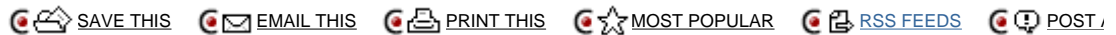




LAS VEGAS
REVIEW-JOURNAL

NEWS SPORTS BUSINESS LIVING ENTERTAINMENT FASHION OPINION W

Business



May. 06, 2009

Copyright © Las Vegas Review-Journal

Tropicana parent to get Icahn loan

By ARNOLD M. KNIGHTLY
LAS VEGAS REVIEW-JOURNAL

Billionaire investor Carl Icahn has agreed to loan Tropicana Entertainment \$150 million as part of a approved Tuesday by the U.S. Bankruptcy Court in Delaware.

The loan deepens Icahn's investment in the Las Vegas-based gaming company. Icahn will be positic company's two largest shareholders after Tropicana Entertainment's nearly \$2.4 billion debt load is the restructured company. He is also positioned to acquire some seats on the board of directors.

Also, an Icahn-led group of investors has offered \$200 million for the Tropicana Atlantic City as part of an auction that New Jersey gaming regulators approved last week.

The bankruptcy court's approval of the creditor-supported plan to bring Tropicana Entertainment out of bankruptcy comes a year after the gaming company filed for Chapter 11.

"We are now equipped not only to endure the economic circumstances facing the casino gaming industry today, but also to take advantage of opportunities as the industry rebounds in the years ahead," Tropicana Entertainment Chief Executive Officer Scott Butera said in a statement.

The creditors' plan, first filed with the court March 24, would have the Tropicana on the Strip broken off into a separate company partly owned and headed by former MGM Mirage executive Alex Yemenidjian.

Yemenidjian did not return an e-mail Tuesday seeking comment.

The second group of eight casinos, which are in Nevada, Indiana, Louisiana and Mississippi will be owned by a separate group of creditors who will

Share & Save



ADVERTISEMENT

Most Popular Stories

- [Housing prices pit](#)
- [CASINOS IN CRIS yet, analysts say](#)
- [Danger signs for E](#)
- [GAMING COMPAN](#)

exchange their debt for equity in the company. Icahn is involved with this group.

Unsecured creditors will receive cash or warrants to buy shares and will be entitled to an interest in a litigation trust.

The second group of casinos will be operated by the current Tropicana Entertainment management team, which Butera will lead.

Kentucky-based hotelier Bill Yung III, who owned the company before the bankruptcy, will lose his ownership stake and will not hold any position with the company after it emerges from bankruptcy.

The bankruptcy will allow the new companies to shed more than \$2.4 billion in debt, saving more than \$125 million in yearly interest payments.

The \$150 million loan from Icahn will be used to pay back \$65 million in debtor-in-possession financing from Greenwich, Conn.-based Silver Point Finance, plus additional debt and fees incurred during the bankruptcy.

The new loan, which has a 15 percent interest rate, increases Icahn's investment in the gaming company.

Tropicana Atlantic City has been under state control since New Jersey pulled Yung's gaming license in December 2007 because of regulatory violations. The economic downturn and the tight credit markets have hindered efforts to sell the property.

The restructuring needs approval by gaming regulators in Nevada, Indiana, Louisiana, Mississippi and

Contact reporter Arnold M. Knightly at aknightly@reviewjournal.com or 702-477-3893.

Leave Your Comment

Terms & Conditions

The following comments are provided by readers and are the sole responsibility of the authors. The reviewjournal.com review comments before publication nor guarantee their accuracy. By publishing a comment here you agree to our [comment policy](#). If you see a comment that violates the policy, please notify the [web editor](#).

Some comments may not display immediately due to an automatic filter. These comments will be reviewed and **do not submit a comment more than once**.

Name:

Email:

[Bottom may be near](#)

- [MGM Mirage sees :](#)
- [Scarcity of casino has some seeking wc](#)
- [Parade of Homes f luxury](#)
- [Lawsuit: Rhodes' j](#)
- [Legal community c](#)
- ['Global economic r Boulevard high-rises](#)

MULTIMEDIA 



Wildfires Th
Thousands
Homes

▶ Play



Obama Wan
\$17B From I

▶ Play



Calif. Wildfir
Thought We

▶ Play