

Harrah's confident deal will close

The sale of Binion's Horseshoe to West Virginia-based MTR Gaming Group is expected to close Tuesday despite a last-minute 1.805 million USD bid by former state Sen. Bill O'Donnell on a small piece of property underneath the Fremont Street property in downtown Las Vegas, a Harrah's Entertainment Inc. spokesman said Sunday.

O'Donnell was awarded the Parry parcel, a small chunk of land underneath the old Mint side of the casino, when he topped MTR's bid by 5,000 USD in a Friday probate hearing for the estate of Owen Parry, which owns 65.5 percent of the parcel, Probate Commissioner Don Ashworth said this morning.

Harrah's has agreed to operate the property for MTR for at least one year, and both MTR and Harrah's said last week they had to obtain rights to all of the land under the Horseshoe owned by seven separate lessors or they would pull out of the deal.

Harrah's spokesman Gary Thompson said Friday that the company and MTR would pull out of the Horseshoe deal if O'Donnell's purchase of the Parry parcel stands. But by Sunday, Harrah's and MTR had apparently changed strategy.

„O'Donnell's bid is immaterial“ Thompson said Sunday evening. „We expect to close on the deal by the end of the business day on Tuesday. We expect to begin interviewing, hiring and bringing Horseshoe workers back to work this week.“

A hearing on O'Donnell's purchase of the parcel is slated for Tuesday morning in the courtroom of Clark County District Court Judge Michael Douglas.

Courthouse officials said the hearing will consider whether

procedures followed in Friday's probate sale followed state rules, specifically asking whether the bid was proper because it may not have included back lease payments owed to the lessors.

The Friday hearing was scheduled to confirm a sale of the 65.5 percent interest in the parcel to MTR for 1.179 million USD, a price that meant MTR would pay 1.8 million USD for the entire parcel, with the remainder going to two Parry children who own the remaining 34.5 percent share of the Parry parcel.

Ashworth conducted the hearing, and when he asked as a matter of normal procedure whether there were any offset bids topping the bid he was prepared to confirm, O'Donnell said he was offering a bid topping the MTR offer by the minimum required amount, 5,000 USD, Ashworth said.

The offset bidding is allowed by law to generate the highest possible return for the estate, courthouse sources said.

When no other bidders spoke up when Ashworth asked for other bidders – and MTR and Harrah's representatives were apparently not at the hearing – and no other bidders spoke up, the commissioner awarded O'Donnell the property.

Thompson said O'Donnell's lawyer said his client wanted 2.5 million USD for the parcel, a \$ 695,000 jump from his own purchase price.

Otherwise, his client would be happy to „sit back and collect his lease payments,“ Thompson said, quoting O'Donnell's lawyer.

But the Parry lease has expired, and Thompson suggested on Saturday that MTR and Harrah's executives were investigating whether they could operate the property without having to use what looks to be O'Donnell's new parcel.

With Harrah's now saying it expects to close on the sale

Tuesday and reopen the property by April 1, industry insiders believe MTR and Harrah's are going to play hardball with O'Donnell in a high-stakes game of chicken.

Harrah's and MTR will not pay O'Donnell one nickel more than he paid for the parcel, Thompson said, inferring that the two companies expect to be able to operate the Horseshoe and open it without using the Parry parcel.

O'Donnell couldn't be reached for comment.

Golden Nugget co-owner Tim Poster said Sunday that he was disturbed by any move that blocks the quick reopening of the Horseshoe, across Fremont Street from his property.

„It would be bad for all of downtown,“ Poster said. „It makes no sense why the Las Vegas community wouldn't work together to get the Horseshoe reopened.“