

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

**FOR THE QUARTER ENDED JUNE 30, 2011**

**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 JUNE, 2011 \*

(UNAUDITED)

(\$ IN THOUSANDS)

AMENDED JULY 25, 2012

Line (a)	Description (b)	Notes	2011 (c)	2010 (d)
	<u>ASSETS:</u>			
	Current Assets:			
1	Cash and Cash Equivalents.....		\$38,390	\$0
2	Short-Term Investments.....		0	0
3	Receivables and Patrons' Checks (Net of Allowance for Doubtful Accounts - 2011, \$40 ; 2010, \$ n/a ).....		2,127	0
4	Inventories .....		744	0
5	Other Current Assets.....		1,865	0
6	Total Current Assets.....		43,126	0
7	Investments, Advances, and Receivables.....		119	0
8	Property and Equipment - Gross.....		45,029	0
9	Less: Accumulated Depreciation and Amortization.....		(77)	0
10	Property and Equipment - Net.....		44,952	0
11	Other Assets.....		8,258	0
12	Total Assets.....		\$96,455	\$0
	<u>LIABILITIES AND EQUITY:</u>			
	Current Liabilities:			
13	Accounts Payable.....		\$7,899	\$0
14	Notes Payable.....		0	0
	Current Portion of Long-Term Debt:			
15	Due to Affiliates.....		0	0
16	External.....		1,090	0
17	Income Taxes Payable and Accrued.....		0	0
18	Other Accrued Expenses.....		8,053	0
19	Other Current Liabilities.....		517	0
20	Total Current Liabilities.....		17,559	0
	Long-Term Debt:			
21	Due to Affiliates.....		0	0
22	External.....		42,021	0
23	Deferred Credits .....		0	0
24	Other Liabilities.....		0	0
25	Commitments and Contingencies.....		0	0
26	Total Liabilities.....		59,580	0
27	Stockholders', Partners', or Proprietor's Equity.....		36,875	0
28	Total Liabilities and Equity.....		\$96,455	\$0

\* Golden Nugget Atlantic City, LLC began operations on May 24, 2011

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 PERIOD MAY 24 THROUGH JUNE 30, 2011 \*

(UNAUDITED)  
(\$ IN THOUSANDS)

AMENDED JULY 25, 2012

Line (a)	Description (b)	Notes	2011 (c)	2010 (d)
	Revenue:			
1	Casino.....		\$13,985	\$0
2	Rooms.....		1,867	0
3	Food and Beverage.....		1,783	0
4	Other.....		832	0
5	Total Revenue.....		18,467	0
6	Less: Promotional Allowances.....		4,677	0
7	Net Revenue.....		13,790	0
	Costs and Expenses:			
8	Cost of Goods and Services.....		11,451	0
9	Selling, General, and Administrative.....		1,175	0
10	Provision for Doubtful Accounts.....		40	0
11	Total Costs and Expenses.....		12,666	0
12	Gross Operating Profit.....		1,124	0
13	Depreciation and Amortization.....		77	0
	Charges from Affiliates Other than Interest:			
14	Management Fees.....		0	0
15	Other.....		0	0
16	Income (Loss) from Operations.....		1,047	0
	Other Income (Expenses):			
17	Interest Expense - Affiliates.....		0	0
18	Interest Expense - External.....		(570)	0
19	CRDA Related Income (Expense) - Net.....		(59)	0
20	Nonoperating Income (Expense) - Net.....		1,457	0
21	Total Other Income (Expenses).....		828	0
22	Income (Loss) Before Taxes and Extraordinary Items.....		1,875	0
23	Provision (Credit) for Income Taxes.....		0	0
24	Income (Loss) Before Extraordinary Items.....		1,875	0
	Extraordinary Items (Net of Income Taxes -			
25	20__, \$0; 20__, \$0 ).....		0	0
26	Net Income (Loss).....		\$1,875	\$0

\* Golden Nugget Atlantic City, LLC began operations on May 24, 2011

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# GOLDEN NUGGET ATLANTIC CITY, LLC

## STATEMENTS OF INCOME

FOR THE PERIOD MAY 24 THROUGH JUNE 30, 2011 \*

(UNAUDITED)  
(\$ IN THOUSANDS)

AMENDED JULY 25, 2012

Line (a)	Description (b)	Notes	2011 (c)	2010 (d)
	Revenue:			
1	Casino.....		\$13,985	
2	Rooms.....		1,867	
3	Food and Beverage.....		1,783	
4	Other.....		832	
5	Total Revenue.....		18,467	0
6	Less: Promotional Allowances.....		4,677	
7	Net Revenue.....		13,790	0
	Costs and Expenses:			
8	Cost of Goods and Services.....		11,451	
9	Selling, General, and Administrative.....		1,175	
10	Provision for Doubtful Accounts.....		40	
11	Total Costs and Expenses.....		12,666	0
12	Gross Operating Profit.....		1,124	0
13	Depreciation and Amortization.....		77	
	Charges from Affiliates Other than Interest:			
14	Management Fees.....		0	
15	Other.....		0	
16	Income (Loss) from Operations.....		1,047	0
	Other Income (Expenses):			
17	Interest Expense - Affiliates.....		0	
18	Interest Expense - External.....		(570)	
19	CRDA Related Income (Expense) - Net.....		(59)	
20	Nonoperating Income (Expense) - Net.....		1,457	
21	Total Other Income (Expenses).....		828	0
22	Income (Loss) Before Taxes and Extraordinary Items.....		1,875	0
23	Provision (Credit) for Income Taxes.....		0	
24	Income (Loss) Before Extraordinary Items.....		1,875	0
	Extraordinary Items (Net of Income Taxes -			
25	20__, \$____; 20__, \$____ ).....		0	
26	Net Income (Loss).....		\$1,875	\$0

\* Golden Nugget Atlantic City, LLC began operations on May 24, 2011

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 PERIOD MAY 24 THROUGH JUNE 30, 2011 \*

(UNAUDITED)  
(\$ IN THOUSANDS)

AMENDED JULY 25, 2012

Line (a)	Description (b)	Notes	Contributed Capital (c)	Accumulated Earnings (Deficit) (d)	_____ _____ _____ (e)	Total Equity (Deficit) (f)
1	Balance, December 31, 2009.....					\$0
2	Net Income (Loss) - 2010.....					0
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, 2010.....		0	0	0	0
11	Net Income (Loss) - 5/24- 6/30..			1,875		1,875
12	Capital Contributions.....		35,000			35,000
13	Capital Withdrawals.....					0
14	Partnership Distributions.....					0
15	Prior Period Adjustments.....					0
16	_____					0
17	_____					0
18	_____					0
19	Balance, June 30, 2011.....		\$35,000	\$1,875	\$0	\$36,875

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 PERIOD MAY 24 THROUGH JUNE 30, 2011 \*

(UNAUDITED)  
(\$ IN THOUSANDS)

AMENDED JULY 25, 2012

Line (a)	Description (b)	Notes	2011 (c)	2010 (d)
1	CASH PROVIDED (USED) BY OPERATING ACTIVITIES..		\$8,424	\$0
	CASH FLOWS FROM INVESTING ACTIVITIES:			
2	Purchase of Short-Term Investments .....			0
3	Proceeds from the Sale of Short-Term Investments .....			0
4	Cash Outflows for Property and Equipment.....		(6,725)	0
5	Proceeds from Disposition of Property and Equipment.....			0
6	CRDA Obligations .....		(178)	0
7	Other Investments, Loans and Advances made.....			0
8	Proceeds from Other Investments, Loans, and Advances .....			0
9	Cash Outflows to Acquire Business Entities.....		(33,544)	0
10	.....			0
11	.....			0
12	Net Cash Provided (Used) By Investing Activities.....		(40,447)	0
	CASH FLOWS FROM FINANCING ACTIVITIES:			
13	Proceeds from Short-Term Debt .....			0
14	Payments to Settle Short-Term Debt.....			0
15	Proceeds from Long-Term Debt .....		39,750	0
16	Costs of Issuing Debt.....		(4,337)	0
17	Payments to Settle Long-Term Debt.....			0
18	Cash Proceeds from Issuing Stock or Capital Contributions...		35,000	0
19	Purchases of Treasury Stock.....			0
20	Payments of Dividends or Capital Withdrawals.....			0
21	.....			0
22	.....			0
23	Net Cash Provided (Used) By Financing Activities.....		70,413	0
24	Net Increase (Decrease) in Cash and Cash Equivalents.....		38,390	0
25	Cash and Cash Equivalents at Beginning of Period.....		0	0
26	Cash and Cash Equivalents at End of Period.....		\$38,390	\$0
	CASH PAID DURING PERIOD FOR:			
27	Interest (Net of Amount Capitalized).....		\$314	\$0
28	Income Taxes.....			\$0

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 PERIOD MAY 24 THROUGH JUNE 30, 2011 \*

(UNAUDITED)

(\$ IN THOUSANDS)

AMENDED JULY 25, 2012

Line (a)	Description (b)	Notes	2011 (c)	2010 (d)
	<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
29	Net Income (Loss).....		\$1,875	\$0
30	Depreciation and Amortization of Property and Equipment.....		77	0
31	Amortization of Other Assets.....			0
32	Amortization of Debt Discount or Premium.....		97	0
33	Deferred Income Taxes - Current .....			0
34	Deferred Income Taxes - Noncurrent .....			0
35	(Gain) Loss on Disposition of Property and Equipment.....			0
36	(Gain) Loss on CRDA-Related Obligations.....		59	0
37	(Gain) Loss from Other Investment Activities.....		(1,453)	0
38	(Increase) Decrease in Receivables and Patrons' Checks .....		(2,127)	0
39	(Increase) Decrease in Inventories .....		(449)	0
40	(Increase) Decrease in Other Current Assets.....		(1,222)	0
41	(Increase) Decrease in Other Assets.....		(158)	0
42	Increase (Decrease) in Accounts Payable.....		7,726	0
43	Increase (Decrease) in Other Current Liabilities .....		3,999	0
44	Increase (Decrease) in Other Liabilities .....			0
45	.....			0
46	.....			0
47	Net Cash Provided (Used) By Operating Activities.....		\$8,424	\$0

### SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

	<b>ACQUISITION OF PROPERTY AND EQUIPMENT:</b>			
48	Additions to Property and Equipment.....		(\$7,029)	\$0
49	Less: Capital Lease Obligations Incurred.....		304	0
50	Cash Outflows for Property and Equipment.....		(\$6,725)	\$0
	<b>ACQUISITION OF BUSINESS ENTITIES:</b>			
51	Property and Equipment Acquired.....		(\$38,000)	\$0
52	Goodwill Acquired.....			0
53	Other Assets Acquired - net .....		4,456	0
54	Long-Term Debt Assumed.....			0
55	Issuance of Stock or Capital Invested.....			0
56	Cash Outflows to Acquire Business Entities.....		(\$33,544)	\$0
	<b>STOCK ISSUED OR CAPITAL CONTRIBUTIONS:</b>			
57	Total Issuances of Stock or Capital Contributions.....		\$35,000	\$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.....		\$35,000	\$0

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  
STATEMENT OF CONFORMITY,  
ACCURACY, AND COMPLIANCE**

FOR THE QUARTER ENDED JUNE 30, 2011

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.

7/25/2012

Date



Keith Crede

Vice President Finance

Title

6939-11

License Number

On Behalf of:

GOLDEN NUGGET ATLANTIC CITY, LLC

Casino Licensee



GOLDEN NUGGET ATLANTIC CITY, LLC  
NOTES TO FINANCIAL STATEMENTS  
(Unaudited)  
(in thousands)

**AMENDED AUGUST 25, 2012**

NOTE 1 - GENERAL

Golden Nugget Atlantic City, LLC (“GNAC”), is a New Jersey limited liability corporation that owns and operates the Golden Nugget Atlantic City hotel, casino, located in the Marina District in Atlantic City, New Jersey. GNAC is 100% owned by Golden Nugget, LLC, a Delaware limited liability corporation, that is wholly-owned by Fertitta Entertainment Holdings, LLC, a Texas limited liability corporation.

The assets of GNAC were purchased on May 24, 2011 from Trump Marina Associates LLC.

Due to the short ownership period, certain estimates were used in assembling the accompanying financial statements and limited notes that are included in this filing. The allocation of the purchase price to the assets acquired and liabilities assumed were based on preliminary estimates of fair value and are subject to change as more information becomes available. We do, however, believe the financial statements are materially accurate.

NOTE 2 – PROPERTY AND EQUIPMENT

Property and equipment consist of the following:

	<u>June 30, 2011</u>
Land and land improvements	\$17,770
Building and building improvements	19,039
Furniture, fixtures and equipment	2,310
Construction in progress	5,910
	<hr/>
	45,029
Less accumulated depreciation	( 77)
	<hr/>
Net property and equipment	<u>\$44.952</u>

GOLDEN NUGGET ATLANTIC CITY, LLC  
(Unaudited)  
(in thousands)

NOTE 3 – DEBT

As of June 30, 2011 GNAC's indebtedness consisted of:

	<u>June 30, 2011</u>
\$10.0 million revolving credit facility, Libor + 8.5% (floor 1.5%) due November 2015	\$3,250
\$36.5 million Term loan, Libor + 8.5% (floor 1.5%) \$91,250 principal paid quarterly beginning June 30, 2012 due May 2016	36,500
Various Equipment Loans due May 2013 – July 2014	3,361
	<hr/>
Total debt	43,111
Less Current Portion	<u>(1,090)</u>
Long Term Debt	<u>\$42,021</u>

NOTE 4 – INCOME TAXES

The accompanying financial statements do not include a provision for federal or state income taxes as GNAC is a pass through entity.