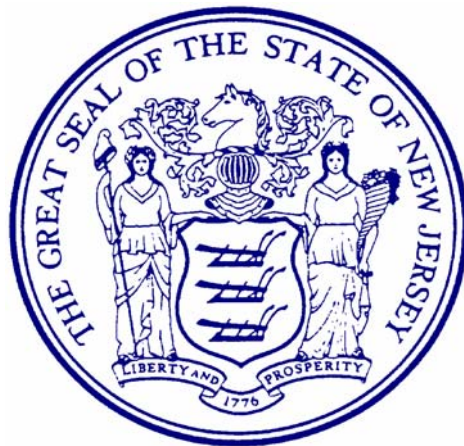


**TROPICANA CASINO AND RESORT
QUARTERLY REPORT
FOR THE QUARTER ENDED SEPTEMBER 30, 2012**

**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 SEPTEMBER 30, 2012 AND 2011

(UNAUDITED)

(\$ IN THOUSANDS)

Line (a)	Description (b)	Notes	2012 (c)	2011 (d)
	<u>ASSETS:</u>			
	Current Assets:			
1	Cash and Cash Equivalents.....		\$114,329	\$88,927
2	Short-Term Investments.....		0	0
3	Receivables and Patrons' Checks (Net of Allowance for Doubtful Accounts - 2012, \$11,420; 2011, \$10,677).....		15,800	23,330
4	Inventories		2,384	2,490
5	Other Current Assets.....		3,381	3,207
6	Total Current Assets.....		135,894	117,954
7	Investments, Advances, and Receivables.....	5	34,907	33,559
8	Property and Equipment - Gross.....	2	213,843	203,444
9	Less: Accumulated Depreciation and Amortization.....	2	(34,620)	(23,344)
10	Property and Equipment - Net.....	2	179,223	180,100
11	Other Assets.....	3	3,870	7,207
12	Total Assets.....		\$353,894	\$338,820
	<u>LIABILITIES AND EQUITY:</u>			
	Current Liabilities:			
13	Accounts Payable.....		\$7,204	\$8,404
14	Notes Payable.....		0	0
	Current Portion of Long-Term Debt:			
15	Due to Affiliates.....		0	0
16	External.....	4	44	41
17	Income Taxes Payable and Accrued.....		0	0
18	Other Accrued Expenses.....	8	24,878	25,852
19	Other Current Liabilities.....		4,082	4,233
20	Total Current Liabilities.....		36,208	38,530
	Long-Term Debt:			
21	Due to Affiliates.....		0	0
22	External.....	4	56	100
23	Deferred Credits		0	0
24	Other Liabilities.....	7	22,854	10,558
25	Commitments and Contingencies.....		0	0
26	Total Liabilities.....		59,118	49,188
27	Stockholders', Partners', or Proprietor's Equity.....		294,776	289,632
28	Total Liabilities and Equity.....		\$353,894	\$338,820

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 NINE MONTHS ENDED SEPTEMBER 30, 2012 AND 2011

(UNAUDITED)
(\$ IN THOUSANDS)

Line (a)	Description (b)	Notes	2012 (c)	2011 (d)
	Revenue:			
1	Casino.....		\$203,757	\$205,540
2	Rooms.....		44,500	50,756
3	Food and Beverage.....		28,604	30,156
4	Other.....		10,574	10,498
5	Total Revenue.....		287,435	296,950
6	Less: Promotional Allowances.....		69,263	85,161
7	Net Revenue.....		218,172	211,789
	Costs and Expenses:			
8	Cost of Goods and Services.....	6	148,830	153,701
9	Selling, General, and Administrative.....	6	43,116	38,926
10	Provision for Doubtful Accounts.....		1,803	2,646
11	Total Costs and Expenses.....		193,749	195,273
12	Gross Operating Profit.....		24,423	16,516
13	Depreciation and Amortization.....	2	9,146	9,555
	Charges from Affiliates Other than Interest:			
14	Management Fees.....	6	4,925	12,007
15	Other.....		0	0
16	Income (Loss) from Operations.....		10,352	(5,046)
	Other Income (Expenses):			
17	Interest Expense - Affiliates.....		0	0
18	Interest Expense - External.....		(6)	(9)
19	CRDA Related Income (Expense) - Net.....	5	(1,158)	(1,855)
20	Nonoperating Income (Expense) - Net.....	9	(1,631)	(178)
21	Total Other Income (Expenses).....		(2,795)	(2,042)
22	Income (Loss) Before Taxes and Extraordinary Items.....		7,557	(7,088)
23	Provision (Credit) for Income Taxes.....		174	0
24	Income (Loss) Before Extraordinary Items.....		7,383	(7,088)
25	Extraordinary Items (Net of Income Taxes - 2012, \$0; 2011, \$0).....		0	0
26	Net Income (Loss).....		\$7,383	(\$7,088)

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 SEPTEMBER 30, 2012 AND 2011

(UNAUDITED)
(\$ IN THOUSANDS)

Line (a)	Description (b)	Notes	2012 (c)	2011 (d)
	Revenue:			
1	Casino.....		\$74,970	\$83,564
2	Rooms.....		17,142	18,586
3	Food and Beverage.....		10,642	10,631
4	Other.....		4,594	4,071
5	Total Revenue.....		107,348	116,852
6	Less: Promotional Allowances.....		24,151	30,802
7	Net Revenue.....		83,197	86,050
	Costs and Expenses:			
8	Cost of Goods and Services.....	6	51,640	53,776
9	Selling, General, and Administrative.....	6	15,318	14,196
10	Provision for Doubtful Accounts.....		165	1,321
11	Total Costs and Expenses.....		67,123	69,293
12	Gross Operating Profit.....		16,074	16,757
13	Depreciation and Amortization.....	2	3,049	2,906
	Charges from Affiliates Other than Interest:			
14	Management Fees.....	6	1,606	12,007
15	Other.....		0	0
16	Income (Loss) from Operations.....		11,419	1,844
	Other Income (Expenses):			
17	Interest Expense - Affiliates.....		0	0
18	Interest Expense - External.....		(2)	(3)
19	CRDA Related Income (Expense) - Net.....	5	(644)	(555)
20	Nonoperating Income (Expense) - Net.....	9	108	(106)
21	Total Other Income (Expenses).....		(538)	(664)
22	Income (Loss) Before Taxes and Extraordinary Items.....		10,881	1,180
23	Provision (Credit) for Income Taxes.....		0	443
24	Income (Loss) Before Extraordinary Items.....		10,881	737
25	Extraordinary Items (Net of Income Taxes - 2012, \$0; 2011, \$0).....		0	0
26	Net Income (Loss).....		\$10,881	\$737

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, 2011 AND THE NINE MONTHS ENDED SEPTEMBER 30, 2012

(UNAUDITED)
(\$ IN THOUSANDS)

Line (a)	Description (b)	Notes	Common Stock		Preferred Stock		Additional Paid-In Capital (g)	(h)	Retained Earnings (Accumulated Deficit) (i)	Total Stockholders' Equity (Deficit) (j)
			Shares (c)	Amount (d)	Shares (e)	Amount (f)				
1	Balance, December 31, 2010.....						\$282,128		\$14,592	\$296,720
2	Net Income (Loss) - 2011.....								(3,018)	(3,018)
3	Contribution to Paid-in-Capital.....									0
4	Dividends.....								(6,309)	(6,309)
5	Prior Period Adjustments.....									0
6										0
7										0
8										0
9										0
10	Balance, December 31, 2011.....		0	0	0	0	282,128	0	5,265	287,393
11	Net Income (Loss) - 2012.....								7,383	7,383
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, September 30, 2012		0	\$0	0	\$0	\$282,128	\$0	\$12,648	\$294,776

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 NINE MONTHS ENDED SEPTEMBER 30, 2012 AND 2011

(UNAUDITED)

(\$ IN THOUSANDS)

Line (a)	Description (b)	Notes	2012 (c)	2011 (d)
1	CASH PROVIDED (USED) BY OPERATING ACTIVITIES..		\$35,179	\$8,792
	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.....		(12,187)	(10,128)
5	Proceeds from Disposition of Property and Equipment.....		3	109
6	CRDA Obligations		(2,581)	(2,611)
7	Other Investments, Loans and Advances made.....			
8	Proceeds from Other Investments, Loans, and Advances		1,098	1,032
9	Cash Outflows to Acquire Business Entities.....		0	0
10	Proceeds from Sales and Luxury Tax Credits		2,570	2,744
11			
12	Net Cash Provided (Used) By Investing Activities.....		(11,097)	(8,854)
	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.....		(37)	(38)
18	Cash Proceeds from Issuing Stock or Capital Contributions...		0	0
19	Purchases of Treasury Stock.....			
20	Payments of Dividends or Capital Withdrawals.....			
21			
22			
23	Net Cash Provided (Used) By Financing Activities.....		(37)	(38)
24	Net Increase (Decrease) in Cash and Cash Equivalents.....		24,045	(100)
25	Cash and Cash Equivalents at Beginning of Period.....		90,284	89,027
26	Cash and Cash Equivalents at End of Period.....		\$114,329	\$88,927
	CASH PAID DURING PERIOD FOR:			
27	Interest (Net of Amount Capitalized).....		\$6	\$9
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 NINE MONTHS ENDED SEPTEMBER 30, 2012 AND 2011

(UNAUDITED)

(\$ IN THOUSANDS)

Line (a)	Description (b)	Notes	2012 (c)	2011 (d)
	CASH FLOWS FROM OPERATING ACTIVITIES:			
29	Net Income (Loss).....		\$7,383	(\$7,088)
30	Depreciation and Amortization of Property and Equipment.....		8,796	9,206
31	Amortization of Other Assets.....		350	349
32	Amortization of Debt Discount or Premium.....		(13)	(27)
33	Deferred Income Taxes - Current			
34	Deferred Income Taxes - Noncurrent			
35	(Gain) Loss on Disposition of Property and Equipment.....		46	(60)
36	(Gain) Loss on CRDA-Related Obligations.....		1,158	1,855
37	(Gain) Loss from Other Investment Activities.....			
38	(Increase) Decrease in Receivables and Patrons' Checks		5,933	(3,734)
39	(Increase) Decrease in Inventories		(22)	141
40	(Increase) Decrease in Other Current Assets.....		(1,102)	647
41	(Increase) Decrease in Other Assets.....		1,090	1,283
42	Increase (Decrease) in Accounts Payable.....		(1,478)	(1,893)
43	Increase (Decrease) in Other Current Liabilities		2,232	2,086
44	Increase (Decrease) in Other Liabilities		9,030	6,027
45	Loss on Impairment of Intangible Asset		1,776	0
46				
47	Net Cash Provided (Used) By Operating Activities.....		\$35,179	\$8,792

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

	ACQUISITION OF PROPERTY AND EQUIPMENT:			
48	Additions to Property and Equipment.....		(\$12,187)	(\$10,128)
49	Less: Capital Lease Obligations Incurred.....			
50	Cash Outflows for Property and Equipment.....		(\$12,187)	(\$10,128)
	ACQUISITION OF BUSINESS ENTITIES:			
51	Property and Equipment Acquired.....			
52	Goodwill Acquired.....			
53	Other Assets Acquired - net			
54	Long-Term Debt Assumed.....			
55	Issuance of Stock or Capital Invested.....			
56	Cash Outflows to Acquire Business Entities.....		\$0	\$0
	STOCK ISSUED OR CAPITAL CONTRIBUTIONS:			
57	Total Issuances of Stock or Capital Contributions.....		\$0	\$0
58	Less: Issuances to Settle Long-Term Debt.....		0	0
59	Consideration in Acquisition of Business Entities.....		0	0
60	Cash Proceeds from Issuing Stock or Capital Contributions.....		\$0	\$0

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

**TROPICANA CASINO AND RESORT
SCHEDULE OF PROMOTIONAL
EXPENSES AND ALLOWANCES**

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2012
(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	252,021	\$15,131	0	\$0
2	Food	487,722	10,560	83,313	1,781
3	Beverage	4,982,677	6,532	0	0
4	Travel	0	0	4,153	1,246
5	Bus Program Cash	3,222	186	0	0
6	Promotional Gaming Credits	284,174	29,742	0	0
7	Complimentary Cash Gifts	118,921	6,787	0	0
8	Entertainment	42,347	279	265	41
9	Retail & Non-Cash Gifts	0	0	119,888	1,162
10	Parking	0	0	302,497	907
11	Other	4,602	46	51,229	512
12	Total	6,175,686	\$69,263	561,345	\$5,649

FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2012

Line (a)	Description (b)	Promotional Allowances		Promotional Expenses	
		Number of Recipients (c)	Dollar Amount (d)	Number of Recipients (e)	Dollar Amount (f)
1	Rooms	84,174	\$4,892	0	\$0
2	Food	193,025	3,968	32,983	658
3	Beverage	1,727,135	2,271	0	0
4	Travel	0	0	1,283	385
5	Bus Program Cash	680	42	0	0
6	Promotional Gaming Credits	92,056	11,100	0	0
7	Complimentary Cash Gifts	13,968	1,726	0	0
8	Entertainment	18,275	139	106	14
9	Retail & Non-Cash Gifts	0	0	40,038	389
10	Parking	0	0	107,622	323
11	Other	1,312	13	14,120	141
12	Total	2,130,625	\$24,151	196,152	\$1,910

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

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

FOR THE QUARTER ENDED SEPTEMBER 30, 2012

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.

11/19/2012

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 NINE MONTHS ENDED SEPTEMBER 30, 2012 AND 2011
(Unaudited)

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.

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.

In March 2012, the Division of Gaming Enforcement ("DGE") approved regulations which allowed casinos to remove in-house progressives from the casino floor. Casinos were no longer required to keep established in-house progressives on the floor. The regulation allowed the Company to remove the liability from the slot progressive liability account. The offset was an increase in slot revenue.

Disclosures Not Presented

Certain footnotes have not been presented in these Notes to the Consolidated Financial Statements. These footnotes would be a duplicate of items contained in the Annual Report for the year ended December 31, 2011.

The specific footnotes not presented are the Summary of Significant Accounting Policies, Lease Obligations, Retirement Plans, Fair Value of Financial Instruments and Income Taxes. The footnotes contained in the December 31, 2011 Annual Report should be read in conjunction with these financial statements.

NOTE 2. PROPERTY AND EQUIPMENT

At September 30, 2012 and 2011, the components of Property and Equipment consisted of:

	<u>2012</u>	<u>2011</u>
Land and land improvements	\$ 68,020,000	\$ 68,020,000
Building and improvements	99,603,000	98,071,000
Furniture, fixtures and equipment	40,229,000	34,997,000
Construction in progress	<u>5,991,000</u>	<u>2,356,000</u>
Total property and equipment-gross	213,843,000	203,444,000
Less: accumulated depreciation and amortization	<u>(34,620,000)</u>	<u>(23,344,000)</u>
Total property and equipment	<u>\$ 179,223,000</u>	<u>\$ 180,100,000</u>

NOTE 3. INTANGIBLE ASSETS

At September 30, 2012 and 2011 the Company's intangible assets, a component of Other Assets, consisted of the following:

	<u>2012</u>	<u>2011</u>
Favorable leases	\$ 2,391,000	\$ 5,200,000
Customer lists	<u>1,400,000</u>	<u>1,400,000</u>
Total intangible assets	\$ 3,791,000	\$ 6,600,000
Less: accumulated amortization		
Favorable leases	(1,090,000)	(1,453,000)
Customer lists	<u>(1,206,000)</u>	<u>(739,000)</u>
Total accumulated amortization	\$ (2,296,000)	\$(2,192,000)
Intangible assets, net	<u>\$ 1,495,000</u>	<u>\$ 4,408,000</u>

Customer lists represent the value associated with customers enrolled in our customer loyalty programs and are being 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 connection with the acquisition, the Company recognized \$5.2 million of intangible assets relating to favorable lease arrangements which 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 of \$1.4 million, net of accumulated amortization, will continue to be amortized over the remaining useful life.

NOTE 4. LONG-TERM DEBT

At September 30, 2012 and 2011, Long-Term Debt consisted of:

	<u>2012</u>	<u>2011</u>
Contract payable; 7.2% matures 2014	\$ 100,000	\$ 141,000
Less: current portion	<u>(44,000)</u>	<u>(41,000)</u>
Total long-term debt	<u>\$ 56,000</u>	<u>\$ 100,000</u>

NOTE 5. COMMITMENTS AND CONTINGENCIES

Licensing

On March 3, 2010, the Company was granted an interim casino authorization by the New Jersey Casino Control Commission. On November 10, 2010, the Company was granted its plenary casino license by the NJCCC.

Tropicana Entertainment has long-term debt where the Company is a guarantor and substantially all of the Company's property and equipment is pledged as collateral.

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.

The NJCCC imposes an annual tax of eight percent on gross casino revenue. Pursuant to legislation adopted in 1984, casino licensees are required to invest an additional one and one-quarter percent of gross casino 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 two and one-half 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 September 30, 2012 and 2011, the Company's reinvestment obligation was \$2,581,000 and \$2,611,000 respectively for the purchase of CRDA bonds. For the period ending September 30, 2012 and 2011, the Company recorded a loss provision of \$1,158,000 and \$1,855,000 respectively. The loss provision is to recognize the effect of the below

market interest rate using the interest rate in effect at September 30, 2012 and 2011.

The Company has separate insurance policies that provide coverage for general liability and workers compensation claims. The Company's accrual for general liability claims within the retention level was approximately \$1,641,000 at September 30, 2012. The Company's accrual for workers compensation claims was approximately \$3,261,000 at September 30, 2012.

NOTE 6. RELATED PARTIES

Transactions with TE include activity principally related to joint insurance programs, federal income tax filings, and other administrative services. Various corporate services were provided to the Company in 2012 and 2011 for which a management fee was charged. For the nine months ended September 30, 2012 the management fee was \$4,925,000. For the period ended September 30, 2011, a management fee of \$12,007,000 was charged, \$5,698,000 was for the period ended September 30, 2011 and \$6,309,000 was for the period ended December 31, 2010.

Due to affiliates is reflected in Other Liabilities. The identity of the affiliate and corresponding balance at September 30, 2012 and 2011 is:

	<u>2012</u>	<u>2011</u>
Due to Tropicana Entertainment, Inc.	<u>\$ 22,854,000</u>	<u>\$ 10,558,000</u>

For the nine months ended September 30, 2012 and 2011 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. The nature of the charges and dollar amounts are as follows:

	<u>2012</u>	<u>2011</u>
<u>COST OF GOODS AND SERVICES</u>		
Professional/Administrative Services	\$ 166,000	\$ -
Health Insurance	357,000	307,000
Telecommunications	52,000	22,000
Property insurance	1,651,000	1,203,000
Workman's Compensation Insurance	<u>147,000</u>	<u>184,000</u>
Total	<u>\$ 2,373,000</u>	<u>\$ 1,716,000</u>
<u>SELLING, GENERAL AND ADMINISTRATIVE</u>		
General Liability Insurance	\$ 468,000	\$ 400,000
Health Insurance	357,000	306,000
Telecommunications	52,000	21,000
Workman's Compensation Insurance	147,000	184,000
Professional/Administrative Services	<u>11,000</u>	<u>321,000</u>
Total	<u>\$ 1,035,000</u>	<u>\$ 1,232,000</u>

NOTE 7. OTHER LIABILITIES

At September 30, 2012 and 2011, the components of Other Liabilities consisted of:

	<u>2012</u>	<u>2011</u>
Due to affiliates	<u>\$ 22,854,000</u>	<u>\$ 10,558,000</u>

NOTE 8. OTHER ACCRUED EXPENSES

At September 30, 2012 and 2011, the components of Other Accrued Expenses consisted of:

	<u>2012</u>	<u>2011</u>
Accrued payroll, taxes and benefits	\$ 12,578,000	\$ 10,701,000
Accrued progressive liability	934,000	1,501,000
Insurance Reserves	4,903,000	3,569,000
Other	<u>6,463,000</u>	<u>10,081,000</u>
Total other accrued expenses	<u>\$ 24,878,000</u>	<u>\$ 25,852,000</u>

NOTE 9. NON-OPERATING INCOME/EXPENSE

At September 30, 2012 and 2011, Non-operating Income/(Expense) consisted of the following:

	<u>2012</u>	<u>2011</u>
Interest income	\$ 352,000	\$ 481,000
Impairment Charge	(1,776,000)	-
Reorganization/Construction Accident Related	(161,000)	(719,000)
(Loss)/Proceeds on Disposal of Asset	<u>(46,000)</u>	<u>60,000</u>
Total	<u>\$ (1,631,000)</u>	<u>\$ (178,000)</u>