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It's Chapter 7 for SunCruz

Casino cruise line creditors wonder if they'll get their money

*BY WAYNE T. PRICE
FLORIDA TODAY*

Creditors and former employees of SunCruz Casinos began mapping out how to recover what's owed to them following news Tuesday that the gambling operator filed for Chapter 7 bankruptcy.

While not unexpected since the company's financial woes became public earlier this month, parties that had a financial relationship with SunCruz or its parent company, Oceans Casino Cruises Inc., are looking into what they might expect from a liquidation of the company's assets.

At stake is tens of millions of dollars in debts, including unpaid bills with vendors, port fees and employee compensation.

"This isn't good for the employees, especially this time of year," said Ted Grant, 64, a crewmember for SunCruz's Surfside Princess that operated out of Port Canaveral.

Grant was speaking with a lawyer Tuesday about how to get money still owed to him by SunCruz.

Port Canaveral Chief Executive Officer J. Stanley Payne said officials there have been considering their legal options for a few weeks. SunCruz owes the Canaveral Port Authority more than \$300,000 in various fees.

"This is not a huge surprise to the Port Authority," Payne said of the bankruptcy filing.

The bankruptcy proceeding could be a major turning point in SunCruz's history at the Port, which began with its arrival more than a decade ago. In 2004, SunCruz -- which at one point operated six gambling ships in Florida -- was purchased by South Florida-based Oceans Casino Cruises.

Documents filed late Monday afternoon in U.S. Bankruptcy Court's Southern District in Fort Lauderdale, Oceans Casino Cruises announced the company's intentions to sell off its assets, which consist mainly of its fleet of gaming vessels. At least three of those vessels are now docked at Port Canaveral.

Drew Dillworth, the Miami-based attorney representing Oceans Cruises Inc., could not be reached Tuesday. Additional details of the bankruptcy proceeding will be available once more filings are made in district court over the next several weeks.

SunCruz's Surfside Princess, an employer to about 300 local workers, last sailed out of Port Canaveral on Dec. 13. Since then the company moved its vessels from Jacksonville and South Carolina to Port Canaveral.

According to its bankruptcy petition, Oceans Casino Cruises has estimated assets of \$1 million to \$10 million, and estimated liabilities of \$50 million to \$100 million. The petition says Oceans Casino Cruises does not expect it will have any money to pay unsecured creditors.

A recently formed group representing creditors owed money, the SunCruz Creditors Ad Hoc Committee, said it's moving ahead with claims for payment, according to Jonathan Stein, an attorney representing the committee.

"There are unpaid wage claims, unpaid gambling debts, chips that have not been cashed in as well as \$1.6 million in 'cage cash' that was removed immediately prior to this filing," Stein said.

Later Tuesday, the committee released a statement saying that the \$1.6 million was money "that was otherwise intended to pay employees, customers' casino winnings and receipts, and mom-and-pop vendors. Government agencies were left unpaid as well."

The next date in the bankruptcy case is a 10 a.m. creditors meeting scheduled for Feb. 1 in Fort Lauderdale.

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