

MGM Seeks Reinstatement In Atlantic City

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[Tony Batt, GamblingCompliance](#) [1]

After leaving New Jersey three years ago following a blistering report by state regulators, MGM Resorts International is asking for its gaming license in the Garden State to be reinstated.

On Wednesday, the New Jersey Casino Control Commission is scheduled to consider MGM's request, according to the commission's chairman Matthew Levinson.

"MGM has filed a petition to amend its 2010 stipulation with the Division of Gaming Enforcement (DGE) so it can seek a ruling on whether it meets the state's license requirements and reacquire its interest in the Borgata," Levenson said in a prepared statement.

MGM owns 50 percent of Borgata, which is the highest grossing casino in Atlantic City.

Boyd Gaming, which operates Borgata as MGM's managing partner, supports MGM's application.

"MGM Resorts International is, and always has been, committed to the highest standards of operation and regulatory compliance," MGM said in a news release.

"If our petition is successful we would welcome the opportunity to once again be an active, contributing member of the New Jersey gaming marketplace through our 50 percent ownership of Borgata. Our company is appreciative of the [New Jersey Division of Gaming Enforcement's] willingness to consider our application."

Lisa Spengler, a spokeswoman for the DGE, said her agency would not comment until after Wednesday's hearing by the casino control commission.

MGM negotiated an agreement with the DGE in 2010 to transfer its interest in Borgata to a trust.

The agreement resulted from [a scathing 74-page report](#) [2] in which the DGE concluded MGM had an unsuitable partnership with Hong Kong businesswoman Pansy Ho in Macau. Stanley Ho, Pansy's father, had been linked to organized crime in China.

In its petition for the reinstatement of its license in New Jersey, MGM said its joint venture with Pansy Ho in MGM Macau has changed significantly.

For example, Ho's direct ownership interest in MGM Macau has [dwindled from 50 percent to 27.4 percent](#) [3].

Frank Catania, a former director of the DGE who is president of Catania Gaming Consultants, said it would be a good idea to reinstate MGM's New Jersey gaming license.

Catania noted the [Nevada Gaming Control Board](#) [4], after examining essentially the same evidence in 2007, did not take any action against MGM.

MGM also operates casinos in Michigan and Mississippi and is seeking licenses for new resort developments in Massachusetts and Maryland.

"In my opinion, New Jersey made a big mistake," Catania said.

Traditionally, New Jersey regulators have taken the approach that gambling operations in the state "should be purer than the driven snow," said William Thompson, a professor at the University of Nevada at Las Vegas who has written extensively on gambling.

As competition from surrounding states continues to drain revenue from Atlantic City casinos, New Jersey may need to reconsider such a hard-line regulatory approach, Thompson said.

“People in New Jersey should be happy when any casino wants to do business in Atlantic City,” he said.



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