LT Hard Rock owners selling 50% stake

By Kathryn Reed

Lake Tahoe Hard Rock owners are selling half of their interest in the Stateline property to an organization out of Las Vegas.

Representatives were before the Gaming Control Board this week regarding money issues, which comes days after having another lawsuit filed against the troubled Stateline casino.



Brothers David and Jon Park are struggling to make Lake Tahoe Hard Rock a viable entity. Photo/Denise Haerr

Tentative approval was given to Neva One, the parent company of the local Hard Rock, for a waiver on the escrow account and to enter an agreement with Paragon HRLT to manage the property. The final decision is expected Feb. 18 when the Gaming Commission meets in Las Vegas.

Neva One was formed by brothers Jon and David Park with the sole purpose of being the parent company of the Lake Tahoe Hard Rock. Park Heritage is Neva One's parent company. After a $60 million renovation, the old Horizon hotel-casino reopened

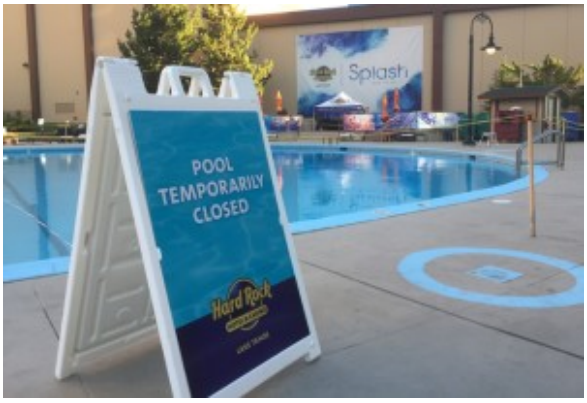
Jan. 28, 2015, as the Hard Rock. There have only been troubles since then.

The escrow item pertains to the Parks selling 50 percent of the Hard Rock to an affiliate of Paragon. The exact name of the affiliate was never stated at the Feb. 3 meeting. A Gaming Control Board official told *Lake Tahoe News* the entity has been licensed before.

Only percentages were discussed, not dollar amounts at the hearing.

The Gaming Control Board requires escrow accounts when there is a transfer of interest and the board or commission has not yet acted. Neva One was granted a waiver for this because of the board's familiarity with the new partner.

During Wednesday's discussion, which lasted about 30 minutes, it was noted that Park Heritage has infused more cash to keep the hotel-casino afloat. The exact amount was not stated. The money from Paragon will assist with paying down the debt and resolving outstanding litigation issues.



The pool is has not had water since last summer. Photo/LTN

It was also brought up at the hearing that the leak in the 200,000-gallon pool must be resolved because that water would be used by Tahoe Douglas firefighters if there were a fire.

Without the water, permits could be revoked and the hotel-casino shutdown.

A condition of approval was made at the Feb. 3 meeting stating Neva One and Paragon HRLT must have a management agreement in place within 10 days.

The change in management comes in the wake of Warner Hospitality having been fired last year by the brothers. The Parks have since filed a lawsuit against Warner.

Neither brother returned a call, nor did Jim Roets who with Rick Stevens were tasked with bringing stability to the property after Warner was shown the door.

The latest lawsuit filed against the Park brothers is from Tahoe Specialty Flooring & Window Design of Tahoe City. The lawsuit filed in Douglas County District Court in Minden, where Neva One is based out of, alleges the flooring company is owed more than $68,000. Owner Coreen Serrano was not available for comment.

Still to be resolved is the $6.4 million lawsuit filed by SMC Contracting against the hotel-casino owners for failure to pay for most of the overruns associated with construction costs for the remodel. Savage & Sons, which did the plumbing at the property, has filed a lawsuit trying to recover $820,000 from Neva One.