

Overseas investors in shuttered Vegas casino demand refunds

Written by Administrator
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LAS VEGAS (AP) — Developers and former managers of Asian-themed Lucky Dragon casino-hotel that was built, open for a year, closed and recently sold in Las Vegas are now facing investor lawsuits.

Some plaintiffs are Chinese investors seeking refunds amid complaints they haven't gained conditional immigration admission to the United States through the federal EB-5 immigration program, the Las Vegas Review-Journal reported .

"Losing your money is awful," Southern California immigration lawyer Bernie Wolfsdorf told the newspaper, "on the other hand, if you don't get a green card, that's double punishment."

Bankruptcy records show the biggest group of Lucky Dragon investors sought visas through the EB-5 program, the newspaper said.

The program lets foreigners obtain a green card for themselves and their families if they invest at least \$500,000 in a new commercial enterprise that creates at least 10 full-time jobs, among other requirements.

Immigration attorneys say investors can lose both their money and their chance at a green card if the project goes under, but they might still get permanent residency if the business creates enough jobs.

Muzaffar Chishti, director of the Migration Policy Institute office at New York University School of Law, said the Lucky Dragon sale has "kept alive the possibility" of the investors getting green cards.

The nine-story, 200-room casino-hotel just off the Strip was the first hotel-casino built from the ground up in Las Vegas since the recession. It opened in November 2016 and closed in January 2018 after aiming to attract Asian gamblers but struggling to draw crowds.

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It was passed over during a \$35 million foreclosure sale before being purchased in April for \$36 million by Don Ahern, a Las Vegas construction equipment firm owner. He has said he wants to reopen it as a nongaming hotel and conference venue.

Ahern, who is not named in any of the lawsuits, told the Review-Journal he acquired the property with clear title.

Lucky Dragon developer Andrew Fonfa, of ASF Realty & Investments; Dave Jacoby, the resort's former chief operating officer; project partner Bill Weidner; and various limited liability companies are named in a Feb. 6 lawsuit by dozens of EB-5 investors who claim they were "fraudulently induced" to fund more than \$22 million of the project.

Fonfa and Jacoby declined to comment, the Review-Journal said. Weidner and former Lucky Dragon general manager Jordan Seager and their attorneys did not respond to requests for comment, the newspaper said.

It was unclear this week whether about 180 foreign investors who put money into the Lucky Dragon project through the EB-5 program still have a chance at permanent U.S. residency, the Review-Journal said.

About \$126.7 million was spent building the Lucky Dragon, and the resort generated about \$35.2 million in revenue its first year of operations. That was just 22 percent of projections, according to a bankruptcy court filing last year by attorneys for most of the EB-5 investors.

About \$89.5 million of investor funds was used for construction and operations, and nearly \$9 million was spent on administrative fees to the developer, according to bankruptcy records.

Forty investors said in a lawsuit in February that they hadn't gained admission to the U.S. or obtained their conditional green card, and that they are entitled to a refund.

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The project's main lender, Snow Covered Capital, and Jason Chen, a Canadian high roller who paid a \$400,000 deposit to lease the casino just one month before it abruptly closed, also are suing, the newspaper said.

Information from: Las Vegas Review-Journal, <http://www.lvrj.com>

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