

Judge's rulings clears way for Straub to buy Revel Casino

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U.S. Bankruptcy Judge Gloria M. Burns made two rulings Thursday to help clear the way for the sale of the former Revel Casino Hotel in Atlantic City to Florida investor Glenn Straub for \$95.4 million.

Burns said previously she intended to approve the sale, but a sale order - required before the deal can be completed - was not entered because several objections needed to be resolved or formally put off until later. She settled those issues Thursday.

She said Straub can buy the \$2.4 billion property unencumbered by an agreement Revel had with the Casino Reinvestment Development Authority and by leases with restaurants, night clubs, and other tenants in the building.

The CRDA agreement gave the development agency the right to do whatever it wanted with a 1.25 percent tax on casino revenues. The money from that tax, paid by all casinos, is used for development in Atlantic City.

Without the covenant, Straub can determine what to do with the money from the tax on casino revenues.

"He does want input on how this money is used," Straub's attorney, Stuart J. Moskowitz, told Burns. "He thinks he can do a better job."

During a break, Straub, 68, recalled visiting the resort with his mother when he was 8, long before casinos took over.

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He said his interests in Atlantic City extend beyond the Revel property. For example, he spoke of building a \$108 million indoor-outdoor water park.

Burns also ruled that Straub can reject all the tenants' leases when he buys the property.

Straub is open to discussions with the tenants, but he wants to be able to move them around, Moskowitz told the judge. "Where these amenity tenants are located essentially prevents an appropriate use of the building," Moskowitz said.

The decision on the leases could be interpreted to mean that ACR Energy Partners L.L.P., which leased land from Revel to build a \$150 million plant that heats and cools Revel, must vacate that land.

"We have no choice but to dismantle the plant and take away the machinery," said Stuart Brown, who represents ACR Energy.

ACR Energy's \$118.6 million in bond debt has been the source of a stubborn conflict among ACR, Revel, and potential buyers.

After failing for months to reach an agreement on their own, the parties are now entering formal mediation arranged by Burns.

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