

PBL cuts ties with casino king

The Packer family's Publishing & Broadcasting Ltd has severed its relationship with Macau's controversial casino tycoon Stanley Ho after he announced late yesterday that he would step down as chairman of PBL's Asian partner, Melco International.

Mr Ho's son, Lawrence, who is Melco's chief executive and largest shareholder, will step in as chairman.

Severing ties with Mr Ho, whose alleged Triad links have troubled gambling regulators around the globe, is expected to expedite probity checks into the PBL-Melco venture by Victorian regulators. The checks have been under way since 2004.

The acquisition of a sub-licence from Wynn Resorts earlier this month, for an unprecedented \$US900 million, gave PBL and Melco control of their own destiny in Macau but may also have been the first signal that more space was needed between the partners and Mr Ho.

PBL and Melco will now own and operate the casinos they are building in Macau rather than relying on Stanley Ho's Sociedade de Jogos de Macau (SJM) to run the casinos under its licence. SJM magnanimously decided to relinquish its rights in relation to the casinos despite the fact that it stands to lose an estimated \$ 200-\$ 300 million in annual fees.

Whether the latest manoeuvre will be enough to satisfy the Victorian Commission for Gambling Regulation (VCGR) has yet to be seen.

The VCGR's executive commissioner, Peter Cohen, would not say if it was troubled by the associations with Mr Ho but

confirmed he was part of the current investigation.

„We are currently assessing the business arrangements between PBL and its partners in Macau and we will advise PBL when we have completed our investigations,“ he told the Herald.

„If any person who has a business association with PBL is of concern we need PBL to fix that problem, but I'm not saying there is one.“

If the commission were to have found Mr Ho an unsuitable associate, PBL would either have needed to sever its ties with Mr Ho or face losing its licences in Victoria and Western Australia, where it owns the Crown Casino and Burswood casino respectively. While the latest news will allay concerns over Mr Ho's association with PBL, it might not entirely remove him from the VCGR's radar. A key test is the person's „ability to influence the company“ and the relationship between Mr Ho and his son, Lawrence, may provide enough of a link to worry the commission.

Stanley Ho also owns more than 11 per cent of Melco, according to the company's 2005 annual report.

New Jersey and Nevada gaming officials are now looking into links between Pansy Ho and her father after her company signed a joint venture agreement in Macau with MGM Mirage, which operates casinos in those states. Ms Ho's company operates with a sub-licence obtained from her father's company SJM.