

# Gaming regulators OK buy-in by New York company for Hard Rock

Jackson, Mississippi – Mississippi gambling regulators will allow a New York holding company to buy into the hurricane-damaged Hard Rock Casino & Hotel in Biloxi, a move that could help advance the casino resort's opening.

The USD 235 million Hard Rock Casino & Hotel was three days away from opening when Hurricane Katrina severely damaged the casino barge and hotel on Aug. 29.

„The casino was a total loss,“ said Lawrence S. Hershfield, chief executive officer of Ranch Capital LLC, that in association with Leucadia National Corp. is acquiring an interest in the casino.

„The hotel and parking structure are still standing,“ he said.

Leucadia is acquiring ownership indirectly by financing one ownership group's buyout of the other and offering to acquire the casino company's bond debt. Roy Anderson III, Gregg Giuffria and David S. Ross are partnering with Leucadia to buy out AA Capital's stake in the casino company.

Hershfield expects the casino will be built back on pilings – instead of a barge – after legal and insurance issues are resolved.

The Mississippi Gaming Commission on Thursday approved Leucadia's offer of USD 89 million for part ownership of Hard Rock and its offer to buy USD 160 million in bond debt owed on the resort.

The deal should close sometime within the next two weeks, said Scott Andress, a Jackson gaming lawyer for Hard Rock, which is

owned by Premier Entertainment.

Premier officials have estimated it will cost about USD 120 million and take 15 to 17 months to rebuild the property on pilings and replace equipment. Opening an interim casino and the hotel would cost about USD 67 million and take about six to eight months, the company has said.

The commission also approved the site development plan for Back Bay Beach Resort, which would be located a half-mile east of Boomtown casino on Back Bay Boulevard. The commission approved the site in October.

The Golden Gulf Casino would have a 300-room hotel and 55,000 square feet of gambling space with 1,500 slot machines and 50 table games. Conceptual plans call for architecture with West Indies styling and a lighthouse as a focal point. The 14-acre tract is one of the casino sites in Biloxi owned by Louisiana businessman Christopher Ferrara.

No time table has been established on when construction might start on the proposed casino resort. Tom Vaughn, a lawyer for Golden Gulf, said the hurricane had been a setback on the development. The developers now want to fill a canal they dug to float a gambling barge in, but they first have to secure environmental permits.

„We’ve got a lot of things to get together,“ Vaughn said.

Also Thursday, the commission approved the site development plan for Bali Hai Casino & Resort outside Greenville.

Plans call for a USD 65 million casino with 950 slots, entertainment arena, dining areas and 99-room hotel on an 80-acre site south of U.S. 82 outside Greenville and on part of the Mississippi River. Financing is in place and construction should start in May, said Lanny Holbrook, a principal in the project.