

# Owners of Lake Las Vegas resort file bankruptcy

Las Vegas – The owners of Lake Las Vegas, a 3,592-acre residential and resort development in southern Nevada, have filed for Chapter 11 bankruptcy protection.

The filing Thursday in U.S. Bankruptcy Court in Las Vegas came about six months after LLV Holdco LLC, a subsidiary of Las Vegas-based Atalon Group, took over ownership and management of the luxury community in Henderson from owners who defaulted on USD 540 million in loans.

The new owners cited “poor liquidity, substantial debt service, (and) extremely challenging real estate market conditions” as reasons for seeking protection under Chapter 11, which allows a business to continue operations while reorganizing.

“The decision ... in large part reflects our belief that we can reinvigorate Lake Las Vegas as a premier master-planned community,” Frederick Chin, Lake Las Vegas president, said in a statement.

Lake at Las Vegas Joint Venture LLC, one of five related companies included in the filing, reported debts totaling between USD 500 million and USD 1 billion, and assets between USD 100 million and USD 500 million.

The company said it obtained post-bankruptcy financing of up to USD 127 million from lenders led by Credit Suisse, a major Wall Street investment banking firm. The financing assures that day-to-day operations will continue, and that employees will continue to receive wages and benefits, the company said.

The company employs 260 workers, mostly for its golf courses. It also has two hotels, a casino and 1,600 completed residences.

The new financing would be used for ongoing operations and assessments related to some obligations, including repairs to the Las Vegas Wash bypass conduit under a 320-acre man-made lake if Bankruptcy Judge Linda Riegler approves.

The previous owner, Transcontinental Corp. and its chairman and president, Ron Boeddeker, had directed development of the community about 17 miles east of the Las Vegas Strip since 1990. Construction began in 1998.

The project includes a 496-room Hyatt Regency hotel and casino, a 349-room Ritz-Carlton hotel and three golf courses, including two designed by the golf champion Jack Nicklaus. The development surrounds a 320-acre lake created by an 18-story dam.

In April, Lake Las Vegas affiliate Village Hotel Investors, owner of the first Ritz-Carlton hotel in Nevada, filed for bankruptcy.