

# It's Not Easy Becoming a Mogul in 'Sin City'

Italian Developer's Efforts to Buy Vegas Casino Come Up Empty; Investment Bankers Still Swarm

By CHRISTINA BINKLEY

**F**OR THE PAST FIVE years, Italian developer Fabrizio Boccardi has tried to become a Las Vegas casino magnate. So far, he has spent more time being run around by investment bankers and fund managers than he has spent on a casino floor.

In his pursuit of his American dream, Mr. Boccardi, a 34-year-old Milan native who got his start building condos in

## Plus

Nice, France, has been pitched by Wall Street firms such as Goldman Sachs Group Inc. and Credit Suisse Group's Credit Suisse First Boston and lesser-known shops such as Murphy Noell Capital LLC. He has hosted potential backers at fancy

Los Angeles restaurants and in Las Vegas strip clubs. So far, he has bid unsuccessfully to buy or different casinos.

In early April, he made a \$250 million unsolicited offer for the Riviera hotel, an aging former hangout now known for cheap rooms and shows. Its owners have turned him down, but Boccardi says a new group of bankers in New York and Washington has convinced him that he should make an offer directly to Riviera's bondholders, who hold roughly \$220 million in company debt. He plans to make a stronger bid in coming weeks.

I don't want to be the idiot who makes offers



## Boccardi's Rummy

Italian developer Fabrizio Boccardi (at left) is trying to become big in Las Vegas casinos, but so far his cards haven't come up winners.

■ **His age:** 34; native of Milan

■ **Family:** Divorced; no kids

■ **Education:** Father gave him a black Ferrari as a birthday present in high school; he dropped out of high school after 11th grade

■ **Early career:** Made his own money building condos in the South of France

■ **Goal:** Be an icon in the gambling game. In early April, he made a \$250 million bid for the Riviera hotel

■ **Likes to quote:** "I can make it here. I'll make it anywhere." —Frank Sinatra

and never gets them" accepted, says Mr. Boccardi, who set out five years ago to build a \$1.2 billion casino called King Midas World where gamblers would mingle with live tigers and crocodiles. "Ultimately, I want to become an icon in gaming," he says.

What Mr. Boccardi is finding is that it is tough to break into modern-day Las Vegas. Once a feeding ground for gutsy entrepreneurs like Steve Wynn and Howard Hughes, the city is now dominated by big public companies such as MGM Mirage and Park Place Entertainment Corp. The market capitalization of Mr. Boccardi's main fi-

nancial backer, big European casino operator Groupe Partouche SA, is roughly \$400 million—less than half the cost of building a single casino on the Las Vegas Strip.

Moreover, there is very little space available on the Strip. "You have to tear down billion-dollar hotels to get to the dirt," says Phil Ruffin, who owns the Frontier casino.

None of this has deterred investment bankers eager to help Mr. Boccardi in return for hefty fees. They have presented him with nearly every asset available in Las Vegas. After dropping the idea of

Please Turn to Page C5, Column 5

# It's Not Easy to Become a Mogul

Continued From Page C1

building King Midas World, he tried to cut a deal to buy the Frontier, an aging casino whose best days were decades ago. When that deal fell apart in a squabble over land boundaries, he bid on the legendary Desert Inn, where Howard Hughes holed up in his later years. He took a shot at the Four Queens, a downtown casino, before focusing on the Riviera. "It's a dump," he says of the Riviera, but after a planned \$100 million renovation, "it will be a great platform."

Throughout his odyssey, Mr. Boccardi has cultivated an image of an old-school casino mogul. He favors Dunhill suits atop ironed T-shirts. He has given interviews to men's magazines such as Penthouse and Razor. And he has enlisted high-profile pals from Europe in an attempt to raise his credibility. Three years ago, Prince Albert of Monaco posed for photos with Mr. Boccardi and issued a statement praising his plans to build Midas World as "a new standard of success others will be hard-pressed to follow."

Mr. Boccardi's pitch, however, sometimes hit a false note. Nicholas Pritzker, Marvin Davis, Bob Guccione and Mr. Wynn all met with Mr. Boccardi, but declined to back Midas World. Walter Terry, a senior vice president with Wells Fargo Van Kasper, a unit of San Francisco's Wells Fargo & Co., tried unsuccessfully to raise \$25 million in private equity for Midas World. Mr. Terry says Mr. Boccardi turned some investors off with his flamboyance. "We advised him," says Mr. Terry, "the numbers have gotta work—let's not sell vision."

Still, plenty on Wall Street were happy to hang out with him. In May 2001, Mr. Boccardi invited representatives from Merrill Lynch & Co., the Los Angeles law firm of Latham & Watkins and the private-equity group Leonard Green & Partners LP to dine at Spago in Beverly Hills. Later, a rented stretch limo ferried the entourage to Barfly, then one of the hot clubs on the Sunset Strip. "This is a boondoggle," confided an associate from Leonard Green, pointing out the window as the limo passed a Petco pet-supply store. "That's what we invest in."

Leonard Green's chief financial officer, James R. Gillette, declined to comment on the evening, but noted, "Petco has been a phenomenal investment for us."

When Mr. Boccardi learned the daughter of a conservative New York hedge-fund manager was a fan of Enrique Iglesias, he arranged for the steamy Latin pop star to telephone the family's New

York apartment. "I wanted to show him that this was for real," says Mr. Boccardi, who hoped the fund would invest \$5 million in his plans.

The strategy flopped. The fund manager, Ron Goldstein, a managing director of Cerberus Capital Management, had toured Las Vegas and paid to refine Mr. Boccardi's casino architectural plans over six months in 2001. But he said later that he never really intended to invest in a gambling venture—and that he would prefer his clients never know that he had pursued it. Cerberus invests in "very dull, very predictable cash-flow-type businesses," said Mr. Goldstein. Spending time with Mr. Boccardi was "not for business purposes. It was to find out my life," he said. "He's a very interesting guy." Mr. Boccardi concedes now his pursuit of Cerberus was "a waste of time."

Still, some private investors are willing to stand by Mr. Boccardi in his pursuit of moguldom. Patrick Parfouche, chief operating officer of Groupe Parfouche, says the King Midas idea seemed "completely nuts" at first, but notes that he has long hoped for his company to enter the Vegas market. "I like this kind of foolishness," he says. Groupe Parfouche staked Mr. Boccardi with \$10 million, offering more cash if the company could control the venture.

Giorgio Borlenghi, a fellow Milanese and now Texas real-estate developer, also pledged \$10 million. "What fascinates me is the scope and size of the real-estate possibilities," says Mr. Borlenghi. He brought in tentative pledges from others, including John Paul DeJoria, chief executive of the John Paul Mitchell Systems hair-care group.

Mr. DeJoria says he loves the idea of investing as much as \$5 million in a Las Vegas casino, but only if it's "ecologically friendly" by recycling, using no rain-forest wood and perhaps producing energy with windmills and solar cells. Fabrizio said, "That's a great idea," Mr. DeJoria says.

Mr. Boccardi has lately scaled back his plans. If he is successful in buying the Riviera, he says he will rename it the "Seven Sims." The spa will be called Sloth, there will be a restaurant called Gluttony, a retail area called Envy and so on with greed, lust, wrath and pride. He plans to ask Donatella Versace, a friend of a friend in Italy, to do the color scheme.

"You know that song by Frank Sinatra, 'If I can make it here, I can make it anywhere?'" Mr. Boccardi asks, slightly customizing the lyric. "I'm gonna be singing that."