

Revel Casino Said to Plan Bankruptcy Filing This Month

Written by Administrator
Friday, 08 March 2013 17:17 -

Revel AC Inc. will file for bankruptcy sometime in the last two weeks of this month, less than a year after its Atlantic City, [New Jersey](#), casino opened, a person familiar with the plan said.

The resort will remain open during the court case and the company is in the final stages of preparing the filing, which was pre-arranged with creditors, the person said. The company and a majority of creditors plan to use bankruptcy to cut about \$1 billion in debt, Revel said last month.

Ensuring that all creditors continue to support the reorganization will be the biggest challenge to Revel's plan to exit bankruptcy quickly, [Charles A. Stanziale Jr.](#), an attorney with McCarter & English LLP in [Newark](#), New Jersey, who isn't involved in the case, said in an interview.

"I'm not sure the value of the casino can ever match the debt, so there has got to be some give between those holding the debt" and the company, said Stanziale, who represented Trump Entertainment Resorts when it put its [Atlantic City](#) property into bankruptcy in February 2009.

Revel, Atlantic City's first new casino since 2003, opened in April at a cost of \$2.6 billion. It struggled to generate revenue to cover its interest costs, hurt by a weak economy and new competing venues in Philadelphia, 60 miles (97 kilometers) away. The company received \$150 million in new funding from lenders in December to help back its gaming projects.

A group of Revel's lenders will provide the company with \$250 million in so-called debtor-in-possession financing. About \$45 million of that loan will provide a new infusion of cash, the company said last month in a statement.

The bankruptcy filing is likely any time from March 15 to the end of the month, said the person, who wasn't authorized to speak publicly about the filing. Revel had about \$1.3 billion of debt and about \$57.7 million of credit capacity on Sept. 28, according to a regulatory filing. Creditors agreed to swap their debt for equity in a reorganized company.

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“The agreement we have reached with our lenders will ensure that the hundreds of thousands of guests who visit Revel every year will continue to enjoy a signature Revel experience in our world-class facility,” Chief Executive Officer Kevin DeSanctis said in a statement last month.

Gambling revenue in Atlantic City fell 13.2 percent in January to \$205.6 million, the New Jersey Attorney General’s Office said in a Feb. 11 statement. Revel had the second-lowest gambling revenue among the market’s 12 resorts during the month, according to data from the New Jersey Division of Gaming Enforcement compiled by Bloomberg Industries analysts.

To contact the reporter on this story: Steven Church in Wilmington, Delaware at schurch3@bloomberg.net

To contact the editor responsible for this story: [John Pickering](#) at jpickering@bloomberg.net

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