

Station Casinos says not for sale now

New York (Reuters) – Station Casinos Inc said on Tuesday it had reached a forbearance agreement with some of its lenders and debt holders, and turned its back on a possible acquisition by competitor Boyd Gaming Corp.

In February, Boyd Gaming had said it was interested in exploring an acquisition of Station Casinos, which owns and manages casinos geared for the local population in Las Vegas.

In a response to Boyd Gaming on Tuesday, Station Casinos said it was wary of sharing sensitive information with a competitor and nervous about the risks associated with getting regulatory or other governmental approvals.

„In light of the foregoing, and for other valid considerations, our board has concluded that it is in the best interests of the company and our stakeholders to proceed with the current restructuring plan,“ wrote Frank Fertitta III, chairman, president and chief executive officer, in a letter to Boyd Gaming released by the company. „Should circumstances change, we will contact you.“

Forbearance

The company's forbearance agreement, announced earlier on Tuesday, will give the casino operator more time to restructure its debt and operations. The company had said it may have to file for bankruptcy protection if agreements could not be reached with its lenders.

A forbearance agreement is an arrangement made between a creditor and its lenders to postpone, reduce or suspend payment due on a loan for a limited and specific time period.

The forbearance agreements with the holders of the old senior and senior subordinated notes and the lenders under its previous credit agreement dated Nov. 7, will expire on April 15.