

May 2, 2017

To: Milwaukee Licenses Committee
From: Craig Ploetz, on behalf of PPH 1, LLC
Re: License Application of PPH 1, LLC ,to operate as gentlemen's club (dba Executive Lounge)
at 730 North Old World 3rd Street

Dear Chairman Zielinski:

At the April 17, 2017, hearing on our license application, the Committee directed several questions to me that I was either unable to answer or did not answer as well as I would have liked. I would be grateful for the opportunity to supplement the record and answer those questions now.

PARKING

The operating plan that we submitted indicated that we would use Luxury Valet as our valet parking vendor. Committee members voiced concerns that the operating plan did not include a Letter of Intent (LOI) between Executive Lounge and Luxury Valet. I apologize for that oversight, and I attach a Letter of Intent that formalizes our agreement.

EXTERIOR LIGHTING

There were questions at the hearing regarding our plan for exterior lighting. It is our intention to create a subtle and tasteful façade for our business, so the lighting will be as subdued and understated as possible while providing sufficient illumination for security.

As we have said of the exterior facade, we are open to the suggestions by the Committee and the neighborhood on what the best look will be. We have obtained a quote for installation of exterior lighting by Innovative Lighting, and I attach that here. This quote will cover a several different lighting designs, should the neighbors express a preference on the décor.

WHAT WILL HAPPEN IF OUR BUSINESS PLAN DOES NOT SUCCEED

Alderwoman Coggs asked a very good question when she said that all new businesses start out with a plan, but not all plans work out, so what would we do if our plan does not work out? I have to admit that question caught me off guard – we have had so many indicators that there is a demand and a customer base for an upscale gentlemen’s club downtown that I did not have a ready answer to the question. On reflection, and on checking with the other owners, we all agree that if this club could not be maintained as a gentlemen’s club, we would fold our tent. That is to say, if we found that there is not the market that we believe there is for the entertainment we present, we would cease operations rather than convert to some different type of operation such as a country western tavern or a hip hop bar.

SECURITY

At the hearing there was quite a bit of discussion about the use of armed versus unarmed security to patrol the exterior of the building and the surrounding area. I testified that we would be using armed security to patrol the exterior. What I did not explain (and again, I apologize – I’m good at my job, but being the spokesman is new to me) is that our plan is for the armed security to be *in a car*, patrolling the block. Standing at the door, and visible to people on the street, would be one of our floor hosts/security staff, who would be dressed in a business suit. He would not be armed. No sign of armed security would be visible to passers-by.

That is our plan at the moment, but we are happy to comply with suggestions made by the Committee, our neighbors, and the Milwaukee Police Department. It’s our intention to operate a business that has as little impact on the street as possible. We are open to discussions on how we can best accomplish that while also providing a safe environment for our employees, our

guests, and other downtown residents and shoppers. By employing security personnel outside the club we hope we can help deter the existing crime and loitering that was testified to at the hearing. We have no doubt that by activating the storefront we can increase the safety on Old World Third Street between Wisconsin and Wells.

C.O.A.S.T.

I would also like to draw attention to the COAST program that the owners have committed to. At our hearing I did not have an opportunity to discuss our commitment to combating sex trafficking through some established practices that we will put in place (outline attached). It's also our intention to make a contribution of \$10,000 to a local anti-sex trafficking organization that can assist us in implementing the COAST program.

If there is any other information you are looking for that I have not provided, please contact us immediately. We want to provide you with all the information you require in order to make an informed decision.

Thank you,

A handwritten signature in black ink that reads "Craig Ploetz". The signature is written in a cursive style with a large, sweeping initial "C" and a long, horizontal flourish at the end.

Craig Ploetz

enc.

cc: Licenses Committee
All alderpersons
City Clerk
Mayor Tom Barrett

LETTER OF INTENT

April 19, 2017

Mr. Scott Krahn, Registered Agent for PPH I, LLC
Mr. Craig Ploetz, Chief of Operations at Executive Lounge
730 North Old World Third Street
Milwaukee, Wisconsin

Gentlemen:

The purpose of this letter of intent is to set forth certain understandings and agreements between your business, which I understand will be known as Executive Lounge, and Luxury Valet.

We understand that Executive Lounge is currently seeking the licenses it needs to operate an upscale adult cabaret at 730 North Old World Third Street in Milwaukee. This letter of intent confirms that, should Executive Lounge be successful in obtaining such licenses, Luxury Valet agrees that it will provide valet services as needed for the club.

This letter constitutes a *legally binding and enforceable* agreement of the parties in respect to their mutual undertakings as to the matters described herein. In consideration for Executive Lounge using our service rather than another valet company, Luxury Valet agrees to the following terms and conditions:

Luxury Valet agrees to obtain access to sufficient parking spaces that can handle off-site parking for up to 100 cars from 11 a.m. – 8 p.m. on Monday – Thursday, from 10:30 a.m. – 8 p.m. on Friday and Saturday, and from 3:30 p.m. until 8 p.m. on Sunday, and for up to 250 cars during the peak hours of business (between 8 p.m. to 2 a.m. each night) and

The financial arrangement agreed upon is that Luxury Valet will charge each customer a fixed price for the valet service, and in addition, Executive Lounge will pay Luxury Valet \$13-15 an hour per valet for this service.

Sincerely,



Ricky Lea
Owner of Luxury Valet

Luxury Valet LOI
Page 2 of 2

Acknowledged and
Agreed to:


Craig Ploetz on behalf of
Executive Lounge

Innovative Signs
Innovative Signs
 21795 Doral Rd B
 Waukesha WI 53186
 United States
 Phone: (262) 432-1330
 Fax : (262) 432-1331
 steph@innovative-signs.com
 www.innovative-signs.com



Quote 9930 - Lighting for 730 Old World Third Street

Expiration Date : 07/31/2017

Quote for	Contact	Shipping/Install
Executive Lounge 730 Old World Third Street Milwaukee WI 53203 United States	Craig Ploetz Address : 730 Old World Third Street Milwaukee WI 53203 United States	730 Old World Third Street Milwaukee WI 53203 United States

Quote #	Quote Date	Sales Rep	Payment Terms	PO	PO Date
9930	05/02/2017	Dave Salkin dave@innovative-signs.com	50% down, Remainder 15 Days Net		

Items

#	Item	Qty	Unit Price	Total	Tax
1	Contracted Electrical Services Innovative Signs to provide Noribachi LED Wallpack Fixtures Series X. The Wallpack.X is a medium-sized, energy-efficient LED lighting fixture. These LED lighting fixture features heavy-duty die-cast aluminum housing with high impact and heat resistant borosilicate glass lens. The lights come with T5 distribution pattern which throws a 20' light pattern.	18	\$397.50	\$7,155.00	\$364.91
2	Installation Installation of all lighting as required. Includes : 31.0 Hrs 60' Bucket Truck and Crane 2 installers - Includes crew and truck charges.	1	\$6,066.39	\$6,066.39	\$309.39

Total

Sub Total	Total Tax(%)	Final Price
\$13,221.39	\$674.30 (5.1%)	\$13,895.69

Downpayment (0.0 %) \$0.00

Terms And Conditions

Production cannot begin until we receive your written authorization that this estimate is accurate.

We have a \$100.00 Minimum on all orders.

For orders over \$500, we require a deposit (payable by Check, MasterCard, Visa or American Express) of 50%. We will ask for final payment upon completion, unless terms are set up.

For orders above \$1000.00 a credit application must be completed and/or on file for new customers.

A **Rush Charge** of \$100.00 will be added if requesting a turn around time of less than 48 hrs. This applies to projects being printed in-house. IF we are using another vendor then we are subject to their terms and conditions.

Delays in receiving your authorization and deposit will result in extended production time. Proofs not approved within 48 hrs can delay production time.

All quotes require a signed approval prior to production. Please sign and email or fax back to 262-432-1331.

By signing below, or issuing a purchase order for the above described work, I understand and agree to the terms set forth in this agreement, agree to pay, and specifically authorize Innovative Signs Inc. to charge my credit card, for the services provided should I pay by credit card via phone or in person. I further agree that in the event my credit card becomes invalid, I will provide a new valid credit card upon request, to be charged for the payment of any outstanding balances owed. By supplying Innovative Signs Inc with a credit card number or check upon completion of the work described above I understand that I am confirming that I have received all services and goods to satisfactory conditions. Any warranty claims or defects in goods recieved must be reported within 10 days of job completion.

for **Executive Lounge**

Signature		Date	
------------------	--	-------------	--

We agree to your terms and conditions. Please proceed with the order.

COAST

CLUB OPERATORS AGAINST SEX TRAFFICING

In order to ensure that Milwaukee's adult entertainment club operators are on the front lines of combating human sex trafficking, we are proposing to put in place an early warning system to be implemented by member clubs. This system would include working with the federal, state, county and city law enforcement, as well as local organizations dedicated to the elimination of this horrible crime. We will implement safeguards to verify that employees and independent contractors are U.S. citizens and authorized workers do not face discrimination with respect to hiring, firing, or recruitment because of citizenship status or national origin. As responsible club operators it's our intent to become the vigilant "eyes and ears" of the community against human sex trafficking.

Action steps that COAST members will take to recognize, report and rescue suspected victims will include:

- **Use of E-Verify to verify the employment eligibility of all new hires.**
 - Ensuring a legal and documented workforce is the first step to preventing trafficking issues in the workplace.

- **Information to be shared among COAST members and law enforcement to identify early signs of possible abuse**
 - COAST members will share information regarding whether a performer has exhibited any of the telltale signs of trafficking including:
 - Has the person been accompanied by someone else who physically possesses his/her identification?
 - Have you detected any physical or mental abuse?
 - Does the person have difficulty communicating because of cultural or language barriers?
 - Does the person lack I.D. or documentation?
 - Has a third party been collecting his/her pay for "safe-keeping" or other reasons?

- **Work with local law enforcement and advocacy groups to establish an internal compliance and training program that clubs can implement for the interdiction and detection of trafficking victims.**

- **Display U.S. Immigration and Customs Enforcement (ICE) and Homeland Security Investigations (HSI) posters**

- **Report suspicious activity to law enforcement at HSI tip line: 1-866-DHS-2ICE**

- **Distribute Human Trafficking Indicator cards from HSI**
- **Establish proactive training with the assistance of ICE, HSI local law enforcement and local anti-sex trafficking organizations**
- **Require that all hiring be conducted by individuals who have received appropriate I-9 and Trafficking awareness training**
- **Establish a procedure for employers to report to HSI credible information of suspected trafficking.**
- **Coordinate with local anti-sex trafficking organizations to encourage individuals to report information separately where they are not inclined to report directly to law enforcement.**
- **Identify COAST Point of Contact for HSI and local law enforcement and concerned organizations**