

Gaming board backs company's plan to operate 3 Mesquite casinos

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The state Gaming Control Board has recommended the licensing of a new company to oversee Randy Black's bankrupt Mesquite casino holdings: the CasaBlanca, Virgin River and Oasis.

Mesquite is about 75 miles northeast of Las Vegas on Interstate 15 on the Arizona border.

The unanimous recommendation for Mesquite Gaming LLC to operate the properties will be considered for final approval by the Nevada Gaming Commission on July 28.

Under the company's plans, reviewed earlier by U.S. Bankruptcy Court and today by the Control Board, Black would continue to be the face of the company as chief operations officer and maintain a 10 percent ownership stake.

Investment company Newport Global Advisors LP of Woodlands, Texas, would hold 40 percent of the company, Black's business partner, Anthony Toti, who serves as CEO of the new company, would own 25 percent and South Point owner Michael Gaughan's family would own 25 percent and operate the Mesquite casinos' sports books.

The Control Board has recommended licensing of five board managers for Mesquite Gaming, including Black, Toti, Timothy Janszen and Ryan Langdon for Newport Global and Katherine Banuelos for the Gaughan family.

Newport Global Advisors specializes in investments in distressed properties and made contact with Black two years ago when he and his company encountered recession-related financial difficulty.

[Black Gaming filed for Chapter 11 bankruptcy](#) protection in March 2010 and the court confirmed the plan four months later in July.

Under terms of the bankruptcy plan, a loan from Wells Fargo Bank was paid off and other creditors lost half of their investments, as company debt was trimmed from \$125 million to \$62.5 million.

Toti told board members that the new company would continue its current business strategy as a getaway for Las Vegas and Utah residents with an emphasis on the city's golf courses and outdoor recreation. He said hotel rooms have been upgraded and the company will focus on direct marketing to 120,000 customers in its database.

He said 38 percent of Mesquite's customers come from Utah, 25 percent from Las Vegas and 15 percent from California. Toti said most of his customers are retirees "with income tied to their 401(k)s" and that as the economy improves, more are returning and spending more freely.

Board member A.G. Burnett said he was satisfied with the backgrounds of the licensing applicants and that he was convinced the company's financial woes were primarily the result of "the perfect storm" of the recession.

"I'm in gaming and real estate in Las Vegas," Black told the board, "and it's been the greatest thing in the world for me — except for the last five years. Ten years ago, I would have been considered a genius."

Black has been the face of his casino company in television commercials and touts his properties with the tagline "It's Mesquite."

Following the meeting, Toti said his company would do what it has been doing and gauge future actions on the performance of the economy.

He said because of the expense, [the planned demolition of the some rooms](#) at the shuttered Oasis property has been delayed.

In other business, the board recommended approval of several licenses involving operators of downtown Las Vegas properties:

- IKE Gaming Inc. owner Irving Epstein transferred two 3.3 percent stakes in the El Cortez to daughters Alexandra Epstein and Katie Epstein.
- Golden Gate operator Derek Stevens won the recommendation of the board for licensure as a director for Riviera Holdings Corp., operator of the Strip's Riviera hotel-casino.
- Plaza hotel-casino operator Santo Gaming LLC was recommended for licensing as a manager for the holding company for Reno's Grand Sierra Resort.
- Officer and key executive licenses were recommended for Brian Arlin for the parent company of the Four Queens hotel-casino.

The board also recommended the licensing of Felix Rappaport, president and chief operating officer of The Mirage.

The board also recommended licensing of J-M Squared LLC manager John-Martin Meyer to operate the Silver Saddle Saloon, which is in litigation over an ownership dispute.