

Owner of DiamondJacks Casino files for Chapter 11

Legends Gaming LLC, parent company of DiamondJacks Casino in Bossier City, filed for Chapter 11 on Tuesday.

The move, usually to reorganize debt, was made to keep the company's lender from renegotiating its loan agreement with the company based on revenue projections made before the company bought the casino and hotel, President and CEO Michael Kelly said.

„We made some assumptions of what the business could do,“ he said, adding the Shreveport-Bossier City area is a competitive market. „Some were a little rosier or higher.“

No jobs will be lost as a result of the filing, welcome news for employees in Bossier City and the company's Vicksburg, Miss., location, which Kelly visited Wednesday to discuss the filing.

„This will not impact our guests, our vendors or our employees,“ he said. „This is a business issue between the owners and the lenders. Our vendors are paid. Our mortgage is paid. The employees are paid.“

The Frankfort, Ill.-based company has seen a delay in growth estimated in projections because of renovations that took longer than expected. Renovations were supposed to wrap up by December 2006 but weren't completed until late 2007, Kelly said.

„It affected some of the revenue we expected. We're not growing as fast as we expected. But we are growing.“

The company has tried to work with the lenders, which provided the company with the original loan to buy the properties, but

to no avail, Kelly said. The lenders saw the properties weren't meeting expectations and wanted to increase interest rates.

„We tried to work it out. We want a judge now to mediate the case.“

The case will be heard in the federal bankruptcy court in Shreveport because the parties involved span multiple states and the bankruptcy court is the only one to hear such business issues, Kelly said.

The company continues to work on its more than USD 16 million worth of renovations to its Bossier City and Vicksburg, Miss., casinos and hotels – a sign the facilities will continue to operate.

Legends Gaming LLC bought the Bossier City casino and hotel combination, formerly the Isle of Capri, in July 2006. Since then, the casino and hotel have been outfitted with new carpet, wall coverings and furniture. Three new bars and 400 new slot machines were added to the casino.