

# **The controversial Meredith Kelley: victim or actress?**

**by Gary Sprung**

THIS MONDAY, for the first time in years, the moral character of an applicant for a liquor license may be a hotly contested topic at a public hearing for transfer of a liquor license, say Town of Crested Butte officials. The character in question is that of business person Meredith Kelley, manager of the restaurant operation of Kelley's Landing/Blue Bandana.

Kelley became a public figure locally when she

proposed last year a big development centered on an Olympic swimming pool at First and Elk and also an expansion at that corner of the Four Seasons Spa and Lodge which she manages. Both the restaurant and the spa/lodge are owned by California resident Albert Bilow. Bilow is the applicant for the Kelley's Landing/Blue Bandana liquor license; state law requires that Kelley also be named because she is a person with criminal convictions who is lending assistance to the applicant, according to town officials.

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# Meredith Kelley discusses convictions and accusations

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When interviewed, Kelley defended herself on the local issues and openly discussed her felony convictions and serving time in prison. She decried the "backbiting" and local rumor mill and "appreciated" those in town willing to talk directly to her about the past. She painted herself as a victim of that past.

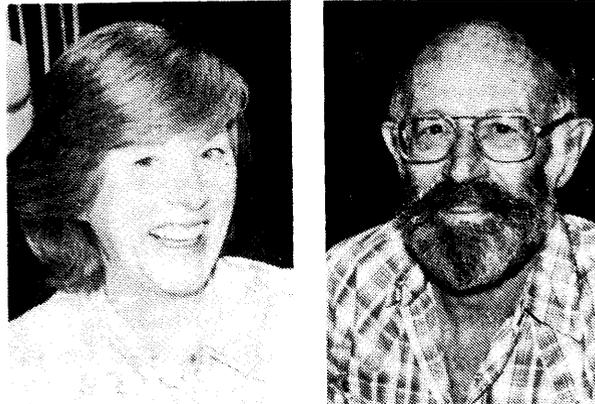
## Convictions in California

On September 18, 1967, Kelley, then Meredith Sklar, plead guilty in the Los Angeles County Court to two crimes committed on two dates that year: grand theft of property valued over \$400 and forgery. For this, she was sentenced on February 13, 1968 and served time in the California state prison.

Kelley provided this explanation:

"The 1967 conviction was involved with my former husband Daniel Sklar, and it involved a business transaction which he was handling for me. He failed to do something he should have done. Instead of saying [so], he laid it off on me. To save his license to practice law, my attorney decided to plead me *nolo contendere* [no contest]. Because of the fact that I was the wife of an attorney and getting a divorce and a lot of heat going on, I ended up in prison...

"I'm sure if my former husband had it to do over again he'd do something



Meredith Kelley and Albert Bilow.

--Photo by Sandra Cortner

The judge sentenced her to two years in the state prison, but granted a stay of execution pending her appeal. He wrote on the sentencing paper, "motion for release on own recognizance pending appeal is denied due to likelihood to flee."

Kelley discussed the 1967 conviction generally:

"I have no problem dealing with that. I'm not very proud of it. It's something that has had a great deal of effect on me and my two children. My two sons are here now. It has been a nightmare for them to live with, the rumors going around. They've stood by me because they know me and believe in me and they're here helping me and going to college...

"I wasn't tough then like I am now."

To avoid the exposure possible in liquor license proceedings, Kelley offered to owner Bilow to give up the management of Kelley's Landing/Blue Bandana. But, she said, "Mr. Bilow decided to leave me involved. Mr. Bilow knew my background

Three other lawsuits have been filed against Kelley, Bilow, or their businesses by former employees over employment disputes, mainly wages. To each of these, Kelley denied responsibility or said the plaintiffs also owed her equivalent money for expenses they incurred.

At least five other former employees have wage-related complaints. Two of these said they were unwilling to reveal their names publicly for fear of harassment by Kelley. Another two may soon file lawsuits.

Three additional lawsuits were filed in Gunnison to obtain payment of bills by Kelley or her businesses. To one of those, Kelley said the bill "was just overlooked," but the business had not sent a monthly bill. Another has already been settled, while the third she said, she justifiably disputes.

## Other concerns, problems

Neither of Kelley's businesses had proper state sales tax licenses this past winter. Four Seasons has gone without one for over two years. She said the state did not process her application for the restaurant's license in time, and that the spa does not need one.

But the Colorado Department of Revenue informed the *Chronicle & Pilot* that such an operation does indeed legally need a sales tax license. They said hers will soon arrive, but they cannot disclose any more information.

Kelley has threatened the Town of Crested Butte with possible lawsuits more than once during Board of Zoning and Architectural Review (BOZAR) hearings last year. Jim Starr, who dealt with her as BOZAR's chairman, and who has more recently faced Kelley in court, said she has threatened him and one of his clients on more than on occasion.

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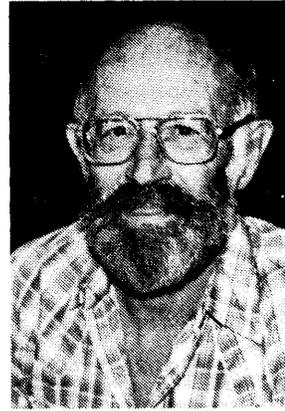
"I'm sure if my former husband had it to do over again he'd do something different...The night I got sent to prison when he came to the jail to see me...he said, 'I never dreamed it would get to this.' I said, 'Isn't it a little late to think about that?'"

Kelley believes that 1967 conviction cast a lasting shadow on her life. She expects the town to bring out the conviction in the upcoming liquor license hearing. But she termed it "part of another situation, totally unrelated, totally in another state, totally in the past.... That little deal has plagued me ever since because if you're in a business situation and someone finds out that you've got a record it seems tantamount to certainty that you're a crook and certainty that you're doing something wrong."

Another example of this unjust pattern, Kelley contends, occurred on December 16, 1983 when a Los Angeles County judge found her guilty of two counts of grand theft. She was convicted of taking an automobile from Downtown Los Angeles Motors on or between April 3, 1981 and March 5, 1982.

Kelley's explanation of this:

"That's a mass confusion thing. That's on appeal. There is also new evidence being brought to take that back to trial. That was one of those things where I kind of got railroaded because I had a record. [It became] my word against somebody else's word. The judge said, 'With her record, I wouldn't believe anything she said.' One of the reasons for appeal is he illegally impeached my credibility."



Meredith Kelley and Albert Bilow.

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To avoid the exposure possible in liquor license proceedings, Kelley offered to owner Bilow to give up the management of Kelley's Landing/Blue Bandana. But, she said, "Mr. Bilow decided to leave me involved...Mr. Bilow knew my background before I ever came to Crested Butte and, at this point, I have handled probably over two million dollars for him since I have known him and he has never had a penny missing or anything wrong."

Bilow confirmed this approval. In a telephone interview, he said, "She's been thoroughly honest about everything. She's handled about a quarter million dollars for me and I know where it's all gone. I think that a lot of people in this town are trying to ostracize her because of events in the past.... I do want her to finish up my business."

## Local civil lawsuits

But several persons in Gunnison County have complained heavily about Kelley. Jack R. Burgason of Gunnison wrote to several newspapers this winter to warn of "improprieties" and the "unscrupulous business practices" of Kelley at the Blue Bandana/Kelley's Landing. Burgason worked at the restaurant, but said he was fired when he demanded wages that were three days late for 83 hours of work. After waiting eight days, he still was not paid and so wrote the letter. In seeking this payment, he said he encountered "hours of waiting, the no-shows, the excuses and promises...the near total employee turnover in three short weeks I associated with the business..."

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Kelley responded that the two employees had not been hired by her, but by a former manager while she was away in California.

“Their minds were already inflamed by a bunch of rumors when I got here,” Kelley said. She admitted to missing some appointments with Burgason and to some employee turnover. But she commented, “You tell me anybody in this town who hasn’t had pretty much of an employee turnover about every month or so. It’s a constant situation in Crested Butte. Waiters and waitresses and cook helpers come and go like butterflies.”

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Starr claimed that Kelley said last October that his client "might come out with two black eyes and a bloody nose. I'll put her on the floor."

Kelley denied the threat: "If I was going to threaten someone I wouldn't be stupid enough to threaten an attorney. Give me a little bit of credit."

In the delay on the liquor license application for Kelley's Landing/Blue Bandana, Kelley blamed the town. The town staff "suddenly woke up" in January to an error in the process, she said. She believes the staff has limited experience and can't deal with anything out of the ordinary.

Town Manager Bill Crank replied that the license applicants had initially promised to keep the bar business upstairs and the restaurant downstairs as two completely separate businesses with different owners. Then he found out the real plan was for a separately leased bar serving drinks to *both* floors, restaurant tables also on both floors. He said such "co-mingling" of the businesses is illegal.

Crank blamed Kelley entirely for the delay. "They weren't even in here [town hall] in January," he said of the applicants. "It's typical. Everything that happens to her is somebody else's fault."

Is Kelley really a victim, or a shrewd actress? Such a question will likely be a key concern of Crested Butte town council members when they consider the liquor license transfer.