

DOW JONES  
▼55.78  
12,359.92

S&P 500  
▼3.25  
1,277.81

NASDAQ  
▲4.36  
2,674.22

CRUDE OIL  
▼0.25  
\$101.56

10-YR. BOND  
▼0.04  
YIELD 1.96%

GOLD  
▼3.30  
\$1,616.10

SILVER  
▼0.612  
\$28.653

# Business

Change coming  
on DVD rentals

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SECTION **D**

## U.S. BANKRUPTCY COURT

# Rhodes' judge endures

Riegle gets emotional during hearing seeking her removal from case

By TIM O'REILEY  
LAS VEGAS REVIEW-JOURNAL

An unsuccessful attempt on Friday by attorneys for developer James Rhodes to disqualify a judge from the Chapter 11 case involving his former company injected a rare emotional element into bankruptcy proceedings, which normally revolve around numbers, con-

tract clauses and statutes.

The trustee in charge of winding down the remains of Rhodes Cos. and several affiliates is expected to sue Rhodes for millions of dollars that creditors claimed were siphoned off for the developer's own benefit prior to the bankruptcy filing nearly three years ago.

Early in the case, creditors filed a report prepared by the

consulting firm AlixPartners that said Rhodes had taken numerous steps to benefit himself financially, such as transferring \$7 million to other companies outside the reach of the creditors, paying millions more to his former and current wives, buying luxury cars and spending on other nonbusiness purposes.

Rhodes' attorneys maintain all money movement was

proper and properly recorded. In anticipation of a creditor's lawsuit, Rhodes' attorney, Kevin Anderson, asked U.S. Bankruptcy Court Judge Linda Riegle to step down from the case, citing statements she made in a prior hearing.

Those comments betrayed an "open and blatant animosity towards Rhodes and his business practices," Anderson



Jim Rhodes  
Lawyer for developer claims  
U.S. judge displayed "open and blatant animosity"

alleged, adding that Riegle had all but egged on the trustee to sue Rhodes.

► SEE RHODES PAGE 3D  
Judge says she always applies law



Boxes of flat-screen TVs occupy Samsung's International Consumer Electronics Show booth Monday at the Las Vegas Convention Center. The annual gadget supershow will start Tuesday and is expected to attract 140,000 conventioners, the Consumer Electronics Association said.

JERRY HENKEL/LAS VEGAS REVIEW-JOURNAL

## WHO MOVED MY CHEESECAKE?

Adult Entertainment Expo moves dates, venue away from annual electronics megashow

By LAURA CARROLL  
LAS VEGAS REVIEW-JOURNAL

Longtime attendees of the International Consumer Electronics Show in Las Vegas may seem a little adrift and maybe even depressed next week.

Techies accustomed to spicing up their week in Sin City with a visit to the concurrent Adult Entertainment Expo won't be greeted by lingerie-clad, autograph-signing porn stars. This year, the Sands Expo and Convention Center is housing the annual conference of the Photo Marketing Association, whose panels deal with much less risqué topics such as ways to frame pictures or techniques for preserving prints.

In May, the Consumer Electronics Association officially partnered with the Photo Marketing Association as a way to bring digital imaging to the forefront of consumer electronics.

Thus, the AVN Media Network had to schedule its trade shows to the week of Jan. 15, when there will be more room in town. They also will move the whole adult extravaganza over to the Hard Rock Hotel.

The changes work out well for AVN, said Steve Javors, managing editor of AVN Media Network.

"We're taking everything out of a sterile, trade show environment and moving to a Vegas venue. It's creating a different type of atmosphere,"

twitter

Follow Las Vegas Review-Journal reporters covering the International Consumer Electronics Show live on Twitter:

Laura Carroll: @lscvegas

Caitlin McGarry: @Caitlin\_McGarry

Chris Sieroty: @sierotyfeatures

Javors said.

You see, the Adult Entertainment Expo sort of grew up with CES. Now, the little one

is ready to fly on its own. AVN has created a multievent, all-adult party out of the change in schedule. Starting Jan. 15, AVN's online sector will present its trade show, Internext. The Adult Entertainment Expo and Adult Novelty Expo will hit the Hard Rock starting Jan. 18, while the industry's version of the Oscars, the 2012 AVN Awards, will be the grand finale Jan. 21.

"It's a pretty exciting time for us," Javors said.

And it should be. Although attendance forecasts are down this year — it's projected at 20,000 — from 2011's 23,000, Javors said the

► SEE CHEESECAKE PAGE 3D  
Separate venues, more hotel rooms

## M Resort president is online poker foe

By HOWARD STUTZ  
LAS VEGAS REVIEW-JOURNAL

M Resort President Anthony Marnell III has come out in opposition to legalizing Internet poker, becoming the second high-profile gaming executive to break ranks with the bulk of the casino industry, which is lobbying Congress to pass online poker legislation.

Marnell made his remarks during a recent interview with Nevada Newsmakers,

Anthony Marnell III  
M Resorts chief's remarks echo those expressed by Sheldon Adelson



a statewide public affairs television program. His comments echoed similar sentiments expressed last month by Las Vegas Sands Corp. Chairman Sheldon Adelson.

"I agree with him 100 percent, we're pushing this way too far," Marnell said during a segment that aired Dec. 28. The episode was taped Dec. 13, prior to the Dec. 23 U.S. Department of Justice's announcement that it has reversed a long-standing opinion that the federal Wire Act of 1961 outlawed all gambling across state lines.

Through an M Resort spokeswoman, Marnell declined Friday to make additional comments on the issue.

He told interviewer Sam Shad his opinion was his own and was not that of his

► SEE ONLINE POKER PAGE 2D  
Concerns include problem gaming

## JW Marriott legal battle waged in N.Y. court

By TIM O'REILEY  
LAS VEGAS REVIEW-JOURNAL

A court battle to control the \$160 million mortgage on the JW Marriott Las Vegas in Summerlin — and ultimately perhaps the hotel itself — will remain on hold for as long as a month.

On Wednesday, a trial court judge in New York ruled that a group of investment funds lack legal standing to stop another investor from buying them out, then dissolved a temporary restraining order that had stalled the deal.

However, an appellate judge

reinstated the order in an emergency hearing Thursday and gave both sides until Jan. 27 to file briefs. After that, a three-judge panel will rule if the deal can proceed, something attorneys expect to happen in February.

The legal maneuvering comes against an all-to-familiar Las Vegas backdrop of declining revenues and earnings that led the owner, Hotspur Resorts Nevada, to default on the loan in November.

According to Jim Beckham, president of the hospitality consulting firm R&R Global in Las Vegas, the 548-room Mar-

riott is another off-Strip victim of a phenomenon called compression. As thousands of new Strip rooms opened in the past few years and visitor counts declined, rate slashing became a marketing weapon of choice. This compressed the price difference between the Strip and outlying areas, prompting visitors to trade up.

"Any time a customer can get a perceived better room, and in Las Vegas that is the Strip, they are going to book away from the perceived less-desirable,

► SEE MARRIOTT PAGE 2D  
Resort has had revenue losses



DANIEL CLARK/LAS VEGAS REVIEW-JOURNAL

The JW Marriott Las Vegas in Summerlin is experiencing financial troubles, leaving New York lenders undecided about what their next step will be with the property.