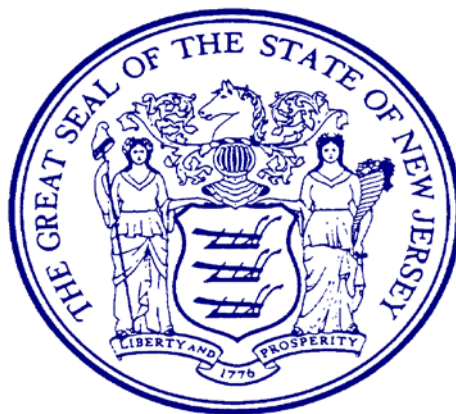


Resorts Digital Gaming LLC
QUARTERLY REPORT
FOR THE QUARTER ENDED MARCH 31, 2015

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



OFFICE OF FINANCIAL INVESTIGATIONS
REPORTING MANUAL

Resorts Digital Gaming LLC

BALANCE SHEETS

AS OF MARCH 31, 2015 AND 2014

(UNAUDITED)
(\$ IN THOUSANDS)

Line (a)	Description (b)	Notes	2015 (c)	2014 (d)
	<u>ASSETS:</u>			
	Current Assets:			
1	Cash and Cash Equivalents.....	2	\$180	\$0
2	Short-Term Investments.....		0	0
3	Receivables and Patrons' Checks (Net of Allowance for Doubtful Accounts - 2015, \$ 0; 2014, \$0).....	3,4	31,500	0
4	Inventories		0	0
5	Other Current Assets.....		0	0
6	Total Current Assets.....		31,680	0
7	Investments, Advances, and Receivables.....		0	0
8	Property and Equipment - Gross.....		0	0
9	Less: Accumulated Depreciation and Amortization.....		0	0
10	Property and Equipment - Net.....		0	0
11	Other Assets.....		0	0
12	Total Assets.....		\$31,680	\$0
	<u>LIABILITIES AND EQUITY:</u>			
	Current Liabilities:			
13	Accounts Payable.....		\$0	\$0
14	Notes Payable.....		0	0
	Current Portion of Long-Term Debt:			
15	Due to Affiliates.....	4	2,161	0
16	External.....			0
17	Income Taxes Payable and Accrued.....		0	0
18	Other Accrued Expenses.....	5	102	0
19	Other Current Liabilities.....		0	0
20	Total Current Liabilities.....		2,263	0
	Long-Term Debt:			
21	Due to Affiliates.....		0	0
22	External.....		0	0
23	Deferred Credits		0	0
24	Other Liabilities.....	6	31,500	0
25	Commitments and Contingencies.....		0	0
26	Total Liabilities.....		33,763	0
27	Stockholders', Partners', or Proprietor's Equity.....		(2,083)	0
28	Total Liabilities and Equity.....		\$31,680	\$0

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

Resorts Digital Gaming LLC

STATEMENTS OF INCOME

FOR THE THREE MONTHS ENDED MARCH 31, 2015 AND 2014

(UNAUDITED)
(\$ IN THOUSANDS)

Line (a)	Description (b)	Notes	2015 (c)	2014 (d)
	Revenue:			
1	Casino.....		\$205	\$0
2	Rooms.....		0	0
3	Food and Beverage.....		0	0
4	Other.....		300	0
5	Total Revenue.....		505	0
6	Less: Promotional Allowances.....		131	0
7	Net Revenue.....		374	0
	Costs and Expenses:			
8	Casino.....		1,408	0
9	Rooms, Food and Beverage.....		0	0
10	General, Administrative and Other.....		60	0
11	Total Costs and Expenses.....		1,468	0
12	Gross Operating Profit.....		(1,094)	0
13	Depreciation and Amortization.....		0	0
	Charges from Affiliates Other than Interest:			
14	Management Fees.....		0	0
15	Other.....			
16	Income (Loss) from Operations.....		(1,094)	0
	Other Income (Expenses):			
17	Interest Expense - Affiliates.....		0	0
18	Interest Expense - External.....		0	0
19	CRDA Related Income (Expense) - Net.....		0	0
20	Nonoperating Income (Expense) - Net.....		675	0
21	Total Other Income (Expenses).....		675	0
22	Income (Loss) Before Taxes and Extraordinary Items.....		(419)	0
23	Provision (Credit) for Income Taxes.....		0	0
24	Income (Loss) Before Extraordinary Items.....		(419)	0
25	Extraordinary Items (Net of Income Taxes - 20__, \$ __; 20__, \$ ____).....			
26	Net Income (Loss).....		(\$419)	\$0

* Restated to conform with current year

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

Resorts Digital Gaming LLC

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

FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2014
AND FOR THE THREE MONTHS ENDED MARCH 31, 2015

(UNAUDITED)
(\$ IN THOUSANDS)

Line (a)	Description (b)	Notes	Contributed Capital (c)	Accumulated Earnings (Deficit) (d)	(e)	Total Equity (Deficit) (f)
1	Balance, December 31, 2013.....		\$0	\$0	\$0	\$0
2	Net Income (Loss) - 2014.....			(1,664)		(1,664)
3	Capital Contributions.....					0
4	Capital Withdrawals.....					0
5	Partnership Distributions.....					0
6	Prior Period Adjustments.....					0
7	_____					0
8	_____					0
9	_____					0
10	Balance, December 31, 2014.....		0	(1,664)	0	(1,664)
11	Net Income (Loss) - 2015.....			(419)		(419)
12	Capital Contributions.....					0
13	Capital Withdrawals.....					0
14	Partnership Distributions.....					0
15	Prior Period Adjustments.....					0
16	_____					0
17	_____					0
18	_____					0
19	Balance, March 31, 2015.....		\$0	(\$2,083)	\$0	(\$2,083)

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

Resorts Digital Gaming LLC

STATEMENTS OF CASH FLOWS

FOR THE THREE MONTHS ENDED MARCH 31, 2015 AND 2014

(UNAUDITED)
(\$ IN THOUSANDS)

Line (a)	Description (b)	Notes	2015 (c)	2014 (d)
1	CASH PROVIDED (USED) BY OPERATING ACTIVITIES..		(\$4,919)	\$0
	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.....		0	0
5	Proceeds from Disposition of Property and Equipment.....		0	0
6	CRDA Obligations		0	0
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	CRDA Reimbursement		0	0
11			0	0
12	Net Cash Provided (Used) By Investing Activities.....		0	0
	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.....		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	Net Proceeds/Payments related party		599	0
22	Advance from Vendor		4,500	0
23	Net Cash Provided (Used) By Financing Activities.....		5,099	0
24	Net Increase (Decrease) in Cash and Cash Equivalents.....		180	0
25	Cash and Cash Equivalents at Beginning of Period.....		0	0
26	Cash and Cash Equivalents at End of Period.....		\$180	\$0
	CASH PAID DURING PERIOD FOR:			
27	Interest (Net of Amount Capitalized).....		\$0	\$0
28	Income Taxes.....		\$0	\$0

*Restated to conform with current year

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

Resorts Digital Gaming LLC

STATEMENTS OF CASH FLOWS

FOR THE THREE MONTHS ENDED MARCH 31, 2015 AND 2014

(UNAUDITED)

(\$ IN THOUSANDS)

Line (a)	Description (b)	Notes	2015 (c)	2014 (d)
	CASH FLOWS FROM OPERATING ACTIVITIES:			
29	Net Income (Loss).....		(\$419)	\$0
30	Depreciation and Amortization of Property and Equipment.....		0	0
31	Amortization of Other Assets.....		0	0
32	Amortization of Debt Discount or Premium.....		0	0
33	Deferred Income Taxes - Current		0	0
34	Deferred Income Taxes - Noncurrent		0	0
35	(Gain) Loss on Disposition of Property and Equipment.....		0	0
36	(Gain) Loss on CRDA-Related Obligations.....		0	0
37	(Gain) Loss from Other Investment Activities.....		0	0
38	(Increase) Decrease in Receivables and Patrons' Checks		(4,500)	0
39	(Increase) Decrease in Inventories		0	0
40	(Increase) Decrease in Other Current Assets.....		0	0
41	(Increase) Decrease in Other Assets.....		0	0
42	Increase (Decrease) in Accounts Payable.....		0	0
43	Increase (Decrease) in Other Current Liabilities		0	0
44	Increase (Decrease) in Other Liabilities		0	0
45				
46				
47	Net Cash Provided (Used) By Operating Activities.....		(\$4,919)	\$0

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

	ACQUISITION OF PROPERTY AND EQUIPMENT:			
48	Additions to Property and Equipment.....		\$0	\$0
49	Less: Capital Lease Obligations Incurred.....			
50	Cash Outflows for Property and Equipment.....		\$0	\$0
	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.

Resorts Digital Gaming LLC
SCHEDULE OF PROMOTIONAL
EXPENSES AND ALLOWANCES

FOR THE THREE MONTHS ENDED MARCH 31, 2015
(UNAUDITED)
(\$ IN THOUSANDS)

Line (a)	Description (b)	Promotional Allowances		Promotional Expenses	
		Number of Recipients (c)	Dollar Amount (d)	Number of Recipients (e)	Dollar Amount (f)
1	Rooms				
2	Food				
3	Beverage				
4	Travel				
5	Bus Program Cash				
6	Promotional Gaming Credits				
7	Complimentary Cash Gifts				
8	Entertainment				
9	Retail & Non-Cash Gifts				
10	Parking				
11	Other	2,979	131	0	0
12	Total	2,979	\$131	0	\$0

FOR THE THREE MONTHS ENDED MARCH 31, 2015

Line (a)	Description (b)	Promotional Allowances		Promotional Expenses	
		Number of Recipients (c)	Dollar Amount (d)	Number of Recipients (e)	Dollar Amount (f)
1	Rooms				
2	Food				
3	Beverage				
4	Travel				
5	Bus Program Cash				
6	Promotional Gaming Credits				
7	Complimentary Cash Gifts				
8	Entertainment				
9	Retail & Non-Cash Gifts				
10	Parking				
11	Other	2,979	131	0	0
12	Total	2,979	\$131	0	\$0

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

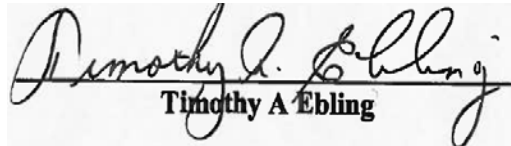
**Resorts Digital Gaming LLC
STATEMENT OF CONFORMITY,
ACCURACY, AND COMPLIANCE**

FOR THE QUARTER ENDED MARCH 31, 2015

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.

8/17/2015

Date



Timothy A Ebling

VP, Chief Financial Officer

Title

9194-11

License Number

On Behalf of:

Resorts Digital Gaming LLC

Casino Licensee

RESORTS DIGITAL GAMING, LLC
NOTES TO FINANCIAL STATEMENTS
(Unaudited)

1. Basis of Presentation

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 Resorts Digital Gaming, LLC (the "Company"), a New Jersey limited liability company that was formed on June 27, 2014. The Company is owned 100% by DGMB Casino Holding, LLC ("Holding"), a Delaware limited liability company, through a 99.5% direct ownership and a 0.5 % indirect ownership through DGMB Casino SPE Corp. ("SPE"), a Delaware corporation, which is the managing member of the Company. MGA Gaming NJ, LLC (MGA), a New Jersey limited liability company, is a non-managing member of Holding and 10% owner.

The Company holds a casino license issued by the State of New Jersey Casino Control Commission ("Commission") and, as an Internet Gaming Affiliate of an affiliated company, DGMB Casino, LLC (Resorts), has been authorized by the State of New Jersey Division of Gaming Enforcement (DGE) to operate real money online gaming in New Jersey under the Internet Gaming Permit (NJIGP-13-008) issued to Resorts. Resorts operates Resorts Casino Hotel located in Atlantic City, NJ.

The Company operates the ResortsCasino.Com website which was approved by the DGE to offer legal online gaming as of February 21, 2015.

2. Summary of Significant Accounting Policies

Cash

Cash includes cash on account and cash on hand. Amounts held in financial institutions are in excess of FDIC insurance limits.

Pursuant to NJAC 13:69O-1.3(j), a unique New Jersey bank account is maintained to segregate internet gaming patron's funds on deposit, pending withdraws and active bets. The balance in this account at March 31, 2015 is \$60,000.

Unrestricted cash balance at March 31, 2015 is \$120,000.

Receivables

Receivables consist primarily of amounts due from third party processors and related business 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.

Revenue Recognition

Online real money gaming revenues are measured by the aggregate net difference between gaming wins and losses. Jackpots are recognized at the time they are won by customers.

Loyalty Program

The Company customer loyalty program offers incentives to customers. Under the program, customers are able to accumulate points over time that they may redeem at their discretion under the terms of the program. The points balance will be forfeited if the customer does not earn points over a designated period from the time they were first earned. The points are recognized when issued and are recorded as a promotional allowance in the statements of income.

RESORTS DIGITAL GAMING, LLC
NOTES TO FINANCIAL STATEMENTS
(Unaudited)

Gaming Tax

The Company remits monthly to the State of New Jersey a tax equal to 15% of gross internet gaming revenue, as defined. Gaming tax expense for the three months ended March 31, 2015 was \$30,000. Gaming tax is included in casino expenses in the accompanying statements of income.

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.

Use of Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States ("GAAP") 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.

3. Receivables

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

	2015	2014
Gaming related	-	-
less reserve	-	-
Due from parent	31,500	-
Due from affiliate	-	-
Receivables, net	31,500	-

4. Related Party Transactions

Resorts, which is also owned 100% by Holding through a 99.5% direct ownership and a 0.5 % indirect ownership SPE, provides the Company with administrative services such as: payroll, accounting, risk management, legal, treasury, information systems, and office space in return for a monthly fee pursuant to a Shared Services Agreement. This fee is included in general, administrative and other in the accompanying statements of income.

The Company has a \$31.5 million receivable from Holding and a net payable of \$2.2 million to Resorts.

RESORTS DIGITAL GAMING, LLC
NOTES TO FINANCIAL STATEMENTS
(Unaudited)

5. Other Accrued Expenses

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

	<u>2015</u>	<u>2014</u>
Patron Liability	\$ 24	\$ -
Legal Fees	45	-
Other	33	-
	<u>\$ 102</u>	<u>\$ -</u>

6. Commitments and Contingencies

Litigation

There can be various claims and legal actions arising in the ordinary course of business which can be categorized as routine business litigation, such as, without limitation, negligence, workers compensation and employment claims. In the opinion of management, these matters would not have a material effect on the Company's financial position or results of operations.

Commitments

In June 2013, Resorts entered into a binding term sheet (the "Term Sheet") with Rational Services Limited, now known as Amaya Services Limited ("Rational"). The Term Sheet, which is subject to approval by the DGE, allows for Rational to provide the operation of and marketing strategy for online gaming in New Jersey. Rational has made advance payments, pending the issue of a license from the DGE. The ultimate disposition of these funds will be either deferred income, if a license is granted, or a combination of a ten year loan and income if a license is not granted. This funding is included in other liabilities on the balance sheet.

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. Since Rational continued to pursue its license, on April 29, 2014, Resorts entered into an agreement with Rational (the "Agreement") which essentially embodied all of the terms contained in the Term Sheet previously entered into by the Parties. Pursuant to the terms of the Agreement, Resorts is permitted to assign the Agreement to the Company, which qualifies as an "Affiliated Company" as that term is defined in the Agreement, and Resorts has executed all documents required to effectuate the assignment. None of the classifications of amounts previously paid by Rational changed as a result of execution of the Agreement.

The principal changes between the Term Sheet and the Agreement are (i) the Agreement permits the Company to enter into an agreement with an Alternative Provider to act as the Internet gaming operator for the Company with respect to all casino games except peer-to-peer poker on the Company's website; (ii) Rational is permitted to extend the Term of the Agreement through December 31, 2015, in the event it has not received regulatory approval to begin operating prior thereto, in exchange for the payment of stated extension fees; and (iii) 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.

Amaya Gaming Group Inc. completed the acquisition of the Oldford Group Limited, parent company of Rational, during 2014, and has continued the licensing process of Rational with the DGE.

On June 18, 2014, Resorts entered into an Online Gaming Software License and Operating Agreement ("SNG Agreement") with Sportech-NYX Gaming, LLC, ("SNG") to serve as its Alternative Provider. Pursuant to the terms of the SNG Agreement, Resorts is permitted to assign the SNG Agreement to the Company, which qualifies as an "Affiliated Company" as that term is defined in the SNG Agreement, and Resorts has executed all documents required to effectuate the assignment. Under the terms of the SNG Agreement, SNG is required to provide an online gaming system consisting of a platform and casino games content developed by NYX Gaming Group, Ltd.. SNG has made an advance payment to the Company which is a guarantee on future income. This funding is included in other liabilities on the balance sheet.