

# Dream Inn's parent company sold

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SANTA CRUZ — The Dream Inn has been sold along with all other holdings of the Senior Corp. of Miami, Fla. to a partnership of a Los Angeles developer and an Illinois real estate dealer.

The Wall Street Journal reported Friday that California developer

William Lyon and James D. Harper Jr., formerly of Continental Illinois Corp., had paid \$141 million for Senior Corp., a holding company for more than 130 banks.

The sale includes properties ranging from the Dream Inn to farmland in Florida.

Senior Corp. was formed by the banks in 1980 as a holding company for an insolvent real estate invest-

ment trust built by Continental Mortgage.

In picking up the properties as the best of a bad deal, the banks forgave more than \$550 million.

Lyon, one of the West Coast's biggest developers and chairman and chief executive officer of AirCal Inc., based in Newport Beach, put up \$31 million. He and Harper borrowed the remaining \$110 million.

Dream Inn's former owners had notified city officials they wanted to add 250 rooms and a performing arts center on land they own across West Cliff Drive from the existing 10-story 163 room Dream Inn.

It is not known what the new owners will do with those plans, and they could not be reached for comment Saturday. Lyon and Harper refused to comment on the matter to the Wall Street Journal.

Senior Corp. in May hired Marc Hamel, a man with an extensive lifetime of hotel management, as Dream Inn's general manager. He was unavailable for comment Saturday.

Harper, known as "Jimmy the Magician" in some circles for getting Continental Illinois Corp. out of troublesome real estate deals, will own 50 percent of the company and serve as president and chief executive.

Lyon owns 50 percent, and will be chairman.

Senior's assets were valued on its books at \$142.9 million but some speculate its market value may be \$180 million or more.

It has more than \$100 million in tax-loss carry-forward benefits that could shelter profit through the 1990s.

Lyon and Harper have said they plan to acquire more properties to put the tax benefit to "good use."