



MEMORANDUM

TO: Robert Klein, Chair and
Members of the Board
FROM: Cynthia Franklin
Director, ABC Board

DATE: January 31, 2016
RE: Fantasies on 5th # 1078

This is an application for renewal to which we have received four objections and a protest by the MOA. The basis of the municipal protest is the Department of Labor's Objection filed based on questions regarding the ownership of the license.

Date objections received:

- 1) January 12, 2016
- 2) January 12, 2016
- 3) January 19, 2016
- 4) January 19, 2016

Date of Protest: January 27, 2016

Notice given for hearing? Yes, 20 days notice in public notice for meeting

Statutes/Regulations Applicable AS 04.11.470; AS 04.11.510(b)(2); AS 04.11.320(a)(1)

Question before the board

- 1) The board should consider, after a review of all relevant information, whether the issuance of the license would be in the best interest of the public pursuant to AS 04.11.320(a)(1)
- 2) The board may use any objection and the reaction of the public and local governing body to the license, as ascertained after holding the hearing under AS 04.11.510(b)(2) to assist in its determination of the answer to question number 1 above.

Board Action Options:

- 1) Issue license
- 2) Deny; issue written findings of fact in support of decision per AS 44.62



Office of the Municipal Clerk Licensing

January 27, 2016

Ms. Sarah Oates
Alcoholic Beverage Control Board
550 W 7th Ave. Ste. 1600
Anchorage, Alaska 99501

RE: Anchorage Assembly Action on Liquor Licenses

Dear Ms. Oates:

The Anchorage Municipal Assembly at its regular meeting on **January 26, 2016** took the following final action:

PROTEST

Renewal Liquor License

- **Beverage Dispensary**
 - Fantasies on 5th LL#1078
 - **Please see attached letter.**

APPROVAL/NON -OBJECTION

New Liquor License

- **Restaurant/Eating Place**
 - Turkish Delight LL#5437
 - Won Jo Tofu House LL#5438
- **Wholesale Malt Beverage & Wine**
 - Open Wine Distributors LL#5410

Any prior conditions placed on any license are to continue until specifically removed or amended. If you require additional information or if I can be of any assistance please call me.

Cordially,

Mandy Honest
Business License Official

Concur,

Amanda K. Moser
Deputy Municipal Clerk

CC: Turkish Delight
Won Jo Tofu House
Fantasies on 5th



THE STATE
of **ALASKA**
GOVERNOR BILL WALKER

**Department of Labor and
Workforce Development**

LABOR STANDARDS AND SAFETY DIVISION

Wage and Hour Administration

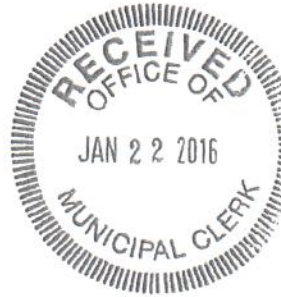
1251 Muldoon Road, Suite 113

Anchorage, Alaska 99504

Phone: (907) 269-4909

Fax: (907) 269-4915

<http://www.labor.alaska.gov/LSS>



January 19, 2016

HAND DELIVERED

State of Alaska
Alcoholic Beverage Control Board
550 West 7th Ave, Suite 1600
Anchorage, AK 99501

RE: OBJECTION TO THE RENEWAL OF A LICENSE

Dear Ladies and Gentlemen,

The Department of Labor, Wage and Hour Administration, is objecting under AS 04.11.370(1)(2) and 04.11.450 to the renewal of the alcohol license, 1078 (2014/2015) for Fantasies on 5th LLC.

The Department is conducting a wage compliance investigation into unpaid wages of workers and has ascertained credible information that:

1. There has been a misrepresentation of material fact on the application;
2. renewal of the license is contrary to the best interest of the public; and
3. a person(s) other than the licensee has direct and indirect financial interest in the business.

Sincerely,

Donna Nass
Wage and Hour Investigator
Wage and Hour Administration
Anchorage Regional Office

cc: Fantasies on 5th, LLC, 1911 E. 5th Ave., Anchorage, AK 99501
Mandy Honest, Business License Official, Municipal Clerk's Office, 632 W. 6th Avenue, Suite 250, Anchorage, AK 99501
Francis McLaughlin, Current Planning Section, 4700 Elmore Road, Anchorage, AK 99507

DN/hl

FantasiesABCobjection

Submitted by: ASSEMBLY CHAIR TRAINI, ASSEMBLY
MEMBER FLYNN AND ASSEMBLY PUBLIC
SAFETY COMMITTEE CHAIR HONEMAN

Prepared by: Municipal Clerk
For reading: January 26, 2016

CLERK'S OFFICE
APPROVED

Date: 1-26-2016

ANCHORAGE, ALASKA
AR NO. 2016-35

**A RESOLUTION OF THE ANCHORAGE MUNICIPAL ASSEMBLY STATING ITS
PROTEST REGARDING THE RENEWAL OF LIQUOR LICENSE #1078 FOR FANTASIES
ON 5TH AVENUE, LLC dba FANTASIES ON 5TH, LOCATED AT 1911 E 5TH AVENUE,
ANCHORAGE, AK 99501 AND AUTHORIZING THE MUNICIPAL CLERK TO TAKE
CERTAIN ACTION.**

WHEREAS, Fantasies On 5th Avenue, LLC has made an application with the Alcoholic Beverage Control (ABC) Board and has paid the required fee for the renewal of a Beverage Dispensary Liquor License #1078, to be used for Fantasies on 5th located at 1911 E 5th Avenue, Anchorage, Alaska 99501; and

WHEREAS, the Assembly must enter any protest to the ABC Board within 60 days following receipt of the application; and

WHEREAS, the Anchorage Municipal Clerk received a copy of this application on December 4, 2015 and has determined that the last day for the Assembly to file a protest is February 5, 2016; and

WHEREAS, the Assembly Meeting on January 26, 2016 is the last scheduled regular meeting of the Anchorage Assembly prior to the expiration of the protest period; and

WHEREAS, the Municipal Clerk reports the following status concerning this location:

1. The State of Alaska Department of Labor and Workforce Development, Wage and Hour Administration, objects to the renewal under AS 04.11.370(1)(2) and 04.11.450; and
2. Any ABC Board violations and/or incidents are on file that would lead to an ABC Board violation are attached; and
3. There are no taxes owing to the Municipality of Anchorage.

WHEREAS, protest by the Assembly is in order pending Municipal Clerk confirmation that outstanding items required for this location have been completed.

1 NOW, THEREFORE, THE ANCHORAGE ASSEMBLY RESOLVES:
2


3 Section 1. The Anchorage Assembly hereby enters its **PROTEST** for the renewal of
4 Beverage Dispensary Liquor License #1078 until these conditions are
5 met:
6

- 7 • The State of Alaska Department of Labor and Workforce
8 Development, Wage and Hour Administration, has been satisfied.
9

10 Section 2. A copy of this Assembly Resolution may be presented to the Alcoholic
11 Beverage Control Board as proof that the Anchorage Assembly, as the
12 local governing body, has stated its protest in order to allow the Director
13 of the Alcoholic Beverage Control Board to hold processing of the
14 renewal of Beverage Dispensary Liquor License #1078 under local
15 protest, until receipt by the Director of confirmation from the Municipal
16 Clerk that the conditions in Section 1 have been met, and this protest is
17 lifted as authorized by this Assembly Resolution.
18

19 Section 3. The Anchorage Assembly hereby authorizes the Municipal Clerk, upon
20 Municipal Clerk confirmation that all conditions in Section 1 have been
21 met, to provide written notification to the Alcoholic Beverage Control
22 Board that this protest by the Anchorage Assembly is lifted, without
23 further action by the Assembly.
24

25 PASSED AND APPROVED by the Anchorage Assembly this 26th day of
26 January, 2016.
27

28 
29
30 _____
31 Chair of the Assembly

32 ATTEST:
33

34 
35 _____
36 Municipal Clerk

January 5, 2016

To: State of Alaska
Alcoholic Beverage Control Board

This is to notify you of my objection to the renewal of Fantasies on Fifth, LLC liquor license as provided for under Sec 04.11.470 for the following three (3) reasons:

Sec. 04.11.470. Objection

A person may object to an application for issuance, renewal, transfer of location, or transfer to another person of a license, or for issuance of a permit, by serving upon the applicant and the board the reasons for the objection. The board shall consider the objections and testimony received at a hearing conducted under AS 04.11.510(b)(2) when it considers the application. An objection and the record of a hearing conducted under AS 04.11.510(b)(2) shall be retained as part of the board's permanent record of its review of the application. (2 ch 131 SLA 1980) 3AAC 304.105. Application Generally.

(b) An application for a new license or for the renewal, relocation, or transfer, of an existing license, must contain the information required by AS .4.11260-04.11.290. In addition as appropriate, the application must contain the following:

(3) a statement that no one other than the applicant has a financial interest in the business to be licensed.

1) I contend that not only was this section of the application falsely filled out regarding financial interest. But the current Licensee was forbidden to drink on the property because of his alcohol related issues. Employees were threatened to be terminated if he was allowed to drink at the bar. When he was allowed to drink on the premises prior to his banishment, it resulted in very awkward situations for both employees and patrons.

Sec.4.21.030 Responsibility of the licensee's agents and employees.

2) I contend both sections (1)(2) are being violated for the simple fact that the licensee is only a figurehead or nominal owner. That financial and management is directly and indirectly controlled by Kathy Hartman and her boyfriend, Eugene Greaves.

Sec. 04.11.330 Denial of license or permit renewal (a) An application requesting renewal of a license shall be denied if

(1)the board finds ,after review of all relevant information, that renewal of the license would not be in the best interest of the public;

3) Federal and state Wage and hour laws continue to be broken even after an Alaska District Court judgment was rendered against this establishment and their wage practices. Additionally, current state Wage and Hour investigation is underway. It is unconscionably that this establishment continues to reap the financial benefits of the liquor license while violating employee rights, theft of worker's wages, in blatant disregard of a district court's judgment, and in direct violation of Alaska's Alcoholic Beverage Control laws.

Elizabeth Alta Wilson



13101 Brandon #3
Anchorage AK 99502

907 8308113

JAN 12 '16 AM 11:14

January 5, 2016

To: State of Alaska
Alcoholic Beverage Control Board

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CHRISTY KIMURA Christy Kimura
3902 Iawa Drive 99517
Anchorage AK 99517 (907) 787-9847

JAN 12 '16 AM 11:14

January 5, 2016

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Yana Tatarinova
1620 Eastridge dr # 303, Anchorage (907) 903-9407

JAN 12 '16 AM 11:13

January 5, 2016

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Alcoholic Beverage Control Board

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Myounghee Harter



5422 Lancelot Cir Anchorage, AK 99508

402-637-2520

JAN 19 '16 PM 12:54

From: [Honest, Miranda L.](#)
To: [Franklin, Cynthia A \(CED\)](#); [Oates, Sarah D \(CED\)](#)
Cc: [Jones, Barbara A.](#); [Moser, Amanda K.](#)
Subject: RE: Protest- Fantasies on 5th
Date: Thursday, February 04, 2016 4:06:57 PM

Hi Cindy,

Please see answers to questions in red below.

Could you please verify the time of the meeting on the 10th? I'd like to confirm that I'm going to be listening in and Muni Legal will as well?

Regards,
Mandy Honest
Business License Official

Municipal Clerk's Office
632 W. 6th Avenue, Suite 250
Anchorage, AK 99501
Phone: (907) 343-4316
MuniFax: (907) 249-7591
Email: HonestML@muni.org
www.muni.org

From: Franklin, Cynthia A (CED) [mailto:cynthia.franklin@alaska.gov]
Sent: Wednesday, February 03, 2016 5:39 PM
To: Moser, Amanda K.; Honest, Miranda L.
Cc: Oates, Sarah D (CED)
Subject: Protest- Fantasies on 5th

Hi Amanda and Mandy,

I have a couple of questions about the MOA Protest to Fantasies on 5th renewal application.

Was there an Assembly meeting or resolution relating to the protest? If not, why is it different than your usual protests?

Yes, it appeared before the Assembly on January, 26, 2016.

Was the applicant given "a reasonable opportunity to defend its application before a meeting of the local governing body"? Usually when you have had an Assembly meeting we know they had that. This is a requirement of 3 AAC 304.145(d). It does not have to be an assembly meeting, it could be a planning meeting or even just a meeting with an MOA official.

No.

If there was no assembly meeting or no other opportunity for Fantasies to be heard before the protest, we will ask the board to table until the April meeting so that the MOA can correct it. We did that last year with a couple of other LGB's that protested renewals without realizing they had not

met the 304.145(d) notice requirement. We just need to know the situation here.

The Clerk's Office agrees to your proposal to ask the board to table the protest until the April meeting so the MOA can address 3 AAC 304.145(d).

Sarah and I will be working on this some more tomorrow morning if you would rather call us. We will be in my office at my direct line below.

Cynthia Franklin, Director
Alcoholic Beverage & Marijuana Control Boards
907-269-0351



THE STATE
of **ALASKA**
GOVERNOR BILL WALKER

**Department of Labor and
Workforce Development**

LABOR STANDARDS AND SAFETY DIVISION

Wage and Hour Administration

1251 Muldoon Road, Suite 113

Anchorage, Alaska 99504

Phone: (907) 269-4909

Fax: (907) 269-4915

<http://www.labor.alaska.gov/LSS>

January 19, 2016

HAND DELIVERED

State of Alaska
Alcoholic Beverage Control Board
550 West 7th Ave, Suite 1600
Anchorage, AK 99501

RE: OBJECTION TO THE RENEWAL OF A LICENSE

Dear Ladies and Gentlemen,

The Department of Labor, Wage and Hour Administration, is objecting under AS 04.11.370(1)(2) and 04.11.450 to the renewal of the alcohol license, 1078 (2014/2015) for Fantasies on 5th LLC.

The Department is conducting a wage compliance investigation into unpaid wages of workers and has ascertained credible information that:

1. There has been a misrepresentation of material fact on the application;
2. renewal of the license is contrary to the best interest of the public; and
3. a person(s) other than the licensee has direct and indirect financial interest in the business.

Sincerely,

A handwritten signature in cursive script that reads "Donna Nass".

Donna Nass
Wage and Hour Investigator
Wage and Hour Administration
Anchorage Regional Office

cc: Fantasies on 5th, LLC, 1911 E. 5th Ave., Anchorage, AK 99501
Mandy Honest, Business License Official, Municipal Clerk's Office, 632 W. 6th Avenue, Suite
250, Anchorage, AK 99501
Francis McLaughlin, Current Planning Section, 4700 Elmore Road, Anchorage, AK 99507

DN/hl

FantasiesABCObjection

**BEFORE THE STATE OF ALASKA
ALCOHOLIC BEVERAGE CONTROL BOARD**

**RE: OBJECTION TO THE RENEWAL OF THE ALCOHOL LICENSE, 1078
(2014/2015) FOR FANTASIES OF 5TH, LLC**

AFFIDAVIT OF DONNA NASS

Donna Nass, having been first duly sworn upon oath, depose and state as follows:

1. I am an investigator for the Department of Labor and Workforce Development, Wage and Hour Administration (“Department”) assigned to conduct a wage compliance audit for FANTASIES ON 5TH, LLC (“Fantasies”).
2. Department investigators provide sole enforcement of Alaska’s statutes and regulations dealing with the payment of wages to workers (wage claims, minimum wage and overtime). The agency acts on behalf of workers to collect unpaid or underpaid monies from employers through a variety of administrative, quasi-judicial and judicial procedures with regard to the payment of wages to workers.
3. On November 5, 2015, the Department mailed a letter to Fantasies notifying them of the Department’s intent to conduct a wage audit for the time period of December 2013 through November 2015. The letter scheduled an opening conference for November 23, 2015 and listed documents and information to be submitted to the Department prior to the initial conference. (See Attachment A).
4. On or about November 20, 2015, Eugene Greaves, Fantasies’ General Manager, telephoned me requesting to reschedule the opening conference date. During the course of this conversation Mr. Greaves made the following statements:
 - There was no point in Travis Gravelle (owner on record) attending the opening conference because Travis does not know anything about the business.
 - That Travis has “no lick of business sense” so he (Eugene Greaves) manages the club as a favor for Kathleen (Kathleen Hartman, mother of Travis Gravelle and former owner of record). Further stating that he (Greaves) has a manager/dancer handing everything and he (Greaves) comes in from California on occasion to check on things.


- That Kathleen was trying to sell the business because they (Hartman and Greaves) were “getting too old for this [...]” I clarified his answer by asking if he meant the building or the business. Mr. Greaves responded, both.
5. I directly asked Mr. Greaves who owned Fantasies, Kathleen Hartman or Travis Gravel? He responded, “Travis, but he is a nominal owner only.”
 6. On November 30, 2016, the initial conference was held at Fantasies place of business. Investigator Charlotte Hughes attended with me. Travis Gravelle, Eugene Greave, and Natasha Gill attended for Fantasies. During the initial conference, Travis Gravelle could not answer any questions about the business including how taxes were filed. I specifically asked Mr. Gravelle if Fantasies filed its taxes separately as a corporation or if he (Gravelle) filed Fantasies taxes as part of his personal tax return. Mr. Gravelle said “I have no idea.” My mom (Kathleen Hartman) takes care of my taxes. I asked Travis if he signed his own taxes and he replied that his mom had power of attorney to handle his taxes.
 7. After the initial conference, I asked for a tour of the business. As we were touring the first floor bar and dance area, Travis stated, that he (Travis) had not been in the club for more than a year.
 8. On January 15, 2016, the Department subpoenaed from Alaska USA Federal Credit Union, Fantasies’ checking/merchant account information. Specifically, account application documents and signing authority documents. (See Attachment B).
 9. Travis Gravelle is not listed on the checking/merchant account and therefore has no access to business funds. Persons having access are Kathleen Hartman as President, Eugene Greaves as Vice President, and Lawrence Trotter, an attorney. (See Attachment C.)
 10. There is a 1987 Alaska Supreme Court decision and a 2012 Alaska District Court case that recognize dancers as employees entitled to minimum wage under the FLSA and the AWWA Kathleen Hartman was specifically named as a defendant in the 2012 case. Ms. Hartman had to pay back wages to one of the plaintiffs.

11. On December 1, 2015, Fantasies asserted through a letter from Mr. Greaves, that dancers are not employees but tenants that lease space. The Department does not find this defense persuasive and holds the position that Fantasies dancers are employees. (Attachment D).

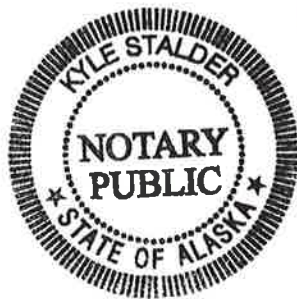
12. The Department's investigation is ongoing. We are still interviewing past and present workers and still identifying and collecting information. Based on information received thus far, we believe Kathleen Hartman and Eugene Greaves to have sole control of Fantasies' finances and business operations and that from the period of December 2013 through November 2015, thirty or more workers did not receive minimum wage, or any wage, to which they were entitled under AS 23.10.065 (AWHA).

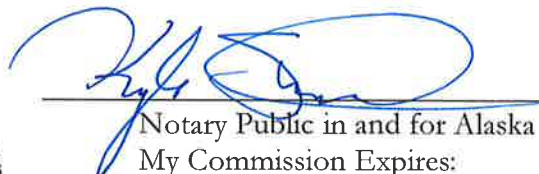
FURTHER YOUR AFFIANT SAYETH NAUGHT.

DATED this ^{day} of February 8, 2016 in Anchorage, Alaska.


Donna Nass

SUBSCRIBED AND SWORN TO before me this day of February 8, 2016.




Notary Public in and for Alaska
My Commission Expires:
with office.



THE STATE
of **ALASKA**
GOVERNOR BILL WALKER

November 5, 2015

**Department of Labor and
Workforce Development**

LABOR STANDARDS AND SAFETY DIVISION

Wage and Hour Administration

1251 Muldoon Road, Suite 113

Anchorage, Alaska 99504

Phone: (907) 269-4909

Fax: (907) 269-4915

<http://www.labor.alaska.gov/LSS>

Travis Gravelle dba/Fantasies on 5th Avenue, LLC
c/o Eugene Greaves, Registered Agent
1911 E. 5th Avenue
Anchorage, AK 99501

Dear Mr. Gravelle,

The Department of Labor and Workforce Development, Wage and Hour Office is responsible for the administration and enforcement of a number of laws dealing with the payment of wages to workers such as Alaska's minimum wage and overtime laws. The agency acts on behalf of workers to collect unpaid or underpaid wages. The agency also oversees the enforcement of child labor laws to ensure that minor workers are not exploited or placed in hazardous working conditions.

While there are several exceptions to Alaska's minimum wage and overtime laws under AS 23.10.055, most private sector employees are subject to minimum wage and overtime requirements. Alaska's overtime law, AS 23.10.060, requires an employer to pay one and one-half times the regular rate when an employee works more than eight hours in a day and for hours worked by an employee over forty straight-time hours in a week. Minimum wage in Alaska is currently \$8.75 per hour and applies to all hours worked in a pay period regardless of how the employee is paid: whether by time, piece, commission, or otherwise. Tips do not count towards the minimum wage under Alaska law (see AS 23.10.065(a)).

This letter is to inform you that our office intends to conduct an investigation to determine compliance with one or more of the requirements outlined above. An opening conference has been scheduled for your firm on Monday, November 23, 2015 at 9:00 am to discuss the process and begin the investigation. It is requested that you and a representative of the firm, familiar with the firm's pay policies and practices, be available for the opening conference with me at your establishment.

ACTION NEEDED

In order to conduct the investigation with as little disruption to your business operations as possible, please have available for inspection all documents providing the following information for the last two years, ending with your last month's completed payroll. Additionally, in preparation for our compliance conference, please submit the below requested information and records to our office no later than Thursday, November 19, 2015. If you own more than one branch or do business at more than one location in Alaska, submit the information and records listed below for all locations.

1. Federal tax identification number(s).
2. Legal name of the firm(s) and how long the firm(s) has been in business.
3. If the business is a corporation, list the names of all corporate officers. If the business is an LLC, list the names of all members and provide a copy of your Operating Agreement.
4. Provide the starting date of firm's current fiscal year.
5. Identify the accounting and payroll software used.

A
P 1/4

Travis Gravelle dba/Fantasies on 5th Avenue, LLC
c/o Eugene Greaves, Registered Agent
November 5, 2015
Page 2

6. Provide a list of all minors under age 18 employed by your firm during the last 24 months, dates of birth, dates of hire, and dates of termination.
7. List all labor employed by your firm during the last 24 months, the names, addresses, telephone numbers, dates of hire, dates of termination, their job titles and their wage rates. Labor is defined as all individuals regardless of whether they are current or former workers, employed on a part-time, full-time, or volunteer basis, whether temporary or permanent, under contract, or employed as independent contractors. If employed under contract or employed as an independent contractor, provide a copy of the current employment contract and any 1099's issued for the most recent tax year.
8. Provide a copy of your payroll records, including but not limited to schedules, time cards, sign in sheets, etc., covering the most recent 30 day period.
9. Provide a copy of time and earnings records for all labor covering the following time periods:
 - 2013: December 15-21 and December 29-January 4, 2014.
 - 2014: February 2-8, March 23-29, April 20-26, May 4-10, July 20-26, August 3-9, August 31-September 6, and November 1-11.
 - 2015: February 8-14, March 8-14, April 19-April 25, April 26-May 2, July 19-25, August 30-September 6, and October 4-10.
10. Provide a copy of all employee handbooks issued from 2013-2015 and position descriptions for all workers.

Be advised that the last 24 months needs to be accessible, if requested, but is not required at this time.

We will take the following steps during the course of the review:

- Hold an opening conference with the firm's representatives.
- Review time and earnings records and all related records.
- Interview certain workers.
- Request you to make transcriptions and/or computations of time and earnings records for back wage purposes if needed.
- Hold closing conference with the firm's representatives to summarize the findings of the review.

Authority for this investigation is contained in Alaska Statutes 23.05.060(1); 23.10.080 (1-2) and; 8 AAC 15.180(a).

AS 23.05.060(1) states that the Department may: (1) enforce all state labor laws.
AS 23.10.080(1-2) The director, or an authorized representative of the director, shall (1) investigate and ascertain the wages and related conditions and standards of employment of any employee in the state; (2) enter the place of business or employment of an employer at reasonable times for the purpose of inspecting payroll records that relate to the question of wages paid or hours worked. 8 AAC 15.180(a) The Labor Standards and Safety Division will investigate potential violations of AS 23.10.050-23.10.150 on its own motion.

Travis Gravelle dba/Fantasies on 5th Avenue, LLC
c/o Eugene Greaves, Registered Agent
November 5, 2015
Page 3

Please call me at (907) 269-4900 upon receipt of this letter to confirm this appointment and to discuss any questions you may have regarding this review.

Sincerely,



Donna Nass
Wage and Hour Investigator
Wage and Hour Administration
Anchorage Regional Office

cc: Travis Gravelle, 4203 W Dimond Blvd., Anchorage, AK 99502
Enclosures: Statutes

DN/cw Fantasies5thllc1st

ATTACHMENT A:

Sec. 23.10.065. Minimum wages.

(a) Except as otherwise provided for in law, an employer shall pay to each employee a minimum wage, as established herein, for hours worked in a pay period, whether the work is measured by time, piece, commission or otherwise. An employer may not apply tips or gratuities bestowed upon employees as a credit toward payment of the minimum hourly wage required by this section.

Sec. 23.10.060. Payment for overtime.

(a) An employer who employs employees engaged in commerce or other business or in the production of goods or materials in the state may not employ an employee for a workweek longer than 40 hours or for more than eight hours a day. (b) If an employer finds it necessary to employ an employee for hours in excess of the limits set in this subsection, overtime compensation for the overtime at the rate of one and one-half times the regular rate of pay shall be paid. An employee is entitled to overtime compensation for hours worked in excess of eight hours a day. An employee is also entitled to overtime compensation for hours worked in excess of 40 hours a week; in determining whether an employee has worked more than 40 hours a week, the number of hours worked shall be determined without including hours that are worked in excess of eight hours in a day because the employee has or will be separately awarded overtime compensation based on those hours.

ALASKA DEPARTMENT OF LABOR and WORKFORCE DEVELOPMENT
WAGE and HOUR ADMINISTRATION
1251 Muldoon, Suite 113
ANCHORAGE, AK 99504
(907) 269-4904

STATE OF ALASKA,)
WAGE & HOUR ADMINISTRATION)
)
)
Plaintiffs)
vs.)
)
FANTASIES ON 5TH AVE, LLC)
)
)
Defendant.)

ADMINISTRATIVE SUBPOENA
Case : A0811-183D

HAND DELIVERED

TO: Alaska USA Federal Credit Union
4000 Credit Union Dr. #100
Anchorage, Alaska 99503

PURSUANT TO ALASKA STATUTES 23.05.050, 23.05.190, 23.05.200 and 23.10.080,
YOU ARE HEREBY COMMANDED to produce for inspection by the Alaska
Department of Labor and Workforce Development, Division of Labor Standards and
Safety, 1251 Muldoon, Suite 113, Anchorage, Alaska 99504, on or before 4:00 p.m. on
January 22, 2016 the following documents:

1. Copies of any and all account application documents, any and all signing authorizations, amendments of signing authority. on for the time period of November 1, 2013 through October 31, 2014 for FANTASIES ON 5TH, 1911 E. 5th Ave, Anchorage, AK 99501, checking account number 17018140 and/or any accounts for FANTASIES ON 5TH.

DEFINITIONS

Any/all/each

The word "any" includes the word "all" and the word "all" includes the word "any."

The word "each" includes the word "every" and the word "every" includes the word "each."

B
P 1/3

And/or

The word "and" shall include the word "or" and the word "or" shall include the word "and."

Document


The word "document" means any written, recorded or graphic matter, however produced or reproduced. It includes all materials that relate or refer in whole or in part to the subjects referred to in the subpoena. If a document has been prepared in several copies, or if additional copies have been made, and the copies are not identical, or have undergone alteration, each non-identical copy is a separate "document." The word "document" shall also include all drafts of any requested documents.

The word "document" shall also include any kind of written or graphic matter, however produced or reproduced, of any kind or description, whether sent or received or neither, including originals, copies and drafts, and including but not limited to: papers, books, accounts, letters, photographs, objects, tangible things, correspondence, telegrams, cables, telex messages, memoranda, notes, desk calendars, diaries, notations, work papers, communications to, between and among directors, officers, agents, partners, secretaries, or any other employees, transcripts, minutes, reports, and recordings of telephone or other conversations, or interviews, or of committee meetings or other meetings, affidavits, statements, summaries, opinions, reports, studies, analyses, evaluations, contracts, licenses, agreements, balance sheets, income statements, appointment books, telephone logs, lists, tabulations, data sheets, computer tapes, discs, magnetic tapes, punch cards, computer programs, computer printouts, all other records kept by electronic, photographic or mechanical means, and thing similar to any of the foregoing, regardless of their author or origin, however denominated by it.

YOU ARE HEREBY FURTHER ADVISED that this subpoena is issued pursuant to Alaska Statutes 23.05.050, 23.05.190, 23.05.200 and 23.10.080 and that if you fail to comply with this subpoena, the Alaska Department of Labor and Workforce Development will seek an order from the Superior Court compelling obedience, in accordance with Alaska Statute 23.10.080(5).

Issued at Anchorage, Alaska, this 15TH day of January 15, 2016.

Heidi Drygass, Commissioner
Alaska Department of Labor
and Workforce Development

By 
Donna Nass
Wage and Hour Investigator
Wage and Hour Administration
Anchorage Regional Office

Master Account Number	Name of Account	For Credit Union Use Only
0001701814	FANTASIES ON 5TH AVE LLC	

**ALASKA USA FEDERAL CREDIT UNION
BUSINESS, ORGANIZATION, ASSOCIATION OR PUBLIC UNIT MASTER ACCOUNT AGREEMENT**

Membership Eligibility 180/existing member	Business License State: AK Number: 977419	<input type="checkbox"/> TIN <input checked="" type="checkbox"/> SSN [REDACTED]
Mailing Address 1911 E 5th Ave	City Anchorage	State AK
	Zip Code + 4 99501-2918	Business Telephone 907-563-0042
Business Street Address 1911 E 5th Ave	City Anchorage	State AK
	Zip Code + 4 99501-2918	E-Mail Address
Account Type	Limited Liability Company	

I/We, on behalf of the above named account, hereby make application for membership in Alaska USA Federal Credit Union (Credit Union) and affirm that the information regarding my/our membership eligibility is true and correct. I/We understand membership is contingent upon satisfactory account verification. I/We agree to conform to the Credit Union's bylaws and amendments thereof and subscribe to at least one share. I/We hereby authorize the Credit Union to establish a master account record for the business, organization or association and to open any type of sub account, including a checking account, excluding a Keogh or Individual Retirement Account (IRA), which I/We may request from time to time verbally or in writing. I/We have read and understand and agree to the terms, conditions and fee schedules associated with those accounts as established by the Credit Union both now and in the future. If more than one signatory appears below, I/We understand that the terms of the Master Account Access Agreement on page 1 of this form also apply to this master account record. Further, I/We understand that this member account will be nonassignable and nontransferable to third parties. I/We authorize the Credit Union to perform a credit check or obtain a credit report at any time. This agreement is accepted at the headquarters of Alaska USA Federal Credit Union in Anchorage, Alaska, and all accounts are governed and controlled by the laws of the United States and applicable laws of the State of Alaska.

Initial type of account(s) to be opened:

Share Savings

Business Checking

Overdraft Protection

Credit Line Loan

Savings Account 10 85*

Money Market Account

Declined

TWO SIGNATURES

If more than one person is authorized to write checks or draw items on your account, you agree that we can honor checks signed by any ONE or more authorized signers, even if there are two or more lines on the items for a signature and the item purports to require two or more signatures. You agree that any condition on an account that purports to require two or more signers on items drawn on the account is an internal condition to your operations and is solely for your internal control purposes and is not binding on us.

**MASTER ACCOUNT ACCESS AGREEMENT
(Including Credit Line Access)**

Alaska USA Federal Credit Union (Credit Union) is hereby directed to accept any of the signatures reflected below as authorization for the payment of funds or the transaction of any business on all share, checking and certificate accounts and lines of credit associated with the master account number indicated, excluding Keogh and Individual Retirement Accounts.

The person, business, organization, association, sole proprietorship, corporation, partnership or limited liability company in whose name the account is held (Member) and the authorized signers agree to conform to the bylaws of the Credit Union and agree to the terms, conditions and fee schedules established by the Credit Union from time to time for any accounts associated with this master account number. The Member and the authorized signers agree with each other and with the Credit Union that any authorized signer may establish verbally or in writing additional accounts associated with this master account number.

All accounts covered by this agreement shall be subject to withdrawal or receipt by any of the authorized signers, and payment to any of them shall be valid and shall discharge the Credit Union from any further liability for such payment. Each of the signers is authorized to access the accounts associated with this master account number by any means approved by the Credit Union. If the Credit Union receives conflicting instructions or a dispute arises as to authorization with regard to the handling of an account, Member agrees the Credit Union may place a hold on that account until such conflict or dispute is resolved to Credit Union's satisfaction, and the Credit Union will not be liable for dishonored items as a result of such hold.

The signatories hereto acknowledge and agree that they are pledging all or any part of the shares/funds in accounts associated with this master account number as collateral security for a loan or loans with the Credit Union. Any authorized signer may access any credit line loan established with this account through any access means made available by the Credit Union. The Member and authorized signers agree that the Credit Union is authorized to charge at any time against any account associated with this master account number any indebtedness owing to the Credit Union by the Member.

The Credit Union reserves the right to require the Member to provide a new Master Account Agreement and board minutes for corporations, associations and organizations or other documentary evidence satisfactory to the Credit Union who is authorized to act on the Member's behalf. No POD beneficiary designation or other designation shall apply to the account. You agree to notify the Credit Union of any change in the authority of your agents or signatories. The Credit Union may rely on your written authorization until such time as the Credit Union is informed of changes in writing and such changes shall not affect transactions made within one business day of receipt of notice by the Credit Union. If an authorized signer is deleted from the account, any checks bearing such signer's signature that are presented for payment shall be honored by the Credit Union. Accordingly, the Member shall be solely responsible for recovering any checks in the possession of a signer whose name is deleted from the Master Account Agreement. The Credit Union may require that third-party checks payable to a business may only be deposited to a business account. You agree that the Credit Union shall have no notice of any breach of fiduciary duties arising from any transactions by any agent of the account owner, unless the Credit Union has actual notice of such breach.

The authorized signers hereto agree to read the separate Business Account Disclosure Statement upon receipt, which contains specific account information, all of which is fully incorporated by reference herein. This Master Account Access Agreement is accepted at the headquarters of Alaska USA Federal Credit Union in Anchorage, Alaska, and all accounts are governed and controlled by the laws of the United States and applicable laws of the State of Alaska.

C
P1/9

Master Account Number	Name of Account	For Credit Union Use Only
0001701814	FANTASIES ON 5TH AVE LLC	

CERTIFICATION: Under penalties of perjury, I certify that: (1) the number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me), and (2) I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding, and (3) I am a U.S. person (including a U.S. resident alien).

Certification Instructions: You must check here if you have been notified by the IRS that you are subject to backup withholding because you have failed to report all interest and dividends on your tax return.

The Internal Revenue Service does not require your consent to any provisions of this document other than the certifications required to avoid backup withholding.

SOLE PROPRIETORSHIP

The undersigned affirms that he/she is the sole proprietor of the sole proprietorship named on this account or the individual doing business as a commercial enterprise named on this account. Alaska USA Federal Credit Union may accept and/or endorse checks made payable to the undersigned or the sole proprietorship which Alaska USA Federal Credit Union receives for deposit.

Signature X _____
 Printed Name (First, MI, Last, Suffix) Date

PARTNERSHIP

The partners hereby severally certify that the signatures hereto are the original genuine signatures of all the partners required to transact business on behalf of the partnership, and they hereby consent that Alaska USA Federal Credit Union is authorized to recognize these signatures, as well as any other agent or signatories designated herein, from time to time, to open and maintain accounts for deposit of funds, to initiate loan transactions, to sign checks, to withdraw funds of the organization and transact all manner of business as authorized on page 1 of this form with Alaska USA Federal Credit Union. The partners further certify that their authority shall continue in force until written notice to the contrary is received by Alaska USA Federal Credit Union.

Signature X _____
 Printed Name (First, MI, Last, Suffix) Date

Signature X _____
 Printed Name (First, MI, Last, Suffix) Date

CORPORATION, ORGANIZATION, ASSOCIATION OR PUBLIC UNIT

The undersigned certify that on _____ (date) the directors, governing board or body of _____ adopted a resolution authorizing those officers whose names appear below, from time to time, to open and maintain accounts for deposit of funds, to initiate loan transactions, to sign checks, to withdraw funds of the organization and transact all manner of business as authorized on page 1 of this form with Alaska USA Federal Credit Union. We further certify that the undersigned are duly elected to the office set opposite their respective names, they and the authorized account signers are authorized in the resolution recorded in the minutes, that the signature(s) appearing below is/are the genuine signature(s) of said authorized person(s), and that their authority shall continue in force until written notice to the contrary is received by Alaska USA Federal Credit Union.

Chairman/President Name/Title _____ Secretary or Public Unit Official Custodian Name/Title _____
 Signature _____ Date _____ Signature _____ Date _____

LIMITED LIABILITY COMPANY

The undersigned certify that on 8-6-2012 (date) the governing members or managers of FANTASIES ON 5TH AVE LLC adopted a resolution authorizing those members/managers (whose names appear below), from time to time, to open and maintain accounts for deposit of funds, to initiate loan transactions, to sign checks, to withdraw funds of the organization and transact all manner of business authorized on page 1 of this form with Alaska USA Federal Credit Union. We further certify that the signature(s) appearing below is/are genuine signature(s) of said authorized persons and that their authority shall continue in force until written notice to the contrary is received by Alaska USA Federal Credit Union.

Member/Name/Title Kathleen A Hartman President _____ Eugene J Greaves V. President/Sec _____
 Signature [Signature] _____ Date _____ Signature [Signature] _____ Date _____

AUTHORIZED SIGNERS

Number of Authorized Signers 2

Signature X [Signature] Kathleen A Hartman _____
 Printed Name (First, MI, Last, Suffix) SSN DOB Date

Signature X [Signature] Eugene J Greaves _____
 Printed Name (First, MI, Last, Suffix) SSN DOB Date

Signature X _____
 Printed Name (First, MI, Last, Suffix) SSN DOB Date

Signature X _____
 Printed Name (First, MI, Last, Suffix) SSN DOB Date

Signature X _____
 Printed Name (First, MI, Last, Suffix) SSN DOB Date

Signature X _____
 Printed Name (First, MI, Last, Suffix) SSN DOB Date

02/9

Master Account Number	Name of Account	For Credit Union Use Only
0001701814	FANTASIES ON 5TH AVE LLC	

As a result of federal regulations, Alaska USA Federal Credit Union is required to obtain certain information from business members. Please review and complete the following three sections.

I. General Activity

Please answer **each** of the four questions below:

1) At Alaska USA, what will be the normal deposit methods used? (please select all that apply)

Cash Check Merchant Card Processing Domestic Wire Transfers Foreign Wire Transfers ATM Other

2) At Alaska USA, what is an appropriate range for an expected amount of deposits per month?

Up to \$10,000 \$10,001-\$50,000 \$50,001-\$100,000 \$100,001-\$200,000 \$200,000 +

3) At Alaska USA, will coin and currency be a regular disbursement request?

Yes - Petty Cash Fund*
Monthly amount expected is \$25,000.00 Yes - Retail Change Fund**
Monthly amount expected is \$ No

4) At Alaska USA, what will be the normal checking account disbursement methods used? (please select all that apply):

Check VISA Business Check Card ACH - Payroll Expenses ACH - Other Cashier's Check Wire Transfer

*Petty Cash Fund - Used by businesses that occasionally need cash, but it is not routine or part of their daily business needs.
**Retail Change Fund - Used by businesses that routinely request cash for purposes of their daily business needs.

II. Money Services Business Activity

Please read the following information and sign in only one of the sections below:

CERTIFICATION: I certify that my business **operates** as a Money Services Business (MSB)* as defined by Bank Secrecy Act regulations (31 CFR 103.11(uu)). Specifically, my business provides one or more of the following financial services:

Check cashing**
 Currency dealing or exchange (foreign or domestic currency)
 Issuing traveler's checks, money orders, or stored value cards
 Selling or redeeming traveler's checks, money orders or stored value cards
 Transmitting money (wires or other electronic transfers of money)

*To meet the definition of a Money Services Business, a business must conduct more than \$1,000 in transactions (one or multiple transactions) in one category listed above with a single individual on any one day. However, because no activity threshold applies to the definition of money transmitter, a business that engages in the transmission of money through any method is a Money Services Business, regardless of the amount of transfer activity.

**A business that provides check cashing services is defined an MSB by Bank Secrecy Act Regulations; however Alaska USA does not offer account services to this MSB type.

SIGNATURE: X _____ DATE: _____

Owner Managing Partner President/CEO Association/Organization Officer

Is your business registered as an MSB with FinCEN? YES NO Is your business registered as an MSB with the state? YES NO

OR

CERTIFICATION: Under penalty of perjury, I certify that my business **operates only** as an agent of a registered Money Services Business (MSB) as defined by Bank Secrecy Act regulations (31 CFR 103.11(uu)). An "agent" is defined as a business that a "parent" Money Services Business authorizes, through written agreement to sell its instruments or to send or receive wire or transfer services.

SIGNATURE: X _____ DATE: _____

Owner Managing Partner President/CEO Association/Organization Officer

Name of "parent" MSB _____ Can you provide proof of agent status? YES NO

OR

CERTIFICATION: Under penalty of perjury, I certify that my business **does not operate** as a Money Services Business or agent of a registered Money Services Business as defined by Bank Secrecy Act regulations (31 CFR 103.11(uu)).

SIGNATURE: X [Signature] DATE: 8/6/12

Owner Managing Partner President/CEO Association/Organization Officer

Master Account Number:	Name of Account	For Credit Union Use Only
0001701814	FANTASIES ON 5TH AVE LLC	

III. Restricted Activity Certification

CERTIFICATION: I certify that my business does not accept credit, funds, instruments, or other proceeds from another person in connection with unlawful Internet Gambling, as defined by part 233 - Prohibition on Funding of unlawful internet gambling, Regulation GG (31 U.S.C 5364). I further certify that my business does not provide check cashing services nor does my business routinely deposit and/or withdraw in aggregate more than \$150,000 in cash per calendar month.

SIGNATURE: X [Signature] DATE: 8-16-12

Owner
 Managing Partner
 Presiden/CEO
 Association/Organization Officer

FOR CREDIT UNION USE ONLY

New Account
 Certify SSN/TIN
 Reactivate
 Name Change - Previous Name: _____
 Change of Signers
 Change SSN/TIN
 Reopen
 Password: blondy

Corporation File Number: 10000654 NAICS Code: 72 Group Code 180

Approving Membership Officer Signature: [Signature]

CHECK DOCUMENTS VERIFIED:

Business License
 Articles/Certificate of Organization
 Non-Profit Organizational Charter/Bylaws
 Registration of Money Services Business
 Partnership Agreement
 Articles/Certificate of Incorporation
 Corporate Resolution
 Money Services Business Agent List

Signer I.D. ⁽¹⁾ St. <u>AK</u> Type <u>DL</u> # <u>0319198</u> Exp. <u>3-3-14</u>	Signer I.D. ⁽⁴⁾ St. _____ Type _____ # _____ Exp. _____
Signer I.D. ⁽²⁾ St. <u>AK</u> Type <u>DL</u> # <u>7326444</u> Exp. <u>1-30-13</u>	Signer I.D. ⁽⁵⁾ St. _____ Type _____ # _____ Exp. _____
Signer I.D. ⁽³⁾ St. _____ Type _____ # _____ Exp. _____	Signer I.D. ⁽⁶⁾ St. _____ Type _____ # _____ Exp. _____

04/9

Master Account Number	Name of Account	For Credit Union Use Only
0001701814	FANTASIES ON 5TH AVE LLC	

**ALASKA USA FEDERAL CREDIT UNION
BUSINESS, ORGANIZATION, ASSOCIATION OR PUBLIC UNIT MASTER ACCOUNT AGREEMENT**

Membership Eligibility 180/existing member	Business License State: AK Number: 977419	<input checked="" type="checkbox"/> TIN 46-0717984 <input type="checkbox"/> SSN
Mailing Address 1911 E 5th Ave	City Anchorage	State Zip Code + 4 AK 99501-2918
Business Street Address 1911 E 5th Ave	City Anchorage	State Zip Code + 4 AK 99501-2918
Account Type	Limited Liability Company	
		Business Telephone 907-563-0042
		E-Mail Address

I/We, on behalf of the above named account, hereby make application for membership in Alaska USA Federal Credit Union (Credit Union) and affirm that the information regarding my/our membership eligibility is true and correct. I/We understand membership is contingent upon satisfactory account verification. I/We agree to conform to the Credit Union's bylaws and amendments thereof and subscribe to at least one share. I/We hereby authorize the Credit Union to establish a master account record for the business, organization or association and to open any type of sub account, including a checking account, excluding a Keogh or Individual Retirement Account (IRA), which I/We may request from time to time verbally or in writing. I/We have read and understand and agree to the terms, conditions and fee schedules associated with those accounts as established by the Credit Union both now and in the future. If more than one signatory appears below, I/We understand that the terms of the Master Account Access Agreement on page 1 of this form also apply to this master account record. Further, I/We understand that this member account will be nonassignable and nontransferable to third parties. I/We authorize the Credit Union to perform a credit check or obtain a credit report at any time. This agreement is accepted at the headquarters of Alaska USA Federal Credit Union in Anchorage, Alaska, and all accounts are governed and controlled by the laws of the United States and applicable laws of the State of Alaska.

Initial type of account(s) to be opened:

Share Savings

Business Checking

Overdraft Protection Credit Line Loan Savings Account 10 \$9* Money Market Account Declined

TWO SIGNATURES

If more than one person is authorized to write checks or draw items on your account, you agree that we can honor checks signed by any ONE or more authorized signers, even if there are two or more lines on the items for a signature and the item purports to require two or more signatures. You agree that any condition on an account that purports to require two or more signers on items drawn on the account is an internal condition to your operations and is solely for your internal control purposes and is not binding on us.

**MASTER ACCOUNT ACCESS AGREEMENT
(Including Credit Line Access)**

Alaska USA Federal Credit Union (Credit Union) is hereby directed to accept any of the signatures reflected below as authorization for the payment of funds or the transaction of any business on all share, checking and certificate accounts and lines of credit associated with the master account number indicated, excluding Keogh and Individual Retirement Accounts.

The person, business, organization, association, sole proprietorship, corporation, partnership or limited liability company in whose name the account is held (Member) and the authorized signers agree to conform to the bylaws of the Credit Union and agree to the terms, conditions and fee schedules established by the Credit Union from time to time for any accounts associated with this master account number. The Member and the authorized signers agree with each other and with the Credit Union that any authorized signer may establish verbally or in writing additional accounts associated with this master account number.

All accounts covered by this agreement shall be subject to withdrawal or receipt by any of the authorized signers, and payment to any of them shall be valid and shall discharge the Credit Union from any further liability for such payment. Each of the signers is authorized to access the accounts associated with this master account number by any means approved by the Credit Union. If the Credit Union receives conflicting instructions or a dispute arises as to authorization with regard to the handling of an account, Member agrees the Credit Union may place a hold on that account until such conflict or dispute is resolved to Credit Union's satisfaction, and the Credit Union will not be liable for dishonored items as a result of such hold.

The signatories hereto acknowledge and agree that they are pledging all or any part of the shares/funds in accounts associated with this master account number as collateral security for a loan or loans with the Credit Union. Any authorized signer may access any credit line loan established with this account through any access means made available by the Credit Union. The Member and authorized signers agree that the Credit Union is authorized to charge at any time against any account associated with this master account number any indebtedness owing to the Credit Union by the Member.

The Credit Union reserves the right to require the Member to provide a new Master Account Agreement and board minutes for corporations, associations and organizations or other documentary evidence satisfactory to the Credit Union informing the Credit Union who is authorized to act on the Member's behalf. No POD beneficiary designation or other designation shall apply to the account. You agree to notify the Credit Union of any change in the authority of your agents or signatories. The Credit Union may rely on your written authorization until such time as the Credit Union is informed of changes in writing and such changes shall not affect transactions made within one business day of receipt of notice by the Credit Union. If an authorized signer is deleted from the account, any checks bearing such signer's signature that are presented for payment shall be honored by the Credit Union. Accordingly, the Member shall be solely responsible for recovering any checks in the possession of a signer whose name is deleted from the Master Account Agreement. The Credit Union may require that third-party checks payable to a business may only be deposited to a business account. You agree that the Credit Union shall have no notice of any breach of fiduciary duties arising from any transactions by any agent of the account owner, unless the Credit Union has actual notice of such breach.

The authorized signers hereto agree to read the separate Business Account Disclosure Statement upon receipt, which contains specific account information, all of which is fully incorporated by reference herein. This Master Account Access Agreement is accepted at the headquarters of Alaska USA Federal Credit Union in Anchorage, Alaska, and all accounts are governed and controlled by the laws of the United States and applicable laws of the State of Alaska.

0519

Master Account Number	Name of Account	For Credit Union Use Only
0001701814	FANTASIES ON 5TH AVE LLC	

CERTIFICATION: Under penalties of perjury, I certify that: (1) the number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me), and (2) I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding, and (3) I am a U.S. person (including a U.S. resident alien).

Certification Instructions: You must check here if you have been notified by the IRS that you are subject to backup withholding because you have failed to report all interest and dividends on your tax return.

The Internal Revenue Service does not require your consent to any provisions of this document other than the certifications required to avoid backup withholding.

SOLE PROPRIETORSHIP

The undersigned affirms that he/she is the sole proprietor of the sole proprietorship named on this account or the individual doing business as a commercial enterprise named on this account. Alaska USA Federal Credit Union may accept and/or endorse checks made payable to the undersigned or the sole proprietorship which Alaska USA Federal Credit Union receives for deposit.

Signature X _____
 Printed Name (First, MI, Last, Suffix) Date

PARTNERSHIP

The partners hereby severally certify that the signatures hereto are the original genuine signatures of all the partners required to transact business on behalf of the partnership, and they hereby consent that Alaska USA Federal Credit Union is authorized to recognize these signatures, as well as any other agent or signatories designated herein, from time to time, to open and maintain accounts for deposit of funds, to initiate loan transactions, to sign checks, to withdraw funds of the organization and transact all manner of business as authorized on page 1 of this form with Alaska USA Federal Credit Union. The partners further certify that their authority shall continue in force until written notice to the contrary is received by Alaska USA Federal Credit Union.

Signature X _____
 Printed Name (First, MI, Last, Suffix) Date

Signature X _____
 Printed Name (First, MI, Last, Suffix) Date

CORPORATION, ORGANIZATION, ASSOCIATION OR PUBLIC UNIT

The undersigned certify that on _____ (date) the directors, governing board or body of _____ adopted a resolution authorizing those officers whose names appear below, from time to time, to open and maintain accounts for deposit of funds, to initiate loan transactions, to sign checks, to withdraw funds of the organization and transact all manner of business as authorized on page 1 of this form with Alaska USA Federal Credit Union. We further certify that the undersigned are duly elected to the office set opposite their respective names, they and the authorized account signers are authorized in the resolution recorded in the minutes, that the signature(s) appearing below is/are the genuine signature(s) of said authorized person(s), and that their authority shall continue in force until written notice to the contrary is received by Alaska USA Federal Credit Union.

Chairman/President Name/Title _____ Secretary or Public Unit Official Custodian Name/Title _____

Signature _____ Date _____ Signature _____ Date _____

LIMITED LIABILITY COMPANY

The undersigned certify that on _____ (date) the governing members or managers of FANTASIES ON 5TH AVE LLC adopted a resolution authorizing those members/managers (whose names appear below), from time to time, to open and maintain accounts for deposit of funds, to initiate loan transactions, to sign checks, to withdraw funds of the organization and transact all manner of business authorized on page 1 of this form with Alaska USA Federal Credit Union. We further certify that the signature(s) appearing below is/are genuine signature(s) of said authorized persons and that their authority shall continue in force until written notice to the contrary is received by Alaska USA Federal Credit Union.

Member/Name/Title <u>Kathleen A Hartman</u> <u>President</u>	<u>10-18-13</u> Date	Manager/Name/Title <u>Eugene J Greaves</u> <u>V. President/Sec</u>	<u>10-17-13</u> Date
Signature <u>[Signature]</u>		Signature <u>[Signature]</u>	

AUTHORIZED SIGNERS

Signature <u>X</u>	<u>[Signature]</u>	<u>Kathleen A Hartman</u>	<u>11-4-13</u>
	Printed Name (First, MI, Last, Suffix)	SSN DOB	Date
Signature <u>X</u>	<u>[Signature]</u>	<u>Eugene J Greaves</u>	<u>10-17-13</u>
	Printed Name (First, MI, Last, Suffix)	SSN DOB	Date
Signature <u>X</u>	<u>[Signature]</u>	<u>Lawrence R. Trotter</u>	<u>7/2/51 10-17-13</u>
	Printed Name (First, MI, Last, Suffix)	SSN DOB	Date
Signature <u>X</u>	<u>[Signature]</u>	- - - - -	- - - - -
	Printed Name (First, MI, Last, Suffix)	SSN DOB	Date
Signature <u>X</u>	<u>[Signature]</u>	- - - - -	- - - - -
	Printed Name (First, MI, Last, Suffix)	SSN DOB	Date

96/9

Master Account Number	Name of Account	For Credit Union Use Only
0001701814	FANTASIES ON 5TH AVE LLC	

As a result of federal regulations, Alaska USA Federal Credit Union is required to obtain certain information from business members. Please review and complete the following three sections.

I. General Activity

Please answer each of the four questions below:

1) At Alaska USA, what will be the normal deposit methods used? (please select all that apply)

Cash Check Merchant Card Processing Domestic Wire Transfers Foreign Wire Transfers ATM Other

2) At Alaska USA, what is an appropriate range for an expected amount of deposits per month?

Up to \$10,000 \$10,001-\$50,000 \$50,001-\$100,000 \$100,001-\$200,000 \$200,000 +

3) At Alaska USA, will coin and currency be a regular disbursement request?

Yes – Petty Cash Fund*
Monthly amount expected is \$25,000.00 Yes – Retail Change Fund**
Monthly amount expected is \$ No

4) At Alaska USA, what will be the normal checking account disbursement methods used? (please select all that apply):

Check VISA Business Check Card ACH – Payroll Expenses ACH – Other Cashier's Check Wire Transfer

*Petty Cash Fund – Used by businesses that occasionally need cash, but it is not routine or part of their daily business needs.
**Retail Change Fund – Used by businesses that routinely request cash for purposes of their daily business needs.

II. Money Services Business Activity

Please read the following information and sign in only one of the sections below:

CERTIFICATION: I certify that my business **operates** as a Money Services Business (MSB)* as defined by Bank Secrecy Act regulations (31 CFR 103.11(uu)). Specifically, my business provides one or more of the following financial services:

Check cashing**
 Currency dealing or exchange (foreign or domestic currency)
 Issuing traveler's checks, money orders, or stored value cards
 Selling or redeeming traveler's checks, money orders or stored value cards
 Transmitting money (wires or other electronic transfers of money)

*To meet the definition of a Money Services Business, a business must conduct more than \$1,000 in transactions (one or multiple transactions) in one category listed above with a single individual on any one day. However, because no activity threshold applies to the definition of money transmitter, a business that engages in the transmission of money through any method is a Money Services Business, regardless of the amount of transfer activity.

**A business that provides check cashing services is defined an MSB by Bank Secrecy Act Regulations; however Alaska USA does not offer account services to this MSB type.

SIGNATURE: X _____ DATE: ____/____/____

Owner Managing Partner President/CEO Association/Organization Officer

Is your business registered as an MSB with FinCEN? YES NO Is your business registered as an MSB with the state? YES NO

OR

CERTIFICATION: Under penalty of perjury, I certify that my business **operates only** as an agent of a registered Money Services Business (MSB) as defined by Bank Secrecy Act regulations (31 CFR 103.11(uu)). An "agent" is defined as a business that a "parent" Money Services Business authorizes, through written agreement to sell its instruments or to send or receive wire or transfer services.

SIGNATURE: X _____ DATE: ____/____/____

Owner Managing Partner President/CEO Association/Organization Officer

Name of "parent" MSB _____ Can you provide proof of agent status? YES NO

OR

CERTIFICATION: Under penalty of perjury, I certify that my business **does not operate** as a Money Services Business or agent of a registered Money Services Business as defined by Bank Secrecy Act regulations (31 CFR 103.11(uu)).

SIGNATURE: X Nathaniel _____ DATE: 10/18/2013

Owner Managing Partner President/CEO Association/Organization Officer

0001701814B4

Master Account Number	Name of Account	For Credit Union Use Only
0001701814	FANTASIES ON 5TH AVE LLC	

III. Restricted Activity Certification

CERTIFICATION: I certify that my business does not accept credit, funds, instruments, or other proceeds from another person in connection with unlawful internet gambling, as defined by part 233 - Prohibition on Funding of unlawful internet gambling, Regulation GG (31 U.S.C 5364). I further certify that my business does not provide check cashing services nor does my business routinely deposit and/or withdraw in aggregate more than \$150,000 in cash per calendar month.

SIGNATURE: X [Handwritten Signature]

DATE: 10.18.2013

- Owner
 Managing Partner
 President/CEO
 Association/Organization Officer

FOR CREDIT UNION USE ONLY

- New Account
 Certify SSN/TIN
 Reactivate
 Name Change - Previous Name: _____
 Change of Signers
 Change SSN/TIN
 Reopen
 Password: _____

Corporation File Number: 10006543 NAICS Code: 722410 Group Code 180

Approving Membership Officer Signature: [Handwritten Signature]

CHECK DOCUMENTS VERIFIED:

- Business License
 Articles/Certificate of Organization
 Non-Profit Organizational Charter/Bylaws
 Registration of Money Services Business
 Partnership Agreement
 Articles/Certificate of Incorporation
 Corporate Resolution
 Money Services Business Agent List

Signer I.D. ⁽¹⁾ St. _____ Type _____ # _____ Exp. _____	Signer I.D. ⁽⁴⁾ St. _____ Type _____ # _____ Exp. _____
Signer I.D. ⁽²⁾ St. _____ Type _____ # _____ Exp. _____	Signer I.D. ⁽⁵⁾ St. _____ Type _____ # _____ Exp. _____
Signer I.D. ⁽³⁾ St. _____ Type _____ # _____ Exp. _____	Signer I.D. ⁽⁶⁾ St. _____ Type _____ # _____ Exp. _____

0819



Member Identification

Important Information about procedures for opening a new account or adding new signer(s)

To help the government fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify, and record information that identifies each person who opens an account or is added to an existing account. To comply with this requirement, please complete the following information prior to opening your account or changing the account's signers. We may also ask for other identifying documentation.

Member Identity Information (primary, joint or authorized signer)			
Last Name (Please print) <u>TROTTER</u>	First Name <u>Lawrence</u>	M.I. <u>R</u>	
Member Account Number (if issued) <u>1701814</u>	Date of Birth <u>7-2-51</u>		
Mailing Address	City	State	Zip Code
Physical Address (if different than mailing address) <u>1228 Redwood Ct.</u>	<input checked="" type="checkbox"/> Residence		<input type="checkbox"/> Business
Occupation (for individual)	Employer		
Nature of Business (for business)			

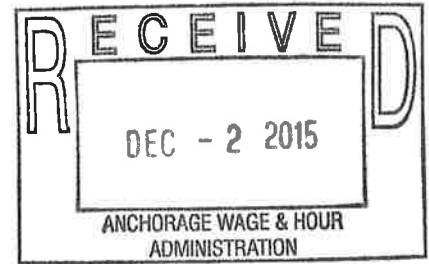
Government Issued Identification	
Social Security Number (SSN) <u>[REDACTED]</u>	
OR	
Individual Taxpayer Identification Number (ITIN) _____	
Required Additional Identification (Example: Driver's License, State ID, Military ID):	
Type <u>ADL</u> Number <u>5264950</u> State <u>AK</u> Issue Date _____ Exp. Date <u>7/2/14</u>	

I certify that the information provided is my true and correct identity information. I understand membership is contingent upon a satisfactory verification. I authorize the Credit Union to perform a credit check or obtain a credit report at any time.

Signature [Handwritten Signature]

Date 10/16/13

pa/a



December 1, 2015

Ms. Donna Nass
Wage & Hour Investigator
Wage & Hour Administration
1251 Muldoon Rd, Suite 113
Anchorage, AK 99504

Dear Ms. Nass:

On Monday, November 30, 2015, you and your assistant, Ms. Hughes, came to our office to determine compliance with the requirements of the minimum wage requirements of the State of Alaska.

We provided you with whatever documentation we had and instructed our accountant to provide whatever information further you requested. You were given all the information concerning our employees and any outside contractor information.

You also made a request concerning our dancers. Please understand that our dancers are neither employees nor outside contractors. The dancers are tenant/entertainers, and sign a lease agreement to this effect. While we feel that there is no jurisdiction with the Labor Department on this relationship, we are providing our basic landlord/tenant contract so you can see there is no issue regarding employee/outside contractor issues.

This is the same document used by numerous gentlemen's clubs both here in Alaska as well as the lower 48.

D
P 1/2

Should you need anything further please do not hesitate to call upon me.

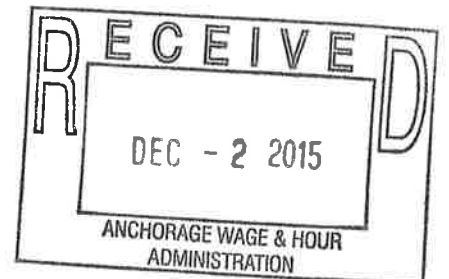
Sincerely yours,



Gene Greaves
General Manager

Encl

Cc Brian Stibitz, Esq.



**BEFORE THE STATE OF ALASKA
ALCOHOLIC BEVERAGE CONTROL BOARD**

RE OBJECTION TO THE RENEWAL OF THE ALCOHOL LICENSE, 1078 (2014/2015)
FOR FANTASIES ON 5TH, LLC

AFFIDAVIT OF CHARLOTTE A. HUGHES

Charlotte A. Hughes, having been first duly sworn upon oath, depose and state as follows:

1. I am an investigator for the Department of Labor and Workforce Development, Wage and Hour Administration (“Department”) assigned to assist in conducting a wage compliance audit and subsequent investigation involving unpaid wages for workers performing services for FANTASIES ON 5TH, LLC.

2. Department investigators provide sole enforcement of Alaska’s statutes and regulations dealing with the payment of wages to workers (wage claims, minimum wage and overtime). The agency acts on behalf of workers to collect unpaid or underpaid monies from employers through a variety of administrative, quasi-judicial and judicial procedures with regard to the payment of wages to workers.

3. On 9 a.m., Monday, November 30, 2015, I accompanied Wage and Hour Investigator Donna Nass to the upstairs business office of FANTASIES ON 5TH, LLC, (Fantasies) located at 1911 E. 5th Avenue, Anchorage, Alaska, to meet with the principals of that business.

4. The purpose of that prearranged meeting was to discuss the procedure and parameters involved in the Department’s compliance audit of Fantasies.

5. There were five attendees at the meeting, to include Travis Gravelle, who is listed on Fantasies’ corporate license as the Member with 100 percent ownership of Fantasies, Eugene Greaves, who is listed on the same corporate license as the registered agent of Fantasies,

and a third person, who I believe was both a dancer at Fantasies and also worked in the Fantasies business office, Investigator Nass, and myself.

6. During the course of the (approximately) 3.5 hour meeting, as the “100-percent owned Member” of the Fantasies, Investigator Nass asked Mr. Gravelle numerous questions concerning the financial setup of Fantasies, how taxes were reported and the internal day-to-day workings of the business, to include the timing of the shifts the dancers worked and employee rules and policies. Mr. Gravelle fidgeted, looked uncomfortable and was apparently unable to answer any of these questions, particularly those that dealt with the routine operation of Fantasies. Mr. Gravelle’s response was most often “I don’t know,” or “I’m not sure,” and he would then look to Mr. Greaves, who would step in and respond to Investigator Nass’s question. Even on those few occasions when Mr. Gravelle was speaking, Mr. Greaves frequently interrupted and provided his own answers/comments on the subject under discussion. Coming away from the meeting, it was my clear impression that Mr. Gravelle knew virtually nothing about the “nuts and bolts” of the Fantasies business operations, while Mr. Greaves appeared to be extremely well-versed in all of them and always had ready answers.

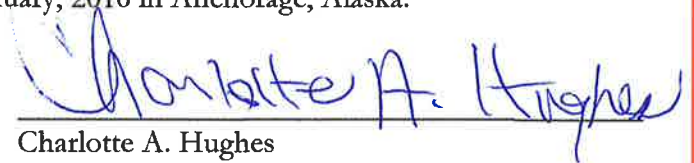
7. As Investigator Nass and I were leaving the meeting, we descended with Mr. Gravelle and Mr. Greaves to the first floor where the dancers’ stage and bar area are located. Investigator Nass commented that she had not been in this area before, and Mr. Greaves asked if we would like to see it. Investigator Nass and I both indicated that we would, and as the four of us walked into this area, Mr. Gravelle chuckled and stated that he “hadn’t been in this bar for over a year!”

8. During the (approximately) fifteen minutes the four of us spent conversing in the bar area, Mr. Gravelle stated that he was a carpenter by trade; that the bar itself was original to the building, and that over the years, he had worked many hours refurbishing that bar and in fact, the building. It occurred to me that Mr. Gravelle became animated and much more talkative

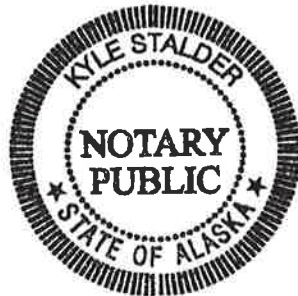
when discussing carpentry matters, which presented a stark contrast to his apparent discomfort when responding to questions concerning the actual business operations of Fantasies. I left with the definite impression that Mr. Gravelle was not involved in any meaningful way in the business operations of Fantasies.

FURTHER YOUR AFFIANT SAYETH NAUGHT.

DATED this 8th day of February, 2016 in Anchorage, Alaska.


Charlotte A. Hughes

SUBSCRIBED AND SWORN TO before me this 5th day of February, 2016.




Notary Public in and for Alaska
My Commission Expires: with office

In the Matter Of:
FANTASIES ON FIFTH v CLUB VEGA

TRAVIS GRAVELLE

April 17, 2015

PACIFIC RIM REPORTING

STENOGRAPHIC COURT REPORTERS

711 M STREET, SUITE 4

ANCHORAGE, ALASKA 99501

907-272-4383

www.courtreportersalaska.com

1 IN THE SUPERIOR COURT FOR THE STATE OF ALASKA
2 THIRD JUDICIAL DISTRICT AT ANCHORAGE

3
4 FANTASIES ON FIFTH AVENUE, LLC.,
5 Plaintiff,

6 vs.

7 CLUB VEGA INVESTMENTS, INC.
8 AND LOGAN RAMMELL,
9 Defendants.

**CERTIFIED
TRANSCRIPT**

10 CLUB VEGA INVESTMENTS, INC.,
11 AND LOGAN RAMMELL,

12 Third-Party Plaintiff,

13 vs.

14 KATHY HARTMAN and EUGENE GREAVES,
15 Third-Party Defendants.

16 Case No. 3AN-13-09488 CI

17 DEPOSITION OF TRAVIS GRAVELLE

18
19 Pages 1 - 11, inclusive

20 Friday, April 17, 2015

21 2:40 p.m.

22
23 Taken by Counsel for Defendant/Third-Party Plaintiff
24 at
25 BAROKAS MARTIN TOMLINSON
 918 West Second Avenue
 Anchorage, Alaska

A P P E A R A N C E S

Page 2

1
2
3 For Plaintiff/Third-Party Defendants:
4 Brian J. Stibitz, Esq.
REEVES AMODIO
5 500 L Street, Suite 300
Anchorage, Alaska 99501
6 (907) 222-7102
7
8 For Defendant/Third-Party Plaintiff:
9
10 Herbert A. Viergutz, Esq.
BAROKAS MARTIN TOMLINSON
918 West Second Avenue
Anchorage, Alaska 99501
11 (907) 276-8010
12
13 Also Present:
14 Logan Rammell
15 Eugene Greaves
16 Kathy Hartman
17
18 Court Reporter:
19 Deirdre J.F. Radcliffe
20 Shorthand Reporter
21
22
23
24
25

I N D E X

Page 3

1
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3 EXAMINATION BY:
4 Mr. Viergutz
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P A G E

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E X H I B I T S

(None marked)

Page 4

1 ANCHORAGE, ALASKA
2 FRIDAY, APRIL 17, 2015
3 2:40 P.M.
4 -oOo-
5 TRAVIS GRAVELLE,
6 deponent herein, being duly sworn upon
7 oath, was examined and testified as follows:
8 EXAMINATION
9 BY MR. VIERGUTZ:
10 Q. Mr. Gravelle, I'm just going to ask you some
11 questions.
12 Have you had your deposition taken?
13 A. No.
14 Q. I ask you questions, you answer it. If you
15 don't understand a question, you tell me. Okay?
16 A. Okay.
17 Q. And I'll rephrase it until I can communicate
18 with you. If you answer, I believe you understood it.
19 Okay?
20 A. Yes.
21 Q. Give me a little history, would you, of your
22 work background.
23 A. My work background. Construction work,
24 fisherman.
25 Q. You work for yourself?

Page 5

1 A. No. I work for -- I've worked for the same guy
2 for the last ten years.
3 Q. Who is that?
4 A. Tom Ferguson.
5 Q. Is it a private business?
6 A. Yes.
7 Q. A one-man show?
8 A. Yeah. Me and him.
9 Q. Okay. Construction type of stuff?
10 A. Yeah.
11 Q. And is that what you've done solely for the last
12 ten years? You don't do anything else?
13 A. That's it.
14 Q. Between 2012, October, and let's say the first
15 of July of 2013, did you have any responsibility for
16 management of Fantasies?
17 A. No.
18 Q. Did you do anything there as far as business?
19 A. Yes.
20 Q. What did you do?
21 A. Some construction work, take care of the things
22 that needed taking care of.
23 Q. So like repairs and renovation things?
24 A. Yes.
25 Q. But you weren't involved in any negotiations or

Page 6

1 attend meetings?
2 **A. No.**
3 Q. And Kathy Hartman is your mother?
4 **A. Yes.**
5 Q. When you became 100 percent owner of
6 Fantasies -- and I'm going to tell you it's July 15th.
7 Okay? Does that sound reasonable, 2013?
8 **A. Yeah.**
9 Q. Why didn't you decide to, in December -- let's
10 say January 1st of 2014, why didn't you keep it open?
11 **A. I don't know.**
12 Q. Do you know that you -- that Mr. Rammell had
13 sent a note to the ABC Board saying if there was a
14 management agreement, we'll do it?
15 **A. I'm not quite sure what you're saying there.**
16 Q. Okay. Let me get a piece of paper and I'll show
17 it to you. If you'd look at Exhibit U, please, and tell
18 me when you've had a chance to read that.
19 **A. Okay.**
20 Q. Why didn't you enter into a management agreement
21 with Mr. Rammell?
22 **A. Because I thought that would have been handled**
23 **by Gene helping me, because he was taking care of my side**
24 **of business.**
25 Q. Okay. Would it be accurate to say you stayed

Page 7

1 out of it and left things to your mother and Mr. Greaves?
2 **A. Yes.**
3 Q. Have you made statements to anyone that
4 Mr. Rammell is untrustworthy?
5 **A. No.**
6 Q. That he's a liar or any negative statements at
7 all?
8 **A. After the fact. After he shut the place --**
9 Q. At any point in time.
10 **A. After he shut the place down.**
11 Q. At any point in time have you made negative
12 statements to anyone regarding Mr. Rammell?
13 **A. Yes, after he shut the place down.**
14 Q. Who did you make statements to and what did you
15 say?
16 **A. I told his partner that I didn't think he was a**
17 **very good man.**
18 Q. What personal knowledge do you have that he shut
19 it down?
20 **A. Other than that and showing up there after the**
21 **fact and going, wow, that's about it.**
22 Q. Did you read this at the time, December 31st?
23 **A. No.**
24 Q. You never saw it?
25 **A. No.**

Page 8

1 Q. When did you first see it? Just now?
2 **A. Just now.**
3 MR. VIERGUTZ: Give me a second.
4 (Off the record)
5 BY MR. VIERGUTZ:
6 Q. The owners of the Pioneer or anybody at the
7 Pioneer, did you ever accuse Mr. Rammell of stealing
8 things out of Fantasies?
9 **A. I didn't straight up accuse him, no.**
10 Q. What did you do?
11 **A. I said things were a little shady.**
12 Q. What was shady?
13 **A. The way he was doing things.**
14 Q. Did you have personal knowledge of that?
15 **A. No.**
16 Q. Where did you hear it from?
17 **A. Just by being there a few times.**
18 Q. Is it your position he did steal things?
19 **A. Now it is.**
20 Q. What did he steal?
21 **A. A set of speakers and a refrigerated sandwich**
22 **table.**
23 Q. How did you come to that knowledge?
24 **A. They were gone the next day when I went down**
25 **there after he shut the place down when I got the call**

Page 9

1 **from Gene that he had closed the place, and when I started**
2 **looking around, I was like, oh, why is that missing and**
3 **why is that missing.**
4 Q. Have you ever looked in a different place at
5 Fantasies and seen --
6 **A. I have looked all over.**
7 Q. -- what you thought was gone?
8 **A. Yeah. I looked all over in there.**
9 Q. Do you have any knowledge regarding money going
10 into any bank account?
11 **A. No.**
12 Q. You never looked at any financial --
13 **A. No.**
14 Q. -- papers, nothing?
15 **A. Never.**
16 Q. Do you own any other business?
17 **A. No.**
18 Q. What's your understanding of why your mother
19 gave you 100 percent of Fantasies?
20 **A. I'm not sure, actually.**
21 Q. Have you been paid anything out of there yet?
22 **A. No.**
23 Q. Not made a dime?
24 **A. No. I do my part and that's it.**
25 Q. Your part is to go in and do repairs or

Page 10

1 renovation when you're asked to?
 2 **A. Yes.**
 3 MR. VIERGUTZ: I have nothing further. Thank
 4 you.
 5 (Proceedings concluded at 2:53 p.m.)
 6 (Signature reserved)
 7
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Page 12

1 Errata Sheet
 2
 3 NAME OF CASE: FANTASIES ON FIFTH v CLUB VEGA
 4 DATE OF DEPOSITION: 04/17/2015
 5 NAME OF WITNESS: TRAVIS GRAVELLE
 6 Reason Codes:
 7 1. To clarify the record.
 8 2. To conform to the facts.
 9 3. To correct transcription errors.
 10 Page ____ Line ____ Reason ____
 11 From _____ to _____
 12 Page ____ Line ____ Reason ____
 13 From _____ to _____
 14 Page ____ Line ____ Reason ____
 15 From _____ to _____
 16 Page ____ Line ____ Reason ____
 17 From _____ to _____
 18 Page ____ Line ____ Reason ____
 19 From _____ to _____
 20 Page ____ Line ____ Reason ____
 21 From _____ to _____
 22
 23
 24
 25 _____
 Signature Date

Page 11

1 REPORTER'S CERTIFICATE
 2
 3 I, DEIRDRE J.F. RADCLIFFE, Verbatim Shorthand
 4 Reporter, and Notary Public in and for the State of
 5 Alaska, do hereby certify that the witness in the
 6 foregoing proceedings was duly sworn; that the proceedings
 7 were taken before me at the time and place herein set
 8 forth; that the testimony and proceedings were reported
 9 stenographically by me and later transcribed by computer
 10 transcription; that the foregoing is a true record of the
 11 testimony and proceedings taken at that time; and that I
 12 am not a party to nor have I any interest in the outcome
 13 of the action herein contained.
 14 IN WITNESS WHEREOF, I have hereunto set my hand
 15 this 19th day of April 2015.
 16
 17
 18
 19
 20
 21 DEIRDRE J.F. RADCLIFFE
 22 My Commission Expires 5/31/18
 23
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-	business 5:5,18 6:24 9:16	Gene 6:23 9:1
-ooo- 4:4	C	Give 4:21 8:3
1	call 8:25	good 7:17
100 6:5 9:19	care 5:21,22 6:23	Gravelle 4:5,10
15th 6:6	chance 6:18	Greaves 7:1
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1st 6:10	communicate 4:17	H
2	concluded 10:5	handled 6:22
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2:40 4:3	decide 6:9	I
2:53 10:5	deponent 4:6	involved 5:25
3	deposition 4:12	J
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A	duly 4:6	July 5:15 6:6
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account 9:10	enter 6:20	Kathy 6:3
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accuse 8:7,9	examined 4:7	L
agreement 6:14,20	Exhibit 6:17	left 7:1
ALASKA 4:1	F	liar 7:6
ANCHORAGE 4:1	fact 7:8,21	looked 9:4,6,8,12
APRIL 4:2	Fantasies 5:16 6:6 8:8 9:5,19	M
attend 6:1	Ferguson 5:4	made 7:3,11 9:23
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	gave 9:19	

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In the Matter Of:
FANTASIES ON FIFTH v CLUB VEGA

KATHY HARTMAN

April 17, 2015

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1 IN THE SUPERIOR COURT FOR THE STATE OF ALASKA
2 THIRD JUDICIAL DISTRICT AT ANCHORAGE

3
4 FANTASIES ON FIFTH AVENUE, LLC.,
5 Plaintiff,

6 vs.

7 CLUB VEGA INVESTMENTS, INC.
8 AND LOGAN RAMMELL,

9 Defendants.

10 CLUB VEGA INVESTMENTS, INC.,
11 AND LOGAN RAMMELL,

12 Third-Party Plaintiff,

13 vs.

14 KATHY HARTMAN and EUGENE GREAVES,

15 Third-Party Defendants.

16 Case No. 3AN-13-09488 CI

17 DEPOSITION OF KATHY HARTMAN

18
19 Pages 1 - 87, inclusive

20 Friday, April 17, 2015

21 9:02 a.m.

22
23 Taken by Counsel for Defendant/Third-Party Plaintiff
24 at
25 BAROKAS MARTIN TOMLINSON
 918 West Second Avenue
 Anchorage, Alaska

**CERTIFIED
TRANSCRIPT**

A P P E A R A N C E S

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Also Present:
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 13 Eugene Greaves
 14

Court Reporter:
 15
 16 Deirdre J.F. Radcliffe
 Shorthand Reporter
 17
 18
 19
 20
 21
 22
 23
 24
 25

Page 4

1 ANCHORAGE, ALASKA
 2 FRIDAY, APRIL 17, 2015
 3 9:02 A.M.
 4 -oOo-
 5 KATHY HARTMAN,
 6 deponent herein, being duly sworn upon
 7 oath, was examined and testified as follows:
 8 EXAMINATION
 9 BY MR. VIERGUTZ:
 10 Q. Good morning, Ms. Hartman.
 11 A. Good morning.
 12 Q. Is that acceptable to call you that?
 13 A. Yeah.
 14 Q. I just want to go through a little procedure so
 15 we understand each other.
 16 Have you had your deposition taken before?
 17 A. Yes.
 18 Q. So you know I ask you questions, you answer
 19 them. If you don't understand a question, please tell me
 20 so that we can communicate.
 21 A. Okay.
 22 Q. Don't hesitate to say you need a break. You
 23 know, it's not an endurance test. So just let me know and
 24 we'll try to work through this thing.
 25 Would you tell me a bit of history about

I N D E X

Page 3

1
 2
 3 EXAMINATION BY:
 4 Mr. Viergutz
 5
 6

EXHIBITS

7
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 9 Exh 1 Plaintiff's Supplemental Reply to 79
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 (22 pages)
 10
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 24
 25

Page 5

1 yourself. What have you done for employment through the
 2 years?
 3 A. I've been a waitress and --
 4 Q. Can you -- I'm sorry. That's a perfect example.
 5 I'm going to try not to interrupt you and talk, but the
 6 court reporter, if you're talking and I'm talking at the
 7 same time, she can't get it down, so I will try not to do
 8 that, but I did it.
 9 When you give me a waitress, can you give me
 10 also a period of time, year-wise?
 11 A. Yes. In the '70s when I moved to Alaska I
 12 worked as a waitress. Then I got married and I worked
 13 with my husband at the time doing whatever his
 14 construction job entailed. Then I had two kids, five
 15 kids, step-kids, and I basically raised them for years. I
 16 got divorced, moved to California.
 17 Q. What year would that be, about?
 18 A. Seventy -- or '86. Established residency down
 19 there so I could get the divorce. And came back to Alaska
 20 in '89 and started the strip club business with -- well,
 21 four men started the business, then I bought them out,
 22 took it over.
 23 Q. What year was that?
 24 A. '89.
 25 Q. What did you buy or what did you -- did you buy

Page 6

1 it yourself, the business?
2 **A. I slowly bought them out, yeah. I bought them**
3 **out one at a time.**
4 Q. What business was that?
5 **A. Sands North, Incorporated.**
6 Q. How long did you have that?
7 **A. Well, it's basically the same business it is now**
8 **called Fantasies. We've just changed names through the**
9 **years. It's been ongoing since '89.**
10 Q. Same location?
11 **A. No. We were on 401 West International Airport**
12 **for about 10 or 11 years, then we lost our lease.**
13 Q. Okay. So probably around 2000?
14 **A. Yeah.**
15 Q. And then where did you move to?
16 **A. Over on Fifth Avenue.**
17 Q. Where it presently is?
18 **A. Yes.**
19 Q. And when did it change its name?
20 **A. When I bought the property, I bought the**
21 **corporation, and it was called Debco, and we -- I think we**
22 **had Sands North going for a year or two still and then**
23 **sold out the Sands North corporation into Debco**
24 **corporation, and I couldn't tell you the years on that.**
25 Q. And what did you call it at that point?

Page 7

1 **A. Sands -- Fantasies on Fifth.**
2 Q. And that's around 2000, somewhere in that
3 ballpark?
4 **A. Yeah. '02 to '03.**
5 Q. Okay. What did you do? What were your -- let's
6 say, when it became Fantasies at that time, what were your
7 duties?
8 **A. Managing it, cleaning, repair, anything.**
9 Q. Did you have a manager at any point in time
10 other than yourself between the time Fantasies took its
11 name in 2000 or around that time through --
12 **A. Yeah, my sister.**
13 Q. What was her title?
14 **A. Manager.**
15 Q. Did you have a written agreement with her?
16 **A. No.**
17 Q. How long did she -- when did she become manager?
18 **A. She moved to Alaska probably in '91 or two, and**
19 **she was basically manager of the Sands.**
20 Q. So she was manager of Sands before Fantasies?
21 **A. We both worked together.**
22 Q. Can you tell me what her duties were versus
23 yours?
24 **A. She was basically book work and I was more**
25 **physical.**

Page 8

1 Q. Did that change or did that remain fairly
2 constant through the years where she was the bookkeeper?
3 **A. Constant.**
4 Q. Okay. Any other manager other than her?
5 **A. Her son, Marco, was manager for a short amount**
6 **of time.**
7 Q. Did he have any written agreement?
8 **A. No. Well, I don't know. In the corporation**
9 **paperwork that's his title, was manager.**
10 Q. But other than that there was no written
11 agreement?
12 **A. No.**
13 Q. When did you first meet Mr. Rammell?
14 **A. He came in to the club with my -- I don't know**
15 **if he came in with my son or because of my son, and I**
16 **couldn't tell you the date on that. It would be in '12**
17 **or '13.**
18 Q. Is that Travis?
19 **A. Uh-huh.**
20 Q. And why did he come in?
21 **A. Travis had been doing work down at his club and**
22 **he was talking about the business and how it was going and**
23 **everything and brought him into the picture.**
24 Q. When you say "his club," you mean Logan's club?
25 **A. The Avenue Bar.**

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1 Q. And do you recall when that was?
2 **A. No.**
3 Q. Do you know what year it was?
4 **A. Well, it was, I think, 2012.**
5 Q. If I represent to you somewhere in the October
6 neighborhood Mr. Rammell started working with you, is that
7 consistent with your recollection?
8 **A. It's probably close enough.**
9 Q. How far before that would you have met him?
10 **A. How far before October?**
11 Q. Uh-huh.
12 **A. I don't know. I would have to look at**
13 **paperwork, you know, to establish a time when I did meet**
14 **him.**
15 Q. What paperwork would tell you that?
16 **A. Probably phone calls, texts, different things**
17 **like that.**
18 Q. Did you retain those?
19 **A. Yeah, some of them.**
20 Q. Do you have a log of phone calls? How do you
21 document phone calls?
22 **A. They're either recorded or written down.**
23 Q. Do you make it a standard practice to record
24 phone calls?
25 **A. On occasion, yes.**

Page 10

1 Q. What prompts you to record a phone call?
2 **A. When I'm iffy about somebody.**
3 Q. How about Mr. Rammell, did you record him ever?
4 **A. Yes.**
5 Q. How many instances?
6 **A. Five, six maybe.**
7 Q. Do you still have those recordings?
8 **A. Yes.**
9 Q. Where are they?
10 **A. On my phone recorder.**
11 Q. And do you have a recollection of what is on
12 those recordings?
13 **A. Yes.**
14 Q. Why don't you tell me, please.
15 **A. We were talking about the business and he was**
16 **getting -- he was up in Bethel, I believe, and he was**
17 **getting wild about certain things and he told me he wanted**
18 **to quit.**
19 Q. When was this?
20 **A. I don't recollect.**
21 Q. Do you know what year it was?
22 **A. I think it was in August.**
23 Q. August of 2013?
24 **A. '13, yeah.**
25 Q. Do you know what the date was?

Page 11

1 **A. If I looked back on my papers, I would.**
2 Q. What papers would you have to look at to
3 determine that?
4 **A. The papers that I have out in the car. Notes.**
5 Q. I'm sorry?
6 **A. Just notes.**
7 Q. What types of notes do you keep?
8 **A. Just notes of dates and times, basically,**
9 **because I can't tell one year from the other after it's**
10 **gone. It all runs together.**
11 Q. Do you generally take notes of all phone
12 conversations?
13 **A. No.**
14 Q. But that one is recorded?
15 **A. Yes.**
16 Q. And it's sometime in August?
17 **A. I believe it's August.**
18 Q. How about the other four or so instances, do you
19 recall --
20 **A. Shortly before.**
21 Q. They're all around the same time?
22 **A. Uh-huh.**
23 Q. Somewhere in the August neighborhood?
24 **A. Yes.**
25 Q. And what do you recall, as you sit here today,

Page 12

1 that Mr. Rammell said to you on that call you just
2 described?
3 **A. He was upset because Gene had gone in and wanted**
4 **to know where the monies were. And they had been taking**
5 **the money home, so we had no idea what was going on or**
6 **anything. And he just said he wasn't going to put up with**
7 **the crap anymore and he was going to quit. He'd had it.**
8 Q. What did you do as a result of that
9 conversation?
10 **A. I said I'd had it too. I said I'm ready to give**
11 **him the place away.**
12 Q. That's what you said.
13 What did you do? Anything?
14 **A. I don't know what you mean, what did I do.**
15 Q. When you said, I want to quit, did you take any
16 action as a result of that phone conversation?
17 **A. I was in California at the time. I could not**
18 **have taken any action.**
19 Q. So you didn't?
20 **A. No.**
21 Q. Did you record any phone calls of any employees
22 or representatives of Mr. Rammell?
23 **A. No.**
24 Q. Now, we're going to look at a bunch of documents
25 here in a book, and I will give you numbers of pages of

Page 13

1 exhibits, and we'll talk about them, but before we do
2 that, I want to go through what your counsel filed as a
3 trial brief.
4 Did you read that?
5 **A. Yeah, I think I did.**
6 Q. Okay.
7 **THE WITNESS: Did I read yours?**
8 MR. STIBITZ: I don't know that you have read
9 that.
10 **THE WITNESS: I don't think I read yours.**
11 **I read yours. I did read that.**
12 BY MR. VIERGUTZ:
13 Q. Did you enter into any type of -- around October
14 of 2012 -- a memorandum of understanding with Mr. Rammell?
15 **A. I think it was a memorandum of agreement.**
16 Q. Do you still have that?
17 **A. I'm sure.**
18 Q. Where would you locate that?
19 **A. I don't know. It would be with Brian.**
20 MR. STIBITZ: I just so happen to have a copy of
21 it. They gave a copy to me a couple days ago. You can
22 use this. This is the only copy I have. I was going to
23 bring that to you to get in the record. I'll represent to
24 you the first time I saw that was two days ago.
25 You may have given it to me before, but...

Page 14

1 And I suggest maybe we make a copy or two and
2 you can keep one if you like.
3 BY MR. VIERGUTZ:
4 Q. Was Debco in existence prior to 1989 when --
5 **A. No.**
6 Q. -- Sands was formed?
7 **A. Debco may have been.**
8 Q. Do you know when Debco was formed?
9 **A. No.**
10 Q. Did you form it?
11 **A. No.**
12 Q. Do you know who did?
13 **A. Yes.**
14 Q. Who?
15 **A. Debbie Chin.**
16 Q. Did you buy it from her?
17 **A. Yes.**
18 Q. What did you pay for it?
19 **A. Well, I don't know. I'd have to ask the CPA**
20 **back then, because I bought her property and her**
21 **corporation.**
22 Q. When was that, approximately?
23 **A. About 2000, I guess.**
24 Q. Under what liquor license was Fantasies
25 operating through August 9th of 2013?

Page 15

1 **A. 516, I believe.**
2 Q. Say that again.
3 **A. I think the number was 516. 561. Each liquor**
4 **license has a number. Is that what you're asking me?**
5 Q. Was it Debco's? Who was the registered owner?
6 **A. Debco.**
7 Q. Any specific person?
8 **A. Carol Hartman. Well, it was me to start with,**
9 **and then it was Carol.**
10 Q. Why was it that you didn't use Debco's license
11 after August 9th, 2013?
12 **A. Because she pulled it.**
13 Q. Who pulled it?
14 **A. Carol.**
15 Q. Carol did?
16 **A. Uh-huh.**
17 Q. Why did she do that?
18 **A. Because I had sold her my business and the**
19 **liquor license and everything, but because there was a**
20 **piece of paper that wasn't filed, I was not able to get**
21 **the liquor license back without going through a bunch**
22 **of...**
23 Q. When was that?
24 **A. When it was pulled?**
25 Q. When it wasn't filed.

Page 16

1 **A. When I sold the business to her in about -- it**
2 **was technically in 2008, but she actually took over about**
3 **in 2003 or '04. But in 2008, when I sold it to her, she**
4 **was supposed to take care of all the paperwork, and I left**
5 **town and she did not file the UCC or a couple other**
6 **papers. By not filing the UCC, I was not able to get the**
7 **liquor license back in my name in spite of bills due**
8 **against it.**
9 Q. Taking that out of the picture, Ms. -- well,
10 let's call her Carol.
11 Carol's performance as relates to her
12 bookkeeping duties, were you satisfied with that?
13 **A. Well, I thought I was when I first dealt with**
14 **her and everything. She was very good at what she did.**
15 Q. Did you later make a different determination?
16 **A. Yes.**
17 Q. What was that?
18 **A. Well, after -- because I don't know book work,**
19 **but after I started looking at it and having other people**
20 **tell me she was just filing things wrong, naming them**
21 **wrong, not putting them in the right area, and then later**
22 **on when her boys started working with her in the club,**
23 **things just went downhill.**
24 Q. Did you find her to be dishonest in her
25 bookkeeping?

Page 17

1 **A. No, I don't think so.**
2 Q. Obviously you had an issue with her performance
3 in the regard you've discussed.
4 Did you have any other problem, other than her
5 not filing papers?
6 **A. It wasn't that she didn't file papers. She**
7 **just -- I couldn't understand what she was doing. She**
8 **knew what she was doing and I couldn't understand it. And**
9 **then, you know, just -- I don't even know how to explain**
10 **it. It just wasn't copacetic.**
11 Q. From the time you and Mr. Rammell started
12 working together, did you have much contact with him
13 directly?
14 **A. A bit, but Gene probably had more contact with**
15 **him than I did.**
16 Q. Could you give me an estimate of how many times
17 you dealt with Mr. Rammell between October and when --
18 **A. 30, 40, 50.**
19 Q. Did you have any type of written agreement with
20 Mr. Rammell when he started in October?
21 **A. No.**
22 Q. Now, if I can have you look at this book -- and
23 they're tabbed like A -- before we go anywhere, there's a
24 note on the top of A in handwriting, and would you read
25 that handwritten note to me?

Page 18

1 A. "Lease on file with ABC. Forged by Carol."
2 Q. And do you know whose handwriting that is?
3 A. Yes. My sister's.
4 Q. That's Carol's?
5 A. That handwriting?
6 Q. Yes.
7 A. I have no idea who that is.
8 Q. Do you agree with what that handwriting states?
9 A. Yes.
10 Q. And why is that forged?
11 A. Because I was not around when she wrote this up
12 and she forged my name on it, and it's not even the right
13 document. This thing says it was written up in November
14 of 1998, and it's a landlord-tenant thing, and it names
15 Club Elixer in here, and Club Elixer was not in existence
16 until the middle of the 2000s. After 2008. Probably
17 2009. So the document is just totally bogus.
18 Q. The second to the last page of that is a power
19 of attorney.
20 Is that your signature on that power of
21 attorney?
22 A. Yes, it is.
23 Q. And it's dated January 6, '94; is that correct?
24 A. That's what it says, yes.
25 Q. And that provides the power of attorney to Carol

Page 19

1 Hartman; is that correct?
2 A. Uh-huh.
3 Q. And then the next page is a revocation of that
4 power of attorney; is that correct?
5 A. That's right.
6 Q. It's dated the 27th of July 2012?
7 A. Uh-huh.
8 Q. And so between January 6, '94, and July 27,
9 2012, Carol Hartman had a power of attorney?
10 A. Yes.
11 Q. Did you ever revoke it prior to July 27, 2012?
12 A. Not that I recall.
13 Q. Then if you'd turn to D, please, Exhibit D like
14 dog.
15 Now, that's a management agreement, right?
16 A. Yeah.
17 Q. And it's dated October 24, 2012, correct? First
18 line, page 1.
19 A. Okay.
20 Q. Is that correct?
21 A. Yes.
22 Q. And that is signed by Carol Hartman on Bates 6
23 on the bottom right?
24 A. Yeah.
25 Q. That's between Debco and Mr. Rammell, correct?

Page 20

1 A. Yes, I guess. Carol and Logan.
2 Q. It says "between Debco, Inc." in line 2 of
3 page 1, correct?
4 A. Okay.
5 Q. You don't dispute that, do you?
6 A. Line 2, page 1. No.
7 Q. Have you seen this before today?
8 A. Yeah.
9 Q. Did you see it back in 2012?
10 A. Yeah.
11 Q. Did you object to it?
12 A. No.
13 Q. Did you read it?
14 A. I did.
15 Q. Now, I can read, if you want me to, some
16 discovery responses, but I'm going to estimate in eight or
17 ten places Mr. Stibitz -- and they're signed by
18 Mr. Greaves down there -- the responses say that there was
19 an oral management agreement in existence between you and
20 Mr. Rammell.
21 A. When?
22 Q. 2012. Would you disagree with that?
23 A. No.
24 Q. What --
25 A. This is a management agreement between Carol and

Page 21

1 him, not between him and I.
2 Q. I appreciate your interpretation, and I thank
3 you for that.
4 Nevertheless, my question --
5 MR. VIERGUTZ: Could you read my question back,
6 please?
7 (The following question was read back:
8 Q. Now, I can read, if you want me to, some
9 discovery responses, but I'm going to estimate
10 in eight or ten places Mr. Stibitz -- and
11 they're signed by Mr. Greaves down there -- the
12 responses say that there was an oral management
13 agreement in existence between you and
14 Mr. Rammell.)
15 BY MR. VIERGUTZ:
16 Q. What were the terms of the oral agreement
17 between you and Mr. Rammell?
18 A. I'm not sure what you're asking, actually.
19 Q. Did you have an oral management agreement with
20 Mr. Rammell?
21 A. Yeah. He was supposed to come in and manage.
22 Q. And what were the terms of his duties?
23 A. He was basically to do everything.
24 Q. Everything?
25 A. Uh-huh. Like he was running it, like he was a
manager.
Q. He was taking in the money?
A. Yes.

Page 22

1 Q. And how would he determine what he kept versus
2 you, what you got?
3 **A. He was supposed to pay all the bills, the**
4 **mortgage, the insurances, all those things, and then after**
5 **that he kept what he wanted.**
6 Q. Through -- from October 2012 through August of
7 2013; is that accurate?
8 MR. STIBITZ: Just object to the form. I think
9 she's testified that was a separate agreement between
10 Carol and Logan and you're asking again about --
11 MR. VIERGUTZ: No. I'm asking about the oral
12 agreement.
13 BY MR. VIERGUTZ:
14 Q. And you're telling me -- you just told me some
15 terms, correct?
16 **A. Basically, yes.**
17 Q. And the money he kept; is that correct?
18 **A. The -- he was supposed to pay, as far as I**
19 **remember, the mortgage, the insurance, the taxes, the**
20 **utilities, everything that goes with the business, and**
21 **then pay all the employees and everything, and then after**
22 **that he kept it.**
23 Q. What did you get?
24 **A. Nothing.**
25 Q. So he ran the --

Page 23

1 **A. I got to stay open.**
2 Q. Thank you. He ran the club between October 2012
3 to August 9th, 2013, and he paid the bills, kept the net
4 after that?
5 **A. Didn't pay all the bills, no.**
6 Q. Okay. What didn't he pay?
7 **A. He didn't pay -- he did not pay rent. The rent**
8 **was paid as the mortgage, but there was nothing -- that's**
9 **why I got nothing. There was nothing paid to me.**
10 MR. VIERGUTZ: Would you read that answer back
11 to me, please?
12 (Previous answer was read back)
13 BY MR. VIERGUTZ:
14 Q. So the only thing you got is the mortgage
15 payment?
16 **A. Uh-huh.**
17 Q. If you'd turn to page 2 of Exhibit D, the first
18 paragraph talks about a term "One year beginning,"
19 according to the numbered paragraph 3, "October 25th,
20 2012."
21 Is that the way you read it?
22 **A. Uh-huh.**
23 Q. Okay. Ma'am, I'm sorry. Like "uh-huh," she
24 can't do that. It has to be "yes" or "no."
25 **A. Yes.**

Page 24

1 Q. Thank you. Subparagraph 4.A., is that what you
2 were describing to me as Mr. Rammell's duties?
3 **A. Uh-huh, basically.**
4 Q. Is that an accurate description contained within
5 A?
6 **A. I believe so.**
7 Q. And then B, can you tell me what bank account --
8 the operational account, what bank account that is?
9 **A. It had to go into whatever Carol was -- had**
10 **opened at the time, and I don't know if that was -- I**
11 **think it was Wells Fargo. I'm not sure.**
12 Q. Okay.
13 **A. That's their contract between them.**
14 Q. Page 3, numbered paragraph 6, is that -- I need
15 you to take the time to read A and B --
16 MR. STIBITZ: Can we take a short break just to
17 let her read it? And the only reason I ask is I wouldn't
18 mind getting a set.
19 MR. VIERGUTZ: I asked you to bring your
20 exhibits.
21 We can take a break after we're done with this
22 exhibit.
23 BY MR. VIERGUTZ:
24 Q. It reads 6.A. and B, and then just tell me when
25 you're done.

Page 25

1 **A. Okay. I'm done.**
2 Q. Is there anything inconsistent with what's in
3 paragraph 6 relating to the obligations as expressed there
4 versus your understanding of what Mr. Rammell was supposed
5 to do?
6 **A. Well, it looks to me like he was supposed to pay**
7 **all the bills, and if he couldn't pay the bills, then**
8 **Carol was supposed to pay for them.**
9 Q. Is that inconsistent with your understanding of
10 the agreement you had with Mr. Rammell?
11 **A. I'm still getting confused with what you're**
12 **asking me and what this is, because this is his -- this is**
13 **his contract with her.**
14 Q. And I thank you for that interpretation. My
15 question stands.
16 Is there anything inconsistent in paragraph 6
17 with your understanding of what Mr. Rammell was obligated
18 to do?
19 **A. I don't know.**
20 Q. Why don't you know?
21 **A. Because I don't really understand what you're**
22 **asking. I don't know what you're getting at.**
23 Q. Let's take it line by line, ma'am. We can be
24 here all day. That's fine.
25 "The owner shall ultimately be responsible for

Page 26

1 payment of all expenses of operation" --

2 **A. Where are you at?**

3 Q. 6.A. I'll start again. Are you there?

4 **A. I think I'm there.**

5 Q. 6.A. "As required by Title 4, the owner shall

6 ultimately be responsible" --

7 **A. I'm on a different page or something than you**

8 **are.**

9 Q. Page 2. Excuse me. Bates 3, Number 6.

10 **A. No. It's on this page.**

11 Q. Okay. Let's look at number 6. And have you

12 read A and B now?

13 **A. Yeah.**

14 Q. Let's look at what I'm reading. "As required by

15 Title 4, the owner shall ultimately be responsible" --

16 **A. That's not what this is saying here. That's why**

17 **I'm confused.**

18 Q. Excuse me. Paragraph 4. I'm giving you a bad

19 number. My problem. Not yours. I apologize.

20 If you'd read 4.A. and B, please. We've been

21 there, I believe. And I think you said you agree that

22 that is your understanding of his --

23 **A. Okay.**

24 Q. Is that correct?

25 **A. Uh-huh.**

Page 27

1 Q. You don't have any argument with A or B; is that

2 correct?

3 **A. I -- again, it's their thing. I don't know if**

4 **there's any argument with it or not.**

5 Q. Well, was he responsible to pay the expenses of

6 operation during the pendency of --

7 **A. According to this, yes.**

8 Q. Was he responsible, in your mind? I'm not

9 asking about this document. I'm asking, in your mind,

10 your agreement with Mr. Rammell is that what he was

11 supposed to do?

12 **A. Yes.**

13 Q. Okay. And was he to pay employees' wages and

14 salaries and the taxes and contributions --

15 **A. Yes.**

16 Q. -- associated with that?

17 Was he to pay the real and personal property

18 taxes?

19 **A. Yes.**

20 Q. Was he to pay the insurance?

21 **A. Yes.**

22 Q. Was he to pay the inventory purchases?

23 **A. Yes.**

24 Q. Was he to pay the cost to repair or replacement

25 of equipment, furnishings and fixtures?

Page 28

1 **A. Yes.**

2 Q. Was he responsible to the extent necessary to

3 pay so there weren't liens or claims on the license?

4 **A. Yes.**

5 Q. And then we go to B.

6 Was it his responsibility, in your mind, to

7 deposit daily funds received from the operation of

8 business from the previous day into a bank account?

9 **A. Yes.**

10 Q. And there was an operational account; is that

11 correct?

12 **A. As far as I know.**

13 Q. And you've said you believe it's Wells Fargo?

14 **A. As far as I know.**

15 Q. But that's Carol's?

16 **A. Right.**

17 Q. And her and Mr. Rammell were signatories on that

18 account?

19 **A. I don't know that. It says that, but I don't**

20 **know if that's true.**

21 Q. During the time we're talking here, which is

22 October '12, October 2012, what accounts were in the name

23 of either Fantasies or the liquor license, Debco?

24 **A. Alaska USA.**

25 Q. Any others?

Page 29

1 **A. No. Not mine. Nothing I signed on.**

2 Q. Let's go to the next page, and there's number 6.

3 And again, I'd like you to read 6.A. and B. Just tell me

4 when you're done.

5 **A. Okay.**

6 Q. Again, based on your understanding of what you

7 believe Mr. Rammell was to do, does paragraph 6 express

8 accurately the obligations?

9 **A. I think so.**

10 Q. And then paragraph 9, that basically says he's

11 responsible for the full and complete control of the

12 day-to-day operations; is that correct?

13 **A. Yes.**

14 Q. Is that accurate, based on what your

15 understanding was?

16 **A. Yes.**

17 Q. Now, the last page of Exhibit D, like dog, is

18 there anything on there -- that's your handwriting?

19 **A. Yeah.**

20 Q. What is?

21 **A. My signature.**

22 Q. Okay. Did you authorize this?

23 **A. I or Gene wrote it.**

24 Q. Okay. And do you know who Chris is?

25 **A. No.**

Page 30

1 Q. Are you familiar with --
2 **A. It's probably somebody from the liquor board. I**
3 **don't know.**
4 Q. Did you provide this document to the liquor
5 board?
6 **A. Probably. It's got a fax number, but I don't**
7 **know. I'm presuming that --**
8 Q. Either you or Mr. Greaves?
9 **A. That's where it went.**
10 Q. It's dated October 22, 2012?
11 **A. That's when it was faxed.**
12 Q. It's dated that too, correct?
13 **A. Yeah.**
14 Q. "To Whom it May Concern, I am working with Logan
15 Rammell to come to an agreement to reinstate the liquor
16 license under a management agreement at the Fantasies on
17 Fifth location at 1911 East Fifth Avenue."
18 MR. VIERGUTZ: When we get done with this page
19 we'll take a break, if that's okay.
20 BY MR. VIERGUTZ:
21 Q. What are you referring to there, management
22 agreement? Are you referring to a written agreement or an
23 oral agreement?
24 **A. I presume that's the management agreement we**
25 **just were discussing.**

Page 31

1 Q. Okay. Because this is the 22nd, and if you look
2 at Exhibit D, that's dated the 24th, two days after that.
3 Would that be correct?
4 **A. Yeah, it is.**
5 Q. And the next sentence says, "He will be signing
6 a lease for the bar in the event that the management
7 agreement is signed and sealed."
8 And management agreement Exhibit D is signed,
9 correct?
10 **A. Uh-huh.**
11 Q. Did you enter into a lease?
12 **A. I don't know.**
13 Q. Who would know?
14 **A. Probably Gene.**
15 Q. As you sit here today, do you have any
16 recollection of a lease being entered into with
17 Mr. Rammell between October of 2012 and the end of July
18 2013?
19 **A. I would have to look at my papers again.**
20 Q. What papers would you have to look at?
21 **A. Papers that are out in the car.**
22 Q. Did you provide those papers to your attorney at
23 any point?
24 **A. To this attorney?**
25 Q. To any attorney.

Page 32

1 **A. I don't know. We were working with Coffey and**
2 **Ernouf, but I don't remember what papers we gave them.**
3 Q. Did you provide them to Mr. Stibitz?
4 **A. I don't know.**
5 Q. How would you find out?
6 **A. Ask him.**
7 Q. Okay.
8 MR. VIERGUTZ: Let's take a break. He asked for
9 a break. That's fine.
10 (Recess taken)
11 BY MR. VIERGUTZ:
12 Q. Earlier you said you sold the business to Carol,
13 is that correct, the building and everything; is that
14 right?
15 **A. Uh-huh. Yes.**
16 Q. Then you took it back; is that correct?
17 **A. Yes.**
18 Q. Did you take back both the business and the
19 building or just the building or just the business?
20 **A. I took back the building and hopefully the**
21 **business.**
22 Q. The liquor license?
23 **A. No. I never got the liquor license back because**
24 **of ABC issues.**
25 Q. What were those issues?

Page 33

1 **A. The UCC was not filed.**
2 Q. And as a result of that did anything occur with
3 that license?
4 **A. Yeah.**
5 Q. What occurred?
6 **A. She took it out of the business and we were not**
7 **able to run the business at that point. She pulled it.**
8 Q. What is the business other than the liquor
9 license?
10 **A. Strip club.**
11 Q. Okay. So you can operate a strip club without a
12 liquor license?
13 **A. Yes, you can.**
14 Q. And could you have done that in August of 2013?
15 **A. Yes.**
16 Q. Or September?
17 **A. Any time.**
18 Q. Any time.
19 **A. There are permits and everything that go with**
20 **that also.**
21 Q. Right. But you don't necessarily have to have a
22 liquor license to run a strip club, correct?
23 **A. Right.**
24 Q. You can still do business?
25 **A. Uh-huh.**

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1 Q. And ultimately did -- was there a lien on that
2 liquor license?
3 **A. Several.**
4 Q. And do you recall by who?
5 **A. Myself, my sister, her son, and I don't know if**
6 **there were any vendor -- I don't know if there was any**
7 **vendors that had liens. I don't think so.**
8 Q. Was there a judgment ever against that license?
9 **A. No.**
10 Q. What was the suit in New York? What did that
11 involve?
12 **A. I don't have any clue. Something with my sister**
13 **and withdrawing from the union.**
14 Q. Do you know anything about it at all?
15 **A. No.**
16 Q. Do you know if it was just liens by you and your
17 sister on the liquor license, you wouldn't have had to get
18 a different one in August; isn't that correct?
19 **A. Say that again.**
20 Q. If it was just you and your sister who had liens
21 against the Debco liquor license, you could have released
22 those liens and still used that license, correct?
23 **A. I could have released them, but she wouldn't**
24 **release hers.**
25 Q. She would not?

Page 35

1 **A. No.**
2 Q. Did you ask her?
3 **A. Yeah.**
4 Q. She said no?
5 **A. Uh-huh.**
6 Q. Okay. What's your understanding of why Coffey
7 would not continue as lawyer?
8 **A. Conflict of interest is all he said, and he was**
9 **not actually our lawyer. It was Ernouf.**
10 Q. Ernouf was. Okay. In Coffey's office?
11 **A. Right.**
12 Q. Did his withdrawal as attorney cause any
13 problems to you?
14 **A. Yes.**
15 Q. Why?
16 **A. Because I had to find another attorney and start**
17 **inventing the wheel all over again. This is very**
18 **convoluted from the very beginning to the end and try to**
19 **explain it to somebody is very hard.**
20 Q. What's convoluted about it, in your mind?
21 **A. Everything. From when I sold it to my sister**
22 **all the way up until Logan taking over. It's just -- it's**
23 **a mess.**
24 Q. Was Ernouf involved in working with both you and
25 Logan?

Page 36

1 **A. Yes.**
2 Q. To try to make this deal work?
3 **A. Yes.**
4 Q. And if you look at Exhibit G, is that an e-mail
5 you sent to Ernouf relating to your learning of that
6 firm's withdrawal?
7 **A. Yes.**
8 Q. And does that accurately depict your thoughts on
9 the matter?
10 **A. I would presume so.**
11 Q. You wrote it, though, correct?
12 **A. Yes.**
13 Q. I'm skipping around in time, but let's go to
14 Exhibit K, please, if you would. K is an indemnification
15 agreement. That has Mr. Greaves' signature and yours,
16 correct?
17 **A. Under power of attorney.**
18 Q. But do you dispute that he had the authority to
19 sign for you?
20 **A. No.**
21 Q. Why did you authorize him to sign this
22 agreement?
23 **A. I authorized him to sign anything he wanted to.**
24 Q. Did you review this agreement before it was
25 signed?

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1 **A. Probably not.**
2 Q. You don't have any recollection?
3 **A. No.**
4 Q. Have you --
5 **A. I just don't remember.**
6 Q. Do you know why it was signed?
7 **A. Yes. Because Logan was very afraid of my sister**
8 **filing some kind of a lawsuit which he might be involved**
9 **in.**
10 Q. So it's your understanding that the reason this
11 agreement was entered into is because of Carol?
12 **A. Yes.**
13 Q. Where do you come to that understanding?
14 **A. Through many, many conversations.**
15 Q. With who?
16 **A. With Logan.**
17 Q. Did Mr. Rammell tell you that?
18 **A. Yes.**
19 Q. Did he tell you that was the only reason he --
20 **A. No.**
21 Q. -- presented this agreement?
22 **A. No.**
23 Q. Who drafted it?
24 **A. I presume Gene did.**
25 Q. Mr. Greaves?

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1 **A. Yes.**
2 Q. You don't know that for sure?
3 **A. No.**
4 Q. I just need to understand what you know, so I
5 need to know that that's accurate.
6 Now, the first paragraph under recitals, "Club
7 Vega has agreed to purchase a liquor license for use on
8 the premises," is that accurate?
9 **A. Yes.**
10 Q. The second paragraph, "By separate agreement,
11 Club Vega will operate the premises and utilize the liquor
12 license; is that accurate?
13 **A. As far as I know, yes.**
14 Q. The next paragraph, "By separate agreement, Club
15 Vega has agreed to sell the liquor license to Fantasies on
16 Fifth," is that accurate?
17 **A. Uh-huh.**
18 Q. What is this separate agreement that's being
19 referred to?
20 **A. I don't know.**
21 Q. You don't know?
22 **A. I don't have a clue.**
23 Q. And then the next one, it says, "Logan Rammell
24 and Club Vega will seek indemnity for the past and current
25 operation of the premises of the liquor license prior to

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1 sale of the liquor license to Fantasies."
2 Is there anything about that paragraph you don't
3 understand?
4 **A. I don't think so.**
5 Q. And do you understand the final paragraph that
6 says "Indemnification"?
7 **A. Yeah.**
8 Q. You do understand it?
9 **A. As far as I know.**
10 Q. And then if we could go to Exhibit L, please.
11 And that's a three-page document.
12 The third page is just a signature of
13 Mr. Greaves; is that correct?
14 **A. Uh-huh. Yes.**
15 Q. And did you look at this agreement before it was
16 signed?
17 **A. I did not.**
18 Q. Would it be accurate to say you left most of the
19 management up to Mr. Greaves?
20 **A. Yes.**
21 Q. And he did most of the dealings that had to be
22 dealt with with Mr. Rammell; it was he personally instead
23 of you?
24 **A. Yes.**
25 Q. Other than the meeting with Travis that set up

Page 40

1 Mr. Rammell meeting you, what did Travis have to do with
2 the operation of Fantasies?
3 **A. Back then?**
4 Q. Yeah.
5 **A. Basically nothing. Construction work.**
6 Q. So from October 2012 until he became the
7 100 percent owner of Fantasies, he had no real
8 involvement; would that be accurate?
9 **A. I guess it would be.**
10 Q. And why did he come to be 100 percent owner of
11 Fantasies?
12 **A. Because Logan was supposed to find financing for**
13 **the liquor license. He had backers. He never came**
14 **through. I have insurance policies with my son as**
15 **beneficiary. I had to borrow money from my insurance**
16 **policies to buy the new liquor license. So therefore,**
17 **Travis is the owner of them. And I was getting sick and**
18 **tired of it.**
19 Q. And is he still the owner?
20 **A. Yes.**
21 Q. And does he operate the club now?
22 **A. No. He has a manager.**
23 Q. Who is that?
24 **A. Yana.**
25 Q. Is it a she?

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1 **A. She.**
2 Q. Does she have a written management agreement?
3 **A. I think she does.**
4 Q. Do you know who authored that?
5 **A. I don't know if that was done by an attorney. I**
6 **don't know.**
7 Q. When is the last time you saw that management
8 agreement?
9 **A. I couldn't tell you that.**
10 Q. Would it be this calendar year?
11 **A. I don't know.**
12 Q. Did you read it before she signed it, that you
13 recall?
14 **A. No.**
15 Q. So would it be true that you left that up to
16 Mr. Greaves?
17 **A. Greaves or Travis.**
18 Q. What are Travis' responsibilities now?
19 **A. To stay out of the way, let her do her job.**
20 Q. And when was she hired?
21 **A. I don't know.**
22 Q. Until she was hired, what were Travis'
23 responsibilities?
24 **A. Construction.**
25 Q. So is it accurate to say Travis has never been

Page 42

1 involved in the management or the conducting of business
2 of Fantasies?
3 **A. Yeah. He's been involved in a certain amount of**
4 **it. Not since he got -- since he got the liquor license**
5 **in his name.**
6 Q. What does he do?
7 **A. I don't know. I'm not here.**
8 Q. So you don't have any testimony to offer on what
9 the duties of Mr. Gravelle have been since August of 2013?
10 **A. No.**
11 Q. Who would best know that?
12 **A. Travis or Eugene.**
13 Q. How long have you known Mr. Gravelle?
14 **A. All his life. He's my son.**
15 Q. I'm sorry. Mr. Greaves.
16 **A. Ten years.**
17 Q. Do you know what his history is in business?
18 **A. Yes.**
19 Q. What is that?
20 **A. He was a New York, Suffolk County, detective.**
21 Q. Did he operate a business?
22 **A. Yes.**
23 Q. Private business?
24 **A. Yes.**
25 Q. What was that?

Page 43

1 **A. I believe it was in sanitation and security.**
2 Q. Is that in New York?
3 **A. Yes.**
4 Q. Other than Fantasies, do you know whether he's
5 been involved in any business in Alaska?
6 **A. I don't think so.**
7 Q. Have you ever been sued before?
8 **A. I don't know.**
9 Q. Is it that you don't recall?
10 **A. I don't recall, no. I don't know. I've been in**
11 **lawsuits, but I think I was the suer. I'm not sure.**
12 Q. Name off to me, if you would, any lawsuits that
13 you or any business in which you had an interest has been
14 involved in.
15 **A. I don't know.**
16 Q. Your sister is suing you now?
17 **A. No.**
18 Q. No?
19 **A. I don't think so.**
20 Q. Do you have any other lawsuits existing right
21 now in any state other than this one?
22 **A. No.**
23 Q. Now, relating to Exhibit L, is it your
24 contention that Mr. Rammell breached this agreement?
25 **A. Yes.**

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1 Q. How did he do that?
2 **A. He did not come up with the money.**
3 Q. Well, this says the buyer pays 150, correct?
4 **A. And he was supposed to be buying it.**
5 Q. Well, it lists the buyer as Fantasies, does it
6 not?
7 **A. It had to go from Wicked Wrister to Club Vega,**
8 **and I paid that.**
9 Q. So is it your understanding of this agreement
10 that Mr. Rammell has the obligation to pay Wicked Wrister?
11 I can't say that.
12 **A. It's a tongue twister.**
13 Q. Wrister, W-r-i-s-t-e-r.
14 **A. Yes. You asked me if he was obligated to pay**
15 **Wicked Wrister. Yes.**
16 Q. Under this agreement, under this Exhibit L?
17 **A. Probably not under this one. I don't know.**
18 **It's convoluted again.**
19 Q. What's convoluted?
20 **A. This.**
21 Q. "This" being Exhibit L?
22 **A. Yes.**
23 Q. Do you know who wrote it?
24 **A. No.**
25 Q. But this is a document again Mr. Greaves would

Page 45

1 have had primary responsibility for?
2 **A. Yes.**
3 Q. And you rely on him?
4 **A. Yes.**
5 Q. And you trust him?
6 **A. Yes.**
7 Q. Have you found his performance deficient in any
8 fashion?
9 **A. I find everybody's performance deficient in some**
10 **fashion, yes.**
11 Q. Why don't you tell me about Mr. Greaves'
12 deficiencies.
13 **A. He's too trusting in some cases.**
14 Q. Anything else?
15 **A. No.**
16 Q. Was he too trusting in this case?
17 **A. Probably, because I don't know how or who wrote**
18 **this up, but it's -- it just doesn't show -- the way this**
19 **should have been written is probably seller to buyer to**
20 **seller to buyer. There's just a couple issues left out in**
21 **there. And not being attorneys, we don't know all the**
22 **little ins and outs of all these little words.**
23 Q. Okay. Then if you'd go to Exhibit M, like Mary,
24 please, and page 1 is a letter from the ABC Board to Carol
25 Hartman, and it says that the landlord, you -- is that the

Page 46

1 way you look at yourself?
2 **A. Uh-huh.**
3 Q. Has terminated the lease; is that correct?
4 **A. Uh-huh.**
5 Q. Why did that occur?
6 **A. I think it was about eleven months of lack of**
7 **payment.**
8 Q. Payment for what?
9 **A. To me for the business.**
10 Q. And did that involve rent?
11 **A. Yes.**
12 Q. And what else would it have involved?
13 **A. It would have involved all the payments that**
14 **were supposed to have been made to the utilities, to the**
15 **bank, to everything being in arrears. And then when I**
16 **came up I found drug use on the premises. I won't**
17 **tolerate that.**
18 Q. Do you know who was using drugs?
19 **A. Yes.**
20 Q. Who?
21 **A. Her sons.**
22 Q. And the second page, is that the notice you gave
23 the ABC Board?
24 **A. Uh-huh.**
25 Q. And Mr. Greaves signed for you?

Page 47

1 **A. Yes.**
2 Q. Did he construct the letter?
3 **A. I presume.**
4 Q. That would be normal in the way you and he
5 operated?
6 **A. Yeah.**
7 Q. And then if you'd look at Exhibit N, like Noah,
8 page 2 has a signature of yourself by Mr. Greaves.
9 Did you authorize him to sign this?
10 **A. I authorized him to sign anything he needed to**
11 **sign, yes.**
12 Q. And did you read Exhibit N --
13 **A. No, I don't think I did at the time.**
14 Q. Again, you would have left that to Mr. Greaves?
15 **A. Yes.**
16 Q. I don't see a signature of Mr. Rammell here --
17 **A. He was in Bethel at the time. This had to be**
18 **done for the liquor license transfer.**
19 Q. Is it your contention he entered into this
20 agreement?
21 **A. I don't know.**
22 Q. Do you know whether he ever signed it?
23 **A. No, he didn't.**
24 Q. Never?
25 **A. As far as I know he didn't.**

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1 Q. Do you contend he's bound by it?
2 **A. I don't know the laws.**
3 Q. What's your understanding without law, just you?
4 **A. I don't know. I presume he would be held to it.**
5 **I don't know. Without signing, I don't know.**
6 Q. Without what?
7 **A. Without his signing, I don't know. I don't know**
8 **what a verbal agreement is binding.**
9 Q. Then if you'd go to Exhibit P, please, these are
10 some texts between Mr. Gravelle and -- excuse me --
11 Mr. Greaves and Mr. Rammell.
12 Have you seen these before?
13 **A. Just recently.**
14 Q. When you say "recently," what does that mean?
15 **A. Just when my attorney showed them to me a couple**
16 **days ago.**
17 Q. Okay. There's an entry on August 19, about the
18 middle of the page sent by Mr. Greaves to Mr. Rammell, and
19 it says, "Please tell Andrea."
20 Who is that?
21 **A. I don't know.**
22 Q. "Please tell Andrea that effective immediately I
23 will be handling all cash deposits," etcetera. "I will
24 make bank each night also."
25 Did you instruct Mr. Greaves to take that action

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1 on that date?
2 **A. No.**
3 Q. He did that on his own accord?
4 **A. I presume.**
5 Q. You talked earlier briefly about Mr. Rammel
6 being in Bethel and he got a little wild, and would you
7 describe to me again what was going on that caused that?
8 **A. I believe it was probably to do with this**
9 **conversation right here.**
10 Q. Okay. And do you recall that that's the
11 recorded conversation with Mr. Rammell that you have?
12 **A. Yes.**
13 Q. Where he was in Bethel and he's basically
14 responding to you as a result of Mr. Greaves' text?
15 **A. Yes.**
16 Q. Now, if you could look at Exhibit Q, please, the
17 next one.
18 Did you physically put this on the door, this
19 sign or sign that said that at Fantasies?
20 **A. No.**
21 Q. Did Mr. Greaves?
22 **A. I don't know. You'll have to ask him.**
23 Q. Okay. You don't know then?
24 **A. No.**
25 Q. Are you aware of any allegations that

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1 Mr. Rammell took property that you assert did not belong
2 to him at any point in time --
3 **A. Yes.**
4 Q. -- between October 2012 and August 20th, 2013?
5 **A. Yes.**
6 Q. And what did he take?
7 **A. Kitchen equipment, stereo equipment,**
8 **miscellaneous dishes, silverware. I'm not sure.**
9 Q. Did you ask for it back?
10 **A. I don't know. I wasn't there at the time. I**
11 **wasn't even aware it was gone for a while.**
12 Q. When did you discover it was gone?
13 **A. I don't know.**
14 Q. Do you have an inventory of specifics?
15 **A. I actually do.**
16 Q. I haven't seen that.
17 Did you give it to your counsel?
18 **A. I -- I didn't.**
19 Q. And when did he take this kitchen equipment and
20 stereo equipment?
21 **A. I don't know.**
22 Q. Can you tell me what year it was?
23 **A. I presume it was 2013.**
24 Q. How did you come to realize it was gone?
25 **A. I believe my son told me.**

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1 Q. Did you do any investigation yourself?
2 **A. No.**
3 Q. Are you aware of whether your son or Mr. Greaves
4 did any?
5 **A. No, I'm not aware of it.**
6 Q. Now, earlier I referred to a trial brief, and
7 you said you haven't read it, I believe.
8 You read ours, but not your own?
9 **A. Correct.**
10 Q. Is it accurate that Fantasies had no liquor
11 license between December 31, 2013, and March of 2014?
12 **A. It probably is.**
13 Q. And why didn't they have a liquor license?
14 **A. That was probably -- those dates are probably**
15 **when the liquor license from Wicked Wrister went into**
16 **Logan's name and he refused to sign it over to us.**
17 Q. Do you recall a note -- and we'll look at it --
18 but just asking you right now if you recall a short note
19 that Mr. Rammell sent to the ABC Board December 31st?
20 **A. Yes.**
21 Q. And do you recall, ballpark, what that says?
22 **A. Probably just says to remove the liquor license.**
23 Q. Okay. And that prompted you to have no liquor
24 license, correct?
25 **A. Right.**

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1 Q. Now, between -- we looked at those texts
2 earlier -- let's say August 19 or 20 and December 31 you
3 sold liquor, correct?
4 **A. I presume we did.**
5 Q. At Fantasies, correct?
6 **A. Yes.**
7 Q. And what license did you sell that liquor under?
8 **A. I presume the new liquor license, 1078.**
9 Q. Would I have to go to Mr. Greaves to get a
10 definitive answer on that?
11 **A. I don't know.**
12 Q. Who could tell me what liquor license you sold
13 it under, other than you or Mr. Greaves?
14 **A. I don't know. Liquor board.**
15 Q. It says here -- I can read it to you. It says,
16 "Under the management agreement" -- this is your
17 counsel -- "Club Vega and Rammell agreed to pay all
18 payroll, utilities, inventory costs and other costs from
19 the gross revenue generated by the bar."
20 That's the oral management agreement you spoke
21 of; is that correct?
22 **A. I presume.**
23 Q. Is that accurate?
24 **A. I presume.**
25 Q. Then under that oral management agreement what

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1 were Mr. Rammell's obligations?
2 **A. To manage the bar as a manager would. Basically**
3 **everything.**
4 Q. Take in the money?
5 **A. Uh-huh.**
6 Q. Deposit the money?
7 **A. Uh-huh.**
8 Q. Pay the bills?
9 **A. Uh-huh. Yes, yes, yes.**
10 Q. Then it says here, "On August 20, Fantasies
11 received notice from Club Vega and Rammell stating that
12 they would pay payroll incurred from August 10 through
13 August 20, 2013."
14 Do you know if that occurred?
15 **A. I think it did.**
16 Q. Rammell paid that?
17 **A. No. I don't think he did pay that.**
18 Q. He did not. Fantasies received --
19 **A. A notice from Club Vega stating they would pay**
20 **payroll incurred. I don't know.**
21 Q. So he's saying Club Vega said they would pay the
22 payroll, and you don't know whether that occurred?
23 **A. No.**
24 Q. Is that something within Mr. Greaves' knowledge?
25 **A. Yes.**

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1 Q. Then it says here -- and I'm on page 4 -- that
2 they didn't do it.
3 **A. Okay.**
4 Q. It says here, "Despite its agreement, Club Vega
5 and Rammell refused to do that." And then it says,
6 "Club Vega and Rammell converted the revenue received from
7 the premises between the 10th and the 20th and placed it
8 in his safe at his house."
9 Do you have personal knowledge of that?
10 **A. No.**
11 Q. And it says, "Fantasies is entitled to damages
12 for breach of the management agreement and conversion
13 equal to the value of the funds and property converted by
14 Mr. Rammell and Club Vega." Okay?
15 **A. Okay.**
16 Q. How much is that?
17 **A. I don't know.**
18 Q. Who knows?
19 **A. I would say my attorney and Gene.**
20 Q. But you don't?
21 **A. I don't know.**
22 Q. Is there a piece of paper you've ever seen that
23 has that figure on it?
24 **A. No.**
25 Q. Then it says -- well, let me step back a second.

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1 Is it your contention that -- when I asked you
2 earlier about Mr. Rammell taking something that wasn't
3 his, is it your contention that he also removed inventory
4 that wasn't his?
5 **A. I don't know that.**
6 Q. You don't know that?
7 **A. I don't know that, no.**
8 Q. You certainly, because you don't know that,
9 haven't seen any document with the value of that
10 inventory; is that correct?
11 **A. Right.**
12 Q. Did you do -- or did you instruct Mr. Greaves or
13 anyone to take an inventory of the liquor, Coke products,
14 that type of thing on or about August 20 when Mr. -- 19 or
15 20 --
16 **A. I didn't instruct anybody.**
17 Q. So you've never seen a document at all that has
18 an inventory on it?
19 **A. No.**
20 Q. Now, Mr. Stibitz and I had to exchange witness
21 lists, and yours basically has four names on it without
22 Mr. Stibitz. He's the fifth one. But the first four are
23 Mr. Greaves, yourself, Mr. Trotter, and Mr. Gravelle. And
24 it says -- if you don't have knowledge, that's fine. I'm
25 just asking what you know personally.

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1 It says, with regard to Mr. Gravelle,
2 "Mr. Gravelle will testify regarding defendants" --
3 that's Mr. Rammell and Club Vega -- "misappropriation of
4 Fantasies' property."
5 Do you know specifically what he's talking about
6 there?
7 **A. No.**
8 Q. You don't know what property or what he
9 misappropriated?
10 **A. No. Just what I've heard.**
11 Q. Sure.
12 **A. I wasn't there.**
13 Q. What you've heard is what you've testified to
14 today, is that the kitchen equipment and the sound, the
15 music equipment?
16 **A. Uh-huh.**
17 Q. Those two. Anything else?
18 **A. I don't know.**
19 Q. That's fair. I should ask Mr. Gravelle?
20 **A. Uh-huh.**
21 Q. And then it says you're going to testify about
22 "Mr. Rammell's election or Club Vega" -- I use "Rammell."
23 It's either one. Okay?
24 **A. Okay.**
25 Q. "Not to purchase the club."

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1 And what are you going to testify to relating to
2 Mr. Rammell not purchasing the club?
3 **A. Well, he came over, was hot to trot to get the
4 club, said he had financial people to back him, we need to
5 get a new liquor license, got in the process of all that,
6 and I had told him that I did not have any more money
7 available to put in the club. We went poor with all this.
8 Comes time to buy the liquor license, he has no money at
9 all. He had no money to buy inventory.**
10 Q. When you say the liquor license, are you talking
11 about the Debco or the substitute?
12 **A. The substitute. We were hoping to get Debco,
13 but it was so mixed up.**
14 Q. Tell me if this is inaccurate. Okay?
15 In October of 2012 both you and Mr. Rammell
16 believed that his ultimately taking over Fantasies would
17 be using the Debco liquor license?
18 **A. Right.**
19 Q. Okay. Then it says you're going to testify
20 about damages arising from Mr. Rammell's and Club Vega's
21 breach of contract, misappropriation.
22 What are you going to testify to regarding
23 damages?
24 **A. Well, three months being out of business is very
25 much damaging to everybody concerned. I had to personally**

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1 **pay all the ongoing bills, the taxes, the mortgage,**
2 **everything, utilities that weren't being used. They're**
3 **ongoing, but no income.**
4 Q. And there you're talking about the time period
5 December 31, 2013, through March of 2014?
6 **A. Yes.**
7 Q. Any other damages that you're aware of?
8 **A. No.**
9 Q. Have you seen any document that states these
10 damages?
11 **A. Notes.**
12 Q. Notes?
13 **A. That we've all talked about.**
14 Q. Whose notes?
15 **A. Probably Gene's.**
16 Q. Okay. Have you seen those notes?
17 **A. I haven't seen them. I've watched him writing,**
18 **but I haven't seen them.**
19 Q. When did you watch him write?
20 **A. A couple, three days ago.**
21 Q. Anything before that that you recall?
22 **A. No.**
23 Q. Then it talks about Mr. Greaves and it goes on
24 to talk about Mr. Trotter. Before we go to him, I guess,
25 what is your recollection of Mr. Trotter's involvement in

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1 this October 2012 to August 2013 time frame?
2 **A. His involvement was basically a friend. He is a**
3 **friend of Gene and I and he just came down to help.**
4 Q. Help what?
5 **A. Bookkeeping, basically.**
6 Q. So did he replace Carol?
7 **A. No, not per se. He set up some inventory**
8 **control spreadsheets and things like that for us.**
9 Q. And what's your understanding of what those
10 spreadsheets' purpose was?
11 **A. To organize the club a little bit.**
12 Q. Did you review those and use them in any way in
13 your work?
14 **A. I've never seen them.**
15 Q. Were you relying on Mr. Greaves or Mr. Trotter?
16 **A. On what?**
17 Q. On issues relating between October 2012 and
18 August 2013?
19 **A. Both.**
20 Q. And what did you rely on Mr. Trotter for, other
21 than the bookkeeping?
22 **A. That's about it, as far as I know.**
23 Q. Did you authorize Mr. Trotter to communicate
24 with Mr. Rammell?
25 **A. I didn't authorize him, but if he needed to, I'm**

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1 **sure he would.**
2 Q. Was he a paid employee?
3 **A. No.**
4 Q. Did he live in the club?
5 **A. I don't know. I wasn't here.**
6 Q. Do you know whether he ever lived in the club?
7 **A. No.**
8 Q. Do you recall whether Mr. Trotter was involved
9 in any negotiations relating to Mr. Rammell's --
10 **A. I wouldn't know that.**
11 Q. You're not aware of any?
12 **A. No.**
13 Q. You got the license, I think you said, '89 or
14 something like that; is that right?
15 **A. Yeah.**
16 Q. For the Sands, and that was the Debco license?
17 **A. The Sands was all nonalcoholic.**
18 Q. Okay.
19 **A. For 12, 15 years.**
20 Q. When did you get the Debco license?
21 **A. I would say around 2000.**
22 Q. Okay. Is that the first liquor license you've
23 ever had?
24 **A. No.**
25 Q. What did you have previous to that?

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1 **A. I had a liquor license in Palmer, Alaska in a**
2 **motel.**
3 Q. Which one is that?
4 **A. It was called the Mariner.**
5 Q. Oh, yeah.
6 Any others?
7 **A. I don't think so.**
8 Q. Did you have any dealings with the ABC Board
9 other than in obtaining the Debco or the Homer license?
10 **A. I don't believe so.**
11 Q. Did you find them easy to work with, personally?
12 **A. Yeah. I don't -- well, I find them**
13 **disorienting. I don't think they know what they're**
14 **talking about half the time.**
15 Q. If you'd look at Exhibit R, please.
16 Did you receive this letter from Mr. Rammell?
17 **A. I probably did.**
18 Q. Do you recall it?
19 **A. Yeah.**
20 Q. Did you take any action as a result of this
21 letter?
22 **A. I probably called Brian.**
23 Q. Now, I said earlier we'd look at a note. And if
24 you'd turn to Exhibit U, please. If you look on the
25 bottom, there's some fax dates, December 31.

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1 You've seen this before?
2 **A. Just recently, yeah.**
3 Q. You never saw it at the time, December 31?
4 **A. No.**
5 Q. Okay. Did you try around this time period to
6 enter into a different management agreement with
7 Mr. Rammell, any type of agreement?
8 **A. I don't know. That would have probably been**
9 **between him and Gene.**
10 Q. That's another thing you leave up to
11 Mr. Greaves? He's kind of your business agent?
12 **A. Yeah.**
13 Q. If you'd look at V, Exhibit V.
14 Is Mr. Ryan Darling an estate attorney in Palm
15 Desert, California?
16 **A. Yes.**
17 Q. Who is Thelma Bendell?
18 **A. My neighbor.**
19 Q. Do you live with her?
20 **A. No.**
21 Q. Just next-door neighbors?
22 **A. Well, she's behind me.**
23 Q. Does she live on your property or you live on
24 hers?
25 **A. No. We each have our own property.**

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1 Q. Okay. Did you establish Northern Pacific
2 Financial Holdings, LLC?
3 **A. Yes.**
4 Q. Why did you do that?
5 **A. For financial reasons.**
6 Q. And you transferred a commercial building at
7 1911 East Fifth to that holding company; is that correct?
8 **A. Uh-huh.**
9 Q. Did you transfer three lots located at 1922
10 East 4th?
11 **A. Yeah.**
12 Q. That would be 1922, 1910, 411 Sitka Avenue to
13 the holding company?
14 **A. Yeah.**
15 Q. And did you transfer your condo at 333 M Street,
16 Number 401?
17 **A. Yes.**
18 Q. And the home located at 74321?
19 **A. Yes.**
20 Q. Did you purchase your home from Thelma Bendell?
21 **A. No.**
22 Q. Who did you purchase it from?
23 **A. I didn't purchase it. It was owned by my past**
24 **husband, and when he passed away, it came into my name.**
25 Q. Is that on Covered Wagon Trail?

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1 **A. No. That's Thelma's house.**
2 Q. Is it on Prospector Trail?
3 **A. Yes.**
4 Q. Did you ever have a stamp made of your name and
5 have -- give Carol authority to use it?
6 **A. Yeah.**
7 Q. And did you revoke that authority when you
8 revoked your power of attorney?
9 **A. I presume. I don't know if there was anything**
10 **separate said, but yeah.**
11 Q. When you say for financial reasons, what were
12 they?
13 **A. I went to -- I already had a living trust and I**
14 **went to him to updo my living trust, and he suggested that**
15 **I have --**
16 MR. STIBITZ: I'm going to object on the grounds
17 of going into attorney-client privilege. I don't think
18 you should be talking about what you and your estate
19 planning attorney talked about.
20 BY MR. VIERGUTZ:
21 Q. I don't want to know what you and your attorney
22 talked about, but why did you do it?
23 **A. Because he suggested I do it.**
24 Q. Looking at Exhibit V, the first page there, the
25 appraised value is 355,300; is that correct?

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1 **A. I don't know. What year are you looking?**
2 Q. All three years. The assessment history, about
3 the middle of the page.
4 **A. Oh, the land?**
5 Q. Yeah. The land and the building is a million
6 two for at least 2011.
7 **A. Uh-huh.**
8 Q. Then if you'd look at Exhibit Z, zebra. It's
9 way that way.
10 Is the premises presently for sale?
11 **A. It's always for sale.**
12 Q. Is it for sale for the 2.1 million price?
13 **A. No. This is no longer in existence.**
14 Q. This real estate listing is no longer in
15 existence?
16 **A. No.**
17 Q. When did it originate, ballpark?
18 **A. Probably two years ago, maybe.**
19 Q. Two years ago?
20 **A. I don't know. I don't remember.**
21 Q. Did you retain Tower Properties, Pacific Tower
22 to sell it?
23 **A. It was Lou Ulmer. He works for that company.**
24 Q. And when did you take that listing off the
25 market?

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1 **A. I think he had a three-month listing. Might**
2 **have been six months.**
3 Q. You don't have a recollection specifically,
4 though, when this was?
5 **A. I probably could find some paperwork, but no, I**
6 **don't have a recollection.**
7 Q. You think a couple years ago?
8 **A. I'm thinking, yeah.**
9 Q. Is it presently listed?
10 **A. No.**
11 Q. What would you sell it for today?
12 **A. What would I sell it for?**
13 Q. Uh-huh.
14 **A. I don't know. I would have to reconsider**
15 **everything.**
16 Q. Have you looked at Exhibit X at all?
17 **A. Yes. I've looked at that. Don't have a clue**
18 **what it means.**
19 Q. Okay.
20 **A. I don't do paperwork.**
21 Q. You're not in to reading balance sheets and
22 profit and loss statements, that type of thing?
23 **A. No.**
24 Q. You leave that to Mr. Greaves?
25 **A. No. I would leave that to a CPA.**

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1 Q. And do you have a CPA for Fantasies?
2 **A. Yes.**
3 Q. Who is that?
4 **A. His name is Gary Lutes.**
5 Q. And have you discussed with him damages in this
6 case?
7 **A. No.**
8 Q. Do you do profit and loss statements?
9 **A. I don't.**
10 Q. But does your business do them?
11 **A. I presume they do.**
12 Q. You don't review them?
13 **A. I don't.**
14 Q. Do you know who does?
15 **A. The CPA.**
16 Q. Does anyone within your organization, Fantasies,
17 review the --
18 **A. Lon probably did back when he was there.**
19 Q. When was he there?
20 **A. He was there up until about probably four months**
21 **ago.**
22 Q. Then what happened?
23 **A. The girl that's managing now did not need him**
24 **anymore.**
25 Q. What did he do?

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1 **A. He made spreadsheets and did paperwork. I don't**
2 **know what he did exactly.**
3 Q. Because you didn't review it?
4 **A. No.**
5 Q. Okay. The exhibit before that is W.
6 K&L Distributors, they're one of the two
7 distributors, is that accurate, that you used between --
8 **A. K&L, Odom. Yeah. There's one for Red Bull,**
9 **Costco, Sam's.**
10 Q. The liquor you used Odom or K&L?
11 **A. Pretty much, yeah.**
12 Q. After Mr. Rammell left mid August, let's say,
13 did you continue to use K&L and Odom the account of
14 Mr. Rammell?
15 **A. I don't know that.**
16 Q. And would Mr. Greaves know that?
17 **A. I would presume he would.**
18 Q. But you never instructed anyone to do one thing
19 or another?
20 **A. No.**
21 Q. Your answer is "no"?
22 **A. No.**
23 Q. Do you, in your normal course of work, review
24 the K&L and Odom --
25 **A. I don't.**

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1 Q. You don't. Okay. Do you know who does for
2 Fantasies?
3 **A. That would probably be -- at what time now?**
4 Q. Well, at between October 2012 and August 2013.
5 **A. That was probably Gene.**
6 Q. Gene. Okay.
7 **A. Or maybe Lon. I don't know.**
8 Q. How did you meet Mr. Trotter?
9 **A. I've met him years ago. I don't know how I met**
10 **him. There's just a group of people that know each other.**
11 Q. Can you tell me how many years ago?
12 **A. 30.**
13 Q. Long time?
14 **A. Long time.**
15 Q. Did he ever serve as your lawyer?
16 **A. No.**
17 Q. We've got about an hour left, I think. Let's
18 take a short break and come back and we should have her
19 done by noon.
20 (Recess taken)
21 BY MR. VIERGUTZ:
22 Q. Would you go back to Exhibit U, please. Now,
23 this is December 31, 2013.
24 Why didn't you enter into a management agreement
25 with Rammell at this point in time?

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1 **A. I don't know. Probably because he wouldn't sign**
2 **one. I don't know.**
3 Q. Did you present him with one?
4 **A. I don't know.**
5 Q. Who would know? Mr. Greaves?
6 **A. Uh-huh.**
7 Q. Anybody else?
8 **A. No.**
9 Q. Did you ever restrict Mr. Rammell on the amount
10 of liquor he could purchase between October 2012 and mid
11 August or so 2013?
12 **A. I don't know that.**
13 Q. You never did?
14 **A. No.**
15 Q. You know whether you did or didn't, and you
16 didn't; is that correct?
17 **A. As far as I know, I didn't. Yes.**
18 Q. Do you know if Mr. Greaves did?
19 **A. I don't know if he did, but I'm sure if he was**
20 **overstepping his bounds, he would.**
21 Q. What does "overstepping his bounds" mean?
22 **A. Putting my name in jeopardy by not paying or not**
23 **having the money to pay, bouncing checks, things like**
24 **that.**
25 Q. But isn't he purchasing everything on his

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1 account?
2 **A. I don't know.**
3 Q. Did you ever ask Mr. Rammell to put the liquor
4 license in the name of Travis?
5 **A. I believe so.**
6 Q. You personally?
7 **A. I couldn't tell you that.**
8 Q. Do you recall telling Mr. Rammell you wanted to
9 do that because if there were a lawsuit, he didn't have
10 any assets?
11 **A. None of us have any assets.**
12 Q. You have none?
13 **A. No.**
14 Q. You don't have -- you don't own anything at all?
15 **A. No.**
16 Q. I've got to ask you to reflect on that answer.
17 You don't own --
18 **A. Everything I own is in trust. I do not own it.**
19 **It's in the holding company or in trust.**
20 Q. Okay. And what assets does Travis have?
21 **A. Nothing.**
22 Q. Did you ever ask Mr. Rammell to -- that's the
23 reason or say that's the reason?
24 **A. I very well may have.**
25 Q. Do you know whether your tax returns show

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1 depreciation on the building, the contents?
2 **A. I'm sure they probably do.**
3 Q. Do you look at them?
4 **A. I look at them, but I don't know what I'm**
5 **looking at. I don't understand taxes any more than**
6 **paperwork.**
7 Q. You haven't provided your tax returns to your
8 counsel?
9 **A. No.**
10 Q. Did you -- let me rephrase that.
11 Did Mr. Rammell, according to your knowledge,
12 pay credit cards owed by Sands North and yourself out of
13 the proceeds of October 2012 to August 2013?
14 **A. I know there was an issue about that, but I**
15 **don't remember if he paid anything or not.**
16 Q. You don't have any recollection?
17 **A. I remember some conversations revolving around**
18 **that credit card. It was a credit card my sister had run**
19 **up.**
20 Q. What's your recollection of the conversations?
21 **A. I don't know. We just had conversations. I**
22 **don't know what he talked about. It would have been**
23 **probably that she's responsible for those that are coming**
24 **in from Sands North, but they were all for her and her**
25 **coffee shop.**

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1 Q. For Carol?
2 **A. Yes.**
3 Q. He didn't pay any of your personal credit cards?
4 **A. I don't think so.**
5 Q. Do you know how much Mr. Rammell paid on the
6 mortgage for the building between October 2012 and August
7 2013?
8 **A. Probably \$12,803 each month, if he was paying on**
9 **time.**
10 Q. Did Mr. Rammell do any improvements, physical
11 changes, anything to the building?
12 **A. Yeah. I think there was a couple of door**
13 **changes and things that we had to do downstairs.**
14 Q. Do you know who paid for those?
15 **A. No. Probably out of the club.**
16 Q. But you don't know?
17 **A. No.**
18 Q. And are those the only things you recall, a
19 couple doors?
20 **A. I'm not even sure about that.**
21 Q. Okay. You don't have knowledge?
22 **A. No.**
23 Q. Is that Mr. Greaves?
24 **A. I don't know if he would know. We weren't there**
25 **all the time.**

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1 Q. But you would notice if there were improvements,
2 wouldn't you?
3 **A. Well, we've done a lot of improvements in the**
4 **last two or three years, knocking out, putting in,**
5 **knocking out, putting in. So the time span I would have**
6 **to look back and go through records again to see. Oh,**
7 **there was. There was some kitchen stuff done.**
8 Q. Why is it that you wanted the license in Travis'
9 name after it had started in Mr. Rammell's name?
10 **A. It was going to go into my name or Fantasies'**
11 **name. Then I didn't want to deal with it anymore. I am**
12 **not here. I don't want to deal with it. I'm sick and**
13 **tired of this whole business. I wanted it in someone**
14 **else's name and a family member would be the most likely**
15 **person to do it.**
16 Q. That e-mail -- from Mr. Greaves to Mr. -- excuse
17 me -- text from Mr. Greaves to Mr. Rammell August 19 where
18 he says he's going to be in charge of the tills and take
19 the money, do you have personal knowledge what happened
20 with the tills that day?
21 **A. Personal knowledge?**
22 Q. Yeah.
23 **A. No.**
24 Q. You rely on Mr. Greaves?
25 **A. Yes.**

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1 Q. And Mr. Greaves would have told you --
2 **A. Yes.**
3 Q. What did he tell you?
4 **A. He told me that the money was being taken home**
5 **at night. There's no accounting for it. We didn't know**
6 **if the money was in, out, gone, being used.**
7 Q. Would it be accurate to say that you relied on
8 Mr. Greaves for that information and you had no personal
9 knowledge yourself whether that was true or not?
10 **A. No. I have no personal knowledge.**
11 Q. Shortens things up when you give the straight
12 answer. I appreciate that.
13 What happened to the money between August 20th
14 and December 31st, 2013?
15 **A. I don't know what you mean, what happened to**
16 **what money?**
17 Q. The club took in money during those months,
18 correct?
19 **A. I presume.**
20 Q. And did you rely on Mr. Greaves to determine
21 what bills to pay, when to pay them, that type of thing?
22 **A. Well, if Logan was running it, he was probably**
23 **paying.**
24 Q. No, no, no. We're talking August 20th, 2013, to
25 December 31st.

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1 Would you have relied on Mr. Greaves?
2 **A. Yes.**
3 Q. You didn't personally write checks for bills,
4 anything like that?
5 **A. No.**
6 Q. He had signature authority?
7 **A. Yes.**
8 Q. Did anyone else between that time period?
9 **A. To sign my name?**
10 Q. Uh-huh.
11 **A. No.**
12 Q. Sign checks?
13 **A. No.**
14 Q. Just Mr. Greaves?
15 **A. As far as I know, yeah.**
16 Q. As far as you know --
17 **A. Well, I don't know. Maybe Lon Trotter was on**
18 **the account. He might have been put on the account then.**
19 **He was put on it some time, but I don't know if it was**
20 **that time period.**
21 Q. Mr. Greaves would know that?
22 **A. Yes.**
23 Q. Do you recall making a profit where you got --
24 you personally got money as a result of club operations
25 between August 2013-December 2013?

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1 **A. No.**
2 Q. You never got any money?
3 **A. No.**
4 Q. Why is that?
5 **A. There was no money to be had.**
6 Q. Did it operate at a loss every month?
7 **A. I don't know.**
8 Q. How do you know there was no money to be had?
9 **A. Because I didn't get any.**
10 Q. And is that the only reason you know?
11 **A. Yeah.**
12 Q. So is it accurate to say you rely entirely and
13 trust Mr. Greaves entirely?
14 **A. Yes.**
15 Q. If he says you make 10,000 in a month, you
16 believe it, and he says he makes zero, you believe it?
17 **A. Yeah.**
18 Q. Is there any document, again, between mid August
19 2013-December 31st, 2013, that you review on a monthly
20 basis to look at how the club is doing?
21 **A. I do not.**
22 Q. You don't look at anything?
23 **A. No.**
24 Q. Why did you close the club in December 31st,
25 around that time?

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1 **A. Right there. That document that Logan said to**
2 **pull the license from the ABC Board.**
3 Q. But you had the option to enter in a management
4 agreement it says there, correct?
5 **A. Yeah.**
6 Q. And you didn't do that, correct?
7 **A. I don't think he would.**
8 Q. But you didn't do that, correct?
9 **A. Yeah. I guess.**
10 Q. Do you know?
11 **A. Well, yeah, it didn't happen. Yes.**
12 Q. And you never -- you said -- I want to make sure
13 I am correct. You said you personally never presented
14 Mr. Rammell with a management agreement?
15 **A. I didn't.**
16 Q. And you never authorized anyone to do it for
17 you?
18 **A. I didn't specifically authorize, but if Gene**
19 **would have presented him one, he would have had that**
20 **authority.**
21 Q. Did you discuss that with him after -- with
22 Mr. Greaves after you received a copy of Exhibit U?
23 **A. I don't know.**
24 Q. You don't have any recollection at all?
25 **A. No.**

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1 Q. There were -- let's mark that Exhibit 1.
2 (Exhibit 1 marked)
3 Q. Those are discovery responses, and I'm going to
4 ask you to go to page 6 on the bottom right.
5 Do you see Mr. Greaves' signature there?
6 **A. Uh-huh.**
7 Q. Do you believe that is his signature?
8 **A. Yeah.**
9 Q. Okay. If you'd go to page 2, please, and it
10 says, on response to request for admission number 7, the
11 response is admitted that "Fantasies and Club Vega were
12 negotiating Club Vega's purchase of the building and
13 nightclub until such time Rammell declined to purchase the
14 building."
15 When did he decline to purchase the building?
16 **A. The last time I remember was that August 20th, I**
17 **believe, conversation when he said he quit, he's out of**
18 **there. And before that he was obviously not being able to**
19 **have money.**
20 Q. He was what?
21 **A. Not being able to accumulate money, borrow**
22 **money, find money to buy the building.**
23 Q. What do you base that on?
24 **A. His testimony. He never had money. He never**
25 **came up with any money for anything. How can you buy a**

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1 **building if you can't even buy a liquor license?**
2 Q. Did Mr. Rammell ever say to you, I do not have
3 the money to buy the liquor license?
4 **A. Yes.**
5 Q. I do not have the money to purchase the
6 building?
7 **A. Yeah.**
8 Q. He said both those things?
9 **A. He said he had backing, but the backing didn't**
10 **come through because they were afraid of Carol and her**
11 **situation.**
12 Q. Did he tell you that personally?
13 **A. Uh-huh.**
14 Q. Do you know when that was?
15 **A. No.**
16 Q. Can you give me any ballpark or not?
17 **A. No.**
18 Q. Before August 20th, during that conversation, he
19 never said, I quit, to you?
20 **A. No.**
21 Q. Or words to that effect, anything like it's
22 over, we're going our own ways, bye-bye?
23 **A. No.**
24 Q. If you'd go to the next page, page 3, it talks
25 about interrogatory number 1 towards the -- right under

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1 the middle word there, interrogatories. And it says, in
2 response, "When Debco, Inc. operated the bar located at
3 1911 East Fifth Avenue the real property was owned by the
4 Kathy Hartman living trust."
5 And that's what you've testified today to,
6 correct?
7 **A. Uh-huh.**
8 Q. That's accurate?
9 **A. Uh-huh.**
10 Q. No written lease was executed?
11 **A. From Debco? There was a lease, but it was not**
12 **valid.**
13 Q. "Carol Hartman forged a lease purportedly
14 between Debco, Inc. and Kathy Hartman," and that's
15 attached. "But since the Kathy Hartman living trust
16 opened a property, it was a lessor."
17 What you are saying is you are a lessor here; is
18 that accurate?
19 **A. I guess it is.**
20 Q. As the Kathy Hartman living trust?
21 **A. Uh-huh.**
22 Q. And Debco in turn had a management agreement
23 with Rammell. That's attached, correct?
24 **A. Uh-huh.**
25 Q. Then if you'd go to page 4, please. And if

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1 you'd look at interrogatory number 12 response. It says,
2 "Logan Rammell and Club Vega declined to purchase the
3 business under the terms offered by Fantasies."
4 What were those terms?
5 **A. I'm not sure.**
6 Q. There were terms; you just don't remember?
7 **A. Yeah.**
8 Q. Were you involved directly in negotiations with
9 Mr. Rammell on price?
10 **A. At certain points, yes.**
11 Q. And did the price change?
12 **A. I don't know that.**
13 Q. What do you recall?
14 **A. I recall that I left that pretty much up to**
15 **Gene.**
16 Q. Would it be accurate you don't have any
17 recollection -- specific recollection --
18 **A. The price was never to be over three million.**
19 **That's all I remember.**
20 Q. Did Mr. Greaves handle the negotiations with
21 Mr. Rammell for the most part?
22 **A. Probably.**
23 Q. Do you recall? And if you do, tell me what you
24 recall specifically with regard to any negotiation with
25 Mr. Rammell.

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1 **A. I just don't recall much of anything from that**
2 **time because I was in such a -- my mind was just out of it**
3 **completely.**
4 Q. You had other personal issues going on?
5 **A. Oh, yeah.**
6 Q. It says here on page 4 on the bottom,
7 interrogatory number 15, it says, "Rammell and Club Vega
8 terminated their agreement with Fantasies on or about
9 August 18, 2013, and vacated the premises." Then it has,
10 in parentheses, "Attached are Rammell's termination
11 correspondence." So if we could go to that, and that's
12 the last couple pages of this whole thing. I think
13 there's three pages. Bates numbers 13, 14, 15 in the
14 bottom right.
15 Other than these texts, is there any termination
16 correspondence --
17 **A. Phone calls.**
18 Q. The one you're talking about on August 19th?
19 **A. (Nods head)**
20 Q. Okay. Other than that, is there any
21 correspondence?
22 **A. I don't know.**
23 Q. You've not seen any?
24 **A. No.**
25 Q. And I think you've testified that that call to

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1 you was the first termination notice by Mr. Rammell that
2 you personally received?
3 **A. Uh-huh.**
4 Q. And that's "yes"?
5 **A. Yes.**
6 MR. VIERGUTZ: I need to take five minutes.
7 (Recess taken)
8 BY MR. VIERGUTZ:
9 Q. What happened to bank statements that Fantasies
10 gets?
11 **A. I presume they're filed away.**
12 Q. You don't see them?
13 **A. No.**
14 Q. Who sees them? Mr. Greaves?
15 **A. Yeah.**
16 Q. Did Carol own the building at one point?
17 **A. She was supposed to be buying it, but it was**
18 **never turned into her name, because we couldn't.**
19 Q. Why?
20 **A. Because of the bank.**
21 Q. Educate me there, would you?
22 **A. It would have to be a wrap around because she**
23 **didn't have any money to finance it. So I had to keep it**
24 **in my name.**
25 Q. Didn't Debco own the contents of the building?

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1 **A. I think. I'm not sure how the contract was**
2 **written up. I'd have to go back over that, because it was**
3 **by the CPAs again. So this way and that way.**
4 Q. What contract are you talking about?
5 **A. Her sale documents.**
6 Q. Where she sold it to you?
7 **A. No.**
8 Q. You sold it to her?
9 **A. Yes.**
10 Q. Did Debco own the contents in August of '13?
11 **A. I don't know. That would be determined probably**
12 **by a court of law, because this has all been back and**
13 **forth.**
14 Q. Back and forth in the legal arena or just --
15 **A. Well, just attorneys.**
16 Q. Okay. Will you look at Exhibit F again, and
17 that's that Coffey Ernouf bill.
18 **A. Yes.**
19 Q. Mr. Stibitz may disagree with me, but let me
20 tell you the way it is with most lawyers. If there's a
21 conflict, they eat that bill.
22 Did you have to pay that bill?
23 **A. This bill?**
24 Q. Coffey's bill.
25 **A. I paid whatever they told me I owed.**

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1 Q. They haven't tried to force you to pay any more?
 2 A. No.
 3 Q. And to your knowledge, they're not pursuing you
 4 or --
 5 A. No.
 6 Q. -- Fantasies or --
 7 A. No. I paid everything I owed.
 8 Q. Okay. Do you assert that Mr. Rammell owes
 9 Coffey anything, or is that beyond your --
 10 A. That's beyond my knowledge.
 11 Q. And you don't care one way or another?
 12 A. No.
 13 Q. Because you paid what's yours?
 14 A. Right.
 15 Q. And they're not trying to get it from you?
 16 Okay. That's correct, they're not trying to get it from
 17 you?
 18 A. No.
 19 MR. VIERGUTZ: That's all I have.
 20 THE WITNESS: Unless they're sending me
 21 something I don't know about.
 22 MR. VIERGUTZ: That's fair.
 23 (Proceedings concluded at 11:38 a.m.)
 24 (Signature reserved)
 25

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1 Errata Sheet
 2
 3 NAME OF CASE: FANTASIES ON FIFTH v CLUB VEGA
 4 DATE OF DEPOSITION: 04/17/2015
 5 NAME OF WITNESS: KATHY HARTMAN
 6 Reason Codes:
 7 1. To clarify the record.
 8 2. To conform to the facts.
 9 3. To correct transcription errors.
 10 Page ____ Line ____ Reason ____
 11 From _____ to _____
 12 Page ____ Line ____ Reason ____
 13 From _____ to _____
 14 Page ____ Line ____ Reason ____
 15 From _____ to _____
 16 Page ____ Line ____ Reason ____
 17 From _____ to _____
 18 Page ____ Line ____ Reason ____
 19 From _____ to _____
 20 Page ____ Line ____ Reason ____
 21 From _____ to _____
 22
 23
 24 _____
 25 Signature Date

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REPORTER'S CERTIFICATE

1
 2
 3 I, DEIRDRE J.F. RADCLIFFE, Verbatim Shorthand
 4 Reporter, and Notary Public in and for the State of
 5 Alaska, do hereby certify that the witness in the
 6 foregoing proceedings was duly sworn; that the proceedings
 7 were taken before me at the time and place herein set
 8 forth; that the testimony and proceedings were reported
 9 stenographically by me and later transcribed by computer
 10 transcription; that the foregoing is a true record of the
 11 testimony and proceedings taken at that time; and that I
 12 am not a party to nor have I any interest in the outcome
 13 of the action herein contained.
 14 IN WITNESS WHEREOF, I have hereunto set my hand
 15 this 19th day of April 2015.
 16
 17
 18
 19
 20
 21 DEIRDRE J.F. RADCLIFFE
 22 My Commission Expires 5/31/18
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IN THE SUPERIOR COURT FOR THE STATE OF ALASKA
THIRD JUDICIAL DISTRICT AT ANCHORAGE

FANTASIES ON FIFTH AVENUE LLC,
Plaintiff,

v.

CLUB VEGA INVESTMENTS, INC.,
AND LOGAN RAMMELL,

Defendant.

Case No. 3AN-13-09488 CI

CLUB VEGA INVESTMENTS, INC.,
AND LOGAN RAMMELL,

Third-Party Plaintiff,

v.

KATHY HARTMAN and EUGENE
GREAVES,

Third-Party Defendant.

**PLAINTIFF'S SUPPLEMENTAL REPLY TO DEFENDANTS' FIRST
DISCOVERY REQUESTS**

Plaintiff, Fantasies on Fifth Avenue LLC, by and through counsel, pursuant to Civil Rules 26 and 36, hereby answers the Defendants' First Set of Discovery Requests, dated January 15, 2015, as follows:

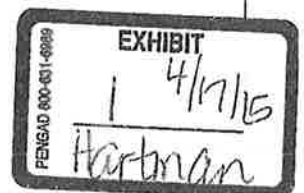
REQUESTS FOR ADMISSION

RESPONSE TO ADMISSION NO. 1: Denied.

RESPONSE TO ADMISSION NO. 2: Denied.

RESPONSE TO ADMISSION NO. 3: Admitted.

Fantasies on 5th v. Club Vega, et al.
Case No. 3AN-13-09488 CI
Supplemental Response to Defendants' First Set of Discovery Requests



RESPONSE TO ADMISSION NO. 4: Admitted that Fantasies had a separate oral agreement with Club Vega and Logan Rammell, under which Club Vega and Rammell agreed to operate the premises while the application to transfer License No. 1078 was pending.

RESPONSE TO ADMISSION NO. 5: Admitted.

RESPONSE TO ADMISSION NO. 6: Admitted.

RESPONSE TO ADMISSION NO. 7: Admitted that Fantasies and Club Vega were negotiating Club Vega's purchase of the building and night club until such time Rammell declined to purchase the business.

RESPONSE TO ADMISSION NO. 8: Denied.

RESPONSE TO ADMISSION NO. 9: Admitted.

RESPONSE TO ADMISSION NO. 10: Denied

RESPONSE TO ADMISSION NO. 11: Admitted

RESPONSE TO ADMISSION NO. 12: Denied.

RESPONSE TO ADMISSION NO. 13: Denied.

RESPONSE TO ADMISSION NO. 14: Denied

RESPONSE TO ADMISSION NO. 15: Denied.

RESPONSE TO ADMISSION NO. 16: Fantasies admits that it sold liquor under License No. 1078 prior to Defendants' contacting the ABC Board and forcing the cessation of such sales on or about December 31, 2013, and resumed selling liquor under License

No. 1078 after the court issued an injunction ordering Defendants to transfer the license, and after the ABC Board approved such transfer in March 2014.

RESPONSE TO ADMISSION NO. 17: Admitted.

RESPONSE TO ADMISSION NO. 18: Admitted.

INTERROGATORIES

RESPONSE TO INTERROGATORY NO. 1: When Debco, Inc. operated the bar located at 1911 East 5th Avenue, the real property was owned by The Kathy Hartman Living Trust. No written lease was executed. Carol Hartman forged a lease purportedly between Debco, Inc. and Kathy Hartman (attached), but since The Kathy Hartman Living Trust owned the property, it was the lessor. Debco, Inc. in turn had a management agreement with Defendant (attached.)

RESPONSE TO INTERROGATORY NO. 2: The real property at 1911 East 5th Avenue is owned by Northern Pacific Financial Holdings (see attached property appraisal.)

RESPONSE TO INTERROGATORY NO. 3: N/A.

RESPONSE TO INTERROGATORY NO. 4: Fantasies had a separate oral agreement with Club Vega and Logan Rammell, under which Club Vega and Rammell agreed to operate the premises while the application to transfer License No. 1078 was pending.

RESPONSE TO INTERROGATORY NO. 5: N/A.

RESPONSE TO INTERROGATORY NO. 6: N/A.

RESPONSE TO INTERROGATORY NO. 7: See, Response to Request for Admission No. 7.

RESPONSE TO INTERROGATORY NO. 8: Rammell and Club Vega had declined to purchase the building and night club prior to Fantasies purchasing the license.

RESPONSE TO INTERROGATORY NO. 9: N/A.

RESPONSE TO INTERROGATORY NO. 10: The indemnification speaks for itself, and was not intended to indemnify Rammell against "any and all claims."

RESPONSE TO INTERROGATORY NO. 11: N/A.

RESPONSE TO INTERROGATORY NO. 12: Logan Rammell and Club Vega declined to purchase the business under the terms offered by Fantasies.

RESPONSE TO INTERROGATORY NO. 13: Fantasies objects to Request for Admission No. 13 as lacking foundation, vague and ambiguous. Fantasies does not understand what is being asked in Request for Admission No. 13, and therefore denies the same.

RESPONSE TO INTERROGATORY NO. 14: Rammell and Club Vega were given funds amounting to several thousands of dollars to purchase inventory, and inventory purchased with such cash belonged to Fantasies. Cash generated by the business was to be divided by Fantasies and Club Vega pursuant to the terms of their agreement.

RESPONSE TO INTERROGATORY NO. 15: Rammell and Club Vega terminated their agreement with Fantasies on or about August 18, 2013, and vacated the premises. (Attached are Rammell's termination correspondence, which were previously produced.)

RESPONSE TO INTERROGATORY NO. 16: See, Response to Request for Admission No. 16.

RESPONSE TO INTERROGATORY NO. 17: N/A.

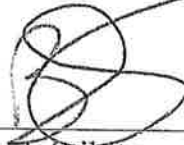
RESPONSE TO INTERROGATORY NO. 18: N/A.

REQUESTS FOR PRODUCTION

RESPONSE TO REQUESTS FOR PRODUCTION 1-24: All documents responsive to Requests for Production 1-24 are attached, Bates stamped 1 through 22.

DATED this 23rd day of March, 2015.

REEVES AMODIO, LLC
Attorneys for Plaintiff



Brian J. Stibitz
ABA# 0106043

REEVES AMODIO LLC
500 L...EET, SUITE 300
ANCHORAGE, ALASKA 99501-1990
PHONE (907) 222-7100, FAX (907) 222-7199

VERIFICATION BY PARTY

The undersigned, having been first duly sworn on oath, deposes and says: That he is authorized representative of Plaintiff, Fantasies on Fifth Avenue LLC in the above-entitled action; that he has read the foregoing responses to the discovery requests set forth hereinabove; understands the requests and the responses thereto; know the contents thereof; and believes the responses and all statements and facts set forth therein to be true.

DATED this 23RD day of March, 2015.

Gene Greaves

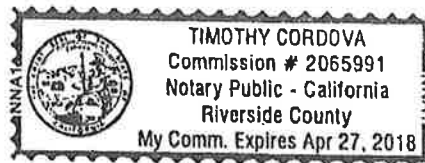
Gene Greaves

Title: *General Manager*

STATE OF CALIFORNIA)
)SS
COUNTY OF *Riverside*)

SUBSCRIBED AND SWORN to before me this 23 day of March, 2015.

Timothy Cordova
Notary Public in and for California
My Commission Expires: 04/27/2018




VES AMODIO LLC
500 L STREET, SUITE 300
ANCHORAGE, ALASKA 99501-1990
PHONE (907) 222-7100, FAX (907) 222-7199

REE MODIO LLC
500 L...ST, SUITE 300
ANCHORAGE, ALASKA 99501-1990
PHONE (907) 222-7100, FAX (907) 222-7199

CERTIFICATE OF SERVICE

I hereby certify that on the 23rd day of March, 2015, a true and correct copy of the foregoing was hand-delivered to the following:

Herbert A. Viergutz
Barokas Martin & Tomlinson
918 West 2nd Avenue
Anchorage, AK 99501



Jeanene Walker for
Reeves Amodio LLC



MUNICIPALITY OF ANCHORAGE

Home Residents Businesses Government Visitors Departments Public Safety

Departments > Finance > Property Appraisal > New Search > results

Find Parcel Number - - - 000

Public Inquiry Parcel Details

[Show Parcel on Map](#)

PARCEL: 003-081-66-000 01/02 Commercial Bar/Lounge 03/20/15
 NORTHERN PACIFIC FINANCIAL HOLDINGS FANTASIES
 74321 Old Prospector Trl LT 1
 Palm Desert CA 92260 0000 Site 1911 E 5th Ave
 Lot Size: 19,523 ---Date Changed--- ---Deed Changed--- GRW: PIWt
 Zone : B3 Owner : 12/09/14 Stateid: 2014 0047115
 Tax Dist: 001 Address: 12/09/14 Date : 11/19/14
 Grid : SW1233 Hra # : Plat : 040042
 GRW: PIWC REF #: 05/13/04 003-081-11-000
 NOTES : REF 003-081-11 THRU 13 NOW 003-081-66 (04-42)

ASSESSMENT HISTORY

	---Land---	--Building--	---Total---	
Appraised Val 2013:	355,300	1,202,000	1,557,300	
Appraised Val 2014:	355,300	1,213,100	1,568,400	---Exemption---
Appraised Val 2015:	355,300	1,246,400	1,601,700	-----Type-----
Exempt Value 2015:	0	0	0	
State Exempt 2015:			0	
Resid Exempt 2015:			0	
Taxable Value 2015:			1,601,700	

Liv Units: Common Area: Leasehold: Insp Dt: /
 07/14 Quick Reinv
 08/08 Desk Edit

BUILDING DATA

Name: FANTASIES Bldg Area: 10,045 Yr Blt: 2004
 Bldg Type: Bar/Lounge Grade : Good Eff Yr: 2004 Ident
 # Units: 000 Bldgs: 1

INTERIOR FEATURES

Floor Level	Size Area:	Use Type:	Wall Hgt :	Wall Material:	Constrect Type:	Heat Type:	Air Phys Con Cond:	Funct Util:
01/01	1,065	Bar/Lounge	10	Light Metal	Light Steel	Hot Air	1 Normal	Normal
02/02	4,570	Bar/Lounge	10	Light Metal	Light Steel	Hot Air	1 Normal	Normal
03/03	3,930	Bar/Lounge	10	Light Metal	Light Steel	Hot Air	1 Normal	Normal
03/03	480	Multi-Use	10	Light Metal	Light Steel	Hot Air	1 Normal	Normal

OTHER BUILDING AND YARD IMPROVEMENTS

Yard Structure:	Size/Amt:	Units:	Yr/Blt:	Condition:	Funct/Util:
Paving Asphalt Pk	12,000	01	05	Normal	Normal
Paving Concrete-Av	700	01	05	Normal	Normal

BUILDING OTHER FEATURES-ATTACHED IMPROVEMENTS

Qty:	Structure Code:	Size1:	Size2:	Qty:	Structure Code:	Size1:	Size2:
1	Enclosed Entry	120		1			

MANAGEMENT AGREEMENT

THIS MANAGEMENT AGREEMENT is made this 24 day of October, 2012, between DEBCO, Inc., whose address for all purposes herein is 3714 E. 16th Ave., Anchorage, Alaska 99508 hereinafter "Owner" and Logan Rammell, whose address for all purposes herein is for all purposes herein is 1130 Friendly Ln. Anchorage AK 99504 hereinafter "Manager".

WITNESSETH

WHEREAS, the Owner owns Beverage Dispensary Liquor License No. 561, hereinafter "liquor license", issued by the State of Alaska, Alcoholic Beverage Control Board, hereinafter "ABC Board"; and

WHEREAS, DEBCO and Logan Rammell have agreed to terms relative to the Owner hiring a manager to operate the Fantasies I located at 1911 E 5th Avenue, Anchorage, Alaska 99501 pending the sale of the business and transfer of the liquor license to the Manager; and

WHEREAS, in order for the Manager to be able to run the business on behalf of the Owner during the pendency of said transfer, the parties have chosen to enter into a management agreement; and

WHEREAS, the Manager are willing, on behalf of the Owner, to manage the Owner's business; and

WHEREAS, the Owner and the Manager have agreed to transfer day-to-day operational control to the Manager with the Owner retaining overall control and management of the liquor license; and

WHEREAS, all of the parties to this agreement have concluded that it is in the best interests of all concerned to execute a formal Management Agreement;

NOW THEREFORE, in consideration of the mutual covenants, conditions, and promises contained herein, the receipt and sufficiency of which is acknowledged by the parties thereto,

IT IS HEREBY AGREED as follows:

1. Recitals. The recitals hereinabove set forth are incorporated herein by reference for all purposes and this contract shall be construed accordingly.

2. Term. This agreement shall expire in one year from the date of execution or until the license transfer is complete whichever occurs first. This agreement cannot be extended unless extended by mutual agreement of the parties in writing.

3. Management of Business. The Manager shall begin service as Manager on October 25, 2012.

4. Compensation for Services. The Manager shall receive compensation in the amount of \$2,000 per month to manage the business. Payment shall be made on or before the tenth day of the next month immediately after the month within which the Management services have been provided.

- a) As required by Title 4, the Owner shall ultimately be responsible for the payment of all expenses of operation during the pendency of this agreement including, without limitation, employee's wages and salaries and the taxes and contributions associated therewith, real and personal property taxes, insurance, inventory purchases, and the repair or replacement of equipment, furnishings, and fixtures, to the end and extent necessary so as to preclude any liens or claims against the business and the Beverage Dispensary License.
- b) The Manager shall deposit daily all funds received from the operation of the business from the previous day into a bank account (operational account) established by the Owner during the term of this Contract. Carol and Logan Rammell are the designated representative(s) and shall be sole signatories on this account.
- c) The Manager shall account for and provide the necessary invoices, bills and accounts to permit the owner to pay for all business expenses from the income of the business. As such, the Manager shall account for all income received and all disbursements of money from the petty cash account.
- d) The Manager shall use and apply all money received in the operation of the business solely for business purposes. The Manager agrees to save, protect, defend and indemnify the Owner to the extent that the Manager fails to do so.
- e) Performance by the Manager of each and every performance and obligation set forth herein is a condition to the continued effectiveness of this Management Agreement.

5. Books and Records. The Manager agrees to keep and maintain a complete and accurate record of all income and expenses arising from the operation of the business and to make this information immediately available to the Owner upon request. The Manager shall place all funds received from

the operation of the business into a local bank account during the term of this agreement.

a) All expenses associated with the operation of the business shall be paid from this account. The Owner and the Manager shall be the signatories on this account.

6. Expenses. The Manager shall pay, from the bank account referred to above, all expenses of operation during the pendency of this agreement including, without limitation, employees wages and salaries and the taxes and contributions associated therewith, real and personal property taxes, sales taxes, public liability and property damage insurance, inventory purchases, and any other expenses imposed on the operation of the business.

a) The Manager shall account for all receipts and disbursements of money received and shall use and apply all money received in the operation of the business solely for business purposes. The Manager agree to save, protect, defend and indemnify the Owner to the extent that the Managers fail to do so.

b) In the event there are not sufficient funds necessary to conduct the operation of the business during the term of the Management Agreement, the Manager shall notify the Owner immediately. Any shortfall shall be the responsibility of the Owner and not the Manager.

7. Credit. During the pendency of this agreement, all purchases of inventory and other goods or services shall be paid for upon delivery of the goods or receipt of services rendered. No credit may be extended to the business without the express written consent of the Owner.

8. Responsibility for Conduct of the Licensed Premises. During the term of the Management Agreement the Manager shall operate the business in a lawful manner and shall not violate any of the rules or regulations of the Alcoholic Beverage Control Board or any local ordinances or statutes of the State of Alaska. Any violation of law or ordinance may, at the sole option and discretion of the Owner, result in the immediate termination of this Management Agreement. Manager shall report any violation of law or ABC Board regulation within 24 hours of the incident from which the violation arises.

9. Day-to-Day Operations. The Manager shall have full and complete control of the day-to-day operations of the business subject only to the direction and control of the Owner as required by Title 4 and the regulations of the ABC Board.

a) The Manager may hire and fire employees, change hours and methods of operation and do all things incident to the daily operation of the business, provided, however, the parties recognize that the provisions of Title 4 of Alaska Statutes require the Owner to be responsible for the overall management of the business. To that end, the Manager shall report to the Owner all material matters affecting the operation of the business and shall promptly respond to any inquiries made by the Owner concerning such business.

b) The Manager shall be responsible for its compliance and the compliance of its employees, agents, business visitors, and invitees with all the laws, ordinances, and regulations in connection with the operation of the business in order that the business shall be conducted in a lawful and safe manner so that no property damage or personal injury proximately results from such operation and in order that no violation of any law, ordinance or regulation occurs that would jeopardize the interest of the Owner in the Liquor license.

10. Applicable Law. This agreement shall be interpreted according to and governed by the laws of the State of Alaska.

11. Entire Agreement. This Management Agreement contains the entire agreement between the parties concerning the day-to-day management of the business. There are no other understandings, oral or written, which in any manner change or enlarge that which is set forth herein.

12. Non-Assignability. The Manager agree that the Managers have no power to assign any interest created by this agreement to any other party, provided, however, the Manager, may, without assigning away any of the Manager responsibilities, hire various individuals selected solely by the Manager, to fulfill the duties contemplated by this agreement. Any attempted assignment or delegation shall render this Management Agreement null and void and of no further force and effect.

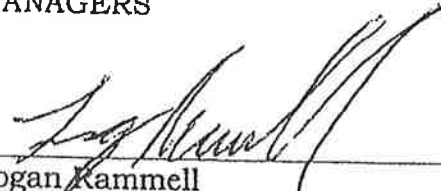
13. Document Preparation and Construction. This document was drafted by The Law Offices of Ernouf & Coffey, P.C. at the request of the Owner so as to permit the operation of the business by the Manager. The Manager acknowledge having been advised to secure their own counsel with regard to this Management Agreement.

14. Invalid Provisions. If any provision of this Management Agreement is prohibited or invalid under law in some part or under some circumstances, all other provisions herein shall otherwise remain in full force and effect.

15. Modification. There shall be no modification of this agreement unless the same be in writing signing by the parties hereto.

IN WITNESS WHEREOF, the parties have executed this Management Agreement the day and year first above written.

MANAGERS

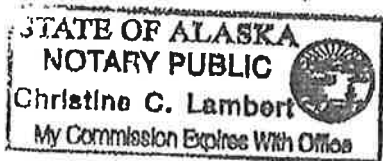


Logan Kammell

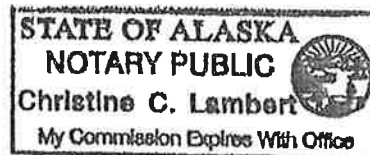
OWNER
Debco Inc.



By: Carol Hartman
Its: President



*C. Lambert 10-24-12
State of AK*



*C. Lambert 10-24-12
State of AK*

State of Alaska
Department of Commerce
Alcoholic Beverage Control Board
5848 E. Tudor Road
Anchorage, Alaska 99507
12890001

Resubmitted 10/24/12 [Signature]

MANAGEMENT AGMT

Case on file
w/ABC - Jerald Key
Carol

BUSINESS PROPERTY LEASE AGREEMENT

THIS AGREEMENT is made and entered into on this 1st day of November, 1998, between Kathy Hartman, hereinafter referred to "Landlord", and Decco, Inc. hereinafter referred to as "Tenants".

1.) **LEASE:** Landlord leases to tenants a three (3) story building, located in B-3 general business district, hereinafter referred to as "Premises", and located at 1911 E. 5th Avenue, including the use of all 4 lots for parking, etc. Legal description of the entire leased "premises" is: Fantasies Subdivision, Lot 1, and Fourth Addition, Block 26C, Lots 4, 5, & 6.

2.) **TERM:** The Premises are leased for a period of twenty (20) years, beginning November 1, 1998 and ending October 31, 2018.

3.) **RENT:** Tenants agrees to pay, without demand, to Landlord as rent for the term of said Premises, the sum of fifteen thousand, (\$ 15,000.00) per month, or seventy five hundred, (\$7,500.00) per corporation, each month while the lease is in force. Rent shall be due on the (5th) fifth day of each month (beginning November 5, 1998), and the first day of each month thereafter, until this lease terminates. All rent payments shall be made to Kathy Hartman at 333 M Street, #401, Anchorage, AK 99501.

4.) **LATE PENALTY:** Rent shall be deemed delinquent (10) ten days after the rent due date. Any rent which is delinquent shall carry a late charge of (2%) two percent of the total monthly rental amount, or (\$300.00), three hundred dollars. Such late charge shall be due and payable as additional rent.

5.) **INSPECTION and DISCLAIMER of WARRANTY:** Tenants has been offered, and has had an adequate opportunity to inspect the Premises, common areas, and all improvements. **THE PREMISES, COMMON AREAS, AND IMPROVEMENTS THEREON, ARE BEING LEASED "AS IS" IN THEIR PRESENT CONDITION AND STATE OF REPAIR, WITH NO EXPRESS OR IMPLIED REPRESENTATIONS, STATEMENTS, OR WARRANTIES BY THE LANDLORD AS TO PHYSICAL CONDITIONS, QUALITY OF CONSTRUCTION, WORKMANSHIP, STATE OF REPAIR, SAFETY OR**

FITNESS FOR ANY PARTICULAR PURPOSE, ALL OF WHICH ARE SPECIFICALLY DISCLAIMED.

6.) TENANT TO MAINTAIN PREMISES: Tenants shall :

- A.) Keep the Premises that tenant occupies and uses clean and safe;**
- B.) Dispose from tenants residence all rubbish, garbage and other waste in a clean and safe manner;**
- C.) Tenants shall maintain and test smoke detector devices, and/or carbon monoxide detector devices as required by A.S. 18.70.095.**
- D.) Conduct themselves and require other persons on the Premises to conduct themselves in manner that will not unreasonably disturb Tenants neighbors peaceful enjoyment of the Premises.**

7.) USE OF PREMISES: Said premises shall be used and occupied by Tenants as a business. Tenants shall comply with all State of Alaska laws, sanitary laws, ordinances, rules, and restrictions of appropriate governmental authorities affecting the cleanliness, occupancy, and preservation of said Premises during the term of this agreement.

8.) ASSIGNMENT and SUBLETTING: Without the prior written consent of Landlord, Tenants shall not assign this agreement, or sublet or grant any concession or license to use the Premises or any part thereof. An assignment, subletting, concession, or license without the prior written consent of the Landlord shall be void and shall, at Landlord's option, terminate this agreement.

9.) ALTERATIONS and IMPROVEMENTS: Tenants shall make no alterations to the building, surrounding premises, and/or the interior of said Premises without prior written consent of Landlord. Any alterations permitted by Landlord shall be performed and completed in a workmanlike manner and in compliance with all applicable building and zoning codes. Diagrammed plans of any remodeling or alterations shall be submitted by Tenants for Landlord's consideration as to whether consent may be granted. All alterations, changes, and improvements built, constructed, or placed on the Premises by the Tenants, with the exception of movable personal property, shall unless otherwise provided by written agreement

between Landlord and remain on the Premises at the expiration or sooner termination of this agreement.

10.) **RENT and UTILITIES:** Utilities which include gas, water, garbage, and electric shall be paid for by the Tenant, however. Tenants shall be solely responsible for utilities that include telephone and cable television. These will be the sole responsibility of the Tenants. The Landlord is not liable for any telephone or cable television charges incurred by the Tenants.

11.) **RIGHT of INSPECTION:** Landlord, or Landlord's agents, shall have the right at all reasonable times during the term of this agreement to enter the said Premises, upon a 24-hours' advance notice to Tenants, for the purpose of inspecting the Premises, and all improvements thereon or to show the premises to prospective tenants or buyers. Landlord may enter said Premises in lieu of 24-hours' advance notice if Landlord deems an emergency requires immediate entry.

12.) **FIRE or CASUALTY DAMAGE to RESIDENCE:** If the Premises are damaged or destroyed by fire or casualty to the extent that the enjoyment of the Premises is substantially impaired and it is untenable, then the Tenant shall:

A. Immediately vacate the Premises and notify Landlord of his intention to terminate the lease agreement, in which case this agreement terminates as of the date of vacating.

B. If continued occupancy is lawful, and the Tenants desire to continue in such occupancy, then Tenants may vacate the part of Premises rendered unusable by the fire or casualty, in which case Tenants' liability for rent is reduced in proportion to the diminution in the fair rental value of the Premises. However, under no circumstances shall Landlord be required to rebuild and/or repair the Premises surrounding if such are destroyed in part by fire or casualty.

C. Tenants shall hold Landlord harmless for any loss Tenants may incur as a result of theft, fire, flood, or such other casualty. Tenants may acquire such insurance at Tenants' expense to protect against said loss.

13.) **HOLD HARMLESS:** As a material part of considerations rendered herein Tenants agrees that Landlord may not be held answerable or accountable to anyone

for or on account of any injury or injuries sustained, or for any loss or damage incurred, to person or property in, upon, or about the Premises, or any part thereof, during the terms of this lease. Tenants as a material part of the consideration to be rendered to Landlord, waives all claims against Landlord for damages to goods in, upon, or about the Premises, and for injuries to persons in or about said Premises, arising at any time for any cause and Tenants shall indemnify, defend and hold Landlord exempt and harmless from any claims or lawsuits for damage to property or injury to or death of any persons permitted by Tenants to be on or about said Premises.

14.) DEFAULT by TENANTS: Time is of the essence. The Tenants' default or breach of this agreement shall be deemed to have occurred in the event that one of the following conditions occur:

- A. Failure to make any monthly payment as hereinabove for a period in excess of thirty (30) days after the same is due;
- B. Failure to perform any other obligation or condition required to be performed for a period of ten (10) days after service on Tenants of a notice spelling out the specific performance or condition required to be remedied, and Tenants fails to take steps in good faith to properly rectify and remedy the condition or complete the required performance; and,
- C. The vacation or abandonment of the Premises by Tenants prior to termination of the lease.

15.) LANDLORDS DEFAULT REMEDIES: In the event default has occurred, the following rights and remedies in addition to those provided by statute or otherwise, are available to Landlord, to wit:

- A. The re-entry of the Premises at Tenants' costs, and without responsibility for loss or damage;
- B. The rights to declare the lease term to have ended;
- C. The right to re-rent the Premises for any sum which may be deemed the best available rental rate;
- D. The right to declare all rent due and owing in accordance with the

amount set forth in Paragraph 3 above and the same shall be immediately due and payable;

E. the right to recover damages against the Tenants in accordance with the following;

- i. The cost of performing Tenants' obligations pursuant to the lease agreement;
- ii. The amount equal to the total due under this lease agreement pursuant to Paragraph 3, less payments made by Tenants or rent received by reason of Landlord's re-letting the leased Premises;
- iii. Interest at the rate of (6%) six percent per annum from the date damage was incurred, or rental payments became due;
- iv. Actual attorney's fees and costs computed in accordance with reasonable hourly rates and charges prevailing in the community.

16.) WATER PIPE FREEZE-UP: Tenants shall exercise best efforts, and at Tenants' sole expense, to prevent all domestic water systems and pipes within the Premises from freezing. Tenants shall take whatever precautions are necessary to assure that the freeze-up and breakage of the water pipes does not occur. Tenants shall be responsible for all damage incurred to the Premises as a result of the freeze-up and breakage of water pipes within or on the Premises that occur through the Tenants' own negligence.

17.) TERMINATION of LEASE: On termination of this lease, whether by breach or expiration of it's term, Tenants agrees that Tenants will vacate and depart the Premises leaving them in as good of condition and state of repair as when possession was taken, except as to ordinary wear and tear. Upon termination and the Tenants vacating the Premises, any carpeting or flooring, lighting fixtures, wall paneling, and other permanent fixtures or improvements which may have been installed by Tenants or at Tenants' direction become the property of Landlord without cost or expense to Landlord except as may otherwise be expressly provided herein. Tenants agrees to have the carpets cleaned by a professional carpet cleaner upon vacating the unit. Tenants will supply Landlord with a receipt as proof of said cleaning.

18.) **LEIN INDEMNIFICATION:** Tenants shall not allow the Premises to become subject to any lien, charge, or encumbrance as result of Tenants' acts or neglect, and Tenants shall indemnify Landlord against any such liens, charges or encumbrances.

19.) **NOTICE:** Any notice, request or other communication required or permitted to be given under this agreement shall be deemed properly given or made when mailed by registered or certified mail in the ordinary course, postage prepaid, if addressed as follows:

Landlord: Kathy Hartman

333 M Street, #401

Anchorage, AK 99501

Tenants: Debco, Inc., dba: Club Elixir and Fantasies on 5th

1911 E. 5th Avenue

Anchorage, Alaska 99501

20.) **ENTIRE AGREEMENT:** This agreement sets forth all the covenants, promises, agreements, conditions and understandings between the parties hereto, and there are no covenants, promises, agreements, conditions or understandings, either oral or written, between them other than as herein set forth. Except as herein otherwise expressly provided, no contemporaneous or subsequent agreement, understanding, alteration, amendment, change or addition to this agreement shall be binding upon the parties hereto unless reduced to writing and signed by both parties. This agreement constitutes a final, complete, and exclusive statement of the agreement between the parties.

Dated this 1st day of November, 1998.

LANDLORD:

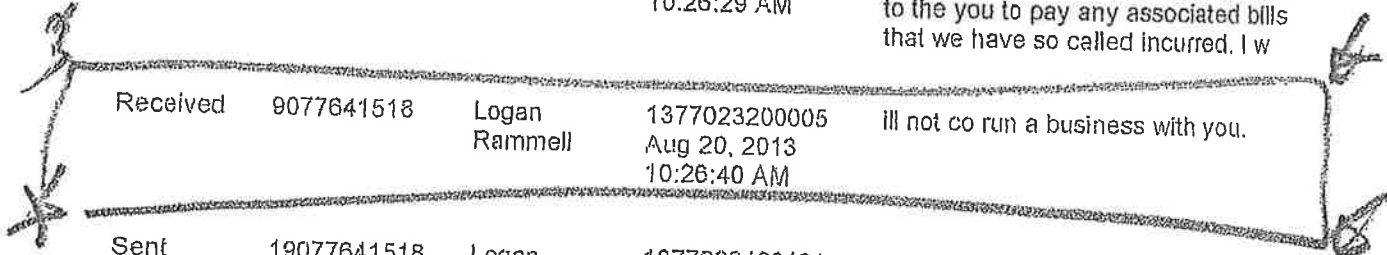
By Kathy Hartman

TENANT:

By Carol Hartman
Debco, Inc. Sec/Treas
Sands North, Inc. Sec/Treas

Received	9077641518	Logan Rammell	1376679693389 Aug 16, 2013 11:01:33 AM	So meet you at 3 still
Sent	19077641518	Logan Rammell	1376679733224 Aug 16, 2013 11:02:13 AM	K
Received	9077641518	Logan Rammell	1376694629020 Aug 16, 2013 3:10:29 PM	Sorry wasnt watching my phone Andrea is running behind she can't make it till 3:30
Received	9077641518	Logan Rammell	1376694659424 Aug 16, 2013 3:10:59 PM	If you need to leave can you leave the checks on the bar or with bill
Sent	19077641518	Logan Rammell	1376694707973 Aug 16, 2013 3:11:47 PM	K....will wait...
Sent	19077641518	Logan Rammell	1376945142826 Aug 19, 2013 12:45:42 PM	Please tell Andrea that effective immedatately I will be handling all cash deposits..etc. I will make bank each night also..
Sent	19077641518	Logan Rammell	1377020658154 Aug 20, 2013 9:44:18 AM	Please tell me where safe monies went...safe is empty...will have to notify police if I do not hear from you.
Received	9077641518	Logan Rammell	1377022236905 Aug 20, 2013 10:10:36 AM	I'm done as of last night, i told kathy i was done via a phone call last night ill be on the next available flight back to anchorage. It was my money th
Received	9077641518	Logan Rammell	1377022239374 Aug 20, 2013 10:10:39 AM	at was the operating cash down stairs and you will not be using it any more. I need the one missing day of money accounted for so I can have a book keep
Received	9077641518	Logan Rammell	1377022242407 Aug 20, 2013 10:10:42 AM	er take do the books for the last week
Sent	19077641518	Logan	1377022348280 Aug 20, 2013	Where is Kathy monies from the last week..you said it was on your safe at

		Rammell	10:12:28 AM	home..
Received	9077641518	Logan Rammell	1377023159002 Aug 20, 2013 10:25:59 AM	You need to get a management agreement completed and signed or figure out what your doing today so you can legally run the bussiness under fantasies llc
Received	9077641518	Logan Rammell	1377023169241 Aug 20, 2013 10:26:09 AM	instead of club vega because we are not going to operate a business like this any more , you still have not set up payroll to pay the employees like you
Received	9077641518	Logan Rammell	1377023180619 Aug 20, 2013 10:26:20 AM	need to or anything. The dailies from my operations are in my safe and I told you that we take them home and put them in the safe everynight. Employees
Received	9077641518	Logan Rammell	1377023189889 Aug 20, 2013 10:26:29 AM	will be paid, my starting money will be pulled and all other cash can go back to the you to pay any associated bills that we have so called incurred. I w
Received	9077641518	Logan Rammell	1377023200005 Aug 20, 2013 10:26:40 AM	Ill not co run a business with you.
Sent	19077641518	Logan Rammell	1377023468121 Aug 20, 2013 10:31:08 AM	As long as you have the daily receipts and time sheets and employee records to give me .. along with Kat's money...we are OK..
Received	9077641518	Logan Rammell	1377025084173 Aug 20, 2013 10:58:04 AM	I'm fine, im not trying to too start world war three here, im just letting you know where the bear shits in the woods. I'm not going to be bullied and t
Received	9077641518	Logan Rammell	1377025094474 Aug 20, 2013 10:58:14 AM	old what I'm going to do or how my money is going to be used you've been helping for acouple days and half the people I depend on are already bailing cau



Received 9077641518 Logan Rammell 1377025104684 Aug 20, 2013 10:58:24 AM se they think your what they are going have to deal with if I don't stick around. And at this point I don't see us coming to any kind of an agreement to

Received 9077641518 Logan Rammell 1377025114907 Aug 20, 2013 10:58:34 AM where the club would be worth purchasing or running. Try and run things by yourself and see where that gets ya but I can't waist my energy, time or peopl

Received 9077641518 Logan Rammell 1377025125688 Aug 20, 2013 10:58:45 AM e on your non sense for no money or reward just to be a nice guy at the end of the day. I have staped way past the line of duty for you guys at this poin

Received 9077641518 Logan Rammell 1377025135236 Aug 20, 2013 10:58:55 AM t and I can't continue to do it, Just to be treated like I'm the enemy at the end of the day.

Received 9077641518 Logan Rammell 1377046173795 Aug 20, 2013 4:49:33 PM Talked to Brian there is really no need for me to deal with coming back tonight, get your agreement and sign off on all responsibilities so I can wash my

Received 9077641518 Logan Rammell 1377046182953 Aug 20, 2013 4:49:42 PM hands of this

Received 9077641518 Logan Rammell 1377668629499 Aug 27, 2013 9:43:49 PM Was she good

Received 9077641518 Logan Rammell 1377709679141 Aug 28, 2013 9:07:59 AM I hope everything was all right last night?

Sent 9077641518 Logan Rammell 1377709906314 Aug 28, 2013 9:11:46 AM Yes...everything OK...turned phone off and went to sleep..let me know when you are back..can you have someone bring money and paperwork from your house to club in meantime?

June 19, 2012

Dear Carol, Marco, and Armando:

Effective immediately, the ownership of Fantasy's on 5th, and Club Elinor, are being taken back in control and ownership by myself.

Because of your failure to make the required payments to me, since December of 2011, I am required to make this difficult decision.

Because of the amount of money owed to me and others, I will be seriously looking to sell the business and property (hopefully at a profit). In doing so, I will try and give you an opportunity to possibly regain ownership. However, that decision rests entirely on your performance in the next 2 months.

Whether you are able to retain the business, or it has to be sold, one way or the other, the building and all aspects of the business need to be brought up to par, so it is at it's maximum value. During the interim your assistance will be greatly appreciated. Also, there will be no decisions or obligations made without my prior approval. I am putting Gene Graves in charge of all aspects of the business, directly under me. You will answer to him as if he were me.

I am very sorry it has come to this, but you have left me no alternative.

Sincerely,

Kathy Hartman

RECEIVED

OCT 1 2012

THE TOWN OF
ADMINISTRATION

June 19, 2012

Dear Carol, Marco, and Armando:

Effective immediately, the ownership of Fantasy's on 5th, and Club Elixir, are being taken back in control and ownership by myself.

Because of your failure to make the required payments to me, since December of 2011, I am required to make this difficult decision.

Because of the amount of money owed to me and others, I will be seriously looking to sell the business and property (hopefully at a profit). In doing so, I will try and give you an opportunity to possibly regain ownership. However, that decision rests entirely on your performance in the next 2 months.

Whether you are able to retain the business, or it has to be sold, one way or the other, the building and all aspects of the business need to be brought up to par, so it is at it's maximum value. During the interim your assistance will be greatly appreciated. Also, there will be no decisions or obligations made without my prior approval. I am putting Gene Greaves in charge of all aspects of the business, directly under me. You will answer to him as if he were me.

I am very sorry it has come to this, but you have left me no alternative.

Sincerely,



Cathy Harrison

RECEIVED

OCT 1 2012

4 10 10 10 10 10 10 10 10 10

September 28, 2012

RECEIVED

OCT 1 2012

WAGE & HOUR
ADMINISTRATION

State of Alaska
Department of Labor & Workforce Development
1251 Muldoon Road, Suite 113
Anchorage, AK 99504-2098

RE: PROCHASKA, C.V. DEBCO, INC. A0812-124D
 HERREJON, J.V. DEBCO, INC. A08912-131D

Dear Donna Nass:

I am writing this letter in response to the letters I received yesterday regarding wages owed to Juan Herrejon (dated 9/21/12) and Cody Prochaska (dated 9/24/12). I called your office at 12:50 pm today and was told you are out until Monday, October 1, 2012 so I left a message. Enclosed please find a copy of the letter given to me by Kathy Hartman on June 19, 2012. It states that **“Effective immediately, the ownership of Fantasy’s on 5th, and Club Elixir, are being taken back in control and ownership by myself”,** as well as **“Also, there will be no decisions or obligations made without my prior approval. I am putting Gene Greaves in charge of all aspects of the business, directly under me. You will answer to him as if he were me”.**

I, Carol Hartman, was told I no longer had any authority, and was now considered just another employee. Due to harsh words, and constantly being told I was “stupid”, I chose to only come into the office when absolutely to maintain the business records. This also became too much to bear, so I avoided the premise as much as possible. On June 18, 2012 I had already done the paychecks for the pay period of 6/4 through 6/17/12. Our payroll is bi-weekly and payable every other Monday. Kathy Hartman ordered my son, Armando Gonzalez to come into the office and make out the payroll checks for the pay period of 6/18 through 7/1/2012, payable on 7/2/2012, which he did, and then left the office. Kathy Hartman used my signature stamp to sign the payroll checks, **without my permission.** There had been a key-pad lock installed on the office door to keep us out. On Thursday, July 12, 2012, Kathy Hartman and Gene Greaves walked out and sent me a text message saying “It’s all yours to do or die. Office door is 00000”. At that point I had no choice to return to the office and try to catch up the bookwork from the previous weeks. I found 3three manila envelopes full of VISA/ATM slips and shift reports, none of which had been entered into the books, or the computer. Upon returning to the office I also found that the combinations to the safe had all been changed, and when I got them from Kathy, I found that her and Gene had taken all of the cash money they had accumulated from running the businesses for the previous weeks, and the only deposits made to the Debco, Inc. account at Wells Fargo Bank were the direct deposits from the VISA/ATM charges during that period. I used that money, plus what we were able to gain in income over the next 2 weeks to pay the past due payroll taxes and file the 2nd

quarter reports as well as make out the payroll checks for the pay period from 7/2 through 7/15/2012, even though I was only there for 3 days of that pay period (7/12-7/15). I also made out the checks for the next pay period of 7/16 through 7/29/2012 that were payable on 7/30/2012. On the night of 8/2/2012 I received an email from Kathy Hartman's attorney stating that she was again returning to take possession of the property, building, and businesses. At that time she changed the locks on the main entry door so I my sons and I could no longer gain access to the building, let alone the office. Kathy and Gene also started Fantasies on 5th Avenue, LLC on August 5th, but were using my liquor license to continue running the business until the ABC Board went in and removed the license and closed the business down. It is my understanding that she fired some employees (Cody and Juan among them), and told all of the employees that remained that they would all now be paid only minimum wage, or \$7.75 per hour. Shortly after taking over on 6/19/2012 Kathy and Gene held a meeting with all employees, and informed all of the dancers that they would need to sign a new contract that designated them as "Tenant/Entertainers" from now on, and that they would be paying nightly "rent" and would no longer receive paychecks. She copied a contract used by Sin Rock, and implemented it at Fantasies.

I do not feel as though I should have been responsible for any of the payroll, bills, taxes, etc. after her letter dated June 19, 2012. However, I did make out the payroll when I had access to the office as it was not fair to the employees to not be paid. All of the payroll taxes for the month of July remain unpaid at this time. I have also written a letter to the IRS explaining the situation. I guess I need clarification on whether I am responsible for paying the employees from 7/30/2012 through 8/2/2012 when Kathy Hartman returned and fired employees an reduced their wages. I have no idea if she even did a payroll on August 13th or any pay periods after that, or if she just gave people cash for their hours. I am totally perplexed by this entire situation, and am not sure how to proceed. Please feel free to call me at 229-4839 at any time in regards to this matter. The bank account has been closed as there were no funds available.

Thank you,

Carol Hartman

Carol Hartman

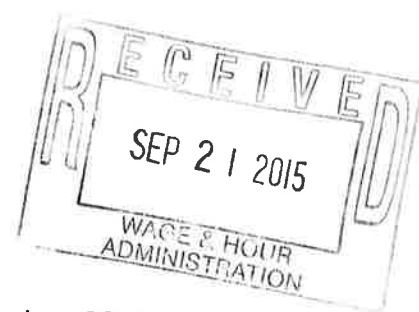
PS; I have not seen time cards, etc. as I am not allowed in the building. Thanks, Carol

RECEIVED

OCT 1 2012

WAGE & HOUR
ADMINISTRATION

MANAGEMENT AGREEMENT



THIS MANAGEMENT AGREEMENT is made this 26 day of November, 2014, between Fantasies on 5th Avenue LLC, whose address for all purposes herein is 1911 E.5th Avenue, Anchorage, Alaska 99501, hereinafter "Owner" and Yana Andreychuk whose address for all purposes herein is 905 Richardson Vista Road, #83, Anchorage, Alaska 99501, hereinafter "Manager".

WITNESSETH

WHEREAS, the Owner owns Beverage Dispensary License No. 1178, hereinafter "liquor license", issued by the State of Alaska, Alcoholic Beverage Control Board, hereinafter "ABC Board"; and

WHEREAS, Fantasies on 5th Avenue LLC and Yana Andreychuk have agreed to terms relative to the Owner hiring a manager to operate Fantasies located at 1911 E. 5th Avenue, Anchorage, Alaska 99501 pending the sale of the business and transfer of the liquor license to the Manager; and

WHEREAS, in order for the Manager to be able to run the business on behalf of the Owner during the pendency of said transfer, the parties have chose to enter into a management agreement; and

WHEREAS, the Manager is willing, on behalf of the Owner, to manage the Owner's business; and

WHEREAS, the Owner and the Manager have agree to transfer day-to-day operational control to the Manager with the Owner retaining overall control and management of the liquor license; and

WHEREAS, all of the parties to this agreement have concluded that it is the best interests of all concerned to execute a formal Management Agreement;

NOW THEREFORE, in consideration of the mutual covenants, conditions, and promises contained herein, the receipt and sufficiency of which is acknowledged by the parties thereto,

IT IS HEREBY AGREED as follows:

1. Recitals. The recitals hereinabove set forth are incorporated herein by reference for all purposes and this contract shall be construed accordingly.



2. Term. This agreement shall expire in six months from the date of execution or until the license transfer is complete whichever occurs first. This agreement cannot be extended unless extended by mutual agreement of the parties in writing. This agreement may be terminated by either party, without cause, by giving two weeks written notice.

3. Management of Business. The Manager shall begin service as Manager on January 1, 2015. This agreement shall apply only to the first and second floors of the building located at 1911 E.5th Avenue, Anchorage, Alaska 99501.

4. Compensation for Services. The Manager shall receive compensation in the amount of \$2,000.00 per month to manage the business. Payment shall be made on or before the tenth day of the next month immediately after the month within which the Management services have been provided.

- a) As required by Title 4, the Owner shall ultimately be responsible for the payment of all expenses of operation during the pendency of this agreement including, without limitation, employee's wages and salaries and the taxes and contributions associated therewith, real and personal property taxes, insurance, inventory purchases, and the repair and replacement of equipment, furnishings, and fixtures, to the end and extent necessary so as to preclude any liens or claims against the business and the Beverage Dispensary License.
- b) The Manager shall deposit daily all funds received from the operation of the business from the previous day into a bank account (operational account) established by the Owner during the term of this Contract. Yana Andreychuk and Gene Greaves are the designated representative(s) and shall be sole signatories on this account.
- c) The Manager shall account for and provide the necessary invoices, bills and accounts to permit the owner to pay for all business expenses from the income of the business. As such, the Manager shall account for all income received and all disbursements of money from the petty cash account.
- d) The Manager shall use and apply all money received in the operation of the business solely for business purposes. The Manager agrees to save, protect, defend and indemnify the Owner to the extent that the Manager fails to do so.
- e) As an added incentive for the Manager, where the daily gross revenue exceeds two thousand dollars, the Manager shall receive seventy per cent of that amount above two thousand dollars, and the Owner shall receive thirty per cent of that amount over two thousand

dollars. This shall apply for each and every day over said amount. This bonus shall be paid on or before the tenth of the month (see section 4 above). It is understood that these extra monies will only be paid after all other expenses are paid (section 6 above).

f) Performance by the Manager of each and every performance and obligation set forth herein is a condition to the continued effectiveness of this Management Agreement.

5. Books and Records. The Manager agrees to keep and maintain a complete and accurate record of all income and expenses arising from the operation of the business and to make this information immediately available to the Owner upon request. The Manager shall place all funds received from the operation of the business into a local bank account during the term of this agreement.

a) All expenses associated with the operation of the business shall be paid from this account. The Owner and the Manager shall be the signatories on this account.

6. Expenses. The Manager shall pay, from the bank account referred to above, all expenses of operation during the pendency of this agreement, including, without limitation, employees wages and salaries and the taxes and contributions associated therewith, real and personal property taxes, sales taxes, public liability and property damage insurance, inventory purchases, and any other expenses imposed on the operation of the business.

a) The Manager shall account for all receipts and disbursements of money received and shall use and apply all money received in the operation of the business solely for business purposes. The Manager agrees to save, protect, defend and indemnify the Owner to the extent that the Manager fails to do so.

b) In the event there are not sufficient funds necessary to conduct the operation of the business during the term of the Management Agreement, the Manager shall notify the Owner immediately. Any shortfall shall be the responsibility of the Owner and not the Manager.

7. Credit. During the pendency of this agreement, all purchases of inventory and other goods or services shall be paid for upon delivery of the goods or receipt of services rendered. No credit may be extended to the business without the express written consent of the Owner.



8. Responsibility for Conduct of the Licensed Premises. During the term of the Management Agreement the Manager shall operate the business in a lawful manner and shall not violate any of the rules or regulations of the Alcoholic Beverage Control Board or any local ordinances or statutes of the State of Alaska. Any violation of law or ordinance may, at the sole option and discretion of the Owner, result in the immediate termination of this Management Agreement. Manager shall report any violation of law or ABC Board regulation within 24 hours of the incident from which the violation arises, to the Owner.

9. Day-to-Day Operations. The Manager shall have full and complete control of the day-to-day operations of the business subject only to the direction and control of the Owner as required by Title 4 and the regulations of the ABC Board.

- a) The Manager may hire and fire employees, change hours and methods of operation and do all things incident to the daily operation of the business, provided, however, the parties recognize that the provisions of Title 4 of Alaska Statutes require the Owner to be responsible for the overall management of the business. To that end, the Manager shall report to the Owner all material matters affecting the operation of the business and shall promptly respond to any inquiries made by the Owner concerning such business.
- b) The Manager shall be responsible for its compliance and the compliance of its employees, agents, business visitors, and invitees with all the laws, ordinances, and regulations in connection with the operation of the business in order that the business shall be conducted in a lawful and safe manner so that no property damage or personal injury proximately results from such operation and in order that no violation of any law, ordinance or regulation occurs that would jeopardize the interest of the Owner in the liquor license.



10. Applicable Law. This agreement shall be interpreted according to and governed by the laws of the State of Alaska.

11. Entire Agreement. This Management Agreement contains the entire agreement between the parties concerning the day-to-day management of the business. There are no other understandings, oral or written, which in any manner change or enlarge that which is set forth herein.

12. Non-Assignability. The Manager agrees that the Manager has no power to assign any interest created by this agreement to any other party, provided, however, the Manager, may, without assigning away any of the Manager responsibilities, hire various individuals selected solely by the Manager, to fulfill the duties contemplated by this agreement. Any attempted assignment or delegation shall render this Management Agreement null and void and of no further force and effect.
13. Document Preparation and Construction. This document was drafted by both parties.
14. Invalid Provisions. If any provision of this Management Agreement is prohibited or invalid under the law in some part or under some circumstances, all other provisions herein shall otherwise remain in full force and effect.
15. Modification. There shall be no modification of this agreement unless the same is in writing signed by the parties hereto.


IN WITNESS WHEREOF, the parties have executed this Management Agreement the day and year first above written.


MANAGER



 Yana Andreychuk

OWNER




 Gene Greaves, under POA 
 for Travis Gravelle



STATE OF ALASKA)
) ss.
 FIRST JUDICIAL DISTRICT)

SUBSCRIBED AND SWORN to before me at Anchorage, Alaska, this 26th day of November, 2014.



 Notary Public in and for Alaska
 My Commission Expires: 10-15-15

Joe,
Please fill-out
Thanks,
Steve

SEP 21 2015
WAGE & HOUR
ADMINISTRATION



January 6, 2016

Cynthia Franklin
Director, ABC Board
550 W.7th Avenue, Ste. 1600
Anchorage, AK 99501

Re: Letter December 31, 2015

Dear Ms. Franklin:

Please be advised that there is no change in ownership of Fantasies on 5th license.

I had been out of town when the license renewal was completed by a friend. He obviously made an error in the renewal application. Again, there are no changes to Fantasies on 5th license.

If you need anything further, please don't hesitate to contact me. Thank you.

Sincerely,

Jan 6 2016

Travis Gravelle

JAN 6 '16 PM 4:20

Thibodeaux, Christina N (CED)

From: Thibodeaux, Christina N (CED)
Sent: Thursday, January 07, 2016 9:46 AM
To: 'erinyes11@gmail.com'
Subject: Request for Documentation

Hello Mr. Gravelle,

We received the fax yesterday in response to the letter sent out by the director, Cynthia Franklin requesting documentation relating to the ownership of the liquor license for Fantasies on 5th license #1078. We still need the documentation that was requested in the letter;

1. Proof of bank signatories and all changes thereto since 2012.
2. The current Operating Agreement of the LLC and all changes thereto since 2012.

Thank you,

Christina Thibodeaux

Business Registration Examiner | Dept. of Commerce, Community and Economic Development | Alcoholic Beverage and Marijuana Control Board
550 W. 7th Ave. Ste. 1600 Anchorage, AK 99501 | 907.754.3588 | fax 907.334.2285

 Please consider the environment before printing this e-mail.

Less paper is better for us and our environment.

563-0043



THE STATE
of **ALASKA**

GOVERNOR BILL WALKER

Department of Commerce, Community,
and Economic Development

ALCOHOLIC BEVERAGE CONTROL BOARD

550 W. 7th Avenue, Ste 1600
Anchorage, Alaska 99501
Main: 907.269.0350
TDD: 907.465.5437
Fax: 907.334.2285

December 31, 2015

Travis Gravelle
Fantasies on 5th, LLC
1911 E. 5th Avenue
Anchorage, Alaska 99501

Re: Request for Documentation

Dear Mr. Gravelle:

I am in receipt of your application for the renewal of the Fantasies on 5th license. I am confused by the application. Has the ownership of Fantasies transferred from an LLC to a sole proprietorship? You filled out both sections of the application. If you are transferring the license to yourself as a sole proprietor, you need to complete a transfer application.

Please provide the following documentation relating to the ownership of the liquor license within two weeks:

1. Proof of bank signatories and all changes thereto since 2012.
2. The current Operating Agreement of the LLC and all changes thereto since 2012.

Thank you for your prompt cooperation with this request.

Sincerely,

A handwritten signature in blue ink, appearing to read "C. Franklin".

Cynthia Franklin
Director, ABC Board

cc: License File

Renewal Liquor License 2016/2017

License is: Full Year OR Seasonal If seasonal, list dates of operation: _____

SECTION A - LICENSE INFORMATION		
License Number: 1078	License Type: Beverage Dispensary	Statute Reference: Sec. 04.11.090
Local Governing Body: Anchorage, Mun. of Other(Anch,Sit,Ino,Com.Car,WA)	Community Council (if applicable): <i>Mountain View</i>	
Name of Licensee: Fantasies on 5th Avenue, LLC	Doing Business As (DBA): Fantasies on 5th	
Mailing Address: <i>1911 E. 5th Ave. Anchorage, AK 99501</i>	Street Address or Location of Premises: 1911 East 5th Avenue	
Phone: <i>907-563-0042</i>	Fax: <i>907-563-0043</i>	Email: <i>erinyes11@gmail.com</i>

SECTION B – OWNERSHIP INFORMATION – CORPORATION (if owner is a sole proprietor, skip to SECTION C)				
<i>Corporations, LLCs, LLPs and LPs must be registered with the Alaska Division of Corporations.</i>				
Name of Entity (Corporation/LLC/LLP/LP): Fantasies on 5th Avenue, LLC				
Is the Entity in "Good Standing" with the Alaska Division of Corporations? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If no, attach written explanation. Your entity must be in compliance with Title 10 of the Alaska Statutes to be a valid liquor licensee.				
Entity Members (Must include President, Secretary, Treasurer, Vice-President, Manager and Shareholder/Member with 10% or more of stock)				
Name	Title	%	Mailing Address	Telephone Number
<i>Travis Gravelle</i>	<i>Owner</i>	<i>100</i>	<i>1911 E. 5th Ave., Anchorage, AK 99501</i>	<i>907-563-0042</i>
NOTE: If you need additional space, please attach a separate sheet.				

COPY

DEC 1 '15 PM 3:10

SECTION C – OWNERSHIP INFORMATION – SOLE PROPRIETORSHIP (INDIVIDUAL OWNER & SPOUSE)

Individual Licensees/Affiliates (The ABC Board defines an "affiliate" as the spouse or significant other of a licensee. Each affiliate must be listed.)

Name: Travis Gravelle Address: 1911 E. 5th Ave. Anchorage, AK 99501 Phone: 907-563-0042	Applicant <input checked="" type="checkbox"/> Affiliate <input type="checkbox"/> Date of Birth: 6-10-67	Name: Address: Phone:	Applicant <input type="checkbox"/> Affiliate <input type="checkbox"/> Date of Birth:
Name: Address: Phone:	Applicant <input type="checkbox"/> Affiliate <input type="checkbox"/> Date of Birth:	Name: Address: Phone:	Applicant <input type="checkbox"/> Affiliate <input type="checkbox"/> Date of Birth:

SECTION D – SUPPLEMENTAL QUESTIONS

Was your business open at least 30 days for 8 hours each day in 2014? Yes No

Was your business open at least 30 days for 8 hours each day in 2015? Yes No

Has any person named in this application been convicted of a felony or Title 4 violation?
 If yes, attach a written explanation. Yes No

Has the licensed premises changed from the last diagram submitted?
 If yes, attach a new diagram with designated premises areas outlined in red. Yes No

DECLARATION

- I declare under penalty of perjury that I have examined this application, including the accompanying schedules and statements, and to the best of my knowledge and belief it is true, correct, and complete.
- I hereby certify that there have been no changes in officers or stockholders that have not been reported to the Alcoholic Beverage Control Board. The undersigned certifies on behalf of the organized entity, it is understood that a misrepresentation of fact is cause for rejection of this application or revocation of any license issued.
- I further certify that I have read and am familiar with Title 4 of the Alaska statutes and its regulations, and that in accordance with AS 04.11.450, no person other than the licensee(s) has any direct or indirect financial interest in the licensed business.
- I agree to provide all information required by the Alcoholic Beverage Control Board in support of this application.
- As a licensee (sole proprietor or partner), I certify that I have received Alaska alcohol server training and my certification is currently valid.
- As a corporate/LLC licensee, I certify that all agents and employees who serve, sell, or are otherwise responsible for the service, sale, or storage of alcoholic beverages have received Alaska alcohol server training and their certification is currently valid. I further certify that certain shareholders, officers, directors, or members of the entity who are not directly or indirectly responsible for the service, sale, or storage of alcoholic beverages are not Alaska alcohol server training certified and will not be required to be certified.
- As a licensee, I certify that all of my agents and employees tasked with patron identification verification have received alcohol server training and their certification is currently valid.

License Fee	\$ 2500.00
Filing Fee	\$ 200.00
TOTAL	\$ 2700.00
Late Fee of \$500.00 – if received or postmarked after 12/31/2015	\$
Fingerprint Fee – \$49.75 per person (only for new owners/members)	\$
GRAND TOTAL	\$ 2700.00

✓ 1/31/37

Licensee Signature 	Printed Name & Title: Travis Gravelle, Owner
Notary Signature 	Subscribed and sworn to before me this 30 day of November 2015 My commission expires: May 01, 2016

Notary Public
ANNIE D. JETER
 State of Alaska
 My Commission Expires May 1, 2016

Division of Corporations, Business and Professional Licensing

Name(s)

Type	Name
Legal Name	Fantasies on 5th Avenue LLC

Entity Details

Entity Type: Limited Liability Company

Entity #: 10006543

Status: Good Standing

AK Formed Date: 8/5/2012

Duration/Expiration: Perpetual

Home State: ALASKA

Next Biennial Report Due: 1/2/2016 File Biennial Report

Entity Mailing Address: 1911 E. 5TH AVE., ANCHORAGE, AK 99501

Entity Physical Address: 1911 E. 5TH AVE., ANCHORAGE, AK 99501

Registered Agent

Agent Name: Eugene Greaves

Registered Mailing Address: 1911 E.5TH AVE., ANCHORAGE , AK 99501

Registered Physical Address: 1911 E. 5TH AVE., ANCHORAGE , AK 99501

Officials

AK Entity#	Name	Titles	Percent Owned
	Travis Gravelle	Member	100

Filed Documents

Date Filed	Type	Filing	Certificate
8/5/2012	Creation Filing		
8/5/2012	Initial Report		
3/4/2013	Change of Officials		
7/17/2013	Change of Officials		
1/2/2014	Biennial Report		

COPY

**GENERAL POWER OF ATTORNEY FOR TRANSACTIONS AND BUSINESS OF
FANTASIES ON 5TH AVENUE, LLC**

THE POWERS GRANTED FROM THE PRINCIPAL TO THE AGENT OR AGENTS IN THE FOLLOWING DOCUMENT ARE VERY BROAD. THEY MAY INCLUDE THE POWER TO DISPOSE, SELL, CONVEY, AND ENCUMBER YOUR REAL AND PERSONAL PROPERTY, AND THE POWER TO MAKE YOUR HEALTH CARE DECISIONS. ACCORDINGLY, THE FOLLOWING DOCUMENT SHOULD ONLY BE USED AFTER CAREFUL CONSIDERATION. IF YOU HAVE ANY QUESTIONS ABOUT THIS DOCUMENT, YOU SHOULD SEEK COMPETENT ADVICE.

YOU MAY REVOKE THIS POWER OF ATTORNEY AT ANY TIME.

Pursuant to AS 13.26.338 - 13.26.353, I, Travis Gravelle, of Anchorage, Alaska do hereby appoint Eugene Greaves, of Anchorage, Alaska, my attorney-in-fact to act as I have checked below in my name, place and stead in any way which I myself could do, if I were personally present, with respect to the following matters, as each of them is defined in AS 13.26.344, to the full extent that I am permitted by law to act through an agent:

THE AGENT OR AGENTS YOU HAVE APPOINTED WILL HAVE ALL THE POWERS LISTED BELOW UNLESS YOU

DRAW A LINE THROUGH A CATEGORY, AND

INITIAL THE BOX OPPOSITE THAT CATEGORY.

- (A) real estate transactions (✓)
- (B) transactions involving tangible personal property,
chattels, and goods (✓)
- (C) bonds, shares, and commodities transactions (✓)
- (D) banking transactions (✓)
- (E) business operating transactions (✓)

- (F) insurance transactions (✓)
- (G) estate transactions (✓)
- (H) gift transactions (✓)
- (I) claims and litigation (✓)
- (J) personal relationships and affairs (✓)
- (K) benefits from government programs and
military service (✓)
- (L) health care services (✓)
- (M) records, reports, and statements (✓)
- (N) delegation (✓)
- (O) all other matters, including those specified as follows: (✓)

The designated attorney-in-fact shall exercise the aforementioned powers only in conducting business on behalf of, relating to or arising from the operations of Fantasies on 5th Avenue, LLC.

IF YOU HAVE APPOINTED MORE THAN ONE AGENT, CHECK ONE OF THE FOLLOWING:

- () Each agent may exercise the powers conferred separately, without the consent of any other agent.
- () All agents shall exercise the powers conferred jointly, with the consent of all other agents.

TO INDICATE WHEN THIS DOCUMENT SHALL BECOME EFFECTIVE, CHECK ONE OF THE FOLLOWING:

- (✓) This document shall become effective upon the date of my signature.
- () This document shall become effective upon the date of my disability and shall not otherwise be affected by my disability.

IF YOU HAVE INDICATED THAT THIS DOCUMENT SHALL BECOME EFFECTIVE ON THE DATE OF YOUR SIGNATURE, CHECK ONE OF THE FOLLOWING:

- This document shall not be affected by my subsequent disability.
- This document shall be revoked by my subsequent disability.

IF YOU HAVE INDICATED THAT THIS DOCUMENT SHALL BECOME EFFECTIVE UPON THE DATE OF YOUR SIGNATURE AND WANT TO LIMIT THE TERM OF THIS DOCUMENT, COMPLETE THE FOLLOWING:

This document shall only continue in effect for _____ (ONE) years from the date of my signature.

OPTIONAL PROVISIONS

(1) IF YOU HAVE GIVEN THE AGENT AUTHORITY REGARDING HEALTH CARE SERVICES UNDER SUBDIVISION (L), COMPLETE THE FOLLOWING:

- I have executed a separate declaration under AS 18.12, known as a "Living Will."
- I have not executed a "Living Will."
- I have executed a separate declaration under AS 47.30.950 -- 47.30.980 regarding mental health treatment. If I have appointed an attorney-in-fact under AS 47.30.950 -- 47.30.980, I authorize that attorney-in-fact and the attorney-in-fact whom I have appointed in this document to serve
 - jointly with consent of each other as to my mental health treatment
 - separately without each other's consent as to my mental health treatment.
- I have not executed a separate declaration under AS 47.30.950 -- 47.30.980.

(2) YOU MAY DESIGNATE AN ALTERNATE ATTORNEY-IN-FACT. ANY ALTERNATE YOU DESIGNATE WILL BE ABLE TO EXERCISE THE SAME POWERS AS THE AGENT(S) YOU NAMED AT THE BEGINNING OF THIS DOCUMENT.

IF YOU WISH TO DESIGNATE AN ALTERNATE OR ALTERNATES, COMPLETE THE FOLLOWING:

If the agent(s) named at the beginning of this document is unable or unwilling to serve or continue to serve, then I appoint the following agent to serve with the same powers:

First alternate or successor attorney-in-fact

Kathy Hartman
(Name and address of alternate)
74321 old prospector trail
Palm Desert CA 92260

Second alternate or successor attorney-in-fact

(Name and address of alternate)

(3) YOU MAY NOMINATE A GUARDIAN OR CONSERVATOR. IF YOU WISH TO NOMINATE A GUARDIAN OR CONSERVATOR, COMPLETE THE FOLLOWING:

In the event that a court decides that it is necessary to appoint a guardian or conservator for me, I hereby nominate _____, of _____, Alaska, to be considered by the court for appointment to serve as my guardian or conservator, or in any similar representative capacity.

NOTICE OF REVOCATION OF THE POWERS GRANTED IN THIS DOCUMENT.


You may revoke one or more of the powers granted in this document. Unless otherwise provided in this document, you may revoke a specific power granted in this power of attorney by completing a special power of attorney that includes the specific power in this document

that you want to revoke. Unless otherwise provided in this document, you may revoke all the powers granted in this power of attorney by completing a subsequent power of attorney.

NOTICE TO THIRD PARTIES

A third party who relies on the reasonable representations of an attorney-in-fact as to a matter relating to a power granted by a properly executed statutory power of attorney does not incur any liability to the principal or to the principal's heirs, assigns, or estate as a result of permitting the attorney-in-fact to exercise the authority granted by the power of attorney. A third party who fails to honor a properly executed statutory form power of attorney may be liable to the principal, the attorney-in-fact, the principal's heirs, assigns, or estate for a civil penalty, plus damages, costs, and fees associated with the failure to comply with the statutory form power of attorney. If the power of attorney is one which becomes effective upon the disability of the principal, the disability of the principal is established by an affidavit, as required by law.

IN WITNESS WHEREOF, I have hereunto signed my name this 18th day of October, 2013.


October 18th 2013

ACKNOWLEDGED before me at Anchorage, Alaska on the 18th day of October, 2013.




NOTARY PUBLIC FOR ALASKA
My commission expires: 02-14-17

Oates, Sarah D (CED)

From: logan rammell <alaskanboysinc@gmail.com>
Sent: Friday, December 27, 2013 4:31 PM
To: Oates, Sarah D (CED)
Subject: Fwd: LIQUOR LISCENCE INFO
Attachments: LIQUOR LISCENCE INFO.pdf

----- Forwarded message -----

From: **Front Desk** <FrontDesk@longhousebethel.com>
Date: Fri, Dec 27, 2013 at 4:01 PM
Subject: LIQUOR LISCENCE INFO
To: alaskanboysinc@gmail.com

Sincerely,
Front Desk Attendant

Longhouse Bethel Hotel
751 3rd Ave

PO Box 489
Bethel, Alaska 99559
Tel. [907.543.4612](tel:907.543.4612) / Fax Toll - Free: [866.516.9818](tel:866.516.9818)
Email: frontdesk@longhousebethel.com

>>>>>>>>>>>>>>>>>>>>>>>>>>>>

NOTICE: This E-mail (including attachments), covered by the Electronic Communications Privacy Act, 18 USC 2510-2521, is confidential and may be legally privileged. If you are not the intended recipient, you are hereby notified that any retention, dissemination, distribution, or copying of this communication is strictly prohibited. Please reply to the sender that you have received the message in error, and then delete it.

I Logan Rammell owner of Club Vega investments want to pull license 1078 until license has a management agreement and has been signed both parties. This liquor license is being operated without my consent at this time.

Thanks

A handwritten signature in blue ink, appearing to read "Logan Rammell". The signature is fluid and cursive, with a long horizontal stroke at the end.

Gene Greaves

732 6444

SG3 0042

ADL

13-0584

REEVES AMODIO LLC
ATTORNEYS AT LAW



Direct Phone
(907) 222-7102

Direct Facsimile
(907) 222-7199

E-Mail
brian@reevesamodio
.com

December 31, 2013

Ms. Shirley A. Cote
Director
Alcoholic Beverage Control Board
2400 Viking Drive
Anchorage, AK 99501

Re: Fantasies on 5th Avenue, LLC
Transfer Application for License No. 1078

Dear Ms. Cote:

We represent Fantasies on 5th Avenue, LLC ("Fantasies"), which has submitted an application for the transfer of Beverage Dispensary License No. 1078. This letter is in response to the letter recently filed by Logan Rammell ("Rammell"), claiming that Fantasies is operating License No. 1078 without contractual authority to do so. Fantasies disputes this assertion.

On July 22, 2013, Club Vega Investments, Inc. ("Club Vega"), Fantasies and Wicked Wrister Enterprises, LLC entered into a Purchase Agreement for License No. 1078 from.¹ Pursuant to the Purchase Agreement, Club Vega would take title to License No. 1078, and subsequently sell the license to Fantasies. Fantasies paid the entirety of the \$265,000 purchase price.² Neither Club Vega nor Logan Rammell contributed any funds to the purchase of License No. 1078.

Fantasies and Club Vega agreed that title to License No. 1078 would be vested in Club Vega because Club Vega and Fantasies were engaged in negotiations for Club Vega's purchase of the licensed premises and License No. 1078. In the event this sale was consummated, the parties desired to avoid a business interruption during the transfer of the license, so placed title to the license directly in Club Vega's name.

Contrary to the assertions in Mr. Rammell's letter, there is an agreement amongst the parties for the use of the license at the premises. Concurrent with the

¹ See, Exhibit A, Purchase Agreement.

² See, Exhibit B, Cancelled Checks for Purchase of License No. 1078.

500 L
STREET
Suite 300
ANCHORAGE
Alaska
99501

Telephone
(907) 222-7100
Facsimile
(907) 222-7199

Website
www.reevesamodio.com

License No. 1078.
December 31, 2013
Page 2

transaction described above, the parties entered into an Indemnification Agreement. As noted in the agreement, “Club Vega Investments, Inc. has agreed to purchase a liquor license for use on the premises located at 1911 East Fifth Avenue.”³ As further stated in the agreement, “by separate agreement, Club Vega Investments, Inc. will operate the Premises and utilize the liquor license for such operations.”⁴ Thus, contrary to Mr. Rammell’s assertions, there is a written agreement in place for the utilization of License No. 1078 at the licensed premises.

Club Vega subsequently breached its agreements with Fantasies by making additional demands for the continued operation of the premises, refusing to execute the transfer application until compelled to do so by court order, and refusing to renew the license until compelled to do so by court order.⁵ Mr. Rammell’s and Club Vega’s recent letter is an effort to damage the operations of Fantasies after losing in their efforts to retain ownership of a license which Club Vega was contractually obligated to sell to Fantasies. However, it does not change the fact that Fantasies has a contractual right to utilize License No. 1078 for the operation of the licensed premises pending the transfer.

For these reasons, we respectfully request that the ABC Board lift any suspension for the use of License No. 1078. Alternatively, we respectfully request that a temporary license be issued to Fantasies while its transfer application is pending.

Sincerely,

REEVES AMODIO LLC



Brian J. Stibitz

³ See, Exhibit C, Indemnification Agreement (emphasis added).

⁴ *Id.*

⁵ See, Exhibit D, Court Orders.

**CONTRACT FOR PURCHASE AND SALE OF
BEVERAGE DISPENSARY LICENSE NO. 1078**

SELLERS: Wicked Wrister Enterprises, LLC
8531 Longhorn Street
Anchorage, Alaska 99507

Club Vega Investments, Inc.
1130 Friendly Lane
Anchorage, Alaska 99504

BUYER: Fantasies on Fifth, LLC
1911 East Fifth Avenue
Anchorage, Alaska 99501

**PURCHASE
PRICE:** \$265,000

TERMS: \$150,000.00, to be paid by Buyer upon the execution of this Agreement, with the remaining \$115,000 to be paid on September 2, 2013. In the event the Alcoholic Beverage Control (ABC) Board does not approve the transfer of Beverage Dispensary License No. 1078 (the "Liquor License") from Sellers to Buyer, Wicked Wrister Enterprises, LLC shall return to Buyer all sums of the Purchase Price paid by Buyer pursuant to this Agreement within thirty (30) calendar days of ABC Board's denial of the transfer of the Liquor License to Buyer.

SELLERS

WARRANTIES: Sellers expressly warrant as follows:

Sellers have good title to the Liquor License, which is a full Beverage Dispensary License without any reservations or limitations, which is not subject to forfeiture, and which is free and clear of all liens and encumbrances. Sellers know no reason why the Liquor License cannot be transferred to the Buyer. Sellers shall cooperate in the transfer of the ownership and location of the Liquor License to the Buyer and will not, while transfer is pending, do or permit to occur anything, which would prevent the transfer of the Liquor License.

TRANSFER: Buyer shall begin posting and publication of the necessary Liquor License transfer notices no later than five (5) business days of both of the following events occurring: (a) the ABC Board's approval of the transfer of the Liquor License from Wicked Wrister

Enterprises, LLC to Club Vega Investments, Inc.; and (b) the Municipality of Anchorage's approval of Club Vega Investments, Inc.'s conditional use permit to utilize the Liquor License. Buyer shall submit its completed Liquor License transfer application to the State of Alaska ABC Board within thirty (30) days of the transfer of the Liquor License from Wicked Wrister Enterprises, LLC to Club Vega Investments, Inc. This agreement is subject to the approval of transfer of the Liquor License by the State of Alaska ABC Board. Buyer and Seller agree to cooperate in the transfer of ownership of the Liquor License by executing any and all forms, applications, affidavits and other documents required for such purposes by the Alaska ABC Board.

**CONDITIONS
PRECEDENT:**

This agreement is subject to and conditioned upon the following conditions precedent: (a) approval of the Liquor License transfer by the ABC Board from Wicked Wrister Enterprises, LLC to Club Vega Investments, Inc.; and (b) approval of the Liquor License transfer by the ABC Board from Club Vega Investments, Inc. to Fantasies on Fifth, LLC.

TIME:

Time is of the essence for this agreement.

CLOSING:

The transaction contemplated hereunder shall close within ten (10) business days from the date the transfer to Buyer is approved by the Alaska ABC Board, or earlier with the issuance of a temporary liquor license by the Alaska ABC Board.

DATED: 7-30-13

DATED: 7-22-13

Wicked Wrister
Enterprises, LLC

Club Vega Investments, Inc.

By: 
Brock Lindow

By: 
Logan Rammell

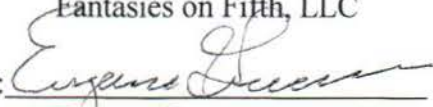
Its: Member

Its: President, Director

DATED: 7-22-13

Fantasies on Fifth, LLC

By:



Eugene Greaves

Its: Member

INDEMNIFICATION AGREEMENT

THIS INDEMNIFICATION AGREEMENT (the "Agreement") is made and entered into and effective this 22nd day of July 2013, by and among Kathy Hartman, Eugene Greaves, Fantasies on Fifth, LLC, Logan Rammell and Club Vega Investments, Inc.

RECITALS

WHEREAS, by separate agreement, Club Vega Investments, Inc. has agreed to purchase a liquor license for use on the premises located at 1911 East Fifth Avenue, Anchorage, Alaska 99501 (the "Premises");

WHEREAS, by separate agreement, Club Vega Investments, Inc. will operate the Premises and utilize the liquor license for such operations;

WHEREAS, by separate agreement, Club Vega Investments, Inc. has agreed to sell the liquor license to Fantasies on Fifth, LLC; and


WHEREAS, Logan Rammell and Club Vega Investments, Inc. seek indemnity for their past and current operation of the Premises and use of the liquor license prior to the sale of the liquor license to Fantasies on Fifth, LLC.

NOW THEREFORE, in consideration of the mutual promises and covenants contained herein, and for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the PARTIES AGREE AS FOLLOWS:

Indemnification. Kathy Hartman, Eugene Greaves and Fantasies on Fifth, LLC shall defend, indemnify and hold harmless Club Vega Investments, LLC and Logan Rammell from and against any and all demands, causes of action, suits, claims, actions, losses, costs, fines, penalties, damages, and liabilities (of whatever kind or nature, including reasonable attorney's fees and litigation costs) incurred in connection with or resulting from or arising out of or in any way related to Club Vega Investments, LLC's and Logan Rammell's: (1) operation of the Premises since October 2012; (2) purchase of the liquor license; and (3) operation of the Premises prior to the sale of the liquor license to Fantasies on Fifth, LLC.

DATED: 7-22-13

FANTASIES ON FIFTH, LLC

By: 
Eugene Greaves
Its: Member

DATED: 7-22-13

By: Eugene Greaves
Eugene Greaves, Individually

DATED: 7-22-13

By: Kathy Harman, by Eugene Greaves under POA
Kathy Harman, Individually

WITNESSED BY:

Brian J. Stibitz
Brian J. Stibitz

AlaskaUSA

Federal Credit Union®

Current Date: September 16, 2013

Account Number: 5019900000017
 Capture Date: July 05, 2013
 Item Number: 5250044784521
 Posted Date: July 05, 2013
 Posted Item Number: 16366
 Amount: 150,000.00
 Record Type: Debit
 BOFD Sequence: ~21k000f

THIS MULTI-TONE AREA OF THE DOCUMENT CHANGES COLOR GRADUALLY AND EVENLY FROM DARK TO LIGHT WITH DARKER AREAS BOTH TOP AND BOTTOM.

AlaskaUSA
Federal Credit Union®
1-800-525-9094
www.alaskausa.org

89-7202
3252

July 2, 2013 01 0000796771

PAY **FIVE 150000.00**

\$**150,000.00**

TO THE ORDER OF *** WYCKED WRISTER ENTERPRISES, LLC ***

RE: EUGENE GREAVES

CASHIER'S CHECK TWO SIGNATURES REQUIRED IF \$25,000.00 OR MORE

Kurtin A. Chumman
W. Greaves

AUTHORIZED SIGNATURE

⑈0000796771⑈ ⑆325272021⑆501990000017⑈

THE ORIGINAL DOCUMENT HAS A REFLECTIVE WATERMARK ON THE BACK. HOLD AT AN ANGLE TO VIEW WHEN CHECKING THE ENDORSEMENT.

ENDORSED

DEPOSITED TO THE ACCOUNT

First National Bank Alaska

3948874

DO NOT WRITE SIGNATURE BELOW THIS LINE

DEPOSITOR'S BANK ENDORSEMENT

⑆2L0000304 20L90703 FIIB ALASKA

Exhibit C

AlaskaUSA

Federal Credit Union®

Current Date: September 16, 2013
 Account Number: 5009900000017
 Capture Date: September 04, 2013
 Item Number: 5250045777417
 Posted Date: September 04, 2013
 Posted Item Number: 20275
 Amount: 100,000.00
 Record Type: Debit
 BOFD Sequence: ~2ib9i5s

THIS MULTI-TONE AREA OF THE DOCUMENT CHANGES COLOR GRADUALLY AND EVENLY FROM DARK TO LIGHT WITH DARKER AREAS BOTH TOP AND BOTTOM.

AlaskaUSA
Federal Credit Union®
1-800-525-9094
www.alaskausa.org

89-7202
3252

July 2, 2013 00 0001065601

PAY **100000.00** \$**100,000.00**

TO THE ORDER OF *** EUGENE J GREAVES ***

RE: EUGENE J GREAVES

THIS ITEM MUST BE CASHED WITHIN 60 DAYS
ALASKA USA FEDERAL CREDIT UNION

[Signature]
AUTHORIZED SIGNATURE

⑈000106560⑈ ⑆32527202⑆ ⑆5009900000⑆7⑈

THE ORIGINAL DOCUMENT HAS A REFLECTIVE WATERMARK ON THE BACK. HOLD AT AN ANGLE TO VIEW WHEN CHECKING THE ENDORSEMENT.

0210001033120130903 FNB ALASKA

X
 EUGENE J GREAVES
 pay to the order of
 Wicked Whisker Ewit,
 30948814
 WICKED WHISKER
 DO NOT SIGN OR STAMP BELOW THIS LINE
 CERTIFICATION FROM ENDORSEMENT

KATHY HARTMAN
LIVING TRUST
333 M. ST. #401
ANCHORAGE, AK 99501
ADL#0310108

89-72023252
EZEAL™ Check
Print Protection

4279

DATE

Sept. 3, 2013

PAY TO THE
ORDER OF

Wicked Wristen Ent.

\$ 15,000 ⁰⁰/₁₀₀

Fifteen thousand dollars ⁰⁰/₁₀₀

DOLLARS

ALASKA USA FEDERAL CREDIT UNION
777 JUNEAU ST.
ANCHORAGE, AK 99501

Kathy Hartman, Trustee

FOR

Lic # 1078

Kathy Hartman Trustee

⑆325272021⑆⑆70000⑆202658⑆4279

ENDORSE HERE

Deposited to the Account

of WICKED WRISTEN ENT.

DO NOT WRITE OR SIGN BELOW THIS LINE

FEE: First National Bank Alaska +

FEDERAL RESERVE BANK REGULATION CC

THE EFFICIENCY OF CHECKS AND CHECKS RECEIVED AS WELL AS
THOSE OF THE CHECKED INDUSTRY OR BANKS

THESE CHECKS ARE SUBJECT TO THE FEDERAL RESERVE BANK'S
REGULATIONS AND POLICIES

0150004 20130903 FNB ALASKA

REEVES AMODIO LLC
500 L STREET, SUITE 300
ANCHORAGE, ALASKA 99501-1990
PHONE (907) 222-7100, FAX (907) 222-7199

AFFIDAVIT OF EUGENE GREAVES

STATE OF ALASKA)
) ss.
THIRD JUDICIAL DISTRICT)

Eugene Greaves, being first duly sworn, deposes and states:

1. I operate the premises located at 1911 East Fifth Avenue, Anchorage, Alaska on behalf of Fantasies on 5th Avenue, LLC ("Fantasies"). In this capacity I am qualified to testify to the following facts.

2. In an attempt to resolve any wage claims against Fantasies, I contacted Donna Nass of the Alaska Department of Labor and Workforce Development. I learned that no wage and hour claims have been made or are pending against either Fantasies on 5th Avenue, LLC or Club Vega, Inc.

3. To my knowledge, all wages and taxes on wages are current. I am unaware of any claims for taxes due on wages against either Fantasies on 5th Avenue, LLC or Club Vega, Inc.

4. Fantasies on 5th Avenue, LLC is unaware of any workers compensation issues against either Fantasies on 5th Avenue, LLC or Club Vega, Inc.

FURTHER this Affiant sayeth naught.



Eugene Greaves

REEVES AMODIO LLC
500 L STREET, SUITE 300
ANCHORAGE, ALASKA 99501-1990
PHONE (907) 222-7100, FAX (907) 222-7199

SUBSCRIBED and SWORN to before me this 13th day of December, 2013.



Handwritten signature of Michelle Dehner in cursive script.

Notary Public in and for the State of Alaska
My Commission Expires: 02-14-2017

From: [Franklin, Cynthia A \(CED\)](#)
To: [Oates, Sarah D \(CED\)](#)
Subject: FW: Fantasies Update
Date: Monday, February 08, 2016 12:39:57 PM

Cynthia Franklin, Director
Alcoholic Beverage & Marijuana Control Boards
907-269-0351

From: Hamilton, Joe (CED)
Sent: Monday, December 07, 2015 12:07 PM
To: Franklin, Cynthia A (CED)
Cc: Hoelscher, James C (CED)
Subject: Fantasies Update

Cindy,

Received a call from Travis Gravel last Friday. Bad connection, he was coming back from Soldotna. He said he would call Monday at ten pm. He admitted the last couple months has been hands off because he had to work. Today no call at ten. Gene Greaves called. He is friends with Kathy Hartman who owns the building and property. Greaves said Travis does pay is mom to be on the property and that Gravel owns the license.

Greaves does not receive any money and only his helping out Kathy's son because of their friendship. He comes up every so often and inspects the place.

There are managers w/in the club, bar manager, security manager etc. that receive a couple bucks an hour for the management positions.

He says there are no managers agreements. The property is up for sale with Matt Fink, realtor.

Joe



Joe Hamilton
Investigator

Alcohol & Marijuana Control Office
550 W. 7th Ave, Ste 1600, Anchorage, AK 99501
Office (907) 269-0063 Fax (907) 334-2285

Joe.Hamilton@alaska.gov