DGMB CASINO, LLC

QUARTERLY REPORT

FOR THE PERIOD ENDED DECEMBER 31, 2013

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

OFFICE OF FINANCIAL INVESTIGATIONS
REPORTING MANUAL

DGMB CASINO, LLC
BALANCE SHEETS

AS OF DECEMBER 31, 2013 AND 2012

(UNAUDITED)
($ IN THOUSANDS)

AMENDED 5/9/14

Line (a)	Description (b)	Notes	2013 (c)	2012 (d)
	ASSETS:			
	Current Assets:			
1	Cash and Cash Equivalents		8,792	$9,877
2	Short-Term Investments			
3	Receivables and Patrons' Checks (Net of Allowance for Doubtful Accounts - 2013, $ 2,050; 2012, $1,691)	2,3	5,912	4,941
4	Inventories	2	1,424	1,198
5	Other Current Assets	4	1,753	1,803
6	Total Current Assets		17,881	17,819
7	Investments, Advances, and Receivables	5	5,976	20,561
8	Property and Equipment - Gross	2,6	113,248	63,797
9	Less: Accumulated Depreciation and Amortization	2,6	(13,038)	(6,797)
10	Property and Equipment - Net	2,6	100,210	57,000
11	Other Assets	2,7	3,354	3,624
12	Total Assets		$127,421	$99,004
	LIABILITIES AND EQUITY:			
	Current Liabilities:			
13	Accounts Payable		6,645	$10,821
14	Notes Payable	8	700	700
	Current Portion of Long-Term Debt:			
15	Due to Affiliates	9	73,519	35,218
16	External		0	0
17	Income Taxes Payable and Accrued		0	0
18	Other Accrued Expenses	10	9,806	11,214
19	Other Current Liabilities		8,445	2,283
20	Total Current Liabilities		99,115	60,236
	Long-Term Debt:			
21	Due to Affiliates		0	0
22	External	8	1,225	1,925
23	Deferred Credits		2,613	1,709
24	Other Liabilities		5,941	768
25	Commitments and Contingencies		0	0
26	Total Liabilities		108,894	64,638
27	Stockholders', Partners', or Proprietor's Equity		18,527	34,366
28	Total Liabilities and Equity		$127,421	$99,004

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

DGMB CASINO, LLC
STATEMENTS OF INCOME

FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2013 AND 2012

(UNAUDITED)
($ IN THOUSANDS)

AMENDED 5/9/2014

Line (a)	Description (b)	Notes	2013 (c)	2012 (d)
	Revenue:			
1	Casino		$129,224	$130,406
2	Rooms		19,422	20,336
3	Food and Beverage		20,994	27,361
4	Other		6,906	5,321
5	Total Revenue		176,546	183,424
6	Less: Promotional Allowances	3	51,929	56,237
7	Net Revenue		124,617	127,187
	Costs and Expenses:			
8	Cost of Goods and Services		99,203	102,854
9	Selling, General, and Administrative		36,863	31,749
10	Provision for Doubtful Accounts	3,4	874	502
11	Total Costs and Expenses		136,940	135,105
12	Gross Operating Profit		(12,323)	(7,918)
13	Depreciation and Amortization		6,500	4,387
	Charges from Affiliates Other than Interest:			
14	Management Fees	10	1,248	496
15	Other		0	0
16	Income (Loss) from Operations		(20,071)	(12,801)
	Other Income (Expenses):			
17	Interest Expense - Affiliates		0	0
18	Interest Expense - External		(4,762)	(832)
19	CRDA Related Income (Expense) - Net	6	946	4,242
20	Nonoperating Income (Expense) - Net	3	9,061	589
21	Total Other Income (Expenses)		5,245	3,999
22	Income (Loss) Before Taxes and Extraordinary Items		(14,826)	(8,802)
23	Provision (Credit) for Income Taxes		1,013	(172)
24	Income (Loss) Before Extraordinary Items		(15,839)	(8,630)
	Extraordinary Items (Net of Income Taxes -			
25	2012, $0; 2011, $0)		0	0
26	Net Income (Loss)		($15,839)	($8,630)

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

DGMB CASINO, LLC
STATEMENTS OF INCOME

FOR THE THREE MONTHS ENDED DECEMBER 31, 2013 AND 2012

(UNAUDITED)
($ IN THOUSANDS)

AMENDED 5/9/2014

Line (a)	Description (b)	Notes	2013 (c)	2012 (d)
	Revenue:			
1	Casino		$29,279	$26,730
2	Rooms		4,264	3,593
3	Food and Beverage		4,424	5,026
4	Other		1,395	1,201
5	Total Revenue		39,362	36,550
6	Less: Promotional Allowances	3	12,174	11,057
7	Net Revenue		27,188	25,493
	Costs and Expenses:			
8	Cost of Goods and Services		23,346	23,372
9	Selling, General, and Administrative		9,497	7,443
10	Provision for Doubtful Accounts	3,4	(20)	86
11	Total Costs and Expenses		32,823	30,901
12	Gross Operating Profit		(5,635)	(5,408)
13	Depreciation and Amortization		1,783	1,312
	Charges from Affiliates Other than Interest:			
14	Management Fees	10	275	296
15	Other		0	0
16	Income (Loss) from Operations		(7,693)	(7,016)
	Other Income (Expenses):			
17	Interest Expense - Affiliates			0
18	Interest Expense - External		(1,929)	(731)
19	CRDA Related Income (Expense) - Net	6	292	4,878
20	Nonoperating Income (Expense) - Net	3	2,829	1,019
21	Total Other Income (Expenses)		1,192	5,166
22	Income (Loss) Before Taxes and Extraordinary Items		(6,501)	(1,850)
23	Provision (Credit) for Income Taxes		1,012	(174)
24	Income (Loss) Before Extraordinary Items		(7,513)	(1,676)
25	Extraordinary Items (Net of Income Taxes - 2012, $0; 2011, $0)		0	0
26	Net Income (Loss)		($7,513)	($1,676)

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

DGMB CASINO, LLC
STATEMENTS OF CHANGES IN PARTNERS', PROPRIETOR'S OR MEMBERS' EQUITY

FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2013 AND 2012

(UNAUDITED)
($ IN THOUSANDS)

AMENDED 5/9/2014

Line (a)	Description (b)	Notes	Contributed Capital (c)	Accumulated Earnings (Deficit) (d)	(e)	Total Equity (Deficit) (f)
1	**Balance, December 31, 2011..........**		$35,128	$7,918		$43,046
2	Net Income (Loss) - 2012..........			(8,630)		(8,630)
3	Capital Contributions................					0
4	Capital Withdrawals..................					0
5	Partnership Distributions...........					0
6	Prior Period Adjustments..........					0
7	Member Contributions		4,800			4,800
8	Member distributions		(4,850)			(4,850)
9						0
10	**Balance, December 31, 2012..........**		35,078	(712)	0	34,366
11	Net Income (Loss) - 2013..........			(15,839)		(15,839)
12	Capital Contributions................					0
13	Capital Withdrawals..................					0
14	Partnership Distributions...........					0
15	Prior Period Adjustments..........					0
16	Member Contributions					0
17	Member distributions					0
18						0
19	**Balance, December 31, 2013..........**		$35,078	($16,551)	$0	$18,527

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

DGMB CASINO, LLC
STATEMENTS OF CASH FLOWS

FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2013 AND 2012

(UNAUDITED)
($ IN THOUSANDS)

AMENDED 5/9/2014

Line (a)	Description (b)	Notes	2013 (c)	2012 (d)
1	CASH PROVIDED (USED) BY OPERATING ACTIVITIES...		($17,349)	$3,268
	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........		(48,203)	(7,030)
5	Proceeds from Disposition of Property and Equipment........		0	8
6	CRDA Obligations		(1,585)	(1,746)
7	Other Investments, Loans and Advances made........		0	0
8	Proceeds from Other Investments, Loans, and Advances		7,304	1,000
9	Cash Outflows to Acquire Business Entities........		0	0
10	CRDA Reimbursement		15,959	441
11	....		0	0
12	Net Cash Provided (Used) By Investing Activities........		(26,525)	(7,327)
	CASH FLOWS FROM FINANCING ACTIVITIES:			
13	Proceeds from Short-Term Debt		0	0
14	Payments to Settle Short-Term Debt........		0	0
15	Proceeds from Long-Term Debt		0	0
16	Costs of Issuing Debt........		0	0
17	Payments to Settle Long-Term Debt........		(700)	(700)
18	Cash Proceeds from Issuing Stock or Capital Contributions....		0	4,800
19	Purchases of Treasury Stock........		0	0
20	Payments of Dividends or Capital Withdrawals........		0	0
21	Net Proceeds (paymts) related party debt		38,301	(1,867)
22	Advance from Vendor		5,188	0
23	Net Cash Provided (Used) By Financing Activities........		42,789	2,233
24	Net Increase (Decrease) in Cash and Cash Equivalents........		(1,085)	(1,826)
25	Cash and Cash Equivalents at Beginning of Period........		9,877	11,703
26	Cash and Cash Equivalents at End of Period........		$8,792	$9,877

Line	Description	Notes	2013	2012
	CASH PAID DURING PERIOD FOR:			
27	Interest (Net of Amount Capitalized)........		$91	$130
28	Income Taxes........		$2	$2

* Amounts have been restated in order to conform to current classification.

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

DGMB CASINO, LLC
STATEMENTS OF CASH FLOWS

FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2013 AND 2012

(UNAUDITED)

($ IN THOUSANDS)

AMENDED 5/9/2014

Line (a)	Description (b)	Notes	2013 (c)	2012 (d)
	CASH FLOWS FROM OPERATING ACTIVITIES:			
29	Net Income (Loss)		($15,839)	($8,630)
30	Depreciation and Amortization of Property and Equipment		6,240	4,102
31	Amortization of Other Assets		260	285
32	Amortization of Debt Discount or Premium		0	0
33	Deferred Income Taxes - Current		107	86
34	Deferred Income Taxes - Noncurrent		904	(260)
35	(Gain) Loss on Disposition of Property and Equipment		0	(8)
36	(Gain) Loss on CRDA-Related Obligations		256	(4,242)
37	(Gain) Loss from Other Investment Activities		(7,304)	(707)
38	(Increase) Decrease in Receivables and Patrons' Checks		(971)	11,264
39	(Increase) Decrease in Inventories		(225)	178
40	(Increase) Decrease in Other Current Assets		50	1,490
41	(Increase) Decrease in Other Assets		(20)	(6)
42	Increase (Decrease) in Accounts Payable		(3,903)	3,913
43	Increase (Decrease) in Other Current Liabilities		3,096	(4,197)
44	Increase (Decrease) in Other Liabilities		0	0
45				
46				
47	Net Cash Provided (Used) By Operating Activities		($17,349)	$3,268

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

Line (a)	Description (b)	Notes	2013 (c)	2012 (d)
	ACQUISITION OF PROPERTY AND EQUIPMENT:			
48	Additions to Property and Equipment		($48,203)	($7,030)
49	Less: Capital Lease Obligations Incurred			
50	Cash Outflows for Property and Equipment		($48,203)	($7,030)
	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	$4,800
58	Less: Issuances to Settle Long-Term Debt			
59	Consideration in Acquisition of Business Entities			
60	Cash Proceeds from Issuing Stock or Capital Contributions		$0	$4,800

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

DGMB CASINO, LLC
SCHEDULE OF PROMOTIONAL EXPENSES AND ALLOWANCES

FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2013
(UNAUDITED)
($ IN THOUSANDS)

		Promotional Allowances		Promotional Expenses	
Line (a)	**Description (b)**	**Number of Recipients (c)**	**Dollar Amount (d)**	**Number of Recipients (e)**	**Dollar Amount (f)**
1	Rooms	153,293	10,331	0	0
2	Food	314,351	7,800	136,508	3,130
3	Beverage	847,002	5,506	0	0
4	Travel	0	0	178,548	3,183
5	Bus Program Cash	2,810	577	0	0
6	Promotional Gaming Credits	793,262	23,496	0	0
7	Complimentary Cash Gifts	240,104	2,007	0	0
8	Entertainment	91,493	2,127	814	102
9	Retail & Non-Cash Gifts	0	0	41,725	4,798
10	Parking	0	0	0	0
11	Other	5,953	85	35,698	892
12	Total	2,448,268	$51,929	393,293	$12,105

FOR THE THREE MONTHS ENDED DECEMBER 31, 2013

		Promotional Allowances		Promotional Expenses	
Line (a)	**Description (b)**	**Number of Recipients (c)**	**Dollar Amount (d)**	**Number of Recipients (e)**	**Dollar Amount (f)**
1	Rooms	35,561	$2,390	0	$0
2	Food	52,926	1,636	67,750	952
3	Beverage	203,484	1,323	0	0
4	Travel	0	0	11,014	753
5	Bus Program Cash	369	177	0	0
6	Promotional Gaming Credits	185,779	5,717	0	0
7	Complimentary Cash Gifts	63,180	470	0	0
8	Entertainment	17,362	429	228	29
9	Retail & Non-Cash Gifts	0	0	10,400	1,196
10	Parking	0	0	0	0
11	Other	2,240	32	5,018	125
12	Total	560,901	$12,174	94,410	$3,055

*No item in this category (Other) exceeds 5% of totals.

DGMB CASINO, LLC
STATEMENT OF CONFORMITY, ACCURACY, AND COMPLIANCE

FOR THE PERIOD ENDED DECEMBER 31, 2013

1. I have examined this Quarterly Report.

2. All the information contained in this Quarterly Report has been prepared in conformity with the Division'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.S.A. 5:12-84a(1)-(5) during the quarter.

5/9/2014
Date

Timothy A Ebling

VP, Chief Financial Officer
Title

9194-11
License Number

On Behalf of:

DGMB CASINO, LLC
Casino Licensee

DGMB CASINO, LLC
NOTES TO FINANCIAL STATEMENTS
(Unaudited)

1. Basis of Presentation **5/8/14 AMENDED Notes**

The accompanying financial statements have been prepared in accordance with the rules and regulation of the New Jersey Division of Gaming Enforcement and include the accounts of DGMB Casino, LLC (the "Company"), a New Jersey limited liability company that was formed on August 30, 2010. The Company currently owns and operates Resorts Casino Hotel ("Resorts"). Resorts is a casino hotel operating in Atlantic City, New Jersey. The Company is owned 100% by DGMB Casino Holding, LLC ("Holding"), a Delaware limited liability company, through a 99.5% direct ownership and a .5 % indirect ownership through DGMB Casino SPE Corp. ("SPE"), a Delaware corporation, which is the managing member of the Company. On October 1, 2012, Holding admitted MGA Gaming NJ, LLC (MGA), a New Jersey limited liability company, as a non-managing member of Holding and 10% owner. MGA then entered into a management agreement for the management of the Company.

2. Management's Plans Related to Liquidity and Capital Needs

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As discussed below, the Company operates in a very competitive market and has incurred operating losses since inception in August 2010. The Company has relied on financing from affiliates of the majority owner of Holding to meet its cash flow requirements since commencing operations in 2010. As described below, the majority owner can terminate funding the Company's cash flow requirements within 60 days of making such notice. The Company does not have adequate financing sources available should funding by affiliates of the majority owner of Holding be terminated. These conditions raise substantial doubt about its ability to continue as a going concern. The financial statements do not include any adjustments that might result from the outcome of these uncertainties.

The Company operates in an extremely competitive market with competitive pressures not only from casinos in Atlantic City, New Jersey but also from those in the surrounding states of Maryland, Delaware, Pennsylvania, New York and Connecticut. The Company has entered in a property management agreement with an established gaming company. The Company expects that the benefits of this agreement will result in increased revenues and operating efficiencies. During 2013, the Company opened dining and entertainment venues inside the casino hotel and on the Atlantic City beach adjacent to the casino hotel. No assurance can be given as to whether such improvements will generate sufficient future cash flows to sustain the Company's operations.

The Company has been issued an Internet Gaming Permit (NJIGP-13-008) by the State of New Jersey Division of Gaming Enforcement (DGE). As of December 31, 2013 the Company has not had any internet gaming operations but expects to engage in internet gaming in 2014.

The Company had in place an Unlimited Line of Credit for purposes of funding cash short falls that may occur. This Unlimited Line of Credit had been provided by affiliates of the majority owner of Holding as a condition of the Company's permanent gaming license. In October, 2013 the DGE modified the conditions of licensure to permit DGMB to support the requirement that it maintain sufficient cash balances to meet its operations needs with a $ 2 million revolving line of credit with a bank (the "Revolver"). In the event the Revolver is not sufficient to meet the Company's operational needs, is terminated or otherwise matures, the conditions require the majority owner of Holding to identify an alternative source of funds, acceptable to DGE, sufficient to meet the Company's operational needs. Affiliates of the majority owner of Holding continue to fund the cash flow needs of DGMB and as of December 31, 2013 and 2012, the amount owed to affiliates of the majority owner of Holding was $66.3 million and $28.0 million, respectively and included in Due to Affiliates on the accompanying balance sheets. Due to the licensing condition modification, the Unlimited Line of Credit was allowed to expire on December 31, 2013 and was not renewed.

In addition, affiliates of the majority owner of Holding has provided to the Company a source of funds for capital improvements under a $10 million Capital Funding Agreement. Effective October 1, 2012, the Capital Funding Agreement was amended to provide for the accrual of interest at a rate of 10% per annum. The maturity date of the agreement was December 31, 2013. As of December 31, 2013 the funding mechanism of this agreement expired. The terms of the Capital Funding Agreement provide that repayment will be made to the extent funds are available after all day-to-day operating expenses and maintenance expenditures have been made. At December 31, 2013 and 2012, approximately $7.2 million was outstanding under the Capital Funding Agreement and included in Due to Affiliates on the accompanying balance sheets.

3. Summary of Significant Accounting Policies

Receivables

Receivables consist primarily of casino, hotel and other receivables. Accounts receivables are typically non-interest bearing and are initially recorded at cost.

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 doubtful accounts.

Inventories

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

Property and Equipment

Property and Equipment have been recorded at their estimated fair values and useful lives based on the application of purchase accounting in 2010. Additions to land, building, and equipment since the date of acquisition are stated at cost.

The Company capitalizes the costs of improvements that extend the life of the asset and expenses maintenance and repair costs as incurred. Gains or losses on the dispositions of land, buildings or equipment are included in the determination of income.

Depreciation and amortization 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:

Asset Class	Life
Building and improvements	35-40 years
Furniture, fixtures, and equipment	2-5 years

The Company reviews the carrying value of property and equipment for impairment whenever events and changes in 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. No impairment of land, buildings and equipment was recognized for the years ended December 31, 2013 and 2012, respectively.

Included in Nonoperating Income (Expense)-Net on the accompanying statements of income are proceeds from insurance related to Super Storm Sandy. The net gain recorded in Nonoperating Income (Expense)-Net for the year ended December 31, 2013 is $6.3 Million. The dollar amount received from the insurance company is not contingent on any finalization of the loss amount or any other conditions. At this time, evaluation and analysis of property damage has not been finalized. As the process becomes finalized adjustments to the financial statements will be made.

Intangible Assets

Intangible assets, included in Other Assets in the accompany balance sheets, includes customer relationships and trade name. Customer relationships represent the value of repeat business associated with our customer loyalty programs. These intangible assets are amortized over a 3-year period under the straight-line method. The trade name is considered an indefinite-lived intangible asset, is not subject to amortization, but instead is subject to an annual impairment test using the relief-from-royalty method. We perform assessments for impairment of trade name more frequently if impairment indicators exist. If the fair value of an indefinite-lived intangible asset is less than its carrying amount, an impairment loss is recognized equal to the difference. No impairment of intangible assets was recognized for the years ended December 31, 2013 and 2012, respectively.

Revenue Recognition

Casino revenues are measured by the aggregate net difference between gaming wins and losses, with liabilities recognized for funds deposited by customers before gaming play occurs and for chips in the customers' possession. In 2011, the Company accrued the base and incremental amount of progressive jackpots as the progressive machine was played and the progressive jackpot amount increased, with a corresponding reduction of casino revenue. In March 2012, the DGE approved regulations allowing casinos to remove in-house progressive jackpots from their floor and eliminated their related liability for progressive jackpot obligations. During 2012, the Company removed its in-house progressive jackpots, which resulted in the elimination of the related liability and an equivalent increase in revenue of approximately $712,000. Jackpots are recognized at the time they are won by customers. Accommodations, food and beverage and other revenues are recognized when services are performed.

Cash discounts based upon a negotiated amount with each customer are recognized as a promotional allowance on the date the related revenues are recorded. The Company offers other incentive programs. These are gifts and other promotional items, the type and distribution of which is determined by management. Since these awards are not cash awards, the Company records them as gaming expenses in the statements of income. Such amounts are expensed on the date the award can be utilized by the customer.

Cashback Liability

The Company provides incentives to its casino customers, based on levels of gaming activity, through its "Cash Back" marketing program. The incentives are in the form of points, which may be redeemed for wagers on slot machines. The Company estimates a liability for outstanding "Cash Back" incentives (those incentives which have been earned, but not redeemed by the customer), adjusted for an estimated redemption factor based on historical results. The ultimate redemption amount resulting from this marketing program could vary from the estimated liability based on actual redemption activity. The amount is recorded as a promotional allowance in the statements of income. At December 31, 2013 and 2012, the "Cash Back" liability was $75,000. Cash Back liability is included in other accrued expenses in the accompanying balance sheets.

Bankable Complimentaries

The Company customer loyalty program, Resorts Star Club, offers incentives to gaming customers at Resorts. Under the program, customers are able to accumulate, or bank, comp dollars over time that they may redeem at their discretion under the terms of the program. The comp dollars balance will be forfeited if the customer does not use their player card and earn points over a designated period from the time they were first earned. Because of the customer's ability to bank the comp dollars, the Company accrues the expense of the comp dollars as they are earned, after consideration of estimated breakage for points that will not be redeemed. The estimated cost to provide comp dollars is included in casino expense on the Company's statements of income. To arrive at the estimated cost associated with comp dollars, estimates and assumptions are made regarding the marginal costs of the benefits provided, breakage rates and the mix of goods and services for which comp dollars will be redeemed. At December 31, 2013 and 2012, the bankable complimentary liability was $899,000 and $1.1 million, respectively and is included in other accrued expenses in the accompanying balance sheets.

Fair Value of Financial Instruments

The fair value of a financial instrument is the amount at which the instrument could be exchanged in a current transaction between willing parties. The carrying amount of receivables and all current liabilities approximates fair value due to their short-term nature. The carrying amount of the note payable approximates fair value as the interest rate is variable and the Company's credit worthiness has not changed since issuing such note.

Advertising

Advertising costs are expensed as incurred. Advertising expenses were $2.8 Million and $1.7 Million for the years ended December 31, 2013 and 2012, respectively. Advertising expenses are included in selling, general and administrative expenses in the accompanying statements of income.

Gaming Tax

The Company remits weekly to the State of New Jersey a tax equal to 8% of the gross gaming revenue. Gaming taxes paid for the years ended December 31, 2013 and 2012 were $9.0 million and $9.2 million, respectively. Gaming tax is included in cost of goods and services in the accompanying statements of income.

Multiemployer Benefit Plans

Certain employees of the Company are covered by union sponsored, collectively bargained, health and welfare plans. The contributions and charges for these plans totaled $7.6 million and $7.5 million for the years ended December 31, 2013 and 2012, respectively, and were included in total costs and expenses in the accompanying consolidated statements of income.

The Company contributes to a number of multiemployer defined benefit pension plans under the terms of collective-bargaining agreements that cover its union-represented employees. The risks of participating in these multiemployer plans are different from a single-employer plan in the following aspects:

a. Assets contributed to the multiemployer plan by one employer may be used to provide benefits to employees of other participating employers.

b. If a participating employer stops contributing to the plan, the unfunded obligations of the plan may be borne by the remaining participating employers.

c. If the Company chooses to stop participating in some of its multiemployer plans, the Company may be required to pay those plans an amount based on the underfunded status of the plan, referred to as a withdrawal liability.

The Company's participation in these plans for the years ended December 31, 2013 and 2012 is outlined in the table below. The "EIN/Pension Plan Number" column provides the Employer Identification Number ("EIN") and the three-digit plan number, if applicable. Unless otherwise noted, the most recent Pension Protection Act ("PPA") zone status available is for the plan years ending in 2013 and 2012, respectively. The zone status is based on information that the Company received from the plan and is certified by the plan's actuary. Among other factors, plans in the red zone are generally less than 65% funded, plans in the yellow zone are less than 80% funded, and plans in the green zone are at least 80% funded. All plans detailed in the table below utilized extended amortization provisions to calculate zone status except the Pension Plan of the UNITE HERE National Retirement Fund. The "FIP/RP Status Pending/Implemented" column indicates plans for which a financial improvement plan ("FIP") or a rehabilitation plan ("RP") is either pending or has been implemented.

Under the Collective Bargaining Agreement entered into with UNITE HERE Local 54, Resorts began contributing as a new employer to the UNITE HERE National Retirement Fund (NRF) effective July 1, 2012 based on the fact that the NRF will receive approval from the Pension Benefit Guarantee Corporation ("PBGC") to use a withdrawal liability method that places Resorts in a new pool with other new employers for purposes of calculating withdrawal liability. If approved by the PBGC, Resorts' withdrawal liability exposure is significantly reduced and, at this point in time, non-existent, because the new employer pool is not underfunded at this time. More importantly, Resorts is not liable for the large underfunded amount in the existing NRF pool. In the event the PBGC does not approve Resorts participation in the new employer pool, then the NRF will refund Resorts' contributions without interest and Resorts' agreement to contribute to the NRF will cease. Resorts and UNITE HERE Local 54 will then meet in a good faith attempt to agree upon an alternate retirement contribution method, which will not expose Resorts to a significant unfunded liability.

The last column lists the expiration date(s) of the collective-bargaining agreement(s) to which the plans are subject.

Pension Fund	EIN/Pension Plan Number	Status 2013	Status 2012	Pending/ Implemen	($ in thousands) 2013	($ in thousands) 2012	Surcharge Imposed	Collective-Bargaining Agreement
Pension Plan of the								
UNITE HERE National Retirement Fund	13-6130178/001	Red	Red	Yes	$ 2,467	$ 1,124	No	September 14, 2014
Local 68 Maintenance Engineers Union Pension Plan	51-0176618/001	Yellow	Green	Yes	339	317	No	April 30, 2014
Local 68 Entertainment Engineers Union Pension Plan	51-0176618/001	Yellow	Green	Yes	152	171	No	June 30, 2014
NJ Carpenters Pension Fund	22-6174423/001	Yellow	Yellow	Yes	188	147	No	April 30, 2014
Local 711 Painters Union	52-6073909/001	Yellow	*	Yes	73	163	No	April 30, 2014
					$ 3,219	$ 1,922		

* Information not available

Economic Development Authority Grant

In 2012, the Company entered into a Licensing and Lease Agreement with Margaritaville. Margaritaville restaurants are affiliated with the famed singer Jimmy Buffet and are themed with Key West and Tropical motif and lifestyles depicted in the music of Mr. Buffet. The agreement called for the Company to construct a Margaritaville themed Café, Landshark Bar and Grill, 5 O'clock Somewhere Bar, along with a Margaritaville themed section of the existing gaming floor all within the existing Resorts property ("Margaritaville Projects") which were completed and opened in 2013. In 2013, The State of New Jersey Economic Development Authority approved a $5,055,000 grant for Resorts under the Economic Redevelopment and Growth Program ("ERG Grant") for the Margaritaville Projects. The ERG Grant is an incentive grant of up to 75% of the annual incremental state tax revenue generated by the project. The ERG Grant comes in the form of rebates for certain state taxes paid (e.g., sales taxes paid on construction materials and food and beverage sales, corporate business taxes, etc.). As of December 31, 2013, Resorts recorded approximately $1.4 million in ERG Grant receivables based on these state taxes (see Note 4. Receivables) and a corresponding gain that is included in Nonoperating Income (Expense) – Net on the corresponding Statements of Income for the year ended December 31, 2013.

Income Taxes

The Company is treated as a partnership for federal income tax purposes; therefore, federal income taxes are the responsibility of Holding and SPE. In New Jersey, casino partnerships are subject to state income taxes under the Casino Control Act; therefore, the Company is required to record New Jersey state income taxes (see Note 12).

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 recognizes interest and penalties accrued related to unrecognized tax benefits in the provision for income taxes.

Use of Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States requires that the Company 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 amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates and assumptions.

Recent Accounting Pronouncements

In December 2011, the Financial Accounting Standards Board ("FASB") issued the Accounting Standards Update 2011-11, *Balance Sheet (Topic 210): Disclosures about Offsetting Assets and Liabilities (ASU 2011-11)* and the clarification release of the Accounting Standards Update 2013-01, *Balance Sheet (Topic 210): Clarifying the Scope of Disclosures about Offsetting Assets and Liabilities (ASU 2013-01)* on January 31, 2013. These updates require disclosure on both a gross and net basis of offsetting assets and liabilities in connection financial assets and liabilities. It was effective on January 1, 2013 however as the Company does not have any offsetting financial assets and liabilities there was no impact of this pronouncement.

A variety of proposed or otherwise potential accounting standards are currently under study by standard-setting organizations. Because of the tentative and preliminary nature of such proposed standards, the Company has not yet determined the effect, if any, that the implementation of such proposed standards would have on its financial statements.

4. Receivables

Components of receivables were as follows at December 31, (in thousands):

	2013	2012
Gaming	$ 4,806	$ 4,415
Less: allowance for doubtful accounts	(2,019)	(1,577)
	2,787	2,838
Non-gaming:		
Hotel and related	452	1,370
Less: allowance for doubtful accounts	(32)	(114)
EDA Fund Receivable	1,444	-
Tenant Receivable	362	41
Other	900	806
	3,126	2,103
Receivables, net	$ 5,912	$ 4,941

5. Other Current Assets

Components of other current assets were as follows at December 31, (in thousands):

	2013	2012
Prepaid insurance	$ 496	$ 558
Prepaid casino license	431	518
Prepaid maintenance agreements	318	360
Prepaid sewer	96	-
Current deferred tax asset	6	113
Prepaid rent	180	-
Other prepaid expenses and current assets	226	254
	$ 1,753	$ 1,803

6. Investments, Advances and Receivables

The New Jersey Casino Control Act provides, among other things, for an assessment of licensee equal to 1.25% of the Company's 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 Casino Reinvestments Development Authority ("CRDA"). Funds deposited with the CRDA may be used to purchase bonds designated by the CRDA or, under certain circumstances, direct investments in approved CRDA projects 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.

Components of investments, advances and receivables were as follows at December 31, (in thousands):

		2013		2012
Deposits — net of valuation allowance for $1,383 and $1,060, respectively	$	2,901	$	17,394
CRDA Bonds — net of valuation allowance for $8,093 and $8,160, respectively		3,075		3,167
	$	5,976	$	20,561

The Company records (credits) charges to operations to reflect the estimated net realizable value of its CRDA investment. Such (credits) charges to operations were $(945,000) and $(4.2) million for the years ended December 31, 2013 and 2012, respectively. CRDA (credits) charges are included in other income (expenses) in the accompanying statements 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 classified as held-to-maturity since the Company has the ability and the intent to hold these bonds to maturity and under the CRDA, the Company is not permitted to do otherwise. As such, the CRDA Bonds are measured at amortized cost. As there is no market for the CRDA Bonds, their 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 years ended December 31, 2013 and 2012 was $74,000 and $63,000, respectively, and is included in other income (expenses) in the accompanying statements of income.

After the initial determination of fair value, the Company analyzes the recoverability of the CRDA Bonds on a quarterly basis and its effect 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 borrower, 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.

In 2011 the CRDA created the Atlantic City Tourism District, an area that includes all casino hotels and facilities in Atlantic City, in which the CRDA is authorized to facilitate development, and as such created a Tourism District Master Plan (the "Master Plan"). As part of the Master Plan the CRDA is authorized to allow funds invested with the CRDA to be used by entities for approved projects under the Master Plan. In accordance with these guidelines Resorts requested funds, currently on deposit with the CRDA, to be used as part of its Margaritaville project. The CRDA approved the use of these funds and granted Resorts $12.8 million for use in its development of the Margaritaville project. As of December 31, 2013, substantially all funds have been received for the Margaritaville project and the project is complete.

In addition, the Company has planned the development of a Food Court within its casino hotel property that will house five different food and beverage offerings to its customers. The Food Court outlets will be operated by third party vendors under a Master Lease paying rent based upon a percentage of food and beverage revenues. Select outlets were opened at December 31, 2013 with all the outlets expected to be open by the second quarter of 2014.

The CRDA has granted $2.8 million to Resorts, of funds currently on deposit with the CRDA in the CRDA Atlantic City Expansion Fund, for use in the development of the Food Court project. As of December 31, 2013, approximately $1.6 has been received for the Food Court project.

In addition the Company has obtained CRDA funding for a project, previously approved by the CRDA, to repair certain sections of its boardwalk building façade. The commencement of this project allowed the CRDA to grant $2.4 million to Resorts. As of December 31, 2013, approximately $2.4 million has been received for the Facade project and the project is complete.

The valuation allowance at December 31, 2012 related to the funds on deposit with the CRDA that have been granted for use in the above projects has been reversed resulting in a reduction in the 2012 other income (expenses) of $5.1 million.

7. Property and Equipment

Components of property and equipment, net were as follows at December 31 2013, (in thousands):

	2013	2012
Land	$ 11,570	$ 11,500
Hotels and other buildings	72,162	24,691
Furniture, fixtures and equipment	28,146	17,481
Construction in progress	1,370	10,125
	113,248	63,797
Less: accumulated depreciation	(13,038)	(6,797)
Net property and equipment	$ 100,210	$ 57,000

Depreciation expense for the years ended December 31, 2013 and 2012 2012 was $6.2 million and $4.1 million, respectively.

Interest capitalized for construction in progress was $1.5 million and $0.1 million for the years ended December 31, 2013 and 2012, respectively.

8. Intangible Assets

Intangible assets, included in other assets in the accompanying balance sheets, includes a trade name valued at $3.3 million at December 31, 2013 and 2012 and a customer database with a net value of $ 0 and $275,000 at December 31, 2013 and 2012 , respectively. The trade name is deemed to have an indefinite life. The customer database was determined to have an initial value of $900,000 based on the application of purchase accounting in 2010 and a three-year life based upon attrition rates and computations of incremental value derived from existing relationships. The Company recorded $275,000 and $300,000 of amortization expense for the customer database for the periods ending December 31, 2013 and 2012, respectively. The accumulated amortization for the customer database at December 31, 2013 and 2012 was $900,000 and $625,000, respectively.

9. Note Payable

In August 2011, the Company obtained a loan for $3.5 million to fund the purchase of heating ventilation and air-conditioning equipment, all of which are secured by the purchased equipment. An entity controlled by the Company's principal shareholder provided guarantees on the note payable. The payment terms of the note are 60 months spread ratably for the principle balance, plus interest on the outstanding principal balance at LIBOR plus 300 basis points. At no time will the interest rate fall below 400 basis points. At December 31, 2013 and 2012, the interest rate was 4%. The Company has estimated that the carrying amounts of $1.9 million and $2.6 million approximate the fair value of the debt at December 31, 2013 and 2012, respectively.

In April 2013, the Company entered into a $2 million Revolver with a maturity date of April 30, 2014. Any outstanding amounts on the Revolver accrue interest at a rate of the greater of 5% or LIBOR plus 4%. There is a fee of .35% on the amount of unused funds during the year payable at December 31, 2013. The Revolver is guaranteed by certain affiliates of Holding. There were no amounts outstanding or repaid as of December 31, 2013.

10. Related Party Transactions

In accordance with amended gaming license conditions, the Company is required to maintain total cash balances sufficient to meet its operational needs, which are to be supported, in part, by the Revolver. As noted above, in the event the Revolver is not sufficient to meet the Company's operational needs, is terminated or otherwise matures, the conditions require the majority owner of Holding to identify an alternative source of funds, acceptable to DGE, sufficient to meet the Company's operational needs.

Through December 31, 2013 affiliates of the majority owner of Holding continued to fund operational needs of the Company with the Unlimited Line of Credit. The initial terms of the Unlimited Line of Credit were that the amounts borrowed carry no interest charge and require that if the Company is financially able, and if the cash levels of the Company exceed a certain level, payment will be made to reduce the amount outstanding. On October 1, 2012, under an amendment to the operating agreement of Holding, the terms of the Unlimited Line of Credit were changed to allow interest to accrue at

10% per annum and compound annually on the unpaid principal balance. In October 2013 the DGE modified the conditions of licensure to require that DGMB maintain sufficient cash balances to meet its operations needs and that this requirement be supported by the Revolver. Due to the licensing condition modification, the Unlimited Line of Credit expired on December 31, 2013 and was not renewed. However affiliates of the majority owner of Holding continue to fund the cash flow needs of DGMB and as of December 31, 2013 and 2012, the amount owed to affiliates of the majority owner of Holding was $66.3 million and $28.0 million, respectively and included in Due to Affiliates on the accompanying balance sheets. The amount of interest expense incurred was $6 Million and $599,000 for the year ended December 31, 2013 and 2012, respectively.

In addition, affiliates of the majority owner of Holding has provided to the Company a source of funds for capital improvements under a $10 million Capital Funding Agreement. . Effective October 1, 2012, the Capital Funding Agreement was amended to provide for the accrual of interest at a rate of 10% per annum. The maturity date of the agreement was December 31, 2013. As of December 31, 2013 the funding mechanism of this agreement expired however the amounts outstanding will remain outstanding until paid under the original terms. The terms of the Capital Funding Agreement are that repayment will be made to the extent funds are available after all day-to-day operating expenses and maintenance expenditures have been made. At December 31, 2013 and 2012, approximately $7.2 million was outstanding under the Capital Funding Agreement and included in Related Party Debt on the accompanying balance sheets. The amount of interest expense incurred was $924,000 and $177,000 for the years ended December 31, 2013 and 2012, respectively.

On October 1, 2012, the Company entered into an agreement with MGA whereby MGA would manage and operate Resorts Casino Hotel (the "Management Agreement") for a minimum term of five years. MGA is compensated for its services under the Management Agreement with a base fee calculated as a percentage (1%) of net revenues and paid on a monthly basis. The Management Agreement also allows for an incentive fee based on annual EBITDA results as defined in the Management Agreement. For the year ended December 31, 2013 and 2012, the Company recorded $1.2 Million and $255,000, respectively, in base fees related to the Management Agreement. No amount was recorded or paid for incentive fees based on 2013 and 2012 annual results.

11. Other Accrued Expenses

Components of other accrued expenses were as follows at December 31, (in thousands):

	2013	2012
Payroll and related costs	$ 5,201	$ 5,586
Slot purchase obligations	559	1,629
Unredeemed incentives	974	1,196
Property Taxes	497	497
Guest Claims	382	332
Other	2,193	1,974
	$ 9,806	$ 11,214

12. Income Taxes

The Company is subject to the State of New Jersey Income Tax and, as noted above, is not subject to federal income taxes.

Significant components of income taxes for the years ended December 31 were as follows (in thousands):

	2013	2012
Current	$ 2	$ 2
Deferred	1,011	(174)
Income tax provision (benefit)	$ 1,013	$ (172)

The Company's deferred tax assets and liabilities as of December 31 were as follows (in thousands):

	2013	2012
Total deferred tax assets	$ 4,482	$ 2,633
Total deferred tax liabilities	(3,210)	(2,640)
Valuation allowance	(3,879)	(1,589)
Total deferred tax liability, net	$ (2,607)	$ (1,596)

The significant components of the deferred tax assets and deferred tax liabilities include net operating losses, fixed assets and bargain purchase gain.

Net deferred tax assets have been reduced by a valuation allowance of $3.9 million and $1.6 million at December 31, 2013 and 2012, respectively. After consideration of all positive and negative evidence, including future reversals of existing taxable temporary differences, projected future taxable income, tax planning strategies and recent financial operations, the Company believes certain net deferred tax assets are not likely to be utilized. In the event the Company determines it would be able to realize these net deferred tax assets in the future in an amount different than their recorded amount, the Company would make an adjustment to the valuation allowance which would be recorded through the provision for income taxes.

The gross amount of the New Jersey State net operating loss carryforward as of December 31, 2013, was $42.8 million, which will begin to expire in 2031, if not utilized by the Company.

The Company has determined there were no unrecognized tax positions to recognize as a liability as of December 31, 2013 and 2012.

13. Leases

Operating Leases —

The Company leases real estate and equipment for use in its business through operating leases.

Future minimum rental commitments for non-cancelable leases, including renewal options and capital leases, as of December 31, 2013, are as follows (in thousands):

Year ending, December 31,	Operating Lease Obligations
2014	$ 493
2015	337
2016	330
2017	330
2018	330
Thereafter	13,753
Total minimum lease payments	$ 15,573

14. Commitments and Contingencies

Litigation

There are other 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.

Commitments

All the Atlantic City casino properties and the CRDA entered into an agreement with the Atlantic City Alliance (the "ACA") to provide funding to subsidize Atlantic City casino marketing. This agreement was signed on November 2, 2011 and expires on December 31, 2016. The agreement provides that in exchange for funding, the ACA will create and implement a marketing plan for the Atlantic City casino industry. As part of the agreement, the Atlantic City casino industry provided an initial deposit of $5.0 million as of December 31, 2011 and will continue to pay $30.0 million annually for the next five years. Each annual payment will be allocated to the AC Industry based on each casino's prorated share of gross gaming revenues from the preceding year. The Company's obligation for the initial deposit in 2011 was $131,000 and it paid an additional $1.4 million and $1.3 million for the years ended December 31, 2013 and 2012 respectively.

In 2012, the Company entered into a Licensing and Lease Agreement with Margaritaville of Atlantic City, LLC, ("Margaritaville") a subsidiary of Margaritaville Enterprises, LLC, an owner, operator and licensor of multiple Margaritaville restaurants in the United States. Margaritaville restaurants are affiliated with the famed singer Jimmy Buffet and are themed with Key West and Tropical motif and lifestyles depicted in the music of Mr. Buffet. The agreement called for the Company to construct a Margaritaville themed Café, Landshark Bar and Grill, 5 O'clock Somewhere Bar, along with a Margaritaville themed section of the existing gaming floor all within the existing Resorts property which were completed and opened during 2013.

In June 2013, the Company entered into a binding term sheet with Rational Services Limited ("Rational"). The binding term sheet, which is subject to approval by the DGE, allows, under the Company's license, for Rational to provide the operation of and marketing strategy for online gaming in New Jersey. Rational made an initial payment to the Company in the amount of $5.1 million to fund the startup of the operation, pending the issue of a license from the DGE. This funding is included in other liabilities on the balance sheet as of December 31, 2013.

In December 2013, Rational's application for a casino service industry enterprise license was placed in a suspended status for a period of two years by the DGE. The Company considers this action a refusal by the DGE to issue a license to Rational and, among other things, precludes Rational from extending the Term Sheet, pursuant to the terms of the Term Sheet. Rational disagrees with this position and is of the view that its suspended status has no effect on its right to extend the Term Sheet through December 31, 2014 in exchange for certain payments under the Term Sheet. In connection therewith, the Parties entered into a "Standstill Agreement" on or about December 23, 2013, pursuant to which each Party agreed, without prejudice to the continued existence of its respective rights and obligations pursuant to the Term Sheet, that it will not seek to take nor take any action to enforce, realize, perform, defend or assume any of its undertakings, rights and obligations under the Term Sheet until on or after February 21, 2014, which was subsequently extended to April 29, 2014 (the "Standstill Period").

On April 29, 2014, the Company entered into an agreement with Rational (the "Agreement") which essentially embodied all of the terms contained in the binding term sheet previously entered into by the Parties. None of the classifications of amounts previously paid by Rational to the Company changed as a result of execution of the Agreement.

The principal change between the binding term sheet and Agreement is that the Agreement permits the Company to enter into an agreement with an Alternative Provider to act as the Internet gaming operator for the Company on the Company's website and websites of the Company's affiliates. In addition, the Agreement potentially modifies the amounts of guarantees the Company is entitled to receive from Rational depending on the length of time the Company continues to operate with an Alternative Provider.

15. Subsequent Events

The Company completed its subsequent events review through April 30, 2014, the date on which the financial statements were available to be issued. No subsequent events have been identified that are required to be accounted for or disclosed in the financial statements other than those disclosed in note 13.

DGMB CASINO, LLC

ANNUAL FILINGS

FOR THE PERIOD DECEMBER 31, 2013

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

OFFICE OF FINANCIAL INVESTIGATIONS
REPORTING MANUAL

DGMB CASINO, LLC (Resorts Casino Hotel)

ANNUAL SCHEDULE OF RECEIVABLES AND PATRONS' CHECKS

FOR THE YEAR ENDED December 31, 2013

(UNAUDITED)
($ IN THOUSANDS)

Amended 10/20/14

ACCOUNTS RECEIVABLE BALANCES				
Line (a)	**Description (b)**	**Account Balance (c)**	**Allowance (d)**	**Accounts Receivable (Net of Allowance) (e)**
	Patrons' Checks:			
1	Undeposited Patrons' Checks......................................	$1,993		
2	Returned Patrons' Checks......................................	2,813		
3	Total Patrons' Checks......................................	4,806	$2,019	$2,787
4	Hotel Receivables......................................	564	31	$533
	Other Receivables:			
5	Receivables Due from Officers and Employees....	-		
6	Receivables Due from Affiliates......................................	-		
7	Other Accounts and Notes Receivables................	2,592		
8	Total Other Receivables......................................	2,592		$2,592
9	Totals (Form DGE-205)......................................	$7,962	$2,050	$5,912

UNDEPOSITED PATRONS' CHECKS ACTIVITY		
Line (f)	**Description (g)**	**Amount (h)**
10	Beginning Balance (January 1)......................................	$2,473
11	Counter Checks Issued......................................	52,683
12	Checks Redeemed Prior to Deposit......................................	(40,095)
13	Checks Collected Through Deposits......................................	(10,024)
14	Checks Transferred to Returned Checks......................................	(2,813)
15	Other Adjustments......................................	(231)
16	Ending Balance......................................	$1,993
17	"Hold" Checks Included in Balance on Line 16......................................	0
18	Provision for Uncollectible Patrons' Checks......................................	$672
19	Provision as a Percent of Counter Checks Issued......................................	1.3%

DGMB CASINO, LLC
ANNUAL EMPLOYMENT AND PAYROLL REPORT

AT DECEMBER 31, 2013

($ IN THOUSANDS)

Line (a)	Department (b)	Number of Employees (c)	Salaries and Wages		
			Other Employees (d)	Officers & Owners (e)	Totals (f)
	CASINO:				
1	Table and Other Games	341			
2	Slot Machines	59			
3	Administration	12			
4	Casino Accounting	85			
5	Simulcasting	0			
6	Other	0			
7	Total - Casino	497	$9,768	$0	$9,768
8	ROOMS	206	3,812		3,812
9	FOOD AND BEVERAGE	507	9,084		9,084
10	GUEST ENTERTAINMENT	155	1,624		1,624
11	MARKETING	127	4,146		4,146
12	OPERATION AND MAINTENANCE	178	4,100		4,100
	ADMINISTRATIVE AND GENERAL:				
13	Executive Office	14	1,802		1,802
14	Accounting and Auditing	27	1,573		1,573
15	Security	143	3,549		3,549
16	Other Administrative and General	30	3,183		3,183
	OTHER OPERATED DEPARTMENTS:				
17					0
18					0
19					0
20					0
21					0
22					0
23	TOTALS - ALL DEPARTMENTS	1,884	$42,641	$0	$42,641