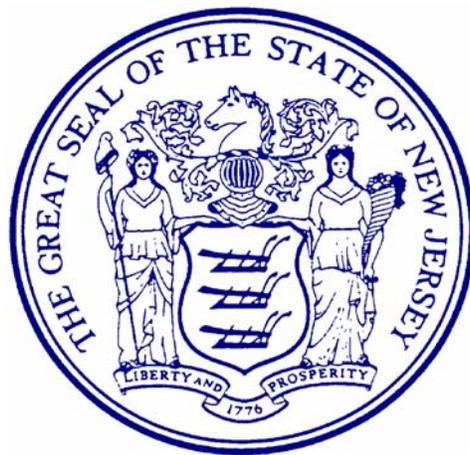


**TROPICANA CASINO AND RESORT
QUARTERLY REPORT**

FOR THE QUARTER ENDED JUNE 30, 2011

**SUBMITTED TO THE
DIVISION OF GAMING ENFORCEMENT
OF THE
STATE OF NEW JERSEY**



**OFFICE OF FINANCIAL INVESTIGATIONS
REPORTING MANUAL**

TROPICANA CASINO AND RESORT BALANCE SHEETS

AS OF JUNE 30, 2011 AND 2010

(UNAUDITED)

(\$ IN THOUSANDS)

Line (a)	Description (b)	Notes	2011 (c)	2010* (d)
	<u>ASSETS:</u>			
	Current Assets:			
1	Cash and Cash Equivalents.....		\$85,022	\$69,512
2	Short-Term Investments.....		0	0
3	Receivables and Patrons' Checks (Net of Allowance for Doubtful Accounts - 2011, \$10,053 ; 2010, \$8,006).....		21,273	17,336
4	Inventories		2,668	2,151
5	Other Current Assets.....		5,006	6,899
6	Total Current Assets.....		113,969	95,898
7	Investments, Advances, and Receivables.....	5	33,079	31,917
8	Property and Equipment - Gross.....	2	200,009	190,910
9	Less: Accumulated Depreciation and Amortization.....	2	(20,582)	(5,517)
10	Property and Equipment - Net.....	2	179,427	185,393
11	Other Assets.....	3	7,716	9,704
12	Total Assets.....		\$334,191	\$322,912
	<u>LIABILITIES AND EQUITY:</u>			
	Current Liabilities:			
13	Accounts Payable.....		\$7,784	\$7,992
14	Notes Payable.....		0	0
	Current Portion of Long-Term Debt:			
15	Due to Affiliates.....		0	0
16	External.....	4	40	38
17	Income Taxes Payable and Accrued.....		0	0
18	Other Accrued Expenses.....	7	25,111	21,162
19	Other Current Liabilities.....		4,559	4,315
20	Total Current Liabilities.....		37,494	33,507
	Long-Term Debt:			
21	Due to Affiliates.....		0	0
22	External.....	4	111	151
23	Deferred Credits		0	0
24	Other Liabilities.....	6,8	7,691	2,775
25	Commitments and Contingencies.....		0	0
26	Total Liabilities.....		45,296	36,433
27	Stockholders', Partners', or Proprietor's Equity.....		288,895	286,479
28	Total Liabilities and Equity.....		\$334,191	\$322,912

* Period from March 8, 2010 to June 30, 2010

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

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

TROPICANA CASINO AND RESORT STATEMENTS OF INCOME

FOR THE PERIOD ENDED JUNE 30, 2011 AND 2010

(UNAUDITED)
(\$ IN THOUSANDS)

AMENDED JULY 27, 2012

Line (a)	Description (b)	Notes	2011 (c)	2010* (d)
	Revenue:			
1	Casino.....		\$121,976	\$89,388
2	Rooms.....		32,170	21,660
3	Food and Beverage.....		19,525	13,628
4	Other.....		6,427	5,599
5	Total Revenue.....		180,098	130,275
6	Less: Promotional Allowances.....		54,359	32,979
7	Net Revenue.....		125,739	97,296
	Costs and Expenses:			
8	Cost of Goods and Services.....	6	99,925	69,197
9	Selling, General, and Administrative.....	6	24,730	16,648
10	Provision for Doubtful Accounts.....		1,325	737
11	Total Costs and Expenses.....		125,980	86,582
12	Gross Operating Profit.....		(241)	10,714
13	Depreciation and Amortization.....	2	6,649	5,673
	Charges from Affiliates Other than Interest:			
14	Management Fees.....	6	0	0
15	Other.....		0	0
16	Income (Loss) from Operations.....		(6,890)	5,041
	Other Income (Expenses):			
17	Interest Expense - Affiliates.....	6	0	0
18	Interest Expense - External.....		(6)	(5)
19	CRDA Related Income (Expense) - Net.....	5	(1,300)	(354)
20	Nonoperating Income (Expense) - Net.....	9	(72)	59
21	Total Other Income (Expenses).....		(1,378)	(300)
22	Income (Loss) Before Taxes and Extraordinary Items.....		(8,268)	4,741
23	Provision (Credit) for Income Taxes.....		(443)	390
24	Income (Loss) Before Extraordinary Items.....		(7,825)	4,351
	Extraordinary Items (Net of Income Taxes -			
25	2011, \$0; 2010, \$0).....		0	0
26	Net Income (Loss).....		(\$7,825)	\$4,351

* Period March 8, 2010 to June 30, 2010

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

TROPICANA CASINO AND RESORT STATEMENTS OF INCOME

FOR THE QUARTER ENDED JUNE 30, 2011 AND 2010

(UNAUDITED)
(\$ IN THOUSANDS)

AMENDED JULY 27, 2012

Line (a)	Description (b)	Notes	2011 (c)	2010 (d)
	Revenue:			
1	Casino.....		\$57,515	\$71,116
2	Rooms.....		17,677	17,289
3	Food and Beverage.....		10,392	10,857
4	Other.....		3,512	4,457
5	Total Revenue.....		89,096	103,719
6	Less: Promotional Allowances.....		27,381	26,089
7	Net Revenue.....		61,715	77,630
	Costs and Expenses:			
8	Cost of Goods and Services.....	6	49,738	54,690
9	Selling, General, and Administrative.....	6	12,626	13,197
10	Provision for Doubtful Accounts.....		641	398
11	Total Costs and Expenses.....		63,005	68,285
12	Gross Operating Profit.....		(1,290)	9,345
13	Depreciation and Amortization.....	2	2,697	4,201
	Charges from Affiliates Other than Interest:			
14	Management Fees.....	6	0	0
15	Other.....		0	0
16	Income (Loss) from Operations.....		(3,987)	5,144
	Other Income (Expenses):			
17	Interest Expense - Affiliates.....	6	0	0
18	Interest Expense - External.....		(3)	(4)
19	CRDA Related Income (Expense) - Net.....	5	(391)	(240)
20	Nonoperating Income (Expense) - Net.....	9	(26)	37
21	Total Other Income (Expenses).....		(420)	(207)
22	Income (Loss) Before Taxes and Extraordinary Items.....		(4,407)	4,937
23	Provision (Credit) for Income Taxes.....		(96)	390
24	Income (Loss) Before Extraordinary Items.....		(4,311)	4,547
25	Extraordinary Items (Net of Income Taxes - 2011, \$0; 2010, \$0).....	2	0	0
26	Net Income (Loss).....		(\$4,311)	\$4,547

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

TROPICANA CASINO AND RESORT
STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
FOR THE PERIOD ENDED DECEMBER 31, 2010 AND THE SIX MONTHS ENDED JUNE 30, 2011
(UNAUDITED)
(\$ IN THOUSANDS)

Line (a)	Description (b)	Notes	Common Stock		Preferred Stock		Additional Paid-In Capital (g)	(h)	Retained Earnings (Accumulated Deficit) (i)	Total Stockholders' Equity (Deficit) (j)
			Shares (c)	Amount (d)	Shares (e)	Amount (f)				
1	Balance, December 31, 2009.....									\$0
2	Net Income (Loss) - 3/8 to 12/31..							14,592		14,592
3	Contribution to Paid-in-Capital....					282,128				282,128
4	Dividends.....									0
5	Prior Period Adjustments.....									0
6										0
7										0
8										0
9										0
10	Balance, December 31, 2010.....		0	0	0	0	282,128	0	14,592	296,720
11	Net Income (Loss).....							(7,825)		(7,825)
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, June 30, 2011		0	\$0	0	\$0	\$282,128	\$0	\$6,767	\$288,895

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

TROPICANA CASINO AND RESORT

STATEMENTS OF CASH FLOWS

FOR THE SIX MONTHS ENDED JUNE 30, 2011 AND PERIOD 3/8/2010 to 6/30/2010

(UNAUDITED)

(\$ IN THOUSANDS)

Line (a)	Description (b)	Notes	2011 (c)	2010* (d)
1	CASH PROVIDED (USED) BY OPERATING ACTIVITIES..		\$526	\$14,950
	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.....		(5,759)	(2,991)
5	Proceeds from Disposition of Property and Equipment.....		105	0
6	CRDA Obligations		(1,550)	(1,223)
7	Other Investments, Loans and Advances made.....			
8	Proceeds from Other Investments, Loans, and Advances		811	192
9	Cash Outflows to Acquire Business Entities.....		0	0
10	Proceeds from Sales and Luxury Tax Credits		1,887	1,887
11			
12	Net Cash Provided (Used) By Investing Activities.....		(4,506)	(2,135)
	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.....		(25)	(17)
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.....		(25)	(17)
24	Net Increase (Decrease) in Cash and Cash Equivalents.....		(4,005)	12,798
25	Cash and Cash Equivalents at Beginning of Period.....		89,027	56,714
26	Cash and Cash Equivalents at End of Period.....		\$85,022	\$69,512
	CASH PAID DURING PERIOD FOR:			
27	Interest (Net of Amount Capitalized).....		\$6	\$4
28	Income Taxes.....			

* Period March 8, 2010 to June 30, 2010

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

TROPICANA CASINO AND RESORT

STATEMENTS OF CASH FLOWS

FOR THE SIX MONTHS ENDED JUNE 30, 2011 AND PERIOD 3/8/2010 to 6/30/2010

(UNAUDITED)

(\$ IN THOUSANDS)

Line (a)	Description (b)	Notes	2011 (c)	2010* (d)
	CASH FLOWS FROM OPERATING ACTIVITIES:			
29	Net Income (Loss).....		(\$7,825)	\$4,351
30	Depreciation and Amortization of Property and Equipment.....		6,416	5,517
31	Amortization of Other Assets.....		233	156
32	Amortization of Debt Discount or Premium.....		(23)	(15)
33	Deferred Income Taxes - Current		0	0
34	Deferred Income Taxes - Noncurrent		0	0
35	(Gain) Loss on Disposition of Property and Equipment.....		(105)	0
36	(Gain) Loss on CRDA-Related Obligations.....		1,300	354
37	(Gain) Loss from Other Investment Activities.....		0	0
38	(Increase) Decrease in Receivables and Patrons' Checks		(1,500)	(1,678)
39	(Increase) Decrease in Inventories		(37)	(60)
40	(Increase) Decrease in Other Current Assets.....		(1,152)	(1,328)
41	(Increase) Decrease in Other Assets.....		713	256
42	Increase (Decrease) in Accounts Payable.....		(2,325)	(2,564)
43	Increase (Decrease) in Other Current Liabilities		1,671	7,186
44	Increase (Decrease) in Other Liabilities		3,160	2,775
45		0	0
46		0	0
47	Net Cash Provided (Used) By Operating Activities.....		\$526	\$14,950

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

	ACQUISITION OF PROPERTY AND EQUIPMENT:			
48	Additions to Property and Equipment.....		(\$5,759)	(\$2,991)
49	Less: Capital Lease Obligations Incurred.....		0	0
50	Cash Outflows for Property and Equipment.....		(\$5,759)	(\$2,991)
	ACQUISITION OF BUSINESS ENTITIES:			
51	Property and Equipment Acquired.....			
52	Goodwill Acquired.....			
53	Other Assets Acquired - net			
54	Long-Term Debt Assumed.....			
55	Issuance of Stock or Capital Invested.....			
56	Cash Outflows to Acquire Business Entities.....		\$0	\$0
	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

* Period March 8, 2010 to June 30, 2010

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

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

TROPICANA CASINO AND RESORT STATEMENT OF CONFORMITY, ACCURACY, AND COMPLIANCE

FOR THE QUARTER ENDED JUNE 30, 2011

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.

7/24/2012

Date



Christina Broome

Vice President, Finance

Title

7571-11

License Number

On Behalf of:

TROPICANA CASINO AND RESORT

Casino Licensee

**TROPICANA ATLANTIC CITY CORP.
DBA TROPICANA CASINO AND RESORT
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

NOTE 1. ORGANIZATION AND BASIS OF PRESENTATION

Basis of Presentation

The consolidated financial statements include the accounts of Tropicana Atlantic City Corp. ("the Company") and its wholly-owned subsidiary Tropicana AC Sub Corp. ("TAC Sub"), after elimination of all significant intercompany accounts and transactions.

The Company operates a casino hotel in Atlantic City, New Jersey ("the Property") and is a wholly owned subsidiary of Tropicana Entertainment, Inc. ("TE").

On March 8, 2010 ("the Acquisition Date"), the Tropicana Casino & Resort was acquired along with the other assets of Adamar of New Jersey, Inc. by TE. The newly acquired company was formed as Tropicana Atlantic City Corp, a Delaware corporation. Tropicana Atlantic City Corp. formed a wholly owned subsidiary, TAC Sub, a New Jersey corporation. The new corporations were formed in accordance with the terms of the Amended and Restated Purchase agreement that was approved by the United States Bankruptcy Court, District of New Jersey, on November 4, 2009 and the New Jersey Casino Control Commission ("NJCCC") on November 19, 2009.

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Disclosures Not Presented

Certain footnotes have not been presented in these Notes to the Consolidated Financial Statements. These footnotes would be a duplicate of items contained in the Annual Report for the year ended December 31, 2010.

The specific footnotes not presented are the Summary of Significant Accounting Policies, Lease Obligations, Retirement Plans, Fair Value of Financial Instruments and Income Taxes. The footnotes contained in the December 31, 2010 Annual Report should be read in conjunction with these financial statements.

NOTE 2. PROPERTY AND EQUIPMENT

At June 30, 2011 and 2010, the components of Property and Equipment consisted of:

	<u>2011</u>	<u>2010</u>
Land and land improvements	\$ 68,020,000	\$ 68,020,000
Building and improvements	96,086,000	94,960,000
Furniture, fixtures and equipment	30,974,000	25,863,000
Construction in progress	<u>4,929,000</u>	<u>2,067,000</u>
Total property and equipment-gross	200,009,000	190,910,000
Less: accumulated depreciation and amortization	<u>(20,582,000)</u>	<u>(5,517,000)</u>
Total property and equipment	<u>\$ 179,427,000</u>	<u>\$ 185,393,000</u>

NOTE 3. INTANGIBLE ASSETS

At June 30, 2011 and 2010 the Company's intangible assets consisted of the following:

	<u>2011</u>	<u>2010</u>
Favorable leases	\$ 5,200,000	\$ 5,200,000
Customer lists	<u>1,400,000</u>	<u>1,400,000</u>
Total intangible assets	\$ 6,600,000	\$ 6,600,000
Less: accumulated amortization		
Favorable leases	(1,224,000)	(306,000)
Customer lists	<u>(622,000)</u>	<u>(156,000)</u>
Total accumulated amortization	\$ (1,846,000)	(462,000)
Intangible assets, net	<u>\$ 4,754,000</u>	<u>\$ 6,138,000</u>

Customer lists represent the value associated with customers enrolled in our customer loyalty programs and are being amortized to amortization expense on a straight-line basis over three years. Favorable lease arrangements are being amortized to tenant income on a straight-line basis over the terms of the various leases.

NOTE 4. LONG-TERM DEBT

At June 30, 2011 and 2010, Long-Term Debt consisted of:

	<u>2011</u>	<u>2010</u>
Contract payable; 7.2% matures 2014	\$ 151,000	\$ 189,000
Less: current portion	<u>(40,000)</u>	<u>(38,000)</u>
Total long-term debt	<u>\$ 111,000</u>	<u>\$ 151,000</u>

NOTE 5. COMMITMENTS AND CONTINGENCIES

Licensing

On March 3, 2010, the Company was granted an interim casino authorization by the New Jersey Casino Control Commission. On November 10, 2010, the Company was granted an initial one-year casino license by the NJCCC.

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 NJCCC 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. For the period ending June 30, 2011 and 2010, the Company's reinvestment obligation was \$1,550,000 and \$1,223,000 respectively for the purchase of CRDA bonds. For the period ending June 30, 2011 and 2010, the Company recorded a loss provision of \$1,300,000 and \$354,000 respectively. The loss provision is to recognize the effect of the below market interest rate using the interest rate in effect at June 30, 2011 and 2010.

The Company has separate insurance policies that provide coverage for general liability and workers compensation claims. The Company's accrual for general liability claims within the retention level was approximately \$1,236,000 at June 30, 2011. The Company's accrual for workers compensation claims was approximately \$1,883,000 at June 30, 2011.

NOTE 6. RELATED PARTIES

Transactions with TE included activity principally related to joint insurance programs, federal income tax filings, and other administrative services.

TE provided various services to the Company in 2011 for which a management fee was not charged.

Due to affiliates is reflected in Other Liabilities. The identity of the affiliate and corresponding balance at June 30, 2011 and 2010 is:

	<u>2011</u>	<u>2010</u>
Due to Tropicana Entertainment, Inc.	\$7,691,000	\$ 2,775,000

For the six months ended June 30, 2011 and 2010 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>2011</u>	<u>2010</u>
<u>COST OF GOODS AND SERVICES</u>		
Property insurance	\$ 872,000	\$ 714,000
Workman's Compensation Insurance	<u>122,000</u>	<u>81,000</u>
Total	<u>\$ 994,000</u>	<u>\$ 795,000</u>
<u>SELLING, GENERAL AND ADMINISTRATIVE</u>		
General Liability Insurance	\$ 268,000	\$ 305,000
Workman's Compensation Insurance	123,000	197,000
Professional Fees	<u>210,000</u>	<u>81,000</u>
Total	<u>\$ 601,000</u>	<u>\$ 583,000</u>

NOTE 7. OTHER ACCRUED EXPENSES

At June 30, 2011 and 2010, Other Accrued Expenses consisted of the following:

	<u>2011</u>	<u>2010</u>
Accrued payroll, taxes and benefits	\$ 10,803,000	\$ 10,592,000
Accrued progressive liability	1,553,000	1,286,000
Workman's Compensation Reserve	1,883,000	740,000
Other	<u>10,872,000</u>	<u>8,544,000</u>
Total	<u>\$ 25,111,000</u>	<u>\$ 21,162,000</u>

NOTE 8. OTHER LIABILITIES

At June 30, 2011 and 2010, the components of Other Liabilities consisted of:

	<u>2011</u>	<u>2010</u>
Due to affiliates	<u>7,691,000</u>	<u>2,775,000</u>
Total	<u>\$ 7,691,000</u>	<u>\$ 2,775,000</u>

NOTE 9. NON-OPERATING INCOME/EXPENSE

At June 30, 2011 and 2010, Non-operating Income/(Expense) consisted of the following:

	<u>2011</u>	<u>2010</u>
Interest income	\$ 305,000	\$ 148,000
License Denial/Reorganization expense	(204,000)	(89,000)
Proceeds from Disposal	105,000	-
Construction Accident Related	<u>(278,000)</u>	<u>-</u>
Total	<u>\$ (72,000)</u>	<u>\$ 59,000</u>