

## Lawsuit seeks \$32.5M from Deadwood casino developers

Written by Administrator

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SIOUX FALLS, S.D. (AP) - A company that provided financing for a Deadwood hotel and casino through South Dakota's embattled investment-for-visa program is trying to recover \$32.5 million loaned to a group of developers whose company hasn't paid back the money for the project, according to a civil lawsuit filed this week.

The financing company, which is managed by the former administrator of South Dakota's EB-5 visa program, is also asking a state court for interest and attorney's fees from Tentexkota LLC and its members. The group rehabilitated the historic Homestake mine plant into the Deadwood Mountain Grand resort, a luxury hotel with nearly 100 rooms and 210 casino games.

Eight members of Tentexkota guaranteed the two loans for \$28 million and \$4.5 million, which came from immigrant investors through the federal EB-5 program. The program allows people to seek U.S. residency if they invest at least \$500,000 in approved projects.

The civil complaint says the \$32.5 million loaned to Tentexkota for the hotel and casino was due in April 2015 and extended until May 2016, when the company defaulted. The lawsuit comes from the financier, SDIF Limited Partnership 2, which is managed by Joop Bollen, who oversaw the EB-5 program as a public employee and as part of a private company that he founded.

Meanwhile, Tentexkota members, including country artist W. Kenneth "Big Kenny" Alphin, and other businesses filed a competing federal civil suit Tuesday against Bollen and his limited partnership arguing the guarantees they signed should be voided because they violate federal law.

An attorney for the company and its members declined to comment to The Associated Press.

If the federal lawsuit is successful and the guarantee agreements are thrown out, the obligation would be limited to the borrower, Tentexkota, while the company's members wouldn't be on the hook to pay the loans, said Haven Stuck, an attorney for SDIF Limited Partnership 2.

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The dueling lawsuits are the latest turn in a legal saga involving Bollen, who is set to go to trial in February in a high-profile financial misconduct case involving the EB-5 program. Bollen's attorney has said the state is trying to make him a scapegoat.

He's accused of diverting more than \$1.2 million from an account created as part of a contract with the state to protect it against costs or liability from the visa program. Authorities say the money was mostly replenished.

Authorities say they linked the money transfers to Bollen's purchase of an Egyptian artifact, among other uses. The 53-year-old Aberdeen resident has pleaded not guilty. Bollen headed the EB-5 program for the state when he was in charge of the South Dakota International Business Institute at Northern State University. The program was privatized in 2009 and turned over to SDRC Inc., a company Bollen founded, until the state took over management in 2013. The investment program came under fire in 2013, after a former state official associated with it killed himself as felony theft charges were being prepared against him. South Dakota also is trying to keep a federal immigration agency from ending the state's participation in the program. U.S. Citizenship and Immigration Services determined last year that South Dakota's regional center for the program isn't promoting economic growth and said administrators have failed to submit required information to the agency. Copyright © 2016 The Washington Times, LLC. Please enable JavaScript to view the

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