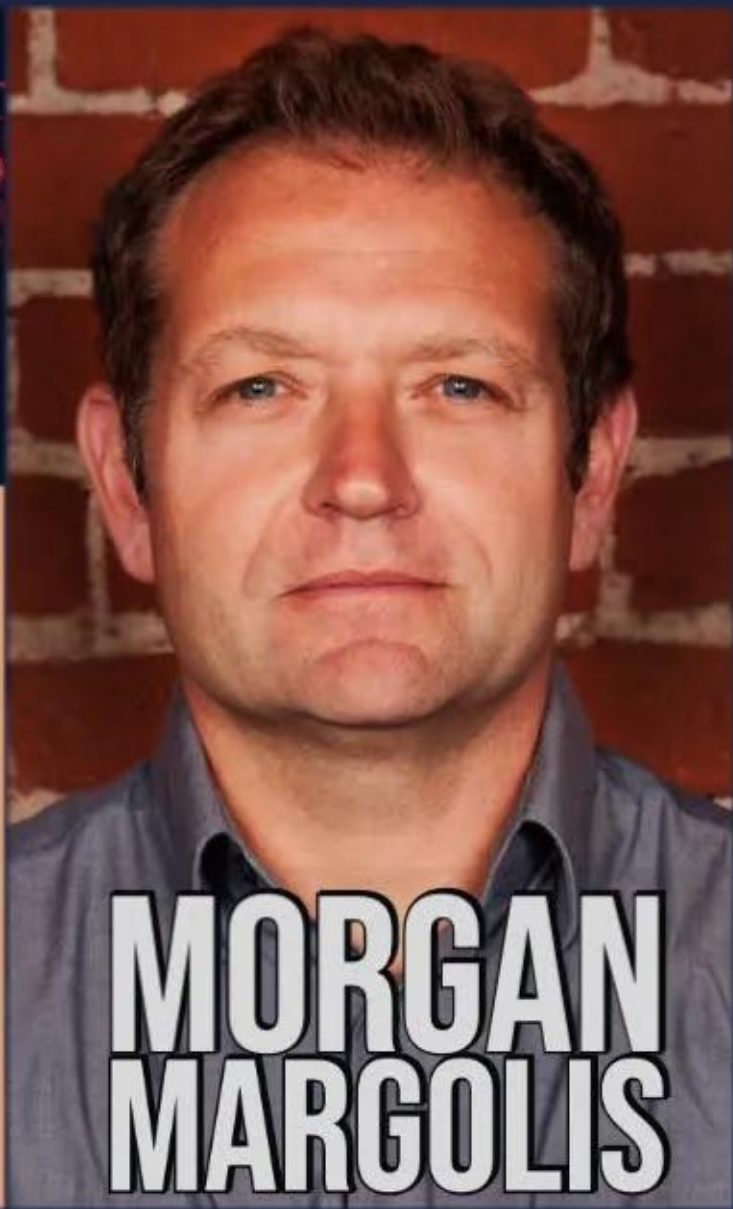
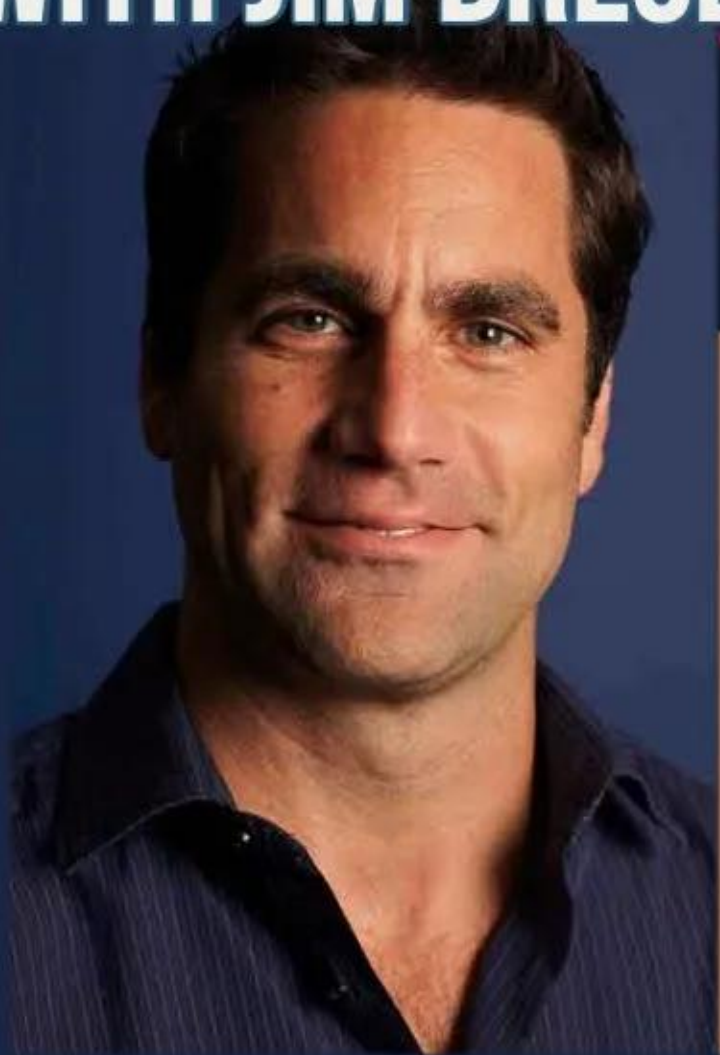


HIDDEN TRUTH SHOW WITH JIM BRESLO



**MORGAN
MARGOLIS**

1
00:00:07,720 --> 00:00:04,330
well I want to talk primarily about bars

2
00:00:11,140 --> 00:00:07,730
Live Music Venues and touring because it

3
00:00:13,629 --> 00:00:11,150
does seem as if you guys are gonna be on

4
00:00:15,970 --> 00:00:13,639
the last of the list you're even going

5
00:00:17,710 --> 00:00:15,980
to be behind live sports because life

6
00:00:19,570 --> 00:00:17,720
sports they can hold them in empty

7
00:00:22,290 --> 00:00:19,580
stadiums but it really doesn't make

8
00:00:27,310 --> 00:00:22,300
sense to hold live music in an empty

9
00:00:30,280 --> 00:00:27,320
venue so anyway yeah talk about the the

10
00:00:32,109 --> 00:00:30,290
challenges that you guys are facing

11
00:00:37,990 --> 00:00:32,119
being a company that has so many Live

12
00:00:39,850 --> 00:00:38,000
Music Venues bars etc and how you're

13
00:00:43,270 --> 00:00:39,860

going to be able to survive this because

14

00:00:46,569 --> 00:00:43,280

mayor Garcetti is on record saying we

15

00:00:48,010 --> 00:00:46,579

are a year away just I know you guys are

16

00:00:49,510 --> 00:00:48,020

outside of Los Angeles also but just to

17

00:00:52,060 --> 00:00:49,520

talk about LA for a second that yeah

18

00:00:55,389 --> 00:00:52,070

they're a year away from those type of

19

00:00:56,710 --> 00:00:55,399

places being able to be open yeah look

20

00:00:57,880 --> 00:00:56,720

you know in fact entertainment we're a

21

00:00:59,700 --> 00:00:57,890

little bit of a different animal like

22

00:01:04,450 --> 00:00:59,710

you said we're not just in California

23

00:01:06,340 --> 00:01:04,460

thankfully but all my hospitality is all

24

00:01:09,640 --> 00:01:06,350

our bars and restaurants let's disco

25

00:01:10,660 --> 00:01:09,650

bars and restaurants for example you

26

00:01:12,130 --> 00:01:10,670

know we have some other projects in

27

00:01:14,530 --> 00:01:12,140

other states going we have some venues

28

00:01:17,770 --> 00:01:14,540

that have restaurant capability and

29

00:01:21,039 --> 00:01:17,780

connection to restaurants but yeah that

30

00:01:22,930 --> 00:01:21,049

I feel like I don't feel like I know the

31

00:01:25,270 --> 00:01:22,940

bar and restaurant side at least at

32

00:01:28,600 --> 00:01:25,280

minimum we're able to do takeout and

33

00:01:30,880 --> 00:01:28,610

delivery now that isn't that's not doing

34

00:01:32,320 --> 00:01:30,890

anything but keeping us relevant you

35

00:01:34,539 --> 00:01:32,330

know that people still see our name out

36

00:01:36,070 --> 00:01:34,549

there on socials and that we're in the

37

00:01:37,300 --> 00:01:36,080

media and they're talking about and

38

00:01:39,600 --> 00:01:37,310

we're keeping our customers happy and

39

00:01:42,789 --> 00:01:39,610

I'm keeping a couple people at work in

40

00:01:44,200 --> 00:01:42,799

in most of our bars and restaurants but

41

00:01:48,010 --> 00:01:44,210

really when I say a couple people you're

42

00:01:49,630 --> 00:01:48,020

talking about a GM a chef and maybe one

43

00:01:51,490 --> 00:01:49,640

backup person that's in there to help

44

00:01:53,980 --> 00:01:51,500

with trap or help pick up you know pick

45

00:01:56,880 --> 00:01:53,990

up phone calls but we're only all of us

46

00:01:59,469 --> 00:01:56,890

surviving because we're not paying rent

47

00:02:02,590 --> 00:01:59,479

you know that's that's the reality is if

48

00:02:05,080 --> 00:02:02,600

we have to start paying rent it's over

49

00:02:06,670 --> 00:02:05,090

and we can get into the PPP program in

50

00:02:09,460 --> 00:02:06,680

that whole world but in terms of I go to

51
00:02:10,949 --> 00:02:09,470
live music you know we own the Regent

52
00:02:13,420 --> 00:02:10,959
theater downtown we're partners on that

53
00:02:15,490 --> 00:02:13,430
you know we're the Desert Days Festival

54
00:02:19,570 --> 00:02:15,500
that's over

55
00:02:22,120 --> 00:02:19,580
my my conversations with other leaders

56
00:02:24,820 --> 00:02:22,130
in the industry and that's a commune Oh

57
00:02:27,940 --> 00:02:24,830
a constant conversation from you know

58
00:02:32,290 --> 00:02:27,950
the CEOs of Live Nation across the board

59
00:02:33,940 --> 00:02:32,300
is you know we're looking at like 2021

60
00:02:36,880 --> 00:02:33,950
which is mind-blowing

61
00:02:39,760 --> 00:02:36,890
because we're in we're in May you know

62
00:02:42,280 --> 00:02:39,770
what it means so it's like and there's

63
00:02:46,330 --> 00:02:42,290

so many reasons for that and some I

64

00:02:51,880 --> 00:02:46,340

agree with some I don't it's you know

65

00:02:54,520 --> 00:02:51,890

giving us a scale of down capacity Jim

66

00:02:56,140 --> 00:02:54,530

is not you know if you have a thousand

67

00:02:57,460 --> 00:02:56,150

cap room and tell me you know when you

68

00:03:00,130 --> 00:02:57,470

want hit me with questions let me know

69

00:03:01,570 --> 00:03:00,140

but you know we have a thousand cap room

70

00:03:04,030 --> 00:03:01,580

if the city says okay

71

00:03:07,240 --> 00:03:04,040

you've met all these stipulations you've

72

00:03:09,520 --> 00:03:07,250

got the you know the thermal thermal

73

00:03:10,990 --> 00:03:09,530

recognition on temperatures all your

74

00:03:13,510 --> 00:03:11,000

staff is gloved you've got the

75

00:03:14,979 --> 00:03:13,520

separations you're sanitizing UV light

76

00:03:17,050 --> 00:03:14,989

whatever all the bells and whistles are

77

00:03:19,720 --> 00:03:17,060

you have a thousand cap room you can't

78

00:03:22,210 --> 00:03:19,730

open it 250 it's not even worth it at

79

00:03:25,630 --> 00:03:22,220

that point and and you know is there

80

00:03:27,670 --> 00:03:25,640

even a band that's going to come through

81

00:03:31,240 --> 00:03:27,680

and play at that cap they have to be

82

00:03:34,289 --> 00:03:31,250

local right know touring band is coming

83

00:03:37,000 --> 00:03:34,299

through unless they live in California

84

00:03:39,250 --> 00:03:37,010

California's Pacific and then it's like

85

00:03:41,560 --> 00:03:39,260

is the band even going to get together

86

00:03:45,100 --> 00:03:41,570

are the five guys or girls going to even

87

00:03:47,350 --> 00:03:45,110

play together yeah yeah let's let's take

88

00:03:48,640 --> 00:03:47,360

the various entities in order and talk

89

00:03:50,110 --> 00:03:48,650

about each one I think it's gonna be the

90

00:03:51,520 --> 00:03:50,120

best way to do this so you've got the

91

00:03:53,740 --> 00:03:51,530

bar restaurants that I want to talk

92

00:03:55,960 --> 00:03:53,750

about and then you've got these a

93

00:03:58,569 --> 00:03:55,970

smaller size music venues and then you

94

00:04:01,449 --> 00:03:58,579

get the large amphitheater festival type

95

00:04:02,770 --> 00:04:01,459

ones so staying on the smaller one that

96

00:04:07,840 --> 00:04:02,780

you're talking about a thousand seat

97

00:04:11,319 --> 00:04:07,850

place even if they said 25% capacity my

98

00:04:14,319 --> 00:04:11,329

first question would be well how do you

99

00:04:16,060 --> 00:04:14,329

monitor that inside of your room I mean

100

00:04:17,949 --> 00:04:16,070

when the band takes the stage everybody

101
00:04:19,900 --> 00:04:17,959
wants to rush toward the front of the

102
00:04:22,150 --> 00:04:19,910
stage so even if you've got a thousand

103
00:04:24,400 --> 00:04:22,160
seat capacity or standing capacity and

104
00:04:26,230 --> 00:04:24,410
and you're limiting yourself to 25% are

105
00:04:27,969 --> 00:04:26,240
you gonna have to put X's down on the

106
00:04:28,700 --> 00:04:27,979
floor everywhere as to where I stand

107
00:04:30,560 --> 00:04:28,710
I mean it's a

108
00:04:32,330 --> 00:04:30,570
a fantastic point and we talked about it

109
00:04:34,400 --> 00:04:32,340
this year as it related to big outdoor

110
00:04:36,710 --> 00:04:34,410
shows first which was are we gonna have

111
00:04:39,830 --> 00:04:36,720
to go out there with spray paint make a

112
00:04:41,510 --> 00:04:39,840
Nile and then make a box of like her six

113
00:04:44,210 --> 00:04:41,520

cuz you know two to six is there gonna

114

00:04:45,890 --> 00:04:44,220

be family members I wish I had the

115

00:04:50,090 --> 00:04:45,900

answer to that right now I would I would

116

00:04:52,460 --> 00:04:50,100

assume that we would have to separate

117

00:04:55,040 --> 00:04:52,470

and do that I mean or we kind of do it

118

00:04:56,270 --> 00:04:55,050

like we do when we have certain venues

119

00:04:58,940 --> 00:04:56,280

where you have to keep separation of

120

00:05:03,200 --> 00:04:58,950

under 21 and over 21 but even that

121

00:05:04,670 --> 00:05:03,210

they're still grouped together it's a

122

00:05:07,220 --> 00:05:04,680

kind look we're talking about it but I

123

00:05:11,470 --> 00:05:07,230

don't know how to do it really that it

124

00:05:16,070 --> 00:05:11,480

is 100% that you're not going to get

125

00:05:18,080 --> 00:05:16,080

coronavirus Kovan 19 how do you you know

126

00:05:21,050 --> 00:05:18,090

like I said if we do the UV lights and

127

00:05:24,110 --> 00:05:21,060

everybody's got masks on and we're doing

128

00:05:26,480 --> 00:05:24,120

you know we're spraying her and we've

129

00:05:30,100 --> 00:05:26,490

checked temperatures then my assumption

130

00:05:33,140 --> 00:05:30,110

would be okay the 250 people in there

131

00:05:36,110 --> 00:05:33,150

should be able to possibly congregate as

132

00:05:37,460 --> 00:05:36,120

it is but maybe not I mean then and then

133

00:05:40,280 --> 00:05:37,470

you've got the issue even if they could

134

00:05:43,330 --> 00:05:40,290

as you set a profitability because your

135

00:05:46,340 --> 00:05:43,340

lease rate is set at a level that

136

00:05:48,200 --> 00:05:46,350

expects this place is going to be busy

137

00:05:49,550 --> 00:05:48,210

if you were doing 25 percent of your

138

00:05:52,730 --> 00:05:49,560

business you're ain't going to be making

139

00:05:54,260 --> 00:05:52,740

money so no 100 percent and that's the

140

00:05:58,730 --> 00:05:54,270

conversation that we are having with all

141

00:06:00,890 --> 00:05:58,740

our landlords - it's okay the leasable

142

00:06:02,870 --> 00:06:00,900

space that we started with here call it

143

00:06:05,480 --> 00:06:02,880

the 10,000 square feet at one of our

144

00:06:10,220 --> 00:06:05,490

venues downtown for that thousand cap is

145

00:06:12,770 --> 00:06:10,230

no longer usable space I cannot pay that

146

00:06:15,370 --> 00:06:12,780

usable space rate anymore I can only pay

147

00:06:17,840 --> 00:06:15,380

what that is and I can't even pay that

148

00:06:19,820 --> 00:06:17,850

because I don't know what that return is

149

00:06:22,400 --> 00:06:19,830

we used to be able to run pro formas

150

00:06:23,630 --> 00:06:22,410

based on all of these markers that none

151

00:06:24,980 --> 00:06:23,640

of us can do anymore

152

00:06:28,820 --> 00:06:24,990

because let's say we're gonna say it's

153

00:06:30,500 --> 00:06:28,830

gonna be 250 well one is the band's

154

00:06:32,750 --> 00:06:30,510

gonna have to be in a door deal I can't

155

00:06:34,220 --> 00:06:32,760

pay you a guarantee because I don't care

156

00:06:35,150 --> 00:06:34,230

that you used to bring in finer people

157

00:06:37,940 --> 00:06:35,160

now I don't even know if you're gonna

158

00:06:39,290 --> 00:06:37,950

bring in a hundred and do I know 250

159

00:06:42,740 --> 00:06:39,300

people are even going to show up at that

160

00:06:45,170 --> 00:06:42,750

capacity it could be 75 and what's the

161

00:06:47,300 --> 00:06:45,180

drinking per head at 75 even at 10 bucks

162

00:06:50,330 --> 00:06:47,310

a head and no there's there's really I

163

00:06:52,010 --> 00:06:50,340

mean even 50% even 50% capacity is not

164

00:06:53,780 --> 00:06:52,020

gonna pencil out right though the way

165

00:06:55,550 --> 00:06:53,790

most of the way you run venues and let's

166

00:06:56,840 --> 00:06:55,560

just let's talk a thousand cap when

167

00:06:58,220 --> 00:06:56,850

we're running these pro formas and how

168

00:07:00,260 --> 00:06:58,230

we've been doing it for 30 years is

169

00:07:02,270 --> 00:07:00,270

reality is you know first if you make

170

00:07:03,290 --> 00:07:02,280

most your money on booze as it is right

171

00:07:04,400 --> 00:07:03,300

you're not making a lot of money on the

172

00:07:05,810 --> 00:07:04,410

ticket you're not making a lot of money

173

00:07:10,000 --> 00:07:05,820

on the fees it's really alcohol-related

174

00:07:12,440 --> 00:07:10,010

and that's got that's gotten sort of

175

00:07:14,840 --> 00:07:12,450

making money on the door back in the day

176

00:07:16,790 --> 00:07:14,850

used to be a better figure now if you

177

00:07:20,659 --> 00:07:16,800

make thirty percent of the door net

178

00:07:24,230 --> 00:07:20,669

you're very lucky but when we look at

179

00:07:27,500 --> 00:07:24,240

venues we base it usually on four to

180

00:07:30,260 --> 00:07:27,510

five winning shows per month so the 30

181

00:07:32,930 --> 00:07:30,270

days in a month four to five shows that

182

00:07:36,409 --> 00:07:32,940

are at a thousand cap are gonna cover

183

00:07:38,480 --> 00:07:36,419

your nut the rest is gravy and you may

184

00:07:40,790 --> 00:07:38,490

only do 12 shows a month and the reality

185

00:07:43,220 --> 00:07:40,800

is most shows are only 50 cat 50%

186

00:07:45,320 --> 00:07:43,230

capacity anyway you're not selling out

187

00:07:48,110 --> 00:07:45,330

those shows and you've got private

188

00:07:49,969 --> 00:07:48,120

events dance nights or mitzvahs weddings

189

00:07:53,480 --> 00:07:49,979

all those other things that are part of

190

00:07:57,650 --> 00:07:53,490

it you cannot do a thousand Cab venue or

191

00:07:59,360 --> 00:07:57,660

any venue at a scaled-down capacity

192

00:08:02,659 --> 00:07:59,370

because all the other pieces that are

193

00:08:05,469 --> 00:08:02,669

around it will not work anymore and

194

00:08:07,850 --> 00:08:05,479

who's doing who's doing private events I

195

00:08:10,100 --> 00:08:07,860

mean that's the other not permitted

196

00:08:12,680 --> 00:08:10,110

business right not permitted right now

197

00:08:15,430 --> 00:08:12,690

so how do you what does that negotiation

198

00:08:18,469 --> 00:08:15,440

look like with the landlord because

199

00:08:20,060 --> 00:08:18,479

right now you can't do anything we know

200

00:08:21,200 --> 00:08:20,070

that at some point you're going to be

201
00:08:23,570 --> 00:08:21,210
allowed to do something that's probably

202
00:08:27,230 --> 00:08:23,580
going to be half capacity and then at

203
00:08:28,280 --> 00:08:27,240
some point none of us can imagine it

204
00:08:29,360 --> 00:08:28,290
right now unfortunately at some point

205
00:08:34,670 --> 00:08:29,370
you're gonna be back to business as

206
00:08:36,560 --> 00:08:34,680
usual so multiple ways most of the

207
00:08:38,480 --> 00:08:36,570
landlords we've had across the country

208
00:08:41,360 --> 00:08:38,490
and again we're a bigger company in that

209
00:08:42,860 --> 00:08:41,370
in that realm in that we have been some

210
00:08:45,980 --> 00:08:42,870
of our landlords we've had for 20 years

211
00:08:49,100 --> 00:08:45,990
you know so the first thing I did out

212
00:08:51,020 --> 00:08:49,110
the gate was essentially as I saw this

213
00:08:52,730 --> 00:08:51,030

happen and I knew we'd be shut down who

214

00:08:55,910 --> 00:08:52,740

knew at this point we thought we'd be

215

00:08:56,460 --> 00:08:55,920

like 30 days right 60 days but as soon

216

00:08:58,740 --> 00:08:56,470

as we saw

217

00:09:02,400 --> 00:08:58,750

start to like tip a little bit we just

218

00:09:05,100 --> 00:09:02,410

sent them immediate like here's how much

219

00:09:08,160 --> 00:09:05,110

rent we have paid over the decade here's

220

00:09:11,160 --> 00:09:08,170

how much money you have made we are not

221

00:09:13,200 --> 00:09:11,170

going to pay rent at minimum for 90 days

222

00:09:15,540 --> 00:09:13,210

it's just not gonna happen plus all

223

00:09:16,980 --> 00:09:15,550

these states said you cannot even evict

224

00:09:19,140 --> 00:09:16,990

and you cannot even come after us for

225

00:09:21,030 --> 00:09:19,150

the 90 days right so that's where we

226

00:09:23,400 --> 00:09:21,040

went at it first like we knew okay I got

227

00:09:25,110 --> 00:09:23,410

90 days they can't do anything and I

228

00:09:26,910 --> 00:09:25,120

would say almost every landlord we had

229

00:09:29,550 --> 00:09:26,920

was like look we understand it's

230

00:09:31,470 --> 00:09:29,560

nationally you got shut down you're not

231

00:09:34,050 --> 00:09:31,480

a deadbeat tenant you've always paid on

232

00:09:36,570 --> 00:09:34,060

time and you've paid us X amount of

233

00:09:39,000 --> 00:09:36,580

dollar so they get it the next phase is

234

00:09:40,710 --> 00:09:39,010

gonna be the rough phase more so in the

235

00:09:46,650 --> 00:09:40,720

venue's in the bars restaurants it's

236

00:09:51,740 --> 00:09:46,660

like hey landlord I'm sorry we're not

237

00:09:53,010 --> 00:09:51,750

open until 2021 we're not paying so

238

00:09:55,800 --> 00:09:53,020

either

239

00:09:58,830 --> 00:09:55,810

you're willing to sit or you can come

240

00:10:02,430 --> 00:09:58,840

get the keys and good luck

241

00:10:05,190 --> 00:10:02,440

excuse my language I'm I have no fear of

242

00:10:07,200 --> 00:10:05,200

that honestly and that's my I can see

243

00:10:08,640 --> 00:10:07,210

mom and pop organizations where they're

244

00:10:10,200 --> 00:10:08,650

like oh my god the landlord's gonna take

245

00:10:11,960 --> 00:10:10,210

it what do you what is this landlord

246

00:10:15,030 --> 00:10:11,970

gonna do with that commercial space

247

00:10:16,740 --> 00:10:15,040

10,000 20,000 30,000 square feet if you

248

00:10:20,040 --> 00:10:16,750

really want to take it away from us and

249

00:10:22,290 --> 00:10:20,050

you want to boot us out you're gonna sit

250

00:10:25,530 --> 00:10:22,300

there six months at minimum dead and

251
00:10:27,240 --> 00:10:25,540
then who's coming to pay it at any lease

252
00:10:29,970 --> 00:10:27,250
rate that's viable and who's in our

253
00:10:32,520 --> 00:10:29,980
industry that's going to do that so I'm

254
00:10:36,090 --> 00:10:32,530
not here to screw our landlords my goal

255
00:10:39,440 --> 00:10:36,100
is let's take this year add another year

256
00:10:41,760 --> 00:10:39,450
onto our lease right one just push it I

257
00:10:44,040 --> 00:10:41,770
got a five-year lease left or three

258
00:10:48,060 --> 00:10:44,050
years make it four years because I

259
00:10:49,650 --> 00:10:48,070
certainly cannot pay you when I open the

260
00:10:51,300 --> 00:10:49,660
losses we've taken or will be closed

261
00:10:55,890 --> 00:10:51,310
immediately I certainly can't pay back

262
00:10:59,130 --> 00:10:55,900
the PPP I'm talking over over all right

263
00:11:00,660 --> 00:10:59,140

I want to be fair with my landlords I

264

00:11:02,610 --> 00:11:00,670

understand they're getting screwed to is

265

00:11:05,340 --> 00:11:02,620

I'm not here to bash the landlords like

266

00:11:06,540 --> 00:11:05,350

they're there unless their banks unless

267

00:11:08,520 --> 00:11:06,550

you're a private owner and you have a

268

00:11:10,410 --> 00:11:08,530

built you know millions of dollars and

269

00:11:12,840 --> 00:11:10,420

it doesn't bother you

270

00:11:17,730 --> 00:11:12,850

and you know hopefully your banks are

271

00:11:21,420 --> 00:11:17,740

working with you otherwise you know my

272

00:11:24,030 --> 00:11:21,430

my hope is that the government backs the

273

00:11:26,640 --> 00:11:24,040

insurance companies and we can trigger

274

00:11:28,530 --> 00:11:26,650

our loss of revenue coverage you know

275

00:11:30,510 --> 00:11:28,540

just like we wouldn't a fire or anything

276

00:11:32,760 --> 00:11:30,520

else we had a big fire in Boise two

277

00:11:34,890 --> 00:11:32,770

years ago called burnt almost you know

278

00:11:37,350 --> 00:11:34,900

huge fire we had loss of revenue

279

00:11:38,700 --> 00:11:37,360

coverage that triggered but until the

280

00:11:42,060 --> 00:11:38,710

insurance companies never gonna Trevor

281

00:11:43,770 --> 00:11:42,070

trigger pandemic ever right yeah let's

282

00:11:45,060 --> 00:11:43,780

talk about that real quick cuz that was

283

00:11:46,290 --> 00:11:45,070

on my list of cover with you which is

284

00:11:48,150 --> 00:11:46,300

typically called business interruption

285

00:11:50,190 --> 00:11:48,160

insurance and there's been some talk

286

00:11:52,650 --> 00:11:50,200

about it but it's my understanding that

287

00:11:55,290 --> 00:11:52,660

virtually every policy out there has an

288

00:11:56,880 --> 00:11:55,300

exclusion for pandemics I heard

289

00:11:58,650 --> 00:11:56,890

somewhere that kind of started with the

290

00:12:00,450 --> 00:11:58,660

Spanish flu that they started doing but

291

00:12:02,970 --> 00:12:00,460

I'm sure there was some major pandemic

292

00:12:04,800 --> 00:12:02,980

that caused anything okay we're gonna be

293

00:12:07,830 --> 00:12:04,810

wiped out if we cover pandemics so they

294

00:12:10,140 --> 00:12:07,840

all write that out now apparently there

295

00:12:11,700 --> 00:12:10,150

are some court challenges to it trying

296

00:12:13,110 --> 00:12:11,710

to argue that well gee it's not the

297

00:12:13,920 --> 00:12:13,120

pandemic it's not the reason we're

298

00:12:16,320 --> 00:12:13,930

closed it's because the government

299

00:12:17,790 --> 00:12:16,330

ordered us to be closed it's exact thats

300

00:12:20,130 --> 00:12:17,800

the argument the are even right now is

301

00:12:21,329 --> 00:12:20,140

even when we're filing we're not the

302

00:12:22,829 --> 00:12:21,339

insurance only wait you're fine for