



TAMPA BAY BANKRUPTCY CENTER, P.A.

PHONE: (813) 200-4133

TOLL FREE: (800) 965-5074

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## **Donald Trump Wins Back Bankrupt Casinos**

In a court battle to control Trump Entertainment Resorts, US Bankruptcy Judge Judith H. Wizmur ruled in favor of Donald Trump whose bid was judged to be more favorable to creditors of the bankrupt gambling company. The losing bid was proposed by billionaire Carl Icahn.

The bid by Trump and his partners would reduce Trump Entertainment Resort's debts by \$1.4 billion and give the well-known host of his own reality show a 10% control of the company he once ran. Trump Entertainment controls 3 casinos in Atlantic City and is set to exit bankruptcy for the third time. Judge Wizmur's ruling brings to a close a fiercely fought court battle lasting 14 months in Camden, New Jersey.

Many of Trump's partners are bondholders of the company who are owed \$1.2 billion. The bondholders were also backed by billionaire Marc Lasry of Avenue Capital Group and offered to invest \$225 million in Trump Entertainment. On the other hand, Icahn's proposal was to convert \$480 million in bank debts into equity. This would have wiped out the bondholders' interests. Under the proposal by the bondholders, the \$480 million debt would be reduced to at least \$100 million with the balance being converted to a new loan.

Judge Wizmur made her ruling based of two fundamental factors. Firstly, Trump's proposal was more favorable to creditors. And secondly, the continued use of the Trump name by Trump Entertainment was valued at millions of dollars to the company. The celebrity billionaire said that he would not allow his name to be used by the Trump Entertainment if Icahn had won the case. During the court proceedings, Trump's lawyers contended that they could quantify the claims that the Trump brand is worth millions to the casino company according to Ivanka Trump, head of development and acquisitions at Trump's Organization and Donald's daughter. At the court hearings, Trump himself testified that his brand name was worth more than \$3 billion.

In a related development, Ivanka said there was no plan to sell another property, the Trump Marina Hotel and Casino even though there was a previous proposal to purchase it. In May 2008, Coastal Marina under Richard T. Fields negotiated to buy the property to convert it into a Margaritaville casino resort. The deal would have included settlement of an unrelated lawsuit and an agreement with bondholders to buy the Marina but Trump subsequently switched sides and aligned with the bondholders instead.