

AC Hilton heads to court to fend off foreclosure - Asbury Park Press

Written by Administrator

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ATLANTIC CITY — Atlantic City's smallest casino is headed back to court to try and stop its lenders from seizing control of the gaming hall.

The Hilton has lost more money this year than any other Atlantic City casino and is now in default of its

mortgage.

On Sunday, The Press of Atlantic City reported that U.S. Bank National Association has filed a motion seeking permission to foreclose.

A hearing is scheduled Tuesday morning in Atlantic City before state Superior Court Judge William C. Todd III.

The Atlantic City Hilton Casino Resort stopped paying its bank loans back in July 2009 and has been trying to work out a deal with its lenders since then. As of the end of September, the casino had skipped \$39.3 million worth of payments, including interest.

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An attorney for the Hilton's owners told the newspaper there would be a long legal battle before the bank could take over the Boardwalk casino.

Hilton attorney Gilbert L. Brooks characterized U.S. Bank's motion as "premature" and said the Hilton will ask for more time to defend itself.

U.S. Bank has been pressuring the Hilton all year. In July, it asked the same judge to shift control of the Hilton to a receiver chosen by U.S. Bank. Todd declined, saying he had no reason to believe a receiver he appointed would run the casino better than its current management.

"There's a lot of complexity to it, depending on what happens," said Brooks, who represents Resorts International Holdings LLC, an affiliate of Colony Capital LLC, a California-based private real estate investment firm that bought the Hilton in 2005.

Joseph Lubertazzi Jr., a New Jersey attorney for U.S. Bank, could not be reached for comment.

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