

TRUMP ENTERTAINMENT RESORTS, INC.
Form 10-K
March 02, 2012

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-K

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2011
or

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission file number 1-13794
TRUMP ENTERTAINMENT RESORTS, INC.
(Exact name of Registrant as Specified in Its Charter)

Delaware (State or other jurisdiction of incorporation or organization)	13-3818402 (I.R.S. Employer Identification No.)
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1000 Boardwalk at Virginia Avenue Atlantic City, New Jersey (Address of Principal Executive Offices)	08401 (Zip Code)
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Registrant's telephone number, including area code: (609) 449-5534
Securities registered pursuant to Section 12(b) of the Act: None
Securities registered pursuant to Section 12(g) of the Act:
Common Stock, par value \$0.001 per share

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

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Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§ 229.405) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large Accelerated filer	<input type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-Accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input checked="" type="checkbox"/>

(Do not check if a smaller reporting company)

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

Indicate by check mark whether the registrant has filed all documents and reports required to be filed by Section 12, 13 or 15(d) of the Securities Exchange Act of 1934 subsequent to the distribution of securities under a plan confirmed by a court. Yes No

There is currently no established public trading market for the registrant's common stock.

As of March 1, 2012, there were 10,714,286 shares of common stock of Trump Entertainment Resorts, Inc. outstanding.

TABLE OF CONTENTS

	Page
PART I	
Item 1. <u>Business</u>	<u>1</u>
Item 1A. <u>Risk Factors</u>	<u>9</u>
Item 1B. <u>Unresolved Staff Comments</u>	<u>15</u>
Item 2. <u>Properties</u>	<u>16</u>
Item 3. <u>Legal Proceedings</u>	<u>16</u>
Item 4. <u>Removed and Reserved</u>	<u>17</u>
PART II	
Item 5. <u>Market for Registrant’s Common Equity and Related Stockholder Matters</u>	<u>18</u>
Item 6. <u>Selected Financial Data</u>	<u>19</u>
Item 7. <u>Management’s Discussion and Analysis of Financial Condition and Results of Operations</u>	<u>20</u>
Item 7A. <u>Quantitative and Qualitative Disclosures About Market Risk</u>	<u>31</u>
Item 8. <u>Financial Statements and Supplementary Data</u>	<u>32</u>
Item 9. <u>Changes in and Disagreements with Accountants on Accounting and Financial Disclosure</u>	<u>69</u>
Item 9A. <u>Controls and Procedures</u>	<u>69</u>
Item 9B. <u>Other Information</u>	<u>69</u>
PART III	
Item 10. <u>Directors, Executive Officers and Corporate Governance</u>	<u>70</u>
Item 11. <u>Executive Compensation</u>	<u>72</u>
Item 12. <u>Security Ownership of Certain Beneficial Owners and Management</u>	<u>81</u>
Item 13. <u>Certain Relationships and Related Transactions</u>	<u>83</u>
Item 14. <u>Principal Accountant Fees and Services</u>	<u>85</u>
PART IV	

Item 15. Exhibits and Financial Statement Schedules

86

i

PART I

Item 1. Business

In this Report, “TER” means Trump Entertainment Resorts, Inc., a Delaware corporation originally incorporated in 1995. Unless the context otherwise requires, the words “Company,” “we,” “us,” “our” and similar terms collectively refer to TER and its subsidiaries, including, but not limited to, Trump Entertainment Resorts Holdings, L.P., a Delaware limited partnership of which TER is the sole general partner and an indirect limited partner (“TER Holdings”).

The Company

General. We own and operate two casino hotel properties in Atlantic City, New Jersey: Trump Taj Mahal Casino Resort (“Trump Taj Mahal”) and Trump Plaza Hotel and Casino (“Trump Plaza”). Until May 24, 2011, we also owned and operated the Trump Marina Hotel Casino (“Trump Marina”) in Atlantic City, New Jersey.

The following is a summary of our casino properties at December 31, 2011:

Casino Property	2011 Net Revenues (000s)	Number of Rooms/Suites	Approximate Number of Gaming Tables	Approximate Number of Slot Machines
Trump Taj Mahal	\$338,660	2010	189	2,721
Trump Plaza	134,691	906	71	1,688
Total	\$473,351	2,916	260	4,409

Sale of Trump Marina. On May 24, 2011, we and our subsidiary, Trump Marina Associates, LLC (“Trump Marina Associates”), completed the sale of Trump Marina (the “Property”) to Golden Nugget Atlantic City, LLC (“Golden Nugget”), an affiliate of Landry's Restaurants, Inc., pursuant to the Asset Purchase Agreement dated as of February 11, 2011, as amended (the “Asset Purchase Agreement”). Pursuant to the Asset Purchase Agreement, at the closing, Golden Nugget acquired substantially all of the assets of, and assumed certain liabilities related to, the business conducted at the Property.

The cash proceeds of the sale were \$37.3 million, after giving effect to certain adjustments as of the closing date as set forth in the Asset Purchase Agreement and before transaction expenses. The proceeds are subject to certain post-closing adjustments, including adjustments based on working capital balances as of the closing of the sale, as set forth in the Asset Purchase Agreement.

Investor Information

We are subject to the informational requirements of the Securities Exchange Act of 1934, as amended (the “Exchange Act”). Accordingly, we file periodic reports and other information with the Securities and Exchange Commission (the “SEC”). Such reports and other information may be obtained by visiting the Public Reference Room of the SEC at 100 F Street, NE, Room 1580, Washington, D.C. 20549 or by calling the SEC at 1-800-SEC-0330. In addition, the SEC maintains a website (<http://www.sec.gov>) that contains reports, proxy and information statements and other information regarding us and other issuers that file electronically.

Our website address is <http://www.trumpcasinos.com>. We make available, without charge, through our website, copies of our annual report on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Exchange Act, as soon as reasonably practicable after such reports are filed with or furnished to the SEC. References in this document to our

website are not and should not be considered part of this Report, and the information on our website is not incorporated by reference in this Report.

Our Corporate Governance Guidelines, Code of Business Conduct, Code of Ethics for Principal Officers and Directors, and the charters of our Audit Committee, Compensation Committee and Corporate Governance, Regulatory and Nominating Committee (“Corporate Governance Committee”), are available free of charge on our website under the “Corporate Governance” section in the “Investor Relations” section.

In addition, we may use our website as a means of disclosing material non-public information and for complying with our disclosure obligations under Regulation FD. Any such disclosures will be included on our website in the “Investor Relations” sections. Accordingly, investors should monitor such portions of our website, in addition to following our press releases, SEC

filings and any public conference calls and webcasts.

The certifications of our Chief Executive Officer and Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 about the disclosures contained in this Report are attached hereto and are available on our website.

Business and Marketing Strategy

As discussed below under “Emergence from Bankruptcy,” on July 16, 2010 (the “Consummation Date”) we emerged from bankruptcy and a new Board of Directors of the Company was appointed pursuant to the Plan of Reorganization (defined below), effective as of the Consummation Date. In September 2010, the Board of Directors selected a new chief executive officer, Robert F. Griffin, an experienced gaming executive, who joined us in November 2010. Since September 2010, we have also hired a new chief financial officer and various other members of senior management. We believe that the background and experience of our management team provides the foundation for a focused business strategy.

Since 2008, the Atlantic City destination gaming market has been substantially impacted by increasing competition in neighboring states and the national economic downturn. During 2012, we will be faced with new competition within the Atlantic City market with the opening of Revel, the new casino resort located in close proximity to the Taj Mahal. We pursue the following initiatives to cope with this difficult economic period, which has been marked by the extremely competitive environment in which we are operating and by poor consumer confidence.

Facility innovation: Over the past several years, we completed a re-theming and expansion capital program which involved various improvements at our facilities, including the construction of the 782-room Chairman Tower at Trump Taj Mahal, the renovation of all hotel rooms at each of our properties and the re-theming of our gaming floors at Trump Taj Mahal and Trump Plaza. We continually evaluate potential improvements to our properties, including the addition of new amenities, new products for our gaming floors, entertainment options and operating efficiencies. The Taj Mahal has recently entered into a lease agreement for the development of a gentleman's club, the first of its kind in an Atlantic City casino. The Taj Mahal has also entered into agreements to lease additional space for such club, as well as a new steakhouse, both of which should be completed and opened in late 2012.

Marketing: The cornerstone of our marketing program is our customer loyalty program, TrumpONE. TrumpONE allows us to unite our properties in an effort to attract and retain customers through increased offerings in our rewards program and available amenities. TrumpONE allows guests to earn Tier Points and Comp Dollars and redeem those credits at each of our properties for complimentary items and other benefits. TrumpONE substantially increases the range of options available to our guests, while also allowing for more effective consumer marketing efforts. The TrumpONE marketing program allows us to target customers by demographic, age, location and gaming value. When combined with our direct marketing, advertising and public relations functions, TrumpONE allows us to effectively market our properties as a unified enterprise and target our efforts and marketing expenditures in areas and on customer segments which we believe will help capture our fair share of the market, generate the highest return and increase the amount of TrumpONE participants. Due to the intense competition in our market and surrounding states, we regularly evaluate the reinvestment in our marketing efforts to capture our fair share of the market.

Customer service: We believe that providing a memorable, positive experience for our customers is a fundamental necessity of our business. We continuously strive to provide excellent customer service and satisfaction levels through various initiatives to ensure that we are providing our customers with a superior hospitality experience.

Cost containment: During late 2010, we began to take the necessary actions to reduce our operational expenses including staffing reductions and other cost-cutting measures, in order to realign our operations to appropriately function within current business volumes during the current economic and competitive conditions. We have

undertaken various other cost management efforts to operate more efficiently, including varying the availability of certain of our amenities to match current demand. We continually evaluate our operations to identify efficiencies which may result in cost savings. These actions have resulted in significant cost savings at both the property and corporate levels.

Revenue and yield management: We continue to emphasize leveraging our hotel facilities and managing the mix of cash and complimentary customers to yield the most profit from our overnight guests.

Sale of non-core and under-performing assets. During 2011, we sold the Trump Marina, our former corporate office building and the Steel Pier and skybridge at Trump Taj Mahal. The proceeds from these non-core and under-performing assets were primarily used to reduce our outstanding indebtedness. During 2012, we entered into an

agreement for the sale of our off-site warehouse. We continue to explore strategic alternatives with respect to Trump Plaza, including a potential sale.

On-line gaming. Although legislation relating to on-line gaming has not been adopted, the Company has and continues to monitor the matter and explore its options available related to on-line gaming to favorably position itself in the event on-line gaming becomes permitted.

In the ordinary course of business, in response to market developments and customer preferences, we have made and continue to make certain enhancements and refinements to our casino properties.

Casino Properties

Trump Taj Mahal Casino Resort. Trump Taj Mahal, located on the northern end of Atlantic City's boardwalk (the "Boardwalk"), is located on 35.9 acres and features the 782-room Chairman Tower which includes 66 suites and 8 penthouse suites and the original 1,228-room hotel tower, which includes 243 suites and 7 penthouse suites. Trump Taj Mahal also features 16 dining locations, including Il Mulino New York, 6 cocktail lounges, and approximately 143,000 square feet of ballroom, meeting room and pre-function area space. The property also features approximately 162,000 square feet of gaming space that includes approximately 189 table games (including poker tables), approximately 2,721 slot machines, a high-end gaming salon, an approximately 12,500 square-foot Poker, Keno and Race Simulcasting room and an Asian-themed table game area offering popular Asian table games. Trump Taj Mahal also features the following: an approximately 20,000 square foot multi-purpose entertainment complex known as the "Xanadu Theater," with seating capacity for up to approximately 1,200 people, which can be used as a theater, concert hall, boxing arena or exhibition hall; the Casbah nightclub; the Mark G. Etes Arena, featuring approximately 63,000 square feet of exhibition and entertainment space which can accommodate over 5,000 people; and a health club, spa and fitness center with an indoor pool. Trump Taj Mahal also has a parking garage for approximately 6,750 cars, a 6 bay bus terminal and a roof-top helipad.

Trump Plaza Hotel and Casino. Trump Plaza is located at the center of the Boardwalk at the end of the Atlantic City Expressway (the main highway into the city) covering 10.9 acres with direct access to Boardwalk Hall (an entertainment and sporting venue owned and operated by the New Jersey Sports and Exposition Authority that can accommodate up to approximately 13,000 people). Trump Plaza features approximately 906 hotel rooms, including 140 suites, approximately 87,000 square feet of casino space with approximately 1,688 slot machines and approximately 71 table games. Amenities include approximately 18,000 square feet of conference space, an approximately 750-seat cabaret theater, two cocktail lounges, nine dining locations, a players' club, health spa, an indoor pool, a seasonal beach bar and restaurant and retail outlets. Trump Plaza's parking garage can accommodate 13 buses and approximately 2,700 cars.

Competition

Atlantic City Market. The Atlantic City market primarily serves the New York-Philadelphia-Baltimore-Washington, D.C. corridor with nearly 30 million adults living within a three-hour driving radius. The Atlantic City market is the second largest hotel-based gaming market in the United States, after Las Vegas. In 2011, the casinos in the Atlantic City market generated \$3.3 billion in casino revenue. Trump Taj Mahal and Trump Plaza combined represent approximately 15% of the gaming positions and hotel rooms in the Atlantic City market and generate approximately 15% of the market gaming revenue.

Competition in Atlantic City is intense and continues to increase. Currently, the 11 casino hotels located in Atlantic City, including our two properties, compete with each other on the basis of customer service, quality and extent of amenities and promotional offers. For this reason, we and our competitors require substantial capital expenditures to

compete effectively. Our existing competitors in Atlantic City regularly add new amenities to reinvigorate their facilities. During 2011, we added several new amenities to our casinos, including the addition of the famous White House Sub Shop and a Panda Express on the Taj Mahal's Spice Road to remain competitive with these facilities. In addition, the Taj Mahal has entered into a lease agreement for the development of a Scores gentlemen's club, the first of its kind in an Atlantic City casino. The Taj Mahal has also entered into agreements to lease additional space for Scores and a Robert's Steak House, both of which should be completed and opened in late 2012.

Revel Entertainment Group ("Revel") continues construction on its casino resort located on a 20-acre, oceanfront site next to the Showboat Casino Hotel. Revel recently announced that it plans to partially open on April 2, 2012 with limited amenities and be completely operational for its official opening date on May 25, 2012.

Following the May 2011 sale of the Trump Marina to Landry's Restaurants, Inc., the operator of two Golden Nugget casinos in Nevada, Landry's branded the property as "Golden Nugget Atlantic City." Landry's continues to renovate the

property, including reconfiguring the casino floor, re-finishing the building's exterior and adding new dining and retail establishments.

In January 2011, New Jersey Governor Christopher “Chris” Christie signed into law a bill which established alternative methods of casino licensure in Atlantic City. The bill is known as the “boutique” casino bill because it permits the construction of casino hotels smaller than the previously mandated 500-room minimum. Under the bill, the New Jersey Casino Control Commission (the “CCC”) could issue two additional casino licenses: a small-scale casino facility license and a staged casino license. The small-scale casino facility must have at least 200 hotel rooms and can have up to 24,000 square feet of gaming space, except that it can have an additional 10,000 square feet of gaming space if it develops 40,000 square feet of special amenities as part of the facility. The staged casino facility must have at least 200 rooms and can have up to 34,000 square feet of gaming space, which can be increased by 10,000 square feet if the facility includes 40,000 square feet of special amenities. Within two years of licensure, the staged casino licensee has to begin expansion to 500 rooms and complete such expansion within five years. In connection with the room expansion, under certain conditions, the staged casino licensee is permitted to increase the gaming space to up to 54,000 square feet.

We believe that there are several sites on the Boardwalk, in the marina district and possibly at Bader Field, a former airport located in Atlantic City, if that area is zoned for gaming, where other casino hotels could be built in the future. Additionally, various applications for casino licenses have been filed with the CCC and announcements with respect thereto have been made from time to time in these areas. Future developments and expansions could have a material adverse effect on our business and operations.

We cannot ascertain at this time the effects that any new projects could have on the Atlantic City gaming market. However, the added strength of these competitors and resulting economies-of-scale could diminish our market share in the market in which we compete.

Pennsylvania. Under the Race Horse Development and Gaming Act, the Pennsylvania Gaming Control Board is authorized to permit a total of up to 61,000 slot machines in up to fourteen different licensed locations in Pennsylvania, seven at racetracks (each with up to 5,000 slot machines), five at casino facilities (two in Philadelphia, one in Pittsburgh and two elsewhere, each with up to 5,000 slot machines) and two at established resorts (each with up to 500 slot machines). Three of the racetrack sites, Pocono Downs, Parx Casino and Chester Downs and two casinos, one in Philadelphia and one in Bethlehem, are located in our market area. In January 2010, table game legislation was signed into Pennsylvania law which allows up to 250 table games at each of the twelve larger authorized casinos and up to 50 table games at each of the remaining two smaller authorized casinos. Pennsylvania table games became operational during July 2010.

As of January 2012, the Philadelphia area locations were operating approximately 13,500 slot machines and 575 table games. Valley Forge Casino, one of the two resort licenses, expects to open in late March 2012 and has been approved to operate 50 table games and 600 slot machines. Competition from the Pennsylvania casinos that are currently operational has adversely impacted Atlantic City casinos, including our casinos. We believe that the potential opening of additional casinos could further adversely impact Atlantic City casinos, including our casinos.

New York. The Division of the Lottery of the State of New York is authorized to permit the installation of video lottery terminals (“VLTs”) at various horse racing facilities in New York. On October 28, 2011, the first phase of Resorts World Casino at Aqueduct Racetrack in Queens, New York opened with approximately 2,300 VLTs and 205 electronic table games. The second phase of the casino opened in December 2011 and included an additional 2,245 VLTs and 270 electronic table games.

As of early 2012, there were nine racetracks operating throughout New York State with a total of approximately 17,200 VLTs. Additionally, at various times there have been discussions about allowing VLTs at the Belmont racetrack. The Belmont racetrack is in close proximity to Resorts World Casino and both are less than fifteen miles from Manhattan. The Governor of New York also recently proposed a constitutional amendment which would allow full-fledged casino gambling, including table games, throughout the State of New York.

The 2001 legislation, which authorized the installation of VLTs, also authorized the Governor of New York to negotiate compacts authorizing the operation of up to six Native American casino facilities. Native American casino facilities typically have a significant operating advantage over our casinos due to lower gaming taxes, allowing those facilities to market more aggressively and to expand or update their facilities at an accelerated rate. Competing Native American facilities, therefore, could continue to further adversely impact Atlantic City casinos, including our casinos.

Meadowlands Racino. In February 2012, the Meadowlands Regional Chamber of Commerce released proposals for the

redevelopment of the Meadowlands Sports Complex in New Jersey. The proposals included a 150,000 square foot casino, a convention center, a conference center and 3,250 hotel rooms. The Governor of New Jersey has expressed his commitment to revitalizing Atlantic City and has opposed allowing gaming outside of Atlantic City, including a racetrack casino at the Meadowlands.

Maryland. In November 2008, Maryland voters passed a referendum to allow up to 15,000 slot machines at five locations across that state. A bill has been introduced in the Maryland Senate which would allow a sixth casino and would permit table games at the authorized casino locations. The bill would be subject to voter approval in November 2012. As of early 2012, two of the slot facilities were operational with a total of approximately 2,300 slot machines. Customers from the Baltimore-Washington D.C. area are not a significant contributor to our revenues currently; however, we believe additional competition in the Northeastern United States could have an adverse effect on our business.

Delaware. We compete with Delaware primarily for gaming customers from the Southern New Jersey, Southern Pennsylvania and Delaware regions. As of early 2012, approximately 6,800 slot machines and 200 table games were operational at the three Delaware casinos.

Native American Tribes. Our properties also face considerable competition from casino facilities operated by federally recognized Native American tribes, such as Foxwoods Resort Casino in Ledyard, Connecticut and Mohegan Sun Casino Resort in Uncasville, Connecticut. Pursuant to the Indian Gaming Regulatory Act (the "IGRA"), which was passed by Congress in 1988, any state that permits casino-style gaming, even if only for limited charity purposes, is required to negotiate gaming compacts with federally recognized Native American tribes. Under the IGRA, Native American tribes enjoy comparative freedom from regulation and taxation of gaming operations, which provides them with an advantage over their competitors, including our properties.

In addition, Native American nations have sought or are seeking federal recognition, land and gaming compacts in New York, Pennsylvania, Connecticut and other states near Atlantic City. If successful, additional casinos built in or near this portion of the United States could have a material adverse effect on the business and operations of our properties.

There could be further competition in our markets as a result of the upgrading or expansion of facilities by existing market participants, the entrance of new gaming participants into a market or legislative changes. We expect each market in which we participate, both current and prospective, to be highly competitive.

Regulatory and Licensing

Gaming Regulation. The gaming industry is highly regulated, and we must maintain our casino licenses and pay gaming taxes to continue our gaming operations. Each of our casinos is subject to extensive regulation under the statutes and regulations of the State of New Jersey. During June 2007, the CCC renewed our licenses to operate Trump Taj Mahal and Trump Plaza until June 2012. Trump Taj Mahal, Trump Plaza and certain individuals will be required to resubmit documentation supporting a renewal of their qualification and licensure prior to June 2012. These statutes and regulations generally concern the financial stability of the casino licensee, the good character of the owners, managers and employees and of other persons with financial interests in the gaming operations (including those with certain ownership levels of a casino licensee's securities) and the procedures and controls which govern those gaming operations. A more detailed description of New Jersey laws and regulations to which we are subject is contained in Exhibit 99.1 to this Report and is incorporated by reference herein. Gaming operations that we may undertake in the future in other jurisdictions will also subject us and such operations to regulations by such other jurisdictions.

In February 2011, in an effort to stimulate New Jersey's casino and tourism industries and to revamp the regulatory landscape for gaming in Atlantic City, three laws were enacted in the State of New Jersey.

Bill S-11. The New Jersey Legislature created the Atlantic City Tourism District (“Tourism District”) to allow the state greater authority to promote tourism in Atlantic City. This new district is to be administered and managed by the Casino Reinvestment Development Authority (the “CRDA”), which was granted expanded powers and responsibilities. During 2011, the CRDA determined the precise boundaries of the Tourism District over which it will exercise the control granted to it under Bill S-11, including establishing a structure for law enforcement therein and the adoption of a master plan for the Tourism District. In addition, the CRDA entered into a public-private partnership with The Atlantic City Alliance, a nonprofit corporation comprising a majority of the casino licensees, to undertake an initial five-year marketing program. Bill S-11 required that a \$5 million contribution be made to this effort by all casinos

prior to 2012, followed by an annual amount of \$30 million to be contributed by all of the casinos commencing January 1, 2012 for a term of five years.

Bill S-12. This bill redesigned the state's regulatory system over casinos and persons doing business with the gaming industry and substantially amended the New Jersey Casino Control Act (the "Act"). Bill S-12 also significantly altered the authority of the CCC and the Division of Gaming Enforcement ("DGE").

Bill S-1866. This bill established alternative methods of casino licensure in Atlantic City. This bill is known as the "boutique" casino bill because it permits the construction of casino-hotels smaller than the previously mandated 500-room minimum.

During November 2011, New Jersey voters approved sports betting in a statewide referendum. In connection with such referendum, in January 2012, New Jersey Governor Chris Christie signed a bill into law legalizing sports betting in the state, but only should a federal ban on such gambling be overturned. The bill would legalize betting on professional and collegiate sporting events at the Atlantic City casinos and the state's four horse racing tracks.

In order for sports betting to become permitted in New Jersey, the federal law that makes it illegal to bet on sports in all but four states must be overturned.

On-line Gaming. During December 2011, the United States Department of Justice issued an opinion setting forth its position with respect to on-line gambling in the United States. The opinion states that as long as the gambling operator and the customer are within the same state, and the betting activity does not include sporting events, a state's own laws shall apply. The opinion implies that states can band together to allow gambling across state borders. The exception would be on-line sports betting, which is explicitly prohibited under federal law.

The District of Columbia and Nevada have both approved limited forms of Internet gambling, and New Jersey is considering legislation allowing internet gambling as well.

In the event that on-line gaming were to become legalized in the United States or the State of New Jersey, the Company intends to pursue opportunities in on-line gaming as part of a joint venture with Donald J. Trump ("Mr. Trump") and Ivanka Trump (collectively, the "Trump Parties") and Avenue Capital, and possibly one or more other qualified parties. The members of our Board of Directors not affiliated with Avenue Capital have determined that such a joint venture represented the most advantageous way for the Company to participate in opportunities in on-line gaming at minimal cost to the Company. As legislation relating to on-line gaming has not been adopted by Congress or the New Jersey legislature, no such joint venture has been established to date. However, the Company, the Trump Parties and Avenue Capital have executed a term sheet which provides for exclusive negotiations regarding a possible joint venture through May 2012. The Company has not entered into a definitive agreement with respect to internet gaming with Avenue Capital or the Trump Parties. The Company has not received any draft of such an agreement and the Company understands that no negotiations with respect to such a definitive agreement has taken place between the other parties to the joint venture. The Company has and continues to explore its options available related to internet gaming in order to obtain the most favorable terms for the Company, its stockholders and investors. If a joint venture is formed pursuant to the term sheet, the Company is expected to hold approximately a 10% equity interest (before dilution), subject to applicable law.

Other Regulation. In addition to gaming regulations, our business is subject to various other federal, state and local laws and regulations, including but not limited to, restrictions and conditions concerning taxation, treasury regulations, building code and land use requirements, environmental matters and local licenses and permits.

United States Department of Treasury ("DOT") and Financial Crimes Enforcement Network regulations require casinos to report currency transactions involving more than \$10,000 per patron per gaming day and certain gaming patron transactions involving suspicious activity. We have established internal control procedures that we believe comply with these DOT regulations, including: (i) computer exception reporting; (ii) review of currency and suspicious

activity transactions and reporting by committees comprised of casino operations, marketing and administration executives; (iii) internal audit testing of DOT regulation compliance; (iv) training employees to comply with DOT regulations; and (v) a disciplinary program for employee violations.

Pursuant to the provisions of the Act, we must either obtain investment tax credits in an amount equivalent to 1.25% of our gross casino revenues, as defined in the Act, or pay an alternative tax of 2.5% of our gross casino revenues. Investment tax credits may be obtained by making approved qualified investments, or by depositing funds which may be converted to bonds by the CRDA. Certain of our subsidiaries are required to make quarterly deposits with the CRDA to satisfy their investment

obligations.

We believe that all required licenses, permits and other approvals necessary to conduct our business have been obtained for our operations in the State of New Jersey and elsewhere. Material changes in these laws or regulations or in the interpretation of the same by courts or administrative agencies could adversely affect our company, including its operating results.

Smoking Ban. In 2006, the New Jersey Legislature adopted the New Jersey Smoke-Free Air Act. The law prohibits the smoking of tobacco in structurally enclosed indoor public places and workplaces in New Jersey, including licensed casino hotels. The law permits smoking within the perimeter of casino and casino simulcasting areas, and permits 20% of hotel guest rooms to be designated as smoking rooms.

In 2007, an ordinance in Atlantic City became effective which extended smoking restrictions under the New Jersey Smoke-Free Air Act. This ordinance mandated that casinos restrict smoking to designated areas of up to 25% of the casino floor. During April 2008, Atlantic City's City Council unanimously approved an amendment to the ordinance, banning smoking entirely on all casino gaming floors and casino simulcasting areas, but allowing smoking in separately exhausted, non-gaming, smoking lounges. The amendment to the ordinance became effective on October 15, 2008, however, on October 27, 2008, Atlantic City's City Council voted to postpone the full smoking ban for at least one year due to, among other things, the weakened economy and increased competition in adjoining states. The postponement of the full smoking ban became effective on November 16, 2008.

We believe that these bans on smoking within indoor public places and for casino and casino simulcasting areas have adversely affected the Atlantic City casinos, including our casinos.

In addition, bills are pending in the New Jersey Senate and Assembly which, if enacted, would repeal the gaming area exemption from the smoking ban provided for in the New Jersey Smoke-Free Air Act. This proposed ban on smoking in the casino and casino simulcasting areas could adversely affect the Atlantic City casinos, including our casinos.

Intellectual Property. The Company, TER Holdings and certain of its subsidiaries (collectively, the "Licensee Entities") are party to the Second Amended and Restated Trademark License Agreement (the "Trademark License Agreement") with the Trump Parties, which amends, restates and supersedes the previous trademark license agreement entered into among the Company, TER Holdings and Mr. Trump during 2005. The Trademark License Agreement provides that the Trump Parties grant the Licensee Entities a royalty-free license to use certain trademarks, service marks, names, domain names and related intellectual property associated with the name "Trump" and the Trump Parties in connection with TER Holdings' casino and gaming activities relating to the Company's existing casino properties in Atlantic City, New Jersey, subject to certain terms and conditions. The Trademark License Agreement remains in effect until terminated pursuant to the terms of the Trademark License Agreement.

Employees and Labor Relations

Number of Employees. The table below sets forth the approximate number of our full-time equivalent employees working at our properties as of December 31, 2011:

Property	Number of Full-Time Equivalent Employees
Trump Taj Mahal	2,600
Trump Plaza	1,100
Total	3,700

Collective Bargaining Agreements. Certain of our casino hotel employees are subject to collective bargaining agreements. The following table summarizes the approximate number of our casino hotel employees subject to collective bargaining agreements and the effective dates and expiration dates of such agreements:

Union	Approximate Number of Employees Covered	Effective Date of Collective Bargaining Agreement	Expiration Date of Collective Bargaining Agreement
UNITE-HEREIU, Local 54 (Hotel Employees & Restaurant Employees International Union)	1,932	September 15, 2011	September 15, 2014
International Union of Operating Engineers, Local 68A (Entertainment)	17	July 1, 2011	June 30, 2014
International Union of Operating Engineers, Local 68F (Trades)	104	May 1, 2011	April 30, 2014
United Brotherhood of Carpenters and Joiners of America, Local 623	33	May 1, 2011	April 30, 2014
International Union of Painters & Allied Trades, District Council 711	15	May 1, 2011	April 30, 2014
International Alliance of Theatrical Stage Employees, Local 917 (On-call Employees)	220	July 1, 2011	June 30, 2014
International Brotherhood of Teamsters, Local 331	6	March 1, 2008	March 31, 2012

A certification election requesting representation by the United Auto Workers for dealers at Trump Plaza occurred on March 31, 2007. The majority of dealers elected to be represented by the United Auto Workers. Objections were filed by the Company contesting the outcome of the election. The objections are currently being considered by the U.S. Court of Appeals for The District of Columbia Circuit and the election results have yet to be certified.

We believe that we have established productive and professional relationships with all of our collective bargaining partners as well as our represented and unrepresented employees.

Licensing Requirements. Certain of our employees are required to be licensed by, or registered with, the CCC, depending upon the nature of their employment. Casino employees are subject to more stringent licensing

requirements than non-casino employees, and are required to meet applicable standards pertaining to such matters as financial responsibility, good character, ability, casino training, experience and in-state residency. These regulations have resulted in significant competition for eligible employees.

Seasonality

Our cash flows from operating activities are seasonal in nature. Spring and summer are traditionally the peak seasons for our properties, with autumn and winter being non-peak seasons. Consequently, our operating results for the quarters ending in March and December are not historically as strong as the quarters ending in June and September. Any excess cash flow achieved from operations during peak seasons is used to subsidize non-peak seasons. Performance in non-peak seasons is usually dependent on favorable weather and a long-weekend holiday calendar. In the event that we are unable to generate excess cash flows in one or more peak seasons, we may not be able to subsidize non-peak seasons, if necessary.

Emergence from Bankruptcy

Chapter 11 Proceedings. On February 17, 2009 (the “Petition Date”), TER and certain of its direct and indirect subsidiaries (collectively, the “Debtors”) filed voluntary petitions in the United States Bankruptcy Court for the District of New Jersey in Camden, New Jersey (the “Bankruptcy Court”) seeking relief under the provisions of chapter 11 of title 11 of the United States Code (the “Bankruptcy Code”). These chapter 11 cases were jointly administered under the caption In re: TCI 2 Holdings, LLC, et al Debtors, Chapter 11 Case Nos.: 09-13654 through 09-13656 and 09-13658 through 09-13664 (JHW) (the “Chapter 11 Case”).

On May 7, 2010, the Bankruptcy Court entered an order (the “Confirmation Order”) confirming the Supplemental Modified Sixth Amended Joint Plan of Reorganization Under Chapter 11 of the Bankruptcy Code Proposed by the Debtors and the Ad Hoc Committee of Holders of 8.5% Senior Secured Notes Due 2015 (the “Ad Hoc Committee”), as filed with the Bankruptcy Court, in final form, on May 7, 2010 (the “Plan of Reorganization”). A copy of the Confirmation Order, with a copy of the Plan of Reorganization as confirmed attached thereto, was attached as Exhibit 2.1 to the Company's Quarterly Report on Form 10-Q filed on May 12, 2010.

The Plan of Reorganization became effective on the Consummation Date, July 16, 2010, at which time the transactions contemplated by the Plan of Reorganization were consummated.

On January 10, 2012, the Bankruptcy Court issued its final decree and order closing the Chapter 11 Case.

Pursuant to the Plan of Reorganization, the Company entered into a registration rights agreement (the “Registration Rights Agreement”), pursuant to which the Company agreed to file with the SEC no later than 30 days after the Consummation Date, and to use its commercially reasonable efforts to cause to be declared effective by 60 days after the Consummation Date, a registration statement to register for resale the new common stock of the Company issued pursuant to the Plan of Reorganization and held by members of the Ad Hoc Committee and/or their affiliates (the “Backstop Parties”) and other eligible holders of new common stock who elected to become parties thereto. In addition, pursuant to the Registration Rights Agreement, the Backstop Parties have piggyback registration rights and have agreed to certain limitations on their registration rights, including cutbacks and a holder standstill period.

Pursuant to the Registration Rights Agreement, on August 16, 2010, we filed a registration statement on Form S-1 with the SEC to cover the resale of the shares of common stock held by the Backstop Parties and certain other holders of common stock. On March 30, 2011, the Registration Rights Agreement was amended to defer our obligation to register the shares of common stock held by the Backstop Parties and such other holders until April 15, 2012, subject to an earlier request from the Backstop Parties holding a majority of the common stock held by the Backstop Parties. In light of this amendment, we withdrew the registration statement on Form S-1 that we filed on August 16, 2010 and we will defer submitting any application to have our common stock traded on a national securities exchange.

Item 1A. Risk Factors

Our business is subject to a number of risks. You should carefully consider the following risk factors, together with all of the other information included or incorporated by reference in this annual report. The risks set out below are not the only risks we face. If any of the following risks occur, our business, financial condition and results of operations could be materially adversely affected.

Current conditions in the global markets and general economic pressures may adversely affect consumer spending and our business and results of operations.

Our performance depends on the impact of economic conditions on levels of consumer spending. As a result of the present weak economic conditions in the United States, Europe and much of the rest of the world, the uncertainty over the duration of such weakness and the prospects for recovery, consumers are continuing to curb discretionary spending, which is having an effect on our business. An extended duration or deterioration in current economic conditions could have a further material adverse impact on our financial condition and results of operations.

To operate our business, we will require a significant amount of cash.

Our ability to satisfy our obligations and fund capital expenditures will depend on our ability to generate cash in the future, which is, in part, subject to general economic, financial, competitive, legislative, regulatory and other factors beyond our control. The risk is heightened by the fact that our current operations are in a single market. While additional cash for

operations and capital expenditures were provided under the Plan of Reorganization, we cannot assure you that our business will generate sufficient cash flow from operations or that future financing will be available to us in an amount sufficient to enable us to operate our business. These challenges are exacerbated by adverse conditions in the general economy and the tightened credit market.

We are highly leveraged and future cash flows may not be sufficient for us to meet our obligations, and our debt facility contains financial covenants and other covenants that restricts our ability to engage in certain transactions.

We have a substantial amount of long-term debt in relation to our equity. As of December 31, 2011, we had total outstanding debt of approximately \$303.6 million. Our substantial indebtedness could have important consequences. For example:

amounts outstanding under the debt facility are guaranteed by the Company and certain of its direct and indirect subsidiaries and secured by a security interest in substantially all of the assets of the Company and its direct and indirect subsidiaries;

- if we fail to meet our payment obligations or otherwise default under the agreement governing our indebtedness, the lenders under such agreement will have the right to accelerate the indebtedness and exercise other rights and remedies against us. These rights and remedies include rights to:
 - repossess and foreclose upon the assets that serve as collateral;
 - initiate judicial foreclosure against us; and
 - petition a court to appoint a receiver for us or for substantially all of our assets.

we are required to use a substantial portion of our cash flow from our operations to service and amortize our indebtedness, which will reduce the amount of available cash, if any, to fund working capital, other capital expenditures and other general corporate purposes, and may give us greater exposure to the current adverse economic and industry conditions;

we may experience decreased revenues from our operations attributable to decreases in consumer spending levels and high unemployment due to the adverse economic and industry conditions, and could fail to generate sufficient cash to fund our liquidity needs and/or fail to satisfy the financial and other restrictive covenants to which we are subject to under our existing indebtedness; and

if we fail to pay our debts generally as they become due, unsecured creditors that we fail to pay may initiate involuntary bankruptcy proceedings against us, subject to the requirements of the Bankruptcy Code, and such bankruptcy proceedings will delay or impact the repayment of our secured debt.

The agreement governing our debt facility also contains restrictions on our ability to engage in certain transactions and may limit our ability to respond to changing business and economic conditions. The debt facility also imposes certain affirmative and negative covenants on the Company and its subsidiaries. The negative covenants impose restrictions with respect to, among other things, (i) incurring liens, (ii) incurring debt, (iii) mergers or consolidations, (iv) sales or other dispositions of assets, (v) investments, (vi) dividends or distributions on, or repurchases of, equity interests, (vii) prepaying or repurchasing debt and (viii) certain capital expenditures. The debt facility also contains customary event of default and remedy provisions, including a provision stating that an event of default includes any termination or expiration of the Trademark License Agreement or the issuance of an injunction or similar order against the Company under the Trademark License Agreement.

Our industry is intensely competitive.

The gaming industry is highly competitive and is expected to become more competitive in the future. New entrants to the Atlantic City market have announced plans to develop casinos in the future. We also face competition from other forms of legalized gaming, such as state sponsored lotteries, racetracks, off-track wagering and video lottery and video poker terminals. In addition, on-line gaming, despite its illegality in the United States, is a growing sector in the gaming industry, and various proposals have been made to authorize on-line gaming in the United States. We are unable to assess the impact that on-line gaming will have on our operations in the future and there is no assurance that the impact will not be materially adverse.

Our success could depend upon the success of our strategic plan and marketing initiatives.

Many of our existing competitors in Atlantic City have recently completed significant development projects. We have completed a strategic capital expenditure plan at each of our properties, which included the construction of the Chairman Tower at Trump Taj Mahal. From time to time, capital expenditures, such as room refurbishments, amenity upgrades and new gaming equipment, are necessary to maintain or enhance the competitiveness of our properties. Our ability to successfully compete will also be dependent upon our ability to develop and implement effective marketing campaigns. To the extent we are unable to successfully develop and implement these types of marketing initiatives, we may not be successful in competing in our markets.

Gaming is a regulated industry and changes in the law could have a material adverse effect on our operations. See “Business—Regulatory and Licensing.”

Gaming in New Jersey is regulated extensively by federal and state regulatory bodies, including the CCC and state and federal taxing, law enforcement and liquor control agencies. We and several of our officers and other qualifiers have received the licenses, permits and authorizations required to operate our properties. In June 2007, the CCC renewed our licenses to operate Trump Taj Mahal and Trump Plaza until June 2012. Failure to maintain or obtain the requisite casino licenses would have a material adverse effect on our business.

If new gaming regulations are adopted in New Jersey, such regulations could impose restrictions or costs that could have a significant adverse effect on us. From time to time, various proposals have been introduced by the legislature of New Jersey that, if enacted, could adversely affect the tax, regulatory, operations or other aspects of the gaming industry and our financial performance. Legislation of this type has been enacted in the past and may be enacted in the future. For example, in February 2011, legislation took effect under which the CRDA, a state-appointed authority, is to take charge of the Atlantic City Tourism District.

Pennsylvania, New York and other nearby states have enacted gaming legislation that has negatively impacted our revenues, and other states may do so in the future.

Under the Race Horse Development and Gaming Act, the Pennsylvania Gaming Control Board is authorized to permit a total of up to 61,000 slot machines in up to fourteen different licensed locations in Pennsylvania, seven at racetracks (each with up to 5,000 slot machines), five at casino facilities (two in Philadelphia, one in Pittsburgh and two elsewhere, each with up to 5,000 slot machines) and two at established resorts (each with up to 500 slot machines). Three of the racetrack sites, Pocono Downs, Parx Casino and Chester Downs and two casinos, one in Philadelphia and one in Bethlehem, are located in our market area. In January 2010, table game legislation was signed into Pennsylvania law which allows up to 250 table games at each of the twelve larger authorized casinos and up to 50 table games at each of the remaining two smaller authorized casinos. Pennsylvania table games became operational during July 2010.

As of January 2012, the Philadelphia area locations were operating approximately 13,500 slot machines and 575 table games. Valley Forge Casino, one of the two resort licenses, expects to open in early 2012 and has been approved to operate 50 table games and 600 slot machines. Competition from the Pennsylvania casinos that are currently operational has adversely impacted Atlantic City casinos, including our casinos. We believe that the potential opening of additional casinos could further adversely impact Atlantic City casinos, including our casinos.

The Division of the Lottery of the State of New York is authorized to permit the installation of VLTs at various horse racing facilities in New York. On October 28, 2011, the first phase of Resorts World Casino at Aqueduct Racetrack in Queens, New York opened with approximately 2,300 VLTs and 205 electronic table games. The second phase of the casino opened in December 2011 and included an additional 2,245 VLTs and 270 electronic table games.

As of early 2012, there were nine racetracks operating throughout New York State with a total of approximately 17,200 VLTs. Additionally, at various times there have been discussions about allowing VLTs at the Belmont racetrack. The Belmont racetrack is in close proximity to Resorts World Casino and both are less than fifteen miles from Manhattan. The Governor of New York also recently proposed a constitutional amendment which would allow full-fledged casino gambling, including table games, throughout the State of New York.

The 2001 legislation, which authorized the installation of VLTs, also authorized the Governor of New York to negotiate compacts authorizing the operation of up to six Native American casino facilities. Native American casino facilities typically have a significant operating advantage over our casinos due to lower gaming taxes, allowing those facilities to market more aggressively and to expand or update their facilities at an accelerated rate. Competing Native American facilities, therefore,

could continue to further adversely impact Atlantic City casinos, including our casinos.

In addition, other states near New Jersey, either have or are currently contemplating expanding gaming legislation. The net effect of gaming facilities in such other states, when operational, on the Atlantic City gaming market, including our properties, cannot be predicted. Since our market is primarily a drive-in market, legalized gaming in one or more states neighboring or within close proximity to New Jersey could have a material adverse effect on the Atlantic City gaming market overall, including our properties.

Other enacted legislation, including local anti-smoking regulations, may have an adverse impact on our operations.

In 2006, the New Jersey Legislature adopted the New Jersey Smoke-Free Air Act. The law prohibits the smoking of tobacco in structurally enclosed indoor public places and workplaces in New Jersey, including licensed casino hotels. The law permits smoking within the perimeter of casino and casino simulcasting areas, and permits 20% of hotel guest rooms to be designated as smoking rooms.

In 2007, an ordinance in Atlantic City became effective which extended smoking restrictions under the New Jersey Smoke-Free Air Act. This ordinance mandated that casinos restrict smoking to designated areas of up to 25% of the casino floor. In 2008, Atlantic City's City Council unanimously approved an amendment to the ordinance, banning smoking entirely on all casino gaming floors and casino simulcasting areas, but allowing smoking in separately exhausted, non-gaming, smoking lounges. However, Atlantic City's City Council voted to postpone the full smoking ban for at least one year due to, among other things, the weakened economy and increased competition in adjoining states.

Bills are pending in the New Jersey Senate and Assembly which, if enacted, would repeal the gaming area exemption from the smoking ban provided for in the New Jersey Smoke-Free Air Act. This proposed ban on smoking in the casino and casino simulcasting areas could adversely affect the Atlantic City casinos, including our casinos.

We might not be successful in pursuing additional gaming ventures in existing or emerging gaming markets. We would not have the right to use the "Trump" brand in connection with any such additional gaming ventures.

We are continuously looking to grow our business and diversify our cash flow by actively pursuing opportunities to capitalize on the Trump brand in connection with our existing properties in Atlantic City, New Jersey. In addition, we expect to explore opportunities to expand our activities and asset base in additional gaming markets. Under the terms of the Trademark License Agreement, entered into on the Consummation Date, by the Licensee Entities and the Trump Parties, our right to use the "Trump" brand and related intellectual property is limited to our existing properties, and accordingly the "Trump" brand and related intellectual property would not be available for our use in connection with any other activities we may undertake in the future.

Competition for gaming opportunities that are or are expected to become available in additional jurisdictions is expected to be intense, and many of our known or anticipated competitors for available gaming licenses have greater resources and economies of scale than we do. We cannot assure you that we will be successful in pursuing additional gaming ventures or developing additional gaming facilities.

Our insurance coverage may not be adequate to cover all possible losses that we could suffer.

In the event of a catastrophic property or casualty loss, we may not have sufficient insurance coverage. We may also suffer disruption of our business in the event of a terrorist attack or other catastrophic property or casualty loss or be subject to claims by third parties injured or harmed. While we currently carry general liability insurance and business interruption insurance, such insurance may not be adequate to cover all losses in such event.

Our business is subject to a variety of other risks and uncertainties.

In addition to the risk factors described above, our financial condition and results of operations could be affected by many events that are beyond our control, such as:

- capital market conditions that could (i) affect our ability to raise capital and access capital markets and (ii) raise our financing costs in connection with refinancing debt or pursuing other financing alternatives;
- war, future acts of terrorism, political turmoil in the Middle East and their impact on capital markets, the economy, consumer behavior and operating expenses;
- competition from existing and potential new competitors in Atlantic City and other markets (including online gaming),

which is likely to increase over the next several years;
• regulatory and legal changes;
• state tax law changes that increase our tax liability; and
• other risks described from time to time in periodic reports filed by us with the SEC.

Occurrence of any of these risks could materially adversely affect our operations and financial condition.

Furthermore, our parent company, TER, has minimal operations, except for its ownership of TER Holdings and its subsidiaries. TER depends on the receipt of sufficient funds from its subsidiaries to meet its financial obligations. The ability of TER's subsidiaries to make payments to TER may also be restricted by the CCC and DGE. Changes in the cost of electricity and other energy could affect our business.

We are a large consumer of electricity and other energy. Accordingly, increases in energy costs, may have a negative impact on our operating results. Additionally, higher energy and gasoline prices which affect our customers may result in reduced visitation to our resorts and may have an adverse effect on our business because we are primarily a drive-in market.

Our cash flows from operating activities are seasonal in nature.

Spring and summer are traditionally the peak seasons for our properties, while autumn and winter are non-peak seasons. Consequently, in the past, our operating results for the quarters ending in March and December have not been as strong as for the quarters ending in June and September. Excess cash from operations during peak seasons is used, in part, to subsidize operations during non-peak seasons. Performance in non-peak seasons is usually dependent on favorable weather and the long-weekend holiday calendar. In the event that we are unable to generate excess cash in one or more peak seasons, we may not be able to subsidize operations during non-peak seasons, if necessary, which would have an adverse effect on our business.

Our principal stockholders have substantial control over us.

Our principal stockholders, directors and executive officers, and entities affiliated with them, own approximately 59% of the outstanding shares of our common stock. As a result, these stockholders, if acting together, would be able to influence or control matters requiring approval by our stockholders, including the election of directors and the approval of mergers or other extraordinary transactions. They may also have interests that differ materially from other stockholders and may vote in a way with which other stockholders disagree and which may be adverse to the interests of other stockholders. In addition, we have elected to opt out of Section 203 of the Delaware General Corporation Law, which prohibits a publicly-held Delaware corporation from engaging in a "business combination" with an "interested stockholder," and we will be able to enter into such transactions with our principal stockholders. The concentration of ownership may have the effect of delaying, preventing or deterring a change of control of our company, could deprive our stockholders of an opportunity to receive a premium for their common stock as part of a sale of our company and might ultimately affect the market price of our common stock.

The loss of the services of key members of our management team could have a material adverse effect on our business.

The leadership of the key members of our management team is a critical element to our future success. Our executive officers have substantial experience and expertise in our business and any unexpected loss of services of one or more of these individuals could adversely affect us. We have entered into employment agreements with our chief executive officer and our chief financial officer, but we are not protected by key man or similar life insurance covering any of our senior management.

If we are unable to attract, retain and motivate employees, we may not be able to compete effectively and will not be able to expand our business.

Our future success will depend, in part, on our ability to hire, retain and motivate a sufficient number of talented employees. Competition for such qualified employees can be intense, and recruiting, training, retention and benefit costs place significant demands on our resources. Additionally, the recent downturn in the gaming, travel and leisure sectors has made recruiting executives to the gaming business more difficult. Our inability to attract qualified employees or the loss of a significant number of our employees could have an adverse effect on our business.

We are a participant in a multi-employer pension plan that has been certified in critical status by the fund's actuary.

In connection with our collective bargaining agreement with the culinary and hotel workers union, UNITE HERE International Union, Local 54 (“UNITE HERE”), we participate in the Pension Plan of the National Retirement Fund (the

“Fund”). On March 31, 2010, as a result of the extraordinary decline in the financial markets and downturn in the economy, the Fund was certified in critical status by the Fund's actuary under the federal multi-employer plan funding laws pursuant to the Pension Protection Act of 2006. In connection with the certification, the Fund's board of trustees adopted a rehabilitation plan effective on April 1, 2010 (the “Rehabilitation Plan”) with the goal of enabling the Fund to emerge from critical status by January 1, 2023. The Rehabilitation Plan provides for certain increases in employer contributions and, in some cases, a reduction in participant benefits. We were required to select one of three schedules of future accrual and contribution rates proposed under the Rehabilitation Plan, all of which provided for increased monthly contributions. On May 27, 2010, we agreed upon a schedule with UNITE HERE pursuant to which we began making increased monthly contributions to the Fund on January 1, 2012.

Under applicable federal law, any employer contributing to a multi-employer pension plan that completely ceases participating in the plan while it is underfunded is subject to payment of such employer's assessed share of the aggregate unfunded vested benefits of the plan. In certain circumstances, an employer can also be assessed a withdrawal liability for a partial withdrawal from a multi-employer pension plan. The amount of our potential exposure with respect to the Fund depends on, among other things, the nature and timing of any triggering events and the funded status of the Fund at that time. If, in the future, we elect to withdraw from the Fund, additional liabilities would need to be recorded. While it is possible that this would occur in the future, we have not made any decision to incur a partial or complete withdrawal from the Fund. If any of these adverse events were to occur in the future, it could result in a substantial withdrawal liability assessment that could have a material adverse effect on our business, financial condition, results of operations or cash flows.

Our current monthly pension contributions to the Fund are approximately \$0.4 million. We also contribute to other multi-employer pension plans. A renewed economic decline could have a significant adverse effect on the financial condition of the Fund, or other funds in which we participate, which may require us to make contributions in addition to those already contemplated. Any such increases in our required contributions could adversely affect our results of operations.

We expect that our stock price will fluctuate significantly, which could cause the value of an investment in our common stock to decline, and stockholders may not be able to resell their shares at or above the price at which they acquired or acquire such shares.

Securities markets worldwide have experienced, and are likely to continue to experience, significant price and volume fluctuations. This market volatility, as well as general economic, market or political conditions, could reduce the market price of our common stock regardless of our operating performance. If a trading market for our common stock were to arise, the trading price of our common stock is likely to be volatile and subject to wide price fluctuations in response to various factors, including:

- market conditions in the broader stock market;
- actual or anticipated fluctuations in our quarterly financial and operating results;
- introduction of new products or services by us or our competitors;
- issuance of new or changed securities analysts' reports or recommendations;
- investor perceptions of us and the gaming industry;
- sales, or anticipated sales, of large blocks of our stock;
- additions or departures of key personnel;
- regulatory or political developments;
- litigation and governmental investigations; and
- changing economic conditions.

These and other factors may cause the market price and demand for our common stock to fluctuate substantially, which may limit or prevent investors from readily selling their shares of common stock and may otherwise negatively affect the liquidity of our common stock. In addition, in the past, when the market price of a stock has been volatile, holders of that stock have sometimes instituted securities class action litigation against the company that issued the stock. If any of our stockholders brought a lawsuit against us, we could incur substantial costs defending the lawsuit. Such a lawsuit could also divert the time and attention of our management from our business, which could significantly harm our profitability and reputation.

If securities or industry analysts do not publish research or reports about our business, if they adversely change their recommendations regarding our stock or if our results of operations do not meet their expectations, our stock price and trading volume could decline.

If a trading market for our common stock were to arise, such trading market will be influenced by the research and reports that industry or securities analysts publish about us and/or our business. If one or more of these analysts cease coverage of our

company or fail to publish reports on us regularly, we could lose visibility in the financial markets, which in turn could cause our stock price or trading volume to decline. Moreover, if one or more of the analysts who cover us downgrade our stock, or if our results of operations do not meet their expectations, our stock price could decline.

There is no existing market for our common stock and we do not know if one will develop, so you may be unable to sell at or near ask prices or at all if you need to sell your shares to raise money or otherwise desire to liquidate your shares.

There is no public market for our common stock issued pursuant to the Plan of Reorganization. We cannot predict the extent to which investor interest in our company will lead to the development of an active trading market or how liquid that market might become. If an active trading market does not develop, our stockholders may have difficulty selling any shares of our common stock that they own. This may also make it more difficult for us to raise additional capital.

Pursuant to the Plan of Reorganization, the Company entered into the Registration Rights Agreement, pursuant to which the Company agreed to file with the SEC no later than 30 days after the Consummation Date, and to use its commercially reasonable efforts to cause to be declared effective by 60 days after the Consummation Date, a registration statement to register for resale the new common stock of the Company issued pursuant to the Plan of Reorganization and held by members of the Backstop Parties and other eligible holders of new common stock who elected to become parties thereto. In addition, pursuant to the Registration Rights Agreement, the Backstop Parties have piggyback registration rights and have agreed to certain limitations on their registration rights, including cutbacks and a holder standstill period.

Pursuant to the Registration Rights Agreement, on August 16, 2010, we filed a registration statement on Form S-1 with the SEC to cover the resale of the shares of common stock held by the Backstop Parties and certain other holders of common stock. On March 30, 2011, the Registration Rights Agreement originally entered into on July 16, 2010 was amended to defer our obligation to register the shares of common stock held by the Backstop Parties and certain other holders until April 15, 2012, subject to an earlier request from the Backstop Parties holding a majority of the common stock held by the Backstop Parties. In light of this amendment, we withdrew the registration statement on Form S-1 that we filed on August 16, 2010 and we will defer any application to have our common stock traded on a national securities exchange. This will make it less likely that a public market for our common stock will develop in the near future.

Some provisions of Delaware law, our amended and restated certificate of incorporation (“Certificate of Incorporation”) and our amended and restated bylaws (“Bylaws”) may deter third parties from acquiring us and diminish the value of our common stock.

Our Certificate of Incorporation and Bylaws provide for, among other things:

- restrictions on the ability of our stockholders to call a special meeting;
- restrictions on the ability of our stockholders to remove a director or fill a vacancy on the board of directors;
- our ability to issue preferred stock with terms that the board of directors may determine, without stockholder approval;
- the absence of cumulative voting in the election of directors; and
- advance notice requirements for stockholder proposals and nominations.

These provisions in our Certificate of Incorporation and Bylaws may discourage, delay or prevent a transaction involving a change of control of our company that is in the best interest of our minority stockholders. Even in the absence of a takeover attempt, the existence of these provisions may adversely affect the prevailing market price of

our common stock if they are viewed as discouraging future takeover attempts.

We do not anticipate paying any cash dividends for the foreseeable future.

We currently intend to retain our future earnings, if any, for the foreseeable future, to repay indebtedness and to fund the development and growth of our business. We do not intend to pay any dividends to holders of our common stock and the agreements governing our credit facilities prohibit our payment of dividends. As a result, capital appreciation in the price of our common stock, if any, will be the only source of gain on an investment in our common stock.

Item 1B. Unresolved Staff Comments

Not applicable.

Item 2. Properties

See “Item 1. Business—Casino Properties” for a brief description of the location and general character of each of our properties.

General. Substantially all of the real and personal property of each of our properties, including their respective hotel and casino facilities and the parcels of land on which they are situated, secure our indebtedness under the Company's secured credit facility with Beal Bank, SSB, as agent, and Icahn Partners LP, Icahn Partners Master Fund LP, Icahn Partners Master Fund II LP and Icahn Partners Master Fund III LP, as lenders (as amended, the “Amended and Restated Credit Agreement”). Each of our properties has financed or leased and, from time to time, may finance or lease its acquisition of furniture, fixtures and equipment, including slot machines. The lien in favor of any such lender or lessor may be superior to the liens securing the indebtedness under the Amended and Restated Credit Agreement.

Each of our properties leases space to various retailers and food and beverage outlets in their respective facilities.

The following table lists our significant land holdings:

Property	Total Approximate Acreage			Available for Development
	Owned	Leased	Utilized	
Trump Taj Mahal	35.9	—	28.0	7.9
Trump Plaza	9.4	1.5		