

STATEMENT OF STEVEN C. STEIN

October 30, 2014

Today, on behalf of my businesses, Paramount Realty Investment, LLC, Gridiron Parking, LLC Creative Entertainment Concepts, Inc. d/b/a Skyplex and 1700 Main Street, Inc., I filed in federal court in Springfield a civil lawsuit against mayor Domenic Sarno, liquor license commission chair and assistant tax collector Peter Sygnator, the New England Farm Workers Council and its president Heriberto Flores and chief financial officer John Motto.

Also named as defendants are the city of Springfield, The Republican Company, Peter A. Picknelly, Penn National Gaming, Inc., Paul Picknelly, Francis Cataldo, Richard Kane & Associates appraisal firm and two of its appraisers, John M. Santaniello and Robert Sluka.

The decision to file this suit is based upon the fraudulent purchase of the historic Paramount Theater by the New England Farm Workers Council, Inc., racketeering between and among the various defendants, breach of contract and covenant of good faith and fair dealing against Flores and Motto as well as First Amendment retaliation against Sarno and Sygnator and interference with contractual relations and civil conspiracy. This lawsuit is based on my view of equity and fairness with the hope of exposing, what I believe to be, a corrupt culture in Springfield.

In 1999, with a business partner, I purchased the Paramount Theater building on Main Street with a business plan for entertainment to be marketed to younger individuals with “college-oriented nights,” “club nights,” “techno music nights,” concerts and sporting events. For many years we successfully operated at the entertainment venues in the city both at the “Skyplex” (10-12 Stearns Square) and the Paramount Theater that we named the “Hippodrome” (1700 Main Street). We were very successful for the next eight to nine years.

Beginning in 2009, however, various actors, municipal and otherwise, began to subject our businesses to a relentless barrage of related conduct which was clearly designed to destroy our public image and inflict maximum economic damage on us. This also included almost daily publication of false, misleading, baseless, negative and damaging information about our businesses to countless third parties and reports in *The Republican*. But, we were determined to survive.

While facing increased economic pressure and, also beginning in 2009, facing resistance by city officials to allow us to provide entertainment to young adults, it became increasingly more difficult to conduct our businesses in this city.

From the mayor, to the license commission, to the tax department and the police department, our businesses had become a target because it looked as if the casino law would ultimately pass and Sarno became the lead cheerleader for an urban casino in Springfield.

Our fate was sealed when, on June 19, 2009, a lawsuit was filed by us against Sarno and the city for promulgating and enforcing the so-called “21 & Under Nights” which had become popular in so many venues. That lawsuit, of course, led to some of the retaliatory conduct by Sarno and Sygnator which is now part of this federal lawsuit.

By way of example, on or about February 17, 2009, in response to a shooting at the 1800 Club located at 282 Worthington Street and another in a parking lot near the Zone on Worthington Street, defendant, Sarno again publicly stated he wanted to ban so-called “21 & Under Nights, all with the knowledge that none of these incidents were, in any way, related to the entertainment establishments of the plaintiffs.

Still facing economic distress in 2011, we were approached by Flores who said he was interested in acquiring the Paramount building. While we certainly knew its value as an entertainment center to a casino developer, we had no knowledge that Flores would later partner with Penn National Gaming, Inc. and defendant Peter A. Picknelly to propose a casino gaming complex on the site.

So, Flores, Motto and the New England Farm Workers Council, Inc. conspired with Sarno and Sygnator to manipulate a sale with an appraisal that was presented to us at the last possible moment, was flawed, deceptive and fraudulent, knowing that they had paid the outstanding taxes out of proceeds from Chicopee Savings Bank from a sale that had not yet taken place and literally forced me, my partner and my companies to relinquish ownership of the building and adjacent parking lot

In addition to the deceitful and fraudulent conduct, Flores and Motto offered us an illegal taxable deduction for personal property and fixtures which had been part of the sale of the property.

I expect to prevail and unveil the fraudulent, deceitful and unlawful acts committed by the various individuals in this unseemly process.