

CITY COUNCIL MEETING OF
April 18, 2007
VERBATIM TRANSCRIPT – ITEM 66

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 BRAD JERBIC, City Attorney

9 STEVE WOLFSON, Councilman

10 GABRIELA PORTILLO-BRENNER, Deputy City Clerk

11 JAY BROWN, Attorney, 300 South Third Street, representing the applicant

12 MICHAEL SIGNORELLI, applicant

13 REAGAN ALEXANDER, Sergeant, Special Investigations Division, LVMPD

14 BARRY RUNIG, Detective, LVMPD

15 JIM DiFIORE, Manager, Business Services

16 BEVERLY BRIDGES, Acting City Clerk

17 UNIDENTIFIED MALE SPEAKER

18 LARRY BROWN, Councilman

19 STEVEN ROSS, Councilman

20 LOIS TARKANIAN, Councilwoman

21

22 2 hours

23

24 Typed by: Carmel Viado

25 Proofed by: Gabriella Portillo-Brenner

CITY COUNCIL MEETING OF
April 18, 2007
VERBATIM TRANSCRIPT – ITEM 66

26 **MAYOR GOODMAN**

27 All right. Item 66 is discussion and possible action regarding a three-month review of a tavern
28 license for Nevada Receivership, LLC, doing business as Crazy Horse Too, 2476 Industrial
29 Road. This is in Ward 3. And, I see Mr. Brown is representing Mr. Signorelli and I have to
30 abstain, unfortunately. Once again, Mr. Jerbic, I think it's –

31

32 **MAYOR PRO TEM REESE**

33 But you abstained –

34

35 **MAYOR GOODMAN**

36 I –

37

38 **MAYOR PRO TEM REESE**

39 – abstained earlier, though, on this item.

40

41 **MAYOR GOODMAN**

42 I – abstained earlier –

43

44 **MAYOR PRO TEM REESE**

45 Yeah –

46

47 **MAYOR GOODMAN**

48 – for different reasons. But now I have to abstain because of Mr. Brown. And I don't
49 understand it. I really don't. I really don't. And – the reason I'm abstaining is Mr. Brown and
50 myself have a partnership interest in a property on West Charleston, of which both of us are the
51 most passive of owners.

CITY COUNCIL MEETING OF
April 18, 2007
VERBATIM TRANSCRIPT – ITEM 66

52 **MAYOR PRO TEM REESE**

53 Thank you, Your Honor. Trying to pattern my life after yours, I'm gonna try to be the judge
54 here, I guess. I appreciate what you do. I just want the young people sitting here on the dias
55 today to understand what – this business is. And I would just ask the present, presenters keep in
56 mind we have these young people up here. This is just a hearing for a liquor license at a topless
57 place. With that said, I would request that we try to run this hearing as quick as possible, but
58 we'll give everybody a just and fair hearing. Mr. Jerbic, I'll hear you first.

59

60 **BRAD JERBIC**

61 Thank you, Mr. Mayor Pro Tem, members of Council. I'll be presenting on behalf of staff this
62 morning. And, to let you know, I don't expect there's gonna be any kind of information given
63 that would cause anybody embarrassment here this morning –

64

65 **MAYOR PRO TEM REESE**

66 Thank you.

67

68 **BRAD JERBIC**

69 – with respect to the nature of the club. First of all, let me state that, by way of history, on
70 October 18th, 2006, the applicant, Mr. Signorelli, appeared before this body asking for a
71 permanent liquor license. After hearing the case, this Council granted a temporary license for a
72 period of three months. Mr. Signorelli reappeared at the end of that three-month period on
73 January 17, 2007, requesting a permanent license, a second temporary license was granted at that
74 time for a period of three months. That second temporary license expires at midnight tonight. If
75 this Council takes no action or votes for denial, liquor will have to stop being poured at midnight
76 tonight at the Crazy Horse Too. The only way it can continue is with an affirmative vote for a
77 permanent liquor license. A temporary license is no longer available. Under our Code, you're
78 only allowed to give two temporary licenses, not to exceed six months apiece. Since you chose
79 to give licenses of less than six months and you've already issued the second, no more temporary
80 licenses are available. So I wanted to frame the issue very carefully for you, so you know this is

CITY COUNCIL MEETING OF
April 18, 2007
VERBATIM TRANSCRIPT – ITEM 66

81 really an up or down vote today on whether or not a permanent liquor license should be issued to
82 the applicant at this location.

83

84 **MAYOR PRO TEM REESE**

85 Mr. Jerbic, if I could, if we see fit to give the applicant a permanent license, do we have a three-
86 month or a six-month review of the permanent license?

87

88 **BRAD JERBIC**

89 You can have reviews, but the reviews would not be the kind of reviews where you could
90 extinguish the business based on that review. In other words, you could have a progress check at
91 the end of two months or three months, or Metro or somebody could tell you this is going right
92 or this is going wrong. If you felt that something was going wrong at that meeting, you couldn't
93 take action at that meeting to take away the license or suspend it. You would have to direct our
94 office to go through a complaint process, which you're very familiar with, and then that would
95 be the only mechanism at the end of which you could –

96

97 **MAYOR PRO TEM REESE**

98 That usually, that process usually takes five or six months?

99

100 **BRAD JERBIC**

101 It's about two months, minimum, probably closer to 90 days, by the time you get through all the
102 notices and everything.

103

104 **MAYOR PRO TEM REESE**

105 Okay.

106

107 **COUNCILMAN WOLFSON**

108 Mayor Pro Tem.

CITY COUNCIL MEETING OF
April 18, 2007
VERBATIM TRANSCRIPT – ITEM 66

109 **MAYOR PRO TEM REESE**

110 Yes.

111

112 **COUNCILMAN WOLFSON**

113 Mayor, please. Mr. Jerbic, when this applicant got a temporary license in October of '06, there
114 were conditions put on that temporary license, where there not?

115

116 **BRAD JERBIC**

117 That's correct.

118

119 **COUNCILMAN WOLFSON**

120 Okay. And then, when he got another second temporary in January of '07, did the same
121 conditions that were given in October '06 carry through for the second three-month time frame?
122 Did we add, subtract conditions?

123

124 **BRAD JERBIC**

125 The date –

126

127 **COUNCILMAN WOLFSON**

128 Because I think that's important for today's discussion.

129

130 **BRAD JERBIC**

131 That's correct. And I will go over that. But –

132

133 **MAYOR PRO TEM REESE**

134 Mister –

135

136 **BRAD JERBIC**

137 – to answer your question now –

CITY COUNCIL MEETING OF
April 18, 2007
VERBATIM TRANSCRIPT – ITEM 66

138 **MAYOR PRO TEM REESE**

139 I hate to interrupt. I've had a request to have a two-minute break so we can release the students
140 from here. Thank you.

141

142 **(END OF RELATED DISCUSSION – RESUMED RELATED DISCUSSION)**

143

144 **MAYOR PRO TEM REESE**

145 I was just informed by our Clerk's Office that we can start. So we'll get – started. Okay. Could
146 you, for the record, please state your question again, Councilman Wolfson, please.

147

148 **COUNCILMAN WOLFSON**

149 Sure. Just whatever conditions were placed, sorry. Whatever conditions were placed on the
150 initial temporary license and if, did any of those change when we gave the second temporary
151 license and what other conditions were added.

152

153 **BRAD JERBIC**

154 I understand – if – you want me to answer that on the record, let me ask the Clerk, are we on the
155 record right now?

156

157 **GABRIELA PORTILLO-BRENNER**

158 Yeah.

159

160 **BRAD JERBIC**

161 We are. Okay. The, yes, those conditions that applied to the first three-month's license did
162 carry through to the second three-month license. Further, if you recall, after the conditions were
163 put on the license initially, we had a problem where we came back before the expiration of the
164 three-month's license and added more conditions to it. So there had been conditions, more
165 conditions added, and all those conditions have carried through both licenses.

CITY COUNCIL MEETING OF
April 18, 2007
VERBATIM TRANSCRIPT – ITEM 66

166 **COUNCILMAN WOLFSON**

167 These are the ones that are in existence.

168

169 **JAY BROWN**

170 (inaudible)

171

172 **COUNCILMAN WOLFSON**

173 Okay. Thank you.

174

175 **MAYOR PRO TEM REESE**

176 Thank you, Mr. Jerbic.

177

178 **JAY BROWN**

179 Thank you.

180

181 **BRAD JERBIC**

182 The other thing I would like to just point out for the record, in case it gets confusing, I will refer
183 to Mr. Signorelli alternately as the applicant or the licensee because he does have a license right
184 now, or Mr. Signorelli. When I refer to any of those terms, I'm referring to Mr. Signorelli.

185 Let's go back in time to October 18, 2006. Before that hearing, the applicant presented to the
186 City Attorney's Office an agreement to purchase the Crazy Horse Too from Rick Rizzolo for \$45
187 million. And there were six successive different operating leases that provided for rental
188 payments of 400,000 per month. Each of the first five operating leases had objectionable
189 language giving Mr. Rizzolo control over the Crazy Horse Too, including unlimited access,
190 maintenance of an office in the business, retention of employees who had pled guilty to federal
191 felonies and the right to veto termination of any employee. Ultimately, after working with Mr.
192 Signorelli's counsel at the time, not Mr. Brown, the objectionable language was removed from
193 those leases which got us to the sixth lease, which was up for your consideration when the initial
194 license was given.

CITY COUNCIL MEETING OF
April 18, 2007
VERBATIM TRANSCRIPT – ITEM 66

195 Mr. Signorelli appeared before the City Council and promised at that time that if he were given a
196 liquor license, Rick Rizzolo would play no part in the business, and after a short – grace period
197 for transition. In other words, we allowed a couple of key employees like Annette Patterson, his
198 sister, who had done payroll, to remain on for one more week as they transitioned the control of
199 the business to Mr. Signorelli. At that point in time, a three-month license was granted.

200 Fast forward in time to January 17th, 2007. At this point, Mr. Signorelli had admitted to Mr.
201 DiFiore, the Director of Business Licensing (sic), that he had made only three hundred and
202 twelve thousand dollars of lease payments over the past three months. The lease was for
203 400,000 per month, for a total of 1.2 million dollar (sic) in payments. Mr. Signorelli admitted to
204 Mr. DiFiore that he had no experience in operating a strip club, and the only strip club owner he
205 knew was Mr. Rizzolo, and that he had sought advice from Mr. Rizzolo in the operation of the
206 Crazy Horse Too. Mr. Signorelli admitted to having, to paying \$60 per customer to taxicab
207 drivers who brought customers to Crazy Horse Too. He stated he was paying more than
208 \$100,000 a month to taxicab drivers. He admitted he knew this was contrary to law, but then
209 immediately stated that he'd been advised by other strip club owners that it was not unlawful. I
210 will state for the record that after it was brought to Mr. Signorelli's attention and his attorney's
211 attention that it was unlawful, all tipping of taxicab drivers did cease at Crazy Horse Too.
212 Steven Crespi's wife –

213

214 **COUNCILMAN WOLFSON**

215 Excuse me. May I, Mayor Pro –

216

217 **MAYOR PRO TEM REESE**

218 Yes. Please.

219

220 **COUNCILMAN WOLFSON**

221 How do you know that? How do you know that that conduct stopped then?

CITY COUNCIL MEETING OF
April 18, 2007
VERBATIM TRANSCRIPT – ITEM 66

222 **BRAD JERBIC**

223 Well, the, one, we believe that business has substantially reduced as a result of this, the ceasing
224 of tipping of cab drivers. I've asked Metro to look at that, and while they don't investigate it,
225 they have been able to show no evidence that there's been tipping of cab drivers since that day.
226 So, when I say it stopped, it's based on the fact there's no evidence to believe that it's continued.

227

228 **COUNCILMAN WOLFSON**

229 (inaudible)

230

231 **BRAD JERBIC**

232 Let me go onto another point. Mr. Crespi, Steven Crespi's wife went to work at Crazy Horse
233 Too the day after Mr. Signorelli reopened it. She is employed as a cocktail waitress in the VIP
234 room. Mr. Crespi is one of the convicted former employees. Mr. Signorelli stated that he knew
235 of this employment and relationship for the last two weeks before the – fellow became
236 employed, but had done nothing about it.

237

238 **JAY BROWN**

239 No –

240

241 **MICHAEL SIGNORELLI**

242 No –

243

244 **BRAD JERBIC**

245 I'll – let you correct that if that's wrong, but that's what I believe to be the – fact.

246

247 **MAYOR PRO TEM REESE**

248 Continue, Mr. Jerbic.

CITY COUNCIL MEETING OF
April 18, 2007
VERBATIM TRANSCRIPT – ITEM 66

249 **BRAD JERBIC**

250 Mr. Signorelli stated that for first several weeks of his operation, Crazy Horse Too credit card
251 receipts for the purchase of liquor went into the account of The Power Company, Inc. The
252 Power Company, Inc., is the privileged license holder that was the company that was owned by
253 Mr. Rizzolo and The Power Company, Inc., for the record, pled guilty to racketeering as a
254 corporation in federal court as part of this series of plea agreements. The privileged license
255 holder knowingly allowed receipts for the sale of alcohol to be made to the predecessor
256 corporation whose liquor license had been revoked by this City Council. The merchant account
257 was not changed until November 24th of 2006.

258 Finally, at the end of that hearing, Mr. Signorelli again promised that Mr. Rizzolo would have no
259 influence over his business and the Council granted a second three-month extension of the
260 temporary license. Let me read for a moment the Code. Las Vegas Municipal Code 6.06052
261 provides that a temporary license may be issued initially by the City Council for a period not to
262 exceed six months. Council may grant one extension of the temporary license not to exceed six
263 months and when granting a temporary license, the Council may impose special conditions or
264 restrictions as deemed appropriate. That's what this Council did and we're at the end of that
265 period.

266 At the last City Council meeting, Mr. Signorelli told the Council that he hadn't learned of the
267 employment of Mary Crespi, the wife of Rick Rizzolo's employee who pled guilty to a federal
268 felony, until two weeks before the meeting. The Las Vegas Metropolitan Police Department's
269 examination of her work card application dated October 19th, 2006, one day after the Council
270 granted the first temporary license, revealed that Mr. Signorelli's signature was on the bottom as
271 her employer. Mr. Signorelli informed the Las Vegas Metropolitan Police Department that his
272 signature had been forged.

273 Mr. Signorelli has endorsed a key employee application for Gregory Lioce. Mr. Lioce told the
274 Las Vegas Metropolitan Police Department that Mr. Rizzolo hired him in 1999 and subsequently
275 they became close friends with him. Mr. Lioce has a federal – felony conviction in 1993 for
276 income tax fraud. The FBI approached Mr. Lioce during a recent investigation of Mr. Rizzolo
277 and sought his assistance. Mr. Lioce refused and, after demanding immunity from prosecution,

CITY COUNCIL MEETING OF
April 18, 2007
VERBATIM TRANSCRIPT – ITEM 66

278 agreed to cooperate. He stated he got immunity and helped the FBI build the case against Mr.
279 Rizzolo. But this was a former close associate, so close that he essentially took the Fifth, before
280 agreeing to immunity, in cooperation with the government. And has been endorsed by Mr.
281 Signorelli as a key employee.

282 Mr. Signorelli endoy (sic), endorsed the key employee application of Paul Swords. Mr. Swords
283 told the Las Vegas Metropolitan Police Department that he continues to be a long-time, close
284 friend of Rick Rizzolo's brother, Ralph Rizzolo. Ralph Rizzolo is a prohibited person pursuant
285 to the special conditions placed on the temporary license. Rizzolo employed Swords as a
286 maintenance man and then a bartender. Bartholomew Rizzolo, Mr. Rizzolo's father, and Annette
287 Rizzolo-Patterson, Mr. Rizzolo's sister, are both prohibited persons and they trained this
288 individual to be a bookkeeper for the business one week prior to the Rizzolos being listed as
289 prohibited persons by the City Council. In spite of this, Mr. Signorelli has decided to keep him
290 as a key employee.

291 Mr. Signorelli has endorsed the key employee application of Charles Platz. Mr. Platz said he is
292 handling all of the accounting and business agreements for Mr. Signorelli. Mr. Platz told the Las
293 Vegas Metropolitan Police Department that he is Mr. Signorelli's partner. This was unknown to
294 City staff.

295 Mr. Signorelli, on multiple occasions, has informed City staff and the City Council that he has
296 legitimate commercial financing for the \$45 million purchase of the Crazy Horse Too. Las
297 Vegas Metropolitan Police Department has repeatedly asked for evidence of this. No evidence
298 has been forthcoming. Mr. Platz, despite Mr. Signorelli's provision of a purchase and sale
299 agreement for \$45 million to the City Council, told the Las Vegas Metropolitan Police
300 Department that there had never been a set price given to Mr. Signorelli for the purchase of the
301 business by Rizzolo and that Mr. Rizzolo wouldn't set a price until at least April 17th, 2007. He
302 stated that an appraisal from Land America was pending. Mr. Signorelli, in conversations with
303 City staff, has often said that an appraisal from a recognized commercial appraiser of strip clubs
304 was pending. Mr. Platz stated that Mr. Signorelli is no longer attempting to secure a loan from a
305 financial institution. Rather Mr. Signorelli has developed a group of prominent local investors
306 who are able to come up with a one hundred and fifty million dollars to help purchase the Crazy

CITY COUNCIL MEETING OF
April 18, 2007
VERBATIM TRANSCRIPT – ITEM 66

307 Horse Too. The Las Vegas Metropolitan Police Department has been unable to verify any
308 source of funding for the purchase of the business. The lease agreement, submitted by Mr.
309 Signorelli to the City Council, provides for rent in the amount of 400,000 per month. To date, he
310 has paid only 30,000 per week.

311 And finally, the Las Vegas Metropolitan Police Department, when visiting the Crazy Horse Too
312 during the last three months, has found Mr. Platz occupying Mr. Rizzolo's former office. They
313 have observed Mr. Platz, as opposed to Mr. Signorelli, on the premises. Platz told the Las Vegas
314 Metropolitan Police Department that when he chastises employees for not doing their job, they
315 ignore him and state, quote, I will have to talk to Rick.

316 I know that Mr. Brown probably has something to say about the presentation I've made. It is
317 based upon the confidential report supplied to you by the Las Vegas Metropolitan Police
318 Department and I think that Mr. Brown, who's a good attorney, will – do what he can to – talk
319 about those facts. But, based upon the facts contained in the confidential report and the report I
320 presented you today, staff believes, continues to believe that the divorce that we hoped to see
321 between the former regime, the – ownership of Mr. Rizzolo, and the control of the business by
322 Mr. Signorelli has not occurred. I don't have an explanation for why. It seems that the former
323 owner of the club is bound and determined to keep people close to him associated with that club.
324 And over time, that is exactly what's happened with these key employees.

325 Further, there's been six months since we were presented with the original purchase and sale
326 agreement for this club. There has, from – to my knowledge, we're no closer to seeing this club
327 being sold today than we were six months ago. I know that Mr. Brown, Mr. Signorelli may have
328 something to say to that, but I'll tell you why I say that. One, we were told, almost six months
329 ago, that there would be appraisals for this business. Six months later, there are no appraisals for
330 the business that we're aware of. If there are, then they need to pull 'em out and show 'em to us
331 today.

332 Second, there was a purchase price contained in the original purchase and sale agreement of 45
333 million. We're told in the Las Vegas Metropolitan Police Department confidential report, which
334 you can read, that the business may be valued at anywhere between 10 and 53 million. This
335 business has to sell, it's my understanding, by June 30th of 2007. That's Mr. Rizzolo's plea

CITY COUNCIL MEETING OF
April 18, 2007
VERBATIM TRANSCRIPT – ITEM 66

336 agreement with the federal government. He had one year from the entry of his plea to sell this
337 business. Here we are, just about two and a half months away from that deadline, with no
338 appraisals, with no source of financing, with no evidence that we're any closer today than we
339 were before, and with continued problems with individuals associated with Mr. Rizzolo trying to
340 infiltrate this club. And I will give Mr. Signorelli the benefit of the doubt. It may be in spite of
341 his best efforts to keep 'em out. But it's happening anyway. And, based upon that presentation,
342 it's staff's recommendation that a permanent liquor license for the Crazy Horse Too be denied.

343

344 **MAYOR PRO TEM REESE**

345 Thank you. Are there any questions of Mr. Jerbic, please? Mr. Wolfson, please.

346

347 **BRAD JERBIC**

348 I'm sorry, Mister, I'm sorry. Detective Alexander with the Metropolitan Police Department is
349 here and he informs me that he needs to correct me on one point.

350

351 **MAYOR PRO TEM REESE**

352 Please do. Mr. Alexander, how are you?

353

354 **REAGAN ALEXANDER**

355 Hello, Council. Sergeant Reagan Alexander with Metro Special Investigations Section.
356 Attorney Jerbic did an excellent job of summarizing our – report and I thank him for – doing it.
357 Just one area and I wanna, just take care of this. In – regards to Mr. Signorelli, he has never
358 acknowledged who Mary Crespi was at the time of hiring and I think that just might have been a
359 typo in – what you were saying there. Mr. Signorelli has denied any knowledge of Mary Crespi
360 working at the business, as well as her relationship with a prohibited person. He – stated that
361 that signature at the bottom of the work card, in fact, was not his and appeared to be a forgery. I
362 can tell you, by our observation of that, we, it could be a stamp too. We don't know. We've
363 never been able to determine the veracity of that signature being his or not, or being somebody

CITY COUNCIL MEETING OF
April 18, 2007
VERBATIM TRANSCRIPT – ITEM 66

364 else's, or being a stamp. So I just wanted to – let the Council know that he did not acknowledge
365 that

CITY COUNCIL MEETING OF
April 18, 2007
VERBATIM TRANSCRIPT – ITEM 66

366 she had been working there for two weeks. He denied that she was there, and I wanted to put
367 that on record –

368

369 **MAYOR PRO TEM REESE**

370 Okay –

371

372 **REAGAN ALEXANDER**

373 and make the correction.

374

375 **MAYOR PRO TEM REESE**

376 Just – ask you a question, Sarge. Is she, in fact, working at the Crazy Horse?

377

378 **REAGAN ALEXANDER**

379 No. What I can tell you also, and this is one of the areas that – our report tried to be very fair in
380 many areas. Mr. Signorelli, when this – particular matter came to his attention, Mary – Crespi
381 was terminated from – the business. And she has not been back, from our checks and from our
382 observations.

383

384 **MAYOR PRO TEM REESE**

385 Thank you. If I could, Sergeant Alexander –

386

387 **REAGAN ALEXANDER**

388 Yes, sir.

389

390 **MAYOR PRO TEM REESE**

391 During your time, in and around this, at this location, have you seen any behavior that we had
392 under Mr. Rizzolo’s ownership, the things – that go them in trouble?

CITY COUNCIL MEETING OF
April 18, 2007
VERBATIM TRANSCRIPT – ITEM 66

393 **REAGAN ALEXANDER**

394 Well, that's a lot of stuff.

395

396 **MAYOR PRO TEM REESE**

397 Well, that's –

398

399 **REAGAN ALEXANDER**

400 To – narrow it down, I can tell you, I can verify what Brad said, as far as the – tipping of the
401 taxicabs. We've made several checks there, doing site checks. That appeared to have ceased.

402

403 **MAYOR PRO TEM REESE**

404 Are they still having the calls for service?

405

406 **REAGAN ALEXANDER**

407 You know what, one of the things, I wanted to do for – those specific questions, I have our lead
408 detective –

409

410 **MAYOR PRO TEM REESE**

411 That's fine.

412

413 **REAGAN ALEXANDER**

414 – Detective Barry Runig here. And also Mike Springer who actually did the investigation of the
415 key employees, but Detective Runig can – really answer those questions more specifically. If
416 you would like him, I can have him come up.

417

418 **MAYOR PRO TEM REESE**

419 Thanks.

CITY COUNCIL MEETING OF
April 18, 2007
VERBATIM TRANSCRIPT – ITEM 66

420 **BARRY RUNIG**

421 Good morning. Barry Runig, Las Vegas Metropolitan Police Department.

422

423 **MAYOR PRO TEM REESE**

424 Barry, thank you very much. You heard the question I asked Sergeant Alexander?

425

426 **BARRY RUNIG**

427 Yes, sir. As far as calls for service, they're in line with other clubs. There are calls that generate
428 there. There's nothing that draws attention, other than the normal calls for service for a – strip
429 club.

430

431 **MAYOR PRO TEM REESE**

432 Thank you. Any questions?

433

434 **COUNCILMAN WOLFSON**

435 Yes.

436

437 **MAYOR PRO TEM REESE**

438 We had a question for Mr. Jerbic from Councilman Wolfson, please.

439

440 **COUNCILMAN WOLFSON**

441 I did. If you could just expand a little, Brad, on the role of the federal court. If this sale should
442 not be consummated by the June court date, what is the federal government gonna do?

443

444 **BRAD JERBIC**

445 I've been informed by the assistant U.S. attorney in charge of the case, they'll appoint a receiver
446 to take over the business. I don't have any idea if they intend to appear before City Council to
447 ask for licensing, or intend to keep it open or just merely maintain the property pending sale to
448 somebody else, but that's what I've been informed.

CITY COUNCIL MEETING OF
April 18, 2007
VERBATIM TRANSCRIPT – ITEM 66

449 **COUNCILMAN WOLFSON**

450 And then, with your permission –

451

452 **MAYOR PRO TEM REESE**

453 You bet.

454

455 **COUNCILMAN WOLFSON**

456 – Mayor Pro Tem. Mr. Jerbic, I've got, I think your staff provided me with a list of eight
457 conditions that were placed on this temporary license. I'd like to, without being too tedious, go
458 over them one at a time and ask you specifically what evidence do you have that they violated
459 these conditions? So let's go with the first one. No person who is associated as a defendant,
460 including Rizzolo, in U.S. District Court Case number such and such, shall be permitted on the
461 premises of the business. The defendants, including Rizzolo, are further prohibited from
462 operating, controlling or participating in any way with the operation of the business. Do you
463 have evidence that that condition was violated? If so, what is it?

464

465 **BRAD JERBIC**

466 The only evidence I can say, and it – will carry through, the argument I'm going to make is
467 gonna carry through many of these conditions 'cause, you see, we have several conditions that
468 talk about no person related by blood, whose ever been related by blood or marriage to – Mr.
469 Rizzolo shall be employed there. No person related by blood or marriage or former marital
470 status can be employed there. The – evidence I submit is this and it's circumstantial, but I think
471 it's very powerful circumstantial evidence. Individuals that were involved in that plea
472 agreement, including Mary Crespi, one day after a temporary license was granted by this
473 Council, walks in and goes to work in this business. She is the wife of a co-defendant. Now I
474 will give Mr. Signorelli the benefit of the doubt. Let's say somebody forged his signature to get
475 her in there. Let's assume he didn't even know her, his, her – connection to him. I will give him
476 the benefit of the doubt on that. What does this tell you about the willfulness of the old regime
477 to continue to plant people in the Crazy Horse Too?

CITY COUNCIL MEETING OF
April 18, 2007
VERBATIM TRANSCRIPT – ITEM 66

478 **COUNCILMAN WOLFSON**

479 Okay, but that's talking about the attitude and the conduct of the prior regime, as you put it.

480 We're not here –

481

482 **BRAD JERBIC**

483 Right.

484

485 **COUNCILMAN WOLFSON**

486 – to determine the suitability of Mr. Rizzolo. Others have determined that. We're here to

487 determine the suitability of Mr. Signorelli.

488

489 **BRAD JERBIC**

490 That's correct.

491

492 **COUNCILMAN WOLFSON**

493 So what did he know at the time? You know, Mr. Signorelli probably has persons working for

494 him because I don't expect him to be there 24 hours a day, so what evidence do you have that

495 Mr. Signorelli knew about that? And once he learned that she was working there and it was in

496 violation of a condition, what did he do?

497

498 **BRAD JERBIC**

499 The, well, what he did is he got rid of her when it was brought to his attention. I –

500

501 **COUNCILMAN WOLFSON**

502 Okay, so let me stop you right there, and I'm – not trying to be too harsh on you –

503

504 **BRAD JERBIC**

505 No. Please.

CITY COUNCIL MEETING OF
April 18, 2007
VERBATIM TRANSCRIPT – ITEM 66

506 **COUNCILMAN WOLFSON**

507 But we're looking at Mr. Signorelli and what he knew or should have known and all that, and
508 what you just said is that as soon as it was brought to his attention, he fired her. But up until that
509 point, he may not have been aware of Crespi, and perhaps he had a couple of assistants in place
510 and they didn't tell him and, you know, that can go both ways, I can see that. But, you know,
511 I'm – trying to give him the benefit of the doubt because I think that that's what this system
512 should do. And you're telling me that as soon as it was brought to his attention, he acted.

513

514 **BRAD JERBIC**

515 Hm-hmm. I will –

516

517 **MAYOR PRO TEM REESE**

518 If I – could though, just following along with Councilman Wolfson, on Items 11, 12 and 13 in
519 our report, it says Signorelli has endorsed the key employee application of Gregory Lioce who
520 had contact with Rizzolo and he's still employed. We also have key employee applicant Paul
521 Swords who's a close long, long-time close friend of Rick Rizzolo's brother. He's still
522 employed as a bookkeeper. And we also have Charles Platz who was, had close ties with Mr.
523 Rizzolo, and he states that he is Signorelli's partner.

524

525 **BRAD JERBIC**

526 That's correct. And I'll go even further 'cause I didn't wanna stop with – the Crespi example.
527 But I wanna come back to that in just a moment, with your permission, Councilman. The, we
528 have Mr. Signorelli's admission to us, after he took over the business, that he did seek Mr.
529 Rizzolo's advice. That's a direct violation of Condition Number One. Now I understand that
530 there is a – startup period in a business, but we're talking about a business where we made it
531 very clear to this applicant and to any applicant, we wanted a divorce between the old regime
532 and anybody who took over. They took that burden on. Whoever takes over this business, be it
533 Mr. Signorelli or anybody else, takes on the burden of being responsible for their key employees,

CITY COUNCIL MEETING OF
April 18, 2007
VERBATIM TRANSCRIPT – ITEM 66

534 for knowing who they are and knowing what their relationships are. And I don't expect them to
535 be

CITY COUNCIL MEETING OF
April 18, 2007
VERBATIM TRANSCRIPT – ITEM 66

536 clairvoyant, but I would expect at least a simple application question. Do you have any
537 connections to Mr. Rizzolo? Do you know him? Some due diligence to weed this sort of thing
538 out. And you don't have just the Crespi example. You have the – Mr. Lioce example. You
539 have the Paul Swords example. You have the – and I don't know quite what to make of it, the
540 statement by Mr. Platz that he's a partner. He hasn't applied for a license here. We don't know
541 what percentage of this business he might own or not own. He might be using the partner word,
542 partner very loosely, it might mean nothing, but he's occupying the former office of the guy who
543 ran the show. And we don't even know much more about him than that. If he's a key employee
544 or he's somebody who is subject to licensing, he should be up here too. But these are the kinds
545 of things, like I say, they are circumstantial, but I think they're powerfully circumstantial.

546 I – will say for the record and I told – Mr. Brown this yesterday. Mr. Signorelli is absolutely one
547 of the nicest individuals I've ever worked with as an applicant for a license, not that that counts
548 for much sometimes, but I can tell you he's been an absolute gentleman. He's been at the table
549 every time. He's been very forthcoming. He enjoys a good reputation in the community. I
550 don't think anything in this report reflects on Mr. Signorelli's reputation.

551 One of the things that I have come to conclude is that I really wonder, and I posit this for the
552 Council's consideration, whether or not anybody can run the Crazy Horse Too, given who used
553 to run it before. There seems to be a deliberate willfulness to keep that old regime in place, no
554 matter who walks in that door, no matter how good their intentions. I say that based upon the
555 several months of this kind of shenanigans.

556 It makes absolutely no sense to me why you would wanna sell a business and not consummate a
557 sale; why you'd wanna sell a business, not have an appraisal; wanna sell a business and not have
558 the money in your, and then be willing to take considerable less on the lease payments than what
559 the lease calls for. To submit a lease to us for our consideration, first cut, that allows Mr.
560 Rizzolo to stay in charge of the club and veto firing of employees. From the very beginning of
561 this transaction, there has been a deliberate willfulness to continue to manage this business. And
562 that's why I think this is, in many ways, the license should be denied, based on those facts. I
563 think it should just be denied because this location is just not a suitable location for a business
564 license to – conduct, to pour liquor and – run as it used to.

CITY COUNCIL MEETING OF
April 18, 2007
VERBATIM TRANSCRIPT – ITEM 66

565 **COUNCILMAN WOLFSON**

566 Mayor Pro Tem, if you don't mind –

567

568 **MAYOR PRO TEM REESE**

569 Councilman Wolfson.

570

571 **COUNCILMAN WOLFSON**

572 And I think Mayor Pro Tem Reese went to where I was going next which was to ask you about

573 these other individuals, and I think you –

574

575 **MAYOR PRO TEM REESE**

576 (inaudible)

577

578 **COUNCILMAN WOLFSON**

579 That's all right. I think you gave your answer. Here's another question. Condition Number

580 Five, at least that's the way it's listed on my list, says any violation of these conditions or special

581 conditions, or any violation of any local, state or federal law shall allow the Business Licensing

582 (sic) Manager to administratively suspend the liquor license. So we had the ability, upon

583 learning that there were violations of these conditions, as to one of our license directors to go in

584 there and suspend the license. That wasn't done, right?

585

586 **BRAD JERBIC**

587 That is correct.

588

589 **COUNCILMAN WOLFSON**

590 Why not?

CITY COUNCIL MEETING OF
April 18, 2007
VERBATIM TRANSCRIPT – ITEM 66

591 **BRAD JERBIC**

592 I will let Mr. DiFiore answer that question. I don't run Business Licensing (sic), but – I do
593 know, I – can say a couple things for the record. One we just got this report from Metro about,
594 less than a week ago. I think we met on Thursday –

595

596 **REAGAN ALEXANDER**

597 Wednesday.

598

599 **BRAD JERBIC**

600 – Wednesday of last week. And we had a couple of meetings to discuss it and to digest it and to
601 pass it around. I did not advise Business Licensing (sic) to do nothing as a result of the report,
602 but it might well have been in Mr. DiFiore's mind that since we're having a hearing on
603 Wednesday, just less than a week later, to present all the facts to the Council.

604

605 **MAYOR PRO TEM REESE**

606 Thank you. Mr. DiFiore, please. Do you need to have the question –

607

608 **JIM DiFIORE**

609 No. I don't. Mr. Jerbic is absolutely correct. The reports on Mr. Lioce and Mr. Swords are
610 recent reports and the information provided by Metro was so close to scheduling the agenda item
611 for today's meeting that I believed that we – would have it all heard today rather than summarily
612 suspend two weeks ago, for that matter. On Ms. Crespi, I understood, you know, Mr. Signorelli
613 not knowing who she was and – taking care of the incident immediately. I can understand that. I
614 didn't feel that there was, if I took that by itself, I didn't feel it was right for me to summarily –
615 suspend the license, based upon that particular issue.

616

617 **COUNCILMAN WOLFSON**

618 And thank you. Mayor Pro Tem –

CITY COUNCIL MEETING OF
April 18, 2007
VERBATIM TRANSCRIPT – ITEM 66

619 **MAYOR PRO TEM REESE**

620 Yes.

621

622 **COUNCILMAN WOLFSON**

623 – it just seems to me that if we put a condition like that on a license, that we should, in the future
624 perhaps, have Mr. DiFiore working with Metro or whomever the monitoring agency is, so that if
625 things come to light during the – pendency of the license, then he can act if he so chooses, rather
626 than him get the information at the last minute. And I can see your point, Jim, why do it when
627 you knew it was coming before the Council, but my feeling is from now on, perhaps, we should
628 him in the loop with the investigating agency so – that if he would like to act, he'd have the
629 information to act on.

630

631 **JIM DiFIORE**

632 Yes, sir.

633

634 **MAYOR PRO TEM REESE**

635 Thank you. Are there any other questions at this time? Any other Councilmembers?

636

637 **JAY BROWN**

638 I assume that we'll have our chance.

639

640 **MAYOR PRO TEM REESE**

641 Seeing no other, hearing no other questions, Mr. Brown, please.

642

643 **JAY BROWN**

644 Thank you. Jay Brown, 520 South 4th Street, represent the applicant, Mr. Michael Signorelli,
645 who is also here. Mr. Signorelli, why don't you give your name and address, just for the record.

CITY COUNCIL MEETING OF
April 18, 2007
VERBATIM TRANSCRIPT – ITEM 66

646 **MICHAEL SIGNORELLI**

647 Michael J. Signorelli, 308 West Sahara, Las Vegas.

648

649 **JAY BROWN**

650 I know you've heard a lot so far this morning, and I know Mr. Signorelli was biting his tongue
651 because he wanted to say so much. And I don't blame him, his life's at stake here this morning.
652 I'm gonna take the liberty of passing out a few things that you can maybe look at while I'm
653 talking. One is a resume of Mr. Signorelli and his background, two is a letter from the Justice
654 Department that I'm gonna refer to in a moment, and three is going to be something that I'm
655 gonna to call in the way of a – compromise, that I'm, at the end of my presentation, I'm going to
656 ask you to seriously consider. So, Clerk's permission, I'd like to just pass that out.

657

658 **MAYOR PRO TEM REESE**

659 Ms. Bridges, would you please keep a copy for the record.

660

661 **JAY BROWN**

662 First, before I go to the, the individual areas of concern, that Mr. Jerbic mentioned, I'm gonna go
663 through them, item by item. Okay. But I – wanna first, before I do that, talk about the
664 relationship, for a moment, of Mr. Signorelli and Mr. Rizzolo. I had, in the audience today, Mr.
665 Fred Delaney. Stand for a minute, Fred. Mr. Delaney is the one, rightly or wrongly, who –
666 introduced Mr. Rizzolo to Mr. Signorelli in the fall of 2006. And permeated throughout the –
667 investigative report, there's some inference that these two knew each other, let alone where
668 friends before that date. I wanna assure you that was not the case, and I had been – prepared to
669 have Mr. Delaney come up and speak. He had assured me, I've known Mr. Delaney since he's
670 seven years old. He's always been very credible to me, and he assures me that he made that
671 introduction in the fall, approximately September of 2006. Mr. Jerbic told me before the hearing
672 that he really had no question about that now and wasn't going to raise it, so I just want you to
673 know he is in the audience, if anybody – has any questions.

CITY COUNCIL MEETING OF
April 18, 2007
VERBATIM TRANSCRIPT – ITEM 66

674 In addition to which, one can only imagine how many tapes and taps have been done by the
675 federal government on Mr. Rizzolo, and if Mr. Signorelli had any relationship with Mr. Rizzolo,
676 I'm sure it would have surfaced by now. I gave each of you a copy of a letter from Eric Johnson
677 with the U.S. Department of Justice that's dated as of January 9, 2007. They had no reason to
678 believe there was any problem with Mr. Signorelli's suitability, and under the plea arrangement,
679 they have the right to approve the buyer.

680

681 **MAYOR PRO TEM REESE**

682 For the record, would you please note that on the letter I got, that it says January the 4th and not
683 January the 9th.

684

685 **JAY BROWN**

686 I'm sorry, is it? The – ones, Tony Sgro is the 4th, laying it out, I think I'm right on that, sir, but
687 you may be right. And I think on Jan, on the 9th is the, no, I'm – showing the 9th back from Eric
688 Johnson from the Justice Department. And – on the one on the 4th is the one from Mr. Sgro to
689 the Justice Department. Should be two on there.

690

691 **MAYOR PRO TEM REESE**

692 Okay. Stand corrected. Thank you.

693

694 **JAY BROWN**

695 'Kay. I – also wanna make it clear that Mr. Rizzolo has entered into a plea agreement where he
696 has agreed to a lifetime ban from the adult industry and has agreed with the federal government
697 to have the Crazy Horse sold, as was discussed earlier, by the end of June 2007, you're correct.
698 All right. Again, I'm not here to speak for Mr. Rizzolo. And it's the suitability, as Councilman
699 Wolfson actually stated, that's here, but I believe his own desire is to get this club sold for \$45
700 million. And in order to get that price, he probably believes that it's important this club stay
701 open. Mr. Signorelli, which is the only one I'm concerned about today, he agrees that in order to

CITY COUNCIL MEETING OF
April 18, 2007
VERBATIM TRANSCRIPT – ITEM 66

702 pay \$45 million and to obtain the money to make such an investment, that this club must remain
703 open.

704 I know from the last meeting, and then it was raised today about his rent reduction. Please keep
705 in mind that this is not really a rent reduction. I wanna call it a rent deferment. In other words,
706 Mr. Signorelli owes the rent. It was deferred because of the money he had to pay for cabs prior
707 to January 17th. So Mr. – Rizzolo, and I don't believe for any love or friendship for Mr.
708 Signorelli, he let Mr. Signorelli have a rent deferment, and I believe there's something in writing
709 to that extent, so that if Mr. Signorelli couldn't pay the rent and he closed the place, how was
710 Mr. Rizzolo going to get \$45 million. So I think that's the only motivation there, but again, it
711 was – a rent deferment and that's my belief of what the reason was for. And –

712

713 **MAYOR PRO TEM REESE**

714 Before – you go forward –

715

716 **JAY BROWN**

717 Sure.

718

719 **MAYOR PRO TEM REESE**

720 – you said 25 million?

721

722 **JAY BROWN**

723 Forty-five million.

724

725 **MAYOR PRO TEM REESE**

726 Of the –

727

728 **JAY BROWN**

729 Yeah.

CITY COUNCIL MEETING OF
April 18, 2007
VERBATIM TRANSCRIPT – ITEM 66

730 **MAYOR PRO TEM REESE**

731 I thought you said 25 million.

732

733 **JAY BROWN**

734 No. I'm sorry. Forty-five million, I meant to say. And, I again, I don't think there's anything
735 wrong with rent deferment. It happens with negotiations between landlords and tenants all the
736 time.

737 Since our last meeting with you on January 17th, there was an additional condition that was put
738 on and that was the admonishment at that time – that Mr. Signorelli would have no conversations
739 or meetings with Mr. Rizzolo after that date, unless it was only about the sale of the business,
740 unless I was present, unless Mr. Jerbic was notified about the meeting. Between January 17th
741 and today, we've had two meetings, public meetings, in the sense they were held to the public,
742 not in some back room. They were very brief and they were – limited only to the sale issue and
743 the both times, Mr. Jerbic was – notified of – those meetings. So I really wanna make it clear
744 here, again, that this is the gentleman who, I – hate to use that word, but is on trial here today,
745 'cause that's what he is. But that relationship, if Mr. Rizzolo has tried whatever he's tried,
746 alleged to have tried, it's not with the knowledge, not with the agreement of Mr. Signorelli.

747 Let's go now, if I can, through the areas of concern that Metro listed on the report and that Mr.
748 Jerbic, you know, referred to. First, and the first area of concern, I'm sorry, my cold. In the first
749 area of concern, we're talking about the dates in December. During that period of time, there
750 was never an agreement. There was never a discussion with Mr. Rizzolo and Mr. Signorelli
751 where Mr. Rizzolo said, you do this for cabs, and Mr. Signorelli agreed or said, yes, sir. Okay.
752 It was a little unclear in December. It wasn't really clear until the January 17th meeting to Mr.
753 Signorelli that there'd be absolutely no conversations with this man of any kind, other than sale,
754 other than with your counsel being present and other than Mr. Jerbic doing, you know, Mr.
755 Jerbic having noticed those meetings. So there may have been a meeting there –, one or two or
756 something in that December period of time, but believe me, there was never an agreement on
757 what should be done with cabs. In that period of time, Mr. Signorelli felt he had to pay cabs to
758 be competitive and, I believe, Mr. Rizzolo felt that he shouldn't pay that much money for cabs.

CITY COUNCIL MEETING OF
April 18, 2007
VERBATIM TRANSCRIPT – ITEM 66

759 And they never even agreed. Mr. Signorelli did what he wanted to do because it was his club.
760 He leased it. It was his club. And he's always acted – in – that respect. I think that's about it on
761 – area of concern Number One.

762 On Number Two, on Mary Crespi. Again, next day, someone comes in looking for a job, the
763 man's only been running the club for one day. Soon as, at the January meeting or thereabouts,
764 Mr. Signorelli was told who Mary Crespi was. He had no idea. She was not on the prohibited
765 list and soon as he was told that, he immediately terminated her employment, as was said earlier.
766 Let's go to area of concerns three and four – about these employees. There's a misunderstanding
767 here. And Mr. Signorelli believed that he was concerned with these employees were present,
768 you know, previously. And he had a conversation with Business Licensing (sic). And during his
769 conversation with Business Licensing, its Mr. Signorelli's position what they said, look, let's call
770 those two people in right now for key employee. They filed their application immediately for
771 key employee. And it was his understanding that they would rise or fall on whether their
772 application was approved or not approved. Yesterday, we had a meeting with Business
773 Licensing (sic), and we also just got the report as – you did with regard to the area of concern.
774 And in all due respect to Business Licensing, they said to me, Jay, that's not, we don't recall any
775 such understanding, whereupon those two employees were immediately terminated by Mr.
776 Signorelli, not just because of today's meeting –

777

778 **MAYOR PRO TEM REESE**

779 When was he terminated?

780

781 **MICHAEL SIGNORELLI**

782 This morning.

783

784 **JAY BROWN**

785 Again, not because of today's meeting, I know it's – it looks that way –

CITY COUNCIL MEETING OF
April 18, 2007
VERBATIM TRANSCRIPT – ITEM 66

786 **MICHAEL SIGNORELLI**

787 We had just received the report, just received the report.

788

789 **JAY BROWN**

790 – last week. But more importantly, we just found out from Business Licensing (sic) yesterday
791 that it was their understanding, there was no such understanding that if they came in for key
792 employee status. But we never sought to hide those people, never sought to hide those people.
793 If he misunderstood Business Licensing (sic), and he may have, he may have. Okay. I know
794 Mr. DiFiore. I know the Business License Department, they're – tops with me. Okay. And – if
795 he misunderstood, but at least he did apply for key employee, so there was no hiding who those
796 people were. Okay. Certainly good intent on his part.

797

798 **MAYOR PRO TEM REESE**

799 (inaudible) Please.

800

801 **JAY BROWN**

802 Sure.

803

804 **MAYOR PRO TEM REESE**

805 Mr. DiFiore, can you, I got a question for you. Did they, have come to you for application for
806 key employees?

807

808 **JIM DiFIORE**

809 Yes, they did. They, going back several months ago, Mr. Signorelli conveyed to me that he was
810 going through an interview process with individuals, both inside the club and outside the club, to
811 have hired as key employees. Those required investigation by Metro. His – presentation to me
812 was he was going to do that because he couldn't spend 24 hours there to operate the club. And
813 he knew because of the past history, he was gonna need somebody that he trusted to come into
814 the club. And he was going through an interview process. We certainly don't recommend

CITY COUNCIL MEETING OF
April 18, 2007
VERBATIM TRANSCRIPT – ITEM 66

815 anybody to him. We don't tell him who to hire, who not to hire. It's – up to him to make that
816 decision, submit the applications before us. Metro does the investigation and when those
817 investigations are completed, administratively on key employees, I take the action. No action
818 has been taken to date because we're here today to discuss the license.

819

820 **MAYOR PRO TEM REESE**

821 So that you – got the application for these key employees?

822

823 **JIM DiFIORE**

824 Yes, we did.

825

826 **MAYOR PRO TEM REESE**

827 And when did you get these applications for –

828

829 **JIM DiFIORE**

830 I'm gonna say probably in December –

831

832 **MAYOR PRO TEM REESE**

833 And –

834

835 **JIM DiFIORE**

836 – of 2006.

837

838 **MAYOR PRO TEM REESE**

839 And you – allowed them to work at this location?

CITY COUNCIL MEETING OF
April 18, 2007
VERBATIM TRANSCRIPT – ITEM 66

840 **JIM DiFIORE**

841 There was no reason not to. I – had no idea of – their background at all. There was no reason
842 not to allow them to work while they were going through the investigation, ‘cause I had no idea
843 of any criminal background or any association with Mr. Rizzolo.

844

845 **MAYOR PRO TEM REESE**

846 Thank you.

847

848 **JAY BROWN**

849 And respectfully, if he didn’t, how would we? I’d like to just submit this too. I’m sure Mr.
850 Wolfson’s listening, but I know he, this is particular interest to him. So, if – you would, the –
851 individual pages, if you would just circulate that to everybody, and – just leave that up there for
852 maybe when Mr. Wolfson comes back.

853 Okay. Let’s talk about area of concern five which is this financing that we talked about. It was
854 always our position, Mr. Signorelli made it very clear at the January 17th meeting, that without a
855 permanent license – ,he could not go about getting financing and completing this transaction.
856 Matter of fact, what I have just taken the liberty of doing, Mayor Pro Tem, is to just take, repeat
857 your language, on – that portion of that page. And – I think you spoke for the Council when you
858 said, there, remind me, 24, thank you, and I understand the necessity to having a permanent
859 license in order to get the \$45 million financing. I, to me, it’d be pretty hard to finance
860 something if you just had the temporary license and not know what’s gonna happen with that
861 temporary license. So I know it’s imperative that you get the permanent license, and to me that’s
862 why I’m gonna go with the 90 days which you were very strong about. So (inaudible) there was
863 never a discussion, that during this period of time, while we were going forward for our
864 permanent license, that we were gonna have to show any information whatsoever regarding our
865 lenders or anything like that. Okay. But we did. We did, to show not only good faith, but
866 because we were cautiously optimistic and, frankly, very optimistic about today because we
867 knew Mr. Signorelli had operated within the spirit of the agreement, tried to do it within the
868 letter of the agreement, but certainly within the spirit of the agreement.

CITY COUNCIL MEETING OF
April 18, 2007
VERBATIM TRANSCRIPT – ITEM 66

869 We went out and we ordered an environmental study, okay, a copy of which I have provided.
870 Unfortunately I didn't provide seven of them, but I had a conversation with Councilman
871 Wolfson. I know that was very important to him. We also – ordered an ALTA survey, a copy of
872 which I've also just, you know, provided you. In addition, we asked for a real estate appraisal.
873 We just got that in, I think, on the 13th, and that's been provided to you as well. We have two
874 other appraisals coming. One is an FF and E, furniture, fixture and equipment appraisal, and the
875 other is a business appraisal and they're between one to two weeks away. So we felt that if we
876 got our approval of our permanent license today, we'd get a running start. We've already spoken
877 to a number of lenders and possible people as partners. We've also got the appraisals coming in.
878 We're – ready to go.

879 Now, I'm – disappointed in Mr. Platz and the conversation that I heard here earlier today.
880 Unfortunately, Mr. Platz is in China. One thing, Mayor Pro Tem, I wanna make clear, Mr. Platz
881 is an associate of Mr. Signorelli. He has no relationship at all – with Mr. Rizzolo. Okay.

882

883 **MAYOR PRO TEM REESE**

884 I need – to interrupt here for a second. We need a copy, you said you had a, an appraisal done.

885

886 **JAY BROWN**

887 Weren't those –

888

889 **MAYOR PRO TEM REESE**

890 Where – they at there? I'm not gonna go through all that stuff.

891

892 **JAY BROWN**

893 I don't know – each one has, each one is separate, sir. One is a real estate appraisal, one is an
894 environmental study, and one is an office –

895

896 **BEVERLY BRIDGES**

897 Land America.

CITY COUNCIL MEETING OF
April 18, 2007
VERBATIM TRANSCRIPT – ITEM 66

898 **MICHAEL SIGNORELLI**

899 Yeah, this is the land appraisal.

900

901 **MAYOR PRO TEM REESE**

902 And could you, for the record, tell the people in the audience what is, what it says?

903

904 **MICHAEL SIGNORELLI**

905 Yeah. The land appraisal came in at \$12.5 million.

906

907 **MAYOR PRO TEM REESE**

908 Twelve point five.

909

910 **MICHAEL SIGNORELLI**

911 And Land America for everybody's information, Mr. Councilman, is a four and a half billion
912 dollar, New York Stock Exchange company that does appraisals for all the major companies in
913 the world.

914

915 **MAYOR PRO TEM REESE**

916 Okay. What did they appraise the – business for?

917

918 **JAY BROWN**

919 We haven't gotten that . I'm – sorry –

920

921 **MAYOR PRO TEM REESE**

922 Okay.

923

924 **JAY BROWN**

925 That's what it says about a week or two away. On the business, we have not gotten yet.

CITY COUNCIL MEETING OF
April 18, 2007
VERBATIM TRANSCRIPT – ITEM 66

926 **MAYOR PRO TEM REESE**

927 Okay.

928

929 **JAY BROWN**

930 But we're close to getting it.

931

932 **MAYOR PRO TEM REESE**

933 You want – these admitted for the record?

934

935 **JAY BROWN**

936 Yes, I do.

937

938 **MAYOR PRO TEM REESE**

939 Okay.

940

941 **JAY BROWN**

942 And I also wanted to show it again, going back to what Mr. Jerbic said and he didn't note to the
943 contrary, to show some good faith on our part that we are moving forward and this is not a game
944 for us. This is very, very serious business.

945 Let's touch on –

946

947 **UNIDENTIFIED MALE SPEAKER**

948 (inaudible)

949

950 **JAY BROWN**

951 – area of concern six. This is where he talked about on that merchant account. It was talked
952 about at the previous meeting on January 17th, but I don't know there's a need to really go over
953 it, but 70 percent of the revenue of this business comes from credit cards. Companies like Wells
954 Fargo don't do credit, don't do merchant accounts for adult businesses. So in order not to have

CITY COUNCIL MEETING OF
April 18, 2007
VERBATIM TRANSCRIPT – ITEM 66

955 to be closed for three weeks, okay, Mr. Signorelli used the same merchant account that Mr.
956 Rizzolo used. No question about it. He showed the receipts to Metro in the investigation, he got
957 an accounting, back and forth with Mr. Rizzolo's office, and he got the money that was supposed
958 to get forthcoming. But he used that merchant account while his own application was pending,
959 rather than to have to stay closed for three weeks. And this again was back initially.

960 I think we're down now to area of concern seven, okay, and this again goes to what I think
961 Councilman Wolfson was saying earlier. Mr. Rizzolo, like any landlord probably, wants to have
962 as much control over a tenant he doesn't know as he possibly can. He'd like to be able to go into
963 the building whenever he wants. He'd like to be able to have a place in the building. And he, as
964 all landlords do, they make leases available to tenants. Tenants don't prepare landlord leases for
965 landlords, okay. And he prepared these leases, whether he took his best shot, whatever it was,
966 and these leases were shown, repeatedly, to Mr. Jerbic's office, and finally a lease was agreed
967 upon. It's – not fair to have the inference in area of concern seven that Mr. Signorelli tried to get
968 something that Mr. Rizzolo wanted on, or that he submitted six different leases. There were six
969 different drafts. Only one was signed. The one that was signed was approved by the City. And
970 I'm sure Mr. – Rizzolo is here, he'd probably just argue that he was only doing that to protect his
971 \$45 million asset. Again, whether that's the reason or not the reason, we just signed the lease
972 that was approved by the City, and we should not be held accountable or at fault for any early
973 drafts that Mr. Rizzolo may have – sent forward.

974

975 **COUNCILMAN WOLFSON**

976 Mr. Brown.

977

978 **JAY BROWN**

979 Yes.

980

981 **COUNCILMAN WOLFSON**

982 I'm sorry to interrupt you. Mayor Pro Tem –

CITY COUNCIL MEETING OF
April 18, 2007
VERBATIM TRANSCRIPT – ITEM 66

983 **MAYOR PRO TEM REESE**

984 Yes.

985

986 **COUNCILMAN WOLFSON**

987 – with your permission. I just wanted you to know and anybody that's watching is that the
988 Councilmembers have some lunch in the back room and, in order to keep the meeting moving, so
989 we don't have to take a lunch break, we're taking some periodic breaks to get something to eat,
990 but there is a television back there. We can listen and monitor everything that's going on out
991 here.

992

993 **JAY BROWN**

994 Thank you.

995

996 **MAYOR PRO TEM REESE**

997 Thank you.

998

999 **JAY BROWN**

1000 I guess in conclusion, to me, it's absolutely clear after looking at this report that this gentleman
1001 deserves a permanent license. I've given you his resume, I've shown, the last few pages you can
1002 of see his awards. This gentleman's a Ph. D. from UNLV. He's had very – serious real estate
1003 investments, and frankly this is going to be a real estate investment at the end of the day. His
1004 goal in closing here is not just to have a, an adult club, his goal is really to make this a serious –
1005 real estate, you know, investment with improvement thereon. He may have made –

1006

1007 **MAYOR PRO TEM REESE**

1008 Before you –

1009

1010 **JAY BROWN**

1011 – a mistake –

CITY COUNCIL MEETING OF
April 18, 2007
VERBATIM TRANSCRIPT – ITEM 66

1012 **MAYOR PRO TEM REESE**

1013 Before you wrap up, Mr. Brown, I got a letter I wanna put in the record.

1014

1015 **JAY BROWN**

1016 Sure.

1017

1018 **MAYOR PRO TEM REESE**

1019 So you can – address it also. This letter is from Judy –

1020

1021 **JAY BROWN**

1022 I'm familiar with that –

1023

1024 **MAYOR PRO TEM REESE**

1025 – Gludigji – Glugenian or whatever her name is.

1026

1027 **MICHAEL SIGNORELLI**

1028 Glugenian.

1029

1030 **MAYOR PRO TEM REESE**

1031 I'll give it – to the staff. The bulk of the letter, it says, in today's Review Journal, they refer to

1032 Mike Signorelli as the former owner of the Golden Steer Steakhouse. When did he sell it

1033 because my family has not been notified and our lawyer's letters asking for an explanation of 17

1034 months of delinquent payments have been ignored. I would like to, that addressed –

1035

1036 **JAY BROWN**

1037 It will be –

1038

1039 **MAYOR PRO TEM REESE**

1040 – at this time.

CITY COUNCIL MEETING OF
April 18, 2007
VERBATIM TRANSCRIPT – ITEM 66

1041 **JAY BROWN**

1042 It will be.

1043

1044 **MAYOR PRO TEM REESE**

1045 And submit that letter for the record.

1046

1047 **JAY BROWN**

1048 If – you like, first of all, he has not sold the Golden Steer. He’s owned the Golden Steer,
1049 continues to own it, and hopes to own it for a long time in the future. If you’d like him to
1050 respond to the letter, I’ll take a break right now and let him do it while it’s – on – the table –

1051

1052 **MAYOR PRO TEM REESE**

1053 Well – I would like to know, you know, she’s asserting that he hasn’t made payments in 17
1054 months.

1055

1056 **JAY BROWN**

1057 Go – ahead.

1058

1059 **MICHAEL SIGNORELLI**

1060 I – that is absolutely not true. My payments are completely current. My federal court trustee,
1061 Tim Corey, he’s an esquire, here who’s, and I – my payments are current as the second, I have
1062 him contacting ‘em, sending over faxes when I heard this, to Mr. Jerbic’s office, just to verify
1063 that. And I’ve also provided documentation this morning, as well already, of every check I’ve
1064 ever written since 2001 to the court. I’m almost paid off and I’m totally current. I’ll go on
1065 record with that.

1066

1067 **MAYOR PRO TEM REESE**

1068 Thank you. Well, it just, it bothers me and – again, Mr. Brown, that to me, of course, I pay my
1069 bills each and every month, as I’m sure Mr. Signorelli does, but I have a hard time, in looking at

CITY COUNCIL MEETING OF
April 18, 2007
VERBATIM TRANSCRIPT – ITEM 66

1070 this lease for \$400,000 a month and I understand what you said, but it still bothers me he's only
1071 paid \$350,000 in lease payments. I would love to have a business like that where I can take all
1072 this money, put it in my pocket and not pay the landlord.

1073

1074 **MICHAEL SIGNORELLI**

1075 I (inaudible) to be –

1076

1077 **MAYOR PRO TEM REESE**

1078 Well, that's fine –

1079

1080 **MICHAEL SIGNORELLI**

1081 – respond to that very much because, and I'll be (inaudible) sure my record, I don't take any
1082 money. So what I'm saying, I paid the employees. I haven't been taking any money. That's a
1083 very important point to say. I haven't put any money in my pocket.

1084

1085 **MAYOR PRO TEM REESE**

1086 But again though, the lease is for 400,000 per month, for a total of \$1.2 million and you've only
1087 paid three hundred and twelve thousand dollars.

1088

1089 **JAY BROWN**

1090 First of all, I think –

1091

1092 **MAYOR PRO TEM REESE**

1093 I don't – understand that at all.

1094

1095 **JAY BROWN**

1096 I don't – I'm not about to explain to you. I don't, was it, was that number from the December
1097 31st date, the ones, the date you just, the –

CITY COUNCIL MEETING OF
April 18, 2007
VERBATIM TRANSCRIPT – ITEM 66

1098 **MAYOR PRO TEM REESE**

1099 That's the date, that's what I have in front of me, I'm sure you can explain that (inaudible).

1100

1101 **JAY BROWN**

1102 Okay. What I'm saying to you is this. If – Mr. Rizzolo were to go ahead now and say, you
1103 know, you're – delinquent, and I'm not gonna give you that deferment, okay, and throw him out,
1104 what happens? No license over there, this place closes, he could not sell that, probably, I'm not
1105 an expert –

1106

1107 **MAYOR PRO TEM REESE**

1108 But he –

1109

1110 **JAY BROWN**

1111 (inaudible)

1112

1113 **MAYOR PRO TEM REESE**

1114 But he – he's still not –

1115

1116 **JAY BROWN**

1117 – but he could not get \$45 million.

1118

1119 **MAYOR PRO TEM REESE**

1120 He's still not sure that – he's gonna be able to sell this to Mr. Signorelli because he doesn't have
1121 the permanent license.

1122

1123 **JAY BROWN**

1124 That's correct. But he was cooperating, I think, to help him do what he could to get a permanent
1125 license so he could pay the 45 million, okay.

CITY COUNCIL MEETING OF
April 18, 2007
VERBATIM TRANSCRIPT – ITEM 66

1126 **MAYOR PRO TEM REESE**

1127 Mr. – Rizzolo was.

1128

1129 **JAY BROWN**

1130 Well, I think, selfishly, Mr. Rizzolo would – understand that if he went ahead and said, listen,
1131 you pay me that now or you're out of here, and he said, and he went ahead and said, okay. I'm
1132 out of here, where does that leave Mr. Rizzolo? No friendship, no favor. It's just business.

1133

1134 **MAYOR PRO TEM REESE**

1135 Councilman Brown.

1136

1137 **COUNCILMAN BROWN**

1138 Thank you, Mr. Mayor Pro Tem. Mr. Jerbic, I, just on this point, the lease agreement that's in
1139 question, is the fifth or sixth version that the City approved, does it speak to anything as far as
1140 deferred payments or default or are there any legal issues, just on that one subject matter that we
1141 need to consider today?

1142

1143 **BRAD JERBIC**

1144 Right. I – don't have it in front of me. I don't recall a provision for deferred lease payment. Mr.
1145 Signorelli will probably be – more educated in that than I am. I just remember it was a \$400,000
1146 a month lease, straight up. That was my recollection.

1147

1148 **JAY BROWN**

1149 I believe, to answer, Councilman, your question, that when he sent in the lower amount, Mr.
1150 Rizzolo sent back and said, understand, this is only a, this is not a forgiveness of the rent. This is
1151 deferment. When we settle up on the 45 million, you're gonna owe me some more money. So
1152 Mr. Rizzolo made it very clear to Mr. Signorelli that he was not waiving that balance.

1153

1154 **MAYOR PRO TEM REESE**

CITY COUNCIL MEETING OF
April 18, 2007
VERBATIM TRANSCRIPT – ITEM 66

1155 Good.

1156

1157 **JAY BROWN**

1158 What were you saying?

1159

1160 **MICHAEL SIGNORELLI**

1161 I want to say something in defense of – Mr. Jerbic.

1162

1163 **JAY BROWN**

1164 He doesn't need a defense.

1165

1166 **MICHAEL SIGNORELLI**

1167 Well, I – thought it was fair –

1168

1169 **JAY BROWN**

1170 His job's clear.

1171

1172 **MICHAEL SIGNORELLI**

1173 No. Well, I – just – I'd like to answer the question.

1174

1175 **MAYOR PRO TEM REESE**

1176 This is – very serious (inaudible).

1177

1178 **JAY BROWN**

1179 Right. Go ahead.

1180

1181 **MICHAEL SIGNORELLI**

1182 I'd like to say this is a very serious issue. I – it's my fault and I owe Mr. Jerbic an apology. I

1183 went ahead, you know, on my own accord and signed another document, pager width, to get –

CITY COUNCIL MEETING OF
April 18, 2007
VERBATIM TRANSCRIPT – ITEM 66

1184 Mr. Rizzolo's, I need to have this covered, 'cause I don't wanna deal with this later. And I don't
1185 think we sent that to your office, Brad, and it's my fault.

1186

1187 **COUNCILMAN BROWN**

1188 Thank you. I would –

1189

1190 **MICHAEL SIGNORELLI**

1191 It's not your – it probably wasn't there.

1192

1193 **MAYOR PRO TEM REESE**

1194 Councilman Brown.

1195

1196 **COUNCILMAN BROWN**

1197 Well, just again, to – get some closure on that then, if you could, Mr. Brown, if your client could
1198 supply Mr. Jerbic with the amended agreement –

1199

1200 **MICHAEL SIGNORELLI**

1201 Sure.

1202

1203 **COUNCILMAN BROWN**

1204 – verbal documentation or anything in writing –

1205

1206 **JAY BROWN**

1207 Whatever we have.

1208

1209 **COUNCILMAN BROWN**

1210 Whatever you have. But back – to the question then, so the fact that an amendment to agreement
1211 that we approved and we don't have in front of us. Does that weigh in on anything other than
1212 just this overall –

CITY COUNCIL MEETING OF
April 18, 2007
VERBATIM TRANSCRIPT – ITEM 66

1213 **BRAD JERBIC**

1214 My only –

1215

1216 **COUNCILMAN BROWN**

1217 Anything specific –

1218

1219 **BRAD JERBIC**

1220 My only point in mentioning that he's paying reduced lease payments is – to – illustrate a couple
1221 of things. One, we relied on a written document when that first license was granted, and we had
1222 relied on it after going through five iterations that we had problems with. And then after we rely
1223 on it, we find out there's a deviation from it. That's – number one point. Number two, is this
1224 whole idea that right after the business opens, and everybody knew the challenges on reopening
1225 this business, and I'm not saying there weren't some real challenges here, for Mr. Signorelli or
1226 anybody, to one day just walk in and just turn the key on this club which had been closed for a
1227 few days, and – expect that you're gonna sweep everybody out. It was a heavy burden, but it's a
1228 burden they accepted. And one of the things that continued after they turned the key and opened
1229 that door, after we said, you can have Annette Patterson for a week, you can have this person for
1230 a week, but you have to get 'em out afterwards. Nobody said we need three weeks, we need five
1231 weeks, it was a week.

1232 The credit card machine, where you swipe a card and money goes into an account, pushes money
1233 not into Mr. Signorelli's account, but into Mr. Rizzolo's account, The Powerhouse (sic), Inc.
1234 Money from liquor sales goes into an account from an individual who's had their liquor license
1235 revoked –

1236

1237 **MAYOR PRO TEM REESE**

1238 Brad, we – had that explained to us last time.

1239

1240 **COUNCILMAN WOLFSON**

1241 Mayor Pro Tem, may I ask –

CITY COUNCIL MEETING OF
April 18, 2007
VERBATIM TRANSCRIPT – ITEM 66

1242 **MAYOR PRO TEM REESE**

1243 Yes.

1244

1245 **COUNCILMAN WOLFSON**

1246 – please? One question for you, Mr. Jerbic, and one question for you, Mr. Brown. Mr. Jerbic,

1247 we granted Mr. Signorelli two three-month temporary extensions?

1248

1249 **BRAD JERBIC**

1250 That's correct.

1251

1252 **COUNCILMAN WOLFSON**

1253 Okay. Did I overhear you wrong, that we could have given him two six-month temporary

1254 licenses?

1255

1256 **BRAD JERBIC**

1257 You could have. That's correct.

1258

1259 **COUNCILMAN WOLFSON**

1260 Okay. So the Council chose the first time, back in, where's my dates –

1261

1262 **MAYOR PRO TEM REESE**

1263 January 17th –

1264

1265 **BRAD JERBIC**

1266 October 18th of 2006.

CITY COUNCIL MEETING OF
April 18, 2007
VERBATIM TRANSCRIPT – ITEM 66

1267 **COUNCILMAN WOLFSON**

1268 October 18th. Rather than give them a six-month temporary, we chose to give them a three-
1269 month temporary. And then in January, rather than give, it's probably up to six months; is that
1270 right?

1271

1272 **BRAD JERBIC**

1273 That's correct. Up to six months.

1274

1275 **COUNCILMAN WOLFSON**

1276 (inaudible) Council has an option to do, rather than give him a longer period of time, we chose to
1277 give him a moderate period of time. In other words, two three-months.

1278

1279 **BRAD JERBIC**

1280 That's correct.

1281

1282 **COUNCILMAN WOLFSON**

1283 So, theoretically, if we had chosen to give him one six-month, we would be sitting here today
1284 with the option of giving him another six months.

1285

1286 **BRAD JERBIC**

1287 That's correct.

1288

1289 **COUNCILMAN WOLFSON**

1290 Was that explained to us back then?

1291

1292 **BRAD JERBIC**

1293 Yes, it was.

CITY COUNCIL MEETING OF
April 18, 2007
VERBATIM TRANSCRIPT – ITEM 66

1294

1295 **COUNCILMAN WOLFSON**

1296 We probably wanted to keep, maybe, a shorter leash. That's the only reason why I think that we
1297 would give a three-month temporary. What's – the rationale for giving a three-month versus a
1298 six-month if we've got conditions in place, that if he violates the conditions, Mr. DiFiore can
1299 jump in and suspend his license?

1300

1301 **BRAD JERBIC**

1302 Please take no offense if I say this, but I don't vote. I don't know what – the rationale was. I do
1303 know that the Metropolitan Police Department pointed out at those meetings that they wouldn't
1304 have a report. I remember the first three-months license was – issued, and Sergeant Alexander
1305 can correct me. I think Metropolitan Police Department said, we probably won't have something
1306 for you in three months. And with that knowledge, with the knowledge that you could go up to
1307 six months, the Council chose three. My – guess is, it was because of all these areas of concern
1308 that have been popping up almost from day one, that you wanted to keep this on a short leash, for
1309 want of a better term.

1310

1311 **COUNCILMAN WOLFSON**

1312 What's the rationale in having a law that says you can give only two temporaries, but the time
1313 frames, especially in this case, realistically, it's turning into potentially only one temporary
1314 because we could have given a six-month the first time around.

1315

1316 **BRAD JERBIC**

1317 I don't know how to answer that question –

1318

1319 **JAY BROWN**

1320 'Scuse (sic) me –

CITY COUNCIL MEETING OF
April 18, 2007
VERBATIM TRANSCRIPT – ITEM 66

1321 **BRAD JERBIC**

1322 – other than that is the law and – like I said, we briefed everybody as to what the options were,
1323 and that’s what people elected to do.

1324

1325 **COUNCILMAN WOLFSON**

1326 And then my second question, Mr. Brown, if you don’t mind. I was in the back room –

1327

1328 **JAY BROWN**

1329 Sure.

1330

1331 **COUNCILMAN WOLFSON**

1332 – listening to what you were saying, and I think you said that you had provided the Council with
1333 some documentation showing –

1334

1335 **JAY BROWN**

1336 I’ll go through it, if you don’t mind.

1337

1338 **COUNCILMAN WOLFSON**

1339 Okay. Have you provided –

1340

1341 **JAY BROWN**

1342 May I? Yes, I have.

1343

1344 **COUNCILMAN WOLFSON**

1345 Okay. Now here’s what I have –

1346

1347 **JAY BROWN**

1348 ‘Kay (sic).

CITY COUNCIL MEETING OF
April 18, 2007
VERBATIM TRANSCRIPT – ITEM 66

1349 **COUNCILMAN WOLFSON**

1350 – that was handed out –

1351

1352 **MAYOR PRO TEM REESE**

1353 There's – some more here.

1354

1355 **COUNCILMAN WOLFSON**

1356 Or maybe – when you were saying this, it was being handed up here –

1357

1358 **JAY BROWN**

1359 Exactly.

1360

1361 **COUNCILMAN WOLFSON**

1362 Okay. Well –

1363

1364 **JAY BROWN**

1365 Exactly. That's why I said it. I knew – it was of concern, particularly to you and I said that.

1366 What happened was this –

1367

1368 **COUNCILMAN WOLFSON**

1369 Was there just one copy?

1370

1371 **JAY BROWN**

1372 Yeah, by the size of it, you can see, and I just, we, they're – recent as well so, what happened

1373 was this, in the area of concern that was brought up earlier, where – there was, wondering what

1374 we were doing about getting money, and showing money, and demonstrating that we have the

1375 funds to – buy – this – club. I spoke about the fact that although it was very clear in the last, in

1376 the January 17th transcript that – you are not gonna be looking at that issue, in getting the permit,

CITY COUNCIL MEETING OF
April 18, 2007
VERBATIM TRANSCRIPT – ITEM 66

1377 it was very clear in the transcript. I said, notwithstanding that, Mr. Signorelli really wanted to
1378 get a

CITY COUNCIL MEETING OF
April 18, 2007
VERBATIM TRANSCRIPT – ITEM 66

1379 running start because he felt soon as he got the permanent today, which he was optimistic at the
1380 time that he would get, he had ordered an environmental study. That has been, we have that, and
1381 I provided that with you today. He also ordered an ALTA survey, which again I provided a copy
1382 with you today. He also ordered a real estate appraisal which, again, I've provided a copy today.
1383 And there's two more appraisals coming. One is the business appraisal which we're a week to
1384 two weeks away, and the same is true of the FF and E appraisal that we're about a week or two
1385 away. So we're ready to go. And which kinda gets me to, if I can to, kinda wind up here. I
1386 know there's a lot of people who've got other matters today, and I apologize to them but this is
1387 so important –

1388

1389 **MAYOR PRO TEM REESE**

1390 We're not in any – hurry.

1391

1392 **JAY BROWN**

1393 Okay. You know, Mr. – Signorelli has spent 62 years of his life living what appears to be an
1394 exemplary life. He and his wife, and their one daughter and goes to the Meadows, and they're
1395 proud of what they've accomplished. They've lived here since 1969. You know how many
1396 liquor licenses you've given since you've all been on the Council. And his record, prior to this
1397 club, is extraordinary. Did he have a problem in October and November and December? Yes.
1398 But by all reports, it's improved immeasurably since the January 17th meeting. If this man is
1399 denied today, what repercussions is this gonna have on his life and his family's life? Any, I
1400 submit that any poor judgment that he may have shown isn't worth that.

1401

1402 **COUNCILMAN WOLFSON**

1403 Answer that, excuse me. I'm sorry, Mayor Pro Tem. But answer that question. Mr. Signorelli is
1404 60-some years old. He's –

1405

1406 **JAY BROWN**

1407 Right.

CITY COUNCIL MEETING OF
April 18, 2007
VERBATIM TRANSCRIPT – ITEM 66

1408 **COUNCILMAN WOLFSON**

1409 – been successful for many, many years. If we deny him a permanent license, what effect will
1410 that have?

1411

1412 **JAY BROWN**

1413 Okay.

1414

1415 **COUNCILMAN WOLFSON**

1416 Answer the question.

1417

1418 **JAY BROWN**

1419 I'll answer the question.

1420

1421 **MAYOR PRO TEM REESE**

1422 But again though, before you answer that question, I have some other things I wanted to put in
1423 there also and it's – a good question. Okay. Mr. Signorelli said for the last six months, he's not
1424 put one penny in his pocket. Okay. That he's losing money. He wants to borrow \$45 million to
1425 pay for this. To me, it's – a losing proposition. If we – don't give him his license, we're saving
1426 his life.

1427

1428 **JAY BROWN**

1429 He's, first of all, he's over 21. He can – make that – respectfully –

1430

1431 **MAYOR PRO TEM REESE**

1432 Well, but again though, I –

1433

1434 **JAY BROWN**

1435 Any –

CITY COUNCIL MEETING OF
April 18, 2007
VERBATIM TRANSCRIPT – ITEM 66

1436 **MAYOR PRO TEM REESE**

1437 – wanna go back to what I’m, my question was –

1438

1439 **JAY BROWN**

1440 Okay.

1441

1442 **MAYOR PRO TEM REESE**

1443 – about the rent that he’s not supposed to be, that he’s supposed to be paying, that he’s not

1444 paying and he’s saying that, and he’s not supposed to be giving money to the cab drivers any

1445 more –

1446

1447 **JAY BROWN**

1448 All right.

1449

1450 **MAYOR PRO TEM REESE**

1451 He’s admitted that. So, to me, it’s – a losing proposition. And (inaudible) to ask Mr. Jerbic,

1452 okay, and it says in here that he has investors of upwards of a one hundred and fifty million

1453 dollars to buy this. Do we, Mr. Jerbic, do we get a – chance to, if we give the permanent license,

1454 do we get a chance to look at these list of investors?

1455

1456 **JAY BROWN**

1457 Absolutely. I’m sorry. He’s the attorney. I apologize.

1458

1459 **MAYOR PRO TEM REESE**

1460 Thank you.

1461

1462 **BRAD JERBIC**

1463 You only get a chance –

CITY COUNCIL MEETING OF
April 18, 2007
VERBATIM TRANSCRIPT – ITEM 66

1464 **MAYOR PRO TEM REESE**

1465 Will –

1466

1467 **BRAD JERBIC**

1468 I think it's a variation –

1469

1470 **MAYOR PRO TEM REESE**

1471 Will it come back – before us if he has these investors? I don't know who they are. And I'm not
1472 gonna give a permanent license if I don't know who's gonna be buying this place.

1473

1474 **BRAD JERBIC**

1475 I was saving this for the end, but I'll jump to the chase now. You've got – three options today.
1476 One is a permanent license. One is no license, take no action. And the other is a permanent
1477 license with conditions. If you chose a permanent license with conditions, a condition could be
1478 that the investors are fully disclosed so that it's a completely transparent deal, that the
1479 Metropolitan Police Department look at their backgrounds and look at the – investors to make
1480 sure that we don't have people here that are – acting as a shell for someone. And that these be
1481 verifiable funds. You could add that as a condition. You could also add as a condition that if
1482 there is a violation of that condition, for example, failure to submit these individuals for
1483 background, failing to consummate, or a deal is consummated without Metro looking at the
1484 source of the funds, that Mr. DiFiore can immediately shut them pending a complaint before the
1485 Council. But ultimately with a permanent license, the only way to permanently take it away is
1486 by going through the formal complaint process that you've (sic) very familiar with.

1487

1488 **MAYOR PRO TEM REESE**

1489 Thank you. Councilman Wolfson –

1490

1491 **JAY BROWN**

1492 Can I –

CITY COUNCIL MEETING OF
April 18, 2007
VERBATIM TRANSCRIPT – ITEM 66

1493 **MAYOR PRO TEM REESE**

1494 – any more questions –

1495

1496 **JAY BROWN**

1497 Can I –

1498

1499 **MAYOR PRO TEM REESE**

1500 Sorry. (inaudible) Mr. Brown.

1501

1502 **JAY BROWN**

1503 Thank you very much. Let me proceed. So first I wanna answer the question, what happens if

1504 he gets denied. Okay. I don't know what happens to the Golden Steer. I don't know what

1505 happens with slot machines. I don't know what happens in future applications that he makes

1506 other places. I don't know what happens with social relationships and business relationships that

1507 he has with people who now have to say, hey, you were denied and – I can't risk my license by

1508 us having lunch or doing a business deal together. I don't know how it hurts him in – other

1509 business deals that he has. There's got to be a consequence. It's not gonna help him. That we

1510 know. It's just a question of how – bad it is.

1511 But let me go to the important thing today. And let's talk about what Mr. Jerbic just referred to.

1512 I took the liberty of – giving you what I thought was a – fair compromise. Okay, a fair

1513 compromise. I think that we all wanna know that Mr. Rizzolo's not getting –

1514

1515 **COUNCILMAN WOLFSON**

1516 Is that what this is?

1517

1518 **JAY BROWN**

1519 Yes. Okay. And then, let – me tell you why I think it's fair. Okay. I circulated it up there to

1520 everybody. Number one, I'm suggesting, because we have no choice, we can't extend this as

1521 Mr., as we, as you learned, Councilman Wolfson, you can't extend the temporary, unfortunately.

CITY COUNCIL MEETING OF
April 18, 2007
VERBATIM TRANSCRIPT – ITEM 66

1522 Okay. I'm – suggesting a permanent license with a couple of conditions. Condition Number
1523 One is that if he doesn't close and buy the club by June 30th, two thousand and seven, he's gone.
1524 We don't come back here again. We don't ask for extensions. Okay. He's gone. All right.
1525 And again, as was so accurately said by Mr. Jerbic, not only must he buy it, but he must buy it
1526 with verifiable funds and subject to the approval of the Las Vegas Metropolitan Police
1527 Department. Okay. Secondly, I further said that if at any time between now and June 30th, 2007,
1528 the City files a complaint against the applicant for failing to abide by any one of those eight
1529 conditions that we had earlier, right away we stop serving liquor, which closes the place down.
1530 Okay. So he's got some serious – consequences. We're not asking for a free lunch here. I
1531 think, Mr. Jerbic, if – you were to consider this, Mr. Jerbic, have a few other changes that he
1532 suggested and we can live with those suggestions that Mr. Jerbic made. But I think that's a fair
1533 compromise for a man of his standing and with his background deserves. Anyway, with that, I
1534 think he may wanna say a few words, unless we're there. Go ahead.

1535

1536 **MAYOR PRO TEM REESE**

1537 Mr. – Jerbic. Okay. His condition is if the applicant fails to close his purchase to buy the Crazy
1538 Horse Too by June 30th, 2007, with funds verifiable and subject to the approval of the Las Vegas
1539 Metropolitan Police Department, applicant will vacate the premises. Okay, so what we've done
1540 is we've taken the ability for another buyer to come in and buy this because Mr. Rizzolo's
1541 supposed to have this sold by what date?

1542

1543 **JAY BROWN**

1544 Same date.

1545

1546 **BRAD JERBIC**

1547 It's June 30th.

CITY COUNCIL MEETING OF
April 18, 2007
VERBATIM TRANSCRIPT – ITEM 66

1548 **MAYOR PRO TEM REESE**

1549 And so if, by some chance, he fails and he just continues to be there, until June 30th, what
1550 happens then?

1551

1552 **BRAD JERBIC**

1553 It's my understanding that if there's no sale by June 30th to Mr. Signorelli or anybody else, that
1554 the federal government takes over the business, it goes into receivership.

1555

1556 **MAYOR PRO TEM REESE**

1557 Okay. Are there any other questions –

1558

1559 **JAY BROWN**

1560 You wanna say something?

1561

1562 **MAYOR PRO TEM REESE**

1563 – of the applicant or Mr. Jerbic?

1564

1565 **JAY BROWN**

1566 You wanna?

1567

1568 **MAYOR PRO TEM REESE**

1569 Mr. Jerbic, have you seen these conditions?

1570

1571 **BRAD JERBIC**

1572 I have and I will comment on those in just one moment if, with your permission, Mr. Mayor Pro
1573 Tem. I would like to, for, couple, do things as, a couple of, by way of housekeeping first. I
1574 would like to take the report of the Metropolitan Police Department and file it with the Clerk at
1575 this point in time and make it part of the record. I think that it speaks for itself and any – missed,

CITY COUNCIL MEETING OF
April 18, 2007
VERBATIM TRANSCRIPT – ITEM 66

1576 you know, any missed characterization, any misstatement, is – clearly straightened out by – the
1577 actual words of the report.

1578 The second thing I would like to state is that the conditions, if that's where you want to go and
1579 I'll be glad to address them, are not staff's first position. I think that I made it abundantly clear,
1580 and I'll go back to Councilman Wolfson's question. What – evidence do you have that
1581 conditions have been violated? And I'll go back and I'll use the Crespi example one more time.
1582 I – don't think that Crespi is a name that is all that common. Somebody walks in your door
1583 when a co-defendant named Crespi has pled guilty and their last name is Crespi, and they apply
1584 to work in your business, it would just seem logical to me that somebody who knows that they
1585 bear the burden 'cause (sic) they made the promise to the Council of keeping the old regime out,
1586 would ask the simple question, do you bear any relationship to the Crespi who pled guilty as a
1587 co-defendant. These questions don't seem to be getting asked. These people seem to be getting
1588 in no matter what we do. If you go the route of a conditional permanent license, in a weird sort
1589 of way, you're almost shifting the burden to the police department to constantly watch this
1590 turnstile of people that come and go from this place that shouldn't be there to begin, in the
1591 beginning. And that is something that is troubling to us.

1592 It's very, very hard to know what you don't know. It's very, very hard to take their limited
1593 resources of Special Investigations and spend almost all of them at one club, just to make sure
1594 you don't have a connected ownership or – influence by a prior owner who has no business
1595 being there. And, like I say, I will give Mr. Signorelli the benefit of the doubt. Let's assume he
1596 has never met Mr. Rizzolo in his life before this particular transaction. Let's assume that he has
1597 no interest in keeping Mr. Rizzolo's people there and that, with a pure heart, he came here and
1598 said, absolutely not. I will divorce this business from the old regime. Hasn't happened. Didn't
1599 happen the first three months. There's been problems since then and it doesn't look like it's
1600 going to happen unless we continually were vigilant and watch this place. And that's just
1601 something the police department doesn't do. We're not babysitters for business owners who
1602 make promises that are very difficult to keep.

1603 And as far as impact on people's reputations or the like, I can only say this, everybody went into
1604 this eyes wide open, knowing that this was a burden, knowing that it didn't appear likely that an

CITY COUNCIL MEETING OF
April 18, 2007
VERBATIM TRANSCRIPT – ITEM 66

1605 individual who had never run a strip club before would run a strip club just by turning the key
1606 and walking in the door. Everybody knew that it was gonna take some kind of transition, but it
1607 couldn't involve any of the old regime. And with all of that said bluntly on the record, in fact,
1608 said so bluntly, we came back a second time with additional conditions, said bluntly on the
1609 record, said bluntly twice, it hasn't happened. And that's our problem. And the problem isn't
1610 that Mr. Signorelli, oddly enough, you see people up here that have bad characters, from
1611 everything I have seen, I'll give Mr. Signorelli – the benefit of the doubt, he's not one of them.
1612 But there is still a problem. And the problem –

1613

1614 **COUNCILMAN WOLFSON**

1615 Excuse me, Mayor Pro Tem, but isn't that what we're talking about here? We're talking about
1616 character.

1617

1618 **BRAD JERBIC**

1619 Well –

1620

1621 **COUNCILMAN WOLFSON**

1622 We're talking about suitability. So you just said, Brad, and I respect your opinion to the umph
1623 degree, but you just said in all your conversations, and've you repeated many times today that
1624 he's a good guy, you don't see any problems, et cetera and he's a good character. And that's
1625 what we're deciding today on the suitability of – Mr. Signorelli and isn't a big part of that
1626 character?

1627

1628 **BRAD JERBIC**

1629 We're not voting on character. We're not voting on whether or not somebody does good deeds
1630 in life. We're voting on whether or not they can run this business. And he cannot run this
1631 business. That's the blunt truth. The fact is you had an applicant stand up here before, just a
1632 moment ago, and say, I wanna withdraw my application, with or without prejudice, 'cause I can't
1633 run this. He could have been a fine fellow, but he admitted honestly to this Council he can't run

CITY COUNCIL MEETING OF
April 18, 2007
VERBATIM TRANSCRIPT – ITEM 66

1634 it. And what I submit to you is six months of history shows this, Mr. Signorelli, cannot run this
1635 business without influence from Mr. Rizzolo's people, and he is incapable of keeping them out
1636 of this business.

1637

1638 **JAY BROWN**

1639 We need to be able to respond, Mayor.

1640

1641 **MAYOR PRO TEM REESE**

1642 Absolutely.

1643

1644 **JAY BROWN**

1645 'Kay. I'm gonna – let Mr. Signorelli speak. But one thing, I do have in the audience, you know,
1646 Councilman Wolfson, if you'd like to hear, the general manager who can tell you all the things
1647 that we have put in since the that day to eliminate the possibility of what happened the day after,
1648 on October, in October – from happening. Secondly, let's not always look at this as a (sic) adult
1649 club. His goal is also to do, and he can talk a little about it, is – gonna be a land deal. Okay, as
1650 well as, so it – whether he's – the best businessman for adult clubs in the country, I don't know.
1651 He's hired someone who's got seven years of experience who I wanna bring up here, but it's not
1652 just an adult club. Okay. It's, and it won't be. I don't see what the harm – is to giving this man
1653 until June 30th, 'til June 30th to go ahead to get the money to close and get rid of Mr. Rizzolo
1654 and, at the same time, if he violates any of the conditions, you've – now made it clear, Mr.
1655 Wolfson's made it clear that the Business License (sic) Director can go ahead right away and
1656 stop the pouring of liquor and that way, one month, two month (sic), or three months, he can do
1657 it in a day. I don't think we're asking too much –

1658

1659 **MAYOR PRO TEM REESE**

1660 Okay.

CITY COUNCIL MEETING OF
April 18, 2007
VERBATIM TRANSCRIPT – ITEM 66

1661 **JAY BROWN**

1662 – for that. But –

1663

1664 **MAYOR PRO TEM REESE**

1665 Yes.

1666

1667 **JAY BROWN**

1668 – let Mr. Signorelli speak. He’s been waiting all day and it’s his life, so let him talk.

1669

1670 **MAYOR PRO TEM REESE**

1671 Mr. Signorelli.

1672

1673 **MICHAEL SIGNORELLI**

1674 First of all – let me say to Council that everybody has been just super. And as far as Mr. Jerbic
1675 and his office and Metro and Licensing, they have bent over backwards, to be fair. So I want to
1676 say that, first of all. I, this is the one time where I think Mr. Jerbic and I are being maybe a little
1677 bit in disagreement and it’s all with due respect. I’ve managed businesses up to 3000 employees,
1678 and I do think I’m very capable of running this business. Have there been some crazy things
1679 happening here? No question about it. And I’m surprised Brad still has hair. And, after what’s
1680 going on. And – for Mr. DiFiore and Metro, and just done everything. And, you know what, I
1681 only want a little more time so I can protect my investment and get this thing closed and put it
1682 behind all of us. And that’s all I’m asking.

1683 And I’m asking that I be tried as me, and – I have a lot of confidence in myself, and I am a good
1684 businessman, ladies and gentlemen. And I’ve proven that throughout my life. And I’m on the
1685 board of it now, a 500 and million, five hundred and nine million dollar company on the Stock
1686 Exchange and listed with a big investment in this town, which I’ve made. Five hundred and nine
1687 million dollar company. I have brought two companies public in this country right now and I’m
1688 very proud of what I’ve done.

CITY COUNCIL MEETING OF
April 18, 2007
VERBATIM TRANSCRIPT – ITEM 66

1689 And, you know, this is a crazy situation and, you know, there's no question, excuse the pun. But
1690 I've gone in here sincerely to do what's right. And – I've already gone so far and taken a
1691 financial beating. If I get stopped now, it has been a waste. I went on and risked some dollars in
1692 and Councilman Reese is correct, you know. And maybe I need to be checked up, mentally.
1693 Maybe Mister, Councilman Reese is right. But I've done everything with sincerity. I've never –
1694 lied to Mr. Jerbic or this Council. And I'm gonna have to tell you, in my 40 years of being in
1695 this town, I am at risk financially in this deal. But if I can get to June, I will not.

1696 And last thing I'm bringing up, one thing, even though Mr. Brown, who I have much respect for,
1697 we keep debating ourselves about, I'm thinking very clear, 'cause (sic) this is a very serious
1698 issue when it comes to financing. I submitted a letter to the federal government, and they went
1699 and called on it in New York City, to the bank, to verify funds before I came before you, the
1700 federal government. That's a matter of public record. The Treasury Department called, and the
1701 gentleman introduced himself as head of the Criminal Investigation Division, which really made
1702 my, impressed my banker, and said he wanted to check on the veracity of my funding, which he
1703 said was there and we sent a letter, which you have a copy of, which states that it was subject
1704 only to two things, an appraisal and permanent licensing. That institution which lent out, which
1705 lent two trillion dollars last year in this world and provided two loans to me prior and closed
1706 with me, can do this tomorrow morning, and I've already presented that, and it was signed by the
1707 senior vice-president of the company who just recently left the same company that provided the
1708 financing to the furniture mart in this town. And I wanted to put that on record.

1709

1710 **MAYOR PRO TEM REESE**

1711 Thank you. I – do have a question, though. You talked about protecting your investment. And I
1712 would just ask, I don't have to have the exact dollar, but what do you have, how much do you
1713 have invested in this business at this time?

1714

1715 **MICHAEL SIGNORELLI**

1716 Probably, other than my reputation, about five hundred and fifty dollars, personal cash. That's
1717 not a lot of money to you, but it's a lot of money to me.

CITY COUNCIL MEETING OF
April 18, 2007
VERBATIM TRANSCRIPT – ITEM 66

1718 **MAYOR PRO TEM REESE**

1719 It's a lot of money to me too. Are there any other questions?

1720

1721 **COUNCILMAN ROSS**

1722 Yes, Your Honor.

1723

1724 **MAYOR PRO TEM REESE**

1725 Councilman Ross, please.

1726

1727 **COUNCILMAN ROSS**

1728 Thank you, Mayor Pro Tem. Mr. Signorelli, Mr. Jerbic, Mr. Brown, I am probably the least
1729 supportive of this industry and I think you know that. My position's been clear throughout this
1730 entire process. I have expressed to the City Attorney's Office, and I'm gonna let you both know
1731 this. I have not seen any evidence, throughout this entire couple of hours we've been dealing
1732 with this, that has significantly changed my mind since the last time we voted on your temporary
1733 liquor license, and that's what this is, is a liquor license for your establishment. This isn't a
1734 special use permit for a sexually-oriented business. It's a liquor license. I don't see how this
1735 industry helps families or helps this community, but it is a business and it's allowable in this city
1736 and in this county.

1737 Sergeant, I appreciate your comments in regards to correcting some of the comments that Mr.
1738 Jerbic had – said in regards to the employee that you hired. I didn't realize that she was
1739 terminated as soon as you found that out. And I find it kind of strange, and – I'll address this to
1740 both of, to both parties here, if – I was Mr. Rizzolo or in this industry, I think I'd be a little more
1741 sneaky in trying to send somebody in there to – spy on Mr. Signorelli or to get a foothold on the
1742 – business as to what's happening with the same last name as somebody that's already been
1743 banned. I'm finding this whole thing weak, absolutely weak.

1744 And Mr. Signorelli, I – don't envy you on what you're trying to do here. This is tough and a
1745 tough business decision, no doubt. And at the same time, we're trying to protect the sanctity of

CITY COUNCIL MEETING OF
April 18, 2007
VERBATIM TRANSCRIPT – ITEM 66

1746 this city and – do what’s right. But I haven’t, Mayor Pro Tem, seen anything different than I saw
1747 three months ago.

1748

1749 **MAYOR PRO TEM REESE**

1750 Thank you. Councilman (sic) Tarkanian.

1751

1752 **COUNCILWOMAN TARKANIAN**

1753 I was going to ask, where is it, where did the money go, the five hundred and fifty thousand that
1754 you spent on this?

1755

1756 **MICHAEL SIGNORELLI**

1757 Into appraisals and also into a three hundred and fifty thousand dollar policy to have five million
1758 liability instead of the one million that Mr. Rizzolo used to pay for the person who got injured at
1759 the facility. I didn’t wanna live with one million dollars.

1760

1761 **COUNCILWOMAN TARKANIAN**

1762 Has any monies gone back to, you know, when we talked about this when you were here early
1763 on, the first time we met? There were monies that were supposed to have been given gradually
1764 to the injured quadriplegic.

1765

1766 **MICHAEL SIGNORELLI**

1767 No, I, no, and I just say it, you’re absolutely correct, Councilman (sic) Tarkanian. It has not. I
1768 tried to and I was told legally, I could not.

1769

1770 **COUNCILWOMAN TARKANIAN**

1771 You were told legally you could not.

CITY COUNCIL MEETING OF
April 18, 2007
VERBATIM TRANSCRIPT – ITEM 66

1772 **MICHAEL SIGNORELLI**

1773 Because of the grievance between – Mr. Rizzolo and that party, I was told I could not. So, but
1774 you're absolutely correct, I did say that, and that's what I was faced with.

1775

1776 **COUNCILWOMAN TARKANIAN**

1777 Thank you.

1778

1779 **MAYOR PRO TEM REESE**

1780 Thank you. Are there any other questions? Councilman Brown, please.

1781

1782 **COUNCILMAN BROWN**

1783 Thanks, Mayor Pro Tem. The reference just a few minutes ago as far as this banking
1784 correspondence, that there was verification or the federal government checked your banker, do
1785 we have a copy of that?

1786

1787 **MICHAEL SIGNORELLI**

1788 I – you should – have a copy, if not, I can get it to you in five minutes, might be on me, or I can
1789 have it to you within hours, but it's from Jones Lang, LSL. It was submitted to the government
1790 before they issued their letter to you for me to be here, just so you know. And that was just, so
1791 you know, that's the name of the company, it was signed by, you know, by Mr. Vince Singer.
1792 And – I have a copy, it might, I don't – have it with me, but I have a copy. I provided – that to
1793 the government on my record here so –

1794

1795 **JAY BROWN**

1796 By June 30th, if he doesn't have it, it's gone. So at least we're covered there.

1797

1798 **COUNCILMAN BROWN**

CITY COUNCIL MEETING OF
April 18, 2007
VERBATIM TRANSCRIPT – ITEM 66

1799 I – guess, in – retrospect, and that’s always the best thing to do, we perhaps could have taken
1800 advantage of the six-month temporary, ‘cause (sic) if we had pushed it beyond the June 30th, a
1801 lot

CITY COUNCIL MEETING OF
April 18, 2007
VERBATIM TRANSCRIPT – ITEM 66

1802 of these things would be resolved. But one thing that keeps coming back is the – SOB
1803 component of the business, doesn't go away. And we're, as Councilman Ross indicated, we're
1804 talking about the suitability of a liquor license. And the, I – don't think anybody has questioned
1805 Mr. Signorelli's character. His resume, the references, the names of the local, especially local
1806 references that you used in the documentation, I think that goes unquestioned. It's just been so
1807 much, quote, misunderstanding, and so many, as recently as this last question, again, the
1808 financial letter, the one-page amendment to the original lease agreement, and this is just, it's
1809 poor business. And whether it's all been captured in the recent profile of the industry and some
1810 of the problems it's gone through, and especially in relationship to government, there just seems
1811 to be so much compression. But one thing that we did, I think from day one, indicate that it was
1812 your decision to go down this trail. And, right from the get-go, it was a commercial venture.
1813 This – other stuff is probably just in your way of – making a commercial deal. But from day
1814 one, we said that you would be, by choice, under the microscope, in just about everything you
1815 did. And that, that's what's continued to be troubling is the fact that something's wrong and it's
1816 corrected. Even the Metro confidential report looks like the, all the areas of concern, and I don't
1817 think we have to go through them all, but definitely accurate. And then, it's been fixed,
1818 terminated, whatever. It – just seems to be, going on a six-month history of you do something
1819 wrong, it's corrected. You do something wrong, it's brought to your attention, it's corrected. So
1820 –

1821

1822 **MICHAEL SIGNORELLI**

1823 You – know, Mr. Brown, can I just interrupt for a second?

1824

1825 **COUNCILMAN BROWN**

1826 Please.

1827

1828 **MICHAEL SIGNORELLI**

1829 You know, I – feel like, you know, the – teller in the bank. No matter how many security guards
1830 you have in there, Wells Fargo bank possibly, or cameras or whatever, they still get robbed.

CITY COUNCIL MEETING OF
April 18, 2007
VERBATIM TRANSCRIPT – ITEM 66

1831 **COUNCILMAN BROWN**

1832 Yeah.

1833

1834 **MICHAEL SIGNORELLI**

1835 You can take, I don't care how many precautions you take, in this one or any other business, so
1836 I'm more apt here to get it done. I think the biggest concern I would have would be if I ignored
1837 what's going on here, or if I sit here and ask the City, or Metro or Mr. Jerbic or anyone
1838 (inaudible) say you know, give me a break, Mike. You know, you wanna another six-month,
1839 another year, I say no. I just wanna finish up all the aggravation we've all gone through and get
1840 this thing done. That's all I'm asking for and if – we were all ATM machines, we wouldn't need
1841 to be here today. That's my –

1842

1843 **COUNCILMAN BROWN**

1844 I –

1845

1846 **MICHAEL SIGNORELLI**

1847 We just go, press the button, yes, no. That's why we're human beings with a conscience.

1848

1849 **COUNCILMAN BROWN**

1850 I don't disagree.

1851

1852 **MICHAEL SIGNORELLI**

1853 That's all I'm saying. I'm not –

1854

1855 **MAYOR PRO TEM REESE**

1856 Thank you –

1857

1858 **COUNCILMAN BROWN**

1859 But – let me say that the owner of the business, the captain of the ship –

CITY COUNCIL MEETING OF
April 18, 2007
VERBATIM TRANSCRIPT – ITEM 66

1860 **MICHAEL SIGNORELLI**

1861 Right.

1862

1863 **COUNCILMAN BROWN**

1864 – is responsible for the bank teller, your analogy, is responsible for all the things that are
1865 happening. You – can't be there 24/7, but we don't go after the bank teller. Our job is to deal
1866 with the owner. So understanding that you got into this situation, everything's been before us.
1867 You've corrected it, which is good. But let's not move away from the fact that you're response,
1868 you are responsible –

1869

1870 **MICHAEL SIGNORELLI**

1871 Absolutely.

1872

1873 **COUNCILMAN BROWN**

1874 – regardless.

1875

1876 **MICHAEL SIGNORELLI**

1877 Absolutely.

1878

1879 **COUNCILMAN BROWN**

1880 The misunderstandings, the employees, the tipping, the amended agreement, the credit issue, all
1881 that seems to have been fixed. From my perspective, it comes down to this whole industry, in
1882 particular, this place of business. I don't think it's gonna go away. I wish it could be July 1st
1883 because we'd have so many questions answered and so much additional information to make
1884 what I think would be a better decision. We can't get there.

1885 So I, I'm of the mindset now that Mr. Signorelli has demonstrated that he's a good person that's
1886 made some bad decisions, directly or indirectly, with knowledge or with no knowledge. It
1887 doesn't matter. But we're at a point now, if we could create a situation, I would support if we
1888 could create a situation, that a temporary license could be granted, but going beyond just some of

CITY COUNCIL MEETING OF
April 18, 2007
VERBATIM TRANSCRIPT – ITEM 66

1889 the compromise conditions that Mr. Brown has submitted, also some of the things that have been
1890 discussed by Counsel, namely, the full disclosure of any kind of investment group. If Metro,
1891 well, I know Metro would be asked to be involved in checking that. Something as simple as
1892 having the applicant pay for any additional expense Metro has to go through that – background
1893 check.

1894 But putting a temporary versus a permanent gives the leverage to the ownership and we lose
1895 some of our ability to come in and govern or monitor the business. I think we have to make a
1896 compromise conditional agreement, if we go that route, far more restrictive and give us far more
1897 ability than a normal situation, that we can go in and if some of the things that have been
1898 transparent the last six months continue, that you are going to acknowledge that your client will
1899 be back here with a show-cause and he, not so much the business, he will be deemed as unable to
1900 run that business.

1901

1902 **JAY BROWN**

1903 We have no objection to, I felt the conditions that I put were pretty – tight. If you can make ‘em
1904 tighter, fine. You know, we – just wanna live for another day and close by June 30th. Whatever
1905 you say, Councilman.

1906

1907 **COUNCILMAN BROWN**

1908 I would, again, I wish it was July 1st because I would be in a better situation.

1909

1910 **JAY BROWN**

1911 I understand.

1912

1913 **COUNCILMAN BROWN**

1914 I don’t, if we – deny the extension or deny the permanent license, all we’re, we’re gonna be back
1915 here in 30 days or 90 days or a 120 days with a new Mr. Signorelli and go through this whole
1916 process. The business is not gonna go away. It’s my understanding its protected free speech,
1917 and regardless if you like it or don’t like it, it’s – part of, you know, our entitlement.

CITY COUNCIL MEETING OF
April 18, 2007
VERBATIM TRANSCRIPT – ITEM 66

1918 So I'd – certainly be interested in hearing from my colleagues, but if – given the choice yea or
1919 nay, I'd – like to get this resolved, get the whole Rizzolo portion of this behind us and then put
1920 the conditions on that we can address the new business and Mr. Signorelli with far more leverage
1921 than we have today.

1922

1923 **MAYOR PRO TEM REESE**

1924 That's why, I guess, I – really appreciate working on this Council with these fellow
1925 Councilmembers that we have here today. Councilman Brown, he's very eloquent. I appreciate
1926 your comments. I appreciate Councilman Wolfson's comments, Councilman Ross,
1927 Councilwoman Tarkanian.

1928 Mr. Jerbic, I feel somewhat like Councilman Brown just so eloquently spoke about. These
1929 conditions, A and B, that Mr. Brown or, presented to us, do you have anything that you would
1930 like to add to those conditions?

1931

1932 **BRAD JERBIC**

1933 Okay.

1934

1935 **MAYOR PRO TEM REESE**

1936 One condition I wanna to put in there somehow, maybe you can – help me out on that, is that
1937 when this application is finalized that we get to have a – briefing, or see investors or whoever it
1938 is that's – gonna be part of the purchase of the Crazy Horse.

1939

1940 **BRAD JERBIC**

1941 Very good. Let me –

1942

1943 **MAYOR PRO TEM REESE**

1944 And – again, I want it to, the – condition Councilman – Brown alluded to was, is that any
1945 expenses of any investigation after this would be – paid by Mr. Signorelli to the Metropolitan
1946 Police Department.

CITY COUNCIL MEETING OF
April 18, 2007
VERBATIM TRANSCRIPT – ITEM 66

1947 **BRAD JERBIC**

1948 Your indulgence for one moment, Your Honor.

1949

1950 **MAYOR PRO TEM REESE**

1951 You bet.

1952

1953 **COUNCILWOMAN TARKANIAN**

1954 Mr. Reese.

1955

1956 **MAYOR PRO TEM REESE**

1957 Yes.

1958

1959 **COUNCILWOMAN TARKANIAN**

1960 Mayor – Pro Tem, could I speak while they’re –

1961

1962 **MAYOR PRO TEM REESE**

1963 Absolutely.

1964

1965 **COUNCILWOMAN TARKANIAN**

1966 – counseling. You know, I, perhaps, don’t fit the same pattern of thinking Councilman Ross has

1967 at this time. I don’t think we’re just doing a suitability of liquor license because in this type of

1968 business, the liquor license is an integral part of the SOB. And the liquor license, we know,

1969 determines if the SOB continues or doesn’t continue, so I – can’t put a separation like that. I’m

1970 certainly not questioning the honesty of Mr. Signorelli. I believe that he’s a very honest person.

1971 I think he’s a very good-hearted person. I also believe you’re swimming in a shark-infested

1972 industry, and I think that it’s – a dangerous situation, perhaps you’re too good-hearted in it, or

1973 too believing or too trusting. But I’ve had the same concern that Councilman Brown has had

1974 about the number of occurrences of incidents where we have, and the proximity of them. It’s not

CITY COUNCIL MEETING OF
April 18, 2007
VERBATIM TRANSCRIPT – ITEM 66

1975 that they've just been spread so far apart. It's been a continual situation where we've had these
1976 things

CITY COUNCIL MEETING OF
April 18, 2007
VERBATIM TRANSCRIPT – ITEM 66

1977 coming up. And after one or two, then you say, well, we learn from this, or after four or five, we
1978 learn from it. It just seems we haven't learned yet in this. So I – have a big concern about this.
1979 It seems to me that, from the comments made here on the Council, that the feeling is of going for
1980 the granting of the temporary, I mean, excuse me, the permanent license. That's what I, I'm
1981 sensing from my fellow Councilmen. And if this is the case, I would like a condition added and
1982 I don't how this would be done. I'd have to talk with Mr. Jerbic and the police, but I would like
1983 to see a very careful monitoring of this –

1984

1985 **MAYOR PRO TEM REESE**

1986 Mr. – Jerbic –

1987

1988 **COUNCILWOMAN TARKANIAN**

1989 I – just –

1990

1991 **MAYOR PRO TEM REESE**

1992 Councilwoman Tarkanian –

1993

1994 **COUNCILWOMAN TARKANIAN**

1995 I'm talking about an additional condition. You asked if we thought about other conditions. If
1996 we're going in this direction, of giving a permanent license, which it appears to me from the
1997 comments made, the feeling is there on this Council. I would like to see a condition where we
1998 could monitor more quickly and have it handled, if it's by our business officer, by you or by
1999 Metro, quickly stop it right there if there's other incident occurs, not coming back again. And
2000 also having the monitoring of it very – closely because now I know we monitor some, but this
2001 would have to be monitored very closely for my feeling of comfort.

2002

2003 **BRAD JERBIC**

2004 I'm gonna try and address all of your questions. First of all, let me file with the Clerk a list of
2005 conditions that include the original eight conditions, and I provided Mr. Brown with a copy –

CITY COUNCIL MEETING OF
April 18, 2007
VERBATIM TRANSCRIPT – ITEM 66

2006 **MAYOR PRO TEM REESE**

2007 Mr. – Jerbic, Councilman Wolfson had a couple comments, perhaps we could –

2008

2009 **BRAD JERBIC**

2010 Oh, I'm sorry.

2011

2012 **COUNCILMAN WOLFSON**

2013 Well, thank you. That was one of my comments, actually, is that, Mr. Brown, I think I have

2014 what you're proposing in my hand right now, it's entitled: Crazy Horse Too Licensing

2015 Conditions. This is your work product?

2016

2017 **JAY BROWN**

2018 That's correct.

2019

2020 **COUNCILMAN WOLFSON**

2021 Okay. And what you're proposing is following Conditions A and B, and then I think you've

2022 listed the original conditions?

2023

2024 **JAY BROWN**

2025 That's exactly correct.

2026

2027 **COUNCILMAN WOLFSON**

2028 So your proposal is – to have the original eight conditions that are currently on the temporary

2029 license included in a permanent license, together with your two new conditions?

2030

2031 **JAY BROWN**

2032 That's correct.

CITY COUNCIL MEETING OF
April 18, 2007
VERBATIM TRANSCRIPT – ITEM 66

2033 **COUNCILMAN WOLFSON**

2034 Okay. Couple questions. As to Condition Number B, where you talk about if at any time,
2035 between now and June 30th, the City files a complaint against the applicant for failing to abide to
2036 any of the following eight conditions, Crazy Horse shall immediately cease selling liquor, et
2037 cetera – Is it your proposal that if anything occurs from today forward?

2038

2039 **JAY BROWN**

2040 That's –

2041

2042 **COUNCILMAN WOLFSON**

2043 You don't say it that way.

2044

2045 **JAY BROWN**

2046 That's – correct.

2047

2048 **COUNCILMAN WOLFSON**

2049 But that's the spirit –

2050

2051 **JAY BROWN**

2052 That's the spirit, right.

2053

2054 **COUNCILMAN WOLFSON**

2055 Okay. My second observation and then I'll probably be done. In one of our last two
2056 presentations, we probably spent about an hour and a half on the subject of whether Mr. Kirk
2057 Henry has been paid. Mr. Kirk Henry is the gentleman who was injured at the club, a
2058 quadriplegic, whose wife appeared, Dawn Campbell, duh-da-duh-da-duh-da. Now that hasn't
2059 been raised and I think, isn't that part of the settlement, in that if Mr. Rizzolo is paid monies for
2060 this business, as part of the agreement with the federal government, then Mr. Henry will get
2061 compensated.

CITY COUNCIL MEETING OF
April 18, 2007
VERBATIM TRANSCRIPT – ITEM 66

2062 **JAY BROWN**

2063 That's correct.

2064

2065 **COUNCILMAN WOLFSON**

2066 Okay.

2067

2068 **JAY BROWN**

2069 That's my definite understanding.

2070

2071 **COUNCILMAN WOLFSON**

2072 So – that's a – tangential consequence, if you will, of the sale of this business?

2073

2074 **JAY BROWN**

2075 That's correct.

2076

2077 **MICHAEL SIGNORELLI**

2078 One hundred percent correct.

2079

2080 **COUNCILMAN WOLFSON**

2081 I just wanna state that one of the reasons why I'm gonna support what I think is gonna be moved
2082 for, which is the permanent with certain conditions, is that what we filtered out in the last couple
2083 of hours is the idea that you could have received a six-month temporary which would have
2084 brought us to about today, and then we would have been able to consider another six-month
2085 temporary. So you would have had a year to get your ducks in order. For whatever reason, the
2086 wisdom of this Council created a three-month and a three-month so, because by operation of law,
2087 we either have to give you a permanent after six-months or not, versus the one-year or not. And
2088 because of that, I want you to be treated like others who come before this Council, and others
2089 have received six-month temporary and then another six-month temporary. You didn't. So –

CITY COUNCIL MEETING OF
April 18, 2007
VERBATIM TRANSCRIPT – ITEM 66

2090 **MAYOR PRO TEM REESE**

2091 Councilman, it would be my – understanding, though, that we couldn't have gave, we could have
2092 gave him the first six months, but we could not have gave him another six months because it
2093 would have been past the June 1st or June 30th deadline for the – business to be sold.

2094

2095 **COUNCILMAN WOLFSON**

2096 They're independent, aren't they?

2097

2098 **BRAD JERBIC**

2099 Yeah, they – are independent. I – see your point, Councilman. If – you were to give, it'd look
2100 awfully silly to give somebody a six-month license for a business they might not own after June
2101 30th and –

2102

2103 **COUNCILMAN WOLFSON**

2104 That's because of the federal government's –

2105

2106 **BRAD JERBIC**

2107 Right.

2108

2109 **COUNCILMAN WOLFSON**

2110 Yeah. Well, but it still, we still could have given him another two and a half months.

2111

2112 **BRAD JERBIC**

2113 That's true.

2114

2115 **COUNCILMAN WOLFSON**

2116 Okay. Well, my – point is that we chose back then to give a couple of three-months versus a six-
2117 month and perhaps another three-month. And I want Mr. Signorelli to be treated like others that
2118 come before this Council. And then, secondly, with all due respect to – those involved, I

CITY COUNCIL MEETING OF
April 18, 2007
VERBATIM TRANSCRIPT – ITEM 66

2119 certainly appreciate what Metro has done, and what Business License (sic) has done, but it seems
2120 like the last few months have been an improvement and an adjustment and perhaps a recognition
2121 by Mr. Signorelli that we mean business. And when we come back here, if we do at all on June
2122 30th, it's, you're either pregnant or you're not, meaning you either – own this business or you
2123 don't.

2124

2125 **JAY BROWN**

2126 Correct.

2127

2128 **COUNCILMAN WOLFSON**

2129 It's a – very easy decision for the Council. And to – continue you to, to continue to allow you to
2130 operate for another two and a half months, when I'm gonna ask Mr. DiFiore and Metro to be on
2131 this. I mean, this is just my personal request, be on this, because if he gets, if he closes the deal
2132 and he's got his ownership, I want him to be operating under the – strict adherence to the law.
2133 Thank you.

2134

2135 **BRAD JERBIC**

2136 With that, Mr. Mayor Pro Tem, let me submit, and I've provided to the Clerk, the original eight
2137 conditions which I believe that Mr. Signorelli and Mr. Brown have no problem agreeing to those
2138 continuing as part of a, of conditions of a permanent license. What I've done is I've taken Mr.
2139 Brown's language, and I've played with it a little bit here and I have eleven, I give you nine, ten
2140 and eleven that I'd like to read into the record with your permission, that I would recommend if
2141 you're gonna do a permanent license with conditions, that these be conditions. Number nine
2142 would be that the licensee must close escrow for the purchase of the property, commonly known
2143 as the Crazy Horse Too, by June 30, 2007. Ten, any and all funds used to purchase the Crazy
2144 Horse Too shall be verifiable and subject to the approval of the Las Vegas Metropolitan Police
2145 Department. Licensee shall provide all financing documents, as well as all escrow documents, to
2146 the Las Vegas Metropolitan Police Department upon request. I assume we have agreement on
2147 that point.

CITY COUNCIL MEETING OF
April 18, 2007
VERBATIM TRANSCRIPT – ITEM 66

2148 **JAY BROWN**

2149 You're the boss. Go ahead.

2150

2151 **MICHAEL SIGNORELLI**

2152 Hm-hmm.

2153

2154 **BRAD JERBIC**

2155 Okay. Having heard that Mr. Signorelli agrees to number nine and ten, let me read number
2156 eleven and read it very carefully. And I'm gonna ask for a waiver here in a moment because
2157 this, I think, addresses Councilwoman Tarkanian's question about trying to get more control and
2158 your request, Councilman Brown. Condition Number Five which used to read, any violation of
2159 these conditions or special conditions or violation of any local, state or federal law shall allow
2160 the Business License (sic) manager to administratively suspend the liquor license. Licensee
2161 understands that he has the right to appeal the decision to the next Council meeting, subject to
2162 the Open Meeting Law. The new number eleven would read this. Condition Number Five is
2163 superseded by the following condition: Licensee stipulates and agrees that the Business
2164 Licensing (sic) Director shall have the power to summarily suspend any City business licensing
2165 related to this property upon his finding any substantial violation of law or conditions of
2166 licensure which makes such a suspension in his sole discretion necessary. We're not just talking
2167 about liquor license now, we're talking about everything. Mr. DiFiore, if there's a violation of
2168 any of these conditions, would be able to summarily shut the business. The only restriction upon
2169 his ability to exercise this power shall be the condition that he deliver a written notice of his
2170 intention to do so at least 24 hours in advance of his action and allow the licensee an opportunity
2171 to be heard informally in opposition. If the Business License (sic) Director summarily suspends
2172 any privileged license, it is part of the stipulation that he will promptly initiate formal
2173 disciplinary process set forth in our Code for the City Council to consider whether or not to
2174 impose discipline. If there is agreement with this condition, I'll need a waiver and I'll need to
2175 ask Mr. Signorelli a couple of questions.

CITY COUNCIL MEETING OF
April 18, 2007
VERBATIM TRANSCRIPT – ITEM 66

2176 **MAYOR PRO TEM REESE**

2177 A waiver of what, Mr. Jerbic?

2178

2179 **BRAD JERBIC**

2180 Under our Code, 6.88 provides administrative procedures and you're familiar with them. That's
2181 when we bring a complaint before the Council for your consideration. It's when you have a
2182 certain number of days within which to set a hearing. What Mr. Signorelli will be saying is I am
2183 aware that 6.88 exists, my attorney understands it, he's explained it to me, and to the extent that
2184 Mr. DiFiore will have summary power to go in and shut it down, I waive that portion of it. And
2185 that's what I need on the record.

2186

2187 **JAY BROWN**

2188 I'll let him speak for himself 'cause (sic) I'm not going out on a limb on this one. I –

2189

2190 **MAYOR PRO TEM REESE**

2191 Well, either you are –

2192

2193 **JAY BROWN**

2194 Well, – we're gonna agree to that, but, you know, 'cause we have really no choice. The only
2195 thing, I wanna make sure in the spirit and I know I can say that with – Mr. DiFiore and Mr.
2196 Jerbic, if you know someone's working there now who shouldn't be or if you know there's
2197 something there, this is a good man. So – you don't have an, you know, you got other things to
2198 do than to – monitor his business, but if you do know something now, he can stay, as director of
2199 operations can stay, we wanna cooperate all the way, so we just don't, you know – what I'm
2200 saying.

2201

2202 **BRAD JERBIC**

2203 Understand.

CITY COUNCIL MEETING OF
April 18, 2007
VERBATIM TRANSCRIPT – ITEM 66

2204 **JAY BROWN**

2205 But, go ahead. You gotta agree–

2206

2207 **MICHAEL SIGNORELLI**

2208 Well – let me say this. I have no problem with it for one main reason because I know these
2209 people in your organization well enough to know that nobody would do something on purpose to
2210 hurt me without talking to me first. They would not with intent come in to try to mess around
2211 with me, excuse the language, but, and I respect, I’m a local person, I know these people and I
2212 respect them. I have no problem with that.

2213

2214 **BRAD JERBIC**

2215 And as I have said, I’ll –

2216

2217 **MAYOR PRO TEM REESE**

2218 Mr. Jerbic – if I could add a condition, another condition 12, I guess, that if there’s any expenses
2219 incurred through the investigation of the – new buyers by Metropolitan Police Department, the
2220 City, that the applicant will pay for that.

2221

2222 **BRAD JERBIC**

2223 Yes.

2224

2225 **MICHAEL SIGNORELLI**

2226 I have no problem with that.

2227

2228 **MAYOR PRO TEM REESE**

2229 Thank you.

CITY COUNCIL MEETING OF
April 18, 2007
VERBATIM TRANSCRIPT – ITEM 66

2230 **BRAD JERBIC**

2231 We'll add that as well. And I will add that the Metropolitan Police Department said that they
2232 need a date by which you will have permanent financing so that the condition, in Condition
2233 Number Ten, can be followed up with some certainty. Is there –

2234

2235 **MAYOR PRO TEM REESE**

2236 I think – we need to make that like the middle of July or something, or the middle of June. I'm
2237 sorry.

2238

2239 **BRAD JERBIC**

2240 Well, if that's when it has to close, by June 30th, then well, financing is gonna have to be in place
2241 well before that's. Funds will have to be on deposit with an escrow company well before that.
2242 So I would suggest that –

2243

2244 **MICHAEL SIGNORELLI**

2245 That's – not true, Brad, because I've done deals –

2246

2247 **BRAD JERBIC**

2248 Okay.

2249

2250 **MICHAEL SIGNORELLI**

2251 – a lot, much larger. So I'm not arguing with you, but I'm just saying that I, that's almost
2252 impossible to do in the business world, I'm gonna tell you, Brad.

2253

2254 **MAYOR PRO TEM REESE**

2255 Yes.

2256

2257 **BRAD JERBIC**

2258 Let me ask Sergeant Alexander.

CITY COUNCIL MEETING OF
April 18, 2007
VERBATIM TRANSCRIPT – ITEM 66

2259 **MAYOR PRO TEM REESE**

2260 Mr. Alexander.

2261

2262 **REAGAN ALEXANDER**

2263 Thank you. I just wanted to indulge the Council. And Councilman Wolfson, you were right on
2264 the money. We have to focus on this. We are, we have a very strict timeline limitation. We had
2265 time limitations before, with the, coming before the Council today. Cops always wanna have as
2266 much time to do an investigation as possible. Things come up. Our office is gonna need as
2267 much time as possible to receive, once you receive the application, of course, through City Code,
2268 it has to be delivered through Mr. DiFiore's office, a complete financial with, hopefully, the
2269 lending documents, not – intense, not letters of intent, but a complete application for – us to do a
2270 – suitability investigation on – those funds.

2271

2272 **MICHAEL SIGNORELLI**

2273 Oh, okay.

2274

2275 **REAGAN ALEXANDER**

2276 Depends on how we receive it if its gonna be from one institution and – that's a side note I'd like
2277 to, before we leave the meeting, I'd – like to you to copy the documents that were presented to
2278 Council, especially the letter from the institution that is guaranteeing the funds.

2279

2280 **MAYOR PRO TEM REESE**

2281 We never received – that letter.

2282

2283 **JAY BROWN**

2284 Right.

2285

2286 **REAGAN ALEXANDER**

2287 Oh, you haven't?

CITY COUNCIL MEETING OF
April 18, 2007
VERBATIM TRANSCRIPT – ITEM 66

2288 **MAYOR PRO TEM REESE**

2289 No.

2290

2291 **REAGAN ALEXANDER**

2292 We'll be able to get a copy of that, I'm sure, okay.

2293

2294 **JAY BROWN**

2295 That – may not be the lender.

2296

2297 **REAGAN ALEXANDER**

2298 It may not be the lender, no –

2299

2300 **JAY BROWN**

2301 Right.

2302

2303 **REAGAN ALEXANDER**

2304 – but – regardless, if we could get to see a copy of that –

2305

2306 **JAY BROWN**

2307 Sure.

2308

2309 **REAGAN ALEXANDER**

2310 – that would be nice. Dependant upon the funding package, you know, we've heard there's

2311 different individuals who may be a part of this – package of a one hundred and fifty million, that

2312 may come from one institution, dependant upon that, typically, I can tell you when we do the

2313 financial side for – a liquor investigation, it can sometimes take four months, it can sometimes

2314 take six months. What's being put on our shop is to have the investigation done before June 30th

2315 is what I'm hearing.

CITY COUNCIL MEETING OF
April 18, 2007
VERBATIM TRANSCRIPT – ITEM 66

2316 **COUNCILMAN WOLFSON**

2317 No.

2318

2319 **REAGAN ALEXANDER**

2320 No. That's not what I'm hearing. Okay. 'Cause I don't wanna come to Council and say, I'm

2321 sorry. We're not done with the investigation. I just, I wanna be clear so we can direct our shop

2322 –

2323

2324 **MAYOR PRO TEM REESE**

2325 You want – me –

2326

2327 **REAGAN ALEXANDER**

2328 – and get it done as soon as possible.

2329

2330 **MAYOR PRO TEM REESE**

2331 This – is sure getting – complicated.

2332

2333 **BRAD JERBIC**

2334 If I could, I think we just leave the conditions as is. I think I understand your concerns. Let me

2335 just get this waiver on the record real quick and then I will submit it for your vote. If I could

2336 have Mr. Signorelli at the microphone, I just wanna ask you a couple questions on the record,

2337 and I need you to satisfy the law. I've supplied your Counsel with provisions of the Las Vegas

2338 Municipal Code Chapter 6.88 regarding the normal process of discipline you would be entitled

2339 to. Have you read or been made aware of that disciplinary process in our Code?

2340

2341 **MICHAEL SIGNORELLI**

2342 Yes, I have.

CITY COUNCIL MEETING OF
April 18, 2007
VERBATIM TRANSCRIPT – ITEM 66

2343 **BRAD JERBIC**

2344 Do you understand that by acceptance of the conditions of this conditional, of these conditions
2345 on this permanent license that you're giving up your right to that disciplinary process in advance
2346 of a suspension by our Licensing Director?

2347

2348 **MICHAEL SIGNORELLI**

2349 Yes, I have.

2350

2351 **BRAD JERBIC**

2352 And do you understand and accept this condition?

2353

2354 **MICHAEL SIGNORELLI**

2355 Yes, I do.

2356

2357 **BRAD JERBIC**

2358 With that said, I am confident the record is protected as to the ability of Mr. DiFiore to
2359 summarily suspend the license if he finds problems, and I'll submit it to the Council for a vote.

2360

2361 **MAYOR PRO TEM REESE**

2362 Sounds good enough to me.

2363

2364 **COUNCILMAN BROWN**

2365 Mayor Pro Tem.

2366

2367 **MAYOR PRO TEM REESE**

2368 Yes.

CITY COUNCIL MEETING OF
April 18, 2007
VERBATIM TRANSCRIPT – ITEM 66

2369 **COUNCILMAN BROWN**

2370 On Condition A, Brad, you – listed those eight, and then nine, ten and eleven. A and B still are
2371 in play?

2372

2373 **BRAD JERBIC**

2374 No. There – are no A and B. A and B have been rewritten into nine and ten.

2375

2376 **COUNCILMAN BROWN**

2377 All right. Well let's, whatever A, nine is, can we clarify the public record, fails to close his
2378 purchase to buy the Crazy Horse.

2379

2380 **BRAD JERBIC**

2381 (inaudible)

2382

2383 **COUNCILMAN BROWN**

2384 Can we get an understanding of what close the purchase means.

2385

2386 **BRAD JERBIC**

2387 I wrote specifically, number nine specifically states licensee must close escrow. We all know
2388 what closing escrow means. And so , he must close escrow for the purchase of the property by
2389 June 30th, 2007.

2390

2391 **COUNCILMAN BROWN**

2392 And –

2393

2394 **BRAD JERBIC**

2395 That'd be a very bright line.

CITY COUNCIL MEETING OF
April 18, 2007
VERBATIM TRANSCRIPT – ITEM 66

2396 **COUNCILMAN BROWN**

2397 And those documents, you say that's – the normal course of business, could they be provided?

2398

2399 **BRAD JERBIC**

2400 Well, that's Condition Number 10, requires financing documents, including the escrow
2401 documents, be provided.

2402

2403 **COUNCILMAN BROWN**

2404 Very good. Thank you, Mayor Pro Tem.

2405

2406 **MAYOR PRO TEM REESE**

2407 Thank you. Any other questions or comments?

2408

2409 **COUNCILWOMAN TARKANIAN**

2410 Mayor Pro Tem.

2411

2412 **MAYOR PRO TEM REESE**

2413 Yes, ma'am.

2414

2415 **COUNCILWOMAN TARKANIAN**

2416 I just wanna ensure that the resources for the oversight of this, that I think is very important, will
2417 be available. Mr. Jerbic, could you help me in that? Is Metro, is – our Business Licensing, I
2418 mean, we can say we're going to watch and everything, but are we going to give the resources
2419 there? Because I know resources are limited. I think we owe this to the public that's had some
2420 concerns about all of this.

2421

2422 **REAGAN ALEXANDER**

CITY COUNCIL MEETING OF
April 18, 2007
VERBATIM TRANSCRIPT – ITEM 66

2423 Yes, I can speak to that. We – will do what we always attempt to do in, you know, doing site
2424 checks, doing enforcement checks, working alongside City Business License Enforcement
2425 agents

CITY COUNCIL MEETING OF
April 18, 2007
VERBATIM TRANSCRIPT – ITEM 66

2426 and just spreading that out as best we can. Obviously this is a matter of – attention. We, we’re
2427 gonna try to, like we always do, fairly apply our resources to the Crazy Horse Too, just as we
2428 would any other business in the City and/or unincorporated Clark County. And – that’s the best
2429 I can answer that – question. And if, please, I don’t wanna make any problems with this –
2430 motion, but for what we’re tasked to do, I want to make sure I have clear instruction from the
2431 Council, and – I haven’t received that yet. What I wanna be clear on is this or what I’m asking
2432 to be part of this motion is, one, that there is a date certain that Mr. Signorelli submits his
2433 financial documents to the City Business License (sic) Office. We need a date certain. That
2434 needs to be ASAP.

2435

2436 **COUNCILWOMAN TARKANIAN**

2437 And I think that’s very important because we have asked for those in the past. We haven’t
2438 received them yet, so I think we should give a date certain, yes.

2439

2440 **REAGAN ALEXANDER**

2441 And in – addition to that, and thank you, Councilwoman, that’s so important. In the past,
2442 sometimes an applicant, we’ll say in 90 days you have to have this together. Well, on the, you
2443 know, how many days are in 90, a hundred and eight, on the a hundred and seventh day they’re,
2444 they submit the application. We have ten days to do the investigation. That’s not acceptable.
2445 So a date certain and, two, Mr. DiFiore has agreed, because of the importance of this and the
2446 time crunch, that we can utilize some of his resources in his office as far as the financial auditors
2447 and things like that, that can help us go through –

2448

2449

2450 **MAYOR PRO TEM REESE**

2451 Excuse – me, Sergeant. I’m getting more confused as we go along here all the time.

2452

2453 **REAGAN ALEXANDER**

2454 Oh, right.

CITY COUNCIL MEETING OF
April 18, 2007
VERBATIM TRANSCRIPT – ITEM 66

2455 **MAYOR PRO TEM REESE**

2456 Okay. It has to be sold by June 30th. So what date are you asking for, Mr. Alexander. I mean, I
2457 don't know if – everything has to be in place by June 30th or it's not a sale, then he's not gonna
2458 be there.

2459

2460 **COUNCILMAN WOLFSON**

2461 Mayor Pro Tem, I think I can clarify. Correct me if I'm wrong, Sergeant Alexander, but what
2462 you're talking about is the source of the financing.

2463

2464 **REAGAN ALEXANDER**

2465 Yes.

2466

2467 **COUNCILMAN WOLFSON**

2468 In other words, you want to feel comfortable the source of the financing is legitimate.

2469

2470 **REAGAN ALEXANDER**

2471 Councilman Wolfson, exactly. In fact, City Code requires that, that the source of funds is to be
2472 found suitable and that's given to LVMPD, so that's all we're gonna be doing. We just, we need
2473 to start looking at the source of funds 'cause (sic) we don't know who that is, specifically yet, as
2474 soon as possible, 'cause we wanna be, I would imagine that Council would want some report by
2475 us before that June 30th date as to, well, what does it look like so far.

2476

2477 **COUNCILMAN WOLFSON**

2478 And here's what the issue comes down to. I think what the issue comes down to is theoretically
2479 escrow could close on June 30th. Sergeant Alexander could get the names of the institutions
2480 and/or investors on June 1st, but not have his investigative report done by June 30th.
2481 Theoretically, escrow could close before we get a final report from Metro as to the suitability of
2482 the investors –

CITY COUNCIL MEETING OF
April 18, 2007
VERBATIM TRANSCRIPT – ITEM 66

2483 **REAGAN ALEXANDER**

2484 Yes, sir.

2485

2486 **COUNCILMAN WOLFSON**

2487 Well, I think what we need to do is modify one of the conditions which says that in the event that
2488 Metro finds that the investors, the financial institutions, whatever, are unsuitable that he can
2489 bring it back to the Council for further review or words to that effect. Would that solve the
2490 problem?

2491

2492 **REAGAN ALEXANDER**

2493 Yes, sir.

2494

2495 **BRAD JERBIC**

2496 I think –

2497

2498 **REAGAN ALEXANDER**

2499 I think so.

2500

2501 **BRAD JERBIC**

2502 Yeah, I think it does. And to be honest with you, Councilman, I think that the condition actually
2503 just anticipates that. I – think we've all been anticipating that they need to approve this before
2504 escrow closes. It's – Mr. Signorelli's risk. If – they come in with investors that are not gonna be
2505 suitable later on, this business will be shut by Mr. DiFiore, whether escrow has closed or not.

2506

2507 **COUNCILMAN WOLFSON**

2508 Does it say that?

CITY COUNCIL MEETING OF
April 18, 2007
VERBATIM TRANSCRIPT – ITEM 66

2509 **BRAD JERBIC**

2510 Well, it – says that all funds must be approved by the Metropolitan Police Department and if
2511 they're not approved, Mr. DiFiore can shut the business. And – that doesn't say before or after.
2512 I think we're both in agreement. That can occur after – a sale.

2513

2514 **MAYOR PRO TEM REESE**

2515 That's fine.

2516

2517 **COUNCILMAN WOLFSON**

2518 And I think by beating the dead horse, we've accomplished a –

2519

2520 **BRAD JERBIC**

2521 Right.

2522

2523 **COUNCILMAN WOLFSON**

2524 – good record on this.

2525

2526 **MAYOR PRO TEM REESE**

2527 I think – then Mr. Jerbic or Mr. Alexander, what date would you like to have? August the 1st,
2528 September the 15th?

2529

2530 **BRAD JERBIC**

2531 I don't think that we need a date anymore, to be honest with you.

2532

2533 **MAYOR PRO TEM REESE**

2534 He's – asking for a date.

2535

2536 **REAGAN ALEXANDER**

2537 Well – for –

CITY COUNCIL MEETING OF
April 18, 2007
VERBATIM TRANSCRIPT – ITEM 66

2538 **MAYOR PRO TEM REESE**

2539 He was asking for a date.

2540

2541 **JAY BROWN**

2542 Changed his mind.

2543

2544 **BRAD JERBIC**

2545 (inaudible)

2546

2547 **REAGAN ALEXANDER**

2548 Okay, I'm told not to worry about the date by my Counsel. But I was asking for a date certain to
2549 just get the documents as soon as possible.

2550

2551 **BRAD JERBIC**

2552 Yeah. And – I'd like to say the reason why I'm saying don't worry about a date to Sergeant
2553 Alexander, and this has really gone on, I know, quite a long time, and I know I'm exhausting the
2554 Mayor's (sic) patience right now.

2555

2556 **MAYOR PRO TEM REESE**

2557 Yes, you are.

2558

2559 **BRAD JERBIC**

2560 There has been a promise by Mr. Brown that there will be an immediate surrender of those
2561 financial documents to Metro when they're available. Mr. Signorelli understands that if, the
2562 closer he comes to the escrow, the less time he gets Metro to look at it. The earlier, the better.
2563 The sooner, if he does it today, it's better. And then he gets Metro's input before he closes. But
2564 if Mr. Signorelli wants to give it to us at the last minute, and that's the only time he gets it, then
2565 he runs his own risk that we will find out something later on, after he's closed, and it will still
2566 result in the shutting of the business.

CITY COUNCIL MEETING OF
April 18, 2007
VERBATIM TRANSCRIPT – ITEM 66

2567 **MAYOR PRO TEM REESE**

2568 And you have on that condition, Mr. Jerbic, that any investigation, that Mr. Signorelli will have
2569 to pay for, to Metro.

2570

2571 **BRAD JERBIC**

2572 They've agreed to that and we'll add that as a condition.

2573

2574 **MAYOR PRO TEM REESE**

2575 Thank you.

2576

2577 **JAY BROWN**

2578 Yes.

2579

2580 **COUNCILWOMAN TARKANIAN**

2581 Mayor Pro Tem, could I just ask Attorney – Brown had said that the information relating to the
2582 financing and, will come in a couple weeks, are (sic) their appraisal. Remember –

2583

2584 **JAY BROWN**

2585 Oh, yes.

2586

2587 **COUNCILWOMAN TARKANIAN**

2588 – we don't have it today –

2589

2590 **JAY BROWN**

2591 I said – there are – two appraisals is still coming in the next few weeks. That's what I did
2592 represent to you.

CITY COUNCIL MEETING OF
April 18, 2007
VERBATIM TRANSCRIPT – ITEM 66

2593 **COUNCILWOMAN TARKANIAN**

2594 Well, how – many weeks are you talking about, a few weeks?

2595

2596 **JAY BROWN**

2597 (inaudible)

2598

2599 **MICHAEL SIGNORELLI**

2600 Two weeks.

2601

2602 **JAY BROWN**

2603 – (inaudible) two at most, but that’s an appraiser telling you that.

2604

2605 **COUNCILWOMAN TARKANIAN**

2606 Two at most.

2607

2608 **JAY BROWN**

2609 We think – that.

2610

2611 **COUNCILWOMAN TARKANIAN**

2612 Well, could we say in three weeks that that’s given to the Council then, because I’d like to be

2613 kept appraised of this as we’re going along.

2614

2615 **JAY BROWN**

2616 Appreciate not being made a condition, but we’ll give it to you in – less than three weeks.

2617

2618 **MAYOR PRO TEM REESE**

2619 Thank you. Any other questions or comments? Hearing none, I just wanna thank everybody, I

2620 guess, for trying to move this along. I appreciate the – questions that my Councilmembers

CITY COUNCIL MEETING OF
April 18, 2007
VERBATIM TRANSCRIPT – ITEM 66

2621 asked. I appreciate the applicant willingness to cooperate with us. I don't wanna say this has
2622 been a

CITY COUNCIL MEETING OF
April 18, 2007
VERBATIM TRANSCRIPT – ITEM 66

2623 tough one because it hasn't been. I think there's right and wrong. I think Mr. Signorelli is trying
2624 to do the right thing. I question, again, his sanity for trying to do this. I – think it's a losing
2625 cause for him right now, according to all the figures I've seen and why he's not paying his rent
2626 on time and everything. But **with the conditions that the applicant has put forth, nine and**
2627 **ten, with the corrections that Mr. Jerbic has put on to them, with all the conditions, I will**
2628 **move to allow Crazy Horse to have a permanent owner, Mr. Mike Signorelli.**

2629

2630 **BRAD JERBIC**

2631 As well as all conditions that are on the record. They've been filed with the Clerk for the record,
2632 so has 6.88 and –

2633

2634 **MAYOR PRO TEM REESE**

2635 And you agree to all those conditions?

2636

2637 **MICHAEL SIGNORELLI**

2638 Yes.

2639

2640 **COUNCILWOMAN TARKANIAN**

2641 Including the one of getting the appraisal –

2642

2643 **MICHAEL SIGNORELLI**

2644 I –

2645

2646 **COUNCILWOMAN TARKANIAN**

2647 – information to us because that's be a long time coming.

2648

2649 **MAYOR PRO TEM REESE**

2650 He didn't want that as condition.

CITY COUNCIL MEETING OF
April 18, 2007
VERBATIM TRANSCRIPT – ITEM 66

2651 **COUNCILWOMAN TARKANIAN**

2652 Oh, you don't want it as a condition.

2653

2654 **JAY BROWN**

2655 I mean, only because it's in the appraiser's hand, not ours. But I know how important it is to

2656 you, and I'll make sure it's –

2657

2658 **MICHAEL SIGNORELLI**

2659 No, but I, I'll, I have no problem with that.

2660

2661 **COUNCILWOMAN TARKANIAN**

2662 I'll count on it because you've had a long time already, I, okay.

2663

2664 **JAY BROWN**

2665 No argument.

2666

2667 **MICHAEL SIGNORELLI**

2668 Okay. Fine. Thank you.

2669

2670 **COUNCILWOMAN TARKANIAN**

2671 Thank you.

2672

2673 **MAYOR PRO TEM REESE**

2674 So that's part of the conditions then?

2675

2676 **JAY BROWN**

2677 No.

CITY COUNCIL MEETING OF
April 18, 2007
VERBATIM TRANSCRIPT – ITEM 66

2678 **MAYOR PRO TEM REESE**

2679 No.

2680

2681 **JAY BROWN**

2682 She agreed that it wouldn't be, but I told her that we would do it.

2683

2684 **MAYOR PRO TEM REESE**

2685 Okay.

2686

2687 **JAY BROWN**

2688 It's the appraiser that's in, I can't speak for him.

2689

2690 **MAYOR PRO TEM REESE**

2691 Okay. With that on the record, then I make a motion with all conditions. Cast your vote. Any
2692 questions on the motion? Hearing none, post please. **(Motion carried UNANIMOUSLY with**
2693 **WILLIAMS not voting and GOODMAN abstaining as Mr. Brown and Mayor Goodman**
2694 **have a partnership interest in a property on West Charleston) Motion carries.**

2695

2696 **JAY BROWN**

2697 Thank you very – much.

2698

2699 **MICHAEL SIGNORELLI**

2700 Thank you, ladies and gentlemen. Thank you very much. I appreciate it greatly.

2701

(END OF DISCUSSION)

2702 /cv; gpb