ICAHN ENTERPRISES L.P.
Form 8-K/A
December 03, 2010

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

FORM 8-K/A

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): November 15, 2010

ICAHN ENTERPRISES L.P.
(Exact Name of Registrant as Specified in Its Charter)

Delaware	1-9516	13-3398766
(State or Other Jurisdiction of Incorporation)	(Commission File Number)	(IRS Employer Identification No.)

767 Fifth Avenue, Suite 4700, New York, NY 10153
(Address of Principal Executive Offices) (Zip Code)

(212) 702-4300
(Registrant's Telephone Number, Including Area Code)

N/A
(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

o Written communication pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

o Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

o Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

o Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Section 2 – Financial Information

Item 2.01 Completion of Acquisition or Disposition of Assets.

On November 17, 2010, Icahn Enterprises L.P. ("Icahn Enterprises") filed a Current Report on Form 8-K under Item 2.01 to report the acquisition on November 15, 2010, through its Investment Management segment, of 668,000 shares of common stock ("Tropicana Shares") of Tropicana Entertainment Inc. ("Tropicana"). As a result of this purchase, the Investment Management segment of Icahn Enterprises holds, in the aggregate, 13,538,446 Tropicana Shares, representing approximately 51.5% of the outstanding Tropicana Shares.

Icahn Enterprises will consolidate Tropicana's financial results effective November 15, 2010.

This Current Report on Form 8-K/A is being filed to provide the financial statements of Tropicana and pro forma financial data for Icahn Enterprises.

Section 9 - Financial Statements and Exhibits

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

Exhibit No.

23.1 Consent of Ernst & Young LLP
23.2 Consent of Ernst & Young LLP
23.3 Consent of Ernst & Young LLP
23.4 Consent of Ernst & Young LLP

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SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

ICAHN ENTERPRISES L.P.
(Registrant)

By:	Icahn Enterprises G.P. Inc., its general partner
By:	/s/ Dominick Ragone Dominick Ragone Chief Financial Officer

Date: December 3, 2010

TROPICANA ENTERTAINMENT INC.
CONDENSED BALANCE SHEETS
(amounts in thousands)

	Successor	Predecessors		
	September 30, 2010	December 31, 2009		
	Tropicana Entertainment Inc. (unaudited)	Tropicana Entertainment Holdings, LLC	Columbia Properties Vicksburg, LLC	JMBS Casino, LLC
ASSETS				
Current assets:				
Cash and cash equivalents	$ 158,497	$ 50,904	$ 2,372	$ 3,844
Restricted cash	21,596	2,772	—	—
Receivables, net	34,965	14,514	31	22
Due from affiliates	—	4,790	139	579
Inventories	3,736	1,749	—	—
Prepaid expenses and other assets	11,782	9,017	244	231
Total current assets	230,576	83,746	2,786	4,676
Property and equipment, net	457,057	423,650	10,558	16,229
Beneficial interest in Trust	—	200,000	—	—
Goodwill	63,935	16,802	590	8,432
Intangible assets, net	99,368	73,888	320	20
Investments	32,734	—	—	—
Receivable from affiliate	—	—	9,798	10,976
Reserve related to receivable from affiliate	—	—	(7,478)	(5,451)
Other assets, net	27,429	20,126	157	87
Total assets	$ 911,099	$ 818,212	$ 16,731	$ 34,969
LIABILITIES AND SHAREHOLDERS' EQUITY/MEMBERS' DEFICIT				
Current liabilities not subject to compromise:				
Current portion of debt—related party	$ 1,345	$ 65,669	$ —	$ —
Accounts payable	56,772	24,639	577	450
Due to affiliates	—	2,897	2,601	767
Accrued expenses and other current liabilities	65,563	30,175	2,145	1,277
Notes payable to affiliate guarantors	—	7,000	—	—
Total current liabilities not subject to compromise	123,680	130,380	5,323	2,494
Long-term debt, net—related party	105,672	—	—	—
Other long-term liabilities	9,451	31,891	1,950	—
Deferred tax liabilities	63,935	29,980	—	—
Total liabilities not subject to compromise	302,738	192,251	7,273	2,494
Liabilities subject to compromise	—	2,449,900	3,455	1,434
Liabilities subject to compromise—guarantee of affiliate debt	—	—	2,289,249	2,289,249
Total liabilities	302,738	2,642,151	2,299,977	2,293,177
Commitments and contingencies				

Shareholders' equity/Members' deficit:				
Predecessors members' deficit	—	(1,842,035)	(2,283,246)	(2,258,208)
Tropicana Entertainment Inc. preferred stock at $0.01 par value; 10,000,000 shares authorized, no shares issued	—	—	—	—
Tropicana Entertainment Inc. common stock at $0.01 par value; 100,000,000 shares authorized, 26,312,500 shares issued and outstanding at September 30, 2010	263	—	—	—
Additional paid-in capital	607,346	—	—	—
Accumulated deficit	(447)	—	—	—
Tropicana Entertainment Inc. shareholders' equity	607,162	—	—	—
Noncontrolling interest	1,199	18,096	—	—
Total shareholders' equity/members' deficit	608,361	(1,823,939)	(2,283,246)	(2,258,208)
Total liabilities and shareholders' equity/members' deficit	$ 911,099	$ 818,212	$ 16,731	$ 34,969

The accompanying notes are an integral part of these condensed financial statements.

TROPICANA ENTERTAINMENT INC.
CONDENSED STATEMENTS OF OPERATIONS
(amounts in thousands, except per share data)
(unaudited)

	Successor	Predecessors			Successor	Predecessors			Predecessors		
	Three Months ended September 30, 2010	Three Months ended September 30, 2009			Period from March 8, 2010 through September 30, 2010	Period from January 1, 2010 through March 7, 2010			Nine Months ended September 30, 2009		
	Tropicana Entertainment Inc.	Tropicana Entertainment Holdings, LLC	Columbia Properties Vicksburg, LLC	JMBS Casino, LLC	Tropicana Entertainment Inc.	Tropicana Entertainment Holdings, LLC	Columbia Properties Vicksburg, LLC	JMBS Casino, LLC	Tropicana Entertainment Holdings, LLC	Columbia Properties Vicksburg, LLC	JM Ca L
ues:											
o	$ 159,790	$ 76,967	$ 2,603	$ 3,367	$ 347,249	$ 55,416	$ 1,189	$ 3,498	$ 239,327	$ 9,414	$ 1
	30,843	11,249	225	101	64,633	7,101	86	45	32,918	745	
and ge	25,141	14,458	157	97	53,854	9,306	75	78	45,114	811	
	7,103	2,572	56	44	15,540	1,559	16	30	7,652	223	
revenues	222,877	105,246	3,041	3,609	481,276	73,382	1,366	3,651	325,011	11,193	1
romotional ances	(44,961)	(14,199)	(102)	(112)	(93,335)	(8,863)	(95)	(99)	(45,409)	(678)	
venues	177,916	91,047	2,939	3,497	387,941	64,519	1,271	3,552	279,602	10,515	1
ting costs penses:											
o	65,663	37,373	1,576	1,356	147,533	22,559	622	1,087	111,374	5,225	4
	8,657	5,148	291	73	18,513	2,819	62	24	15,434	876	
and ge	11,264	7,907	161	6	24,417	5,373	81	13	24,279	519	
	2,490	1,387	27	—	5,623	1,081	7	—	4,380	69	
ting, ising and tions	17,109	2,682	115	147	37,167	2,199	78	72	8,857	542	
al and istrative	30,865	18,546	1,286	996	73,429	14,327	673	764	57,867	3,756	1
enance and s	16,936	7,437	404	347	35,186	5,628	248	227	20,429	1,121	
ciation and zation	10,795	10,104	580	596	24,871	6,112	374	432	30,124	1,822	
rment es and other downs	127	28	—	—	127	—	—	—	154,358	—	

operating and ses	163,906	90,612	4,440	3,521	366,866	60,098	2,145	2,619	427,102	13,930	1
ting income	14,010	435	(1,501)	(24)	21,075	4,421	(874)	933	(147,500)	(3,415)	
income nse):											
st expense	(8,239)	(3,654)	—	—	(18,545)	(2,005)	—	(2)	(10,996)	(5)	
st income	281	—	65	125	552	11	40	103	—	186	
elated to ntee of e debt	—	—	—	—	—	—	—	—	—	(8,010)	(8
other e (expense)	(7,958)	(3,654)	65	125	(17,993)	(1,994)	40	101	(10,996)	(7,829)	(7
e (loss) continuing ions before nization and income	6,052	(3,219)	(1,436)	101	3,082	2,427	(834)	1,034	(158,496)	(11,244)	(6
anization net	—	(3,087)	(21)	(13)	—	2,093,098	2,288,185	2,266,609	(22,819)	(44)	
e (loss) continuing ions before e taxes	6,052	(6,306)	(1,457)	88	3,082	2,095,525	2,287,351	2,267,643	(181,315)	(11,288)	(6
e tax t (expense)	(4,618)	(1,024)	—	—	(3,618)	26,654	—	—	(6,001)	—	
e (loss) continuing ions, ing ntrolling st	1,434	(7,330)	(1,457)	88	(536)	2,122,179	2,287,351	2,267,643	(187,316)	(11,288)	(6
loss) from tinued ions, net	—	277,717	—	—	—	—	—	—	(38,829)	—	
come including ntrolling st	1,434	270,387	(1,457)	88	(536)	2,122,179	2,287,351	2,267,643	(226,145)	(11,288)	(6
et (income) tributable controlling	70	(983)	—	—	89	845	—	—	(3,148)	—	

sts											
come (loss)	$ 1,504	$ 269,404	$ (1,457)	$ 88	$ (447)	$ 2,123,024	$ 2,287,351	$ 2,267,643	$ (229,293)	$ (11,288)	$ ((
gs (loss) mmon											
	$ 0.06				$ (0.02)						
d	$ 0.06				$ (0.02)						
ated-average											
nding:											
	26,313				26,313						
d	26,313				26,313						

The accompanying notes are an integral part of these condensed financial statements.

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TROPICANA ENTERTAINMENT INC.
CONDENSED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY/MEMBERS' EQUITY (DEFICIT)
(amounts in thousands, unaudited)

	Successor Tropicana Entertainment Inc.						Predecessors				
	Common Stock	Additional Paid-in Capital	Accumulated Deficit	Shareholders' Equity	Noncontrolling Interest	Total Shareholders' Equity	Tropicana Entertainment Holdings, LLC Members' Equity (Deficit)	Noncontrolling Interest	Total Members' Equity (Deficit)	Columbia Properties Vicksburg, LLC Members' Equity (Deficit)	I
anuary 1, 2010 rs)	$ —	$ —	$ —	$ —	$ —	$ —	$ (1,842,035)	$ 18,096	$ (1,823,939)	$ (2,283,246)	$
(loss)	—	—	—	—	—	—	2,123,024	(845)	2,122,179	2,287,351	
arch 7, 2010 rs) (unaudited)	—	—	—	—	—	—	280,989	17,251	298,240	4,105	
of Predecessors	—	—	—	—	—	—	(280,989)	(17,251)	(298,240)	(4,105)	
12,098,053 shares stock and rdinary Warrants ence from	121	305,883	—	306,004	1,288	307,292	—	—	—	—	
1,312,500 Penny connection with y	—	19,464	—	19,464	—	19,464	—	—	—	—	
arch 7, 2010 (unaudited)	121	325,347	—	325,468	1,288	326,756	—	—	—	—	
12,901,947 shares stock in with Tropicana ion	129	281,999	—	282,128	—	282,128	—	—	—	—	
1,312,500 shares stock for Penny ercised	13	—	—	13	—	13	—	—	—	—	
	—	—	(447)	(447)	(89)	(536)	—	—	—	—	
eptember 30, 2010 (unaudited)	$ 263	$ 607,346	$ (447)	$ 607,162	$ 1,199	$ 608,361	$ —	$ —	$ —	$ —	$

The accompanying notes are an integral part of these condensed financial statements.

TROPICANA ENTERTAINMENT INC.
CONDENSED STATEMENTS OF CASH FLOWS
(in thousands, unaudited)

	Successor	Predecessors			Predecessors		
	Period from March 8, 2010 through September 30, 2010	Period from January 1, 2010 through March 7, 2010			Nine Months ended September 30, 2009		
	Tropicana Entertainment Inc.	Tropicana Entertainment Holdings, LLC	Columbia Properties Vicksburg, LLC	JMBS Casino, LLC	Tropicana Entertainment Holdings, LLC	Columbia Properties Vicksburg, LLC	JMBS Casino, LLC
Cash flows from operating activities:							
Net income (loss), including noncontrolling interest	$ (536)	$ 2,122,179	$ 2,287,351	$ 2,267,643	$ (226,145)	$ (11,288)	$ (6,830)
Adjustments to reconcile net income (loss), including noncontrolling interest, to net cash provided by (used in) operating activities							
Non-cash reorganization items and fresh start reporting adjustments	—	(2,098,064)	(2,288,191)	(2,266,614)	—	—	—
Gain from dsposal of discontinued operations, net	—	—	—	—	(276,912)	—	—
Depreciation and amortization (including discontinued operations)	24,871	6,112	374	432	33,217	1,822	1,779
Amortization of debt discount and debt issuance	7,233	137	—	—	3,564	—	—

costs							
Impairment charges and other write-downs	—	—	—	—	586,177	—	—
Deferred income tax	—	(30,838)	—	—	(129,219)	—	—
Loss related to guarantee of affiliate debt	—	—	—	—	—	8,010	8,010
Changes in current assets and current liabilities:							
Receivables, net	(2,954)	2,942	8	(79)	3,292	(17)	27
Inventories, prepaids and other assets	2,933	1,698	34	47	7,585	206	130
Accrued interest	(1)	(239)	—	—	(10,807)	—	—
Accounts payable, accrued expenses and other liabilities	3,113	(1,994)	(479)	(432)	(15,756)	(529)	(125)
Due from affiliates	—	(672)	934	3	97	854	(1,324)
Other	(4,336)	662	(25)	—	(1,642)	(169)	(1)
Net cash provided by (used in) operating activities	30,323	1,923	6	1,000	(26,549)	(1,111)	1,666
Cash flows from investing activities:							
Additions of property and equipment	(10,899)	(1,057)	—	(11)	(7,001)	(475)	(238)
Aruban acquisition, net of $240 cash acquired	(11,789)	—	—	—	—	—	—
Other	248	—	3	—	194	—	(1)
Net cash (used in) provided by investing activities	(22,440)	(1,057)	3	(11)	(6,807)	(475)	(239)
Cash flows from financing activities:							

Proceeds from issuance of debt	—	120,900	—	—	8,010	—	—
Repayments of debt	(391)	(65,311)	—	—	(1,220)	—	—
Restricted cash	(2,720)	(16,075)	—	—	3,344	—	—
Payment of financing costs	—	(1,500)	—	—	(9,399)	—	—
Proceeds from exercise of Penny Warrants	13	—	—	—	—	—	—
Net cash (used in) provided by financing activities	(3,098)	38,014	—	—	735	—	—
Net increase (decrease) in cash and cash equivalents	4,785	38,880	9	989	(32,621)	(1,586)	1,427
Increase in cash and cash equivalents related to Tropicana AC acquisition	56,714	—	—	—	—	—	—
Decrease in cash and cash equivalents related to assets held for sale	—	—	—	—	9,683	—	—
Cash and cash equivalents, beginning of period	96,998	50,904	2,372	3,844	76,869	4,303	3,322
Cash and cash equivalents, end of period	$ 158,497	$ 89,784	$ 2,381	$ 4,833	$ 53,931	$ 2,717	$ 4,749
Supplemental cash flow disclosure (including discontinued operations):							
Cash paid for interest	$ 11,315	$ 1,964	$ —	$ 5	$ 18,239	$ —	$ —
Cash paid for reorganization items	—	4,465	6	7	26,520	44	31

Cash received related to reorganization items	—	1	—	—	371	—	—
Cash paid for income taxes	1,164	—	—	—	—	—	—
Supplemental disclosure of non-cash items:							
Common stock and Ordinary Warrants issued in exchange for discharge of liabilities subject to compromise	—	307,292	—	—	—	—	—
Common stock issued in connection with acquisition of Tropicana AC	282,128	—	—	—	—	—	—
Property and equipment financed by debt	—	—	—	—	1,201	—	—

The accompanying notes are an integral part of these condensed financial statements.

TROPICANA ENTERTAINMENT INC.
NOTES TO CONDENSED FINANCIAL STATEMENTS
September 30, 2010

NOTE 1—ORGANIZATION AND BACKGROUND

Organization

Tropicana Entertainment Inc. ("TEI") is a Delaware corporation that was formed on May 11, 2009 to acquire certain assets of Tropicana Entertainment Holdings, LLC ("TEH"), and certain of its subsidiaries pursuant to their plan of reorganization under Chapter 11 of Title 11 of the United States Code (the "Bankruptcy Code"). The Company also acquired Columbia Properties Vicksburg, LLC ("CP Vicksburg"), JMBS Casino, LLC ("JMBS Casino") and CP Laughlin Realty ("Realty", collectively with CP Vicksburg and JMBS Casino, the "Affiliate Guarantors"), all of whom were part of the same plan of reorganization (the "Plan") as TEH (collectively, the "Predecessors"). Except where the context suggests otherwise, the terms "we," "us," "our," and "the Company" refer to TEI and its subsidiaries.

In addition, the Company acquired certain assets of Adamar of New Jersey, Inc. ("Adamar"), an unconsolidated subsidiary of TEH, pursuant to an amended and restated asset purchase agreement, including the Tropicana Casino and Resort, Atlantic City ("Tropicana AC"). The results of operations of Tropicana AC are not presented for the Predecessor Period (as defined below). The results of operations of Tropicana AC are included in the Successor Period (as defined below).

The reorganization of the Predecessors and the acquisition of Tropicana AC (together, the "Restructuring Transactions") were consummated and became effective on March 8, 2010 (the "Effective Date"), at which time the Company acquired Adamar and several of the Predecessors' gaming properties and related assets. Prior to March 8, 2010, the Company conducted no business, other than in connection with the reorganization of the Predecessors and the acquisition of Tropicana AC, and had no material assets or liabilities.

On August 31, 2010 the Company, through its subsidiary New Tropicana Opco, Inc., purchased all of the issued and outstanding shares of capital stock of Tropicana Entertainment Cayman Holdings Co. Ltd., formerly known as Icahn Fund Sub 1D Ltd. ("Cayman Company"), a Cayman Islands exempt company with limited liability, for a total purchase price of approximately $12.0 million, of which approximately $10.3 million was allocated to intangible assets relating to a favorable lease arrangement for a land lease. In accordance with Accounting Standards Codification Topic 805, Business Combinations ("ASC 805"), the purchase price was allocated to the fair values of the assets acquired and liabilities assumed which were determined by the Company's management after input from an independent third party valuation expert. The purchase price allocation is preliminary and subject to refinement and completion within one year of the acquisition date as provided under ASC 805. Cayman Company was an entity controlled by Carl C. Icahn, Chairman of our Board of Directors and the beneficial owner of approximately 48.9% of the Company's common stock. Pursuant to the Securities Purchase Agreement, the Company indirectly acquired all of the membership interests of Cayman Company's wholly owned subsidiary Abura Development Corp. VBA, a limited liability company created and existing under the laws of Aruba, Netherlands Antilles, which in June 2010 acquired out of bankruptcy The Aruban Resort & Casino at Eagle Beach, an approximately 360-unit timeshare casino resort in Aruba, including the unsold fractional timeshares attached to such property, a temporary casino currently not in operation and an unfinished permanent casino structure. The Company will rename the property Tropicana Aruba Resort & Casino ("Tropicana Aruba").

The Company views each property as an operating segment which we aggregate by region in order to present our reportable segments: (i) East, (ii) Central, (iii) West, (iv) South and (v) Corporate and other. The operations of the

Company after March 8, 2010, by region include the following:

- East— Tropicana AC located in Atlantic City, New Jersey;
- Central— Casino Aztar Evansville ("Casino Aztar") located in Evansville, Indiana;
- West— Tropicana Laughlin Hotel and Casino ("Tropicana Laughlin") located in Laughlin, Nevada; River Palms Hotel and Casino ("River Palms") located in Laughlin, Nevada; and MontBleu Casino Resort & Spa ("MontBleu") located in Lake Tahoe, Nevada;

TROPICANA ENTERTAINMENT INC.
NOTES TO CONDENSED FINANCIAL STATEMENTS
September 30, 2010

- South— Belle of Baton Rouge ("Belle of Baton Rouge") located in Baton Rouge, Louisiana; Bayou Caddy's Jubilee Casino ("Jubilee") located in Greenville, Mississippi; Lighthouse Point Casino ("Lighthouse Point") located in Greenville, Mississippi; and Horizon Vicksburg Casino ("Horizon Vicksburg") located in Vicksburg, Mississippi; and

- Corporate and other— Corporate overhead and Tropicana Aruba.

Background

The following details the events leading up to the acquisition of the Predecessors and Tropicana AC by the Company.

In December 2006, TEH issued $960 million of 9 5 / 8 % Senior Subordinated Notes (the "Notes") and in January 2007, entered into a Senior Credit Facility (the "Credit Facility") comprised of a $1.53 billion senior secured term loan and a $90 million senior secured revolving credit facility. The Notes and Credit Facility were guaranteed by certain of TEH's subsidiaries as well as by the Affiliate Guarantors.

On December 12, 2007, the New Jersey Casino Control Commission (the "NJ Commission") denied the renewal of Adamar's license to operate Tropicana AC and denied TEH plenary qualification as a holding company of Adamar (collectively, the "New Jersey License Denial") and declared operative the interim casino authorization trust (the "ICA Trust"). A trustee (the "Trustee") was assigned under the ICA Trust to assume management responsibility of Tropicana AC until it could be sold to a third party. The sale of Tropicana AC was in the control of the Trustee. Under New Jersey law, TEH was entitled to receive upon the eventual sale of Tropicana AC an amount equal to the lower of the value of the property as of the date the ICA Trust became operative or its original cost to acquire the property. As a result of the New Jersey License Denial and the actions taken by the NJ Commission, TEH determined that Tropicana AC should not be consolidated subsequent to December 12, 2007. This determination was made in accordance with accounting guidance for consolidation of all majority owned subsidiaries, insofar as the government-imposed restrictions on TEH's continued management and control of Tropicana AC were so severe they cast significant doubt on TEH's ability to control the subsidiary. Consequently, TEH accounted for its beneficial interest in the ICA Trust under the cost method, which was then adjusted to fair value in accordance with accounting guidance for investments in debt and equity securities.

The New Jersey License Denial caused an immediate default under the Credit Facility and the subsequent transfer of assets of Tropicana AC to the Trustee caused a default under the Notes. In addition, TEH's operating results were under significant financial pressure given the depressed state of the gaming industry in general, which was exacerbated by TEH's subsequent loss of control and cash flows from Tropicana AC. These events ultimately culminated in the Predecessors filing voluntary petitions for relief under Chapter 11 of the Bankruptcy Code (the "Chapter 11 Cases") in order to preserve their assets and the value of the estates on May 5, 2008 (the "Petition Date"). Adamar was not a party to the Predecessors' bankruptcy.

At a meeting of the NJ Commission conducted on February 18, 2009, the steering committee of the lenders under the Credit Facility advised the NJ Commission that the lenders under the Credit Facility were willing to make a credit bid of $200.0 million (the "Credit Bid") whereby the lenders offered to exchange a portion of the loans owed under the Credit Facility to acquire the assets of Tropicana AC from the Trustee, which offer led to the negotiation of the asset purchase agreement. By November 2009, all necessary approvals had been obtained for the lenders to acquire

Tropicana AC in exchange for the Credit Bid and for the lenders to transfer those assets to the Company in exchange for equity in the Company.

Pursuant to the Plan, on the Effective Date, a series of restructuring transactions were consummated through which the Company acquired the Predecessors in exchange for (i) the issuance of 12,098,053 shares of the Company's common stock, $0.01 par value per share ("Common Stock"), and warrants to purchase an additional 3,750,000 shares of Common Stock (the "Ordinary Warrants") in accordance with the Plan and (ii) the entering into new debt in accordance with the Plan, which included the issuance to certain lenders of warrants to purchase an additional 1,312,500 shares of our Common Stock at $0.01 per share (the "Penny Warrants"). As a result of the restructuring transaction the Company also applied fresh-start reporting. Additionally, on the Effective Date, certain subsidiaries of the Company acquired Tropicana AC, and the lenders under the Credit Facility each received their pro rata share of 12,901,947 shares of the Company's Common Stock in exchange for the Credit Bid.

TROPICANA ENTERTAINMENT INC.
NOTES TO CONDENSED FINANCIAL STATEMENTS
September 30, 2010

NOTE 2—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying condensed financial statements have been prepared, without audit, pursuant to the rules and regulations of the Securities and Exchange Commission (the "SEC"). Accordingly, certain disclosures required by generally accepted accounting principles are omitted or condensed in these condensed financial statements. In the opinion of management, all adjustments (consisting of normal recurring adjustments) that are necessary to present fairly the Company's and the Predecessors' financial position, results of operations and cash flows for the interim periods have been made. The interim results reflected in these financial statements are not necessarily indicative of results to be expected for the full fiscal year. The accompanying condensed financial statements should be read in conjunction with the financial statements and notes thereto included in the Company's Annual Report on Form 10-K for the year ended December 31, 2009.

As of the Effective Date, the Company adopted the "fresh start" provisions in accordance with accounting guidance on reorganizations, which require that all assets and liabilities be recorded at their reorganization values and fair values, respectively, as of such Effective Date. Certain of these values differed materially from the values recorded on the Predecessors' balance sheets as of December 31, 2009. In addition, the Company's accounting practices and policies may not be the same as that of the Predecessors. For all of these reasons, our condensed financial statements for periods subsequent to the Effective Date are not comparable with the Predecessors' prior periods.

References in this Quarterly Report on Form 10-Q to "Successor" refer to the Company on or after March 8, 2010. References to "Predecessors" refer to the Predecessors prior to March 8, 2010. The accompanying condensed statements of operations, shareholders' equity/members' deficit and cash flows for the nine months ended September 30, 2010 are presented for two periods: January 1, 2010 through March 7, 2010 (the "Predecessor Period") and March 8, 2010 through September 30, 2010 (the "Successor Period"). The Predecessor Period reflects the historical accounting basis in the Predecessors' assets and liabilities, while the Successor Period reflects assets and liabilities at fair value by allocating the Company's enterprise value to its assets and liabilities pursuant to accounting guidance related to business combinations.

For the periods prior to the Effective Date, the accompanying condensed financial statements of the Predecessors have been prepared in accordance with accounting guidance for financial reporting by entities in reorganization under the bankruptcy code. Accordingly, all pre-petition liabilities subject to compromise have been segregated in the accompanying condensed balance sheets as of December 31, 2009 and are classified as liabilities subject to compromise at the estimated amounts of allowable claims. Liabilities not subject to compromise are separately classified as current and non-current. Reorganization items include the expenses, realized gains and losses, and provisions for losses resulting from the reorganization under the Bankruptcy Code, and are reported separately as reorganization items in the accompanying condensed statements of operations. Cash received and payments for reorganization items are disclosed separately in the accompanying condensed statements of cash flows.

Principles of Consolidation

The accompanying condensed financial statements include the Company and its majority-owned subsidiaries. All intercompany balances and transactions have been eliminated in consolidation.

Noncontrolling interest in the condensed financial statements of the Company represents the noncontrolling equity ownership of Greenville Riverboat, LLC ("Greenville Riverboat"), as of September 30, 2010 and for the quarter ended September 30, 2010 and the Successor Period. The noncontrolling interest of Greenville Riverboat is allocated in accordance with the terms of the Greenville Riverboat operating agreement which is based upon an assumed liquidation of Lighthouse Point as of the end of the reporting periods.

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On September 10, 2010, Greenville Riverboat entered into an Agreement and Plan of Merger (the "Merger Agreement") with Lighthouse Point, LLC ("Lighthouse"), a wholly owned subsidiary of the Company. Pursuant to the Merger Agreement, Greenville Riverboat merged with and into Lighthouse, with Lighthouse as the surviving company (the "Merger"). Upon consummation of the Merger, which occurred on October 28, 2010 immediately following Mississippi Gaming Commission approval, Lighthouse became the owner of the property and other assets associated with the operation of Lighthouse Point. Under the Merger Agreement, the minority owner of Greenville Riverboat (the "Minority Owner") is entitled to receive $2.5 million, subject to the exercise of its appraisal rights. The Minority Owner exercised appraisal rights with respect to the Merger under Mississippi law and therefore may be entitled to additional payment for its minority interest.

The accompanying condensed financial statements for TEH include TEH, its majority-owned subsidiaries and Realty. Noncontrolling interest in the condensed financial statements of TEH represents the noncontrolling equity interest ownership of Greenville Riverboat and Realty as of December 31, 2009 and for the Predecessor Period and the quarter and nine months ended September 30, 2009. The noncontrolling equity ownership of Realty represents 100% of the earnings of Realty prior to the Effective Date. In accordance with accounting guidance related to the consolidation of variable interest entities, the consolidated financial statements of TEH include Realty, a variable interest entity of which TEH was the primary beneficiary and was required to be consolidated. Upon the Effective Date, Realty became a subsidiary of the Company. In addition, Greenville Riverboat was not a debtor in the Predecessors Chapter 11 Cases as it did not guarantee TEH's pre-petition debt.

Significant Accounting Policies

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles in the United States ("GAAP") requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Significant estimates incorporated in our condensed financial statements include the estimated useful lives for depreciable and amortizable assets, the estimated allowance for doubtful accounts receivable, the estimated valuation allowance for deferred tax assets, certain tax liabilities, estimated cash flows in assessing the impairment of long-lived assets, intangible assets, CRDA investments, enterprise allocations made in connection with fresh-start reporting, fair values of acquired assets and liabilities, self-insured liability reserves, customer loyalty program reserves, contingencies, litigation, claims, assessments and loss contingencies. Actual results could differ from these estimates.

Business Combinations

The Company accounts for business combinations in accordance with guidance related to business combinations using the purchase method of accounting for business combinations, which requires that the assets acquired and liabilities assumed be recorded at the date of acquisition at their respective fair value and the identification and recognition of intangible assets separately from goodwill. Additionally, the guidance requires, among other things, the buyer to: (1) expense acquisition-related costs; (2) recognize assets or liabilities assumed arising from contractual contingencies at the acquisition date using acquisition-date fair values; (3) recognize goodwill as the excess of the consideration transferred plus the fair value of any noncontrolling interest over the acquisition-date fair value of net assets acquired; (4) recognize at the acquisition date any contingent consideration using acquisition-date fair values (i.e., fair value earn-outs in the initial accounting for the acquisition); and (5) eliminate the recognition of liabilities for restructuring costs expected to be incurred as a result of the business combination. In addition, if the buyer determines that some or all of its previously booked deferred tax valuation allowance is no longer needed as a result of the business combination, the guidance requires that the reduction or elimination of the valuation allowance be accounted as a reduction of income tax expense.

Fresh-Start Reporting

The adoption of fresh-start reporting results in a new reporting entity. Under fresh-start reporting, all assets and liabilities are recorded at their estimated fair values and the predecessor's accumulated deficit is eliminated. In adopting fresh-start reporting, the Company is required to determine its enterprise value, which represents the fair value of the entity before considering its interest bearing debt.

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Cash and Cash Equivalents

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

Restricted Cash

Restricted cash at September 30, 2010 consists primarily of funds invested in approved money market funds. These funds were restricted by the Bankruptcy Court in connection with the reorganization of the Predecessors for the purpose of satisfying liabilities related to professional services incurred as part of the Chapter 11 Cases. As of December 31, 2009, restricted cash consists of cash reserves related to TEH's insurance policies in which the third party administrator was the beneficiary.

Concentration of Credit Risk

Financial instruments that potentially subject the Company to concentration of credit risk consist primarily of cash and cash equivalent accounts maintained in financial institutions and accounts receivable. Bank accounts are insured by the Federal Deposit Insurance Corporation up to $250,000 or with the Securities Investor Protection Corporation up to $500,000. Concentration of credit risk, with respect to casino receivables, is limited through the Company's credit evaluation process. The Company issues markers to approved casino customers following credit checks and investigations of credit worthiness.

Receivables

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

Inventories

Inventories consist primarily of food and beverage, retail merchandise and operating supplies and are stated at the lower of cost or market. Cost is determined using the first-in, first-out method.

CRDA Investment

The New Jersey Casino Reinvestment Development Authority ("CRDA") deposits made by Tropicana AC are carried at cost less a valuation allowance because they have to be used to purchase CRDA bonds that carry below market interest rates unless an alternative investment is approved. The valuation allowance is established by a charge to the statement of operations as part of general and administrative expense at the time the obligation is incurred to make the deposit unless there is an agreement with the CRDA for a return of the deposit at full face value. If the CRDA deposits are used to purchase CRDA bonds, the valuation allowance is transferred to the bonds as a discount, which is amortized to interest income using the interest method. If the CRDA deposits are used to make other investments, the valuation allowance is transferred to those investments and remains a valuation allowance. The CRDA bonds are classified as held-to-maturity securities and are carried at amortized cost less a valuation allowance.

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Property and Equipment

Property and equipment under fresh-start reporting and business combination guidance is stated at fair value as of the Effective Date and acquisition date, respectively. Property and equipment acquired subsequent to the Effective Date and the acquisition date are stated at cost. Depreciation is computed using the straight-line method over the estimated useful lives of the related assets or, for capital leases and leasehold improvements, over the shorter of the asset's useful life or the term of the lease. Gains or losses on disposals of assets are recognized as incurred. Costs of major improvements are capitalized, while costs of normal repairs and maintenance are expensed as incurred.

We must make estimates and assumptions when accounting for capital expenditures. Whether an expenditure is considered a maintenance expense or a capital asset is a matter of judgment. In contrast to normal repair and maintenance costs that are expensed when incurred, items we classify as maintenance capital are expenditures necessary to keep our existing properties at their current levels and are typically replacement items due to the normal wear and tear of our properties and equipment as a result of use and age. Our depreciation expense is highly dependent on the assumptions we make about our assets' estimated useful lives. We determine the estimated useful lives based on our experience with similar assets, engineering studies and our estimate of the usage of the asset. Whenever events or circumstances occur that change the estimated useful life of an asset, we account for the change prospectively.

Long-Lived Assets

We evaluate our property and equipment and other long-lived assets for impairment in accordance with accounting guidance related to impairment or disposal of long-lived assets. For assets to be held for sale, we recognize the asset to be sold at the lower of carrying value or fair value less costs to sell. Fair value for assets held for sale is generally estimated based on comparable asset sales, solicited offers or a discounted cash flow model. For long-lived assets to be held and used, we review for impairment whenever indicators of impairment exist. If an indicator of impairment exists, we compare the estimated undiscounted future cash flows of the asset to the carrying value of the asset. If the undiscounted cash flows exceed the carrying value, no impairment is indicated. If the undiscounted cash flows are less than the carrying value, then impairment is measured based on estimated fair value compared to carrying value, with fair value typically based on a discounted cash flow model.

Goodwill and Intangible Assets

Goodwill represents the excess of purchase price over fair value of assets acquired and liabilities assumed in business combinations. In accordance with accounting guidance related to goodwill and other intangible assets, we test for impairment of goodwill and indefinite-lived intangible assets annually in the fourth quarter of each year and in certain situations between those annual dates.

Goodwill for relevant reporting units is tested for impairment using a discounted cash flow model based on the estimated future results of the Company's reporting units, discounted using the Company's weighted-average cost of capital and market indicators of terminal year capitalization rates. The implied fair value of a reporting unit's goodwill is compared to the carrying value of that goodwill. The implied fair value of goodwill is determined by allocating the fair value of the reporting unit to its assets and liabilities and the amount remaining, if any, is the implied fair value of goodwill. If the implied fair value of the goodwill is less than its carrying value, then it is written down to its implied fair value.

Indefinite-lived intangible assets are not subject to amortization but are tested for impairment using a discounted cash flow approach. Intangible assets with a definite life are amortized over their useful life, which is the period over which the asset is expected to contribute directly or indirectly to future cash flows. Management periodically assesses the amortization period of intangible assets with definite lives based upon estimated future cash flows from related operations.

Inherent in the reviews of the carrying amounts of goodwill and intangible assets are various estimates. Future cash flow estimates are, by their nature, subjective and actual results may differ materially from our estimates. If our ongoing estimates of future cash flows are not met, additional impairment charges may be recorded in future accounting periods. Estimates of cash flows are based on the current regulatory, political and economic climates, recent operating information and budgets of the various properties where we conduct operations. These estimates could be negatively impacted by changes in federal, state or local regulations, economic downturns, or other events affecting various forms of travel and access to our properties.

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Debt Issuance Costs

Debt issuance costs incurred in connection with the issuance of long-term debt are capitalized and amortized to interest expense over the expected terms of the related debt agreements, which approximates the effective interest method, and are included in other assets, net, on our condensed balance sheets.

Self-Insurance Reserves

The Company is self-insured up to certain stop loss amounts for employee health coverage, workers' compensation and general liability cost. Insurance claims and reserves include accruals of estimated settlements for known claims, as well as accruals of estimates for claims incurred but not yet reported as provided by a third party. In estimating these accruals, historical loss experience is considered and judgments are made about the expected levels of costs per claim. We believe our estimates of future liability are reasonable based upon our methodology; however, changes in health care costs, accident frequency and severity and other factors could materially affect the estimates for these liabilities. The Company continually monitors changes in claim type and incident and evaluates the insurance accrual, making necessary adjustments based on the evaluation of these qualitative data points.

Fair Value of Financial Instruments

The carrying values of our cash and cash equivalents, restricted cash, receivables and accounts payable approximate fair value because of the short term maturities of these instruments. The carrying values of investments, which include deposits and bonds, approximate fair value as items are presented net of a valuation allowance and in the case of the bonds, net of an unamortized discount.

The fair value of our long-term debt is based on the quoted market prices for similar issues. The estimated fair value of our long-term debt as of September 30, 2010 is approximately $132.6 million.

The Predecessors' debt instruments incurred prior to the Petition Date were stayed and subject to compromise as further discussed in Note 3. As such, the Predecessors believed it was impracticable to determine the fair value of those pre-petition debt instruments. TEH believed the carrying value of the Predecessors' $65 million post-petition, debtor-in-possession financing (the "DIP Credit Facility") at December 31, 2009 approximated fair value as the instrument was due within the current period and bore a variable interest rate that would adjust to the market rate. TEH also believed that, while it was in bankruptcy, the credit risk of TEH did not change significantly and therefore would not have a material impact on the fair value of the DIP Credit Facility.

Customer Loyalty Program

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

Revenue Recognition and Promotional Allowances

Casino revenue represents the difference between wins and losses from gaming activities. Room, food and beverage and other operating revenues are recognized at the time the goods or services are provided. The Company collects taxes from customers at the point of sale on transactions subject to sales and other taxes. Revenues are recorded net of any taxes collected. The majority of our casino revenue is counted in the form of cash and chips and, therefore, is not subject to any significant or complex estimation. The retail value of rooms, food and beverage and other services provided to customers on a complimentary basis is included in gross revenues and then deducted as promotional allowances. The estimated departmental costs and expenses of providing these promotional allowances, for continuing operations, are included in casino operating costs and expenses and consist of the following (in thousands, unaudited):

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	Successor	Predecessor			Successor	Predecessors					
		Three months ended September 30, 2009				Period January 1, 2010 through March 7, 2010			Nine Months Ended September 30, 2009		
	Three months ended September 30, 2010	TEH	CP Vicksburg	JMBS Casino	Period March 8, 2010 through September 30, 2010	TEH	CP Vicksburg	JMBS Casino	TEH	CP Vicksburg	JMBS Casino
Room	$ 6,284	$ 2,681	$ 57	$ 10	$ 16,665	$ 1,340	$ 22	$ 24	$ 7,792	$ 176	$ 46
Food and beverage	11,550	5,511	328	115	30,071	3,004	122	92	16,905	1,020	364
Other	418	269	1	—	880	162	5	—	621	5	—
Total	$ 18,252	$ 8,461	$ 386	$ 125	$ 47,616	$ 4,506	$ 149	$ 116	$ 25,318	$ 1,201	$ 410

Gaming Taxes

The Company is subject to taxes based on gross gaming revenues in the jurisdictions in which we operate, subject to applicable jurisdictional adjustments. These gaming taxes are an assessment on our gaming revenues and are included in casino operating costs and expenses on our condensed statements of operations. Gaming taxes included in continuing operations totaled $21.1 million and $47.8 million for the quarter ended September 30, 2010 and the Successor Period, respectively. Gaming taxes included in continuing operations for TEH totaled $12.1 million, $9.4 million and $41.2 million for the quarter ended September 30, 2009, the Predecessor Period and the nine months ended September 30, 2009, respectively. Gaming taxes for CP Vicksburg totaled $0.3 million, $0.1 million and $1.1 million for the for the quarter ended September 30, 2009, the Predecessor Period and the nine months ended September 30, 2009, respectively. Gaming taxes for JMBS Casino totaled $0.4 million, $0.4 million, and $1.5 million for the quarter ended September 30, 2009, the Predecessor Period and the nine months ended September 30, 2009, respectively.

Advertising

The Company expenses advertising costs as incurred or the first time the advertising takes place. Advertising expense, included in continuing operations, which is generally included in marketing, advertising and promotions on our condensed statements of operations was $2.4 million and $5.1 million for the quarter ended September 30, 2010 and the Successor Period, respectively. Advertising expense for TEH was $1.3 million, $0.8 million and $4.3 million for the quarter ended September 30, 2009, the Predecessor Period and the nine months ended September 30, 2009, respectively. Advertising expense for CP Vicksburg was $0.1 million, $40,000 and $0.5 million for the quarter ended September 30, 2009, the Predecessor Period and the nine months ended September 30, 2009, respectively. Advertising expense for JMBS Casino was $36,000, $31,000 and $165,000 for the quarter ended September 30, 2009, the Predecessor Period and the nine months ended September 30, 2009, respectively.

Income Taxes

The Company accounts for income taxes under accounting guidance for income taxes, whereby deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. Under the accounting guidance, the effect of a change in tax rates on deferred tax assets and liabilities is recognized in income in the period that included the enactment date. Future tax benefits are recognized to the extent that realization of those benefits is considered more likely than not, and a valuation allowance is established for deferred tax assets which do not meet this threshold.

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Recently Issued Accounting Standards

In April 2010, accounting guidance was updated regarding the accounting for casino base jackpot liabilities. The guidance clarifies that an entity should not accrue jackpot liabilities (or portions thereof) before a jackpot is won if the entity can avoid paying the jackpot, but jackpot liabilities should be accrued and charged to revenue when an entity has the obligation to pay the jackpot. The guidance applies to both base and progressive jackpots. The effect of the guidance should be recorded as a cumulative-effect adjustment to opening retained earnings in the period of adoption. The guidance is effective for fiscal years, and interim periods within those fiscal years, beginning on or after December 15, 2010. In accordance with accounting guidance related to fresh-start reporting, the Company adopted the updated guidance on the Effective Date and the adoption did not have a material impact on the Company's condensed financial statements.

In January 2010, accounting guidance was updated regarding fair value measurements and disclosures. The guidance clarifies and extends the disclosure requirements about recurring and nonrecurring fair value measurements. The Company adopted the new accounting guidance in the first quarter of 2010 and the adoption did not have a material impact on the Company's condensed financial statements.

In June 2009, accounting standards were issued regarding the consolidation of variable interest entities. These new accounting standards address the effects of elimination of the qualifying special-purpose entity concept from previous standards. These new accounting standards amend previous guidance in determining whether an enterprise has a controlling financial interest in a variable interest entity. This determination identifies the primary beneficiary of a variable interest entity as the enterprise that has both the power to direct the activities of a variable interest entity that most significantly impacts the entity's economic performance and the ability to absorb losses or the right to receive benefits of the entity that could potentially be significant to the variable interest entity. The Company adopted the new accounting standards on January 1, 2010. The adoption of these new accounting standards did not have a material effect on the Company's condensed financial statements.

A variety of proposed or otherwise potential accounting standards are currently under consideration by standard-setting organizations and certain regulatory agencies. Because of the tentative and preliminary nature of such proposed standards, we have not yet determined the effect, if any, that the implementation of such proposed standards would have on our condensed financial statements.

Reclassifications

Certain items in the prior period financial statements were reclassified to conform to the current year presentation. These reclassifications had no effect on the previously reported net loss.

NOTE 3—FRESH-START REPORTING

Plan of Reorganization

Pursuant to the Plan, on the Effective Date, a series of restructuring transactions were consummated through which the Company acquired the Predecessors in exchange for (a) the issuance of shares of its Common Stock and warrants to purchase additional shares of its Common Stock and (b) the assumption of certain liabilities of the Predecessors incurred after the Petition Date to the extent not paid on or prior to the Effective Date other than income tax liabilities.

The Plan also provided for, among other things:

- the termination of $1.3 billion of indebtedness under the Credit Facility;
- the cancellation of the Notes in the amount of $960.0 million;
- the cancellation of approximately $165.5 million of other pre-petition indebtedness;

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- payment in full of the DIP Credit Facility in the amount of $65.2 million and related interest;

- reinstatement, payment in full, or satisfaction in full by return of collateral of all Allowed Claims (as defined in the Plan) in the amount of $21.5 million; and

- the entering into a credit facility (the "Exit Facility"), which consists of (i) a $130 million senior secured term loan credit facility issued at a discount of 7% (the "Term Loan Facility") and (ii) a $20 million senior secured revolving credit facility (the "Revolving Facility") by the Company on December 29, 2009, the funding of the Term Loan Facility on the Effective Date, and the issuance of the Penny Warrants to the Exit Facility lenders.

Fresh-Start Condensed Balance Sheet

In accordance with accounting guidance related to financial reporting by entities in reorganization under the bankruptcy code, the Company adopted fresh-start reporting upon the Effective Date. The Company was required to apply the provisions of fresh-start reporting to its financial statements because (i) the reorganization value of the assets on the emerging entity immediately before the date of confirmation was less than the total of all post-petition liabilities and allowed claims and (ii) the holders of the existing voting shares of the Predecessors common stock immediately before confirmation (i.e., the holders of shares of the common stock of the Predecessors that were issued and outstanding prior to the commencement of the Chapter 11 Cases) received less than 50 percent of the voting shares of the emerging entity. Under the accounting guidance, fresh-start reporting is required on the date on which the plan of reorganization is confirmed by the Bankruptcy Court, but further provides that fresh-start reporting should not be applied until all material conditions to the Plan are satisfied. All material conditions to the Plan were satisfied as of March 8, 2010, the Effective Date.

Fresh-start reporting generally requires resetting the historical net book value of assets and liabilities to fair value by allocating the entity's enterprise value as set forth in the Plan to its assets and liabilities pursuant to accounting guidance related to business combinations as of the Effective Date. As set forth in the disclosure statement, relating to the Plan, as confirmed by the Bankruptcy Court on May 5, 2009, the enterprise value of the Predecessors was estimated to be in the range of $350 million to $425 million. The Predecessors' enterprise value was estimated using various valuation methods, including (i) a comparison of the Predecessors and their projected performance to the market values of comparable companies, and (ii) a calculation of the present value of the future cash flows of the Predecessors based on financial projections.

The enterprise value using the discounted cash flow method, a form of the income approach, was determined using financial projections for the period 2009 through 2013. Annual growth rates for years 2010, 2011, 2012 and 2013 were projected at 2.8%, (2.7)%, (2.1)% and 0.5%, respectively, which resulted in a four year compounded annual growth rate of (0.4)%. These financial projections were provided in the Plan and included anticipated changes associated with the Company's reorganization plans, general market conditions, including market segment variations, as well as other factors. The marginal tax rate was assumed to be 40% and included federal, state and local taxes. The discount rate applied was in the range of 15% to 17% which was calculated using a weighted average cost of capital analysis based on comparable statistics of the Company's peer group. The present value of all cash flows after 2013 were calculated using terminal values which were calculated by applying exit multiples ranging from 4.5x to 5.5x to the 2013 financial projections which was then discounted in the range of 15% to 17%. The basis for the exit multiples ranging from 4.5x to 5.5x was comparable company EBITDA multiples of the Company's peer group.

Based upon a reevaluation of relevant factors used in determining the range of enterprise value and updated expected future cash flow projections, the Company concluded that $389.1 million should be used for fresh-start reporting purposes, as it most closely approximated fair value. This amount was adjusted for cash in excess of normal working requirements. After deducting the fair value of debt, this resulted in a post-emergence equity value of $325.5 million calculated as follows (in thousands, unaudited):

Enterprise value	$ 389,063
Less debt at fair value	(101,436)
Plus excess cash	37,841
Post-emergence equity value (common stock of $294.5 million and warrants of $30.9 million)	$ 325,468

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In accordance with fresh-start reporting, the Company's enterprise value has been allocated to existing assets using the measurement guidance provided in accounting guidance related to business combinations. In addition, liabilities, other than deferred taxes, have been recorded at the present value of amounts estimated to be paid. Finally, the Predecessors' accumulated deficit has been eliminated, and the Company's new debt and equity have been recorded in accordance with the Plan. Deferred taxes have been determined in accordance with accounting guidance related to income taxes.

Estimates of fair value represent the Company's best estimates, which are based on industry data and trends, and by reference to relevant market rates and transactions and discounted cash flow valuation methods, among other factors. The determination of the fair value of assets and liabilities is subject to significant estimation and assumptions, there can be no assurance that the estimates, assumptions and values reflected in the valuations will be realized, and actual results could vary materially. In accordance with accounting guidance for business combinations, the preliminary allocation is subject to additional adjustments within one year from the Effective Date as improved information on asset and liability valuations becomes available.

During the quarter ended September 30, 2010, the Company adjusted the fair value of an unfavorable lease liability recorded in connection with fresh-start reporting for CP Vicksburg. This adjustment, which was immaterial to the Predecessor Period for CP Vicksburg, resulted in an understatement of $1.4 million in reorganization items, net in the Company's condensed statement of operations for the Predecessor Period. The recorded balance for the unfavorable lease liability was, likewise, overstated in the condensed balance sheet for periods subsequent to the Effective Date. As a result, the Company's enterprise value was increased to $389.1 million during the quarter ended September 30, 2010. The Company evaluated the effects of this adjustment on prior periods' financial statements, individually and in the aggregate, in accordance with the guidance provided by SEC Staff Accounting Bulletin ("SAB") No. 108, codified as Topic 1.N, "Considering the Effects of Prior Year Misstatements When Quantifying Misstatements in Current Year Financial Statements," and concluded that no prior period is materially misstated. However, in accordance with the provisions of this SAB Topic, the Company is restating CP Vicksburg's Condensed Statement of Operations for the Predecessor Period as follows (in thousands):

	CP Vicksburg		
	Period from January 1, 2010 through March 7, 2010 as previously reported	Adjustment	Period from January 1, 2010 through March 7, 2010 as revised
Loss from continuing operations before reorganization items and income taxes	$ (834)	$ —	$ (834)
Reorganization items, net	2,286,748	1,437	2,288,185
Net income	2,285,914	1,437	2,287,351

The implementation of the Plan and the effects of the consummation of the transactions contemplated therein, which included the settlement of various liabilities, repayment of Predecessors' indebtedness, elimination of affiliate activity amongst the Predecessors, incurrence of new indebtedness and the adoption of fresh-start reporting in the Company's condensed balance sheet as of March 7, 2010, are as follows (in thousands, unaudited):

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	Predecessors March 7, 2010					Successor
	T EH	CP Vicksburg	JMBS Casino	Effects of the Plan(a)	Fresh Start Adjustments(i)	March 7, 2010
ASSETS						
Current assets:						
Cash and cash equivalents	$ 51,950	$ 2,381	$ 4,833	$ 37,841(b)	$ (7)	$ 96,998
Restricted cash	2,801	—	—	16,075(b)	—	18,876
Receivables, net	14,441	23	101	(2,869)(c)	5,322(m)	17,018
Due from affiliates	6,436	121	629	(6,771)(d)	—	415
Inventories	1,533	37	30	—	—	1,600
Prepaid expenses and other assets	7,534	173	155	—	—	7,862
Total current assets	84,695	2,735	5,748	44,276	5,315	142,769
Property and equipment, net	418,622	10,183	15,808	—	(163,664)(j)	280,949
Beneficial interest in Trust	200,000	—	—	(200,000)(g)	—	—
Goodwill	16,802	590	8,432	—	4,562(k)	30,386
Intangible assets, net	73,806	318	20	—	9,599(l)	83,743
Receivable from affiliate	—	9,838	11,076	(20,914)(d)	—	—
Reserve related to receivable from affiliate	—	(7,478)	(5,451)	12,929(d)	—	—
Other assets, net	19,495	157	87	1,500(b)	(91)	21,148
Total assets	$ 813,420	$ 16,343	$ 35,720	$ (162,209)	$ (144,279)	$ 558,995
LIABILITIES AND MEMBERS' DEFICIT/SHAREHOLDERS' EQUITY						
Current liabilities not subject to compromise:						
Current portion of debt	$ 65,588	$ —	$ —	$ (63,919)(b)	$ —	$ 1,669
Accounts payable	16,643	282	81	(750)	2	16,258
Due to affiliates	2,203	3,557	921	(6,681)(d)	—	—
Accrued expenses and other current liabilities	37,985	1,961	1,215	18,148	14,191(m)	73,500
Note payable to affiliate guarantors	7,000	—	—	(7,000)(d)	—	—
Total current liabilities not subject to compromise	129,419	5,800	2,217	(60,202)	14,193	91,427
Long-term debt, excluding current portion	—	—	—	100,136(b)	—	100,136
Other long-term liabilities	32,041	1,925	—	—	(23,676)(m)	10,290
Deferred tax liabilities	29,955	—	—	(29,955)(c)	30,386(m)	30,386
Total liabilities not subject to compromise	191,415	7,725	2,217	9,979	20,903	232,239

Liabilities subject to compromise	2,449,797	3,455	1,434	(2,454,686)(e)	—	—
Liabilities subject to compromise—guarantee of affiliate debt	—	2,289,249	2,289,249	(4,578,498)(f)	—	—
Total liabilities	2,641,212	2,300,429	2,292,900	(7,023,205)	20,903	232,239
Members' Deficit/Shareholders' Equity:						
Members' deficit	(1,846,786)	(2,284,086)	(2,257,180)	6,637,282(g)	(249,230)(n)	—
Successor common stock	—	—	—	121(g)	—	121
Successor additional paid-in capital	—	—	—	241,604(g)	83,743(o)	325,347
Noncontrolling interest	18,994	—	—	(18,011)(h)	305(p)	1,288
Total members' deficit/shareholders' equity	(1,827,792)	(2,284,086)	(2,257,180)	6,860,996	(165,182)	326,756
Total liabilities and members' deficit/shareholders' equity	$ 813,420	$ 16,343	$ 35,720	$ (162,209)	$ (144,279)	$ 558,995

(a) Represents amounts recorded as of the Effective Date for the consummation of the Plan, including the settlement of liabilities subject to compromise, elimination of affiliate activity amongst the Predecessors, the satisfaction of the DIP Credit Facility, the issuance of new indebtedness and related cash payments, the issuance of Common Stock and warrants to purchase Common Stock.

(b) Reflects the sources and uses of the $130.0 million Term Loan Facility (in thousands, unaudited):

Sources		Uses	
Term Loan Facility	$ 130,000	Cash	$ 37,841
Term Loan Facility discount	(9,100)	Restricted cash(ii)	16,075
		Repayment of DIP Credit Facility	65,219
		Payment of DIP Credit Facility interest	265
		Revolver fees(iii)	1,500
Total Sources(i)	$ 120,900	Total Uses	$ 120,900

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(i) The Exit Facility includes the issuance of 1,312,500 Penny Warrants to participating lenders for an estimated fair value of $19.5 million. As a result, the fair value of the Term Loan Facility was approximately $100.1 million, of which $1.3 million is classified as current.

(ii) Amount consists of funds restricted by the Bankruptcy Court in connection with the Plan for the purpose of satisfying liabilities related to professional services incurred as part of the Chapter 11 Cases.

(iii) The terms of the Exit Facility require commitment fees and revolver fees in the aggregate amount of $8.9 million. As of December 31, 2009, TEH paid $7.5 million of commitment fees which is included in other assets. The remaining $1.4 million of revolver fees and the annual administrative fee of $0.1 million was paid on March 8, 2010.

The following table sets forth the adjustments to current portion of debt based on the sources and uses (in thousands, unaudited):

Repayment of DIP Credit Facility	$ (65,219)
Current portion of Term Loan Facility	1,300
Adjustment to current portion of debt	$ (63,919)

The following table sets forth the adjustments to long-term debt, excluding current portion, based on the sources and uses (in thousands, unaudited):

Long-term portion of Term Loan Facility	$ 128,700
Term Loan Facility discount	(9,100)
Penny Warrants issued(iv)	(19,464)
Adjustment to long-term debt, excluding current portion	$ 100,136

(iv) Pursuant to the terms of the Exit Facility, the Company issued 1,312,500 Penny Warrants to purchase its common stock at a strike price of $0.01 to participating lenders on the Effective Date. The Penny Warrants had a term of 3 months. The Company valued the Penny Warrants using the Black-Scholes option valuation model assuming a life of 0.24 years, a volatility factor of 41% and a risk free rate of 0.16%. The resulting value of $19.5 million is recorded as a debt discount and netted against the carrying value of the Exit Facility. The discount is amortized at a constant rate applied to the outstanding balance of the Exit Facility, with a corresponding increase in non-cash interest expense.

(c) Reflects the income tax consequences of asset sales related to the Plan.

(d) Reflects the elimination of affiliated activity of the Predecessors.

(e) Reflects the discharge of the Predecessors' liabilities subject to compromise in accordance with the Plan.

(f) Reflects the elimination of debt guarantee obligations related to the affiliate guarantee of the Notes and Credit Facility, as a result of the Plan.

(g) Reflects the cumulative impact of the reorganization adjustments as follows (in thousands, unaudited):

Discharge of liabilities subject to compromise	$ 2,454,686
Elimination of Beneficial interest in Trust	(200,000)
Discharge of liabilities subject to compromise—guarantee of affiliate debt (note f)	4,578,498
Liabilities subject to compromise to be paid in cash	(21,471)
Elimination of noncontrolling interest	18,011
Implementation of accounting guidance related to base jackpots	1,257
Discharge of liabilities subject to compromise—intercompany activity amongst Predecessors	593
Income tax impact	27,969
Issuance of Penny Warrants	19,464
Issuance of Common Stock and Ordinary Warrants	(241,725)