

CITY COUNCIL MEETING OF
June 18, 2008
VERBATIM TRANSCRIPT – ITEM 54

1 **ABEYANCE ITEM - Discussion and possible action regarding Temporary Approval of a**
2 **new Tavern License subject to the provisions of the planning and fire codes and Health**
3 **Dept. regulations, LCC Cafe Nevada, LLC, dba Crazy Horse Too Gentlemen's Club, 2476**
4 **Industrial Road, David R. Dupont, Managing Mmbr, 76% and Maheshkumar V. Patel,**
5 **Mmbr, 24% - Ward 3 (Reese)**

6

7 **Appearance List:**

8 OSCAR GOODMAN, Mayor

9 JIM DiFIORE, Manager of Business Services

10 JEFFREY SILVER, Attorney, Gordon Silver Law Firm, representing the applicants

11 BILL HENRY, Senior Litigation Counsel

12 BRAD JERBIC, City Attorney

13 GARY REESE, Councilman

14 STEVE WOLFSON, Councilman

15

16 6 minutes

17

18 Typed by: Gabriela Portillo-Brenner

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22 **MAYOR GOODMAN**

23 Item 54, is discussion and possible action regarding temporary approval of a new tavern license,
24 subject to provisions of the Planning and Fire Code and Health Department regulations, LLC
25 coffee (sic), Café Nevada, LLC, dba Crazy Horse Too, Gentlemen’s Club at 2476 Industrial
26 Road. This is in Ward 3. Mr. DiFiore?

27

28 **JIM DiFIORE**

29 Mayor and members of the Council, I believe Mr. Silver has a request from the Council, this
30 morning.

31

32 **MAYOR GOODMAN**

33 Mr. Silver?

34

35 **JEFFREY SILVER**

36 Yes, Your Honor and Council, I would ask this matter be trailed to the end of this morning’s
37 calendar to accommodate the travel schedules of people who intended to be here today to make a
38 presentation.

39

40 **MAYOR GOODMAN**

41 And Mr. Silver spoke to me on the phone yesterday; he told me he would be making that request,
42 and I told him that we’ll certainly be amenable to it. So, with that, we’ll trail this to the end of
43 the morning calendar.

44

45 **JEFFREY SILVER**

46 Thank you.

47

48 **MAYOR GOODMAN**

49 Thank you. Which may come faster than – we expected.

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50 **JEFFREY SILVER**

51 Thank you. I, then it'll be the morning calendar with the O-U.

52

53 **MAYOR GOODMAN**

54 Right.

55

56 **JEFFREY SILVER**

57 Thank you.

58

59 **END RELATED DISCUSSION – RESUME RELATED DISCUSSION**

60

61 **MAYOR GOODMAN**

62 There had been a request to trail an item, to the end of our morning calendar. Are the folks here
63 on Item Number 54, which is discussion and possible action regarding temporary approval of a
64 new tavern license for LLC, Café Nevada, LLC, Crazy Horse Too Gentlemen's Club? Anybody
65 here on their behalf? Mr. Silver. I hope he didn't run out of town.

66

67 **BILL HENRY**

68 Mr. Mayor?

69

70 **MAYOR GOODMAN**

71 Yeah?

72

73 **BILL HENRY**

74 I believe Mr. Jerbic is out on the quad looking for him right now.

75

76 **MAYOR GOODMAN**

77 Fair enough. All right, we'll be in recess then, till Mr. Jerbic returns.

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78 **END RELATED DISCUSSION – RESUME RELATED DISCUSSION**

79

80 **BRAD JERBIC**

81 They weren't outside, Your Honor.

82

83 **MAYOR GOODMAN**

84 They're outside?

85

86 **BRAD JERBIC**

87 They are not outside.

88

89 **MAYOR GOODMAN**

90 Well, no. No, I think it's, they're supposed to be here now. I don't know where they are. Yes,

91 Sir?

92

93 **JEFFREY SILVER**

94 I'll look.

95

96 **MAYOR GOODMAN**

97 You'll look? Okay, 'cause we were asked to render a courtesy here, which we did. Okay. Recess

98 again.

99

100 **END RELATED DISCUSSION – RESUME RELATED DISCUSSION**

101

102 **MAYOR GOODMAN**

103 Okay, Mr. Silver, called Item No. 54, which is discussion and possible action regarding

104 temporary approval of a new tavern license, subject to the provisions of the Planning and Fire

105 Codes and Health Department regulations for LLCC (sic), Café Nevada, LLC, doing business as

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106 Crazy Horse Too Gentlemen’s Club at 2476 Industrial Road in Ward 3. One moment. Okay, Mr.
107 DiFiore.

108

109 **JIM DiFIORE**

110 Mayor, members of the Council, this is an abeyance item, as you’re well aware of, and, over the
111 last two weeks, there has been no contact with my office regarding the financing, which was the
112 major concern of the application all along. Just late yesterday afternoon, I did receive a ninth
113 amendment purchase and sale agreement –

114

115 **MAYOR GOODMAN**

116 (inaudible) Mr. DiFiore –

117

118 **COUNCILMAN REESE**

119 It – may have been your concern, but my concern also was Metro report, of the applicant. I
120 haven’t seen any Metro report yet either.

121

122 **JIM DiFIORE**

123 And there will not be a Metro report for this meeting. It’s likely that there will be travel during
124 the investigation, if the application is to go forward, and it could be months before we see it.

125

126 **COUNCILMAN REESE**

127 I – just wanted put on the record I was concerned about the Metro report also. I just wanted that
128 on the record.

129

130 **JIM DiFIORE**

131 Okay.

132

133 **MAYOR GOODMAN**

134 And I want the record to reflect I’m concerned about everything. Okay.

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135 **JIM DiFIORE**

136 Okay. Well, having said that, the, there is a new financial package, at least being proposed, and
137 there is a new escrow closing date, I believe, of June 24th. I'm going to say that, at this point,
138 there is no recommendation, because there is no determination of preliminary suitability. As
139 you're well aware of, suitability does include, essentially, the entire package, which would be the
140 suitability on the applicants, on the principals of the business. With a new financial package
141 being submitted, or proposed to be submitted, we have no names, per se, for us to do an
142 investigation. There is no financial document that we have been able to review. So, there is no
143 need for me to – take this any further, at least in the recommendation form. Mr. Silver may have
144 more information to add to that, but I'm not ready to go forward with a recommendation for
145 approval of the temporary license at this time.

146

147 **MAYOR GOODMAN**

148 All right. Fine. And, so that the record is full on this, Mr. Jerbic, there has been a court action set
149 for when?

150

151 **BRAD JERBIC**

152 That's June 24th at 3:30 in United States District Court.

153

154 **MAYOR GOODMAN**

155 All right, June 24th at 3:30. And, are you going to put on the record, Mr. Silver, the contents of
156 our conversation yesterday, which apparently was very much in substance the same conversation
157 that you had with Mr. Henry and with the Mayor Pro Tem?

158

159 **JEFFREY SILVER**

160 I would like, Your Honor, to give you the benefit of whatever information I have as of this
161 minute and this hour of the day.

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162 **MAYOR GOODMAN**

163 All right. Fair enough. Go ahead.

164

165 **JEFFREY SILVER**

166 Thank you. This application –

167

168 **COUNCILMAN REESE**

169 Your name for the record.

170

171 **JEFFREY SILVER**

172 Oh, excuse me. For the record, my name is Jeffrey Silver, Gordon Silver Law Firm. We are
173 counsel for the LLC Limited, the applicants for a temporary liquor license, Mr. Patel and Mr.
174 Dupont. This is the proverbial last exit on the freeway. As I understand it, there are no other
175 Council meetings between now and June 30th, at which this application can be reheard or heard
176 in any fashion.

177

178 **MAYOR GOODMAN**

179 That's right and wrong, in the sense that we always have the prerogative of calling a special
180 Council meeting, but I don't believe anybody has the intention of doing that as far as this matter
181 is concerned.

182

183 **JEFFREY SILVER**

184 All right. So, next services are never, in terms of this – roadway?

185

186 **MAYOR GOODMAN**

187 Right.

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188 **JEFFREY SILVER**

189 Therefore, it's important for us to take a look at all that we have before us today, to see if we can
190 make some kind of a decision that might be more favorable than what has preliminarily – been
191 indicated.

192 My grandmother, who's from the old country, used to say timing is everything in life. And, I
193 didn't know exactly what that meant, as a younger man, until I started buying stocks, and I
194 realized very quickly that I wasn't adept at having the right timing in terms of my personal
195 investments. But, in this particular case, it was said to me earlier this morning, who would have
196 thought that there would have been difficulty in financing an adult-use club in Las Vegas,
197 Nevada, given all that we suspect that we know about this business. Well, that was then and this
198 is now, as we all know. This is the – new normal for us, at least for the short term.

199 And, what might have looked like a slam-dunk deal in 2007, obviously, has a great deal of
200 difficulty in two thousand and eight. The times have changed and finding financing for a venture
201 such as this has become far more difficult.

202 In our particular case, we thought we had a lender that was going to finance the entire
203 transaction. That dropped out. Subsequently, the lender that we – had has reduced the amount of
204 money that was going to be loaned on this transaction, from 16 million to, now it looks like, 4.8
205 million, until such time as a – MAI appraisal has been offered, to them, because of the changing
206 market conditions. We can do this MIA, MAI appraisal, but it's gonna take, probably, something
207 in the neighborhood of three weeks to do it.

208 I met with some individuals this morning, a few minutes ago, and they said they had an
209 individual appraiser in Las Vegas who possibly could do a – one-week turnaround.

210

211 **MAYOR GOODMAN**

212 Yes.

213

214 **COUNCILMAN REESE**

215 Mr. Silver, has there been an appraisal of this location? Has there been an appraisal at this
216 location for this applicant? Has there ever been an appraisal?

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217 **JEFFREY SILVER**

218 That, there has been an informal appraisal done by bank representatives, but not an official MAI
219 appraisal, that was necessary for –

220

221 **MAYOR GOODMAN**

222 MAI means made as instructed?

223

224 **JEFFREY SILVER**

225 Yes. We, we've all joked about the – value of an MAI appraisal, but, obviously, some
226 (inaudible) –

227 **COUNCILMAN REESE**

228 How can the bank even think about loaning money on it without an appraisal?

229

230 **JEFFREY SILVER**

231 Well, at that, at the time, everybody assumed that this property was worth at least that sum of
232 money. And I'm not, I cannot speak for what the government may have done, in terms of
233 creating the value that it used in order to accept a purchase price at the level that they had. We're
234 looking at a \$32 million purchase price, and somebody was willing to offer that amount of
235 money for the – property. That purchase price –

236

237 **COUNCILMAN REESE**

238 Without an appraisal?

239

240 **JEFFREY SILVER**

241 Well, I don't know that they had an appraisal at the time, but they – thought that, based upon the
242 cash flows of the business, which were hefty, that, using normal multiples for this kind of
243 business, that the \$32 million purchase price was warrant. So, I don't know that they needed to
244 value the real estate or – looking – at this thing in any other fashion other than the fact that it –

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245 was generating over a million dollars a month in cash flow. So, that supported a purchase price
246 of \$32 million.

247 Now, of course, the business has been closed. Whatever value the good will has had may have
248 dissipated over the months of closure, and there – are, potentially, uncertainties about the
249 licensing because only a temporary could be granted on a, under the short-term. This has made
250 lenders queasy about going through with the original transaction.

251 And, you know, frankly, you know, we – possibly had placed undue reliance on these
252 individuals. We have advanced, our clients, over a million dollars, in personal monies, in the
253 furtherance of this transaction, and most of that money is at risk, at this point. We have tried to
254 deal with the federal government, the Marshal Service, and you’ve heard, from those individuals,
255 that they have certain constraints on what they’re willing to do. In fact, I had asked as recently as
256 this morning whether or not an eight-hour permit, like we do for gaming locations, might not be
257 available to us and was told that, so long as the title remains in the federal government’s hands,
258 they are not going to agree to be the landlord for even an eight-hour period for a business such as
259 this.

260

261 **MAYOR GOODMAN**

262 Right.

263

264 **JEFFREY SILVER**

265 So, based on that, I really have nothing to offer relative to that kind of – scenario. So, what we
266 must do is we must buy this place from the – Marshal Service. And, in order to buy this place
267 from the Marshal Service, we have to do two things: We have to agree that the first mortgage
268 holder, which is the bank, has to be taken out. And, there are other lien holders that are in line,
269 judgment creditors that are in line, including the City. But we need a minimum of nine and a half
270 million dollars in order to take the – first lien holder out to give whatever lender we might have
271 the first position on the property and take the Marshal Service out of – ownership. So that’s our
272 dilemma.

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273 So, we've got this 24 Capital, which was originally our lender, for the big chunk of the down
274 payment, and the Marshal Service was discussing the possibility of a carry-back on their own for
275 the remainder that would allow us to close by taking out the first, and provide some money for
276 some of the other lien holders. Now that – first money has been reduced, so we know, we don't –
277 think we have enough even to do the initial closing. So, we – contacted the other sources that
278 were interested in this property, and there was a gentleman that had been one of the bidders and
279 had dropped out of the bidding. He was personally vetted by the Marshal Service and found,
280 when – I say vetted, what the vetting is is that the person is not deemed to be associated with
281 organized crime or have any of the connections that would have caused the Marshal Service not
282 to want to enter into an agreement with him. It's not the kind of thing that the Metropolitan
283 Police Department and Mr. DiFiore's office might do. It's not the kind of background, extensive
284 background check.

285 This individual has been vetted by the Marshal Service and said, okay, I'll come forward again,
286 and I'll either partner up with –

287

288 **COUNCILMAN REESE**

289 Mayor, if I could.

290

291 **MAYOR GOODMAN**

292 Yes.

293

294 **COUNCILMAN REESE**

295 What is his name, please?

296

297 **JEFFREY SILVER**

298 Michael Kinses. I will come forward, and I will either partner up with the existing applicants or I
299 will enter into a loan agreement with that individual and – provide that that loan could be
300 converted to some sort of an equity position at a future date, after having submitted an
301 application.

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302 And, that's essentially where we're at right now. We – do not have the money to close this
303 transaction on our own. We have this other individual, and his lenders out there, that have not
304 been appropriately vetted by the Metropolitan Police Department.

305 And, the only thing I can say is that, if we're – not going to get a subsequent hearing, special
306 meeting, then, as a final request or a plea, I would ask that since there has been some work, at
307 least the preliminary work by the local authorities here, we, we've provided, for example as a
308 basis for a temporary license, we provided the SCOPE report from the local area where Mr. Patel
309 and Mr. Dupont live, from their police agencies, and have provided it as a part of their
310 application. It, seemingly, showed that they are clean individuals, as that term is used. And,
311 therefore, our hope would be to at least get an approval for them, to receive a temporary license,
312 subject to their ability to get the financing by the end of this month.

313 And, that's all that we could, that's the best that we could hope for to walk away from here, at
314 least to have something in place that would – allow for some administrative discretion to allow
315 this business to reopen on that short term, before the time limit expires.

316 There are, obviously, there are reasons why we would want to do this. There are people that are
317 in line, that I already discussed with you concerning their needs, and I'm not gonna go into any
318 detail with respect to that. But I, I do want, I do hope that there is a – reason why we can grant
319 something today that would be self-executing, in terms of their approval.

320

321 **MAYOR GOODMAN**

322 All right. Thank you. From my perspective, Mr. Silver, you don't have to plead; you're the
323 messenger. And, the message that you delivered to me is, under the circumstances, very
324 unsatisfactory. It doesn't go to your clients. It doesn't go to the folks who are here. But, from the
325 inception, the way this matter has been handled, I said it before, I'll say it again, I am gonna
326 sleep like a baby tonight because I am not gonna have any guilty conscience that people who feel
327 that they're entitled to money or have money coming to them aren't getting it, as a result of the
328 fault of the City of Las Vegas, because we are not at fault. We were omitted from the settlement
329 process initially. The Council was never consulted. We weren't briefed. There was no request of
330 us as to what our attitude or opinion would be as far as future licensing is concerned. The federal

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331 government has had this property for months now. They failed to contact any of us, to my
332 knowledge, until such time as we met about a week and a half ago where there was a gentleman
333 from the Marshal Service who was speaking to us telephonically from Washington, D.C., and
334 was very non-committal and indicated, at that time, that they're not interested in taking over the
335 property because the federal government doesn't do things like that. Well, he's all wet, too,
336 because we know that at least the IRS took over the Mustang, and they ran the Mustang in order
337 to preserve their asset on a forfeiture basis. And, if the Marshal's office doesn't wanna do it,
338 that's their fault, not the City Council's fault.

339 You did mention that there was gonna be a banker here today; is he here?

340

341 **JEFFREY SILVER**

342 There is a banker here.

343

344 **MAYOR GOODMAN**

345 Well, the banker was going to represent, at least as far as my understanding yesterday, that the
346 money is in hand, basically, and they're ready to come forward and pay for the whole thing?

347

348 **JEFFREY SILVER**

349 There are –

350

351 **MAYOR GOODMAN**

352 I doubt that.

353

354 **JEFFREY SILVER**

355 Let me explain who is here. There's a gentleman in the audience, there's two gentlemen in the
356 audience from a – company called PCB (Premier Capital Bancorp).

357

358 **MAYOR GOODMAN**

359 Is it from Salt Lake?

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360 **JEFFREY SILVER**

361 No.

362

363 **MAYOR GOODMAN**

364 Okay. We, we're always told the money's coming from Salt Lake, and, for some reason, it never
365 gets to us. But that's okay.

366

367 **JEFFREY SILVER**

368 This is non-religious money. This is from Orange, California. These individuals are working
369 with a company that is supposed to be the lender, and –

370

371 **MAYOR GOODMAN**

372 See, that's the problem, that's the, see that's the problem, even if we wanted to help you, it's so
373 nebulous, at this point in time, I think we would be derelict in our responsibility to –

374

375 **JEFFREY SILVER**

376 I can –

377

378 **MAYOR GOODMAN**

379 – have this last a second longer, to be honest with you. And, if, in fact, some court feels that
380 we're doing something wrong, which I think we're absolutely acting within our jurisdiction in
381 preserving the police power which has been reposed upon the City of Las Vegas, and I'm hoping
382 that the City Attorney will vigorously oppose any attempt to have our action set aside, because I
383 think that we know what's best for our constituent and what's best for our community that –

384

385 **JEFFREY SILVER**

386 Well, one thing I would request, Your Honor –

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387 **MAYOR GOODMAN**

388 Yes.

389

390 **JEFFREY SILVER**

391 – is that you not take an action that would be precipitously negative.

392

393 **MAYOR GOODMAN**

394 Well, it's not, nothing we're doing is gonna be precipitous; I can assure you of that.

395

396 **JEFFREY SILVER**

397 The reason I'm saying that is because there are miracles, and the miracles can happen in which,

398 and there might be some compelling reasons why I would want to approach you for a special

399 meeting by the end of the month.

400

401 **MAYOR GOODMAN**

402 Well, there are always miracles, but not when it comes to the Crazy Horse.

403

404 **COUNCILMAN WOLFSON**

405 Mayor Goodman, may I ask just two questions, please?

406

407 **MAYOR GOODMAN**

408 Go ahead.

409

410 **COUNCILMAN WOLFSON**

411 The first regards the procedure for calling a special session. If this Council, or Your Honor, were

412 to decide Mr. Silver were to come forward with this miracle information, what do we do to call a

413 special session? Can it be called in –

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414 **COUNCILMAN REESE**

415 – five days’ notice or something –

416

417 **COUNCILMAN WOLFSON**

418 There, what is the notice requirement?

419

420 **MAYOR GOODMAN**

421 Mr. Jerbic?

422

423 **BRAD JERBIC**

424 The notice requirements, under NRS, are three business days, full-business days before you can
425 have a special meeting.

426

427 **COUNCILMAN WOLFSON**

428 Okay. So that, that’s another piece of timing that we need to consider. And my second question
429 goes to the Metro report. Your clients, the two gentlemen that you came and – introduced to me,
430 and I’m sure my colleagues, you provided the local SCOPES from the locales where they live
431 and work to Mr. DiFiore or to Metro, but that’s not much. My question is: Who’s at fault here in
432 not having a Metro report? Is it Metro because they’re so busy? Or is it your clients that failed to
433 do something to allow Metro to come forth with a report?

434

435 **JIM DiFIORE**

436 It’s absolutely not Metro’s fault.

437

438 **COUNCILMAN WOLFSON**

439 Okay.

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440 **JIM DiFIORE**

441 These investigations, and, as you recall, the previous applicant on this, the investigation took
442 well in excess of six months. These investigations normally take between four and six months.
443 The – State of West Virginia, the State of scout, South Carolina, where these two individuals
444 reside may not be as – willing to share the information as California, Arizona, or closer states.
445 So, I'm presuming that the detectives are gonna need to travel. And, I know that they –

446

447 **COUNCILMAN WOLFSON**

448 Okay, so they need to travel. Who pays for that travel?

449

450 **JIM DiFIORE**

451 The applicants pay for that.

452

453 **COUNCILMAN WOLFSON**

454 Have the applicants written a check to Metro to cover the expenses and the time involved to
455 allow them to travel?

456

457 **JIM DiFIORE**

458 To my understanding, they have not written a check. I don't know that a request has been made
459 to this point. But, again, it's still the initial stages of the investigation.

460

461 **COUNCILMAN WOLFSON**

462 It just seems to me that the process, maybe there's no fault on either side, but the process itself is
463 not providing you with an adequate opportunity.

464

465 **JEFFREY SILVER**

466 Well, the – process is what it is. I mean, we have not been buyers for six months. We've only
467 come into this application process in a –, you know, a, fairly recent period.

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468 **COUNCILMAN WOLFSON**

469 Well, I know that. I guess that's my point, is that, because you've only come in fairly recently,
470 we have our own constraints –

471

472 **JEFFREY SILVER**

473 We have satisfied –

474

475 **COUNCILMAN WOLFSON**

476 Even if you came forward with a financial ability, Metro would not be in a position right now to
477 provide us with the kind of report we're looking for on the suitability question.

478

479 **JEFFREY SILVER**

480 You – never get that, or you don't usually get that.

481

482 **COUNCILMAN WOLFSON**

483 Well, we get a preliminary report.

484

485 **JEFFREY SILVER**

486 You get –

487

488 **COUNCILMAN WOLFSON**

489 We get something.

490

491 **JEFFREY SILVER**

492 What you get is, like, for any kind of a temporary license, I mean, this is not final licensing,
493 obviously. And, for anyone to come in and ask for a temporary, it's a different situation. The
494 temporary is, is there anything that we know about this applicant from the locale where he lives?
495 If it's local, then it should be a local SCOPE. Or, if it's out of town, it would be a, an out-of-
496 town SCOPE, that would preclude us from giving this individual a temporary permit, subject to

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497 the final investigation by the police department. Once the temporary is issued, the Metropolitan
498 Police Department will ask for a sum of money, if they need it, for travel expenses to go
499 elsewhere, and then they'll take their – time in working on it. That's why, when you give a
500 temporary, it's up to six months normally in order for that temporary to expire, because the
501 Metropolitan Police Department uses that time in order to decide whether a permanent is
502 recommended.

503

504 **COUNCILMAN WOLFSON**

505 And I understand that process. And the last point I'll make is that, with the history of this
506 property and the history of everything that's involved, that wouldn't be enough information for
507 me, personally. I would want more than just the initial SCOPES, because I know the initial
508 SCOPES tell us one thing, but they really don't tell us much. That's just an observation I'm
509 gonna make.

510

511 **JIM DiFIORE**

512 Mayor, may I put something up, else on record as well?

513

514 **MAYOR GOODMAN**

515 Please.

516

517 **JIM DiFIORE**

518 Having heard Mr. Silver talk about an individual who may be involved in the loan, in the
519 financing of this, Mr. Michael Kinses. Mr. Kinses appears, based upon Mr. Silver's description,
520 to be a principal in the operation, and I'll have Mr. Jerbic help me on this. But, under 6.060.051,
521 Temporary License Purpose, under B, it says, a temporary license shall not be granted, under this
522 section, unless all principals required – to be approved for suitability have submitted a complete
523 investigation packet for determination of suitability and paid all applicable fees.

524 Now, up to this point, we've had Mr. Patel and we've had Mr. Dupont submit their investigation
525 for suitability. Having heard this today, I believe we have another applicant for principal to be

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526 considered, and there is no application on record, so I don't think they qualify, at this point, for a
527 temporary license.

528

529 **JEFFREY SILVER**

530 I would concur with what Mr. DiFiore has said, that, if Mr. Kinses were to be a principal at this
531 juncture, then we do not have an adequate application package on file. But the way that, the only
532 way that I saw that this thing could be constructed is that, that, if Mr. Kinses wanted to loan
533 money to these individuals who are already on file, with the understanding that at some point in
534 the future, if he decided to convert that loan into equity, and he could clear the investigative
535 process and have an application package submitted, then he could do so. But, as we stand right
536 here, if he's coming in for an equity piece, as we have this application presently constituted, we
537 would – definitely agree that it's not adequate.

538

539 **MAYOR GOODMAN**

540 And no businessman with any acumen whatsoever would loan under that circumstance, and I
541 think there's almost a presumption that, if a loan like that were to take place, there's an
542 expectation of an interest in the property.

543

544 **JEFFREY SILVER**

545 Mr. Kinses might be here in the audience, at this point in time.

546

547 **MAYOR GOODMAN**

548 I don't wanna, I really don't want to embarrass him, because –

549

550 **JEFFREY SILVER**

551 He's here –

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552 **MAYOR GOODMAN**

553 I would embarrass him; I don't want to. Okay. Any other comments or questions? Mayor Pro
554 Tem?

555

556 **COUNCILMAN REESE**

557 Thank you, Your Honor. This, you know, these are, licenses are, to me, are really privileged.
558 They are, they're very special. They're something that we have to, you know, really, that we, I
559 think that this Council, in the past, we've proved that we've always taken these seriously. The
560 original applicants' background investigation, the two originals, they, they're not complete. I'm
561 not satisfied with that. The proposed financing, to me, is, it's jumped from this side to this side to
562 this side. I, and, to me, that's incomplete, at this time. And then the most recent proposal for
563 financing runs through Mr. Kinses, and his background, to me, should also need to be checked,
564 which we won't have time to do that either.

565 And, like I said earlier, this Mayor and Council, we – have denied applications that came before
566 us for temporary liquor licenses for a lot less than these reasons. So, therefore, Your Honor, **I'm**
567 **gonna make a motion for denial of this application at this time.**

568

569 **MAYOR GOODMAN**

570 All right, let's vote. Post. Motion carries. **(Motion carried unanimously.)**

571

572 **JEFFREY SILVER**

573 Thank you very much for your indulgence in this matter, and I realize it's been a difficult time
574 for all of us.

575

576 **MAYOR GOODMAN**

577 You know, I'm sitting here, as an aside, and I know the way you conducted business when you
578 were in a very responsible position with the gaming board, and I'm saying to myself, in the back
579 of my little mind here, that had you been sitting in this seat you would have done the same thing.
580 But, that's all I'm saying.

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581 **JEFFREY SILVER**

582 Thank you.

583 **(END OF DISCUSSION)**

584 /gpb; lc