

# Lawsuit complicates Station Casinos reorganization plans

It's no secret that Station Casinos is in deep financial trouble. For weeks now the company has been trying to negotiate a restructuring to avoid bankruptcy. Now, a pending lawsuit could halt those talks, which could force Station into default.

So what does that mean for the thousands of Station employees and folks who frequent Station properties? Dan Ball reports.

Early Wednesday, news websites across the country stated that Station Casinos will most likely file for Chapter 11 bankruptcy, but now that might not be the case. „What Stations is trying to do is buy itself some more time,“ financial expert Steve Budin observed.

For weeks, Station's management has been negotiating a restructuring deal with Station shareholders, trying to avoid bankruptcy.

„The amount of money that they are bringing in is not enough to make their interest payments,“ Budin continues. „So, think of somebody being behind in their credit cards. They call their credit card company to pay a lower amount up front then to pay more later.“

Most of those bondholders are large corporations along with wealthy individuals. Last month, one of the bondholders filed for an injunction, citing that he wasn't being treated fairly in the negotiations.

„If the injunction prohibits the company from talking to its lenders, it's going to restrict the options it has available,“ said Budin.

Station Casinos wouldn't comment on camera about the lawsuit, but a representative told News 3 that currently there are three options on the table. The first would be to reach a restructuring agreement.

Explains Budin,“(It) allows the company to restructure its corporate debt, restructure its corporate management, and allows itself to emerge successful after that.”

The second option is an extension to continue negotiating the restructure deal. „The fact that they are talking is good news in the sense that it's trying to buy the company some time to figure things out,” Budin said.

And the third option, of course, is filing for Chapter 11, which would cost bondholders and investors millions, but may not impact the nearly 13,000 Station Casino employees and Valley „The average person won't notice a difference,” Budin explains, „the company will still operate, it's name won't change. If you walk into the property you won't notice anything change at all“

The deadline for those negotiations between Station Casinos and its bondholders is April 15.