

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE**

In re:

TRUMP ENTERTAINMENT RESORTS,  
INC., *et al.*,<sup>1</sup>

Debtors.

Chapter 11

Case No. 14-12103 (KG)

Jointly Administered

**Requested Objection Deadline:**  
**December 16, 2014 at 4:00 p.m. (ET)**

**Requested Hearing Date:**  
**December 19, 2014 at 10:00 a.m. (ET)**

**DEBTORS' MOTION FOR ENTRY OF AN ORDER, PURSUANT TO  
SECTION 105(a) OF THE BANKRUPTCY CODE AND BANKRUPTCY  
RULE 9019, APPROVING SETTLEMENT BY AND AMONG THE  
DEBTORS AND BETFAIR INTERACTIVE US LLC**

Trump Entertainment Resorts, Inc. and its above-captioned affiliated debtors and debtors in possession (each, a “**Debtor**,” and collectively, the “**Debtors**”) hereby submit this motion (this “**Motion**”) for the entry of an order, substantially in the form attached hereto as Exhibit A (the “**Proposed Order**”), pursuant to section 105(a) of title 11 of the United States Code, 11 U.S.C. §§ 101 *et seq.* (the “**Bankruptcy Code**”), and Rule 9019 of the Federal Rules of Bankruptcy Procedure (the “**Bankruptcy Rules**”), approving that certain settlement by and among Betfair Interactive US LLC (“**Betfair**”) and the Debtors (the “**Settlement**”)<sup>2</sup> reflected in the *Term Sheet for Settlement By and Among the Debtors and Betfair Interactive US LLC*, a copy of which is attached hereto as Exhibit B (the “**Term Sheet**”). In support of this Motion, the Debtors respectfully state as follows:

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<sup>1</sup> The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, are: Trump Entertainment Resorts, Inc. (8402), Trump Entertainment Resorts Holdings, L.P. (8407), Trump Plaza Associates, LLC (1643), Trump Marina Associates, LLC (8426), Trump Taj Mahal Associates, LLC (6368), Trump Entertainment Resorts Development Company, LLC (2230), TER Development Co., LLC (0425) and TERH LP Inc. (1184). The mailing address for each of the Debtors is 1000 Boardwalk at Virginia Avenue, Atlantic City, NJ 08401.

<sup>2</sup> The Debtors intend to file the Settlement Agreement (as defined in the Term Sheet) in advance of the hearing on the Motion.

### **Jurisdiction and Venue**

1. The Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334, and the *Amended Standing Order of Reference* from the United States District Court for the District of Delaware, dated as of February 29, 2012 (the “**Amended Standing Order**”). This is a core proceeding pursuant to 28 U.S.C. § 157(b)(2), and the Court may enter a final order consistent with Article III of the United States Constitution. Venue is proper in this Court pursuant to 28 U.S.C. §§ 1408 and 1409. The statutory and legal predicates for the relief requested herein are section 105(a) of the Bankruptcy Code and Bankruptcy Rule 9019.

### **Background**

#### **A. General Background**

2. On September 9, 2014 (the “**Petition Date**”), the Debtors filed voluntary petitions for relief under chapter 11 of the Bankruptcy Code. The Debtors are operating their businesses and managing their properties as debtors-in-possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. The Debtors’ cases are being jointly administered for procedural purposes pursuant to Bankruptcy Rule 1015(b). No request for the appointment of a trustee or examiner has been made in these chapter 11 cases.

3. On September 23, 2014, the Office of the United States Trustee for the District of Delaware (the “**U.S. Trustee**”) appointed the Official Committee of Unsecured Creditors (the “**Committee**”) in these chapter 11 cases pursuant to section 1102 of the Bankruptcy Code.

4. Additional information about the Debtors’ business and the events leading up to the Petition Date can be found in the *Declaration of Robert Griffin in Support of Debtors’ Chapter 11 Petitions and First-Day Motions and Applications* [Docket No. 2], which is incorporated herein by reference.

**B. The Betfair Online Gaming Agreement**

5. In 2013, the New Jersey Legislature passed, and Governor Christie signed, a bill legalizing online gambling in the State of New Jersey and restricting the operation of the online gaming websites to Atlantic City's casinos. In October 2013, the New Jersey Division of Gaming Enforcement (the "**DGE**") issued an internet gaming permit to each of Debtor Trump Taj Mahal Associates, LLC ("**Taj Associates**") and Trump Plaza Associates, LLC ("**Plaza Associates**") to conduct internet gaming in the State of New Jersey.

6. On June 27, 2013, Plaza Associates entered into a ten (10) year online gaming operation agreement (the "**Online Gaming Agreement**") with Betfair.<sup>3</sup> Pursuant to the Online Gaming Agreement, Betfair agreed to host, manage, operate and support internet gambling games in New Jersey under the internet gaming permit granted to Plaza Associates. In exchange, Betfair agreed to share a certain percentage of the online gaming revenues (after the deduction of certain player-related costs, gaming taxes and obligations owed to the Casino Reinvestment Development Authority) with Plaza Associates. In addition, Betfair paid \$7.5 million to Plaza Associates as an "Advancement Fee".

7. In connection with the Online Gaming Agreement, the Debtors established and maintained five bank accounts (the "**Online Gaming Accounts**") at Bank of America Merrill Lynch (last four digits of account numbers: 3527, 3556, 3569, 3530, and 3543).<sup>4</sup>

8. On July 16, 2014 and July 30, 2014, Betfair purported to deliver written notices of default under the Online Gaming Agreement. On August 12, 2014, Betfair began to divert funds from the Online Gaming Account and to direct newly deposited funds (NJ NGR)

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<sup>3</sup> On June 24, 2013, Taj Associates also entered into a ten (10) year online gaming operation agreement with Fertitta Acquisitionsco LLC, doing business as Ultimate Gaming.

<sup>4</sup> As of December 1, 2014, there was at least \$375,163 on deposit in the Online Gaming Accounts.

into a segregated bank account under Betfair's exclusive control (the "**Suspense Account**"). Thereafter, through a letter dated September 4, 2014, Betfair purported to terminate the Online Gaming Agreement.<sup>5</sup>

9. In connection with the *Final Order (A) Authorizing Postpetition Use of Cash Collateral, (B) Granting Adequate Protection to the Secured Parties, and (C) Granting Related Relief* [Docket No. 342] (the "**Cash Collateral Order**"), each of the Debtors and Betfair (together, the "**Parties**") reserved their rights with respect to those funds in the Online Gaming Account and the Suspense Account. Cash Collateral Order at ¶ 26. Furthermore, the Parties expressly agreed, among other things, that pending further order of the Court, the funds in the Online Gaming Account and the Suspense Account would remain segregated and the Debtors would not be permitted to use any of those funds in their possession for general operational purposes. *Id.*

10. On September 16, 2014, the Debtors closed the Plaza. The DGE authorized the closure of Betfair's operations hosted by the Plaza Associates as of 11:59 p.m. on Thursday, November 20, 2014. Thereafter, upon information and belief, Betfair began operating under the Golden Nugget Atlantic City's internet gaming permit. However, certain of Betfair's equipment is currently located at the Taj Mahal.

11. On November 21, 2014, Betfair filed the Motion of Betfair Interactive US LLC for an Order Declaring that the Automatic Stay of Bankruptcy Code Section 362 Does Not Apply to the Funds in the Betfair Interactive Suspense Account, or, in the Alternative, Granting It Relief from the Automatic Stay [Docket No. 533] (the "**Betfair Motion**"). Specifically, through the Betfair Motion, Betfair has sought an order from the Court declaring that the

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<sup>5</sup> As of the date hereof, the Debtors understand that there was approximately \$2.3 million in the Suspense Account, \$1,462,315 of which is attributable to the period prior to the Petition Date and \$844,678 of which is attributable to the period from and after the Petition Date through November 20, 2014.

automatic stay does not apply to Betfair's remittance of the funds in the Suspense Account to itself because they do not constitute property of the Debtors' estates, or in the alternative, granting Betfair relief from the automatic stay, to the extent applicable, so it can remit all amounts in the Suspense Account to itself. Through the Betfair Motion and its filed proof of claim, Betfair has also asserted approximately \$9.6 million in claims against the Debtors on account of purported defaults under the Online Gaming Agreement, which Betfair alleges are secured by right of setoff against the funds in the Suspense Account.

### C. The Settlement

12. The Debtors deny a number of the assertions and arguments contained in the Betfair Motion. In the interest of preserving estate assets, the Parties have engaged in extensive good faith and arm's length discussions regarding the Online Gaming Agreement and the various disputes between the Parties, in a concerted effort to avoid the expense, delay, and risk associated with litigation.

13. As a result of these settlement discussions, the Parties have reached a resolution of their disputes with respect to the Online Gaming Agreement and certain related issues, which resolution is embodied in the Term Sheet and the Settlement Agreement presented for the Court's approval through this Motion.

14. A summary of the key terms of the Settlement is as follows:<sup>6</sup>

- **Settlement Transaction:** The Settlement encompasses a settlement of all claims and causes of action by and between the Debtors' estates and Betfair, including, without limitation, with respect to: (a) the Online Gaming

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<sup>6</sup> The summary of the Settlement provided for herein is provided solely for the convenience of the Court, and is not intended to be a comprehensive recitation of all of the terms of the Term Sheet or Settlement Agreement. The summary is qualified in its entirety by the actual terms of the Term Sheet or Settlement Agreement, and to the extent that there is any inconsistency between the summary provided for herein and the actual terms of the Term Sheet or Settlement Agreement, the actual terms of the Settlement Agreement shall control. As set forth above, the Debtors intend to file the Settlement Agreement in advance of the hearing on the Motion.

Agreement; (b) ownership of the Betfair Customer Data<sup>7</sup> and TP Customer Data; (c) the cash deposited in the Online Gaming Accounts; and (d) that certain suspense account at BOKF, NA ending in 6237 (the “Suspense Account”) established by Betfair in connection with Betfair’s suspension of certain funds (including any funds contained in or disbursed from the Suspense Account), except with respect to the Betfair Proof of Claim (defined below) and the right to enforce the Settlement (collectively, the “Settlement Claims”).

- **Acknowledgements and Agreements:** The parties agree that the Settlement Agreement will provide that: (a) Betfair owns the Betfair Customer Data and jointly owns the TP Customer Data and may use such information for its own commercial purposes; (b) upon implementation of the Settlement, all remaining funds in the Suspense Account belong to Betfair and those funds can be remitted to Betfair; (c) upon implementation of the Settlement, Betfair’s maintenance of the Suspense Account and remittance of the Suspense Account funds to itself shall not be deemed a violation of automatic stay (prior to the implementation of the Settlement, without limitation, the parties reserve their rights in respect of the Suspense Account under ¶26 of the Final Order Authorizing Use of Cash Collateral and Related Relief (Dkt. No. 342)); (d) the Online Gaming Agreement has been terminated effective as September 4, 2014; (e) the various orders of the DGE governing and in connection with the transition (the “Transition”) of the Betfair online casino from its land-based platform at the hotel and casino (the “Plaza”) owned by Plaza Associates to its replacement land-based platform at the hotel and casino owned by Golden Nugget Atlantic City, LLC (“GN”), dated November 7, 2014, November 20, 2014, and otherwise shall be deemed consented to in all respects by Plaza Associates, Taj Associates and their affiliated Debtors, on behalf of themselves and their estates; and (f) as of December 1, 2014, the Parties represent that there is at least \$375,163 on deposit in the Online Gaming Accounts.
  - The Parties agree that from and after the execution of the Term Sheet, Betfair shall not withdraw or remit any funds in the Online Gaming Accounts other than to the extent necessary to reimburse customer wallets in an amount not to exceed \$30,500.
- **Transition of the Betfair Casino:** The Settlement Agreement will include the following provisions:
  - (a) the Debtors, including, without limitation, Plaza Associates and Taj Associates shall reasonably cooperate with Betfair to enable the Transition, including, without limitation, as soon as the Term Sheet is agreed and signed, making BF Equipment at the Taj Mahal available for pickup by Betfair (as soon as possible at mutually convenient times for Betfair and Taj Associates,

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<sup>7</sup> Capitalized terms not defined in this summary shall have the meanings ascribed to such terms in the Online Gaming Agreement.

but no later than Friday, December 5, 2014), in each case, at no cost to the Debtors or the Debtors' estates.

(b) on the latest date on which the Settlement Effectiveness Conditions (defined below) have been satisfied (the "Settlement Effective Date"), subject to the payment of the Betfair Payment (defined below), Betfair will be entitled to accept remittance of all remaining funds currently in the Suspense Account and pay those funds from the Suspense Account to Betfair, in each case, free and clear and of all liens, claims and encumbrances;

(c) on the Settlement Effective Date, Betfair will automatically be deemed to release all rights and claims to any and all funds remaining in the Online Gaming Accounts, Plaza Associates shall be entitled to all such funds remaining in the Online Gaming Accounts and shall deliver those funds to itself, and the Settlement Agreement will provide that Betfair will indemnify Plaza Associates for any claims by any BF Players to such funds related to the play of such BF Players at the Betfair Casino;

(d) on the Settlement Effective Date, Betfair will pay to Plaza Associates a sum of \$46,000 in cash (the "Betfair Payment"); and

(e) pursuant to any plan of reorganization or liquidation that is filed, prosecuted, modified, confirmed, becomes effective, and is consummated, the Debtors, the reorganized Debtors, and any estate representative (including, without limitation, any liquidating or plan trustee) shall be and shall remain bound by the Settlement Agreement.

- **Conditions to Settlement Transaction:** The Settlement will be subject to the satisfaction of each of the following conditions (collectively, the "Settlement Effectiveness Conditions"): (a) execution and delivery of the Settlement Agreement; (b) the filing of this Motion no later than December 4, 2014; (c) entry of a final non-appealable order of the Court approving the Settlement Agreement; and (d) the Parties compliance with each of the terms and provisions of the Term Sheet.
- **Betfair's Allowed General Unsecured Claim:** On the Settlement Effective Date, Betfair shall be deemed to hold an allowed general unsecured claim in the amount of \$700,000 (the "Betfair Proof of Claim").
- **Mutual Releases:** On and as of the Settlement Effective Date, the Debtors and Betfair (and each of the Debtors' and Betfair's officers, directors, employees, agents, professionals, affiliates, and related persons or entities) shall mutually release any and all Settlement Claims, including, without limitation, any and all Debtor and Debtor estate claims against Betfair and related releases under applicable bankruptcy and non-bankruptcy law, including, without limitation, under chapter 5 of the Bankruptcy Code, and arising under, in connection with, or relating to the Online Gaming Agreement and the Suspense Account.

**Relief Requested**

15. By this Motion, the Debtors request the Court enter the Proposed Order approving the Settlement pursuant to section 105(a) of the Bankruptcy Code and Bankruptcy Rule 9019.

**Basis for Relief**

16. Bankruptcy Rule 9019, which governs the approval of compromises and settlements by a debtor, provides that, “[o]n motion by the trustee and after notice and a hearing, the court may approve a compromise or settlement.” FED. R. BANKR. P. 9019. Further, section 105(a) of the Bankruptcy Code provides that “[t]he court may issue any order, process or judgment that is necessary or appropriate to carry out the provisions of this title.” 11 U.S.C. § 105(a).

17. A starting point in analyzing any proposed settlement agreement is the general policy of encouraging settlements and favoring compromises. *See Myers v. Martin (In re Martin)*, 91 F.3d 389, 394 (3d Cir. 1996). To approve a settlement, a bankruptcy court must determine that such settlement is in the best interest of a debtor’s estate. *Law Debenture Trust Co. of New York v. Kaiser Aluminum Corp. (In re Kaiser Aluminum Corp.)*, 339 B.R. 91, 95–96 (D. Del. 2006). In addition, a court must,

“assess and balance the value of the claim that is being compromised against the value to the estate of the acceptance of the compromise proposal” in light of four factors: (1) the probability of success in the litigation, (2) the likely difficulties in collection, (3) the complexity of the litigation involved, and the expense, inconvenience and delay necessarily attending it, and (4) the paramount interests of the creditors.

*Id.* at 96 (quoting *Martin*, 91 F.3d at 393). The United States District Court for the District of Delaware has explained that a court’s ultimate inquiry is whether a settlement is fair, reasonable,



and in the best interest of a debtor's estate. *In re Marvel Entm't Grp., Inc.*, 222 B.R. 243, 249 (D. Del. 1998) (quoting *In re Louise's, Inc.*, 211 B.R. 798, 801 (D. Del. 1997)).

18. The decision to approve a particular settlement lies within the sound discretion of the bankruptcy court. *In re World Health Alts., Inc.*, 344 B.R. 291, 296 (Bankr. D. Del. 2006). A court need not decide the numerous issues of law and fact raised by the settlement and it need not be convinced that the proposed settlement is the best possible, rather "[t]he court need only conclude that the settlement falls within the reasonable range of litigation possibilities somewhere above the lowest point in the range of reasonableness." *In re Nutritional Sourcing Corp.*, 398 B.R. 816, 833 (Bankr. D. Del. 2008) (quoting *In re Coram Healthcare Corp.*, 315 B.R. 321, 330 (Bankr. D. Del. 2004)).

19. In the Debtors' business judgment, the Settlement is reasonable and in the best interests of the Debtors, their estates and creditors and other parties in interest in these chapter 11 cases. The compromise embodied in the Settlement is the product of extensive and good faith arm's length negotiations between the Parties. The Settlement provides for a fair and practical resolution of numerous complex issues between the Parties and, if approved, will be another step towards the Debtors' expeditious and successful prosecution of these chapter 11 cases. By resolving these matters through the terms of the Settlement, the Debtors and their estates avoid potentially protracted litigation and the related uncertainties inherent in such litigation. In addition, the Settlement provides access to the Debtors of approximately \$400,000 to reimburse certain third-party expenses and for operational use. Moreover, the Debtors' secured lenders support the Settlement.

20. Absent their entry into the Settlement, the Debtors would be forced to litigate the considerable disputes between the Parties, a process that could be costly, time-

consuming and disruptive to the Debtors and their chapter 11 efforts, while providing an uncertain outcome, at a juncture when the Debtors' time, energy and resources are best focused on working diligently towards approval of a disclosure statement and confirmation of a plan of reorganization. Moreover, a review of the above-referenced *Martin* factors demonstrates that the terms of the Settlement are more than reasonable under the circumstances.

21. For these reasons, among others, the Debtors submit that the Settlement (i) is fair, equitable and in the best interests of the Debtors, their estates and creditors and other parties in interest in these chapter 11 cases, (ii) represents an exercise of the Debtors' sound business judgment, and (iii) should be approved pursuant to section 105(a) of the Bankruptcy Code and Bankruptcy Rule 9019.

**Notice**

22. Notice of this Motion has been provided to the following parties: (i) the U.S. Trustee; (ii) counsel to the Committee; (iii) counsel to the First Lien Agent; (iv) counsel to Betfair; and (v) all parties that, as of the filing of this Motion, have requested notice in these chapter 11 cases pursuant to Bankruptcy Rule 2002. The Debtors submit that, in light of the nature of the relief requested, no other or further notice need be given.

**No Prior Request**

23. The Debtors have not previously sought the relief requested herein from this or any other Court.

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**Conclusion**

WHEREFORE, the Debtors request entry of the Proposed Order, granting the relief requested herein and such other and further relief as is just and proper.

Dated: December 4, 2014  
Wilmington, Delaware

YOUNG CONAWAY STARGATT & TAYLOR, LLP

*/s/ Robert F. Poppiti, Jr.*

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*Counsel to the Debtors and Debtors-in-Possession*

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE**

In re:

TRUMP ENTERTAINMENT RESORTS,  
INC., *et al.*,<sup>1</sup>

Debtors.

Chapter 11

Case No. 14-12103 (KG)

Jointly Administered

**Requested Objection Deadline:**  
**December 16, 2014 at 4:00 p.m. (ET)**

**Requested Hearing Date:**  
**December 19, 2014 at 10:00 a.m. (ET)**

**NOTICE OF MOTION**

TO: (I) THE U.S. TRUSTEE; (II) COUNSEL TO THE COMMITTEE; (III) COUNSEL TO THE FIRST LIEN AGENT; (IV) COUNSEL TO BETFAIR INTERACTIVE US LLC; AND (V) ALL PARTIES THAT, AS OF THE FILING OF THE MOTION, HAVE REQUESTED NOTICE IN THESE CHAPTER 11 CASES PURSUANT TO BANKRUPTCY RULE 2002

**PLEASE TAKE NOTICE** that Trump Entertainment Resorts, Inc. and its above-captioned affiliated debtors and debtors in possession (each, a “Debtor,” and collectively, the “Debtors”) have filed the attached **Debtors’ Motion for Entry of an Order, Pursuant to Section 105(a) of the Bankruptcy Code and Bankruptcy Rule 9019, Approving Settlement By and Among the Debtors and Betfair Interactive US LLC** (the “Motion”).

**PLEASE TAKE FURTHER NOTICE** that, contemporaneously with the filing of the Motion, the Debtors have filed a motion (the “**Motion to Shorten**”) requesting that a hearing to consider the Motion be held on **December 19, 2014 at 10:00 a.m. (ET)** (the “**Hearing**”) before The Honorable Kevin Gross, in the United States Bankruptcy Court for the District of Delaware, 824 N. Market Street, 6<sup>th</sup> Floor, Courtroom No. 3, Wilmington, Delaware 19801.

**PLEASE TAKE FURTHER NOTICE** that pursuant to the Motion to Shorten, the Debtors have requested that any objections to the Motion must be filed on or before **December 16, 2014 at 4:00 p.m. (ET)** (the “**Objection Deadline**”) with the United States Bankruptcy Court for the District of Delaware, 3rd Floor, 824 N. Market Street, Wilmington, Delaware 19801. At the same time, you must serve a copy of any objection upon the

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<sup>1</sup> The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, are: Trump Entertainment Resorts, Inc. (8402), Trump Entertainment Resorts Holdings, L.P. (8407), Trump Plaza Associates, LLC (1643), Trump Marina Associates, LLC (8426), Trump Taj Mahal Associates, LLC (6368), Trump Entertainment Resorts Development Company, LLC (2230), TER Development Co., LLC (0425) and TERH LP Inc. (1184). The mailing address for each of the Debtors is 1000 Boardwalk at Virginia Avenue, Atlantic City, NJ 08401.

undersigned counsel to the Debtors so as to be received on or before the Objection Deadline.

**PLEASE TAKE FURTHER NOTICE THAT IF YOU FAIL TO RESPOND IN ACCORDANCE WITH THIS NOTICE, THE COURT MAY GRANT THE RELIEF REQUESTED IN THE MOTION WITHOUT FURTHER NOTICE OR A HEARING.**

Dated: December 4, 2014  
Wilmington, Delaware

YOUNG CONAWAY STARGATT & TAYLOR, LLP

*/s/ Robert F. Poppiti, Jr.*

Matthew B. Lunn (No. 4119)  
Robert F. Poppiti, Jr. (No. 5052)  
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-and-

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*Counsel to the Debtors and Debtors-in-Possession*

**EXHIBIT A**

**Proposed Order**

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE**

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<b>In re:</b>	:	<b>Chapter 11</b>
	:	
<b>TRUMP ENTERTAINMENT RESORTS, INC., et al.,<sup>1</sup></b>	:	<b>Case No. 14-12103 (KG)</b>
	:	
<b>Debtors.</b>	:	<b>Jointly Administered</b>
	:	
	:	<b>Ref. Docket No. _____</b>
	-X	

**ORDER, PURSUANT TO SECTION 105(a) OF THE  
BANKRUPTCY CODE AND BANKRUPTCY RULE 9019,  
APPROVING SETTLEMENT BY AND AMONG THE  
DEBTORS AND BETFAIR INTERACTIVE US LLC**

Upon consideration of the motion (the “**Motion**”)<sup>2</sup> of the Debtors for the entry of an order, pursuant to section 105(a) of the Bankruptcy Code and Bankruptcy Rule 9019, approving that certain Settlement Agreement by and among the Debtors and Betfair, dated as of December [\*], 2014 (the “**Settlement Agreement**”), a copy of which is attached hereto as Exhibit 1; and upon consideration of the Motion and all pleadings related thereto; and due and proper notice of the Motion having been given; and it appearing that no other or further notice of the Motion is required; and it appearing that the Court has jurisdiction to consider the Motion in accordance with 28 U.S.C. §§ 157 and 1334 and the Amended Standing Order; and it appearing that this is a core proceeding pursuant to 28 U.S.C. § 157(b)(2); and it appearing that venue of this proceeding and the Motion is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and it

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<sup>1</sup> The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, are: Trump Entertainment Resorts, Inc. (8402), Trump Entertainment Resorts Holdings, L.P. (8407), Trump Plaza Associates, LLC (1643), Trump Marina Associates, LLC (8426), Trump Taj Mahal Associates, LLC (6368), Trump Entertainment Resorts Development Company, LLC (2230), TER Development Co., LLC (0425) and TERH LP Inc. (1184). The mailing address for each of the Debtors is 1000 Boardwalk at Virginia Avenue, Atlantic City, NJ 08401.

<sup>2</sup> Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the Motion.

appearing that the relief requested in the Motion and provided for herein is in the best interest of the Debtors, their estates, and their creditors and is an appropriate exercise of the Debtors' business judgment; and after due deliberation and sufficient cause appearing therefor,

**IT IS HEREBY ORDERED THAT:**

1. The Motion is GRANTED as set forth herein.
2. Pursuant to section 105(a) of the Bankruptcy Code and Bankruptcy Rule 9019, the Settlement Agreement is approved, and the terms and conditions of the Settlement Agreement (including the releases set forth therein) are incorporated into this Order as if fully set forth herein. Without limitation, on the Settlement Effective Date, subject to the payment of the Betfair Payment, Betfair will be entitled to accept remittance of all remaining funds from the Suspense Account to Betfair, in each case, free and clear of all liens, claims, and encumbrances.
3. The Debtors are authorized to execute and deliver all instruments and documents, and take such other action as may be necessary or appropriate, to implement and effectuate the relief granted by this Order.
4. This Order shall bind the Debtors, their estates and any successors thereto, including, any subsequently appointed chapter 7 trustee in respect of the Debtors and their estates.
5. This Court shall retain jurisdiction to hear and determine all matters arising from or related to the implementation of this Order.

Dated: December \_\_\_\_, 2014  
Wilmington, Delaware

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Kevin Gross  
United States Bankruptcy Judge



**EXHIBIT 1**

**Settlement Agreement**

*[To be filed prior to the hearing on the Motion]*

**EXHIBIT B**

**Term Sheet**

**Term Sheet for Settlement by and among the Debtors,  
and Betfair Interactive US LLC**

This term sheet (this “Term Sheet”) provides an outline of a proposed settlement (the “Settlement”) by and among Trump Entertainment Resorts, Inc. and its affiliated debtors (collectively, the “Debtors”) in the chapter 11 cases pending in the United States Bankruptcy Court for the District of Delaware (the “Court”), Case No. 14-12103 (KG) (Jointly Administered) and Betfair Interactive US LLC (“Betfair”).

This Term Sheet is entitled to protection from any use or disclosure to any party or person pursuant to Federal Rule of Evidence 408 and any other rule of similar effect. Nothing set forth herein shall be deemed an admission of any party, including the Debtors or Betfair.

<b>Settlement Transaction:</b>	<p>Settlement of all claims and causes of action by and between the Debtors’ estates and Betfair, including, without limitation, with respect to: (a) the Online Gaming Operations Agreement between Betfair and Trump Plaza Associates, LLC, dated as of June 27, 2013 (the “<u>Betfair Online Gaming Agreement</u>”); (b) ownership of the Betfair Customer Data<sup>1</sup> and TP Customer Data; (c) the cash deposited in the Online Gaming Accounts<sup>2</sup>; and (d) that certain suspense account at BOKF, NA ending in 6237 (the “<u>Suspense Account</u>”) established by Betfair in connection with Betfair’s suspension of certain funds (including any funds contained in or disbursed from the Suspense Account), except with respect to the Betfair Proof of Claim (defined below) and the right to enforce the Settlement (collectively, the “<u>Settlement Claims</u>”).</p> <p>The Settlement described in this Term Sheet shall be documented in a settlement agreement (the “<u>Settlement Agreement</u>”) to be prepared by Debtors’ counsel consistent with the terms and provisions of this Term Sheet and negotiated in good faith by the Debtors and Betfair and shall be reasonably acceptable in form and substance to the Debtors and Betfair. The Settlement Agreement will be subject to Court approval pursuant to a motion (the “<u>Settlement Motion</u>”) under Fed. R. Bankr. P. 9019, and form of order (the “<u>Settlement Order</u>”), each of which shall be in form and substance reasonably acceptable to the Debtors and to Betfair. The Settlement Order shall approve this Term Sheet and the Settlement Agreement and</p>
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<sup>1</sup> Capitalized terms not herein defined shall have the meanings ascribed to such terms in the Betfair Online Gaming Agreement.

<sup>2</sup> The Online Gaming Accounts shall mean those accounts maintained by the Debtors at Bank of America Merrill Lynch (last four digits of account numbers: 3527, 3556, 3569, 3530, and 3543)

	<p>shall bind the Debtors, their estates and any successors thereto, including, any subsequently appointed chapter 7 trustee in respect of the Debtors and their estates. The Settlement Motion may be filed appending this Term Sheet and the Settlement Agreement shall be filed prior to the hearing on the Settlement Motion.</p>
<p><b>Acknowledgements and Agreements regarding the Betfair Casino, the Online Gaming Accounts and the Suspense Account:</b></p>	<p>The parties agree and the Settlement Agreement will provide that: (a) Betfair owns the Betfair Customer Data and jointly owns the TP Customer Data and may use such information for its own commercial purposes; (b) upon implementation of the Settlement, all remaining funds in the Suspense Account belong to Betfair and those funds can be remitted to Betfair; (c) upon implementation of the Settlement, Betfair's maintenance of the Suspense Account and remittance of the Suspense Account funds to itself shall not be deemed a violation of automatic stay (prior to the implementation of the Settlement, without limitation, the parties reserve their rights in respect of the Suspense Account under ¶26 of the Final Order Authorizing Use of Cash Collateral and Related Relief (Dkt. No. 342)); (d) the Betfair Online Agreement has been terminated effective as September 4, 2014; (e) the various orders of the State of New Jersey, Division of Gaming Enforcement ("<u>DGE</u>") governing and in connection with the transition (the "<u>Transition</u>") of the Betfair online casino from its land-based platform at the hotel and casino (the "<u>Plaza</u>") owned by Trump Plaza Associates, LLC ("<u>TP</u>") to its replacement land-based platform at the hotel and casino owned by Golden Nugget Atlantic City, LLC ("<u>GN</u>"), dated November 7, 2014, November 20, 2014, and otherwise shall be deemed consented to in all respects by TP, Trump Taj Mahal Associates, LLC ("<u>TTM</u>") (the hotel and casino owned by TTM shall be referred to hereafter as the "<u>Taj Mahal</u>"), and their affiliated Debtors, on behalf of themselves and their estates; and (f) as of December 1, 2014, the Parties represent that there is at least \$375,163 on deposit in the Online Gaming Accounts.</p> <p>The Parties agree that from and after the execution of this Term Sheet, Betfair shall not withdraw or remit any funds in the Online Gaming Accounts other than to the extent necessary to reimburse customer wallets in an amount not to exceed \$30,500.</p>

<p><b>Transition of the Betfair Casino:</b></p>	<p>The Settlement Agreement and the Settlement Order (as applicable) will include the following provisions:</p> <p>(a) the Debtors, including, without limitation, TP and TTM shall reasonably cooperate with Betfair to enable the Transition, including, without limitation, as soon as the Term Sheet is agreed and signed, making BF Equipment at the Taj Mahal available for pickup by Betfair (as soon as possible at mutually convenient times for Betfair and TTM, but no later than Friday, December 5, 2014), in each case, at no cost to the Debtors or the Debtors' estates.</p> <p>(b) on the Settlement Effective Date (defined below), subject to the payment of the Betfair Payment (defined below), Betfair will be entitled to accept remittance of all remaining funds currently in the Suspense Account and pay those funds from the Suspense Account to Betfair, in each case, free and clear and of all liens, claims and encumbrances;</p> <p>(c) on the Settlement Effective Date, Betfair will automatically be deemed to release all rights and claims to any and all funds remaining in the Online Gaming Accounts, TP shall be entitled to all such funds remaining in the Betfair Online Gaming Accounts and shall deliver those funds to itself, and the Settlement Agreement will provide that Betfair will indemnify TP for any claims by any BF Players to such funds related to the play of such BF Players at the Betfair Casino;</p> <p>(d) on the Settlement Effective Date, Betfair will pay to TP a sum of \$46,000 in cash (the "<u>Betfair Payment</u>"); and</p> <p>(e) pursuant to any plan of reorganization or liquidation that is filed, prosecuted, modified, confirmed, becomes effective, and is consummated, the Debtors, the reorganized Debtors, and any estate representative (including, without limitation, any liquidating or plan trustee) shall be and shall remain bound by the Settlement Agreement.</p>
<p><b>Conditions to Settlement Transaction:</b></p>	<p>The Settlement will be subject to the satisfaction of each of the following conditions (collectively, the "<u>Settlement Effectiveness Conditions</u>"): </p> <p>(i) Execution and delivery of the Settlement Agreement;</p> <p>(ii) The filing of the Settlement Motion no</p>

	<p>later than December 4, 2014;</p> <p>(iii) Entry of a final, nonappealable order of the Court approving the Settlement Agreement; and</p> <p>(iv) The Parties' compliance with each of the terms and provisions of this Term Sheet.</p> <p>The latest date on which the Settlement Effectiveness Conditions have been satisfied shall be referred to as the "<u>Settlement Effective Date.</u>"</p>
<p><b>Betfair's Allowed General Unsecured Claim:</b></p>	<p>On the Settlement Effective Date, Betfair shall be deemed to hold an allowed general unsecured claim in the amount of \$700,000 (the "<u>Betfair Proof of Claim</u>"). The Debtor's chapter 11 plan currently on file, as may be changed, amended, modified or supplemented from time to time in any respect, in whole or in part (the "<u>Debtor Plan</u>") shall be deemed modified to expressly incorporate and adopt the terms of the Settlement Agreement and the Settlement Order. Betfair shall support and agrees to vote to accept the Debtor Plan as modified hereby, by the Settlement Agreement and the Settlement Order.</p>
<p><b>Mutual Releases:</b></p>	<p>On and as of the Settlement Effective Date, the Debtors and Betfair (and each of the Debtors' and Betfair's officers, directors, employees, agents, professionals, affiliates, and related persons or entities) shall mutually release any and all Settlement Claims, including, without limitation, any and all Debtor and Debtor estate claims against Betfair and related releases under applicable bankruptcy and non-bankruptcy law, including, without limitation, under chapter 5 of the Bankruptcy Code, and arising under, in connection with, or relating to the Online Gaming Agreement and the Suspense Account. These releases shall be set forth in the Settlement Agreement and approved by the Settlement Order.</p>
<p><b>Governing Law:</b></p>	<p>This Term Sheet, the Settlement Agreement and any and all other documents to be executed and delivered in connection therewith shall be governed by the laws of the State of New Jersey without regard to principles of conflicts of laws.</p>

By executing this Term Sheet where indicated below, Betfair and the Debtors agree that this Term Sheet reflects the material terms of their agreement regarding the Settlement Claims. Notwithstanding the execution of this Term Sheet, except as set forth above expressly in respect of the Transition of the Betfair Casino, Betfair and the Debtors agree that the Settlement shall only be effective upon the Settlement Effective Date and pursuant to the terms and conditions set forth in this Term Sheet.

Dated: December 3, 2014

Betfair Interactive US LLC

  
By: John H. Henderson  
Its: Manager

Dated: December \_\_, 2014

Trump Entertainment Resorts, Inc., on behalf of  
itself and on behalf of Trump Plaza Associates  
LLC and Trump Taj Mahal Associates LLC

\_\_\_\_\_  
By:  
Its:

By executing this Term Sheet where indicated below, Betfair and the Debtors agree that this Term Sheet reflects the material terms of their agreement regarding the Settlement Claims. Notwithstanding the execution of this Term Sheet, except as set forth above expressly in respect of the Transition of the Betfair Casino, Betfair and the Debtors agree that the Settlement shall only be effective upon the Settlement Effective Date and pursuant to the terms and conditions set forth in this Term Sheet.

Dated: December \_\_\_\_, 2014

Betfair Interactive US LLC

\_\_\_\_\_  
By:  
Its:

Dated: December 3, 2014

Trump Entertainment Resorts, Inc., on behalf of  
itself and on behalf of Trump Plaza Associates  
LLC and Trump Taj Mahal Associates LLC

\_\_\_\_\_/s/ Robert Griffin\_\_\_\_\_  
By: Robert Griffin  
Its: Chief Executive Officer