



## NEVADA COMMISSION ON ETHICS REPORT AND RECOMMENDATION REGARDING JUST AND SUFFICIENT CAUSE

REQUEST FOR OPINION NO.  
07-29C

SUBJECT: LOIS TARKANIAN, COUNCILWOMAN,  
CITY OF LAS VEGAS

### **A. JURISDICTION:**

In her capacity as member of the Las Vegas City Council, Lois Tarkanian is a public officer as defined by NRS 281.4365. As such, the Nevada Commission on Ethics has jurisdiction over this complaint.

### **B. INVESTIGATIVE ACTIVITIES:**

- Reviewed Request for Opinion (complaint) 07-29C, received June 8, 2007 from Steve Miller, including the following documentation (**TAB B**):
  - Agenda item 99 summary page, April 4, 2007 Las Vegas City Council meeting
  - Agenda item 116 summary page, April 18, 2007 Las Vegas City Council meeting
  - Results of information searches from the official records of the Clark County Recorder's website referencing several real property transaction documents with commentary from Mr. Miller
  - Two news articles from the *Review Journal* online
- Received *Waiver of Statutory Time Requirement* form on June 20, 2007; reviewed response received August 20, 2007 from Ms. Tarkanian, by and through her attorney, including the following (**TAB C**):
  - Declaration executed by Ms. Tarkanian on August 17, 2007
  - Certified copy of agenda item 99 documentation, April 4, 2007 Las Vegas City Council meeting regarding a special use permit for *Check City*
  - Certified copy of agenda item 116 documentation, April 18, 2007 Las Vegas City Council meeting regarding a special use permit for *Check City*
  - Deed of trust dated March 6, 1975; deed of reconveyance recorded April 30, 2001
  - Agenda item 66 summary page and list of conditions, April 18, 2007 Las Vegas City Council meeting regarding a three month review of a tavern license for *Crazy Horse Too* strip club
  - Deed of trust with assignment of rents, security agreement recorded May 30, 2003
  - Assignment of deed of trust recorded August 26, 2004
  - Deed of reconveyance recorded January 10, 1997
- Reviewed Nevada Secretary of State records relating to Becker & Sons and *Crazy Horse Too* strip club (**TAB D**)

**C. RECOMMENDATIONS:**

Based on the results of investigation, it is recommended that the Panel find that just and sufficient cause **DOES NOT EXIST** for the Commission to hold a hearing and render an opinion in this matter relating to the following provisions of NRS Chapter 281:

- 281.481(1)
- 281.481(2)
- 281.481(3)
- 281.481(4)
- 281.481(5)
- 281.481(6)
- 281.481(7)
- 281.481(8)
- 281.481(10)
- 281.491
- 281.501(2)
- 281.501(3)
- 281.501(4)
- 281.505
- 281.554

**SPECIFIC REASON:**

Sufficient credible evidence does not exist to support a finding of just and sufficient cause for the Commission to hear the matter and render an opinion on whether Ms. Tarkanian violated the provisions of NRS Chapter 281 referenced above.

**D. SUMMARY OF REQUEST FOR OPINION (COMPLAINT):**

The complaint alleges that Ms. Tarkanian violated the following provisions of NRS Chapter 281: 281.481(1), 281.481(2), 281.481(3), 281.481(4), 281.481(5), 281.481(6), 281.481(7), 281.481(8), 281.481(10), 281.491, 281.501(2), 281.501(3), 281.501(4), 281.505 and 281.554. The following is a summary of the complaint:

On April 4, 2007, Ms. Tarkanian voted to hold an agenda item in abeyance regarding a request for a special use permit from *Check City*, a proposed auto title loan establishment. This establishment would be located on property owned by Ms. Tarkanian's business partner, Becker & Sons. On April 18, 2007, Ms. Tarkanian voted to approve the special use permit subject to conditions. On both occasions, Ms. Tarkanian failed to disclose that she had a business relationship with Becker & Sons.

On April 23, 2007, Ms. Tarkanian voted to grant the *Crazy Horse Too* strip club ("Strip Club") a permanent liquor license. One month later, Ms. Tarkanian's husband, Jerry Tarkanian, attended a party in Newport Beach, California, to honor Rick Rizzolo, convicted racketeer and owner of the Strip Club.

Ms. Tarkanian failed to disclose her business relationships with persons closely associated with the applicant for the permanent liquor license. The Clark County Recorder lists several transactions that connect Ms. Tarkanian to persons associated with the Strip Club and organized crime. These persons include Michael Muskin, the law partner of the Strip Club owner's attorney, Mark Hafer; Anthony Tegano, the father-in-law of Nevada Black Book member Joey Cusumano, a close associate of Rizzolo; and Fred Glusman, owner of restaurants in Las Vegas and Newport Beach – including the one in which Rizzolo was honored by Councilwoman Tarkanian's husband.

Ms. Tarkanian should abstain when she is called upon to help her family's friends and business partners regarding the further licensing of the Strip Club or regarding the interests of Becker & Sons.

**E. SUMMARY OF SUBJECT'S RESPONSE:**

On June 20, 2007, Ms. Tarkanian submitted a *Waiver Of The Statutory Time Requirement* form and on August 20, 2007, she submitted her response by and through her attorney, John H. Mowbray. The following is a summary of the response:

Ms. Tarkanian is a resident of Las Vegas, Clark County, Nevada. Ms. Tarkanian was elected as a member of the Las Vegas City Council at a special election conducted on January 26, 2005 and was sworn into office on February 2, 2005. On April 4, 2007, the citizens of Ward 1 elected Ms. Tarkanian to another term.

In April 2007, Ms. Tarkanian voted on a matter involving an entity named Becker & Sons. The requester alleges that Ms. Tarkanian failed to disclose an alleged business relationship with Becker & Sons. Ms. Tarkanian has never been a business partner with Becker & Sons and had no obligation to disclose or to abstain.

In April 2007, Ms. Tarkanian voted to grant a permanent liquor license to a successor in interest of a convicted racketeer. The requester contends that Ms. Tarkanian had business relationships with the holder of the liquor license. Ms. Tarkanian has never had a business relationship with either the then current (Mr. Signorelli) or the prior holder (Mr. Rizzolo) of the liquor license in question.

The requester has proffered no credible evidence to support his unfounded allegations. The complaint and the documents included with the complaint do not provide any predicate for a finding that just and sufficient cause exists for any alleged violation of Nevada's Ethics in Government Law. No just and sufficient cause exists to pursue either allegation. The complaint is specious and should be dismissed.

Becker and Sons filed an application for a special use permit, SUP-19296 that came before the Las Vegas City Council on April 4, 2007. A motion was made by a member of the Las Vegas City Council to hold the matter in abeyance, which was unanimously approved. The matter came back before the Las Vegas City Council at its hearing on April 18, 2007. All members of the Las Vegas City Council voted to approve the application for the special use permit subject to certain conditions.

The complaint, without any factual predicate, states that Ms. Tarkanian was a business partner of Becker & Sons, and included a record of a deed of trust reconveyance that was recorded in 2001, suggesting that the Becker mentioned therein is "aka 'Becker and Sons'". In fact, the Becker referenced in the reconveyance was Earnest A. Becker, Sr., who died in 1999. Ms. Tarkanian and her husband, Jerry Tarkanian, purchased their Las Vegas residence in the early 1970's, secured by a deed of trust in favor of Earnest A. Becker, Sr. The note that was secured by the deed of trust was ultimately paid and a reconveyance recorded. The "evidence" presented in the complaint suggests nothing more and

## **SUMMARY OF SUBJECT'S RESPONSE (CONTINUED)**

certainly does not infer that Ms. Tarkanian was a business partner with Becker & Sons.

On April 18, 2007, the Las Vegas City Council had a discussion and considered possible action regarding a liquor license held by an entity named Nevada Receivership, LLC, dba *Crazy Horse Too*. An individual named Michael J. Signorelli owned this entity. The city council approved a liquor license for Mr. Signorelli's entity subject to several stated conditions.

The complaint, without any factual predicate, states that Ms. Tarkanian voted to approve "a permanent liquor license for a company whose president was convicted of racketeering, (and) she failed to disclose her business relationships with persons closely associated with the applicant." The complaint included a record of a deed of trust recorded in 2003, a record of an assignment of a deed of trust recorded in 2004, a record of another deed of trust reconveyance recorded in 1997, and two articles by a Las Vegas columnist. The 2003 recorded deed of trust references a loan Ms. Tarkanian and Jerry Tarkanian made to Ironwood Properties managed by John Ritter and brokered through Alliance Mortgage Company. The 2004 assignment of a deed of trust references a loan made on Ms. Tarkanian's behalf to Corinthian Hills, L.L.C. and made through Consolidated Mortgage Corporation. The recorded 1997 deed of trust reconveyance references a loan made on behalf of the Tarkanian Family Living Revocable Trust by Jerry Tarkanian to Frederick J. Glusman in 1993. This loan was paid in December of 1996. None of the parties referenced in these transaction documents had anything to do with the matter that came before the Las Vegas City Council.

Ms. Tarkanian has never had a business relationship with Mr. Signorelli or his company. Ms. Tarkanian has never had a business relationship with Mr. Rizzolo, the holder of the liquor license. Ms. Tarkanian had no duty to disclose or to abstain in the matter involving Mr. Signorelli, his company, or Mr. Rizzolo and his company, under Nevada's Ethics in Government Law.

No predicate has been established for a finding that just and sufficient cause exists to find a violation under Nevada's Ethics in Government Law. The complaint is frivolous and without merit. The requester should be sanctioned for filing a frivolous complaint and the complaint should be dismissed.

### **F. RELEVANT STATUTES:**

**NRS 281.481 General requirements; exceptions.** A code of ethical standards is hereby established to govern the conduct of public officers and employees:

1. A public officer or employee shall not seek or accept any gift, service, favor, employment, engagement, emolument or economic opportunity which would tend improperly to influence a reasonable person in his position to depart from the faithful and impartial discharge of his public duties.

2. A public officer or employee shall not use his position in government to secure or grant unwarranted privileges, preferences, exemptions or advantages for himself, any business entity in which he has a significant pecuniary interest, or any person to whom he has a commitment in a private capacity to the interests of that person. As used in this subsection:

(a) “Commitment in a private capacity to the interests of that person” has the meaning ascribed to “commitment in a private capacity to the interests of others” in subsection 8 of NRS 281.501.<sup>1</sup>

(b) “Unwarranted” means without justification or adequate reason.

3. A public officer or employee shall not participate as an agent of government in the negotiation or execution of a contract between the government and any private business in which he has a significant pecuniary interest.

4. A public officer or employee shall not accept any salary, retainer, augmentation, expense allowance or other compensation from any private source for the performance of his duties as a public officer or employee.

5. If a public officer or employee acquires, through his public duties or relationships, any information which by law or practice is not at the time available to people generally, he shall not use the information to further the pecuniary interests of himself or any other person or business entity.

6. A public officer or employee shall not suppress any governmental report or other document because it might tend to affect unfavorably his pecuniary interests.

7. A public officer or employee, other than a member of the Legislature, shall not use governmental time, property, equipment or other facility to benefit his personal or financial interest. This subsection does not prohibit:

(a) A limited use of governmental property, equipment or other facility for personal purposes if:

(1) The public officer who is responsible for and has authority to authorize the use of such property, equipment or other facility has established a policy allowing the use or the use is necessary as a result of emergency circumstances;

(2) The use does not interfere with the performance of his public duties;

(3) The cost or value related to the use is nominal; and

(4) The use does not create the appearance of impropriety;

(b) The use of mailing lists, computer data or other information lawfully obtained from a governmental agency which is available to members of the general public for nongovernmental purposes; or

(c) The use of telephones or other means of communication if there is not a special charge for that use.

➔ If a governmental agency incurs a cost as a result of a use that is authorized pursuant to this subsection or would ordinarily charge a member of the general public for the use, the public officer or employee shall promptly reimburse the cost or pay the charge to the governmental agency.

8. A member of the Legislature shall not:

(a) Use governmental time, property, equipment or other facility for a nongovernmental purpose or for the private benefit of himself or any other person. This paragraph does not prohibit:

(1) A limited use of state property and resources for personal purposes if:

(I) The use does not interfere with the performance of his public duties;

(II) The cost or value related to the use is nominal; and

(III) The use does not create the appearance of impropriety;

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<sup>1</sup> **NRS 281.501(8):** As used in this section, “commitment in a private capacity to the interests of others” means a commitment to a person:

(a) Who is a member of his household;

(b) Who is related to him by blood, adoption or marriage within the third degree of consanguinity or affinity;

(c) Who employs him or a member of his household;

(d) With whom he has a substantial and continuing business relationship; or

(e) Any other commitment or relationship that is substantially similar to a commitment or relationship described in this subsection.

(2) The use of mailing lists, computer data or other information lawfully obtained from a governmental agency which is available to members of the general public for nongovernmental purposes; or

(3) The use of telephones or other means of communication if there is not a special charge for that use.

(b) Require or authorize a legislative employee, while on duty, to perform personal services or assist in a private activity, except:

(1) In unusual and infrequent situations where the employee's service is reasonably necessary to permit the Legislator or legislative employee to perform his official duties; or

(2) Where such service has otherwise been established as legislative policy.

\* \* \* \* \*

10. A public officer or employee shall not seek other employment or contracts through the use of his official position.

**NRS 281.491 Additional standards: Representation and counseling of private person before public agency; disclosure required.** In addition to the requirements of the code of ethical standards:

1. A member of the executive branch or public employee of the executive branch shall not accept compensation from any private person to represent or counsel him on any issue pending before the agency in which that officer or employee serves, if the agency makes decisions. Any such officer or employee who leaves the service of the agency shall not, for 1 year after leaving the service of the agency, represent or counsel for compensation a private person upon any issue which was under consideration by the agency during his service. As used in this subsection, "issue" includes a case, proceeding, application, contract or determination, but does not include the proposal or consideration of legislative measures or administrative regulations.

2. A member of the legislative branch, or a member of the executive branch or public employee whose public service requires less than half of his time, may represent or counsel a private person before an agency in which he does not serve. Any other member of the executive branch or public employee shall not represent a client for compensation before any state agency of the Executive or Legislative Branch of government.

3. Not later than January 10 of each year, any Legislator or other public officer who has, within the preceding year, represented or counseled a private person for compensation before a state agency of the Executive Branch shall disclose for each such representation or counseling during the previous calendar year:

- (a) The name of the client;
- (b) The nature of the representation; and
- (c) The name of the state agency.

↪ The disclosure must be made in writing and filed with the Commission, on a form prescribed by the Commission. The Commission shall retain a disclosure filed pursuant to this subsection for 6 years after the date on which the disclosure was filed.

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**NRS 281.501 Additional standards: Voting by public officers; disclosures required of public officers and employees; effect of abstention from voting on quorum; Legislators authorized to file written disclosure.**

1. Except as otherwise provided in subsection 2, 3 or 4, a public officer may vote upon a matter if the benefit or detriment accruing to him as a result of the decision either individually or in a representative capacity as a member of a general business, profession, occupation or group is not greater than that accruing to any other member of the general business, profession, occupation or group.

2. Except as otherwise provided in subsection 3, in addition to the requirements of the code of ethical standards, a public officer shall not vote upon or advocate the passage or failure of, but may otherwise

participate in the consideration of, a matter with respect to which the independence of judgment of a reasonable person in his situation would be materially affected by:

- (a) His acceptance of a gift or loan;
- (b) His pecuniary interest; or
- (c) His commitment in a private capacity to the interests of others.<sup>2</sup>

↳ It must be presumed that the independence of judgment of a reasonable person would not be materially affected by his pecuniary interest or his commitment in a private capacity to the interests of others where the resulting benefit or detriment accruing to him or to the other persons whose interests to which the member is committed in a private capacity is not greater than that accruing to any other member of the general business, profession, occupation or group. The presumption set forth in this subsection does not affect the applicability of the requirements set forth in subsection 4 relating to the disclosure of the pecuniary interest or commitment in a private capacity to the interests of others.

3. In a county whose population is 400,000 or more, a member of a county or city planning commission shall not vote upon or advocate the passage or failure of, but may otherwise participate in the consideration of, a matter with respect to which the independence of judgment of a reasonable person in his situation would be materially affected by:

- (a) His acceptance of a gift or loan;
- (b) His direct pecuniary interest; or
- (c) His commitment to a member of his household or a person who is related to him by blood, adoption or marriage within the third degree of consanguinity or affinity.

↳ It must be presumed that the independence of judgment of a reasonable person would not be materially affected by his direct pecuniary interest or his commitment described in paragraph (c) where the resulting benefit or detriment accruing to him or to the other persons whose interests to which the member is committed is not greater than that accruing to any other member of the general business, profession, occupation or group. The presumption set forth in this subsection does not affect the applicability of the requirements set forth in subsection 4 relating to the disclosure of the direct pecuniary interest or commitment.

4. A public officer or employee shall not approve, disapprove, vote, abstain from voting or otherwise act upon any matter:

- (a) Regarding which he has accepted a gift or loan;
- (b) Which would reasonably be affected by his commitment in a private capacity to the interest of others; or
- (c) In which he has a pecuniary interest,

↳ without disclosing sufficient information concerning the gift, loan, commitment or interest to inform the public of the potential effect of the action or abstention upon the person who provided the gift or loan, upon the person to whom he has a commitment, or upon his interest. Except as otherwise provided in subsection 6, such a disclosure must be made at the time the matter is considered. If the officer or employee is a member of a body which makes decisions, he shall make the disclosure in public to the Chairman and other members of the body. If the officer or employee is not a member of such a body and holds an appointive office, he shall make the disclosure to the supervisory head of his organization or, if he holds an elective office, to the general public in the area from which he is elected. This subsection does not require a public officer to disclose any campaign contributions that the public officer reported pursuant to NRS 294A.120 or 294A.125 in a timely manner.

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<sup>2</sup> **NRS 281.501(8):** As used in this section, “commitment in a private capacity to the interests of others” means a commitment to a person:

- (a) Who is a member of his household;
- (b) Who is related to him by blood, adoption or marriage within the third degree of consanguinity or affinity;
- (c) Who employs him or a member of his household;
- (d) With whom he has a substantial and continuing business relationship; or
- (e) Any other commitment or relationship that is substantially similar to a commitment or relationship described in this subsection.

\* \* \* \* \*

**NRS 281.505 Contracts in which public officer or employee has interest prohibited; exceptions.**

1. Except as otherwise provided in this section and NRS 281.555 and 332.800, a public officer or employee shall not bid on or enter into a contract between a governmental agency and any private business in which he has a significant pecuniary interest.

2. A member of any board, commission or similar body who is engaged in the profession, occupation or business regulated by such board or commission, may, in the ordinary course of his business, bid on or enter into a contract with any governmental agency, except the board, commission or body of which he is a member, if he has not taken part in developing the contract plans or specifications and he will not be personally involved in opening, considering or accepting offers.

3. A full- or part-time faculty member or employee of the Nevada System of Higher Education may bid on or enter into a contract with a governmental agency, or may benefit financially or otherwise from a contract between a governmental agency and a private entity, if the contract complies with the policies established by the Board of Regents of the University of Nevada pursuant to NRS 396.255.

4. A public officer or employee, other than an officer or employee described in subsection 2 or 3, may bid on or enter into a contract with a governmental agency if the contracting process is controlled by rules of open competitive bidding, the sources of supply are limited, he has not taken part in developing the contract plans or specifications and he will not be personally involved in opening, considering or accepting offers. If a public officer who is authorized to bid on or enter into a contract with a governmental agency pursuant to this subsection is a member of the governing body of the agency, the public officer, pursuant to the requirements of NRS 281.501, shall disclose his interest in the contract and shall not vote on or advocate the approval of the contract.

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**NRS 281.554 Public officer or employee prohibited from requesting or otherwise causing governmental entity to incur expense or make expenditure to support or oppose ballot question or candidate in certain circumstances.**

1. Except as otherwise provided in subsections 4 and 5, a public officer or employee shall not request or otherwise cause a governmental entity to incur an expense or make an expenditure to support or oppose:

- (a) A ballot question.
- (b) A candidate.

2. For the purposes of paragraph (b) of subsection 1, an expense incurred or an expenditure made by a governmental entity shall be considered an expense incurred or an expenditure made in support of a candidate if:

(a) The expense is incurred or the expenditure is made for the creation or dissemination of a pamphlet, brochure, publication, advertisement or television programming that prominently features the activities of a current public officer of the governmental entity who is a candidate for a state, local or federal elective office; and

(b) The pamphlet, brochure, publication, advertisement or television programming described in paragraph (a) is created or disseminated during the period specified in subsection 3.

3. The period during which the provisions of subsection 2 apply to a particular governmental entity begins when a current public officer of that governmental entity files a declaration of candidacy or acceptance of candidacy and ends on the date of the general election, general city election or special election for the office for which the current public officer of the governmental entity is a candidate.

4. The provisions of this section do not prohibit the creation or dissemination of, or the appearance of a candidate in or on, as applicable, a pamphlet, brochure, publication, advertisement or television programming that:

- (a) Is made available to the public on a regular basis and merely describes the functions of:

- (1) The public office held by the public officer who is the candidate; or
- (2) The governmental entity by which the public officer who is the candidate is employed; or
- (b) Is created or disseminated in the course of carrying out a duty of:
  - (1) The public officer who is the candidate; or
  - (2) The governmental entity by which the public officer who is the candidate is employed.

5. The provisions of this section do not prohibit an expense or an expenditure incurred to create or disseminate a television program that provides a forum for discussion or debate regarding a ballot question, if persons both in support of and in opposition to the ballot question participate in the television program.

6. As used in this section:

(a) "Governmental entity" means:

- (1) The government of this State;
- (2) An agency of the government of this State;
- (3) A political subdivision of this State; and
- (4) An agency of a political subdivision of this State.

(b) "Pamphlet, brochure, publication, advertisement or television programming" includes, without limitation, a publication, a public service announcement and any programming on a television station created to provide community access to cable television. The term does not include:

- (1) A press release issued to the media by a governmental entity; or
- (2) The official website of a governmental entity.

(c) "Political subdivision" means a county, city or any other local government as defined in NRS 354.474.

\* \* \* \* \*

**G. RESULTS OF INVESTIGATION:**

The complaint alleges violations of most of the specific provisions listed on the *Request for Opinion (Ethics Complaint)* form; however, there is no credible evidence in support of the allegations made. The results of the information searches from the official records of the Clark County Recorder's website submitted with the complaint fail to demonstrate any conduct on the part of Ms. Tarkanian that would constitute a violation of the provisions of NRS Chapter 281.

Each of the four information search results submitted with the complaint corresponds to a property transaction document involving parties unrelated to the matters voted upon by Ms. Tarkanian during the April 2007 city council meetings. All four transactions were initiated between 1975 and 2004. Ms. Tarkanian took office in 2005.

The deed of trust reconveyance that was recorded April 30, 2001 is related to a deed of trust dated March 6, 1975. Ms. Tarkanian and her husband, Jerry Tarkanian, purchased their Las Vegas residence in the early 1970's, secured by a deed of trust in favor of Earnest A. Becker, Sr. Mr. Becker, Sr. died in 1999. The note that was secured by the deed of trust was ultimately paid and a reconveyance recorded.

The deed of trust recorded May 30, 2003 is related to a loan made to Ironwood Properties through Alliance Mortgage Company in which the Tarkanians participated as partners with Anthony Tagano and others. The Tarkanians held an 8.170 percent undivided interest in the deed of trust.

The assignment of a deed of trust recorded August 26, 2004 is related to a loan made to Corinthian Hills, L.L.C., through Consolidated Mortgage Corporation, in which Ms. Tarkanian participated as a partner with Mark Mushkin and others. Ms. Tarkanian held an undivided 50.0 / 767.20 interest in

## **RESULTS OF INVESTIGATION (CONTINUED)**

the deed of trust. “Mark” Mushkin is the name which appears on the assignment of deed of trust, not the “Michael” Mushkin referenced in the complaint as the law partner of the Strip Club owner’s attorney, Mark Hafer. There is no evidence that Mark Mushkin and Michael Mushkin are the same individual. Additionally, an attorney search of the Nevada State Bar website indicates that no individual named Mark Mushkin has been admitted to practice law in the State of Nevada.

The deed of trust reconveyance recorded January 10, 1997 is related to a loan made on behalf of the Tarkanian Family Living Revocable Trust by Jerry Tarkanian to Frederick J. Glusman in 1993.

Regarding the matter of the application for a special use permit from *Check City* owned by Becker & Sons, the documentation for that request includes a notarized Statement of Financial Interest, signed by Earnest A. Becker, Jr. This is a disclosure of whether the mayor or any member of the city council or planning commission has any financial interest in this or any other property with the property owner, applicant, the property owner or applicant’s general or limited partners, or an officer of their corporation or limited liability company. Mr. Becker, Jr. answered “no”.

Regarding the matter of the approval of the permanent tavern license, the documentation for the request indicates that the applicant was Mr. Michael J. Signorelli, managing member of Receivership, LLC. The applicant for the permanent tavern license was not Mr. Rizzolo. On the contrary, the approval of the permanent license was subject to several conditions, including that Rick Rizzolo and any person associated with the prior owner of the Strip Club are not permitted to be involved with the Strip Club in any way. The applicant’s attorney was Jay Brown and not associated in any way with Mr. Rizzolo’s prior counsel.

### **H. CONCLUSION:**

#### ***Allegations regarding NRS 281.481(1), (2), (3), (4), (5), (6), (7), (8) & (10):***

There is no evidence that Ms. Tarkanian violated any of the provisions of these sections. Although these allegations were indicated on the complaint form by placing a check mark in the appropriate box corresponding to each specific provision, no statement or documented evidence was provided in support of the allegations made.

#### ***Allegations regarding NRS 281.491, NRS 281.505, NRS 281.554:***

There is no evidence that Ms. Tarkanian violated any of the provisions of these sections. Although these allegations were indicated on the complaint form by placing a check mark in the appropriate box corresponding to each specific provision, no statement or documented evidence was provided in support of the allegations made.

#### ***Allegations regarding NRS 281.501(3):***

Ms. Tarkanian is not a member of a county or city planning commission regarding this matter; therefore, the provisions of NRS 281.501(3) do not apply.

**CONCLUSION (CONTINUED)**

*Allegations regarding NRS 281.501(2) & (4):*

The complaint suggests that Ms. Tarkanian has a business relationship with Becker & Sons by way of her real estate transaction with the late Earnest A. Becker, Sr., and as such, should have disclosed her relationship and abstained from voting on any matter related to the entity Becker & Sons. The loan transaction took place in 1975 and was concluded in 2001 with a deed of reconveyance, two years after Mr. Becker, Sr. passed away. The entity Becker & Sons was not a party to this transaction, and the transaction was concluded several years prior to Ms. Tarkanian taking office and voting on the matter relating to the special use permit. There is no credible evidence that Ms. Tarkanian had a business relationship with Becker & Sons at the time she voted to approve the special use permit.

The complaint suggests that Ms. Tarkanian has a business relationship with Mr. Rizzolo, the owner of the Strip Club, by way of her investment activities that included Mr. Tagano, Mr. "Michael" Mushkin and Mr. Glusman. The complaint indicates that Michael Mushkin is the law partner of the Strip Club owner's attorney, Anthony Tegano is the father-in-law of a close associate of Rizzolo, and Fred Glusman is the owner of restaurants frequented by the owner of the Strip Club.

There is no credible evidence that Ms. Tarkanian had a business relationship Mr. Rizzolo or his company through her associations with individuals who may have been mutually known to both Ms. Tarkanian and Mr. Rizzolo. Therefore, Ms. Tarkanian had no duty to disclose or to abstain in the matter that came before the Las Vegas City Council on April 18, 2007 involving approval of the permanent tavern license for the Strip Club.

**I. RECOMMENDATIONS:**

There is no credible evidence to substantiate a potential violation of the following provisions of NRS Chapter 281: 281.481(1), 281.481(2), 281.481(3), 281.481(4), 281.481(5), 281.481(6), 281.481(7), 281.481(8), 281.481(10), 281.491, 281.501(2), 281.501(3), 281.501(4), 281.505 or 281.554. Accordingly, it is recommended that the panel find just and sufficient cause **DOES NOT EXIST** for the Commission to hold a hearing and render an opinion regarding whether Ms. Tarkanian violated the provisions of NRS Chapter 281 referenced above regarding her conduct related to the Las Vegas City Council meetings held in April 2007.

PREPARED BY: Matt C. Di Orio DATED: 10/15/07  
MATT C. DI ORIO  
SENIOR INVESTIGATOR