



## MICHIGAN BUSINESS

BUSINESS MAIN: MICHIGAN BUSINESS | NATION/WORLD BUSINESS | MARKETS | REAL ESTATE | TECHNOLOGY | HEALTH

POSTED: NOV. 3, 2009

# Greektown Casino hearings to begin

## Competing reorganization plan may muddy waters

BY GRETA GUEST

FREE PRESS BUSINESS WRITER

Greektown Casino's Chapter 11 bankruptcy exit gets closer today as confirmation hearings on its reorganization plan start.

U.S. Bankruptcy Judge Walter Shapero has scheduled four days of hearing time during which the plan's proponents and objectors are to call more than 20 witnesses and present 539 exhibits to prove their cases, according to a procedural order filed with the court.



At dispute is how Greektown Casino, the smallest by revenue of Detroit's three casinos, was valued. The higher the value, the more creditors have to share. As it stands now, the pre-petition lenders, led by Merrill Lynch Capital Corp., put the value at \$540 million and would own the casino after it emerges from bankruptcy.

Negotiations were ongoing over the weekend to deal with a potential wrinkle after the attorney for one creditor said he might offer a competing plan for reorganization. This plan would ensure bondholders, owed about \$185 million, would get something out of the process.

"All of the parties continue to negotiate," said Chuck Moore, a turnaround expert for the casino's estate. "At this point, there is no plan other than to move forward with the confirmation hearings."

Allan Brilliant, the New York-based attorney for MFC Global **Investment Management** LLC, and other bondholders "would like to see a delay in the confirmation hearing. They believe they can put together a more advantageous plan," Moore said.

**Brilliant** did not respond to a request for an interview.

"We don't really know what if any impact this will have on the confirmation hearing," Moore said.

Kenneth Dalto, a Farmington Hills-based turnaround expert who is not involved in the Greektown Casino matter, said he expected that the debtors' plan up for consideration will ultimately be approved by the court.

"The way the judge will probably play it is if it is an exceptionally good plan he will probably look at it," Dalto said. "But unless it is an exceptional plan with the cash to back it up, I don't see it going anywhere."

Greektown Casino filed for bankruptcy protection in May 2008. A second plan of reorganization put forth by Tom Celani, a Novi businessman, and hedge fund Plainfield **Asset Management** LLC of Greenwich, Conn., was withdrawn last month after a vote of creditors showed insufficient support.