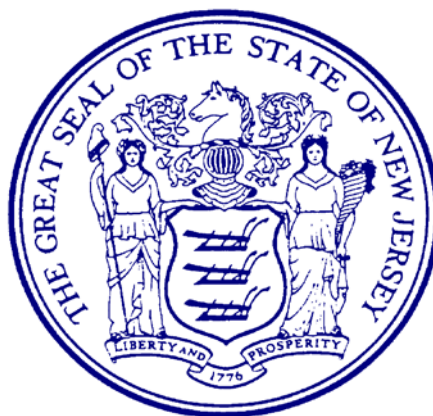


**GOLDEN NUGGET ATLANTIC CITY, LLC
QUARTERLY REPORT**

FOR THE QUARTER ENDED DECEMBER 31, 2014

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



**OFFICE OF FINANCIAL INVESTIGATIONS
REPORTING MANUAL**

GOLDEN NUGGET ATLANTIC CITY, LLC

BALANCE SHEETS

AS OF DECEMBER 31, 2014 AND 2013

(UNAUDITED)
(\$ IN THOUSANDS)

Line (a)	Description (b)	Notes	2014 (c)	2013 (d)
	<u>ASSETS:</u>			
	Current Assets:			
1	Cash and Cash Equivalents.....	4	\$9,620	\$6,751
2	Short-Term Investments.....		0	0
3	Receivables and Patrons' Checks (Net of Allowance for Doubtful Accounts - 2014, \$4,010 ; 2013, \$3,292).....	5	3,913	3,431
4	Inventories	2	1,531	1,718
5	Other Current Assets.....	6	1,600	1,617
6	Total Current Assets.....		16,664	13,517
7	Investments, Advances, and Receivables.....	12	2,430	2,580
8	Property and Equipment - Gross.....	2,7	162,937	159,640
9	Less: Accumulated Depreciation and Amortization.....		(28,900)	(19,374)
10	Property and Equipment - Net.....		134,037	140,266
11	Other Assets.....	8	11,781	12,876
12	Total Assets.....		\$164,912	\$169,239
	<u>LIABILITIES AND EQUITY:</u>			
	Current Liabilities:			
13	Accounts Payable.....		\$7,187	\$10,534
14	Notes Payable.....		0	0
	Current Portion of Long-Term Debt:			
15	Due to Affiliates.....		0	0
16	External.....	10	5,777	4,511
17	Income Taxes Payable and Accrued.....		0	0
18	Other Accrued Expenses.....	9	14,224	8,230
19	Other Current Liabilities.....	9	14,368	10,205
20	Total Current Liabilities.....		41,556	33,480
	Long-Term Debt:			
21	Due to Affiliates.....	10	7,463	921
22	External.....	10	49	10,861
23	Deferred Credits		0	0
24	Other Liabilities.....		0	0
25	Commitments and Contingencies.....	12	0	0
26	Total Liabilities.....		49,068	45,262
27	Stockholders', Partners', or Proprietor's Equity.....		115,844	123,977
28	Total Liabilities and Equity.....		\$164,912	\$169,239

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

GOLDEN NUGGET ATLANTIC CITY, LLC

STATEMENTS OF INCOME

FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2014 AND 2013

(UNAUDITED)
(\$ IN THOUSANDS)

Line (a)	Description (b)	Notes	2014 (c)	2013 (d)
	Revenue:			
1	Casino.....	3	\$181,537	\$121,124
2	Rooms.....		18,495	19,170
3	Food and Beverage.....		29,141	22,557
4	Other.....		16,374	14,918
5	Total Revenue.....	3	245,547	177,769
6	Less: Promotional Allowances.....	3	66,579	46,534
7	Net Revenue.....		178,968	131,235
	Costs and Expenses:			
8	Casino.....	3	84,423	56,015
9	Rooms, Food and Beverage.....		37,638	34,973
10	General, Administrative and Other.....	3	52,352	50,671
11	Total Costs and Expenses.....		174,413	141,659
12	Gross Operating Profit.....		4,555	(10,424)
13	Depreciation and Amortization.....		10,586	11,116
	Charges from Affiliates Other than Interest:			
14	Management Fees.....		0	0
15	Other.....		0	0
16	Income (Loss) from Operations.....		(6,031)	(21,540)
	Other Income (Expenses):			
17	Interest Expense - Affiliates.....		0	0
18	Interest Expense - External.....	3,10	(1,071)	(1,605)
19	CRDA Related Income (Expense) - Net.....	12	(2,299)	(462)
20	Nonoperating Income (Expense) - Net.....		11	6
21	Total Other Income (Expenses).....		(3,359)	(2,061)
22	Income (Loss) Before Taxes and Extraordinary Items.....		(9,390)	(23,601)
23	Provision (Credit) for Income Taxes.....			
24	Income (Loss) Before Extraordinary Items.....		(9,390)	(23,601)
25	Extraordinary Items (Net of Income Taxes - 2013, \$0; 2012, \$0).....			
26	Net Income (Loss).....		(\$9,390)	(\$23,601)

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

GOLDEN NUGGET ATLANTIC CITY, LLC

STATEMENTS OF INCOME

FOR THE THREE MONTHS ENDED DECEMBER 31, 2014 AND 2013

(UNAUDITED)
(\$ IN THOUSANDS)

Line (a)	Description (b)	Notes	2014 (c)	2013 (d)
	Revenue:			
1	Casino.....	3	\$47,410	\$28,377
2	Rooms.....		3,989	3,904
3	Food and Beverage.....		6,955	5,837
4	Other.....		3,912	2,934
5	Total Revenue.....	3	62,266	41,052
6	Less: Promotional Allowances.....	3	15,960	10,259
7	Net Revenue.....		46,306	30,793
	Costs and Expenses:			
8	Casino.....	3	23,633	14,162
9	Rooms, Food and Beverage.....		8,980	8,567
10	General, Administrative and Other.....	3	13,751	11,948
11	Total Costs and Expenses.....		46,364	34,677
12	Gross Operating Profit.....		(58)	(3,884)
13	Depreciation and Amortization.....		2,708	2,611
	Charges from Affiliates Other than Interest:			
14	Management Fees.....		0	0
15	Other.....		0	0
16	Income (Loss) from Operations.....		(2,766)	(6,495)
	Other Income (Expenses):			
17	Interest Expense - Affiliates.....		0	0
18	Interest Expense - External.....	3,10	(153)	(380)
19	CRDA Related Income (Expense) - Net.....	12	(1,832)	(106)
20	Nonoperating Income (Expense) - Net.....		2	2
21	Total Other Income (Expenses).....		(1,983)	(484)
22	Income (Loss) Before Taxes and Extraordinary Items.....		(4,749)	(6,979)
23	Provision (Credit) for Income Taxes.....			
24	Income (Loss) Before Extraordinary Items.....		(4,749)	(6,979)
25	Extraordinary Items (Net of Income Taxes - 2013, \$0; 2012, \$0).....			
26	Net Income (Loss).....		(\$4,749)	(\$6,979)

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

GOLDEN NUGGET ATLANTIC CITY, LLC STATEMENTS OF CHANGES IN PARTNERS', PROPRIETOR'S OR MEMBERS' EQUITY

FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2013
AND THE TWELVE MONTHS ENDED DECEMBER 31, 2014

(UNAUDITED)
(\$ IN THOUSANDS)

Line (a)	Description (b)	Notes	Contributed Capital (c)	Accumulated Earnings (Deficit) (d)	(e)	Total Equity (Deficit) (f)
1	Balance, December 31, 2012.....		\$153,766	(\$29,002)		\$124,764
2	Net Income (Loss) - 2013.....			(23,601)		(23,601)
3	Capital Contributions.....		22,813			22,813
4	Capital Withdrawals.....					0
5	Partnership Distributions.....					0
6	Prior Period Adjustments.....					0
7						0
8						0
9						0
10	Balance, December 31, 2013.....		176,579	(52,603)	0	123,976
11	Net Income (Loss) - 2014.....			(9,390)		(9,390)
12	Capital Contributions.....		1,258			1,258
13	Capital Withdrawals.....					0
14	Partnership Distributions.....					0
15	Prior Period Adjustments.....					0
16						0
17						0
18						0
19	Balance, December 31, 2014.....		\$177,837	(\$61,993)	\$0	\$115,844

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

GOLDEN NUGGET ATLANTIC CITY, LLC

STATEMENTS OF CASH FLOWS

FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2014 AND 2013

(UNAUDITED)

(\$ IN THOUSANDS)

Line (a)	Description (b)	Notes	2014 (c)	2013 (d)
1	CASH PROVIDED (USED) BY OPERATING ACTIVITIES..		\$10,154	(\$15,156)
	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.....		(3,387)	(3,626)
5	Proceeds from Disposition of Property and Equipment.....		0	273
6	CRDA Obligations		(2,151)	(1,445)
7	Other Investments, Loans and Advances made.....			
8	Proceeds from Other Investments, Loans, and Advances			
9	Cash Outflows to Acquire Business Entities.....		0	0
10			
11			
12	Net Cash Provided (Used) By Investing Activities.....		(5,538)	(4,798)
	CASH FLOWS FROM FINANCING ACTIVITIES:			
13	Proceeds from Short-Term Debt		943	
14	Payments to Settle Short-Term Debt.....		(3,990)	
15	Proceeds from Long-Term Debt		75,042	51,421
16	Costs of Issuing Debt.....		0	0
17	Payments to Settle Long-Term Debt.....		(75,000)	(53,793)
18	Cash Proceeds from Issuing Stock or Capital Contributions..		1,258	22,813
19	Purchases of Treasury Stock.....			
20	Payments of Dividends or Capital Withdrawals.....			
21			
22			
23	Net Cash Provided (Used) By Financing Activities.....		(1,747)	20,441
24	Net Increase (Decrease) in Cash and Cash Equivalents.....		2,869	487
25	Cash and Cash Equivalents at Beginning of Period.....		6,751	6,264
26	Cash and Cash Equivalents at End of Period.....		\$9,620	\$6,751
	CASH PAID DURING PERIOD FOR:			
27	Interest (Net of Amount Capitalized).....		\$769	\$1,401
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.

GOLDEN NUGGET ATLANTIC CITY, LLC

STATEMENTS OF CASH FLOWS

FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2014 AND 2013

(UNAUDITED)

(\$ IN THOUSANDS)

Line (a)	Description (b)	Notes	2014 (c)	2013 (d)
	CASH FLOWS FROM OPERATING ACTIVITIES:			
29	Net Income (Loss).....		(\$9,390)	(\$23,601)
30	Depreciation and Amortization of Property and Equipment.....		10,586	11,116
31	Amortization of Other Assets.....			
32	Amortization of Debt Discount or Premium.....			145
33	Deferred Income Taxes - Current			
34	Deferred Income Taxes - Noncurrent			
35	(Gain) Loss on Disposition of Property and Equipment.....			
36	(Gain) Loss on CRDA-Related Obligations.....		2,301	461
37	(Gain) Loss from Other Investment Activities.....			(4)
38	(Increase) Decrease in Receivables and Patrons' Checks		(481)	1,341
39	(Increase) Decrease in Inventories		187	(30)
40	(Increase) Decrease in Other Current Assets.....		16	(550)
41	(Increase) Decrease in Other Assets.....		125	(30)
42	Increase (Decrease) in Accounts Payable.....			(6,580)
43	Increase (Decrease) in Other Current Liabilities		6,810	2,576
44	Increase (Decrease) in Other Liabilities			
45				
46				
47	Net Cash Provided (Used) By Operating Activities.....		\$10,154	(\$15,156)

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

	ACQUISITION OF PROPERTY AND EQUIPMENT:			
48	Additions to Property and Equipment.....		(\$3,387)	(\$5,804)
49	Less: Capital Lease Obligations Incurred.....			2,178
50	Cash Outflows for Property and Equipment.....		(\$3,387)	(\$3,626)
	ACQUISITION OF BUSINESS ENTITIES:			
51	Property and Equipment Acquired.....		\$0	\$0
52	Goodwill Acquired.....			
53	Other Assets Acquired - net		0	
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.....		\$1,258	\$22,813
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.....		\$1,258	\$22,813

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

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

GOLDEN NUGGET ATLANTIC CITY, LLC SCHEDULE OF PROMOTIONAL EXPENSES AND ALLOWANCES

FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2014
(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	239,220	\$11,981	0	\$0
2	Food	547,083	\$8,248	90,597	\$5,432
3	Beverage	1,017,329	\$4,324	0	\$0
4	Travel	0	\$0	9,695	\$242
5	Bus Program Cash	0	\$0	0	\$0
6	Promotional Gaming Credits	320,374	\$30,551	0	\$0
7	Complimentary Cash Gifts	865,104	\$5,431	0	\$0
8	Entertainment	35,730	\$895	0	\$0
9	Retail & Non-Cash Gifts	362,122	\$4,635	0	\$0
10	Parking	0	\$0	706,665	\$2,216
11	Other	206,848	\$514	0	\$0
12	Total	3,593,810	\$66,579	806,957	\$7,890

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

FOR THE THREE MONTHS ENDED DECEMBER 31, 2014

Line (a)	Description (b)	Promotional Allowances		Promotional Expenses	
		Number of Recipients (c)	Dollar Amount (d)	Number of Recipients (e)	Dollar Amount (f)
1	Rooms	55,308	\$2,624	0	\$0
2	Food	111,852	\$2,013	21,936	\$1,315
3	Beverage	259,636	\$1,104	0	\$0
4	Travel	0	\$0	2,997	\$74
5	Bus Program Cash	0	\$0	0	\$0
6	Promotional Gaming Credits	83,510	\$7,347	0	\$0
7	Complimentary Cash Gifts	213,767	\$1,342	0	\$0
8	Entertainment	11,158	\$279	0	\$0
9	Retail & Non-Cash Gifts	88,244	\$1,130	0	\$0
10	Parking	0	\$0	205,988	\$619
11	Other	48,922	\$121	0	\$0
12	Total	872,397	\$15,960	230,921	\$2,008

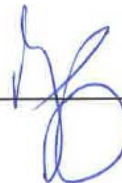
**GOLDEN NUGGET ATLANTIC CITY, LLC
STATEMENT OF CONFORMITY,
ACCURACY, AND COMPLIANCE**

FOR THE QUARTER ENDED DECEMBER 31, 2014

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.

3/16/2015

Date



Michael Rodriguez
Vice President of Finance

Title

9254-11

License Number

On Behalf of:

GOLDEN NUGGET ATLANTIC CITY, LLC
Casino Licensee

1. NATURE OF BUSINESS AND BASIS OF PRESENTATION

Nature of Business

Golden Nugget, LLC is the parent of Golden Nugget Atlantic City, LLC (“GNAC”). GNAC operates the Golden Nugget Atlantic City Hotel and Casino in Atlantic City, NJ. We are wholly owned by Fertitta Entertainment Holdings, LLC and are an affiliate of both the Golden Nugget, Inc., which owns Hotels and Casinos in Las Vegas and Laughlin, Nevada, and Lake Charles, LA, and Golden Nugget Biloxi, Inc., which owns the Golden Nugget Hotel and Casino in Biloxi, MS.

In November 2013, the New Jersey Division of Gaming Enforcement (DGE) awarded us an internet gambling permit, which allows us to provide online gambling. In December 2013, we launched our internet gaming operations offering various casino table games and slots to internet customers.

Unless otherwise stated, all dollars are in thousands.

Basis of Presentation

The accompanying financial statements include the consolidated accounts of Golden Nugget Atlantic City, LLC, and its wholly owned subsidiary (collectively, the “Company,” “we” or “us”). All intercompany accounts and transactions have been eliminated in consolidation. The consolidated financial statements included herein have been prepared without audit and pursuant to the rules and regulations of the New Jersey Division of Gaming Enforcement. In the opinion of management, all adjustments, consisting of normal recurring items and estimates necessary for a fair presentation of the results for interim periods have been made.

Use of Estimates

Estimates are used for, but not limited to, the assessment of recoverability of long lived assets; costs to settle unpaid claims and the redemption of cash back points. Actual results could differ from those estimates.

2. SIGNIFICANT ACCOUNTING POLICIES

Revenue Recognition and Promotional Allowances

Casino revenue is the aggregate net difference between gaming wins and losses, with liabilities recognized for funds deposited by customers before gaming play occurs (“casino front money”) and for chips in the customer’s possession (“outstanding chip liability”). Cash discounts and other incentives to customers related to gaming play are recorded as a reduction of gross gaming revenue as promotional allowances.

Hotel, food and beverage, entertainment and other operating revenues are recognized as services are performed. The retail value of accommodations, food and beverage, and other services furnished to hotel-casino guests without charge is included in gross revenue and then deducted as promotional allowances.

The estimated cost of providing such promotional allowances for the three and twelve months ended December 31 is as follows (in thousands):

	<u>Three Months Ended December 31,</u>		<u>Twelve Months Ended December 31,</u>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Rooms	\$1,467	\$1,271	\$6,696	\$6,214
Food & Beverage	3,428	3,084	13,829	12,645
Other	<u>1,618</u>	<u>754</u>	<u>6,176</u>	<u>4,338</u>
Total	<u>\$6,513</u>	<u>\$5,109</u>	<u>\$26,701</u>	<u>\$23,197</u>

Financial Instruments

Generally Accepted Accounting Principles (GAAP) establishes a hierarchy for fair value measurements, such that Level 1 measurements include unadjusted quoted market prices for identical assets or liabilities in an active market, Level 2 measurements include quoted market prices for identical assets or liabilities in an active market which have been adjusted for items such as effects of restrictions for transferability and those that are not quoted but are observable through corroboration with observable market data, including quoted market prices for similar assets, and Level 3 measurements include those that are unobservable and of a highly subjective measure.

The fair values of cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities approximate the carrying amounts due to their short maturities. The fair value of our long-term debt instruments are estimated based on quoted market prices, where available, or on the amount of future cash flows associated with each instrument, discounted using our current borrowing rate for comparable debt instruments.

Inventories

Inventories consisting of principally food and beverage, operating supplies and retail items are stated at the lower of cost or market value.

Property and Equipment

Property and equipment purchased subsequent to the acquisition are recorded at cost. Depreciation expense is computed utilizing the straight-line method over the estimated useful lives of the depreciable assets, as follows: buildings and improvements — 40 years; equipment — 5 to 10 years; furniture, fixtures and leasehold improvements — 5 to 20 years; and automobiles and limousines — 4 to 5 years.

Costs of major improvements are capitalized; costs of normal repairs and maintenance are charged to expense as incurred. Gains or losses on dispositions of property and equipment are recognized in the consolidated statements of operations when incurred.

Interest is capitalized in connection with construction and development activities, and other real estate development projects. The capitalized interest is recorded as part of the asset to which it relates and is amortized over the asset's estimated useful life. During the twelve months ending December 31, 2014 and 2013 we capitalized no interest cost.

Slot Player Club Liability

We have established promotional slot and player clubs to encourage repeat business from frequent and active slot machine customers and table games patrons. Members earn points based on gaming activity and such points can be redeemed for free slot play or complimentary amenities. We establish a liability for unredeemed points based upon historical redemption experience.

Self-Insurance Liability

We maintain large deductible insurance policies related to workers compensation, general liability and certain employee medical claims. Predetermined loss limits have been arranged with insurance companies to limit our per occurrence cash outlay. Accrued liabilities include estimated costs to settle unpaid claims and estimated incurred but not reported claims using actuarial methodologies.

Advertising Costs

Costs for advertising are expensed as incurred during such year. Advertising costs, included in casino, food and beverage, and general and administrative expense, were \$2.4 million and \$0.8 million for the three months ended December 31, 2014 and 2013, respectively, and \$9.3 million and \$4.2 million for the twelve months ended December 31, 2014 and 2013, respectively.

Casino License

We are subject to regulation and licensing by the New Jersey Division of Gaming Enforcement (“DGE”). We operated under a temporary license issued by the DGE on May 24, 2011 through February 15, 2012. During the formal licensing process, our license was held in trust to be in compliance with the DGE regulations. On February 15, 2012, we received full licensure approval.

3. Internet Gaming

On November 21, 2013, we received approval from the New Jersey Division of Gaming Enforcement (“DGE”) to provide internet gaming. We offered soft play to patrons through December 5, 2013 and began offering internet gaming with no restrictions to the public on December 6, 2013. We offer various casino table games and slots to internet customers.

We have entered into agreements with Bally Technologies to provide our Internet Gaming platform and Amaya Poker to provide our online poker platform. We have agreements with various other casino vendors to provide slots, table games, poker and other gaming related and administrative functions.

Internet gaming revenue is the aggregate net difference between gaming wins and losses, with liabilities recognized for funds deposited by customers before gaming play occurs. We report 100% of casino win as revenue and our partner’s share is reported in costs and expenses. Free play and other incentives to customers related to internet gaming play are recorded as a reduction of gross internet gaming revenue as promotional allowances.

4. Cash & Cash Equivalents

Pursuant to N.J.A.C 13:69 1.3(j) we maintain a separate New Jersey bank account to ensure security of funds held in patrons’ internet gaming accounts. On December 31, 2014 the above mentioned account balance was \$200,000 and patron deposits in internet gaming accounts were 181,000.

Cash as of December 31 consisted of the following (in thousands):

	<u>2014</u>	<u>2013</u>
Unrestricted Cash	\$ 9,420	\$ 6,697
Restricted Cash Internet Accounts	<u>200</u>	<u>54</u>
Total	<u>\$ 9,620</u>	<u>\$ 6,751</u>

5. ACCOUNTS RECEIVABLE

Accounts receivable as of December 31 consisted of the following (in thousands):

	<u>2014</u>	<u>2013</u>
Gaming	\$ 7,137	\$ 5,031
Allowance	(3,898)	(3,231)
Non-Gaming	786	1,692
Allowance	<u>(112)</u>	<u>(61)</u>
Total	<u>\$ 3,913</u>	<u>\$ 3,431</u>

6. OTHER CURRENT ASSETS

Other current assets as of December 31 consisted of the following (in thousands):

	<u>2014</u>	<u>2013</u>
Prepaid Insurance	\$ 250	\$ 126
Prepaid taxes	819	956
Other prepaid	<u>531</u>	<u>535</u>
Total	<u>\$ 1,600</u>	<u>\$ 1,617</u>

7. PROPERTY AND EQUIPMENT

Property and equipment as of December 31 consisted of the following (in thousands):

	<u>2014</u>	<u>2013</u>
Land	\$ 17,650	\$ 17,650
Buildings and Improvements	95,604	95,758
Furniture, Fixtures, Equipment	48,739	46,216
Construction in Progress	<u>944</u>	<u>16</u>
Property and Equipment, Gross	162,937	159,640
Accumulated Depreciation	<u>(28,900)</u>	<u>(19,374)</u>
Property and Equipment, Net	<u>\$ 134,037</u>	<u>\$ 140,266</u>

8. OTHER ASSETS

Other assets as of December 31 consisted of the following (in thousands):

	<u>2014</u>	<u>2013</u>
Deferred Cost	\$ 3,120	\$ 3,354
Software	8,008	8,888
Deposits	<u>653</u>	<u>634</u>
Total	<u>\$ 11,781</u>	<u>\$ 12,876</u>

9. OTHER ACCRUED EXPENSES & LIABILITIES

Other accrued expenses and liabilities as of December 31 consisted of the following (in thousands):

	<u>2014</u>	<u>2013</u>
Payroll & Related	\$ 7,391	\$ 4,078
Deposits	806	713
Other	6,027	3,439

Total Accrued Expenses	<u>\$ 14,224</u>	<u>\$ 8,230</u>
	<u>2014</u>	<u>2013</u>
Gaming	\$ 1,500	\$ 1,057
Other	<u>12,868</u>	<u>9,148</u>
Total Accrued Liabilities	<u>\$ 14,368</u>	<u>\$ 10,205</u>

10. LONG TERM DEBT

We had a \$10 million revolving credit facility which expires on November 30, 2015 and bears interest at Libor or the bank's base rate, plus a financing spread of 8.5% at December 31, 2013. The facility has a minimum interest rate of 10%. In addition, the credit facility requires a commitment fee on the unfunded portion of the \$10.0 million revolving credit facility. We have granted liens on substantially all real property and personal property as collateral under the credit facility and guarantee the credit facility.

In addition to the credit facility, we have entered into a number of equipment loans for the purchase of gaming hardware and software. These loans have maturities ranging from February 2015 to August 2015 and bear interest at rates ranging from 4.3% to 8.1%. Principal and interest payments are due monthly.

In December 2013, we entered into a related party note payable of \$0.9 million with an affiliate that increased by \$6.5 million during 2014 to \$7.4 million. The note bears interest at 1.0% and is due on demand with interest paid annually or capitalized to the outstanding balance as additional principal at our option.

Our debt agreements contain various restrictive covenants including limitations on additional indebtedness, dividend payments and other restricted payments as defined in the agreements. At December 31, 2014, we were in compliance with all such covenants. As of December 31, 2014 we had \$6.5 million in borrowing capacity under the revolving credit facility.

Long-term debt as of December 31 is comprised of the following:

	<u>2014</u>	<u>2013</u>
\$10 Million revolving credit Facility, Due November 2015	\$ 3,500	\$ 10,000
Various Equipment loans, due February – August 2015	2,277	5,372
Note payable – affiliate	<u>7,512</u>	<u>921</u>
Total Debt	13,289	16,293
Less Current Portion	<u>(5,777)</u>	<u>(4,511)</u>
Long term debt	<u>\$ 7,512</u>	<u>\$ 11,782</u>

11. EMPLOYEE BENEFIT PLAN

Certain of our employees are covered by union-sponsored, collective bargained, multi-employer health and welfare and defined benefit pension plans. We recorded plan related expenses of \$2.3 million and \$1.8 million for the three months ended December 31, 2014 and 2013, respectively and \$9.1 million and \$6.8 million for the twelve months ended December 31, 2014 and 2013 respectively. The plans' sponsors have not provided sufficient information to permit us to determine our share of unfunded vested benefits, if any. However, based on available information, we do not believe that unfunded amounts attributable to our casino operations are material.

We sponsor a retirement savings plan under Section 401(k) of the Internal Revenue Code covering our non-union employees. The plan is available to certain employees with at least six months of service. For those employees who were previously employed by Trump Marina Associates, LLC, for at least six months, participation in the plan was made available beginning June 1, 2011. The plan allows eligible employees to defer, within prescribed limits, a percentage of their income on a pre-tax basis through contributions to the plan. We match on a discretionary basis, subject to a vesting schedule. We recorded \$0.1 in charges for matching contributions for the year ended December 31, 2014. We recorded no charges for matching for the year ended December 31, 2013.

12. COMMITMENTS AND CONTINGENCIES

Casino Reinvestment Development Authority Obligation

As required by the provisions of the New Jersey Casino Control Act (the "Act"), a casino licensee must pay an investment alternative tax of 2.5% of its gross casino revenues and 5% of internet gaming revenues as defined in the Act. However, pursuant to contracts with the Casino Reinvestment Development Authority ("CRDA"), the Company pays 1.25% of its gross casino revenues and 2.5% of internet gaming revenue to the CRDA (the "CRDA Payment") to fund qualified investments as defined in the Act and such CRDA Payment entitles the Company to an investment tax credit in an amount equal to twice the amount of the CRDA Payment against the 2.5% investment alternative tax. Qualified investments may include the purchase of bonds issued by the CRDA at a below market rate of interest, direct investment in projects or donation of funds to projects as determined by CRDA. Pursuant to the contract with CRDA, the Company is required to make quarterly deposits with the CRDA to satisfy its investment obligations.

The deposits are recorded at cost less a valuation allowance. The valuation allowance is established by a charge to the statement of income as part of Other Income/(Expense) 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. 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.

For the three and twelve months ended December 31, 2014 the Company charged to other expense \$1.7 million and \$0.5 million, respectively, and \$2.3 million and \$0.5 million for the twelve months ended December 31, 2013, respectively, to give effect to the below market interest rates associated with CRDA deposits.

CRDA deposits and investments in CRDA Bonds, net of allowances of \$3.6 million and \$1.3 million, reflected in non-current assets on the accompanying consolidated balance sheets as of December 31, 2014 and December 31, 2013, are \$2.4 million and \$2.6 million, respectively.

Atlantic City Tourism District

As part of the State of New Jersey's plan to revitalize Atlantic City, a new law was enacted in February 2011 requiring that a tourism district (the "Tourism District") be created and managed by the CRDA. The Tourism District has been established to include each of the Atlantic City casino properties along with certain other tourism related areas of Atlantic City. The law requires that a public-private partnership be created between the CRDA and a private entity that represents existing and future casino licensees. The private entity, known as the Atlantic City Alliance ("ACA"), has been established in the form of a not-for-profit limited liability company, of which we are a member. The public-private partnership between the ACA and CRDA shall be for an initial term of five years and its general purpose shall be to revitalize the Tourism District. The law requires that a \$5.0 million contribution be made to this effort by all casinos prior to 2012 followed by an annual amount of \$30.0 million to be contributed by the casinos commencing January 1, 2012 for a term of five years. Each casino's share of the annual contributions will equate to a percentage representing its gross gaming revenue compared to the aggregate gross gaming revenues for that period for all casinos. As a result, we will expense our pro rata share of the \$155.0 million as incurred. For the pro rata share of contribution to the ACA, we incurred expenses of \$0.5 million and \$0.3 million for the three months ended December 31, 2014 and 2013, respectively, and \$1.8 million and \$1.4 million for the twelve months ended December 31, 2014 and 2013, respectively.

General Litigation

We are subject to legal proceedings and claims that arise in the ordinary course of business. We do not believe that the outcome of any of these matters will have a material adverse effect on our financial position, results of operations or cash flows.

13. TRANSACTIONS WITH AFFILIATES

Trademark Licensing Agreement

We license the Golden Nugget trademark pursuant to a five-year Trademark License Agreement (the "Agreement") from an affiliate, GNLV, Corp., which commenced on May 24, 2011. Under the Agreement, we are granted a nonexclusive license to use the Golden Nugget trademarks and other marks in connection with the marketing and operation of our hotel and casino property. Fees payable under the agreement include license fees of \$0.3 million per year and royalty fees equal to 3% of certain non-gaming revenues above \$55.0 million during each year of the license term.

Shared Services Agreement

We have entered into a Shared Services Agreement (SSA) with an affiliate, Landry's, Inc. ("Landry's"). Pursuant to the SSA, the parties agree to cooperatively develop and implement joint programs for the procurement and implementation of certain products and services including insurance and risk management, legal, information technology, entertainment, general purchasing, financial planning and accounting, human resources and employee benefit administration, marketing, strategic and tactical business planning, retail and executive management. The SSA provides for the reimbursement of expenses if either party incurs costs in excess of its proportional share.

Tenant Agreement

We have entered into certain lease agreements with wholly owned subsidiaries of Landry's wherein they operate restaurants in our casino property and we receive rental payments. Moreover, we routinely enter into certain transactions with affiliated companies. These transactions have been entered into between related parties and are not the result of arm's-length negotiations. Accordingly, the terms of the transactions may have been more or less favorable to us than might have been obtained from unaffiliated third parties. Rental revenue from the Landry's subsidiaries totaled \$0.2 million for both the three months ended December 31, 2014 and 2013, and \$0.7 million for both the twelve months ended December 31, 2014 and 2013.

Note Receivable

In July 2014, we issued a \$2.3 million note receivable to an affiliate. The note bore interest at Libor plus a margin of 1.0% and was due on demand, with interest paid annually or capitalized to the outstanding balance as additional principal the affiliate's option. The note was re paid in December 2014.

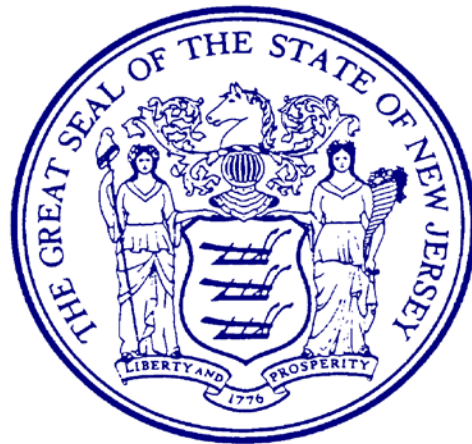
14. SUBSEQUENT EVENTS

We have evaluated subsequent events through March 15, 2015 which is the date our financial statements were available to be issued.

**GOLDEN NUGGET ATLANTIC CITY LLC
ANNUAL FILINGS**

FOR THE YEAR ENDED DECEMBER 31, 2014

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



**OFFICE OF FINANCIAL INVESTIGATIONS
REPORTING MANUAL**

GOLDEN NUGGET ATLANTIC CITY LLC
ANNUAL SCHEDULE OF RECEIVABLES AND PATRONS' CHECKS
FOR THE YEAR ENDED DECEMBER 31, 2014

(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.....	\$3,195		
2	Returned Patrons' Checks.....	3,942		
3	Total Patrons' Checks.....	7,137	\$3,899	\$3,238
4	Hotel Receivables.....	384	112	\$272
	Other Receivables:			
5	Receivables Due from Officers and Employees....	-		
6	Receivables Due from Affiliates.....			
7	Other Accounts and Notes Receivables.....	402		
8	Total Other Receivables.....	402		\$402
9	Totals (Form DGE-205).....	\$7,923	\$4,011	\$3,912

UNDEPOSITED PATRONS' CHECKS ACTIVITY		
Line (f)	Description (g)	Amount (h)
10	Beginning Balance (January 1).....	\$1,662
11	Counter Checks Issued.....	95,239
12	Checks Redeemed Prior to Deposit.....	(73,688)
13	Checks Collected Through Deposits.....	(16,929)
14	Checks Transferred to Returned Checks.....	(3,089)
15	Other Adjustments.....	
16	Ending Balance.....	\$3,195
17	"Hold" Checks Included in Balance on Line 16.....	0
18	Provision for Uncollectible Patrons' Checks.....	\$1,318
19	Provision as a Percent of Counter Checks Issued.....	1.4%

GOLDEN NUGGET ATLANTIC CITY LLC ANNUAL EMPLOYMENT AND PAYROLL REPORT

AT DECEMBER 31, 2014

(\$ 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	461			
2	Slot Machines	49			
3	Administration	1			
4	Casino Accounting	16			
5	Simulcasting	0			
6	Other	56			
7	Total - Casino	583	\$19,632	\$0	\$19,632
8	ROOMS	268	6,035		6,035
9	FOOD AND BEVERAGE	676	14,046		14,046
10	GUEST ENTERTAINMENT	133	814		814
11	MARKETING	56	3,206		3,206
12	OPERATION AND MAINTENANCE	78	3,441		3,441
	ADMINISTRATIVE AND GENERAL:				
13	Executive Office	5	1,364		1,364
14	Accounting and Auditing	23	954		954
15	Security	116	2,649		2,649
16	Other Administrative and General	26	1,106		1,106
	OTHER OPERATED DEPARTMENTS:				
17	Valet	56	772		772
18	Retail	38	771		771
19	Pool/Spa	23	652		652
20					0
21					0
22					0
23	TOTALS - ALL DEPARTMENTS	2,081	\$55,442	\$0	\$55,442