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## Judge OKs settlement in Stupak suit

The bankrupt Stratosphere agrees to honor 19,000 vacation packages sold by Bob Stupak.

[By John G. Edwards](#)  
[Review-Journal](#)

A state district judge Monday tentatively approved a \$27 million settlement in a lawsuit filed on behalf of 19,000 Stratosphere Tower vacation package buyers.

Stratosphere Corp., which operates the tower casino, notified prepaid vacation package holders that it wouldn't honor the agreements in January 1997. Later that month, it filed for Chapter 11 bankruptcy.

As a result of the proposed settlement, the vacation package owners will receive the room nights they were promised, unlimited elevator rides to the top of the tower, waiver of \$3.5 million in dues and unlimited free drinks.

"They're getting back pretty much everything they bargained for," said Ara Shirinian, an attorney for the plaintiffs.

He said the settlement couldn't have been reached without the support of Bob Stupak, the founder of the Stratosphere who sold the vacation packages; Andrew Blumen, general counsel for the Stratosphere; and financier Carl Icahn and other holders of Stratosphere bonds. Icahn isn't a defendant in the lawsuit, but he is expected to take control of Stratosphere when it emerges from bankruptcy.

"This is something that has dogged Bob Stupak all along," said Howard Roitman, Shirinian's law partner. "This has always been a huge millstone around everybody's neck."

Stupak and Grand Casinos will pay \$3 million to cover legal fees and expenses the local law firm and three out-of-state law firms incurred over the last 18 months, subject to court approval. That represents 11 percent of the total, well below the 25 percent standard set by the 9th Circuit Court of Appeals, Shirinian said.

Stupak is withdrawing claims to \$127.6 million in claims against Grand Casinos, the Minneapolis-based company that was Stratosphere's majority stockholder. He also is giving title to the Chester Stupak Center, a community recreation and education center, to Stratosphere. City officials expect the Stratosphere to transfer title to the center to the city under a previous agreement.

"Bob gave up an awful lot in this case," Shirinian said.

The bondholders, who are expected to own Stratosphere when it emerges from bankruptcy, are giving up 150,000 room nights.

While defendants initially objected to the suit, later they were cooperative, Shirinian said. "It was like, 'We've got this problem. How do we get it solved.'"

The vacation packages date from the early days of Stupak's Vegas World hotel, which sits on the site of the current Stratosphere.