TROPICANA CASINO AND RESORT
QUARTERLY REPORT

FOR THE QUARTER ENDED DECEMBER 31, 2013

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

OFFICE OF FINANCIAL INVESTIGATIONS
REPORTING MANUAL

TROPICANA CASINO AND RESORT
BALANCE SHEETS

AS OF DECEMBER 31, 2013 AND 2012

(UNAUDITED)
($ IN THOUSANDS)

Line (a)	Description (b)	Notes	2013 (c)	2012 (d)
	ASSETS:			
	Current Assets:			
1	Cash and Cash Equivalents		$120,292	$106,110
2	Short-Term Investments		0	0
3	Receivables and Patrons' Checks (Net of Allowance for Doubtful Accounts - 2013, $11,170; 2012, $11,413)		12,025	13,598
4	Inventories		2,480	2,487
5	Other Current Assets	3	3,060	2,361
6	Total Current Assets		137,857	124,556
7	Investments, Advances, and Receivables	4,8	76,901	34,799
8	Property and Equipment - Gross	2	240,081	218,035
9	Less: Accumulated Depreciation and Amortization	2	(48,930)	(37,254)
10	Property and Equipment - Net	2	191,151	180,781
11	Other Assets	5	5,669	3,641
12	Total Assets		$411,578	$343,777
	LIABILITIES AND EQUITY:			
	Current Liabilities:			
13	Accounts Payable		$6,725	$8,806
14	Notes Payable		0	0
	Current Portion of Long-Term Debt:			
15	Due to Affiliates		0	0
16	External	6	872	45
17	Income Taxes Payable and Accrued		0	0
18	Other Accrued Expenses	12	23,642	20,918
19	Other Current Liabilities	13	4,326	4,337
20	Total Current Liabilities		35,565	34,106
	Long-Term Debt:			
21	Due to Affiliates	6,15	85,660	0
22	External		0	44
23	Deferred Credits		0	0
24	Other Liabilities	8,14	0	24,204
25	Commitments and Contingencies		0	0
26	Total Liabilities		121,225	58,354
27	Stockholders', Partners', or Proprietor's Equity		290,353	285,423
28	Total Liabilities and Equity		$411,578	$343,777

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

TROPICANA CASINO AND RESORT
STATEMENTS OF INCOME

FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2013 AND 2012

(UNAUDITED)
($ IN THOUSANDS)

Line (a)	Description (b)	Notes	2013 (c)	2012 (d)
	Revenue:			
1	Casino		$224,998	$246,495
2	Rooms		50,050	53,089
3	Food and Beverage		31,474	35,313
4	Other		11,672	13,125
5	Total Revenue		318,194	348,022
6	Less: Promotional Allowances		73,723	83,985
7	Net Revenue		244,471	264,037
	Costs and Expenses:			
8	Cost of Goods and Services	8	156,915	189,294
9	Selling, General, and Administrative	8	59,020	54,776
10	Provision for Doubtful Accounts		1,987	1,970
11	Total Costs and Expenses		217,922	246,040
12	Gross Operating Profit		26,549	17,997
13	Depreciation and Amortization	2	12,325	11,901
	Charges from Affiliates Other than Interest:			
14	Management Fees	8	6,283	4,396
15	Other		0	0
16	Income (Loss) from Operations		7,941	1,700
	Other Income (Expenses):			
17	Interest Expense - Affiliates		(370)	0
18	Interest Expense - External		(2)	(8)
19	CRDA Related Income (Expense) - Net	7	(2,711)	(1,927)
20	Nonoperating Income (Expense) - Net	16	233	(1,559)
21	Total Other Income (Expenses)		(2,850)	(3,494)
22	Income (Loss) Before Taxes and Extraordinary Items		5,091	(1,794)
23	Provision (Credit) for Income Taxes	9	161	176
24	Income (Loss) Before Extraordinary Items		4,930	(1,970)
25	Extraordinary Items (Net of Income Taxes - 2013, $0; 2012, $0)		0	0
26	Net Income (Loss)		$4,930	($1,970)

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

TROPICANA CASINO AND RESORT
STATEMENTS OF INCOME

FOR THE THREE MONTHS ENDED DECEMBER 31, 2013 AND 2012

(UNAUDITED)
($ IN THOUSANDS)

Line (a)	Description (b)	Notes	2013 (c)	2012 (d)
	Revenue:			
1	Casino		$48,083	$42,738
2	Rooms		10,659	8,589
3	Food and Beverage		6,782	6,709
4	Other		3,146	2,551
5	Total Revenue		68,670	60,587
6	Less: Promotional Allowances		16,705	14,722
7	Net Revenue		51,965	45,865
	Costs and Expenses:			
8	Cost of Goods and Services	8	37,566	40,464
9	Selling, General, and Administrative	8	13,589	11,660
10	Provision for Doubtful Accounts		665	167
11	Total Costs and Expenses		51,820	52,291
12	Gross Operating Profit		145	(6,426)
13	Depreciation and Amortization	2	3,394	2,755
	Charges from Affiliates Other than Interest:			
14	Management Fees	8	1,642	(529)
15	Other		0	0
16	Income (Loss) from Operations		(4,891)	(8,652)
	Other Income (Expenses):			
17	Interest Expense - Affiliates		(370)	0
18	Interest Expense - External		0	(2)
19	CRDA Related Income (Expense) - Net	7	(794)	(769)
20	Nonoperating Income (Expense) - Net	16	96	72
21	Total Other Income (Expenses)		(1,068)	(699)
22	Income (Loss) Before Taxes and Extraordinary Items		(5,959)	(9,351)
23	Provision (Credit) for Income Taxes	9	(15)	2
24	Income (Loss) Before Extraordinary Items		(5,944)	(9,353)
25	Extraordinary Items (Net of Income Taxes - 2013, $0; 2012, $0)		0	0
26	Net Income (Loss)		($5,944)	($9,353)

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

TROPICANA CASINO AND RESORT
STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY

FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2012 AND THE TWELVE MONTHS ENDED DECEMBER 31, 2013

(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, 2011..........**						$282,128		$5,265	$287,393
2	Net Income (Loss) - 2012.............								(1,970)	(1,970)
3	Contribution to Paid-in-Capital.....									0
4	Dividends.....................................									0
5	Prior Period Adjustments..............									0
6	....									0
7	....									0
8	....									0
9	....									0
10	**Balance, December 31, 2012..........**		0	0	0	0	282,128	0	3,295	285,423
11	Net Income (Loss) - 2013.............								4,930	4,930
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, 2013 ....**		0	$0	0	$0	$282,128	$0	$8,225	$290,353

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

TROPICANA CASINO AND RESORT
STATEMENTS OF CASH FLOWS

FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2013 AND 2012

(UNAUDITED)
($ IN THOUSANDS)

Line (a)	Description (b)	Notes	2013 (c)	2012 (d)
1	CASH PROVIDED (USED) BY OPERATING ACTIVITIES...		$19,408	$29,624
	CASH FLOWS FROM INVESTING ACTIVITIES:			
2	Purchase of Short-Term Investments ...			
3	Proceeds from the Sale of Short-Term Investments ...			
4	Cash Outflows for Property and Equipment...		(25,861)	(15,476)
5	Proceeds from Disposition of Property and Equipment...		6	3
6	CRDA Obligations ...		(2,869)	(3,125)
7	Other Investments, Loans and Advances made...		19,010	0
8	Proceeds from Other Investments, Loans, and Advances ...		2,124	1,200
9	Cash Outflows to Acquire Business Entities...		0	0
10	Proceeds from Sales and Luxury Tax Credits ...		3,453	3,650
11	Cash Outflows for Tenant Allowance ...		(1,000)	0
12	Net Cash Provided (Used) By Investing Activities...		(5,137)	(13,748)
	CASH FLOWS FROM FINANCING ACTIVITIES:			
13	Proceeds from Short-Term Debt ...			
14	Payments to Settle Short-Term Debt...			
15	Proceeds from Long-Term Debt ...			
16	Costs of Issuing Debt...			
17	Payments to Settle Long-Term Debt...		(11)	(50)
18	Cash Proceeds from Issuing Stock or Capital Contributions...		0	0
19	Purchases of Treasury Stock...			
20	Payments of Dividends or Capital Withdrawals...			
21	Forgiveness of Short and Long Term Debt ...		(78)	0
22	...			
23	Net Cash Provided (Used) By Financing Activities...		(89)	(50)
24	Net Increase (Decrease) in Cash and Cash Equivalents...		14,182	15,826
25	Cash and Cash Equivalents at Beginning of Period...		106,110	90,284
26	Cash and Cash Equivalents at End of Period...		$120,292	$106,110

	CASH PAID DURING PERIOD FOR:			
27	Interest (Net of Amount Capitalized)...		$2	$8
28	Income Taxes...			

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

TROPICANA CASINO AND RESORT
STATEMENTS OF CASH FLOWS

FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2013 AND 2012

(UNAUDITED)

($ IN THOUSANDS)

Line (a)	Description (b)	Notes	2013 (c)	2012 (d)
	CASH FLOWS FROM OPERATING ACTIVITIES:			
29	Net Income (Loss)................		$4,930	($1,970)
30	Depreciation and Amortization of Property and Equipment...		12,247	11,434
31	Amortization of Other Assets................		78	467
32	Amortization of Debt Discount or Premium................		0	(43)
33	Deferred Income Taxes - Current			
34	Deferred Income Taxes - Noncurrent			
35	(Gain) Loss on Disposition of Property and Equipment.........		237	45
36	(Gain) Loss on CRDA-Related Obligations................		2,711	1,927
37	(Gain) Loss from Other Investment Activities................			
38	(Increase) Decrease in Receivables and Patrons' Checks		1,730	8,108
39	(Increase) Decrease in Inventories		7	(125)
40	(Increase) Decrease in Other Current Assets................		(949)	(82)
41	(Increase) Decrease in Other Assets................		(1,263)	1,226
42	Increase (Decrease) in Accounts Payable................		(2,533)	124
43	Increase (Decrease) in Other Current Liabilities		2,213	(1,660)
44	Increase (Decrease) in Other Liabilities		0	8,394
45	Loss on Impairment of Intangible Asset		0	1,779
46	....			
47	Net Cash Provided (Used) By Operating Activities................		$19,408	$29,624

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................		($25,861)	($15,476)
49	Less: Capital Lease Obligations Incurred................			
50	Cash Outflows for Property and Equipment................		($25,861)	($15,476)
	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................			
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	$0

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

TROPICANA CASINO AND RESORT
SCHEDULE OF PROMOTIONAL
EXPENSES AND ALLOWANCES

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

AMENDED 5/28/14

		Promotional Allowances		Promotional Expenses	
Line (a)	Description (b)	Number of Recipients (c)	Dollar Amount (d)	Number of Recipients (e)	Dollar Amount (f)
1	Rooms	281,425	$15,957	0	$0
2	Food	445,519	10,003	162,572	3,641
3	Beverage	5,803,781	7,116	0	0
4	Travel	0	0	3,861	1,158
5	Bus Program Cash	3,263	267	0	0
6	Promotional Gaming Credits	325,783	36,409	0	0
7	Complimentary Cash Gifts	4,816	3,720	0	0
8	Entertainment	34,760	183	270	33
9	Retail & Non-Cash Gifts	0	0	227,789	2,232
10	Parking	0	0	393,202	1,180
11	Other	6,741	68	49,084	491
12	Total	6,906,088	$73,723	836,778	$8,735

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	66,266	$3,750	0	$0
2	Food	94,848	2,162	43,819	1,000
3	Beverage	1,320,867	1,563	0	0
4	Travel	0	0	794	238
5	Bus Program Cash	1,237	84	0	0
6	Promotional Gaming Credits	82,134	8,112	0	0
7	Complimentary Cash Gifts	840	916	0	0
8	Entertainment	20,306	99	25	7
9	Retail & Non-Cash Gifts	0	0	53,855	529
10	Parking	0	0	99,237	298
11	Other	1,833	19	10,174	102
12	Total	1,588,331	$16,705	207,904	$2,174

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

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

FOR THE QUARTER 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.

3/15/2014
Date

Christina Broome

Vice President - Finance
Title

7571-11
License Number

On Behalf of:

TROPICANA CASINO AND RESORT
Casino Licensee

TROPICANA ATLANTIC CITY CORP.
DBA TROPICANA CASINO AND RESORT
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2013 AND 2012
(Unaudited)
($ In Thousands)

NOTE 1. ORGANIZATION AND BASIS OF PRESENTATION

Basis of Presentation

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

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

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

In November 2013, the Company received authorization from the New Jersey Division of Gaming Enforcement to commence continuous, 24-hour Internet gaming ("IGaming") on its online gaming site, *TropicanaCasino.com*. Tropicana Atlantic City Online showcases a variety of slot game options and classic casino table games. Players have the opportunity to participate in community jackpots and to be rewarded with both on-property and online incentives and have the chance to participate in a variety of promotions. All participants must be 21 or older and physically located in the State of New Jersey to play.

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

Cash and Cash Equivalents

Cash and cash equivalents include cash, cash on hand in the casino cages, money market funds and highly liquid investments with original maturities of three months or less.

Pursuant to N.J.A.C. 13:69O-1.3(j) the Property maintains a separate New Jersey bank account to ensure security of funds held in patrons internet gaming accounts. On December 31, 2013 the above mentioned account balance was $918 which included patron's deposits in IGaming accounts of $146.

Receivables

Receivables consist primarily of casino, hotel and other receivables, net of an allowance for doubtful accounts. Receivables are typically non-interest bearing and are initially recorded at cost. Accounts are written off when management deems the account to be uncollectible. An estimated allowance for doubtful accounts is maintained to reduce the Company's receivables to their expected realization, which approximates fair value. The allowance is estimated based on specific review of customer accounts as well as historical collection experience and current economic and business conditions. Recoveries of accounts previously written off are recorded when received.

Concentration of Credit Risk

Financial instruments that potentially subject the Company to concentrations of credit risk consist principally of temporary cash investments in excess of $250 which are all invested in the same financial institution, investments and trade accounts receivable. Concentration of credit risk, with respect to casino receivables, is limited through the Company's credit evaluation process. The Company issues markers to approved casino customers following credit checks and investigation of credit worthiness.

Inventories

Inventories, which consist primarily of food, beverage, uniforms and operating supplies, are stated at the lower of cost or market value. Costs are determined using the average cost method.

Advertising Costs

Costs for advertising are expensed as incurred. Advertising costs for the years ended December 31, 2013 and 2012 were $3,366 and $3,548, respectively.

Property and equipment

Property and equipment under business combination guidance is stated at fair value as of the Acquisition Date. Property and equipment acquired subsequent to the Acquisition Date are stated at cost (Refer to Note 2). Maintenance and repairs are charged to operations when incurred. Renewals and betterments which significantly extend the useful lives of existing property and equipment are capitalized. During construction, the Company capitalizes interest and other direct and indirect costs, which are primarily property taxes, insurance costs, outside legal costs and the compensation costs of project personnel devoted exclusively to managing the project. Interest is capitalized monthly by applying the effective interest rate on certain borrowings to the average balance of expenditures. No interest was capitalized during the years ended December 31, 2013 or 2012. Gains or losses on dispositions of property and equipment are reflected in earnings as realized.

Depreciation is computed on the straight-line basis over the estimated useful lives (building and improvements - 3 to 40 years; equipment, furniture and fixtures - 3 to 15 years).

CRDA Investment

The Casino Reinvestment Development Authority ("CRDA") deposits are carried at cost less a valuation allowance because they have to be used to purchase CRDA bonds that carry below market interest rates unless an alternative investment is approved. The valuation allowance is established by a charge to the Statements of Income at the time the obligation is incurred to make the deposit unless there is an agreement with the CRDA for a return of the deposit at full face value. If the CRDA deposits are used to purchase CRDA bonds, the valuation allowance is transferred to the bonds as a discount, which is amortized to interest income using the interest method. If the CRDA deposits are used to make other investments, the valuation allowance is transferred to those investments and remains a valuation allowance. The CRDA bonds are classified as held-to-maturity securities and are carried at amortized cost less a valuation allowance. The average interest rate on the CRDA investment was 0.8% for the year ended December 31, 2013 and 2012.

Leasing Costs

Leasing costs are capitalized as incurred and amortized evenly, as a reduction to rental income, over the related lease terms. Leasing costs consist primarily of tenant allowances, which are incentives provided to tenants whereby the Company agrees to pay certain amounts toward tenant leasehold improvements or other tenant development costs. Leasing costs are included in Other Assets on the consolidated balance sheet.

Valuation of Long-Lived Assets

Long-lived assets held and used by the Company are reviewed for impairment whenever events or changes in circumstances warrant such a review. The carrying value of a long-lived or amortizable intangible asset is considered impaired when the anticipated undiscounted cash flow from such asset is separately identifiable and is less than its carrying value. In that event, a loss is recognized based on the amount by which the carrying value exceeds the fair value of the asset.

Intangible Assets

The Company's definite life intangible assets include customer lists and favorable lease agreements. Intangible assets with a definite life are amortized over their useful life, which is the period over which the asset is expected to contribute directly or indirectly to future cash flows. Management periodically assesses the amortization period of intangible assets with definite lives based upon estimated future cash flows from related operations.

Self-Insurance Reserves

The Company is self-insured up to certain stop loss amounts for employee health coverage, workers' compensation and general liability claims. Insurance claims and reserves include accruals of estimated settlements for known claims, as well as accruals of estimates for claims incurred but not yet reported as estimated by management with the assistance of a third party. In estimating these accruals, historical loss experience is considered and judgments are made about the expected levels of costs per claim. The Company believes its estimates of future liability are reasonable based upon its methodology; however, changes in health care costs, accident frequency and severity and other factors could materially affect the estimates for these liabilities. The Company continually monitors changes in claim type and incident and evaluates the insurance accrual, making necessary adjustments based on the evaluation of these qualitative data points. The Company's accrual for general liability claims was approximately $1,932 and $1,539 at December 31, 2013 and 2012, respectively. The Company's accrual for workers compensation and employee health insurance claims was approximately $3,069 million and $3,087 at December 31, 2013 and 2012, respectively.

Customer Loyalty Program

The Company provides certain customer loyalty programs (the "Programs") at its casino, which allow customers to redeem points earned from their gaming activity for cash, food, beverage, rooms or merchandise. Under the Programs, customers are able to accumulate points that may be redeemed in the future, subject to certain limitations and the terms of the Programs. The Company records a liability for the estimated cost of the outstanding points under the Programs that it believes will ultimately be redeemed. The estimated cost of the outstanding points under the Programs is calculated based on estimates and assumptions regarding marginal costs of the goods and services, redemption rates and the mix of goods and services for which the points are expected to be redeemed. For points that may be redeemed for cash, the Company accrues this cost (after consideration of estimated redemption rates) as they are earned, which is included in promotional allowances. For points that may only be redeemed for goods or services but cannot be redeemed for cash, the Company estimates the cost and accrues for this expense as the points are earned from gaming play, which is recorded as casino operating costs and expenses. At December 31, 2013 and 2012, the Company had $1,425 and $855, respectively, accrued for the estimated cost of anticipated redemptions under the Programs.

Revenue Recognition and Promotional Allowances

Casino revenue represents the difference between wins and losses from gaming activities. Room, food and beverage and other operating revenues are recognized at the time the goods or services are provided. The Company collects taxes from customers at the point of sale on transaction subject to sales and other taxes. Revenues are recorded net of any taxes collected. The Company makes cash promotional offers to certain of its customers, including cash rebates as part of loyalty programs generally based on an individual's level of gaming play. These costs are classified as promotional allowances. For the year ended December 31, 2013, the total casino revenue was $224,998 which is comprised of $47,175 for games revenue, $177,107 for slot revenue and $716 for IGaming revenue. For the year ended December 31, 2012, the total casino revenue was $246,495 which is comprised of $59,532 for games revenue and $186,963 for slot revenue.

Internet Gaming Operations

On November 21, 2013 the Company commenced online gaming operations with Gamesys Limited ("Gamesys") as our exclusive internet provider. The Company currently offers two online gaming brands ***TropicanaCasino.com*** and ***VirginCasino.com***. IGaming casino revenues represent the difference between wins and losses from online gaming activities and are recognized on a gross basis as a component of Casino Revenue in the Statements of Income. Progressive jackpots are accrued on IGaming progressive games when earned and recorded on the Statements of Income as a component of Casino Revenue. The Company makes cash promotional offers to certain of its IGaming customers, including cash rebates as part of loyalty programs generally based on an individual's level of gaming play. These costs are classified as promotional allowances.

The State of New Jersey imposes an annual tax of 15% on IGaming gross revenue. These taxes along with expenses for software & licensing fees, royalty fees and payment processing fees are recorded as a component of Costs of Goods & Services. Certain legal, marketing, advertising and administrative fees associated with the setup and ongoing support of IGaming are reflected in Selling, General, and Administrative on the Statements of Income.

An initial Internet Gaming Permit Fee of $400 along with an annual Responsible Internet Gaming Fee of $250 were required at the time the license was granted. These fees are treated as prepaid expenses and are being written off over the year. IGaming licensees are also required to invest an additional 2.5% of gross casino revenue to satisfy investment obligations with the CRDA.

Income taxes

Deferred tax assets and liabilities are recognized for the expected future tax consequences attributable to differences between 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 tax rates on deferred tax assets and liabilities is recognized in income in the period that included the enactment date. Future tax benefits are recognized to the extent that realization of those benefits is considered more likely than not, and a valuation allowance is established for deferred tax assets which do not meet this threshold.

Recently Issued Accounting Standards

A variety of proposed or otherwise potential accounting standards are currently under consideration by standard-setting organizations and certain regulatory agencies. 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 has on our financial statements.

Reclassifications

Certain reclassifications have been made to prior year amounts in order to conform with current year presentation.

Subsequent Events

In October 2013, RIH Acquisitions NJ, LLC, the owner and operator of the Atlantic Club Casino, one of our competitors in Atlantic City, filed for Chapter 11 bankruptcy in U.S. Bankruptcy Court in Camden, New Jersey. The bankruptcy court subsequently approved the Company's bid to purchase various personal property assets of the Atlantic Club including its gaming equipment and the patron database. In January 2014, the Atlantic Club ceased operations and the Company completed the purchase of these Atlantic Club assets for approximately $9.1 million.

The Company evaluated its December 31, 2013 financial statements for subsequent events for recognition or disclosure through March 31, 2014, the date the financial statements were available to be issued.

NOTE 2. PROPERTY AND EQUIPMENT

Property and Equipment consist of the following (in thousands):

	December 31,	
	2013	2012
Land and land improvements	$ 68,020	$ 68,020
Building and improvements	110,925	103,948
Furniture, fixtures and equipment	54,942	44,085
Construction in progress	6,194	1,982
Total property and equipment-gross	240,081	218,035
Less: accumulated depreciation and amortization	(48,930)	(37,254)
Total property and equipment	$ 191,151	$ 180,781

Depreciation expense related to property and equipment was $12,247 and $11,434 for the years ended December 31, 2013 and 2012 respectively.

NOTE 3. OTHER CURRENT ASSETS

Other Current Assets consist of the following (in thousands):

	December 31, 2013	December 31, 2012
Prepaid insurance	$ 953	$ 1,106
Prepaid Taxes & Licenses	1,230	670
Other	877	585
Total other current assets	$ 3,060	$ 2,361

NOTE 4. INVESTMENTS

The NJCCC Act provides, among other things, for an assessment of licensees equal to 1.25% of their gross gaming revenues and 2.5% on IGaming gross revenue in lieu of an investment alternative tax equal to 2.5% of gross gaming revenues and 5% on IGaming gross revenue. The Company may satisfy this investment obligation by investing in qualified eligible direct investments, by making qualified contributions or by depositing funds with the New Jersey Casino Reinvestment Development Authority ("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.

The CRDA bonds have various contractual maturities that range from 2 to 40 years. Actual maturities may differ from contractual maturities because of prepayment rights.

Investments consist of the following (in thousands):

	December 31, 2013	December 31, 2012
Investment in bonds-CRDA	$ 16,542	$ 16,616
Less unamortized discount	(4,417)	(4,498)
Less valuation allowance	(3,463)	(3,415)
Deposits - CRDA	29,538	29,751
Less valuation allowance	(7,201)	(6,987)
Direct investment - CRDA	4,022	4,612
Less valuation allowance	(1,381)	(1,280)
Total investments	$ 33,640	$ 34,799

NOTE 5. INTANGIBLE ASSETS

Intangible assets, a component of Other Assets, consist of the following (in thousands):

	December 31, 2013	December 31, 2012
Favorable leases	$ 2,385	$ 2,385
Customer Lists	1,400	1,400
Total intagible assets	3,785	3,785
Less accumulated amortization:		
Favorable leases	(1,613)	(1,193)
Customer Lists	(1,400)	(1,322)
Total accumulated amortization	(3,013)	(2,515)
Intangible assets, net	$ 772	$ 1,270

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

In the second quarter of 2012, management reviewed the tenant leases and determined that there was a $1.8 million impairment due to certain original tenant leases being terminated early. The remaining balance will continue to be amortized over the remaining useful life.

NOTE 6. DEBT

TE has long-term debt where the Company is a guarantor and substantially all of the Company's property and equipment is pledged as collateral. As a result, a portion of TE's debt and unamortized debt discount is allocated to the Company based on total asset valuation.

Debt consists of the following (in thousands):

	December 31, 2013	December 31, 2012
TE Term Loan Facility; 4.0% due 2020, net of unamortized discount of $430 thousand at December 31, 2013	$ 86,532	$ -
Less : current portion	(872)	-
Contract Payable; 7.2% matures 2014	-	89
Less: current portion	-	(45)
Total long-term debt	$ 85,660	$ 44

Scheduled maturities of the Company's long-term debt at December 31, 2013 are as follows (in thousands):

Years ending December 31,	
2014	$ 872
2015	872
2016	872
2017	872
2018	872
Thereafter	82,603
Total scheduled maturities	86,962
Unamortized debt discount	(430)
Total long-term debt	$ 86,532

TE Debt

On November 27, 2013, TE entered into (i) a senior secured first lien term loan facility in an aggregate principal amount of $300 million, issued at a discount of 0.5% (the "Term Loan Facility") and (ii) a senior secured first lien revolving credit facility in an aggregate principal amount of $15 million (the "Revolving Facility" and, together with the Term Loan Facility, the "Credit Facilities"). Commencing on December 31, 2013, the Term Loan Facility will amortize in equal quarterly installments in an amount of $750, with any remaining balance payable on the final maturity date of the Term Loan Facility, which is November 27, 2020. Amounts under the Revolving Facility are available to be borrowed and re-borrowed until its termination on November 27, 2018. TE allocates its debt and unamortized debt discount to its subsidiaries based on the portion of collateralized assets at each subsidiary.

The Term Loan Facility accrues interest, at a floating per annum rate (as defined in the Credit Agreement such that the applicable interest rate shall not be less than 4.0%. As of December 31, 2013, the interest rate on the Term Loan Facility was 4.0% and no amounts were outstanding under the Revolving Facility.

NOTE 7. COMMITMENTS AND CONTINGENCIES

Licensing

On November 10, 2010, the Company was granted its plenary casino license by the New Jersey Casino Control Commission.

The State of New Jersey imposes an annual tax of 8% on gross casino revenue and commencing with the operations of IGaming, an annual tax of 15% on IGaming gross revenue. Pursuant to legislation adopted in 1984, casino licensees or IGaming permit holders are required to invest an additional 1.25% percent of gross casino revenue and 2.5% of IGaming gross revenue or 5% on gross IGaming revenue for the purchase of bonds to be issued by the CRDA or make other approved investments equal to that amount; in the event the investment requirement is not met, the casino licensee is subject to a tax of 2.5% percent on gross casino revenue. As mandated by the legislation, the interest rate of the CRDA bonds purchased by the licensee will be two-thirds of the average market rate for bonds available for purchase and published by a national bond index at the time of the CRDA bond issuance. For the period ending December 31, 2013 and 2012, the Company's reinvestment obligation was $2,869 and $3,125 respectively for the purchase of CRDA bonds. For the period ending December 31, 2013 and 2012, the Company recorded a loss provision of $2,711 and $1,927 respectively. The loss provision is to recognize the effect of the below market interest rate using the interest rate in effect at December 31, 2013 and 2012.

2011 Legislation

On February 1, 2011, the Governor of New Jersey signed two pieces of legislation, effective on that date, S-11 (the "Tourism District Bill") and S-12 (the "Deregulation Bill"). The overall intent of the Tourism District Bill among other things delegates redevelopment authority and creation of a master plan to the CRDA and allows the CRDA the ability to enter into a five year public private partnership with the Casinos in Atlantic City that have formed the Atlantic City Alliance ("ACA") to jointly market the city. Through this legislation the AC Casinos are required to contribute $5 million prior to 2012. Thereafter, the legislation obligates the AC Casinos either through the ACA, or if not a member of the ACA, through individual assessments, to provide funding for the Tourism District Bill in the aggregate amount of $30 million annually over the next five years. Each casino's proportionate share of the assessment will be based on the casino's gross revenue generated in the preceding fiscal year. The Property estimates its portions of these industry obligations to be approximately 8.0%.

Tax Appeal Settlement

In January 2013, the Company settled outstanding real estate tax appeals with the City of Atlantic City. The settlement involves the tax years 2008 through 2012 and also covers negotiated real estate assessments for 2013 and 2014. Under the terms of the settlement, the Company was to receive a $49.5 million refund in the form of credits against annual real estate tax bills beginning in 2013 and ending in 2017. In addition, under the terms of the settlement, the property was assessed at $700 million in 2013 and will be assessed at $680 million in 2014. The credits were to be front-loaded in 2013 and 2014 so that after the credits are applied, the Company paid $1,750 in taxes in 2013. The Company utilized $16,044 of credits as a reduction to operating expenses in the year ended December 31, 2013. In addition, the Company expensed $4,065 in professional fees related to this settlement in the year ended December 31, 2013. In January 2014, the Company received $31,725 in cash as payment to satisfy future credits.

For the year ended December 31, 2013, the annual realty tax expense for the land and improvements was $2,281 based on a tax rate of $2.424 per $100 of assessed value, net of property tax credits from the City of Atlantic City. Realty taxes for subsequent years and for any expansion or improvements of the facilities may vary significantly depending on assessed values and the tax rate in effect at such future time.

Litigation in General

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

NOTE 8. RELATED PARTIES

Advances to affiliates are reflected in Investments, Advances and Receivables. The identity of the affiliate and corresponding balances at December 31, 2013 and 2012 are as follows (in thousands):

	2013	2012
Due from Tropicana Entertainment Inc.	$ 43,261	$ -

Transactions with TE include activity principally related to TE’s Term Loan Facility, joint insurance programs, federal income tax filings, and other administrative services. Various corporate services were provided to the Company in 2013 and 2012 for which a management fee was charged. For the year ended December 31, 2013 the management fee was $6,283. For the year ended December 31, 2012, a management fee of $4,396 was charged.

Due to affiliates are reflected in the Other Liabilities line, respectively. The identity of the affiliate and corresponding balances at December 31, 2013 and 2012 are as follows (in thousands):

	2013	2012
Due to Tropicana Entertainment Inc.	$ -	$ 24,404

For the year ended December 31, 2013 and 2012 the Company incurred charges from affiliates which are indicated in the accompanying Statements of Income as Cost of Goods and Services and Selling, General, and Administrative.

NOTE 9. INCOME TAXES

A reconciliation of the federal income tax statutory rate and the effective tax rate is as follows (in thousands):

	December 31, 2013	December 31, 2012
Expected tax at 35%	1,782	(629)
State tax net of federal benefit	(97)	9
Effect of permannent differences	189	(6)
Valuation allowance	(1,713)	802
Total Provision	$ 161	$ 176

The income tax effects of loss carry forwards, tax credit carry forwards and temporary differences between financial and income tax reporting that give rise to the deferred income tax assets and liabilities at December 31, 2013 and 2012, are as follows (in thousands):

	2013	2012
Receivables	4,563	4,661
Accrued compensation	2,580	2,890
Net operating loss carryforward	65,350	61,631
Reserve accrud liaiblities	285	258
Property and equipment	136,095	142,252
Other assets	2,657	3,209
Gross deferred tax assets	211,530	214,901
Less valuation allowace	(209,965)	(213,449)
Total deferred tax asset	1,565	1,452
Deductible prepaids	(1,250)	(964)
Intangibles	(315)	(488)
Total deferred tax liablilites	(1,565)	(1,452)
Net deferred tax liabilities	$ -	$ -

The Company has federal net operating loss carryforwards pursuant to the acquisition of Adamar. Internal Revenue Code Section 382 ("Section 382") places certain limitation on the annual amount of net operating loss carryforwards that can be utilized when a change of ownership occurs. The Company believes the 2010 acquisition of the Company was a change in ownership pursuant to Section 382. As a result of the annual limitation, the net operating loss carryforward amount available to be used in future periods is approximately $186.4 million and will begin to expire in 2027 and forward. As of December 31, 2013, the Company could not determine it was more likely than not to utilize its net operating loss carryforwards before expiration and has established a full valuation allowance.

Accounting for uncertainty in income taxes prescribes a threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. The accounting standards also require that the tax positions be assessed using a two step process. A tax position is recognized if it meets a "more likely than not" threshold, and is measured at the largest amount of benefit that is greater than 50 percent likely of being realized. Uncertain tax positions must be reviewed at each balance sheet date. As of December 31, 2013 and 2012, the Company does not have an uncertain tax position. The Company policy is to recognize interest and penalties related to unrecognized tax benefits/liabilities in income tax expense. For the years ended December 31, 2013 and 2012, no amounts have been recorded. The Company has not accrued interest or penalties as of December 31, 2013. The Company files income tax returns in the United State Federal jurisdiction and New Jersey. Generally, the statute of limitation for examination of the Company's returns is open for years ended December 31, 2012.

NOTE 10. RETIREMENT PLANS

The Company has a defined contribution plan that covers substantially all employees who are not covered by a collective bargaining unit. The plan allows employees, at their discretion, to make contributions of their before-tax earnings to the plan up to an annual maximum amount.

Multiemployer Pension Plans

At December 31, 2013 the Company had collective bargaining agreements with unions covering certain employees. Certain Company employees who are members of various unions are covered by union-sponsored, collectively bargained, multiemployer defined benefit pension plans. The risks of participating in multiemployer pension plans are different from single-employer pension plans in the following aspects: (i) assets contributed to the multiemployer plan by one employer may be used to provide benefits to employees of other participating employers, (ii) if a participating employer stops contributing to the plan, the unfunded obligations of the plan may be borne by the remaining participating employers, and (iii) if the Company stops participating in some of its multiemployer pension 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 had no contributions to these multiemployer plans for the year ended December 31, 2013 and $0.5 million for the year ended December 31, 2012. Contributions in 2012 did not represent more than 5% of total contribution to those plans. The Company's participation in the individually significant plan is outlined in the table below, while other plans have been aggregated in the “Other” line as the contributions to these plans are not material:

			Contributions (in thousands)			
Pension Fund	**EIN/Pension Plan number**	**Pension Protection Act Status**	**2013**	**2012**	**Funding Improvement Plan/ Rehabilitation Plan Status**	**Surcharge Paid**
UNITE HERE National Retirement Fund	13-6130178 / 001	Red [(a)]	$-	$461	Implemented	No
Other			-	-		
Total			$-	$461		

(a) On March 31, 2010, this fund was certified in critical status under the federal multiemployer plan funding laws pursuant to the Pension Protection Act of 2006.

During 2011, the Company withdrew from certain "Other" union pension plans and paid $0.3 million of withdrawal liabilities. Under the UNITE HERE National Retirement Fund Rehabilitation Plan (the “NRF”), the Company paid increased contributions from January 2012 until the Company withdrew from the plan on February 25, 2012. The contributions increased from $1.773 per employee per straight time hour worked to $1.925 per employee per straight time hour worked. In September 2011, the collective bargaining agreement with UNITE HERE expired and the Company continued to voluntarily contribute to the NRF after the September 2011 expiration date through February 25, 2012 (at which time the Company declared an impasse in the collective bargaining negotiations and ceased contributions to the NRF). UNITE HERE subsequently filed a complaint with the National Labor Relations Board (the “NLRB”) alleging that the Company’s declarations of an impasse violated the National Labor Relations Act. The Company is contesting this complaint. In the event the NLRB rules against the Company and in favor of UNITE HERE and the Company is unsuccessful in overturning such NLRB ruling, the Company could be required to make contributions to the NRF for the period of time in which the Company’s withdrawal was in effect. In addition, in January 2012 the NRF’s legal counsel sent a letter to the Company asserting that any Company withdrawal from the NRF would not be entitled to the NRF’s “Free Look Rule” and would trigger a withdrawal liability. The Company disagrees with this assertion and does not believe it has any legal obligation for any withdrawal liability. In addition, in November 2013 the Company was advised by UNITE HERE that the NRF had estimated the Company’s withdrawal liability from the NRF to be approximately $4 million. The Company disagrees with this assertion and does not believe it has any legal obligation for any withdrawal liability.

NOTE 11. LEASES

For the years ended December 31, 2013 and 2012 the Company recorded rental revenue of $5,166 and $4,792, respectively.

The future minimum lease payments to be received under non-cancelable operating leases for years subsequent to December 31, 2013 are as follows (in thousands):

2014	$3,823
2015	2,926
2016	2,886
2017	2,800
2018	2,497
Thereafter	8,729
Total	$23,661

The above minimum rental income does not include contingent rental income or common area maintenance costs contained within certain retail operating leases.

NOTE 12. OTHER ACCRUED EXPENSES

Other Accrued Expenses consist of the following (in thousands):

	December 31,	
	2013	2012
Accrued payroll, taxes, and benefits	$ 13,152	$ 10,631
Accrued progressive liability	735	632
Insurance Reserves	5,001	4,600
Other	4,754	5,055
Total other accrued expenses	$ 23,642	$ 20,918

NOTE 13. OTHER CURRENT LIABILITIES

Other Current Liabilities consist of the following (in thousands):

	December 31,	
	2013	2012
Chip liability	$ 1,894	$ 2,269
Other	2,432	2,068
Total other current liabilities	$ 4,326	$ 4,337

NOTE 14. OTHER LIABILITIES

Other Liabilities consist of the following (in thousands):

	December 31, 2013	December 31, 2012
Due to affiliates	$ -	$ 24,404

NOTE 15. FAIR VALUE OF FINANCIAL INSTRUMENTS

The following table presents (in thousands) the carrying amounts and estimated fair values of the Company's 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, other than in a forced or liquidation sale.

	2013		2012	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Assets				
Investments	$ 33,640	$ 33,640	$ 34,799	$ 34,799
Liabilities				
Current portion of long-term debt	$ 872	$ 872	$ 45	$ 45
Long-term debt	$ 85,660	$ 85,660	$ 44	$ 44

The carrying amounts shown in the table are included in the Consolidated Balance Sheets under the indicated captions. All of the Company's financial instruments are held or issued for purposes other than trading.

Investments consist of deposits with the CRDA, CRDA bonds that bear interest at two-thirds of market rates resulting in a fair value lower than cost and other CRDA investments (primarily loans). The carrying amounts of these deposits, bonds and other investments are presented net of a valuation allowance and in the case of the bonds an unamortized discount that result in an approximation of fair values.

NOTE 16. NON-OPERATING INCOME/EXPENSE

Non-operating Income/(Expense) consists of the following (in thousands):

	December 31, 2013	December 31, 2012
Interest income	$ 558	$ 552
Impairment Charge	0	(1,779)
Reorganization/Contruction Acccident Related	(87)	(287)
Loss on disposal of asset	(238)	(45)
Total non-operating expense/(income)	$ 233	$ (1,559)

TROPICANA CASINO AND RESORT
ANNUAL FILINGS

FOR THE YEAR ENDED DECEMBER 31, 2013

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

OFFICE OF FINANCIAL INVESTIGATIONS
REPORTING MANUAL

TROPICANA CASINO AND RESORT

ANNUAL SCHEDULE OF RECEIVABLES AND PATRONS' CHECKS

FOR THE YEAR ENDED DECEMBER 31, 2013

(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................................	$2,957		
2	Returned Patrons' Checks....................................	14,601		
3	Total Patrons' Checks...	17,558	$10,854	$6,704
4	Hotel Receivables...	2,305	266	2,039
	Other Receivables:			
5	Receivables Due from Officers and Employees....	-		
6	Receivables Due from Affiliates...........................	-		
7	Other Accounts and Notes Receivables................	3,332		
8	Total Other Receivables.....................................	3,332	50	3,282
9	Totals (Form DGE-205)...	$23,195	$11,170	$12,025

UNDEPOSITED PATRONS' CHECKS ACTIVITY		
Line (f)	**Description (g)**	**Amount (h)**
10	Beginning Balance (January 1)...	$4,317
11	Counter Checks Issued..	131,588
12	Checks Redeemed Prior to Deposit..	(106,449)
13	Checks Collected Through Deposits...	(22,066)
14	Checks Transferred to Returned Checks..	(4,433)
15	Other Adjustments..	
16	Ending Balance...	$2,957
17	"Hold" Checks Included in Balance on Line 16..	0
18	Provision for Uncollectible Patrons' Checks...	$1,932
19	Provision as a Percent of Counter Checks Issued..	1.5%

TROPICANA CASINO AND RESORT
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)	Salaries and Wages: Officers & Owners (e)	Salaries and Wages: Totals (f)
	CASINO:				
1	Table and Other Games	626			
2	Slot Machines	72			
3	Administration	6			
4	Casino Accounting	115			
5	Simulcasting				
6	Other				
7	Total - Casino	819	$18,043	$0	$18,043
8	ROOMS	382	9,151		9,151
9	FOOD AND BEVERAGE	687	13,135		13,135
10	GUEST ENTERTAINMENT	153	1,714		1,714
11	MARKETING	119	4,882		4,882
12	OPERATION AND MAINTENANCE	191	7,083		7,083
	ADMINISTRATIVE AND GENERAL:				
13	Executive Office	3	751		751
14	Accounting and Auditing	40	1,799		1,799
15	Security	187	4,714		4,714
16	Other Administrative and General	45	2,030		2,030
	OTHER OPERATED DEPARTMENTS:				
17	Communications	16	368		368
18	Transportation	82	1,464		1,464
19	Hotel Sales	3	207		207
20	IT	21	1,177		1,177
21					0
22					0
23	TOTALS - ALL DEPARTMENTS	2,748	$66,517	$0	$66,517