

# **Billionaire Carl Icahn group aims to buy Atlantic City's struggling Tropicana Casino**

Atlantic City – A group including billionaire financier Carl Icahn says it plans to bid for Atlantic City's Tropicana Casino and Resort in a bankruptcy court auction.

The committee of lenders and investors filed a petition Monday with the New Jersey Casino Control Commission indicating its intent to bid on the casino. An offering price will be determined by April 1.

The Tropicana has operated under a state-appointed conservator since December 2007, when the state stripped the former owners of their casino license. The action followed massive layoffs that led to problems with cleanliness, service and compliance with state casino regulations.

Other interested parties could still bid higher than the Icahn group once an auction begins. The group also includes Greenwich, Conn., hedge fund Silver Point Finance.

„It's an agreement in principle, but there are still some open issues," said Gil Brooks, an attorney for the group, which calls itself the steering committee of secured lenders. „Negotiations are pretty far down the pike. Something could happen and it could blow up, but the intention is to move forward with this."

The state Casino Control Commission is scheduled to consider the matter Wednesday and will likely extend its deadline to complete a sale now that the Icahn group has signaled its intention to bid on the casino.

The group's petition asked for another six months, although it

is far from certain that the commission will agree. The commission has shown increasing impatience with a process that the conservator, retired state Supreme Court Justice Gary Stein, once estimated could be wrapped up by April 2008.

The economic downturn has greatly complicated efforts to sell the Tropicana. The Baltimore-based Cordish Co. had offered USD 700 million in cash and stock, or USD 575 million in an all-cash deal.

But it took that offer off the table last fall when the economy worsened. It could not immediately be determined whether Cordish is still interested in bidding for the casino. Company chairman David Cordish did not immediately return a message seeking comment Monday evening.

Earlier offers by other potential buyers ranged as high as USD 950 million.

Tropicana President Mark Giannantonio said the casino will operate as usual during a bankruptcy court sale, adding that it has enough cash on hand to pay its expenses.

„We fully expect that the Tropicana will continue to operate in a smooth and uninterrupted manner during the sale process and the transition to the new owners,“ he said.

Among details still to be worked out by the Icahn group and Stein are the amount of money needed to be kept on hand after the deal closes and whether the group will assume the casino's employee liabilities.