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1 (Recess taken)

2 THE VIDEOGRAPHER: This begins tape No. 3 in

3 the video deposition of Fredrick Rizzolo. The time is

4 approximately 3:40 p.m.

5 We're back on the record.

6 MR. GENTILE: Did you say 3:40?

7 THE VIDEOGRAPHER: Yes.

8 MR. GENTILE: Thank you.

9 BY MR. CAMPBELL:

10 Q. Do you recall what the outcome of The

11 Bicycle Club deal was?

12 A. Did we ever end up doing anything?

13 Q. Right.

14 A. No.

15 Q. What happened to The Bicycle Club? You bid

16 on it and what happened?

17 A. We never even bid on it.

18 Q. Oh, you did not bid on it?

19 A. No.

20 Q. Why did you not bid on it?

21 A. I don't remember. I think -- if I remember

22 right, I think Denzel Washington's group came in and

23 they ended up getting it.

24 Q. So you did not bid on it?

25 A. I don't believe so. I don't believe it ever

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1 materialized.

2 Q. And when you say "it never materialized," you

3 mean?

4 A. I don't think it ever went that far.

5 Q. You never got so involved that you and

6 Mr. Doumani and others actually entered a bid?

7 A. I don't believe so.

8 Q. And you believe that it was

9 Denzel Washington's group that acquired it?

10 A. I believe so, yeah.

11 Q. Now, ultimately The Power Company doing

12 business as the Crazy Horse entered a plea of guilty to

13 racketeering; is that correct?

14 A. I believe so.

15 Q. And do you recall what the racketeering acts

16 were that were alleged?

17 A. No.

18 Q. And that the Crazy Horse pled guilty to?

19 A. No.

20 Q. Did you understand them to be -- to involve

21 acts of violence?

22 A. Maybe.

23 Q. Did you understand the acts of racketeering

24 to also include acts involving fraud?

25 A. I really don't remember. You know, I don't

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1 remember what they -- what they threw in there.

2 Q. Well, that's what I'm asking you.

3 Do you recall that the Crazy Horse in the

4 racketeering plea that it entered agreed that acts of

5 violence and acts of fraud had taken place?

6 MR. BAILUS: Objection as to form.

7 THE WITNESS: I really don't remember what

8 the specifics were, no.

9 BY MR. CAMPBELL:

10 Q. I'm not asking the specifics. I'm asking

11 generally that acts of fraud were involved?

12 A. I think so.

13 Q. And do you know the type of fraudulent

14 activities that were alleged and to which the

15 Crazy Horse pled guilty to?

16 A. No.

17 Q. You, too, pled guilty at or about the time

18 that your club -- and it was your club, the

19 Crazy Horse; right?

20 A. Yes.

21 Q. You were the principal owner of the club?

22 A. Yes.

23 Q. You owned 95 percent of it, I think?

24 A. I think 90.

25 Q. 90 percent.

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1 Your father owned 10 percent?

2 A. Right.

3 Q. There were no other owners?

4 A. No.

5 Q. Nevertheless, you and your club pled guilty

6 at or about the same time; correct?

7 A. I think so, yeah.

8 Q. And you pled guilty to acts of fraud

9 involving the tax laws of the United States of America?

10 A. It was taxes.

11 Q. It was tax fraud; correct?

12 A. Yeah, the employees' taxes.

13 Q. Tax fraud is what you pled guilty to;

14 correct?

15 A. I don't know, that's what I'm telling you,

16 what it was.

17 Q. Well, do you remember entering a plea in

18 front of a United States District Court judge?

19 A. Yes.

20 Q. And do you recall him stating to you that he

21 wanted to make sure that you understood what you were

22 pleading guilty to?

23 A. I thought it was conspiracy.

24 Q. Do you recall him specifically mentioning to

25 you that you were pleading guilty to acts of --

<p style="text-align: right;">Page 105</p> <p>1 fraudulent acts against the United States of America in 2 the form of tax fraud? 3 A. No. 4 Q. You don't recall any of that? 5 A. That's what I -- I recall conspiracy. 6 Q. Conspiracy to do what? 7 A. It was it was the employees' taxes, that the 8 employees, everybody conspired not to pay all their 9 taxes. 10 Q. And who was defrauded? 11 A. What do you mean? 12 Q. Who was defrauded? 13 A. I don't understand the question. 14 Q. Well, by these actions, by these illegal 15 actions, by this illegal conduct that you engaged in 16 and for which you pled guilty to a felony, who was 17 defrauded? 18 A. I still don't understand the question. 19 Q. You don't understand that question? 20 A. No. 21 Q. Okay. 22 A. I'm sorry. 23 Q. No. That's okay. 24 Who did you participate in the conspiracy -- 25 who else did you conspire with?</p>	<p style="text-align: right;">Page 107</p> <p>1 they said to plead guilty to this tax conspiracy and go 2 in and plead guilty to that, and that's what I did. 3 Q. But you were not guilty of that? 4 A. I don't believe so. 5 Q. But you told the judge you were guilty of it? 6 A. They said -- that's what they said. 7 Q. No. I'm not asking you what they said. I'm 8 asking what you said, Mr. Rizzolo, in a United States 9 courtroom upon being addressed. 10 A. Did I -- 11 Q. No. Wait until I'm done. 12 MR. GENTILE: Let him finish the question. 13 THE WITNESS: Okay. 14 BY MR. CAMPBELL: 15 Q. -- upon being addressed by a United States 16 District Court judge. That's what I'm asking. Not 17 what they said. What you said. 18 A. Yes, I told him. 19 Q. You told him what? 20 A. That whatever that charge was, that I pled 21 guilty to. 22 Q. And was it true that you were guilty of that 23 charge of conspiracy to defraud the United States of 24 America? 25 A. I don't believe so.</p>
<p style="text-align: right;">Page 106</p> <p>1 MR. GENTILE: Objection to the form of the 2 question. 3 You mean with respect to the guilty plea? 4 MR. CAMPBELL: Yes, sir. 5 THE WITNESS: Who did I conspire with? 6 BY MR. CAMPBELL: 7 Q. That's the question. 8 A. I didn't conspire with anybody. 9 Q. You didn't conspire with anyone? 10 A. No. 11 Q. Well, you pled guilty to conspiracy? 12 A. That's what they told me to plead guilty to. 13 Q. So did you plead guilty to something you were 14 not guilty of? 15 A. Absolutely. 16 Q. Did you tell the Federal District Court judge 17 that you were pleading guilty to something that you 18 were not guilty of? 19 A. No. 20 Q. Did you understand that the United States 21 District Court judge was asking these questions of you 22 in the performance of his judicial duties as a jurist? 23 A. Yes. 24 Q. And so you did not tell the judge the truth? 25 A. No. What happened was I pled guilty to --</p>	<p style="text-align: right;">Page 108</p> <p>1 Q. He asked you whether or not you were guilty 2 and you told him that you were; correct? 3 A. Yes. 4 Q. That you understood the charges against you; 5 correct? 6 A. Yes. 7 Q. And that you were pleading guilty to the 8 charges because you were guilty. 9 Isn't that what you said? 10 A. Yes. 11 Q. Was that the truth? 12 A. Yes. 13 Q. So you told the judge the truth when you told 14 him that you were guilty of that offense; is that 15 correct? 16 A. Yes. 17 Q. Have you ever traveled outside the 18 United States, the continental United States? 19 A. I think I went to Mexico once. 20 Q. When did you go to Mexico? 21 A. It's got to be in the '80s. 22 Q. And what was the purpose in going to Mexico? 23 A. Vacation. 24 Q. With your family? 25 A. No. I can't even remember who I went down</p>

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1 there with. It was a friend of mine. I know I didn't
2 go by myself. I don't remember who I went with.
3 Q. And is that the only time you've ever
4 traveled outside of the continental limits of the
5 United States of America?
6 MR. GENTILE: Excuse me. I'm going to object
7 to the form of the question because I'm concerned about
8 Hawaii or Alaska. I don't know if you consider that --
9 THE WITNESS: That's what I was just --
10 MR. GENTILE: I don't know if you consider
11 that as part of the continental United States.
12 BY MR. CAMPBELL:
13 Q. Have you ever gone to Alaska?
14 A. No.
15 Q. Have you ever gone to Hawaii?
16 A. Yes.
17 Q. On how many occasions?
18 A. Probably a dozen.
19 Q. Family vacations, that sort of thing?
20 A. Right.
21 Q. Did you ever travel to any foreign country
22 other than Mexico in your life?
23 A. I went to Jamaica twice.
24 Q. When was the first time you went to Jamaica?
25 A. I don't remember the years. A long time ago.

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1 Q. Did you ever go to Canada?
2 A. No.
3 Q. When you were indicted by the -- or when you
4 pled guilty, did you ever have to surrender a passport?
5 A. No.
6 Q. Have you ever had a passport?
7 A. Yes.
8 Q. Do you have a passport today?
9 A. No. It expired.
10 Q. When did it expire?
11 A. I don't know. A long time ago.
12 Q. And did you ever use the passport?
13 A. I think I used it when I went to Jamaica.
14 Q. Going back to The Bicycle Club case, you said
15 that you believed the interest that had been forfeited
16 to the government was like a 30-percent interest of
17 some individual who had engaged in criminal acts?
18 A. I believe so.
19 Q. Did you know the individual that had engaged
20 in those criminal acts which resulted in the government
21 taking his property by means of forfeiture?
22 A. No.
23 Q. How is it that you -- withdraw.
24 Am I correct in understanding that this
25 potential opportunity to acquire a forfeited interest

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1 in property that had been seized by the United States
2 of America came to your attention as a result of
3 Mr. Doumani approaching you as opposed to you
4 approaching Mr. Doumani?
5 A. Yes.
6 Q. When you were incarcerated at the
7 Metropolitan Correctional Center, where was your 1968
8 Corvette? Or was it a '58?
9 A. It was a '58.
10 Q. Excuse me. I'm sorry. 1958 Corvette?
11 A. At Fletcher-Jones Mercedes in storage.
12 Q. Did you ever keep it at the Canyon Gate home
13 that your wife resided in?
14 MR. BAILUS: Objection as to form.
15 THE WITNESS: I don't think so. I think it
16 was there when I left and then my son or somebody
17 brought it down to Fletcher-Jones and put it in storage
18 for me.
19 BY MR. CAMPBELL:
20 Q. After you were released from the Metropolitan
21 Correctional Center, when was the first time you saw
22 your Corvette again?
23 A. When I got out.
24 Q. Right.
25 A. That's when I saw it.

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1 Q. And you saw it at the Canyon Gate home; is
2 that correct?
3 A. No.
4 Q. Was it ever at the Canyon Gate home?
5 A. Yeah. I drove it there.
6 Q. And you placed it in the garage?
7 A. I might have parked it in there. I remember
8 I went and picked it up, went right up because it's
9 right up the street and picked up all my mail and legal
10 stuff that had been going there while I was gone.
11 Q. Well, let's back up and take this with a
12 little bit more detail.
13 When you got out from the Metropolitan
14 Correctional Center, you got your Corvette?
15 A. Yes.
16 Q. And where did you pick it up from?
17 A. Fletcher-Jones Mercedes.
18 Q. And you drove it to the Canyon Gate residence
19 that your wife resided in?
20 A. Yeah.
21 MR. BAILUS: Objection as to form.
22 BY MR. CAMPBELL:
23 Q. And for what purpose did you take it to the
24 Canyon Gate residence that your wife lived in?
25 MR. BAILUS: Objection as to form.

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1 THE WITNESS: To pick up mail and stuff that
2 had been going there.
3 BY MR. CAMPBELL:
4 Q. So you didn't garage it there for any period
5 of time at all?
6 A. I don't think so.
7 Q. All right.
8 A. No. It was at Fletcher-Jones in storage.
9 Q. Please explain the circumstances under which
10 you sold or purportedly sold that 1958 Corvette to
11 Mr. Doumani?
12 A. What do you mean, the circumstances?
13 Q. Please explain the circumstances in which
14 that transaction was conducted. Just give me the
15 details.
16 A. I called him up, told him I needed the money
17 to pay lawyers and stuff and living expenses, so I
18 asked him if he wanted to buy it because he likes old
19 cars, and I think he bought it for his son. I think
20 his son got it.
21 Q. And when did you call him?
22 A. When I got out.
23 Q. When you got out in 2008?
24 A. Yeah. Whenever that was, yeah.
25 Q. And he indicated an interest in purchasing

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1 the car?
2 A. Yes.
3 Q. And so what happened thereafter?
4 A. He purchased it.
5 Q. What were the terms of the purchase?
6 A. What do you mean? How much was it?
7 Q. Yes, sir.
8 A. 100,000.
9 Q. And how did he pay you \$100,000? What was
10 the form of payment?
11 A. Check.
12 Q. A cashier's check?
13 A. I don't remember if it was a cashier's check.
14 I think it was a personal check.
15 Q. And did you deposit that check?
16 A. I don't remember.
17 Q. Well, you negotiated the check; right? You
18 got the 100,000?
19 A. You said did I deposit it. I don't remember
20 if I deposited it or cashed it.
21 Q. Do you believe that you cashed it and
22 received \$100,000 in cash?
23 A. I don't remember.
24 Q. Well, have you ever filled out a currency
25 transaction report?

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1 A. At the banks and stuff, yeah.
2 Q. Did you fill out a currency transaction
3 report in connection with the sale of your automobile
4 and your acquisition of \$100,000 purportedly from
5 Mr. Doumani?
6 A. I don't remember.
7 Q. And what bank were you utilizing at that time
8 for your financial dealings?
9 A. I think Nevada Commerce. I'm not really
10 sure.
11 Q. And is it your belief that you cashed the
12 check and received cash in return as opposed to
13 actually depositing the check for credit to your
14 account?
15 A. No. That's what I'm saying. I don't
16 remember whether I just deposited it or cashed it or --
17 I don't remember what I did with it.
18 Q. Well, what did you eventually do with the
19 money?
20 A. I'm sure I paid lawyers and stuff with it.
21 Q. All right.
22 A. That's usually what I do.
23 Q. Well, I'm not asking usually what you did
24 with the money. I'm asking you specifically what you
25 did with that -- you have to wait until I'm done.

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1 A. Oh, I'm sorry.
2 Q. You have to wait until I'm done so I get the
3 full question out.
4 A. Got you.
5 Q. I'm asking you specifically what you did with
6 that \$100,000?
7 A. Probably living expenses, lawyers, whatever
8 expenses I had.
9 Q. Now, you're saying probably living expenses,
10 lawyers, whatever.
11 Are you saying that you paid lawyers with
12 some of those funds?
13 A. I'm sure part of it.
14 Q. And what lawyers did you pay?
15 A. At that time it would have been Patti & Sgro.
16 Q. And how much of the \$100,000 went to pay
17 Patti & Sgro?
18 A. Don't know.
19 Q. Why don't you know?
20 A. Because I don't remember whether I deposited
21 it, wrote checks. I don't remember what I did.
22 Q. Did you have a checking account at
23 Nevada Commerce bank?
24 A. I believe so, yeah.
25 Q. And when you say you used some of the money

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1 for living expenses, by that do you mean such expenses
 2 as your gas and your insurance premiums and your car
 3 repairs, things of that nature?
 4 A. Right.
 5 Q. And how much of it was used for those
 6 incidental expenses, everyday expenses?
 7 A. Probably most of it for the last three years.
 8 Q. Is it your testimony that that's what you've
 9 been living on for the last three years, that \$100,000?
 10 A. That and I sold some watches, and I think --
 11 I think there was money in the bank. I don't know how
 12 much, but I think there was money in the bank when I
 13 got out. I don't remember how much, but --
 14 Q. Is there any reason why you don't recall how
 15 much money was in the bank at the time that you came
 16 out?
 17 A. I really don't understand that. If I don't
 18 recall something, what do you mean is there a reason I
 19 don't recall?
 20 Q. I'm asking you, is there a reason that you
 21 don't recall how much money you had in the bank when
 22 you came out of prison?
 23 A. No. I just don't recall.
 24 Q. It doesn't strike you as odd that --
 25 A. No.

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1 Q. -- you would not know how much money you had
 2 to your name at the time that you got out of prison,
 3 had no job, had no place to live? You don't recall how
 4 much money you had?
 5 A. No.
 6 Q. Okay. Getting back to the watches you sold,
 7 you said that between 25 and \$30,000 was the
 8 agreed-upon sales price of the watches that you sold to
 9 your father but you never saw any of that because that
 10 was paid -- whatever moneys were paid were paid to
 11 Mr. Frizzell; correct?
 12 A. Right.
 13 Q. And the amount of money that you got from
 14 Mr. Minden was how much for the sale of the remaining
 15 watches?
 16 A. I don't know. That's why I told you I'd find
 17 the receipt and check.
 18 Q. But you can't offer me any reasonable
 19 estimate of how much that was?
 20 A. No.
 21 Q. And can you even offer me a general ballpark
 22 figure as to how much Mr. Minden paid for the remaining
 23 watches that you sold?
 24 A. I really don't remember.
 25 Q. So as you sit here today, you don't know

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1 whether it was \$1,000 or \$50,000?
 2 A. Right. I'll find out for you.
 3 Q. I'd like to talk to you a little bit about
 4 the Philadelphia sale. All right? What was -- what
 5 interest did you have in the Philadelphia nightclub?
 6 A. I didn't have an interest in the club at all.
 7 It was in -- I think it was a third interest in the
 8 property.
 9 Q. And what property did you have an interest
 10 in?
 11 And you mean real property?
 12 A. Where the club sat.
 13 Q. This was improved real property in
 14 Philadelphia?
 15 A. You mean where --
 16 Q. It was a piece of real estate, commercial
 17 real estate that had a building on it?
 18 A. Right.
 19 Q. Okay. And what was --
 20 A. Actually, he built the building on it. It
 21 was just vacant land.
 22 Q. And who was that?
 23 A. Vince Piazza.
 24 Q. And that's Mike Pizza's father?
 25 A. Right.

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1 Q. And the commercial enterprise that operated
 2 out of that building was a gentlemen's club?
 3 A. Yes.
 4 Q. And he was the operator of the gentlemen's
 5 club?
 6 A. Yes.
 7 Q. And you were a consultant on that operation?
 8 A. No.
 9 Q. You were never a consultant?
 10 A. Never -- I never got a chance to do anything
 11 with it, no.
 12 Q. When you say you never got a chance to do
 13 anything with it?
 14 A. I was supposed to be.
 15 Q. Okay.
 16 A. But never -- that never materialized.
 17 Q. Well, maybe the best place to begin is at the
 18 beginning.
 19 How is it that you became involved in this
 20 commercial activity with Mr. Piazza?
 21 A. Somebody had approached him in Philadelphia
 22 that there was some guy that owned the land, that it
 23 was zoned for adult use or something, and approached --
 24 and approached Mr. Piazza, and then he had called me to
 25 see if I had any interest in doing something in

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1 Philadelphia.

2 Q. And what happened thereafter?

3 A. Then we -- we decided, yeah, let's try to do

4 something, and then that's when all this other stuff

5 happened right at the same time with out here.

6 Q. What other stuff?

7 A. With the federal government.

8 Q. Okay. What time frame are we talking about?

9 A. That's what I'm saying. Whatever that time

10 frame was when -- when like the raid occurred out here

11 and stuff like that, that was right in the middle of

12 trying to do something in Philadelphia.

13 Q. How much -- approximately when in terms of

14 the raid did Mr. Piazza approach you about getting

15 involved in the gentlemen's club business in

16 Philadelphia?

17 A. How long before that?

18 Q. Right. That's the question.

19 A. We probably talked about it for four, five,

20 six months.

21 Q. So this would have been when, like around

22 2002 or so?

23 A. When did you say the raid was?

24 Q. I think the raid was 2003.

25 A. So it might have been in the beginning of '3

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1 or the end of '2.

2 Q. The FBI's raid took place February 20th,

3 2003.

4 A. February, so it would have been probably the

5 end of -- you know, towards the later end of '02 when

6 we started talking about it.

7 Q. And what was the pitch? What was the

8 proposal that he presented to you?

9 A. Well, we originally were going to do it

10 together, you know. We were going to do the club

11 and --

12 Q. You were going to open a gentlemen's club

13 back there in Philadelphia?

14 A. Right. Crazy Horse Too. We were going to

15 open a Crazy Horse Too.

16 Q. Okay.

17 A. So the original idea was we were going to do

18 it together, and then that all went out the window so

19 that's when he sent the money back.

20 Q. So the proposal was that you were going to

21 open a gentlemen's club back in Philadelphia?

22 A. Right.

23 Q. And what was Mr. Piazza's role to be in the

24 operation of the club?

25 A. Partner.

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1 Q. And he was going to operate it in conjunction

2 with you or in tandem with you?

3 A. Yes. That was the original idea.

4 Q. And was he putting up property or money or

5 what was he putting up for his end?

6 A. He was putting up the money.

7 Q. And how much money was he putting up?

8 A. I don't remember.

9 Q. Was it more or less than the money you were

10 putting up?

11 A. More.

12 Q. And how much money were you putting up?

13 A. I don't remember. I don't remember. I know

14 we ended up losing money. It was a couple million

15 dollars at the time.

16 Q. You put up a couple million?

17 A. I think so, yeah.

18 Q. And that would have been approximately when?

19 A. Probably '03, '04.

20 Q. So --

21 A. I know it was before the raid, so --

22 Q. Well, the raid was in February of -- the

23 FBI's raid was in February of 2003.

24 A. Okay. So it would be in '02 then.

25 Q. And so you put up the money in what fashion?

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1 A. Check.

2 Q. And you wrote him a check on what account?

3 A. I don't remember. Probably out of the

4 Crazy Horse.

5 Q. And --

6 A. It was in -- you know, it was different

7 checks. It wasn't all in one lump sum.

8 Q. And you believe that the total amount that

9 you invested in this particular enterprise was about

10 2 million?

11 A. A couple million, yeah.

12 Q. And how much did he invest in the enterprise?

13 A. I'm not sure. I think -- I think he was --

14 he was a two-thirds partner, so whatever it came out to

15 be, so if I was in it a couple million, he had to be in

16 it like 4 or 5 million.

17 Q. And with the money that you put in together

18 with his contribution of his money or his capital, you

19 acquired a piece of property?

20 A. Right.

21 Q. And that property had a building on it?

22 A. No.

23 Q. It did not.

24 You built a building?

25 A. He built the building.

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1 Q. He built the building on it. It was raw
2 commercial property upon which a building was built and
3 that building was built by Mr. Piazza?

4 A. Yes.

5 Q. Using funds, his funds and your funds?

6 A. Yes.

7 Q. And subsequent to Mr. Piazza and you building
8 the building on this raw commercial land in
9 Philadelphia, did, in fact, a nightclub open up there
10 or a gentlemen's club?

11 A. Yeah. He ended up opening up one.

12 Q. And did you ever go back there and see the
13 club?

14 A. Yeah. I went for the opening.

15 Q. When was the grand opening?

16 A. I don't remember the date.

17 Q. And was this strictly a topless club?

18 A. And restaurant.

19 Q. And it had attached to it a restaurant as
20 well?

21 A. Inside there was a restaurant, a kitchen.

22 Q. What was the name of the topless club?

23 A. Crazy Horse Too.

24 Q. And was the restaurant known by any other
25 name, or was that also known as the Crazy Horse Too

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1 Restaurant?

2 A. Yeah. It didn't have a name. It was just a
3 kitchen, you know.

4 Q. So it was much like your enterprise here at
5 the Crazy Horse Too here in Las Vegas. You had a
6 gentlemen's --

7 A. We didn't have a kitchen here.

8 Q. Oh, you didn't have a kitchen?

9 A. No.

10 Q. Oh, okay.

11 The topless club that you were operating in
12 Philadelphia presumably required licensing by
13 authorities?

14 A. Yes.

15 Q. And how do you know that licensing was
16 required?

17 A. It's required everywhere.

18 Q. Did you submit a licensing application?

19 A. No.

20 Q. Did Mr. Piazza submit a licensing
21 application?

22 A. Yes.

23 Q. And was it disclosed that you had an interest
24 in the property?

25 A. No, because I was already out of it.

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1 Q. And when were you out of it?

2 A. I mean, I don't know what he said. I was out
3 of it at the same time, so I don't know what he ended
4 up doing.

5 Q. Well, you were in the business with him at
6 the time that it opened; right?

7 A. No.

8 Q. Oh, you weren't.

9 A. I was already out before it opened.

10 Q. You got out before it opened?

11 A. Yeah.

12 Q. When did you get out?

13 A. Right around the time with the raid and all
14 that stuff.

15 Q. So you got out of the business sometime
16 around --

17 A. Yeah, he --

18 Q. You have to wait until I'm done.

19 A. Oh, sorry.

20 Q. That's okay.

21 You got out of the enterprise sometime around
22 the time that the Crazy Horse Too was raided by the FBI
23 and the IRS?

24 A. Right. He didn't want to do it anymore after
25 that.

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1 Q. He didn't want to do it anymore. He didn't
2 want to operate it or open it?

3 A. No. He didn't want to be partners with me.

4 Q. He didn't want to be partners with you?

5 A. Yeah.

6 Q. Okay. So it was decided that he would buy
7 your interest out?

8 A. Right.

9 Q. Now, what documents memorialize your business
10 agreement with Mr. Piazza; that is, what contracts were
11 created?

12 A. I'm not really sure.

13 Q. Well, who created the contracts that
14 memorialized your business --

15 A. He would have.

16 Q. -- agreement?

17 Well, what lawyers did this?

18 A. I don't know.

19 Q. What lawyers did you use?

20 A. Patti & Sgro.

21 Q. And so they reviewed the business proposal?
22 It was documented and they reviewed those documents?

23 A. I guess so, yeah.

24 Q. I mean, that's -- is that the assignment you
25 gave the lawyers at Patti & Sgro?

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1 A. Yeah.

2 Q. And taking all the time you feel is

3 necessary, can you please share with me what documents

4 you recall, what legal documents you recall having been

5 created, reviewed, and executed by you?

6 A. The only thing I recall was that, because it

7 was pretty much my fault, according to Vince, that I

8 wasn't going to, you know, do it anymore, so he ended

9 up putting a lot more money into it, you know, than he

10 was originally intending to and stuff, that if he ever

11 sold it, you know, or whatever, that he would try to

12 give me whatever my percentage back would be --

13 Q. Well --

14 A. -- depending on how much he lost.

15 Q. Let's back up a little bit. I'm not talking

16 about what the exit agreement was. I'm talking about

17 what the original agreement was.

18 A. Oh, we never had one.

19 Q. You never had any agreement?

20 A. No. Just verbal.

21 Q. Just verbal?

22 A. Yeah. It never got that far.

23 Q. So you invested \$2 million on a verbal

24 agreement?

25 A. Right.

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1 Q. And he invested \$5 million on a verbal

2 agreement; is that correct?

3 A. I'm just guessing, yeah.

4 Q. Okay.

5 A. It was a verbal agreement, yes.

6 Q. And then subsequent to this verbal agreement,

7 there was some documented agreement that you would get

8 money out of the club?

9 A. If -- I don't know about documented. It

10 was -- it was if he ended up selling it, you know,

11 because he was going to try and sell it right away and

12 he ended up operating it for like a year and a half or

13 two years and lost money, and if he ended up selling

14 it, depending on how much he recuperated would be

15 depending on how much of mine I would recuperate.

16 Q. And this was documented somehow?

17 A. I don't know.

18 Q. Well, see, I'm puzzled, because you told me

19 that there were documents, legal documents that were

20 created by you and your attorneys, and I'm trying to

21 determine what those documents --

22 A. Well, you said you didn't want to talk about

23 the exit agreement. That's what was reviewed.

24 Q. Okay. So the exit agreement where you got

25 your money back, that was documented?

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1 A. I'm pretty sure, yeah.

2 Q. And when did you get your money back?

3 A. When I deposited that million dollars in

4 John Dawson.

5 Q. In your foreign bank account?

6 A. Well, I --

7 Q. The Cook Islands account?

8 A. I guess so, yeah. I gave it to John Dawson,

9 whatever he did.

10 Q. Right, right.

11 It was deposited in your Cook Islands

12 account; right?

13 A. Okay.

14 Q. Right?

15 A. I guess.

16 Q. When you deposited or had that deposited in

17 your Cook Islands account, that million dollars --

18 MR. GENTILE: I have an objection to the form

19 of the question, but go ahead.

20 BY MR. CAMPBELL:

21 Q. -- was there in existence at that time some

22 sort of agreement in writing that you had reviewed and

23 your attorneys had reviewed?

24 A. I believe so.

25 Q. Okay. And why do you believe so?

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1 A. I'm just guessing there had to be something.

2 Q. Well, my recollection of your testimony was

3 that --

4 A. I don't remember seeing one.

5 Q. Oh, you don't remember seeing one?

6 A. No.

7 Q. Then my recollection of your testimony was is

8 that there was some contracts, some legal papers --

9 wait a second.

10 A. Sorry.

11 Q. -- some legal papers that were created to

12 memorialize the transaction and that it had been

13 reviewed by you and your attorneys.

14 Are you saying that that's not the case?

15 A. I believe it all happened while I was gone.

16 Q. And where were you?

17 A. That's when I was in MDC.

18 Q. That's when you were in prison?

19 A. Right.

20 Q. Okay. Where are those legal documents?

21 A. They would have been with Patti & Sgro.

22 Q. Going back to that club, it was operated

23 under the name of Crazy Horse Too?

24 A. Yes.

25 Q. And if I recall your testimony, when it was

Page 133

1 being operated, actually in operation, up and running,
2 you were no longer involved?
3 A. No.
4 Q. But you continued to allow them to use the
5 name Crazy Horse Too?
6 A. I didn't own it.
7 Q. What do you mean, you didn't own it?
8 A. I didn't own the name in Philadelphia. Vince
9 did.
10 Q. You sold it to him?
11 A. No.
12 Q. Or licensed it to him?
13 A. No. I never owned it.
14 Q. All right.
15 A. Each state is different.
16 Q. So in any event, it was called the Crazy
17 Horse Too?
18 A. Yeah.
19 Q. Is that right?
20 A. Right.
21 Q. And it was operated by Mr. Piazza under that
22 name?
23 A. I don't know if he had a corporate name, but
24 the name on the club was Crazy Horse Too.
25 Q. And Mr. Piazza operated the club for what

Page 134

1 period of time?
2 A. I don't know the dates. It was probably a
3 year, year and a half.
4 Q. And it then closed or was it --
5 A. No. He sold it.
6 Q. And to whom did he sell it?
7 A. Rick's Cabaret.
8 Q. And were you in any way a participant in the
9 negotiation of that sale?
10 A. No.
11 Q. When it was sold, were you in prison?
12 A. I don't remember, but I think so.
13 Q. Originally, that is to say, before you
14 determined that you would not go forward and be a full
15 participant, originally did you have an understanding
16 with Mr. Piazza as to what your role would be in the
17 operation of the club?
18 A. When we originally were going to do it?
19 Q. Yes, sir.
20 A. I was going to run it.
21 Q. And when you say you were going to run it,
22 what -- what do you mean by that?
23 A. Meaning I would set it up, put everybody in
24 place, you know, managers, you know, cocktail waitress,
25 how everything operates, you know, the whole thing. I

Page 135

1 would run it.
2 Q. Had you selected at any point individuals
3 that you determined would work at the Crazy Horse Too
4 in Philadelphia?
5 A. My nephew was going there. He moved there,
6 actually.
7 Q. Mr. Dace; am I correct?
8 A. Drace.
9 Q. Drace. Excuse me. I mispronounced his name.
10 Mr. Drace.
11 And he worked there?
12 A. Right.
13 Q. Did any of your other relatives work there?
14 A. No.
15 Q. How many times were you actually in the club?
16 A. Once or twice. I think once, I think, for
17 the opening. I don't think I ever went back again.
18 Q. You were involved in a Crazy Horse Too that
19 also opened in Orlando, Florida, at some point in time?
20 A. It was Pompano Beach.
21 Q. In Pompano Beach?
22 A. I owned it.
23 Q. And was it called the Crazy Horse Too?
24 A. Yes.
25 Q. And for what period of time did you operate

Page 136

1 it?
2 A. Oh, that I actually operated it?
3 Q. Yes, sir.
4 A. Maybe three, four months.
5 Q. For what period of time did you have an
6 interest in the operation?
7 A. Well, when you mean interest, you mean
8 after -- after I -- I sold it like four months later.
9 Q. So you were only involved in that project for
10 four months?
11 A. Yeah. It was like 90 days, even, I think.
12 Q. Why so short a period of time?
13 A. A guy came in and bought it.
14 Q. Who bought it?
15 A. A guy named -- I think his name was Siegel.
16 I think his name was Siegel, and he was from Orlando.
17 Q. Do you remember his first name?
18 A. Not off the top of my head.
19 Q. How much did you sell it for?
20 A. I don't remember that either.
21 Q. Did you have any other Crazy Horse Toos that
22 had opened around the country?
23 A. That I owned?
24 Q. That you were involved with?
25 A. Yeah. Chicago I was a consultant, and I

Page 137

1 opened up one in New York that was only open like
2 60 days.
3 Q. Let's talk about the one in Chicago.
4 A. Okay.
5 Q. What was your role in connection with that?
6 A. Consultant.
7 Q. And who owned it?
8 A. A guy named Perry Mandero.
9 Q. And did Mr. Mandero have any partners?
10 A. I'm not sure. I don't remember now if he did
11 or he didn't. I think he owned it by himself. I'm not
12 sure if his lawyer had a piece of it or not.
13 Q. And when you say you were a consultant, do
14 you mean to say that you didn't invest in it?
15 A. No.
16 Q. You were paid?
17 A. Right.
18 Q. And you were paid by Perry Mandero?
19 A. By the company, whatever the company was.
20 Q. And for what period of time did you have a
21 consulting arrangement with the Crazy Horse Too in
22 Chicago, Illinois?
23 A. I don't know the dates. I think it was for
24 like two or three years.
25 Q. And how --

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1 A. I'm sorry about the -- I'm really bad with
2 dates.
3 Q. And how was it that you ended your
4 relationship with Mr. Mandero in the Crazy Horse Too in
5 Chicago?
6 A. He just didn't think he needed a consultant
7 anymore. He thought he was going to run it himself.
8 Q. And did he continue to operate it?
9 A. Still does.
10 Q. And it still operates today?
11 A. Yep.
12 Q. Under that name?
13 A. No.
14 Q. What name does it operate under?
15 A. I'm not sure.
16 Q. When did it cease operating under the name of
17 Crazy Horse Too?
18 A. I don't know the dates.
19 Q. When you say you don't know the dates, was it
20 before or after the FBI's raid of the Crazy Horse Too
21 here in Las Vegas?
22 A. Way before.
23 Q. What's way before? A year? Two years?
24 10 years?
25 A. A long time, yeah. That was -- that was like

Page 139

1 the first thing I ever did outside of Vegas.
2 Q. Let's go back then to the agreement that you
3 ultimately reached with Mr. Piazza to get your money
4 out of the Philadelphia deal. All right?
5 What was that agreement?
6 A. That if he ever got paid -- if he sold it and
7 he got paid and he recuperated his money, that I would
8 recuperate part of my money.
9 Q. And that if he --
10 A. Because he lost money.
11 Q. He lost money?
12 A. Right.
13 Q. How do you know he lost money?
14 A. He told me.
15 Q. You didn't have an audit or anything of that
16 nature?
17 A. No.
18 Q. Were any books and records kept of the
19 investment that you made?
20 A. Just I probably -- you know, the canceled
21 checks or something.
22 Q. No. I'm talking about, you know, actual
23 accountings as to how much you invested, how much he
24 invested, how that money was expended?
25 A. If there was -- I don't think there was, but

Page 140

1 if there was, the FBI took it in the raid.
2 Q. The FBI took the books and records of the
3 Crazy Horse Too in Philadelphia in a raid?
4 A. I didn't have any books and records of Crazy
5 Horse Too. You're saying of the expense -- of the
6 investment. I didn't have --
7 Q. You don't have any books and records. I
8 understand that.
9 A. Yeah. I didn't keep any track of that. It
10 wasn't mine.
11 MR. GENTILE: Slow down. Let him finish his
12 question. It's really important. It's getting too
13 much like a conversation.
14 THE WITNESS: Oh, okay. Sorry.
15 BY MR. CAMPBELL:
16 Q. You didn't have any books and records. You
17 didn't maintain any books and records in connection
18 with your investment in the Crazy Horse Too in
19 Philadelphia?
20 A. No.
21 Q. If there were books and records, you didn't
22 keep them?
23 A. No.
24 Q. You never reviewed any books and records of
25 the Crazy Horse Too?

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1 A. No.

2 Q. You accepted Mr. Piazza's representation that

3 he lost money on the investment?

4 A. Right.

5 Q. And so, therefore, because he lost money,

6 you, likewise, lost money?

7 A. Right.

8 Q. Based upon his representation?

9 A. Right.

10 Q. And that's all that you relied upon?

11 A. Right.

12 Q. And how much money did you lose?

13 A. Don't know yet. He hasn't got paid. You

14 know, he's still in the process.

15 Q. He's still in the process of being paid for

16 the sale of the club?

17 A. He never -- he -- he -- he did a stock deal

18 with those guys.

19 Q. And tell me how that worked.

20 A. I don't know.

21 Q. Well, how do you know it was a stock deal?

22 A. He told me.

23 Q. Did he acquire stock in a new company that

24 purchased the Crazy Horse Too in Philadelphia?

25 A. No.

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1 Q. Did he sell the stock?

2 A. They bought -- they bought -- Rick's Cabaret

3 is a publicly traded company.

4 Q. Okay.

5 A. They paid him in stock.

6 Q. I understand.

7 So for his equity position in the Crazy Horse

8 Too in Philadelphia, Rick's Cabaret gave him stock in

9 exchange?

10 A. Right.

11 Q. And at that time you were no longer an owner?

12 A. No.

13 MR. GENTILE: Objection to the form of that

14 question.

15 BY MR. CAMPBELL:

16 Q. Okay. Well, were you an owner?

17 A. Never in the club.

18 Q. Okay. What were you an owner of?

19 A. A third interest in the property.

20 Q. And were you listed on real estate documents?

21 A. I believe so.

22 Q. So we couldn't pull up deeds --

23 A. No, I don't think so.

24 Q. -- and see your name on them?

25 A. No. It never got that far.

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1 Q. It was just -- well, it got that far.

2 Somebody owned the property. Somebody's name was on

3 the property?

4 A. Just not me.

5 Q. It wasn't you?

6 A. Right.

7 Q. Irrespective of the fact that you had

8 invested money, your name didn't show up on any

9 documents associated with the club?

10 A. Right.

11 Q. Insofar as the ownership of the land is

12 concerned?

13 A. I don't think so.

14 Q. The only person's name that was on it was

15 Mr. Piazza?

16 A. I don't know.

17 Q. But you know yours wasn't?

18 A. I don't know that for a fact either. I don't

19 remember ever being on anything.

20 Q. So when he sold the club, he sold his

21 interest in the land?

22 A. I don't know what his deal was, to tell you

23 the truth.

24 Q. Well, did he sell --

25 A. I believe he sold the whole thing.

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1 Q. He sold the whole thing?

2 A. I believe so. I don't know.

3 Q. So he sold the land, sold the club upon which

4 it sat along with the furnishings, fixtures, and

5 equipment?

6 A. I don't know.

7 Q. Is that your belief?

8 A. I believe so.

9 Q. And is that your understanding based upon

10 what he shared with you?

11 A. Right.

12 Q. Okay.

13 A. So when we told me he sold the club, I just

14 assumed it was everything.

15 Q. How much did he sell the club for? What did

16 he tell you?

17 A. I don't know.

18 Q. When did you learn that he sold the club in

19 exchange for stock that was given to him by

20 Rick's Cabaret?

21 A. I don't remember, to tell you the truth. I

22 don't remember. I try to go by when I went away and

23 when I was out, and I don't remember if it was before

24 or after --

25 Q. So you don't --

1 A. -- or during.
 2 Q. You don't recall when it was sold; correct?
 3 A. No. I really lost all interest in it after I
 4 had nothing to do with it.
 5 Q. You do not recall how much it was sold for?
 6 A. No.
 7 Q. You never saw any documents related to the
 8 sale?
 9 A. No.
 10 Q. You only had some cursory conversation with
 11 Mr. Piazza where he said it was sold; correct?
 12 A. Right. He hopes it sold.
 13 Q. And then the next thing you know is you got
 14 some money?
 15 A. A million dollars back.
 16 Q. Taking all the time you feel is necessary,
 17 share with me how it was that you came to learn that
 18 you were getting money back?
 19 A. You already asked me that. I don't remember.
 20 I don't remember if it was when I got home or whether
 21 it was before but it didn't go into effect until I got
 22 home. I don't remember.
 23 Q. No. I'm sorry. I don't believe I was asking
 24 you when but rather how you came to learn that you were
 25 going to receive some money?

1 A. Probably Vince told me.
 2 Q. Did you meet with him or did you speak with
 3 him on the phone?
 4 A. Phone.
 5 Q. And what was it that he told you?
 6 A. I don't remember. A long time ago.
 7 Q. Well, presumably he told you, Mr. Rizzolo or
 8 Rick, we're going to -- you're going to be getting some
 9 money?
 10 A. Right. They gave him -- they gave him --
 11 whatever we got back, you know, that's what they gave
 12 him up front, and then they gave him stock.
 13 Q. And did he tell you how much you were going
 14 to get back?
 15 A. A million dollars.
 16 Q. And did he tell you how that number had been
 17 achieved, that nice round number of \$1 million?
 18 A. I think he got 3 million for it, so he got
 19 two, I got one.
 20 Q. And he told you that's what he sold the
 21 property for, the business?
 22 A. No, no. That's what they gave him. That's
 23 what they gave him.
 24 Q. That was the down payment?
 25 A. Right.

1 Q. That was the cash?
 2 A. And then stock, and then he said something
 3 about the stock being based on whatever the stock was
 4 selling for, that kind of stuff.
 5 Q. All right.
 6 A. That's why he didn't know how much money he
 7 was really going to lose.
 8 Q. And do you know what the market value of the
 9 stock was that he received?
 10 A. It was \$23 then. Now it's like \$8.
 11 Q. And when he received the stock, how many
 12 shares did he receive?
 13 A. I don't know.
 14 Q. So you just know that he received stock but
 15 you don't know how much stock he received?
 16 A. No.
 17 Q. That was of no interest to you?
 18 A. You've got to understand something. He's a
 19 friend of mine for a long time. He's a family friend.
 20 I trust him. You know, I don't do business that way.
 21 I mean, I trusted him.
 22 Q. So you weren't at all interested in how much
 23 he was receiving in stock?
 24 A. You know, he's a billionaire. I'm sure he
 25 didn't need my money so, and if he lost money, he lost

1 money.
 2 Q. I'm not talking about him. I'm talking about
 3 you.
 4 A. That's what I'm saying. I believe everything
 5 he told me, yes.
 6 Q. And so, therefore, you had no interest in
 7 asking him how much he received in stock?
 8 A. No. He might have told me. I'm just telling
 9 you, I don't remember.
 10 Q. Okay. After he told you you were going to
 11 get a million dollars in this telephone conversation
 12 that took place -- this was a telephone conversation
 13 that took place when you were in Las Vegas?
 14 A. Yes.
 15 Q. And he was in Philadelphia?
 16 A. Yes.
 17 Q. And he called you?
 18 A. I believe so. I don't remember.
 19 Q. But in any event, he was back in Philly. You
 20 were in Las Vegas?
 21 A. I believe so.
 22 Q. And when he told you that you were going to
 23 get the million dollars, did you ask him in what form
 24 you were going to get it?
 25 A. I don't remember what I said, to tell you the

1 truth. You're asking about a conversation three years
2 ago.
3 Q. Yes, I am.
4 A. I don't remember.
5 Q. Yes, involving \$1 million, and I'm asking you
6 what you can recall about that conversation where he
7 told you you were going to be getting a million
8 dollars?
9 A. Well, yeah. You asked me specifically did he
10 tell me how, and I don't recall that.
11 Q. Well, he told you that you were going to get
12 a million dollars?
13 A. Oh, you mean was it in stock or something
14 like that? No. He said -- no. It was a million
15 dollars. It was a million in cash.
16 Q. You were going to get a million in cash?
17 A. Right.
18 Q. And did he share with you how this
19 transaction was going to be consummated, how you were
20 going to get that million dollars? Was he going to
21 write you a check?
22 A. Right. He wrote a check.
23 Q. He wrote you a check?
24 A. I believe so, and he sent it to John Dawson.
25 Q. He sent the check to John Dawson. Okay.

1 A. I don't remember who he made it out to or
2 anything like that, what company.
3 Q. Why did you direct him to give the check to
4 John Dawson?
5 A. Because that's what John Dawson said how it
6 had to go. He said it has to go the same way it went
7 or something like that. I don't really remember.
8 Q. Was Mr. Dawson involved in this transaction
9 before you received the money?
10 A. What do you mean?
11 Q. You don't understand the question?
12 A. Was he involved in the transaction?
13 Q. Yeah. I'm delighted to reframe it, and I
14 appreciate you letting me know that you didn't
15 understand the question and I'll rephrase the question.
16 Was Mr. Dawson involved in this transaction
17 before funds were actually received by you or on your
18 behalf?
19 MR. GENTILE: I have an objection to the form
20 of the question.
21 BY MR. CAMPBELL:
22 Q. Do you understand the question?
23 A. Yeah. Actually, I'm trying to remember --
24 Q. Right.
25 A. -- how that whole thing happened.

1 Q. Right. That's what I'm asking.
2 A. I really don't remember how he was involved
3 prior.
4 Q. Or if he was involved prior?
5 A. I think he was involved. I don't remember
6 how.
7 Q. Okay.
8 A. Yeah.
9 Q. All right. So prior to the money coming in,
10 Mr. Dawson was involved?
11 A. I don't remember. That's what I'm saying. I
12 think he was involved. I don't think I called him that
13 day and said, Hey, they're sending you a million
14 dollars. I don't really remember.
15 Q. Right.
16 But presumably you consulted with Mr. Dawson
17 and you told him, Hey, I'm getting a million dollars in
18 from the sale of a club that I had an interest in;
19 right?
20 A. Right.
21 Q. Okay. And as a result of this sale and the
22 communication with Mr. Dawson, Mr. Dawson, in turn,
23 received a million dollar check?
24 A. Right.
25 Q. And what did Mr. Dawson do with that million

1 dollars?
2 A. I don't remember. I don't know what he did.
3 You know, what did he do with it? He deposited it, I
4 guess.
5 Q. Where did he deposit it?
6 A. You said he deposited it in the Cook Islands
7 account.
8 Q. Well, I'm asking you, is that where that
9 million dollars was deposited?
10 A. I believe so.
11 Q. When it was deposited in your Cook Islands
12 account, did you understand how long it would remain in
13 that Cook Islands account?
14 A. Yeah. He -- not long.
15 Q. Well, what directions did you give Mr. Dawson
16 as to what was to happen to the money after it was put
17 in your Cook Islands account?
18 MR. GENTILE: Objection. It assumes a fact
19 that is not as yet established.
20 BY MR. CAMPBELL:
21 Q. Go ahead.
22 A. He gave me the directions. I didn't give
23 them to him.
24 Q. And what directions did he give to you after
25 he deposited your million dollars in your Cook Islands

1 account?
 2 A. What to do with it?
 3 Q. Yeah.
 4 A. Oh. He -- I had to pay back my ex-wife, I
 5 had to pay back my dad, and then attorneys' fees.
 6 Q. Okay.
 7 A. And then whatever was left over, I kept.
 8 Q. So you told him you wanted to pay back your
 9 wife?
 10 A. Right. I owed her money.
 11 Q. And how much did you tell Mr. Dawson you
 12 wanted to pay back your wife?
 13 A. He told me how much it was.
 14 MR. BAILUS: Objection as to form.
 15 BY MR. CAMPBELL:
 16 Q. How much was it?
 17 A. I think it was 600,000.
 18 Q. So you then paid back your wife \$600,000?
 19 MR. BAILUS: Objection as to form.
 20 THE WITNESS: I believe so.
 21 BY MR. CAMPBELL:
 22 Q. And you told him you wanted to pay your
 23 attorneys?
 24 A. He -- he asked me who was involved, you know,
 25 who I owe money to.

1 Q. Okay.
 2 A. So then he told me who -- you know, he would
 3 pay her.
 4 Q. Right.
 5 A. He would pay my dad.
 6 Q. Right.
 7 A. And I think then -- I think then he deposited
 8 the money in his account or something and then he paid
 9 everybody. I really don't remember what he did.
 10 Q. Well, my question is did you tell him that
 11 you wanted your attorneys paid?
 12 A. Probably.
 13 Q. And your attorneys were paid sums from that
 14 Cook Islands account that you had?
 15 A. Oh, yeah.
 16 Q. How much were they paid?
 17 A. I'm not sure. I think -- I think
 18 Patti & Sgro got 100,000. I think John Dawson got like
 19 80-some thousand or something like that. I'm not
 20 really sure.
 21 MR. CAMPBELL: Do you have to change your
 22 tape now?
 23 THE VIDEOGRAPHER: About two minutes.
 24 MR. CAMPBELL: Okay. Go ahead and change it
 25 now.

1 THE VIDEOGRAPHER: Thank you.
 2 MR. CAMPBELL: Let's hold tight here. We'll
 3 break at 5:00, but we've got 20 more minutes I'd like
 4 to utilize here.
 5 THE VIDEOGRAPHER: This is the end of tape
 6 No. 3 in the video deposition of Fredrick Rizzolo. The
 7 time the approximately 4:40 p.m.
 8 We're going off the record.
 9 (Discussion off the record)
 10 THE VIDEOGRAPHER: This begins tape No. 4 of
 11 the video deposition of Fredrick Rizzolo. The time is
 12 approximately 4:41.
 13 We're back on the record.
 14 BY MR. CAMPBELL:
 15 Q. Besides the money that you directed
 16 Mr. Dawson to pay out of your Cook Islands account to
 17 your wife and to your attorneys, did you have him pay
 18 any other third party with that million dollar deposit?
 19 MR. BAILUS: Objection as to form.
 20 THE WITNESS: He had to pay my father back
 21 too.
 22 BY MR. CAMPBELL:
 23 Q. And how much was that?
 24 A. I think it was 200,000.
 25 Q. Okay. And so that left how much remaining in

1 your Cook Islands account?
 2 A. I don't know.
 3 Q. Ballpark?
 4 A. I think it was all gone after that.
 5 Q. You said that you got some of it?
 6 A. Yeah, but I don't remember how much because I
 7 know out of that, John Dawson got money too.
 8 Q. Do you recall how much you got?
 9 A. Not off the top of my head, no.
 10 Q. Then let's back up, and I'd like to take you
 11 through the transactions with respect to the money that
 12 was paid over to your wife, and you believe that that
 13 amount was \$600,000; correct?
 14 MR. BAILUS: Objection as to form.
 15 THE WITNESS: I think so, yes.
 16 BY MR. CAMPBELL:
 17 Q. And that money was transferred from your
 18 Cook Islands account to her Cook Islands account?
 19 MR. GENTILE: Objection to the form of that
 20 question.
 21 MR. BAILUS: I join that.
 22 BY MR. CAMPBELL:
 23 Q. Is that correct?
 24 A. I don't know.
 25 Q. Or do you know?

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1 A. No, I don't know. John Dawson handled it.
2 Q. So you don't know where the money was
3 actually deposited for benefit of your wife?
4 MR. BAILUS: Objection as to form.
5 THE WITNESS: I don't know.
6 BY MR. CAMPBELL:
7 Q. Don't know. Okay.
8 With respect to the money that was paid over
9 to your wife, that was for a loan, you said?
10 MR. BAILUS: Objection --
11 MR. GENTILE: Objection to the form of that
12 question.
13 MR. BAILUS: Objection as to form.
14 MR. GENTILE: You mean his ex-wife.
15 BY MR. CAMPBELL:
16 Q. Oh.
17 A. Ex-wife.
18 Q. Lisa Rizzolo.
19 A. Right.
20 Q. Okay. The money that was paid to
21 Lisa Rizzolo, the 600,000, was money that had been
22 loaned to you?
23 A. Yes.
24 Q. And for what purpose had Lisa loaned to you
25 \$600,000?

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1 MR. BAILUS: Objection as to form.
2 THE WITNESS: You mean what did I do with it?
3 BY MR. CAMPBELL:
4 Q. Yeah. Why did she loan you \$600,000?
5 MR. BAILUS: Objection as to form.
6 BY MR. CAMPBELL:
7 Q. What was the reason?
8 A. I don't remember what I did with all of it.
9 I think, you know, paid lawyers again and whatever I
10 needed it for, I guess.
11 Q. All right.
12 A. I don't remember at the time.
13 Q. And at the time that she loaned you \$600,000,
14 you were no longer legally married?
15 MR. BAILUS: Objection as to form.
16 THE WITNESS: No.
17 BY MR. CAMPBELL:
18 Q. Is that correct?
19 A. Right.
20 Q. You had been divorced?
21 A. Since '05.
22 Q. Right.
23 And this transaction was taking place when,
24 what year?
25 A. I don't remember.

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1 Q. But in any event, it was after a decree of
2 divorce had been entered in the State Courts of
3 Clark County, Nevada; correct?
4 A. Right.
5 Q. When Lisa loaned you the \$600,000 after you
6 had been divorced from her, did she loan it to you all
7 in one lump sum or was it over a period of time in
8 varied amounts?
9 MR. BAILUS: Objection as to form.
10 THE WITNESS: I think it was one lump sum.
11 I'm not -- I don't remember, but I think it was one
12 lump sum.
13 BY MR. CAMPBELL:
14 Q. And preceding the actual loan that she made
15 to you, presumably you asked her to loan you this
16 money; is that correct?
17 MR. BAILUS: Objection as to form.
18 THE WITNESS: I think so, yeah.
19 BY MR. CAMPBELL:
20 Q. All right.
21 A. It was either her or John Dawson. I can't
22 remember. He was handling her stuff.
23 Q. And he was handling your stuff too; correct?
24 A. Yeah. I didn't have too much stuff then.
25 Q. So he was your lawyer at that time?

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1 A. I believe so, yeah.
2 Q. And he was Lisa's lawyer at that time?
3 A. I think so.
4 Q. And when you got -- or when you were seeking
5 the loan from Lisa, did you have any communications
6 with her wherein you asked, Will you do this for me?
7 MR. BAILUS: Objection as to form.
8 THE WITNESS: I believe so.
9 BY MR. CAMPBELL:
10 Q. Okay. In what form did those communications
11 take place? Did you meet with her?
12 A. No. Probably on the phone.
13 Q. You just called her?
14 A. Probably.
15 Q. And taking all the time you feel is
16 necessary, please share with us what it was that you
17 told her or asked of her.
18 A. I -- what did I ask to borrow the money for
19 that? That I don't remember.
20 Q. You just don't recall?
21 A. No. What I used it -- what I asked for it?
22 Q. Right.
23 A. I don't remember.
24 Q. Okay.
25 A. I think it was, you know, attorneys' fees and

1 stuff like that.

2 Q. Did you ask Lisa to loan you money on more

3 than one occasion?

4 MR. BAILUS: Objection as to form.

5 THE WITNESS: No.

6 BY MR. CAMPBELL:

7 Q. Only one occasion did you ever ask her?

8 A. I believe so, yeah.

9 Q. And on only one occasion did she ever loan

10 you money?

11 MR. BAILUS: Objection as to form.

12 THE WITNESS: I think so, yeah.

13 BY MR. CAMPBELL:

14 Q. And that was in the amount of \$600,000?

15 MR. BAILUS: Objection as to form.

16 THE WITNESS: I believe so.

17 BY MR. CAMPBELL:

18 Q. You had borrowed money from your father as

19 well?

20 A. Not borrowed it from him. I owed it to him

21 from I think it was the taxes that year or something,

22 his end of the taxes.

23 Q. Could you elaborate on that for me?

24 A. He owned 10 percent of the club.

25 Q. Yes, sir.

1 A. And we had -- and I had used the money for,

2 you know, attorneys and all this when all this was

3 going on, so he had paid the taxes instead of the club

4 paying the taxes, so I owed him 200,000.

5 Q. What -- excuse me.

6 What taxes did your father pay on behalf of

7 the club?

8 A. The income taxes.

9 Q. To the United States Treasury?

10 A. Yeah.

11 Q. And of the amount that he personally paid to

12 the United States Department of the Treasury as and for

13 income taxes due and owing to the IRS, you owed 200,000

14 of that?

15 A. Right.

16 Q. And was this memorialized in any way?

17 A. No.

18 Q. He just told you and --

19 A. No. I knew what the taxes were.

20 Q. You knew what the taxes were and so he

21 fronted the taxes and you were paying him back. Is

22 that what you're saying, essentially?

23 A. I think that's how it worked.

24 Q. There wasn't any formal loan agreement?

25 A. With my father? No.

1 Q. Right.

2 Now, with respect to the amounts that you

3 directed be paid to Patti & Sgro, the attorneys --

4 A. Okay.

5 Q. They were the attorneys that got it, right?

6 A. Right.

7 Q. I think that's what you said?

8 A. No. Dawson got it. Patti & Sgro got paid

9 money and so did Dawson.

10 Q. Okay. How much did Patti & Sgro get?

11 A. I think 100,000.

12 Q. Okay. Of that -- let's just deal with that

13 100,000.

14 That was for legal services that had been

15 rendered to you?

16 A. Prior.

17 Q. That you owed them?

18 A. Right.

19 Q. And what were those legal services in

20 connection with? What legal representation?

21 A. They represented me for everything, so it

22 would have been everything.

23 Q. Did you present Mr. Dawson with an invoice

24 from Patti & Sgro?

25 A. I think they did, yeah. I think they sent

1 him an invoice.

2 Q. And what makes you think that they sent him

3 an invoice?

4 A. He wanted to know how much to pay it and why.

5 Q. Okay. Did you see that invoice?

6 A. I don't remember if I ever did or not. I

7 paid so many attorneys, I couldn't tell you.

8 Q. But, nevertheless, you requested an invoice

9 and, to the best of your recollection, one was provided

10 and submitted to Mr. Dawson?

11 A. I think they -- he requested it from them,

12 yeah.

13 Q. Within what period of time did -- that's a

14 poorly drafted question. Let me go back and reframe

15 it.

16 From the time that the million dollars was

17 deposited in your Cook Islands account, Mr. Rizzolo,

18 how long was it thereafter that all of the money left

19 your Cook Islands account?

20 MR. GENTILE: Objection to the form of that

21 question. Assumes a fact that's not there.

22 BY MR. CAMPBELL:

23 Q. Go ahead.

24 A. I think it was right away.

25 Q. Like within 24 hours?

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1 A. I don't remember, but, yeah. I think it was
2 right away.

3 Q. Okay. So if I now have this correct, and
4 please tell me if I'm not correct, of that million
5 dollars, Lisa Rizzolo got a piece of it?

6 A. She got a loan paid back to her, a loan paid
7 back to my dad.

8 MR. BAILUS: Objection to form.

9 BY MR. CAMPBELL:

10 Q. Hold on.

11 Lisa Rizzolo got a piece of it; right?

12 A. Yes.

13 MR. BAILUS: Objection to form.

14 BY MR. CAMPBELL:

15 Q. Your dad got a piece of it?

16 A. Yes.

17 Q. The law firm of Patti & Sgro got a piece of
18 it?

19 A. Yes.

20 Q. Mr. Dawson got a piece of it?

21 A. Yes.

22 Q. And you got a piece of it?

23 A. Whatever was left.

24 Q. Okay. Do you recall how much was left? I
25 mean -- let me see if I can explore that with you a

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1 little bit.

2 Was it more or less than \$50,000?

3 A. Don't remember at all.

4 Q. When you got it, what did you do with that
5 money?

6 A. I don't remember how much I got or what I did
7 with it. Probably lived on it. That's what I've been
8 living on, whatever money there was.

9 Q. All right. Let's back that up a little bit.

10 When you received the money, all right, in
11 what form did you receive the money? Did you receive
12 it in cash?

13 A. No.

14 Q. There was some sort of negotiable instrument?

15 A. Yeah. I believe -- I believe deposited a
16 check.

17 Q. You got a check?

18 A. I know I didn't get cash, so I guess it would
19 have to be a check.

20 Q. Was this check delivered to you personally?

21 A. That I don't remember.

22 Q. Do you remember signing the check,
23 negotiating it?

24 A. No. I didn't sign the check.

25 Q. Do you recall endorsing the check?

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1 A. I think I probably just deposited it.

2 Q. Where did you deposit it?

3 A. In Nevada Commerce.

4 Q. And after you deposited it to

5 Nevada Commerce, what did you then do with the money?

6 A. I don't know.

7 Q. Did you withdraw it immediately?

8 A. I don't think so.

9 Q. How long did it stay in your --

10 A. That might have been what the IRS got.

11 You know where you could get all that is the

12 Nevada Commerce, all the statements and checks I gave
13 you.

14 Q. I asked you this before in a different -- in
15 different words, but I'm going to explore it with you
16 just a little bit more in broader terms.

17 I asked you if you knew how much had -- what
18 sum of money had been executed upon by the Internal
19 Revenue Service and you said you did not recall.

20 Do you recall generally the amounts, not
21 specifically but, rather, generally the amounts that
22 the IRS levied upon in your bank accounts?

23 A. No.

24 Q. So again -- here again, you don't know
25 whether it was \$1,000 or \$50,000?

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1 A. I remember one was 40,000.

2 Q. Okay. And do you remember what bank account
3 that was in?

4 A. It wasn't. They owed me 40,000 from my taxes
5 the previous year and they kept it.

6 Q. They did not --

7 A. I remember that one.

8 Q. So they applied what they owed in a refund to
9 the satisfaction of the debt that you owed them for
10 back taxes?

11 A. Right. Instead of sending me a check, they
12 sent me like a thing saying they kept it.

13 Q. But I'm talking about the actual levy, the
14 execution upon your bank accounts by the Internal
15 Revenue Service. You don't know how much they got,
16 whether it was \$1,000 or 50,000 --

17 A. No.

18 Q. -- or 250,000; correct?

19 A. No.

20 Q. You have no idea?

21 A. No. They would know.

22 Q. Why don't you know that?

23 A. Don't keep track of it.

24 Q. That's not something you were interested in
25 knowing?

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1 A. It was a little late at the time. They
2 already took it. I wasn't getting it back.
3 Q. At the time that the Internal Revenue Service
4 executed upon your bank accounts, was Mr. Dawson your
5 attorney?
6 A. My tax attorney?
7 Q. Was he -- did he -- was he your attorney?
8 Was he providing legal services of any kind or type to
9 you?
10 A. I don't think so.
11 Q. How did you learn of the IRS --
12 A. The levy? They sent me a letter.
13 Q. That they had seized your funds?
14 A. Yeah, and then the banks -- you know, the
15 banks all send you letters that your account's been --
16 Q. And did you say it was at just one account at
17 just one bank?
18 A. No. It was all of them.
19 Q. Do you know how much you presently owe the
20 Internal Revenue Service?
21 A. Not an exact figure.
22 Q. Ballpark it, approximate?
23 A. Around two million, seven, two million,
24 eight.
25 MR. CAMPBELL: All right. It's almost 5:00,

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1 two minutes till. Let's pick it back up at
2 9:00 tomorrow.
3 THE WITNESS: Okay.
4 MR. CAMPBELL: Thank you very much.
5 THE VIDEOGRAPHER: This concludes Volume I in
6 the videotaped deposition of Fredrick Rizzolo
7 consisting of four tapes. The original tape of today's
8 testimony will remain in the custody of Las Vegas Legal
9 Video, located at 729 South Seventh Street, Las Vegas,
10 Nevada 89101.
11 The time is approximately 4:58 p.m. We're
12 now off the record.
13 (Deposition concluded at 4:58 p.m.)
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1 CERTIFICATE OF DEPONENT
2 PAGE LINE CHANGE
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16
17 * * *
18 I, Fredrick J. Rizzolo, deponent herein, do
19 hereby certify and declare the within and foregoing
20 transcription to be my deposition in said action; that
21 I have read, corrected, and do hereby affix my
22 signature to said deposition.
23
24
25 FREDRICK J. RIZZOLO

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1 REPORTER'S CERTIFICATE
2 STATE OF NEVADA }
3 COUNTY OF CLARK } ss
4
5
6 I, Cindy M. Lohning, a duly commissioned
7 Certified Court Reporter in the State of Nevada, do
8 hereby certify:
9 That I reported the taking of the deposition
10 of Fredrick Rizzolo on Tuesday, August 17, 2010,
11 commencing at the hour of 1:12 p.m.
12 That during the deposition, the deponent was
13 advised of the opportunity to read and sign the
14 deposition transcript under Rule 30. To obtain the
15 deponent's signature, the original signature page is
16 being forwarded to Dominic P. Gentile, Esq.
17 That prior to being examined, the witness was
18 by me duly sworn to testify to the truth, the whole
19 truth, and nothing but the truth.
20 That I thereafter transcribed my said
21 shorthand notes into typewriting and that the
22 typewritten transcription of said deposition is a
23 complete, true, and accurate transcription of my said
24 shorthand notes taken down at said time.
25 I further certify that I am not a relative or
employee of an attorney or counsel involved in said
action, nor a person financially interested in said
action.
IN WITNESS WHEREOF, I have hereunto set my
hand in my office in the County of Clark, State of
Nevada, this ____ day of _____, 2010.
CINDY M. LOHNING
CCR #626, CSR #10691