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

FORM 10-KSB

[X] 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, 1999

[ ] 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 [X] 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: $3,604,472.

The aggregate market value of registrant's voting $.0001 par value common stock held by non-affiliates of the registrant, as of March 22, 2000, was: $6,783,670.

The number of shares outstanding of registrant's $.0001 par value common stock, as of March 22, 2000, 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. On August 17, 1993, we completed a registered public offering of units, each consisting of three shares of our common stock and a warrant entitling the holder to purchase, for $5.00, one additional share of common stock during the period between August 10, 1994 and August 9, 1996 for net proceeds of $6,742,841. We later extended the exercise period of the warrants until February 10, 1997.

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 (the "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 common stock of Full House 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. The principal amount of this promissory note accrued interest, payable quarterly, at a rate equal to the "prime" rate and such principal amount, together with all accrued interest, was due and payable in full upon demand by the holder(s) of this note, but in no event before August 31, 1996. 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.

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

GTECH RELATIONSHIP

Effective April 1, 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 have been 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, 1999 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 are 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 venture companies. GTECH has also loaned us $3.0 million, with interest payable monthly at prime, and the principal balance due in January 2001. Although the loan was convertible into 600,000 shares of our common stock in January 1998, the loan conversion clause expired without exercise. As part of the GTECH relationship, Allen E. Paulson, William P. McComas and Lee Iacocca have granted to GTECH an option, which expires 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.

Set forth below is a brief description of each of the gaming opportunities that have been transferred to the joint venture companies that we equally own with Dreamport.

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, 1999, 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 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 begin 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 will reduce 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 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 35,000 square foot facility located near Dover, Delaware, was developed, financed and is managed by a Full House-Dreamport joint venture company. The facility employs approximately 285 people, and features 742 gaming devices and a 150-seat simulcast parlor. Individual screens for players broadcast horse racing from harness and thoroughbred tracks around the world. The facility also features a 150-seat Las Vegas-style buffet, lounge, and gift shop. 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 development loan was paid in full in February 1998.

The facility is currently being expanded by an additional 35,000 square feet, which will allow the addition of 400 gaming devices, the expansion of the food service offerings, and provide for an entertainment lounge area. The total cost is approximately $6.5 million and is being fully funded by the owner. Completion is expected by the end of the second quarter of 2000. The joint venture company has agreed to modify its management fee structure for revenues and operating profits in excess of defined amounts, in recognition of the owner providing complete financing for the expansion.

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 developed and constructed the gaming facility and provided financing through a capital lease arrangement. 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 122 gaming devices were added to the facility. 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.

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 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.

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 is expected to open in 2000. We do not believe that operation of three gaming facilities in Detroit will have a material adverse impact 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 requires legislative enactment, was approved by the U. S. House of Representatives but not by the Senate. The bill has not been reintroduced as the Tribe focused its attention upon a settlement with the State of California

under which it will also take replacement lands in exchange for granting a right of way through its reservation to accommodate the re-routing of a state highway.

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 now

enables 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 expected to be concluded by the third quarter of 2000.

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) have formed a limited liability company, equally owned, for the purpose of owning and developing the proposed resort. Mr. Paulson has agreed to contribute a gaming vessel (the former Treasure Bay barge in Tunica, Mississippi) and we have 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 onging 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. Consequently, our agreements were amended in a fashion that would allow us to attempt to attract an additional partner who could provide the necessary equity and credit enhancements.

We jointly agreed to terminate the Management and Development Agreement which relieves Hard Rock of its obligation 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 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 commercially reasonable terms, or at all.

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.

DEADWOOD GULCH RESORT

On May 12, 1998, we completed the sale of Deadwood Gulch Resort ("DGR") for $6.0 million cash and the proration of certain related items. After prorations and closing costs we received net proceeds of $5,941,765. The gain on the sale, recorded in the second quarter 1998, was $385,227.

The Company determined that ownership of this facility was inconsistent with our future plans. From the time of its acquisition through its sale, the Resort had a cumulative operating deficit of approximately $3.83 million and we had recognized an impairment loss of $4.15 million.

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.

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 15, 2000, we and our subsidiaries had five full time employees, three of whom are our executive officers. Our joint venture operations have approximately 275 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 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. No action has been taken on that matter to date. In January 2000, LS Capital, successor to Lone Star, announced it had retained new counsel to pursue this claim. 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 financial condition.

In January 1999, we were advised that the Securities and Exchange Commission ("SEC") was conducting an inquiry into trading of our stock by our President, Gregg R. Giuffria, for a period beginning prior to his association with the Company and continuing for a period after he became a consultant to the Company. 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

PART II

5. MARKET FOR COMMON EQUITY AND RELATED STOCKHOLDER MATTERS.

(a) MARKET INFORMATION

The Company's 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 Company's Common Stock as reported on the Nasdaq SmallCap Market System for the periods indicated.

	HIGH	LOW
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

YEAR ENDED DECEMBER 31, 1998

First Quarter	$3.88	$2.00
Second Quarter	3.75	1.94
Third Quarter	3.00	1.25
Fourth Quarter	3.50	1.50

The quotations reflect inter-dealer prices, without retail mark-up, mark-down or commission, and may not represent actual transactions. On March 22, 2000, the last sale price of the Common Stock as reported by the Nasdaq SmallCap Market was $1.28.

(b) HOLDERS

As of March 22, 2000, the Company had approximately 138 holders of record of its Common Stock. The Company believes that there are over 2,000 beneficial owners of its Common Stock.

(c) DIVIDENDS

The Company has paid no dividends on its Common Stock or Preferred Stock since its inception. Holders of the Company's 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 the Company's 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. The Company has not declared or paid the accrued dividends on its Preferred Stock which were payable since issuance, totaling $1,575,000 and, accordingly, is in default in regard thereto.

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

The Company intends to retain future earnings, if any, to provide funds for the operation of its business, retirement of its debt and payment of preferred stock dividends and, accordingly, does not anticipate paying any cash dividends on its 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, 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 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.

YEAR ENDED DECEMBER 31, 1998 COMPARED TO YEAR ENDED DECEMBER 31, 1997

JOINT VENTURE REVENUES. Joint venture revenues increased $430,673, or 13.6% for the year ended December 31, 1998 as compared to 1997. These increases are due to the improved operating results from the Delaware and Oregon joint ventures.

DELAWARE JOINT VENTURE. The Company's share of income from the Delaware joint venture was $2,506,437 for the year ended December 31, 1998. This represented an increase in the Company's share of income of $350,011, or 16.2%, over 1997. The increase is attributed to a new marketing plan at the facility and the addition of 122 video slot machines on May 22, 1998. As a result of operating results exceeding initial projections, Midway Slots and Simulcast has prepaid its obligation to the Delaware joint venture. The joint venture, in turn, prepaid its obligation to the Company in February 1998.

OREGON JOINT VENTURE. The Company's share of income from the Oregon joint venture increased $80,662, or 8.1% for the year ended December 31, 1998 as compared to 1997 primarily as a result of improved marketing of the casino.

JOINT VENTURE PREOPENING COSTS.

CALIFORNIA AND MICHIGAN JOINT VENTURES. The Company's share of the loss from the California and Michigan joint ventures increased to $57,486 for the year ended December 31, 1998 as compared to $46,634 in 1997. These joint venture companies are still in the development stage and do not have operating revenues.

GENERAL AND ADMINISTRATIVE EXPENSES. Non-resort expenses increased $217,416, or 13.5% for the year ended December 31, 1998 as compared to 1997. This increase is primarily due to the grant, on January 6, 1998 of a vested stock option to Gregg Giuffria, who later became president and chief operating officer of the Company, to purchase 70,001 common shares at $2.03, and an unvested option to purchase 279,999 shares at $2.03. The value of $240,964 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. As the vested options were granted to a then nonemployee in return for prior services, consulting expense was recognized in the first quarter of 1998 in the amount of $74,644, and the remaining $166,320 is being amortized over the 36 month vesting period beginning April 1998. In addition, in 1998, the Company continued to incur costs related to the investigation, due diligence and pre-development of various ongoing opportunities for expansion of its business and the increase in the Company's corporate structure necessary to administer the Company's expansion.

INTEREST EXPENSE AND DEBT ISSUE COSTS. For the year ended December 31, 1998, interest expense and debt issue costs decreased by $98,131 as compared to 1997. This decrease is primarily due to interest on the $3.0 million GTECH note, which became interest bearing in January 1998, and the bank loan used to fund the Mississippi land acquisition, offset by the decrease in interest expense due to the payoff of the DGR loan.

INTEREST AND OTHER INCOME. Interest and other income increased by $443,271 for the year ended December 31, 1998 primarily due to the $385,227 gain on the sale of DGR and 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, partially offset by a reduction in interest income due to the prepayment of the Delaware LLC note receivable.

INCOME TAX EXPENSE. Income tax expense was $344,082 for the year ended December 31, 1998 and primarily reflects state taxes due on joint venture revenues. At December 31, 1998, the Company had net operating loss carryforwards for federal income tax purposes of approximately $3,600,000, 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.

DEADWOOD GULCH RESORT

INCOME (LOSS) FROM OPERATIONS. The operating loss from DGR was $345,769 for 1998 as compared to a profit of $424,815 in 1997 primarily due to the sale of the Resort in May 1998, which was prior to the beginning of the peak season.

IMPAIRMENT OF LONG-LIVED ASSETS. In January 1996, the Company announced its intent to dispose of DGR. The Company adopted the provisions of SFAS No. 121, ACCOUNTING FOR THE IMPAIRMENT OF LONG-LIVED ASSETS TO BE DISPOSED OF, during the fourth quarter of the year ended December 31, 1995. Under SFAS No. 121, the Company reviews the carrying values of its long-lived and identifiable intangible assets for possible impairment whenever events or changes in circumstances indicate that the carrying amount of assets may not be recoverable. Since the adoption of SFAS No. 121, the Company has written off $4,154,290 related to DGR.

GAIN ON SALE OF ASSETS HELD FOR SALE. The Company recognized a gain on the sale of DGR of $385,227 after considering the impairment of long-lived assets discussed above. DGR was sold on May 12, 1998. See also "Liquidity and Capital Resources".

LIQUIDITY AND CAPITAL RESOURCES

The Company held cash and cash equivalents of $438,800 as of December 31, 1999. Net cash used by operating activities was $1,325,793 as compared to cash provided by operating activities of $2,446,719 in the comparable prior year period. The significant reduction 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. Additionally, 1998 benefited from the disposition of DGR. Net cash used in investing activities was $77,585, primarily for forfeited options for land in Biloxi, and for funding expenses and land options for the Michigan joint venture. In 1998, net cash provided by investing activities of $144,074 resulted primarily from the sale of DGR for $6.0 million, the acquisition of the proposed gaming site in Biloxi, Mississippi for $4.6 million, and a $1.0 million deposit for the Hard Rock License.

In 1998, the Company 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, requires interest payments monthly on the outstanding balance, and all principal and accrued interest is due at maturity on February 25, 2001. At December 31, 1999, $750,000 was outstanding on the bank line.

In November 1998, the Company 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, the Company 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 the Company agreed to contribute its 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 for the

Company to effect its business strategy and no assurance can be given that such financing will be available upon commercially reasonable terms, or at all.

On November 20, 1995, Full House merged a wholly-owned subsidiary into Omega Properties Inc. (30% owned by William P. McComas, a director/stockholder of the Company). In exchange, the shareholders of Omega received an aggregate of 500,000 shares of Full House Common Stock and a promissory note of Full House in the principal amount of $375,000. The principal amount of this promissory note accrued interest, payable quarterly, at a rate equal to the "prime" rate, and such principal amount, together with all accrued interest, was due and payable in full upon demand by the holder of this note. William P. McComas received the note and Mr. Fugazy, the other stockholder of Omega, received the shares in exchange for their interests as shareholders of Omega. The note was paid in full in 1998.

Full House is 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 has 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 has contributed cash and other intangible assets and has agreed to loan the joint venture entities up to $16.4 million to complete the North Bend, Oregon and Delaware facilities. Full House has 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 has also loaned Full House $3.0 million, which loan was convertible, until January 1998 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 have granted to GTECH an option, which expires 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.

As a result of its agreements with GTECH, receipt by Full House of revenues from the operations of projects is governed by the terms of the joint venture agreements applicable to such projects. These contracts provide 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, with the sale of DGR, the Company's continuing cash flow is dependent on the operating performance of its joint ventures, and the ability to receive monthly distributions.

As of December 31, 1999, Full House had cumulative undeclared and unpaid dividends in the amount of $1,575,000 on the 700,000 outstanding shares of its 1992-1 Preferred Stock. Such dividends are cumulative whether or not declared, and are currently in arrears.

On May 31, 1995, DGR borrowed $5.0 million, secured by its real property. The note accrued interest at prime plus 2-1/4%, and payments were due in monthly installments of principal and interest based on a ten-year amortization with the remaining balance due on May 31, 2002. A portion of the

loan was guaranteed by Messrs. McComas and Paulson and a former director of the Company. This note was paid in full from the proceeds of the sale of the Resort in 1998.

YEAR 2000 ISSUES

The Company implemented a Year 2000 program to ensure that its computer systems and applications would function properly beyond 1999. The Company believes that it has allocated adequate resources for this purpose and its Year 2000 date conversion program was completed on a timely basis. The Company has not experienced any disruptions to its internal systems as a result of the rollover to 2000, but continues to monitor performance for any latent problems.

Although the Company discussed and received assurances from its joint venture's significant vendors that they were fully prepared for the date conversion, one system did not function as intended. Numerous slot devices at the Delaware location did not function beginning the morning of December 27, 1999. These devices were sending a "bad date" error message. The problem was resolved over the next several days, and did not significantly impact the business for New Year's Eve. The Company, along with the two other operators in Delaware, and the Delaware State Lottery, are discussing this matter with the vendor.

7. FINANCIAL STATEMENTS.

The following financial statements are filed as part of this Report

- Independent Auditors' Report
- Consolidated Balance Sheets as of December 31, 1999 and 1998
- Consolidated Statements of Income for the years ended December 31, 1999 and 1998
- Consolidated Statements of Stockholders' Equity for the years ended December 31, 1999 and 1998
- Consolidated Statements of Cash Flows for the years ended December 31, 1999 and 1998
- Notes to Consolidated Financial Statements

8. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE.

None.

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 the Company's directors is incorporated by reference to the information in the Proxy Statement for the 2000 Annual Meeting of Stockholders of the Company.

(b) EXECUTIVE OFFICERS OF THE COMPANY

The executive officers of the Company and their ages as of March 21, 2000 are as follows:

NAME	AGE	POSITIONS
William P. McComas	73	Chairman, Chief Executive Officer
Gregg R. Giuffria	48	President, Chief Operating Officer and Director
Michael P. Shaunnessy	46	Executive Vice President-Finance and Treasurer
Megan G. McIntosh	44	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.

GREGG R. GIUFFRIA joined the Company as President, Chief Operating Officer and Director in April 1998. Mr. Giuffria has been involved in the gaming industry since 1991, following nearly 20 years in the music, film, and publishing business. From 1995 to 1996 he was with Casino Data Systems, Inc. as the head of corporate development with responsibility for design and development of innovative technology for casino gaming. From 1993 to 1995 he was vice president of MEC American Leisure Technology. From 1997 to 1999 he owned American Laser Cutting, Inc., which provided specialty items to the gaming industry, among others.

MICHAEL P. SHAUNNESSY joined the Company as Executive Vice President-Finance 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-Finance 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 2000 Annual Meeting of Stockholders of the Company.

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 2000 Annual Meeting of Stockholders of the Company.

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 2000 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)

10.32 Purchase Agreement between the Company and William P. McComas dated August 18, 1994 (Incorporated by reference to the Company's Annual Report on Form 10-KSB for the fiscal year ended December 31, 1994)

10.33 Agreement among the Company, Hannahville Indian Community, Lac Vieux Desert Band of Lake Superior Chippewa Indians, Grand Traverse Band of Ohawa and Chippewa Indians and Keweenah Bay Indian Community dated September 10, 1994 (Incorporated by reference to the Company's Annual Report on Form 10-KSB for the fiscal year ended December 31, 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 (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)

10.42 Option Agreement dated as of December 29, 1995 by and among GTECH Corporation, the Company, Lee Iacocca, William P. McComas and Allen E. Paulson (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, L.L.C. 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), L.L.C. 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)

10.46 Loan Agreement dated as of May 31, 1995 between Deadwood Gulch Resort and Gaming Corp. and Miller & Schroeder Investment Corporation; Guaranty dated as of May 31, 1995 by Allen E. Paulson, H. Joe Frazier and William P. McComas; Subordination Agreement dated as of May 31, 1995 among Miller & Schroeder Investment Corporation, Deadwood Gulch Resort and Gaming Corp. and the Corporation; Waiver of Breach of Covenants and Amendment Number 1 to Loan Agreement dated March 28, 1996; and Guaranty dated March 28, 1996 by the Company (Incorporated by reference to the Company's Annual Report on Form 10-KSB for the fiscal year ended December 31, 1995)

10.47 Subordination and Participation Agreement dated as of October 8, 1996 between Gaming Entertainment L.L.C. 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 L.L.C. 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 L.L.C. 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) L.L.C. 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) L.L.C. (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 *

27.1 Financial Data Schedule *

* Filed herewith.

(b) REPORTS ON FORM 8-K.

None.

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, 2000 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, 2000
/S/ GREGG R. GIUFFRIA Gregg R. Giuffria, President , Chief Operating Officer and Director	March 29, 2000
/S/ RONALD K. RICHEY Ronald K. Richey, Director	March 29, 2000
/S/ LEE A. IACOCCA Lee A. Iacocca, Director	March 29, 2000
/S/ JAMES C. GILSTRAP James C. Gilstrap, Director	March 29, 2000
/S/ MICHAEL P. SHAUNNESSY Michael P. Shaunnessy, Executive Vice President-Finance (Principal Financial and Accounting Officer)	March 29, 2000

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, 1999 and 1998, 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, 1999 and 1998, 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.

As discussed in Note 2 to the financial statements, in 1999 the Company changed its method of accounting for start-up costs.

DELOITTE & TOUCHE LLP

Las Vegas, Nevada
March 3, 2000

FULL HOUSE RESORTS, INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 1999 AND 1998

<TABLE>
<CAPTION>
ASSETS

<S>	1999 <C>	1998 <C>
CURRENT ASSETS:		
Cash and cash equivalents	$ 438,800	$ 1,092,178
Income tax refund receivable	34,057	35,871
Receivable from joint ventures	--	216,188
Prepaid expenses	87,590	88,018
Total current assets	560,447	1,432,555
LAND HELD FOR DEVELOPMENT	4,621,670	4,621,670
FIXTURES AND EQUIPMENT, net	69,413	44,457
INVESTMENTS IN JOINT VENTURES	3,672,175	5,017,470
GOODWILL, net	885,981	1,392,249
NOTE RECEIVABLE - JOINT VENTURE	839,580	232,421
DEFERRED TAX ASSET	614,083	--
DEPOSITS AND OTHER ASSETS	2,620,487	2,732,742
TOTAL	$ 13,883,836	$ 15,473,264
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Accounts payable	$ 19,238	$ 33,566
Payable to joint ventures	60,077	--
Accrued expenses	190,332	1,111,158
Total current liabilities	269,647	1,144,724
LONG-TERM DEBT, net of current portion	3,750,000	3,000,000
DEFERRED INCOME TAXES	--	121,235
COMMITMENTS AND CONTINGENCIES		
STOCKHOLDERS' EQUITY:		
Cumulative preferred stock, par value $.0001, 5,000,000 shares authorized; 700,000 shares issued and outstanding; aggregate liquidation preference of $3,675,000	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	17,374,449	17,218,065
Accumulated deficit	(7,511,364)	(6,011,864)
Total stockholders' equity	9,864,189	11,207,305
TOTAL	$ 13,883,836	$ 15,473,264

</TABLE>

See notes to consolidated financial statements.

FULL HOUSE RESORTS, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF OPERATIONS
FOR THE YEARS ENDED DECEMBER 31, 1999 AND 1998

<TABLE>
<CAPTION>

<S>	1999 <C>	1998 <C>
OPERATING REVENUES		
Joint ventures	$ 3,604,472	$ 3,587,173
Resort and casino	--	1,140,466
	3,604,472	4,727,639
Less promotional allowances	--	(64,226)
Net operating revenues	3,604,472	4,663,413
OPERATING COSTS AND EXPENSES		
Joint venture pre-opening costs	515,802	57,486
Development costs	1,644,542	--
Resort and casino	--	1,053,084
General and administrative	2,165,439	1,957,346
Depreciation and amortization	528,004	517,081

Total operating costs and expenses	4,853,787	3,584,997
INCOME (LOSS) FROM OPERATIONS	(1,249,315)	1,078,416
Interest expense and debt issue costs	(254,955)	(597,921)
Interest and other income	290,907	587,896
INCOME (LOSS) BEFORE TAXES AND CUMULATIVE EFFECT OF CHANGE IN ACCOUNTING PRINCIPLE	(1,213,363)	1,068,391
INCOME TAX BENEFIT (PROVISION)	257,733	(344,082)
NET INCOME (LOSS) BEFORE CUMULATIVE EFFECT OF CHANGE IN ACCOUNTING PRINCIPLE	(955,630)	724,309
CUMULATIVE EFFECT OF ACCOUNTING CHANGE net of tax benefit of $280,175	(543,870)	--
NET INCOME (LOSS)	(1,499,500)	724,309
Less, undeclared dividends on cumulative preferred stock	(210,000)	(210,000)
NET INCOME (LOSS) APPLICABLE TO COMMON SHARES	$ (1,709,500)	$ 514,309
INCOME (LOSS) PER COMMON SHARE BEFORE CUMULATIVE EFFECT OF ACCOUNTING CHANGE, basic and diluted	$ (0.12)	$ 0.05
CHANGE IN ACCOUNTING PRINCIPLE, basic and diluted	$ (0.05)	$ --
NET INCOME (LOSS) PER COMMON SHARE, basic and diluted	$ (0.17)	$ 0.05
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING, basic and diluted	10,340,380	10,340,380

</TABLE>

See notes to consolidated financial statements.

FULL HOUSE RESORTS, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
FOR THE YEARS ENDED DECEMBER 31, 1999 AND 1998

<TABLE>
<CAPTION>

	PREFERRED STOCK		COMMON STOCK		ADDITIONAL PAID-IN	ACCUMULATED	
	SHARES	AMOUNT	SHARES	AMOUNT	CAPITAL	DEFICIT	TOTAL
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
BALANCE JANUARY 1, 1998	700,000	$ 70	10,340,380	$ 1,034	$ 16,957,487	$ (6,736,173)	$ 10,222,418
Net income	--	--	--	--	--	724,309	724,309
Amortization of deferred compensation expense	--	--	--	--	260,578	--	260,578
BALANCE DECEMBER 31, 1998	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
BALANCE DECEMBER 31, 1999	700,000	$ 70	10,340,380	$ 1,034	$ 17,374,449	$ (7,511,364)	$ 9,864,189

</TABLE>

See notes to consolidated financial statements.

FULL HOUSE RESORTS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 1999 AND 1998

<TABLE>
<CAPTION>

<S>	1999 <C>	1998 <C>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income (loss)	$(1,499,500)	$ 724,309
Adjustments to reconcile net income (loss) to net cash (used in) provided by operating activities:		
Depreciation and amortization	528,004	517,081
Debt issue costs and debt discount	--	33,840
Amortization of deferred compensation expense	156,384	260,578
Cumulative effect of change in accounting principle	543,870	--
Gain on disposition of assets	--	(385,227)
Equity in earnings of joint ventures	(3,088,670)	(3,529,687)
Distributions from joint ventures	3,609,919	3,537,597
Changes in assets and liabilities:		
Restricted cash	--	530,881
Receivables	1,814	125,671
Inventories	--	8,297
Prepaid expenses	428	171,734
Other assets	(187,745)	(229,151)
Income taxes payable	--	(52,733)
Deferred taxes	(455,143)	121,235
Accounts payable and accrued expenses	(935,154)	612,294
Net cash (used in) provided by operating activities	(1,325,793)	2,446,719
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of property and equipment	(46,691)	(5,855)
Proceeds from disposal of assets held for sale	--	5,933,160
Proceeds from sale of current assets and liabilities	--	11,439
Acquisition of land for development	--	(4,007,920)
(Increase) decrease in receivables from GTECH and joint ventures	(330,894)	463,250
(Increase) decrease in deposits on purchase options	300,000	(2,250,000)
Net cash (used in) provided by investing activities	(77,585)	144,074
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from line of credit	1,750,000	2,000,000
Repayment of debt	(1,000,000)	(5,921,499)
Net cash provided by (used in) financing activities	750,000	(3,921,499)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(653,378)	(1,330,706)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	1,092,178	2,422,884
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 438,800	$ 1,092,178

</TABLE>

See notes to consolidated financial statements.

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.

Through its subsidiary, Deadwood Gulch Resort and Gaming Corp. ("DGR"), FHRI operated a 99-room hotel, a recreational vehicle park and campground, conference center, convenience store/gas mart, restaurant, lounge, family entertainment facility and two small casinos in Deadwood, South Dakota. During January 1996, the Company announced its intent to dispose of DGR, and in May 1998 consummated a sale.

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.

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 depreciation was $59,614 and $37,878 at December 31, 1999 and 1998, 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 1999 and 1998 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.

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, 1999.

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 (LOSS) 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), a previously operated casino, 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 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 is in negotiations to acquire the additional necessary parcels of land to complete the gaming site.

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 L.L.C. ("GELLC"), Gaming Entertainment (Delaware) L.L.C. ("GEDLLC"), Gaming Entertainment (Michigan) L.L.C. ("GEMLLC"), and Gaming Entertainment (California) L.L.C. ("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.

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

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 Coquilla 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 Dreamport, 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, 1999.

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 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.

Through December 31, 1997, the Company had advanced funds to GEDLLC totaling $544,890 evidenced by an interest bearing note, and payable from available operating cash flows. The note was secured by a similar receivable from Midway Slots and Simulcast, a division of Harrington Raceway, Inc., with the same terms and interest rate. The note was paid in full in March 1998.

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, 1999.

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 enables 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, 1999 and 1998 and for the years then ended:

<TABLE>
<CAPTION>
1999
CONDENSED BALANCE SHEET INFORMATION

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

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

</FN>
</TABLE>

<TABLE>
<CAPTION>

1998 CONDENSED BALANCE SHEET INFORMATION	GELLC	GEMLLC	GEDLLC	GECLLC	TOTAL
Total assets	$ 550,624	$ 5,490,350	$ 516,194	$ 265,954	$ 6,823,122
Total liabilities	$ 216,974	$ 254,075	$ 252,413	$ 219,992	$ 943,454
Members' capital	$ 333,650	$ 5,236,275	$ 263,781	$ 45,962	$ 5,879,668
CONDENSED STATEMENTS OF OPERATIONS					
Revenues	$ 2,236,903	$ --	$ 12,152,631	$ --	$ 14,389,534
Operating income (loss)	2,159,382	(34,371)	4,870,523	(80,602)	6,914,932
Interest expense	--	--	45,478	--	45,478
Net income (loss)	2,161,470	(34,371)	5,012,876	(80,602)	7,059,373
Company's equity in net income (loss)	$ 1,080,735	$ (17,185)	$ 2,506,438	$ (40,301)	$ 3,529,687

</TABLE>

6. LONG-TERM DEBT

Long-term debt consists of the following:

<TABLE>
<CAPTION>

	1999	1998
Convertible, unsecured note payable to GTECH Corporation; interest at the prime rate (81/2% at December 31, 1999) due monthly through January 25, 2001, at which time all unpaid principal and interest will be due. The note was convertible at the holder's option, in whole or part, prior to January 25, 1998 into common stock of the Company at a conversion price of five dollars principal amount of the note for one share of stock	$3,000,000	$3,000,000
Line of credit; interest at prime plus 1/2% (9% at December 31, 1999), payable monthly, principal due February 25, 2001 Amount represents the balance outstanding at December 31, 1999 of a $2,000,000 line of credit from Coast Community Bank, which provided the initial loan for the acquisition of Land in Biloxi, Mississippi	750,000	--
Total	3,750,000	3,000,000
Less current portion	--	--
Long-term portion	$3,750,000	$3,000,000

</TABLE>

The scheduled maturities of debt are as follows:

2000	$ --
2001	3,750,000
Total	$3,750,000

7. STOCKHOLDERS' EQUITY

As part of a public offering in August 1993, the Company sold to the underwriters warrants at $.01 per warrant to acquire 80,000 units, each unit consisting of three shares of the Company's common stock and a warrant to purchase additional shares of the Company's common stock. The exercise price of warrants to purchase the units and the exercise price and number of shares issuable per warrant for the warrants issuable upon purchase of the unit are based upon a dilution agreement. As of January 1, 1997, 57,500 warrants to purchase 68,393 shares of

common stock at $4.20 per share were exercisable through, and expired on February 10, 1997. As of January 1, 1998, warrants to purchase 22,500 units at $13.17 per unit were exercisable through, and expired on, August 9, 1998.

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, 1999.

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 nonemployee 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 two years.

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 $1,575,000 and $1,365,000 at December 31, 1999 and 1998, respectively. Through December 31, 1999, no dividends have been declared or paid.

8. INTEREST AND OTHER INCOME

In 1999 the Company received litigation settlement proceeds of $260,907 in connection with its land in Mississippi.

In May 1998, the Company sold all of the assets and operations of DGR for $6,000,000 cash and the proration of certain related items, and recorded a gain on the transaction of $385,227. This gain represented the proceeds in excess of the carrying value, which had been reduced by a previously recorded impairment loss estimate of $4,154,290.

9. INCOME TAX PROVISION

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

	1999	1998
Current: Federal	$ --	$ --
State	(197,410)	(222,847)
Total current	(197,410)	(222,847)
Deferred: Federal	493,525	132,495
State	241,793	(253,730)
Total deferred	735,318	(121,235)
Total (Provision) Benefit	$ 537,908	$(344,082)

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:

	1999	1998
Tax provision at U.S. statutory rate	$ 692,719	$ (363,253)
State taxes	29,292	(314,541)
Change in valuation allowance	--	507,315
Goodwill amortization	(172,131)	(172,131)
Other	(11,972)	(1,472)
Total	$ 537,908	$ (344,082)

The Company's deferred tax items as of December 31, 1999 and 1998 are as follows:

	1999	1998
Deferred tax assets:		
Net operating loss carryforward	$ 1,514,038	$ 1,225,606
Tax credit carryforwards	26,643	23,416
Intangibles	294,817	21,057
Accrued expenses	5,364	6,437
Stock option plans	145,928	109,433
State taxes	--	115,548
Total deferred tax assets	1,986,790	1,501,947
Deferred tax liabilities:		
Difference between book and tax basis of gaming rights	(1,369,474)	(1,618,339)
Other	(3,233)	(4,843)
Total deferred tax liabilities	(1,372,707)	(1,623,182)
Net	$ 614,083	$ (121,235)

At December 31, 1999, the Company had net operating loss carryforwards for income tax purposes of approximately $4,455,000, which may be carried forward to offset future taxable income. The loss carryforwards expire in 2009 through 2019. The availability of the loss carryfowards may be limited in the event of a significant change in ownership of the Company or its subsidiaries.

10. RELATED PARTY TRANSACTIONS

At December 31, 1997, the Company held a note receivable of $106,760 from a director of the Company. This note was paid in full in 1998.

Total interest expense charged to operations in 1998 related to a note payable to a stockholder was $11,702.

See Note 5 for discussion of transactions with joint ventures.

11. SUPPLEMENTAL STATEMENT OF CASH FLOWS INFORMATION

Cash payments for interest for the years ended December 31, 1999 and 1998 were $232,187 and $518,187, respectively.

Income taxes paid for the years ended December 31, 1999 and 1998 were $210,738 and $319,217 respectively.

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

During the years ended December 31, 1999 and 1998, additional paid-in capital increased by $156,384 and $260,578, respectively, as a result of granting and repricing stock options issued to non-employees for consulting services.

During the year ended December 31, 1998, the Company applied purchase option deposits of $613,750 towards the acquisition of land held for development.

12. COMMITMENTS AND CONTINGENCIES

The Company leases office space under a noncancelable lease expiring on March 31, 2001. Future minimum lease obligations are $72,261 and $18,065 for fiscal years 2000 and 2001, respectively. Rent expense pertaining to operating leases was $72,261 and $54,168 for the years

ended December 31, 1999 and 1998, respectively.

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 exerciseable 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.

The Company is party to legal proceedings arising in the normal conduct of business. Management believes that the final outcome of these matters will not have a material adverse effect upon the Company's consolidated financial position, results of operations or cash flows. 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. No action has been taken on that matter to date. In January 2000, LS Capital, successor to Lone Star, announced it had retained new counsel to pursue this litigation. 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 financial condition.

13. STOCK-BASED COMPENSATION PLANS

At December 31, 1999, 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 Nonemployee 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 and income per common share would have been restated to the pro forma amounts indicated below:

<TABLE>
<CAPTION>

<S>	<C>	<C> 1999	<C> 1998
Net income (loss)	As reported	$ (1,499,500)	$ 724,309
	Pro forma	$ (2,004,729)	$ 568,250
Income (loss) per common share, basic and diluted	As reported	$ (.17)	$ 0.05
	Pro forma	$ (.21)	$ 0.03

</TABLE>

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 1999 and 1998: expected volatility of 95%, risk-free interest rate of 5.5 percent and 5.1 percent, and expected life of 2.5 years and 3.6 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 1999 and 1998.

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.

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, 1999 and 1998 were 1,386,000. The total options outstanding under the Nonemployee Director Stock Plan at December 31, 1999 and 1998 were 50,000 and 30,000, respectively. The total options outstanding under the Director Stock Plan at December 31, 1999 and 1998 were 575,000.

A summary of the status of the Company's stock option plans, including consultant options, as of December 31, 1999 and 1998, and changes during the years then ended is presented below:

	1999		1998	
	SHARES	WEIGHTED - AVERAGE EXERCISE PRICE	SHARES	WEIGHTED- AVERAGE EXERCISE PRICE
Outstanding at beginning of year	1,991,000	$ 2.36	1,420,000	$ 3.45
Granted	20,000	$ 2.22	1,081,000	$ 2.11
Exercised	--	--	--	--
Forfeited	--	--	510,000	$ 3.34
Outstanding at end of year	2,011,000	$ 2.35	1,991,000	$ 2.36
Exercisable at year-end	1,261,333	$ 2.49	835,000	$ 2.68
Weighted-average fair value of options granted during the year		$ 1.40		$ 1.53

As of December 31, 1999, the 2,011,000 options outstanding have exercise prices ranging between $2.00 and $3.69, and a weighted average remaining contractual life of 6 years. The options exercisable of 1,261,333 also have exercise prices ranging between $2.00 and $3.69, and their weighted average remaining contractual life is 6.3 years

14. 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. Prior to 1999, the Company operated a casino resort in Deadwood, South Dakota, which

represented a distinct operating segment.

1999

	JOINT VENTURES	CORPORATE	DGR	CONSOLIDATED TOTAL
Revenues	$ 3,604,472	$ --	$ --	$ 3,604,472
Operating income (loss)	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

The assets of the corporate segment include the Company's land and advanced costs for its proposed development project in Biloxi, Mississippi. The decrease in assets of the joint venture segment reflects the write off of $824,045 of start up-costs discussed in Note 2, along with a reduction in goodwill as a result of normal amortization.

1998

	JOINT VENTURES	CORPORATE	DGR	CONSOLIDATED TOTAL
Revenues	$ 3,587,173	$ --	$ 1,076,240	$ 4,663,413
Operating income (loss)	3,023,419	(1,843,718)	(101,285)	1,078,416
Interest expense	(252,075)	(78,326)	(267,520)	(597,921)
Other income	--	179,636	408,260	587,896
Tax expense	(319,666)	(24,416)	--	(344,082)
Net income (loss)	$ 2,451,678	$ (1,766,824)	$ 39,455	$ 724,309
Identifiable Assets	$ 6,858,327	$ 8,614,937	$ --	$ 15,473,264

EXHIBIT INDEX

EXHIBIT	DESCRIPTION
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
27.1	Financial Data Schedule

EXHIBIT 10.54

AMENDMENT TO LICENSE AGREEMENT
& AGREEMENT ON OTHER MATTERS

THIS AMENDMENT TO LICENSE AGREEMENT & AGREEMENT ON OTHER MATTERS ("Amendment") is executed this 30TH day of November, 1999 by and between FULL HOUSE MISSISSIPPI, LLC ("Licensee") and HARD ROCK CAFE INTERNATIONAL (USA), INC., a Florida corporation ("Licensor").

WHEREAS, Licensor and Licensee are parties to that certain License Agreement dated as of November 18, 1998, a copy of which is attached hereto as Exhibit "A"; and

WHEREAS, Licensor and Licensee wish to modify the License Agreement and agree to other matters as more particularly set forth herein.

NOW, THEREFORE, in consideration of the foregoing mutual premises contained herein and other good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, Licensor and Licensee agree as follows:

1. RECITALS. The foregoing recitals are hereby incorporated by reference.

2. CONFLICTS. In the event of any conflict or inconsistency between the terms of this Amendment and the terms of the unamended License Agreement, the terms of this Amendment shall control.

3. DEFINED TERMS. Unless specifically defined herein, capitalized terms shall have the meaning ascribed to them in the License Agreement.

4. DEFINITIONS AND INTERPRETATION. Section 1 of the License Agreement is hereby amended as follows:

A. The definition of "ACHIEVEMENT DATE" is deleted.

B. The definition of "ADJUSTED EBITDA" is deleted.

C. The definition of "COMPETITIVE TERRITORY" in the License Agreement shall be deleted and, for all purposes under the License Agreement, "Competitive Territory" shall mean the state of Mississippi.

D. The definition of "EBITDA" is deleted.

E. The definition of "FINANCING RATE" is deleted.

F. The definition of "INVESTMENT AGREEMENT" is deleted.

G. The definition of "LEASE AGREEMENT" is amended to add Exhibit "B-l" to the definition of the Lease Agreement.

H. The definition of "LICENSING FEE REVENUES" is deleted and replaced with the following:

"LICENSING FEE REVENUES" shall mean, during the relevant period, the aggregate of: (a) all revenues, income and proceeds of any kind from the rental of guest rooms, conference rooms and meeting rooms at the Hotel/Casino, excluding any Federal, state and municipal excise, sales, resort, use and other taxes collected from patrons or guests as a part of or based upon the sales price of any goods or services, including, without limitation, gross receipts, room, bed, admission, cabaret or similar taxes, including, without limitation, (i) the fair market values of any barter and other non-cash property and services received as an alternative to cash payments pursuant to recurring practices that reduce or offset or substitute for revenues, (ii) the fair value of any guest rooms offered to guests, customers or clients on a "complimentary" basis, without charge or for a reduced charge (other than to Hard Rock executives), whether as part of a "frequent traveler" program offered by Licensee (except for programs that grant awards based solely on paid room nights by a guest at the Hotel/Casino) or for any other reason, (iii) awards or any other form of incentive payments from any source whatsoever which are attributable to the rental of guest rooms the Hotel/Casino, and (b) the proceeds (after deduction from said proceeds of all necessary expenses incurred in the adjustment or collection thereof) of business interruption insurance actually received by Licensee with respect to the revenue items described in subsection (a) of this definition

with respect to the Project.

Notwithstanding the above, and for the avoidance of doubt, the parties agree that Licensing Fee Revenues shall not include: (i) any revenues, receipts and income of any kind received by Licensee from "gaming" as defined by Miss. Code Ann. /section/75- 76-5(l) (as hereafter amended), resulting from the operation of the Hotel/Casino; (ii) revenues from the Project's food and beverage operations; (ii) revenues generated by Licensor at the Hard Rock Cafe and the Hard Rock Retail Store located at the Project; (iii) revenues from the parking facility; and (v) revenues from any other ancillary Project facilities.

I. The definition of "MANAGEMENT AGREEMENT" is deleted.

J. The definition of "MEMORABILIA LEASE" is amended to add the following at the end of the definition ", except the references to "fifteen percent (15%)" contained in Section 4(A) thereof shall be changed to "ten percent (10%)"."

K. The definition of "NET-WIN" is deleted.

L. The definitions of "OPERATING AGREEMENT" and "OPERATOR" are hereby deleted.

M. The definitions of "PREFERRED INVESTMENT" and "PRIMARY DEBT" are deleted.

N. The definitions of "REQUIRED EBITDA"and "TARGET EBITDA" are deleted.

0. The definition of "TOTAL PROJECT COST" is deleted.

P. Section 1(D) of the License Agreement is deleted.

5. TERM. Section 3(B) of the License Agreement is amended to delete the last part of the Section commencing with "and (ii) the Continuing Fees..." through the end of such sentence. Section 3(C) of the License Agreement is hereby deleted.

6. COMPENSATION TO LICENSOR.

A. Section 4(A)(ii) of the License Agreement is amended to change "March 31, 1999" to "December 15, 1999".

B. The second sentence of Section 4(A) of the License Agreement is deleted. "Except as provided in the preceding sentence," is hereby deleted from the last sentence of Section 4(A) of the License Agreement.

C. Section 4(B) of the License Agreement is amended to change "five percent (5%)" to "three percent (3%)". Further, the following shall be added to section 4(B) of the License Agreement: "In no event shall this Section be construed so as to allow Licensor to share in any revenue generated by the Licensee's gaming operations at the Hotel/Casino."

D. Section 4(D) of the License Agreement is deleted and replaced with the following:

ANNUAL FEES. As further consideration for the grant f the right to use the Licensed Rights as provided herein, Licensee shall pay Licensor a non-refundable annual fee ("Annual Fee") in the amount equal to Two Million Five Hundred Thousand Dollars ($2,500,000.00), Adjusted for Inflation, without regard to the revenues or financial performance of the Hotel/Casino. The Annual Fee shall commence on the Opening Date and continue for each year during the Term. The Annual Fee shall be payable in equal monthly installments in arrears within ten (10) days after the end of each calendar month.

E. The following shall be added as Section 5(G) to the License Agreement:

OFFSET BY LICENSE. The Lease Agreement requires an Affiliate of Licensor, Hard Rock Cafe International (STP), Inc. ("HRC-STP) to pay an ongoing rental to Licensee, all as more particularly described in the License Agreement ("Rental Payment. In the event HRC-STP does not pay Licensee the Rental Payment as required by the Lease Agreement, then in such event, Licensee, in addition to any other remedies it may have under the Lease Agreement, may offset the unpaid Rental

Payments against the Fees coming due under this License Agreement.

7. DEVELOPMENT/OPERATION OF HOTEL/CASINO.

A. Section 5(A)(i) of the License Agreement is amended to delete "as provided in the Management Agreement."

B. Section 5(A)(ii) of the License Agreement is amended to delete "subject to an aggregate maximum cost of $270,000,000." Further, Section 5(A)(ii) is amended to change "350" to "300" and "500" to "700" in the third sentence of such subsection.

C. Section 5(P) is amended to delete the last sentence of such subsection.

8. ADVERTISING. Section 8(F) of the License Agreement is deleted.

9. STANDARDS OF QUALITY AND OPERATION. Section 9(C) of the License Agreement is amended to delete the first part of the fourth sentence beginning with 'After the earlier.." through "...equity interests of Operator,".

10. SECTION 12.

A. Section 12(A)(i) of the License Agreement is amended (i) to delete "detailed"and insert in place thereof "preliminary" and (ii) to delete "Total Revenues and".

B. Section 12(A)(ii) of the License Agreement is amended to delete "and (F)" in the last line of such subsection.

C. Section 12(E) of the License Agreement is amended to add "as it relates to documenting Licensing Fee Revenues" after "Hotel/Casino".

11. TERMINATION.

A. Section 14(A)(7) of the License Agreement is amended to delete "the Management Agreement".

B. Section 14(B)(4)(a) of the License Agreement is deleted.

12. NON-COMPETITION. Section 17(B) of the License Agreement is amended to delete the second paragraph.

13. SECTION 21. Section 21 of the License Agreement is deleted.

14. SECTION 22.

A. Section 22(A) of the License Agreement is amended to delete "the Management Agreement, the Operating Agreement, the Investment Agreement," from the first sentence of such Section, and add 'the Termination Agreement between the parties dated as of the date of this Amendment' in place thereof.

B. Section 22(B) is amended to change Licensor's notice address to:

Hard-Rock Cafe International (USA), Inc.
6100 Old Park Lane
Orlando, FL 32835
Telephone No.: (407)-445-7625
Facsimile No.: (407) 445-7630
Attention: General Counsel

C. Section 22(M) of the License Agreement is deleted and replaced with the following:

(M) INFLATION ADJUSTMENT. Whenever any provision of this Agreement or the Exhibits hereto requires that an amount be Adjusted for Inflation, such adjustment shall be based upon the "Inflation Index" (as defined below). Adjustments of amounts required to be Adjusted for Inflation under this Agreement shall be made every five (5) years on the anniversary date of this Agreement and shall be determined by multiplying the amount which is the subject of the escalation by a fraction the denominator of which is the "Inflation Index" for November 1999 (the "BASE MONTH"), and the numerator of which is the "Inflation Index" for the month immediately prior to the adjustment date (the "ADJUSTMENT MONTH"), provided that if the percentage change from the Base Month to the Adjustment Month is negative, no adjustment shall be made hereunder. Notwithstanding the above, the adjustments provided for above shall not exceed an annualized rate of two and one-half percent (2.5%) on a cumulative basis for the first

five (5) years of the term of this Agreement and thereafter shall not exceed an annualized rate of three percent (3%) on a cumulative basis.

For purposes of this paragraph, the Inflation Index shall mean the U.S. City Average Price Index for All Urban Consumers for All Items (Base Year 1982

-1984) as published by the United States Department of Labor, Bureau of Labor Statistics; provided that if such index is discontinued or is unavailable, then the parties will substitute therefor a comparable index for use in calculating changes in the cost of living or purchasing power of consumers published by any other governmental agency, major bank, financial institution or university or by another recognized financial publication, with such adjustments as shall be reasonably necessary to produce substantially the same results as would have been obtained under the unavailable index.

D. Section 22(U) of the License Agreement is amended to change "Florida" to "Nevada".

The following Sections shall be agreements between the parties on matters other than the amendment of the License Agreement:

15. FRANCHISE LAWS. Licensee and/or its Affiliates and/or its principals are sophisticated entities engaged in the business of operating hotels and/or casinos throughout the United States and have significant experience in the business of developing and operating hotels and/or casinos. Licensee and its Affiliates shall not initiate any claim or proceeding or take any action under, or with respect to, the franchise laws or regulations of any jurisdiction, with respect to the negotiation, execution delivery and performance of the License Agreement and this Amendment and the consummation of the transactions contemplated thereby. It is the intention of Licensor and Licensee that the negotiation execution, delivery and performance of the License Agreement as modified by this Amendment and the consummation of the transaction not trigger or be subject to the franchise laws and regulations of any jurisdiction, and benefits of the protection of any such laws is hereby expressly waived by Licensee.

16. RELEASES.

A. Licensee and its Affiliates (including, but not limited to, Full House Resorts, Allen E. Paulson, AEP & FHR, LLC), do hereby release, remise and forever discharge Licensor and its Affiliates (including, but not limited to, Hard Rock Cafe International (STP), Inc.), and each of their respective stockholders, members, directors, officers, employees and agents (the "Hard Rock Releasees"), from any and all claims, causes of action, controversies, damages, debts, demands, disputes, liabilities, settlements, or understandings, whatsoever, known or unknown, which such parties, or any of them, have as of the date of this Amendment against the Hard Rock Releasees arising out of or relating to the License Agreement, including any claims under applicable franchise laws. Notwithstanding the foregoing, the obligations of the Hard Rock Releasees to Licensee and its Affiliates under the terms and conditions of the License Agreement (as amended by this Amendment), the agreements contained in Sections 15-18 hereof, and the Termination Agreement between the parties dated of even date hereof shall continue in full force and effect from and after the date hereof.

B. Licensor and its Affiliates, (including, but not limited to, Hard Rock Cafe International (STP), Inc.) do hereby release, remise and forever discharge Licensee and its Affiliates (including, but not limited to, Full House Resorts, Allen E. Paulson, AEP & FHR, LLC), and each of their respective stockholders, members, directors, officers, employees and agents (the "Full House Releasees"), from any and all claims, causes of action, controversies, covenants, damages, debts (excluding the unpaid Territory Fee), demands, disputes, settlements, or understandings, whatsoever, know or unknown, which the such parties, or any of them, have as of the date of this Amendment against the Full House Releasees arising out of or relating to the License Agreement. Notwithstanding the foregoing, the obligations of the Full House Releasees to Licensor and its Affiliates under the terms and conditions of the License Agreement (as amended by this Amendment), the agreements contained in Sections IS- 1 8 hereof, and the Termination Agreement between the parties dated of even date hereof shall continue in full force and effect from and after the date hereof.

17. RATIFICATION. The License Agreement as modified by this Amendment is hereby ratified and confirmed, and as of the date hereof the License Agreement is in full force and effect. All provisions of the License Agreement not specifically modified herein remain in full force and effect.

18. COUNTERPARTS. This Amendment may be executed in any number of counterparts, each of which shall be an original as against any party whose signature appears thereon, and all of which shall constitute one and the same agreement.

IN WITNESS WHEREOF, Licensor and Licensee have executed this Amendment as of the date and year first above written.

[SIGNATURES ON FOLLOWING PAGE)

LICENSOR

HARD ROCK CAFE INTERNATIONAL
(USA), INC.

By:____
Name:____
Its:____

LICENSEE

FULL HOUSE MISSISSIPPI, LLC

By: AEP & FHR LLC, its sole member

By: Full House Resorts, Inc., a member

By: /s/ GREGG R. GIUFFRIA

Name: Gregg R. Giuffria
Its: President

By: Allen E. Paulson, a member

/s/ ALLEN E. PAULSON

Allen E. Paulson

The foregoing parties are executing this Amendment for the sole purpose of acknowledging and agreeing to the releases provided in Section 16 of this Amendment.

HARD ROCK CAFE INTERNATIONAL (STP), INC.

By:____
Name:____
Its:____

FULL HOUSE RESORTS, INC.

By: /s/ GREGG R. GIUFFRIA

Name: Gregg R. Giuffria
Its: President

/s/ ALLEN E. PAULSON

Allen E. Paulson

AEP & FHR LLC

By: Full House Resorts, Inc., a member

By: /s/ GREGG R. GIUFFRIA

Name: Gregg R. Giuffria
Its: President

By: Allen E. Paulson, a member

/s/ ALLEN E. PAULSON

Allen E. Paulson

EXHIBIT 10.55

TERMINATION AGREEMENT

This TERMINATION AGREEMENT ("Agreement") is made and entered into as of November 30, 1999 by and among Hard Rock Cafe International (USA) Inc., a Delaware corporation ("HRC-USA"), Hard Rock Cafe International (STP), Inc., a New York corporation ("Hard Rock STP"), Full House Resorts, Inc., a Delaware corporation ("Full House"), Allen E. Paulson ("Paulson"), AEP & FHR LLC, a Nevada limited liability company ("AEP/FHR"), Full House Mississippi, LLC, a Mississippi limited liability company ("FH Mississippi"), and FH/HR Management, LLC, a Mississippi limited liability company ("Operator").

R E C I T A L S:

A. Pursuant to the Biloxi License Agreement (as defined below), HRC-USA granted FH Mississippi the right to develop, operate, own and manage a hotel and casino using certain licensed rights within a twenty-five (25) mile radius of Biloxi, Mississippi, on the terms and conditions set forth in such agreement.

B. HRC-USA and FH Mississippi are simultaneously herewith entering into an Amendment of the Biloxi License Agreement and the parties hereto mutually desire to terminate certain other agreements related thereto and to release each other from all further liabilities and obligations under such agreements, as more specifically provided in this Agreement.

NOW THEREFORE, in consideration of the foregoing, the mutual covenants and agreements contained herein, the parties covenant and agree as follows:

ARTICLE I
DEFINITIONS

1.1 DEFINITIONS. For purposes of this Agreement, the following definitions shall apply:

"AFFILIATE" means with respect to any Person, any other Person which directly or indirectly controls, or which is controlled by or is under common control with such Person. The term "control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise.

"BILOXI LICENSE AGREEMENT" shall mean that certain License Agreement dated as of November 18, 1998, between HRC-USA and FH Mississippi.

"GOVERNMENT AUTHORITY" means any foreign, federal, state or local governmental entity or authority, or any department, commission, board, bureau, agency, court or instrumentality thereof.

"INVESTMENT AGREEMENT" shall mean that certain Investment Agreement, dated as of November 18, 1998, by and among FH Mississippi, AEP/FHR, Full House, Paulson, and HRC-USA.

"LAW(S)" means any and all laws, judgments, decrees, orders, rules, regulations or official legal interpretations of any Governmental Authority.

"MANAGEMENT AGREEMENT" shall mean that certain Management and Development Agreement, dated as of November 18, 1998, between Operator and FH Mississippi.

"OPERATING AGREEMENT" shall mean that certain Operating Agreement of FH/HR Management, LLC, dated as of November 18, 1998, between Full House and Hard Rock STP.

"PERSON" shall mean (i) an individual, corporation, partnership, joint venture, limited liability company, estate, trust, unincorporated, associated or other entity, (ii) a Federal, state, county or municipal government or any bureau, department, political subdivision or agency thereof or (iii) a fiduciary acting in such capacity on behalf of any of the foregoing.

1.2 SCOPE OF TERMS. The use of the words defined herein shall include the plural or singular forms of such terms, and the male, female, or neutral gender thereof, as appropriate.

1.3 REFERENCE TERMS. The use of the words "herein", "thereof", "hereinafter", "hereinabove", and other words of similar import shall be deemed to refer to this Agreement as a whole, and not to a specific section, subsection, or paragraph thereof.

ARTICLE II
TERMINATION

2.1 TERMINATION OF MANAGEMENT AGREEMENT. Operator and FH Mississippi hereby agree to terminate the Management Agreement, effective immediately, and further agree that neither party shall have any further claim against the other whatsoever in respect of any matter or thing under said agreement, except that the obligations of the parties under Article XIX of the Management Agreement shall continue in full force and effect notwithstanding the termination of said agreement.

2.2 TERMINATION OF INVESTMENT AGREEMENT AND OPERATING AGREEMENT. Full House and Hard Rock STP hereby agree to terminate the Operating Agreement after dissolving Operator and winding up Operator's affairs in accordance with Section 2.3 hereof. FH Mississippi, AEP/FHR, Full House, Paulson and HRC-USA, Inc. hereby agree to terminate the Investment Agreement, effective immediately.

2.3 DISSOLUTION OF OPERATOR. Full House and Hard Rock STP, being all of the members of Operator, hereby mutually agree to dissolve Operator. As soon as practicable after the date hereof, Full House and Hard Rock STP shall cause a certificate of dissolution of Operator to be filed with the Office of the Mississippi Secretary of State and shall take such other actions as are necessary and desirable to dissolve Operator and wind up its affairs in accordance with the Operating Agreement and applicable Laws.

ARTICLE III
RELEASES

3.1 RELEASE OF HARD ROCK. Each of Full House, Paulson, AEP/FHR, and FH Mississippi does hereby release, remise and forever discharge HRC-USA and its Affiliates (including Hard Rock STP), and Operator, and each of their respective stockholders, members, directors, officers, employees and agents (the "Hard Rock Releases"), from any and all accounts, agreements, claims, causes of action, controversies, covenants, damages, debts, demands, disputes, duties, liabilities, obligations, promises, settlements, or understandings, whatsoever, known or unknown, which the such parties, or any of them, now have, may have had, or may hereafter have, against the Hard Rock Releasees arising out of or relating to the Operating Agreement, including Section 12.1 (b) of the Operating Agreement, the Management Agreement or the Investment Agreement, including, without limitation, any claims under applicable franchise Laws.

3.2 RELEASE OF FULL HOUSE. Each of Hard Rock, Hard Rock STP and Operator does hereby release, remise and forever discharge Full House, Paulson, AEP/FHR and FH Mississippi, and each of their respective stockholders, members, directors, officers, employees and agents (the "Full House Releases"), from any and all accounts, agreements, claims, causes of action, controversies, covenants, damages, debts, demands, disputes, duties, liabilities, obligations, promises, settlements, or understandings, whatsoever, know or unknown, which the such parties, or any of them, now have, may have had, or may hereafter have, against the Full House Releasees arising out of or relating to the Operating Agreement, including Section 12.1 (a) of the Operating Agreement, the Management Agreement or the Investment Agreement.

ARTICLE IV
GENERAL PROVISIONS

4.1 ENTIRE AGREEMENT. This Agreement sets forth the entire understanding of the parties with respect to the subject matter hereof. Any previous agreements or understandings between the parties regarding the subject matter hereof are merged into and superseded by this Agreement.

4.2 BINDING NATURE. This Agreement shall be binding upon and inure to the benefit of each of, and be enforceable by, the respective heirs, legal representatives, successors and assigns of each of the parties hereto.

4.3 CONSTRUCTION. This Agreement is a commercial agreement between sophisticated parties which has been entered into by the parties in reliance upon the economic and legal bargains contained herein. This Agreement shall be interpreted and construed in a fair and impartial manner without regard to which party prepared the document, the relative bargaining powers of the parties or the domicile of any party.

4.4 HEADINGS. The various headings used in this Agreement are inserted for convenience only and shall not in any way affect the meaning or construction of this Agreement or any provision hereof.

4.5 COUNTERPARTS. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all such counterparts together shall constitute but one agreement.

4.6 GOVERNING LAW. This Agreement shall be governed, construed and enforced in accordance with the internal laws of the State of Florida, excluding any choice of law rules, which may direct the application of the laws of another jurisdiction.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed, effective as of the date first set forth above.

HARD ROCK CAFE INTERNATIONAL (USA), INC.

By: ____
Name: ____
Its: ____

HARD ROCK CAFE INTERNATIONAL (STP), INC.

By: ____
Name: ____
Its: ____

FULL HOUSE RESORTS, INC.

By: /s/ GREGG R. GIUFFRIA

Name: Gregg R/ Giuffria
Its: President

/s/ ALLEN E. PAULSON

/s/ ALLEN E. PAULSON

AEP & FHR LLC

By: Full House Resorts, Inc., a member

By: /s/ GREGG R. CIUFFRIA

Name: Gregg R. Ciuffria
Its: President

By: Allen E. Paulson, a member

/s/ ALLEN E. PAULSON

Allen E. Paulson

FULL HOUSE MISSISSIPPI, LLC

By: AEP & FHR LLC, its sole member

By: Full House Resorts, Inc., a member

By: /s/ GREGG R. CIUFFRIA

Name: Gregg R. Ciuffria
Its: President

By: Allen E. Paulson, a member

/s/ ALLEN E. PAULSON

Allen E. Paulson

FH/HR MANAGEMENT, LLC

By: Full House Resorts, Inc., a member

By: /s/ GREGG R. CIUFFRIA

Name: Gregg R. Ciuffria
Its: President

By: Hard Rock Cafe International (STP), Inc., a member

By: ___________________________________
Name: ___________________________________
Its: ___________________________________

EXHIBIT 21

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

EXHIBIT 23.1

INDEPENDENT AUDITORS' CONSENT

We consent to the incorporation by reference in Registration Statement No.'s 33-84226, 33-80858, and 333-29299 of Full House Resorts, Inc. on Form S-8 of our report dated March 3, 2000 appearing in this Annual Report on Form 10-KSB of Full House Resorts, Inc. for the year ended December 31, 1999.

DELOITTE & TOUCHE LLP

Las Vegas, Nevada
March 27, 2000

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