

AMENDED PETITION OF TROPICANA ATLANTIC CITY CORP. FOR
INTERIM CASINO AUTHORIZATION AND OTHER RELATED RELIEF
(PRNs 0111001 and 0621001)

AFTER NO VIABLE BIDS RESULTED IN A PURCHASE CONTRACT FOR THE TROPICANA CASINO, JUSTICE STEIN ENTERED INTO AN ASSET PURCHASE AGREEMENT WITH REORGANIZED TROPICANA'S SECURED LENDERS, WHO SUBMITTED A CREDIT BID. TODAY'S HEARING SIGNALS THE NEAR COMPLETION OF THE SALE PROCESS, WHICH INCLUDED ADAMAR FILING A CHAPTER 11 BANKRUPTCY IN ORDER TO GAIN THE BENEFITS OF A SALE FREE AND CLEAR OF LIENS UNDER BANKRUPTCY CODE SECTION 363.

THE SECURED LENDERS ARE LEAD BY CARL C. ICAHN, WHO IS NO STRANGER TO CASINO OPERATIONS IN ATLANTIC CITY. MR. ICAHN AND HIS VARIOUS ENTITIES, OWNING JUST BELOW 50% OF REORGANIZED TROPICANA'S DEBT, ALONG WITH THE OTHER SECURED

LENDERS, WILL BECOME PROPORTIONAL EQUITY OWNERS OF REORGANIZED TROPICANA AND TROP AC.

AS WAS NOTED AT THE OUTSET, REORGANIZED TROPICANA WILL OBTAIN A TERM LOAN OF \$130 MILLION AND A REVOLVER OF \$20 MILLION IN PART TO REPAY THE DEBTOR-IN-POSSESSION FINANCING REORGANIZED TROPICANA OBTAINED DURING ITS CHAPTER 11 BANKRUPTCY. THIS CREDIT FACILITY WILL BE SECURED BY ALL OF REORGANIZED TROPICANA'S ASSETS, INCLUDING THE TROPICANA CASINO IN ATLANTIC CITY. THUS, WE ARE CALLED UPON TO ASSESS THE FINANCIAL STABILITY REPERCUSSIONS FROM THIS MATERIAL DEBT TRANSACTION. A REVIEW OF REORGANIZED TROPICANA'S FINANCIAL INFORMATION INDICATES THAT THE CREDIT FACILITY WILL NOT HAVE A NEGATIVE IMPACT ON TROP AC'S FINANCIAL STABILITY. AS THE DIVISION NOTES, TROP

AC, BASED ON THE INFORMATION PROVIDED, WOULD BE FINANCIALLY ABLE TO MEET ITS PAYMENT OBLIGATIONS AND MEET THE OTHER CRITERIA UNDER OUR FINANCIAL STABILITY REGULATIONS.

IN ACQUIRING THE TROPICANA CASINO, THE STOCK OF TROP AC WILL BE PUT IN TRUST WITH ICA TRUSTEE HAROLD FIRST, WHO IN OTHER CAPACITIES HAS BEEN PREVIOUSLY QUALIFIED BY THIS COMMISSION. A REVIEW OF MR. FIRST'S UPDATED QUALIFICATIONS SHOWS NOTHING THAT WOULD CAUSE THIS COMMISSION TO QUESTION HIS GOOD CHARACTER OR INTEGRITY, AND WE THANK HIM FOR HIS ANTICIPATED SERVICE HERE.

THE ORGANIZATIONAL STRUCTURE OF REORGANIZED TROPICANA AND THE TESTIMONY ABOUT IT HELP TO IDENTIFY THOSE ENTITIES AND INDIVIDUALS THAT NEED TO QUALIFY IN ORDER FOR

PETITIONERS' ICA APPLICATION TO BE COMPLETE. THOSE INDIVIDUALS AND ENTITIES HAVE FILED THE REQUIRED PERSONAL HISTORY DISCLOSURE FORMS AND BUSINESS ENTITY DISCLOSURE FORMS. OF COURSE, THE COMMISSION'S PRIOR DETERMINATION AS TO THE QUALIFYING ENTITIES AND INDIVIDUALS WOULD NOT FORECLOSE ANY DETERMINATION THAT OTHER ENTITIES AND INDIVIDUALS MUST QUALIFY SHOULD THE DIVISION'S PLENARY INVESTIGATION REVEAL SUCH A NEED. WHILE NOT AFFECTING THE COMPLETENESS OF PETITIONERS' ICA APPLICATION, THERE ARE SOME ISSUES CONCERNING DESIGNATION OF THE NECESSARY QUALIFIERS WHICH ARE NOT READY FOR DETERMINATION AT THIS TIME. THE DRAFT RESOLUTION THEREFORE ADDRESSES A PROCESS BY WHICH PETITIONERS WILL BRING THOSE ISSUES FORWARD FOR RESOLUTION WITHIN

APPROXIMATELY THE FIRST 45 DAYS OF THE ICA PERIOD. I WOULD THEREFORE RECOMMEND THAT TROP AC FILE A PETITION FOR POSSIBLE CONSIDERATION AT OUR APRIL 7, 2010 PUBLIC MEETING, ALLOWING SUFFICIENT TIME FOR THE DIVISION TO RESPOND IN ADVANCE OF THAT DATE.

SECTION 95.13 OF THE ACT SETS FORTH THE NECESSARY FINDINGS WE MUST MAKE BY CLEAR AND CONVINCING EVIDENCE IN ORDER TO GRANT ICA. SOME OF THOSE RULINGS ARE TECHNICAL IN NATURE AND THEREFORE NOT NECESSARY FOR US TO DISCUSS HERE, BUT EACH REQUIREMENT UNDER THE ICA STATUTE WILL BE DETAILED IN OUR RESOLUTION ENTERED IN THIS MATTER.

WHAT ESSENTIALLY IS LEFT TO CONSIDER IS WHETHER IT IS IN THE PUBLIC INTEREST TO ALLOW INTERIM AUTHORIZATION TO PETITIONERS WHILE THE

DIVISION CONDUCTS ITS PLENARY INVESTIGATION. NECESSARILY THE COMMISSION ASSESSES ALL RELEVANT INFORMATION, ESPECIALLY ANY PRELIMINARY EVALUATION FROM THE DIVISION AS TO THE COMPANY'S GOOD CHARACTER AND FINANCIAL STABILITY, WITHOUT REQUIRING THE DIVISION TO DISCLOSE ANYTHING THAT MAY PREJUDICE OR OTHERWISE COMPROMISE ITS INVESTIGATION.

PETITIONERS HAVE ALSO REQUESTED RELIEF REGARDING WHETHER A CONSERVATORSHIP FOR THE TROPICANA CASINO MUST CONTINUE IF ICA IS GRANTED TO TROP AC AND REORGANIZED TROPICANA. PETITIONERS HAVE REQUESTED THIS RELIEF IN THE ALTERNATIVE, ALLOWING FOR THE POSSIBILITY OF EITHER CONTINUING OR TERMINATING THE CONSERVATORSHIP DEPENDING ON HOW OUR RELEVANT STATUTES ARE INTERPRETED. IN

CAREFULLY REVIEWING PETITIONERS' REQUEST, THE ACT, AND THE DIVISION'S ARGUMENTS STRONGLY IN FAVOR OF PROCEEDING WITH ICA ALONE AND NO REPLACEMENT CONSERVATOR, FOR MY PART I AM SATISFIED THAT CONTINUATION OF THE CONSERVATORSHIP IS NOT NECESSARY. NONE OF THE TRIGGERING EVENTS SET FORTH IN SECTION 130.1A OF THE ACT ARE PRESENT UNDER THE CURRENT PURCHASE CIRCUMSTANCES WHICH WOULD PROMPT THE IMPOSITION OF A CONSERVATOR, AND THAT CERTAINLY IS ONE FACTOR THAT DISTINGUISHES FOR ME THIS SITUATION FROM WHAT WE CONFRONTED IN DECEMBER 2007. THEREFORE, IN MY VIEW UNDER THESE UNIQUE CIRCUMSTANCES THE PROTECTIONS OF THE ICA TRUST ALONE ARE SUFFICIENT TO ALLOW OPERATIONS TO CONTINUE UNINTERRUPTED PENDING PLENARY QUALIFICATION OF REORGANIZED TROPICANA

AND CASINO LICENSURE FOR TROP AC.

THERE ARE ADDITIONAL REQUESTS FOR RELIEF, RELATED TO THE GRANT OF ICA, WHICH, WITH ONE EXCEPTION, ALSO DO NOT NECESSITATE DISCUSSION HERE BUT ARE DETAILED IN THE PROPOSED RESOLUTION IN THIS MATTER.

THE MATTER TO WHICH I REFER IS THE REQUEST TO ALLOW REORGANIZED TROPICANA TO INSTITUTE AN INDEPENDENT AUDIT COMMITTEE OF ITS BOARD OF DIRECTORS FOR PURPOSES OF OVERSEEING THE SUPERVISORS OF TROP AC'S SURVEILLANCE AND INTERNAL AUDIT DEPARTMENTS CONSISTENT WITH OUR REGULATIONS. THE CONTRAST FROM THE PRIOR OWNERSHIP COULD NOT BE MORE DRAMATIC. AS PETITIONERS SET FORTH IN THE RECORD, THIS THREE-MEMBER AUDIT COMMITTEE WILL CONSIST OF INDIVIDUALS WHOSE SEPARATE FINANCIAL

RESOURCES AND LACK OF AN OFFENDING EMPLOYMENT RELATIONSHIP WITH REORGANIZED TROPICANA AND ITS AFFILIATES GREATLY SERVE TO DEMONSTRATE THEIR INDEPENDENCE. FOR ITS PART, THE DIVISION WHOLEHEARTEDLY AGREES, AND I, THEREFORE, HAVE NO HESITANCY IN RECOMMENDING THAT THE COMMISSION PERMIT REORGANIZED TROPICANA TO CONSTITUTE ITS INDEPENDENT AUDIT COMMITTEE AS PROPOSED.

TODAY'S HEARING REGARDING ICA IS A MAJOR PHASE OF WHAT HAS BEEN A MORE LENGTHY PROCESS THAN ANY OF US COULD HAVE ANTICIPATED. AN APPELLATE PROCESS, FOLLOWED BY AN UNPRECEDENTED ECONOMIC DOWNTURN, GREATLY IMPACTED THE BIDDING PROCESS. WHILE THE PROGRESSION OF THIS SALES PROCESS WAS UNFORSEEN, I AM SURE I SPEAK FOR MY FELLOW

COMMISSIONERS WHEN I SAY THAT THE GRANTING OF ICA TO PETITIONERS WILL CERTAINLY BE A POSITIVE STEP TOWARD BRINGING THE PROCESS TO A CONCLUSION.

CARL ICAHN'S RETURN TO THE BUSINESS OF GAMING IN NEW JERSEY CERTAINLY BRINGS, AS WE HEARD FROM THE WITNESSES, SIGNS OF A REJUVENATION AND OPTIMISM IN THE MARKET. MR. ICAHN HAS MUCH TO GAIN BY ENSURING THE PROPERTY'S SUCCESS, AND THE ENTIRE COMMUNITY STANDS TO BENEFIT BY HIM AND THE COMPANY ACHIEVING THEIR GOALS.

WHILE THE INDUSTRY IS NOT NEAR ITS RECORD PEAK FROM 2006, IT STILL GENERATES CRITICAL AND IMPRESSIVE ANNUAL REVENUES AROUND \$4 BILLION, AND IS COPING WITH THE NEW ECONOMIC REALITIES FACING ITS CUSTOMERS AND EMPLOYEES. I BELIEVE I

SPEAK FOR ALL THE COMMISSIONERS WHEN I SAY WE REMAIN CONVINCED THAT ATLANTIC CITY CONTINUES TO OFFER A PREMIER ENTERTAINMENT VALUE THAT IS UNMATCHED ON THE EAST COAST.

BASED UPON THE ENTIRE RECORD OF THIS PROCEEDING, INCLUDING THE TESTIMONY TODAY AND THE DOCUMENTS FILED, I AM SATISFIED THAT PETITIONERS HAVE MET THE STANDARDS FOR INTERIM CASINO AUTHORIZATION. IN PARTICULAR, I BELIEVE THAT THE RECORD DEMONSTRATES THAT INTERIM AUTHORIZATION ADVANCES AND SERVES THE PUBLIC INTEREST BY ALLOWING PETITIONERS A GREATER MEASURE OF CONTROL OVER THEIR INVESTMENT, ALBEIT THROUGH THE MECHANISM OF THE ICA TRUST, BUT ONLY NOW THAT THE DIVISION, HAVING COMPLETED ITS PRELIMINARY EVALUATION OF PETITIONERS' OVERALL SUITABILITY, HAS CONCURRED

IN THE GRANTING OF ICA WITHOUT REPORTING ANYTHING UNTOWARD.

BEFORE CALLING FOR THE FINAL VOTE, I HAVE SOME BRIEF ADDITIONAL COMMENTS.

WHEN THE COMMISSION STARTED THE RACE TO FIND A BUYER FOR TROPICANA, WE ANTICIPATED A SPRINT; INSTEAD WE GOT A MARATHON. AND AS CHAIR KASSEKERT AND COMMISSIONERS SOMMELING AND EPPS KNOW BEST, THE ROAD WAS NOT ALWAYS SMOOTH, BUT MORE OFTEN BUMPY AND SOMETIMES ROCK STREWN, BUT JUSTICE STEIN PERSEVERED THROUGH IT ALL. FINDING A WILLING BUYER AT A FAIR PRICE IS ALWAYS CHALLENGING, BUT TO DO SO IN THE MIDST OF AN HISTORIC INTERNATIONAL ECONOMIC MELTDOWN, WHEN EXPECTATIONS AT THE OUTSET WERE SO HIGH, AND THE TASK AT HAND PERCEIVED TO BE SO EASY BASED ON THE PRIOR THRIVING

FINANCIAL LANDSCAPE, JUSTICE STEIN
NEVERTHELESS PROVED UP TO THE CHALLENGE. AT
TIMES ALONG THE COURSE HE AND WE FACED
CRITICISM, BUT THERE WAS NEVER A DOUBT THAT THE
EFFORT ALWAYS WAS MADE TO DO THE BEST AS WE
EACH SAW IT UNDER TRYING CIRCUMSTANCES FOR
THE SAKE OF THE GOOD OF NEW JERSEY AND
ATLANTIC CITY. WITH HIS SERVICE AS CONSERVATOR
COMING TO A CLOSE, IT IS MY FERVENT HOPE THAT HE
ACCEPT OUR THANKS FOR HAVING RUN THE RACE TO
ITS SUCCESSFUL END.

WITH THOSE PARTING COMMENTS, I NOW MOVE
THAT THE COMMISSION ADOPT THE PROPOSED
RESOLUTION, AND GRANT ICA TO REORGANIZED
TROPICANA AND TROP AC AND APPROVE THE MATERIAL
DEBT TRANSACTION, AS SET FORTH IN THE FINDINGS
AND RULINGS AND SUBJECT TO THE CONDITIONS IN

THE RESOLUTION.