

Point Break drops federal racketeering suit against Wildwood officials

Madelaine Vitale | Posted: Tuesday, March 31, 2015 5:33 pm

WILDWOOD — A concert and event promoter that filed a federal lawsuit alleging racketeering under the RICO Act against Mayor Ernie Troiano and other city officials dropped the charges Friday, lawyers for both parties confirmed Tuesday, March 31.

Troiano said by phone Tuesday that he is pleased the RICO suit was dismissed, adding that the suit made “ridiculous” allegations and was without merit.

“We knew the charges were baseless and would ultimately be dismissed. We are pleased at how quickly that occurred,” he said.

Point Break Group Management, LLC, comprised of Michael McDonald, Ian Cairns, Jamie Peterson and America’s Guest Management Group and based in Medford, filed the complaint in US District Court in Philadelphia on Jan. 26. RICO stands for Racketeer Influenced and Corrupt Organizations, and the law is designed to combat organized crime.

The suit alleged fraud by city officials and others in connection with a contract between the city and Point Break for concessions; specifically, that the city’s activities undermined and destroyed the contract.

According to the RICO suit, the defendants were accused of working together to prevent Point Break from doing business it was contracted to do under a concessionaire’s agreement, while allegedly seeking their own financial gain and that of the other defendants.

In May 2012, Point Break entered into a five-year contract with the city to perform services on the beach, including beach transport services, surfing lessons and rentals, and presenting concerts, according to the complaint.

The complaint states that in June 2012, the city of Wildwood amended its agreement with Point Break, changing its role from “beach operator” to “concessionaire.” In August, Wildwood submitted a notice of breach of contract to Point Break, the complaint states. It goes on to claim several instances of disruption of operation, intimidation tactics and conspiracy to usurp Point Break’s contacts.



Point Break drops suit

Wildwood City Hall

Alain Leibman, attorney from Fox Rothschild out of Princeton, representing the defendants, said the RICO case was dismissed because his firm did two things.

“We immediately wrote a letter saying it was a frivolous lawsuit. When they didn’t withdraw the suit, we filed a 35-page brief saying the RICO suit had no merit,” Leibman said, adding that if the federal judge had ruled in favor of the defendants, the plaintiffs would have to pay the attorney fees.

On Friday Leibman got a call from Point Break’s attorney Eric Weitz, of Messa and Associates in Philadelphia, offering to dismiss the RICO complaint in exchange for the ability to pursue fraud claims in a separate suit, still pending in state court. In that case, Point Break is alleging breach of the concessionaires’ agreement with the city of Wildwood, attorneys said.

“We considered it a complete surrender and the only thing he asked was if they could add claims to the state suit. We wanted the dismissal of the RICO case. They surrendered and I thought we graciously accepted,” Leibman said.

“The matter has been dismissed without prejudice based upon an agreement among the parties,” Weitz said.

In addition to Troiano, defendants in the RICO suit were Commissioners Pete Byron and Anthony Leonetti, city solicitor Mary D’Arcy Bittner, Wildwood Beach Utility supervisor Ryan Troiano, who is his son, and Wildwood city administrator Chris Fox.

The suit also named the limited liability companies Beach Buddy, LLC, and Leverage SGH, LLC, both of which are comprised by Anthony J. Morrison, Mark Marek, Christopher Herghelegiu, and Anthony Sembello, as defendants. The suit alleged that Beach Buddy and Leverage SGH used its connections to obtain contract and permission to run beach bars and other money-making enterprises in Wildwood. In addition, the suit claimed that Beach Buddy used its connections to undermine contacts, contracts and connections of Point Break with the city.

In addition to Point Break’s lawsuit filed in state court in August 2014, is a counter claim filed by the city in September 2014, which is also pending.

“We are eager for the city of Wildwood to answer the many questions which are overdue,” Weitz said Tuesday. “At that point, we will evaluate again the claims of fraud.”

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