

Casino Investors' Suit Stays In State Court

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By Rick Green - Hartford Courant

Lawsuits that threaten to expose the cozy relationship between wealthy casino investors and Indian tribes seeking federal recognition will go forward in state court, a judge has ruled.

The decision comes as Congress has begun to investigate whether outside investors intent on building casinos are inappropriately influencing the federal recognition of Indian tribes.

The cases involve high-flying casino developer and reality television star Donald Trump and another investor, J.D. DeMatteo of Burlington, who contend that "a small coterie" of competing investors "hijacked" the Eastern Pequots with payoffs and other unlawful activities. In his suit, Trump says that Southport golf course developer David Rosow and Palm Beach millionaire industrialist William A. Koch coerced some Eastern Pequot leaders to dump him as the tribe's developer.

Both Trump and DeMatteo say they have a binding contract with the tribe assuring them a role in the tribe's economic development activities, including a casino.

"We have a contract. We fulfilled all of our responsibilities under that contract, and now the defendants must live up to their obligations and follow the laws of the land," said Thomas Kokoska, an attorney for DeMatteo, who was out of state and not available for comment. Trump did not return a call requesting comment.

The ruling "is a victory for us. We are very pleased," said Robert Reardon, an attorney for Trump. "I spoke with Mr. Trump yesterday and he is totally committed to this lawsuit. He lived up to his obligations under that contract."

Although the lawsuits were filed in state court, Rosow and Koch had appealed to U.S. District Judge Robert N. Chatigny to have the cases heard in federal court under the Indian Gaming Regulatory Act - a move that would have complicated and prolonged the lawsuit indefinitely. Chatigny rejected this request in a decision released Wednesday, which attorneys said will mean the case will be heard much more quickly and be considered as a more straightforward breach-of-contract case.

"We don't care one way or the other," Rosow said. "We thought it would be useful to have it in federal court. If it is in state court, then so be it."

"There is no question [Trump] is a world-class hotel developer, but his casinos just haven't done it," Rosow added, referring to Trump's recent financial troubles.

Brad Goldstein, a Koch spokesman in Florida, declined to comment about the case.

The millionaires are tussling over the right to serve as the casino developer for the Eastern Pequots, a North Stonington tribe that won federal recognition from the federal Bureau of Indian Affairs in 2002. The BIA, in a decision the state of Connecticut has appealed, united two sparring factions of the tribe into a single faction. Both groups had sought recognition separately until the BIA brought them together.

Over the past decade, Trump and DeMatteo had been financing the efforts of one faction, the Paucatuck Eastern Pequots, spending more than \$14 million on lawyers, genealogists, historians and

anthropologists. Rosow and Koch had been supporting the other Eastern Pequot faction.

The newly united Easterns dumped Trump and DeMatteo a year ago. Both men are seeking hundreds of millions of dollars in compensation or reinstatement as casino developers for the tribe. The lawsuits also allege that the Paucatucks are, in fact, the true Eastern Pequot tribe.

"The recognition of this tribe will be one of the issues in this case," Reardon said. "The Paucatucks are the original tribe and we will have a significant amount of evidence to present."

Trump, Koch and DeMatteo are among a select group of wealthy businessmen looking to strike it rich with another Indian casino. The Schaghticoke Tribal Nation, which won recognition in January, is backed by Subway Restaurants founder Fred DeLuca.

The Golden Hill Paugussetts, due for a preliminary recognition decision later this spring, are supported by New York shopping center magnate Thomas Wilmot. A Massachusetts tribe that wants to build a casino in northeastern Connecticut, the Nipmucs, are backed by World Poker Tour founder Lyle Berman. They also are up for a final recognition ruling from the BIA.

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