

# Talks on hold for Palace to operate Freedom Hill

By Chad Halcom

3:01 am, August 13, 2007

Talks for **Palace Sports & Entertainment** to buy a 90 percent stake in the operation of **Freedom Hill Amphitheater** in Sterling Heights look unlikely to restart before 2008 after recent developments in a federal lawsuit over the venue. □

Attorneys held depositions last week and agreed to extend discovery into September for the \$200 million-plus lawsuit by **Hillside Productions Inc.** and co-owners Joseph Vicari and Gary Roncelli against Macomb County arising from a dispute over parking fees and advertising revenue.

A trial scheduled for October before U.S. District Judge Robert Cleland in Detroit is on hold until Feb. 4, and a related arbitration matter between Palace and Hillside also is likely on hold until the new year.

Hank Riberas, a director of business development for **Roncelli Inc.** and a Hillside spokesman, said the county had tried to change the agreements under which it leases the county park theater to Hillside, disrupting the Palace deal.

Palace and Hillside officials had a tentative deal for the Auburn Hills-based entertainment company to take over Hillside's sublease of the theater through 2020 and buy a 90 percent share of the company for \$9 million. But before that deal closed, Macomb County began taking issue with some of Hillside's accounting and interpretation of revenue-sharing agreements, giving rise to the March 2006 lawsuit.

Palace COO Alan Ostfield said he couldn't comment on the lawsuit and said Palace still is interested in Freedom Hill but can take no action while the dispute is pending. "They simply can't deliver, and we simply can't close — not as long as we don't know exactly what we're buying."

At issue in the suit are terms of agreements to share revenue from parking at **Freedom Hill County Park**, as well as some off-site advertising revenue and ticket sales.

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