

CITY COUNCIL MEETING OF
January 17, 2007
VERBATIM TRANSCRIPT – ITEM 51

1 **Discussion and possible action regarding a Three Month Review of a Tavern License,**
2 **Nevada Receivership, LLC, dba Crazy Horse Too, 2476 Industrial Road, Michael J.**
3 **Signorelli, Managing Mmbr, 100% - Ward 3 (Reese)**

4

5 **APPEARANCE LIST:**

6 OSCAR GOODMAN, Mayor

7 GARY REESE, Mayor Pro Tem

8 MARK VINCENT, Director of Finance and Business Services

9 BRAD JERBIC, City Attorney

10 LOIS TARKANIAN, Councilwoman

11 STEVE WOLFSON, Councilman

12 JAY BROWN, 520 South Fourth Street

13 MIKE SIGNORELLI, Applicant

14 CHARLES PLATT, Financial Consultant, 115 Washington Place West, Number 19, New York

15 STEVEN ROSS, Councilman

16 LARRY BROWN, Councilman

17 LAWRENCE WEEKLY, Councilman

18

19 39 minutes

20

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23 **MAYOR GOODMAN**

24 Item 51 is discussion and possible action regarding a three-month review of a tavern license,
25 Nevada Receivership, LLC, doing business as Crazy Horse Too, 2476 Industrial Road, Michael
26 Signorelli, Managing Member. This is in Ward 3. I see Mr. Brown is representing Mr.
27 Signorelli. Because I have an ownership in a business with Mr. Brown on West Charleston, I'm
28 gonna have to abstain from this.

29

30 **MAYOR PRO TEM REESE**

31 Make sure you abstain for other reasons.

32

33 **MAYOR GOODMAN**

34 And I abstained for other reasons before. I'll incorporate those in the record as well, as to
35 relationships with my former law office. All right.

36

37 **MAYOR PRO TEM REESE**

38 Thank you, Mayor. Mr. Jerbic or Mark.

39

40 **MARK VINCENT**

41 Just wanna mention, Mayor Pro Tem, that Mr. Jerbic and I met with Mr. Brown, Mr. Signorelli
42 yesterday. And I'm gonna turn over this part of this presentation to Mr. –

43

44 **MAYOR PRO TEM REESE**

45 You're not gonna bring Ms. Meyers up here to help you?

46

47 **MARK VINCENT**

48 I need all the help I can get today. Thank you.

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49 **BRAD JERBIC**

50 Well, I'm pitching in for Mr. DiFiore, Metropolitan Police Department, and Mr. Vincent at this
51 point in time. Let me, by way of history, let you know that we were last here in November, but
52 the original temporary license was granted by this Council on October 18, 2006, after
53 considerable debate and after the imposition of four special conditions, in addition to the
54 standard conditions, on that temporary license. We came back before the Council November
55 first of 2006, and added a fifth special condition to that temporary license. That temporary
56 license expires tomorrow night at midnight.

57 This Council has three choices today. One choice is to not grant an additional temporary or
58 permanent license, in which case the club just closes tomorrow. Another choice is to grant a
59 permanent. And a third choice is to grant an additional temporary license.

60 Under our Code, this Council can only grant two temporary licenses and no more. So if a
61 temporary license is considered today, understand it is the last opportunity to grant a temporary
62 license and it cannot exceed six months, although it can be for a period of time less than that.

63 Having met with the Las Vegas Metropolitan Police Department and the Department of Finance
64 and Business Services, we knew three months ago it was not likely that Metro would complete
65 their background investigation and have a written report by the time of this meeting and that was
66 accurate. Metro has worked very diligently on this. They have gathered considerable evidence,
67 not to suggest that it – cuts one way or the other, but that they – have not finished this report at
68 this point in time and they are gonna need more time to finish it. Based on the fact that there is
69 not written report, there will be no recommendation for a permanent license at this point in time.

70 The, so the two choices, that I think the Council has realistically is to grant another temporary to
71 give Metro an opportunity to complete that report and present those written facts to the Council
72 with any areas of concerns that remain areas of concern. Or to not take any action, which, in
73 which case the club would close at this point in time.

74 Let me let you know that based on a conversation yesterday with Mr. Signorelli, who has made
75 himself available every time we've asked him to, and his new attorney, Mr. Brown, and the Las
76 Vegas Metropolitan Police Department, there exists five areas, specifically, and I'm not gonna

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77 limit Metro to these five areas, but I've been asked to just briefly summarize the areas that
78 they're gonna be looking at before this report is finally prepared.

79

80 **MAYOR PRO TEM REESE**

81 Please do.

82

83 **BRAD JERBIC**

84 One is questions exist regarding incomplete lease payments made during the last three months to
85 the landlord. Of two: possible communication by the prior owner regarding club operations
86 with the prior owner. Three: the tipping of cab drivers for patrons. Four: employment of an
87 individual related to a defendant and the federal lawsuit. And five: possible illegal use of a
88 merchant account during initial few weeks of operation by the club, by Mr. Signorelli or his –
89 employees. Let me say that, having said that, that's not to say that at the end of the report any of
90 those are gonna be necessarily true or untrue, but those are areas of concern right now that exist
91 that Metro needs to work out. With that, I'll submit it to the Council and I'll be glad to answer
92 any questions that you have.

93

94 **MAYOR PRO TEM REESE**

95 Before we open it up for questions, I just have a couple comments that I want to, I think, put on
96 the record. It really bothers me, number one, when Mr. Signorelli admitted that, to Mr. DiFiore
97 that he's not paying his \$400,000 a month to Mr. Rizzolo. I think it's been stated he's only paid
98 approximately \$312,000 for the three months. That's a lot less than 12,000 –

99

100 **BRAD JERBIC**

101 One point two million.

102

103 **MAYOR PRO TEM REESE**

104 One point two million, yes, that he owes. And the other one that really bothers me is, is after
105 we've had him in before, he allowed Mister, appears his wife, to go to work at the Crazy Horse.

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106 It just makes no sense to me why he would jeopardize this license, if he's honest and sincere, and
107 wants to buy this, why he would allow something like that to happen. And again, I am
108 concerned also about what he admitted to, it was the first two or three weeks he was in operation,
109 when somebody put a card in there that it went right to Mr. Rizzolo's bank account. I – any,
110 anybody's that's been in business before, would know that shouldn't have happened. It, I don't
111 – understand at all. That's one thing that I really want to – bring out. I think it's important that
112 we understand why this happened. Are there any other questions from the Councilmembers at
113 this time?

114

115 **COUNCILWOMAN TARKANIAN**

116 No, but I think those questions you're bringing forth are very important.

117

118 **MAYOR PRO TEM REESE**

119 Thank you.

120

121 **BRAD JERBIC**

122 If I could –

123

124 **MAYOR PRO TEM REESE**

125 Yes.

126

127 **BRAD JERBIC**

128 – Mr. Mayor Pro Tem. If there is a motion to grant a second temporary license, I do have a
129 recommendation for a couple of additional conditions that could be imposed.

130

131 **MAYOR PRO TEM REESE**

132 Okay. I – want to read on record here. It's this liquor, our con – liquor control chapter is an
133 exercise of the regulatory powers delegated to the City Council, pursuant to the City Charter.
134 The regulations contained in this chapter involve, to the highest degree, the economic, social,

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135 fiscal and moral wellbeing of the residents and taxpayers of the City. The sale or other
136 disposition of alcoholic beverage is not a matter of right, but of privilege, which would otherwise
137 be unlawful if it were not exercised pursuant – to a license. This privilege may be denied,
138 revoked, conditioned, suspended or subjected to any other disciplinary action by the City in the
139 exercise of its policy powers, police powers for the protection of the safety, welfare, health,
140 peace and morals of the residents and taxpayers. I think that’s very important. This here is
141 something that I don’t think this Council has ever taken lightly since the, on the 12 years I’ve
142 been here. And I understand, you know, the amount of money that’s being talked about to buy
143 this – location. But I just want the applicant to know, that we are very serious here, that this is –
144 it’s not an act of frustration for me. I take this very serious and I just want you to know that
145 things like this, especially after we’ve had many, many, many warnings about the action that we
146 have over at this – location. Mr. Brown, if there’s no other questions or comments at this time I
147 will allow you to present your case.

148

149 **COUNCILMAN WOLFSON**

150 I would like to –

151

152 **MAYOR PRO TEM REESE**

153 Okay. I’m sorry. Sorry.

154

155 **COUNCILMAN WOLFSON**

156 Thank you –

157

158 **MAYOR PRO TEM REESE**

159 Yes.

160

161 **COUNCILMAN WOLFSON**

162 – Mayor Pro Tem Reese. Just a couple of observations, again. I’m – working off notes I have,
163 Mr. Signorelli and Mr. Brown, and one of those notes talks about Mr. Signorelli paying monies

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164 to taxi cab drivers who brought customers to the Crazy Horse Too and that these are significant
165 sums of money that are allegedly being paid to taxi cab drivers. And then there's a statement
166 about whether you thought or didn't think it was contrary to law. Well, I'd like to get it out in
167 the open right now. Is it or is it not against the law to pay taxi cab drivers cash to bring
168 customers to your establishment?

169

170 **MAYOR PRO TEM REESE**

171 I – would just like to add a little bit to that, before this is answered. As far as I know, it is
172 against the law. I – believe that this industry went together and said, okay, we won't do this
173 anymore. And they kinda formed a pact. And I don't know whether they – signed it in blood or
174 not. But they said we won't do this anymore. I believe one of the – group went astray and
175 started paying the cab company again. And so I think this here forced each one of these
176 businesses to do this. But it's not only in this industry, it's also in the wedding chapel industry,
177 whether they do this. I don't know how we can control that. I don't know whether that, how
178 justified we are, looking that issue here. I would ask Mr. Jerbic to – please bring that to our
179 light. I – don't know, you know, whether, we can't, it is against the law to do that. But I guess
180 to be competitive, they – do pay it, right?

181

182 **BRAD JERBIC**

183 Well, let me say that we visited this issue several times over the years since I've been City
184 Attorney and actually met with the cast, Taxi Cab Authority regarding this issue. They have
185 always opined that it has been illegal for a club owner or business owner to pay a gratuity or –
186 some kind of fee to a cab driver to bring a patron to their business. A big problem in the industry
187 has been the lack of – enforcement 'cause there's too few people that work for the Taxi Cab
188 Authority, in the enforcement business, to police it. Now, having said that, yesterday when I met
189 Mr. Brown, Mr. Brown's a fine attorney, indicated that there have been some recent changes to
190 that law. I'm unaware of those changes.

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191 **JAY BROWN**

192 I – didn't say there were any changes to that law.

193

194 **BRAD JERBIC**

195 Oh, I'm sorry. Then I – misspoke. I – have not reviewed the law very recently, but the last I
196 reviewed it, it has been illegal and every time I've had a discussion about that, it has been
197 prohibited by State law.

198

199 **COUNCILMAN WOLFSON**

200 Well, what I'd like to say –

201

202 **MAYOR PRO TEM REESE**

203 Yeah, you bet.

204

205 **COUNCILMAN WOLFSON**

206 With your permission, Mayor Pro Tem, is let's get the law straight.

207

208 **JAY BROWN**

209 I agree with you, Council –

210

211 **COUNCILMAN WOLFSON**

212 Today. I mean, you're operating a business today as we speak. Are we not, Mr. Signorelli?
213 Well, I'd like your attorney to advise you based upon what the status of the law is today. If it's
214 against the law, my advice is don't do it. And if you're doing it, you're breaking the law. That's
215 not gonna sit well with me.

216

217 **JAY BROWN**

218 Can I respond to that, Mr. Wolfson?

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219 **COUNCILMAN WOLFSON**

220 Sure.

221

222 **JAY BROWN**

223 Do you wanna go through your list first? Whatever's your –

224

225 **COUNCILMAN WOLFSON**

226 No. Let's do 'em –

227

228 **JAY BROWN**

229 – you have your pleasure.

230

231 **COUNCILMAN WOLFSON**

232 Let's do 'em one by one.

233

234 **JAY BROWN**

235 Okay. Pleasure. Jay Brown, 520 South Fourth Street, representing the applicant. The
236 applicant's also present. First of all, Mr. Signorelli's in a very difficult position, period, and this
237 exasperates him, unintentionally. In this community, and let's not talk about his business, if you
238 don't mind. In this community, for too many years to discuss, adult cabarets pay significant
239 dollars to cab drivers. Okay. Significant. Okay. If you told me it was 10, 20 million a month,
240 you wouldn't surprise me. That's how significant we're talking about. Okay. If right now, we
241 distinguish – Mr. Signorelli from everybody else, he's out of business. Okay. Let's assume it is
242 against the law and I'm not making that assumption, I'm gonna give you, I'm gonna take the
243 County's position on this in a moment. If you, so why hasn't it been enforced, you know, all this
244 period of time. If – right now, he does something that's different, he's gonna pay the price.
245 Starting off in a new business, it's unfair to put the further burdens of starting out a new business
246 on this gentleman. So –

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247 **COUNCILMAN WOLFSON**

248 I'm sorry. I'm sorry, Mr. Brown. I disagree with that. I – agree that it may be going on. You
249 know, I've been in town 26 years. I've heard it forever and I agree that to be competitive that
250 the – folks, the business owners in this industry are doing this. But that doesn't make it right.

251

252 **JAY BROWN**

253 I – didn't –

254

255 **COUNCILMAN WOLFSON**

256 And Mr. Signorelli chose to get into this business, hopefully with his eyes open, and just because
257 he's new in the business and struggling to make it work, doesn't mean that he should be allowed
258 to break the law, even though others are doing it. We're not talking about others today. If –
259 enforcement is lacking, then that's another subject, another day. What I'm talking about is that
260 if the law says it's against the law, then he shouldn't be doing it.

261

262 **JAY BROWN**

263 Again, I'm not sure the law –

264

265 **COUNCILMAN WOLFSON**

266 Okay.

267

268 **JAY BROWN**

269 Okay.

270

271 **COUNCILMAN WOLFSON**

272 Neither am I.

273

274 **JAY BROWN**

275 In the County –

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276 **MAYOR PRO TEM REESE**

277 It is. It's against the law.

278

279 **JAY BROWN**

280 In the County, when this came up, okay, and they, the business director wanted me to put more
281 strength into this law to enforce it, the County chose, you know, not to – change the law and, in
282 fact, to let this, to – not make this, you know, unlawful. Okay. At least that's my understanding.
283 Stand corrected, but I think that's the case. In – any event, you know, it's – not my position here
284 to argue this and the last thing I wanna do is – get in, be – contentious with you. But it is very,
285 very difficult for him to proceed if everybody else in the industry is proceeding differently.
286 That's all.

287

288 **COUNCILMAN WOLFSON**

289 I understand that. What I'm gonna ask of – Mr. Jerbic and yourself, Mr. Brown, is to do a little
290 legal research on this.

291

292 **JAY BROWN**

293 Fair enough.

294

295 **COUNCILMAN WOLFSON**

296 This is not a sophisticated thing.

297

298 **BRAD JERBIC**

299 Right.

300

301 **JAY BROWN**

302 Fair enough.

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303 **COUNCILMAN WOLFSON**

304 Do a little legal research. Have a conversation so that your client can be accurately advised as to
305 what the law is and what the law isn't.

306

307 **JAY BROWN**

308 Fair enough.

309

310 **COUNCILMAN WOLFSON**

311 Secondly, with regard to the credit card charges that were placed on the Crazy Horse merchant
312 account, I mean, I'm sorry, Mr. Signorelli, but this is business 101. This is a merchant account
313 that apparently, I'm led to believe, that you, well, let me just finish. If I'm wrong, I'm wrong.
314 You – basically used the merchant account of the previous owner for a few weeks, and then
315 realized that you were using Mr. Rizzolo's corporation's merchant account and then changed it
316 over to your account. Is that right or wrong?

317

318 **MIKE SIGNORELLI**

319 Yes and –

320

321 **MAYOR PRO TEM REESE**

322 We – need you –

323

324 **MIKE SIGNORELLI**

325 I –

326

327 **MAYOR PRO TEM REESE**

328 – to go to the microphone.

329

330 **MIKE SIGNORELLI**

331 Oh, okay.

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332 **COUNCILMAN WOLFSON**

333 You know, and perhaps your –

334

335 **MIKE SIGNORELLI**

336 Yeah.

337

338 **COUNCILMAN WOLFSON**

339 Mr. – Brown should answer. I don't know.

340

341 **MIKE SIGNORELLI**

342 No. Well, I'd – answer if I could.

343

344 **MAYOR PRO TEM REESE**

345 We – need your name for the record, please.

346

347 **MIKE SIGNORELLI**

348 Oh, Mike Signorelli, 308 West Sahara. I'd like to have my – associate, Mr. Platt, to handle that
349 issue, address this because it will explain that. I think it will make it clearer because I can
350 understand your concern, but also wanna have you understand what really happened.

351

352 **COUNCILMAN WOLFSON**

353 Sure.

354

355 **MIKE SIGNORELLI**

356 And accurate, but I wanna what happened.

357

358 **COUNCILMAN WOLFSON**

359 Sure.

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360 **CHARLES PLATT**

361 Hi. Good morning, members of Council. My name is Charles Platt. My address is 115
362 Washington Place West, Number 19, New York, New York. I'm a business associate of Mike
363 Signorelli. I've been helping with him at the Crazy Horse as a financial consultant to the
364 business. When we first went into the Crazy Horse when it opened, one of our orders of
365 business was to find out how the – cash was flowing around the property, where all the accounts
366 were and how funds were deposited into those accounts. For, one of the first things we did was
367 to take a look at the merchant accounts. The merchant accounts do take about two to three
368 weeks to transfer ownership. And that was one of the first things that we did was to start the
369 process of transferring ownership so funds would be deposited into the Nevada Receivership
370 accounts instead of the Power Company accounts. During that time, we would not have been
371 able to accept any credit card transactions for bar purchases or otherwise.

372

373 **COUNCILMAN WOLFSON**

374 What you're telling me, then, is rather than obtain your own new merchant account, there was
375 just a transfer of ownership of the existing accounts.

376

377 **CHARLES PLATT**

378 What they do is they will transfer where the funds are deposited. We had to get authorization
379 and approval from the merchant to redeposit funds, an authorization that funds will be deposited
380 into Nevada Receivership instead of the Power Company. To establish our own merchant
381 accounts, it actually would have taken a little bit longer than the two to three weeks –

382

383 **COUNCILMAN WOLFSON**

384 Okay.

385

386 **CHARLES PLATT**

387 So under the recommendation of Innovative, which is our merchant processor, they
388 recommended that we get approval from the Power Company and begin the process of just

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389 transferring where the funds will be deposited. Now we are the full owner now, currently, of
390 those merchant accounts.

391

392 **COUNCILMAN WOLFSON**

393 Let me ask you this. I'm sure that there were letters or communications between your business
394 and this merchant account, et cet (sic), or the bank, evidencing what you just told me.

395

396 **CHARLES PLATT**

397 Absolutely.

398

399 **COUNCILMAN WOLFSON**

400 If that's the case, you supply them over to Metro. It's an easy answer and it's a non-issue. I'm
401 just talking about the information I get just raises flags.

402

403 **CHARLES PLATT**

404 I understand.

405

406 **COUNCILMAN WOLFSON**

407 That's what I'm talking about. But it sounds like a pretty sensible explanation.

408

409 **CHARLES PLATT**

410 Thank you.

411

412 **BRAD JERBIC**

413 If I could, Mister, or Councilman Wolfson, I just talked to Metropolitan Police Department. If –
414 you're from New York, and I know you're probably on a short time line, they would love to
415 speak to you as soon as the meeting's over with –

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416 **CHARLES PLATT**

417 Absolutely.

418

419 **BRAD JERBIC**

420 – or the morning session.

421

422 **MAYOR PRO TEM REESE**

423 Thank you.

424

425 **JAY BROWN**

426 Can I correct one thing I said earlier? I don't want to quantify that number, the – cab numbers is
427 millions of dollars though, a month, whether it's one, two, ten. I don't want to quantify it. But
428 it's serious money.

429

430 **MAYOR PRO TEM REESE**

431 That's fine. We have a representative from Metro in the office, or in the office, in the meeting
432 here today. I think they they understand the five areas of concern that we have. Are there any
433 other questions of the Councilmembers at this time? I think we can go on and on and on and on.
434 I'm ready, through our Attorney, to make a motion at this time.

435

436 **COUNCILMAN ROSS**

437 Your Honor.

438

439 **MAYOR PRO TEM REESE**

440 Yes, please.

441

442 **COUNCILMAN ROSS**

443 Before you, if that's the case, if you'd allow me to remind Mr. Signorelli of the last time we
444 were in this Council meeting, regarding your license. As with you, on the item prior to this item

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445 that came up on the agenda, Mr. Signorelli, you committed to this Council to make sure this
446 operation is run correctly within the means of the law. And, as far as I'm concerned, as
447 Councilman Wolfson has pointed out, I, it's kinda indicated to me that you're running this
448 business outside the law, in regards to the taxi cab drivers. This is a global issue, in regards to
449 the City and the County. This is not just you. It affects everybody, as Mr. Brown's pointed out.
450 This is an industry-wide challenge. If that's the case, then the laws need to be relooked (sic) at
451 or enforcement needs to take place globally, throughout this entire community. I just wanna
452 remind you, again, the significant importance of this license for your business to operate. As I,
453 listening to the Councilman and Mr. Brown's comments, I have, I can't help but look at you and
454 ask why on earth would you wanna take this behemoth on. It doesn't appear that you're making
455 any money right now and you're behind in payments already. It – gives me great comfort to
456 know that you've got some financial people behind you, obviously, that are here to help and
457 point you in the right direction. I recognize there's a transition period as well. I recognize and
458 that was Mr. Sax's (sic) explanation of the merchant account changeover. Two or three weeks,
459 that sounds reasonable to me as well. But you've got to prove to this Council and prove to this
460 community that you can run this business within the means of the law. I certainly would not like
461 to see you up here again. I kinda like this to, I don't want to see this anymore. I'm kinda
462 frustrated because of it. But I just wanna remind you again of your commitment to this Council
463 and to me at the last time you were at this – meeting, of operating this business correctly.

464

465 **MAYOR PRO TEM REESE**

466 Thank you.

467

468 **MIKE SIGNORELLI**

469 I – need to address this because that's something, I'm pretty proud of my, I'm very proud of my
470 reputation and I – take those comments very strongly and I think they're – already responded to,
471 but I think you're right. And you are right. And I don't think I have intentionally, for lack of a
472 better word, tried to do anything illegal or knew I was doing anything illegal. The ignorance of
473 the law is no excuse. I understand that. And I'm not gonna go any further on that comment and

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474 impact my business or the rest of this community and all the people in this business. But I've
475 done what I thought was correct and legal, with the advice of a lot of other people, whose names
476 I will not mention today. I said, "Are you sure I can do this?" And I'm not stupid and I'm very
477 proud of what I've done. I've never done anything illegal probably than a parking ticket in my
478 life. And if I was taking this challenge on, I've had many second thoughts. You're absolutely
479 right. And I know my local Walgreens store is out of Pepto-Bismol, I can tell you that. And, but
480 this City Council has been very good to me, Mr. Reese, everybody here has been fair, and
481 Metropolitan Police Department, no one has not been unfair to me here at this – in this whole
482 room. So, you know, I – feel I can close this deal and make it a real estate transaction, which is
483 what I started with and which is what it's gonna be at the end of the day. It may or may not be a
484 club at the end of the day, a couple years from now, but – I have to finish it this way, to finish it
485 up. And, it – just something that isn't easy to do. And I – might have bitten off more than I
486 thought I was chewing, I could chew. But I know I can complete the deal or else I wouldn't
487 wanna continue. And I'd just say to you, "You know what, I think it's best that we just call it
488 quits today." And I'd recommend that to Mr. Reese, who I respect. But I know I can get the deal
489 done. It's not the largest transaction I've ever done. It's a small one and compared to things
490 I've done in the past, but it needs to get done and needs to be put to bed. And that's all I can say,
491 other than the fact that I'm trying to do the best I can and I – try to do things as honestly as
492 possible. And I swear to God that's all I can tell you.

493

494 **MAYOR PRO TEM REESE**

495 Thank you.

496

497 **COUNCILMAN ROSS**

498 Thank you, Your Honor.

499

500 **MAYOR PRO TEM REESE**

501 Any other comments.

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502 **COUNCILWOMAN TARKANIAN**

503 Mister –

504

505 **MAYOR PRO TEM REESE**

506 I – if I could, ma'am. Brad, could we talk just for a minute over this lawsuit that has been filed
507 against this applicant – here. I don't wanna make it a big deal at this time, but I do wanna put it
508 on the record that we have received it, copy of the – lawsuit. I don't know that, again, how much
509 we can talk about it. I'd – just allow you to say a few words if you like so that fellows back there
510 in the back understand that we do have this lawsuit.

511

512 **BRAD JERBIC**

513 There has been a civil case filed, Mr. Mayor Pro Tem and members of the Council. That lawsuit
514 makes a general allegation that a – fellow in Florida was allegedly a buyer ahead of Mr.
515 Signorelli and he feels that he didn't get the deal that he expected when Mr. Signorelli made the
516 deal with Mr. Rizzolo. And, therefore, he's filed a lawsuit alleging several different causes of
517 action, including specific performance. In other words, he wants the property still, for the price
518 he feels he bargained for. Again, these are just allegations in a lawsuit. We don't know if any of
519 it's true and that's why we have courts and judges.

520

521 **MAYOR PRO TEM REESE**

522 Thank you.

523

524 **COUNCILMAN WOLFSON**

525 Mayor Pro Tem.

526

527 **MAYOR PRO TEM REESE**

528 Yes.

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529 **COUNCILMAN WOLFSON**

530 Just on that subject.

531

532 **MAYOR PRO TEM REESE**

533 Just, Councilwoman, wanna make a comment.

534

535 **COUNCILWOMAN TARKANIAN**

536 That's all right. Go ahead. I'll go next.

537

538 **MAYOR PRO TEM REESE**

539 Okay. Thank you.

540

541 **COUNCILMAN WOLFSON**

542 Thank you, Councilman. Just because it's on the same subject, I just want, I think it's
543 appropriate that this gentleman who is the plaintiff in this lawsuit, I think his last name is
544 pronounced Caralious, or something like that, came into see me yesterday. And we sat down
545 briefly with you, Mr. Jerbic, and Mr. Henry, but because he's represented by counsel and his
546 counsel didn't give us the authority to speak with him without his counsel being present, we told
547 him that we wouldn't speak with him about anything substantively about his lawsuit. We did
548 invite him to come to the Council meeting today, if he wanted to speak, subject to you, Mayor
549 Pro Tem –

550

551 **MAYOR PRO TEM REESE**

552 I –

553

554 **COUNCILMAN WOLFSON**

555 You're welcome to do so –

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556 **MAYOR PRO TEM REESE**

557 No – I don't wanna hear –

558

559 **COUNCILMAN WOLFSON**

560 Well, I – just said that we invited him. I don't even know if he's here. But I just wanted to go
561 on the record that he has made contact with me.

562

563 **BRAD JERBIC**

564 Right. And I could follow up with that and let you know that we called Mr. Cook, his counsel,
565 and I made him aware of the contact that we had yesterday and he appreciated that.

566

567 **MAYOR PRO TEM REESE**

568 Thank you. Councilwoman Tarkanian, please.

569

570 **COUNCILWOMAN TARKANIAN**

571 How much longer will it be before Metro can finish their report?

572

573 **BRAD JERBIC**

574 I, I've spoken with Metro and I know that they're gonna need at least a month and – in a way, it
575 sorta depends on what the facts are. If it turns up that they get into something that needs a little
576 more follow-up, it's gonna take longer. But I – think that, on the outside, 90 days should be
577 enough to – button it up and it could be a lot less than that.

578

579 **COUNCILWOMAN TARKANIAN**

580 I think that a lot of questions have been raised that need answers. I also understand the problem
581 with the paying people to bring customers to the adult businesses. And you're caught in a bind
582 right there. But I'm very concerned about all this other that we have here. I feel that I would
583 make the better decision if I could have the police report. And so I would, I – go on record as
584 saying that bedtime's gonna come. It's gonna come. And it would come as far as what Mister,

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585 Councilman Reese feels would be the time that we allow. I don't think that we should allow a
586 long time. I think it should be a short time, but we should allow a time that we are able to get the
587 full information from Metro. It's difficult for us up here. We're not the experts. We need to
588 have our experts in that area, Metro, provide us with additional information because these are
589 grave concerns. Thank you.

590

591 **MAYOR PRO TEM REESE**

592 Thank you, ma'am. Yes, Councilman Brown.

593

594 **COUNCILMAN BROWN**

595 I'd just like to follow-up with the issue as far as the Metro investigation. Mr. Jerbic, if you could
596 just clarify. Metro, be it 30 days or 90 days, if a motion is made towards one of your options, as
597 far as a second temporary license, if we choose that point in time and it comes back to us, we
598 have no options beyond that. Whether–

599

600 **MAYOR PRO TEM REESE**

601 No.

602

603 **COUNCILMAN BROWN**

604 – Metro couldn't fulfill the investigation, whether Mister, or the applicant, was sick or people
605 were out of town, we have no options at that second point of time.

606

607 **BRAD JERBIC**

608 That's correct. Your only options at the expiration of a second temporary license will be to grant
609 a permanent or let the business close.

610

611 **COUNCILMAN BROWN**

612 Okay.

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613 **BRAD JERBIC**

614 I should say let the liquor license expire which, obviously, would have significant impact on the
615 business.

616

617 **COUNCILMAN BROWN**

618 I would just offer, then, from my perspective, the applicant has chosen in, to make this
619 transaction, and certainly your background, your statements last time and today, lead me to
620 believe that your intentions are good. But at the end of the day, you're under scrutiny. You are
621 under the microscope, be it with tipping cabs or other business practices in the City and the
622 County, or the host of issues that have been raised. I don't think we can judge your taking over
623 this business, compared to what the industry is doing. You're taking over this business in a very
624 precarious situation where we are looking specifically at you, your background, your financial
625 consultant, your business operation. And I just really wanna make that clear, that you are been
626 (sic), you've been pulled from the industry and, from the Council's perspective, put under that
627 microscope. And perhaps some things that have happened in the past at this business or other
628 similar businesses may have gone by the wayside, or have been ignored, or have been accepted.
629 But I just feel it's important to let you know that when Metro's report is finished, it's going to, at
630 least from my perspective, be their recommendations, their analysis on you taking over this
631 business with very little comparison to what everyone else is doing. And I just, again,
632 emphasize that whatever date we pick, as far as a timeline, we make sure that Metro and the City
633 feel comfortable that a very thorough investigation can be performed and answer all the
634 questions that certainly have been raised at the last hearing and the hearing today.

635

636 **BRAD JERBIC**

637 If I could, on that note, Councilman, if – I – if the police department were up here, they'd
638 probably tell you the more time, obviously, the better. And at the same time, because of the
639 areas of concern, and the desire to wrap this up, you know, there's obviously some impetus to do
640 it in less time. I think if the police department had a month or two, obviously you're gonna get a
641 report, you're gonna get a more complete report with every amount of time you add to that, so

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642 give ‘em 30 days, you’re gonna get this kind of report. Give ‘em 90 days, you’re gonna get a –
643 pretty thorough report. You go up to six months, you might even get more. I don’t know.

644

645 **MAYOR PRO TEM REESE**

646 Well –

647

648 **COUNCILMAN BROWN**

649 My only concern, Mayor Pro Tem, my only concern is that past history has shown that at times,
650 when we set that date, it comes back and the comments are made, if we had more time, we
651 couldn’t get hold of – financial group in New York, or this and that. I don’t want that to happen.
652 I – wanna try to make sure that Metro’s given the opportunity to do a thorough investigation so
653 if, in fact, at one month or 90 days or six months, it comes back and the applicant or the City or
654 Metro says we didn’t have enough time, or we are unable to, whatever the case may be, it’s
655 done.

656

657 **BRAD JERBIC**

658 Right.

659

660 **COUNCILMAN BROWN**

661 We have no options at that point as far as additional time being granted. It’s either or at that
662 point.

663

664 **BRAD JERBIC**

665 Right.

666

667 **MAYOR PRO TEM REESE**

668 Council –

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669 **BRAD JERBIC**

670 I think it's well understood.

671

672 **MAYOR PRO TEM REESE**

673 Councilman Weekly, please

674

675 **COUNCILMAN WEEKLY**

676 Thank you very much, Mayor Pro Tem. I'd like to ask Mr. Signorelli or his counsel, Attorney

677 Brown, let me ask you a quick question, please. I'm listening to a lot of the issues that have

678 been raised, what type of, I guess, for my – own understanding, corrective actions are you all

679 taking. If you had to put them in order of priority because I mean, there, as has been pointed out

680 today, there have been several flags that have been raised. And I, you know, can appreciate all

681 the comments that have been made up here today, but what kind of order have we put these

682 priorities in, if you will.

683

684 **MIKE SIGNORELLI**

685 They have been corrected.

686

687 **JAY BROWN**

688 You can respond.

689

690 **COUNCILMAN WEEKLY**

691 Because I think that's really important to know –

692

693 **MIKE SIGNORELLI**

694 Right.

695

696 **COUNCILMAN WEEKLY**

697 – Mr. Signorelli.

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698 **MIKE SIGNORELLI**

699 Any, Councilman Weekly, those are great com, great question. Everything other than the taxi
700 situation when I, which I will address when I get back to the office, has been handled already,
701 period.

702

703 **MAYOR PRO TEM REESE**

704 The rent.

705

706 **MIKE SIGNORELLI**

707 Except for the rent which is, was modified because of that. That was the only reason it was
708 modified. And that will stay as that, unless the business can be changed due to increase. But an
709 amount of money being paid is not negligible. It's over 26,000 a week, every week, on time. And
710 that's what it is right now. It's a significant amount of money, based on what the business is
711 doing. So, there's no profit being taken out by – me at all, not on the dollar. So, but, if I was,
712 the things being taken care of. We have, anything that needs to be addressed has been addressed.
713 Anything else will be addressed in the next 24 to 48 hours.

714

715 **COUNCILMAN WEEKLY**

716 I see. And I'll – be, I guess I'm interested in hearing the recommendation from Mayor Pro Tem

717 –

718

719 **JAY BROWN**

720 Can –

721

722 **COUNCILMAN WEEKLY**

723 – and I'll support his motion here today. But I'd like to ask Attorney Jerbic, Councilman
724 Wolfson asked that you and Attorney Brown get together to talk about the taxi cab issue here. Is
725 this something in the report, a future report, that you would be bringing back before this Council,
726 to present to the public as well?

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727 **BRAD JERBIC**

728 I can relay any way you please. I can brief you individually, I can send you a memo or when we
729 come back for the licensing, at whatever time you give. If you give a temporary today, we can
730 discuss it then, however you wanna do it.

731

732 **COUNCILMAN WEEKLY**

733 Councilman Wolfson –

734

735 **MAYOR PRO TEM REESE**

736 Well, I –

737

738 **COUNCILMAN WEEKLY**

739 – was – that a request made to have something presently publicly, or was that just for –

740

741 **COUNCILMAN WOLFSON**

742 It was primarily, thank you, Councilman Weekly. It was primarily for the edification of Mr.
743 Signorelli but, at the same time, I think it's a good idea. I – do wanna know the answer to that
744 question. So I think my – input was to ask Mr. Jerbic and Mr. Brown to get together to come to
745 the answer so they can advise Mr. Signorelli, but then I think we should be advised soon
746 thereafter.

747

748 **COUNCILMAN WEEKLY**

749 Thank you, Councilman.

750

751 **MAYOR PRO TEM REESE**

752 I – would, I'm a betting man also. And I would bet that it's – illegal, it's illegal to toke the cab
753 drivers. I'm sorry. That's the way it is. I would ask Metro to work with Mr. Jerbic to get a
754 report as soon as possible and just copy the Mayor, I mean, the Mayor Pro Tem and the
755 Councilmembers on this item as soon as possible.

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756 **BRAD JERBIC**

757 I'll do that.

758

759 **JAY BROWN**

760 Mayor –

761

762 **MAYOR PRO TEM REESE**

763 I – think that we need – to find out, just for our own justification, but I – know that it – is illegal.

764

765 **JAY BROWN**

766 Mayor Pro Tem, before we go on to the next point

767

768 **MAYOR PRO TEM REESE**

769 Yeah.

770

771 **JAY BROWN**

772 – could I respond to that? It's just something Councilman Brown said, before you make your
773 motion, please.

774

775 **MAYOR PRO TEM REESE**

776 Please.

777

778 **JAY BROWN**

779 Let me call your attention to Condition Four, take a look at, that you approved back, I guess, on
780 October 18th which is still a part of any, if we're fortunate enough to get the temporary extended
781 today. Whether we get three months, four months or six months, under Condition Four, if
782 something is improper that's done, okay, the Director of Business Services has the right to come
783 in and take that license. So by giving us the time to work with Metro, this Council is not being
784 prejudiced, the City and the people of Las Vegas are not being prejudiced because if there's any

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785 wrongdoing before that time, this matter is gonna be handled immediately. It's not gonna wait
786 for the time we get. So – therefore, I would request that we receive six months for the
787 temporary, for a variety of reasons. But, and – again, it, you will not be prejudiced because if
788 there is wrongdoing before then, I'm sure Mr. Jerbic and Business Services will be here
789 immediately.

790

791 **MAYOR PRO TEM REESE**

792 I can certainly appreciate that request, but I don't feel like it's necessary. I – would ask Metro to
793 please put this on top of the list and work as diligently as they can to get this report as soon as
794 possible. Any other comments or questions? I would ask Mr. Signorelli's temporary license that
795 we granted on October 18th will expire, I think, its tomorrow night at midnight,

796

797 **BRAD JERBIC**

798 That's correct.

799

800 **MAYOR PRO TEM REESE**

801 I – if we don't give them another temporary license, that I can't vote up or down today. I think
802 it's too incomplete. I would ask Metro to please help us out on this as soon as possible.
803 Therefore, **I would move to grant Mr. Signorelli, with some reluctance, a second and final**
804 **temporary license that will be in effect until such time as Council receives the report from**
805 **Las Vegas Metropolitan Police Department and can vote on the merits of this application**
806 **for a permanent license. But under no circumstances will the temporary license last**
807 **beyond April the 18th, 2007. There are a couple other conditions that I would like to have**
808 **added. If I could have Mr. Jerbic to please read them in the record.**

809

810 **BRAD JERBIC**

811 I'd be happy to your, Mayor Pro Tem. Given some of the concerns that came up, we recommend
812 the following conditions be added as conditions. Condition Six and Seven. **Condition Six**
813 **would be that no person related by blood or marriage or formal marital status to any**

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814 **defendant in the federal cases mentioned in Condition One can be employed or allowed on**
815 **the premises of the business. And Condition Seven would be that neither the licensee or**
816 **anyone associated with him may communicate in any fashion with Rick Rizzolo or anyone**
817 **associated with him about the operation of Crazy Horse Too.**

818 Let me say that after providing those conditions to Mr. Brown, I think he's in general agreement
819 with them. I don't wanna speak for him, but he did point something out to me, that as the
820 attorney for Mr. Signorelli, there may be business reasons unrelated to the operation of the
821 business for him, as the attorney, to communicate with Mr. Rizzolo regarding the contract or
822 regarding other things that don't deal with the day-to-day operations. Of course, I don't have an
823 objection if Mr. Brown has to have that kind of communication with Mr. Rizzolo, but it
824 wouldn't, that would be the only exception to Condition Seven.

825

826 **MAYOR PRO TEM REESE**

827 Thank you. And I – under, understand the necessity to have a permanent license in order to get
828 the 45 million dollar financing. I – to me, it'd be pretty hard to finance something if you just had
829 the temporary license and not know what's gonna happen with that temporary license. So I
830 know what you, it's imperative that you get either the permanent license, and to me, that's why
831 I'm gonna go with the 90 days.

832

833 **JAY BROWN**

834 Oh, he's helped us there.

835

836 **MAYOR PRO TEM REESE**

837 I think that the sooner we get it done, it might be easier for you to get the – financing for it.

838

839 **JAY BROWN**

840 Okay.

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841 **MAYOR PRO TEM REESE**

842 And – I really believe – that Metro can have the report to us in the 90 days. And so therefore, I
843 don't feel like it's necessary to hold this, give this temporary license for six months. I – think
844 the sooner, the better.

845

846 **JAY BROWN**

847 I think you've made an excellent point and I just wanna qualify that. I don't think Mr. Signorelli
848 understood what I heard you to say –

849

850 **MAYOR PRO TEM REESE**

851 Yes.

852

853 **JAY BROWN**

854 So – if Metro comes back with their report, you, it would not be a condition precedent, for at
855 least your vote, for you to approve the application, if he has his financing in place. As long is,
856 that will not be a condition is what I'm saying.

857

858 **MAYOR PRO TEM REESE**

859 I – to me, it's impossible to get financing of 35 or 45 million dollars if you don't have a
860 permanent license.

861

862 **JAY BROWN**

863 Fine. That's exactly his point.

864

865 **MAYOR PRO TEM REESE**

866 And so, I – think that if Metro comes back with the – report, either up or down, and then that's
867 what's gonna happen in 90 days, it's –

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868 **JAY BROWN**

869 Okay.

870

871 **MAYOR PRO TEM REESE**

872 It's either do or die. And –

873

874 **JAY BROWN**

875 Sure.

876

877 **MAYOR PRO TEM REESE**

878 I –

879

880 **JAY BROWN**

881 Then we're –

882

883 **MAYOR PRO TEM REESE**

884 I'm comfortable that Metro can do it or I wouldn't, I got a lot of faith in the new sheriff, I guess.

885 Any how, that's my motion. Are there any questions on the motion, please.

886

887 **COUNCILMAN BROWN**

888 I do, Mayor Pro Tem.

889

890 **MAYOR PRO TEM REESE**

891 Councilman Brown.

892

893 **COUNCILMAN BROWN**

894 I, I'd just like some kind of acknowledgement from, first Mr. Jerbic, that you have a comfort

895 level that the City and Metro can do a comprehensive, complete report in this 90 day period.

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896 **BRAD JERBIC**

897 I – just spoke with Sergeant Alexander. Given the areas of concern right now, provided they
898 don't open up into other things, this report can be completed within 90 days. Of course, the only
899 caveat is you don't know what you don't know. If something does pop up that is completely
900 unexpected, we'll bring it to your attention in a briefing immediately.

901

902 **COUNCILMAN BROWN**

903 But –

904

905 **BRAD JERBIC**

906 But right now –

907

908 **COUNCILMAN BROWN**

909 It wouldn't mat –

910

911 **BRAD JERBIC**

912 – with this report, you'll have a report –

913

914 **COUNCILMAN BROWN**

915 It wouldn't make any difference. Once this motion is made, that 90 days is locked in.

916

917 **MAYOR PRO TEM REESE**

918 Yes.

919

920 **BRAD JERBIC**

921 That's correct. And of course, as with any licensing, any privileged license, if something comes
922 up after you have a permanent privileged license that turns out to be an area of concern, whether
923 it's precedent or – after the license is granted, it can be subject to a disciplinary hearing. So,
924 there always are remedies down the stream if there's a problem.

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925 **COUNCILMAN BROWN**

926 And secondly, I'd like Mr. Brown, on behalf of his client, to acknowledge that you feel the
927 information that's going to be asked can be provided in a timely manner, within the 90 day
928 period.

929

930 **JAY BROWN**

931 I don't know what's gonna be asked.

932

933 **COUNCILMAN BROWN**

934 Well, I think everybody –

935

936 **JAY BROWN**

937 We're gonna cooperate. And I think, as Mr. Jerbic said initially, we called that meeting
938 yesterday. All right. Mr. Signorelli called that meeting. And we're gonna be very cooperative.
939 That will not be an issue.

940

941 **BRAD JERBIC**

942 In fact, if I could follow up with that, Metropolitan Police Department has invited everybody up
943 to our office as soon as we're done with this line item and let's get moving on this thing.

944

945 **COUNCILMAN BROWN**

946 Thank you, Mayor Pro Tem.

947

948 **MAYOR PRO TEM REESE**

949 Thank you. Again, I wanna thank my Councilmembers. I think that it's important that we have
950 input, like we've had today. I – really appreciate your questions you've asked. I know that
951 sometimes these – decisions are a little bit hard for us to make, but I think with the information
952 that we're gonna be able to receive, we'll be able to make a – good vote when we – re-hear this
953 item, so if there's no other questions on the motion, I'd make a motion to, let's please cast our

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954 votes. And let's post. Motion carries. **(Motion carried unanimously with Goodman**
955 **abstaining because he has an ownership in a business with Jay Brown and relationships**
956 **with his former law office.)** Thank you.

957

958 **JAY BROWN**

959 Thank you.

960

(END OF DISCUSSION)

961 /cv; yy