

# Sealed lawsuit masks Indiana casino dispute

The two companies that joined forces to build Indiana's 11th casino – under construction in French Lick – are embroiled in a lawsuit that has been sealed by a judge in Orange County.

The lawsuit and a request for an injunction were filed by Cook Group Inc., a Bloomington medical-device manufacturer, against Lauth Resorts and Casinos LLC, its partner in the project.

Details about the case couldn't be learned yesterday because Orange County Circuit Judge Larry Blanton agreed to seal the documents.

State law requires a hearing before a judge seals a lawsuit. After being questioned by The Courier-Journal about his decision, Blanton said he would set a date today for a hearing on the matter.

Earlier this month, Indiana's gambling regulators acknowledged that Cook and Lauth had entered mediation in an attempt to resolve a continuing dispute over control of the project.

It includes the casino, with 1,200 slot machines and 46 table games, as well as several restaurants and a convention center.

The partnership, called Blue Sky Casino LLC, also is overseeing a restoration of the French Lick Springs Resort and its 18-hole golf course, and the construction of a second golf course, a new swimming-pool complex and an 800-space parking garage.

Officials of both companies declined yesterday to discuss the litigation or other aspects of an ambitious Nov. 1 deadline for opening the casino and 400 rooms at the French Lick resort.

Ernest Yelton, executive director of the Indiana Gaming Commission, said the commission staff had not had a chance to review the lawsuit.

A one-page order, signed by Blanton on June 8, granted the request from Orange County Holdings LLC, a company formed by Cook Group, to file the lawsuit and the related request for injunctive relief under seal.

The law, however, requires a court to first hold a public hearing before granting a request to seal a court record so that the parties or members of the public can testify and submit written briefs.

A decision to seal all or part of the record must be based on findings that the public interest will be secured by sealing the record or that disseminating the information could be harmful to the public interest, according to the law.

Blanton declined to say during a brief interview whether a hearing on the matter had been held. But in a subsequent interview he said he would hold a hearing and cited a trial rule for his authority to keep the documents under seal until then.

The judge also held a brief conference call with Reed Osland, a Chicago lawyer representing Cook, and an Indianapolis firm acting on behalf of Lauth to notify them of questions raised by the newspaper and of his plans to hold a hearing.

Stephen Key, executive director of the Hoosier State Press Association, said he doubts Blanton can seal documents in a civil suit where there's no apparent need to do so.

„I'm kind of at a loss (to say) why that would be given the treatment to seal the entire record," Key said when told of the situation. „Obviously with the magnitude of the (casino) project, there would be great interest" in the community about the dispute.

Although Yelton said two weeks ago that the mediation shouldn't slow progress on casino construction, he acknowledged concern yesterday about the lawsuit's impact.

„With litigation, we're going to be extremely observant“ about the pace of the project, Yelton said. „We'll be sure the commission ... knows the project won't be delayed.“

Yelton said previously that the partners could face disciplinary action for failing to meet a May 1 deadline to secure financing for the project.

During a June 7 commission meeting, its secretary, Evansville lawyer Don Vowels, said the two companies had an agreement that called for Lauth to transfer 25 percent of its interest in the project to Cook if the project's financing wasn't in place by April 15.

Yelton said yesterday that he couldn't say for sure whether the lawsuit involves those ownership issues.

Regardless of how the dispute is resolved, nothing has come easily for the casino project.

Hoosier lawmakers approved the venture in 2003 after a decade-long legislative fight. But the developer first chosen by the gaming commission – a New Jersey casino company led by celebrity businessman Donald Trump – entered bankruptcy and withdrew from project early last year.

The latest discord contrasts sharply with the upbeat attitude of residents and community leaders, who are watching the flurry of construction on Ind. 56, where the casino is rising beside the French Lick Springs hotel.

„Based on what I'm seeing happening here in Orange County and with the project, there is not any appearance of any problems whatsoever,“ said Adina Cloud, chairwoman of an Orange County panel named to oversee spending of casino incentive payments.