

Revel Seeks to Switch Buyers for Ex-Casino

Written by Administrator
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A bankruptcy judge will consider a shuttered New Jersey casino's request to scrap a deal to sell itself to a Canadian firm, and instead let the runner-up buy it.

Revel Entertainment filed an emergency motion with the U.S. Bankruptcy Court late Tuesday night seeking approval to terminate the agreement with Toronto-based Brookfield Asset Management and approve Polo North Country Club as the new buyer. On Wednesday, Judge Gloria Burns scheduled a hearing on the request for Friday morning.

Brookfield announced last month it was walking away from its \$110 million purchase of Revel due to a dispute with bondholders over debt from a costly power plant. Florida developer Glenn Straub's Polo North was the runner-up in the auction, with a bid of \$95 million.

Spokesmen for Brookfield, Straub and Revel all declined comment Wednesday.

The court filing asks the bankruptcy court to cancel the sale to Brookfield and schedule a hearing on Friday to approve a sale to Straub, who has proposed several uses for the former casino resort. One of them was a so-called "genius academy" at which the world's best minds would look for solutions to society's problems.

Straub was the first bidder to put a deposit on Revel, being selected as a "stalking horse" bidder whose initial \$90 million bid set the floor for the auction.

On Nov. 29, Revel notified Brookfield it had the right to terminate the sale agreement, and Tuesday, it delivered a termination notice to Brookfield, effective Friday.

The \$2.4 billion Revel opened in April 2012 with high hopes of helping turn around Atlantic City's struggling casino market. But it never turned a profit, filed for bankruptcy twice and closed Sept. 2.

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It was one of four Atlantic City casinos to shut down this year amid growing competition in the saturated northeastern U.S. casino market. A fifth, the Trump Tal Mahal, is scheduled to close Dec. 20 unless a last-minute deal is reached to save it.

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