



Other editions: [Mobile](#) | [News Feeds](#) | [E-Newsletters](#) | [Subscribe to the Free Press](#)

Find it: [Jobs](#) | [Cars](#) | [Real Estate](#) | [Apartments](#) | [Shopping](#) | [Classifieds](#)



SEARCH DETROIT  [All](#) [Local News](#) [Classifieds](#) [Jobs](#) [More »](#)

SPONSORED BY:  
WIN A \$50,000 HOME MAKEOVER!

[HOME](#) [LOCAL](#) [NATION/WORLD](#) [SPORTS](#) [ENTERTAINMENT](#) [AUTOS/BUSINESS](#) [LIFE](#) [TRAVEL](#) [OPINION](#) [OBITUARIES](#) [EXTRAS](#)

[Site Index](#) [Photos](#) [Videos](#) [Add your photos](#) [Lottery](#) [Past headlines](#) [Weather](#) [Subscribe to the Free Press](#) [Site Services](#) [Contests](#)



[Comment, blog & share photos](#)

[Log in](#) | [Become a member](#)

POWERED BY YOU AND **Detroit Free Press**

## Greektown Casino falls into Chapter 11

BY MARGARITA BAUZA AND BRENT SNAVELY • FREE PRESS BUSINESS WRITERS • MAY 30, 2008

[Print this page](#)

[E-mail this article](#)

SHARE THIS ARTICLE: [Del.icio.us](#) [Facebook](#) [Digg](#) [Reddit](#) [Newsvine](#) [What's this?](#)

Greektown Casino has asked a federal court for approval to reorganize its finances and continue [business](#) operations under the protection of Chapter 11 of the U.S. Bankruptcy Code, the Sault Ste. Marie Tribe of Chippewa Indians announced today.

ADVERTISEMENT “We are not closing, we are not bankrupt,” said spokesman Roger Martin. “We are a profitable company with a [liquidity](#) issue.”

Greektown Holdings L.L.C., along with seven other related entities, filed Chapter 11 bankruptcy petitions with U.S. Bankruptcy Court in Detroit Thursday, saying it is unable to borrow more money and has hit massive cost overruns as it attempted to expand its Detroit casino.

“Significant delays and cost overruns in connection with the completion of the expanded complex have adversely affected Holdings’ businesses, Greektown Casino’s operations and Holdings’ financial condition and cash flow,” Greektown said in its bankruptcy filing.

Greektown said it estimates that it needs approximately \$140 million of additional borrowings or equity contributions to complete the expansion.

Failure to complete the expansion, Greektown said, would result in a default of its development agreement, and would hinder Greektown Casino’s ability to compete.

Greektown, in its court documents, said it was forced to file for Chapter 11 bankruptcy because it is out of compliance with the terms of its line of credit with Merrill Lynch Pierce Fenner and Smith.

As of March 31, Greektown said it owed its lender \$314.5 million, and

### RELATED NEWS FROM THE WEB

[Detroit, MI](#)

[Bloomfield Hills, MI](#)

[Theater](#)

[Sault Ste. Marie, MI](#)

[Arts](#)

[Detroit Metro](#)

[Discuss Detroit Metro](#)

Powered by [Topix.net](#)

### More Business headlines

[Greektown Casino falls into Chapter 11](#)

[Tracinda drops back-out clause in \\$170-million Ford offer](#)

[Ford lowers sales goal](#)

[19,000 ready to leave GM](#)

[United, US Airways CEOs say no deal for now](#)

#### MOST POPULAR

#### MOST E-MAILED

1. [Abraham arraigned on drug charges](#)
2. [Last call? Pistons need more than reputation now](#)
3. [The NHL blows it -- again](#)
4. [Cox gets irate, finds Wings fans a way in](#)
5. [Greektown Casino falls into Chapter 11 bankruptcy](#)
6. [Columnist: Penguins lucky to win Game 3, Zetterberg, Datsyuk must step up](#)
7. [The naked tooth: Inside Red Wings' dental work](#)
8. [R.I.P.? Without Hamilton, Pistons will be toast](#)
9. [Tigers starting pitching big sign of turnaround?](#)
10. [19,000 ready to leave GM](#)



verizon wireless

**Hot deals 4 u.**  
Save big on our latest messaging devices.

RED HOT DEAL DAYS!

Free Activation Fri-Mon  
Free Shipping

[Learn More](#)

because it is on the brink of being out of compliance with the terms of the loan, it is unable to draw additional funds and has limited ability to borrow additional money.

Greektown recently obtained a wavier from its bank, allowing it to operate until June 30, but the bank also has required Greektown to find an infusion of capital from another owner. However, Greektown said it has been unable to do that, and said the wavier is due to expire June 30.

As a result, Greektown said, all outstanding debt obligations could become currently due in 2008.

“As we reorganize our business and complete our permanent casino construction with additional financing, the goal is a bigger and more viable Greektown Casino,” said casino Management Board Chairman Tom Miller, who is also a member of the Sault Tribe [Board of Directors](#). “As we work through the reorganization process, the casino will continue to operate normally for all guests, player’s club members, employees, vendors, suppliers and contractors.”

Chapter 11 protection allows a company to reorganize its financial structure under the supervision of the U.S. Bankruptcy Court.

Martin told the Free Press the Casino is in the final stages of securing a \$150 million loan for operations and to complete the construction of its 400-room hotel and gaming floor expansion.

Martin said talks continue with the Bloomfield Hills based Entertainment Interest Group that intends to purchase a 40% stake in the casino for \$79 million.

In November, Greektown Casino opened an attached parking structure, marking the completion of Phase 1 construction work on the new permanent Greektown casino.

Phase two, construction of the casino’s 400-room hotel and expanded gaming floor, is scheduled to be completed in phases in the coming months.

The permanent casino and hotel will include a multi-purpose theater, buffet, three restaurants, and 25,000 square feet of additional gaming space. Total investment in the permanent Greektown Casino project will be about \$500 million.

Greektown Casino, while profitable, has consistently lagged behind its competition in revenues. In 2007, Greektown said its total revenue was \$314.6 million, but its net income was just \$2 million.

According to the filing, Kewadin Greektown Casino LLC owns 50% of the casino's shares while Monroe Partners LLC owns the other 50%.

Kerwadin is owned by the Kewadin Casinos Gaming Authority, which, in turn, is owned by the Sault St. Marie Tribe of Chippewa Indians. Ninety-seven percent of Monroe is owned by Kewadin, 2% by Ted Gatzaros, .5% by Marvin Beatty, .06% by Dr. Anthony Harris and .25% by Hills Howard.

### In your voice

#### READ REACTIONS TO THIS STORY

You must be logged in to leave a comment. [Login](#) | [Register](#)

Submit

## INSIDE FREEP.COM



### POST YOUR SCORE

#### Wings game: Penguin Darts!

Did you master Whack A Penguin? Then take out more aggression in our newest game. Go Wings!



### SEND A CHILD TO CAMP

#### Summer Dreams

This year, your donation can help give kids experiences to change a life and memories to last a lifetime. Click the headline and donate today!



### ECONOMIC STIMULUS

#### When will you get your rebate?

Check out our complete guide to your tax rebate — including when to expect to see it in your bank account.



### HUNGRY? FEAST ON THIS Metro Detroit's best sandwiches

Check out our mouth-watering photo guide to see what's good in the Detroit area between two slices.



### TEXT MESSAGE

#### SCANDAL

#### Kilpatrick: A mayor in crisis

Mayor Kwame Kilpatrick stands accused of perjury, conspiracy, obstruction of justice and misconduct.

## SITE INDEX

### Home

Photos  
Videos  
Add your photos  
Lottery  
Print edition  
Contact us  
Frequently Asked Questions  
Help

### Local

Detroit  
Wayne  
Oakland  
Macomb  
Metro  
Michigan  
Election  
2008  
Driving & traffic  
School closings  
Columnists

### Nation/World

Top stories  
Lotteries  
Election  
2008  
Nation/World  
Business

### Sports

Lions  
Pistons  
Red Wings  
Tigers  
U-M  
Wolverines  
MSU  
Spartans  
High School  
Sports  
Scores  
Columnists  
Shock  
Outdoors  
Olympics  
sports  
Golf

### Entertainment

Search for events  
Things to do  
Celebrities  
Movies  
Music  
TV/Radio  
Casinos  
Theater/Arts  
Dining  
Video games  
Metromix.com  
Photos

### Autos/Business

Auto news  
Business news  
Markets  
Auto reviews  
Technology  
Detroit Auto Show

### Life

Travel  
USA Today  
Travel  
Shopping  
Relationships  
Food  
Pets  
Health  
Columnists  
Technology  
Twist  
Motor City  
Moms

### Opinion

Editorials  
Blogs  
Cartoons  
Letters to the Editor  
Columnists  
Forums

### Obituaries

Death notices

### Extras

Photos  
Videos  
Databases  
Digital Free Press  
Forums  
Lottery  
Comics  
Scores  
Contests

Auto racing  
Detroit  
Marathon

Plan A: Use Cars.com to compare  
vehicle photos side by side.



Partners: [Jobs: CareerBuilder.com](#) [Cars: Cars.com](#) [Apartments: Apartments.com](#) [Shopping: ShopLocal.com](#)

[Home](#) | [Local](#) | [Nation/World](#) | [Sports](#) | [Entertainment](#) | [Autos/Business](#) | [Life](#) | [Travel](#) | [Opinion](#) | [Obituaries](#) | [Extras](#) | [Site Map](#)

[Contact Us](#) | [Subscribe](#)

Copyright ©2008 ...

Use of this site signifies your agreement to the [Terms of Service](#) and [Privacy Policy](#) , updated March 2007.