

By WAYNE PARRY (AP) – 1 hour ago

ATLANTIC CITY, N.J. — Resorts Atlantic City is sending out notices to its workers warning them they could be laid off soon as the struggling casino prepares to change ownership.

John Pasqualoni, the casino's chief operating officer, told employees in a

memo Thursday that they will receive notices in the mail Friday as required under the Worker Adjustment and Notification Act, otherwise known as WARN.

The notices were first reported by The Press of Atlantic City.

The casino — the first in the nation to open outside Nevada — is being bought by veteran casino executive Dennis Gomes and developer Morris Bailey for \$35 million. That's the lowest price ever paid for a casino in New Jersey's 32-year history of legalized gambling.

A casino spokesman would not comment on the notices or say how many of the casino's 2,124 workers could lose their jobs.

The notice warned layoffs would occur Dec. 1 — the same day Gomes and Bailey are expected to receive approval from the state Casino Control Commission to take over Resorts.

"We are doing everything in our power to ensure the sustainability of the property and facilitate the smooth transition of the purchase of Resorts Atlantic City," Pasqualoni wrote in the memo to employees. "However, there are some considerations that are outside of our control and for that reason, not only is this notice a legal requirement, but I believe it is the right thing to do."

Neither Gomes nor Peter Hoelzle, president of the RAC Atlantic City Holdings, immediately returned calls seeking comment Friday.

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But Bob McDevitt, president of Unite-HERE Local 54, the union that represents 900 Resorts hotel room cleaners, food and beverage servers and other service employees, said he believes the sale will go through.

"I've had discussions with both sides, and I take them at their word that they want the (sale) to take place," he said.

After Resorts defaulted on its mortgage and turned itself over to its lenders in December 2009, the two sides hammered out a deal that let the lenders own the casino in return for canceling nearly \$381 million in debt. The lenders formed RAC Atlantic City Holdings, which was given a one-year casino license.

RAC said then that it wanted to find a buyer as quickly as possible.

"We have no intention of operating the casino or the hotel well into the future," Hoelzle told the state casino commission last fall.

Gomes and Bailey struck the deal to buy Resorts from RAC in August.

Resorts opened in 1978 but in recent years has been dwarfed by newer, bigger casinos around it. It also was hurt when slots parlors opened in recent years in neighboring Pennsylvania began siphoning off its most loyal customers, mainly day-tripping senior citizens who would ride the bus to play slots for a few hours.

By fall of 2008, the nationwide recession had pushed Resorts to the brink, and the casino made no payments on its \$360 million mortgage after October 2008.

Its lenders, including Wells Fargo on behalf of Credit Suisse First Boston Mortgage Securities Corp., could have foreclosed on it but chose to work out the deal in which the casino ceded ownership to them.

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