

## NEW JERSEY CASINO CONTROL COMMISSION

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Tennessee Avenue and Boardwalk  
Atlantic City, NJ 08401

# ***CCC denies request to reconvey Tropicana title***

## **For Immediate Release**

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*ATLANTIC CITY* - The Casino Control Commission today denied a request to return title to of the Tropicana Hotel Casino to its unlicensed owner, Adamar of New Jersey.

Commission Chair Linda M. Kassekert said a request by the commission's conservator to return title of the casino hotel to Adamar "is in direct conflict" with the provisions of the Casino Control Act."

The commission voted on December 12, 2007 not to renew Adamar's casino license. It also found that the company that owned Adamar, Tropicana Entertainment, was not qualified to own a casino hotel in Atlantic City. That vote, triggered a trust which transferred control of the stock of Adamar to Gary Stein, a retired justice of the New Jersey State Supreme Court. The commission subsequently named Stein as its conservator. Title to all of Adamar's assets were automatically transferred to the conservator and he was charged with selling the casino hotel complex.

Justice Stein asked the Commission to reverse the transfer of assets from Adamar to him in order to cure a financial default by the Tropicana's unqualified, former parent company, Tropicana Entertainment. In remarks to the commission, Stein expressed concern that a bankruptcy by Tropicana Entertainment could lead to a bankruptcy for Adamar as well and unduly delay and complicate efforts to sell the property.

"Justice Stein envisions that bankruptcy will shortly ensue unless he is allowed to reconvey title. Contrary to the justice's dire predictions, several casino licensees have successfully navigated through bankruptcy and survived," Kassekert said.

She added that the risk of a bankruptcy filing and potential delay that would result "cannot justify granting Justice Stein's petition and allowing a transfer that is so blatantly contrary to the New Jersey legislative scheme just for the sake of deriving a perceived litigation advantage."

Under the Casino Control Act, the only way that a casino can remain open after the commission refuses to renew its license is through a conservatorship. Kassekert noted that if the title of the casino hotel complex had not passed to the conservator, the commission may have been forced to close the Tropicana since Adamar's renewal request was denied.

Kassekert said the conservator's request to reconvey the assets clearly implied that was the only way to cure the default. "However, other means for Tropicana Entertainment to cure the default are assuredly available, including the pursuit of an appeal of the Delaware court's ruling as noted by the division," Kassekert said.

"Unfortunately, as the March 4, 2008, letter suggests, the knee jerk reaction was to have the commission provide a quick fix despite the adverse consequences to the regulatory apparatus," she added.