

**Report of Organizational Actions
 Affecting Basis of Securities**

OMB No. 1545-2224

▶ See separate instructions.

Part I Reporting Issuer

1 Issuer's name PINNACLE ENTERTAINMENT, INC.		2 Issuer's employer identification number (EIN) 95-3667491	
3 Name of contact for additional information INVESTOR RELATIONS	4 Telephone No. of contact (702) 541-7777	5 Email address of contact INVESTORS@PNKMAIL.COM	
6 Number and street (or P.O. box if mail is not delivered to street address) of contact 3980 HOWARD HUGHES PARKWAY		7 City, town, or post office, state, and Zip code of contact LAS VEGAS, NV 89169	
8 Date of action APRIL 28, 2016		9 Classification and description TAXABLE STOCK DISTRIBUTION ON COMMON STOCK	
10 CUSIP number 723456109	11 Serial number(s) N/A	12 Ticker symbol PNK	13 Account number(s) N/A

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

14 Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ▶ **ON APRIL 28, 2016, THE SEPARATION OF PINNACLE ENTERTAINMENT, INC.'S ("PINNACLE") OPERATIONS FROM ITS REAL ESTATE BUSINESS WAS COMPLETED BY A CONTRIBUTION OF ASSETS TO PNK ENTERTAINMENT, INC. ("NEW PNK"). PURSUANT TO THE TERMS OF THE SEPARATION, SHAREHOLDERS OF PINNACLE AS OF THE CLOSE OF BUSINESS ON THE RECORD DATE OF APRIL 18, 2016 WERE ENTITLED TO RECEIVED ONE SHARE OF NEW PNK COMMON STOCK FOR EACH SHARE OF PINNACLE COMMON STOCK (THE "DISTRUTION"). THE DISTRIBUTION WILL NOT BE ELIGIBLE FOR TAX-FREE TREATMENT AND INSTEAD AN AMOUNT EQUAL TO THE FAIR MARKET VALUE OF THE SHARES OF NEW PNK COMMON STOCK RECEIVED BY A SHAREHOLDER IS TREATED AS A TAXABLE DISTRIBUTION. PINNACLE CURRENTLY EXPECTS THE DISTRIBUTION TO HAVE BEEN IN EXCESS OF ITS CURRENT AND ACCUMULATED EARNING AND PROFITS. IMMEDIATELY AFTER THE DISTRIBUTION, PINNACLE MERGED WITH AND INTO A WHOLLY OWNED SUBSIDIARY OF GAMING AND LEISURE PROPERTIES, INC. (THE "MERGER"). IN THE MERGER, PINNACLE SHAREHOLDERS RECEIVED 0.85 SHARES OF GAMING AND LEISURE PROPERTIES, INC. COMMON STOCK FOR EACH PINNACLE SHARE OWNED.**

15 Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis ▶ **PINNACLE CURRENTLY EXPECTS POSITIVE CURRENT EARNINGS AND PROFITS, WHILE IT HAS A DEFICIT IN ACCUMULATED EARNINGS AND PROFITS. THE DISTRIBUTION IS EXPECTED TO HAVE BEEN IN EXCESS OF CURRENT EARNINGS AND PROFITS, BASED ON REASONABLE ASSUMPTIONS CURRENTLY AVAILABLE. FIFTY PERCENT OF THE DISTRIBUTION IS EXPECTED TO BE TREATED AS A DIVIDEND AND THE REMAINING 50.0% IS EXPECTED TO BE A RETURN OF CAPITAL. THE RETURN OF CAPITAL WILL REDUCE SHAREHOLDER BASIS IN THEIR PINNACLE STOCK AND ANY DISTRIBUTION AMOUNT IN EXCESS OF THEIR PINNACLE STOCK BASIS WILL BE CAPITAL GAIN TO THE SHAREHOLDER. THE MERGER IS INTENDED TO BE TREATED AS A TAX-FREE REORGANIZATION UNDER SECTION 368(a) AND THE REMAINING BASIS A SHAREHOLDERS HAS IN THEIR PINNACLE COMMON STOCK WILL BECOME THE BASIS THE SHAREHOLDER WILL HAVE IN THE GAMING AND LEISURE PROPERTIES, INC. COMMON STOCK RECEIVED.**

16 Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ▶ **SEE #15 ABOVE.**

Part II Organizational Action (continued)

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

DISTRIBUTIONS TO SHAREHOLDERS TO THE EXTENT OF THE CORPORATION'S EARNINGS AND PROFITS ARE REPORTED AS TAXABLE DIVIDENDS IN ACCORDANCE WITH SECTION 316. IN THE EVENT A DISTRIBUTION TO SHAREHOLDERS EXCEEDS CORPORATE CURRENT AND ACCUMULATED EARNINGS AND PROFITS UNDER SECTION 312, SHAREHOLDERS MUST APPLY THE RULES OF SECTION 301(c) TO DETERMINE IF THE DISTRIBUTION IS A NON-TAXABLE RETURN OF BASIS UNDER SECTION 301(c)(2) OR IF THE DISTRIBUTION IS REPORTED AS A CAPITAL GAIN UNDER SECTION 301(c)(3).

PINNACLE CURRENTLY EXPECTS POSITIVE CURRENT EARNINGS AND PROFITS AND HAS A DEFICIT IN ACCUMULATED EARNINGS AND PROFITS, WHERE EARNINGS AND PROFITS WAS COMPUTED IN ACCORDANCE WITH SECTION 312.

THE MERGER IS INTENDED TO BE TREATED AS A TAX-FREE REORGANIZATION UNDER SECTION 368(a).

18 Can any resulting loss be recognized? ▶ N/A

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ **THE REPORTABLE TAX YEAR IS 2016.**

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

Sign Here

Signature ▶ *Desiree Burke*

Date ▶ *6/10/16*

Print your name ▶ *Desiree Burke*

Title ▶ *SVP/CAO*

Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	TERASA SCHERRY	<i>Teresa Scherry</i>	<i>6/3/2016</i>		P01395123
	Firm's name ▶ ERNST & YOUNG LLP	Firm's EIN ▶ 34-6565596		Phone no. 213-977-3200	
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