TRUMP ENTERTAINMENT RESORTS, INC.
Form DEF 14A
March 01, 2013

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549
SCHEDULE 14A
(Rule 14a-101)

INFORMATION REQUIRED IN PROXY STATEMENT

SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a)
of the Securities Exchange Act of 1934

Filed by the Registrant ý Filed by a Party other than the Registrant ¨

Check the appropriate box:

o Preliminary Proxy Statement

¨ Confidential, For Use of the Commission Only (as permitted by Rule 14a-6(e)(2))

x Definitive Proxy Statement

¨ Definitive Additional Materials

¨ Soliciting Material Pursuant to §240.14a-12

TRUMP ENTERTAINMENT RESORTS, INC.

(Name of Registrant as Specified in Its Charter)
(Name of Person(s) Filing Proxy Statement, if Other Than the Registrant)

Payment of Filing Fee (Check the appropriate box):

ý No fee required.

¨ Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which transaction applies:
(2) Aggregate number of securities to which transaction applies:
(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):
(4) Proposed maximum aggregate value of transaction:
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¨ Fee paid previously with preliminary materials:

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(1) Amount Previously Paid:
(2) Form, Schedule or Registration Statement No.:
(3) Filing Party:
(4) Date Filed:

TRUMP ENTERTAINMENT RESORTS, INC.

1000 Boardwalk at Virginia Avenue
Atlantic City, New Jersey 08401

Dear Stockholders:

On behalf of our entire Board of Directors, I cordially invite you to attend a Special Meeting of Stockholders, to be held at the law offices of Stroock & Stroock & Lavan LLP, 767 Third Avenue, 37th Floor, New York, New York 10017, on Monday, March 18, 2013, at 12:00 p.m., Eastern time. Information regarding the Special Meeting is set forth in the attached Notice of Special Meeting of Stockholders and Proxy Statement.

As more fully discussed in the attached Proxy Statement, our Board of Directors has unanimously determined that it would be in the best interests of our stockholders for Trump Entertainment Resorts, Inc. to amend its Amended and Restated Certificate of Incorporation so that we may deregister our common stock with the Securities and Exchange Commission. As a result of deregistering, Trump Entertainment Resorts, Inc. would no longer be required to comply with the public reporting requirements and certain other requirements of the Securities Exchange Act of 1934 (the "Exchange Act"). Our Board of Directors has determined, after careful consideration, that the costs and other disadvantages associated with being a reporting company under the Exchange Act outweigh any of the perceived advantages.

To allow for the deregistration of our common stock, our Board of Directors is unanimously recommending that stockholders approve certain proposed amendments to our Amended and Restated Certificate of Incorporation to provide for restrictions on ownership and transferability of our common stock that are applicable under the New Jersey Casino Control Act to gaming companies that are not reporting companies under the Exchange Act. The Proxy Statement contains a more extensive discussion of the proposal being presented at the meeting, and therefore, you should read the Proxy Statement carefully. If the proposed amendments are approved and become effective, we expect to promptly deregister our common stock under the Exchange Act, following which we would no longer be required to file annual, quarterly and other periodic reports with the Securities and Exchange Commission or comply with certain other requirements of the Exchange Act. Our Board of Directors unanimously recommends the proposed amendments to our Amended and Restated Certificate of Incorporation.

It is important that your shares be represented at the Special Meeting, regardless of the number of shares you hold or whether you plan to attend the Special Meeting in person. I urge you to vote your shares as soon as possible. You may vote online or by telephone as described in the proxy voting instructions set forth on the proxy card. Of course, you may also vote by completing the proxy card and returning it by mail.

Your cooperation and prompt attention are appreciated.

Sincerely,

Robert F. Griffin
Chief Executive Officer

February 27, 2013

TRUMP ENTERTAINMENT RESORTS, INC.

NOTICE OF SPECIAL MEETING OF STOCKHOLDERS

A Special Meeting of Stockholders of Trump Entertainment Resorts, Inc. will be held on Monday, March 18, 2013, at 12:00 p.m., Eastern time, at the law offices of Stroock & Stroock & Lavan LLP, 767 Third Avenue, 37th Floor, New York, New York 10017.

At the Special Meeting, stockholders will be asked to vote on the following:

1. To consider and approve amendments to our Amended and Restated Certificate of Incorporation to provide for restrictions on ownership and transferability of our common stock that are applicable under the New Jersey Casino Control Act to gaming companies that are not reporting companies under the Securities Exchange Act of 1934 (the "Exchange Act"), in order to permit the deregistration of the Company's common stock and the termination of the Company's status as a reporting company under the Exchange Act; and

2. To transact any other business that may properly come before the Special Meeting or any adjournments or postponements thereof.

Only stockholders of record owning shares of our common stock at the close of business on February 12, 2013, the record date, are entitled to receive notice of the Special Meeting and to vote. A complete list of these stockholders will be available for ten days prior to the Special Meeting at our executive office located at 1000 Boardwalk at Virginia Avenue, Atlantic City, New Jersey 08401 and will be made available at the Special Meeting. Our transfer books will remain open following the record date.

At the close of business on the record date, there were 10,875,002 shares of our common stock entitled to vote at the Special Meeting.

THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT STOCKHOLDERS

VOTE FOR THE PROPOSAL SET FORTH IN THE PROXY STATEMENT.

By Order of the Board of Directors,

David R. Hughes
Chief Financial Officer
and Corporate Secretary

Atlantic City, New Jersey
February 27, 2013

Important Notice Regarding the Availability of Proxy Materials for the Special Meeting to be held on March 18, 2013:

This Proxy Statement is available at www.trumpcasinos.com.

YOUR VOTE IS IMPORTANT!

Whether or not you plan to attend the meeting, please vote as soon as possible so that we can be assured of having a quorum present at the meeting and so your shares may be represented and voted in accordance with your wishes. Owners of our common stock and beneficial owners of our common stock held in "street name" by a stockbroker may vote via the Internet at www.proxyvote.com, by telephone at 1-(800)-690-6903 or by mail. You can find instructions for voting on the enclosed proxy card.

TABLE OF CONTENTS

PROXY STATEMENT

Introduction

Our Board of Directors (the "Board") is soliciting proxies for a special meeting of stockholders (the "Special Meeting"). This proxy statement contains important information for you to consider when deciding how to vote at the Special Meeting. Please read it carefully.

In this proxy statement, "TER" refers to Trump Entertainment Resorts, Inc., a Delaware corporation, and words such as "we," "us," "our," "our Company" and "the Company" mean TER and its subsidiaries and affiliates, including Tru Entertainment Resorts Holdings, L.P.

Our principal executive offices are located at Trump Taj Mahal Casino Hotel ("Trump Taj Mahal"), 1000 Boardwalk at Virginia Avenue, Atlantic City, New Jersey 08401. The main telephone number of our executive offices is (609) 449-5534. A copy of this proxy statement and the accompanying proxy card were first made available to stockholders on or about March 1, 2013.

Date, Time and Place

The Special Meeting will be held on Monday, March 18, 2013 at 12:00 p.m., Eastern time, at the law offices of Stroock & Stroock & Lavan LLP, 767 Third Avenue, 37th Floor, New York, New York 10017.

Matters to be Considered

At the Special Meeting, stockholders will be asked to consider and approve amendments (the "Amendments") to our Amended and Restated Certificate of Incorporation (the "Certificate of Incorporation"), to provide for restrictions on ownership and transferability of our common stock that are applicable under the New Jersey Casino Control Act (the "NJCCA") to gaming companies conducting business in New Jersey that are not reporting companies under the Securities Exchange Act of 1934, as amended (the "Exchange Act"). See "Amendments to our Certificate of Incorporation."

The Board does not know of any matters to be brought before the Special Meeting other than the approval of the Amendments. If any other matters properly come before the Special Meeting, the persons named in the form of proxy or their substitutes will vote in accordance with their best judgment on such matters.

The Special Meeting may be adjourned from time to time without notice other than the announcement of the adjournment at the Special Meeting or at any adjournment of the Special Meeting. Any business for which notice is given may be transacted at any adjourned Special Meeting.

Record Date; Shares Outstanding and Entitled to Vote

Stockholders as of the close of business on February 12, 2013, the record date, are entitled to receive notice of and to vote at the Special Meeting. As of the record date, there were 10,875,002 shares of our common stock outstanding. Each share of our common stock is entitled to one vote. We do not have cumulative voting.

Our common stock votes as a single class with respect to the Amendments.

Required Votes

Under the Delaware General Corporation Law (the "DGCL"), our Certificate of Incorporation and our Amended and Restated Bylaws ("Bylaws"), approval of the Amendments requires the affirmative vote of a majority of the total outstanding shares of common stock entitled to vote at the Special Meeting. Abstentions from voting and broker non-votes, if any, will have the same effect as voting against the proposal.

Other matters to be voted on at the Special Meeting, if any, require the affirmative vote of a majority of the shares of common stock present in person or by proxy and entitled to vote at the Special Meeting.

Marc Lasry, currently Chairman of our Board until February 28, 2013, is the Chairman and a principal control person of Avenue Capital Management, II, LP ("Avenue Capital"), and David Licht and Robert Symington, both members of our Board, are executives of Avenue Capital. Avenue Capital beneficially owns 2,329,633 shares of our common stock, representing approximately 21.4% of the voting power of our voting shares outstanding as of the record date. Including such shares beneficially owned by Avenue Capital, our directors and executive officers as a group beneficially own in the aggregate approximately 23.5% of our common stock outstanding as of the record date (excluding shares issuable upon the exercise of outstanding warrants held by Donald J. Trump and excluding shares issuable pursuant to vested awards of restricted stock units held by our executive officers).

Effective as of February 28, 2013, the effective date of Mr. Lasry's recent resignation from our Board, Robert F. Griffin, our Chief Executive Officer, will become the Chairman of our Board. In addition, the Board has appointed Michael Elkins to the Board effective February 28, 2013 to fill the vacancy created by Mr. Lasry's resignation. Mr. Elkins was formerly an executive of Avenue Capital and now serves as a consultant to Avenue Capital and other clients.

Voting and Revocation of Proxies

As set forth in the instructions provided in the Notice of Special Meeting of Stockholders, you can vote by proxy over the Internet at www.proxyvote.com, by telephone at 1-(800)-690-6903, or by mail. If you received a printed version of these materials and a paper copy of the proxy card by mail, you can complete and properly sign each proxy card you received and return it to us in the prepaid envelope. It will be voted by one of the individuals indicated on the card—your "proxy"— as you direct. If you return your signed proxy card or vote over the Internet or by telephone, but do not indicate how you wish to vote, your shares will be voted FOR the Amendments.

You can vote one of three ways with respect to the Amendments:

- FOR the approval of the Amendments;
- AGAINST the approval of the Amendments; or
- ABSTAIN from voting.

If your shares are held in the name of a bank, broker or other nominee (i.e., "street name"), you should follow the voting instructions on the form you receive from such bank, broker or nominee.

You may change your vote at any time before the voting concludes at the Special Meeting. You may vote again on a later date by telephone or on the Internet (until 11:59 p.m., Eastern Time, on the day prior to the meeting date), or by signing and returning a new proxy card with a later date (only your latest proxy submitted prior to the Special Meeting will be counted) or by attending the Special Meeting and voting in person. However, your attendance at the Special Meeting will not automatically revoke your proxy unless you vote again at the Special Meeting or specifically request in writing that your prior proxy be revoked.

PROPOSAL 1

AMENDMENTS TO OUR CERTIFICATE OF INCORPORATION

General

After careful consideration, our Board has unanimously concluded that it would be in the best interests of our stockholders for the Company to terminate the registration of its common stock under the Exchange Act pursuant to Rule 12(g)(4) of the Securities and Exchange Commission (the "SEC"). By deregistering the Company's common stock, the Company's status as a reporting company and the Company's duty to file annual, quarterly and other periodic reports with the SEC under Sections 13(a) and 15(d) of the Exchange Act (the "SEC Reporting Obligations") will terminate and the Company will no longer be subject to certain other provisions of the Exchange Act. Without the SEC Reporting Obligations, the Company would be relieved of the considerable costs and administrative burdens associated with operating as a public company required to comply with the SEC Reporting Obligations.

Deregistration of the Company's common stock does not require stockholder approval. However, in order to deregister the common stock, it is necessary for the Company to amend its Certificate of Incorporation as filed with the Secretary of State of the State of Delaware to incorporate certain restrictions on ownership and transferability of its common stock required to comply with the NJCCA. To allow for such amendments to the Certificate of Incorporation and the deregistration of our common stock, the Board unanimously recommends that stockholders authorize the proposed Amendments. The Amendments would not change the Company's authorized capital stock, limitation-of-liability provisions or indemnification of officers and directors, but would impose restrictions on the ownership and transferability of the Company's common stock.

Following approval by stockholders, the Board will have the option for a period of one year to implement the Amendments by filing an Amended and Restated Certificate of Incorporation with the Secretary of State of the State of Delaware (the "Certificate of Amendment"). If the proposed amendments are approved and become effective, we expect to promptly deregister our common stock pursuant to Rule 12(g)(4) of the SEC, following which the Company would no longer be required to file annual, quarterly and other periodic reports with the SEC or comply with certain other provisions of the Exchange Act applicable to public reporting companies. The Board, however, can elect to abandon the filing of the Amendments and the deregistration of the Company's common stock at any time.

Unless stockholder approval for the Amendments is received, the Company will not be able to proceed with the deregistration of its common stock under the Exchange Act.

The following summary of the Amendments may not contain all the information that is important to you. The complete text of the Amendments, which shows the changes that would be made by this proposal, is contained in Appendix A to this proxy statement. You are urged to read Appendix A in its entirety.

Purpose and Effect of the Proposed Amendments

The Company is subject to regulation under the NJCCA. The NJCCA imposes certain restrictions upon the issuance, ownership and transfer of securities of a regulated company conducting the business of gaming in New Jersey. Under these restrictions, if the New Jersey Division of Gaming Enforcement (the "DGE") and the New Jersey Casino Control Commission (the "CCC", and together with the DGE, the "Gaming Authorities") find that a holder of such securities is not qualified under the NJCCA, the Gaming Authorities have the right to take any necessary action to protect the public interest, including the right to force divestiture by such disqualified holder of such securities. In the event that certain disqualified holders fail to divest themselves of such securities, the Gaming Authorities have the power to revoke or suspend the casino license affiliated with the regulated company which issued the securities. If a holder is found unqualified, it is unlawful for the holder (i) to exercise, directly or through any trustee or nominee, any right conferred by such securities or (ii) to receive any dividends or interest upon such securities or any remuneration, in any form, from its affiliated casino licensee for services rendered or otherwise.

With respect to non-publicly-traded securities, the NJCCA and regulations issued by the Gaming Authorities require, among other things, that the corporate charter or partnership agreement of a regulated company provide (i) that any sale, assignment, transfer, pledge or other disposition (a "Transfer") of its securities shall be effective five business days after notice (to be given in the form required by the NJCCA and regulations of the Gaming Authorities) is given to the Gaming Authorities, unless the CCC disapproves of such Transfer within such five business day period, and (ii) for an absolute right on the part of the regulated company to repurchase at the market price or the purchase price, whichever is the lesser, any such security, share or other interest in the event that the CCC disapproves of a Transfer (the "Non-Publicly Traded Security Restrictions"). With respect to publicly-traded securities, such corporate charter or partnership agreement is required by the NJCCA to provide that any such securities of the entity are held subject to the condition that if a holder thereof is found to be disqualified by the Gaming Authorities, such holder, among other items, shall dispose of such securities (the "Publicly Traded Security Restrictions").

The Company's Certificate of Incorporation currently contains the Publicly Traded Security Restrictions. Our Board proposes to amend the Certificate of Incorporation to replace the Publicly Traded Security Restrictions with the Non-Publicly Traded Security Restrictions, thereby providing, among other changes, (i) that any Transfer of the Company's common stock shall be effective five business days after notice (to be given in the form required by the NJCCA and regulations of the Gaming Authorities) is given to the Gaming Authorities, unless the CCC disapproves of such Transfer within such five business day period, and (ii) for an absolute right on the part of the Company to repurchase at the market price or the purchase price, whichever is the lesser, any such common stock in the event that the CCC disapproves of a Transfer. The complete text of the proposed Amendments, showing the proposed changes to our Certificate of Incorporation, is contained in Appendix A to this proxy statement.

If the proposed Amendments are approved and become effective, all stockholders would be required to notify the Gaming Authorities when seeking to Transfer any of the Company's common stock.

Although the proposed Amendments will restrict the transferability of the Company's common stock and may limit the opportunities for stockholders to sell our common stock, the Board believes that the Company and its stockholders will benefit materially if the proposed Amendments are adopted and the Company can then proceed to de-register its common stock. See "Factors Favoring Deregistration" and "Factors Disfavoring Deregistration." Deregistering the Company's common stock would relieve the Company of the substantial time, expense, economic burden and distraction of management attention associated with operating as a company required to comply with the SEC Reporting Obligations.

If the proposed Amendments are approved by stockholders and filed with the Secretary of State of the State of Delaware, we intend to promptly file with the SEC a Form 15 to deregister our common stock under the Exchange Act. Upon the filing of the Form 15 and the deregistration of our common stock, our obligation to file annual, quarterly and other periodic reports under the Exchange Act will be immediately suspended. The deregistration of our common stock is permitted by SEC Rule 12(g)(4) because we currently have fewer than 300 stockholders. Upon deregistration of our common stock, our obligation to comply with the requirements of the proxy rules and to file proxy statements under Section 14 of the Exchange Act, and to comply with certain other requirements of the Exchange Act, will also be terminated. Deregistration of our common stock will be effective 90 days after filing of the Form 15. Once our obligation to file periodic and current reports under the Exchange Act is suspended, we will not be required to file periodic and current reports with the SEC in the future unless we subsequently file a registration statement under the Securities Act of 1933, as amended, or under the Exchange Act.

The proposed Amendments will not divest or limit the power of stockholders to adopt, amend or repeal our Certificate of Incorporation.

Summary of Proposed Changes to the Certificate of Incorporation

The significant amendments to the Certificate of Incorporation resulting from the Amendments will be as follows:

1. Paragraph B of Article V ("Disqualified Holders") will be moved to Paragraph D (as discussed below) and replaced with a new Paragraph B, to read in its entirety as follows:

"New Jersey Approval of Transfers.

If the Corporation is not a "publicly traded corporation", as such term is defined in Section 39 of the Casino Control Act, in accordance with Section 82d(10) of the Casino Control Act:

(1) then any sale, assignment, transfer, pledge or other disposition of the Corporation's Securities shall be effective five business days after notice (to be given in the form required by the Casino Control Act and regulations of the Commission and the DGE) is given to the Commission and the DGE, unless the Commission disapproves of such Transfer within such five business day period; and

(2) the Corporation shall have the absolute right to repurchase at the Market Price or the purchase price, whichever is the lesser, any Securities, shares or other interests in the Corporation in the event the Commission disapproves a transfer in accordance with the provisions of the Casino Control Act. The repurchase price of the Securities, shares or other interests in the Corporation may be paid in cash, Redemption Securities or any combination thereof. The Corporation shall repurchase such Securities, shares or interests within 120 days of Commission disapproval of a transfer, or such other time period required by the Commission."

2. A new Paragraph C will be added to Article V, to read in its entirety as follows:

"New Jersey Disqualified Holders.

If the Corporation is a "publicly traded corporation" as such term is defined in Section 39 of the Casino Control Act, in accordance with Section 82d(9) of the Casino Control Act, Securities of the Corporation are held subject to the condition that if a holder thereof is or becomes a Disqualified Holder, the Disqualified Holder shall dispose of the Securities of the Corporation held by the Disqualified Holder within 120 days following such disqualification, or such other time period required by the Commission."

3. Former Paragraph B of Article V will be amended and moved to become new Paragraph D, to read in its entirety as follows:

"Regulatory Redemption.

Notwithstanding any other provision of this Certificate of Incorporation (except for Article V.B.2. to the extent applicable), and regardless of whether the Corporation is a "publicly traded corporation" as such term is defined in Section 39 of the Casino Control Act, Securities of the Corporation held by a Disqualified Holder shall be subject to redemption at any time by the Corporation by action of the Board as follows:

(1) the redemption price of the Securities to be redeemed pursuant to this Article V.D. shall be equal to the lesser of the Fair Market Value of such Securities or the price at which such Securities were purchased by the Disqualified Holder, or such other redemption price as required by pertinent state or federal law pursuant to which the redemption is required;

(2) the redemption price of the Securities may be paid in cash, Redemption Securities or any combination thereof;

(3) if less than all the Securities held by Disqualified Holders are to be redeemed, the Securities to be redeemed shall be selected in such manner as shall be determined by the Board, which may include selection first of the most recently purchased Securities thereof, selection by lot, or selection in any other manner determined by the Board;

(4) at least thirty (30) days' written notice of the Redemption Date shall be given to the record holders of the Securities selected to be redeemed (unless waived in writing by any such holder); provided, however, that the Redemption Date shall be deemed to be the date on which written notice shall be given to record holders if the cash or Redemption Securities, or combination thereof necessary to effect the redemption shall have been deposited in trust for the benefit of such record holders and subject to immediate withdrawal by them upon surrender of the stock certificates representing their shares of Securities to be redeemed;

(5) from and after the Redemption Date or such earlier date as mandated by pertinent state or federal law, any and all rights of whatever nature, which may be held by the Beneficial Owners of shares of Securities selected for redemption (including without limitation any rights to vote or participate in dividends declared on stock of the same class or series as such shares), shall cease and terminate and they shall thenceforth be entitled only to receive the cash, Redemption Securities, or combination thereof payable upon redemption; and

(6) such other terms and conditions as the Board shall determine."

4. A new Paragraph E will be added to Article V, to read in its entirety as follows:

"Indemnification and Costs.

A Disqualified Holder shall indemnify the Corporation for any and all direct or indirect costs, including attorneys' fees, incurred by the Corporation in performing its obligations and exercising its rights under this Article."

If the Amendments are approved by stockholders at the Special Meeting, it is expected that a Certificate of Amendment will be filed with the Secretary of State of the State of Delaware to incorporate the Amendments into the Company's Certificate of Incorporation.

No Appraisal Rights

Under the Delaware General Corporation Law, stockholders are not entitled to appraisal rights in connection with the Amendments.

Approval and Effectiveness of the Proposed Amendments

Under the Delaware General Corporation Law, approval of the Amendments requires the affirmative vote of holders of a majority of the shares of common stock entitled to vote at the Special Meeting. Following stockholder approval, if obtained, the Amendments would take effect on the date we file the Certificate of Amendment with the Secretary of State of the State of Delaware.

Factors Favoring Deregistration

Our common stock is currently registered with the SEC under Section 12(g) of the Exchange Act and as a result we are subject to reporting and other requirements applicable to public companies under the Exchange Act and the rules and regulations of the SEC thereunder. If approved by stockholders, the Amendments will enable the Company to deregister its common stock under the Exchange Act pursuant to Rule 12(g)(4) of the SEC. Our Board believes that there would be several significant benefits to the Company and its stockholders resulting from deregistering the common stock.

Cost-Savings

The Company currently incurs substantial direct and indirect costs associated with its status as a public-reporting company. Among the most significant are the costs associated with compliance with the SEC Reporting Obligations. Direct costs associated with compliance with the SEC Reporting Obligations include, but are not limited to:

- auditing fees;
- legal fees;
- financial printer fees; and
- miscellaneous clerical and other administrative expenses, such as word processing, conversion to EDGAR, mailing of documents to various parties and transmission charges associated with the filing of periodic reports with the SEC.

Based on our experience in prior years, the direct costs of complying with the SEC Reporting Obligations are estimated to be approximately $750,000 annually.

In addition, as a public company with securities registered under the Exchange Act, we are also subject to certain additional regulations and compliance procedures required of public companies under Section 404 of the Sarbanes-Oxley Act of 2002 ("SOX"), which requires companies to perform an audit of internal controls and requires each annual report of a public company to include a report by management on the company's internal control over financial reporting. The direct and indirect costs of complying with the requirements of Section 404 of SOX are estimated to be approximately $100,000 annually.

If our common stock is deregistered and we are able to eliminate the costs of complying with the SEC Reporting Obligations, we will still continue to incur certain costs associated with preparation and filing of annual and quarterly financial statements. However, these costs are expected to be significantly less than the costs we currently incur in complying with the SEC Reporting Obligations. Under the NJCCA, we are required to prepare and file with the DGE annual audited financial statements and quarterly unaudited financial statements with respect to each of our casino properties. We currently own and operate two casino properties in Atlantic City, Trump Taj Mahal Casino Resort and Trump Plaza Hotel Casino (which we have entered into an asset purchase agreement to sell to Meruelo Gaming Holdings, LLC, as previously disclosed). The financial statements we file with the DGE for our casino properties are publicly available on the DGE's website. In addition, provisions of our Amended and Restated Credit Agreement with our senior secured lenders, which are entities affiliated with Icahn Partners LLC, require us to prepare and deliver certain financial and other information to these lenders, including annual audited financial statements and quarterly unaudited financial statements for the Company.

We also anticipate that if our common stock is deregistered we will continue to incur costs associated with soliciting stockholder votes for various reasons, as currently provided in our Certificate of Incorporation, and to meet other state corporate law requirements, although these costs should be significantly less than the direct and indirect costs of complying with the SEC Reporting Obligations.

If our common stock is deregistered and we cease to be subject to the SEC Reporting Obligations, certain information regarding the Company will remain publicly available. The financial statements we file with the DGE for our casino properties will continue to be available on the DGE's website (www.nj.gov/oag/ge/index.html) and we intend to make these statements available through our website (www.trumpcasinos.com) for review by our stockholders and certain other interested investors. In addition, so long as we continue to be required to prepare and deliver annual and quarterly financial statements to our senior secured lenders, we expect to make these statements available through our website for review by our stockholders and certain other interested investors. From time to time, we may also provide certain stockholders with additional financial and other information on a confidential basis by entering into letter agreements with such stockholders. The decision regarding what information will be publicly available, however, will be made in the discretion of the Company's management and our Board.

Management Focus and Greater Flexibility

If deregistration is completed, our Board, management and staff will be able to focus more of their efforts on conducting our business rather than time-consuming compliance with the requirements of the Exchange Act. The Company will not be required to comply with the SEC Reporting Obligations and will not have to file proxy materials before stockholders are asked to consider proposals, nor will it have to comply with the proxy rules or be required to prepare and mail an annual report to stockholders. However, the Company will continue to be regulated under the NJCCA and other related gaming rules and regulations, as well as requirements of the DGCL, and our directors and officers will continue to be subject to Delaware fiduciary duties, even if we are no longer subject to all the requirements of the Exchange Act.

Lack of Capital from Public Sector and Lack of Trading Market

The Company's circumstances are such that management believes that it is not likely to be able to take advantage of the capital available through the public markets. The Board does not have any present intention to raise capital through sales of the Company's securities in a public offering or to acquire other business entities using the Company's common stock as consideration for such acquisition. Accordingly, the Company has not been able to, and is not likely to, make use of, or benefit from, many of the advantages generally associated with operating as a public company.

Furthermore, as the Company's common stock is not listed on any securities exchange and trading in the common stock occurs only infrequently, there is currently no meaningful trading market for our common stock, resulting in the common stock having limited liquidity, notwithstanding our current status as a public reporting company. Under current circumstances, stockholders are limited in their ability to sell shares of our common stock.

Factors Disfavoring Deregistration

Lack of Sale Opportunities

If the Company is able to deregister its common stock as a result of stockholder approval of the Amendments, this will terminate our SEC Reporting Obligations. As a result, the limited trading market that currently exists for our common stock is likely to become even more limited following deregistration. In addition, if approved, the Amendments would incorporate into our Certificate of Incorporation the Non-Publicly Traded Security Restrictions of the NJCCA, which will require stockholders of the Company to notify the Gaming Authorities when seeking to Transfer any of the Company's common stock, further limiting opportunities for our stockholders to sell shares of our common stock.

Termination of Obligation to File Publicly Available Information

Upon terminating the Company's SEC Reporting Obligations, the Company will no longer file, among other things, annual, quarterly or other periodic reports with the SEC. Accordingly, certain information regarding the Company's business that is currently available to the general public and the Company's investors will not be available once the Company terminates its SEC Reporting Obligations. In addition, as a result of termination of the Company's SEC Reporting Obligations, stockholders will not receive the benefit of other protections provided to stockholders of a company subject to SEC Reporting Obligations, including, but not limited to, certain corporate governance, reporting, and management certifications required under SOX and disclosure and liability applicable to reports and statements made pursuant to the requirements of the Exchange Act.

The Company intends, however, to continue to report to its stockholders in accordance with the DGCL. The Company will continue to hold annual meetings of stockholders as required under the DGCL and in conjunction with such meetings expects to continue to distribute proxy materials, even though these materials are likely to be significantly less extensive than those that would be required if the Company remained subject to the SEC Reporting Obligations. Under the DGCL, the Company will not be required to mail or otherwise distribute quarterly or annual reports to stockholders. In addition, as noted above, financial statements the Company files with the DGE for its casino properties will continue to be available on the website of the DGE and we also expect to make these statements

available through our website for review by our stockholders and certain other interested investors, along with the annual and quarterly financial statements we deliver to our senior secured lenders, so long as we continue to be required by our credit agreement to prepare such statements.

Limitation on Capital Raising

There are certain sources of capital that will only invest in companies that file reports with the SEC in accordance with the Exchange Act. If we deregister and cease filing under the Exchange Act, certain capital raising sources will no longer be available to the Company. As noted above, however, the Company's circumstances are such that, to date, the Company has not been able to obtain capital through the public markets and it is not likely that it would be able to obtain capital through the public markets if we were to remain a public reporting company.

If we deregister our common stock and then were to conduct a public offering of shares of common stock or other securities in the future, or register shares for resale by existing holders, we would have to again become a reporting company, and we would once again incur many of the expenses that we are seeking to eliminate. However, in the view of our Board, it is unlikely that we would undertake a public offering in the foreseeable future.

Reporting Obligations of Certain Insiders

Pursuant to Section 16(a) of the Exchange Act, directors, officers, and 10% stockholders of companies having shares registered under the Exchange Act are required to report changes in their respective beneficial ownership of such shares to the SEC. Such insiders are required to file an initial Form 3 showing their respective beneficial holdings within 10 days after becoming subject to Section 16(a). Thereafter, a reporting insider is generally required to file a report on Form 4 within two business days following most acquisitions and dispositions by the insider of company shares. As a related deterrent to improper trading on inside information, insiders are also subject to the so-called "short-swing profit" disgorgement requirements of the Exchange Act. All of these rights are eliminated if the Company deregisters. As noted above, however, given the limited opportunities that currently exist for insiders or other stockholders to sell shares of our common stock, our Board believes these reporting requirements provide little benefit to the Company or its stockholders.

Approval Rights for Transfers of Shares in Non-Reporting Companies

The NJCCA imposes certain restrictions upon the issuance, ownership and transfer of securities of a regulated company, whether its securities are or are not considered publicly traded. If the Gaming Authorities find that a holder of a regulated company's securities is not qualified under the NJCCA, it has the right to take any necessary action to protect the public interest, including the right to force divestiture by such disqualified holder of such securities. In the event that certain disqualified holders fail to divest themselves of such securities, the Gaming Authorities have the power to revoke or suspend the casino license affiliated with the regulated company which issued the securities. If a holder is found unqualified, it is unlawful for the holder (i) to exercise, directly or through any trustee or nominee, any right conferred by such securities or (ii) to receive any dividends or interest upon such securities or any remuneration, in any form, from its affiliated casino licensee for services rendered or otherwise.

With respect to non-publicly-traded securities, the NJCCA and regulations of the Gaming Authorities require that the corporate charter or partnership agreement of a regulated company contain the Non-Publicly Traded Security Restrictions. With respect to publicly-traded securities, such corporate charter or partnership agreement is required to contain the Publicly Traded Security Restrictions.

By adopting the Amendments and deregistering its common stock, the Company's common stock would become subject to the requirements that (i) any Transfer of the Company's common stock shall be effective five business days after notice (to be given in the form required by the NJCCA and regulations of the Gaming Authorities) is given to the Gaming Authorities, unless the CCC disapproves of such Transfer within such five business day period, and (ii) the

Company has an absolute right to repurchase at the market price or the purchase price, whichever is the lesser, any such securities in the event that the CCC disapproves a Transfer.

Our Board considered the cost and other adverse consequences to the Company of continuing to file periodic reports with the SEC and complying with the proxy and annual reporting requirements under the Exchange Act, as well as the other factors favoring deregistration, compared to the benefits to the Company and our stockholders of continuing to operate as a public reporting company. The Board concluded that it is in the Company's and its stockholders' best interests to eliminate the burden and costs associated with maintaining the Company's SEC Reporting Obligations. Our Board believes that the benefits to the Company's long-term welfare are substantially strengthened by the approval of the Amendments and the Company's deregistration of its common stock and termination of its SEC Reporting Obligations.

The Board recommends a vote FOR the proposal to approve amket and (ii) the Nasdaq Computer and Data Processing Services Index. The graph assumes an initial investment of $100 on September 24, 2004 and that all dividends have been reinvested. No cash dividends have been declared on our common stock since the date of our initial public offering. The comparisons in the graph are required by the SEC and are not intended to forecast or be indicative of possible future performance of our common stock.

COMPARISON OF 15 MONTH CUMULATIVE TOTAL RETURN*

AMONG COGENT, INC., THE NASDAQ STOCK MARKET (U.S.) INDEX

AND THE NASDAQ COMPUTER & DATA PROCESSING INDEX

* $100 invested on 9/24/04 in stock or on 8/31/04 in index-including reinvestment of dividends. Fiscal year ending December 31.

Certain Relationships and Related Transactions

Since January 1, 2005, there has not been, nor is there currently proposed, any transaction or series of similar transactions to which we were or are a party in which the amount involved exceeds $60,000 and in which any director, executive officer or beneficial holder of more than 5% of any class of our voting securities or members of such person s immediate family had or will have a direct or indirect material interest. All transactions between us and any of our directors, executive officers or related parties are subject to the review by our audit committee.

PROPOSAL 2

RATIFICATION OF SELECTION OF INDEPENDENT AUDITORS

Our consolidated financial statements as of December 31, 2001 and for the years ended December 31, 2000 and 2001 were previously audited by KPMG LLP, certified public accountants. KPMG LLP resigned in January 2004 and we engaged Deloitte & Touche LLP in April 2004 to audit our consolidated financial statements as of December 31, 2001, 2002 and 2003 and for the years ended December 31, 2001, 2002 and 2003. Our Board of Directors approved the appointment of Deloitte & Touche LLP as our independent registered public accounting firm in April 2004.

There were no disagreements at any time between KPMG LLP and us on any matter of accounting principles or practices, financial statement disclosure or auditing scope or procedures. The audit report of KPMG LLP did not contain any adverse opinion or disclaimer of opinion, nor was it qualified or modified as to uncertainty, audit scope or accounting principles. During the fiscal years ended December 31, 2002 and 2003, and through March 2004, we did not consult Deloitte & Touche with respect to the application of accounting principles to a specified transaction, either completed or proposed, or the type of audit opinion that might be rendered on our consolidated financial statements, or any other matters or reportable events listed in Items 304(a)(2)(i) and (ii) of Regulation S-K.

The Audit Committee has selected Deloitte & Touche LLP as the Company s independent auditors for the fiscal year ending December 31, 2006 and has further directed that the selection of the independent auditors be submitted for ratification by the stockholders at the Annual Meeting. Representatives of Deloitte & Touche LLP are expected to be present at the Annual Meeting, will have an opportunity to make a statement if they so desire and will be available to respond to appropriate questions.

Stockholder ratification of the selection of Deloitte & Touche LLP as the Company s independent auditors is not required by the Company s Bylaws or otherwise. However, the Board of Directors is submitting the selection of Deloitte & Touche LLP to the stockholders for ratification as a matter of good corporate practice. If the stockholders fail to ratify the selection, the Audit Committee will reconsider whether or not to retain that firm. Even if the selection is ratified, the Audit Committee in its discretion may direct the appointment of different independent auditors at any time during the year if they determine that such a change would be in the best interests of the Company and its stockholders.

As part of its duties, the Audit Committee considers whether the provision of services, other than audit services, during the fiscal year ended December 31, 2005 by Deloitte & Touche LLP, the Company s independent auditor for that period, is compatible with maintaining the auditor s independence. The following table sets forth the aggregate fees billed to us for the fiscal years ended December 31, 2004 and 2005 by Deloitte & Touche LLP:

	2004	2005
Audit Fees(1)	$ 1,175,876	$ 1,048,580
Audit-Related Fees(2)	0	0
Tax Fees(3)	0	122,925
All Other Fees	0	0

(1) Audit Fees consist of fees billed for professional services rendered for the audit of our consolidated annual financial statements and internal control over financial reporting, review of the interim consolidated financial statements included in quarterly reports, billing for professional services performed in connection with our initial public offering in September 2004 and our follow-on public offering in June 2005 and services that are normally provided by our independent registered public accounting firm in connection with statutory and regulatory filings or engagements.

(2) Audit-Related Fees consist of fees billed for assurance and related services that are reasonably related to the performance of the audit or review of our consolidated financial statements and are not reported under Audit Fees.
(3) Tax Fees consist of fees billed for professional services rendered for tax compliance, tax advice and tax planning.

Our audit committee s policy is to pre-approve all audit and permissible non-audit services provided by our independent auditors. These services may include audit services, audit-related services, tax services and other services. Pre-approval is generally provided for up to one year and any pre-approval is detailed as to the particular service or category of services. The independent auditor and management are required to periodically report to the audit committee regarding the extent of services provided by the independent auditor in accordance with this pre-approval.

The affirmative vote of a majority of the votes cast at the meeting, at which a quorum is present, either in person or by proxy, is required to approve this Proposal.

OUR BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS A VOTE FOR THE RATIFICATION OF THE SELECTION OF DELOITTE & TOUCHE LLP AS OUR INDEPENDENT AUDITOR FOR THE FISCAL YEAR ENDING DECEMBER 31, 2006.

SECTION 16(A) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Section 16(a) of the Securities Exchange Act of 1934, as amended, requires our executive officers, directors and persons who beneficially own more than 10% of our common stock to file initial reports of ownership and reports of changes in ownership with the SEC. Such persons are required by SEC regulations to furnish us with copies of all Section 16(a) forms filed by such person.

Based solely on our review of such forms furnished to us and written representations from such reporting persons, we believe that all filing requirements applicable to our executive officers, directors and more than 10% stockholders were met in a timely manner, except that Mr. Hollowich made one late filing with respect to a transaction in May 2005.

STOCKHOLDER PROPOSALS

Proposals of stockholders intended to be presented at our Annual Meeting of Stockholders to be held in 2007 must be received by us no later than February 27, 2007 which is 120 days prior to the first anniversary of the mailing date of this proxy statement, in order to be included in our proxy statement and form of proxy relating to that meeting. These proposals must comply with the requirements as to form and substance established by the SEC for such proposals in order to be included in the proxy statement. Under our Bylaws, a stockholder who wishes to make a proposal at the 2007 Annual Meeting of Stockholders without including the proposal in our proxy statement and form of proxy relating to that meeting must notify us no later than February 27, 2007 unless the date of the 2007 Annual Meeting of Stockholders is more than 30 days before or after the one-year anniversary of the 2006 Annual Meeting of Stockholders. If the stockholder fails to give notice by this date, then the persons named as proxies in the proxies solicited by the Board of Directors for the 2006 Annual Meeting may exercise discretionary voting power regarding any such proposal.

ANNUAL REPORT

Our Annual Report for the fiscal year ended December 31, 2005 will be mailed to stockholders of record as of June 16, 2006. Our Annual Report does not constitute, and should not be considered, a part of this Proxy.

A copy of our Annual Report on Form 10-K will be furnished without charge upon receipt of a written request of any person who was a beneficial owner of our common stock on June 16, 2006. Requests should be directed to Cogent, Inc., 209 Fair Oaks Avenue, South Pasadena, California 91030; Attention: Investor Relations.

OTHER MATTERS

The Board of Directors knows of no other matters that will be presented for consideration at the Annual Meeting. If any other matters are properly brought before the meeting, it is the intention of the persons named in the accompanying proxy to vote on such matters in accordance with their best judgment.

All stockholders are urged to complete, sign, date and return the accompanying Proxy Card in the enclosed envelope.

By Order of the Board of Directors

Ming Hsieh
President and Chief Executive Officer

June 26, 2006

COGENT, INC.

ANNUAL MEETING OF STOCKHOLDERS

TO BE HELD ON JULY 31, 2006

THIS PROXY IS SOLICITED ON BEHALF OF THE BOARD OF DIRECTORS

The undersigned hereby appoints Ming Hsieh and Paul Kim, or either of them, as proxies, each with full power of substitution, to represent and vote as designated on the reverse side, all the shares of Common Stock of Cogent, Inc. (the Company) held of record by the undersigned on June 16, 2006, at the Annual Meeting of Stockholders to be held at the corporate offices of the Company located at 209 Fair Oaks Avenue, South Pasadena, California, on July 31, 2006, at 8:30 a.m. Pacific Time or any adjournment or postponement thereof.

THIS PROXY, WHEN PROPERTY EXECUTED, WILL BE VOTED AS DIRECTED BY THE UNDERSIGNED STOCKHOLDER. IF NO SUCH DIRECTIONS ARE MADE, THIS PROXY WILL BE VOTED FOR THE ELECTION OF THE NOMINEES LISTED ON THE REVERSE SIDE FOR THE BOARD OF DIRECTORS AND FOR PROPOSAL 2.

PLEASE MARK, SIGN, DATE AND RETURN THIS PROXY CARD PROMPTLY USING THE ENCLOSED REPLY ENVELOPE.

(Continued and to be signed on the Reverse Side)

The Board of Directors recommends a vote FOR the directors listed below and a vote FOR Proposal 2.

1. To elect four (4) directors for a one-year term to expire at the 2007 Annual Meeting of Stockholders. Our present Board of Directors has nominated and recommends for election as director the following persons:

¨ **FOR** all nominees listed below	¨ **WITHHOLD AUTHORITY** for all nominees	¨ **FOR ALL EXCEPT** (see instructions below)

Ming Hsieh

John C. Bolger

John P. Stenbit

Kenneth R. Thornton.

(INSTRUCTIONS: To withhold authority to vote for any individual nominee(s), mark the Exceptions box and write the name(s) of such nominee(s) on the space provided below.)

EXCEPTIONS _____

2. To ratify the selection of Deloitte & Touche LLP as independent auditors of the Company for the fiscal year ending December 31, 2006.

¨ **FOR** ¨ **AGAINST** ¨ **ABSTAIN**

3. In their discretion, the Proxies, identified on the front of this card, are authorized to vote upon such other business as may property come before the Annual Meeting.

Dated: _____, 2006

Signature

Signature

Title(s)

Note: Please sign your name exactly as it appears hereon. If signing as attorney, executor, administrator, trustee or guardian, please give full title as such, and, if signing for a corporation, give your title. When shares are in the names of more than one person, each should sign.