

# Trump seeks to distance himself from debt-laden casino group

Donald Trump is seeking to distance himself from Trump Entertainment Resorts, the casino company he founded, after it filed for bankruptcy protection for the second time in four years.

The television star and property mogul continues to own a stake of about 28 per cent in the debt-laden group but resigned from the board last week following a dispute with the company's bondholders.

„I made them an offer to buy the company and the offer was rejected,“ Mr Trump said. He added his holding in the group represented less than 1 per cent of his net worth.

„I'm not involved and I'm not on the board,“ he said. „The only connection is that they have the right to use my name for a limited period of time.“

Trump Entertainment Resorts filed for Chapter 11 protection at a court in New Jersey yesterday. With the bondholders threatening to file for Chapter 11, the company's board decided to put the group into voluntary bankruptcy protection.

The filing came as Trump Entertainment missed its last deadline on a USD 53m interest payment. The filing reveals the company has assets of USD 2bn and total debts of USD 1.7bn. The group of bondholders could not be reached for comment but they are owed USD 1.3bn, according to the filing.

Other creditors include Las Vegas-based Bally Gaming and property developer Bovis Lend Lease, which is owed USD 7.5m.

Like other casino operators, Trump Entertainment, which owns

three resort properties in Atlantic City, has been hit by the economic downturn and a severe slump in gaming revenues.

In a stinging statement released last week following his resignation from the board, Mr Trump laid the blame for the group's demise squarely on the bondholders. He accused their representatives of making „a series of bad decisions“ and said they had „encouraged wasteful spending, which has led to severe problems with the company“.

There are about USD 1.25bn of Trump Entertainment bonds outstanding which have an 8.5 per cent coupon and are due in 2015. The bonds are quoted at 13 cents on the dollar, according to Bloomberg.

Most of Mr Trump's wealth is tied up in real estate and his holding company, The Trump Organisation. „Things are going very well,“ he said. „We are buying a lot of different assets and we have a lot of cash.“