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Lawyer drives Garden Grove casino plan

Jonathan Stein, tribe investor, determined to succeed at longshot proposal for Indian gaming.

By DEEPA BHARATH
THE ORANGE COUNTY REGISTER

GARDEN GROVE – Jonathan Stein believes his tribe is going to build a casino a few blocks away from Disneyland in the heart of Garden Grove.

The Santa Monica attorney and New Jersey native is not a member of the Gabrielino-Tongva Indian tribe or even a resident of Orange County. But as the tribe's chief investor, Stein is the driving force behind an ambitious, long-shot attempt to reshape the landscape of Orange County's high-profile resort area by bringing in the county's first gaming casino.

If built, the casino resort – plans call for high-end hotels, slot machines, card tables, upscale stores and other entertainment venues – is projected to generate about \$70 million for the city annually.

But that is a big if, since Stein's path to success looks like a formidable obstacle course. The city has yet to formally consider the tribe's offer and there is no date on the horizon when the governor might sign off on a piece of legislation that would allow Indian gaming in urban Southern California.

Stein also has challenges within the Indian tribe itself with bickering tribal factions and splinters, each of whom calls itself the "real Gabrielinos," disagreeing over the casino and Stein's role.

And outside industry experts say Stein's dream will remain just that because the tribe does not have federal recognition, which they say is a must to secure land for gaming purposes.

But Stein thinks differently.

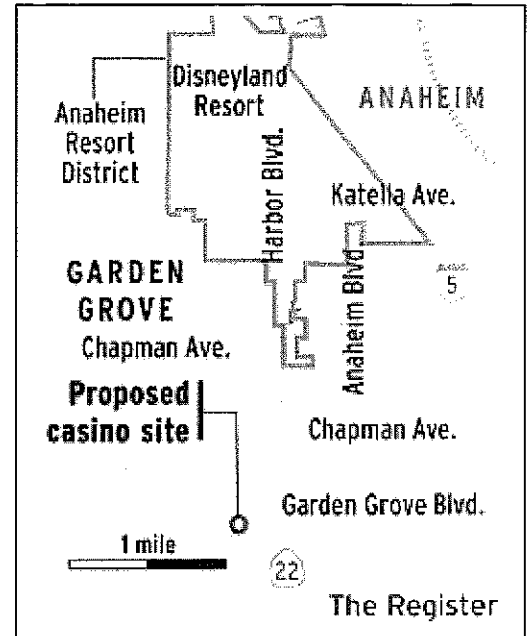
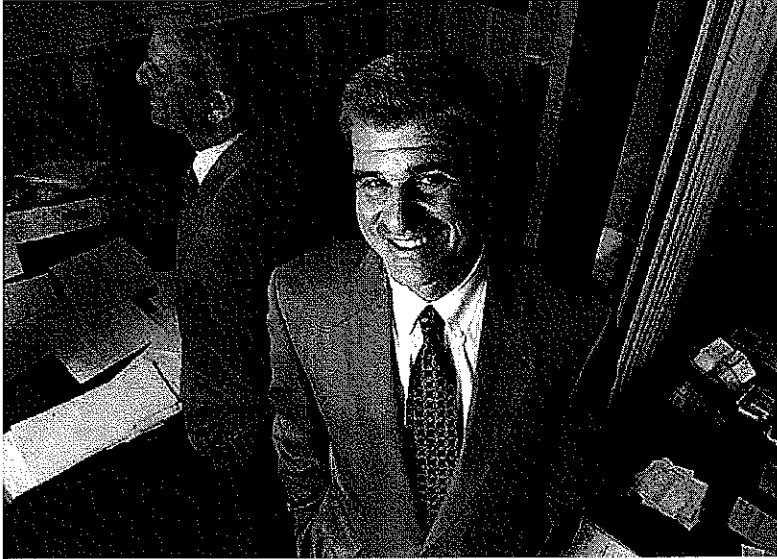
"If you apply the equity argument, under the state constitution this tribe should get gaming rights because the Gabrielinos are recognized by the state government," he said.

Stein's argument is that since the state constitution provides that all tribes be treated equally, if other California tribes have gaming rights, so should the Gabrielinos.

The challenge remains that this is a "new process that requires certain legal mechanics to be put in place," Stein says.

"That includes a legislative bill and a tribal compact," he said. "But no federal approvals are required."

Stein's ideas have a bit of support in Sacramento. State Assemblyman Jose Solorio, D-Santa Ana, says he is considering authoring a gambling bill for the Gabrielinos, but added that he will wait until



TAKING A GAMBLE: Jonathan Stein has proposed an Indian casino in Garden Grove after years of attempting to open one in the middle of Los Angeles.

MINDY SCHAUER, THE ORANGE COUNTY REGISTER

Jonathan Stein

Age: 50

Residence: Santa Monica

Hometown: Morristown, N.J

Occupation: Attorney (specializing in contractual negotiations) and chief executive officer of the Gabrielino-Tongva Indian Tribe

Education: Graduated magna cum laude from Harvard College with an undergraduate degree in economics; law degree from University of Pennsylvania

Previous law firms: Morgan, Lewis & Bockius, New York City; Hughes, Hubbard & Reed and Brobeck, Phleger & Harrison, both in Los Angeles. Private law practice for 15 years

Family: Single

Stein's ideas have a bit of support in Sacramento. State Assemblyman Jose Solorio, D-Santa Ana, says he is considering authoring a gambling bill for the Gabrielinos, but added that he will wait until early next year to see how the Garden Grove City Council reacts to the proposal and how legal issues are settled within different tribal factions.

But opponents of Stein's concept are many, and they mock his ideas and efforts. Michael Triggs, a Las Vegas lobbyist and former political consultant who worked there during the city's casino boom, says he sometimes is awestruck by Stein's relentlessness.

"This is a tribe with no federal recognition and no land. It's like saying: 'I want to walk on the moon, but I have no spaceship and no spacesuit.' "

Federal recognition is an absolute must for a tribe to open a casino, says I. Nelson Rose, a senior professor at Whittier Law School and national expert in gambling law.

"It's simply not up to states to recognize Indian tribes," he said. "And it takes decades to get federal recognition. A tribal compact, although created by the state, is done under the federal Indian Gaming Regulatory Act."

Stein, who has yet to succeed in his attempts to build a casino for the tribe elsewhere, approached Garden Grove officials in June pitching their ambitious proposal for a casino resort along the lines of the Bellagio in Las Vegas.

Stein has promised the city \$100 million upfront for infrastructure improvements, \$70 million from slot machine revenues each year and a college scholarship of up to \$2,500 for every Garden Grove high school graduate. The mammoth plan proposes a casino with 2,500 to 7,500 slot machines, card tables, upscale hotels with rooms starting at \$300 a night, theaters, stadiums and shops.

He has also been trying to garner community support for his project by meeting with various community groups. On Aug. 13, more than 500 people from the local Vietnamese-American community came to a City Council meeting to oppose the project. And Thursday he will meet with the Garden Grove Elks chapter.

Council members Bruce Broadwater and Dina Nguyen have openly opposed the casino while Councilman Mark Rosen supports it.

Broadwater said he won't support "spending even a dime" to develop a casino here.

"We spent a lot of money over the last 10 years cleaning up Harbor Boulevard, getting rid of the motels and adult businesses," the former mayor said. "I don't want to see it go back to a blighted state all over again."

If the casino project has been a legal and political tug-of-war for Stein, the resort area on Harbor has been a policy and redevelopment Rubik's Cube for Garden Grove city officials, who have struggled for the last decade in their attempts to capitalize on Disney's magic.

To that end, they planned hotels south of Anaheim's resort area to draw tourists to Garden Grove, which has been successful. However, efforts to put anchor attractions in Garden Grove – from a Riverwalk to King Hussein's museum – have failed.

The casino, which promises a permanent strong revenue stream for the city, is an option they simply cannot afford to relinquish, said City Manager Matt Fertal.

Stein has also proposed identical projects in Inglewood and Long Beach, but says he has his eyes on Garden Grove because of the city manager's and staff's professional welcome.

Stein's history with Indian tribes started in 2001 when he got together with Sam Dunlap, a Gabrielino, and helped him form the Gabrielino Tribal Council, with the goal of helping the tribe secure gaming rights.

The group fell out with Stein, and each party ended up suing the other. Stein alleged that the group did not pay him what was owed to him. The group accuses Stein of breach of fiduciary duty and trust; legal malpractice and misappropriation of trade secrets, according to court filings.

Tribal vice chairman Martin Alcala said he believes Stein led them down the wrong path by telling them they did not need federal approvals.

"He wanted to take control of everything, including the money," Alcala said. "And when we parted company, he did everything in his power to destroy us."

But Stein dismisses that contention and maintains that it was he who raised more than \$20 million from Wall Street for the tribe.

"I spent more than five years unifying the tribe," Stein said. He says the Santa Monica Gabrielinos account for a little over 80 percent of the total Gabrielino population in the country.

The other faction, The Gabrielinos of San Gabriel, have expressed no interest in pursuing a casino. They have criticized Stein's group, but have not had the money to pursue legal action.

Bernie Acuna, a tribal councilman in Stein's group, says he and others in his tribe have placed complete trust in Stein.

"If anyone can save us, he can," Acuna said. "I honestly believe that if anyone can give our tribe a casino, it's Jonathan. He just never gives up."

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