



**DATE:** November 24, 2014  
**TO:** Colorado Springs City Council  
**FROM:** City Attorney's Office  
**SUBJECT:** *The properties 2729 & 2920 N. Prospect St., et al. v. City, et al.*; 2014CV33278

This memorandum is to apprise you of the facts alleged in the above-referenced case as you consider the claims made against the city employee involved.

#### NATURE OF THE CASE

Plaintiffs, 2729 and 2920 North Prospect Street, Justin Kruse, and Two Whole Sailors, LLC, initiated this injunctive action in the El Paso County District Court seeking to compel the City of Colorado Springs ("City"), Colorado Springs Police Department ("CSPD"), and Detective Eric Frederic to file returns on the execution of warrants at 2729 and 2920 North Prospect Street issued in a criminal investigation and to schedule a hearing for the return of property pursuant to Rule 41 of the Rules of Criminal Procedure.

Plaintiffs allege that CSPD obtained warrants for 2729 and 2920 North Prospect Street on September 30, 2014 and executed the warrants on October 2, 2014. Plaintiffs allege that CSPD did not file returns after the warrants were executed. Plaintiffs further allege that CSPD froze bank accounts in the name of Plaintiffs. Plaintiffs allege that the seizures have caused significant financial hardship to Kruse and his business, Two Whole Sailors.

CSPD filed the returns on the execution of the search warrants shortly after this action was commenced.

#### RECOMMENDATION

The Civil Action Investigation Committee met on November 3, 2014, and has recommended City representation for Detective Frederic as required by the Colorado Governmental Immunity Act and the Liability of Peace Officers Act. Det. Frederic was acting in the course and scope of his employment and in good faith during the incident.

Sincerely,

FOR THE CITY ATTORNEY

  
W. Erik Lamphere, Senior Attorney

30 S. Nevada Avenue, Suite 501 • TEL 719-385-5909 FAX 719-385-5535  
Mailing Address: Post Office Box 1575 • Colorado Springs, CO 80901-1575