BEFORE THE CITY COUNCIL

OF THE CITY OF LAS VEGAS, NEVADA

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IN THE MATTER OF: DEPARTMENT OF FINANCE AND BUSINESS SERVICES on behalf of the CITY OF LAS VEGAS, NEVADA, Petitioner, vs. ADMISTCA, INC., a Nevada corporation; WILLIAM L. JACOBS and ADELA JACOBS, individuals and officers of ADMISTCA, INC., all doing business as PARADISE LOUNGE, Respondents.	**COMPLAINT FOR DISCIPLINARY ACTION**

The DEPARTMENT OF FINANCE AND BUSINESS SERVICES, on behalf of the CITY OF LAS VEGAS, NEVADA (Department), Petitioner, brings this Complaint for Disciplinary Action against, ADMISTCA, INC., a Nevada corporation; WILLIAM L. JACOBS and ADELA JACOBS, individuals and officers of ADMISTCA, INC., 530 South Martin Luther King Boulevard, Las Vegas, Clark County, Nevada, Respondents, and states:

Respondents WILLIAM L. JACOBS, ADELA JACOBS and ADMISTCA, INC., d/b/a PARADISE LOUNGE, hold a privileged conditional Tavern License No. L16-00298-4-001445, a privileged conditional Gaming License No. G01-02343-4-001445; a general Miscellaneous Sales License No. M06-00667-4-001445; a general Coin Amusement Machine License No. C08-01170-2-001445; a general Retail Tobacco License No. C05-02395-E-001445; and a general Handbill License No. H02-01565-E-001445.

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SUMMARY OF ALLEGATIONS

Paradise Lounge is owned by William L. Jacobs and Adela Jacobs through their respective interests in Admistca, Inc., a Nevada corporation. It has been operated repeatedly in an unlawful manner since it opened by creating a public and chronic nuisance in violation of Las Vegas municipal business licensing codes and failing to adhere to administrative mandates pertaining to work cards, time of operation, reporting and other areas.

On November 19, 2008, Respondents were originally granted a permanent tavern license subject to the condition that onsite security meet the licensing requirements of Business Services. Many meetings and discussions were held regarding security and other matters which requirements were violated.

Since its permanent licensing there has been more than 179 calls for service by Paradise Lounge to the Las Vegas Metropolitan Police Department ("L.V.M.P.D."). Only those more severe service calls directly related to the use/possession of weapons, gang activity, assault/battery and events related to failure to comply with work card and other administrative requirements are set forth below.

CALLS FOR SERVICE AND CODE COMPLIANCE FAILURE

A. CALLS FOR SERVICE

On December 5, 2008 at 0118 hrs. (L.V.M.P.D. Event # 081205-000230) Metro responded to a gang-related report of shots fired inside Paradise Lounge wherein two persons were wounded. Paradise Lounge security staff was present. A number of shots were fired in the parking lot and a gun was pointed at a security guard in the parking lot at approximately the same time the shooting took place inside or shortly thereafter.

On December 10, 2008 at 0233 hrs. (L.V.M.P.D. Event # 081210-000358) during a bar perimeter check Metro arrested a male subject who was acting as a DJ inside Paradise Lounge for a no-bail warrant out of Clark County Detention Center at 530 South Martin Luther King Boulevard, Las Vegas, Nevada.

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On December 19, 2008 at 0424 hrs. (L.V.M.P.D. Event # 081219-000512), Metro responded to a report of an assault/battery at Paradise Lounge where the assailant struck the victim in the face. A citation was issued to the female subject.

On April 25, 2009 (L.V.M.P.D. Event # 090425-000863), a car jacking occurred in the parking lot of Paradise Lounge. Said event was included in the Bolden Area Command's Weekly Robbery Report for the period of 04/13/09 - 04/26/09.

On April 26, 2009 (L.V.M.P.D. Event # 090426-000656), Metro responded to an assault/battery with a firearm at Paradise Lounge. The victim refused to sign the complaint.

Also, on April 26, 2009, at 0515 hrs. (L.V.M.P.D. Event # 090426-000869), Metro responded to Paradise Lounge where they observed Paradise Lounge security arguing with a male subject who was refusing to leave the business. The male subject identified himself to Metro who determined that he had an outstanding warrant for contempt of court. The male subject was arrested by Metro. This incident occurred at 5:15 a.m. on a Sunday morning which is contrary to the permitted hours of operation to which Jacobs agreed in the meeting of February 11, 2009.

On May 6, 2009 at 0330 hrs. (L.V.M.P.D. Event # 090506-000393), Metro responded to a fight call at Paradise Lounge. There it was reported that a fight occurred between a female and a male subject who were boyfriend and girlfriend. Both were arrested for participation in the fracas. This incident occurred at 3:30 a.m. on a Wednesday morning which is contrary to the hours of operation to which Jacobs agreed in the meeting of February 11, 2009.

On May 9, 2009 at 2319 hrs. (L.V.M.P.D. Event # 090509-004174), Metro officers conducted a bar/perimeter check at Paradise Lounge in response to information that known gang members were loitering on the premises with weapons. One male subject was arrested at gunpoint after he attempted to draw a knife as they approached him. There were three other individuals with him, and at least two of them have known or suspected gang affiliations.

On July 3, 2009 at 0254 hrs. (L.V.M.P.D. Event # 090703-000433), Metro officers observed suspicious behavior by a person outside Paradise Lounge. In the course of

investigating, they found two cars in the alley behind the club, each with four ex-felons with gang ties inside. One subject attempted to flee on foot and was caught and arrested. Search warrants were served on both vehicles, and two firearms were recovered, one stolen. In all, two subjects were arrested for Prohibited Person in Possession of a Firearm and three more were arrested for Prohibited Person in Possession of a Firearm and for Possession of a Stolen Firearm. The subject who attempted to flee was later determined to be wanted for Kidnaping and Sexual Assault of a Minor.

On July 11, 2009 at 0418 hrs. (L.V.M.P.D. Event # 090711-000714), Metro responded to a call of shots fired in the parking lot of Paradise Lounge. According to the owner, William Jacobs, a regular patron of the club had been ejected for causing a disturbance inside the club. The patron returned approximately thirty minutes later, approached the entrance, produced a handgun and fired 15 rounds into a car parked near the entrance and into the surrounding area and buildings. He then fled before LVMPD arrived. The owner reported he had been returning to the club after patrolling the parking area and that the patron was shooting at him. His security officers' statements conflicted with this, saying that they were standing by the entrance with Jacobs when the shooting started and that, had he been where he claimed, he would probably have been shot.

B. CODE COMPLIANCE FAILURE

On January 28, 2009 at 0900 hrs., after Paradise Lounge received its permanent license subject to security review by the Director, a meeting was held at the Business Services offices, 400 Stewart Avenue, Third Floor, concerning the business' security employees (Vance Kevin McCoy, Larry T. Banks, and Jeffrey Demetrius Walker) due to the shooting incident that occurred on December 5, 2008 at 0118 hours (Event # 081205-0230). Present at the meeting were: Business Services Manager Jim DiFiore, Business Licensing Supervisor Victoria Rosemore, License Officer Kelly Oliverius, owner William Jacobs, and the attorney representing Mr. Jacobs, Cory M. Jones, Esq. Mr. DiFiore informed Mr. Jacobs that Vance Kevin McCoy has a criminal history and is not suitable as a security employee. Mr. Jacobs and his attorney stated this employee would be terminated. Mr. DiFiore recommended that all

security employees obtain work cards. Mr. Jones concurred. Mr. Jones stated they would develop policies and procedures for liability purposes. Mr. Jacobs stated he would hire a female security employee to 'pat down' female patrons. Mr. Jacobs stated a dress code is enforced and his operating hours have been reduced to closing at 2 a.m. on Sun./Mon./Wed. and 4 or 5 a.m. on the other nights in an effort to control activities at the business. Mr. Jacobs also stated he just hired a temporary security employee named Dave (last name not known). Mr. DiFiore instructed Mr. Jacobs to report all Metro incidents that occur to the Business License Services office by the next business day. Owner Jacobs was advised he and his staff should be cooperating with Metro investigations and that security employees onsite should identify themselves to Metro when they are present (security did not identify themselves or volunteer to provide witness statements during the event on December 5th). Mr. DiFiore concluded the meeting by advising a further meeting be scheduled with Metro Bolden Area Command and the Paradise Lounge security employees so that communication can improve and training with assistance for any future problems can be given.

Further, on February 11, 2009, at a meeting with Business Services Division Manager Jim DiFiore, Business Licensing Supervisor Victoria Rosemore, License Officer Kelly Oliverius, L.V.M.P.D. Bolden Area Command Sgt. Jack Clements and Officers Paul Lewis and Jason Henson, the licensee/owner William Jacobs and four of his security employees discussed the growing problem of criminal activity in and around the Paradise Lounge. Specific attention was given to the issue of gang-related activity. Jacobs stated that he was making changes to his business practices, including limiting entry to persons 25 and over, enforcing a dress code, making sure the establishment is not over its occupant load, no package liquor sales, security patrols in the parking area every 30 minutes and cutting off beverage service at 5 a.m. He requested that Metro drive through at approximately 3 a.m. on his busy nights, Tuesday, Thursday, Friday and Saturday. He added that his security employees now wear uniforms and have work cards, that they are enforcing a no reentry policy from 10 p.m. to 6 a.m., and that the business now closes at 3 a.m. on Sunday, Monday and Wednesday. He also stated that he plans to install eight more security cameras in the alley

and that he was still pursuing hiring a female security guard to conduct weapons searches on female customers. Business Services Enforcement staff recommended to William Jacobs that he report any and all incidents at the bar to Business Services, adding that, if there was one more incident, he would be required to report all personal citations and arrests.

On May 11, 2009, Business Services Enforcement staff conducted a compliance check. The bartender, who was the only employee on duty at the time, did not have a work card in her possession. A Notice of Violation was issued and for failing to maintain an up-to-date employee list, and alcohol sales were suspended until a qualified bartender with the required cards arrived. Also observed was advertising for "Local Hip Hop" which is contrary to what owner Jacobs stated to Council on November 19, 2008, on the type of venue he would conduct at Paradise Lounge. Subsequently, Mr. Jacobs was issued a citation for violation of Las Vegas Municipal Code (LVMC) 6.86.030 Failure to Require Employee Work Card and 6.86.180(A) Failure to Maintain and Make Available Employee List.

On May 19, 2009 (L.V.M.P.D. Event # 090519-004036), during a compliance check by Metro, owner William Jacobs was arrested at Paradise Lounge when routine records check revealed two outstanding bench warrants on traffic offenses. Also on this date a citation was issued by Metro Special Investigations Section Detectives to William Jacobs for failure to have an employee register a work card change of employment as required by LVMC 6.86.030.

On May 23, 2009 0130 hrs. (L.V.M.P.D. Event # 090523-000281), Metro officers responded to Paradise Lounge for activity included overcrowding of the interior of the business. Fire Marshals were called out to address the vehicles parked in the fire lanes and the occupancy load being exceeded. There were 30-40 people waiting in line to get inside the business and approximately 5-6 people were arrested from the parking lot. The officers onsite intercepted a handbill advertising parties scheduled for May 30th and June 6th at the business. These events were advertised as being promoted by Betters Entertainment, an unlicensed promoter in the City of Las Vegas.

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On May 25, 2009 0300 hrs. (L.V.M.P.D. Event # 090525-000397), Metro officers issued a citation to owner William Jacobs for failure to maintain an employee list as required under LVMC 6.86.180.

May 26, 2009, License Officer Kelly Oliverius met with Mr. Jacobs at Paradise Lounge to discuss a handbill being distributed and the events that were apparently scheduled. Mr. Jacobs confirmed they were using Betters Entertainment as a promoter. He was advised that this promoter was not licensed with the City as required by code. When asked about whether the DJ's being used were licensed he stated that he did not know. He stated one DJ was an employee. He was advised that the employee should be noted on the employee list required to be maintained and the others would be required to be licensed by the City.

Owner William Jacobs was additionally advised that the distribution of handbills required a business license from the City. Mr. Jacobs was issued a Notice of Violation for violation of LVMC 6.02.060(A), (B) and 6.02.320(A).

SUBSTANTIVE LAW

LVMC 6.02.330(H) provides [Unlawful Business Activity]:

> The licensee may be subject to disciplinary action by the City Council for good cause, which may, without limitation, include:
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> (A) The licensee or any of its principals is engaged, or has commenced, instituted, advertised, aided, carried on, continued or engaged, in a business, trade or profession without having obtained a valid license, an approval for suitability, a permit or a **work card** when such a person knew that one was required or under such circumstances that they reasonably should have known one was required, or has solicited, encouraged, caused or procured another to do so;
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> (D) The licensee or any of its principals, or their employees or those acting on their behalf, violate a condition which is imposed upon the license;
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> (G) The premises on which the business is conducted do not satisfy local, state or federal law or regulations which pertain to the activity which is actually engaged in;

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(H) The business activity constitutes, promotes, causes, allows, fosters, aids, or otherwise enables a **private nuisance, public nuisance or chronic nuisance**, or has been or is being conducted in an unlawful, illegal or impermissible manner, including but not limited to causing, **allowing, promoting, fostering, aiding, enabling, exercising deliberate ignorance towards or failing to abate a private nuisance, public nuisance or chronic nuisance**; or

(I) The licensee, any of its principals, their employees or those acting on their behalf **failed to cooperate with the Director's efforts to enforce the provisions of this Code**.

LVMC 6.02.350 provides [Acts and Omissions]:

A licensee under this Chapter shall be subject to disciplinary action not only for acts or omissions done by such licensee but also for acts and omissions done by the principals, managers, agents, representatives, servants or employees of such licensee. [Emphasis added.]

LVMC 6.86.030 provides [Employer responsibility, Valid Work Card]:

It is unlawful for any employer to employ a person who is required to have a work card **unless such person has a valid work card** for such employment.

LVMC 6.86.030 provides [Notification of changes to Work Card]:

The work card holder shall notify Metro within five days of any changes in employment, name change, or change in residence. This requirement is in addition to the notification provision for the employer contained in Section 6.86.030. [Emphasis added.]

STANDARD OF EVIDENCE

LVMC 6.88.090 provides:

(A) **The hearing need not be conducted according to technical rules relating to evidence and witnesses.** Any relevant evidence may be admitted.

(B) The respondent shall have the right to call and examine witnesses on his own behalf, cross-examine opposing witnesses, introduce exhibits and evidence relevant to the issues of the case, and offer rebuttal evidence.

(C) The respondent may be called and examined by the City.

(D) The Clerk shall have the power to issue subpoenas for witnesses to appear to give testimony. [Emphasis added.]

PENALTY

LVMC 6.02.360 provides:

> Upon a showing of good cause and in the discretion of the City Council, disciplinary action against a holder may take the form of cancellation, **revocation**, refusal to renew, **suspension**, imposition of conditions or **restrictions** or civil **fine** in an amount not to exceed one thousand dollars for each day that the violation which forms the subject matter of the complaint that recommends such disciplinary action is demonstrated to have been in existence, or any combination of such actions, as the particular situation may require. **The Council may also impose against the licensee the actual costs incurred, and a reasonable amount for attorney's fees,** resulting from the imposition of disciplinary action. The disciplinary actions available in this Section shall be in addition to, and not exclusive of, any other civil or criminal remedy which otherwise might be available. [Emphasis added.]

ALLEGATIONS

COUNT ONE

It is alleged that between November 19, 2008 and present, Respondents William L. Jacobs, Adela Jacobs and Admistca, Inc., d/b/a Paradise Lounge, operated a business which constituted a public, private and chronic nuisance and which has been conducted in an unlawful, illegal and impermissible manner, to wit: creating, promoting, fostering, aiding, enabling, exercising deliberate ignorance towards or failing to abate a private nuisance, public nuisance or chronic nuisance and permitting an environment in which violence occurred, to include Possession of Stolen Firearm, Prohibited Person in Possession of a Firearm, Battery, Assault With a Deadly Weapon, Violence and Malicious Destruction of Private Property, all of which required a disproportionate use of Las Vegas Metropolitan Police Department resources in violation of the Las Vegas Municipal Code and the Nevada Revised Statutes.

COUNT TWO

It is alleged that between November 19, 2008 and present, Respondents William L. Jacobs, Adela Jacobs and Admistca, Inc., d/b/a Paradise Lounge, operated a business which they and its principals, employees and others acting on its behalf failed to require of its employees and others related directly and indirectly to the business to acquire, maintain and report work cards, change of employment registration and other required documents and failing to

cooperate with the Director of Business Services efforts to enforce the provisions of the Las Vegas Municipal Code, in violation of the Las Vegas Municipal Code and the Nevada Revised Statutes.

WHEREFORE, the Petitioner respectfully requests the City Council to:

A. Approve the Complaint for Disciplinary Action and order a disciplinary hearing at which the Respondent shall appear and show cause why the licenses that are the subject of this Complaint should not be suspended or revoked, or other disciplinary action taken; or

B. Grant such other and further relief as the Council deems appropriate.

DATED this 13 day of October, 2009.

RESPECTFULLY SUBMITTED:

By: _____
MARK R. VINCENT, Director
Finance and Business Services

BRADFORD R. JERBIC
City Attorney

By: _____
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