

IN THE SUPREME COURT OF BERMUDA
COMMERCIAL COURT
CIVIL JURISDICTION
2017: No.150

BETWEEN:

RICHARD SCHUETZ

Plaintiff

- and -

TIBOR VERTES

Defendant

STATEMENT OF CLAIM

1. The Plaintiff was at all material times employed as the Executive Director of the Bermuda Casino Gaming Commission ("Commission").
2. In or around early January 2017 the Plaintiff was requested by Rowland Andy Burrows Jr, Chief Investment Officer at the Bermuda Tourism Authority, to attend a lunch with various unnamed individuals to discuss Casino Gaming in Bermuda.
3. The Plaintiff attended the lunch on 18 January 2017 and was introduced to the Defendant.
4. On or around 8 February 2017 an email ("Vertes Email") was sent to:
 - a. Mr. Michael Dunkley, Premier of Bermuda;
 - b. Dr. Grant Gibbons, Minister of Economic Development;

- c. Mr. Mark Pettingill;
 - d. Mr. Shawn Crockwell; and
 - e. Mrs. Teresa Chatfield.
5. The Vertes Email is signed off "Tibor Vertes" and sent from the email address tiborvertes@gmail.com.
6. By sending the Vertes Email, the Defendant published the following words, which are defamatory:
- a. *"Mr Schuetz on a pod cast, has made a pronouncement that the Bermuda Gaming industry would take ten (10) years to set up & \$25m per year to regulate. I have never heard of such a ridiculous, uneducated pronouncement anywhere on this planet. Simply, this is the sort of thinking that brings the Bermuda Gaming industry into disrepute & have an immediate feature on Saturday Night live!" (sic)*
 - i. The natural and ordinary meaning of the words complained of is that the Plaintiff is ridiculous and uneducated and that he is bringing the Bermuda Gaming industry into disrepute.
 - ii. Further or alternatively, the implication of the words complained of is that the Plaintiff's conduct is farcical, that he is incapable of performing the functions with which he is tasked as Executive Director of the Commission, and that he ought not to be the Executive Director of the Commission.
 - b. *"It now has come to my attention that in all probability there is only one (1) Hotel in Bermuda that may go ahead with such a fee structure & perhaps there is a "monopoly" play with a US based operator probably arranged by Mr. Schuetz, given his galavanting around the world, currently at the ICE show in London*

(where GET exhibited on many occasions and has little or zero relevance to the task at hand) which would entrench his position for a long period of time. Otherwise known as "feathering his nest". (sic)

i. The natural and ordinary meaning of the words complained of is that the Plaintiff:

1. Is corrupt and was part of a corrupt arrangement;
2. Favoured a single U.S. based operator to the exclusion of all other operators;
3. Is acting in his own best interest, contrary to the interests of the Commission, and contrary to the best interests of the Bermuda casino gaming industry generally;
4. Breached his fiduciary and professional obligations to the Commission; and
5. Is not attending to the requirements of his role as Executive Director of the Commission.

ii. Further or alternatively, the implication of the words complained of is that the Plaintiff has acted unethically and with purely self-serving motives, and that his appointment as executive director is contrary to the interests of the Commission and the Bermuda casino gaming industry.

c. *"Simply, the fees proposed are prohibitive, unrealistic & either developed by lack of research or an ulterior motive."* (sic)

i. The natural and ordinary meaning of the words complained of is that either the Plaintiff negligently failed to perform the

requirements of his role, or alternatively that his conduct was intentional and was self-serving.

ii. Further or alternatively, the implication of the words complained of is that the Plaintiff is either incapable of performing his duties as executive director, or alternatively that he has acted unethically or with purely self-serving motives, and that he ought not to remain Executive Director.

7. By reason of the publication of the words complained of, the Plaintiff's reputation has been seriously harmed and he has suffered hurt, distress and embarrassment.

8. The Plaintiff will rely on the following facts and matters in support of a claim for damages, including aggravated damages:

a. The Vertes Email contained allegations of fact that are untrue, in particular:

i. The Plaintiff did not pronounce, by way of pod cast or at all, that the Bermuda Gaming industry would take ten years to set up and that it would cost \$25m per year to regulate; and

ii. The Plaintiff has not arranged a monopoly, as alleged or at all, and there is no factual basis whatsoever for such an assertion;

b. The allegation that, in setting the fees, the Plaintiff arranged a 'monopoly' and that he had an 'ulterior motive' is factually untrue and fundamentally misconceived:

i. The Plaintiff does not have the power to set the fees applicable to casino gaming Bermuda, such power being reserved to the relevant Minister; and

- ii. The fees applicable to casino gaming in Bermuda are set out in the Casino Gaming (Casino Fees) Regulations 2017, and those Regulations were passed by parliament by way of the affirmative resolution procedure.
 - c. The Defendant made no, or no adequate, attempts to verify the factual allegations made in the Vertes Email;
 - d. The Vertes Email was evidently intended to disparage and discredit the Plaintiff in his professional capacity as Executive Director of the Commission, and was sent to both the Premier of Bermuda and the Minister for Economic Development:
 - i. The Defendant repeatedly asserts, expressly and by implication, that the Plaintiff's conduct is purely self-serving and that he is seeking to entrench his position; and
 - ii. The Defendant's assertion that "*perhaps there is a monopoly...probably arranged by Mr. Schuetz*" is a most serious and defamatory allegation of corruption made against a senior officer of a regulatory authority.
 - e. The Plaintiff wrote to the Defendant by email on 13 April 2017 demanding a withdrawal and apology. The Defendant has failed to offer any apology or retraction; and
 - f. The Defendant was not invited to Bermuda as a consultant to the MEF Group as alleged in the Vertes Email, his purpose in attending Bermuda and his motives in sending the Vertes Email are therefore unknown.
9. The Defendant approached Mr. Shawn Crockwell and Mr. Mark Pettingill, with whom he had no business relationship, and expressed concern with the Plaintiff.

10. The Defendant is therefore actively seeking to make comments regarding the Plaintiff. It is outside of the knowledge of the Plaintiff as to whether further defamatory comments were made by the Defendant to those individuals.
11. In addition, the Defendant attended and spoke at a public meeting in relation to casino gaming, held in Bermuda on 3 May 2017, and as such continues to involve himself in the casino gaming industry in Bermuda.
12. Unless restrained by the Honourable Court, the Defendant may continue to publish or cause to be published defamatory comments regarding the Plaintiff.

AND THE PLAINTIFF CLAIMS:

- 1) Damages, including aggravated damages;
- 2) An injunction restraining the Defendant whether by himself, his servants or agents or otherwise, from publishing or causing to be published the same or similar words defamatory of the Plaintiff;
- 3) Further of other relief; and
- 4) Costs

DATED this 6th day of June 2017



CONYERS DILL & PEARMAN LIMITED
Attorneys for the Plaintiff