

NEW JERSEY CASINO CONTROL COMMISSION

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Supreme Court upholds Tropicana denial

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ATLANTIC CITY— The New Jersey Supreme Court today upheld the Casino Control Commission’s decision to deny the casino license renewal of the Tropicana Casino and Resort.

“We are pleased with the court’s ruling,” commission chair Linda M. Kassekert said. “It reinforces our position that the decision was clearly based on the record developed before us and not on any external factors.”

She added that the decision “clears the way to reactivate the process of finding a new owner for the casino hotel.”

The commission voted 4-1 last December not to renew the Tropicana’s license. At the time, it cited a series of business decisions that seriously hurt the business as well as sweeping executive changes that raised questions about the company’s overall business ability and casino experience. It also cited the company’s "defiance of the regulatory process" in deciding not to renew the license.

Following the decision, the commission appointed a conservator, retired New Jersey Supreme Court Justice Gary Stein, to take control of the casino hotel complex and find a qualified buyer for the property. In September, Stein announced that he had entered into negotiations to sell the property to the Cordish Company for \$700 million. Those negotiations were put on hold in early October when the Supreme Court agreed to hear Tropicana’s appeal. The court set an expedited schedule for the appeal and heard oral arguments on November 17.

“We appreciate the fact that the court heard this matter and issued its ruling in such an expedited manner,” Kassekert said. “It heard and decided this case very quickly which

minimized any disruption or delay to the efforts to find a qualified buyer for the Tropicana.” Kassekert said the efforts to arrange a sale of the casino hotel complex will resume immediately.

The Supreme Court’s decision comes one day after the commission authorized the conservator to retain additional legal advisors to prepare to ask a U.S. Bankruptcy Court judge to hold an auction for the property under Section 363 of the U.S. Bankruptcy Code.