

Judge tosses lawsuit by bondholder for Ala. casino - Bloomberg

Written by Administrator

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MONTGOMERY, Ala. (AP) — A federal judge threw out a lawsuit aimed at getting electronic bingo machines operating again at the closed Country Crossing entertainment resort, whose developer is awaiting trial on government corruption charges.

A bondholder for Country Crossing in Dothan,

the Lord Abbett Municipal Income Fund, had sought an injunction against former Gov. Bob Riley and the commander of his gambling task force that would keep the state from interfering with Country Crossing's machines. The suit said Country Crossing needs to reopen to have the revenue to pay off the bonds used for its construction, including \$5 million purchased by Lord Abbett.

U.S. District Judge Keith Watkins ruled Thursday that the bondholder didn't have status to sue Riley and Commander John Tyson because the task force didn't raid Country Crossing or seize its electronic bingo machines. He said Country Crossing closed voluntarily.

"With the actual seizure and with the electronic bingo machines remaining in the possession and ownership of Country Crossing and its affiliates, any procedural due process injury by this court would amount to pure speculation," Watkins wrote.

Watkins noted in his ruling that even though Country Crossing's machines were supposed to be for charitable purposes, the bond offering noted that the developer could get up to 75 percent of the net proceeds for supplying and managing the machines.

Tyson said Monday the ruling was another in a long series of legal victories in the effort to stop illegal gambling machines. He said Lord Abbett should have known from the beginning that it was making a risky investment.

Crossing Crossing opened in late 2009 about five miles south of Dothan. The casino, restaurants, inn, campground and concert amphitheater at the country music-themed resort were designed to attract tourists headed through Dothan on U.S. 231 to Florida Panhandle beaches.

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The casino shut its doors on Jan. 29, 2010, to prevent a raid by an estimated 140 state police. Its 1,700 electronic bingo machines remain closed, as does every other attraction at the resort.

In October, Country Crossing developer Ronnie Gilley was among 11 people arrested on federal bribery and conspiracy charges accusing them of buying and selling votes on pro-gambling legislation. He is scheduled for trial April 4. Two of Country Crossing's lobbyists, Jarrod Massey and Jennifer Pouncey, have pleaded guilty and are cooperating with prosecutors.

Lord Abbett, based in Jersey City, N.J., argued in the suit that the Houston County Commission had approved the operation of Country Crossing as a legitimate business and approved the cooperative district that was set up to issue the bonds. The suit said Country Crossing's closure puts the company's investment at risk by shutting off the revenue needed to pay the bonds.

An attorney for the company, Rebecca Beers, declined comment Monday. A spokesman for the company did not immediately return a phone message or e-mail seeking comment.

A proponent of Country Crossing, Houston County Commission Chairman Mark Culver, said Monday the county's regulatory role in the development of Country Crossing did not include any liability for its bonds.

Gov. Robert Bentley replaced Riley on Jan. 17. The new governor dissolved Riley's gambling task force and turned over all its court cases to new Attorney General Luther Strange, who said last week he will keep pursuing them.

Tyson said he and Strange have discussed the task force's cases and plan more talks.

"Illegal gambling is just that — illegal gambling. And it appears it is going to continue to be that with the new administration," he said.

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The task force used raids or court decisions to close all privately operated electronic bingo casinos in Alabama last year. Three casinos operated by the Poarch Creek Indians in Wetumpka, Atmore and Montgomery remain open because they are regulated by the federal government rather than the state government.

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