

**Exhibit B**

Debtors' Pre-Petition Income Statements

PRELIMINARY AND UNAUDITED

THE CLIFFS CLUB AND HOSPITALITY GROUP, INC.  
FOR THE YEARS ENDING DECEMBER 31, 2010 AND DECEMBER 31, 2011

	<u>2010</u>	<u>2011</u>
Total Sales Revenues	\$6,344,093	\$6,038,058
Total costs of sales	<u>3,497,758</u>	<u>2,975,547</u>
Gross profit	2,846,335	3,062,511
Gross margin	45%	51%
Other Operating Revenues	<u>22,687,283</u>	<u>22,959,589</u>
Profit margin	25,533,619	26,022,100
Personnel & Benefit Expense	17,013,689	15,196,372
Depreciation & Amortization	5,713,990	5,701,216
Other expenses and other income	2,411,465	15,643,444
Total Expenses	<u>25,139,143</u>	<u>36,541,033</u>
<b>Net Income (Loss)</b>	<u><u>\$ 394,476</u></u>	<u><u>\$ (10,518,933)</u></u>