

New disco dances onto scene

By SALVATORE ARENA
and PATRICK CLARK

The Palladium, the city's newest after-dark disco diversion, opened its doors and cash registers last night to a glittering throng of boys and girls out to have fun.

Hosting first-night revels in the old Academy of Music at 126 E. 14th St.—transformed into a night-club-discotheque by a multi-million-dollar renovation—were party consultants Steve Rubell and Ian Schrager, who learned the club trade as owners of the eclipsed Studio 54.

They later served prison terms on income tax evasion convictions stemming from their ownership of Studio 54 and are barred from holding a state liquor license.

The Palladium will be



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Revelers display garish garb and supply background babble at the bar for the debut of the Palladium.

competing with other lower Manhattan hotspots such as Area, Visage and Limelight to lure the fashionable but fickle dusk-to-dawn set and define the taste of the town.

A court challenge to block the club's debut

failed yesterday morning, but Manhattan Supreme Court Justice Harold Baer Jr. said he'll review State Liquor Authority records of the club's liquor license application.

The case was filed last

week by Manhattan interior designer Keith Billedeaux, who asserted that Rubell and Schrager held a financial interest in the venture.

Charles Moerdler, attorney for the club's owners, Andrew Frankel and Alan

Cohen, described Rubell and Schrager as paid consultants, not principals.

"I'm just thrilled. What more can I say," said Rubell earlier yesterday after learning of the court ruling.