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In the Matter of: Robert Smith Nightclub Security Consultants 07-11-2012

<p style="text-align: right;">2</p> <p>1 PROCEEDINGS 2 10:13 a.m. 3 CHAIRPERSON MILLER: I have next on our 4 calendar a presentation to the Board by Mr. Robert 5 Smith or said he had -- 6 MR. STERN: Before he comes up -- 7 CHAIRPERSON MILLER: Okay. 8 MR. STERN: -- I'm also standing in on Island 9 Cafe. Can I be excused until 11:00 when that is 10 scheduled? 11 CHAIRPERSON MILLER: Oh, until when it's 12 scheduled? 13 MR. STERN: Yes. 14 CHAIRPERSON MILLER: Yes. 15 MR. STERN: Thank you. 16 CHAIRPERSON MILLER: Okay. Good morning. 17 MR. SMITH: Good morning, everyone. How are 18 you? 19 CHAIRPERSON MILLER: Good, thank you. How 20 are you? 21 MR. SMITH: Excellent. My name is Robert C. 22 Smith. Thanks for a brief moment. The entire purpose</p>	<p style="text-align: right;">4</p> <p>1 In 1998, when I started the company, I had to 2 arrest a bouncer. He had beat up a guard -- or he beat 3 up a customer in San Diego. And in my investigation as 4 a police officer, I found there was no training, no 5 requirement. And then we're familiar with TIPS, TAMS 6 [sic], WRAPS [sic] and all the server training 7 programs. There was nothing for the in-house guard. 8 And I reduced our police academy mindset and 9 training down to a ten-hour program. And now, it's a 10 14- 16-hour program. Here in DC, we offer the same 11 mini- program in an 8-hour training session. We offer 12 topics that are very unique to the law enforcement 13 community. And if you -- if you really think about it, 14 the job of an in-house security guard or bouncer is 15 exactly the same as a peace officer on the street. 16 They deal with the same people, only they 17 don't have many of the tools and zero amount of the 18 training that a peace officer has. And I wanted to 19 give that to them. There are some concrete results on 20 the training out of San Diego. The city of San Diego 21 had a grant. They went to a couple of bars. They 22 wanted to see why these two bars, Moondoggies and the</p>
<p style="text-align: right;">3</p> <p>1 of this meeting is just to update the Board and the 2 chair on a couple of points. First off, you're getting 3 a packet, the first four pages of which are my CV. It 4 includes -- the very last page and a half is some 5 expert witness stuff I've done in the last 10-13 years. 6 A brief history on myself and the company; I 7 was a San Diego police officer for 20 years. I retired 8 a year ago to devote my full time to the company, 9 Nightclub Security Consultants. I've had the company 10 since 1998. I ran it as a police detective my last 11 seven years but just didn't have the time to devote to 12 the company. So that's why I retired with 20. 13 Now, it's taken a turn where, as a company 14 president, you start getting into a lot of other points 15 and that's what I wanted to present the Board with. 16 We've trained across the country over 5000 guards, 17 another 5000 employees. We focus -- and last night, I 18 had a meeting. And the three attorneys I met with were 19 surprised we haven't branched out yet to train 20 managers, hotel managers, loss prevention agents, and 21 all these other type of guards. And that's not what I 22 want to do.</p>	<p style="text-align: right;">5</p> <p>1 City Beach Bar and Grill, had a lower incidence of 2 calls for police service, incidence of violence, and 3 police officer out service time. 4 And I'm sure those -- at least two of those 5 you're very familiar with because the city may complain 6 that we're spending too much time at Bar X -- takes too 7 many hours of resources. Well, the city of San Diego's 8 no different. They found that similar bars had higher 9 levels than these two bars. Long story short, they 10 approached me. They asked me what we were doing. I 11 showed them the training curriculum. They wanted to 12 borrow it. 13 There was some litigation. They were not 14 allowed to borrow it. And the training subsequently 15 was moved on to the state. And now, it's state law in 16 California. California became the first state to 17 mandate all in-house guards or bouncers have a license. 18 This license is a new and separate license other than 19 any other state. Many states, including DC, have a 20 security guard licensing program. That's for the 21 general guards, patches, special police officers. They 22 give it a lower grade.</p>

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<p style="text-align: right;">6</p> <p>1 They get a ton of unique generic training, as 2 every guard should have. The bouncer world is really 3 different, based on alcohol, drugs, the character, the 4 mandatory ability to be able to talk to people. That's 5 not a lot of the training that was given within the 6 generic security world. California became the first 7 state to mandate and create a separate license. It's 8 called the proprietary private security officer 9 license. 10 And it requires a background check with DOJ 11 and FBI, a registration with the Department of Consumer 12 Affairs, and 16 hours of job-specific training. Four 13 of those hours are state mandates and they are powers 14 to arrest, citizen detention, 4th Amendment right 15 issues, and two hours of that will be on terrorism 16 awareness as it relates to this industry. 17 After California passed that law, other 18 states are now looking at looking at it. Philadelphia 19 has written a law. Council Member Greenlee down in New 20 Orleans, they've written a law. In Dallas, they've 21 written a law. In Alaska, they've written a law. And 22 all these laws are going -- projected from the cities</p>	<p style="text-align: right;">8</p> <p>1 offer. Everything we do is job specific. It's not 2 generic. I don't teach the San Diego or LA or New 3 Orleans standards when I'm here in DC. I teach the DC 4 standards. I research. I get people to get me the 5 right information and I continually follow things that 6 happen within the region I teach. 7 So that's one thing that's very unique about 8 the program we have here in your town. The final page 9 is something I'd like to let you know about. We've 10 been doing it in California. It's been offered around 11 the country. Our new website and our new information 12 is out there starting in September. We're going to be 13 doing this online. Many training programs are great 14 online. It's not as good as an in-person training. I 15 will grant you that. 16 However, we've enlisted some of the best 17 writers of this type of code to have a good check and 18 balance program. We have denied people's -- they've 19 paid for the training. They've taken the test. But 20 based on the time that we can watch through our portals 21 in the internet, we know that they cheated. They 22 either didn't watch the full video -- everything is</p>
<p style="text-align: right;">7</p> <p>1 to the states. It's coming along where this field of 2 bouncing will no longer be the last bastion for thugs 3 and parolees to work at. 4 Therefore, a good owner who wants to hire 5 someone -- all of a sudden someone walks in and they'll 6 take \$8 an hour under the table. That's going to go by 7 the wayside. And California saw that out of a New York 8 case, where a guard was hired, I think it was five 9 years ago, working at a club in Manhattan, had a 10 criminal record, sexually assaulted, beat, and killed a 11 female guest. 12 And that has been the crux for a lot of these 13 training issues around the country. And California's 14 the first to say, "We're going to have to create a new 15 separate license." I was the chairperson for that 16 committee that wrote that license training program. It 17 was -- it was inherent -- and it was the same time I 18 was here -- coming back here that we offered the guards 19 something very unique. 20 The HOST training program that I offer here 21 is that program. You'll see the next two pages of the 22 -- after the first four is the DC outline of what we</p>	<p style="text-align: right;">9</p> <p>1 video based. It's not just read a PowerPoint 2 presentation on a screen and then move on. 3 Everything is taught via video. If they 4 watch it in two minutes, but we know the video's two 5 and a half minutes, and they pass their test, we deny 6 them their license -- their application. So it's been 7 approved by California. We're licensing guards now 8 through our online process. We're going to open it up 9 statewide for every state. 10 We'll be shooting our other state-specific 11 training for online programs starting next week, 12 meaning, again, if a guard here in DC signs up for an 13 online program, they won't get generic stuff. The 14 parts on rules and regulations will be written and 15 videos will be made for DC, regarding probably cause 16 misdemeanors, the police in Georgetown or cases within 17 -- on U Street. 18 For example, there was just a blog piece out 19 about a U Street dance hall that, within the last week, 20 a guard, not knowing, jumped in and was going to kick 21 out two customers for dancing provocatively on the 22 dance floor. These were gay males dancing at a gay</p>

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<p style="text-align: right;">10</p> <p>1 presentation club. But this guard had no knowledge of 2 what to do and not to do -- oh, was wanting to kick 3 them out. 4 This is the kind of thing in our training 5 program that we teach them. So those will be the -- 6 some of the unique, specific things that we'll offer 7 online starting in September. The final thing I want 8 to leave you with is the company wants to design -- as 9 a law enforcement officer for so many years -- and my 10 father was a cop for 31 years in San Diego -- it's hard 11 for me to pull myself away from that. 12 I understand what the job is that they do. I 13 understand what litigators do. I understand what your 14 Board does. I've worked with TABC. I've worked with 15 Providence in Rhode Island. I've worked with Texas -- 16 I'm sorry -- Alaska. And I understand what your jobs 17 are. There may be times that I can offer services to 18 you -- and I understand ethics committees -- I 19 understand looking bad when it's not bad. I get that. 20 But if you have questions that -- if your own 21 investigators can't find the answer to because they 22 live and work here -- they don't have to worry so much</p>	<p style="text-align: right;">12</p> <p>1 mandatory. So what you're telling the operators is you 2 want to shoot for the minimum standard? You're running 3 a million dollar business here. Don't try to pull the 4 wool over the Board's eye. They know what's going on. 5 Shoot for a higher standard. Get your people 6 background checked. Have your policies and procedures 7 in order and get your training and continue with that 8 training. 9 Are there any questions that you might have 10 for me? 11 CHAIRPERSON MILLER: Yes, Mr. Nophlin. 12 MR. NOPHLIN: I enjoyed the presentation. I 13 thought it was very informative. The policies that 14 you're talking about, they vary from state to state or 15 from jurisdiction to jurisdiction? 16 MR. SMITH: And by policies, you mean what, 17 sir? 18 MR. NOPHLIN: Which -- well, policies or 19 legislation or whatever you're trying to enforce in 20 terms of policies in that particular area. 21 MR. SMITH: Yes, sir. The rules and 22 regulations -- there are some basic rules and</p>
<p style="text-align: right;">11</p> <p>1 about things that go on in the rest of the country. I 2 would love to just be a resource for you. And I know 3 you don't get anything for nothing. This is what I get 4 out of it. This is basically my payment, by getting an 5 eye to eye with you that no other company thinks about 6 getting. 7 I would love to be a resource for you if you 8 need it or your investigators. If they hear something, 9 they see something, they're not sure of something from 10 an investigation process or something that might be 11 going on nationwide, if I don't it, I can find out 12 about it based on the context I have nationwide. 13 With that, I'd like to offer you any 14 questions -- to answer any questions you may have of 15 what we're doing locally. We've trained about 1000 16 different guards -- individual guards. We've trained 17 another 500-600 managers and workers at working clubs. 18 We are now telling owners, "Don't just take training. 19 Continually find other training programs and get your 20 people with a background check. Make them get a 21 background check then." 22 Well, but it's not mandatory. No, it's not</p>	<p style="text-align: right;">13</p> <p>1 regulations; twenty-one for alcohol, alcohol leaving a 2 venue. There are -- there are only two different 3 jurisdictions that I know of that sway from those two 4 basic points. Everything else is extremely fluid and 5 changing city to city, county to county, state to 6 state. 7 So regarding rules and regulations -- or 8 policies, I think, is what you're referring to, we do 9 the research to find the most current legislation for 10 that city we're in. And we create our training portion 11 there based on those points in that city. 12 MR. NOPHLIN: How do you do that? 13 MR. SMITH: It's actually very simple. It 14 takes -- it's time intensive. For example, in DC, I 15 follow ABRA appearance. I also have Title 25 that I 16 research every couple of months to see if there are any 17 new changes. I'll be attending the meeting tomorrow 18 for Councilman Graham on the Omnibus Act to see what 19 might change and might not. It's not hard to follow 20 this stuff in the age of the internet. 21 So for example, all the way and including the 22 day of training I put a slide on my presentation for</p>

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<p style="text-align: right;">14</p> <p>1 probable cause misdemeanors relating to theft in the 2 District of Columbia. And why would a guard need to 3 know that? How about jackets, cell phones, purses, 4 coat checks, that type of thing, and things that are 5 missing, where a guest has something stolen? If the 6 dollar amount changed for DC, I'd want to put that up 7 there for the guard to know, felony or misdemeanor. 8 So it is time intensive to find those answers 9 but that's exactly how we do it. We don't want to be 10 the generic, one-size-fits-all -- here's the program. 11 And then they go to work and they find that those all - 12 - that's -- those aren't our laws. Our laws are 13 different here in DC or Maryland or Virginia. So it's 14 tailored to the location. 15 MR. NOPHLIN: Okay. Thank you. 16 CHAIRPERSON MILLER: Yes, Mr. Alberti? 17 MR. ALBERTI: If I heard you correctly, 18 you're going to start in September offering this 19 training -- are you offering this training now to -- 20 currently to folks? 21 MR. SMITH: Anyone in here could go online -- 22 take our course online, no problem.</p>	<p style="text-align: right;">16</p> <p>1 - or when we -- when we direct them to have additional 2 training, we don't tell them who to get training from 3 but we might see -- 4 MR. SMITH: One of the unique things -- 5 MR. ALBERTI: I want to know -- I'm sorry 6 (inaudible) -- 7 MR. SMITH: Yeah. 8 MR. ALBERTI: You're a new game in town and 9 your certificates might be something that we're seeing. 10 MR. SMITH: Absolutely. Now, we've been -- 11 we've been offering this in DC, I think it's four years 12 now -- 13 MR. ALBERTI: Uh-huh. 14 MR. SMITH: -- maybe four and a half years. 15 And we are now getting several people that have gone 16 through the training four years ago redoing their 17 session, which is good. I tell them two years. In 18 California -- and I'm using California as an example 19 because it is law that every two years they have to be 20 retrained. 21 Here they think one time is good enough. So 22 now, they're starting to supplement. "Well, hey, Bob,</p>
<p style="text-align: right;">15</p> <p>1 MR. ALBERTI: All right. 2 MR. SMITH: In your district, a guard -- in 3 fact I know two guards that have done it because they 4 were thinking proactively. They get a certificate of 5 completion for our online training certificate at the 6 highest available standard available in the nation 7 because it's -- there's nothing else out there. Now, 8 would it meet the approval of anyone? Well, there's no 9 approval process for training here. 10 But it certainly would behoove an owner when 11 he comes up to say, "Look, we attend Mr. Smith's HOST 12 training when he's here in town. But before he's here, 13 we've taking our online version of that." And that's 14 what we're trying to offer these operators now. 15 MR. ALBERTI: Right. 16 MR. SMITH: In California, it's a licensing 17 program. 18 MR. ALBERTI: Yeah, and you should -- you 19 probably -- I mean, the reason I was asking you was to 20 anticipate that might hear from the Licensees. When 21 something happens, I want to know, are we going to be 22 hearing them go, "Oh, I have these certificates from" -</p>	<p style="text-align: right;">17</p> <p>1 I got a guy but it's been a few years since he was 2 trained. When are you here again? Okay. Come to the 3 session." Now, they'll be able to refresh that with an 4 online version through home or at work or whatever. 5 So, yeah, you may see those coming through. 6 One of the things that -- you know, I didn't 7 bring it up but I'm going to. I don't think it's a 8 conflict whatsoever. I would be happy to offer the 9 Board, its administration aides, the OAG, the 10 investigators all to take the course online at no cost 11 just to see what it is. So when you get someone in 12 front of you, you're going to go, "Oh, so you're saying 13 you did this? Well, what about this?" And ask them. 14 If they can't answer, you have a little bit 15 more power in your hand to know whether they did it or 16 not. I'm not -- we don't need to carry that discussion 17 out here. I'll give Mr. Masawi (ph) an open -- an open 18 number that anyone that wants can sign in and take it 19 just to see what is out there that I really believe is 20 going to be the standard across the country or online 21 training for guards. 22 MR. ALBERTI: I appreciate that offer. I</p>

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<p style="text-align: right;">18</p> <p>1 have another question. Does your training include -- I 2 don't see it here but does your training include any 3 training on sexual harassment or awareness or 4 prevention, sexual assault prevention? 5 MR. SMITH: Sexual assault, yes. Sexual 6 assault related to date rape, Ecstasy, GHB, Ketamine, 7 the date rape type of drugs that might be used out 8 there. We do offer a block on that related to best 9 practices. It's one of the sections we offer. 10 Especially -- through DC Nightlife, we ask if add a 11 best practices section. 12 So we talked for about 40 minutes on best 13 practices for your club, for example, the sexual 14 assault. We do discuss the different between sexual 15 harassment and sexual assault because oftentimes, for 16 example, one of your venues here, they do pat downs. 17 But I ask them -- I said, "You pat down everyone?" 18 "Oh, yeah." "Show me how you pat down this woman." 19 "Well, we don't do women." So you're violating federal 20 law and sexual -- 21 MR. ALBERTI: I'm more concerned about guest- 22 on- guest harassment.</p>	<p style="text-align: right;">20</p> <p>1 person grabs a guest's rear end. She blames another 2 customer. She pushes that customer. The boyfriend of 3 that guest jumps up. Now, there's a fight. The 4 original party that did it is here going -- he doesn't 5 want to volunteer that, "Hey, it was just a joke. I 6 meant to get my friend in trouble." 7 Now, the guards start opening up, going, "Oh, 8 we've had that. Oh, we just threw everybody out." And 9 I started getting them to think that there's a better 10 way to skin that cat using your video, asking for 11 witnesses, asking her if she really saw it, getting the 12 police involved early, so they know if there's a crime 13 or there's not a crime. 14 So we cover a ton of that stuff. I'd like to 15 say each one of the points that you've said, yes, we 16 absolutely cover in depth. It's eight hours. So 17 related to sexual assault, sexual harassment of 18 employee- employee, employee-guest, yes, we do cover. 19 MR. ALBERTI: Okay. Thank you. No further 20 questions. 21 CHAIRPERSON MILLER: Okay. Yes, Mr. Brooks? 22 MR. BROOKS: Yes. Mr. Smith, I just want to</p>
<p style="text-align: right;">19</p> <p>1 MR. SMITH: Right. 2 MR. ALBERTI: Is that included? 3 MR. SMITH: Yeah, absolutely. Because -- 4 MR. ALBERTI: Okay. 5 MR. SMITH: -- I have to get the guard to 6 understand the difference between sexual harassment 7 from an employer or an employee to a guest on a guest, 8 where a guest might, pardon me, grab some waitress's 9 butt or grab some guest's butt while they're walking 10 through a crowd. They have to understand a probable 11 cause misdemeanor battery or is that a sexual assault? 12 Is it skin to skin? I go through all of that -- 13 MR. ALBERTI: Okay. 14 MR. SMITH: -- just because I don't want them 15 to jump the gun and think that's something that it's 16 not. Now, they're behind the eight ball. They have 17 misinformation. The police come and don't do anything 18 because there wasn't a crime, those type of things -- 19 including the collection of evidence. 20 MR. ALBERTI: Uh-huh. 21 MR. SMITH: We do a scenario where -- it's a 22 very common one and it happened here, where an unknown</p>	<p style="text-align: right;">21</p> <p>1 be clear, you are asking ABRA and the ABC Board to 2 avail themselves to your services free of charge? 3 MR. SMITH: Yes. 4 MR. BROOKS: That's basically what it is? 5 MR. SMITH: Yes. 6 MR. BROOKS: If an investigator or a 7 supervisor at ABRA has a question concerning security 8 procedures, policies, regulations, they can pick up the 9 phone and call you? 10 MR. SMITH: Yes. 11 MR. BROOKS: Okay. Are you located here in 12 DC? 13 MR. SMITH: We're nationwide. I mean, we're 14 actually global. 15 MR. BROOKS: Uh-huh. 16 MR. SMITH: So, you know, the UK, Spain, New 17 Zealand, Australia, Canada, they all mandate bouncers 18 have licenses. 19 MR. BROOKS: I'm sorry. 20 MR. SMITH: The United States doesn't, yet 21 California does. So we work globally. And the 22 questions that your investigators have may be the same</p>

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<p style="text-align: right;">22</p> <p>1 ones that have been called upon to our company by other 2 countries' jurisdictions and other state jurisdictions. 3 MR. BROOKS: Okay. Now, have you made the 4 same offer that you're making to DC to other cities and 5 states? 6 MR. SMITH: Since day -- since day one, I 7 know that law enforcement gets little or no training 8 regarding these elements. I don't know what it is in 9 DC for DC Metro. Privately, when I ask these cops what 10 kind of training they get on club drugs and IDs, they 11 say, "None." But they're free. Law enforcement across 12 the country is free at any one of my sessions, 13 including DC. 14 MR. BROOKS: Okay. So have you approached 15 the Metropolitan Police Department with this -- 16 MR. SMITH: Yes. 17 MR. BROOKS: -- your program? 18 MR. SMITH: From the first time we presented 19 here to maybe once every 18 months, a letter goes to 20 the chief to say, "This is what we do. Here's who we 21 are. Your folks are free. We'll do a line-up training. 22 We'll do shift training." It's done all over the</p>	<p style="text-align: right;">24</p> <p>1 you, Madam Chair. 2 CHAIRPERSON MILLER: Okay. Yes, uh-huh. 3 MR. NOPHLIN: Madam Chair, just a question on 4 the same question that Board Member Brooks asked. 5 Well, how are you rewarded? 6 MR. SMITH: I'm sorry, sir? 7 MR. NOPHLIN: How are you rewarded for the 8 work that you do? 9 MR. SMITH: Well, understand what I said. 10 Few people are taking advantage of the free programs. 11 Now, trust me, if all was said and I'm getting 12 inundated statewide by tons of requests by law 13 enforcement agencies for free training, I'm going to 14 have to come up with a better mousetrap. And until 15 that happens, it's getting away -- I'm giving it away 16 with nothing wanted in return. 17 Because let's be honest, I mean, sometimes, 18 speaking frankly, it's not, you know, very well 19 accepted. But if a cop in the field takes my training 20 program -- one hour of my training program and sees 21 that, "Holy cow, this guy knows what he's talking 22 about; I learned more in that one hour than I learned</p>
<p style="text-align: right;">23</p> <p>1 country. 2 MR. BROOKS: So have you gotten any responses 3 for the Metropolitan Police Department? 4 MR. SMITH: No. Typically -- and quite 5 honestly, California ABC, Texas ABC, and Alaska ABC are 6 the only agencies that have taken advantage of the free 7 training. 8 MR. BROOKS: I see. 9 MR. SMITH: And there's an inherent wall. 10 They think -- when I was a cop, they thought I was a 11 turncoat. Now that I'm not a cop, they think I've got 12 ulterior motives because nothing's free. If a better 13 trained cop can do a better job in the field, the end 14 result is better for everyone. And I know that sounds 15 pretty pie in the sky, but that's the way it is. 16 I mean, I like being a cop. And if someone 17 offered me free training to better my skills in the 18 field -- I'm sorry, if it's free, give me three. I'm 19 taking that free training. And it has nothing to do 20 with ethics. It's to better my job, my -- better my 21 ability in the field to do the job. 22 MR. BROOKS: All right. Thank you. Thank</p>	<p style="text-align: right;">25</p> <p>1 in my police academy," he may be a friend so to speak. 2 It is what it is. 3 Now, he goes to a club and he -- and he sees 4 this club has many violations. And he says, "Look, 5 your people need to train. Have you heard about this?" 6 He's not telling them to go do it. He's saying, "Look, 7 get some training." That's the end game here. 8 MR. NOPHLIN: Thank you. Thank you, Madam 9 Chair. 10 CHAIRPERSON MILLER: Okay. And Mr. Jones? 11 MR. JONES: Thank you, Madam Chair. What's 12 the name of your company? 13 MR. SMITH: Nightclub Security Consultants. 14 MR. JONES: Is it a for-profit company? 15 MR. SMITH: It is. 16 MR. JONES: How long have you been in 17 business? 18 MR. SMITH: 1998. 19 MR. JONES: 1998. Have you -- have you 20 turned a profit? 21 MR. SMITH: We turned a profit the first -- 22 sorry, the first two years we did not. Then the next</p>

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<p style="text-align: right;">26</p> <p>1 ten years we did. And when I left the PD -- the last 2 year I left the PD, I was cleaning up all my cases. We 3 did not turn a profit. And this year we will not but 4 it will come back. It's a matter of time. 5 MR. JONES: So in the years that you did turn 6 a profit, how did you generate that revenue? 7 MR. SMITH: Through charging individual 8 attendees. Joe Guard comes to the session. Depending 9 on where we're at the country, he would pay \$50 to \$150 10 to attend the session. And an individual owner could 11 send his whole crew, ten guards, for a reduced price or 12 I would come into a venue as a -- as a cooler, if you 13 will, train -- observe on Friday, train on Saturday, 14 work on Saturday night, train on Sunday, and then have 15 a break- out hands-on training on Sunday. 16 That's about a \$5000 weekend. And clubs 17 still hire me to come in and do that because they see 18 the immediate effect on their staff to turn them around 19 to start thinking differently on how they're doing 20 their job. 21 MR. JONES: And how long have you been doing 22 this full time?</p>	<p style="text-align: right;">28</p> <p>1 other national organizations; and number three, to 2 create a standard of care within the hospitality 3 industry for bouncers. 4 No longer, you know, just Ma and Pa hiring 5 the biggest buy on the floor. Ma and Pa need to go and 6 answer to a higher standard. That's what we want to do 7 with our company; get online worldwide, do some 8 specialized, larger group training, and create a higher 9 standard for this industry. 10 MR. JONES: Okay. Is one of -- and rolled 11 into that, is part of it to try and to fill a niche 12 that you feel hasn't been filled at this point and then 13 become, what we call, like, the lead, the trendsetter, 14 the lead in this industry, this area? 15 MR. SMITH: Since -- 16 MR. JONES: So you'd become, like, the de 17 facto standard? 18 MR. SMITH: Since 1998 -- now, we started in 19 '98. And for one year, we videotaped every training 20 session we did. We did feedback request from every 21 attendee. We have been the standard since 1999. There 22 is no one giving our training -- anything like our</p>
<p style="text-align: right;">27</p> <p>1 MR. SMITH: Well, full time since '98. I 2 mean, I was doing two full-time jobs, as a San Diego 3 police detective and an owner of this company. I would 4 -- I would work Monday through Thursday, fly out 5 Thursday night, train until Sunday, fly back red eye 6 and go to work on Monday. 7 MR. JONES: All right. So how long have you 8 been doing this only? 9 MR. SMITH: Since November of -- about a year 10 -- about 14 months now. 11 MR. JONES: About 14 months? 12 MR. SMITH: Correct. 13 MR. JONES: Okay. And what's your long-term 14 plan for your business? 15 MR. SMITH: You sound like one of my 16 investors. That's good though. Long term? We've got 17 several goals long term; number one, obviously the big 18 money is online -- I can reach out hundreds and 19 millions of people online -- to get that residual 20 incoming coming in online; number two, to offer boards, 21 attorney groups, law enforcement agencies continual 22 education through -- whether it's credited by POST or</p>	<p style="text-align: right;">29</p> <p>1 training. What's happening is other companies are 2 popping up and there are two or three here in town. 3 They go by the wayside because they don't offer what we 4 offer and how we offer it. 5 They'll offer a very generic training because 6 it's all about the money. There will be money for this 7 company. Breaking even or making a million dollars? I 8 don't know but there will be money. Okay. If I can 9 offer the best product out there and continually strive 10 to have the best product for an individual guard or a 11 large operator, I can do that. I don't know to kowtow 12 to the lowest common denominator. 13 MR. JONES: Understood. So I guess part of 14 the question I'm asking -- I'm probably not asking it 15 very well -- is your -- part of your marketing strategy 16 and your long-term business goal is to have government 17 agencies, such as District of Columbia, ABRA, and other 18 entities like that to become the voice for your 19 company, i.e., your training program, and then speak on 20 that as, "Hey, oh, you guys need to get trained. You 21 might want to go check out X, Y, and Z, i.e., Robert 22 Smith's company," just so that we become your</p>

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<p style="text-align: right;">30</p> <p>1 mouthpiece and, like, become almost, like, a viral type 2 of marketing? 3 MR. SMITH: No, no. And I know why I don't 4 want that because I was in the government agency. And 5 I know I can't do that as a government agent. At 6 least, I'm not supposed to do that as a government 7 agent. 8 MR. JONES: Uh-huh. 9 MR. SMITH: So that's why I know I don't want 10 that done. However, if all of a sudden -- for example, 11 I think a year and a half ago we had an open session, 12 where we were to talk about the licensing or at least 13 the regulation of security companies training 14 companies. I wanted that. I asked for that to come up 15 two years ago. Just approve me. 16 CHAIRPERSON MILLER: Uh-huh. 17 MR. SMITH: Ask me to pay a fee to review my 18 program, not to sell it. But don't you do that already 19 with TIPS, TAMS [sic], WRAPS [sic], the server training 20 programs? You don't endorse them and sell them. You 21 just say, "These are the approved programs we know work 22 for service." That's what I want to create. That's</p>	<p style="text-align: right;">32</p> <p>1 The only part that we need to tailor is the 2 rules and regulations. IDs, club drugs, disaster 3 preparedness, liabilities; those are all standard 4 across the country. Nothing changes. 5 MR. JONES: Okay. So maybe I misheard. Is 6 there something significant about the -- September? 7 MR. SMITH: The online training program. 8 MR. JONES: Okay. 9 MR. SMITH: Right now -- yeah, right now, you 10 can take our online training program. It's designed 11 for California. It is an intensive 16-hour program. 12 So a guard here could take it. However, it's not 13 required, so why make them pay more and go through a 14 longer course? 15 MR. JONES: Uh-huh. 16 MR. SMITH: It's better. They can. But we 17 will have a shorter version for DC, and frankly, every 18 other state around the country that doesn't need the 19 California standard. 20 MR. JONES: Okay. And how many custom 21 packages have you developed, both in terms of face-to- 22 face training and how many custom packages have you</p>
<p style="text-align: right;">31</p> <p>1 what happened in California. That's what happened in 2 Alaska. 3 Create a standard so now, when someone comes 4 in and they say, "I've got Joe's training," you can 5 look. "Joe's not one of our certified trainers." Oh, 6 then it doesn't carry any weight with a mitigating 7 circumstance. "Nightclub Security. Oh, yes. We've 8 reviewed their program. We've approved their program. 9 They're a licensed member of the training group." 10 That's what I'd like to do. 11 MR. JONES: Okay. And how many custom 12 programs have you developed? So you say you're 13 developing one that will be launched by the district? 14 MR. SMITH: No. We've been training 15 exclusively in the district since 19 -- I'm sorry, 16 since 2000 and -- I want to say four years ago, 2009 -- 17 2008-2009, where it went -- in fact, I presented to 18 RAMW that we can create a program just for RAMW and 19 their members. As we left that meeting, my first phone 20 call was Mark Barnes when he had left. He trained us 21 and two weeks later we were back retraining his people 22 in a weekend session. I had 58 people in that session.</p>	<p style="text-align: right;">33</p> <p>1 currently developed for online-based training? 2 MR. SMITH: We've developed hundreds -- and I 3 literally mean that -- hundreds of face-to-face -- 4 MR. JONES: Uh-huh. 5 MR. SMITH: -- different training programs. 6 We've trained in every state, in Mexico, in Canada, in 7 Australia, in Europe. So we've developed hundreds of 8 individual face-to-face unique training sets, training 9 plans, presentations. Online we've probably got about 10 six done. Understand that, to do them online, our mold 11 is set but each individual jurisdiction must be 12 different. 13 And when you think of differences -- the 14 State of California, they have one state ABC regulatory 15 agency. In Texas, they have a state regulatory agency 16 but each county also has different rules they might 17 apply. So we've got to now in Texas create a subset 18 for each county in Texas that are dry on Sunday, that 19 can't sell it between noon and whatever. So in DC, 20 it's very easy. We're shooting DC's next week because 21 it's what we've been doing already here in DC. 22 MR. JONES: Okay. So would you be able to</p>

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<p style="text-align: right;">34</p> <p>1 quantify how many online packages you've done? Like, 2 could you give me a number, 10, 15, 20? 3 MR. SMITH: We've got six individual states 4 done as of today. 5 MR. JONES: Sixteen done as of today? 6 MR. SMITH: Correct. 7 MR. JONES: DC is not one of those, correct? 8 MR. SMITH: No, that will be shot next week. 9 MR. JONES: Okay. So will that be seven? 10 MR. SMITH: That will be seven. 11 MR. JONES: Okay. And just for 12 clarification, what's your -- what's your metric for 13 effectiveness? 14 MR. SMITH: Well, that's a real tough one. I 15 like statistics but I know what statistics -- how they 16 can be tweaked and twisted. The only true statistical 17 data that's out there is out of San Diego; the bars 18 that they went to and the bars that they checked them 19 against on calls for service and police officers' time 20 and the filing incidence. 21 The FBI nor the DOJ capture -- and the labor 22 statistics -- none of those agencies capture bouncer</p>	<p style="text-align: right;">36</p> <p>1 you insure Jackson's. How come they've got fewer 2 claims now? In fact, it's drastic fewer claims." 3 The broker looks at what they're doing. "Oh, 4 we make them -- to insure them at this rate, we make 5 them go through this HOST training." Guys out of San 6 Diego, we make them come out for a weekend, Friday, 7 Saturday, and Sunday -- in Jackson's of Tampa -- is 8 that the only thing? We're making them get background 9 checks. We're making them use this new hire program. 10 We're making them use this policy manual, all things 11 that we write for them. 12 All of a sudden, Jackson's doesn't have the 13 same incidence of violence. They're getting a reduced 14 insurance rate. So that's another mechanism that I 15 know. If these companies -- insurance companies are 16 giving reduced rates, the program's working. 17 MR. JONES: Okay. Thank you. Thank you, 18 Madam Chair. 19 CHAIRPERSON MILLER: Okay. I just have two 20 follow-up questions. It sounds like you're offering a 21 very important service. I think you mentioned 22 accreditation or something as a long-term goal. Are</p>
<p style="text-align: right;">35</p> <p>1 violence. They do generic hospitality violence. Well, 2 that could be a concert hall. It can be a hotel. So 3 there is no capture mechanism to say, "Look, we can now 4 individually funnel that down and say, 'Here's bouncer 5 violence or on -- guest-on-guest violence at a club, 6 you know, a liquor-licensed industry.'" There's no 7 mechanism to capture that. 8 MR. JONES: Okay. So you do not have a 9 metric for effectiveness? 10 MR. SMITH: Well, I have nothing that is 11 scientific. 12 MR. JONES: Just a qualitative field? 13 MR. SMITH: Well, based on -- 14 MR. JONES: I think better now that they -- 15 MR. SMITH: Based on insurance companies that 16 have given reduced rates to clients of mine -- 17 MR. JONES: Uh-huh. 18 MR. SMITH: So, for example, there's a group 19 of brokers -- two or three brokers and they handle 20 about 28 different insurance companies, these brokers. 21 They have had clients that said -- where the brokers 22 get a call from the insurance company and say, "Hey,</p>	<p style="text-align: right;">37</p> <p>1 you -- is there any kind of a review of your services 2 by anyone or something like -- 3 MR. SMITH: Only in the state of California 4 right now. Now -- well, that's not true. In 5 Providence, Rhode Island also. Providence, Rhode 6 Island was the first city in the country to offer a 7 job-specific training program for bouncers. That was 8 in 2008-2009. California became the first state to do 9 it. So in Providence, my license approval there is 10 number one. There are eight other approved licenses in 11 the city of Providence. 12 In California, my license is number one. I 13 was the first approved company in the state of 14 California. It's actually P-00001. There are now 38 15 companies in the state of California but ours was the 16 first one that was approved. 17 CHAIRPERSON MILLER: Are there any -- have 18 you had any, like, law enforcement agencies or attorney 19 generals, like, reviewed your plan and said something 20 publically? 21 MR. SMITH: The -- 22 CHAIRPERSON MILLER: "This is a good plan?"</p>

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<p style="text-align: right;">38</p> <p>1 MR. SMITH: Yes, ma'am. Yes, ma'am. In -- 2 before California mandated it, nine law enforcement 3 agencies in California sent officers through it to 4 review it. Cities requested it. For example, in 5 Anchorage, Alaska the Alaska ABC said, "Bob, what can 6 you do for us in this city? We have no training 7 program." So we contracted through the state to 8 provide training there. 9 In Ventura -- In California again, the county 10 of Ventura got -- received grant money for DUI 11 reduction. They took our program, put it in their grant 12 program. And we offered that pre-state licensing and 13 post-state licensing and we still have that contract 14 with Ventura. 15 In Tampa, Florida, after we worked with 16 Jackson's, the police agency that came in Tampa, they 17 said, "Hey, what we can we do to get on board this?" I 18 said, "You're on board. It's up to you to start 19 telling people to get trained." "Well, we can." 20 "Okay. Then create a mechanism to approve trainers." 21 CHAIRPERSON MILLER: Okay. I just have two 22 other quick ones because I think I've got to watch the</p>	<p style="text-align: right;">40</p> <p>1 Now, I will approach the police department to say, 2 "Look, you're not enforcing this. Is this why?" And I 3 know it is. 4 Okay. What if you had a different avenue to 5 now enforce? Oh, okay. And then let the police 6 spearhead that to the council instead of a private 7 company. 8 CHAIRPERSON MILLER: Uh-huh. Okay. And my 9 final concern is about the online. I mean, I would 10 think that it'd be great to have, you know, online 11 training that's so accessible. But it sounded like 12 somebody could take the test online. You never would 13 have seen that person. Like, anybody could take the 14 test. I mean, a -- 15 16 MR. SMITH: Yes, ma'am. And that was -- 17 CHAIRPERSON MILLER: -- a teenager could take 18 the test for the parent. 19 MR. SMITH: Now, understand, if -- and I get 20 his comments. I understand where he's coming from and 21 I love the open frankness of some of the questions he 22 asks. I don't want to put out a program that's just</p>
<p style="text-align: right;">39</p> <p>1 time now too. But one is, you're not at this point 2 working with the City Council to try to get this kind 3 of training mandated via legislation, are you -- are 4 you? I mean -- 5 MR. SMITH: The reason I look back is -- 6 CHAIRPERSON MILLER: Uh-huh. 7 MR. SMITH: I'll tell the Board something. 8 There is already a law on the books regarding licensing 9 of guards, all guards. I say that with a little bit of 10 hesitation. The law is there, mandating that if you 11 have a guard -- and it outlines what a guard is -- you 12 must do this. It's not being enforced and it's not 13 being enforced because the law enforcement agency knows 14 that the current program that is mandated is inadequate 15 for bouncers. 16 It's a generic training program teaching, 17 "Don't touch them. Don't get involved. Don't step in. 18 Call 911." And you have heard from licensees that 19 that's an issue for them. Oh, but that's what they're 20 mandated to do, if they use that program. What we are 21 trying to do is to get -- first educate you folks that 22 there -- wow, there's another way to do this thing.</p>	<p style="text-align: right;">41</p> <p>1 about the money. I have to be able to go in front of a 2 jury at a civil hearing and testify when Joe Bouncer 3 kills someone -- knock on wood -- and they claim they 4 took their training program online -- 5 CHAIRPERSON MILLER: Uh-huh. 6 MR. SMITH: -- I'm going to be vicariously 7 liable here if they did it wrong. So I've got to have 8 all the checks and balances possible. So we have a 9 video time that is keyed by the computer. It's got to 10 be -- it's got to be played. If you don't play it, you 11 didn't watch it. You don't watch it, you don't get 12 certified. Okay. Say they run it and it goes to the 13 end and then you decide to take the test without 14 watching it. They're going to get it wrong. 15 The test questions are involved in the video. 16 So we've had that checked and balanced. The final 17 check and balance is on the login process. If you're 18 logging in at a certain time -- and these are computer 19 algorithms on all that kind of stuff -- we -- it sends 20 a red flag to us that maybe this one should be 21 scrutinized a little more. And we send an email to 22 that user to retake this test. There's not much more</p>

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<p style="text-align: right;">42</p> <p>1 you can do with online training. 2 We're trying to be the best out there. 3 California's leading traffic school online provider has 4 that same worry. We are now using their computer 5 people to do our program because we were worried -- I 6 was worried, frankly, about the same thing. I don't 7 want to have that happen. 8 CHAIRPERSON MILLER: Okay. Well, thank you. 9 Yes, Mr. Silverstein. 10 MR. SILVERSTEIN: One quick question. You 11 keep using the term, "We." How many folks are involved 12 in your company? 13 MR. SMITH: I am the president. There are -- 14 I have a local Fairfax County cop that helps me here 15 locally. I have one person in Dallas, six people in 16 California, and one in Anchorage. So less than ten 17 total within the company. 18 MR. SILVERSTEIN: But you do have local 19 contacts, if necessary -- 20 MR. SMITH: Yes. 21 MR. SILVERSTEIN: -- in various places? No 22 further questions. Thank you.</p>	<p style="text-align: right;">44</p> <p>1 CERTIFICATE OF NOTARY PUBLIC 2 3 I, NATALIA THOMAS, the officer before whom the 4 foregoing hearing was taken, do hereby certify that the 5 testimony appearing in the foregoing transcript was 6 recorded by me and thereafter reduced to typewriting 7 under my direction; that said transcription is a true 8 record of the testimony given by said parties; that I 9 am neither counsel for, related to, nor employed by any 10 of the parties to the action in which this was taken; 11 and, further, that I am not a relative or employee of 12 any counsel or attorney employed by the parties hereto, 13 nor financially or otherwise interested in the outcome 14 of this action. 15 16 17 18 _____ 19 NATALIA THOMAS 20 Notary Public in and for 21 DISTRICT OF COLUMBIA 22</p>
<p style="text-align: right;">43</p> <p>1 CHAIRPERSON MILLER: Okay. All right. Well, 2 thank you very much. 3 MR. SMITH: Thank you. Thanks, folks. 4 CHAIRPERSON MILLER: Let me (inaudible). 5 (WHEREUPON, at 10:53 a.m, the hearing was 6 concluded.) 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22</p>	<p style="text-align: right;">45</p> <p>1 CERTIFICATE OF TRANSCRIPTION 2 3 I, MIRANDA PENNACHI, hereby certify that I am not 4 the Court Reporter who reported the following 5 proceeding and that I have typed the transcript of this 6 proceeding using the Court Reporter's notes and 7 recordings. The foregoing/attached transcript is a 8 true, correct and complete transcription of said 9 proceeding. 10 11 12 13 14 15 _____ 16 Date MIRANDA PENNACHI 17 Transcriptionist 18 19 20 21 22</p>

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