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High drama at the Players Club

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Buck Ennis

Michael Smith says he'll be the Players Club's best GM, or its last.

When he became general manager of the Players Club five months ago, Michael Smith knew he was walking into a chaotic situation. Crushing debt, inept management, stagnant membership and labor issues had turned the elegant 125-year-old private club for the theatrical community into a farce bordering on tragedy.

Last year, the drama made headlines, sullying the reputation of the once-prestigious Gramercy Park institution founded by famed 19th-century Shakespearean actor Edwin Booth.

"I'll either be the best general manager this place has ever had or I'll be the last," said Mr. Smith, 57, who has held management positions at the Harvard, Lotos and Williams clubs.

Working with the club's board, including new directors brought on for their fresh perspectives, Mr. Smith fully intends to play only the first part. He's facing daunting odds. The Players Club is $1.5 million in debt, not counting a $2 million loan from a member that's likely to be forgiven.

What's more, it's still losing money—roughly $450,000 last year—and is routinely late in paying its unionized workers. It has about 400 to 450 paying members but needs more, along with more paid events, to get it out of the hole. Donations and loans from members are helping to keep it operating.

Some members complain about a lack of transparency and have quit or put memberships on hold because they don't know where their money is going. Mr. Smith said that when he arrived, the club operated without either a budget or profit-and-loss statement, forcing him to devote hours to what he described as a "forensic accounting." "We need to slow the attrition rate," said Gordon Hughes, a vice president and member of the executive committee. "Gifts and loans are not going to get us back in the black." Progress has been made. The club recently reached an agreement to start paying $250,000 in back taxes to the city. Members have donated $800,000 in the past few months to keep the doors open. The club installed a computer system that will allow it to see how much money is coming in from dinners and other events. A new events committee has revamped programming, started movie and jazz nights, and managed to sell out the New Year's Eve party. An interactive play, *Speakeasy Dollhouse: The Brothers Booth*, exploring whether sibling rivalry between Edwin Booth and his brother John Wilkes led to the assassination of President Lincoln, will be staged at the club beginning in March. "I think we are headed in the right direction," said Mr. Smith. "There is energy here."

Seeking new blood

But union workers and some members demand faster action. Arlene Harrison, president of the Gramercy Park Block Association, wonders why the club still has no budget. Meanwhile, John Canela, representative of hotel workers' union Local 6, said the club owes it money for the pension fund, though he wouldn't say how much. Published reports say it is $190,000. "We've got 40 grievances, no contract, and things are moving at a snail's pace," he said.

Still, he is trying to give Mr. Smith the benefit of the doubt. "At least he has experience and knowledge," said Mr. Canela. Mr. Smith said he'll have a budget in March and will start union negotiations after that. Forcing out the previous executive director, John Martello, and bringing in Mr. Smith, then electing a largely new board, has brought a new vitality to the club, insiders say. The question is whether this newfound enthusiasm will continue long enough to stabilize it and attract new, younger members.

RED INK

$1.5M—Amount of debt carried by the Players Club, not including a... **$2M** loan from a member that may be forgiven

Even though member Ethan Hawke regularly shoots pool at the club and member Jimmy Fallon held a Christmas party there, Mr. Hughes acknowledged the club's reputation has taken a hit, hobbling efforts to draw new members. He estimates that 60% of the club's members are 40 and older.

One way the club hopes to attract younger members is by offering those under 35 a hefty discount: a $125 initiation fee to mark the club's 125th anniversary. Annual dues for all members remain at $2,000. "I hear 'Players Club,' and I think old, stodgy white men," said Broadway producer Eva Price, 35. "There are plenty of places to go, so why go there?" Michael Barra, 39, president of production company Stageworks Media, said he joined the club eight years ago in part because he was drawn to its history, pointing out Mark Twain's pool cue, which hangs above the fireplace in the dining room. He also thought it would be a good place to take colleagues and make connections. Yet he really didn't become involved until last year. Now he sits on the events committee, and his company, along with his producing partner, Cynthia von Buhler, is bringing the play about the Booths to the club. "I feel a sense of responsibility to this

place," he said. "It has such a legacy." Many members speak admiringly about the club's history, which is omnipresent. Portraits of its famous current members, such as Angela Lansbury, and ones from the past, like James Cagney, adorn the walls. Edwin Booth's former living quarters look as though he left them behind yesterday.

State of decline

The founder must be spinning in his grave over the current financial state of the club. Opinions vary as to what caused the problems. Many observers insist the deterioration largely coincides with the reign of Mr. Martello, who ran the club for almost 20 years.

STAGE-DOOR CANTEENS

Don't want to join a private club to rub elbows with theater pros? Here are some of their favorite gathering spots. But without a club member to introduce you to a Tony winner, you may have to tip the bartender or waiter to clue you in on who's who.

BAR CENTRALE. There's no name on the door, so you have to know to go one flight up into a townhouse, which gives the handsome establishment a somewhat illicit speakeasy feel. *324 W. 46th St.*
THE BAR AT THE LAMBS CLUB NEW YORK. Contrary to its name, the Lambs Club is not a members-only venue. Its Art Deco dining room is open to all, but theater people tend to congregate upstairs to drink and enjoy the views of the street. *132 W. 44th St.*
THE UPSTAIRS BAR AT SARDI'S. This longtime theater district stalwart is famous for its caricatures of showbiz stars that draw many tourists to its main dining room. Insiders, however, prefer the bar upstairs. *234 W. 44th St.*

According to members, as well as a July 2012 report from a Players Club audit committee, Mr. Martello regarded the organization as his personal fiefdom, handing out free memberships and allowing his favorites to use the facilities for free. Doling out favors earned him many friends on the board who let him have his way, insiders say.

Mr. Martello counters that the club was flailing when he took over in 1993, with membership having fallen to 500 from 1,000. He boosted membership up to 750, but then the 2008 recession hit, bringing it back to 500 and triggering the financial woes. He said that it's preposterous to suggest that he crammed the board full of his friends. He added that the directors who were elected by the club knew exactly what he was doing. "It's an insult to people who served on the board with me to suggest otherwise," he said. The situation began boiling about two years ago, when some members demanded to see the books and conducted a financial analysis that showed the club was losing money. The report said the club sold a John Singer Sargent portrait for $750,000 to keep afloat and that another Sargent had been hocked for about $350,000. A source said the interest rate was 50%. One member donated money to get the latter painting back, and Mr. Hughes is hoping the club won't need to sell it, although that remains a possibility. Last year, the Players Club elected 21 board members, two-thirds of whom are new. "We are committed to change," Mr. Hughes said. One glaring exception is the enduring presence of Johnnie Planco as president of the club's board, a fact that rankles some members who insist he should have been aware of what Mr. Martello was doing. "The board needs to have a clean slate and can't do that with Planco there," said Ms. Harris. In his defense, Mr. Planco said that as soon as he realized what was going on, he started corralling members to join the board to fix the problems. He said it's unfair to be too hard on the board because members volunteer their time and must oversee actions of their club colleagues, which can be tricky in a place where people go to relax and have fun. "You don't want create an atmosphere of cynicism," he said.

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