

Deadline extended for sale of Tropicana

Atlantic City – The New Jersey Casino Control Commission today extended the sale deadline of the Tropicana casino here until April 30.

The commission also gave the casino's trustee and a group of lenders until March 30 to make final an agreement that would clear the way for a bankruptcy auction of the casino.

Gary Stein, Tropicana trustee and a former New Jersey Supreme Court justice, has been trying to sell the casino since December 2007, when its owner at the time, William Yung III, was determined by the state to be unqualified to own a casino in New Jersey.

The casino has continued to operate under state supervision.

The outcome of yesterday's proceedings was „reasonable,“ Gil Brooks, attorney for a group of secured lenders for the Tropicana, said afterward. „By March 27, there will either be a deal or no deal. We'll know by then.“

Sean Mack, the lawyer representing Stein, called the extension „reasonable and realistic.“

The five commissioners were clearly weary of the number of extensions sought to sell the troubled property, and they made it obvious that they wanted the deadlines to be followed. They set a progress meeting for April 15.

„Building in a two-week buffer seems prudent,“ said Linda Kassekert, chairwoman of the five-member commission. „However, I and the other commissioners will pay particular heed to ensure that diversionary tactics aimed at needless delay do not supplant the process.“

The original bidding process for the casino began in mid-February 2008, but the financial crisis complicated and prolonged the effort.

Cordish Co., of Baltimore, had offered USD 700 million in cash and stock, or USD 575 million in an all-cash deal, for the Tropicana last fall.

But the company took that offer off the table when the economy worsened and other opportunities opened up.

Among the Tropicana's secured lenders is developer Carl Icahn, whose company, Icahn Associates Corp., of New York, told the five-member commission last month that it was willing to bid on the Tropicana in a Bankruptcy Court auction as the „stalking horse,“ or minimum bid.

Icahn, ranked as one of the richest men in the world by Forbes magazine, once owned the Sands Hotel Casino on the Boardwalk here. He sold that casino and the adjacent land to Pinnacle Entertainment Inc., of Las Vegas, in January 2007 for USD 275 million.

The Sands was imploded in October 2007, but the land remains vacant. A new Pinnacle megacasino was among four projects proposed for Atlantic City put on hold because of the lending crisis.

The economy and regional slots competition, primarily in Pennsylvania, have also chipped away at the seaside gambling resort's fortunes. Atlantic City suffered its largest year-over-year decline in 31 years of hosting casinos with a 19.2 percent decrease in revenue last month.

The Tropicana took the same hit. Revenue last month declined 19.2 percent, to USD 25.3 million from USD 31.3 million the previous year.