

# MUCHNICK, GOLIEB & GOLIEB, P.C.

## MEMORANDUM

**TO:** David Mitchell  
**CC:** Randy Amengual  
Stephen P. Hanson  
**FROM:** Howard Muchnick  
**SUBJECT:** Closing the Henry  
**DATE:** March 6, 2018

---

Whether by design or poor judgment, you have made it impossible for the restaurant to operate and to remain in business. Steve will not incur additional personal expenses to support the restaurant for what has become apparent – the project cannot survive under your leadership.

You failed to fund \$100,000 of the \$800,000 budgeted for, and needed by, the restaurant to pay for its anticipated early losses. You then borrowed \$100,000 from the restaurant, only \$20,000 of which has been repaid despite your promises of immediate payment. Thus, the restaurant is without the money needed to operate. Unless you return to the restaurant \$40,000 of the \$100,000 that the hotel borrowed from it, being the amount needed to pay sales tax due next week, Steve will inform the staff later this week that the restaurant will close no later than March 18, 2016.

Much of the litany of complaints for how we got to the current situation have been aired previously. However, your actions today to deny Alan Hochhauser computer access to the information needed for gift card/guest information and reconciliation is without precedence. Alan was costing the hotel nothing out of pocket and helping the restaurant to operate.

That you denied Erin Pepper access to the hotel's computer platform to continue her work on public relations and the guest experience is illogical and solidified Steve's belief that you are intentionally sabotaging the restaurant.

See their e-mails attached.

Thus, despite the restaurant's wonderful reviews and its direct march towards profitability, it will die before having had a chance to succeed.

HWM

HWM/mb

p:\clients\00000394\memo\2018\henry.force.close.0306.docx

## Miriam Blemur

---

**From:** Stephen Hanson <[REDACTED]>  
**Sent:** Tuesday, March 06, 2018 5:56 PM  
**To:** Howie W. Muchnick; Miriam Blemur  
**Subject:** Fwd: Skyware

Howie - as you can see below - David locked Erin out of Skyware (computer reservation program) without even informing her. Please read both emails as the punchline is we have no access to VIPs, guest profiles, revenue items, rates, occupancy so we know how to staff - i.e. how to run a successful revenue business. See email i forwarded also from Alan

----- Forwarded message -----

**From:** Erin Pepper <[REDACTED]>  
**Date:** Tue, Mar 6, 2018 at 5:39 PM  
**Subject:** Re: Skyware  
**To:** David Mitchell <[REDACTED]>  
**Cc:** Alan Hochhauser <[REDACTED]>, Stephen Hanson <[REDACTED]>

Why create more work for Denise, especially since they are short staffed and could use all the help that they can? Denise and I work together as a partnership. Why waste time overloading Denise or directing the guest to her instead of grabbing them in real time, to book direct. Guests demand instant results, the longer we wait to book someone the more likely they are to book elsewhere or an OTA.

I need real time access to the platform to maintain oversight over our VIP's (guest experience), new reservations, notes that are being put in reservations, daily occupancy and room availability, guest feedback on review sites as it relates to our occupancy/reporting, guest data, and monitoring revenue and marketing initiatives etc.. At the very least access to the reporting should remain in tact. I will go to Denise for reservations if you feel that is best for the business.

Additionally, Alan and I were reviewing gift card/guest information for reconciliations and when he logged in he saw his reporting and full access was cut off as well. He follows up with this daily due to in correct loading of the gift cards- he can speak more to this.

Thanks,

Erin Pepper

VP, Brand and Experience

---

LIFE HOTEL

[19 West 31<sup>st</sup> Street](#)

New York, NY 10001

M: [516.356.5587](tel:516.356.5587)

[REDACTED]

[REDACTED]

 [@lifehotelnewyork](#)  [@lifehotelay](#)

 [@henryatlifeny](#)  [@gibsonandluceny](#)

---

**From:** David Mitchell <[REDACTED]>  
**Date:** Tuesday, March 6, 2018 at 5:12 PM  
**To:** Erin Pepper <[REDACTED]>  
**Subject:** Re: Skyware

Denise happy to handle any requests for reservations , as she does for me and others

What info do you need in regards to VIP , so I can help arrange it

If you you would like to speak about anything, I am available tomorrow

.....

**DAVID MITCHELL**

.....

Mitchell Holdings LLC

[745 Fifth Avenue](#)

[New York NY 10151](#)

[USA](#)

[1212-486-4444](#)

On Mar 6, 2018, at 2:52 PM, Erin Pepper <[\[REDACTED\]](#)> wrote:

Hi David-

Is there a reason my access to skyware has been limited that I can now only see basic information? Seems like this would be a mistake since I only have housekeeping access now?

I can no longer -

1. Make reservations
2. Access any Reporting ie vip, guest data
3. See the Room chart ie availability, ooo, dns etc

Thanks,

Erin Pepper

VP, Brand and Experience

---

**LIFE HOTEL**

19 West 31st Street

New York, NY 10001

M: [516.356.5587](#)



## Miriam Blemur

---

**From:** Stephen Hanson <[REDACTED]>  
**Sent:** Tuesday, March 06, 2018 5:56 PM  
**To:** Howie W. Muchnick; Miriam Blemur  
**Subject:** Fwd: FW:

This is petty compared to Erins prior email. But David wants to charge us for the storage room 104 when in plan and in emails from day 1 in construction - 2 vault areas were to be assigned to restaurant for storage and office space. One is uninhabitable because of plumbing equipment taking up the entire space. The other is completely always water soaked and also uninhabitable.

----- Forwarded message -----  
**From:** Alan Hochhauser <[REDACTED]>  
**Date:** Tue, Mar 6, 2018 at 5:49 PM  
**Subject:** FW:  
**To:** Steve Hanson <[REDACTED]>

David sent me the below e-mail requesting adding rent expense for room 104 retroactive to January.

My comments:

1. I am not aware of any prior discussion or arrangements regarding this room
2. The room was used for hotel storage as well as F&B up until a week or two ago
3. For January and February, there's no way that room would have generate \$4,000 in revenue. Rooms were being sold for \$100 and occupancy was 100% maybe a handful of times
4. Even if the room was sold for \$4,000 over the two months, there would have been associated costs with the rental, yielding significantly less profit.
  - a. OTA commissions
  - b. Housekeeping labor
  - c. Supplies and amenities

Alan Hochhauser

Chief Financial Officer

Henry At Life Hotel

[19 West 31<sup>st</sup> St](#)

NY NY 10001

[347-574-6065](#)

[REDACTED]

[REDACTED]

 [@lifehotelnewyork](#)  [@lifehotelny](#)

 [@henryatlifeny](#)  [@gibsonandluceny](#)

---

**From:** David Mitchell [mailto:[REDACTED]]

**Sent:** Tuesday, March 06, 2018 12:37 PM

**To:** Alan Hochhauser <[REDACTED]>

**Subject:**

Please put into rent statement F and B office which I think is a month to month arrangement at \$2000 per month

Jan-March = \$6000

Thank you,

David

.....

**DAVID MITCHELL**

.....

Mitchell Holdings LLC

[745 Fifth Avenue](#)

[New York NY 10151](#)

[USA](#)

1212-486-4444

