

BIG STEP TOWARD SALE

[SOUTH PINELLAS Edition]

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A lawsuit is settled, positioning Oren Koules to pursue his plans to buy the Lightning.

Oren Koules wants to be the next owner of the Lightning.

The path was cleared early Tuesday morning, when a financial settlement was reached in the lawsuit brought against Koules by two former partners in a failed attempt to buy the team.

Koules, the producer of the Saw horror films, was not available for comment. But in a statement, the head of OK Hockey, which also includes Koules' business partner Mark Berg and, it is believed, California banker Russell Belinsky, said his course is clear.

"I am pleased the lawsuit will be dismissed and finally resolved, and I am confident OK Hockey can commence and consummate a transaction with the existing owners to purchase the Tampa Bay Lightning."

Plans are less clear for former NHL executive Doug MacLean and Coral Springs developer Jeff Sherrin, who brought the suit accusing Koules of defaulting on his share of a scheduled \$5-million payment to Lightning owner Palace Sports & Entertainment and going behind their backs to make his own arrangements with the company.

Tampa attorney Tom Scarritt could not say if his clients have given up hope of owning the team. And MacLean, in a text message, said: "I'm not going to comment on that now."

Still, Scarritt said, "It was a good day for them. They realized the current situation was untenable and they needed to separate themselves from Mr. Koules, and have done so and have been fairly compensated for it."

The confidential settlement, brokered by commissioner Gary Bettman during a marathon mediation session at the league's New York offices, ends a tumultuous four-plus months that began Aug. 7, when MacLean, Sherrin and Koules announced their \$200-million purchase agreement to buy the team, the St. Pete Times Forum lease and 51/2 acres of land near the arena.

Absolute Hockey Enterprises, which eventually included Berg and Tampa attorney Steve Burton, even made a \$5-million deposit. But Koules, according to the lawsuit, did not come up with his \$4.17-million share of the next \$5-million payment. Two days later, on Nov. 14, Palace Sports terminated the purchase agreement.

In the lawsuit, MacLean and Sherrin asked for at least \$50-million in damages.

Scarritt said Bettman last week called the parties and "strongly suggested" he mediate. Koules, MacLean and Sherrin flew to New York Monday morning and joined NHL vice president Bill Daly and Palace Sports CEO Tom Wilson and began negotiating.

Bettman was the go-between.

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"It really was a joy to work with him," Scarritt said. "He's a former trial lawyer and you can tell."

Scarritt said other than for "tense" opening statements, the parties stayed in separate rooms.

"He went from room to room," Scarritt said of Bettman. "He listened to each party tell why they thought they were right. He came back in a firm but reassuring tone and pointed out the weaknesses on both sides. That softened up the stance for everyone."

Scarritt said the final papers were drawn up and signed at 1 a.m. Tuesday. By then, he said, the atmosphere was "calm" and "business-like." He said everyone shook hands except, he believes, him and Koules.

"I don't think he liked my opening statement," Scarritt said.

Koules must now arrange financing. Scarritt has said the producer was responsible for \$50-million of the \$60-million Absolute Hockey raised toward the sale.

It is expected the \$5-million nonrefundable deposit Absolute Hockey made to Palace Sports will be applied to Koules' purchase if he is successful.

In a statement, Palace Sports said it is "expecting a new proposal from one or more of the principals. 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."

"I'm just sorry it didn't work out," said Burton, the Tampa attorney who was part of Absolute Hockey. "I just hope everyone remembers the team and the city come first."

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Credit: Times Staff Writer

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Abstract (Document Summary)

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