

ORIGINAL ALCOHOL BEVERAGE LICENSE APPLICATION

Submit to municipal clerk.

For the license period beginning July 1 20 10 ;
ending June 30 20 11

TO THE GOVERNING BODY of the: Town of } Madison
 Village of }
 City of }
County of Dane Aldermanic Dist. No. 6 (if required by ordinance)

1. The named INDIVIDUAL PARTNERSHIP LIMITED LIABILITY COMPANY
 CORPORATION/NONPROFIT ORGANIZATION

hereby makes application for the alcohol beverage license(s) checked above.

2. Name (individual/partners give last name, first, middle; corporations/limited liability companies give registered name): The Mermaid Cafe, LLC

An "Auxiliary Questionnaire," Form AT-103, must be completed and attached to this application by each individual applicant, by each member of a partnership, and by each officer, director and agent of a corporation or nonprofit organization, and by each member/manager and agent of a limited liability company. List the name, title, and place of residence of each person.

| | Title | Name | Home Address | Post Office & Zip Code |
|-----------------------|-------|---------------------------------|--------------------------------------|------------------------|
| President/Member | | <u>President, Lisa Jacobson</u> | <u>1401 Rutledge St., MSN, 53703</u> | |
| Vice President/Member | | <u>CFO, Ben Jacobson</u> | <u>1401 Rutledge St., MSN 53703</u> | |
| Secretary/Member | | | | |
| Treasurer/Member | | | | |
| Agent | | <u>Lisa Jacobson</u> | | |
| Directors/Managers | | | | |

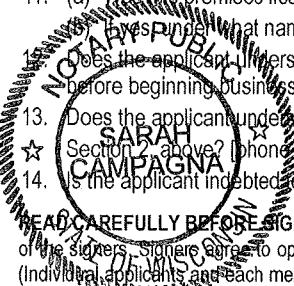
3. Trade Name The Mermaid Cafe Business Phone Number 608-249-9719
4. Address of Premises 1929 Winnebago St., Madison, WI Post Office & Zip Code 53704

5. Is individual, partners or agent of corporation/limited liability company subject to completion of the responsible beverage server training course for this license period? Yes No
6. Is the applicant an employe or agent of, or acting on behalf of anyone except the named applicant? Yes No
7. Does any other alcohol beverage retail licensee or wholesale permittee have any interest in or control of this business? Yes No
8. (a) **Corporate/limited liability company applicants only:** Insert state _____ and date _____ of registration.
(b) Is applicant corporation/limited liability company a subsidiary of any other corporation or limited liability company? Yes No
(c) Does the corporation, or any officer, director, stockholder or agent or limited liability company, or any member/manager or agent hold any interest in any other alcohol beverage license or permit in Wisconsin? Yes No
- (NOTE: All applicants explain fully on reverse side of this form every YES answer in sections 5, 6, 7 and 8 above.)

9. Premises description: Describe building or buildings where alcohol beverages are to be sold and stored. The applicant must include all rooms including living quarters, if used, for the sales, service, and/or storage of alcohol beverages and records. (Alcohol beverages may be sold and stored only on the premises described.) free standing commercial building

10. Legal description (omit if street address is given above): _____
11. (a) Was this premises licensed for the sale of liquor or beer during the past license year? Yes No

12. Does the applicant understand they must file a Special Occupational Tax return (TTB form 5630.5) before beginning business? [phone 1-800-937-8864] Yes No
13. Does the applicant understand a Wisconsin Seller's Permit must be applied for and issued in the same name as that shown in Section 1 above? [phone (608) 266-2776] Yes No
14. Is the applicant indebted to any wholesaler beyond 15 days for beer or 30 days for liquor? Yes No



READ CAREFULLY BEFORE SIGNING: Under penalty provided by law, the applicant states that each of the above questions has been truthfully answered to the best of the knowledge of the signers. Signers agree to operate this business according to law and that the rights and responsibilities conferred by the license(s), if granted, will not be assigned to another. (Individual applicants and each member of a partnership applicant must sign; corporate officer(s), members/managers of Limited Liability Companies must sign.) Any lack of access to any portion of a licensed premises during inspection will be deemed a refusal to permit inspection. Such refusal is a misdemeanor and grounds for revocation of this license.

SUBSCRIBED AND SWORN TO BEFORE ME
this 23 day of March, 20 11
Sarah Campana
(Clerk/Notary Public)
My commission expires 3/23/14

Lisa Jacobson
(Officer of Corporation/Member/Manager of Limited Liability Company/Partner/Individual)
Ben Jacobson
(Officer of Corporation/Member/Manager of Limited Liability Company/Partner)
(Additional Partner(s)/Member/Manager of Limited Liability Company if Any)

| TO BE COMPLETED BY CLERK | | | |
|--|--------------------------------|---------------------------------|-----------------------------------|
| Date received and filed with municipal clerk | Date reported to council/board | Date provisional license issued | Signature of Clerk / Deputy Clerk |
| Date license granted | Date license issued | License number issued | |

City of Madison Supplemental Class B License Application

| | | |
|--|--|---|
| <input checked="" type="checkbox"/> Seller's Permit Number <input type="checkbox"/> Federal Employer Identification # <input type="checkbox"/> Notarized Original Application Form <input checked="" type="checkbox"/> Notarized Supplemental Form <input type="checkbox"/> Orange Sign (Clerk's Office provides at time of application) | <input checked="" type="checkbox"/> Written Description of Premise <input checked="" type="checkbox"/> Background Investigation Form(s) <input type="checkbox"/> Notarized Transfer of Ownership <input checked="" type="checkbox"/> *Articles of Incorporation <input checked="" type="checkbox"/> *Notarized Appointment of Agent <small>* Corporation/LLC only</small> | <input checked="" type="checkbox"/> Floor Plans <input type="checkbox"/> Lease <input checked="" type="checkbox"/> Sample Menu <input checked="" type="checkbox"/> Business Plan |
|--|--|---|

1. Name of Applicant/Partner/Corporation/LLC The Mermaid Cafe, LLC
 2. Address of Licensed Premise 1927 Winnebago St. (also 1929, 2 storefronts now combined)
 3. Telephone Number: 608 249 9719 4. Anticipated opening date: currently open, expanded hours 6/21/11
 5. Mailing address if not opening immediately same as above

6. Have you contacted the Alderperson, Police Department District Captain, Alcohol Policy Coordinator, and the neighborhood association representative for the area in which you intend to locate? Yes No

7. Are there any special conditions desired by the neighborhood? Yes No
 Explain. _____

8. Business Description, including hours of operation: Currently a coffee & sandwich shop, the Mermaid Cafe is open M-F 6:30-3:30, Sa 7:30-3:30 Sun 9:30-2:30
NEW HOURS WOULD BE: Mon closed Tue 5-10 W-Sat 8-10 Sun 9:30-2:30

9. Do you plan to have live entertainment? No Yes—What kind? _____

10. Detailed written description of building, including overall dimensions, seating arrangements, capacity, bar size and all areas where alcohol beverages are to be sold and stored. **The licensed premise described below shall not be expanded or changed without the approval of the Common Council.**

The Mermaid Cafe, parcel #0710-072-0514-1, is a 1,320 sq foot, uniquely shaped vintage building with cork floors and built-in wooden seating throughout the floor area. There are 9 tables and 27 chairs w/room to add 1-2 more table w/ 2-4 chairs & outdoor seating capacity of 10 seats. (over)

11. Are any living quarters directly or indirectly accessible and under control of the applicant? Yes No
 Please note that alcohol may be sold and stored only on the licensed premise, not in living quarters.

12. Describe existing parking and how parking lot is to be monitored. All existing parking is metered street parking under well-lit street lights.

13. Describe your management experience, staffing levels, duties and employee training.
Owner Lisa Jacobsen has 5+ years hiring, training and managing 10+ staff members. She also manages payroll, banking, taxes, and all other finances. Manager (over)

14. Identify the registered agent for your Corporation or LLC. This is your corporation's agent for service of process, notice or demand required or permitted by law to be served on the corporation.

Lisa Jacobsen 1401 Rutledge St. MSN 53703
 Name Address

15. Utilizing your market research, who would you project your target market to be?

Currently our market research indicates that adults 35-65 are most likely to frequent the Mermaid Cafe at night.

16. What age range would you hope to attract to your establishment? 35-65 non students fully employed.

17. Describe how you plan to advertise/promote your business. What products will you be advertising?

We currently promote on the internet using our website

www.mermaidcafe.madison.com, facebook w/ Twitter, as well as an annual ad in

18. Are you operating under a lease or franchise agreement? Yes (attach a copy) No the Isthmus in monthly East Side News.

19. Owner of building where establishment is located: Ben & Lisa Jacobsen

Address of Owner: 1401 Rutledge St. MSN 53703 Phone Number 608 257 2767

20. Private organizations (clubs): Do your membership policies contain any requirement of "Invidious" (likely to give offense) discrimination in regard to race, creed, color, or national origin? Yes No

21. List the Directors of your Corporation/LLC

Lisa Jacobsen 1401 Rutledge St. MSN 53703

Name Address

Ben Jacobsen 1401 Rutledge St. MSN 53703

Name Address

Name Address

22. List the Stockholders of your Corporation/LLC

Lisa Jacobsen Same as above % of Ownership

Name Address % of Ownership

Ben Jacobsen Same as above % of Ownership

Name Address % of Ownership

Name Address % of Ownership

23. What type of establishment are you? (Check all that apply) Tavern Nightclub Restaurant

Other Please Explain. Coffee house / bistro

24. What type of food will you be serving, if any? _____

Breakfast

Lunch

Dinner

25. Please submit a sample menu with your application, if possible. What might eventually be included on your operational menu when you open? Appetizers Salads Soups Sandwiches Entrees

Desserts

~~Pizza~~

~~Full Dinners~~

26. During what hours of your operation do you plan to serve food? All hours...

27. What hours, if any, will food service not be available? none
28. Indicate any other product/service offered. none
29. Will your establishment have a kitchen manager? Yes No
30. Will you have a kitchen support staff? Yes No
31. How many wait staff do you anticipate will be employed at your establishment? 1-2
During what hours do you anticipate they will be on duty? 5-10 PM evening service
32. Do you plan to have hosts or hostesses seating customers? Yes No
33. Do your plans call for a full-service bar? Yes No
If yes, how many bar stools do you anticipate having at your bar? n/a
How many bartenders do you anticipate you would have working at one time on a busy night? n/a
34. Will there be a kitchen facility separate from the bar? Yes No
35. Will there be a separate and specific area for eating only? Yes No
If yes, what will be the seating capacity for that area? _____
36. What type of cooking equipment will you have? Stove Oven Fryers Grill Microwave
37. Will you have a walk-in cooler and/or freezer dedicated solely to the storage of food products? Yes No
38. What percentage of your overall payroll do you anticipate will be devoted to food operation salaries?
60%
39. If your business plan includes an advertising budget, what percentage of your advertising budget do you anticipate will be related to food? 90%
What percentage of your advertising budget do you anticipate will be drink related? 10% (wine tastings)
40. Are you currently, or do you plan to become, a member of the Madison—Dane County Tavern League or the Tavern League of Wisconsin? Yes No
41. Are you currently, or do you plan to become, a member of the Wisconsin Restaurant Association or the National Restaurant Association? Yes No

42. What is your estimated capacity? 25-35

43. Pursuant to Chapter 23 of the Madison General Ordinances, all restaurants and taverns serving alcohol beverages shall substantiate their gross receipts for food and alcohol beverage sales broken down by percentage. For new establishments, the percentage will be an estimate.

| | |
|--|-------------|
| Gross Receipts from Alcoholic Beverages | 20 % |
| Gross Receipts from Food and Non-Alcoholic Beverages | 80 % |
| Gross Receipts from Other | n/a % |
| Total Gross Receipts | 100% |

44. Do you have written records to document the percentages shown? Yes **No**
You may be required to submit documentation verifying the percentages you've indicated.

Read carefully before signing: Under penalty provided by law, the applicant states that the above information has been truthfully completed to the best of the knowledge of the signer. Signer agrees to operate this business according to law and that the rights and responsibilities conferred by the license(s), if granted will not be assigned to another. Any lack of access to any portion of a licensed premise during inspection will be deemed a refusal to permit inspection. Such refusal is a misdemeanor and grounds for revocation of this license.

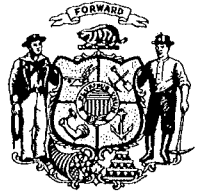
Subscribed and Sworn to before me:

this 27th day of April, 2011

[Signature]
(Officer of Corporation/Member of LLC/Partner/Individual)

[Signature]
(Clerk/Notary Public)

My commission expires 6/29/2014



DEPARTMENT OF FINANCIAL INSTITUTIONS

To All to Whom These Presents Shall Come, Greeting:

I, RAY ALLEN, Deputy Secretary, Department of Financial Institutions, do hereby certify that the annexed copy has been compared by me with the record on file in the Corporation Section of the Division of Corporate & Consumer Services of this department and that the same is a true copy thereof and the whole of such record; and that I am the legal custodian of said record, and that this certification is in due form.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed the official seal of the Department.

A handwritten signature in black ink, appearing to read "Ray Allen".

RAY ALLEN, Deputy Secretary
Department of Financial Institutions

BY: A handwritten signature in black ink, appearing to read "Seth Katz".



DATE: MAR 30 2011

Effective July 1, 1996, the Department of Financial Institutions assumed the functions previously performed by the Corporations Division of the Secretary of State and is the successor custodian of corporate records formerly held by the Secretary of State.



Sec. 183.0202
Wis. Stats.

State of Wisconsin
Department of Financial Institutions

ARTICLES OF ORGANIZATION - LIMITED LIABILITY COMPANY

Executed by the undersigned for the purpose of forming a Wisconsin Limited Liability Company under Chapter 183 of the Wisconsin Statutes:

- Article 1. **Name of the limited liability company:**
Mermaid Cafe, LLC
- Article 2. **The limited liability company is organized under Ch. 183 of the Wisconsin Statutes.**
- Article 3. **Name of the initial registered agent:**
Lisa M. Jacobson
- Article 4. **Street address of the initial registered office:**
1401 Rutledge St.
Madison, WI 53703
United States of America
- Article 5. **Management of the limited liability company shall be vested in:**
A member or members
- Article 6. **Name and complete address of each organizer:**
Lisa M. Jacobson
1401 Rutledge St.
Madison, WI 53703
United States of America

Ben A Jacobson
1401 Rutledge St.
Madison, WI 53703
United States of America
- Other Information. **This document was drafted by:**
Lisa M. Jacobson

Organizer Signature:
Ben A. Jacobson

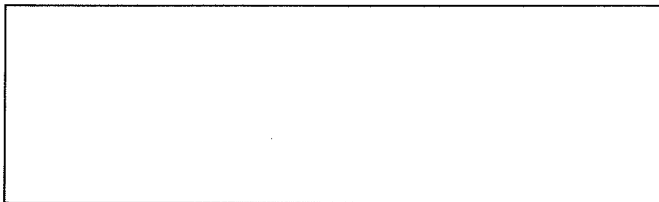
Date & Time of Receipt:

1/24/2005 2:19:41 PM

Credit Card Transaction Number:

2005124481955

**ARTICLES OF ORGANIZATION - Limited Liability
Company(Ch. 183)**



Filing Fee: \$130.00
Total Fee: \$130.00

ENDORSEMENT

**State of Wisconsin
Department of Financial Institutions**

| | |
|----------------|---------------------|
| EFFECTIVE DATE | Name Check Initials |
| 1/24/2005 | JLA |

| | |
|---------------------------|-----------------------------|
| FILED 1/26/2005 | Examiner's Initials JLA |
| | Entity ID Number M063290 |

Appointment of New Liquor/Beer Agent

To be completed by Corporate Officer or Member of LLC

I, Lisa Jacobsen, officer/member for Mermaid Cafe, LLC
(Corporation/LLC), doing business as Mermaid Cafe, authorize and appoint
Lisa Jacobsen (Name) as the liquor/beer agent for the premise
located at 1927 Winnebago St.

Subscribed and sworn to before me this

27th Day of April, 2011

[Signature]
Notary Public, Dane County, Wisconsin

My Commission Expires 6/29/2014

[Signature]
Signature of Officer/Member



To be completed by appointed Liquor/Beer Agent

I, Lisa Jacobsen, appointed liquor/beer agent for
Mermaid Cafe (name of Corporation or LLC), being first duly sworn
say I have vested in me, by properly authorized and executed written delegation, full authority
and control of the premise described in the license of such corporation or limited liability
company, and I am involved in the actual conduct of the business as an employee, or have a
direct financial interest in the business of the licensee, therein relating to the intoxicating
liquor/fermented malt beverage. The interest I have in the business is 50 %.

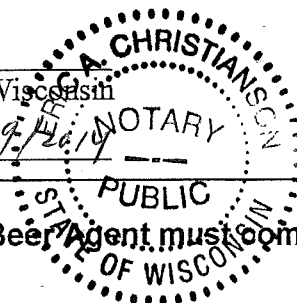
Subscribed and sworn to before me this

27th Day of April, 2011

[Signature]
Notary Public, Dane County, Wisconsin

My Commission Expires 6/29/2014

[Signature]
Signature of Agent



The appointed Liquor/Beer Agent must complete the other side of this form.

WISCONSIN

SELLER / SERVER CERTIFICATION

Trainee Name: Lisa M Jacobson

Date of Completion: 04/22/2011 13:04 CST

School Name: Learn2Serve
1525763
Certification #: WI



I, _____
certify that the above named person
successfully completed an approved
Learn2Serve Seller/Server course.

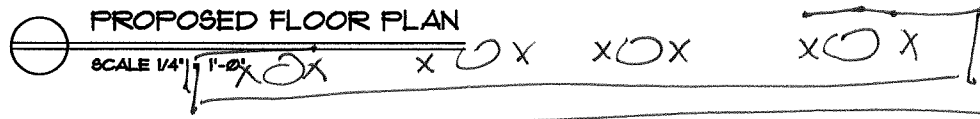
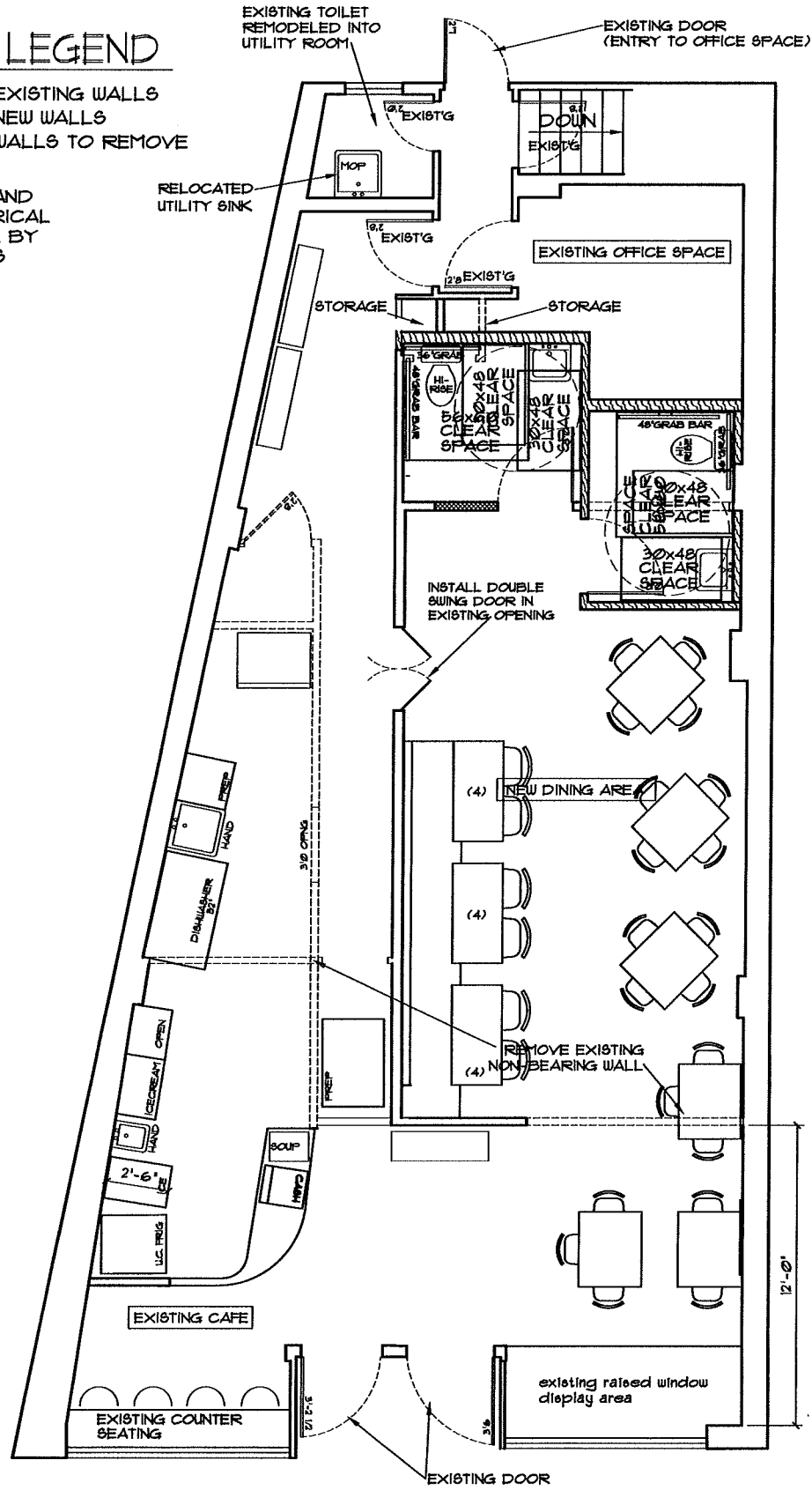
COMPLIES WITH WISCONSIN STATUTES 125.04, 125.17, 134.66

Corporate Headquarters
13801 N. Mopac, Suite 100
Austin, Texas 78727
P: 800-442-1149

WALL LEGEND

- EXISTING WALLS
- NEW WALLS
- WALLS TO REMOVE

HVAC AND ELECTRICAL DESIGN BY OTHERS



outdoor seating

Winnebago St.

The Mermaid Café

Breakfast

- Quiche 9
- Ebelskiver (Danish Pancake) Classic 5 Filled 6
- Classic Breakfast Sandwich. Scrambled eggs and your choice of meat and cheese 6
- OMI (Cult Breakfast sandwich) with scrambled eggs, coconut curry aioli, cheddar, tomato and avocado 7
- Parfait. House blended honey-vanilla yogurt, Sunshine granola and seasonal fruit filling 5

Lunch

Sandwiches:

- King Club 8
- Banh Mi 9
- Banh Meatless 9
- New Delhi Deli 8
- Quiche 9

Market Food:

- Lamb Burger with Fig, Caramelized Onion, and Goat Cheese 10
- Pea shoots with Seared Flank steak, black radish, sieved egg, and sunflower oil with sea salt 10
- Roasted Chicken tacos with fresh Pico de gayo 12

Dinner

- King Club 8
- Banh Mi 9
- Banh Meatless 9
- Board: Roasted Red pepper-lentil hummus with oil cured olives, goat feta and assorted bread 9/12
- Grill: Lamb Burger with Fig and Fantome Farm Ghost Cheese 10
- Salad: Pea shoots with Seared Flank steak, black radish, sieved egg, and sunflower oil with sea salt 10
- Special:
 - Roasted Chicken with Papas and caramelized Brussels sprouts 14

Desserts

- Ice cream: Honey lavender or Market flavor 4
- Ice cream Sandwich 6
- Olive oil cake 6
- Les petits pots de crème, *chocolat* 5

Mermaid Café Business Plan for Expanded Evening Hours

Overview

The Mermaid Café was established as an east side coffee shop and café in 2005. It has since gone through two building expansions and countless menu alterations. Mermaid Café as a business and a neighborhood name has grown significantly from a small corner coffee shop to a well known name in the Madison food and coffee scene. When we began our primary focus was on fair trade coffees and teas. Since that time we have grown into an establishment that is known primarily for its commitment to sustainable, locally sourced foods. We currently purchase products from a number of state and city farms, distributors and companies, including bread, meat, dairy, produce, honey, kombucha, cheese and paper products sourced from local business

We have participated in numerous events related to the local food scene including Isthmus green day, Madison Originals, Food for Thought festival and we have been taken part in a number of REAP Food Group fundraisers. In July 2010, we put on one of the largest events on Madison's east side, the East Side Cookout fundraiser located in the Just Coffee and RP's Pasta parking lot. This successful event drew hundreds of people and raised thousands of dollars for a program that Mermaid Café now spearheads, called Chef In the Classroom, at East High and Sherman Middle School. We are the main contributors along with Tory Miller and L'Etoile in teaching students how to cook with fresh food. We have established ourselves in many ways throughout the community and the neighborhood, as both a place for quality coffee, and food and a place for people to hangout, and spend their time.

Over the last six years the Mermaid Café has made a noticeable shift from a small scale coffee shop to a leader in the local food scene in Madison. We have seen a significant shift in our customer base and a spike in the interest people have in the food we are making in the café and our other endeavors. This shift has brought about a significant rise in our food sales at the café.

Current Situation and Rationale for Expansion

Mermaid Café has been successful in providing a place for the neighborhood to get coffee, fresh bakery, breakfast and lunch. During this time, we have expanded our services to include a full service catering company providing food for a number of businesses, meetings, special events, private and public parties. We have included in our retinue private dinners held at the cafe that have proved wildly successful. The Mermaid Café has given other small businesses the opportunity to come into a growing and eventually thriving business community.

During this time of growth for the café the neighborhood and community around us has seen a similar growth. Since opening the competition around the Mermaid Café has grown significantly. We have seen a dramatic increase in the number of establishments in our close proximity that cater to a morning coffee/bakery/breakfast crowd. We now have Ironworks Café, Lazy Janes (previously established) Jane's Bakery, Batch, Victory, Zoma (previously established) Daisy Cupcakery and Café, Monty's (previously established), Honey Bee Bakery, and a number of other establishments in our close proximity.

As a result the early morning coffee shop model has seen a decline in market share. While we believe we provide a superior product, model and experience, the presence of so many business vying for the coffee market share, although not drastic has steadily brought a daily decrease to morning coffee sales. And because of our presence in the food scene we have seen a steady increase in our overall food sales.

Our shift to a more food oriented establishment, along with the upcoming construction, and our desire as members of the community and surrounding neighborhoods, to have and operate an establishment that caters to a wide variety of consumers. We believe we have an ability to provide a space that can be successful in food, and beverage sales.

Expansion Plans

For the Mermaid Café extending our hours to the evening, coupled with providing the option for alcohol purchase allows us to present to the neighborhood a unique establishment unlike anything else. We envision a European style bistro, different from the traditional restaurant setting. We imagine a casual dining experience, specializing in grilled and slow roasted meats, Bistro style sandwiches, salads, and soups. We will continue to provide an excellent beverage menu featuring many iced teas, fresh lemonade, and a combination of non-alcoholic cocktails, which are already present, and very popular at the café, in addition to serving, artisanal espresso drinks such as cappuccino's and latte's.

We will have operating hours as follows.

Monday- Closed

Tuesday- Close in the a.m. Open at 2 for lunch and dinner service

Wed-Thu- 8am-9pm

Fri and Sat- 8am-10pm

Sun- 9am-2pm Brunch only

The Role of Wine & Beer

While our main focus has always been food, we recognize the limitations it has on the success of a restaurant, and the need for Wine/Beer to play a small role. In traditional food culture Wine, and artisanal beer have always played a role in the accompaniment of the food. In general, beverage selection and pairing is incredibly significant in the Euro/French bistro model and has always played a significant role in food culture. We hope to tap into this piece both through our small, but distinguishing wine list, artisanal small batch Beer, and our selection of non alcoholic cocktails.

Our current beverage to food breakdown is about 30% beverage to 70% food. We anticipate this number to drop significantly with the change in direction from a coffee shop to a food service establishment, and then rise slightly due to the sales generated by alcohol. We estimate our sales to be 20% beverage and 80% food.

Another point of recognition for us is the profitability of the alcohol sales and the anticipation of the need for the replacement of coffee sales in general.