambling Control Board.

Barrett said he explained at that meeting in May the state's definition of gambling had three elements, including a prize, chance and a consideration, typically an entry fee for a chance to play.

"It's in [my] opinion that they've removed one of those elements," Barrett said. "It's not [chance.] There's some effort involved to calculate how many nuts, bolts — whatever — is in the box."

The contest was never brought to the Minnesota Gambling Control Board for review, he said.

Kimpease.com Mpls Lakes Realtor, 612-925-8472



SOUTHWEST CONDO UPDATE CLICK HERE

Parent THIS WEEK

WARNER'S STELLIAN

EXHIBIT C

15 16 17 18 19 20 21  
 22 23 24 25 26 27 28  
 29 30 1 2 3 4 5

[View All](#)

**UPCOMING EVENTS**

**After a Hundred Years**  
 Saturday, June 7th  
 7:30pm

**Fit for a Queen: Nobel Gowns of H.M. Queen Silvia**  
 Wednesday, June 11th  
 12:00pm - 8:00pm

**The Magic Mrs. Piggle Wiggle**  
 Sunday, June 15th  
 5:00pm

Barrett said Stepnes never brought up the idea of holding weekly prize drawings. It was there, he suggested, Stepnes probably ran afoul of the law.

"Therein, he has also brought back in the element of chance," Barrett said.


Stepnes did not answer directly when asked how many people had purchased tickets, but he said hundreds or thousands of people had come to see the house.

He said any money raised through the contest above and beyond the value of the home would go to Chester House Foundation, a company he started around the same time as the contest.

Carolyn Aberman, a spokesperson for the contest, described Chester House Foundation as a 501(c)3 nonprofit. The Office of the Secretary of State had no record of a nonprofit under that name, although the foundation could have been registered under another name.

Stepnes said the foundation was established around the same time as the contest and would distribute funds raised in the contest. Foundation funds would go to organizations that work to end homelessness, according to the contest [website](#).

E-Mail to a Friend 

Printer-friendly Version 

**Post Comments**

**Linden Hills compost pilot program to start within weeks**

UPDATED May 28, 2008, 3:04pm  
 By Cristof Traudes

**Web Only UPDATE**

**City, county leaders unveil plan to crack down on gun violence**

UPDATED May 20, 2008, 4:08pm  
 By Steve Pease

**Web Only UPDATE**

**Cinema and Civics celebrates Midwest talent**

UPDATED May 19, 2008, 2:38pm  
 By Dylan Thomas

**Web Only UPDATE**

**Bizz buzz**

By Kyle Pendergast & Jake Weyer

**Schools notebook**

By Dylan Thomas

**After 61 years, the last day of school**

By Dylan Thomas

**Parks update**

By Cristof Traudes

**Planning Commission approves new Mozaic plans**

By Jake Weyer

**Larger than life project one of Uptown Academy's last**

By Steve Pease

**Community schools, but with less room for anyone else**

By Dylan Thomas

**Financial Freedom and Century 21 Uptown merge**

By Jake Weyer

May 29, 2008 MinnPost.com

**Would you spend \$20 to win a \$1.8 million home?** A Minneapolis developer staging just such a contest was arrested for holding an illegal raffle, the Southwest Journal reports. Developer Paul Stepnes said state officials signed off on his plan. (The state official tells Glean the plan changed.) Stepnes says it isn't an illegal game of chance because you need skill to most closely guess the number of fasteners in the house. Did police have to drag the guy out in handcuffs? Expect a lawsuit.

EXHIBIT D

Reprint from  
MinnPost.com





### The Legislature's \$300 million last-day mistake

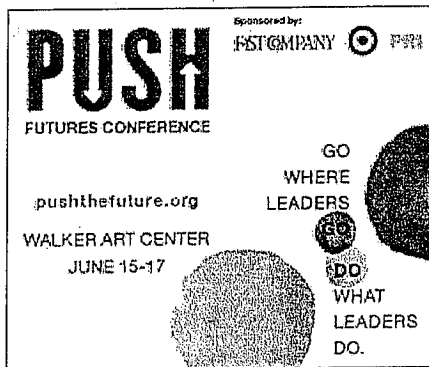
By David Brauer

Thursday, May 29, 2008

The PiPress and Strib review the ramifications of a **nasty 6 a.m. last-day legislative error**: County mandates were repealed for services such as mental-health treatment, employment and library operations. Counties could presumably ax \$300 million worth of programs and lose \$100 million in federal funds. The gov hopes to scare counties straight by canceling the mistaken provision next year, retroactive to this year. Apparently, lawmakers also screwed up a tax credit for uninsured people.

As expected, everybody but the U voted to **run Central Corridor light-rail down Washington Avenue**. The planning-committee tally was 11-1; the Met Council said yes unanimously, the Strib reports. The U says it won't sue, and will try to make the best plan work. MPR's Laura Yuen says the U still holds out hope for the Dinkytown alignment, but the Met Council will abandon planning for it. The U may still retain its high-powered Washington lobbyist, the PiPress's Dave Orrick notes.

Hey, Minneapolis! **How 'bout some 8-foot by 2-foot banners in your parks? Advertising Lowe's!** That's the price of \$90,000 in equipment and services from the home-improvement chain, writes Minnesota Monitor's Chris Steller. The cash-strapped board caused an uproar several years ago when a Dairy Queen sponsorship was floated; the full Park Board will consider the wisdom of park ads at its next meeting. By the way, there's no Lowe's in Minneapolis; the closest are in Plymouth and West St. Paul.



**Tornado update:** 4-year-old Annika Prindle remains in critical condition at Gillette Children's Hospital; her 2-year-old brother Nathaniel died as a result of fresh-water drowning, the PiPress's Megan Boldt reports. The number of damaged homes topped 500. Also, Hugo city officials say the homes were "well-built," according to the PiPress's Mary Divine. Officials say they met state and city codes, but nothing could handle a tornado. A St. Paul structural engineer says retrofitting isn't really an option.

AP reports that northern Minnesota DFL Sen. Tom Bakk is exploring a

**2010 gubernatorial bid.** He's a moderate, like the other exploratory candidate, Ramsey County Attorney Susan Gaertner, and rock-ribbed labor guy. The Senate Tax Committee chair would probably give up his seat to run for higher office, since senators also run in 2010. He tells Forum Newspapers he'd have to raise \$2.5 million and would seek endorsement.

If Delta and Northwest merge, **flight attendants will probably be unionized**, union officials tell the Strib's Liz Fedor. A recent Delta-only vote lacked a quorum, but enough voted yes to put a merged force over the hump when pro-union NWA folks are added in.

With apologies to Spinal Tap, **talk about mud flaps, these guys got 'em**. An Isanti County dude faces criminal charges for ripping up his own wetland; the Strib's Dave Schaffer says 10 to 12 jacked-up mud trucks frolicked on the 9-acre parcel, which contained 100 or so yards of wetland. The sound was so loud cops had to question the landowner inside a building. Moral: Don't anger the neighbors when you're violating a rarely enforced state law.

**Two neat Strib human interest stories:** One about a Minnetonka lawyer who took in an Iraqi mom and daughter while the daughter undergoes free spinal surgery here; the other about Spring Lake Park High kids who built most of a 2,300-square foot home as part of a school program. Would you live in a kid-built house? The one they built in 2005 sold for \$347,000, but the market isn't what it used to be.

... and another from the PIPress: Rubén Rosario pens a typically fine tale about a foster family who adopted their foster daughter. What's the hook? The girl's boyfriend once tried to kill them. A reconciliation meeting sealed the deal, Rosario writes.

On the flip side, KSTP — becoming your serial killer station — has an interesting piece about a **convicted multiple murderer on the hook for a cold case**. DNA evidence could link Billy Glaze to the 1986 killing of a Minneapolis woman; he was convicted of killing three American Indian women in the '80s. A search warrant says Glaze has bragged about murdering more women. Unlike the "Smiley Faced Killer" escapade, authorities are buying this one.

Speaking of: Minneapolis cops **caught an alleged U-area rapist thanks to three drops of blood** left at the scene. Cops matched the DNA to a registered sex offender database, KARE's Trisha Volpe reports. The victim broke her ankle jumping out a window May 4 to avoid the knife-wielding rapist.

**Would you spend \$20 to win a \$1.8 million home?** A Minneapolis developer staging just such a contest was arrested for holding an illegal raffle, the Southwest Journal reports. Developer Paul Stepnes said state officials signed off on his plan. (The state official tells Glean the plan changed.) Stepnes says it isn't an illegal game of chance because you need skill to most closely guess the number of fasteners in the house. Did police have to drag the guy out in handcuffs? Expect a lawsuit.

**Nort spews:** One night after coughing up three runs in the ninth inning to nearly lose the game, the Twins score five in the ninth and beat Kansas City 9-8 in 10 innings. Craig Monroe and Justin Morneau hit key homers. It's KC's 10th consecutive loss, so expect bitter, bitter Sore Losers here and, video-style, here.

*[Faded, mostly illegible text from the reverse side of the page]*

Booking Number:

Prisoner information

LAST STEPNOS FIRST Paul MIDDLE CHRISTOPHER

DOB: 7/30/1953 AGE: 55

Gender:  Male  Female

Race:  White  Black  Indian  Asian  Other

Continued Case or Commitment

Remarks / Instructions

Case # \_\_\_\_\_

Court Date \_\_\_\_\_ Bail \_\_\_\_\_

Committed to: \_\_\_\_\_

**AUTHORITY TO DETAIN**  
**HENNEPIN COUNTY**  
**SHERIFF'S OFFICE**  
**Adult Detention Center**

2001-24178

Pack #

NH

← Time Stamp

06 MAY 28 10:41

Arresting Officers	Agency	Badge #	Squad #	Transport Officers	Agency	Badge #	Squad #
<u>Sgt. P. RITSCHOL</u>	<u>MPD</u>	<u>6037</u>	<u>82</u>	<u>SAME</u>			

Case Control Number (CCN) 08 155425 PC Authorized by Sgt. P. [Signature]

Arresting Officer's Signature Sgt. P. [Signature] Date 5/28/08 Arrest Location 2857 CARINGAN S City of Arrest MPDC If Mpls., Precinct # 5

Charge Type	Charge Description or Warrant Number	Statute MOG / COC Codes	Date & Time of Arrest
1. <input type="checkbox"/> Felony PC <input type="checkbox"/> Felony Wt.			
2. <input type="checkbox"/> Felony PC <input type="checkbox"/> Felony Wt.			
3. <input checked="" type="checkbox"/> GM PC <input type="checkbox"/> GM Tab <input type="checkbox"/> GM Wt.	<u>UNLAWFUL GAMBLING</u>	<u>609.735?</u>	<u>5/28/08 1000</u>
4. <input type="checkbox"/> GM PC <input type="checkbox"/> GM Tab <input type="checkbox"/> GM Wt.			
5. <input type="checkbox"/> Tab Charge <input type="checkbox"/> Misd. Wt.			
6. <input type="checkbox"/> Tab Charge <input type="checkbox"/> Misd. Wt.			

**Other Holds or Detainers**

Did the prisoner cooperate during the arrest process?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<b>Reason for Continued Detention</b> Continued detention is necessary under MRCP 6.01 <input checked="" type="checkbox"/> To prevent bodily harm to the accused or another. <input checked="" type="checkbox"/> To prevent further criminal conduct.
Was the prisoner hog-tied?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
Were other restraining devices excluding handcuffs used?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
Did the prisoner refuse the first alcohol test?	<u>N/A</u> <input type="checkbox"/> Yes <input type="checkbox"/> No	
Did your agency seize or retain any of this person's property?	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> There is a substantial likelihood that the prisoner will fail to respond to a citation. <input type="checkbox"/> Prisoner does not possess, or have ready access to adequate resources to post bail/pay a warrant fine.

Do you have any information (e.g., from observed behavior, documentation from other agency/facility, family member/guardian, etc.) that indicates inmate has any mental health issues or is a medical, mental health or suicide risk now?  Yes  No If Yes, explain: \_\_\_\_\_

**IN-CUSTODY RELEASE:** Charge #  Tab Charge  No Charge  RPC  36 Hour Exp.  48 Hour Exp.

Releasing Officer's Signature \_\_\_\_\_ Agency \_\_\_\_\_ Time Stamp → \_\_\_\_\_

**EXHIBIT E**



**HENNEPIN COUNTY  
ADULT DETENTION CENTER  
INTAKE - BOOKING**

**36/48 Hour Expiration Advisory  
Detention Time Limits  
&  
RULE 4.03 APPLICATION  
Determination of Probable Cause to Detain**

**ARRESTEE INFORMATION**

STEPNUS	PAUL	CHRISTOPHER	7/30/1953
▲ Last Name ▲	▲ First Name ▲	▲ Middle Name ▲	▲ D.O.B. ▲
5/28/2008	1000	PC GAMBLE	609.735?
▲ Arrest Date ▲	▲ Arrest Time ▲	▲ Offense ▲	▲ Statute ▲

**MRCP 4.03 SUBD.1**, REQUIRES THAT A PERSON MAY NOT BE DETAINED LONGER THAN 48 ACTUAL HOURS FROM THE TIME OF ARREST (INCLUDING DAY OF ARREST, SATURDAY, SUNDAY AND LEGAL HOLIDAYS) UNLESS A FAVORABLE PROBABLE CAUSE ADJUDICATION FOR CONTINUED DETENTION HAS OCCURRED.

**MRCP 4.02, SUBD.5**, REQUIRES THAT A PERSON MAY NOT BE DETAINED LONGER THAN 36 HOURS FROM MIDNIGHT AT THE END OF THE DAY OF THE ARREST (EXCLUDING SUNDAY AND LEGAL HOLIDAYS) OR AS SOON THEREAFTER AS A JUDGE IS AVAILABLE UNLESS A FORMAL COMPLAINT HAS BEEN ISSUED AND A FAVORABLE PROBABLE CAUSE ADJUDICATION HAS OCCURRED.

**36/48 HOUR TIME LIMITS**

Accordingly, the prisoner named above is subject to immediate release upon the earliest expiration of any time limit referenced above absent:

1. Issuance of a formal complaint and a favorable provable cause adjudication in compliance with MRCP 4.02, subd.5:
2. Favorable probable cause adjudication in compliance with MRCP 4.03, subd.1:
3. First court appearance in compliance MRCP 3.02, subd.2 or:
4. Direct notification of the ADC watch commander by the appropriate prosecuting attorney regarding an authorized extension that is received prior to expiration of the original mandatory release time.

36 Hour Expiration	Date	5/30/08	Time	12:00 p.m. (Noon)
48 Hour Expiration	Date	5/30/08	Time	1000

This 36/48-hor advisory represents final notice of the date and time of the expiration times related t the detention of the above named prisoner. The ADC reserves the right to release prisoners upon issuance of a citation prior to the expiration of the 36/48-hour time periods pursuant to MRCP 6.01

**4.03 - STATEMENT OF PROBABLE CAUSE TO DETAIN - SEE WRITTEN P.C. STATEMENT**

**INVESTIGATOR'S REPORT - PLEASE CHECK APPROPRIATE BOXES**

<input type="checkbox"/> Hold	<input type="checkbox"/> Release	<input type="checkbox"/> Hold Until Interviewed
Prior Application - <input type="checkbox"/> YES <input type="checkbox"/> NO		Place of Detention:

\_\_\_\_\_  
Signature - Authorized Reviewing Prosecutor, Approves This Application.

**FINDING OF PROBABLE CAUSE AND ORDER FOR CONTINUED DETENTION**

From the written materials reviewed, I have determined probable cause exists to detain the above named person. It is hereby ordered that the above named person may be detained subject to the requirements of the Minnesota Rules of Criminal or Juvenile Procedure.

No probable cause exists

Date	Time
Bail →	
Judge →	
Arrestee served by →	
Inmate signature →	

RECEIPT, INVENTORY AND RETURN

I, Scott P. Krasner received the attached search warrant issued by the Honorable J. Bell on May 29 2008 and have executed it as follows:

Pursuant to said warrant on May 29 2008 at 1315 o'clock P m. I searched the (premises) (motor vehicle) (person) described in said warrant, and left a true and correct copy of said warrant (with) (in) (at) 2557 Irving

I took into custody property named in said warrant and listed below:

- 1 Assorted brand 1000 w/ nails, nails, etc
- 1 Box containing AND Gambling Documents (cash)
- 1 Box containing AND Gambling Documents (cash)
- 1 Box containing AND Gambling Documents (cash)
- 1 MP3 containing
- 1 MP3 containing
- 1 Original (image) w/ digital storage cards
- 1 Assorted brand w/ lock & document
- 1 Box w/ keys (root)
- 1 Small digital recorder

(I left a receipt for the property and things listed with the warrant as set forth above.)

(None of the items set forth in the search warrant were found.)

I shall (retain) or (deliver) custody of said property as directed by Court order.

Scott P. Krasner being first duly sworn, upon oath, deposes and says that he has read the foregoing receipt, inventory and return and the matters stated are true and correct, except as to such matters stated therein or information and belief, and as to those, he believes them to be true.

Subscribed and sworn to before me this \_\_\_\_\_ day of \_\_\_\_\_

EXHIBIT **F**

NOTARY PUBLIC

COUNTY, MINN

SIGNATURE

My commission expires \_\_\_\_\_

Distribution: White: Court Copy. Yellow: Prosecuting Attorney Copy. Pink: Peace Officer Copy. Goldenrod: Premises/Person

copy for house

SEARCH WARRANT

STATE OF MINNESOTA, COUNTY OF HENNEPIN DISTRICT COURT  
TO: SGT. PETER RITSCHEL, (A) PEACE OFFICERS OF THE STATE OF MINNESOTA.

WHEREAS, SGT. PETER RITSCHEL has this day on oath, made application to the said Court applying for issuance of a search warrant to search the following described premises: **2857 Irving Av S, including the entire dwelling, attached or unattached garages, attached or unattached storage areas and buildings, yard areas surrounding and/or related to property, garbage receptacles related to property, all vehicles on or related to property.** located in the City of Minneapolis, County of Hennepin STATE OF MINNESOTA for the following described property and things:

**Physical records related to unlawful lottery, 2857irving.com "Win this house", including, but not limited to, all documentation, notes, tickets, signage, postings;**

**Electronic records related to unlawful lottery, 2857irving.com "Win this House", including but not limited to computers, hard drives, electronic data storage devices, website information and documentation;**

**Gambling related devices and paraphernalia;**

**Financial records and documentation related to 2857irving.com "Win this House";**

**Financial records and documentation related to Paul Stepnes;**

**Records and documentation related to alleged non-profit organization- Chester House Foundation;**

WHEREAS, the application and supporting affidavit of Sgt. Peter Ritschel was/were duly presented and read by the Court, and being fully advised in the premises.

NOW, THEREFORE, the Court finds that probable cause exists for the issuance of a search warrant upon the following grounds:

2. The property above-described was used as means of committing a crime.
3. The possession of the property above-described constitutes a crime.
4. The property above-described is in the possession of a person with intent to use such property as a means of committing a crime.
5. The property above-described constitutes evidence which tends to show a crime has been committed, or tends to show that a particular person has committed a crime.

The Court further finds that probable cause exists to believe that the above-described property and things are at the above-described premises: **2857 Irving Av S, including the entire dwelling, attached or unattached garages, attached or unattached storage areas and buildings, yard areas surrounding and/or related to property, garbage receptacles related to property, all vehicles on or related to property.**

NOW, THEREFORE, YOU SGT. PETER RITSCHEL THE PEACE OFFICER(S) AFORESAID, ARE HEREBY COMMANDED IN THE DAYTIME ONLY TO SEARCH THE DESCRIBED PREMISES: **2857 IRVING AV S, INCLUDING THE ENTIRE DWELLING, ATTACHED OR UNATTACHED GARAGES, ATTACHED OR UNATTACHED STORAGE AREAS AND BUILDINGS, YARD AREAS SURROUNDING AND/OR RELATED TO PROPERTY, GARBAGE RECEPTACLES RELATED TO PROPERTY, ALL VEHICLES ON OR RELATED TO PROPERTY. FOR THE ABOVE-DESCRIBED PROPERTY AND THINGS, AND TO SEIZE SAID PROPERTY AND THINGS AND TO RETAIN THEM IN CUSTODY SUBJECT TO COURT ORDER AND ACCORDING TO LAW.**

BY THE COURT:



HONORABLE JUDGE OF DISTRICT COURT

PATRICIA L. BELOIS  
Judge of District Court

Dated : May 29, 2008

COPIES TO: COURT • PROS.ATTY • PEACE OFFICER • PREMISES/PERSON

MAY 29 2008

## Selected portions of Minn. Chap. 626

### 626.04. Property; seizure, keeping, and disposal

(a) When any officer seizes, with or without warrant, any property or thing, it shall be safely kept by direction of the court as long as necessary for the purpose of being produced as evidence on any trial. If the owner of the property makes a written request to the seizing officer's agency for return of the property, **and the property has not been returned within 48 hours of the request**, excluding Saturday, Sunday, or legal holidays, the person whose property has been seized may file a petition for the return of the property in the district court in the district in which the property was seized. The court administrator shall provide a form for use as a petition under this section. A filing fee, equal to the civil motion filing fee, shall be required for filing the petition. **The district court shall send a copy of the petition to the agency acting as custodian of the property with at least ten days' notice of a hearing date.** A hearing on the petition shall be held within 30 days of filing unless good cause is shown for an extension of time. The determination of the petition must be without jury trial and by a simple and informal procedure. At the hearing, the court may receive relevant evidence on any issue of fact necessary to the decision on the petition without regard to whether the evidence would be admissible under the Minnesota Rules of Evidence. **The court shall allow if requested, or on its own motion may require, the custodian or the custodian's designee to summarize the status and progress of an ongoing investigation that led to the seizure.** Any such summary shall be done ex parte and only the custodian, the custodian's designee, and their attorneys may be present with the court and court staff. The court shall seal the ex parte record. After a hearing, the court shall not order the return if it finds that:

- (1) the property is being held in good faith as potential evidence in any matter, charged or uncharged;
- (2) the property may be subject to forfeiture proceedings;
- (3) the property is contraband or may contain contraband; or
- (4) the property is subject to other lawful retention.

(b) The court shall make findings on each of these issues as part of its order. If the property is ordered returned, the petitioner shall not be liable for any storage costs incurred from the date the petition was filed. If the petition is denied, the court may award reasonable costs and attorney fees. After the trial for which the property was being held as potential evidence, and the expiration date for all associated appeals, the property or thing shall, unless otherwise subject to lawful detention, be returned to its owner or any other person entitled to possess it. Any property or thing seized may be destroyed or otherwise disposed of under the direction of the court. Any money found in gambling devices when seized shall be paid into the county treasury. If the gambling devices are seized by a police officer of a municipality, the money shall be paid into the treasury of the municipality.

### 609.02. Definitions

**Subdivision 1. Crime.** "Crime" means conduct which is prohibited by statute and for which the actor may be sentenced to imprisonment, with or without a fine.

EXHIBIT G

### **626.07. Grounds for issuance**

A search warrant may be issued upon any of the following grounds:

- (1) The property or things were stolen or embezzled;
- (2) The property or things were used as the means of committing a crime;
- (3) The possession of the property or things constitutes a crime;
- (4) The property or things are in the possession of any person with the intent to use them as a means of committing a crime, or the property or things so intended to be used are in the possession of another to whom they have been delivered for the purpose of concealing them or preventing their being discovered;
- (5) The property or things to be seized consist of any item or constitute any evidence which tends to show a crime has been committed, or tends to show that a particular person has committed a crime.

The property or things described in this section may be taken pursuant to the warrant from any place, or from any person in whose possession they may be.

### **626.08. Probable cause**

A search warrant cannot be issued but upon probable cause, supported by affidavit, naming or describing the person, and particularly describing the property or thing to be seized, and particularly describing the place to be searched.

### **626.10. Affidavit, content**

The affidavit or affidavits must set forth the facts tending to establish the grounds of the application, or probable cause for believing that they exist.

### **626.12. Applicants, names on warrant**

The warrant, in addition, shall contain the names of the persons presenting affidavits in support of the application, and the grounds for its issuance.

### **626.15. Execution and return of warrant, time**

(a) Except as provided in paragraph (b), a search warrant must be executed and returned to the court which issued it within ten days after its date. After the expiration of this time, the warrant is void unless previously executed.

(b) A district court judge may grant an extension of a warrant on a financial institution for financial records upon an application under oath stating that the financial institution has not produced the requested financial records within ten days and that an extension is necessary to achieve the purposes for which the search warrant was granted. Each extension may not exceed 30 days.



For the purposes of this paragraph, "financial institution" has the meaning given in section 13A.01, subdivision 2, and "financial records" has the meaning given in section 13A.01, subdivision 3.

#### **626.16. Delivery of copy of warrant and receipt**

When the officer conducts the search the officer must give a copy of the warrant and, when property or things are taken, a receipt therefor (specifying it in detail) to the person in whose possession the premises or the property or things taken were found; or, in the absence of any person, the officer must leave such copy of the warrant and receipt in the place where the property or things were found. Such delivery of a copy of the warrant shall constitute service.

#### **626.17. Return and inventory**

The officer must immediately return the warrant to the court and deliver to it a written inventory of the property or things taken, verified by the certificate of the officer at the foot of the inventory.

#### **626.21. Return of property and suppression of evidence**

A person aggrieved by an unlawful search and seizure may move the district court for the district in which the property was seized or the district court having jurisdiction of the substantive offense **for the return of the property** and to suppress the use, as evidence, of anything so obtained on the ground that (1) the property was illegally seized, or (2) the property was illegally seized without warrant, or (3) the warrant is insufficient on its face, or (4) the property seized is not that described in the warrant, or (5) there was not probable cause for believing the existence of the grounds on which the warrant was issued, or (6) the warrant was illegally executed, or (7) the warrant was improvidently issued. The judge shall receive evidence on any issue of fact necessary to the decision of the motion. If the motion is granted the property shall be restored unless otherwise subject to lawful detention, and it shall not be admissible in evidence at any hearing or trial. The motion to suppress evidence may also be made in the district where the trial is to be had. The motion shall be made before trial or hearing unless opportunity therefor did not exist or the defendant was not aware of the grounds for the motion, but the court in its discretion may entertain the motion at the trial or hearing.

#### **626.22. Maliciously procuring search warrant; misconduct in use**

Every person who shall maliciously and without probable cause procure a search warrant to be issued and executed, and every officer who, in executing a search warrant, shall willfully exceed the officer's authority, or exercise it with unnecessary severity, shall be guilty of a misdemeanor.

## Select portions of state gambling statutes

### 609.75. Gambling; definitions

**Subdivision 1. Lottery.** (a) A lottery is a plan which provides for the distribution of money, property or other reward or benefit to persons selected by chance from among participants some or all of whom have given a consideration for the chance of being selected. A participant's payment for use of a 900 telephone number or another means of communication that results in payment to the sponsor of the plan constitutes consideration under this paragraph.

(b) An in-package chance promotion is not a lottery if all of the following are met:

- (1) participation is available, free and without purchase of the package, from the retailer or by mail or toll-free telephone request to the sponsor for entry or for a game piece;
- (2) the label of the promotional package and any related advertising clearly states any method of participation and the scheduled termination date of the promotion;
- (3) the sponsor on request provides a retailer with a supply of entry forms or game pieces adequate to permit free participation in the promotion by the retailer's customers;
- (4) the sponsor does not misrepresent a participant's chances of winning any prize;
- (5) the sponsor randomly distributes all game pieces and maintains records of random distribution for at least one year after the termination date of the promotion;
- (6) all prizes are randomly awarded if game pieces are not used in the promotion; and
- (7) the sponsor provides on request of a state agency a record of the names and addresses of all winners of prizes valued at \$100 or more, if the request is made within one year after the termination date of the promotion.

(c) Except as provided by section 349.40, acts in this state in furtherance of a lottery conducted outside of this state are included notwithstanding its validity where conducted.

(d) The distribution of property, or other reward or benefit by an employer to persons selected by chance from among participants, all of whom:

- (1) have made a contribution through a payroll or pension deduction campaign to a registered combined charitable organization, within the meaning of section 309.501; or
- (2) have paid other consideration to the employer entirely for the benefit of such a registered combined charitable organization, as a precondition to the chance of being selected, is not a lottery if:
  - (i) all of the persons eligible to be selected are employed by or retirees of the employer; and
  - (ii) the cost of the property or other reward or benefit distributed and all costs associated with the distribution are borne by the employer.

EXHIBIT

H

**Subd. 2. Bet.** A bet is a bargain whereby the parties mutually agree to a gain or loss by one to the other of specified money, property or benefit dependent upon chance although the chance is accompanied by some element of skill.

**Subd. 3. What are not bets.** The following are not bets:

(1) A contract to insure, indemnify, guarantee or otherwise compensate another for a harm or loss sustained, even though the loss depends upon chance.

(2) A contract for the purchase or sale at a future date of securities or other commodities.

(3) Offers of purses, prizes or premiums to the actual contestants in any bona fide contest for the determination of skill, speed, strength, endurance, or quality or to the bona fide owners of animals or other property entered in such a contest.

(4) The game of bingo when conducted in compliance with sections 349.11 to 349.23.

(5) A private social bet not part of or incidental to organized, commercialized, or systematic gambling.

(6) The operation of equipment or the conduct of a raffle under sections 349.11 to 349.22, by an organization licensed by the Gambling Control Board or an organization exempt from licensing under section 349.166.

(7) Pari-mutuel betting on horse racing when the betting is conducted under chapter 240.

(8) The purchase and sale of state lottery tickets under chapter 349A.

**Subd. 4. Gambling device.** A gambling device is a contrivance which for a consideration affords the player an opportunity to obtain something of value, other than free plays, automatically from the machine or otherwise, the award of which is determined principally by chance. "Gambling device" also includes a video game of chance, as defined in subdivision 8.

**Subd. 4a. Associated equipment.** Associated equipment means any equipment used in connection with gambling that would not be classified as a gambling device, including but not limited to: cards, dice, computerized systems of betting at a race book or sports pool, computerized systems for monitoring slot machines or games of chance, devices for weighing or counting money, and links which connect progressive slot machines.

**Subd. 5. Gambling place.** A gambling place is a location or structure, stationary or movable, or any part thereof, wherein, as one of its uses, betting is permitted or promoted, a lottery is conducted or assisted or a gambling device is operated.

**Subd. 6. Bucket shop.** A bucket shop is a place wherein the operator is engaged in making bets in the form of purchases or sales on public exchanges of securities, commodities or other personal property for future delivery to be settled at prices dependent on the chance of those prevailing at the public exchanges without a bona fide purchase or sale being in fact made on a

board of trade or exchange.

**Subd. 7. Sports bookmaking.** Sports bookmaking is the activity of intentionally receiving, recording or forwarding within any 30-day period more than five bets, or offers to bet, that total more than \$2,500 on any one or more sporting events.

**Subd. 8. Video game of chance.** A video game of chance is a game or device that simulates one or more games commonly referred to as poker, blackjack, craps, hi-lo, roulette, or other common gambling forms, though not offering any type of pecuniary award or gain to players. The term also includes any video game having one or more of the following characteristics:

- (1) it is primarily a game of chance, and has no substantial elements of skill involved;
- (2) it awards game credits or replays and contains a meter or device that records unplayed credits or replays. A video game that simulates horse racing that does not involve a prize payout is not a video game of chance.

**Subd. 9. 900 telephone number.** A 900 telephone number is a ten-digit number, the first three numbers of which are from 900 to 999.

**Subd. 10. Game.** A game means any game played with cards, dice, equipment, or any mechanical or electronic device or machine for money or other value, whether or not approved by law, and includes, but is not limited to: card and dice games of chance, slot machines, banking or percentage games, video games of chance, sports pools, pari-mutuel betting, and race book. "Game" does not include any private social bet.

**Subd. 11. Authorized gambling activity.** An authorized gambling activity means any form of gambling authorized by and operated in conformance with law.

**Subd. 12. Authorized gambling establishment.** An authorized gambling establishment means any premises where gambling authorized by law is occurring.

**Subd. 13. Applicability of definitions.** For the purposes of sections 609.75 to 609.762, the terms defined in this section have the meanings given, unless the context clearly indicates otherwise.

**Jill E. Clark**

---

**From:** Jill E. Clark  
**Sent:** Friday, May 30, 2008 6:27 AM  
**To:** peter.ritschel@ci.minneapolis.mn.us  
**Cc:** Jill E. Clark  
**Subject:** Items seized at 2857 Irving Av. So. on 5/29/08

You are requested immediately to return all items seized from 2857 Irving Avenue South on May 29, 2009. You searched and seized outside the scope of the warrant, failed to comply with the state statutes regarding warrants and searches, and you have no basis to claim that the items are evidence of unlawful gambling.

**Jill Clark**  
Jill Clark, P.A.  
(O) 763 417-9102  
Attorney for Paul Stepnes

*Exh. J*