

**CITY COUNCIL MEETING OF
November 1, 2006**

VERBATIM TRANSCRIPT ITEM 43a

**DISCUSSION AND POSSIBLE ACTION TO ADD CONDITIONS TO THE 90-DAY
TEMPORARY TAVERN LICENSE HELD BY NEVADA RECEIVERSHIP, LLC, d/b/a
CRAZY HORSE TOO WARD 3 (REESE)**

Appearance List:

OSCAR GOODMAN, Mayor

GARY REESE, Councilman

BRAD JERBIC, City Attorney

STEVE WOLFSON, Councilman

JIM DIFIORE, Manager of Business Services

STEVE CARUSO, Attorney on behalf of Nevada Receivership, LLC

MICHAEL SIGNORELLI

STEVEN ROSS, Councilman

(00:00:00)

Typed by: Lean Coleman

Proofed by: Angela Crolli

**CITY COUNCIL MEETING OF
November 1, 2006**

VERBATIM TRANSCRIPT ITEM 43a

MAYOR GOODMAN

Discussion and possible action to add conditions to the 90-day temporary tavern license held by Nevada Receivership, LLC, doing business as Crazy Horse Too in Ward 3. Based on my prior discussions with the City Attorney's Office, they still advise me that because of my prior relationships involving certain persons involved in the situation that I should abstain. I'm going to follow their advice and abstain and turn it over to the Mayor Pro Tem.

MAYOR PRO TEM REESE

Thank you, Your Honor. I really appreciate Mr. Signorelli and Mr. Caruso attending this meeting here today. I know that were -- supposed to be heard, I think, in 90 days, but I thought it was important enough. And Mr. Jerbic concurred that we need to just make sure, clarify some of those conditions. And Mr. Jerbic, with that, would you

BRAD JERBIC

I'll be happy to you, Mr. Mayor Pro Tem and members of Council, Mr. Caruso and Mr. Signorelli. We'd ask that this item be put back on the agenda just to make absolutely certain what we were trying to accomplish with the conditions that were placed on this temporary license when the Council voted at the last meeting. I think that we stated pretty clearly, in many of our conversations, both here at the Council meeting and individually, that the goal of replacing the old regime at the Crazy Horse Too with Mr. Signorelli, was to make sure there was a complete divorce between Mr. Rizzolo and the individuals that work for him, individuals that were named in the indictment, and the new ownership and management of the club.

The, we thought that we had done that. We've received information afterwards there were other family members that work in other capacities that we hadn't anticipated. As soon as I called Mr. Caruso, to his credit, and Mr. Signorelli, they were immediately removed from the business. But in order to make it absolutely clear that we want that kind of separation between the old and the new, we are recommending a new condition today, which has been provided to Mr. Signorelli and to his-- attorney, Mr. Caruso.

I would like to read it into the record. The new condition that would be added as a Special Condition Number 5 is "No person related by blood or who has ever been related by marriage to

**CITY COUNCIL MEETING OF
November 1, 2006**

VERBATIM TRANSCRIPT ITEM 43a

Rick Federick Rizzolo shall be employed or allowed on the premises of the business". Ill file that with the clerk and submit it to the Council for your consideration.

MAYOR PRO TEM REESE

Thank you, Mr. Jerbic. Councilmembers, are there any questions on what were doing here, on the new addition? Yes?

COUNCILMAN WOLFSON

Mayor Pro Tem, thank you. Could you read that condition one more time, Mr. Jerbic.

BRAD JERBIC

No person related by blood or who was ever related by marriage to Frederick Rizzolo shall be employed or allowed on the premises of the business.

COUNCILMAN WOLFSON

The employed or allowed on the premises seems to be pretty clear, but it doesnt preclude other types of communication or contact, whether it be by telephone or meetings or whatever. Im not sure if we intend to cover that kind of contact or not. But simply by saying not -- employed, I mean, that speaks for itself for not being allowed on the premises, Im not sure if it covers other types of communications that could come up.

BRAD JERBIC

I submitted it to the Councils consideration. If you want to go further, were more than willing to put that kind of language in. The only -- thing I would observe with that kind of language is that, as much as I agree with what you're saying Councilmember, Councilman, is very difficult to monitor telephone conversations. It's very easy to observe if someone is in a club who shouldn't be, if someone is employed who shouldn't be, but we can, we'll be glad to add it if you think it

**CITY COUNCIL MEETING OF
November 1, 2006**

VERBATIM TRANSCRIPT ITEM 43a

COUNCILMAN WOLFSON

I'd certainly appreciate that. One more comment is, who's doing the supervising and the monitoring of these conditions?

BRAD JERBIC

It should be monitored and supervised by our Business Activity Department and the Metropolitan Police Department. I can ask Mr. DiFiore to give you more details as to how that occurs in particular, but Metro has individuals that operate in undercover capacity that enter these clubs all the time, that pose as patrons. We enter the clubs when we think it's necessary to just check and make sure conditions are being observed. Sometimes we get phone calls, we roll on those right away and see if there might be a violation in progress, but I'll ask Jim if he wants to step up and add any more detail to that.

COUNCILMAN WOLFSON

And the reason I bring this up is, it seems to me that, in a briefing I had or otherwise, that it was private citizens who were contacting us and letting us know of potential violations, which is fine and -- we applaud these private citizens for doing what's appropriate. But I just wanted to know what we are doing as a City of Las Vegas.

BRAD JERBIC

Before turning it over to Jim, let me make an observation with your permission, Councilman. The, and I know that Mr. Caruso will, as well, just because we receive complaints doesn't mean that all of them are accurate. We certainly treat them as if they were; we treat them all very seriously. I got a fax from Mr. Caruso yesterday because there was an allegation that a member of Mr. Rizzolo's family, who was given seven days discontinue at the club, was there past the seven days because her car was observed there. And Mr. Sig, Mr. Caruso went into great detail to explain to the City that that car had been sold to an individual who worked there and provided proof of that to us. So, not necessarily, you know, an observation doesn't always mean that somebody's in violation, but Mr. DiFiore can certainly tell you what's being done to enforce these conditions.

**CITY COUNCIL MEETING OF
November 1, 2006**

VERBATIM TRANSCRIPT ITEM 43a

MAYOR PRO TEM REESE

Again, though, I think it was my intent, I wanted there to be no questions over the next three months, when they came back for their hearing then, that I didn't understand. And, this is the time for all of us to -- put out there what we want, what our intent is, and I certainly appreciate Councilman Wolfson's questions. He asked them like an attorney would, so I appreciate that. Mr. DiFiore?

JIM DIFIORE

Mayor and members of the Council, to answer Councilman Wolfson's question, typically, Special Investigations section that we work closely with and my business license officers will make routine inspections of, not only this club, but other clubs here licensed in the City of Las Vegas. And to echo Mr. Jerbics comments, if we get complaints forwarded to our office, we'll have to make a judgment call on whether or not that is an enforceable complaint or that is something that we can look into. And we'll have to deal with those on a case by case basis. We'll deal with Mr. Signorelli and his attorney on this, but we will follow up on anything that we do feel is a substantial nature for us to concern, be concerned with.

COUNCILMAN WOLFSON

And one last comment is, that it's my impression that Mr. Signorelli and Mr. Caruso have been nothing less than a hundred and twenty percent cooperative and reasonable and responsive to all of the City's concerns. Is that

JIM DIFIORE

Absolutely true.

COUNCILMAN WOLFSON

Thank you. Thank you, gentlemen.

**CITY COUNCIL MEETING OF
November 1, 2006**

VERBATIM TRANSCRIPT ITEM 43a

MAYOR PRO TEM REESE

And again, I just want, would you guys like to give us your names and address for the record, please.

STEVE CARUSO

Thank you --, Mayor Pro Tem. Good morning, Mayor Pro Tem and Councilmembers. Steve Caruso, the attorney for Nevada Receivership and Mike Signorelli, and Mike Signorelli is also here.

MICHAEL SIGNORELLI

Michael Signorelli, 308 West Sahara.

MAYOR PRO TEM REESE

Thank you. Are there any questions?

STEVE CARUSO

And no objections to the City Attorneys recommendation.

MAYOR PRO TEM REESE

Thank you very much. Again, I want to thank you for being so cooperative with us. I think its important that you are successful over there, and I know that youre, again, your game plan to get it together, I cant remember which one of you made a comment to me that you kind of thought you were gonna get a turn-key type operation and it didnt turn out that way. So youre having to go in there and pick out your -- top captains and lieutenants and stuff like that. So I -- want to work with you on that. But again though, I really appreciate your cooperation and if theres any questions, any, of our intent, what this City Council wants to do over there, please feel free to call on myself or -- our City Attorney, Mr. Jerbic, cause I think that there shouldnt be, when we have our hearing in three months, if theres any questions, okay?

**CITY COUNCIL MEETING OF
November 1, 2006**

VERBATIM TRANSCRIPT ITEM 43a

STEVE CARUSO

Thank you, Mayor Pro Tem. By the same token, Mike has repeatedly expressed his gratitude with the City Council for being given this chance.

MAYOR PRO TEM REESE

Are there any questions or comments? Mr. Ross, please.

COUNCILMAN ROSS

Thank you, Mayor Pro Tem. Mr. Caruso, Mr. Signorelli, my, actually Mr. Jerbic, my understand (sic) this correctly, there were family members in the establishment since -- he got his new tavern license? Is that --

MAYOR PRO TEM REESE

We -- allowed two to stay there for seven days.

COUNCILMAN ROSS

And I recall that.

MAYOR PRO TEM REESE

Right.

COUNCILMAN ROSS

Two for seven days.

BRAD JERBIC

And I think -- it was right after the hearing that we learned that there were other family members that were there, at least one other family member there working as a bartender. And I believe Mr. Caruso --

**CITY COUNCIL MEETING OF
November 1, 2006**

VERBATIM TRANSCRIPT ITEM 43a

MAYOR PRO TEM REESE

One of them worked in the clerical office or timekeepers office or something --

MAYOR GOODMAN

You know the name of

COUNCILMAN ROSS

And let me ask you this. Did that transition time all work out? I mean, did it work out for you to get to the point you need to be?

STEVE CARUSO

Yeah, we -- did find. Thank you -- for your interest. You know what, the time would have had to been put in anyway. The business is larger than one would think. Currently, I think theres a hundred and fifty-four permanent employees, but you know what, Mike would have been there anyway. Hes practically living there, going home to shower and brush his teeth. So, we said from the start, were willing to do what needed to be done and dont, were not, it was okay --

COUNCILMAN ROSS

Its -- just Im kind of shock to see you guys here again in such a short amount of time since, you know, your promise, Mr. Signorelli to this Council and to this community about the way youre gonna run this business in the future. Very important to -- me, anyway, that, you know, its done on the up and up. Again, Ill repeat, these liquor licenses are golden licenses that the City provides and we want you to be a successful business person. But at the same time, youre back again on certain conditions, and Im just concerned about that.

MICHAEL SIGNORELLI

Let me just respond by, and if Im, please Mr. DiFiore or Mr. Jerbic or anyone, Im -- not back here because I did something that I didnt live up t o. When I go into a facility like this, and I go down a work list, and I dont see the last name being that, its very difficult to find out whos related and whos not, very candidly, and I sit there hours and hours in trying to find out whos on

**CITY COUNCIL MEETING OF
November 1, 2006**

VERBATIM TRANSCRIPT ITEM 43a

first base, whos on second. So, actually, I sort of called the City, and Mr. DiFiore, hell know himself, I contacted him myself and said, I may need some help. So, I actually called and asked for whats happening today in a -- semi way, myself, just so you know that. So, its not a problem I committed, (inaudible) if Im incorrect, please tell me. So, its not for that reason just so you know, I was just, I was trying to ask for help to make sure were doing it correctly.

COUNCILMAN ROSS

I appreciate that, Mayor Pro Tem, if I may. I appreciate your explanation Mr. Signorelli. I was going to ask you for one anyway, but I think your committment is firm to this Council and to this community to -- do the right thing. And it sounds like youre heading in that direction. Mr. Jerbic, am I to understand, that if within 90 days, I know Councilmember bring this up again, their license just expires by law, is that correct?

BRAD JERBIC

Thats correct.

COUNCILMAN ROSS

Their temporary license expires by law?

BRAD JERBIC

Thats correct. It takes affirmative action by the Council to continue, for this visit to continue past the 90 day license.

COUNCILMAN ROSS

So, in light of that, you know, Im sure youre having the challenge making sure whos on first base and whos doing what, but please, again, recommit yourself to making those significant changes to, at that location. Id -- appreciate that. Thank you, Mayor Pro Tem.

**CITY COUNCIL MEETING OF
November 1, 2006**

VERBATIM TRANSCRIPT ITEM 43a

MAYOR PRO TEM REESE

Thank you. Any other questions or comments? Alright, Id move to add that condition Mr. Jerbic read to us. Any questions on that -- condition? Then Ill make a motion to follow Mr. Jerbics recommendation. Youve heard the motion. Please cast your votes. Please post. (Motion carried unanimously with Goodman abstaining). Motion carries. Thank you.

MICHAEL SIGNORELLI

Thanks very much.

MAYOR GOODMAN

Good luck to you all.

(END OF DISCUSSION)

/lc;ac