

**CITY COUNCIL MEETING OF  
October 18, 2006**

**COMBINED VERBATIM TRANSCRIPT ITEM 62 AND ITEM 64**

**ITEM 62 HEARING, DISCUSSION AND POSSIBLE ACTION CONCERNING PETITION FOR REHEARING IN THE MATTER OF THE DEPARTMENT OF FINANCE AND BUSINESS SERVICES ON BEHALF OF THE CITY OF LAS VEGAS, NEVADA V. THE POWER COMPANY, INC. D/B/A CRAZY HORSE TOO WARD 3**

**ITEM 64 ABEYANCE ITEM DISCUSSION AND POSSIBLE ACTION REGARDING TEMPORARY APPROVAL OF A NEW TAVERN LICENSE, NEVADA RECEIVERSHIP, LLC, DBA CRAZY HORSE TOO, 2476 INDUSTRIAL ROAD, Michael J. Signorelli, Managing Mmbr, 100% Ward 3 (Reese)**

**Appearance List:**

OSCAR GOODMAN, Mayor

BRAD JERBIC, City Attorney

GARY REESE, Mayor Pro Tem

UNIDENTIFIED MALE SPEAKER

CHRIS CHRISTOFF, Representative of the Little Church of Las Vegas

STEVE WOLFSON, Councilman

WILLIAM HENRY, Sr. Litigation Counselor

STEPHEN CARUSO, Attorney

JIM DiFIORE, Manager of Business Services

MICHAEL SIGNORELLI, 308 West Sahara, Las Vegas, Nevada

LOIS TARKANIAN, Councilwoman

LARRY BROWN, Councilman

STEVEN ROSS, Councilman

BARBARA JO RONEMUS, City Clerk

ANTHONY SGRO, Attorney for the Power Company, Inc.

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**MAYOR GOODMAN**

Item 62 will be trailed to be heard following Item 64. So, we'll move on to Item 62a.

**END RELATED DISCUSSION**

**RESUMED RELATED DISCUSSION**

**MAYOR GOODMAN**

Sixty-four, 64 is discussion, possible action regarding temporary approval of a new tavern license for Nevada Receivership, LLC, doing business as Crazy Horse Too, at 2476 Industrial Road, Mike Signorelli, Managing Member. This is in Ward 3. I've been advised by Mr. Jerbic, is Mr. Jerbic here? Oh, okay, sorry. No peripheral vision, Mr. Jerbic.

**BRAD JERBIC**

That's okay.

**MAYOR GOODMAN**

That you believe that I have a conflict and I should not proceed?

**BRAD JERBIC**

That's correct, Your Honor.

**MAYOR GOODMAN**

All right, based upon that and the history that has taken place, I'm gonna follow the Attorney's advice.

**BRAD JERBIC**

I think under Nevada law we need to also state the reason for the conflict. Its the same reason we put on the record before, at least on paper, even if we know factually that you have very little connection with your law firm. You were listed as a member of your firm at the time that one of your partners was representing a codefendant in these series of cases. And during that period of

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time there was some small insurance policy that was also being paid by the firm. As a result, I think that one could argue, at least on paper, that the proceeds of whatever fee that client was paying could've been apart of the proceeds and part of the insurance policy. And, as a result you would still have a conflict of interest and would need to abstain.

**MAYOR GOODMAN**

Okay, as I've said before I really, I don't have that sense to follow the Attorney's advice, but I may have had a different opinion, but for the briefing that I had from Mr. DiFiore. But I think I know what's going to happen here and if it happens the way then I guess I have to follow your advice. So, that's it.

**BRAD JERBIC**

Thank you, Your Honor.

**MAYOR PRO TEM REESE**

Thank you, Your Honor. He read item in the record, Item number 64. I'm gonna read in the record Item 62, which were going to be hearing at the same time. Item 62 is a hearing discussion, possible action concerning petitions for a rehearing in the matter of the Department of Finance and Business Service on behalf of the City of Las Vegas, Nevada versus the Power Company doing business as Crazy Horse Too, Ward 3. Mr. Jerbic, Mr. Henry, I will call these hearings to order but this is not a public hearing item. And I want that understood that we did that hearing last time and I know that theres been a lot of messages, emails sent in regards to this issue.

I feel like that, Mr. Jerbic, I would like you to explain one more time about the new church that has come abroad over on Western Avenue at this time, if you would.

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**BRAD JERBIC**

Thank you, Mr. Mayor Pro Tem, members of the Council. If I could this morning, I will address the issue regarding the church. I would like to point out that of the two items called. The item that I would recommend that the Council hear first is the request for a temporary license for the Crazy Horse Too. If that item passes, I believe that the second item is probably moot.

But with that said, what I'll do is like to pick up with what we left off of the last meeting. At the last meeting we had a number of subleases that we put into the record that were negotiated between Mr. Signorelli, to my right, and the owners of the Crazy Horse Too. We had a number of problems with those leases and we tried to correct them at the last minute, but we all agreed that we didn't have enough time to review them to give you some advice for some legal certainty that there would be no connection between the Rizzolo ownership and the new ownership. I'd like to file with the Clerk what is operating sublease number five, which was a result of the conversation I had with Mr. Caruso to try and clean up some of the language that continued to exist, but I don't think through anybody's fault, but because we were all in a rush we just didn't get it cleaned up right away. After that sublease was presented to our office, we sat down one last time and made a few last minute corrections. And I would like to file with the Clerk right now what is number six in a series of documents, which would be the most recent operating sublease in purchasing and sale agreement. Based on review by my office, by myself and by Mr. Henry, we are confident that that sublease contains language that divorces the running of the Crazy Horse Too, if it's opened in the future from the old management, particularly Mr. Rizzolo.

The, at the same time Mr. DiFiore has a series of conditions that, if this Council were to consider granting Mr. Signorelli a temporary license, we would recommend it would be with these conditions; which not only separates Mr. Rizzolo and the co-defendants in the federal cases from any operation or management at the Crazy Horse Too, it also prevents them from being on the premises. It also prevents other family members of Mr. Rizzolo who have had management responsibility over the Crazy Horse Too from being on the premises or involved in the operation in the future. I also spoke with the US Attorneys office regarding the sublease and the purchase and sale agreement. They are certainly going to be interested in the purchase and sale agreement; one will be provided to them. And if a temporary license is granted, I would expect that we would hear back from the US Attorney's office as to their opinion regarding whether or not this meets the

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terms and conditions of the federal plea agreement, which requires Mr. Rizzolo to meet certain conditions if he's going to sell the business.

Finally, we go to the question that you asked at the beginning Mr. Mayor Pro Tem, which is the connection between the church and this. As you may be aware from reading the newspaper following the last Council meeting, a law suit was filed, trying to stop the issuance of a temporary license, based on the assertion that there is a business within proximity of the Crazy Horse Too, which somehow it now makes it ineligible for a tavern license. We are challenging that law suit. We do not believe that is consistent with our City Code. Mr. Henry is at the dais. He can address any specific issues with respect to that. I stand by the position that we took at the last meeting, which was under our Code, this is a nonconforming use and it was a nonconforming use long before the allegation of a church nearby came up. As such, under our Code, there is a specific time frame to reinstate use of a liquor license or the use goes away forever. The Crazy Horse Too is within that timeframe, in our opinion, and therefore if the Council chooses to issue a temporary license, in spite of the allegations there's a church nearby, we believe that you can do so.

**MAYOR PRO TEM REESE**

Okay, I really I thought about it up here for a minutes. I see Mr. Christoff down in the audience there. I think Mr. Christoff is a proponent of this church. So Mr. Christoff if you would like to come up and say a few things real quick, I think

**UNIDENTIFIED MALE SPEAKER**

(Inaudible) discussion (inaudible)

**CHRIS CHRISTOFF**

Mike Tardy, Mr. Travis Shelton

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**MAYOR PRO TEM REESE**

Just a couple minutes, please

**CHRIS CHRISTOFF**

My name is Chris Christoff, I represent the Little Church of Las Vegas. Its located at 2325. The intention of having a facility there was the only one available over a period of four, five years. My intentions were to provide, as you know, Mayor Pro Tem, as other people for almost close to several years now, five years of assisting a concern of having some kind of a church pertaining to bible classes, as well as prayers for the Meadows Village. These concerns are not just a thought up dream. It's been my desire to enrich the community that had never been enriched with anything other than crime. But that's an issue that will be later discussed, I guess, amongst you.

Ive been approached couple times, Mayor Pro Tem, by calls and threats from individuals even threatening the people at the place 2325, that if you have it there you're going to have trouble. The landlord, Mrs. Joy Filming, said the same thing. The double, a fire extinguisher person said the same thing. This was several weeks ago. I've had calls from people who then hang up. That doesn't deter my desire to fulfill my agreement as a Deacon for Raymond, as well as ordained ministers to perform at their time for Meadow Village, may there be Spanish of other different nationalities who wanna come over there at certain time where its scheduled. I have a lease there that's four, six to one year. Even though my landlord said, may I terminate your lease, I said no. I said, you accept the Little Church of Las Vegas in good faith for what I told you it was for, for Meadow Village people. She then turned around and changed her mind. So, she's been approached, as well as other people, I don't know who they are, but I, in my sense, I can feel that this one particular thing pertaining to a thousand or fifteen hundred feet, I didn't go around measuring any place. It was an opportunity of getting twelve hundred square foot, where you can hold a nice bible class, as well as service for 60 people plus three different offices and other facilities.

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**MAYOR PRO TEM REESE**

Thank you. Mr. Christoff, I guess that's why I allowed you to come up here today, cause I wanted to explain to you that I would hope that the applicant nor any of his people that work with him have called and threatened you. A church can go in make application anywhere. It's just that if a church is there then this applicant can't go in there and put his business there. So this really, the church has no effect on what we do here, one way or the other today. And I wanna make that public clear, that you're more than welcome to go in there and put your church over there, and God bless you for doing that. And anything I can do to help you over there at that church, I'll be more willing to help you. I think it's great. But again, though, it doesn't effect the decision we make here today.

**CHRIS CHRISTOFF**

You're right Mayor, but the, Acting Mayor. But the important thing is, I have never, and you know, all my years have had any conflict or discussion if the agenda or in newspaper or anything, my opinion about this one place that's up here for a temporary liquor license. I've never given my opinion, never said anything, and that to me, some, for some reason people twist words. Newspapers, TV, they call this a sham. A lawyer calls it a sham. How dare they call the house of God a sham, when they don't even go into it themselves?

**MAYOR PRO TEM REESE**

I agree, so that's clear, okay?

**CHRIS CHRISTOFF**

Thank you.

**MAYOR PRO TEM REESE**

Thank you very much.

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**CHRIS CHRISTOFF**

Anything else from anybody?

**MAYOR PRO TEM REESE**

Any other questions?

**STEVE WOLFSON**

Yes, Mayor Pro tem.

**MAYOR PRO TEM REESE**

Yes.

**STEVE WOLFSON**

Mr. Jerbic, as I understand it you said that Mr. Christoff or his church or plaintiff's in a law suit, which is pending over in district court, and be denied at this point, have an answer from a judge as to whether or not Mr. Christoff's law suit has merit. It is your opinion it has no merit but we don't have an opinion from a district court judge, would that be a fair characterization?

**BRAD JERBIC**

I believe so. Mr. Henry's standing next to me. He's handling litigation and he can answer any particulars about that case.

**STEVE WOLFSON**

Is that a fair characterization of the status?

**WILLIAM HENRY**

That's correct.

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**MAYOR PRO-TEM REESE**

What is the law suit?

**WILLIAM HENRY**

The law suit is a petition for Writ of Prohibition filed by Mr. Christoff against the Las Vegas City Council to prevent you from issuing a temporary liquor license. It was filed, I believe, last week, last Friday on a Order Shortening Time. The matter was set for hearing yesterday morning. Right after I got the Order Shortening Time, I preempted the district judge. It went to another district judge. It's reset for the 31<sup>st</sup>. I have points in authorities, I have talked to staff.

It is very clear to me, Councilman, my opinion, that a clean reading of Title 19 indicates that in this instance, where you have the discontinuation of use of a non conforming use of a conforming building that there is a 180 days to reissue or to issue a new liquor license and start pouring. But perhaps more important than that, there is a kinda seminal case known as Cinnamon Hills, handed down by the Nevada Supreme Court, I think 10 or 15 years ago, where they held that a municipality is entitled to judicial deference of its interpretation of its own land use regulations, and that will not be disturbed, absent a manifest abuse of discretion as part of the response to this law suit that I will file, if it becomes necessary. I spoke with the Planning Director and I have her affidavit, which is, which states it is the position of the government of the City of Las Vegas that Title 19 provides for this Council issuing a temporary liquor license under this set of facts if you wish.

**STEVE WOLFSON**

Your recommendation, Mayor Pro Tem, with your permission, then is to go forward with hearing today's matter on its merits, notwithstanding the fact that there is a challenge to what were doing today, that is pending before a district court judge.

**WILLIAM HENRY**

It is Councilman.

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**STEVE WOLFSON**

Should the district court judge disagree with your opinion, and I know from looking at your reaction, that you think that's unlikely. What would we then do?

**WILLIAM HENRY**

It has happened in the past, from time to time judge. If the district judge disagreed with my opinion, then it could be that if you took a decision to issue the license today, that that would be declared void ab initio that is, as if you had never done it. And I suppose I would have egg on my face

**MAYOR PRO TEM REESE**

Could

**WILLIAM HENRY**

and something to answer for .

**MAYOR PRO TEM REESE**

Question, can we take action on this item today, with the stipulation that nothing happens until the judge hears the case? Can we get a decision?

**WILLIAM HENRY**

That's probably a better question put to Mr. Jerbic.

**BRAD JERBIC**

I think, and Mr. DiFiore you can correct me, if the question is can we, can you vote as a Council, let's say hypothetically, to approve a license, condition upon it becoming active only after a favorable decision by district court? I suppose you can.

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**STEVE WOLFSON**

And you have a hearing, with your permission again, Mayor Pro Tem.

**MAYOR PRO TEM REESE**

Yes.

**STEVE WOLFSON**

On its merits on the 31<sup>st</sup>, Mr. Henry?

**WILLIAM HENRY**

Well, there's a couple problems that come to mind with this notion. The first problem is if you were to do this and they were to withdraw their petition, then a district judge could never rule on it.

**STEVE WOLFSON**

Well, we can condition it subject to them doing that.

**WILLIAM HENRY**

Okay. The second is they if you were to issue the license today it would make their law suit as filed moot because it is filed as a Writ of Prohibition. And so, the district judge would not hear it on the 31<sup>st</sup>. They could, perhaps, go back in and re-file a petition for Certiorari or Mandamus but

**MAYOR PRO TEM REESE**

Whatever those words are.

**UNIDENTIFIED MALE SPEAKER**

Yeah, what that mean?

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**BRAD JERBIC**

If I can, I also just put on the record, and I think Mr. Christoff

**MAYOR PRO TEM REESE**

What did Mr. Henry mean by those words though? I didn't understand what he said

**STEVE WOLFSON**

They can challenge the decision.

**WILLIAM HENRY**

There are at law what's known as three extraordinary writs; Prohibition, Mandamus and Certiorari. Prohibition is just that, it's to prohibit doing something in the future. Mandamus is a mandate from the court that's something that's been done was wrong, in excessive jurisdiction. And Certiorari is the general writ of review when there is no other legal vehicle available to petition the court for review.

**MAYOR PRO TEM REESE**

Do you feel comfortable with me going forward with this item today?

**WILLIAM HENRY**

I do, Councilman.

**MAYOR PRO TEM REESE**

Okay, thank you. Any other questions? Thank you. Mr. Jerbic, continue then, I guess.

**BRAD JERBIC**

Those are my only comments. It might be useful to ask Mr. Caruso, though, too, if his client is willing to take the risk of receiving a license knowing that there is a law suit out there, that while we certainly can handicap it one way others handicap it another.

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**STEPHEN CARUSO**

Thank you. Good morning, Mayor Pro Tem and members of the City Council. I'm Steve Caruso, the attorney for Nevada Receivership and I have on my side Michael Signorelli. Michael is ready to go forward, Council members. We've taken a look at the facts and the City's analysis of this case is very strong. Not only do we have the six month grace period for an existing use, but I'm glad that they wanna open up a church in this location, and I'm sure it will be a benefit to the neighborhood. But you have to keep in mind there is a pornographic bookstore across the street. There's Cheetah's within a stones throw away, closer than the Crazy Horse. I think they can serve their parishioners very well without any disturbance from this club. We've met with Mr. Jerbic and Mr. Henry and also my client met on his own with Mr. DiFiore and his boss, yesterday. He said, you know, you attorney's just make things more complicated. He insisted on going on his own. He's very candid with them, and with that, we will submit ourselves to the questions of the City Council.

**MAYOR PRO TEM REESE**

Mr. Jerbic.

**BRAD JERBIC**

Thank you. With that, I will turn the microphone over to Mr. DiFiore, who will give you a report as to the character of the applicant.

**MAYOR PRO TEM REESE**

Mr. Christoff, I believe, you guys take a seat now. Thank you.

**JIM DiFIORE**

Mayor Pro Tem and members of the Council, as you know this request for a temporary license is pretty common with the City Council agenda that we have before Financing and Business Services. And, just to reiterate, the criteria for considering a temporary license is one that the applicant is found preliminarily suitable for the license. And two, that the location is a consistent use for the activity. Mr. Signorelli is a previous, previously investigated licensee of a, of an

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existing tavern license, at this point in time. So, he had met the burden of being preliminary suitable.

**MAYOR PRO TEM REESE**

Mr. Jerbic, sorry. Mr. DiFiore, if I can interrupt real quick. Now, for those in the audience is there any difference in the investigation for a steak house and a SOB?

**JIM DiFIORE**

No, this is actually a consideration for a license for the tavern, which is by Code a license that is investigated. The Sexually Oriented Business is a, an adjunct to that type of business, but that does not require a background investigation. Its for the tavern license that he is being considered today for temporary license.

The other item I was going to talk about was that the use is consistent with the zoning and the compatibility in the neighborhood. And as we know, Crazy Horse Too, the previous owner of that license has been in use or has been in operation for over 20 years. So, he does meet the criteria for a temporary license today.

The other thing I would like to point out is, I did talk to the Sergeant in the Special Investigation section about the length of time he estimates the investigation would take for a report to come back to my office for us to consider to the City Council. And he said, at minimum four months and probably closer to six months. Temporary licenses can be issued for a period of up to six months, with, by Code an extension for a period of up to six months. So, Council today can consider a temporary license for a period of time that they feel comfortable with, up to six months. In my conversation with Mr. Signorelli yesterday, we talked about many things. I even suggested to him that he may wanna discuss with the Council his business plan and his how he's gonna operate the business. So, if there are no other questions of me, maybe I'd defer to Mr. Signorelli to be able to comment on those things.

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**MAYOR PRO TEM REESE**

Mr. Signorelli.

**MICHAEL SIGNORELLI**

Thank you very much Mayor. Michael Signorelli, 308 West Sahara in Las Vegas. I have spent the last two weeks over to the Crazy Horse, even though it's closed, everyday evaluating the business like I've done in the past for many other businesses. And have a real good feeling out of the numbers, and how that business has been operated over the last several years. And I've been working on putting some policy menus together and interviewing people to come in and assist me immediately. So, I feel very comfortable going forth with whats there now, and probably needing to do some new type of advertising, obviously, to bring some people back who are not there now. But I've been in this town 40 years and operated a lot of large businesses, and actually this is not one of my larger businesses I've operated, but I do feel comfortable going in there. And would love to have the opportunity to go there and bring back all the employees, and make an investment in that business.

**MAYOR PRO TEM REESE**

Do you have key employee at this time?

**MICHAEL SIGNORELLI**

Ive met with Mr. DiFiore yesterday to ask when I can ask, submit for, three names ready to submit, and I'm ready to submit them today or tomorrow, and Ive identified three people, but I didn't know when I could submit based up, without a license I can't submit, obviously.

**MAYOR PRO TEM REESE**

Are there any other questions? I have a couple I'd like to ask first, and I thought I'd see what the Council wants to ask. I'll ask mine first. When did you first meet Mr. Rizzolo?

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**MICHAEL SIGNORELLI**

Less than 30 days ago, and I was contacted by a businessman in town and asked if he could bring him over to my restaurant. And he came over, and it was the day of the, I think the day of the, he was heard. The day after this hearing wasn't it? I think, Mr. Caruso.

**STEPHEN CARUSO**

Was that the hearing where they originally revoked the

**MICHAEL SIGNORELLI**

Right, that following day. Yes, at my restaurant, yes.

**MAYOR PRO TEM REESE**

Apparently you have done your due diligence on purchasing or leasing this Crazy Horse. You have any idea what the gross income is?

**MICHAEL SIGNORELLI**

Yes, I've seen the numbers that have been audited obviously by the government, and they seem to be within industry standards and I feel comfortable with them. I'm gonna speculate they may be off fifteen, twenty percent, just to be a safe businessman. I'm not gonna speculate the upside. I'm gonna speculate the down side. Even with that, I feel very comfortable at that location.

**MAYOR PRO TEM REESE**

Approximately, what is the gross income?

**MICHAEL SIGNORELLI**

The gross in, income in there now?

**MAYOR PRO TEM REESE**

Approximately what is the gross income? What is the gross income?

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**MICHAEL SIGNORELLI**

Well it's certainly over, close to 15 million dollars probably, in that range, close I'm just guessing maybe around 15 million dollars, according to what I'm seeing (inaudible), maybe. And I'm not for sure. I mean, these are numbers that are reported to me. I still, again, those are raw numbers, and you're asking about a private business and I'm being very forward here.

**MAYOR PRO TEM REESE**

That's fine.

**MICHAEL SIGNORELLI**

You know.

**MAYOR PRO TEM REESE**

What do you believe will be the gross expenses, with the four hundred thousand dollars a month lease?

**MICHAEL SIGNORELLI**

The gross expenses?

**MAYOR PRO TEM REESE**

With the four hundred month, with the four hundred thousand dollar a month lease?

**MICHAEL SIGNORELLI**

Will probably be close to 12 million dollars, 11, 12 million dollars.

**MAYOR PRO TEM REESE**

A year?

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**MICHAEL SIGNORELLI**

Yes.

**MAYOR PRO TEM REESE**

Will any of your employees, will you employ any employees formally worked for Mr. Rizzolo and his company?

**MICHAEL SIGNORELLI**

No, I will not. I believe in a clean slate when I start a business. I think, I believe man needs to bring their own people, Sir, Mayor, Council.

**MAYOR PRO TEM REESE**

Are there any other questions of the Council members?

**COUNCILWOMAN TARKANIAN**

Mayor Pro Tem.

**MAYOR PRO TEM REESE**

Absolutely, yes Ma'am.

**COUNCILWOMAN TARKANIAN**

From what the figures you've asked him, then if it's 15 million taken in and 12 million expenses, that's 13 million with that be profit? And if so

**MICHAEL SIGNORELLI**

It'll be close to three million, closer to three.

**COUNCILWOMAN TARKANIAN**

Three million

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**MICHAEL SIGNORELLI**

Profit, before taxes.

**COUNCILWOMAN TARKANIAN**

Before taxes, it will be three million, which would explain why you could afford to pay the four hundred thousand dollars a month fee?

**MICHAEL SIGNORELLI**

Yes.

**COUNCILWOMAN TARKANIAN**

Thank you.

**MAYOR PRO TEM REESE**

Any other questions? Yes.

**COUNCILMAN BROWN**

Mr. DiFiore, just a point of ordinance, the reference to a temporary, six-month and then Metro's investigation four to six months. Remind us the scenario, if in fact, the Metro report is not complete within the temporary approval for six months, do they have, by our ordinance, the ability to come back and extend that until the reports complete?

**JIM DiFIORE**

Yes we do. We have, by Code, an allowability of one extension up to six months. I might add too, that if the report is granted at anytime during that six-month period then by Code, I shall bring the application back to the City Council. So, it could be less time than six months.

**MAYOR PRO TEM REESE**

Mr. DiFiore, on this matter, what conditions would you put in place if it was to approve it today?

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**JIM DiFIORE**

I have four conditions that I'd like to read into the record and give it to the City Clerk for documentation. The conditions would be as such: Number one, that no person who is associated as a defendant, including Frederick Rizzolo, in U.S. District Court Cases, and I'll read them off. Two colon zero six dash CR dash one eight six dash PMP dash PAL comma two colon zero six dash CR dash one eight eight dash PNP dash PAL comma CR dash S dash zero five dash zero zero seven dash KJD parenthesis LRL end of parenthesis, shall be permitted on the premises of the business. The defendants, including Frederick Rizzolo, are further prohibited from operating, controlling or participating in any way with the operation of the business. That would be condition one.

**MAYOR PRO TEM REESE**

Okay.

**BRAD JERBIC**

If I could, Mr. DiFiore

**MAYOR PRO TEM REESE**

I'm sorry.

**BRAD JERBIC**

I know. Sometimes the voices come out of nowhere. The, I think it might have been an error made on the last case number which was CRS 0500 one seven KDJ, KJD LRL. If there are any errors in the spoken word versus the written word, I think Mr. DiFiore's gonna file the written conditions with the Clerk and they will control for purposes of the conditions of this license.

**STEPHEN CARUSO**

And we will stipulate to the inclusion of the three federal court cases that are impact, that'll impact this

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**BRAD JERBIC**

Im sorry, Mr. DiFiore.

**MAYOR PRO TEM REESE**

Thank you. Condition two.

**JIM DiFIORE**

Condition number two would be: No person associated with the ownership of the Power Company, Inc. nor its management, including Annette Rizzolo Patterson, the bookkeeper, Frederick Rizzolo, or Bartholomew Rizzolo shall be permitted on the premise, premises of the business. Further, Frederick Rizzolo and Bartholomew Rizzolo are further prohibited from operating, controlling or participating in any way with the operation of the business. That would be Condition Number Two.

**MAYOR PRO TEM REESE**

Okay. Condition Number Three.

**JIM DiFIORE**

Condition Number Three is the photographs and names of the prohibited persons in Special Condition Number One shall be made available to all individuals responsible for the operation of the business, in order that the business complies with Special Condition Number One. That would be Condition Number Three.

And the fourth condition is: Any violation of these conditions or special conditions or any violation of any local, state or federal law shall allow the Business Services Director or Manager to administratively suspend the liquor license. Applicant understands that he has a right to appeal the suspension at the next regularly scheduled City Council meeting, subject to the Open Meeting Law.

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**MAYOR PRO TEM REESE**

Thank you.

**BRAD JERBIC**

If I, Mayor Pro Tem, we, I just have a couple of additions. We made some changes to this at the last minute this morning. And, as Mr. DiFiore was reading Condition Number Three, it required, that the one regarding the photographs and the names of prohibited persons be posted in the business, that should be with respect to Special Condition Number One and Two since we added more names in Number Two. And in Number Two, there should also be an addition to the second sentence, and I'll provide it in writing to the Clerk at the end of this, that, it says right now, further, Frederick Rizzolo and Bartholomew Rizzolo, are further prohibited from operating, controlling or participating in any way in the operation of the business, it should also include Annette Rizzolo Patterson in that list of people, prohibited from operating, controlling or participating in any way in the operation of the business. And I will provide those changes to the Clerk and to Mr. DiFiore.

**MAYOR PRO TEM REESE**

You've heard those conditions. If you are approved, do you agree to those conditions?

**STEPHEN CARUSO**

My client does, Councilman. But we'd just like a little bit of clarification. We were just told this morning about the exclusion of Annette Rizzolo and Bartholomew. It looks like Bartholomew Rizzolo coordinates with the liquor distributors. He was gonna be the one to do the walk around today, when and if the seals are taken off the coolers. And Annette Rizzolo is the bookkeeper. My client just wants to throw this out there because he wants to be compliant with the Council. But would there be any way for perhaps, say, seven to ten day transition period for those employees only. Because when my client got up here and said he's gonna get up here and he's gonna clean house. This was meant to capitulate to the City's desire to get these folks off the property.

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**BRAD JERBIC**

May I ask a question, Mr. Caruso. Are they necessary to the, does, do you plan to not pour liquor during this period of time that they're gonna be in the business, assisting in this transition?

**STEPHEN CARUSO**

Well, I mean, that's the thing. I mean, in order to open up this new business and if the Council wants them out, it's done today. But the idea is to open the doors as soon as possible. With every day that passes that the doors are shut, we're worried that the business becomes devalued and loses customers and potential employees. So, if the Council wants them out, that's the ruling. We were just hoping for a seven to ten transition period. We, Mike's gonna get a, an outside accounting firm in there right away, anyway. But it was something that he didn't know he'd have to do today when he, you know. I mean, the intent was to open the doors.

**MAYOR PRO TEM REESE**

Mr. DiFiore, please.

**JIM DIFIIORE**

I certainly can understand in the business industry the transition from one operator to another. I certainly can understand that the accounting of the business in that transition certainly is something of, a very key importance to them. I have had no problem in the history of this, with Mr. Bartholomew Rizzolo, and I've had no problem with Annette Rizzolo. If the Council wishes to give them a sort of transition grace period of time, I don't have a concern with that.

**MAYOR PRO TEM REESE**

One week.

**JIM DIFIIORE**

I don't have a concern with that.

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**MICHAEL SIGNORELLI**

That'd be

**STEPHEN CARUSO**

That'd be very generous, Councilman.

**MAYOR PRO TEM REESE**

Thank you. Are there any other questions or comments before the motion, please?

**COUNCILMAN WOLFSON**

Yes, sir.

**MAYOR PRO TEM REESE**

Sir.

**COUNCILMAN WOLFSON**

Thank you, Mayor Pro Tem. Mr. Signorelli, did I pronounce your name right?

**MICHAEL SIGNORELLI**

Yes. Yes. You did. (inaudible)

**COUNCILMAN WOLFSON**

Is the "g" hard or soft?

**STEPHEN CARUSO**

Hard.

**COUNCILMAN WOLFSON**

'Cause I've heard it both ways in the last few days.

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**MICHAEL SIGNORELLI**

Either way is fine.

**COUNCILMAN WOLFSON**

We don't care.

**STEPHEN CARUSO**

If that's

**MICHAEL SIGNORELLI**

I don't care, Mr. Wolfson.

**COUNCILMAN WOLFSON**

Okay. Thank you. Mr. Signorelli, you stated that you would not employ any of the prior employees of the, quote, Crazy Horse Too. I know from experience a lot of the dancers are not technically employees. They're independent contractors and there's various ways for wage purposes, tax purposes, et cetera, to call an employee something else. So, when you say you're not going to employ any of the former employees, does that include any of the dancers?

**MAYOR PRO TEM REESE**

No.

**MICHAEL SIGNORELLI**

That's a terrific question that I didn't think about 'til this second, first of all.

**MAYOR PRO TEM REESE**

Well, as far as I'm concerned, maybe I can answer the question. My concern, Councilman, is more so the 16 people that had guilty plea felonies

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**MICHAEL SIGNORELLI**

That's what I was thinking about

**MAYOR PRO TEM REESE**

rather than the other employees. I think when we talk about all employees, I don't want to categorize, in my mind, I was looking at those 16 employees rather than the girls dancers or whoever.

**COUNCILMAN WOLFSON**

And I certainly share your feeling, Mayor Pro Tem, but my lawyer hat kinda clicked on when you said employees and the distinguishing thing with independent contractors.

**MICHAEL SIGNORELLI**

It'd be specific to those, Councilman Wolfson, it'd be specific to those people that the City requested. We could never track thousands of people as independent contractors.

**STEPHEN CARUSO**

And

**MAYOR PRO TEM REESE**

Brad, do you wanna help us out?

**STEPHEN CARUSO**

If any

**MAYOR PRO TEM REESE**

Brad, you wanna just help out. Just help us out on this, please.

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**BRAD JERBIC**

I wanna say I'm really glad you brought that up 'cause we need to be absolutely clear on this point as to who we're talking about. When we were looking at special conditions on the business, you have a range from not disturbing the management structure at all, including people who've pled guilty to felonies, all the way to the other extreme of nobody who worked there before, right down to a busboy, would be able to work there in the future. I think that staff's recommendation was certainly that all the people who connected with the felonies in federal court, and I believe there were 15 or 16 defendants, including Mr. Rizzolo, would be completely out, not allowed on the premises or involved in any way in the operation or management of the business. We felt that there were two more individuals because of their close familial relation to Mr. Rizzolo, who weren't involved in any crimes, that would be his father and his sister, who we've listed, would also fall onto that same category, that they wouldn't be on the premises or allowed in the operation of the business, except as you have agreed today to the seven day grace period, if this license is granted. We had not looked to go deeper than that in the establishment, to prohibit Mr. Signorelli from employing dancers or other low-key individual or low management individuals that were uninvolved with the federal crimes. If you want to go deeper, that's up to you, but that was not what we the way we structured the special conditions.

**COUNCILMAN WOLFSON**

Id like to hear from Mr. Signorelli. And Mr. Jerbic, I think you brought up a great point. There's extremes this way and extremes this way. And you made the blanket statement, I don't plan to employ any of the former employees, that includes some of the lower management or others that wouldn't necessarily be prohibited. But when you say no employees, that was my concern.

**MICHAEL SIGNORELLI**

Well, that was

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**STEPHEN CARUSO**

Im sorry. Councilman Wolfson, thats what I meant to correct earlier when I got up. I said what Mr. Signorelli meant was that people that are prohibited by the City from coming in. Of course, Mikes going go in there and re-evaluate who needs to stay, who needs to go. But, I want to point out, I think theres around a hundred and fifty-two permanent employees that the permanent employees.

**COUNCILMAN WOLFSON**

(inaudible) thats why I brought up the subject, Mr. Caruso.

**STEPHEN CARUSO**

Yes, so, and that, and I'm sorry, it's my fault I didn't clarify what he said

**COUNCILMAN WOLFSON**

Sure.

**STEPHEN CARUSO**

going on.

**COUNCILMAN WOLFSON**

Another couple of comments. Is, the purchase price, Mr. Signorelli, is 45 million dollars?

**MICHAEL SIGNORELLI**

Yes.

**STEPHEN CARUSO**

Correct.

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**COUNCILMAN WOLFSON**

May I ask you how you arrived at that number?

**MICHAEL SIGNORELLI**

It was an appraisal conducted, provided for the government by a bank in California, and the appraisal price was actually above that price. So

**COUNCILMAN WOLFSON**

When was that appraisal done?

**MICHAEL SIGNORELLI**

I think it was, I don't know the date

**BRAD JERBIC**

August or June. August or July.

**STEPHEN CARUSO**

August or July, Councilman.

**MICHAEL SIGNORELLI**

Yes. And that's how he based it on

**COUNCILMAN WOLFSON**

A written appraisal?

**MICHAEL SIGNORELLI**

Yes, sir.

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**STEPHEN CARUSO**

Yes.

**MICHAEL SIGNORELLI**

Yes, sir. We have a copy.

**COUNCILMAN WOLFSON**

You have that written appraisal in your possession?

**MICHAEL SIGNORELLI**

Yes. Happy to provide it to you. Yes.

**COUNCILMAN WOLFSON**

So what you're telling us is that the appraisal was done and it came in at a higher price than 45 million dollars.

**MICHAEL SIGNORELLI**

Yes.

**COUNCILMAN WOLFSON**

But between you and the seller, you negotiated to that number.

**MICHAEL SIGNORELLI**

Right.

**COUNCILMAN WOLFSON**

Okay. This is a one-year sub-lease.

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**MICHAEL SIGNORELLI**

Right.

**COUNCILMAN WOLFSON**

Which allows the business to open, and I wanna know specifically, because I was briefed on this yesterday

**MICHAEL SIGNORELLI**

Yeah.

**COUNCILMAN WOLFSON**

but I was out of town for a couple weeks so

**MICHAEL SIGNORELLI**

I understand.

**COUNCILMAN WOLFSON**

I'm kinda playing catch-up.

**MICHAEL SIGNORELLI**

That's fine.

**COUNCILMAN WOLFSON**

What monies will you be paying out during this time of the sub-lease which is up to one year?  
You'll be paying 400,000 dollars a month to the

**MICHAEL SIGNORELLI**

One time

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**COUNCILMAN WOLFSON**

to the landlord.

**MICHAEL SIGNORELLI**

That's it.

**COUNCILMAN WOLFSON**

Well, that's 400 per month, each and every month

**MICHAEL SIGNORELLI**

Correct.

**COUNCILMAN WOLFSON**

of the sub-lease.

**MICHAEL SIGNORELLI**

Right.

**COUNCILMAN WOLFSON**

What other monies will you be paying out, if any?

**MICHAEL SIGNORELLI**

Well, they'll

**STEPHEN CARUSO**

Everything.

**MICHAEL SIGNORELLI**

You know, anything that's

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**COUNCILMAN WOLFSON**

The operation of the business, obviously.

**STEPHEN CARUSO**

And that's it.

**MICHAEL SIGNORELLI**

Yes.

**COUNCILMAN WOLFSON**

Now, do you have the first right, an exclusive right, to purchase this business?

**MICHAEL SIGNORELLI**

Yes, and I've already proceeded with banks to do that, yes.

**COUNCILMAN WOLFSON**

Okay. So you've already, you're seeking financing.

**MICHAEL SIGNORELLI**

Yes, I've arranged that just about now. I'm just waiting for licensing. The trigger date will pretty much

**COUNCILMAN WOLFSON**

I understand that you've already

**MICHAEL SIGNORELLI**

Oh, yes.

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**COUNCILMAN WOLFSON**

proceeded, in the event

**MICHAEL SIGNORELLI**

Yes.

**COUNCILMAN WOLFSON**

that we license you

**MICHAEL SIGNORELLI**

Absolute

**COUNCILMAN WOLFSON**

towards financing.

**MICHAEL SIGNORELLI**

Absolutely.

**COUNCILMAN WOLFSON**

Now, so then, no other potential buyers would be allowed to step into your shoes during this sub-lease.

**STEPHEN CARUSO**

No. That's not true. Councilman, we got the purchase agreement and the purchase agreement has the option in there. There's a I think the option goes stale, I wanna say in six months.

**COUNCILMAN WOLFSON**

Well, explain that to me.

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**STEPHEN CARUSO**

Well, he's gotta buy it or not within six months. At that point, he gets the first right of refusal. So, the idea was to come in, get this temporary liquor license and then as quickly as we can, and offering as much cooperation with the City as we can, get the permanent license, get the financing and get this thing done.

**COUNCILMAN WOLFSON**

Okay. You said six months, though. There's a six month escrow or three month escrow?

**STEPHEN CARUSO**

Well, we, the right, the purchase option is good for six months.

**COUNCILMAN WOLFSON**

Okay. If we grant your request today

**STEPHEN CARUSO**

Yes.

**COUNCILMAN WOLFSON**

and you get the tavern license

**STEPHEN CARUSO**

Yes.

**COUNCILMAN WOLFSON**

and you open up the business, you've got six months to close the purchase on the business.

**STEPHEN CARUSO**

That's correct. Right.

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**COUNCILMAN WOLFSON**

Now what happens if in six months, you don't close on the purchase, you don't buy the property?

**STEPHEN CARUSO**

Well

**COUNCILMAN WOLFSON**

You've got a one year sub-lease.

**STEPHEN CARUSO**

We think that there's room for, to extend that date. And we're concerned by the four to six-month window to get the permanent license. As the Council is probably aware, it, it's impossible to get financing based on a temporary license 'cause you really don't have the asset that you're trying to finance. But as soon as my client gets that permanent license, he can fund this deal within 30 to 45 days. Matter of fact, one of the banks that, the banker that has offered to fund this deal, worked on the furniture mart, offered the financing for the furniture mart.

**COUNCILMAN WOLFSON**

Okay. So

**MICHAEL SIGNORELLI**

But we

**STEPHEN CARUSO**

We have the funding, we have a letter of interest from the bank, that I, I don't know if we gave it to the City or not.

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**COUNCILMAN WOLFSON**

We were told, though, by Mr. DiFiore, the final review, the final background check may take another four to six months, is that right?

**JIM DiFIORE**

The application was referred to Metro at the end of September, that is the timeframe that it starts (inaudible)

**COUNCILMAN WOLFSON**

So we're two or three weeks into a four to six-month period before you can get the final report which would then be provided to us to consider giving a permanent license.

**JIM DiFIORE**

That is correct. So what

**COUNCILMAN WOLFSON**

My question is if that doesn't come in for six months, who knows what'll happen. You've only got this escrow for, or this ability to buy the business for six months.

**STEPHEN CARUSO**

Well, I can't predict what the seller's gonna do, Councilman, but I think that by that point there'll be other considerations that may allow for an extension of time on our client's part. Remember that Mr. Rizzolo has to sell that place by next June.

**COUNCILMAN WOLFSON**

Well, but theres some contingencies on that too. I guess here's my concern. Do these documents, where's Mr. Jerbic? There you are. Do these documents prevent anybody else from coming in and purchasing this business without City Council knowledge?

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**BRAD JERBIC**

If anybody were to come and purchase this business without your knowledge, I suppose they could back out of their deal, they could have a mutual agreement to back out of their deal. That's not the way it's structured right now.

**STEPHEN CARUSO**

It's a good deal.

**BRAD JERBIC**

Somebody else could come in and they could make an offer with Mr. Rizzolo. They would still, ultimately, have to get a liquor license and appear before this Council. And that's how you would find out.

**COUNCILMAN WOLFSON**

So, if somebody else wanted to come in and buy, because for whatever reason Mr. Signorelli changes his mind

**BRAD JERBIC**

Uh-huh.

**COUNCILMAN WOLFSON**

they still have to come in and get their own liquor license which is City Council approval before they could take over the operation of the business.

**BRAD JERBIC**

That's correct. Mr. Signorelli would only have a temporary. You can't transfer a temporary. Somebody would have to come in for a new license under the same conditions that Mr. Signorelli is here today.

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**COUNCILMAN WOLFSON**

And my final question. Mr. DiFiore, you're recommending that this Council approve this temporary liquor license, are you not?

**JIM DIFIIORE**

Yes, with the conditions that I read into the record.

**COUNCILMAN WOLFSON**

Mr. Jerbic, you join in that recommendation?

**BRAD JERBIC**

We don't ever make recommendations and I don't wanna dodge your question. But I can tell you that, on behalf of legal, our job is to make sure that the documents reflected what was being represented, that is, that there is a divorce between the old management and those connected with the federal felony pleas and the new operation of this business. I've met with Mr. Signorelli and his attorney. I think that they understand very well the consequences if, both, you know, against their temporary license and ability to get a permanent license should there be any involvement by those individuals. These documents, I think, have been reviewed enough that gives us enough confidence to believe they're not gonna be involved.

**COUNCILMAN WOLFSON**

Thank you. And I forgot, Mayor Pro Tem, and I apologize. I do have one more issue I'd like to discuss. It's paragraph number 23 of the operating sub-lease and that says: Pursuant to the restriction set forth in Article 35 the landlord, and that's Mr. Rizzolo, may designate an agent or agents to enter into and upon the demised premises at all reasonable times for the purpose of inspecting the same or for the purpose of maintaining the building in which said premises are situated, etcetera, etcetera. I have a little bit of a concern because this would allow Mr. Rizzolo to designate somebody to go onto the premises without oversight. Could we change that to some sort of language, subject to the approval of Mr. Jim DiFiore or business license person?

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**BRAD JERBIC**

It, this is not a contract between the City and Mr. Rizzolo. It is a contract between Mr. Signorelli and Mr. Rizzolo. In the past when we've asked Mr. Signorelli to get things out of this lease that were bothersome to the City, they've been very accommodating. And we haven't had any issues there. If Mr. Caruso can negotiate that, we can certainly put that in. I will tell you that I negotiated that portion of the lease myself, not considering the additional security that you may wish to have by Mr. DiFiore look at it. As you know, most landlords during the course of a lease will want to make sure that bad things aren't happening to their building. If you leased a house to tenants, you'd want the right to enter every now and then, just to make sure they haven't destroyed the place. And

**COUNCILMAN WOLFSON**

With all due respect to Mr. Rizzolo, he doesn't come under the category of most men.

**BRAD JERBIC**

Right. We completely agree

**COUNCILMAN WOLFSON**

He has some special features.

**BRAD JERBIC**

We completely agree. Now, the agent he can designate cannot be any of the people that pled guilty to the felonies or those two family members that are also listed in the special condition. And if you'd also like to have notification to Mr. DiFiore and approval of that agent prior to the agent inspecting the premises, I'll turn it over to Mr. Caruso to tell you if he thinks that can be a condition.

**COUNCILMAN WOLFSON**

Mr. Caruso

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**STEPHEN CARUSO**

Okay.

**COUNCILMAN WOLFSON**

I'm only one vote, but that would be my request as one City Councilperson.

**STEPHEN CARUSO**

We I, well, I hope that they would sign any changes that the Council insists upon and well get them done. But I will tell you, if you refer to paragraph 35, those are the specific, those are the exclusions of the people that are not allowed on the premises. So, this reasonable right of entry on the property is contingent upon, number one, it cant be any of the people that we know were not gonna let on the property. We dont want em on the property, theyre not gonna be there.

But number two, its a reasonable right of inspection. Its not like he can send, I mean, an owner has the right to inspect his property, in this case, he cant come in there himself, so he can designate some agent who doesnt violate any of the other provisions that theyve already agreed to. But it has to be reasonable too. They cant just be sending people in for no reason, poking about the private areas in this business. If theyve got a reason to be there and they suspect theres some damage or some construction needs that need to be addressed or for some reasonable right of inspection, theyre gonna have to call and theyre gonna have to ask permission to come in. This is a reasonable right of inspection. Its due to any landowner. But in this case, weve taken care of it and anybody whos not supposed to be on that property is not coming on.

**COUNCILMAN WOLFSON**

I understand that. Im just voicing my opinion to my colleagues. My request

**STEPHEN CARUSO**

Well be glad, well get that done.

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**COUNCILMAN WOLFSON**

Excuse me, Mr. Caruso.

**STEPHEN CARUSO**

Im sorry.

**COUNCILMAN WOLFSON**

My request would be that this operating sub-lease, as part of our condition, should this Council vote for approval, be amended, subject to Mr. Rizzolo agreeing. And, obviously that would be part and parcel to an agreement, to reflect that anybody, any agent or agent be subject to Mr. DiFiores approval.

**BRAD JERBIC**

Mr., Councilman, we could also add this as a condition, unilaterally, without Mr. Rizzolos permission. We could craft an additional condition

**STEPHEN CARUSO**

That was my suggestion.

**BRAD JERBIC**

that would require, in addition to Mr. Caruso using his best efforts to get that in the lease, that a condition would be that any agent designated by Mr. Rizzolo to inspect the premises under Section 23 of the sub-lease would be identified to Mr. DiFiore, and whenever that person is on premises, Mr. DiFiore would have an opportunity to be there with them. And with respect to rejecting them, I dont know exactly how we could do that. But I think that certainly identification of that individual

**MAYOR PRO TEM REESE**

Mr. DiFiore would be in with the person.

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**COUNCILMAN WOLFSON**

I dont necessarily

**BRAD JERBIC**

and prior notification of when theyll be on premises should be part of the condition.

**COUNCILMAN WOLFSON**

I appreciate what youre saying and youre taking us to where Id like to go. I dont necessarily think Mr. DiFiore has to be present.

**BRAD JERBIC**

Okay.

**COUNCILMAN WOLFSON**

But just knowledge of who it is and give Mr. DiFiore, you know, an opportunity to say yea or nay, based upon who his person is. You have the ability to run a quick check on people and make a determination that theyre the appropriate person to go on this premises, because it is the selection by Mr. Rizzolo. And once again, with due respect to Mr. Rizzolo, I think its appropriate under these circumstances.

**STEPHEN CARUSO**

And we could also include a notification of when the proposed inspection is suppose to take place, as well, to give Mr. DiFiore the option, if he would like to come down

**COUNCILMAN WOLFSON**

Very good.

**STEPHEN CARUSO**

or send someone down.

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**COUNCILMAN WOLFSON**

Thank you. Good.

**MAYOR PRO TEM REESE**

Can you craft that condition?

**BRAD JERBIC**

I will do that. And if there is a motion made that should be to approve the temporary license, for whatever period you are going to pick, including the special conditions as amended by me earlier and including an additional special condition reflecting Councilman Wolfsons concerns regarding the agent.

**MAYOR PRO TEM REESE**

Thank you. Any other comments? Councilman Ross.

**COUNCILMAN ROSS**

Thank you, Your Honor. We can condition the heck out of this. We can bird dog Mr. Signorelli to make sure hes paying attention to whats going on with his business. I, for one, am very hard-pressed to support any types of these businesses. I dont see where it fits into strengthening our families or promoting our quality of life in this City. However, I cannot force my own personal beliefs on this City nor would I. In the big picture, we are representing this entire City and I need to be mindful of that as I deal with this issue, cause its been on my mind quite heavily. These businesses are legal in this City and if the legality in that and theyre true to their word, then we should not have any problems. I would warn you, Mr. Signorelli, however, that this is the Citys golden license and that you are mindful of the past discretions that have taken place at this business and I would feel better if you would make comment to the fact you will watch this. You will make sure that nothing like this ever happens at that business location again that has transpired in the past under the man, previous management. Thank you.

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**MICHAEL SIGNORELLI**

I wanna respond to that. I, you have my word, here publicly. And I think I know Ive been, I try at least, to have been a good citizen of this community, which Im very proud of, the last 40 years, and I will strive to do my very, very best. And I give my word to each and every one of you.

**MAYOR PRO TEM REESE**

Thank you. Any other comments? Councilman Brown. Council, Councilwoman.

**COUNCILWOMAN TARKANIAN**

I was just going to say, then your motion will probably include what Councilman Wolfson suggested.

**MAYOR PRO TEM REESE**

Absolutely.

**COUNCILWOMAN TARKANIAN**

Okay.

**MAYOR PRO TEM REESE**

Councilman Brown.

**COUNCILMAN BROWN**

Mayor Pro Tem. Mr. Jerbic, just a hypothetical. You mentioned that per the federal agreement the U.S. Attorneys Office has to approve of a sale.

**BRAD JERBIC**

Thats correct. They have some oversight over the purchase and sale of the business

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**COUNCILMAN BROWN**

We have

**BRAD JERBIC**

which needs to occur, as Mr. Caruso said, by June of next year.

**COUNCILMAN BROWN**

And as we make this public record, what happens if the, not saying it will, not saying it wont, what happens if the federal government intervenes and has some objection or delays the sale of the property? How does that impact our licensing decision today?

**BRAD JERBIC**

It depends on what they allow it to continue to exist. If they were to simply say that the sale as structure needs to be restructured to meet some condition, I would that imagine there would be a renegotiation of the sub-lease between Mr. Caruso and Mr. Rizzolos attorney to extend that period of time, if it were a fixable problem.

If it were an unfixable problem, it seems to me that that would be the end of the negotiations between Mr. Rizzolo and Mr. Signorelli and that would be the end of the license at that business since he wouldnt have the business any more.

**COUNCILMAN BROWN**

Thank you. Thank you, Mayor Pro Tem.

**MAYOR PRO TEM REESE**

Thank you. Any other comments? I wanna thank everyone for their due diligence on this item. I wanna thank those, for the comments from my fellow Council members today. I think its important that we try to do what is right. **I would make a motion to allow this license, temporary license for three months, with a three month review, with those conditions stated and agreed to and those conditions as amended.**

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And again, I want to reiterate what Councilman Ross so eloquently, I think, all of us feel the same way and I want that on the record also. And with that, are there any questions on the motion? Please cast your vote.

**COUNCILMAN BROWN**

Mayor Pro Tem

**MAYOR PRO TEM REESE**

Yes.

**COUNCILMAN BROWN**

If we could just clarify, to make sure that the motion included the amendments provided by Mr. Jerbic earlier and also Councilman Wolfsons amendment also be included in that motion for approval.

**MAYOR PRO TEM REESE**

**As amended, yes.** We have that, Roni?

**BARBARA JO RONEMUS**

Sir, Im sorry. I did not hear part of the motion, but thats alright. Ydos got it and Ydos got it and Gabys got it. And so

**MAYOR PRO TEM REESE**

Ydos got it. Okay. Were gonna be okay. Okay. Youve heard the motion, please cast your vote.

**COUNCILWOMAN TARKANIAN**

Mr.

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**MAYOR PRO TEM REESE**

Yes.

**COUNCILWOMAN TARKANIAN**

Mayor Pro Tem, now this takes care of the church situation too?

**BRAD JERBIC**

What this does is, will grant a temporary license today, in spite of the fact that theres a continuing legal argument that the presence of the church prohibits the issuance of a license. That will be resolved by the court.

**COUNCILWOMAN TARKANIAN**

That will be resolved in the court. But its the opinion of our staff that we will prevail.

**BRAD JERBIC**

Thats the theme of our staff exactly, that our Code prohibits, I think, permits the existence of a liquor license at this location for 180 days after the cessation of use.

**COUNCILWOMAN TARKANIAN**

Based on that Cinnamon case?

**BRAD JERBIC**

Based on the Code, as its written, and based on your ability under the Cinnamon Hills case to interpret your own Code.

**MAYOR PRO TEM REESE**

Any other questions? Weve casted our vote. Lets post, please. Motion carries. **(Motion carried unanimously with GOODMAN abstaining.)** Please show Mayor Goodman abstaining.

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**BARBARA JO RONEMUS**

Yes, sir.

**MICHAEL SIGNORELLI**

Thank you for your confidence.

**STEPHEN CARUSO**

Thank you very much, Council members.

**MAYOR GOODMAN**

With that I'll make a motion to delete Item number 62 from the agenda please.

**BRAD JERBIC**

I'm sorry, Mr. Mayor Pro Tem, I misspoke earlier. I had recommended striking that if there were a vote to grant the temporary license. And Mr. Henry has informed me that a record needs to be made and (inaudible) documents needs to be filed. Sorry, I didn't realize these were so touchy. The, and if, with your indulgence, Ill turn it over to Mr. Henry at this time.

**WILLIAM HENRY**

Council, Mayor Pro Tem.

**MAYOR PRO TEM**

Yes.

**WILLIAM HENRY**

The City Code provides for asking for rehearing, they have asked for rehearing. Mr. Sgro, counsel for the Power Company Inc.

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**ANTHONY SGRO**

Good morning.

**WILLIAM HENRY**

is here. The law also requires that proof of service of notice of today's proceeding be submitted to the Clerk before we go forward. And I would like to do that, as well as submit a letter from Mr. Sgro that memorializes the timing of choosing which City Council meeting this matter, that is the petition of rehearing would be on. And having said that, made those submissions I'll

**MAYOR PRO TEM REESE**

Okay, so what's your recommendation on Item Number 62 then?

**WILLIAM HENRY**

Well, Mr. Sgro has the right to go forward if he wishes or he can withdraw the petition for rehearing.

**MAYOR PRO TEM REESE**

Okay, Mr. Sgro.

**ANTHONY SGRO**

Yes, thank you Mayor Pro Tem. We were going to move to withdraw that petition at this time.

**MAYOR PRO TEM REESE**

Okay. Are there any questions on the withdrawal? I make a **motion to follow staff's recommendation for allowing Mr. Sgro to withdraw**. Please cast your vote. Please post. **(Motion carried unanimously with GOODMAN abstaining)** Motion is proved.

**WILLIAM HENRY**

Thank you, Councilman.

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**ANTHONY SGRO**

Thank you.

**(END OF DISCUSSION)**

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