

WITNESS STATEMENT

C.J. Act 1967, s.9 MC Act 1980, as 5A(3)(a) and 5B; Criminal Procedure Rules 2005, Rule 27.1

Statement of **John McKeown**
Age if under 18 **Over 18**
Occupation **Company Director**

This statement consisting of 11 page(s) signed by me is true to the best of my knowledge and belief and I make it knowing that, if tendered in evidence, I shall be liable to prosecution if I have wilfully stated anything which I know to be false, or do not believe to be true.

Dated: **5 April 2019**

Signature:

1. My name is John McKeown. I am the owner and operator of Sophisticats table dancing clubs. The clubs are situated at 3-7 Brewer Street London W1F 0RD (“Sophisticats Soho”) and 34-38 Eversholt Street NW1 1DA (“Sophisticats Euston”). I also operated a Sophisticats club situated at 77 Welbeck Street W1G 9BN (“Sophisticats Marylebone”) until February 2019. This club closed following an agreement reached with the landlord, who was able to demonstrate that it intended to redevelop the building. The clubs’ Premises Licences and Sexual Entertainment Venue Licences (“SEVLs”) are held by my company.
2. I have been involved in operating nightclubs and restaurants since the early 1980’s. I owned the Beluga club on the Finchley Road NW3 before I bought Sophisticats Marylebone with Mr Simon Langer and others in October 2001. None of my licences have ever been reviewed or revoked. I have never had a renewal application refused, nor have there been any reported breaches of any SEVLs held by my companies.
3. In this statement I will respond to statements made by Mr Simon Warr dated 31 December 2018 [*Objector’s Bundle Tab 2*] Mr Tony Nash dated 30 December 2018 [*Objector’s Bundle Tab 3*] and 17 February 2019 [*Objector’s Bundle Tab 4*]; Mrs Diana Langer dated 31 October 2018 [*Objector’s Bundle Tab 3 Exhibit TN1*]; and Mr Allan Brown dated 17 January 2019 [*Objector’s Bundle Tab 6*]. I will also address the anonymous objections made in respect of my SEVL renewal applications.
4. I initiated high court proceedings against Mr Warr, Mr Brown and Mr Kenneth Haswell in late December 2018 following receipt of the initial representations opposing my SEVL renewal applications. I suspect it is the service of these proceedings, more the anything else, that prompted the late objection to the applications. In this statement I seek to address the Licensing Sub-Committee on matters relevant to my applications. I do not wish to trouble the Licensing Sub-Committee on a number of the allegations that will be more appropriately dealt with under the civil proceedings. If I do not address specific allegations in this statement it does not mean that I accept the allegations made. I am prepared to address the Licensing Sub-Committee on any of the allegations further during the hearing scheduled for 10 April 2019, if that assists. I am also able to produce

documentary and photographic material to support my comments made in this statement if required.

A. Statement of Simon Warr dated 31 December 2018

Introductory paragraphs 1 - 23

5. Contrary to statements made by Mr Warr in paragraph 5 of his statement, Spearmint Rhino, under his leadership, was at the edge of closure. This was due to various concerns raised about the business's operation, in particular breaches of the 'no touching' rules.
6. I understand similar findings were made by Westminster's Licensing Authority Inspectors during Mr Warr's recent SEVL renewal application for Platinum Lace on Coventry Street [*Westminster City Council Licensing Sub-Committee hearing 28 February 2019*]. The Inspector reported 454 breaches of the 'no touching' conditions during 9 hours of CCTV analysis over 3 different trading dates.
7. In contrast, the Inspectors have found no breaches of the Sophisticats' SEVLs during a similar exercise as part of the current and previous SEVL renewal applications [*Appendix E2 and E3 Licensing Sub-Committee Report 10 April 2019*].
8. As to paragraph 16, we also take compliance and performer welfare very seriously. We have comprehensive and robust procedures in place to safeguard the welfare of performers and ensure licence compliance. I have also recently contracted an externally based and independent performer welfare officer. I can address the Licensing Sub-Committee further on any of our management controls if required. I do not seek to do so in this statement as I understand these have not been called into question by the Licensing Authority, nor were any breaches identified during the lengthy review of our CCTV.
9. I remain concerned that widespread breaches of licence conditions in the industry are contributing to an expectation amongst customers that physical contact with performers during relevant entertainment is permitted. This results in a risk of conflict when customers visit a compliant sexual entertainment venue and, of most concern to me, compromises the safety and welfare of women working in these establishments.

Incident 2015 – paragraphs 24 – 31

10. In paragraph 25, Mr Warr alleges that a performer named Mindy used to work at Sophisticats and was in some way used by me as a plant to expose Platinum Lace for SEVL breaches. As far as I can ascertain, Mindy never worked at Sophisticats. I have certainly never met her. She worked at Platinum Lace from 21 August 2015 until at least 12 December 2015. The breaches of conditions were filmed on 8 November 2015, some 2 months 16 days after she started at Platinum Lace. She had therefore not just started work as Mr Warr claims. The incident was also not on 12 December 2018 as claimed. She apparently left Platinum Lace 1 month 4 days after the incident.

11. I do not understand why Mindy would have stayed (or been allowed to stay) for so long if it were a 'setup' as alleged; she appears to have worked at Platinum Lace for 9 days short of 5 months. We have the video clip of her performance together with several other clips between November and December 2015. The footage shows multiple performers engaged in the same behaviour as Mindy, and the same behaviour recently viewed by the Licensing Authority during the 2018 Platinum Lace SEVL renewal. This was not an isolated incident.
12. As to paragraph 28, it seems to me evident from the video clip that Mindy was talking to both the customer and other performers. It is surprising that Mr Warr claims that the other performers were deliberately obstructing the view of supervisors that such a major and prolonged breach could occur, especially of this severity. In my view, the dance was typical of the kind of behaviour which I believe is prevalent in Platinum Lace. At the time, this was beginning to impact on the behaviour of customers who then visited our venue. In short, our performers and staff were having to fight customers off far too often and many customers were ejected because of bad practices picked up from other venues.
13. As to paragraph 29, I would like to see evidence of Mindy's leaving date. It would seem that Platinum Lace have set the date of the incident incorrectly to correspond with the leaving date they have put on record. As I said above, Mindy appears to have continued working at Platinum Lace for at least another month after the incident.
14. I would also like to see evidence of the attempts made to contact Mindy. As I understand it, she was very easy to contact from the records provided to my private investigators. When my investigator spoke to her it sounded as though she was still in contact with Platinum Lace. She now teaches children to swim and is understandably reluctant to get involved, other than to say she never worked at Sophisticats and does not know me. After speaking with my private investigator she telephoned my solicitor to confirm she did work at Platinum Lace but did not want to have any involvement in the current proceedings.
15. Mr Warr expresses what he claims to be indignation at having to upgrade his CCTV system from what was previously an inadequate standard. There should have been no blind spots to exploit as there clearly were, which was demonstrated by the Licensing Authority direction to install more cameras.
16. As to paragraph 30, it is true that Mr Langer introduced Ms Dana Ene and Ms Veronika Dumitru to Mr James Milbank, who is a freelance journalist. Ms Ene and Ms Dumitru had been dismissed from Sophisticats earlier that year before going to work at Platinum Lace.
17. Mr Langer made the introduction after I was contacted by Ms Ene in some distress telling me that working at Platinum Lace had become very difficult. She told me she had had several bad experiences at Platinum Lace and was considering leaving the industry. It was suggested that she assist Mr Millbank in getting a story, which she duly did. After this I allowed her and Ms Dumitru to resume working at Sophisticats. I did not pay to have a story placed, nor do I think that Mr Langer did. I am suspicious of the emails and the texts presented by Mrs Langer as evidence. I have no record of either to my knowledge. It is perfectly possible to create false images for reasons that I will deal with in more detail below.

18. As to paragraph 31 of Mr Warr's statement, there were multiple incidents around the same time, as can be evidenced by the video taken by Ms Ene and Ms Dumitru. Mr Warr considers that he was "set up" basing this on just one incident. The performer in question never worked at, nor has any knowledge of, Sophisticats, or knew me. Further, there is evidence of multiple performers breaching conditions throughout this period in the same way. Still further, Mr Warr's procedures were clearly not sufficient to prevent these types of breaches, however they might have occurred.

Renewal 2016 – paragraphs 32 - 38

19. As to paragraph 32, for the reasons set out above and because of my ongoing concerns, we continued to monitor the situation at Platinum Lace in 2016. I would like to reiterate that this was not for commercial reasons as Mr Warr claims, nor to do any harm to his business. I was instead genuinely concerned about the way the industry might be headed, as evidenced by what was going on at Platinum Lace and clubs like it. I had my own business to protect. I was not aware of any great improvement in the way things were conducted at Platinum Lace, despite the additional CCTV cameras being fitted as claimed by Mr Warr. I remember raising my concerns directly with Mr Glyn Franks of the Licensing Authority.
20. As to paragraph 33, on 1 October 2016 I instructed Mr Mark Halton and Mr Joseph Mercer to attend Platinum Lace and make observations. I made it very clear to them in my instructions that I did not want them to exaggerate or in any way misrepresent the position. All I required was a clear picture of actual conduct. When I received their statements, it became evident to me that the conduct previously complained of was continuing and our experience of customers "expecting more" in Sophisticats was borne out.
21. I instructed my solicitors to raise the matter with Westminster. This was not submitted as an objection as I had, and have, no desire to see Platinum Lace close down. I simply wanted these bad practices to stop. My motives were not purely altruistic and were to my advantage on some levels. I wished to remain in the industry. I am happy to compete on a level playing field with any other club, but I will not condone wholesale abuses of performers, something of which I have not tolerated in my own clubs.
22. I subsequently received assurances from Westminster on 5 December 2016 that "*a full review of the CCTV and licence conditions were undertaken during [the] investigation and ... confirm the that the Licensing Authority are satisfied that measures have been put in place to address the allegations raised.*" I then instructed my solicitors to withdraw my comments and re-confirm I had no objection to the renewal of the Platinum Lace SEVL.
23. I stand by my position and action taken in 2015 and 2016. If I had not taken action, the failings at Platinum Lace may not have otherwise been brought to the attention of the Licensing Authority. The Licensing Authority were then in a position to provide appropriate advice to Mr Warr, due to adverse findings in early and late 2016. This included various recommendations to correct failings with the CCTV system, which Mr

Warr himself acknowledges. The action taken by the Licensing Authority also demonstrates that the evidence was not falsified as Mr Warr suggests in paragraph 38.

Renewal 2018 – paragraphs 39 – 46

24. I did not personally object to the Platinum Lace 2018 SEVL renewal application 2018 nor did I instruct my solicitors to make observations as I had in 2016.
25. Irrespective of who submitted the objection, I note that the Licensing Sub-Committee sitting on 28 February 2019 stated that the evidence presented from the anonymous objector was credible and that the Licensing Authority observed 454 breaches, of which 105 were deemed serious, during analysis of 9 hours of CCTV footage.
26. Extrapolating this over a 12-month trading period, this could amount to over 60,000 serious breaches every year. This is exactly why I took action in 2015 and 2016. This pattern of behaviour is inappropriately affecting customer expectations and seriously comprising the industry, not to mention the affect it is having on the safety and welfare of women working in the industry.

New 'Evidence' – paragraphs 47 – 52

27. As to paragraph 47, it seems to be that Mr Warr's complaint is really directed at the identity of the objectors, rather than the objections themselves, which are to a large extent supported by independent evidence. I cannot see in these circumstances how they could be described as vexatious, let alone that they have included deceit and subterfuge.
28. As to paragraph 48, Mr Warr has been sanctioned by Westminster on three separate occasions (twice in 2016 and in respect of his 2018 renewal application). By his own admission he was required to upgrade equipment and improve procedures.
29. As to paragraph 50, the mention of "Carla" in the emails does not make any sense to me. Assuming the email is genuine, I have no memory of anybody called Carla. I reiterate that there was no formal objection and no attempt to shut his club down.
30. As to paragraph 51, Mr Halton attended the premises in 2016 but I do not believe he attended in 2018.
31. As to paragraph 52, Mr Langer and I have known Mr Halton for many years, first as a police officer and then as a licensing consultant. He is also well known to Mrs Langer.

The Windmill - Paragraphs 53 - 54

32. As to paragraph 53, I do not think it necessary for me to comment on the situation regarding The Windmill as it has been dealt with by the Licensing Authority supported by independent evidence properly gathered by that authority.

33. As to the "text messages" supplied by Mrs Langer, I have no recollection of them or copies on my mobile phone. I therefore do not accept they are genuine.
34. As to paragraph 55, Ms Maya Hawie has worked with me and for me for many years. She is not a person that one can pressure into doing anything she does not want to do. Recently, we were offered a record contract with Parlophone Records for one of our artists. Maya, whose main function is artist management, received a salary which was paid into her bank account. This went on for nearly a year and she is still receiving a salary from my company for this role.

Mortgage Fraud - Paragraph 55

35. I have never given Ms Hawie a mortgage reference and I reject absolutely the allegation of mortgage fraud. This appears to be based solely on the unreliable and untrue information provided by Mrs Langer, who used to be a friend of Ms Hawie. Ms Hawie has worked for my company and is paid quite properly. This allegation is false and is one that Mrs Langer has perpetrated to damage me. I will deal with Mrs Langer's involvement and motivations in more detail below.

Final Observations – Paragraphs 56 - 65

36. As to paragraphs 56 - 65, these are patently untrue. I would suggest that a Licensing Authority does not require an SEVL holder to upgrade systems that are working perfectly well, nor does it censure premises that are well run, nor hand out warnings that premises will face close scrutiny going forward, unless complaints have been justified. In this instance, it is not the complaint which is the issue but the conduct of Platinum Lace. Mr Warr seeks to avoid this by attacking the complainants rather than the issues themselves.

B. Statement of Tony Nash dated 30 December 2018 and Mrs Langer dated 31 October 2018

37. In relation to Mr Nash's Witness Statement, I believe I need only comment on the Witness Statement of Mrs Langer and the documents she produces as I understand Mr Nash's statement is based on information provided by Mrs Langer (and from Mr Warr, which is already addressed above).
38. Mr and Mrs Langer are going through a highly contentious divorce. By way of example, Mrs Langer refers to her own criminal record in relation to an assault she committed against Mr Langer in February 2018. By this time, I had had enough of both of them and agreed to buy Mr Langer's shares and indeed have offered to pay the same sum for Mrs Langer's shares, but she has so far resisted. Mr Langer has not had any involvement in the business since March 2018.
39. Mrs Langer subsequently made a number of claims in relation to the ownership of the Sophisticats' operating companies. These claims were not supported by evidence and

have been unsuccessful. I believe this might be a reason why Mrs Langer has decided to assist Mr Warr in respect of his objection to my renewal applications.

40. I am not going to comment further on the personal relationship between Mr and Mrs Langer although I have some direct knowledge of their situation because of my friendship with Mr Langer and indeed my past friendship with Mrs Langer. Much of what she says is disputed by Mr Langer and forms the background also of her statement to Mr Nash. I would say however that I have never witnessed Mr Langer assault anyone and to do so would be completely out of character. I would also say that I have not spoken to Mrs Langer since March 2018 and I have never threatened her in anyway as she suggests. I have been shown a number of social media posts which she has made which clearly demonstrate she is not afraid in the slightest.
41. I now deal with allegations made in paragraph 22 of Mr Nash's statement regarding Ms Veronika Dumitru and Ms Dana Ewe. Their contracts with Sophisticats were both terminated in September 2015 for not following protocol when customers touched them while dressed. During their exit interview Ms Dumitru and Ms Ewe seemed to think their dismissal was unfair and were upset as a result. I did not have a sexual relationship with either Ms Dumitru or Ms Ewe and Mrs Langer particularly knows the accusation is untrue.

C. Second Statement of Mr Nash dated 17 February 2019

42. In his second statement Mr Nash expands upon allegations already made in objections to my SEVL renewal applications. He also introduces a new allegation of touting contrary to my SEVL conditions. I summarise my position in respect of these allegations below:

"Search Engine Optimisation ("SEO") Backlinking"

43. Mr Nash indicates that he met with the anonymous objector who first alleged that I was engaged in SEO backlinking. The identity of this objector was previously kept anonymous. I therefore assume the objector, Mr Greg Paterson, must have a connection with Mr Warr. I would be interested to know if Mr Paterson has a business relationship with Mr Warr and/or was paid by him to submit the objection.
44. I deny the allegations that I have engaged in the use of malware to facilitate SEO backlinking. My website consultant, Mr Michele Omini (who previously worked for Google), immediately assured me:
 - a. He has not engaged in this practice nor instructed anyone to do so.
 - b. We have a legitimate and very common agreement with Google whereby we pay Google to ensure Sophisticats is a popular search result when members of the public use specified search terms relevant to our business and location. This practice is called 'search engine marketing' (SEM) for which we pay a substantial monthly fee.
 - c. Google could terminate our agreement if we had been SEO backlinking via malware.
 - d. Backlinking for the purposes of search engine optimisation has been going on for a long time. In around 2007 Google confirmed they were fully aware of the

practice and altered their algorithms which effectively make SEO backlinking purposeless.

- e. Any suggestion that the business of backlinking has the effect of directly linking an innocent user of a third-party website to the Sophisticats website is misconceived. The backlinks create an invisible link which would not result in persons being directed to the backlinked site. As it happens, we do not display any nudity on our website in any event.
45. I have not heard from the Metropolitan Police in respect of the alleged report. I will of course fully cooperate with the Police if/when they contact me.
 46. Given my concerns about the source of the backlinks I instructed an IT forensics consultancy to help better understand the practice and investigate the backlinks further. I summarise my understanding of the findings below.
 47. Backlinking is a method used to attempt to increase the importance or rank of a website by placing a connection or link in a third-party site directed back at the primary website. These links are invisible and cannot be followed or click upon, hence the name backlink.
 48. This was an effective website ranking method in the early days of the internet, but modern search engines largely discount or penalise sites with irrelevant or 'spammy' links.
 49. This kind of rank enhancement now has little or no effect. It is particularly unlikely to be effective in our industry. SEM, which we do use, is the proven most effective way to get a club's name to the top of a page (Google AdWords etc) without any requirement for backlinking.
 50. I had no prior knowledge of these backlinks but now accept they must have been created by a third party for some unknown reason. The backlinks do not benefit my business but by their very nature may well have the opposite effect. They have also put us at risk of being banned by Google and opened us to criticism by the Licensing Authority.
 51. My consultants made the following findings during their investigations:
 - a. The backlinks started appearing in 2017.
 - b. The backlinks originate from a company called SUPE.RU, a Russian based SEO link building site.
 - c. SUPE.RU advertises itself as a legitimate backlinking service who obtain consent of website proprietors to place backlinks on their websites.
 - d. SUPE.RU appears to combine with ACIN.NET, which may well be malware to backlink sites.
 - e. Anyone could have placed these backlinks or instructed SUPE.RU to do so. There is no necessity to access our site or know anything but the site address. One simply opens an account with SUPE.RU and gives the website address and a credit card number.

52. I feel it would have been more productive for the objector to bring this to our attention given the highly technical and confusing nature of this attack. The fact that this objector

was by their own admission trawling sites looking for work is a little worrying. Particularly given the way this has developed.

53. Our website contains no nudity as we have always been aware that children (being generally fully computer literate) will access content. The only way we can comply with the licensing objective to protect children from harm is to ensure there is no nudity on our site. I do not accept that a backlink to a school site would in any way boost a SEO ranking. It is possible it would have the opposite effect.

54. Pending further investigations, we are taking the following action:

- a. Further investigations to identify the source of this attack.
- b. Contact all websites that have been identified to inform them that this link exists and ask they remove it.
- c. Use the Google 'disavow tool' to disassociate our website with these links.
- d. Consider action against SUPE.RU to identify those that created the account.
- e. Instruct an IT expert to carry out yearly audits of the website for suspicious activity as these links are invisible and inherently hard to find (we are in fact now grateful that the attack has been brought to our attention).

55. As to paragraph 49 or Mr Nash's first statement, I think that he has misunderstood the blacklisting of sophisticats.co.uk. My website is socats.co.uk. I have no involvement whatsoever with sophisticats.co.uk. This website once advertised escort services. I made complaints about this website as a result. I believe it was subsequently blacklisted.

Mortgage Fraud

56. Mr Nash apparently relies upon further information provided by Mrs Langer that I paid wages to Ms Hawie before asking her to return the money in cash as part of a fraudulent scheme to obtain a mortgage for Ms Hawie. Ms Hawie is a legitimate employee of mine. If required, I can produce a great number of payslips and bank statements to confirm she is an employee. I reiterate that the allegation of mortgage fraud is completely untrue.

Mr Allan Brown

57. Mr Brown was identified as the anonymous objector visiting Sophisticats Soho on 11 October 2018. Despite Mr Brown's denial, I find it difficult to believe that the objection was made completely independently of Mr Warr, particularly bearing in mind:

- a. Mr Brown used work in Mr Warr's venue, Platinum Lace Glasgow.
- b. Mr Brown's visit took place during the 1 month of the year that my SEVL renewal application was up for consultation and was followed by a further visit by an anonymous objector the very next evening.
- c. Mr Brown has the same solicitor as Mr Warr.

- d. A minute by minute analysis of the CCTV of Mr Brown's visit demonstrates that the allegations made by Mr Brown in his objection are completely untrue. Rather than performer's initiating unauthorised contact with him, he is seen on CCTV repeatedly trying to initiate contact with performers, apparently in an attempt to initiate a breach of the SEVL himself.
- e. Mr James Hayes of the Licensing Authority has also viewed the CCTV. Mr Hayes has confirmed that Mr Brown's objection is not supported by CCTV evidence (which is also the case in respect of the 12 October 2018 anonymous objector) [*Appendix E2 Licensing Sub-Committee Report 10 April 2019*].
- f. Mr Allan Brown visited with his friend Mr Kenneth Haswell. Last year we experienced an onslaught of puzzling negative reviews online, a particularly scathing review of Sophisticats was submitted by a person called "Allan Haswell".
- g. A basic internet search of Mr Brown and Mr Haswell reveals an April 2018 article that reports the pair being disqualified from acting as company directors and failing to pay a £50,000 penalty after the Information Commissioners Office found them guilty of making over 2.5 million nuisance phone calls to market their company, which was subsequently liquidated.

58. One wonders why a 'scaffolder' from Glasgow would come to our club, experience none of the issues claimed in his statement and then use Mr Warr's solicitor to withdraw an objection that is proven to be false. I have commenced civil proceedings against Mr Brown and Mr Haswell as a result.

Touting

59. I deny engaging touts to bring customers to our premises. I have in the past reported to Mr Glyn Franks of the Licensing Authority a common practice in the West End whereby persons purporting to represent licensed premises, or rickshaw drivers, offer to take potential customers to specific licensed venues. These persons then ask the potential customers for a tip, or in the case of the rickshaw driver, payment for the journey. These persons do not receive any money whatsoever from Sophisticats or any of my staff. I note that the video exhibited by Mr Nash shows the rickshaw driver suggesting a number of SEVL venues and that Sophisticats was not mentioned first. It is worth mentioning that I think that the touts/rickshaw riders will often say they are going to take a customer to one venue but then take them somewhere completely different, for example a brothel.

D. Objection in respect of 12 October 2018 visit

60. For the reasons set out above, I question the legitimacy of this objection. Particularly as the objector visited just 24 hours after Mr Brown's visit. An analysis of the CCTV by my private investigators and Mr Hayes has also concluded the allegations contained in the objection are not supported by CCTV footage [*Appendix E2 Licensing Sub-Committee Report 10 April 2019*].

E. Objection in respect of 'Back to School' promotion

61. This promotional e-flyer was only distributed to persons who have confirmed they are aged 18 or over and have 'opted in' to our mailing list. The opting in process was repeated last year in accordance with GDPR. I am surprised that a person who has signed up to receive these promotions was sufficiently concerned to issue an objection during my SEVL renewal application consultation period. Following paragraph 43 above, I would be interested to know if this objection also was submitted by Mr Paterson.

62. Notwithstanding, I would like to reassure the Licensing Sub-Committee that the e-flyer was not directed or distributed to children and, for the avoidance of any possible doubt, did not involve school girls undressing. The e-flyer used a bought stock photo which did not show a nude performer and was not commissioned by us. It was aimed at attracting parents to unwind at Sophisticats after the school holidays. I will however review our marketing policy if this has caused any offence or concern whatsoever.

Signature **Date**

JOHN McKEOWN