

L.A. developer interested in Revel Casino Hotel

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A Los Angeles developer wants to buy Atlantic City's closed Revel Casino Hotel out from under Florida developer Glenn Straub.

"We submitted an offer and provided proof of funds for the entire purchase," Leo Pustilnikov, a partner of developer Isek Shomof, said Monday.

The offer was made after a U.S. Bankruptcy Court judge on Feb. 19 allowed Revel to terminate its planned \$95.4 million sale to Straub.

Last week, Revel revived its deal with Straub, but at the lower price of \$82 million. A hearing to approve the new deal is scheduled for Wednesday in Camden.

Pustilnikov said his and Shomof's \$80 million offer is effectively \$8 million more than Straub's current price, because that \$82 million includes a \$10 million deposit forfeited when Straub failed to complete the purchase by a Feb. 9 deadline. That makes Straub's current deal worth \$72 million in reality, Pustilnikov said.

The Los Angeles Times last month described Shomof as "a prominent redeveloper of older buildings in downtown Los Angeles."

Revel's lead bankruptcy attorney, John K. Cunningham, said he had no comment on the Shomof offer.

It is not clear what will happen in court Wednesday. The sale to Straub faces opposition from

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Revel's tenants that operated nightclubs and restaurants in the casino, as well as from ACR Energy Partners L.L.C., which last week asked the judge in the case to take the sale of the property out of Revel's hands.

Straub has been attempting to reject the leases of the current tenants because he wants a free hand to modify the property.

Pustilnikov and Shomof have a different approach.

"We would like the tenants to remain. The tenants have invested a lot of money into their spaces and have performed well in their spaces prior to them being unceremoniously removed," Pustilnikov said.

The Los Angeles developers plan to visit Atlantic City on Tuesday, though they have not received permission to tour Revel.

"They refuse to show us the premises, but at the very least we will be touring the central utility plant with ACR and their attorneys, and negotiating with them to hopefully enter into a resolution for the power, because that is one of the main concerns ongoing," Pustilnikov said.

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