

**TROPICANA CASINOS AND RESORTS
QUARTERLY REPORT**

FOR THE QUARTER ENDED MARCH 31, 2008

**SUBMITTED TO THE
CASINO CONTROL COMMISSION
OF THE
STATE OF NEW JERSEY**



**DIVISION OF FINANCIAL EVALUATION
REPORTING MANUAL**

TROPICANA CASINOS AND RESORTS

BALANCE SHEETS

AS OF MARCH 31, 2008 AND 2007

(UNAUDITED)

(\$ IN THOUSANDS)

Line (a)	Description (b)	Notes	2008 (c)	2007 (d)
	<u>ASSETS:</u>			
	Current Assets:			
1	Cash and Cash Equivalents.....		\$30,066	\$30,279
2	Short-Term Investments.....		0	0
3	Receivables and Patrons' Checks (Net of Allowance for Doubtful Accounts - 2008, \$7,582; 2007, \$13,268	6	17,984	23,386
4	Inventories		3,472	2,925
5	Other Current Assets.....		13,184	7,782
6	Total Current Assets.....		64,706	64,372
7	Investments, Advances, and Receivables.....	4,5	27,552	74,911
8	Property and Equipment - Gross.....	1,2	687,607	656,689
9	Less: Accumulated Depreciation and Amortization.....	1,2	(45,573)	(552)
10	Property and Equipment - Net.....	1,2	642,034	656,137
11	Other Assets.....		759,695	622,618
12	Total Assets.....		\$1,493,987	\$1,418,038
	<u>LIABILITIES AND EQUITY:</u>			
	Current Liabilities:			
13	Accounts Payable.....		\$16,464	\$17,100
14	Notes Payable.....		0	0
	Current Portion of Long-Term Debt:			
15	Due to Affiliates.....		956,100	0
16	External.....	3	32	30
17	Income Taxes Payable and Accrued.....		0	0
18	Other Accrued Expenses.....		31,071	25,760
19	Other Current Liabilities.....		4,925	5,747
20	Total Current Liabilities.....		1,008,592	48,637
	Long-Term Debt:			
21	Due to Affiliates.....	1,3,5	0	292,000
22	External.....	3	232	268
23	Deferred Credits		0	0
24	Other Liabilities.....	5	319,575	376,030
25	Commitments and Contingencies.....	4	0	0
26	Total Liabilities.....		1,328,399	716,935
27	Stockholders', Partners', or Proprietor's Equity.....	1	165,588	701,103
28	Total Liabilities and Equity.....		\$1,493,987	\$1,418,038

The accompanying notes are an integral part of the financial statements.

Valid comparisons cannot be made without using information contained in the notes.

TROPICANA CASINOS AND RESORTS

STATEMENTS OF INCOME

FOR THE THREE MONTHS ENDED MARCH 31, 2008 AND 2007

(UNAUDITED)

(\$ IN THOUSANDS)

Line (a)	Description (b)	Notes	2008 (c)	2007 (d)
	Revenue:			
1	Casino.....		\$87,740	\$104,648
2	Rooms.....		15,865	16,761
3	Food and Beverage.....		12,480	14,243
4	Other.....		4,152	5,449
5	Total Revenue.....		120,237	141,101
6	Less: Promotional Allowances.....		30,579	29,526
7	Net Revenue.....		89,658	111,575
	Costs and Expenses:			
8	Cost of Goods and Services.....	5	60,200	64,631
9	Selling, General, and Administrative.....	5	17,356	16,337
10	Provision for Doubtful Accounts.....		331	287
11	Total Costs and Expenses.....		77,887	81,255
12	Gross Operating Profit.....		11,771	30,320
13	Depreciation and Amortization.....	1	16,628	6,120
	Charges from Affiliates Other than Interest:			
14	Management Fees.....	5	0	0
15	Other.....		0	0
16	Income (Loss) from Operations.....		(4,857)	24,200
	Other Income (Expenses):			
17	Interest Expense - Affiliates.....	1,3	(23,470)	(22,767)
18	Interest Expense - External.....	1,3	(5)	(5)
19	CRDA Related Income (Expense) - Net.....	4	(418)	(475)
20	Nonoperating Income (Expense) - Net.....	1,6,7	(1,299)	(2,332)
21	Total Other Income (Expenses).....		(25,192)	(25,579)
22	Income (Loss) Before Taxes and Extraordinary Items.....		(30,049)	(1,379)
23	Provision (Credit) for Income Taxes.....	1	2	0
24	Income (Loss) Before Extraordinary Items.....		(30,051)	(1,379)
25	Extraordinary Items (Net of Income Taxes - 2007, \$0; 2006, \$0).....		0	0
26	Net Income (Loss).....		(\$30,051)	(\$1,379)

The accompanying notes are an integral part of the financial statements.
Valid comparisons cannot be made without using information contained in the notes.

TROPICANA CASINOS AND RESORTS

STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY

FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2007 AND THE THREE MONTHS ENDED MARCH 31, 2008

(UNAUDITED)
(\$ IN THOUSANDS)

Line (a)	Description (b)	Notes	Common Stock		Preferred Stock		Additional Paid-In Capital (g)	Limited General LLC (h)	Retained Earnings (Accumulated Deficit) (i)	Total Stockholders' Equity (Deficit) (j)
			Shares (c)	Amount (d)	Shares (e)	Amount (f)				
1	Balance, December 31, 2006.....		100	\$1	0	\$0	\$282,701	\$0	(\$4,480)	\$278,222
2	Net Income (Loss) - 2007.....								(24,643)	(24,643)
3	Contribution to Paid-in-Capital.....									0
4	Dividends.....									0
5	Prior Period Adjustments.....									0
6	Merger related		(100)	(1)			(282,701)	220,282	4,480	(57,940)
7										0
8										0
9										0
10	Balance, December 31, 2007.....		0	0	0	0	0	220,282	(24,643)	195,639
11	Net Income (Loss) - 2008.....								(30,051)	(30,051)
12	Contribution to Paid-in-Capital.....									0
13	Dividends.....									0
14	Prior Period Adjustments.....									0
15										0
16										0
17										0
18										0
19	Balance, March 31, 2008		0	\$0	0	\$0	\$0	\$220,282	(\$54,694)	\$165,588

The accompanying notes are an integral part of the financial statements.
Valid comparisons cannot be made without using information contained in the notes.

TROPICANA CASINOS AND RESORTS
STATEMENTS OF CASH FLOWS
FOR THE THREE MONTHS ENDED MARCH 31, 2008 AND 2007
(UNAUDITED)
(\$ IN THOUSANDS)

Line (a)	Description (b)	Notes	2008 (c)	2007 (d)
1	CASH PROVIDED (USED) BY OPERATING ACTIVITIES..		\$3,331	\$34,611
	CASH FLOWS FROM INVESTING ACTIVITIES:			
2	Purchase of Short-Term Investments			
3	Proceeds from the Sale of Short-Term Investments			
4	Cash Outflows for Property and Equipment.....		(2,492)	(4,911)
5	Proceeds from Disposition of Property and Equipment.....		0	35
6	CRDA Obligations		(1,124)	(1,326)
7	Other Investments, Loans and Advances made.....			
8	Proceeds from Other Investments, Loans, and Advances		127	(48,720)
9	Cash Outflows to Acquire Business Entities.....		0	(29,327)
10	Proceeds from Sales and Luxury Tax Credits		778	713
11	Re-establishment of Deferred Taxes		0	15,946
12	Net Cash Provided (Used) By Investing Activities.....		(2,711)	(67,590)
	CASH FLOWS FROM FINANCING ACTIVITIES:			
13	Proceeds from Short-Term Debt			
14	Payments to Settle Short-Term Debt.....			
15	Proceeds from Long-Term Debt			
16	Costs of Issuing Debt.....			
17	Payments to Settle Long-Term Debt.....		(12)	(8)
18	Cash Proceeds from Issuing Stock or Capital Contributions...		0	0
19	Purchases of Treasury Stock.....			
20	Payments of Dividends or Capital Withdrawals.....			
21			
22			
23	Net Cash Provided (Used) By Financing Activities.....		(12)	(8)
24	Net Increase (Decrease) in Cash and Cash Equivalents.....		608	(32,987)
25	Cash and Cash Equivalents at Beginning of Period.....		29,458	63,266
26	Cash and Cash Equivalents at End of Period.....		\$30,066	\$30,279
	CASH PAID DURING PERIOD FOR:			
27	Interest (Net of Amount Capitalized).....		\$11,596	\$22,773
28	Income Taxes.....			

The accompanying notes are an integral part of the financial statements.
Valid comparisons cannot be made without using information contained in the notes.

TROPICANA CASINOS AND RESORTS
STATEMENTS OF CASH FLOWS
FOR THE THREE MONTHS ENDED MARCH 31, 2008 AND 2007
(UNAUDITED)
(\$ IN THOUSANDS)

Line (a)	Description (b)	Notes	2008 (c)	2007 (d)
	CASH FLOWS FROM OPERATING ACTIVITIES:			
29	Net Income (Loss).....		(\$30,051)	(\$1,379)
30	Depreciation and Amortization of Property and Equipment.....		11,928	11,653
31	Amortization of Other Assets.....		4,700	(5,533)
32	Amortization of Debt Discount or Premium.....		0	0
33	Deferred Income Taxes - Current		0	0
34	Deferred Income Taxes - Noncurrent		0	0
35	(Gain) Loss on Disposition of Property and Equipment.....		0	54
36	(Gain) Loss on CRDA-Related Obligations.....		418	474
37	(Gain) Loss from Other Investment Activities.....		0	0
38	(Increase) Decrease in Receivables and Patrons' Checks		733	(1,462)
39	(Increase) Decrease in Inventories		214	349
40	(Increase) Decrease in Other Current Assets.....		1,602	3,556
41	(Increase) Decrease in Other Assets.....		873	792
42	Increase (Decrease) in Accounts Payable.....		729	703
43	Increase (Decrease) in Other Current Liabilities		(903)	1,432
44	Increase (Decrease) in Other Liabilities		13,088	23,972
45		0	0
46			
47	Net Cash Provided (Used) By Operating Activities.....		\$3,331	\$34,611

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

	ACQUISITION OF PROPERTY AND EQUIPMENT:			
48	Additions to Property and Equipment.....		(\$2,492)	(\$4,911)
49	Less: Capital Lease Obligations Incurred.....			
50	Cash Outflows for Property and Equipment.....		(\$2,492)	(\$4,911)
	ACQUISITION OF BUSINESS ENTITIES:			
51	Property and Equipment Acquired.....		\$0	\$126,374
52	Goodwill Acquired.....		0	(497,331)
53	Other Assets Acquired - net		0	(82,630)
54	Long-Term Debt Assumed.....		0	0
55	Issuance of Stock or Capital Invested.....		0	424,260
56	Cash Outflows to Acquire Business Entities.....		\$0	(\$29,327)
	STOCK ISSUED OR CAPITAL CONTRIBUTIONS:			
57	Total Issuances of Stock or Capital Contributions.....		\$0	\$0
58	Less: Issuances to Settle Long-Term Debt.....		0	0
59	Consideration in Acquisition of Business Entities.....		0	0
60	Cash Proceeds from Issuing Stock or Capital Contributions.....		\$0	\$0

The accompanying notes are an integral part of the financial statements.
Valid comparisons cannot be made without using information contained in the notes.

**TROPICANA CASINOS AND RESORTS
SCHEDULE OF PROMOTIONAL
EXPENSES AND ALLOWANCES**

FOR THE THREE MONTHS ENDED MARCH 31, 2008

(UNAUDITED)
(\$ IN THOUSANDS)

Line (a)	Description (b)	Promotional Allowances		Promotional Expenses	
		Number of Recipients (c)	Dollar Amount (d)	Number of Recipients (e)	Dollar Amount (f)
1	Rooms	87,520	\$8,362	0	\$0
2	Food	580,357	5,687	153,458	1,504
3	Beverage	2,407,020	2,739	0	0
4	Travel	0	0	2,212	774
5	Bus Program Cash	165,747	3,264	0	0
6	Other Cash Complimentaries	318,647	9,987	0	0
7	Entertainment	61,500	123	3,134	63
8	Retail & Non-Cash Gifts	0	0	118,116	1,147
9	Parking	0	0	94,285	283
10	Other	349,780	417	22,357	223
11	Total	3,970,571	\$30,579	393,562	\$3,994

** There are no complimentary services or items in Line 10 "other" which exceeds 5% of that column's total

FOR THE THREE MONTHS ENDED MARCH 31, 2008

Line (a)	Description (b)	Promotional Allowances		Promotional Expenses	
		Number of Recipients (c)	Dollar Amount (d)	Number of Recipients (e)	Dollar Amount (f)
1	Rooms	87,520	\$8,362	0	\$0
2	Food	580,357	5,687	153,458	1,504
3	Beverage	2,407,020	2,739	0	0
4	Travel	0	0	2,212	774
5	Bus Program Cash	165,747	3,264	0	0
6	Other Cash Complimentaries	318,647	9,987	0	0
7	Entertainment	61,500	123	3,134	63
8	Retail & Non-Cash Gifts	0	0	118,116	1,147
9	Parking	0	0	94,285	283
10	Other	349,780	417	22,357	223
11	Total	3,970,571	\$30,579	393,562	\$3,994

** There are no complimentary services or items in Line 10 "other" which exceeds 5% of that column's total

TROPICANA CASINOS AND RESORTS STATEMENT OF CONFORMITY, ACCURACY, AND COMPLIANCE

FOR THE QUARTER ENDED MARCH 31, 2008

1. I have examined this Quarterly Report
2. All the information contained in this Quarterly Report has been prepared in conformity with the Casino Control Commission's Quarterly Report Instructions and Uniform Chart of Accounts.
3. To the best of my knowledge and belief, the information contained in this report is accurate.
4. To the best of my knowledge and belief, except for the deficiencies noted below, the licensee submitting this Quarterly Report has remained in compliance with the financial stability regulations contained in N.J.A.C. 19:43-4.2(b)1-5 during the quarter.

5/15/2008

Date



Christina Broome

Vice President - Finance

Title

7571-11

License Number

On Behalf of:

TROPICANA CASINOS AND RESORTS

Casino Licensee

ADAMAR OF NEW JERSEY, INC.
DBA TROPICANA CASINO AND RESORT
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED MARCH 31, 2008 AND 2007

NOTE 1. DISCLOSURES NOT PRESENTED AND RECENT ACCOUNTING PRONOUNCEMENTS

Certain footnotes have not been presented in these Notes to Consolidated Financial Statements. These footnotes would be a duplicate of items contained in the Casino Control Commission Annual Report for the year ended December 31, 2007.

The specific footnotes not presented are the Summary of Significant Accounting Policies and Lease Obligations. The footnotes contained in the December 31, 2007 Annual Report should be read in conjunction with these financial statements.

The Company operates a casino hotel in Atlantic City, New Jersey (the "Property") and is a subsidiary of Ramada New Jersey Holdings Corporation ("RNJHC") which is, in turn, a wholly-owned subsidiary of Aztar Corporation ("Aztar") which until January 3, 2007 was a publicly traded holding company of casino hotel properties throughout the country. On January 3, 2007, Wimar Tahoe Corporation d/b/a Columbia Entertainment, consummated a merger agreement and acquired all of the outstanding shares of Aztar. Subsequently, Wimar Tahoe Corporation was renamed Tropicana Casinos & Resorts, Inc. ("TCR")

In connection with the Aztar acquisition, TCR and its affiliates completed an internal corporate restructuring with the effect, among other things, that substantially concurrently with the consummation of the Aztar acquisition, Aztar became a direct wholly-owned subsidiary of Tropicana Entertainment LLC ("TE"), which is an indirect wholly-owned subsidiary of TCR. In order to enable TCR and TE to operate the Property on an interim basis pending completion of the New Jersey casino license qualification process, they were required to apply to the New Jersey Casino Control Commission (the "NJCCC") for temporary operating approval, which is known as interim casino authorization ("ICA"). TCR and TE also entered into a trust agreement, which among other things, had the effect of appointing the Trustee/Conservator as Trustee and establishing a trust (the "ICA Trust") into which all outstanding shares of the Company were deposited concurrently with TE's acquisition of Aztar.

In November 2006, the NJCCC issued an ICA permit to TCR and TE pursuant to which TCR and TE and their affiliates operated the Property from January 3, 2007 through December 12, 2007. The casino license qualification process concluded on December 12, 2007 when the NJCCC denied TCR's and TE's application for plenary qualification as a holding company of the Company, declared the ICA Trust operative and appointed Justice Gary S. Stein (who served as trustee under the terms of the ICA Trust Agreement) as Conservator (in his roles as Trustee and Conservator, the "Trustee/Conservator") to, among other things, conduct a sale process and oversee the operation of the Property pending its sale to a third party (refer to Note 8).

In connection with the acquisition of Aztar, TE and certain other affiliates entered into a Senior Debt Facility and issued Senior Subordinated Notes. The

outstanding amount of the indebtedness on the Senior Debt and Senior Subordinated Debt is approximately \$1.3 billion and approximately \$960 million, respectively at December 31, 2007. The Company is a guarantor under the Senior Debt Facility, a guarantor of the notes, and substantially all of the Company's assets are pledged as collateral under the Senior Debt Facility. The denial of the casino license on December 12, 2007 constituted an event of default under the Senior Debt Facility. On December 12, 2007, TE, its affiliate borrowers and the Senior Debt lenders entered into a forbearance agreement with the lenders whereby the lenders agreed not to declare an event of default related to the license denial in the absence of certain events, including the filing of bankruptcy petitions by the borrowers.

In January 2008, TE and certain of its affiliates received a purported declaration of acceleration and notice of default from the purported trustee under the indenture governing the Senior Subordinated Debt. Also in January 2008, such purported trustee filed a complaint in the Court of Chancery of the State of Delaware seeking declaratory relief, injunctive relief and damages against TE and various TE affiliates and officers related to the license denial in December 2007. In February 2008, the trustee under the indenture delivered a second purported declaration of acceleration and notice of default. Also in February 2008, the Chancery Court granted summary judgment in favor of TE and such affiliates on certain counts of the complaint. The Chancery Court, however, granted summary judgment in favor of the trustee under the indenture and holders of the Senior Subordinated Debt against TE and such affiliates on one count of the complaint alleging that the transfer of title to the assets of the Company to the Conservator pursuant to the NJCCC's December 19, 2007 order constituted a transfer of assets in breach of the indenture. In March 2008, the trustee under the indenture withdrew its January 2008 declaration of acceleration and notice of default and advised that such trustee would proceed in accordance with the February declaration of acceleration and notice of default. On April 11, 2008 the trustee under the indenture on behalf of the holders of the Senior Subordinated Notes, TE, and certain other persons entered into a forbearance agreement whereby TE acknowledged the existence of an event of default, and the trustee under the indenture on behalf of the noteholders agreed not to issue a notice of acceleration with respect to such event of default (or certain other specified events) until the occurrence of certain specified termination events, including the filing of a bankruptcy petition by obligors thereunder.

On May 5, 2008, TE and certain of its affiliates, including among others RNJHC, Aztar, Atlantic-Deauville, Inc. and its subsidiary, and Ramada New Jersey, Inc. filed voluntary petitions in the United States Bankruptcy Court for the District of Delaware (the "Bankruptcy Court") seeking reorganization relief under the bankruptcy Code (collectively, the "Bankruptcy Petitions"). The Company and its subsidiary are not parties to the Bankruptcy Petitions. According to TE's public filings with the Securities and Exchange Commission, the filing for relief constitutes an event of default under the Senior Debt Facility and the forbearance agreement with the Senior Debt lenders under the indenture governing the Senior Subordinated Notes. The filing of the Bankruptcy Petitions also constituted an event of termination under the forbearance agreement between TE, the trustee under the indenture on behalf of the holders of the Senior Subordinated Notes, and other parties.

The Company is a guarantor under the Senior Debt Facility, a guarantor of the notes under the indenture, and substantially all its assets are pledged as collateral under the Senior Debt Facility. Nevertheless, the Company intends to continue to operate the property as a going concern notwithstanding any issues arising as a result of the bankruptcy filing by TE and its affiliates. In addition, TE is the owner of certain intellectual property used by the Company in the operation of the Property, including the "Tropicana" mark, and each of Atlantic-Deauville, Inc., its subsidiary and Ramada New Jersey, Inc. have ownership or other rights in certain assets used to operate the Property, including real property assets (refer to Note 5). Further, due to the termination of the forbearance agreement relating to the indenture, the trustee under the indenture has the right to accelerate the notes and exercise remedies under the indenture against the Company as a guarantor or the Senior Subordinated Notes. The indenture provides for the release of the Company's guarantee if the Company is sold for fair market value (as defined in the indenture). However, there can be no assurance that the trustee under the indenture or holders of the notes will not dispute whether a particular proposed sale price is equal to or greater than "fair market value".

These financial statements include the effects of the purchase price allocation for Adamar's assets and liabilities as determined to date by TCR related to the January 3, 2007 acquisition of Aztar and subsidiaries. In preparing these financial statements, the Company's management utilized the information sent to them from TCR and affiliates related to the purchase price allocation. The Company's management does not have access to the supporting detail of the purchase price allocation and is therefore relying on the accuracy of the information provided by TCR and affiliates. Further, the Company believes that a substantial valuation allowance will need to be established at December 31, 2007 related to certain assets recorded as a result of the January 3, 2007 purchase price allocation. These financial statements do not reflect any such valuation allowance as such value cannot be accurately determined by the Company as of the date of this filing and will ultimately be determined by the sale process which is in an evolving and sensitive phase at this time. Accordingly, these financial statements are not in accordance with generally accepted accounting principles as related to the establishment of such valuation allowance at December 31, 2007. The determination to file financial statements at December 31, 2007 and thereafter utilizing the purchase price allocation being provided by TCR affiliates, file such reports timely and therefore not reflect the valuation allowance required at December 31, 2007 and thereafter as discussed above was made after discussion with the staff at NJCCC.

NOTE 2. PROPERTY AND EQUIPMENT

At March 31, 2008 and 2007, the components of Property and Equipment consisted of:

	<u>2008</u>	<u>2007</u>
Land and land improvements	\$ 52,515,000	\$ 52,415,000
Building and improvements	565,586,000	540,670,000
Furniture, fixtures and equipment	57,516,000	49,546,000
Leased personal property	1,353,000	1,353,000
Construction in progress	<u>10,637,000</u>	<u>12,705,000</u>
Total property and equipment-gross	687,607,000	656,689,000
Less: accumulated depreciation and amortization	<u>(45,573,000)</u>	<u>(552,000)</u>
Total property and equipment	<u>\$ 642,034,000</u>	<u>\$ 656,137,000</u>

NOTE 3. LONG-TERM DEBT

At March 31, 2008 and 2007, Long-Term Debt consisted of:

	<u>2008</u>	<u>2007</u>
Note payable - Aztar Corporation; 12.0% due 2014	\$ -	\$292,000,000
Allocated Share - Affiliate Senior Bank Debt; due December, 2008	559,000,000	-
Allocated Share - Affiliate Senior Subordinated Notes; 9.625% due 2014	<u>397,100,000</u>	<u>-</u>
Total debt due to affiliates	956,100,000	292,000,000
Contract payable; 7.2%; matures 2014	<u>264,000</u>	<u>298,000</u>
Total Affiliates and Other	956,364,000	292,298,000
Less: current portion	<u>(956,132,000)</u>	<u>(30,000)</u>
Total long-term debt	<u>\$ 232,000</u>	<u>\$292,268,000</u>

On May 5, 2008, TE and certain of its affiliates, including RNJHC, Aztar, Atlantic-Deauville, Inc. and its subsidiary, and Ramada New Jersey, Inc. filed Bankruptcy Petitions. The Company and its subsidiary are not parties to the Bankruptcy Petitions. Refer to "Note 1: Basis of Presentation" for a discussion of the Bankruptcy Petitions and their potential impact on the Company and its subsidiary.

NOTE 4. COMMITMENTS AND CONTINGENCIES

Licensing

On November 26, 1982, the Company was granted a plenary gaming license by the New Jersey Casino Control Commission, referred to as the "CCC". The license is renewable every four years. In November 2003, the license was renewed for a period of four years, effective through November 30, 2007.

On December 12, 2007, the New Jersey Casino Control Commission denied Tropicana Casinos and Resorts their license renewal and turned over control of the property to a Trustee/Conservator (refer to Note 1).

The Company is a party to various claims, legal actions and complaints arising in the ordinary course of business or asserted by way of defense or counter-claim in actions filed by the Company. Management believes that its defenses are substantial in each of these matters, and the Company's legal posture can be successfully defended or satisfactorily settled without material adverse effect on its consolidated financial position, results of operations or cash flows.

The CCC imposes an annual tax of eight percent on gross casino revenue. Pursuant to legislation adopted in 1984, casino licensees are required to invest an additional one and one-quarter percent of gross casino revenue for the purchase of bonds to be issued by the CRDA or make other approved investments equal to that amount; in the event the investment requirement is not met, the casino licensee is subject to a tax of two and one-half percent on gross casino revenue. As mandated by the legislation, the interest rate of the CRDA bonds purchased by the licensee will be two-thirds of the average market rate for bonds available for purchase and published by a national bond index at the time of the CRDA bond issuance. The Company's reinvestment obligation for 2008 and 2007, respectively, was \$1,124,000 and \$1,326,000 for the purchase of CRDA bonds. In 2008 and 2007, the Company recorded a loss provision of \$418,000 and \$474,000 respectively. The loss provision is to recognize the effect of the below market interest rate using the interest rate in effect at March 31, 2008.

NOTE 5. RELATED PARTIES

Transactions with affiliates consist of expenditures by affiliates on the Company's behalf including purchases of assets, facility rental, and administrative expenses or cash advances to affiliates or other receivables from affiliates. The Company has many significant transactions with Aztar. Since payment is not required to be made currently, the net of these transactions is classified as long-term.

On May 5, 2008, TE and certain of its affiliates, including RNJHC, Aztar, Atlantic-Deauville, Inc. and its subsidiary, and Ramada New Jersey, Inc. filed Bankruptcy Petitions. The Company and its subsidiary are not parties to the Bankruptcy Petitions. Refer to "Note 1: Basis of Presentation" for a discussion of the Bankruptcy Petitions and their potential impact on the Company and its subsidiary.

TCR and affiliates provided various services to the Company in 2007. Neither a management fee nor any expenses directly incurred by TCR and affiliates were charged to the Company.

Due to affiliates is reflected in Other Liabilities. The identity of the affiliate and corresponding balances at March 31, 2008 and 2007 are:

	<u>2008</u>	<u>2007</u>
Due to Aztar Corporation	\$300,262,000	\$363,027,000
Due to Tropicana Casinos and Resorts	1,465,000	-
Due to Ramada New Jersey, Inc.	594,000	519,000
Due to Adamar Garage Corporation	16,628,000	11,928,000
Due to Atlantic Deauville, Inc.	548,000	478,000
Due to Tropicana West	<u>78,000</u>	<u>78,000</u>
	<u>\$319,575,000</u>	<u>\$376,030,000</u>

Advances to affiliates are reflected in Investments, Advances and Receivables. The identity of the affiliate and corresponding balances at March 31, 2008 and 2007 are:

	<u>2008</u>	<u>2007</u>
Due from Tropicana Entertainment	\$ 765,000	\$ -
Due from Tropicana Casinos and Resorts	-	48,592,000

Notes payable to related parties are included in Long-term debt to affiliates (See Note 3). The identity of the affiliate and corresponding balances at March 31, 2008 and 2007 are:

<u>PAYEE</u>	<u>2008</u>	<u>2007</u>
Aztar Corporation	\$ 956,100,000	\$ 292,000,000

For the three months ended March 31, 2008 and 2007 the Company incurred charges from affiliates which are indicated in the accompanying Statements of Income as Cost of Goods and Services and Selling, General, and Administrative. The nature of the charges and dollar amounts are as follows:

	<u>2008</u>	<u>2007</u>
<u>COST OF GOODS AND SERVICES</u>		
Property insurance	<u>\$ 1,712,000</u>	<u>\$1,569,000</u>
<u>SELLING, GENERAL AND ADMINISTRATIVE</u>		
Insurance	<u>199,000</u>	<u>276,000</u>
Total	<u>\$ 1,911,000</u>	<u>\$1,845,000</u>

NOTE 6: ACCOUNTING FOR THE IMPACT OF THE OCTOBER 30, 2003 CONSTRUCTION ACCIDENT

An accident occurred on the site of the construction of the expansion on October 30, 2003. The accident resulted in loss of life and serious injuries, as well as extensive damage to the facilities under construction. Construction on the expansion project was substantially completed by December, 2004. The expansion included 502 additional hotel rooms, 20,000 square feet of meeting space, 2,400 parking spaces, and "The Quarter at Tropicana," a 200,000-square-foot dining, entertainment and retail center.

In April, 2007, the Company and its insurance carriers reached a settlement agreement regarding all outstanding claims for dismantlement, debris removal and rebuild as a result of the 2003 construction accident.

Also in April, 2007, the Company was a party to a settlement agreement that has fully resolved all liability claims that arose from the construction accident. The claims were satisfied in full within the policy limits of the Company's insurance programs and will have no material effect on the Company's financial condition.

In the first quarter of 2007, the Company recorded \$0 of insurance recoveries and \$1,436,000 of construction accident related costs and expenses primarily consisting of professional fees incurred as a result of the accident.

These insurance recoveries and related costs were classified as a component of Non-operating Income(Expense) in the Statements of Income (refer to Note 7).

At December 31, 2007, the only significant outstanding issue related to the 2003 accident is business interruption claims made by the Company and Aztar which have not yet been resolved. It appears that any future benefit from such claims as well as any costs incurred to pursue such recoveries, will be payable to, or by, Aztar (with no impact to the Company) after the sale of the Company.

NOTE 7. NON-OPERATING INCOME/EXPENSE

For the period ending March 31, 2008 and 2007, Non-operating Income/(Expense) consisted of the following:

	<u>2008</u>	<u>2007</u>
Interest income	\$ 291,000	\$ 369,000
Gain/(Loss)on dispositions	-	(54,000)
License denial expense	(379,000)	-
Construction accident	-	(1,436,000)
Affiliate rent expense	<u>(1,211,000)</u>	<u>(1,211,000)</u>
Total	<u>\$ (1,299,000)</u>	<u>\$ (2,332,000)</u>

NOTE 8: SUBSEQUENT EVENTS

In January, 2008 the Trustee/Conservator engaged Bear Stearns & Co, Inc. ("Bear Stearns") as financial advisor in connection with the sale of the Company pursuant to the order of the NJCCC (refer to Note 1).

In connection with the sale of the Company, Bear Stearns requested that preliminary indications of interest from third parties be submitted by March 17, 2008. The Trustee/Conservator received multiple expressions of interest and certain third parties were invited to begin due diligence and other activities customary in auction sales. The sale process is ongoing.

In March 2008, TE and its affiliates filed an appeal in New Jersey state appellate court to overturn the NJCCC December, 2007 order denying the renewal of the Company's casino license and the plenary qualification of TE and TCR, as holding companies of the Company. Such appeal is pending.

Refer to Note 1 for a discussion of subsequent events related to TE and certain affiliates, including the filing of the Bankruptcy Petitions, and the potential impact on the Company and its subsidiary of such events.