Form **8937**
(December 2011)
Department of the Treasury
Internal Revenue Service

Report of Organizational Actions Affecting Basis of Securities

▶ See separate instructions.

OMB No. 1545-2224

Part I Reporting Issuer

1 Issuer's name AFFINITY GAMING, LLC		2 Issuer's employer identification number (EIN) 02-0815199
3 Name of contact for additional information CHRIS KRABIEL	4 Telephone No. of contact 702-889-7695	5 Email address of contact ckrabiel@affinitygamingllc.com
6 Number and street (or P.O. box if mail is not delivered to street address) of contact 3440 WEST RUSSELL ROAD		7 City, town, or post office, state, and Zip code of contact LAS VEGAS, NV 89118
8 Date of action 04/01/2011	9 Classification and description STOCK	

10 CUSIP number	11 Serial number(s)	12 Ticker symbol	13 Account number(s)

Part II Organizational Action Attach additional statements if needed. See back of form for additional questions.

14 Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ▶ Effective April 1, 2011, Affinity Gaming, LLC elected to be treated as a corporation for the purpose of federal income tax under IRC Reg. §301.7701-3(c)(1) by filing Form 8832 Entity Classification Election with the Internal Revenue Service. As a result of the election, the Company (previously taxed as a partnership) is deemed to contribute all of its assets and liabilities to the corporation in exchange for stock in the corporation. The transaction qualifies as an nontaxable exchange under IRC §351.

15 Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis ▶ The basis of the stock received by the transferee is the same as that of the property transferred into the corporation under IRC §358(a). There were no adjustments under IRC §358(a)(1)(A) and IRC §358(a)(1)(B) to the basis of stock received as the transferee did not receive cash or any additional property, and no gains or losses were recognized under the IRC §351 exchange.

16 Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ▶ N/A

Part II Organizational Action (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶

Pursuant to IRC Reg. §301.7701-3(g)(1)(i), if an eligible entity classified as a partnership elects under IRC Reg. §301.7701-3(c)(1)(i) to be classified as an association, the partnership is deemed to contribute all of its assets and liabilities to the association in exchange for stock in the association, and immediately thereafter, the partnership liquidates by distributing the stock of the association to its partners. The resultant transaction also qualifies for nonrecognition treatment for transfers of property to a corporation in exchange for the corporation's stock when the transferor (Affinity Gaming, LLC) has 100% of combined voting power of all classes of voting stock and 100% of the total number of shares of all other classes of stock immediately after the exchange under IRC §351. There were no recognized gains under IRC §357(c)(1). The basis of the stock received by the transferor is the same as that of the properties transferred into the corporation under IRC §358(a).

18 Can any resulting loss be recognized? ▶ No.

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ N/A

Sign Here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Signature ▶ [signature] Date ▶ 2-2-12

Print your name ▶ CHRIS KRABIEL Title ▶ CHIEF FINANCIAL OFFICER

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self-employed	PTIN
GREG WICHMANN	Greg Wichmann, CPA	10/12/12		P00542096
Firm's name ▶ DELOITTE TAX LLP			Firm's EIN ▶	86-1065772
Firm's address ▶ 3883 HOWARD HUGHES PARKWAY STE 400, LAS VEGAS, NV 89169-0924			Phone no.	702-893-3100

Send Form 8937 (including accompanying statements) to: Department of the Treasury, Internal Revenue Service, Ogden, UT 84201-0054