

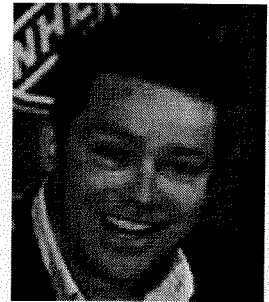
Settlement Reached In Lightning Lawsuit

By Erik Erendsson of The Tampa Tribune

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MONTREAL - A potential road block to the selling of the Tampa Bay Lightning has been cleared and the path toward a new ownership group has opened back up.

After agreeing to buy-out his potential partners from a lawsuit for an undisclosed amount of money likely in the seven-digit category, Hollywood movie producer Oren Koules is now free to pursue a new deal to buy the team from Palace Sports and Entertainment. There is no time-table, but negotiations are expected to begin soon between Koules and Palace Sports.



Oren Koules

"I am pleased the lawsuit will be dismissed and finally resolved and I am confident that OK Hockey can commence and consummate a transaction with the existing owners to purchase the Tampa Bay Lightning," Koules said in his first public statement since the lawsuit and dissolution of the sale was announced.

The path cleared up early Tuesday morning following an all-day meeting which began Monday morning inside the NHL offices in New York between members of Absolute Hockey Enterprises, Koules' OK Hockey group, Palace Sports executives and NHL officials, including Commissioner Gary Bettman and Deputy Commissioner Bill Daly.

The principal members of Absolute, including Coral Springs real estate developer Jeff Sherrin and former NHL general manager and coach Doug MacLean, filed a lawsuit on Nov. 26 accusing Koules of going behind their back trying to broker his own deal to buy the team. Absolute was seeking \$50 million in damages.

But after getting a call from Bettman last week, the sides agreed to meet to find a way to reach a deal and settle the lawsuit out of court.

"The commissioner contacted all parties and strongly suggested we use his services as a mediator," said Tom Scarritt, the lead attorney for Absolute Hockey. "We spent all day and evening [Monday] and into the morning hours working on getting something resolved."

A deal was reached in the late evening and the final paperwork was processed and signed around 1 a.m. Tuesday, Scarritt said, ending what Scarritt characterized last week as a "volatile situation" leading up to the settlement.

"It started out rather colorful [Monday morning] but became more calm and business-like as the day progressed," Scarritt said. "I think this is a good day for [Absolute and its partners]. They realized that the current situation is untenable and they needed to separate from Mr. Koules and they have done so. And they have been fairly compensated for it."

Scarritt did not say how the partners at Absolute – which also include Tampa lawyer Steve Burton – would distribute the buyout nor if they intended to reorganize and make another bid to purchase the team. He did say, however, that the initial \$5 million deposit given to Palace Sports to retain exclusive negotiating rights will not be returned.

In separate statements released late Tuesday, Palace Sports expressed a continued interest in listening to offers while Koules made it clear he intends to make a bid with his group that includes Mark Burg – who co-founded Evolution Entertainment Studios with Koules – and Russell Belinsky, a California banker believed to be part of Koules' group.

"We are happy that Oren Koules, Jeff Sherrin and Doug MacLean were able to reach an amicable resolution this week," Palace Sports said in the statement. "In light of the settlement, Palace Sports & Entertainment is expecting a new proposal from one or more of the principles and when received, PS&E will evaluate all its options. Regardless, PS&E will continue to operate the Lightning and the St. Pete Times Forum in the first class manner consistent with its history."

MacLean declined to comment via text message when asked if the resolution of the lawsuit meant he longer was interested in seeking to purchase the team.

The original deal announcing the sale of the team and 5.5 acres of adjoining land to Absolute was made public during a press conference on Aug. 6. Since the announcement the deal had been wrought with stumbling blocks trying to find the financial backing to push the deal forward. Koules upped his initial investment from \$20 million to \$60 million and became the lead investor, although based on terms of the contract he would not have had any say in how the team and building would be run. Koules then withheld a \$5 million down payment that eventually led to the termination of the deal on Nov. 14 and the eventual lawsuit.

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