



## VICTORY FOR MOUND COTTON CLIENTS IN SANDY CASE CLAIMING CONTINGENT BUSINESS INTERRUPTION AT TRUMP ATLANTIC CITY CASINOS

*FOR IMMEDIATE RELEASE*

March 15, 2018 (NY, NY) –

On March 14, 2018, Lexington Insurance Company and Aspen Specialty Insurance Company received a decision from the Superior Court of New Jersey, Atlantic County, granting summary judgment against Trump Entertainment Resorts, Inc. and related companies (“Trump”) on a \$5.1 million claim for alleged lost gambling profits related to Hurricane Sandy. Lexington and Aspen were Trump’s first-party property insurers.

Trump contended that, in the aftermath of Hurricane Sandy, its customers in the New York/New Jersey area were adversely affected by property damage to their homes, keeping them from patronizing the casinos and causing a decline in gambling profits at the Trump Taj Mahal and Trump Plaza casinos. Trump based its insurance claim on the policies’ Contingent Business Interruption coverage, which insured Trump against loss “directly resulting from physical loss or damage of the type insured...to property of the type insured, at any locations of direct suppliers or customers.”

Trump asserted that it could prove this claim by submitting the addresses of its regular customers and correlating those addresses with maps of Sandy flooding. Lexington and Aspen convinced the Court that Trump’s proofs failed in two respects. First, the Court held that Trump had “not provided any evidence to support their contention that post-storm conditions affected actual gambling customers.” Second, the Court held that there was “a complete lack of evidence” to identify or quantify what portion of the alleged reduction in profits was caused by hurricane damage to customers’ properties, as opposed to other factors. It rejected Trump’s case based on the list of customers’ addresses and Sandy flood maps as “lacking any quantifiable and specific evidence.” The lawsuit was therefore dismissed.

Lexington and Aspen were represented by Mound Cotton partner **Wayne R. Glaubinger** and of-counsel **Scott J. Sheldon**.