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NJ Beach Town Plans Thwarted By Conspiracy, Promoter Says

By **Matthew Bultman**

Law360, New York (January 29, 2015, 4:56 PM ET) -- An event promoter has filed a racketeering lawsuit in Pennsylvania federal court accusing officials in Wildwood, New Jersey, of stealing its ideas for a beach festival, a conspiracy the company says culminated with a meeting under a dimly lit boardwalk where its owner was threatened with a gun.

Point Break Group Management LLC says in Monday's federal complaint that it envisioned making the popular resort city in southeastern New Jersey the "East Coast center of surfing and music festivals," but those plans were purposefully stymied by a group of city leaders that included Mayor Ernest Troiano Jr., his son, Ryan, and members of the city's Board of Commissioners.

Point Break had filed a breach of contract suit in New Jersey court in 2012 but later dropped the claim when the two sides reached a settlement. In its latest suit, which alleges violations of the Racketeer Influenced and Corruption Organizations Act, Point Break says that city leaders had no intention of upholding their end of the deal and refused to work with Point Break.

"Unbeknownst to Point Break, Ryan Troiano, Chris Fox and the Board of Commissioners were utilizing the information derived from Point Break to undermine Point Break's activities and usurp their plans and business contacts in an attempt to steer the financial benefits" to themselves, the complaint says.

When Point Break made it known the company planned to blow the whistle on the alleged conspiracy, according to the suit, the mayor's son Ryan and former city police officer Christopher Fox demanded a meeting under the Wildwood boardwalk, where Point Break's majority owner, Michael McDonald, was threatened with what appeared to be a holstered gun.

"Defendants ... knowingly threatened [Michael] McDonald for his involvement with Point Break, in furtherance of their pattern of racketeering," according to the complaint filed in Pennsylvania federal court.

Mayor Troiano on Thursday called the allegations "bizarre" and adamantly denied any wrongdoing, adding he may consider bringing defamation charges against Point Break.

"This is about as frivolous, politically motivated and ridiculous as I've ever seen," he said. "This is borderline crazy and this will definitely be thrown out."

The longstanding dispute dates back to May 2012, when the city accepted Point Break's proposal for the "Wildwood Beach Festival" and awarded the company a five-year deal to host concessions, promotional events and concerts on the beach.

At the last minute, city officials insisted on altering the agreement, adding a mandate that the Wildwood Beach Utility, a city-created group run by Ryan Troiano and Fox, supervise Point Break, the complaint says.

Less than a month later, city officials began withholding permits and had police harass Point Break workers in an attempt to stymie their festival plans, the complaint says. At one point, officials met with two Point Break partners in an attempt to convince them to break away from the company "so they could enter a side deal through which Wildwood and the Beach Utility would receive more financial benefits," the suit claims.

In September 2012, three months after entering an agreement with Point Break, the city voided the deal citing an alleged breach of contract.

A short time later, Ryan Troiano contacted his friend who, under the direction of Troiano, formed Beach Buddy LLC, Point Break says. Together, the defendants submitted proposals to the city under the Beach Buddy name in order to "surreptitiously operate" a beach bar.

Point Break says it planned to report officials' alleged conspiracy to the New Jersey Attorney General's Office in March 2013 when Fox and Troiano called a meeting under the boardwalk. They told McDonald not to go to the AG, and Fox, who was carrying a holster, "which was presumed to contain a revolver," said he wouldn't let McDonald interfere with his livelihood, the suit says.

The promoter has alleged violations of the RICO Act, fraud and tortious interference. An attorney for Point Break did not return a message seeking comment.

Point Break is represented by Eric Weitz of Messa & Associates PC.

The case is Point Break Group Management LLC v. Ernest Troiano Jr. et al., case number 2:15-cv-00401, in the U.S. District Court for the Eastern District of Pennsylvania.

--Editing by Rebecca Flanagan.