ATLANTIC CITY SHOWBOAT, INC
QUARTERLY REPORT

FOR THE QUARTER ENDED DECEMBER 31, 2009

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

DIVISION OF FINANCIAL EVALUATION
REPORTING MANUAL

Amended 4/30/2010

ATLANTIC CITY SHOWBOAT, INC
BALANCE SHEETS

AS OF DECEMBER 31, 2009 AND 2008

(UNAUDITED)
($ IN THOUSANDS)

Line (a)	Description (b)	Notes	2009 (c)	2008 (d)
	ASSETS:			
	Current Assets:			
1	Cash and Cash Equivalents		$16,047	$21,588
2	Short-Term Investments		0	0
3	Receivables and Patrons' Checks (Net of Allowance for Doubtful Accounts - 2009, $5,679 ; 2008, $4,802)	2	8,353	8,294
4	Inventories	2	1,405	1,368
5	Other Current Assets	4	9,883	12,410
6	Total Current Assets		35,688	43,660
7	Investments, Advances, and Receivables	5	175,485	122,563
8	Property and Equipment - Gross		666,387	665,700
9	Less: Accumulated Depreciation and Amortization		(49,454)	(24,909)
10	Property and Equipment - Net	6	616,933	640,791
11	Other Assets		10	48
12	Total Assets		$828,116	$807,062
	LIABILITIES AND EQUITY:			
	Current Liabilities:			
13	Accounts Payable		$4,874	$4,691
14	Notes Payable		0	0
	Current Portion of Long-Term Debt:			
15	Due to Affiliates		0	0
16	External		5	15
17	Income Taxes Payable and Accrued		0	0
18	Other Accrued Expenses	7	15,446	14,777
19	Other Current Liabilities		767	1,000
20	Total Current Liabilities		21,092	20,483
	Long-Term Debt:			
21	Due to Affiliates	8	0	0
22	External		0	5
23	Deferred Credits		58,676	61,294
24	Other Liabilities	9	64,365	52,035
25	Commitments and Contingencies	13	0	0
26	Total Liabilities		144,133	133,817
27	Stockholders', Partners', or Proprietor's Equity		683,983	673,245
28	Total Liabilities and Equity		$828,116	$807,062

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

Amended 4/30/2010

ATLANTIC CITY SHOWBOAT, INC
STATEMENTS OF INCOME

FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2009 AND 2008

(UNAUDITED)
($ IN THOUSANDS)

Line (a)	Description (b)	Notes	2009 (c)	2008 (d)
	Revenue:			
1	Casino		$314,476	$358,431
2	Rooms		35,501	38,215
3	Food and Beverage		47,988	52,295
4	Other		10,987	13,344
5	Total Revenue		408,952	462,285
6	Less: Promotional Allowances		125,134	126,315
7	Net Revenue		283,818	335,970
	Costs and Expenses:			
8	Cost of Goods and Services		183,649	214,695
9	Selling, General, and Administrative		34,383	39,633
10	Provision for Doubtful Accounts		2,522	2,984
11	Total Costs and Expenses		220,554	257,312
12	Gross Operating Profit		63,264	78,658
13	Depreciation and Amortization		25,738	27,905
	Charges from Affiliates Other than Interest:			
14	Management Fees		0	0
15	Other	3	15,864	18,753
16	Income (Loss) from Operations		21,662	32,000
	Other Income (Expenses):			
17	Interest Expense - Affiliates		0	(4,447)
18	Interest Expense - External		(11)	(14,472)
19	CRDA Related Income (Expense) - Net		(2,532)	(3,745)
20	Nonoperating Income (Expense) - Net	12	842	(53,162)
21	Total Other Income (Expenses)		(1,701)	(75,826)
22	Income (Loss) Before Taxes and Extraordinary Items		19,961	(43,826)
23	Provision (Credit) for Income Taxes	11	9,223	886
24	Income (Loss) Before Extraordinary Items		10,738	(44,712)
25	Extraordinary Items (Net of Income Taxes - 2009, $0; 2008, $0)		0	0
26	Net Income (Loss)		$10,738	($44,712)

The accompanying notes are an integral part of the financial statements.
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Amended 4/30/2010

ATLANTIC CITY SHOWBOAT, INC
STATEMENTS OF INCOME

FOR THE THREE MONTHS ENDED DECEMBER 31, 2009 AND 2008

(UNAUDITED)
($ IN THOUSANDS)

Line (a)	Description (b)	Notes	2009 (c)	2008 (d)
	Revenue:			
1	Casino		$74,763	$72,984
2	Rooms		8,002	8,278
3	Food and Beverage		10,517	11,318
4	Other		2,235	3,016
5	Total Revenue		95,517	95,596
6	Less: Promotional Allowances		31,840	26,647
7	Net Revenue		63,677	68,949
	Costs and Expenses:			
8	Cost of Goods and Services		44,296	46,926
9	Selling, General, and Administrative		8,611	8,290
10	Provision for Doubtful Accounts		496	1,131
11	Total Costs and Expenses		53,403	56,347
12	Gross Operating Profit		10,274	12,602
13	Depreciation and Amortization		6,391	6,817
	Charges from Affiliates Other than Interest:			
14	Management Fees		0	0
15	Other		3,835	3,550
16	Income (Loss) from Operations		48	2,235
	Other Income (Expenses):			
17	Interest Expense - Affiliates		0	0
18	Interest Expense - External		0	0
19	CRDA Related Income (Expense) - Net		(241)	(991)
20	Nonoperating Income (Expense) - Net		254	(54,079)
21	Total Other Income (Expenses)		13	(55,070)
22	Income (Loss) Before Taxes and Extraordinary Items		61	(52,835)
23	Provision (Credit) for Income Taxes		(2,012)	(2,580)
24	Income (Loss) Before Extraordinary Items		2,073	(50,255)
	Extraordinary Items (Net of Income Taxes -			
25	2009, $0; 2008, $0)		0	0
26	Net Income (Loss)		$2,073	($50,255)

The accompanying notes are an integral part of the financial statements.
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Amended 4/30/2010

ATLANTIC CITY SHOWBOAT, INC
STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY

FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2008 AND THE TWELVE MONTHS ENDED DECEMBER 31, 2009

(UNAUDITED)
($ IN THOUSANDS)

Line (a)	Description (b)	Notes	Common Stock Shares (c)	Common Stock Amount (d)	Preferred Stock Shares (e)	Preferred Stock Amount (f)	Additional Paid-In Capital (g)	(h)	Retained Earnings (Accumulated Deficit) (i)	Total Stockholders' Equity (Deficit) (j)
1	**Balance, December 31, 2007..........**		1,500	$70,492	0	$0	$0	$0	$694	$71,186
2	Net Income (Loss) - 2008.............								(44,712)	(44,712)
3	Contribution to Paid-in-Capital.....		(1,500)	(70,492)			715,000			644,508
4	Dividends.....................................									0
5	Prior Period Adjustments.............									0
6	Purchase Price Adjustment								2,263	2,263
7										0
8										0
9										0
10	**Balance, December 31, 2008..........**		0	0	0	0	715,000	0	(41,755)	673,245
11	Net Income (Loss) - 2009.............								10,738	10,738
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, December 31, 2009 ....**		0	$0	0	$0	$715,000	$0	($31,017)	$683,983

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

ATLANTIC CITY SHOWBOAT, INC
STATEMENTS OF CASH FLOWS

FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2009 AND 2008

(UNAUDITED)
($ IN THOUSANDS)

Line (a)	Description (b)	Notes	2009 (c)	2008 (d)
1	CASH PROVIDED (USED) BY OPERATING ACTIVITIES..		$242	$6,309
	CASH FLOWS FROM INVESTING ACTIVITIES:			
2	Purchase of Short-Term Investments		0	0
3	Proceeds from the Sale of Short-Term Investments		0	0
4	Cash Outflows for Property and Equipment		(1,877)	(5,049)
5	Proceeds from Disposition of Property and Equipment		47	124
6	CRDA Obligations		(3,938)	(4,737)
7	Other Investments, Loans and Advances made		0	0
8	Proceeds from Other Investments, Loans, and Advances		0	0
9	Cash Outflows to Acquire Business Entities		0	0
10			0	0
11			0	0
12	Net Cash Provided (Used) By Investing Activities		(5,768)	(9,662)
	CASH FLOWS FROM FINANCING ACTIVITIES:			
13	Proceeds from Short-Term Debt		0	0
14	Payments to Settle Short-Term Debt		(15)	(13)
15	Proceeds from Long-Term Debt		0	0
16	Costs of Issuing Debt		0	0
17	Payments to Settle Long-Term Debt		0	0
18	Cash Proceeds from Issuing Stock or Capital Contributions		0	0
19	Purchases of Treasury Stock		0	0
20	Payments of Dividends or Capital Withdrawals		0	0
21			0	0
22			0	0
23	Net Cash Provided (Used) By Financing Activities		(15)	(13)
24	Net Increase (Decrease) in Cash and Cash Equivalents		(5,541)	(3,366)
25	Cash and Cash Equivalents at Beginning of Period		21,588	24,954
26	Cash and Cash Equivalents at End of Period		$16,047	$21,588

	CASH PAID DURING PERIOD FOR:			
27	Interest (Net of Amount Capitalized)		$11	$20,642
28	Income Taxes		$2,081	$1,810

The accompanying notes are an integral part of the financial statements.
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ATLANTIC CITY SHOWBOAT, INC
STATEMENTS OF CASH FLOWS

FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2009 AND 2008

(UNAUDITED)
($ IN THOUSANDS)

Line (a)	Description (b)	Notes	2009 (c)	2008 (d)
	CASH FLOWS FROM OPERATING ACTIVITIES:			
29	Net Income (Loss)		$10,738	($44,712)
30	Depreciation and Amortization of Property and Equipment		25,721	27,905
31	Amortization of Other Assets		17	0
32	Amortization of Debt Discount or Premium		0	0
33	Deferred Income Taxes - Current		2,876	570
34	Deferred Income Taxes - Noncurrent		(2,618)	39,914
35	(Gain) Loss on Disposition of Property and Equipment		(33)	(50)
36	(Gain) Loss on CRDA-Related Obligations		2,532	3,745
37	(Gain) Loss from Other Investment Activities		0	0
38	(Increase) Decrease in Receivables and Patrons' Checks		(59)	3,920
39	(Increase) Decrease in Inventories		(37)	661
40	(Increase) Decrease in Other Current Assets		(349)	(1,488)
41	(Increase) Decrease in Other Assets		21	(570)
42	Increase (Decrease) in Accounts Payable		183	(1,000)
43	Increase (Decrease) in Other Current Liabilities		436	(9,188)
44	Increase (Decrease) in Other Liabilities		12,330	10,475
45	Net (Increase) Decrease in Invest. Advances and R		(51,516)	(25,009)
46	Amortization of Deferred Finance Charges		0	1,136
47	Net Cash Provided (Used) By Operating Activities		$242	$6,309

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

Line	Description	Notes	2009	2008
	ACQUISITION OF PROPERTY AND EQUIPMENT:			
48	Additions to Property and Equipment		($1,877)	($5,049)
49	Less: Capital Lease Obligations Incurred		0	0
50	Cash Outflows for Property and Equipment		($1,877)	($5,049)
	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

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

ATLANTIC CITY SHOWBOAT, INC
STATEMENT OF CONFORMITY, ACCURACY, AND COMPLIANCE

FOR THE QUARTER ENDED DECEMBER 31, 2009

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.

Mary Cheeks

4/29/2010
Date

Mary Cheeks

Vice President of Finance
Title

004960-11
License Number

On Behalf of:

ATLANTIC CITY SHOWBOAT, INC
Casino Licensee

ATLANTIC CITY SHOWBOAT, INC.
NOTES TO FINANCIAL STATEMENTS
(Unaudited)
(Dollars in Thousands)

NOTE 1 - ORGANIZATION AND BASIS OF PRESENTATION

Showboat Atlantic City Operating Company, LLC (the "Company"), is a wholly-owned subsidiary of Ocean Showboat, Inc. ("OSI"), which is a wholly-owned subsidiary of Showboat Holding, Inc. ("SHI"). SHI is a wholly owned subsidiary of Harrah's Operating Company, Inc. ("HOC"). OSI is a holding company with its principal assets being investments in the Company and other subsidiaries. OSI is an indirect wholly owned subsidiary of Harrah's Entertainment, Inc. ("Harrah's"). The Company conducts casino gaming operations and operates full supportive services of hotel, restaurant, bar and convention facilities at the Showboat Hotel and Casino in Atlantic City, New Jersey ("Atlantic City Showboat").

On January 28, 2008, Harrah's was acquired by affiliates of Apollo Global Management, LLC and TPG Capital, LP. hereinafter referred to as the "Acquisition." Prior to the Acquisition, Atlantic City Showboat, Inc. (the "Predecessor Company") operated and owned the Showboat Hotel and Casino. The Predecessor Company was an indirect, wholly-owned subsidiary of HOC, which is a direct wholly-owned subsidiary Harrah's.

In conjunction with the Acquisition, the Predecessor Company, along with five affiliates, was spun off from HOC for the purpose of obtaining financing in the form of commercial mortgaged-backed securities ("CMBS") in order to effect the Acquisition. A series of transactions, hereinafter referred to as the "Restructuring", were executed that, among other things, dissolved the Predecessor Company and liquidated its assets, net of liabilities, to various affiliates and created the Company. CMBS financing was obtained by subsidiaries of OSI.

On May 22, 2008, two additional affiliates and their related operating assets were spun out of HOC to Harrah's and the Company, along with one of the original five affiliates, was transferred to HOC from Harrah's as contemplated under the debt agreements effective pursuant to the Acquisition. An additional series of transactions, hereinafter referred to as the "Post-Closing Restructuring", were executed that, among other things, contributed the CMBS financing to Harrah's and released the Company from the CMBS financing liabilities and created SHI and merged Showboat, Inc. ("SBO"), into SHI. Prior to the Post-Closing Restructuring, OSI was a wholly-owned subsidiary of SBO.

The Company is licensed to operate the facility by the New Jersey Casino Control Commission (the "CCC") and is subject to rules and regulations established by the CCC. The Company's license was renewed July 1, 2008 and will expire on June 30, 2013.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of Consolidation - The accompanying consolidated financial statements include the account balances of OSI and its wholly-owned subsidiaries. As a result, all material intercompany transactions and balances have been eliminated in consolidation.

Acquisition of Harrah's – As a result of the Acquisition, total equity was adjusted based on the purchase price assigned to the Company, retained earnings of the Company were eliminated and the assets and liabilities of the Company were adjusted to fair value with goodwill recorded for the excess of the purchase price over the fair value of the net tangible and intangible assets. Harrah's determined the estimated fair values after review and consideration of relevant information including discounted cash flow analyses, quoted market prices and estimates made by management.

For purposes of this regulatory filing, adjustments to the historical assets of the Company were reflected in December 31, 2009 and December 31, 2008 financial statements.

Allowance for Doubtful Accounts - The Company reserves an estimated amount for receivables that may not be collected. The methodology for estimating the allowance includes using specific reserves and applying various percentages to aged receivables. Historical collection rates are considered, as are customer relationships, in determining specific allowances. As with many estimates management must make judgments about potential actions by third parties in establishing and evaluating the allowance for bad debts.

Inventories - Inventories, which consist primarily of food, beverage, and operating supplies, are stated at the lower of average cost or market value.

ATLANTIC CITY SHOWBOAT, INC.
NOTES TO FINANCIAL STATEMENTS
(Unaudited)
(Dollars in Thousands)

Land, Buildings and Equipment - As a result of the application of purchase accounting, land, buildings and equipment were recorded at their estimated fair values and useful lives as of the Acquisition date. Additions to land, buildings, and equipment are stated at cost, including capitalized interest on intercompany funds used to finance construction calculated at Harrah's overall weighted-average borrowing rate of interest.

Improvements that extend the life of the asset are capitalized. Building improvements are depreciated over the remaining life of the building. Maintenance and repairs are expensed as incurred.

Depreciation is provided using the straight-line method over the shorter of the estimated useful life of the asset or the related lease term, as follows:

Land improvements	12 years
Buildings and improvements	5 to 40 years
Furniture, fixtures and equipment	3 to 20 years

The Company reviews the carrying value of land, buildings, and equipment for impairment whenever events and circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. If undiscounted expected future cash flows were less than the carrying value, an impairment loss would be recognized equal to an amount by which the carrying value exceeds the fair value of the asset. The factors considered by the Company in performing this assessment include current operating results, trends and prospects, as well as the effect of obsolescence, demand, competition and other economic factors.

Deferred Financing Cost - On January 28, 2008, the subsidiaries of OSI entered into an interest rate cap agreement to partially hedge the risk of future increases in the variable rate of the CMBS debt. The interest rate cap agreement, which was effective January 28, 2008, and terminates February 13, 2013, was for a notional amount of $646,000 at a LIBOR cap rate of 4.5%.

Costs associated with the issuance of debt were deferred and were being amortized to interest expense over the life of the related indebtedness using the effective interest method.

As a result of the Post-Closing Restructuring, the deferred finance costs and interest rate cap asset were transferred to Harrah's.

Goodwill - The Company had no goodwill recorded in the accompanying consolidated balance sheet as of December 31, 2009 as a result of an impairment charge subsequent to the Acquisition date. The Company accounts for goodwill and other intangible assets in accordance with Accounting Standards Codification ("ASC") 350, "Intangible Assets – Goodwill and Other." The Company performs at least an annual review of goodwill for impairment. The Company completed its annual assessment for impairment in the fourth quarter of 2008 and determined that goodwill had been impaired. A charge of $53,654 was recorded as a non-operating expense in our statement of income for the period ending December 31, 2008.

Fair Value of Financial Instruments - The carrying amount of receivables and all current liabilities approximates fair value due to their short-term nature. The fair value of a financial instrument is the amount at which the instrument could be exchanged in a current transaction between willing parties. After giving effect to their allowances, the Casino Reinvestment Development Authority ("CRDA") bonds and deposits approximately reflect their fair value based upon their below-market interest rates.

Revenue Recognition - Gaming revenue is (a) the win from gaming activities, which is the difference between gaming wins and losses, less sales incentives and other adjustments and (b) revenue from gaming related activities such as poker and tournament. Jackpots, other than incremental amount of progressive jackpots, are recognized at the time they are won by customers. The Company accrues the incremental amount of progressive jackpots as the progressive machine is played, and the progressive jackpot amount increases, with a corresponding reduction of gaming revenue. The retail value of accommodations, food and beverage, and other services furnished to hotel-casino guests without charge is included in gross revenue and then deducted as promotional allowances. Food and beverage and rooms revenues include the aggregate amounts generated by those departments.

ATLANTIC CITY SHOWBOAT, INC.
NOTES TO FINANCIAL STATEMENTS
(Unaudited)
(Dollars in Thousands)

Total Rewards Program Liability - The Company's customer loyalty program, Total Rewards, offers incentives to customers who gamble at certain of the affiliated casinos throughout the United States of America. Under the program, customers are able to accumulate, or bank, Reward Credits over time that they may redeem at their discretion under the terms of the program. The Reward Credit balance will be forfeited if the customer does not earn a Reward Credit over the prior six-month period. As a result of the ability of the customer to bank the Reward Credits, the Company accrues the expense of Reward Credits, after consideration of estimated breakage, as they are earned. The estimated cost to provide Reward Credits is expensed at the property where they are earned and is included in casino expenses in the consolidated Statements of Income. To arrive at the estimated cost associated with Reward Credits, estimates and assumptions are made regarding incremental marginal costs of the benefits, breakage rates, and the mix of goods and services for which Reward Credits will be redeemed. The Company uses historical data to assist in the determination of estimated accruals. At December 31, 2009 and 2008, $3,007 and $3,202, respectively, was accrued for the cost of anticipated Total Rewards credit redemptions.

In addition to Reward Credits, customers can earn points based on play that are redeemable in cash ("cash-back points"). The Company accrues the cost of cash-back points, after consideration of estimated breakage, as they are earned. The cost is recorded as contra-revenue and included in Casino promotional allowances in the accompanying statements of income. At December 31, 2009 and 2008, the liability related to outstanding cash-back points, which is based on historical redemption activity, was $519 and $574, respectively.

These amounts are included in the net intercompany balances within the Investment, Advances and Receivables section of the Company's accompanying balance sheet.

Casino Promotional Allowances - Casino promotional allowances consist of the retail value of complimentary food and beverage, accommodations, admissions and entertainment provided to casino patrons. Also included is the value of the coupons redeemed for cash and gaming credits at the property. The estimated costs of providing such complimentary services are classified as casino expenses in the accompanying statements of income. These costs consisted of the following at December 31:

	2009	2008
Food and Beverage	$ 25,146	$ 27,621
Rooms	8,878	9,995
Other	2,655	3,166
Bus Program Cash	5,204	16,358
Promotional Gaming Credits	43,346	2,145
Other Cash Complimentary	16,906	41,942
	$ 102,135	$ 101,227

Gaming Tax - The Company remits weekly to the CCC a tax equal to eight percent of the gross gaming revenue, as defined. Gaming taxes paid to the CCC for the twelve months ended December 31, 2009 and 2008, which are included in cost of goods and services in the statement of income were approximately $25,334 and $28,981, respectively.

Income Taxes - The Company is included in the consolidated federal tax return of Harrah's and files a separate New Jersey tax return. The provision for federal income taxes is computed based on the statutory federal rate as if the Company had filed a separate income tax return. The provision for state taxes is based on the statutory New Jersey tax.

Deferred tax assets and liabilities represent the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of a change in existing tax rates is recognized as an increase or decrease to the tax provision in the period that includes the enactment date. The Company follows the provisions of ASC 740- Income Taxes. The Company recognizes interest and penalties accrued related to unrecognized tax benefits in income tax expense.

ATLANTIC CITY SHOWBOAT, INC.
NOTES TO FINANCIAL STATEMENTS
(Unaudited)
(Dollars in Thousands)

Use of Estimates - The preparation of these financial statements in conformity with generally accepted accounting principles requires the Company to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from these estimates.

Recently Issued Pronouncements - On July 1, 2009 the Financial Accounting Standards Board ("FASB") launched the ASC a structural overhaul to U.S. GAAP that changes from a standards-based model (with thousands of individual standards) to a topical based model. For final consensuses that have been ratified by the FASB, the ASC will be updated with an Accounting Standards Update ("ASU"), which is assigned a number that corresponds to the year and that ASU's spot in the progression (e.g., 2010—1 will be the first ASU issued in 2010). ASUs will replace accounting changes that historically were issued as Statement of Financial Accounting Standards ("SFAS"), FASB Interpretations ("FIN,") FASB Staff Positions ("FSPs,") or other types of FASB Standards.

Reclassification - Certain prior year balances have been reclassified to conform to the current year presentation.

NOTE 3 - RELATED PARTY TRANSACTIONS

The Company participates with HOC and Harrah's other subsidiaries in marketing, purchasing, insurance, employee benefit, and other programs that are defined and negotiated by HOC on a consolidated basis. The Company believes that participating in these consolidated programs is beneficial in comparison to the terms for similar programs that it could negotiate on a stand-alone basis.

The Company's property, assets and capital stock are pledged as collateral for certain of HOC's outstanding debt securities.

Certain of the more significant intercompany relationships among the Company, HOC and other affiliates are discussed in this note.

Cash Activity with Harrah's and Affiliates - The Company transfers cash in excess of its operating and regulatory needs to Harrah's on a daily basis. Cash transfers from Harrah's to the Company are also made based upon the needs to the Company to fund daily operations, including accounts payable and payroll, as well as capital expenditures. No interest is earned on the amount shown as due from affiliates, net, in the accompanying balance sheets.

Employee Benefit Plans – Harrah's maintains a defined contribution savings and retirement plan in which the non-union employees of the Company may participate. The plan, among other things, provides for pretax and after-tax contributions by employees. Under the plan, participating employees may elect to contribute up to 50% of their eligible earnings. Through February 2009, the employer match was 50% for the first six percent of employees' contributions. In February 2009, Harrah's announced suspension of the employer match for all participating employees, where allowed by law or not in violation of an existing agreement. The Acquisition was a change in control under the savings and retirement plan, and therefore, all unvested employer match amounts as of the Acquisition became vested.

Amounts contributed to the plan are invested, at the participant's direction, in up to 19 separate funds. Participants become vested in the matching contributions over five years of credited service. The Company's contribution expense was approximately $68 and $903 during the twelve months ended December 31, 2009 and 2008, respectively.

Harrah's also maintains deferred compensation plans, stock option plans, and an Executive Supplemental Savings Plan, under which certain employees of the Company may defer a portion of their compensation. The expenses charged by Harrah's to the Company for its employees' participation in these programs are included in the administrative and other services charge discussed above.

The Company's union employees are covered by union-sponsored, collectively bargained, multi-employer pension plans. Contributions are generally determined in accordance with the provisions of negotiated labor contracts and generally are based on the number of hours worked. Contributions to the plans were $2,672 and $1,978 during the twelve months ended December 31, 2009 and 2008, respectively.

ATLANTIC CITY SHOWBOAT, INC.
NOTES TO FINANCIAL STATEMENTS
(Unaudited)
(Dollars in Thousands)

Equity Incentive Awards - Harrah's maintains equity incentive awards plans in which employees of the Company may participate. Harrah's allocates an appropriate amount of cost for these awards to each subsidiary where employees participate.

Prior to the completion of the Acquisition, non-qualified stock options, restricted stock, stock appreciation rights ("SARs"), performance shares, performance stock units, dividend equivalents, stock payments, deferred stock, restricted stock units, other stock-based awards and performance-based awards may be granted to employees or consultants of Harrah's and its subsidiaries, including the Company and members of Harrah's Board of Directors. In connection with the acquisition of Harrah's, in January 2008 (see note 1), outstanding SARs and stock options, whether vested or unvested, and unvested restricted stock were cancelled and converted into the right to receive cash.

In February 2008, Harrah's Board of Directors approved and adopted the Harrah's Entertainment, Inc. Management Equity Incentive Plan (the "Equity Plan"). The Equity Plan authorizes equity award options to be granted to management and other personnel and key service providers. Grants may be either shares of time-based options or shares of performance-based options, or a combination. Time-based options generally vest in equal increments of 20% on each of the first five anniversaries of the grant date. The performance-based options vest based on the investment returns of Harrah's stockholders. One-half of the performance-based options become eligible to vest upon the stockholders receiving cash proceeds equal to two times their amount vested, and one-half of the performance-based options become eligible to vest upon the stockholders receiving cash proceeds equal to three times their amount vested subject to certain conditions and limitations. In addition, the performance-based options may vest earlier at lower thresholds upon liquidity events prior to December 31, 2009 and 2011, as well as pro rata, in certain circumstances. The Company recognized approximately $218 and $196 for equity award options in 2009 and 2008 respectively.

Atlantic City Country Club - Atlantic City Country Club 1, LLC ("ACCC") is a wholly owned subsidiary of Bally's Atlantic City ("Bally's"), an affiliate of the Company. The net operating costs of ACCC are allocated to the Company and Bally's as well as Caesars Atlantic City and Harrah's Atlantic City, also affiliates of the Company. The Company was charged approximately $139 and $199 for these costs for the twelve months ended December 31, 2009 and 2008, respectively. The costs are included in other operating expenses in the accompanying statements of income

Administrative and Other Services - The Company is charged a fee by HOC for administrative and other services (including consulting, legal, marketing, information technology, accounting and insurance). The Company was charged approximately $15,864 and $17,786 respectively for these services for the twelve months ended December 31, 2009 and 2008. These fees are included in charges from affiliates other than interest in the statements of income.

Rental Agreement - The Predecessor Company leased 10½ acres of Boardwalk property in Atlantic City, New Jersey for a term ending in 2082 from an affiliate. Annual rent payments, which were payable monthly were adjusted annually based upon changes in the Consumer Price Index. The Predecessor Company was responsible for taxes, assessments, insurance and utilities. Rent expense under this lease for the twelve months ended December 31, 2008 was $967. The rent is included in charges from affiliates other than interest in the statements of income.

As a result of the Restructuring, on January 28, 2008, the property was transferred to the Predecessor Company from the affiliate and the lease was cancelled.

(Dollars in Thousands)

NOTE 4 - PREPAID EXPENSES AND OTHER CURRENT ASSETS

Prepaid Expenses and Other Current Assets as of December 31 consisted of the following:

	2009	2008
Slot License	$ 712	$ 827
License Fee - House of Blues	1,458	1,458
Horse Tracks	1,805	1,863
Income Taxes	1,136	822
Contracts / Utilities	191	163
Entertainment	101	128
Current Deffered Tax Asset	3,654	6,530
Other	826	619
	$ 9,883	$ 12,410

NOTE 5 - INVESTMENTS, ADVANCES AND RECEIVABLES

Investments, Advances and Receivables as of December 31 consisted of the following:

	2009	2008
Due from Affiliates	$ 142,217	$ 90,541
CRDA Deposits	24,947	21,722
CRDA Bonds	21,381	21,429
	46,328	43,151
Less: Valuation Allowance on CRDA Investments	(13,060)	(11,129)
CRDA Investments, Net	33,268	32,022
	$ 175,485	$ 122,563

Due from Affiliates as of December 31, consisted of the following unsecured, non-interest bearing intercompany amounts:

	2009	2008
Harrah's Entertainment	$ 142,217	$ 90,541
	$ 142,217	$ 90,541

As a result of the Restructuring, all Due from Affiliate balances as of January 28, 2008 were assigned to Harrah's. As a result of the Post-Closing Restructuring, all Due from Affiliate balances as of January 28, 2008 were assigned back to the Company.

ATLANTIC CITY SHOWBOAT, INC.
NOTES TO FINANCIAL STATEMENTS
(Unaudited)
(Dollars in Thousands)

NOTE 6 – LAND, BUILDINGS AND EQUIPMENT

Land, Buildings and Equipment as of December 31 consisted of the following:

	2009	2008
Land and Land Improvements	$ 216,245	$ 216,245
Building and Improvements	380,231	378,864
Furniture Fixtures & Equipment	69,649	69,461
Construction in Progress	25	460
Other Property and Equipment	237	670
	666,387	665,700
Less: Accumulated Depreciation and Amortization	(49,454)	(24,909)
Land, Building and Equipment, Net	$ 616,933	$ 640,791

NOTE 7 - OTHER ACCRUED EXPENSES

Other Accrued Expenses as of December 31 consisted of the following:

	2009	2008
Salaries and Wages	$ 6,320	$ 6,534
Taxes, other than taxes on Income	1,392	1,693
Marketing	372	288
Utilities	853	676
Regulatory Fees	777	724
Slot Tickets	591	797
Progressive Liability	1,449	1,490
Other	3,692	2,575
	15,446	14,777

NOTE 8 – NOTE PAYABLE TO AFFILIATE

On May 18, 1993, SBO issued $275,000 of 9¼% First Mortgage Bonds ("9¼% Bonds") and subsequently loaned approximately $215,000 of the proceeds to the Company evidenced by an intercompany note with terms and conditions consistent with those of the 9¼% Bonds. Subsequent to the acquisition of SBO by Harrah's on June 1, 1998, Harrah's completed tender offers and consent solicitations for SBO's 9¼% Bonds. As a result of the receipt of the requisite consents, Harrah's eliminated or modified substantially all of the negative covenants, certain events of default and made other changes to the respective indentures governing the 9¼% Bonds.

ATLANTIC CITY SHOWBOAT, INC.
NOTES TO FINANCIAL STATEMENTS
(Unaudited)
(Dollars in Thousands)

On January 15, 1999, the Company entered into a $500,000 promissory note (the “Promissory Note”) with HOC. The debt terms were consistent with the provisions of third-party credit agreements arranged by HOC. Interest was payable semiannually at a rate of 7½%.

On March 12, 2003, both the 9¼% Bonds and the Promissory Note were assigned by their respective holders to Harrah’s Entertainment Limited (“HEL”). The terms and amounts of the debt were not affected by this assignment. As of December 31, 2007, accrued interest was approximately $4,782. Prior to December 31, 2003, accrued interest was paid by the Company on a monthly basis. However, for subsequent tax years, interest payments were remitted annually. Because the 9¼% Bonds and the 7½% Promissory Note were due to an affiliate, a determination of fair value was not considered meaningful.

As a result of the Restructuring, HOC and SBO contributed the promissory notes to the Predecessor Company. The Predecessor Company then transferred the promissory note to HEL in satisfaction of its payable to HEL.

NOTE 9 – OTHER LIABILITIES

Other Liabilities as of December 31 consisted of the following:

	2009	2008
Due to Affiliates, Long-Term	$ 51,885	$ 39,880
FIN 48 - Tax Reserve	12,221	11,775
Other	259	380
	64,365	52,035
Atlantic City Region	17,583	11,159
Other	34,302	28,721
	$ 51,885	$ 39,880

The Atlantic City Region consists of Harrah’s casino licenses operating in Atlantic City, New Jersey.

NOTE 10 – LEASES

The Company has operating leases for office space, office equipment, and slot machines, which expire on various dates through 2012. Rental expense included in the accompanying statement of income for the twelve months ended December 31, 2009 and 2008 was approximately $3,020 and $4,201, respectively.

Future minimum lease payments due under the non-cancelable capital and operating leases as of December 31, 2009, are as follows:

	Lease Obligations	
	Capital	Operating
2010	$ 5	$ 547
2011	-	143
2012	-	12
2013	-	-
Total minimum lease payments	5	$ 702
Less: Imputed Interest	-	
Present value of net minimum lease payments	$ 5	

ATLANTIC CITY SHOWBOAT, INC.
NOTES TO FINANCIAL STATEMENTS
(Unaudited)
(Dollars in Thousands)

NOTE 11 – INCOME TAXES (BENEFIT)

The Company is included in the consolidated federal tax return of Harrah's, but files a separate New Jersey tax return. The provision for income taxes is computed based on a separate return basis.

The income tax provision or benefit for the years ended December 31, 2009 and 2008 were as follows:

	2009	2008
Federal		
Current	$ 5,629	$ 2,847
Deferred	1,045	(175)
	$ 6,674	$ 2,672
State		
Current	$ 2,396	$ (1,719)
Deferred	153	(67)
	$ 2,549	$ (1,786)
Total		
Current	$ 8,025	$ 1,128
Deferred	1,198	(242)
Provision (benefit) for income taxes	$ 9,223	$ 886

Temporary differences between the financial statement carrying amounts and tax bases of assets and liabilities that give rise to significant portions of the net deferred tax liability as of December 31, 2009 and 2008, were as follows:

	2009	2008
Deferred tax assets		
Grantor trust	4,298	4,224
Accrued compensation and related benefits	-	1,011
Allowance for doubtful accounts	358	1,968
CRDA Investment Obligations	4,691	4,470
Contingencies	5,368	4,427
Other	-	773
Total deferred tax assets	14,715	16,873
Deferred tax liabilities		
Land, building and equipment	(68,514)	(71,637)
Other	(1,223)	-
Total	(69,737)	(71,637)
Net deferred tax liability	(55,022)	(54,764)

(Dollars in Thousands)

A reconciliation of the beginning and ending amount of unrecognized tax benefits are as follows:

Balance at January 1, 2008	$	11,870
Additions based on tax positions related to the current year		81
Reductions for tax positions of prior years		(4,517)
Balance at December 31, 2008	$	7,434
Additions based on tax positions related to the current year		1,167
Expiration of statutes		(169)
Balance at December 31, 2009	$	8,432

The Company recognizes interest and penalties accrued related to unrecognized tax benefits in income tax expense. The Company accrued approximately $1,288 during 2009. Additionally, the Company had approximately $5,628, and $4,340 for the payment of interest and penalties accrued at December 31, 2009, and December 31, 2008, respectively. Included in the balance of unrecognized tax benefits at December 31, 2009, and December 31, 2008, are $7,077 and $7,077 respectively, of unrecognized tax benefits that, if recognized, would impact the effective tax rate. As a result of the expected resolution of examination issues with both federal and state tax authorities, the lapsing of various state statutes, and the remittance of tax payments, the Company believes it is reasonably possible that the amount of unrecognized tax benefits will decrease during 2009 between $165 and $6,124.

Harrah's Entertainment (which includes the Company) files income tax returns, including returns for our subsidiaries, with federal, state, and foreign jurisdictions. The Company files a separate return with the state of New Jersey. Harrah's Entertainment is under regular and recurring audit by the Internal Revenue Service ("IRS") on open tax positions, and it is possible that the amount of the liability for unrecognized tax benefits could change during the next twelve months. As a result of the expiration of the statute of limitations and closure of IRS audits, our 2004 and 2005 federal income tax years were closed during the year ended December 31, 2009. The IRS audit of our 2006 federal income tax year also concluded during the year ended December 31, 2009. We participated in the IRS's Compliance Assurance Program ("CAP") for the 2007 and 2008 tax years. Our 2007 federal income tax year has reached the IRS appeals stage of the audit process and we expect this appeal to close during 2010. Our 2008 federal income tax year is currently under post-CAP review by the IRS. We did not participate in the IRS's CAP program for our 2009 income tax year and we do not expect to participate in the CAP program for the 2010 income tax year.

The Company is still capable of being examined by the New Jersey Division of Taxation for tax years beginning with 1999 due to our execution of New Jersey statute of limitation extensions.

NOTE 12 – NON-OPERATING INCOME (EXPENSE)

For the twelve months ended December 31, 2009 and 2008, Non-Operating Income (Expense) consisted of the following:

ATLANTIC CITY SHOWBOAT, INC.
NOTES TO FINANCIAL STATEMENTS
(Unaudited)
(Dollars in Thousands)

	2009	2008
Interest Income	995	1,119
Impairment of Goodwill	-	(53,654)
Project Write Downs & Reserves	(181)	(724)
Gain/Loss on Asset Sales	33	50
Other Non Operating	(5)	47
	842	(53,162)

NOTE 13 – COMMITMENTS AND CONTINGENCIES

Litigation - The Company is involved in various claims and legal actions arising in the ordinary course of business. In the opinion of management, these matters will not have a material effect on the Company's financial position or results of operations.

CRDA Investment Obligation — The New Jersey Casino Control Act provides, among other things, for an assessment of licenses equal to 1.25% of their gross gaming revenues in lieu of an investment alternative tax equal to 2.5% of gross gaming revenues. The Company may satisfy this investment obligation by investing in qualified eligible direct investments, by making qualified contributions or by depositing funds with the CRDA. Funds deposited with the CRDA may be used to purchase bonds designated by the CRDA or, under certain circumstances, may be donated to the CRDA in exchange for credits against future CRDA investment obligations. CRDA bonds have terms up to 50 years and bear interest at below-market rate.

As of December 31, CRDA related assets were as follows:

	2009	**2008**
CRDA Bonds - Net of amortized cost	14,142	13,970
Deposits - Net of reserves	17,451	16,248
Direct investments - Net of reserves	1,675	1,804
	33,268	32,022

The CRDA related assets are held in other assets in the consolidated balance sheets.

The Company records charges to operations to reflect the estimated net realizable value of its CRDA investment. Charges to operations were $1,560 and $1,788, for the years ended December 31, 2009 and 2008, respectively, and is included in CRDA related expense, in the statement of income.

The funds on deposits are held in an interest-bearing account by the CRDA. Initial obligation deposits are marked down by approximately 33% to represent their fair value and eventual expected conversion into bonds by the CRDA.

Once CRDA Bonds are issued we have concluded that the bonds are held-to-maturity since the Company has the ability and the intent to hold these bonds to maturity and under the CRDA, they are not permitted to do otherwise. As such the CRDA Bonds are measured at amortized cost. As there is no market for the CRDA Bonds, its fair value could only be determined based on unobservable inputs. Such inputs are limited to the historical carrying value of the CRDA Bonds that are reduced, consistent with industry practice, by 1/3 of their face value at the time of issuance to represent fair value. The Company accretes such discount over the remaining life of the bonds. Accretion for the year ended December 31, 2009 and 2008 was $157 and $146, respectively, and is included in CRDA related expense, in the statement of income.

After the initial determination of fair value, the Company will analyze the recoverability of the CRDA Bonds on a quarterly basis and its affect on reported amount based upon the ability and likelihood of bonds to be repaid. When considering recoverability of the CRDA Bonds, the Company considers the relative credit-worthiness of each bondholder, historical collection experience and other information received from the CRDA. If indications exist that the amount expected to be recovered is less than its carrying value, the asset will be written down to its expected realizable amount.

ATLANTIC CITY SHOWBOAT, INC.
NOTES TO FINANCIAL STATEMENTS
(Unaudited)
(Dollars in Thousands)

All the Atlantic City casino properties (the "AC Industry") and the CRDA entered into an agreement with the New Jersey Sports & Exposition Authority (the "NJSEA") to provide funding to subsidize New Jersey's horseracing industry. This agreement expired on January 1, 2009. The agreement provided that in exchange for funding, the NJSEA and the three active New Jersey racetracks would not conduct any casino gaming at the racetracks prior to January 1, 2009. As part of the agreement, the AC Industry provided $34,000 over a four year period to the NJSEA and deposited another $62,000 into the Casino Expansion Fund (managed by the CRDA). The Company's obligation was equal to its fair-share of AC Industry casino revenues totaling $2,807, and the Company is eligible to receive funds deposited as a result of this obligation from the Casino Expansion Fund for qualified construction expenditures. The Company has until June 30, 2014 to submit an application to exhaust its share of the Casino Expansion Fund. Any funds not transferred out of the Casino Expansion Fund by the required date will be transferred to funds on deposit with the CRDA pursuant to its ongoing investment obligations.

In August 2008, the AC Industry entered into a new agreement with the NJSEA that will provide $90 million in funding to subsidize New Jersey's horseracing industry. The funding will be provided in installments through 2011. In exchange for this funding, the NJSEA and the three active New Jersey racetracks will not conduct any casino gaming at the racetracks prior to December 31, 2011. The Company's obligation is estimated at $7,265, equal to its fair-share of AC Industry casino revenues. The total commitment is being charged to operations on a straight line basis beginning January 2009 through December 31, 2011. The Company paid $2,391 to NJSEA in 2009.

NOTE 14 – SUBSEQUENT EVENTS

On February 23, 2010, the Human Resources Committee of the Board of Directors of Harrah's adopted an amendment to the Harrah's Entertainment, Inc. Management Equity Incentive Plan (the "Plan"). The amendment provides for an increase in the available number shares of Harrah's non-voting common stock for which options may be granted to 4,566,919 shares. The amendment also revised the vesting hurdles for performance-based options under the Plan. The performance options vest if the return on investment in Harrah's of TPG, Apollo, and their respective affiliates (the "Majority Stockholders") achieve a specified return. Previously, 50% of the options vested upon a 2x return and 50% vested upon a 3x return. The triggers have been revised to 1.5x and 2.5x, respectively. In addition, a pro-rata portion of the 2.5x options will vest if the Majority Stockholders achieve a return on their investment that is greater than 2.0x, but less than 2.5x. The pro rata portion will increase on a straight line basis from zero to a participant's total number of 2.5x options depending upon the level of returns that the Majority Stockholders realize between 2.0x and 2.5x.

ATLANTIC CITY SHOWBOAT, INC.
ANNUAL FILINGS

FOR THE YEAR ENDED DECEMBER 31, 2009

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

**DIVISION OF FINANCIAL EVALUATION
REPORTING MANUAL**

ATLANTIC CITY SHOWBOAT, INC.
SCHEDULE OF RECEIVABLES AND PATRONS' CHECKS

FOR THE YEAR ENDED DECEMBER 31, 2009

(UNAUDITED)
($ IN THOUSANDS)

ACCOUNTS RECEIVABLE BALANCES				
Line (a)	**Description (b)**	**Account Balance (c)**	**Allowance (d)**	**Accounts Receivable (Net of Allowance) (e)**
	Patrons' Checks:			
1	Undeposited Patrons' Checks..................................	$2,646		
2	Returned Patrons' Checks....................................	7,437		
3	Total Patrons' Checks..	10,083	$5,340	$4,743
4	Hotel Receivables...	763	339	$424
	Other Receivables:			
5	Receivables Due from Officers and Employees....	-		
6	Receivables Due from Affiliates..........................	-		
7	Other Accounts and Notes Receivables................	3,186		
8	Total Other Receivables....................................	3,186		$3,186
9	Totals (Form CCC-205)..	$14,032	$5,679	$8,353

UNDEPOSITED PATRONS' CHECKS ACTIVITY		
Line (f)	**Description (g)**	**Amount (h)**
10	Beginning Balance (January 1)..	$2,668
11	Counter Checks Issued..	79,148
12	Checks Redeemed Prior to Deposit..	(52,523)
13	Checks Collected Through Deposits..	(21,904)
14	Checks Transferred to Returned Checks..	(4,743)
15	Other Adjustments..	0
16	Ending Balance..	$2,646
17	"Hold" Checks Included in Balance on Line 16..	0
18	Provision for Uncollectible Patrons' Checks..	$2,522
19	Provision as a Percent of Counter Checks Issued...	3.2%

ATLANTIC CITY SHOWBOAT, INC.
EMPLOYMENT AND PAYROLL REPORT

AT DECEMBER 31, 2009

($ IN THOUSANDS)

Line	Department	Number of Employees	Salaries and Wages		
			Other Employees	Officers & Owners	Totals
(a)	(b)	(c)	(d)	(e)	(f)
	CASINO:				
1	Table and Other Games	530			
2	Slot Machines	75			
3	Administration	10			
4	Casino Accounting	108			
5	Simulcasting	2			
6	Other	78			
7	Total - Casino	803	$21,648	$216	$21,864
8	ROOMS	299	6,854	0	6,854
9	FOOD AND BEVERAGE	811	17,439	0	17,439
10	GUEST ENTERTAINMENT	206	1,512		1,512
11	MARKETING	6	312	252	564
12	OPERATION AND MAINTENANCE	185	7,275	0	7,275
	ADMINISTRATIVE AND GENERAL:				
13	Executive Office	3	458	405	863
14	Accounting and Auditing	47	2,205	102	2,307
15	Security	122	4,140	0	4,140
16	Other Administrative and General	35	2,281	0	2,281
	OTHER OPERATED DEPARTMENTS:				
17	PBX	10	293	0	293
18	Parking	12	246	0	246
19					0
20					0
21					0
22					0
23	TOTALS - ALL DEPARTMENTS	2,539	$64,663	$975	$65,638

SHOWBOAT

ANNUAL GROSS REVENUE TAX RETURN

FOR THE YEAR ENDED DECEMBER 31, 2009

Line		
	CASINO WIN:	
1.	Table and Other Games	$ 57,397,349
2.	Slot Machines	259,277,744
3.	Total Casino Win	316,675,093
4.	Adjustments	1,256
5.	Gross Revenue (line 3 plus line 4)	316,676,349
6.	Deduction for Eligible Promotional Gaming Credits	20,398,776
7.	Taxable Gross Revenue (line 5 minus line 6)	296,277,573
8.	Tax on Gross Revenue - Reporting Year (8% of line 7)	23,702,206
9.	Audit or Other Adjustments to Tax on Gross Revenues in Prior Years	10,883
10.	Total Taxes on Gross Revenue (the sum of lines 8 and 9)	23,713,089

Under penalties of perjury, I declare that I have examined this Annual Gross Revenue Tax Return and to the best of my knowledge and belief, the information contained in this return is accurate.

March 10, 2010
Date

Gail Myers

Operations Controller 3470-11
Title (License Number)