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Siena property sells at auction for \$3.9 million

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A group of investors from Reno, Las Vegas and Chicago out-bid two other groups and purchased the Siena Hotel Spa and Casino for \$3.9 million during an auction held at the federal bankruptcy court today.

"We're going to get the property open as soon as we can and fill it up," Jay Meilstrup, one of the Reno investors who will oversee operations, said after the auction at U.S. Bankruptcy Court in Reno.

"We're set for what we believe is going to be one of the strongest comebacks in the gaming industry."

Bidding in court for the group was the primary investor, David Colvin of Las Vegas. Wearing a brown leather jacket and jeans, Colvin stood up against challenges from a group called Stratus West and another called Northern Nevada Asset Holding LLC.

Aram Ordubegian, lawyer for Wild Game Ng LLC, the company that owns the Siena, said it was a good resolution to a problem that is hitting businesses across the country.

Their inability to find "post-bankruptcy" financing to keep the doors open forced it to close about 10 days ago and find a new buyer, he said.

"This was the only option," Ordubegian said after the auction. "You either restructure and reorganize outside of a bankruptcy case or you do an auction sale that's open to all bidders and that's what we had today."

"Our judge was very understanding and let us proceed on expedited basis."

The next step, Meilstrup said, was to secure the licenses they needed -- both a gaming license from the Nevada Gaming Commission and a liquor license.

Then the group will begin hiring, he said. They'll need a few hundred employees to "bring the property back up," he said.

He declined to name the other investors, but said all of the principal investors have secured gaming licenses within the past year, so they have no concerns about their chances with the gaming regulators, he said.

"We're very optimistic about it and we think this was the right time to get into the industry," he said.
