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## **Judge Nixes \$110 Million Deal to Sell Atlantic City's Revel Casino.**

A bankruptcy judge on Friday scrapped a \$110 million deal to sell Atlantic City, N.J.'s closed Revel Casino Hotel to a Canadian private-equity firm.

During a hearing at the U.S. Bankruptcy Court in Camden, N.J., Judge Gloria Burns approved a request from the boardwalk resort to terminate the sale, placing a Florida-based real-estate developer in line to purchase the property.

Revel had asked Judge Burns in an emergency filing earlier this week to cancel the sale agreement with the firm, Brookfield Capital Partners LP, and instead declare Florida developer Glenn Straub the winning bidder.

Mr. Straub, whose final \$95.4 million bid for Revel was ultimately topped by Brookfield, was named the backup bidder at the end of an auction for the property in early October.

A hearing to approve the sale to Mr. Straub, who didn't attend the hearing Friday, has been scheduled for Jan. 5.

"We have to get the sale process moving," Judge Burns said during the hearing.

Last month, Brookfield informed Revel that it planned to pull out of the deal over costly payments related to the property's custom-built power plant. Brookfield later missed a Nov. 28 deadline to close the sale.

"They failed to close as they were required to do," John Cunningham, a lawyer for Revel, said at the hearing Friday. "We believe we absolutely have the right to terminate this agreement."

According to Mr. Cunningham, Brookfield didn't respond to Revel's request to terminate the sale and wasn't present in the courtroom Friday.

A spokeswoman for Brookfield declined to comment.

A showdown with the bondholders backing Revel's power plant, which Mr. Cunningham called a "game of chicken," remains a major obstacle for Revel.

The plant, operated by ACR Energy Partners LLC, is located next to the resort and is Revel's only source of both electricity and hot water, court records show. Revel, in turn, is ACR's only customer.

ACR issued \$120 million worth of municipal bonds in 2011 to cover 75% of the power plant's construction cost, according to court filings. In return, Revel agreed to purchase power, hot and chilled water exclusively from ACR for 20 years. Revel also agreed to pay the plant's operating costs and guaranteed at least a 15% return on ACR's \$40 million equity investment.

The monthly payments to ACR total more than \$3 million, according to estimates in court papers.

Mr. Cunningham said Friday that if Mr. Straub wins approval to buy Revel, he will ask for court permission to revoke the contract with ACR.

Mr. Straub, who has expressed interest in purchasing other Atlantic City properties, is continuing to appeal Judge Burns' decision to approve the sale to Brookfield. The developer accused Revel of failing to disclose information about competing bids and conducting much of the auction behind closed doors.

The \$2.4 billion Revel emerged from its first bankruptcy in May 2013 under the control of its lenders after having slashed more than \$1 billion in debt from the balance sheet.

The beachfront resort filed its second Chapter 11 case in June.

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