

SETTLEMENT AGREEMENT AND RELEASE OF CLAIMS

WHEREAS, for purposes of this agreement, a "Gentlemen's Club" is an establishment that offers erotic dance performances by semi-nude dancers, and which may also be described as adult entertainment, stripping, and/or exotic dance; and

WHEREAS, Six Star Holdings, LLC filed an application for "Class B" Tavern and Public Entertainment Premise ("PEP") licenses on May 4, 2012 for a proposed Gentlemen's Club at 730 North Old World Third Street in Milwaukee, Wisconsin; said application was heard by the Licenses Committee on May 18, 2012 and denied by the Common Council on July 24, 2012; and

WHEREAS, Six Star Holdings, LLC filed an application for "Class B" Tavern and PEP licenses on September 12, 2013 for a proposed Gentlemen's Club at 730 North Old World Third Street in Milwaukee, Wisconsin; said application was heard by the Licenses Committee on November 6, 2013 and denied by the Common Council on November 26, 2013; and

WHEREAS, on February 14, 2015, the Plaintiffs Six Star Holdings, LLC and Ferol, LLC filed a civil complaint with the United States District Court for the Eastern District of Wisconsin, Case No. 2:15-cv-175-LA, alleging violations of their First Amendment right to present erotic dance entertainment; and

WHEREAS, the parties wish to resolve this litigation without continued expense by amicably entering into this full and final settlement as to all claims Plaintiffs may have against Defendant; and

WHEREAS, MKE Downtown Ventures, LLC filed an application for "Class B" Tavern and Public Entertainment Premise ("PEP") licenses on September 24, 2014 for a proposed Gentlemen's Club at 505 South 5th Street in Milwaukee, Wisconsin; said application was heard by the Licenses Committee on December 10, 2014 and denied by the Common Council on December 16, 2014; and

WHEREAS, Six Star Holdings, LLC filed an application for "Class B" Tavern and Public Entertainment Premise ("PEP") licenses on September 24, 2014 for a proposed Gentlemen's Club at 906 South Barclay Street in Milwaukee, Wisconsin; said application was heard by the Licenses Committee on December 10, 2014 and denied by the Common Council on December 16, 2014; and

WHEREAS, Simplified Investments, LLC filed an application for "Class B" Tavern and PEP licenses on July 27, 2015 for a proposed Gentlemen's Club at 804 North Milwaukee Street in Milwaukee, Wisconsin; said application was heard by the Licenses Committee on September 17, 2015 and denied by the Common Council on September 22, 2015;

NOW, THEREFORE, in consideration of their mutual promises as set forth herein, and with their intention to be mutually and legally bound hereby, Plaintiff Six Star Holdings, LLC, Plaintiff Ferol, LLC, MKE Downtown Ventures, LLC, Simplified Investments, LLC, Jon Ferraro, Joe Modl, Craig Ploetz, and Scott Krahn (collectively referred to hereafter as "Plaintiffs, Potential Plaintiffs, and Individual Signatories") and the City of Milwaukee covenant and agree as follows:

1. The City agrees to hold a hearing in April 2017 to consider the "Class B" Tavern and Public Entertainment Premises (PEP) license applications filed by PPH Properties I LLC for a proposed Gentlemen's Club at 730 North Old World Third Street in Milwaukee, Wisconsin;
2. If PPH Properties I LLC is granted the licenses referenced in Paragraph 1 by the Common Council, the Parties agree to file a stipulation of dismissal the previously described lawsuit entitled *Six Star Holdings, LLC and Ferol, LLC v. City of Milwaukee*, Case No. 2:15-cv-175-LA without prejudice within ten (10) days of the Common Council's action;
3. The stipulated dismissal shall be without costs to either party and without prejudice;

4. The stipulated dismissal is also predicated upon the understanding that the City will not enact legislation that substantially burdens the operation of such a Gentlemen's Club for a period of six (6) years from the date this Agreement is fully executed. The parties agree that public nudity and/or full nudity by performers continues to be lawfully prohibited by the City, and such prohibition does not substantially burden the operation of a Gentlemen's Club. Examples of legislation that substantially burden the operation of such a Gentlemen's Club include a regulation that designates a minimum room size in which erotic dancers are required to perform; regulation that requires erotic dancers to remain at a specific distance from patrons while performing; a regulation that requires erotic dancers to perform only on a stage; and/or a regulation that prohibits any touching (other than touching that is already prohibited by state law);

5. It is further understood that in the event that legislation described in Paragraph 4 is enacted within six (6) years from the date of this Agreement, the lawsuit asserting the same claims and allegations as set forth in *Six Star Holdings, LLC and Ferol, LLC v. City of Milwaukee*, 2:15-cv-175-LA, may be reinstated through the filing of a new action;

It is further understood and agreed that, if such a new lawsuit is filed, costs, including attorneys' fees, that were incurred during the original lawsuit will be deemed to have been incurred in the new lawsuit;

6. It is further understood that if legislation described in Paragraph 4 is enacted, the Potential Plaintiffs may seek redress through the filing of a new action;

7. In the event the lawsuits are reinstated or filed for the reason stated in Paragraphs 5 and 6, the City agrees to waive and forego any defense based on the statute of limitations for a period of six (6) years from the date of this Agreement. It is understood that this waiver is a necessary component of this stipulation, without which the Plaintiffs would not agree to dismiss their case. It is also understood that this waiver is limited only to the circumstance described in Paragraph 4.

8. As part of this stipulation, the Plaintiffs, Potential Plaintiffs, and Individual Signatories agree that, in the event that the City grants "Class B" Tavern and PEP licenses to PPH Properties I LLC, allowing PPH Properties I LLC to operate a Gentlemen's Club at 730 North Old World Third Street, in Milwaukee, the Plaintiffs, Potential Plaintiffs,

and Individual Signatories will not file any new lawsuit based upon other denials of their "Class B" Tavern and PEP license applications.

9. Except as provided in Paragraphs 5 and 6 of this Agreement, Plaintiffs, Potential Plaintiffs, and Individual Signatories hereby terminate, waive and discharge any further claims, demands, or actions which they might assert or bring in the future or have brought to date, whether mature or not, currently actionable or not, and any suits, appeals, objections, administrative actions and legal proceedings whatsoever against the City with respect to the City's licensing of Taverns and Public Entertainment Premises, and hereby release, discharge, and acquit the City, its officers, board members, employees, agents and contractors, for any claims, causes of action, alleged injuries, or damages of any kind, character or nature whatsoever, which have been, could have been, or might be asserted against the City or any officer, employee, agent or contractor acting on its behalf, arising out of the Plaintiffs', Potential Plaintiffs', and Individual Signatories' previously proposed Gentlemen's Clubs or the City's licensing of Taverns and Public Entertainment Premises.

10. As part of this stipulation, the Plaintiffs agree that, in the event that the City grants "Class B Tavern" and PEP licenses to PPH

Properties I LLC, allowing PPH Properties I LLC, to operate a Gentlemen's Club at 730 North Old World Third Street, in Milwaukee, Plaintiffs, Potential Plaintiffs, and Individual Signatories will not file applications to obtain a "Class B" Tavern license or PEP license for any new Gentlemen's Club in the City of Milwaukee in addition to those licenses granted pursuant to or prior to the execution of this Agreement.

11. This agreement is subject to approval by the Common Council of the City of Milwaukee. It shall be deemed null and void, and have no force or effect, nor shall it be admissible for any purpose, in the event it is not so approved.

12. Plaintiffs, Potential Plaintiffs, and Individual Signatories recognize and agree that if "Class B" Tavern and PEP licenses are granted to PPH Properties I LLC allowing it to operate an establishment offering alcoholic beverages and adult entertainment/strippers/exotic dance, they are still bound by and subject to the rules and regulations as stated in Wisconsin Statutes Chapter 125, and Milwaukee Code of Ordinances Chapters 85, 90, 106 and 108.

13. Each party acknowledges that it has been represented

throughout all negotiations leading up to this Agreement by attorneys of its choice and that its attorneys have approved this Agreement.

Each party represents that in entering into this Agreement, the party has relied on its own judgment and on the advice of its attorneys, and that no statements or representations made by the other party or any of its agents, except statements or representations expressly made in this Agreement, have influenced or induced the party to sign this Agreement.

14. This Agreement states and constitutes the entire agreement of the parties concerning its subject matter and supersedes all prior or contemporaneous agreements (written or oral), representations, negotiations, and discussions concerning its subject matter, including but not limited to, all agreements (written or oral), representations, negotiations, and discussions made in the course of negotiation of the Case.

15. This Agreement shall not be filed with the Court in this Case or in any other case or proceeding, except for the sole purpose of enforcing this Agreement. This Agreement and any part of this Agreement shall not be admissible in any future judicial or administrative proceeding, except for the sole purpose of enforcing

this Agreement.

16. This Agreement is the settlement of disputed claims. By entering into this Agreement, the City does not admit any liability to Plaintiffs for any of the claims asserted in the Case, and the concessions made under this Agreement shall not be construed as an admission of any such liability.

17. No waiver of any breach of this Agreement shall be deemed a continuing waiver of that breach or a waiver of any other breach of this Agreement.

18. This Agreement may not be amended, modified or altered in any manner whatsoever, except by a further written agreement duly authorized and signed by the parties.

19. Each person signing this Agreement on behalf of either party represents and warrants that the person holds the position indicated beneath the person's signature and that the person has the requisite corporate or other authority to sign this Agreement on behalf of the party. Each party represents that entry into this Agreement is not in contravention of any agreement or undertaking to which the party is bound.

20. This Agreement may be executed in counterparts, each of

which shall be deemed to be an original, but all of which, taken together, shall constitute one and the same agreement. In the event that any signature is delivered by facsimile transmission or by e-mail delivery of a ".pdf" format data file, such signature shall create a valid and binding obligation of the party executing (or on whose behalf such signature is executed) with the same force and effect as if such facsimile or ".pdf" signature page were an original thereof.

Dated this 5th day of April, 2017.

Six Star Holdings, LLC and Ferol, LLC, Plaintiffs,

By

THE JEFF SCOTT OLSON LAW FIRM, S.C.
ATTORNEYS FOR PLAINTIFF

Jeff Scott Olson

State Bar No. 1016284

131 W. Wilson St., Suite 1200

Madison, WI 53703

Phone: (608) 283-6001

Facsimile: (608) 283-0945

E-mail: jsolson@scofflaw.com



Jeff Scott Olson

Dated this 7th day of April, 2017

Six Star Holdings, LLC

By Jon Ferraro



Member

Dated this 7th day of April, 2017

Ferol, LLC


By Jon Ferraro



Member

Dated this 7th day of April, 2017

MKE Downtown Ventures, LLC
By Jon Ferraro



Member

Dated this 7th day of April, 2017

Simplified Investments, LLC
By Jon Ferraro



Member

Dated this 7th day of April, 2017



Jon Ferraro

Dated this 10th day of April, 2017



Joe Modl

Dated this 10th day of April, 2017



Scott Krahn

Dated this 8 day of April, 2017



Craig Ploetz

Dated this ____ day of April, 2017

The City of Milwaukee,
Defendant
By

Grant F. Langley, City Attorney
Adam B. Stephens, Deputy City Attorney
State Bar No. 1033108
La Keisha W. Butler, Assistant City Attorney
State Bar No. 1072981
200 E. Wells Street
Milwaukee, WI 53202
Phone: 414-286-2601
Fax: 414-286-8550

Grant F. Langley
ATTORNEYS FOR DEFENDANTS