

LOOK at what

GREED

CORRUPTION

and IGNORANCE HAVE

**DONE TO THE CITY OF STURGIS AND
THE RALLY.....**

When the trademark issue went to the citizens in a referendum election in April 2002, the citizens were told that the CITY (THE CITIZENS !) would end up owning the trademarks. Check the newspaper

articles and Mayor Ziegler's letter to the editor.

Mayor Ziegler and the Chamber of Commerce president Steve Mathieson signed an "assignment agreement" before the election whereby the City and the Chamber would meet after the trademarks were issued by the Patent and Trademark Office. The trademarks WERE recently issued by the Patent and Trademark Office...DID the negotiations take place? NO !!

The Chamber Board also passed a resolution early in 2002 before the election that gave the City a "right of first refusal" that required the Chamber to give the City the first opportunity to buy the trademarks if the Chamber ever wanted to sell them. DIDN'T HAPPEN!!!

All of these documents are on file at City Hall

SMRI, a NOT FOR PROFIT, was SUPPOSEDLY created "to help the citizens benefit from the trademarks." SURE!

The Chamber of Commerce, misled by Mr Dean Kinney-who was in charge of their trademark/logo program, sold the trademark to SMRI in June 2010.....ignoring the Chamber's assignment agreement and the City's right of first refusal! Kinney was their leadman and CONVENIENTLY became...SMRI president AND his Homeslice business the licensing agent for the trademarks ! N-I-C-E !!

Who are the SMRI people???????.....

Dean Kinney -President of Homeslice and an owner of the Loud American Bar. Homeslice manages license sales and collects fees for their services. CITY COUNCIL President Clint Brengle is a licensing agent for Homeslice on behalf of SMRI and also a business partner in Kinney's Homeslice. Brengle is THE manipulator ! Mr Brengle is ALSO on the Sponsorship Committee for the City.....THAT smells like a conflict of interest....SMRI now has the sponsorship license which was part of the rights transferred from the Chamber of Commerce. A "sweetheart deal" concocted to help the Chamber financially, it NOW allows SMRI 10% of the GROSS Sponsorship monies.....or between \$45,000 - \$50,000 or more each year..... the City certainly NEVER had any intention of such generosity going beyond the C of C. The contract was for 10 years and expires in 2012. Kinney is NOT a resident of Sturgis. Homeslice ALREADY milks the City to promote the City owned Liquor Store..which has a monopoly in Sturgis..NO COMPETITION! TOUGH!

John Johnson - President of First Interstate Bank. Instrumental in moving the C of C's debts incurred over the ill advised lawsuit against the small town of Sturgis to the new trademark owners (SMRI)by financing the entire transaction. Sturgis Kentucky had a small rally named after their own town of Sturgis that generated income for charity. They finally settled out-of-court when it became apparent that neither their town or the sponsors could afford further litigation. No ruling was ever made by the judge who heard the case. It was truly an ill- advised greedy move by the Sturgis C of C and cost them a

substantial amount ..and Johnson, the bank officer who was backing their ignorance/greed....covered his collateral (the trademark) by sacrificing the City of Sturgis and the Rally when he financed SMRI.... 1.4 Million ??? Nothing like having a “good 'ol homeboy” looking out for the betterment of the community where he does business...but then Johnson IS NOT a resident of Sturgis. And Oh Yea....Did ya know that John Johnson is the uncle of Clint Bringle...Council President and Homeslice. It's kinda like digging in a septic tank, isn't it....

Jerry Berkowitz- President of Good Sports, Inc (Hot Leathers here in Sturgis. Good Sports was made the “super licensee” with an exclusive license to print trademarks on apparel. Vendors must buy their mdse from Mr Berkowitz OR get a license from him to sell mdse with SMRI trademarks. Mr Berkowitz is NOT a resident of Sturgis.

Karen Simmons - certified CPA, officemate of Dean Kinney at 1612 Junction Business Plaza and partner of Dean Kinney and Council President Clint Brengle in ownership of the 1612 Junction location.

Jim Burgess- Part owner of Black Hills Harley...a major player and beneficiary of the Rally. He is NOT a resident of Sturgis.

Ross Lamphere- Owner of Lamphere Ranch Rally Campground..NOT a resident of Sturgis. He will be judged by the company he keeps.

Susan Johnson- Owner of Black Hills Central Reservations.. booking and selling Rally accommodations. Mrs Johnson is NOT a resident of Sturgis.

Jamie McVey- does drywall work ..and is the councilman of Ward 3. Was appointed to the SMRI Board from the City Council by his brother-in-law (!) President Clint Brengle ..despite the legal opinion of the City Attorneyprobably because the brother-in-law relationship would insure his cooperation with Mr Brengle of the SMRI and also because he is expendable..his record as a Ward Councilman being truly unremarkable.

RE: Rod Woodruff- owner of Buffalo Chip and John Detrick who is the Sturgis sponsorship agent..BOTH resigned from SMRI earlier this year.. WHY??

After the largest Rally in history - 2010 with over 600,000 in attendance- SMRI did not give ANY funding to the Sturgis Rally Charities. An example of their “not-for-profit”status to benefit the community????

AND NOW....I understand that the new Director of the C of C is Lisa Weyer,,an employee of Mr Kinney and Council President Brengle at Homeslice. Lisa Weyer is a licensing agent for Homeslice that handles licensing for SMRI . The Sturgis Chamber of Commerce started this mess with that stupid lawsuit against little..harmless.....Sturgis, Kentucky. They compounded it by ignoring legally binding agreements with the City about the trademarks....allowing Mr Kinney and banker Johnson to slide ownership to SMRI to the detriment of the entire area and the Rally future. Anybody who joins/supports the Sturgis C of C is simply wasting their money..The C of C does NOTHING for the Rally-something not understood by out-of-area members. The C of C may lend their name to promoters- who do all the work- but in truth they do literally NOTHING for the City. Frankly, they have major problems even trying to coordinate and advertise some citywide garage sales. A sack race down Main Street would tax their capabilities. It was not a random happenstance that the Chamber has just had major employee changes ..it was the result of the trademark fiasco. A secretive Board of Directors does not answer to the members and is either responsible for the trademark issue or so incompetent as to have earned immediate replacement. A replacement Director from the Kinney-Brengle-HOMESLICE bunch IS NOT ACCEPTABLE ! The City SHOULD NO LONGER SUPPORT THE C OF C with taxpayers monies. If they can't earn adequate finances by fooling their members (who pay substantial dues per person) they should close their doors. Nobody in the City would miss them.

Now all vendors have been told they MUST either buy their merchandise or license from Mr Berkowitz..one of their direct competitors.....Does THAT constitute fair competition? Constraint of trade??? Monopoly??

Does ANYBODY truly believe this cartel as a" NOT FOR PROFIT" scheme intends to return the profits to Sturgis???? Most aren't even residents and NONE are known for their generosity. Any profits WILL stay with SMRI...wages, expenses, fees etc etc etc. ANY pittance directed to Sturgis will be the minimum necessary to buy some PR. If they told you the Pope wasn't Catholic would you believe THAT???

With many vendor outright cancellations and many vendors unusually late in site payments/arrangements it appears vendors may be down 30% or more for 2011. Sturgis will lose at least \$200,000 to \$300,000 in lost vendor fees and lost sales taxes..NOT counting considerable money usually left by each vendor for his site free, accommodations, food, etc. Thank the C of C, Mr Kinney, Mr Johnson, and the others...

Anyone owning commercial property in Sturgis has just taken a 10-25% loss in retail value because of the copyright issue..Notice all the RECENT "for Sale" signs ??? Real Estate agents are VERY aware of this situation..

The Mayor didn't cause this mess.....but how he deals with it will determine his future and the future of Sturgis. There IS a way to make their trademarks worthless. NOBODY owns the Rally!!!! Already this year SMRI income will not service their debt...very few actually paying for license rights...It is obvious that SMRI legal problems and expenses are only beginning - collectively AND individually. This SHOULD be only the first year of serious losses. The City must do what is necessary to stop this cartel fungus. Those responsible should not be allowed to walk the streets in Sturgis ! Those in politics and part of the problem (Brengele, McVey , Potts) will be replaced at the end of their term if not sooner. Those in business SHOULD suffer the consequences.

VERY sincerely,

Jack Hoel

Footnote: A recent article in the Rapid City Journal with information obviously supplied by SMRI that listed licensed vendors is misleading as could be expected. For example, retail outlets owned and operated by SMRI principals are listed...Berkowitz (Hot Leathers) for example.. and some listed are those who were grandfathered in rather than have SMRI face legal challenges because those used Sturgis long before SMRI even existed (Monahan (Tom's T's) for example. and that bought their "loyalty" as expected. There are more but while these do NOT enrich the trademark revenue for SMRI....it DOES confuse the issue of who supports SMRI and who has been bought. Even that.....

**26 out of the 700 + will sell something with the Sturgis name on it????
Big DEAL! One would think Bueno at City Hall would have a better
sense of the potential vender count...certainly those who lease vender
spaces KNOW the numbers are down.....significantly !**