

## Studio 54: The Discothèque that Reinvented Nightlife

### Of life, liberty, and the pursuit of happiness

In a brief window of unbridled freedom in the late 1970s, New York City nurtured the emergence of many of the generation's most prolific artists. During this period, the creative elite relaxed the classic division of society into lower and upper classes and established a new hierarchy based on personal charisma. With the right energy, persistence, and inventiveness, almost anyone could create a role for themselves which cemented their position in New York's high society and beyond. A materially worthless silkscreen could thus become "a Warhol" and mark a watershed in art history. An untitled spray painting could become "a Basquiat" and sell for over 100 million dollars. A graphic nude photograph could become "a Mapplethorpe" and spark nationwide debates about the limits of free speech. These larger-than-life characters—often immigrants, people of color, LGBTQ people, or children of the underground—filled the void left by decades of tearing down social mores.



Figure 1: Campbell's soup cans by Andy Warhol, displayed at the MoMA in New York City. Source: <https://www.flickr.com/photos/wallyg/562283586>

At the heart of this freedom was New York City's unregulated, sexually liberated, and narcotics-fueled nightlife, which made anything seem possible. In 1970s New York, you could start the evening with a performance of *La Bohème* at the Metropolitan Opera, then consume some concoction of stimulants in a bar in the meatpacking district, before concluding the night with an entirely anonymous sexual encounter at the piers of Greenwich Village. Or, you could kick things off with a Robert de Niro show at an East Village experimental

theatre, stop by a director's apartment for a private viewing of the forbidden *Pink Flamingos* film featuring legendary drag queen Divine, and then wander to the after-hours fetish club The Anvil where you might bump into Freddie Mercury dancing amidst masturbating men.<sup>1</sup> The night was your canvas, and you could paint whatever you wanted. But no matter what, at some point you most likely attempted to get into a nightclub on Manhattan's West Side called Studio 54.

From day one, Studio 54 was an epicentre of frenzied libertinism where the creative, talented, and famous found refuge. Behind its blacked-out doors, guests enjoyed complete freedom. For the duration of the night, it seemed as if time stopped and struggles evaporated on a dance floor that embraced people from all walks of life. Charisma was the ticket into the former opera house, and the strict door policy allowed unreserved personal expression inside. There, amid sweaty bodies, smoke, and mirrors, the huge personalities of the partygoers filled the ample auditorium. While the rest of New York hustled to make

Case study prepared by Mario Stepanik. Case study editor: Professor Christopher McKenna, University of Oxford.



Figure 2: *Untitled* by Jean-Michel Basquiat, sold in 2017 for \$110.5m at Sotheby's. Source: <https://www.flickr.com/photos/rocor/34366630840>

a living, and the broader American public fought with high unemployment and inflation, the denizens of Studio 54 performed and spectated, reveling in the pulsing light.

The world now looks back at Studio 54 as the ultimate nightclub. It transcended cultural boundaries and captured the zeitgeist of the disco era. Founded by Steve Rubell and Ian Schrager, "Studio," as it was known to regulars, became New York City's nighttime focal point, a social experiment which brought together and inspired some of the most gifted and influential people in America's cultural capital. Despite existing only three years before Rubell and Schrager went to jail for tax evasion, Studio 54 sent shockwaves around the world which still reverberate over forty years later, embedded in the way we celebrate late into the night.<sup>2</sup>

### From Nowhere to Up There<sup>3</sup>

Ironically, the history of Manhattan's most famous nightclub has its origins in Brooklyn. To many chic Manhattanites in the 1970s, there was a shared belief that everything of

relevance in New York City happened in their borough. To them, Brooklyn, Queens, and the Bronx simply didn't matter.<sup>4</sup> In reality, though, the hunger and aspirations of the outer boroughs fueled Manhattan's vibrancy, and so it was with Studio 54.<sup>5</sup> Rubell and Schrager, both born to middle-class Jewish families in the 1940s, grew up only a few blocks away from each other in Brooklyn, but did not meet until they started college at Syracuse University. They soon became close friends despite being social opposites. Rubell, gregarious and charismatic, greeted every student on campus confidently by name, played tennis at a professional level, and took economics classes almost as a side-gig. Schrager more diligently pursued his law degree, and as a self-declared introvert, tended to steer away from the spotlight.<sup>6</sup> After graduating, Rubell pursued a corporate job on Wall Street, but it didn't provide him the kind of satisfaction he was looking for, so he entered the steak restaurant business in 1971. Schrager later joined him as his business partner, marking their first joint foray into entrepreneurship.<sup>7</sup>

Rubell and Schrager ventured into business at a pivotal time in US history. During the 1960s, the hippie movement challenged or even abandoned society's strict rules of decorum. Meanwhile, the political climate was tense amid the Vietnam war, the battle for civil rights, a string of high-profile assassinations, and the Watergate scandal. At the same time, the introduction and wide availability of birth control revolutionized sexual and gender relations. It was in this mix of post-upheaval uncertainty in the 1970s that the discothèque found its way to New York after spreading across Paris, Rome, and London, offering relief and release for young Americans exhausted by social and political anxieties.<sup>8, 9, 10, 11</sup>



Figure 3: *Chic's Nile Rodgers (left) performing in 2015.* Source: <https://www.flickr.com/photos/nrk-p3/20333930530>

Rubell and Schrager picked up on the new dance party trend and envisioned a fresh era of entertainment. Instead of the outdoor music festivals of the Woodstock Generation which could theoretically accommodate all who showed up, the young people of the 1970s would gather in densely-packed, capacity-limited nightclubs. "It wasn't about save the world," says Nile Rodgers of the band Chic, comparing disco to the hippie subculture. "It was about get yourself a mate, and have fun, and forget the rest of the world."<sup>12</sup> In the 1960s, many young people identified with causes bigger than themselves—they "conformed to nonconformity."<sup>13</sup> Disco, on the other

hand, was all about individualism, personal expression, and tearing down boundaries.<sup>14</sup> The allure of nightclubs fascinated both Rubell and Schrager, although in different respects. Rubell soon became part of their all-pervasive drug culture, epitomized by the sedative Quaalude and the stimulant cocaine, which few realized were addictive at the time.<sup>15</sup> Schrager, watching from behind the scenes, observed with interest the dynamics engendered by the blending of different subcultures and social strata. In the flashing lights of a disco club, rigid barriers between rich and poor, straight and gay, and Black and white began to blur. An illuminating example was the blossoming of gay clubs centered around male fashion designers, who attracted aspiring female models who subsequently drew in straight male clientele.<sup>16</sup> Not only was social mixing on the rise, but the pure quantity of partygoers increased dramatically too. Rubell noted that the number of people who went out several nights a week in Manhattan increased from 5,000 to over 60,000 within a single decade—potentially the strongest quantitative evidence for the increased demand for nightlife in the 1970s.<sup>17</sup>

Entrepreneurially-minded and enthralled by the new scene, Rubell and Schrager did not wait long before they opened their own discothèque, called “Enchanted Garden.”<sup>18</sup> Built in a former country club in Queens, Enchanted Garden featured a sleek aesthetic and regularly changing themed rooms which captivated guests. The club was an immediate success in Queens, though many Manhattanites remained unfazed. This anti-Queens bias especially peeved Rubell, not least because he shared it—he wanted to establish a club in Manhattan too. Soon, he and Schrager would have an opportunity to do just that after meeting a boisterous and well-connected party girl from Peru.



*Figure 4: Carmen D'Alessio (center) with designer Chris Barreto (left) and actor Thomas Grassberger (right) at the 2016 New York Fashion Week. Source: <https://www.flickr.com/photos/marcosreis07/29607567922>*

### **Networking and hedonism**

By the mid-1970s, everyone who was anyone in Manhattan knew Carmen D'Alessio's name.<sup>19</sup> To this day, the fiery, red-headed extrovert maintains the energy, spontaneity, and independent spirit that built her social reputation decades ago. Of Peruvian-Chilean descent, D'Alessio moved to New York in 1965 to work as an interpreter at the United Nations. Weary of work in politics, she accepted a public relations position at the fashion house Yves Saint Laurent before joining Valentino in Rome. D'Alessio had an uncanny ability to connect people. She had an intuitive sense of who would click when put in a room together. Upon her return to New York in 1975, D'Alessio once more reinvented herself as a party promoter for nightclubs, advertising her own brand as much as the clubs, while amassing envious social capital among her growing network. As Andy Warhol noted: “Carmen has a list. Her list is worth a fortune. She has the names (spelled correctly), the addresses (summer, winter, city, and country), and the phone numbers (with area codes) of everyone beautiful, young, and loaded.”<sup>20</sup> At Infinity, New York's most famous nightclub at the time, she threw two parties so lavish and lucrative they made it into the Wall Street Journal.<sup>21</sup>

Rubell and Schrager first saw D'Alessio at an Infinity party when she was shirtless on the shoulders of a young Givenchy model. They knew right away she was the person to promote Enchanted Garden.<sup>22</sup> At first, however, the young diva had little interest in some experiment across the bridge in Queens. But Rubell was persistent, and he capitalised on the strength of his own New York network. Ron Ferri, the artist responsible for the striking neon and plexiglass installations at Enchanted Garden, turned out to be one of D'Alessio's confidants. Rubell arranged for Ferri to invite D'Alessio for lunch, which was a pretense for Rubell and Schrager to join them for coffee afterwards. With charm and self-confidence, the duo convinced D'Alessio to have dinner with them. After several bottles of wine as well as other substances, they at last invited her to Enchanted Garden, and the club's elegance—and their personalities—impressed the virtuoso promoter. D'Alessio agreed to host just one party, to be called “Thousand and One Nights,” for which she ordered waiters dressed as sultans and live camels and elephants. She demanded an undisclosed but allegedly enormous salary, and to her surprise, Rubell and Schrager happily agreed. D'Alessio then invited Manhattan's biggest names from Calvin Klein to Divine, and the ensuing party was such a hit that it made it into a Newsweek cover story.<sup>23 24</sup>

The Peruvian princess of Manhattan's social life had helped turn disco into front page news—with a party in Queens.

Around the time of the bash at Enchanted Gardens, D'Alessio was involved in talks about a club deal for a former opera house at 254 West 54<sup>th</sup> street, around the corner from Broadway.<sup>25</sup> A German model and two investors had cast a covetous eye on the location and negotiated terms for founding a West Side Manhattan nightclub. But when members of the Gambino crime family got interested, the investors got cold feet and the whole deal fell apart.<sup>26</sup> D'Alessio suggested Rubell and Schrager buy the place instead. The duo brought on board a third, silent investor named Jack Dushey, and soon, Studio 54 was born.<sup>27</sup>



Figure 5: The building of Studio 54 in 254 West 54th street today. Source: [https://commons.wikimedia.org/wiki/File:Studio\\_54\\_%2848269674087%29.jpg](https://commons.wikimedia.org/wiki/File:Studio_54_%2848269674087%29.jpg)

The beauty of Studio 54's concept was its impeccable integration into the New York City zeitgeist. In the previous decade, the city's experimental theaters had ventured to tear down the clean distinction between performance and spectatorship.<sup>28</sup> The idea was that theater should absorb, envelope, and transform the audience with its vibrancy and dynamism. The show should not merely be a display of emotions on stage but provide an electrifying opportunity for audience members to explore their own feelings and unearth their buried desires.<sup>29</sup> Emanating from Midtown Manhattan basement stages, this ethos soon dominated the grand Broadway playhouses with iconic productions such as *Hair* and *Jesus Christ Superstar*.

By the mid-1970s, this ethos had permeated Manhattan's streets. Low rents allowed the creative class to rule the heart of the city, which law enforcement struggled to control. Creativity flourished at seemingly every street corner, not simply making products for consumption, but concepts for the inquisitive mind. Warhol's silkscreens redefined the boundaries of high art, while the then-unknown Jean-Michel Basquiat covered Manhattan's subways with graffiti, decrying social injustice, and Robert Mapplethorpe's photographs of BDSM scenes cast human desire in new light.<sup>30</sup> The art world helped New York City "get rid of its Puritanism" and imbued nightlife with the spirit of never-ending theater.<sup>31</sup> Studio 54 aimed to emulate this trend by catering precisely to creative individuals. In particular, Schrager, who preferred to lurk behind the curtains during the club's opening hours, wanted to exploit the venue's opera house layout to the fullest. He imagined the former stage as the dance floor and the guests as the performers, who were there to see and be seen at the same time. Though this idea was not entirely new, no nightclub pushed the concept as far as Studio 54.

It took only six weeks to transform the empty opera house to match Schrager's vision, with Rubell's persuasiveness, D'Alessio's network, and Dushey's enormous investment of \$700,000 helping make it a reality. The team hired some of New York's most gifted individuals, including theatrical lighting artists from Broadway, a prominent architect, and Ferri, who had invented a device to translate musical beats into pulsing light.<sup>32</sup> Rubell then spread the word of Studio's upcoming launch during his nightly tours through Manhattan's clubs. While some New Yorkers eagerly anticipated the next venture from the founders of Enchanted Garden, for others, it was all just hype for yet another club in a city full of them.<sup>33</sup> To both live up to expectations and silence the doubters, Studio 54 needed a massive opening night.

The task to pack the supersized club with customers fell to D'Alessio. Aware that no one else had the ability to fill the space—which with all its floors could fit several thousand people—D'Alessio demanded 2% of the gross income. Schrager rebutted with an offer of 5% of the net instead. D'Alessio's lawyer listened attentively, but skeptically. The net income, i.e., less all "expenses," could be the result of an opaque calculation. Schrager's insistence on paying a share of the net raised questions about what would happen to the gross. Ultimately, D'Alessio settled for a flat salary as well as a share of the door income for every party she threw.<sup>34</sup> With this deal in hand, she started preparations for the opening night. Assisted by Calvin Klein and Andy Warhol, she put together a guest list of over 8,000 people, and Studio 54 opened its doors on April 26<sup>th</sup>, 1977.



Figure 6: Studio 54 on the opening night. Source: <https://www.ianschragercompany.com/projects/past-projects>

Someone distributed Quaaludes from a double magnum-sized bottle of pills, resulting in an orgy in the middle of the throng. As the crowd poured around the block, word of the incredible scene spread around the city. One rival club operator admitted that from that first night he knew Studio would obliterate his own establishment. Robin Lynch, a TV host and CNN reporter who covered the opening, remembers:

*“We thought we were just covering the opening of an ordinary nightclub. All of us knew that night that we weren’t at the opening of a discothèque but the opening of something historical, that was going to change the shape of the way people lived or played. Everything had come together in one place. There were no rules. Sodom and Gomorrah met the High Street that night.”<sup>36</sup>*



Figure 7: Bianca Jagger and Andy Warhol. Source: [www.flickr.com/photos/albertobotella/5226746264/in/photostream/](http://www.flickr.com/photos/albertobotella/5226746264/in/photostream/)

The opening night was like nothing seen before, but it would be emblematic of Studio’s everyday business over the next three years.<sup>35</sup> By 11pm, enough people had packed around the club’s entrance to cause complete mayhem on West 54th Street. Thousands blocked the door, making it impossible to get to the front. Frank Sinatra was stuck in his limousine. Rubell and Schrager asked the entire security staff to go outside to keep the crowd in check, but the party had already started in the street.

One of Studio’s public relations strategies was to hire a young Universal Pictures employee who was well-connected with the who’s-who of the film industry.<sup>37</sup> Her sole task was to bring in as many celebrities as possible, and she lived up to the founders’ expectations. Photos of Cher and Margaux Hemingway on the opening night made it on the front page of the Daily News and the New York Post. The attention to famous faces was a precursor of a new era in New York social life—seldom had the media reported on stars without an accompanying story. This time, just showing up to Studio 54 was the story. Celebrity culture loomed ahead.<sup>38</sup>

### **A dictatorship at the door, a democracy on the dance floor<sup>39</sup>**

If hedonism was god, Studio 54 was its temple, and the club soon acquired the status of a sanctuary where revelers were free like in few other moments in their lives. Enveloped by the throbbing sound and flashing light, as well as a tacit understanding that the media would not report on promiscuous escapades or moral transgressions, celebrities jumped at the opportunity to cast off their inhibitions.<sup>40</sup> Michael Jackson called it escapism.<sup>41</sup> On the dance floor, you could either hog the limelight or hide in plain sight—you decided what role to play. There would always be someone wilder, dressed more flamboyantly, and more eager to be seen. As Andy Warhol put it, on the dance floor, Studio 54 was a democracy. However, Studio also catered to those who preferred to observe, and staff handed out binoculars to voyeuristic individuals who wanted to watch the more salacious partygoers from the balconies or the moving bridge above.<sup>42</sup> The club’s darkest nooks also provided couples, often formed just minutes before on the dance floor, with places to retreat. A sizeable number of people seized the opportunity. According to some sources, the club’s couches were chosen precisely so that they could be hosed down each morning.<sup>43</sup> What happened in between was up to the participants.

The uninhibited behavior of Studio's guests was a symptom of the time. The disco era evolved in tandem with the popularization of the contraceptive pill (first approved in the US in 1960) and the relaxation of abortion and marriage laws, which engendered a rebellion against the sexual mores of the preceding decades.<sup>44</sup> What we now call the sexual revolution took on a multitude of meanings for different social groups, but for Studio revelers, it meant that even if you did not have sex every night, you could. And many did. HIV and AIDS were still beyond the horizon, and there was a shared understanding that like Las Vegas, whatever happened at Studio 54 stayed at Studio 54.

Allayed by this ethos, many seized the opportunity to escape, and fueled by an array of substances, lived their lives to the fullest. Night after night, Rubell and Schrager had a remarkable ability to craft a *mise-en-scène* which placed clubbers in an ever-changing magical milieu of desire. Schrager paid unremitting attention to detail.<sup>45</sup> To him, throwing a birthday party was the highest art form, and the stories of some such bashes at Studio became legendary.<sup>46</sup> Just one week after Studio opened its doors, for instance, Bianca Jagger made the news at her own birthday party, organized by fashion designer Halston, when she rode a white horse on the dance floor. While Rubell was cautious about publicizing what went on behind Studio's blacked-out doors, he also strategically shared information with the press. The photo of Jagger on horseback quickly made its way around the world, cementing the club's burgeoning reputation for the outrageous.<sup>47</sup>



Figure 8: Bianca Jagger at Studio 54. Source: <https://nypost.com/2016/11/13/the-true-story-behind-bianca-jaggers-famous-horse-photo/>

Studio's entertainment machinery worked like a well-oiled machine. The founders paid promoters for each celebrity they brought in (“\$250 for a major one, \$150 for a minor one”), and Schrager and Rubell's team ensured that every evening surprised the guests.<sup>48</sup> The concept soon became self-sustaining as New York's fashionable circles expected everyone of importance to be at Studio. If a celebrity missed a night out, Andy Warhol was the first to reproach them and make sure they knew they missed the party of the century (Warhol himself was there himself almost every night, out of fear of missing out).<sup>49</sup> Despite the publicity around the most well-known names and faces, Studio did not exclude non-celebrities. Instead, getting into Studio was theoretically

possible for anyone who could dream up a unique role in the performance and muster the courage to fill it. Indeed, the genius of Studio's door policy was to mirror New York City's own sociological contract: if you could make it there, you could make it anywhere, including into Studio. The result was an invigorating diversity on the dance floor: young and old, straight and gay, famous and nameless, rich and poor. People dressed flamboyantly, enjoyed their lives, and accepted others' modes of enjoying theirs. Rubell's door policy, nebulous by design, ensured the right *mélange* every night, curated by him and his hand-picked doormen.<sup>50</sup>

At the entrance, the 19-year-old doorman Mark Benecke was the center of attention. Rubell hired him as a security guard on the opening night and he soon became the almighty arbiter deciding who had the *je ne sais quoi* to contribute to the debauchery on the dance floor. Rubell, who preferred employees he trained himself, introduced Benecke to his philosophy. “The perfect party is like a tossed salad,” explained Rubell—the mixture is more important than the individual vegetables. Following this approach, Rubell would sometimes even invite the drivers of the famous guests' limousines to come in to add unexpected flavors.<sup>51</sup> Benecke developed a famously discourteous style. He calmly looked the crowd over in an effort to find those few individuals who seemed to be a good fit for the night, and he completely disregarded everyone else, regardless of their persistence. There was no set recipe for entry—though being a supermodel probably helped. To keep a minimum of order among the waiting crowd, Studio 54 used velvet ropes, which would become part of the signature aesthetic for nightclubs everywhere. Rubell used the city's high crime to justify his strict door policy. Indeed, Manhattan partygoers faced varying degrees of danger on the streets from the police, their unofficial enforcers, and common criminals.<sup>52</sup> Some guests of Studio, such as crossdressers, admitted that they risked being attacked or killed on a night out, but that they felt “at home” at Studio. “We pay rent,” said one such Studio patron. “Fourteen dollars.”<sup>53</sup>

There is no question, however, that Rubell enjoyed his God-like status as the ultimate master of the door. He was famous for rudely rejecting people and creating spectacles out of deciding who would make the cut. “You’re not shaved,” he once yelled at a Studio hopeful. “If you’re not shaved, there’s no way you’re getting in!” Rubell’s unpredictability enhanced his power at the door. Two girls arrived riding down West 54th Street on a horse, and Rubell only granted admission to the horse. When a newlywed couple arrived at the door, Rubell let in the groom but not the bride—and the groom took up the offer. On another occasion, in the dead of winter, he instructed a young woman to undress and wait for half an hour. She did, and later was brought to the hospital with frostbite.<sup>54</sup> Of course, Rubell never even acknowledged many people who stood and waited outside. This, too, contributed to the scene. Rubell called them the “gray people” and made no secret of the fact that he and Schrager would be among them if they didn’t own the place.<sup>55</sup> Some people who struggled to get noticed became inventive: one group attempted to scale the adjacent building to gain entrance via the roof, resulting in several barbed wire-related injuries. A small but lucrative business emerged around a secret route into Studio via the fire escape until security staff shut it down. The most tragic attempt concerns a young man dressed in full black tie who got stuck trying to sneak through a ventilation shaft and suffocated. Employees found his body weeks later.<sup>56</sup> People were literally dying to get into Studio 54.

### License and the law

Don Rubell, the co-founder’s brother, once said: “There was a moment in history where everyone perceived that the law was not operable in certain environments. And Studio 54 was one of them.”<sup>57</sup> Despite the huge quantities of recreational drugs at Studio, partygoers rarely faced legal consequences for partaking, and Rubell guaranteed abundant supplies.<sup>58</sup> He also realized that few things enchanted wealthy people more than getting something for free, so he gave complimentary Quaaludes and cocaine to more prominent guests.<sup>59</sup> Indeed, Rubell and Schrager were mostly cavalier about regulatory laws. For the first few months, the founding duo could not obtain a permanent liquor license as the State Liquor Authority had doubts about the sources of their funding. Instead, Studio 54 used a loophole of daily-renewed one-day catering permits, which the authorities established for one-off events such as weddings.<sup>60</sup> Despite the rickety corporate structure, Rubell and Schrager felt safe under the auspices of their attorney: the pugnacious and well-connected bulldog, Roy Cohn.



Figure 9: Roy Cohn in 1964. Source: <https://jenikirbyhistory.getarchive.net/media/roy-cohn-nywts-006430>

Some claim that Cohn was the embodiment of evil.<sup>61</sup> He taught Donald Trump how to employ cynicism and hawkishness to mold the discussion in the courtroom to his benefit, and he was willing to dance on the brink of the abyss to win a case for his clients. Others simply saw Cohn as a symptom of the problems of the legal system.<sup>62</sup> To further his career in the early 1950s, he assisted the prosecution of Communists as Senator Joseph McCarthy’s chief counsel. He built an unparalleled professional network in politics, business, media, the arts, and religious institutions. Later in the 1950s, he transferred the killer-in-the-courtroom techniques he learned in Washington D.C.’s political arena to New York City’s corporate world. His extraordinary argumentation and public speaking skills, as well as his near-flawless memory, were the foundations of his success, but he also drew on his far-reaching contacts to strengthen his cases. Good lawyers know the law; great lawyers know the judge.<sup>63</sup>

When the New York State Liquor Authority eventually raided Studio 54 over their one-day catering permit scheme, Roy Cohn defended the founders in Manhattan Criminal Court with unprecedented forms of evidence. Cohn presented letters from over 50 notable personalities in the City’s social life, including

Jacqueline Kennedy Onassis, Truman Capote, Liza Minelli, and Calvin Klein, who supported the issue of a permanent liquor license. Cohn argued that an investment of hundreds of thousands of dollars would

be endangered and that the nightclub played a significant role in the economic development of the area. The judge, who happened to be a close friend of Cohn's father, ordered the State of New York to grant the nightclub a liquor license, and the party went on.<sup>64</sup>

### **Excessive success, successive excess**

Two years after its opening, Studio was at the pinnacle of its success. Rubell enjoyed his position in the limelight as the friend of everyone famous and beautiful, and New York's glitterati adored the venue he had created. Meanwhile, Schragger saw his imagination materialize in ever more spectacular events, cementing Studio's reputation as the ultimate nightclub. And both men became very wealthy. In an almost absurdly frank magazine interview in 1977, Rubell claimed a revenue of \$1 million dollars, of which around 80 percent was allegedly net income. "Only the mafia does better," Rubell exulted, and matter-of-factly told the interviewer that he was concerned about raising the attention of the US tax authorities, the Internal Revenue Service (IRS).<sup>65</sup> Schragger was dismayed upon reading Rubell's painfully accurate account because he knew the numbers on their tax returns did not line-up with Rubell's public statements. They had officially declared a net income of just \$47,000—a mere 4.7 percent of the actual revenue.<sup>66</sup> The IRS soon opened an investigation.

The silent investor, Jack Dushey, urged Rubell and Schragger to clean up the books as soon as possible. Dushey had envisioned a Studio 54 entertainment empire with branches in Los Angeles, Tokyo, London, and Munich. He proposed building a brand in which they could incorporate everything from record labels to TV companies under its umbrella, and he arranged meetings with several potential investors. However, these attempts to grow Studio proved futile in part because of what contemporaries claimed to be a consequence of rampant drug use. Rubell's attention span was short, his ability to focus was nil, and the conversations came to nothing.<sup>67</sup> Gradually Studio 54's simple reputation for fun and diversity began to crumble. Things got out of hand, both because of managerial *faux pas* and wider social developments. The belligerent Roy Cohn infused Rubell and Schragger with a sense of invincibility, which did not necessarily contribute to their sanity.<sup>68</sup> At the door, the "gray people" turned away night after night became increasingly resentful of Rubell's eccentricities. The relationship between the glamorous Studio and the harsh reality of New York's streets reached its nadir when a group of disgruntled rejects awaited the doormen at the back entrance after closing time and fired gunshots in retaliation.<sup>69</sup> At the same time, rival establishments cropped up, some of which eschewed disco entirely, such as a sort of noir counterpart to Studio 54 called the Mudd Club, whose regulars including writer Allen Ginsberg and artists Keith Haring and Basquiat.<sup>70</sup> Separately, there was a growing conservative cultural and political backlash to the disco scene and its embrace of racial and sexual diversity, most notably the "Disco Sucks!" movement. The backlash culminated in 1979's Disco Demolition Night, when over 70,000 people gathered in Chicago to watch a giant crate full of disco records detonate.<sup>71</sup> The violent event marked a turning point against disco's popularity, emboldening opponents of the free-wheeling and inclusive dance genre championed by Studio 54.

For Rubell and Schragger, however, other more immediate challenges demanded their attention. After carefully accumulating evidence, fifty IRS agents raided Studio 54 in late 1978 with strong grounds for suspecting tax evasion. The agents arrested Schragger after he arrived at Studio during the raid with documents and sachets of cocaine. They also seized records hidden in the basement, around 300 Quaaludes, and cash in excess of \$1 million. Many of the documents bore testimony to the founders' carelessness: one financial statement included a column clearly labelled as "skim," which was used to keep a record of revenues not reported to the tax authorities. Another document titled "Steve Rubell-Sam Jacobsen" provided evidence for their connection to the infamous loan shark who allegedly held a financial interest in Studio 54 (Schragger had previously denied any connection to him under oath).<sup>72</sup> Cohn naturally stirred up the situation. He appeared during the raid and swiftly decided to call in the press. In one of his typical histrionic displays of temper, Cohn knocked over a table and shouted: "Look what these Nazis are doing!"<sup>73</sup> Sangfroid was not Cohn's forte.

While Cohn managed to obtain a court order to force the agents to leave the premises that night, Studio's decline was inevitable. The IRS was a more serious opponent than the New York State Liquor Authority and had overwhelming evidence of large-scale tax fraud. Rubell was characteristically non-cooperative. When the chief prosecutor asked whether Rubell would have allowed him into Studio 54, Rubell calmly responded: "No, you're one of the gray people." Throughout the investigation, the founders confronted the prosecutor and his colleagues with arrogance and repeatedly attempted to solve their legal problems Cohn-style. To divert attention from the accusations of tax evasion and to obtain immunity for himself, Rubell claimed that US President Jimmy Carter's Chief of Staff Hamilton Jordan received cocaine at Studio 54.



The story made the front page of the New York Times but did not achieve any salvation for Rubell and Schrager.<sup>74</sup> At the end of a year-long trial, Rubell and Schrager were found to have stashed over \$5 million in cash and received jail sentences of 3.5 years each.<sup>75</sup> Still, Studio's exuberant celebrations continued until Rubell and Schrager's final day of freedom. Their last party, titled "End of Modern Day Sodom and Gomorrah," was on February 2<sup>nd</sup>, 1980.

The convictions also revealed the extent to which Studio 54's glittery, stimulant-fueled, parallel universe had deluded everyone involved. Having lost their prestige, Rubell and Schrager lost many of their friends, too. Similarly, the doorman Benecke, who had become a minor Manhattan celebrity, realized that far more people were interested in his power than his personality. Struggling to adjust to life behind bars, the founders soon agreed to cooperate with the authorities to unearth other shady business practices in New York City's nightlife scene in exchange for early release.<sup>76</sup> By the time they walked free after thirteen months in prison, many of the friends they had gained during Studio's heyday had either moved on or cut ties with the duo.

Meanwhile, New York City's club scene had itself become a target of the government amid rising crime.<sup>77</sup> The US Drug Enforcement Administration began pursuing narcotics distribution and abuse in clubs, in what would be a precursor to the aggressive enforcement of drug laws in New York City and across the country in the 1980s and 90s.<sup>78</sup> Over those two decades, and especially under mayor Rudy Giuliani, authorities increasingly cracked down on New York's nightlife, transforming the once outrageous city into a tamer, less tolerant, and more family friendly place.<sup>79</sup> As one nightclub owner reminisced: "Every night you could go out and you would find extreme people doing extreme things. In these days, New York does not have that."<sup>80</sup> On top of that, the HIV/AIDS epidemic, enabled by the authorities' slow and feeble public health response, devastated the City's nightlife as it ripped through the vibrant homosexual community which had been so crucial to Studio 54's rise.<sup>81</sup> An unprecedented sense of caution redefined the previously libertine climate. Nightlife sobered up, and a new conservatism percolated through New York City.

Studio 54 continued its operations under new leadership with varying degrees of success, but the later owners failed to sustain the magic. The combination of Schrager's perfectionism and Rubell's love of seeing people have a good time made them unique among nightclub impresarios. They prioritized putting on nights that were absolutely spectacular, and money was never their main motivation.<sup>82</sup> New owners in the 1980s expected to increase profits by cutting complimentary champagne and free entry for more prominent guests. Instead, revenues dropped from \$8 million to \$4 million in a single year. As one observer commented, "Unless you've got all of the right people, you don't even get the wrong people."<sup>83</sup> Studio 54 closed its doors for the last time in 1986.



Figure 10: Ian Schrager in 2012. Source: <https://www.flickr.com/photos/c2mtl/7257403164>

### **Beyond nightlife**

Rubell and Schrager recognized that a club only occupies a moment in history, and Studio 54's moment had passed. But they did not agonise over its demise. They oversaw one more entertainment enterprise in the 1980s, the Palladium, before leaving the business for what they described as the adult version of nightclubs: the hospitality industry. Schrager in particular gained international acclaim with the creation of boutique hotels, employing his signature attention to detail to launch several dozen establishments in the last forty years. Some insiders refer to him as the Steve Jobs of the hotel business, while Marriott International chairman Bill Marriot called him "one of the most creative forces in the hotel industry."<sup>84</sup> In 2017, President Barack Obama granted Schrager a full pardon. Rubell would have most likely joined him on his journey, but on July 25, 1989, New York City lost one of its most creative minds to AIDS.

Studio 54 captured and shaped the zeitgeist of the late 1970s, drawing its energy from its unique position in the cultural fabric of the time. There will never be a club quite like it again, but every nightclub in some way owes its identity to Studio 54. While today's nightclubs are certainly different from Studio, they

are not necessarily less iconic. Berghain, the heart of Berlin's techno scene, attracts devotees from all over the world, many of whom never make it past Sven Marquardt, the club's famous doorman. While Berghain's aesthetic and attitude could not be more different from Studio's celebrity-centered image (Marquardt famously rejected Britney Spears), it captures Berlin's contemporary clubbing subculture just as perfectly as Studio 54 did for 1970s New York.

The story of Studio 54 also draws our attention to some inherent challenges in historical scholarship. "Studio 54 occupies a niche in history," said one nightclub regular. "And like most niches, it is full of shadows."<sup>85</sup> In examining the blurred accounts of what happened behind the blacked-out doors of Studio 54, it is impossible to write one objective linear story of the club. Memories vary and fade, reflecting the individual experiences of the people who were there as much as the shared history of that heady time. It's also impossible to define precisely what made Studio 54 so wildly successful. For many, the former opera house offered an escape. For others, it was a source of inspiration. For most, however, Studio 54 was purely aspiration—an unattainable dream, a high that could be chased but never achieved. Some observers even claim that the huge crowds of "gray people" waiting outside defined Studio 54's identity as much as the people actually in the club performing on its iconic dance floor.<sup>86</sup> Either way, today we can only wonder why a nightclub which succeeded for just three years in the late 1970s left such a mark on history. There certainly was something unique about Studio 54, but we may need to change our lens to see it.

## Endnotes

- <sup>1</sup> Personal conversation, Alexander Tinti (collaborator of Broadway director Tom O’Horgan)
- <sup>2</sup> A. Echols. *Hot stuff: disco and the remaking of American culture* (2011)
- <sup>3</sup> Warhol used the term “up there” to refer to anyone “important, glamorous, famous, or rich”: G. Comenas, *From Nowhere to Up There*, 1 (2014) [https://www.warholstars.org/nowhere/andy\\_warhol\\_p1.html](https://www.warholstars.org/nowhere/andy_warhol_p1.html)
- <sup>4</sup> A. Haden-Guest, *The Last Party: Studio 54, Disco, and the Culture of the Night*, 17 (2009)
- <sup>5</sup> Cohn, N., 1976. Tribal Rites of the New Saturday Night. *New York Magazine*, June 7. Note: This article inspired the 1977 movie “Saturday Night Fever”.
- <sup>6</sup> *Studio 54*, 2018. Directed by Matt Tyrnauer, minute 4.
- <sup>7</sup> Dorfman, D., 1977. The Eccentric Whiz Behind Studio 54. *New York Magazine*, November 7, 16.
- <sup>8</sup> Haden-Guest, XXXII.
- <sup>9</sup> Echols, XXII.
- <sup>10</sup> Haden-Guest, XXVII.
- <sup>11</sup> Personal conversation, Matt Tyrnauer (director of *Studio 54*). March 6, 2021.
- <sup>12</sup> *Ibid.*, XXIX.
- <sup>13</sup> *Ibid.*, 384.
- <sup>14</sup> *Behind the Music: Studio 54*, 1998. Directed by Jonathan Brandeis, minute 3.
- <sup>15</sup> Haden-Guest, 10.
- <sup>16</sup> Tyrnauer, 2018, minute 8.
- <sup>17</sup> Haden-Guest, XXIII.
- <sup>18</sup> Terry, C., 2010. Ian Schrager’s Enchanted Gardens, *Blackbook Magazine*. <https://black-bookmag.com/good-night-mr-lewis-1-109/ian-schragers-enchanted-gardens/>
- <sup>19</sup> Fallows, M., 2019. *Age Defying Studio 54 Impresario – Carmen D’Alessio* [Podcast]. <https://theimpossiblenetwork.com/podcast/studio-54/>
- <sup>20</sup> Christies. *Warhol Questionnaire: Carmen D’Alessio*. <http://warhol.christies.com/warhol-questionnaire-carmen-dalessio/>
- <sup>21</sup> Fallows, M., 2019. *Carmen D’Alessio – The Untold Story of Studio 54* [Podcast]. <https://theimpossiblenetwork.com/podcast/carmen-dalessio/>
- <sup>22</sup> Haden-Guest, 19.
- <sup>23</sup> November 8, 1976, UNITED STATES EDITION. Disco Mania Page 94. Newsweek. <https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:3SJ4-F020-0008-X185-00000-00&context=1519360>.
- <sup>24</sup> Fallows, M. (Host). (2019, October 22). *Carmen D’Alessio – The Untold Story of Studio 54* [Audio podcast]. Retrieved from <https://theimpossiblenetwork.com/podcast/carmen-dalessio/>.
- <sup>25</sup> *Ibid.*, 25.
- <sup>26</sup> *Ibid.*, 33.
- <sup>27</sup> Tyrnauer, 2018, minute 16.
- <sup>28</sup> Comenas, 25.
- <sup>29</sup> Lester, E., 1968. "Of Course, There Were Some Limits." *New York Times*, May 19.
- <sup>30</sup> Cf. [2].
- <sup>31</sup> Gallerist Alexander Iolas cited in: Comenas, 15.
- <sup>32</sup> This device, emblematic of the disco era, was called the “Translator”. Haden-Guest, 13.
- <sup>33</sup> *Ibid.*, 41.
- <sup>34</sup> Larry Gang, D’Alessio’s lawyer, was the first to realize that they intended to evade taxes. He likely avoided a prison sentence (or even her deportation, as she was not a US citizen) for D’Alessio. *Ibid.*, 32.
- <sup>35</sup> *Ibid.*, 43-48.
- <sup>36</sup> *Ibid.*, 45.
- <sup>37</sup> This was publicist Joanne Horowitz, who became the first “celebrity wrangler”. *Ibid.*, 42.
- <sup>38</sup> *Ibid.*, 50.
- <sup>39</sup> Andy Warhol is frequently quoted summarizing Studio 54 with this statement.
- <sup>40</sup> Haden-Guest, 123.
- <sup>41</sup> Interview with Rubell and Jackson. <https://www.youtube.com/watch?v=cQA-FmYGjaU4>
- <sup>42</sup> Romeyn, K., 2018. Studio 54’s Paradigm-Shifting Design, *Architectural Digest*. <https://www.architecturaldigest.com/story/studio-54-documentary-design>
- <sup>43</sup> Haden-Guest, XXII.
- <sup>44</sup> Allyn, D., 2000. *Make love, not war: the sexual revolution, an unfettered history*, 3.
- <sup>45</sup> Williams, A., 2017. Life Lessons of Ian Schrager. *New York Times*, June 7.
- <sup>46</sup> Haden-Guest, 251.
- <sup>47</sup> *Ibid.*, 49.

- <sup>48</sup> *Ibid.*, 46.
- <sup>49</sup> Colacello, B., 1996. Anything Went. *Vanity Fair*, March 1. <https://www.vanityfair.com/news/1996/03/studio-54-nightclub-new-york-city>
- <sup>50</sup> Tyrnauer, 2018, minute 22.
- <sup>51</sup> Haden-Guest, 57.
- <sup>52</sup> Martin Scorsese's 1976 movie "Taxi Driver" captures the atmosphere of the life in New York City's streets during the era well.
- <sup>53</sup> Tyrnauer, 2018, minute 34.
- <sup>54</sup> Haden-Guest, 60.
- <sup>55</sup> Cf. [11].
- <sup>56</sup> Haden-Guest, 63-64.
- <sup>57</sup> *Ibid.*, 123.
- <sup>58</sup> Brandeis, minute 23.
- <sup>59</sup> Haden-Guest, 218.
- <sup>60</sup> Blau, E., 1977. Liquor Authority Head Stops Discotheque's Music. *New York Times*, May 22.
- <sup>61</sup> Club owner Maurice Brahms claimed that Steve Rubell and Roy Cohn were the most evil people he has ever met: Haden-Guest, 162.
- <sup>62</sup> Auletta, K., 1978. Don't Mess with Roy Cohn. *Esquire Magazine*, December 19. <https://www.esquire.com/news-politics/a46616/dont-mess-with-roy-cohn/>
- <sup>63</sup> Section based on: Where's My Roy Cohn?, 2019. Directed by Matt Tyrnauer.
- <sup>64</sup> Raab, S., 1977. S.L.A. Head Criticizes Judge on Studio 54 License. *New York Times*, November 15.
- <sup>65</sup> Dorfman, 14.
- <sup>66</sup> Haden-Guest, 111.
- <sup>67</sup> *Ibid.*, 125.
- <sup>68</sup> Brandeis, minutes 31-33.
- <sup>69</sup> *Ibid.*, minute 37.
- <sup>70</sup> Haden-Guest, 100.
- <sup>71</sup> Gillian, F., 2007. Discophobia: antigay prejudice and the 1979 backlash against disco. *Journal of the History of Sexuality*, 16(2), 276–306.
- <sup>72</sup> Post, H., 1979. Documents Link Studio 54 to Mob. *The Village Voice*, January 15.
- <sup>73</sup> Haden-Guest, 132.
- <sup>74</sup> Taubman, P., 1979. Jordan Under Inquiry on Cocaine; He Denies the Report by Studio 54. *New York Times*, August 25.
- <sup>75</sup> Haden-Guest, 144.
- <sup>76</sup> *Ibid.*, 161.
- <sup>77</sup> Buder, L., 1981. 1980 Called Worst Year of Crime in City History. *New York Times*, February 25.
- <sup>78</sup> Haden-Guest, 184.
- <sup>79</sup> Cf. [2].
- <sup>80</sup> Haden-Guest, 340.
- <sup>81</sup> Sullivan, R., 1983. Experts Testify AIDS Epidemic Strikes the City. *New York Times*, May 17.
- <sup>82</sup> Tyrnauer, 2018, minute 40.
- <sup>83</sup> Haden-Guest, 240.
- <sup>84</sup> Ian Schrager [Video]. <https://www.ianschragercompany.com/ian-schrager>
- <sup>85</sup> Haden-Guest, XXIV.
- <sup>86</sup> Cf. [2].