

U.S. SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-KSB

Annual Report Pursuant to Section 13 or 15(d) of the Securities
Exchange Act of 1934 [Fee Required]

For the fiscal year ended: December 31, 2000

Transition Report Pursuant to Section 13 or 15(d) of the Securities
Exchange Act of 1934 [No Fee Required]

Commission file number 0-20630

FULL HOUSE RESORTS, INC.

(Name of Small Business Issuer in Its Charter)

Delaware

13-3391527

(State or Other Jurisdiction of
Incorporation or Organization)

(I.R.S. Employer
Identification No.)

2300 West Sahara Avenue, Suite 450 - Box 23, Las Vegas, Nevada 89102

(Address and zip code of principal executive offices)

(702) 221-7800

(Issuer's Telephone Number, Including Area Code)

Securities registered under Section 12(b) of the Exchange Act:

None

None

(Title of Each Class)

(Name of Each Exchange
on Which Registered)

Securities registered under Section 12(g) of the Exchange Act:

Common Stock, \$.0001 per Share

(Title of class)

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

Check if there is no disclosure of delinquent filers in response to
Item 405 of Regulation S-B contained in this form, and no disclosure will be
contained, to the best of registrant's knowledge, in definitive proxy or
information statements incorporated by reference in Part III of this Form 10-KSB
or any amendment to this Form 10-KSB.

State issuer's revenues for its most recent fiscal year: \$3,923,329.

The aggregate market value of registrant's voting \$.0001 par value
common stock held by non-affiliates of the registrant, as of March 19, 2001 was:
\$3,611,004.

The number of shares outstanding of registrant's \$.0001 par value
common stock, as of March 19, 2001, was 10,340,380 shares.

PART I

1. Description of Business.

BACKGROUND

We are a developer of destination resorts and entertainment, gaming and
commercial centers. We were incorporated in the State of Delaware on January 5,
1987.

In May 1994, Lee Iacocca, currently one of our directors, brought to
our attention certain opportunities to enter into gaming agreements.
Specifically, Mr. Iacocca advised us of his negotiations, together with Omega
Properties, Inc. ("Omega"), with certain Indian Tribes (the "Organized Tribes")
regarding the development of a gaming operation in the Detroit, Michigan
metropolitan area. Mr. Iacocca also advised us of the ongoing discussions with a

second Indian tribe in Michigan (the Nottawaseppi Huron Band of Potawatomi), a tribe in southern California (the Torres Martinez Desert Cahuilla Indians) and a project at the Delaware State Fairgrounds. In each case, the other parties had entered into discussions with Mr. Iacocca based upon their perception of his integrity and ability to facilitate completion of the proposed transactions. Mr. Iacocca had conducted these negotiations through LAI Associates, Inc. ("LAI"), a corporation owned by him.

In 1994, we entered into a Merger Agreement with LAI and Omega (30% owned by William P. McComas, a director and stockholder of Full House) whereby these entities were to merge with one of our subsidiaries. In exchange, the entities were to receive 1,750,000 shares of our common stock and our note for \$375,000 bearing interest at the "prime rate" of Bank of America, N.A. and due on demand, but in no event prior to August 31, 1996. Although Full House also entered into a Purchase Agreement with Mr. McComas on the same date to purchase a portion of the assets originally included in the May 1994 letter of intent in exchange for a \$625,000 note from Full House, this portion of the transaction was not consummated and the note was not issued.

The transaction was completed in 1995. As a result, we obtained a 100% interest in the agreements with the Organized Tribes and the Nottawaseppi Huron Band of Potawatomi, and a 100% interest in the agreements with the Torres Martinez Desert Cahuilla Indians and the Delaware State Fair. The shareholders of Omega received an aggregate of 500,000 shares of our common stock and our promissory note in the principal amount of \$375,000. William P. McComas received the note and the other stockholder of Omega received the shares in exchange for their interests as shareholders of Omega. The promissory note was paid in full in 1998.

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Our executive offices are located at 2300 West Sahara Avenue, Suite 450
- - Box 23, Las Vegas, Nevada 89102, telephone (702) 221-7800.

GTECH RELATIONSHIP

In April 1995, we entered into a series of agreements with GTECH Corporation, a wholly-owned subsidiary of GTECH Holdings Corporation, a leading supplier of computerized on-line lottery systems and services for government-authorized lotteries, to jointly pursue gaming opportunities. Excluded from these agreements was the Deadwood Gulch Resort, which we then owned. Pursuant to the agreements, joint venture companies equally owned by Dreamport, Inc., the gaming and entertainment subsidiary of GTECH, and Full House were formed. We contributed our rights (as described below) to the North Bend, Oregon facility and our rights to develop the Torres Martinez, Nottawaseppi Huron Band of Potawatomi and Delaware State Fair projects to the joint venture companies.

In payment for its interest in the joint venture companies, GTECH contributed cash and other intangible assets to the companies and committed to loan the joint venture companies up to \$16.4 million to complete the North Bend, Oregon and Delaware facilities. We agreed to guarantee one-half of the obligations of the joint venture companies to GTECH under these loans and at December 31, 2000 had guaranteed to GTECH one-half of a loan to the Oregon Tribe with a balance of \$2 million. The Delaware venture loan was paid in full during February 1998. GTECH also agreed to make loans to us for our portion of the financing of projects if we were unable to otherwise obtain financing. GTECH provided project management, technology and other expertise to analyze and develop/manage the implementation of opportunities developed by the joint venture companies. GTECH has also loaned us \$3.0 million, with interest payable monthly at prime, and the principal balance originally due in January 2001. Although the loan was convertible into 600,000 shares of our common stock, the loan conversion clause expired without exercise. As part of the GTECH relationship, Allen E. Paulson, William P. McComas and Lee Iacocca granted to GTECH an option, which expired on December 29, 2000, to purchase their shares should they propose to transfer the same. In March 1997, we modified our agreement with GTECH to no longer require each party to present prospective business opportunities to the other.

GTECH Acquisition

On March 30, 2001, we acquired GTECH's 50% interest in three joint venture projects that had been equally owned by the two companies: Gaming Entertainment, LLC, owner of an agreement continuing through August 2002 with the Coquille Tribe, which conducts gaming at The Mill Casino in North Bend, Oregon; Gaming Entertainment (Michigan), LLC, owner of a management agreement with the Nottawaseppi Huron Band of Potawatomi to develop and manage a gaming facility near Battle Creek, Michigan; and Gaming Entertainment (California), LLC, owner of a management agreement with the Torres Martinez Band of Desert Cahuilla Indians to manage a gaming facility near Palm Springs, California. The purchase price was \$1.8 million, and was funded through the our existing credit facility.

This transaction did not include our other joint venture with GTECH,

Gaming Entertainment (Delaware), LLC, owner of a management agreement, continuing through 2011, to manage Midway Slots & Simulcast in Harrington, Delaware. This joint venture continues to be equally owned by us and GTECH.

As part of this transaction, GTECH has extended the due date of our \$3.0 million promissory note until January 25, 2002, with interest at prime. Also, as part of this transaction, GTECH is no longer required to provide the necessary financing for the two development projects (Michigan and California). Since Full House does not have the financial resources to fund these projects alone, we are actively pursuing alternative means of financing these developments. No assurance can be given that satisfactory financing will be available.

Set forth below is a brief description of each of the gaming opportunities that were transferred to the joint venture companies.

The Mill Casino-North Bend, Oregon

On May 19, 1995, the first phase of the facility known as the "Mill" was opened with 250 video lottery terminals, nine blackjack tables, three poker tables, a restaurant and buffet, a saloon, a bingo hall, a gift shop and a snack bar on Tribal Trust Lands of the Coquille Indian Tribe in North Bend, Oregon (as of December 31, 2000, there were approximately 350 video lottery terminals, 10 blackjack tables and nine poker tables). A Full House - Dreamport joint venture entity leases approximately 12.5 acres of Tribal Trust Lands from an entity owned by the Coquille Indian

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Tribe on which the Mill is located and subleases a portion of the land on which the casino is located back to the same entity. The sublease expires in 2002.

The joint venture modified its agreement with the Coquille Indian Tribe on July 19, 1995 reducing the obligations of the joint venture company to provide financing to \$10.4 million, extending the date when repayments began and modifying the method of computing participating rents and loan repayments. Lease and debt payments commenced on August 19, 1995 and September 19, 1995, respectively. In October 1996, the Tribe secured a new \$17.5 million loan to refinance certain outstanding indebtedness, finance the acquisition of gaming equipment and finance certain improvements to the gaming facility. The joint venture company was repaid 100% of its original development loan from the refinancing. GTECH Corporation purchased a \$2.0 million participation in that new loan, half of which is guaranteed by us. As part of the loan, the joint venture company subordinated its rights to receive a percentage of gross gaming revenues. As rental under the sublease to the Tribal entity, from October 8, 1996 through October 7, 1999, the joint venture company received 13% of gross gaming revenue. The monthly percentage rental was reduced to 12% from October 8, 1999 until October 8, 2000 when it reduced to 11% until October 8, 2001. Thereafter, it will be 10% of gross gaming revenue. No Annual Percentage Rental will be paid after August 19, 2002; but if gross gaming revenue for any twelve-month period exceeds \$20,000,000, 10% of amounts in excess of such threshold will be paid as rent under the sublease.

The Mill is located in North Bend, Oregon on the Port of Coos Bay. The Coos County population, which includes the Bay area, is approximately 65,000. The Bay area's economy is primarily based on forestry and fishing. Oregon's Coos Bay area is located on the Pacific Coast midway between San Francisco, California and Seattle, Washington. The communities of Coos Bay, North Bend and Charleston are approximately 115 miles from Eugene, Oregon's second largest city. The North Bend Municipal Airport is Southwestern Oregon's regional air terminal that provides commercial air service to and from Portland.

The Mill Casino is one of several Indian casinos presently operating in Oregon. The closest competing casino is located approximately 90 miles from North Bend and operates approximately 700 devices, a card room, bingo and keno. Two other facilities, which are 140 and 160 miles from North Bend, are located closer to Portland, Oregon.

Midway Slots and Simulcast-Harrington, Delaware

On August 20, 1996 Midway Slots and Simulcast, owned by Harrington Raceway, Inc., was opened. The original 35,000 square foot facility located near Dover, Delaware, was developed, financed and is managed by a Full House-Dreamport joint venture company. The joint venture provided over \$11 million in financing, developed the project and acts as manager of the gaming facility pursuant to a 15-year contract. The facility opened with 500 gaming devices, a simulcast parlor and a small buffet.

During 1998, the 150-seat simulcast parlor was moved to the Harrington Raceway Grandstand, the food and beverage operation in the Grandstand was improved and expanded, and additional gaming devices were added to the facility bringing the total to 742. Harrington Raceway, Inc. secured a bank loan to pay for these and other improvements and pay off the development loan from the joint venture company.

In May 2000, the facility was expanded by an additional 35,000 square feet, which allowed for the addition of 400 gaming devices, the expansion of the food service offerings to include a 450-seat buffet and a 50-seat diner, and an entertainment lounge area. The total cost of approximately \$6.5 million was funded by the owner.

Midway Slots and Simulcast is located in Harrington, Delaware on Route 13, south of Dover, Delaware between Philadelphia and Baltimore/Washington, D.C. Midway Slots and Simulcast is one of three facilities presently operating in Delaware. The closest competing casino is located in Dover, approximately 20 miles north of Harrington, and currently operates 2,000 devices, which is the maximum number allowed in Delaware. The other facility is located approximately 60 miles north of Harrington.

Under the 15-year management agreement with the joint venture company, the venture receives a percentage of Gross Revenues and Operating Profits, as defined in the agreements. The joint venture company modified its

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management fee structure for revenues and operating profits in excess of defined amounts, in recognition of the owner providing complete financing for the May 2000 expansion.

Nottawaseppi Huron Band of Potawatomi-Battle Creek, Michigan

We entered into a series of agreements in January 1995 with the Nottawaseppi Huron Band of Potawatomi, a Michigan Indian Tribe, to develop gaming and non-gaming commercial opportunities for the Tribe and to construct and manage gaming facilities. The Tribe's state reservation lands are located in Southcentral Michigan. If developed, the facility will target the Ft. Wayne, Indiana and Lansing and Detroit, Michigan metropolitan areas. In December 1999, the Tribe applied to have its existing State reservation land as well as additional land in its ancestral territory taken into trust by the Bureau of Indian Affairs. A Full House-Dreamport joint venture company has the exclusive right to provide financing and casino management expertise to the Tribe in exchange for a defined percentage of net profits and certain other considerations from any future gaming or related activities of the Tribe. A third party will be paid a royalty fee in lieu of its original 15% ownership interest in earlier contracts with the Tribe.

The Huron Potawatomi achieved final federal recognition as a tribe in April 1996, and obtained a Gaming Compact from Michigan's governor early in 1997, to operate an unlimited number of electronic gaming devices as well as roulette, Keno, dice and banking card games. The Michigan Legislature ratified the Compact by resolution in December 1998, along with compacts for three other tribes. A suit was filed in 1999 by "Taxpayers of Michigan Against Casinos" in Ingham County Circuit Court challenging the constitutionality of the approval process of these gaming compacts. On January 18, 2000, Judge Peter D. Houk issued a ruling that the compacts must be approved by a legislative bill rather than by resolution. The State of Michigan filed an appeal to the Michigan Court of Appeals on February 4, 2000. The joint venture company, as an intervening defendant, joined in the appeal filing.

We and the Tribe have continued to move forward with casino development plans while working towards a favorable resolution of the current litigation. The management agreements, along with the required licensing applications were submitted to the National Indian Gaming Commission ("NIGC") in December 1999. The parties have identified a suitable parcel of land for the gaming enterprise, which is under option, and have submitted a Fee to Trust application to the Bureau of Indian Affairs ("BIA").

In December 2000, we received comments from the NIGC on the management agreements and are currently working with the Tribe to incorporate the necessary revisions. We have also received comments from the BIA concerning the Fee-to-Trust application. These comments are also being addressed.

On November 5, 1996, Michigan voters approved licenses for three gaming facilities within the City of Detroit, approximately 100 miles from the Battle Creek area. Two temporary facilities began operations in 1999, and the third opened in 2000. We do not believe that operation of three gaming facilities in Detroit will have a material adverse impact on the proposed Huron Potawatomi casino.

Torres Martinez Band of Desert Cahuilla Indians-Thermal, California

In April 1995, we entered into a Gaming and Development Agreement and a Gaming Management Agreement with the Torres Martinez Desert Cahuilla Indians. The agreements grant us certain rights to develop, manage, and operate gaming activities for the Tribe and the right to receive a defined percentage of the net revenues from gaming activities subject to our obligation to arrange or provide financing for the development. The rights to these agreements were assigned to a Full House-Dreamport joint venture company. In 1997, a new Gaming Management Agreement was executed, further defining the rights and obligations of the Tribe and the Company.

During 1996, the Tribe reached a settlement in its litigation with the Department of Justice and two water districts, pursuant to which the Tribe will be paid \$14.0 million in compensation, and will have the right to select up to 11,200 acres of new reservation land to be taken into trust in replacement for the same quantity of land which was flooded by the rising level of the Salton Sea. That settlement, which required legislative enactment, was approved by the U. S. House of Representatives and the Senate in December 2000.

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On March 6, 1998, California Governor Pete Wilson announced that he had reached an agreement on a compact for gaming, which was intended to be the standard for gaming compacts with all Indian tribes in California. In November 1998, California voters passed the "Tribal Government Gaming and Economic Self-Sufficiency Act of 1998" (the "Act"). The Act's constitutionality was challenged and the California Superior Court upheld the challenge. On March 7, 2000, the voters approved a ballot measure to amend the constitution, which enabled the compacted tribes to pursue gaming under the provisions of the compacts.

We and the Tribe are currently exploring the best manner in which to optimize the gaming enterprise alternatives both short and long term. Compact negotiations are continuing on the Tribe's behalf, and we are currently evaluating, with the Tribe, appropriate land acquisitions as provided for in the land settlement agreement. Under the agreement, the Tribe may acquire land in a specifically defined area (generally in the Palm Springs, California area) for purposes of conducting a gaming enterprise.

THEME HOTEL/CASINO-BILOXI, MISSISSIPPI

We purchased a one-acre parcel of land on the gulf coast in Biloxi, Mississippi in February 1998, for \$4,621,670 with the intent of developing a themed casino resort. The land is located near the interchange of Beach Blvd. and Interstate 110, and next to the recently opened Beau Rivage Resort developed by Mirage Resorts, Inc. We subsequently entered negotiations to purchase and/or lease approximately six additional acres, which, together with the parcel already acquired, will constitute the project site.

We and Allen Paulson (a principal stockholder) formed a limited liability company, equally owned, for the purpose of owning and developing the proposed resort. Mr. Paulson agreed to contribute a gaming vessel (the former Treasure Bay barge in Tunica, Mississippi) and we agreed to contribute our rights to various agreements with Hard Rock Cafe International ("Hard Rock").

In November 1998, we executed a series of agreements with Hard Rock related to the proposed development project in Biloxi, Mississippi. The agreements allow us the right to develop and operate a Hard Rock Casino in Biloxi. We agreed to pay a territory fee of \$2,000,000, which has been paid. We were to pay an annual licensing fee of 5% of net gaming revenue plus 5% of hotel revenue upon opening the casino. Hard Rock was to be a partner with us in a Management and Development Agreement for an ongoing management fee. In February 1999, we entered into various option agreements with several owners of the adjacent properties needed for our project. We also began discussions with investment bankers concerning the financing for the project, and began preparing our offering materials. During those discussions it became apparent that the expected capital market requirements for the project financing were not acceptable to either Hard Rock or us.

We jointly agreed to terminate the Management and Development Agreement which relieves Hard Rock of its obligation to co-manage the facility. This allows us to seek an equity partner to fill that role. Additionally, the parties amended certain portions of the Licensing Agreement to reduce the ongoing annual licensing fee to a flat \$2,500,000 plus 3% of hotel revenue. Concurrent with the negotiations to amend the agreements, we entered into discussions with potential equity partners. Our substantive discussions with potential partners ended in November 1999 without a definitive agreement. At that time we were faced with expiring, but extendible, purchase options and deposits. After analyzing the costs and risks of those options, we elected not to spend the necessary \$600,000 for an additional 90 day extension, since there was no reasonable likelihood of completing the transaction by the extended expiration date. As a result, the options expired and the deposits were forfeited, resulting in a write-off of \$1,350,000. In addition, the costs incurred for preparing the draft offering documents were also expensed.

Although we no longer have agreements in place to control the development site, our communications with the various landowners continue. We are actively pursuing an equity partner to assist in the development and management of the project. The Hard Rock-Biloxi, as currently envisioned, is expected to cost between \$250 and \$300 million. No assurance can be given that the necessary financing will be available upon acceptable terms.

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We have completed a review of our Biloxi project's proposed cost and

ownership structure in an effort to make this opportunity more attractive to potential investors. We have also recently been approached by third parties inquiring about our willingness to either sell our interest in this project, or take a minority equity position in its development. We will evaluate, and solicit, alternatives for the project.

In connection with the parcel of land that we acquired in Mississippi, we also obtained rights to some outstanding litigation concerning back rents due from a former lessee. In September 1999, that litigation was concluded and we received proceeds of \$262,767.

In July 2000, Allen E. Paulson, our largest shareholder and a former Director and Chairman of Full House, passed away. Mr. Paulson's holdings, approximately 3.1 million shares, or 31% of the outstanding shares, are now held by the Allen E. Paulson Living Trust and Estate. Our agreement with Mr. Paulson to develop the Hard Rock- Biloxi project is also held by the estate.

The co-executors of the estate are Michael Paulson, Mr. Paulson's son, and Edward White, Mr. Paulson's long time financial advisor. The estate is currently evaluating Mr. Paulson's vast holdings and has not informed us of any definitive plans that might affect our Company.

GOVERNMENT REGULATION

The ownership and operation of a gaming business by Full House, wherever conducted in the United States, will be subject to extensive and complex governmental regulation and control under federal, state and/or local laws and regulations.

Indian Gaming. Gaming on Indian Lands (lands over which Indian tribes exercise jurisdiction and which meet the definition of Indian Lands under the Indian Gaming Regulatory Act of 1988 ("IGRA")) is extensively regulated by federal, state and tribal governments. The current regulatory environment regarding Indian gaming is evolving rapidly. Changes in federal, state or tribal law or regulations may limit or otherwise affect Indian gaming or may be applied retroactively and could therefore have a material, adverse effect on the Company or its operations.

The terms and conditions of management contracts and collateral agreements, and the operation of casinos on Indian Land, are subject to IGRA, which is implemented by the National Indian Gaming Commission (the "Gaming Commission"), and also are subject to the provisions of statutes relating to contracts with Indian tribes, which are overseen by the Secretary of the U.S. Department of the Interior (the "Secretary"). IGRA is subject to interpretation by the Secretary and the Gaming Commission and may be subject to judicial and legislative clarification or amendment. Under IGRA, the Gaming Commission has the power to inspect and examine certain Indian gaming facilities, to conduct background checks on persons associated with Indian gaming, to inspect, copy and audit all records of Indian gaming facilities, and to hold hearings, issue subpoenas, take depositions, and adopt regulations in furtherance of its responsibilities. IGRA authorizes the Gaming Commission to impose civil penalties for violations of the IGRA or the regulations promulgated thereunder (the "Regulations"), including fines, and to temporarily or permanently close gaming facilities for violations of the law or the Regulations. The Department of Justice may also impose federal criminal sanctions for illegal gaming on Indian Lands and for theft from Indian gaming facilities.

IGRA also requires that the Gaming Commission review tribal gaming ordinances and approve such ordinances only if they meet certain requirements relating to the ownership, security, personnel background, recordkeeping, and auditing of the tribe's gaming enterprises; the use of the revenues from such gaming; and the protection of the environment and the public health and safety.

IGRA also regulates Indian gaming management contracts, requiring the Gaming Commission to approve management contracts and collateral agreements, which include agreements such as promissory notes, loan agreements and security agreements. A management contract can be approved only after determination that the contract provides for: (i) adequate accounting procedures and verifiable financial reports, which must be furnished to the tribe; (ii) tribal access to the daily operations of the gaming enterprise, including the right to verify daily gross revenues and income; (iii) minimum guaranteed payments to the tribe, which must have priority over the retirement of development and construction costs; (iv) a ceiling on the repayment of such development and construction costs; and (v) a contract term not exceeding five years and a management fee not exceeding 30% of profits if the Chairman of the Gaming Commission determines that the fee is reasonable considering the circumstances; provided that the Gaming Commission may approve up to a seven year term and a management fee not to exceed 40% of net revenues if the

Gaming Commission is satisfied that the capital investment required or the income projections for the particular gaming activity justify the larger profit allocation and longer term.

Under IGRA, the Company must provide the Gaming Commission with background information on each person with management responsibility for a management contract, each director of the Company and the ten persons who have the greatest direct or indirect financial interest in a management contract to which the Company is a party (an "Interested Party"), including a complete financial statement and a description of such person's gaming experience. Such a person must also agree to respond to questions from the Gaming Commission.

The Gaming Commission will not approve a management company and may void an existing management contract if a director, key employee or an Interested Party of the management company is (i) an elected member of the Indian tribal government that owns the facility being managed; (ii) has been or is convicted of a felony or misdemeanor gaming offense; (iii) has knowingly and willfully provided materially false information to the Gaming Commission or a tribe; (iv) has refused to respond to questions from the Gaming Commission; or (v) is a person whose prior history, reputation and associations pose a threat to the public interest or to effective gaming regulation and control, or create or enhance the chance of unsuitable, unfair or illegal activities in gaming or the business and financial arrangements incidental thereto. In addition, the Gaming Commission will not approve a management contract if the management company or any of its agents has attempted to unduly influence any decision or process of tribal government relating to gaming, or if the management company has materially breached the terms of the management contract, or the tribe's gaming ordinance, or, if a trustee, exercising the skill and diligence to which a trustee is commonly held, would not approve such management contract.

IGRA divides games that may be played on Indian Land into three categories. Class I Gaming includes traditional Indian games and private social games and is not regulated under IGRA. Class II Gaming includes bingo, pull tabs, lotto, punch boards, tip jars, instant bingo, and other games similar to bingo, if those games are played at a location where bingo is played. Class III Gaming includes all other commercial forms of gaming, such as video casino games (e.g., video slots, video blackjack); so-called "table games" (e.g., blackjack, craps, roulette); and other commercial gaming (e.g., sports betting and pari-mutuel wagering).

Class II Gaming is permitted on Indian Land if conducted in accordance with a tribal ordinance which has been approved by the Gaming Commission and the state in which the Indian Land is located permits such gaming for any purpose. Class II Gaming also must comply with several other requirements, including a requirement that key management officials and employees be licensed by the tribe.

Class III Gaming is permitted on Indian Land if the conditions applicable to Class II Gaming are met and, in addition, if the gaming is conducted in compliance with the terms of a written agreement between the tribe and the host state. IGRA requires states to negotiate in good faith with Indian tribes that seek to enter into tribal-state compacts, and grants Indian tribes the right to seek a federal court order to compel such negotiations. The negotiation and adoption of tribal-state compacts is susceptible to ongoing legal and political developments that may impact the Company's future revenues and securities prices. The Company cannot predict which additional states, if any, will approve casino gaming on Indian Land, the timing of any such approval, the types of gaming permitted by each tribal-state compact, any limits on the number of gaming machines allowed per facility or whether states will attempt to renegotiate or take other steps that may affect existing compacts.

Under IGRA, Indian tribal governments have primary regulatory authority over gaming on Indian Land within the tribe's jurisdiction unless a tribal-state compact has delegated this authority. Therefore, persons engaged in gaming activities, including the Company, are subject to the provisions of tribal ordinances and regulations on gaming.

The Gaming Commission has determined that provisions of IGRA relating to management agreements do not govern the current operations of Full House in North Bend, Oregon.

Tribal-State Compacts have been the subject of litigation in several states, including California and Michigan. In addition, several bills have been introduced in Congress that would amend IGRA. If IGRA were amended, the amendment could change the governmental structure and requirements within which Indian tribes may conduct gaming.

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Mississippi. The ownership and operation of casino gaming facilities in Mississippi are subject to extensive state and local regulation, but primarily the licensing and regulatory control of the Mississippi Gaming Commission. The Mississippi Gaming Commission has the authority to require a finding of suitability with respect to any security holder of a licensed entity, regardless of the percentage of ownership.

Applicable Mississippi law requires the Company, and their respective officers, directors, members and significant equity holders to submit to a background regulatory review process prior to the licensing of the Hard

Rock-Biloxi. The review process includes the submission of a gaming application, an investigation and submission of a personnel history and financial information. In addition, employees engaged in gaming operations will have to be separately licensed. The applicant for the gaming license has the burden of proving its qualifications for license. Any license issued or other approval granted is a revocable privilege, and must be renewed, as a general rule, on an annual basis. The Mississippi gaming authorities have broad discretion to condition, suspend, revoke, limit, restrict or deny renewal of any gaming license at any time. Persons found unsuitable by the Mississippi gaming authorities may be required immediately to terminate any interest in, association or agreement with or relationship to a licensee. A finding of unsuitability with respect to any officer, director, employee, associate, lender or beneficial owner of a licensee or applicant also may jeopardize the licensee's license or the applicant's license application. A license grant may be conditioned upon the termination of any relationship with unsuitable persons.

Unless properly licensed, no person is permitted to collect gaming revenues. In addition, no person is permitted to act as an attorney in fact for any licensee. Gaming licenses are not salable, otherwise transferable or subject to nominee arrangements.

EMPLOYEES

As of March 19, 2001, we and our subsidiaries had five full time employees, three of whom are our executive officers. Our joint venture operations have approximately 380 full time employees, and management believes that its relationship with its employees is good. None of our employees are currently represented by a labor union, although such representation could occur in the future.

2. Description of Property.

A Full House-Dreamport joint venture company leases approximately 12.5 acres of Tribal Trust Lands from an entity owned by the Coquille Indian Tribe on which the Mill is located. The joint venture company subleases the land on which the casino is located back to the same entity. The master lease expires in 2019 and the sublease expires in 2002 with options to renew. Pursuant to a July 19, 1995 addendum, the joint venture company receives a percentage of "Gross Gaming Revenues" (as defined) of the casino. Payments commenced August 19, 1995.

A Full House-Dreamport joint venture company has a lease and leaseback agreement with Harrington Raceway, Inc. The lease encumbers the revenues of the gaming facility. The lease is treated as a capital lease and payments commenced on August 20, 1996.

The Company acquired a one-acre parcel of land in Biloxi, Mississippi in February 1998, which is intended to be a portion of a future gaming development site.

3. Legal Proceedings.

In October 1994, Full House filed an action for declaratory relief in Mississippi, seeking a determination by the court that no relationship exists between it and Lone Star Casino Corporation regarding the potential acquisition of a riverboat casino on the Mississippi gulf coast (Full House Resorts, Inc. v. Lone Star Casino Corporation v. Allen E. Paulson, Second Judicial District of the Chancery Court of Harrison County, Mississippi). Lone Star filed a counterclaim alleging breaches of fiduciary duty, breach of contract, conspiracy to breach contract and to breach fiduciary duty and common law fraud. The trial court granted summary judgment in favor of all defendants on that counterclaim, and Lone Star appealed that judgment to the Mississippi appellate court. In April 1998, the Appeals

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Court affirmed the dismissal of all counts against all parties, excepting Lone Star's claim against the Company for breach of contract, which it remanded to the trial court for additional hearing. In January 2000, LS Capital, successor entity to Lone Star Casino Corporation, announced that it had retained counsel to pursue the two remaining claims it had alleged against the Company which were not already dismissed by the Mississippi appellate courts. In April 2000, the trial judge dismissed both those counts for Lone Star's failure to prosecute its claims for nearly twenty months after their remand from the Court of Appeals. Lone Star appealed that ruling, briefing has been completed and we anticipate that a decision will be rendered in the next several months.

Allen E. Paulson, one of our major stockholders and a former Chief Executive Officer and Board Chairman, sued Jefferies & Co., Inc. and Morgans Waterfall, et al, in the Federal Court for the Central District of California Western Division, for various claims arising from his individual attempt to purchase Riviera Holdings Corp. and other gaming properties during 1996-1997. On May 5, 2000, Jefferies filed counterclaims in that lawsuit against Mr. Paulson and companies owned by him individually, as well as a Third party Complaint against us. Jefferies alleges that Full House is responsible to it for the payment of fees and expenses, which it claims it is owed as a result of several

engagement letters it executed with Mr. Paulson. Mr. Paulson's signature line does not reflect that he executed any of these engagement letters on behalf of Full House, but Jefferies claims that his individual signature also bound his "affiliates". Full House vigorously contests any liabilities whatsoever to Jefferies, and moved for dismissal of Jefferies' claim on the grounds its assertions were insufficient as a matter of law. On July 27, 2000, the court issued an order denying our motion. We filed our Answer and Counterclaims with the court on August 24, 2000. We also filed claims against Mr. Paulson for indemnification in the Jefferies litigation, among other claims. Discovery is continuing, and trial in the matter has been scheduled for mid-2002. Management is unable to determine the outcome of this litigation, but does not believe the outcome will have a material adverse effect on our consolidated financial condition.

In January 1999, we were advised that the Securities and Exchange Commission was conducting an inquiry into trading of our stock by our former President, Gregg R. Giuffria, for a period beginning prior to his association with Full House and continuing for a period after he became a consultant to Full House. The SEC has admonished that this inquiry is not to be construed as an indication that any violations of federal securities laws have occurred. We and Mr. Giuffria voluntarily provided all information requested, and are cooperating fully with the SEC in its investigation.

4. Submission of Matters to a Vote of Security Holders.

None.

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PART II

5. Market for Common Equity And Related Stockholder Matters.

(a) Market Information

Our Common Stock is listed on The Nasdaq SmallCap Market under the symbol FHRI. Set forth below are the high and low sales prices of the Common Stock as reported on the Nasdaq SmallCap Market System for the periods indicated.

	High ----	Low ---
Year Ended December 31, 2000 - - - - -		
First Quarter	\$ 1.63	\$ 1.25
Second Quarter	2.25	1.00
Third Quarter	1.88	1.06
Fourth Quarter	1.50	0.25
Year Ended December 31, 1999 - - - - -		
First Quarter	\$ 3.00	\$ 2.00
Second Quarter	2.69	2.00
Third Quarter	2.31	1.13
Fourth Quarter	2.00	1.00

The quotations reflect inter-dealer prices, without retail mark-up, mark-down or commission, and may not represent actual transactions. On March 19, 2001, the last sale price of the Common Stock as reported by the Nasdaq SmallCap Market was \$0.75.

Nasdaq has notified us that we are not in compliance with Marketplace Rule 4310(c)(4), requiring that our common stock maintain a minimum bid price of \$1.00. If we are unable to demonstrate compliance before April 17, 2001, Nasdaq will provide us written notification that our securities will be delisted.

(b) Holders

As of March 19, 2001, we had approximately 132 holders of record of our common stock. We believe that there are over 1,500 beneficial owners.

(c) Dividends

We have never paid dividends on our common stock or Preferred Stock since its inception. Holders of common stock are entitled to receive such dividends as may be declared by the Board of Directors out of funds legally available therefor.

Holders of our Series 1992-1 Preferred Stock are entitled to receive dividends, when, as and if declared by the Board of Directors out of funds legally available therefor, in the annual amount of \$.30 per share, payable in arrears semi-annually on the 15th day of December and June, in each year. Dividends on the Series 1992-1 Preferred Stock commenced accruing on July 1, 1992 and are cumulative. We have not declared or paid the accrued dividends on our Preferred Stock which were payable since issuance, totaling \$1,785,000

and, accordingly, are in default in regard thereto.

Since we are in default in declaring, setting apart for payment or paying dividends on the Preferred Stock, we are restricted from paying any dividend or making any other distribution or redeeming any stock ranking junior to the Preferred Stock.

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We intend to retain future earnings, if any, to provide funds for the operation of our business, retirement of debt and payment of preferred stock dividends and, accordingly, do not anticipate paying any cash dividends on our common stock in the reasonably foreseeable future.

6. Management's Discussion and Analysis of Financial Condition and Results of Operations.

RESULTS OF OPERATIONS

Year Ended December 31, 2000 Compared to Year Ended December 31, 1999

Joint Venture Revenues. Joint venture revenues increased \$318,857, or 8.8%, for the year ended December 31, 2000 as compared to 1999. This increase was due to the improved operating results from the Delaware and Oregon joint ventures.

Delaware Joint Venture. Our share of operating income from the Delaware joint venture was \$2,783,643 for the year ended December 31, 2000, which represented an increase of \$308,440, or 12.5%, from 1999. This increase was primarily due to the May 2000 expansion of the facility, which increased the number of gaming units from 742 to 1,142.

Oregon Joint Venture. Our share of operating income from the Oregon joint venture was \$1,139,686 for the year ended December 31, 2000, which represented an increase of \$14,996 from 1999. This increase was due to continued market growth, which offset the reduction in the development fee.

Joint Venture Preopening Costs. Our share of costs from the development stage joint ventures in California and Michigan increased to \$584,337 for the year ended December 31, 2000 as compared to \$515,802 in 1999. This increase is primarily due to increased activity in Michigan.

Michigan Joint Venture. During 2000, the joint venture incurred legal, consulting, payroll, and land costs associated with the planned development of a tribal casino in Battle Creek. Our share of these costs amounted to \$509,488, compared to \$474,336 during 1999. In December of 1998, the Michigan legislature ratified the tribal compact and as a result, the joint venture has significantly increased its active pursuit of this project.

California Joint Venture. Our share of costs associated with the California project amounted to \$74,849 for the year ended December 31, 2000 as compared to \$41,466 in 1999. This increase was due to expenses associated with approval of the land settlement agreement.

Development Costs. In 1999, we expensed development costs related to the Biloxi Project of \$1,644,542. These costs were primarily for land deposits and options of \$1,350,000, which expired and were either not renewed, or the available extensions were not exercised. Our negotiations with a potential joint venture partner broke off in November 1999, and as a result, we had no reasonable expectation of being able to consummate the land transaction prior to a later expiration of the available extension periods. We also expensed \$294,542 in deferred legal and consulting fees that were primarily due to a postponed debt offering for the project.

General and Administrative Expenses. General and administrative expenses decreased by \$319,735, or 14.8% for the year ended December 31, 2000 as compared to 1999. This decrease is primarily due to reduced legal, professional and consulting costs related to the investigation, due diligence and pre-development of various ongoing expansion opportunities.

Interest Expense and Debt Issue Costs. For the year ended December 31, 2000, interest expense and debt issue costs increased by \$73,424 as compared to 1999. This increase is primarily due to increased borrowing on our credit line coupled with an increase in interest rates.

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Interest and Other Income. Interest and other income decreased by \$279,291 for the year ended December 31, 2000. In 1999, we received proceeds of \$262,767 from a litigation settlement in connection with the Company's land in Mississippi.

Income Tax Expense. Income tax expense of \$490,393 for the year ended December 31, 2000, primarily reflects state taxes due on joint venture revenues, coupled with the change in deferred taxes. At December 31, 2000, we had net

operating loss carryforwards for federal income tax purposes of approximately \$2,327,000, which may be carried forward to offset future taxable income. The loss carryforwards expire in 2010 through 2019. The availability of the loss carryforwards may be limited in the event of a significant change in ownership of the Company or our subsidiaries.

Cumulative Effect of Change in Accounting Principle. In April 1998, the Accounting Standards Executive Committee of the American Institute of Certified Public Accountants issued Statement of Position 98-5, "Reporting on Costs of Start-Up Activities." It requires that the costs of start-up activities that had been previously capitalized, be expensed as incurred. During the first quarter of 1999, we expensed \$824,045 of such costs that had been previously incurred by our joint venture investments, net of the related tax benefit of \$280,175.

Year Ended December 31, 1999 Compared to Year Ended December 31, 1998

Joint Venture Revenues. Joint venture revenues increased \$17,299 for the year ended December 31, 1999 as compared to 1998. This increase was due to the improved operating results from the Delaware and Oregon joint ventures, offset by a fee reduction agreement in Delaware.

Delaware Joint Venture. The Company's share of income from the Delaware joint venture was \$2,479,782 for the year ended December 31, 1999, which represented a decrease of \$26,655, or 1.1%, from 1998. This reduction was primarily due to a June 1998 agreement to reduce management fees by \$15,000 per month for a period of 60 months in consideration of the owner financing certain capital improvements. Accordingly, the management fees were reduced by \$180,000 in 1999, and \$105,000 in 1998. The operating performance of Midway Slots and Simulcast showed a 2.6% increase in revenue and a 7.2% increase in operating cash flow.

Oregon Joint Venture. The Company's share of income from the Oregon joint venture was \$1,124,690 for the year ended December 31, 1999, which represented an increase of \$43,955, or 4.1%, from 1998. This increase was due to continued market growth, coupled with the introduction in March 1999 of "Wide-Area Progressive" games featuring a linked jackpot.

Joint Venture Preopening Costs. The Company's share of costs from the development stage joint ventures in California and Michigan increased to \$515,802 for the year ended December 31, 1999 as compared to \$57,486 in 1998. This increase is primarily due to increased activity in Michigan.

Michigan Joint Venture. During 1999, the joint venture began to incur legal, consulting, payroll, and land costs associated with the planned development of a tribal casino in Battle Creek. The Company's share of these costs amounted to \$474,336, compared to only \$17,185 during 1998. In December of 1998, the Michigan legislature ratified the tribal compact and as a result, the joint venture has significantly increased its active pursuit of this project.

California Joint Venture. The Company's share of costs associated with the California project amounted to \$41,466, for the year ended December 31, 1999 as compared to compared to \$40,301 in 1998. While awaiting a definitive outcome to the status of Indian Gaming legislation in California, no significant expenditures have been incurred.

Development Costs. The Company expensed development costs related to the Biloxi Project of \$1,644,542. These costs were primarily for land deposits and options of \$1,350,000, which expired and were either not renewed, or the available extensions were not exercised. The Company's negotiations with a potential joint venture partner broke off in November 1999, and as a result, the Company had no reasonable expectation of being able to consummate

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the land transaction prior to a later expiration of the available extension periods. The Company also expensed \$294,542 in deferred legal and consulting fees that were primarily due to a postponed debt offering for the project.

General and Administrative Expenses. General and administrative expenses increased by \$208,093, or 10.6% for the year ended December 31, 1999 as compared to 1998. This increase is due to increased payroll, legal fees, and travel expenses related to the investigation, due diligence and pre-development of various ongoing expansion opportunities.

Interest Expense and Debt Issue Costs. For the year ended December 31, 1999, interest expense and debt issue costs decreased by \$342,966 as compared to 1998. This decrease is primarily due to the payoff of the DGR loan in May 1998. The interest expense for 1999 primarily reflects interest on the \$3.0 million GTECH note, which became interest bearing in January 1998.

Interest and Other Income. Interest and other income of \$290,907 for the year ended December 31, 1999 is primarily due to proceeds of \$262,767 from a litigation settlement in connection with the Company's land in Mississippi. In 1998, the Company realized a gain on the sale of DGR of \$385,227, and also received a one time reimbursement of \$85,532 from the former Chairman of the

Board for costs associated with the gaming opportunities presented to the Company by him. Interest income on invested cash balances declined by \$58,513 as a result of a decrease in cash.

Income Tax Expense. An income tax benefit of \$257,733 for the year ended December 31, 1999 primarily reflects state taxes due on joint venture revenues, offset by deferred tax benefits. At December 31, 1999, the Company had net operating loss carryforwards for federal income tax purposes of approximately \$4,455,000, which may be carried forward to offset future taxable income. The loss carryforwards expire in 2007 through 2018. The availability of the loss carryforwards may be limited in the event of a significant change in ownership of the Company or its subsidiaries.

Cumulative Effect of Change in Accounting Principle. In April 1998, the Accounting Standards Executive Committee of the American Institute of Certified Public Accountants issued Statement of Position 98-5, "Reporting on Costs of Start-Up Activities." It requires that the costs of start-up activities that had been previously capitalized, be expensed as incurred. During the first quarter of 1999, the Company expensed \$824,045 of such costs that had been previously incurred by its joint venture investments, net of the related tax benefit of \$280,175.

Deadwood Gulch Resort. As a result of the sale of the resort in May 1998, there were no revenues or expenses for 1999. The operating loss from DGR was \$345,769 for 1998 prior to its sale. The Company recognized a gain on the sale of DGR of \$385,227 after considering the impairment reserve of \$4,154,290.

LIQUIDITY AND CAPITAL RESOURCES

We held cash and cash equivalents of \$455,143 as of December 31, 2000. Net cash provided by operating activities was \$1,578,842 as compared to cash used in operating activities of \$1,325,793 in the comparable prior year period. The significant change resulted from using \$1,000,000 to pay the accrued Hard Rock territory fee and approximately \$1,250,000 for expenses related to the Biloxi project during 1999, and no comparable uses in 2000. Net cash used in investing activities was \$962,499 for funding expenses and land options for the Michigan joint venture. Net cash used in financing activities of \$600,000 resulted from the repayment in the current year of borrowings in 1999 under our credit line.

In 1998, we obtained a \$2,000,000 line of credit with Coast Community Bank of Mississippi. The line bears interest adjustable daily at one-half percent above prime and requires interest payments monthly on the outstanding balance with all principal and accrued interest due at maturity on February 25, 2002. At December 31, 2000, \$150,000 was outstanding on the bank line.

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In November 1998, we executed a series of agreements with Hard Rock Cafe International related to its proposed development project in Biloxi, Mississippi. Pursuant to a licensing agreement, the Company agreed to pay a \$2,000,000 territory fee with \$1,000,000 paid in 1998, and the second \$1,000,000 due March 31, 1999. The parties amended those agreements extending the due date of the second installment to December 15, 1999. The Company used cash on hand and a \$750,000 draw on the bank line to make that payment.

In September 1998, Full House and Allen Paulson formed a limited liability company, equally owned, for the purpose of developing a themed casino resort in Biloxi, Mississippi. Mr. Paulson agreed to contribute a gaming vessel (the former Treasure Bay barge in Tunica, Mississippi) and we agreed to contribute our rights to the Hard Rock agreements. The newly formed entity expects to develop a Hard Rock-Biloxi and is currently exploring various financing alternatives. The project, as currently envisioned, is expected to cost between \$250 and \$300 million. Substantial additional financing will be required to effect the business strategy and no assurance can be given that such financing will be available.

Full House was a party to a series of agreements with GTECH Corporation, a leading supplier of computerized systems and services for government-authorized lotteries, to jointly pursue certain gaming opportunities. Pursuant to the agreements, joint venture companies equally owned by GTECH and Full House have been formed. Full House contributed its rights to the North Bend, Oregon facility and the rights to develop the Torres Martinez, Nottawaseppi Huron Band of Potawatomi and Delaware State Fair projects to the joint venture companies. GTECH contributed cash and other intangible assets and agreed to loan the joint venture entities up to \$16.4 million to complete the North Bend, Oregon and Delaware facilities. Full House agreed to guarantee one-half of the obligations of the joint venture companies to GTECH under these loans and has guaranteed to GTECH one-half of a \$2.0 million loan to the North Bend, Oregon Indian Tribe. GTECH also provides project management, technology and other expertise to analyze and develop/manage the implementation of opportunities developed by the joint venture entities. GTECH also loaned Full House \$3.0 million, which loan was convertible into 600,000 shares of Full House Common Stock. The loan conversion clause expired without exercise. In addition, Full House has been reimbursed by one of the joint venture companies for certain

advances and expenditures made by Full House relating to the gaming development agreements. As part of this transaction, Allen E. Paulson, William P. McComas and Lee Iacocca granted to GTECH an option, which expired December 29, 2000, to purchase their shares should they propose to transfer the same. The parties are no longer required to present gaming opportunities to the other for joint development.

On March _____, 2001, we acquired GTECH's 50% interest in three joint venture projects that had been equally owned by the two companies: Gaming Entertainment, LLC, Gaming Entertainment (Michigan), LLC, and Gaming Entertainment (California), LLC. The purchase price was \$1.8 million, and was funded through the Company's existing credit facility. As part of this transaction, GTECH has extended the due date of our \$3.0 million promissory note until January 25, 2002, with interest at prime.

As a result of our agreement with GTECH, receipt by Full House of revenues from the Delaware venture is governed by the terms of the joint venture agreement. The contract provides that net cash flow (after certain deductions) is to be distributed monthly to Full House and GTECH. While Full House does not believe that this arrangement will adversely impact its liquidity, our continuing cash flow is dependent on the operating performance of this joint venture, and the ability to receive monthly distributions.

The Oregon venture generates approximately \$2.0 million in cash flow. The Michigan and California ventures are still in the development stage and require additional funding. Since we do not have the financial resources to fund these projects alone, we are actively pursuing alternative means of financing these developments. No assurance can be given that satisfactory financing will be available.

As of December 31, 2000, we had cumulative undeclared and unpaid dividends in the amount of \$1,785,000 on the 700,000 outstanding shares of our 1992-1 Preferred Stock. Such dividends are cumulative whether or not declared, and are currently in arrears.

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RECENTLY ISSUED ACCOUNTING STANDARDS

In June 30, 1998, the Financial Accounting Standards Board issued SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities." This statement establishes accounting and reporting standards for derivative instruments, including certain derivative instruments embedded in other contracts, and for hedging activities. It requires that an entity recognize all derivatives as either assets or liabilities in the statement of financial position, and measure those instruments at fair value, and is effective for all fiscal quarters of the fiscal years beginning after June 15, 2000. This is a complex accounting standard, however, the Company does not expect the adoption of this statement to have a material impact on the consolidated financial statements.

Certain statements contained in this report that are not historical facts are "forward looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. These statements are subject to risks and uncertainties that may cause the actual results or performance to be materially different than that expressed or implied by such statements. These risks include, but are not limited to, access to capital, regulatory approvals and competitive environments.

7. Financial Statements.

The following financial statements are filed as part of this Report

- o Independent Auditors' Report
- o Consolidated Balance Sheets as of December 31, 2000 and 1999
- o Consolidated Statements of Operations for the years ended December 31, 2000 and 1999
- o Consolidated Statements of Stockholders' Equity for the years ended December 31, 2000 and 1999
- o Consolidated Statements of Cash Flows for the years ended December 31, 2000 and 1999
- o Notes to Consolidated Financial Statements

8. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure.

None.

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PART III

9. Directors, Executive Officers, Promoters and Control Persons;
Compliance with Section 16(a) of the Exchange Act.

(a) Directors of the Company

The information required regarding the identification of our directors is incorporated by reference to the information in the Proxy Statement for the 2001 Annual Meeting of Stockholders.

(b) Executive Officers of the Company

Our executive officers and their ages as of March 21, 2001 are as follows:

Name	Age	Positions
----	---	-----
William P. McComas	74	Chairman, Chief Executive Officer
Michael P. Shaunnessy	47	Executive Vice President, Chief Financial Officer
Megan G. McIntosh	45	Secretary

William P. McComas became Chairman of the Board and Chief Executive Officer on March 5, 1998. Mr. McComas has been a Director of Full House since November 1992. Mr. McComas has been President of McComas Properties, Inc., a California real estate development company since January 1984. Mr. McComas and companies controlled by him have developed several hotels and resorts, including Marina Bay Resort, Fort Lauderdale, Florida; Ocean Colony Hotel and Resort, Half Moon Bay, California; Residence Inn by Marriott, Somers Point, New Jersey; and five Holiday Inns located in Des Moines, Iowa; San Angelo, Texas; Suffern, New York; Niagara Falls, New York; and Fort Myers, Florida.

Michael P. Shaunnessy became Executive Vice President and Chief Financial Officer in July 1998. Mr. Shaunnessy has over 15 years experience in the gaming industry. From 1995 to 1998, he was Vice President and Chief Accounting Officer of Primadonna Resorts, Inc., the developer of New York - New York in Las Vegas, Nevada. He was with Aztar Corporation from 1983 to 1995, serving in senior financial positions at properties in New Jersey and Nevada, most recently as Vice President-Finance for the Tropicana Resort in Las Vegas.

Megan G. McIntosh has been employed by Full House since December 1, 1994 and has been the Secretary of Full House since November 20, 1995. From April 1991 until she joined Full House, Ms. McIntosh was an administrative assistant for a civil engineering firm located in California. Prior to that time, Ms. McIntosh was an administrative assistant for a real estate development firm located in Southern California.

10. Executive Compensation.

The information required in response to this item is incorporated by reference to the information contained in the Proxy Statement for the 2001 Annual Meeting of Stockholders.

11. Security Ownership of Certain Beneficial Owners and Management.

The information required in response to this item is incorporated by reference to the information contained in the Proxy Statement for the 2001 Annual Meeting of Stockholders.

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12. Certain Relationships and Related Transactions.

The information required in response to this item is incorporated by reference to the information contained in the Proxy Statement for the 2001 Annual Meeting of Stockholders of the Company.

13. Exhibits and Reports on Form 8-K.

(a) Exhibits

10.25 Master Lease between Coquille Economic Development Corporation ("CEDC") and the Company (Incorporated by reference to the Company's Post Effective Amendment No. 1 to Registration Statement on Form SB-2, No. 33-61580 as filed with the Securities and Exchange Commission on July 28, 1994)

10.26 Participating lease between CEDC and the Company (Incorporated by reference to the Company's Post Effective Amendment No. 1 to Registration Statement on Form SB-2, No. 33-61580 as filed with the Securities and Exchange Commission on July 28, 1994)

10.27 Loan Agreement between CEDC and the Company

(Incorporated by reference to the Company's Post Effective Amendment No. 1 to Registration Statement on Form SB-2, No. 33-61580 as filed with the Securities and Exchange Commission on July 28, 1994)

10.28 Promissory Note from The Coquille Indian Tribe and CEDC to the Company. (Incorporated by reference to the Company's Post Effective Amendment No. 1 to Registration Statement on Form SB-2, No. 33-61580 as filed with the Securities and Exchange Commission on July 28, 1994)

10.29 Security Agreement between The Coquille Indian Tribe, CEDC and the Company (Incorporated by reference to the Company's Post Effective Amendment No. 1 to Registration Statement on Form SB-2, No. 33-61580 as filed with the Securities and Exchange Commission on July 28, 1994)

10.30 Absolute Assignment of Rents and Leases from The Coquille Indian Tribe to the Company (Incorporated by reference to the Company's Post Effective Amendment No. 1 to Registration Statement on Form SB-2, No. 33-61580 as filed with the Securities and Exchange Commission on July 28, 1994)

10.31 Escrow Agreement by and among the Company, CEDC, The Coquille Indian Tribe, Sun Plywood, Inc. and Ticor Title Insurance Company of California (Incorporated by reference to the Company's Post Effective Amendment No. 1 to Registration Statement on Form SB-2, No. 33-61580 as filed with the Securities and Exchange Commission on July 28, 1994)

10.34 Agreement between Green Acres Casino Management Company, Inc. and the Company dated January 4, 1995 (Incorporated by reference to the Company's Annual Report on Form 10-KSB for the fiscal year ended December 31, 1994)

10.35 Agreement for Commercial Development between the Nottawaseppi Huron Band of Potawatomi, Green Acres Casino Management Company, Inc. and the Company dated January 11, 1995

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(Incorporated by reference to the Company's Annual Report on Form 10-KSB for the fiscal year ended December 31, 1994)

10.36 Addendum to Class II and III Management Agreements among the Nottawaseppi Huron Band of Potawatomi, Green Acres Casino Management Company, Inc. and the Company dated January 12, 1995 (Incorporated by reference to the Company's Annual Report on Form 10-KSB for the fiscal year ended December 31, 1994)

10.37 Gaming and Development Agreement between the Company and the Torres Martinez Desert Cahuilla Indians dated March 21, 1993 (incorporated by reference to the Company's Quarterly Report on Form 10-QSB for the quarter ended March 31, 1995)

10.38 Gaming Management Agreement between the Company and the Torres Martinez Desert Cahuilla Indians dated April 23, 1993 (incorporated by reference to the Company's Quarterly Report on Form 10-QSB for the quarter ended March 31, 1995)

10.39 Agreement between the Company and GTECH Corporation dated May 20, 1995 (Incorporated by reference to the Company's Post Effective Amendment No. 2 to Registration Statement on Form SB-2, No. 33-61580 as filed with the Securities and Exchange Commission on May 26, 1995)

10.40 Promissory Note dated November 20, 1995 in the original principal amount of \$375,000 from the Company to William P. McComas (Incorporated by reference to the Company's Annual Report on Form 10-KSB for the fiscal year ended December 31, 1995)

10.41 Master Agreement dated as of December 29, 1995 by and between GTECH Corporation and the Company (Incorporated by reference to the Company's Annual Report on Form 10-KSB for the fiscal year ended December 31, 1995)

10.43 Convertible Note dated July 26, 1996 in the original principal amount of \$3,000,000 payable by the Company to GTECH Corporation (Incorporated by reference to the Company's Annual Report on Form 10-KSB for the fiscal year ended December 31, 1995)

10.44 Guaranty Agreement dated as of December 29, 1995 from the Company to GTECH Corporation pursuant to which the Company guarantees 50% of the obligations of Gaming Entertainment, LLC to GTECH under a Promissory Note of even date therewith in the amount of \$10,400,000 (Incorporated by reference to the Company's Annual Report

on Form 10-KSB for the fiscal year ended December 31, 1995)

10.45 Guaranty Agreement dated as of December 29, 1995 from the Company to GTECH Corporation pursuant to which the Company guarantees 50% of the obligations of Gaming Entertainment (Delaware), LLC to GTECH in an amount not to exceed \$6,000,000 (Incorporated by reference to the Company's Annual Report on Form 10-KSB for the fiscal year ended December 31, 1995)

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10.47 Subordination and Participation Agreement dated as of October 8, 1996 between Gaming Entertainment LLC and Miller & Schroeder Investments Corporation (Incorporated by reference to the Company's Annual Report on Form 10-KSB for the fiscal year ended December 31, 1996.)

10.48 First Amended and Restated Participating Lease dated as of October 8, 1996 between Gaming Entertainment LLC and Coquille Economic Development Corporation (Incorporated by reference to the Company's Annual Report on Form 10-KSB for the fiscal year ended December 31, 1996.)

10.49 First Amended and Restated Master Lease dated as of October 8, 1996 between Gaming Entertainment LLC and Coquille Economic Development Corporation (Incorporated by reference to the Company's Annual Report on Form 10-KSB for the fiscal year ended December 31, 1996.)

10.50 Agreement dated as of November 18, 1996 by and among Green Acres Casino Management Company, GTECH Corporation, Gaming Entertainment (Michigan) LLC and the Company (Incorporated by reference to the Company's Annual Report on Form 10-KSB for the fiscal year ended December 31, 1996.)

10.51 Amended and Restated Class III Management Agreement dated November 18, 1996 between Nottawaseppi Huron Band of Potawatomi and Gaming Entertainment (Michigan) LLC (Incorporated by reference to the Company's Annual Report on Form 10-KSB for the fiscal year ended December 31, 1996.)

10.52 License Agreement between Hard Rock Cafe International (USA), Inc. and Full House Mississippi, LLC dated November 18, 1998.

10.53 Management and Development Agreement by and between FH/HR Management, LLC and Full House Mississippi, LLC dated November 18, 1998.

10.54 Amendment to License Agreement between Hard Rock Cafe International (USA), Inc. and Full House Mississippi, LLC dated November 30, 1999.

10.55 Termination Agreement by and among Hard Rock Cafe International (USA), Inc., Full House Resorts, Inc., Allen E. Paulson, AEP & FHR LLC, FH/HR Management, LLC and Full House Mississippi, LLC dated November 30, 1999.

21 List of Subsidiaries of Full House Resorts, Inc.*

23.1 Consent of Deloitte & Touche LLP *

* Filed herewith.

(b) Reports on Form 8-K.

None.

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SIGNATURES

In accordance with Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has caused this Report to be signed on its behalf by the undersigned thereunto duly authorized.

FULL HOUSE RESORTS, INC.

Date: March 29, 2001

By: /s/ WILLIAM P. MCCOMAS

William P. McComas, CEO

In accordance with the Securities Exchange Act of 1934, this Report has

been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

Name and Capacity -----	Date ----
/s/ WILLIAM P. MCCOMAS ----- William P. McComas, Chairman of the Board and Chief Executive Officer	March 29, 2001
/s/ RONALD K. RICHEY ----- Ronald K. Richey, Director	March 29, 2001
/s/ LEE A. IACOCCA ----- Lee A. Iacocca, Director	March 29, 2001
/s/ MICHAEL P. SHAUNNESSY ----- Michael P. Shaunnessy, Executive Vice President (Principal Financial and Accounting Officer)	March 29, 2001

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
and Stockholders of Full House Resorts, Inc.:

We have audited the accompanying consolidated balance sheets of Full House Resorts, Inc. and Subsidiaries (the "Company") as of December 31, 2000 and 1999, and the related consolidated statements of operations, stockholders' equity, and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such consolidated financial statements present fairly, in all material respects, the financial position of Full House Resorts, Inc. and Subsidiaries as of December 31, 2000 and 1999, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

DELOITTE & TOUCHE LLP

Las Vegas, Nevada
February 16, 2001, except for Note 5, as to which the date is March 30, 2001.

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FULL HOUSE RESORTS, INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2000 AND 1999

<TABLE> <CAPTION> ASSETS	2000 -----	1999 -----
<S>	<C>	<C>
CURRENT ASSETS:		
Cash and cash equivalents	\$ 455,143	\$ 438,800
Income tax refund receivable	--	34,057
Prepaid expenses	92,804	87,590
	-----	-----
Total current assets	547,947	560,447

LAND HELD FOR DEVELOPMENT	4,621,670	4,621,670
FIXTURES AND EQUIPMENT, net	47,202	69,413
INVESTMENTS IN JOINT VENTURES	3,192,634	3,672,175
GOODWILL, net	379,713	885,981
NOTE RECEIVABLE - JOINT VENTURE	1,667,269	839,580
DEFERRED TAX ASSET	294,900	614,083
DEPOSITS AND OTHER ASSETS	2,701,344	2,620,487
	-----	-----
TOTAL	\$ 13,452,679	\$ 13,883,836
	=====	=====
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Accounts payable	\$ 18,106	\$ 19,238
Payable to joint ventures	27,831	60,077
Accrued expenses	182,024	190,332
	-----	-----
Total current liabilities	227,961	269,647
	-----	-----
LONG-TERM DEBT, net of current portion of -0-	3,150,000	3,750,000
	-----	-----
COMMITMENTS AND CONTINGENCIES (Note 11)		
STOCKHOLDERS' EQUITY:		
Cumulative preferred stock, par value \$.0001, 5,000,000 shares authorized; 700,000 shares issued and outstanding; aggregate liquidation preference of \$3,885,000 and \$3,675,000, respectively	70	70
Common stock, par value \$.0001, 25,000,000 shares authorized; 10,340,380 shares issued and outstanding	1,034	1,034
Additional paid in capital	17,429,889	17,374,449
Accumulated deficit	(7,356,275)	(7,511,364)
	-----	-----
Total stockholders' equity	10,074,718	9,864,189
	-----	-----
TOTAL	\$ 13,452,679	\$ 13,883,836
	=====	=====

</TABLE>

See notes to consolidated financial statements.

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FULL HOUSE RESORTS, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF OPERATIONS
FOR THE YEARS ENDED DECEMBER 31, 2000 AND 1999

<TABLE>
<CAPTION>

	2000	1999
	-----	-----
<S>	<C>	<C>
OPERATING REVENUES		
Joint ventures	\$ 3,923,329	\$ 3,604,472
	-----	-----
OPERATING COSTS AND EXPENSES		
Joint venture pre-opening costs	584,337	515,802
Development costs	--	1,644,542
General and administrative	1,845,704	2,165,439
Depreciation and amortization	531,043	528,004
	-----	-----
Total operating costs and expenses	2,961,084	4,853,787
	-----	-----
INCOME (LOSS) FROM OPERATIONS	962,245	(1,249,315)
Interest expense and debt issue costs	(328,379)	(254,955)
Interest and other income	11,616	290,907
	-----	-----
INCOME (LOSS) BEFORE TAXES AND CUMULATIVE EFFECT OF CHANGE IN ACCOUNTING PRINCIPLE	645,482	(1,213,363)
INCOME TAX BENEFIT (PROVISION)	(490,393)	257,733
	-----	-----
NET INCOME (LOSS) BEFORE CUMULATIVE EFFECT OF CHANGE IN ACCOUNTING PRINCIPLE	155,089	(955,630)
CUMULATIVE EFFECT OF ACCOUNTING CHANGE net of tax benefit of \$280,175	--	(543,870)
	-----	-----
NET INCOME (LOSS)	155,089	(1,499,500)
Less, undeclared dividends on cumulative preferred stock	(210,000)	(210,000)
	-----	-----
NET LOSS APPLICABLE TO COMMON SHARES	\$ (54,911)	\$ (1,709,500)
	=====	=====

LOSS PER COMMON SHARE BEFORE CUMULATIVE EFFECT OF ACCOUNTING CHANGE, basic and diluted	\$ (0.01)	\$ (0.12)
CHANGE IN ACCOUNTING PRINCIPLE, basic and diluted	\$ --	\$ (0.05)
NET LOSS PER COMMON SHARE, basic and diluted	\$ (0.01)	\$ (0.17)
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING, basic and diluted	10,340,380	10,340,380

</TABLE>

See notes to consolidated financial statements.

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FULL HOUSE RESORTS, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2000 AND 1999

	Preferred Shares	Stock Amount	Common Shares	Stock Amount	Additional Paid-in Capital	Accumulated Deficit	
Total							
<u>-----</u>							
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
BALANCE							
JANUARY 1, 1999	700,000	\$ 70	10,340,380	\$ 1,034	\$ 17,218,065	\$ (6,011,864)	\$
11,207,305							
Net loss	--	--	--	--	--	(1,499,500)	
(1,499,500)							
Amortization of deferred compensation expense	--	--	--	--	156,384	--	
156,384							
<u>-----</u>							
BALANCE							
DECEMBER 31, 1999	700,000	\$ 70	10,340,380	\$ 1,034	\$ 17,374,449	\$ (7,511,364)	
9,864,189							
Net income	--	--	--	--	--	155,089	
155,089							
Amortization of deferred compensation expense	--	--	--	--	55,440	--	
55,440							
<u>-----</u>							
BALANCE							
DECEMBER 31, 2000	700,000	\$ 70	10,340,380	\$ 1,034	\$ 17,429,889	\$ (7,356,275)	\$
10,074,718							
<u>=====</u>							

</TABLE>

See notes to consolidated financial statements.

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FULL HOUSE RESORTS, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2000 AND 1999

	2000	1999
<S>	<C>	<C>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income (loss)	\$ 155,089	\$ (1,499,500)
Adjustments to reconcile net income (loss) to net cash (used in) provided by operating activities:		
Depreciation and amortization	531,043	528,004
Amortization of deferred compensation expense	55,440	156,384
Cumulative effect of change in accounting principle	--	543,870
Equity in earnings of joint ventures	(3,338,992)	(3,088,670)

Distributions from joint ventures	3,818,533	3,609,919
Changes in assets and liabilities:		
Receivables	34,057	1,814
Prepaid expenses	(5,214)	428
Other assets	19,141	(187,745)
Deferred taxes	319,183	(455,143)
Accounts payable and accrued expenses	(9,438)	(935,154)
	-----	-----
Net cash provided by (used in) operating activities	1,578,842	(1,325,793)
	-----	-----
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of fixtures and equipment	(2,564)	(46,691)
Net advances to joint ventures	(859,935)	(330,894)
(Increase) decrease in deposits	(100,000)	300,000
	-----	-----
Net cash used in investing activities	(962,499)	(77,585)
	-----	-----
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from line of credit	--	1,750,000
Repayment of debt	(600,000)	(1,000,000)
	-----	-----
Net cash (used in) provided by financing activities	(600,000)	750,000
	-----	-----
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	16,343	(653,378)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	438,800	1,092,178
	-----	-----
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 455,143	\$ 438,800
	=====	=====

</TABLE>

See notes to consolidated financial statements.

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FULL HOUSE RESORTS, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. ORGANIZATION AND NATURE OF OPERATIONS

Full House Resorts, Inc. ("FHRI" or the "Company") was incorporated in the State of Delaware on January 5, 1987. FHRI is currently pursuing various gaming opportunities throughout North America.

Effective December 29, 1995, FHRI entered into a series of agreements with GTECH Corporation ("GTECH") to jointly pursue gaming opportunities. Pursuant to the agreements, four limited liability companies ("Joint Ventures") were formed. FHRI has a 50% interest in each joint venture. These interests are accounted for using the equity method.

FHRI and its principal stockholder entered into an agreement to jointly pursue development of a themed casino resort in Biloxi, Mississippi and formed a limited liability company for such purpose, which is 50% owned by each member.

The consolidated financial statements include the accounts and operations of FHRI and its wholly- owned and majority-owned subsidiaries. All significant intercompany accounts and transactions have been eliminated in consolidation.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

CASH AND CASH EQUIVALENTS - Cash in excess of daily requirements is invested in highly liquid short-term investments with maturities of three months or less when purchased. Such investments are stated at cost, which approximates market, and are deemed to be cash equivalents for purposes of the consolidated statements of cash flows.

CONCENTRATIONS OF CREDIT RISK - The Company's financial instruments that are exposed to concentrations of credit risk consist primarily of cash equivalents. A portion of the Company's cash equivalents is in high quality securities placed with major banks and financial institutions. Management does not believe that there is significant risk of loss associated with such investments.

INVESTMENTS IN JOINT VENTURES - Investments in joint ventures are accounted for using the equity method of accounting. Under the equity method, original investments are recorded at cost and adjusted by the Company's share of earnings, losses, and distributions of the joint ventures.

FIXTURES AND EQUIPMENT - Fixtures and equipment are stated at cost and consist primarily of office furniture and fixtures and computer

equipment. Depreciation is computed by the straight-line method over periods of 3 to 7 years. Accumulated depreciations was \$84,389 and \$59,614 at December 31, 2000 and 1999, respectively.

GOODWILL - Goodwill represents the excess cost over the net assets of businesses acquired during 1995. Goodwill is being amortized on the straight-line basis over 6 years. The Company reviews the carrying value of goodwill quarterly to determine whether any impairment has occurred. Amortization expense for both 2000 and 1999 totaled \$506,268.

IMPAIRMENT OF LONG-LIVED ASSETS - The Company reviews the carrying values of its long-lived and identifiable intangible assets for possible impairment, at least annually, or whenever events or changes in circumstances indicate that the carrying amount of assets may not be recoverable.

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FAIR VALUE OF FINANCIAL INSTRUMENTS - The carrying value of the Company's cash and cash equivalents, receivables and accounts payable, approximates fair value because of the short maturity of those instruments. The Company estimates the fair value of its long-term debt based on the current rates offered to the Company for loans of the same remaining maturities. The estimated fair values of the Company's long-term debt approximate their recorded values at December 31, 2000.

INCOME TAXES - The Company accounts for income taxes in accordance with SFAS No. 109, "Accounting for Income Taxes," which requires recognition of deferred tax assets and liabilities for the expected future tax consequences of events that have been reflected in the financial statements or tax returns. Deferred income taxes reflect the net effect of (a) temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes, and (b) operating loss and tax credit carryforwards.

EARNINGS PER COMMON SHARE - Basic earnings per share ("EPS") is computed based upon the weighted average number of common shares outstanding during the year. Diluted EPS is computed based upon the weighted average number of common and common equivalent shares plus the weighted average number of options outstanding if their effect upon exercise would have been dilutive using the treasury stock method.

AWARDS OF STOCK-BASED COMPENSATION - The Company has adopted SFAS No. 123, "Accounting for Awards of Stock-Based Compensation," which establishes financial accounting and reporting standards for stock-based employee compensation plans and for transactions where equity securities are issued for goods and services. This statement defines a fair value based method of accounting for an employee stock option or similar equity instrument and encourages all entities to adopt that method of accounting for all of their employee stock compensation plans. However, it also allows an entity to continue to measure compensation cost for those plans using the intrinsic value based method of accounting prescribed by APB Opinion No. 25, "Accounting for Stock Issued to Employees." The Company continues to apply APB Opinion No. 25 to its stock based compensation awards to employees and discloses the required pro forma effect on net income and net income per common share (Note 13).

SEGMENT REPORTING - The Company's segments consist of its Joint Ventures (Note 5) and its corporate overhead department. The Company evaluates performance primarily based upon operating income of the segment. The accounting policies of the segments are the same as those described in this summary of significant accounting policies (Note 2).

START-UP ACTIVITY COSTS - In April 1998, the Accounting Standards Executive Committee of the American Institute of Certified Public Accountants issued Statement of Position 98-5, "Reporting on the Costs of Start-Up Activities." It requires that the costs of start-up activities that had been previously capitalized be expensed as incurred. The Company adopted the provisions of this standard in the first quarter of 1999. Accordingly, the Company expensed \$824,045 of such costs that had been previously incurred by its joint venture investments, net of the related tax benefit of \$280,175.

RECENTLY ISSUED ACCOUNTING STANDARDS - In June 30, 1998, the Financial Accounting Standards Board issued SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities." This statement establishes accounting and reporting standards for derivative instruments, including certain derivative instruments embedded in other contracts, and for hedging activities. It requires that an entity recognize all derivatives as either assets or liabilities in the statement of financial position, and measure those instruments at fair value, and is effective for all fiscal quarters of the fiscal years beginning after June 15, 2000. This is a complex accounting standard,

however, the Company does not expect the adoption of this statement to have a material impact on the consolidated financial statements.

USE OF ESTIMATES - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported

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amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Significant estimates used by the Company include estimated useful lives for depreciable and amortizable assets, and certain accrued liabilities. Actual results could differ from those estimates.

RECLASSIFICATIONS - Certain prior year amounts have been reclassified to conform to the current year presentation.

3. LAND HELD FOR DEVELOPMENT

On February 23, 1998, the Company purchased a parcel of land for \$4,621,670 that represents a portion of a proposed gaming site in Biloxi, Mississippi. The Company has completed a review of the Biloxi project's proposed cost and ownership structure in an effort to make this opportunity more attractive for potential investors. The Company will continue to evaluate strategies for the project development.

4. DEPOSITS AND OTHER ASSETS

On November 18, 1998, the Company executed a series of agreements with Hard Rock Cafe International ("Hard Rock") for purposes of developing a Hard Rock Hotel & Casino on the Gulf Coast of Mississippi. The agreements required a Territory Fee of \$2,000,000, due in two installments. The first was paid in November 1998, and the second in December 1999.

5. INVESTMENTS IN JOINT VENTURES

GTECH RELATIONSHIP

The Company entered into a series of agreements with GTECH in 1995 to jointly pursue gaming opportunities. Pursuant to the agreements, the following limited liability companies, each owned 50% by Dreamport, Inc. ("Dreamport"), a subsidiary of GTECH, and 50% by the Company were formed: Gaming Entertainment, LLC ("GELLC"), Gaming Entertainment (Delaware), LLC ("GEDLLC"), Gaming Entertainment (Michigan), LLC ("GEMLLC"), and Gaming Entertainment (California), LLC ("GECLLC").

The Company contributed to the capital of the joint ventures its rights to agreements with the Coquille Indian Tribe to finance and develop a gaming and entertainment facility in North Bend, Oregon and the rights to develop the Torres Martinez, Nottawaseppi Huron Band of Potawatomi and Delaware State Fair gaming projects. In payment for its interest in the joint ventures, GTECH contributed cash and other intangible assets and committed to loan the joint ventures up to \$16.4 million to complete the North Bend, Oregon and Delaware facilities. The Company agreed to guarantee one-half of the obligations of the joint ventures to GTECH under these loans. At December 31, 1998, the advances to the joint venture had been repaid. GTECH has also agreed to make loans to the Company for its portion of the financing of projects if the Company is unable to otherwise obtain financing. GTECH will also provide project management, technology and other expertise to analyze and develop/manage the implementation of opportunities developed by the joint ventures.

The Michigan and California ventures are in the development stage. Successful development and, ultimately, sustaining profitable operations is dependent on future events, including appropriate regulatory approvals and adequate market demand. These two ventures have not generated any revenues, and the costs incurred to date relate to pre-opening expenses such as payroll, legal and consulting.

As part of the formation of the joint ventures, certain directors of the Company and a stockholder granted to GTECH an option, which expired December 29, 2000, to purchase their shares of the Company should they propose to transfer the same.

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On March 30, 2001, we acquired GTECH's 50% interest in three joint venture projects that had been equally owned by the two companies: Gaming Entertainment LLC, Gaming Entertainment (Michigan), LLC, and Gaming Entertainment (California), LLC. The purchase price was \$1.8

million, and was funded through the Company's existing credit facility. As part of this transaction, GTECH has extended the due date of our \$3.0 million promissory note until January 25, 2002, with interest at prime.

This transaction did not include our other joint venture with GTECH, Gaming Entertainment (Delaware), LLC, owner of a management agreement, continuing through 2011, to manage Midway Slots & Simulcast in Harrington, Delaware. This joint venture continues to be equally owned by us and GTECH.

The following is a summary of each of the gaming opportunities and the material items that the Company has contributed, at book value, to capital of the joint ventures.

GAMING ENTERTAINMENT, LLC

GELLC leases approximately 12.5 acres of tribal trust lands from an entity owned by the Coquille Indian Tribe on which the gaming facility is located and subleases a portion of the land back to the same entity. The master lease expires in 2019 and the sublease expires in 2002 with options to renew. In July 1995, an addendum to the agreement with the Tribe was signed by the Company and Dreampoint, which reduced the obligations of GELLC to provide financing to \$10.4 million, extended the date when payments begin and modified the method of computing participating rents and loan repayments. During 1995, the facility began operations.

In October 1996, the Tribe secured a new \$17.5 million loan to refinance certain outstanding indebtedness, finance the acquisition of gaming equipment and finance certain improvements to the gaming facility. GELLC was repaid 100% of its original development loan from the financing. As part of the loan, the joint venture subordinated its rights to receive a percentage of Gross Gaming Revenues, as defined. As rental under the sublease to the tribal entity, GELLC will receive rental payments based on a schedule of percentages of Gross Gaming Revenues through 2002.

GAMING ENTERTAINMENT (MICHIGAN), LLC

In late 1996, GEMLLC renegotiated its management contract with the Nottawaseppi Huron Band of Potawatomi and with the 15% owner of the interests in the agreements. Under the new contract, the joint venture will finance, develop and manage gaming operations on reservation lands to be acquired near Battle Creek, Michigan. The 15% owner will be paid a royalty fee in lieu of its original 15% ownership in earlier contracts with the Tribe. During 1996, the assignment of the development rights by the Company to GEMLLC was approved by the Tribe, and gaming development costs of \$4,372,446 were contributed to capital of GEMLLC by the Company. During 1997, the Company contributed additional gaming development costs of \$160,962 and cash of \$12,500 to capital of GEMLLC. GEMLLC is a development stage company as of December 31, 2000.

On December 18, 1998, the Michigan legislature approved a gaming compact that had been negotiated between the Tribe and the Governor of Michigan. A suit was filed in 1999 by "Taxpayers of Michigan Against Casinos" in Ingham County Circuit Court challenging the constitutionality of the approval process of these gaming compacts. On January 18, 2000 Judge Peter D. Houk issued a ruling that the compacts must be approved by a legislative bill rather than by resolution. The State of Michigan filed an appeal to the Michigan Court of Appeals on February 4, 2000. The joint venture company, as an intervening defendant, joined in the appeal filing.

The Company and the Tribe have continued to move forward with their casino development plans while working towards a favorable resolution of the current litigation. The management agreements, along with the required licensing applications were submitted to the National Indian Gaming Commission in December

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1999. The parties have identified a suitable parcel of land for the gaming enterprise, which is under option, and have submitted a Fee to Trust application to the Bureau of Indian Affairs.

GAMING ENTERTAINMENT (DELAWARE), LLC

GEDLLC developed, constructed and equipped a gaming entertainment center at Harrington Raceway in Harrington, Delaware, and provided financing through a capital lease arrangement. GEDLLC has a 15-year management agreement and is compensated based upon a percentage of Gross Revenues and a percentage of Operating Profits, as both are defined. The facility began operations in August 1996.

GAMING ENTERTAINMENT (CALIFORNIA), LLC

GECLLC, pursuant to an agreement with the Torres Martinez Desert Cahuilla Indians, has certain rights to develop, manage and operate gaming activities for the Tribe. During 1997 and 1996, the Company contributed gaming development costs of \$67,768 and cash of \$12,500 to the capital of GECLLC. GECLLC is a development stage company as of December 31, 2000.

On March 6, 1998, California Governor Pete Wilson announced that he had reached an agreement on a compact for gaming that was intended to be the standard for gaming compacts with all Indian tribes in California. In November 1998, the "Tribal Government Gaming and Economic Self-Sufficiency Act of 1998" (the "Act") was passed by the voters of California in the general election. The Act's constitutionality was challenged and the California Superior Court upheld the challenge. Numerous tribes have now reached modified compacts with Governor Gray Davis, and on March 7, 2000, the voters approved a ballot measure to amend the constitution, which now enabled the compacted tribes to pursue gaming under the provisions of the compacts. The Tribe and the Company are currently exploring the best manner in which to optimize the gaming enterprise alternatives.

The following is a summary of condensed financial information for the joint ventures as of December 31, 2000 and 1999 and for the years then ended:

<TABLE>
<CAPTION>

2000
CONDENSED BALANCE SHEET INFORMATION

TOTAL	GELLC	GEMLLC	GEDLLC	GECLLC	
-----	-----	-----	-----	-----	---
<S>	<C>	<C>	<C>	<C>	<C>
Total assets 5,822,337	\$ 177,596	\$ 4,919,876	\$ 713,255	\$ 11,610	\$
Total liabilities 3,599,329	--	2,912,064	248,222	439,043	
Members' capital 2,223,008	177,596	2,007,812	465,033	(427,433)	

CONDENSED STATEMENT OF OPERATIONS INFORMATION

Revenues 17,587,199	\$ 2,311,497	\$ --	\$15,275,702	\$ --	
Operating income (loss) 6,677,984	2,279,372	(1,018,975)	5,567,286	(149,699)	
Net income (loss) 6,677,984	2,279,372	(1,018,975)	5,567,286	(149,699)	
Company's equity in net income (loss) 3,338,992	1,139,686	(509,488)	2,783,643	(74,849)	

</TABLE>

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<TABLE>
<CAPTION>

1999
CONDENSED BALANCE SHEET INFORMATION

TOTAL	GELLC	GEMLLC	GEDLLC	GECLLC	
-----	-----	-----	-----	-----	---
<S>	<C>	<C>	<C>	<C>	
Total assets \$ 5,549,463	\$ 378,525	\$ 4,418,222	\$ 729,759	\$ 22,957	
Total liabilities 2,360,331	191,523	1,391,435	476,680	300,693	
Member's capital 3,189,132	187,002	3,026,787	253,079	(277,736)	

CONDENSED STATEMENT OF OPERATIONS INFORMATION

Revenues	\$ 2,297,181	\$ --	\$ 12,468,928	\$ --
\$ 14,766,109				
Operating income (loss)	2,244,726	(948,670)	4,953,559	(82,933)
6,166,682				
Cumulative effect of				
Change in accounting,	(137,351)	(1,260,818)	(9,157)	(240,765)
(1,648,091)				
Net income (loss)	2,112,028	(2,209,488)	4,950,406	(323,698)
4,529,248				
Company's equity				
in net income (loss)	1,056,014	(1,104,744)	2,475,203	(161,849)
2,264,624				

</TABLE>

The joint venture entities are treated as partnerships for tax purposes and consequently, no tax provision / benefit is recognized at the venture level.

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6. LONG-TERM DEBT

Long-term debt consists of the following:

	2000	1999
	-----	-----
Unsecured note payable to GTECH Corporation; interest at the prime rate (9 1/2% at December 31, 2000) due monthly through January 25, 2001, at which time all unpaid principal and interest will be due.	\$ 3,000,000	\$ 3,000,000
Line of credit; interest at prime plus 1/2% (10% at December 31, 2000), payable monthly, principal due February 25, 2002. Amount represents the balance outstanding at December 31, under a \$2,000,000 line of credit from Coast Community Bank, which provided the initial loan for the acquisition of Land in Biloxi, Mississippi.	150,000	750,000
	-----	-----
Total	3,150,000	3,750,000
Less current portion	--	--
	-----	-----
Long-term portion	\$ 3,150,000	\$ 3,750,000
	=====	=====

The scheduled maturities of debt are as follows:

2001	\$ --
2002	3,150,000

Total	\$ 3,150,000
	=====

7. STOCKHOLDERS' EQUITY

Options to purchase 150,000 shares of common stock at \$3.69 per share (market value on date of grant) were issued in 1994 to a consultant. These options were repriced in June 1998 at \$2.25 per share (market value on the repricing date). The fair value of \$43,410 for the options was estimated on the date of grant using the Black-Scholes option-pricing model with the following assumptions: expected volatility of 97 percent, risk-free interest rate of 5.0 percent, and expected life of 2.0 years. As the options were granted to a nonemployee in return for services, consulting expense of \$43,410 was recognized in 1998, along with an equivalent increase in paid in capital. All of these options were exercisable at December 31, 2000.

On December 20, 1996, a consultant, who is also a principal stockholder, was granted an option to purchase 250,000 common shares at \$3.69 in return for consulting services to be provided over an approximate three-year period. The options vested immediately. The fair value of \$302,826 for the options was estimated on the date of grant using the Black-Scholes option-pricing model with the following assumptions: expected volatility of 80 percent, risk-free interest rate

of 6.0 percent, and expected life of 2.0 years. As the options were granted to a non-employee in return for services, consulting expense was recognized ratably over the three-year service period commencing in 1997.

Options to purchase 70,001 shares of common stock at \$2.06 per share (market value on date of grant) were issued in 1998 to the Company's current President for services previously performed in a consulting capacity. The Company recognized consulting expense of \$116,224 and recorded an equivalent increase in paid in capital. The fair value for the options was estimated on the date of grant using the Black-Scholes option-pricing model with the following assumptions: expected volatility of 95 percent, risk-free interest rate of 5.4 percent, and expected life of 2.0 years. These options were forfeited in 2000.

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The Company's preferred stock has a \$.30 per share cumulative dividend rate, and has a liquidation preference equal to \$3.00 per share plus all unpaid dividends. If the Company is in default in declaring or setting apart for payment of dividends on the preferred stock, it is restricted from paying any dividend, making any other distribution, or redeeming any stock ranking junior to the preferred stock. The stockholders' right to the \$.30 per share cumulative dividends on the preferred stock commenced as of June 30, 1992 and totaled \$1,785,000 and \$1,575,000 at December 31, 2000 and 1999, respectively. Through December 31, 2000, no dividends have been declared or paid.

8. INTEREST AND OTHER INCOME

In 1999, the Company received litigation settlement proceeds of \$262,767 in connection with its land in Mississippi.

9. INCOME TAX PROVISION

The income tax (provision) benefit recognized in the consolidated financial statements consists of the following:

	2000	1999
	-----	-----
Current: Federal	\$ --	\$ --
State	(171,210)	(197,410)
	-----	-----
Total current	(171,210)	(197,410)
	-----	-----
Deferred: Federal	(336,810)	493,525
State	17,627	241,793
	-----	-----
Total deferred	(319,183)	735,318
	-----	-----
Total (Provision) Benefit	\$ (490,393)	\$ 537,908
	=====	=====

A reconciliation of the income tax provision with amounts determined by applying the statutory U.S. Federal income tax rate to consolidated income before income taxes is as follows:

	2000	1999
	-----	-----
Tax (provision) benefit at		
U.S. statutory rate	\$ (219,464)	\$ 692,719
State taxes	(101,534)	29,292
Goodwill amortization	(172,131)	(172,131)
Other	(2,736)	(11,972)
	-----	-----
Total	\$ (490,393)	\$ 537,908
	=====	=====

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The Company's deferred tax items as of December 31, 2000 and 1999 are as follows:

	2000	1999
	-----	-----
Deferred tax assets:		
Net operating loss carryforward	\$ 791,384	\$ 1,514,038
Tax credit carryforwards	27,294	26,643
Intangibles	763,679	294,817
Accrued expenses	6,034	5,364
Stock option plans	165,332	145,928
State taxes	--	--
	-----	-----
Total deferred tax assets	1,753,723	1,986,790

Deferred tax liabilities:	-----	-----
Difference between book and tax basis of gaming rights	(1,454,325)	(1,369,474)
Other	(4,499)	(3,233)
	-----	-----
Total deferred tax liabilities	(1,458,823)	(1,372,707)
	-----	-----
Net	\$ 294,900	\$ 614,083
	=====	=====

At December 31, 2000, the Company had net operating loss carryforwards for income tax purposes of approximately \$2,327,000, which may be carried forward to offset future taxable income. The loss carryforwards expire in 2010 through 2019. The availability of the loss carryforwards may be limited in the event of a significant change in ownership of the Company or its subsidiaries.

10. SUPPLEMENTAL STATEMENT OF CASH FLOWS INFORMATION

Cash payments for interest for the years ended December 31, 2000 and 1999 were \$321,911 and \$232,187, respectively.

Income taxes paid for the years ended December 31, 2000 and 1999 were \$174,708 and \$210,738, respectively.

The following noncash investing and financing activities are not reflected in the consolidated statements of cash flows:

During the years ended December 31, 2000 and 1999, additional paid-in capital increased by \$55,440 and \$156,384, respectively, as a result of granting and repricing stock options issued to non-employees for consulting services.

11. COMMITMENTS AND CONTINGENCIES

The Company leases office space under a noncancellable lease expiring on March 31, 2002. Future minimum lease obligations are \$79,920 and \$19,980 for fiscal years 2001 and 2002, respectively. Rent expense pertaining to operating leases was \$72,261 for the years ended December 31, 2000 and 1999.

In connection with the land negotiations for the Biloxi development project, the Company has granted an option and right of first refusal to an unrelated third party that owns and leases the balance of the necessary acreage. The option, which is exercisable through February 15, 2001, allows the optionee to acquire the Company's one-acre parcel at cost plus carrying charges, as defined. The right of first refusal allows the optionee to match any bona fide offer the Company receives for its land, and desires to accept.

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In October 1994, Full House filed an action for declaratory relief in Mississippi, seeking a determination by the court that no relationship exists between it and Lone Star Casino Corporation regarding the potential acquisition of a riverboat casino on the Mississippi gulf coast (Full House Resorts, Inc. v. Lone Star Casino Corporation v. Allen E. Paulson, Second Judicial District of the Chancery Court of Harrison County, Mississippi). Lone Star filed a counterclaim alleging breaches of fiduciary duty, breach of contract, conspiracy to breach contract and to breach fiduciary duty and common law fraud. The trial court granted summary judgment in favor of all defendants on that counterclaim, and Lone Star appealed that judgment to the Mississippi appellate court. In April 1998, the Appeals Court affirmed the dismissal of all counts against all parties, excepting Lone Star's claim against the Company for breach of contract, which it remanded to the trial court for additional hearing. In January 2000, LS Capital, successor entity to Lone Star Casino Corporation, announced that it had retained counsel to pursue the two remaining claims it had alleged against the Company which were not already dismissed by the Mississippi appellate courts. In April 2000, the trial judge dismissed both those counts for Lone Star's failure to prosecute its claims for nearly twenty months after their remand from the Court of Appeals. Lone Star appealed that ruling, briefing has been completed and we anticipate that a decision will be rendered in the next several months.

Allen E. Paulson, a major stockholder of the Company and its former Chief Executive Officer and Board Chairman, sued Jefferies & Co., Inc. and Morgans Waterfall, et al, in the Federal Court for the Central District of California Western Division, for various claims arising from his individual attempt to purchase Riviera Holdings Corp. and other gaming properties during 1996-1997. On May 5, 2000, Jefferies filed counterclaims in that lawsuit against Mr. Paulson and companies owned by him individually, as well as a Third party Complaint against

the Company. Jefferies alleges that Full House is responsible to it for the payment of fees and expenses, which it claims it is owed as a result of several engagement letters it executed with Mr. Paulson. Mr. Paulson's signature line does not reflect that he executed any of these engagement letters on behalf of Full House, but Jefferies claims that his individual signature also bound his "affiliates". Full House vigorously contests any liabilities whatsoever to Jefferies, and moved for dismissal of Jefferies' claim on the grounds its assertions were insufficient as a matter of law. On July 27, 2000, the court issued an order denying our motion. We filed our Answer and Counterclaims with the court on August 24, 2000. We also filed claims against Mr. Paulson for indemnification in the Jefferies litigation, among other claims. Discovery is continuing, and trial in the matter has been scheduled for mid-2002. Management is unable to determine the outcome of this litigation, but does not believe the outcome will have a material adverse effect on the Company's consolidated financial condition.

12. STOCK-BASED COMPENSATION PLANS

At December 31, 2000, the Company had three stock-based compensation plans that are described below. The Company applies APB Opinion No. 25 and related interpretations in accounting for these plans. Because options have been granted with exercise prices equal to market value on the grant date, no compensation cost has been recognized for options granted under the Non-employee Director Stock Plan, Incentive Stock Plan (except as disclosed below related to options granted under the Incentive Stock Plan to a consultant/principal shareholder) and an informal director stock plan. Had compensation cost for options granted under the Company's three stock-based compensation plans been determined based on the fair value at the grant dates for awards under those plans consistent with the method of SFAS Statement 123, the Company's net income (loss) and income (loss) per common share would have been restated to the pro forma amounts indicated below:

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	2000 -----	1999 -----
Net income (loss)		
As reported	\$ 155,089	\$ (1,499,500)
Pro forma	\$ 399,687	\$ (2,004,729)
Income (loss) per common share, basic and diluted		
As reported	\$ (.01)	\$ (.17)
Pro forma	\$.04	\$ (.21)

The fair value of each option grant for the pro forma disclosure was estimated on the date of grant using the Black-Scholes option-pricing model with the following weighted-average assumptions used for grants in 2000 and 1999: expected volatility of 88% and 95%, risk-free interest rate of 6.6 percent and 5.5 percent, and expected life of 2.5 years.

The Company has reserved 300,000 shares of its common stock for issuance under the Nonemployee Director Stock Plan. The Plan allows for options to be granted at prices not less than fair market value on the date of grant and are generally exercisable over a term of five years. The Company issued 20,000 options under the Plan during both 2000 and 1999.

The Company has reserved 3,000,000 shares of its common stock for issuance under the 1992 Incentive Plan as amended in June 1999. The Plan allows for the issuance of options and other forms of incentive awards, including qualified and non-qualified incentive stock options. Incentive stock options may be granted at prices not less than fair market value on the date of grant, while non-qualified incentive stock options may be granted at a price less than fair market value on the date of grant. The persons eligible for such plan include employees and officers of the Company (whether or not such officers are also directors of the Company) and consultants and advisors to the Company, who are largely responsible for the management, growth and protection of the business of the Company. Options issued under the Incentive Plan are generally exercisable over a term of ten years.

During 2000, the departure of our former president resulted in the forfeiture of his options to purchase 800,000 shares. There were no options issued under this plan during the year.

On March 3, 1997 ("the Grant Date"), the Board of Directors approved a grant of an option ("Option") to each of the Company's three directors, to purchase 250,000 shares of common stock at an exercise price per share of \$3.375, the closing price of the common stock on the Grant Date. The Options were granted in consideration of the fact that services to the Company by such directors have exceeded and are

expected to continue to exceed the duties of a typical corporate director. On May 12, 1997, at the Company's annual meeting, the stockholders ratified the Options. The Options become exercisable in 50,000 share increments commencing April 9, 1997 and on each anniversary thereafter. In addition, the Options for two of the directors provide that a 50,000 share increment became exercisable on the Grant Date. In March 1998, 250,000 of these shares were forfeited, and in June 1998, the remaining 500,000 shares were repriced to \$2.25 per share (fair market value at repricing).

The total options outstanding under the 1992 Incentive Plan, including the consulting options at December 31, 2000 and 1999 were 586,000 and 1,386,000, respectively. The total options outstanding under the Nonemployee Director Stock Plan at December 31, 2000 and 1999 were 70,000 and 50,000, respectively. The total options outstanding under the Director Stock Plan at December 31, 2000 and 1999 were 575,000.

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A summary of the status of the Company's stock option plans, including consultant options, as of December 31, 2000 and 1999, and changes during the years then ended is presented below:

<TABLE>
<CAPTION>

	2000		1999	
	SHARES	WEIGHTED-AVERAGE EXERCISE PRICE	SHARES	WEIGHTED-AVERAGE EXERCISE PRICE
<S>	<C>	<C>	<C>	<C>
Outstanding at beginning of year	2,011,000	\$ 2.35	1,991,000	\$ 2.36
Granted	20,000	\$ 1.57	20,000	\$ 2.22
Exercised	--	--	--	--
Forfeited	800,000	\$ 2.06	--	--
Outstanding at end of year	1,231,000	\$ 2.54	2,011,000	\$ 2.35
Exercisable at year-end	1,137,000	\$ 2.56	1,261,333	\$ 2.49
Weighted-average fair value of options granted during the year		\$ 1.32		\$ 1.40

</TABLE>

As of December 31, 2000, the 1,231,000 options outstanding have exercise prices ranging between \$1.57 and \$3.69, and a weighted average remaining contractual life of 5 years. The options exercisable of 1,137,000 also have exercise prices ranging between \$1.57 and \$3.69, and their weighted average remaining contractual life is 5 years.

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13. SEGMENT REPORTING

The Company's primary segment consists of its joint venture investments (Note 5). Two of the ventures have current operations, and two are still in the development stage. The operating ventures are evaluated primarily based on operating income, while the development stage ventures are more subjectively assessed by reviewing the future prospects relative to the ongoing expenditures. The corporate segment reflects the administrative and development expenses of the Company's other business.

<TABLE>
<CAPTION>

2000	Joint Ventures	Consolidated Corporate	Total
<S>	<C>	<C>	<C>
Revenues	\$ 3,923,329	\$ --	\$ 3,923,329
Income (loss) from operations	2,787,724	(1,825,479)	962,245
Interest expense	(276,390)	(51,989)	(328,379)
Other income	--	11,616	11,616
Tax (expense) benefit	(1,124,783)	634,390	(490,393)
Net income (loss)	\$ 1,386,551	\$ (1,231,462)	\$ 155,089
Identifiable Assets	\$ 5,226,145	\$ 8,226,534	\$ 13,452,679
1999	Joint Ventures	Consolidated Corporate	Total
<S>	<C>	<C>	<C>
Revenues	\$ 3,604,472	\$ --	\$ 3,604,472

<CAPTION>

Income (loss) from operations	2,582,402	(3,831,717)	(1,249,315)
Interest expense	(241,152)	(13,803)	(254,955)
Other income	--	290,907	290,907
Tax (expense) benefit	(230,000)	487,733	257,733
Net income (loss) before Cumulative effect of change in accounting principle	2,111,250	(3,066,880)	(955,630)
Accounting change, net	(543,870)	--	(543,870)
Net income (loss)	\$ 1,567,380	\$ (3,066,880)	\$ (1,499,500)
Identifiable Assets	\$ 5,397,736	\$ 8,486,100	\$ 13,883,836

</TABLE>

The assets of the corporate segment include the Company's land and advanced costs for its proposed development project in Biloxi, Mississippi.

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EXHIBIT INDEX

EXHIBIT -----	DESCRIPTION -----
21	List of Subsidiaries of Full House Resorts, Inc.
23.1	Consent of Deloitte & Touche LLP

LIST OF SUBSIDIARIES OF FULL HOUSE RESORTS, INC.

NAME OF SUBSIDIARY -----	JURISDICTION OF INCORPORATION -----
Deadwood Gulch Resort and Gaming Corp.	South Dakota
Full House Mississippi, LLC	Mississippi
Full House Subsidiary, Inc.	Delaware
Full House Subsidiary of Nevada, Inc.	Nevada
AEP/FHR, LLC*	Nevada
FH/HR Management, LLC*	Mississippi
Gaming Entertainment, LLC*	Delaware
Gaming Entertainment (Delaware), LLC*	Delaware
Gaming Entertainment (Michigan), LLC*	Delaware
Gaming Entertainment (California), LLC*	Delaware
Greenhouse Management, Inc.**	Michigan

*50% owned

**85% owned

INDEPENDENT AUDITORS' CONSENT

We consent to the incorporation by reference in Registration Statement Nos. 33-84226, 33-80858, and 333-29299 of Full House Resorts, Inc. on Form S-8 of our report dated February 16, 2001 appearing in this Annual Report on Form 10-KSB of Full House Resorts, Inc. for the year ended December 31, 2000.

DELOITTE & TOUCHE LLP

Las Vegas, Nevada
March 29, 2001