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“SAVE ‘CHAMPAGNE!’” JOANNA’S 1819 CLUB SEEKS NEW OWNER,
PRE-AUCTION INSPECTION SET FOR MAY 13
LIVE AUCTION AT CLUB ON MAY 18

Washington, D.C. May 10, 2004 – A District of Columbia icon -- the *1819 Club* – seeks a new owner, someone to step in and continue the tradition of Washington’s original *Gentlemen’s Club* where patrons consider a stop there a “right of passage” and know employees named “Alexi” and “Champagne.”

A pre-auction inspection is scheduled for this **Thursday, May 13** from **11:00 a.m. – 1:00 p.m.** (or by appointment) at the club, which is located at 18th & M Street Northwest on Dupont Circle South, according to **Stephen Karbelk**, who has organized the auction and works for **Tranzon Fox** – part of the national accelerated marketing and auction enterprise, **Tranzon, LLC**. Headquartered in Richmond, VA, Tranzon is one of the top auction groups in the U.S. with the greatest number of ongoing auctions listed at any one time.

The club, which was known as *Joanna’s* until three years ago when owner **Nicholas “Nick” Addams** changed the name to reflect the actual 1819 M Street N.W. mailing address, has a loyal clientele in addition to customers seeking to sample the sizzling side of D.C. nightlife while visiting the nation’s capitol on business or pleasure. Even accused FBI spy Robert Hanssen sought solace there, supporting one of the dancers for years in an unusual, platonically-based friendship, according to a May 22, 2001 CNN interview with ex-dancer Priscilla Sue Gailey.

D.C. attorney **Bryan Ross**, the court-appointed trustee for the club, says the goal of the auction is to sell the business as an ongoing concern, preserving the livelihood of employees and the uniqueness of a club that is one of just six in the District to hold a Class CN liquor license. This license permits dancing in the all-together in a place where alcohol is served.

Along with the business and this rarely available, *Class CN* live adult entertainment liquor license, comes a location in a primo real estate area of the District. Additionally, there is **nearly 10,000 square feet of transferable F.A.R.-designated space** (Floor Area Ratio) that could be transferred to another building in the area. This alone is worth between \$100,000 - \$200,000, depending on market conditions, to a prospective buyer.

“It’s almost unheard of for a *Class CN* license to become available. And, the real estate is incredibly valuable as well,” says Karbelk.

SNOCO Enterprises, Inc. owns the business and license. Addams, a long-time D.C. resident, is 90 percent owner of the business and sole owner of the real estate.

Addams filed for Chapter 11 bankruptcy protection in the fall of 2003 largely as a result of a dip taken by the economy in the aftermath of 9-11 that adversely affected the tourism and hospitality trade nationwide.

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According to Addams, he had plans to sell the club – even investing in a second-floor expansion that would double the seating capacity and generate greater revenue for a new buyer – when cash-flow problems linked to the downturn in the D.C. hotel business accelerated that plan. He is personally vested in seeing the club transition to a new owner equally committed to the club’s theme and history of “taking care of our dancers.”

Addams has good reason to feel this way. In 1977, he bought the club -- known at the time as *King Arthur’s* – from the club’s owner and principal dancer who went by the stage name “Joanna.” Addams made her his wife (they are now amicably divorced) and renamed to club *Joanna’s* in tribute to her, embarking on a new career as bar keep after years of practicing law in D.C. Many old-time patrons still refer to it as *Joanna’s*, and in print, the name often precedes the “*1819 Club*.”

Today the night spot employs 25 and features eight dancers each evening.

Open nightly from 6:00 p.m. to 2:00 a.m., the club takes up the first floor of a four-story building. Officially, it seats 75. Addams, as mentioned, already has ABC approval to expand the operation to the second floor, nearly doubling the seating capacity.

“The second floor is completely gutted and ready for build-out. New owners could easily double the gross income for a relatively modest investment. You could add 40 seats in less than 60 days with renovation costs of under \$150,000,” says Addams.

Addams also notes that until this past December, the club was open for lunch, something “the new owner could easily restart.”

“Additionally, the new owner could easily expand the club to the second floor and add office space or condominiums on floors three and four,” Karbelk says.

The public is invited to attend the May 13 inspection and register to receive the official bidder’s package, which contains a confidentiality agreement and financial disclosures about the club’s operation.

Only registered bidders may participate in the May 18 live auction, also held at the club, although spectators are expected as well, according to Karbelk, who operates from Tranzon Fox’s northern Virginia offices in Burke, VA.

The live auction on **Tuesday, May 18** starts at **11:00 a.m.**, with a 2:00 p.m. hearing scheduled later that day before the U.S. Bankruptcy Court in D.C. to approve the sale.

Tranzon Fox, with offices in D.C., northern VA, Tidewater, VA, Richmond and NC, is part of Tranzon, LLC, a nationwide accelerated marketing and auction firm with offices coast-to-coast and national headquarters in Richmond, VA. Last year the company conducted more than 1,300 auctions in 41 states and the District of Columbia. Tranzon professionals specialize in providing real estate and business asset and liquidation auction and accelerated marketing services to corporations, financial institutions, trustees, individuals and estates throughout the U.S. Learn more about Tranzon at www.tranzon.com

For a complete bidder’s auction package, including the bidding procedures, contact **Stephen Karbelk** at 703-912-3307 (office) or 703-927-6838 (cell) or via E-mail at skarbelk@tranzon.com.

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