

Morgan Stanley Sells Revel Casino Stake in Wake of \$1.2 Billion Writedown - Bloomberg

Written by Administrator
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[Morgan Stanley](#) , the sixth-largest U.S. bank by assets, said it sold its stake in Revel Entertainment Group LLC, the developer of a

half-built casino resort in Atlantic City, [New Jersey](#) .

Morgan Stanley sold its stake to an investor group led by Kevin DeSanctis, chairman and chief executive officer of Revel Entertainment, according to a filing today with the U.S. Securities and Exchange Commission. The New York-based bank didn't take a pretax loss or gain on the sale, according to the filing.

Morgan Stanley wrote down the value of its stake by about \$1.2 billion last year, recognizing a loss of about 98 percent, after deciding to sell the holding. The SEC asked Morgan Stanley to explain why it waited until last year to report the losses, according to letters released in November.

The sale came on the day Revel said it raised \$1.15 billion to restart construction. The beachfront resort, located at the northern end of the [Atlantic City](#) boardwalk and budgeted at about \$2.4 billion, is expected to open in mid-2012, Revel said on that day.

Morgan Stanley told the SEC in letters last year that before its decision to sell the stake, it had consolidated Revel and compared the book value of the investment with undiscounted cash flows to check whether a charge was warranted. The bank said it recognized there were "impairment indicators" before the first quarter of 2010.

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