

Tropicana asks New Jersey for Atlantic City casino control

New York (Reuters) – Bankrupt Tropicana Entertainment LLC asked New Jersey gaming regulators to return control of its Atlantic City casino on Thursday, saying it would do a better job of returning it to profitability as the state seeks a buyer for the property.

The privately held casino operator, which filed for Chapter 11 bankruptcy protection in May, has since severed relations with its founder and former chief executive, William Yung III, and his Columbia Sussex Corp hotel company.

New Jersey casino regulators took control of Tropicana's Atlantic City casino last December after regulators voted not to renew its license. That casino was not part of Tropicana's bankruptcy filing.

In a petition to the New Jersey Casino Control Commission, Tropicana's new chief executive, Scott Butera, said the company should regain control of the casino, as it has a better chance of reversing the property's sharp decline in gross operating profits and fetching a better sale price.

Regaining control would mean the property would come under Tropicana's Chapter 11 bankruptcy protection.

Tropicana said it will then put in new management and make investments „so that it can be either sold at a fair price or realize its longer term value as a going concern within Tropicana's current corporate structure.“

The company also owns the Tropicana casino in Las Vegas and a number of other casinos in smaller U.S. gambling markets.

In August, the company won an extension to file its Chapter 11

restructuring plan through Jan. 12, 2009, in order to pursue its attempts to regain control of the New Jersey casino.