

Italian Investor Bids For Riviera Holdings

Offer Puts Company in Play A Few Months After Trump Bought Up 10% of Shares

By CHRISTINA BINKLEY

Investor Fabrizio Boccardi launched an unsolicited bid to buy debt-ridden Riviera Holdings Corp., the Las Vegas casino company that owns the Riviera casino. The bid, which is backed by several investors including the French casino operator, Groupe Partouche, amounts to \$30 million in cash plus the assumption of \$216 million in debt.

At \$8.50 a share, the offer represents a significant premium over the company's stock price, which stood unchanged at \$3.95 at 4 p.m. yesterday on the American Stock Exchange. The offer also includes \$6.5 million in cash to buy out a retirement trust for William Westerman, Riviera's chairman.

Mr. Boccardi said that alternatively he is willing to buy the Riviera casino alone for \$135 million in cash. That would leave Riviera Holdings with a casino in Blackhawk, Colo., about 40 miles west of Denver.

Riviera executives rebuffed the offer in initial discussions over the past two weeks, Mr. Boccardi said. Duane Krohn, Riviera's chief financial officer, declined to comment on the bid, but added, "we get lots of discussions from lots of people with nothing coming to fruition."

The offer puts in play the casino company a few months after Donald Trump bought a little more than 10% of its thinly traded shares. Mr. Trump's purchases last fall raised questions about whether he is making a long-rumored move into the Las Vegas market after operating casinos for many years in Atlantic City, N.J., Indiana, and, more recently, Palm Springs, Calif.

Rather than Mr. Trump's trying to buy the Riviera, it is more likely that he is using the stake to help in his pursuit of a license to operate other casinos in Nevada, according to people familiar with

his strategy. State authorities require applicants to own a stake in a casino before applying for a casino license.

Mr. Trump says his Riviera shares are "purely an investment." He has granted options for Trump Hotels & Casino Resorts Inc., the casino company of which he is chairman and chief executive, to buy his Riviera shares. Those options expire Dec. 31, according to Securities and Exchange Commission documents.

The Riviera, an aging 2,100-room casino built in 1955, sits on the Las Vegas Strip across from Circus Circus, another older, downscale property. The Riviera is known to-day for its sometimes- raunchy entertainment, such as its Crazy Girls topless revue, but was once the haunt of famous Las Vegas entertainers. Elvis Presley and Liberace traded clothes there for a short performance in 1956, with Mr. Presley wearing Liberace's gold lamé jacket while Liberace donned Mr. Presley's zoot suit.

Mr. Boccardi, who resides in Las Vegas, has been attempting to buy a casino on the Las Vegas Strip for about five years. He formerly bid to buy the Desert Inn casino. Mr. Boccardi isn't licensed to operate casinos in Nevada, but says he has hired legal counsel and expects to receive a license if he succeeds in buying the Riviera. In the meantime, if a purchase were to occur, he says the casino would be run by professional casino managers, possibly including current Riviera executives. An Italian real-estate developer who initiated his efforts to buy a casino shortly after moving to the U.S., Mr. Boccardi said he would use the Riviera casino to launch a new gambling-and-entertainment company called King Midas World. He hopes eventually to build a new property on another as-yet-to-be-purchased site.



Donald Trump

Continued From Page C4

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By KATE KELLY

some of the intended language in the contract...