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## Newsroom: AP: Chung on 38 Studios Settlement 03-14-2016

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# Newsroom

March 14, 2016

## AP: Chung on 38 Studios Settlement

Professor John Chung on the latest twist in the settlement of the state's lawsuit over its \$75 million deal with ex-Red Sox pitcher Curt Schilling's 38 Studios .

**From the ASSOCIATED PRESS (AP):** "Board OK'd 38 Studios settlement without knowing who'd pay" by

Michelle R. Smith



**PROVIDENCE, R.I. (AP), March 11, 2016** — Rhode Island's economic development agency says officials who approved a partial \$12.5 million settlement last year in the agency's lawsuit over its \$75 million deal with ex-Red Sox pitcher Curt Schilling's 38 Studios did so without knowing where exactly the money would come from. [...]

Open-government advocates criticized the decision, which hadn't previously been reported, and at least one legal expert said it was surprising they would approve the settlement without knowing those details.

"It's one thing for the government agency to say, 'Yes, we have that information, but we're not releasing it to you because we're in the middle of an ongoing mediation,'" said **John Chung, a professor at Roger Williams University School of Law**. "It's a different thing to say we don't know at all, and that's the thing that surprises me."

The lawsuit has so far reaped \$17 million in settlements but is pending against several parties. On Monday, the U.S. Securities and Exchange Commission sued the Commerce Corp., Stokes, Saul and

others, accusing them of defrauding bond investors. Stokes and Saul settled for \$25,000 each and didn't admit wrongdoing. The agency hasn't commented on the specific allegations in the lawsuit. [...]