

Revel Casino Sale Could Be at Risk After Appeals Ruling

Written by Administrator
Friday, 06 February 2015 23:49 -

The bankruptcy sale of the shuttered Revel Hotel Casino in Atlantic City, [New Jersey](#), could be threatened by a ruling from a federal appeals court Friday supporting the owners of a former popular nightclub there.

The three-member 3rd U.S. Circuit Court of Appeals panel in Philadelphia agreed with the nightclub's owners they can't be stripped of their rights in the \$95 million bankruptcy sale until their appeal is heard.

The court panel lifted an order barring the sale from closing as scheduled Monday, but the [Florida](#) developer set to buy the casino has said he wants it to proceed on his terms and could forfeit his \$10 million deposit and back out if not.

An attorney for developer Glenn Straub didn't immediately return a call seeking comment after Friday's ruling.

Lawyer Jeffrey Cooper, who represents HQ Nightclub's owner IDEA Boardwalk, argued to the appeals panel Friday that the club was profitable and has a valid lease that should be part of the sale.

"If the new owner flips the place to a Hard Rock (Cafe) and they make money, we are harmed," Cooper argued.

U.S. District Court Judge Jerome Simandle had denied the nightclub owner's request to delay the sale on Jan. 21, saying that Revel and Atlantic City would be harmed by a delay. IDEA Boardwalk and other tenants, including restaurants and an on-site power plant that served Revel, say they could be wiped out if the \$95.4 million sale goes through as planned. IDEA Boardwalk says it invested \$16 million in the HQ Nightclub and two bars at the casino.

Straub's attorney, Stuart Moskowitz, had argued in court filings that if the court allows the

Revel Casino Sale Could Be at Risk After Appeals Ruling

Written by Administrator

Friday, 06 February 2015 23:49 -

tenants to challenge the terms of the sale and delay it, Straub could lose millions of dollars and be placed in an almost impossible negotiating position.

The three-judge panel noted the stunning decline in the casino's value in just three years. The glittering casino opened in April 2012 with hopes of helping revive Atlantic City's casino market, but it never turned a profit and twice filed for bankruptcy before closing on Sept. 2.

"If there's one thing Revel has taught us, is what it costs has no relation to what it's worth," said Revel lawyer Jason Zakia. "We are desperately trying to close at \$95 million."

He said the sale is in the public's interest, given that at least some of the approximately 3,500 Revel jobs might be restored. Straub has floated ideas for the property that include a university and a waterpark.

The Revel was one of four Atlantic City casinos to shut down last year amid growing competition in the saturated northeastern U.S. market.

Meanwhile, amid the sale dispute, Revel's utility provider has threatened to cut off power to the property over unpaid bills. A hearing on that issue is set for Wednesday.

Read more <http://news.google.com/news/url?sa=t&fd=R&ct2=us&usg=AFQjCNHkHwAbA5YGzVEG4aF85a0-pAhM0w&clid=c3a7d30bb8a4878e06b80cf16b898331&cid=52778731746017&ei=1pvVVJi2FZSX3QHc8ILoDQ&url=http://abcnews.go.com/US/wireStory/revel-casino-sale-risk-appeals-ruling-28788769>