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QUARTERLY REPORT

LIST OF FORMS - QUARTERLY REPORT

FOR THE QUARTER ENDED SEPTEMBER 30, 1995

LICENSEE ATLANTIC CITY SHOWBOAT, INC

FOR THE QUARTER ENDED SEPTEMBER 30, 1995

TO THE
CASINO CONTROL COMMISSION
OF THE
STATE OF NEW JERSEY

PROPERTY OF
NEW JERSEY STATE LIBRARY
NOV 28 1995
185 W. STATE ST.
TRENTON, N.J.

CC-101

CC-105

CC-110

CC-115

CC-120

N/A

CC-130

CC-140

CC-145

CC-147

BALANCE SHEET

SEPTEMBER 30, 1995 AND 1994
(UNAUDITED)

TRADING NAME OF LICENSEE: ATLANTIC CITY SHOWBOAT, INC.

LIST OF FORMS - QUARTERLY REPORT

FOR THE QUARTER ENDED SEPTEMBER 30, 1995

TITLE	1995	(1994)
Balance Sheets	30,058	31,930
Statements of Income (Year-to-Date)	57,137	5,957
Statements of Income (Three Months)	7,313	5,878
Statements of Changes in Stockholders' Equity	143,243	12,770
Statements of Changes in Partners; or Proprietor's Equity	7,320	5,760
Statements of Cash Flows	362,973	N/A
Schedule of Promotional Expenses and Allowances	6,971	CCC-235
Notes to Financial Statements		CCC-245
Statement of Conformity, Accuracy and Compliance		CCC-249

The accompanying notes are an integral part of the financial statements. Value comparisons cannot be made without using information contained in the notes.

CCC-205

BALANCE SHEET

SEPTEMBER 30, 1995 AND 1994
(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 19 95	(d) 19 94
	ASSETS		
	Current Assets:	\$	\$
1	Cash & Cash Equivalents.....	50,658	31,930
2	Short-Term Investments.....	-	-
3	Receivables and patrons' checks (net of allowances for doubtful accounts - 19_95_ \$ 2,486 ; 19_94_ \$ 2,422 ) .....NOTE 3.	6,086	5,185
4	Inventories	2,148	1,946
5	Prepaid expenses and other current assets.....	8,295	6,606
6	Total current assets	67,187	45,667
7	Investments, Advances, And Receivables NOTE 11	7,313	5,878
8	Property And Equipment - Gross	429,396	412,770
9	(Accumulated Depreciation/Amortization)	(143,243)	(120,078)
10	Other Assets	7,320	8,760
11	Total Assets	\$ 367,973	352,997
	LIABILITIES AND EQUITY		
	Current Liabilities:		
12	Accounts payable	6,671	9,381
13	Notes payable NOTE 6	-	-
	Current portion of long-term debt:		
14	Due to affiliates	-	-
15	Other	-	-
16	Income taxes payable and accrued.....	11,046	7,920
17	Other accrued expenses NOTE 4	18,858	14,644
18	Other current liabilities NOTE 5	9,741	9,317
19	Total current liabilities	46,316	41,262
	Long-Term Debt:		
20	Due to affiliates NOTE 7	215,000	215,000
21	Other	1,928	1,928
22	Deferred Credits	14,074	15,269
23	Other Liabilities	-	-
24	Commitments And Contingencies NOTE 11		
25	Total Liabilities	277,318	273,459
26	Stockholders', Partners', Or Proprietor's Equity	90,655	79,538
27	Total Liabilities And Equity	\$ 367,973	352,997

The accompanying notes are an integral part of the financial statements. Valid comparisons cannot be made without using information contained in the notes.

TRADING NAME OF LICENSEE ATLANTIC CITY SHOWBOAT, INC.

STATEMENTS OF INCOME

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 1995 AND 1994
(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 19 95	(d) 19 94
	Revenue:		
1	Casino	\$ 263,863	\$ 223,003
2	Rooms	15,460	10,505
3	Food and beverage	32,381	27,176
4	Other	3,657	4,334
5	Total revenue	315,361	265,018
6	Less: Promotional allowances	27,252	20,909
7	Net revenues	288,109	244,109
	Costs And Expenses:		
8	Costs of goods and services	155,026	140,388
9	Selling, general, and administrative	52,160	46,409
10	Provision for doubtful accounts	985	305
11	Total costs and expenses	208,171	187,102
12	Gross Operating Profit	79,938	57,007
13	Depreciation and amortization	20,697	17,358
	Charges from affiliates other than interest:		
14	Management fees	15,458	13,002
15	Other	-	-
16	Income (Loss) From Operations	43,783	26,647
	Other Income (Expenses):		
17	Interest (expense) - affiliates	(14,916)	(14,916)
18	Interest (expense) - external	(445)	1,649
19	Investment alternative tax and related income (expense) - net	(935)	(921)
20	Nonoperating income (expense) - net	1,248	982
21	Total other income (expenses)	(15,048)	(13,206)
22	Income (Loss) Before Income Taxes And Extraordinary Items	28,735	13,441
23	Provision (credit) for income taxes NOTE 9	11,892	5,544
24	Income (Loss) Before Extraordinary Items	16,843	7,897
25	Extraordinary items (net of income taxes - 19 95, \$ _____ ; 19 94, \$ _____)	-	-
26	Net Income (Loss)	\$ 16,843	\$ 7,897

The accompanying notes are an integral part of the financial statements. Valid comparisons cannot be made without using information contained in the notes.

The accompanying notes are an integral part of the financial statements. Valid comparisons cannot be made without using information contained in the notes.

TRADING NAME OF LICENSEE ATLANTIC CITY SHOWBOAT, INC.

STATEMENTS OF INCOME

FOR THE THREE MONTHS ENDED SEPTEMBER 30, 1995 AND 1994
(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 19 95	(d) 19 94
	Revenue:		
1	Casino	\$ 100,207	\$ 86,215
2	Rooms	5,987	4,350
3	Food and beverage	12,527	10,581
4	Other	1,340	1,496
5	Total revenue	120,061	102,642
6	Less: Promotional allowances	10,897	8,208
7	Net revenues.....	109,164	94,434
	Costs And Expenses:		
8	Costs of goods and services	56,097	51,512
9	Selling, general, and administrative	18,886	16,724
10	Provision for doubtful accounts	356	354
11	Total costs and expenses	75,339	68,590
12	Gross Operating Profit.....	33,825	25,844
13	Depreciation and amortization	6,659	6,354
	Charges from affiliates other than interest:		
14	Management fees.....	5,892	5,044
15	Other	-	-
16	Income (Loss) From Operations	21,274	14,446
	Other Income (Expenses):		
17	Interest (expense) - affiliates	(4,972)	(4,972)
18	Interest (expense) - external	(148)	695
19	Investment alternative tax and related income (expense) - net	(413)	(355)
20	Nonoperating income (expense) - net	473	351
21	Total other income (expenses)	(5,060)	(4,281)
22	Income (Loss) Before Income Taxes And Extraordinary Items	16,214	10,165
23	Provision (credit) for income taxes	6,576	4,152
24	Income (Loss) Before Extraordinary Items	9,638	6,013
25	Extraordinary items (net of income taxes - 19 95, \$ _____ ; 19 94, \$ _____)	-	-
26	Net Income (Loss)	\$ 9,638	\$ 6,013

The accompanying notes are an integral part of the financial statements. Valid comparisons cannot be made without using information contained in the notes.

TRADING NAME OF LICENSEE ATLANTIC CITY HOWBOAT, INC.

STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY

FOR THE TWELVE MONTH ENDED DECEMBER 31, 1994 AND THE NINE MONTH ENDED SEPTEMBER 30, 1995
(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	Common stock		Preferred stock		Additional Paid-In Capital (g)	(h)	Retained Earnings (Accumulated) (Deficit) (i)	Total stockholders' Equity (Deficit) (j)
		Shares (c)	Amount (d)	Shares (e)	Amount (f)				
1	Balance, December 31, 1993.....	1,500	\$ 76,909	0	\$ 0	\$ 0	\$	\$ (5,851)	\$ 71,058
2	Net Income(Loss) - 1994.....					583		9,500	9,500
3	Contribution to Paid-In Capital.....							(229)	(229)
4	Dividends.....								
5	Prior Period Adjustments.....								
6	.....							
7	.....							
8	.....							
9	.....							
10	Balance, December 31, 1994.....	1,500	76,909	0	0	583	0	3,420	80,912
11	Net Income(Loss) - 1995.....							16,843	16,843
12	Contribution to Paid-In Capital.....							(7,100)	(7,100)
13	Dividends.....								
14	Prior Period Adjustments.....								
15	.....							
16	.....							
17	.....							
18	.....							
19	Balance, September 30, 1995.....	1,500	\$ 76,909	0	\$ 0	\$ 583	\$ 0	\$ 13,163	\$ 90,655

The accompanying notes are an integral part of the financial statements. Valid comparisons cannot be made without using information contained in the notes.

CCC-220

STATEMENTS OF CASH FLOWS

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 1995 AND 1994
(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 19 95	(d) 19 94
1	Net Cash Provided(Used) By Operating Activities	\$ 46,071	\$ 39,973
	Cash Flows From Investing Activities:		
2	Purchase of short-term investment securities		
3	Proceeds from the sale of short-term investment securities		
4	Cash outflows for property and equipment	(14,152)	(58,149)
5	Proceeds from disposition of property and equipment	139	191
6	Purchase of casino reinvestment obligations	(2,811)	(2,490)
7	Purchase of other investments and loans/advances made	(4,840)	(3,338)
8	Proceeds from disposal of investments and collection of advances and long-term receivables		
9	Cash outflows to acquire business entities		2,672
10	Proceeds from CRDA funding credit		
11			
12	Net Cash Provided (Used) By Investing Activities	(21,664)	(61,114)
	Cash Flows From Financing Activities:		
13	Cash proceeds from issuance of short-term debt		
14	Payments to settle short-term debt		
15	Cash proceeds from issuance of long-term debt		
16	Cost of issuing debt		
17	Payments to settle long-term debt	-	(2,283)
18	Cash proceeds from issuing stock or capital contributions		
19	Purchases of treasury stock		
20	Payments of dividends or capital withdrawals		
21	Premium on early retirement of debt		
22			
23	Net Cash Provided (Used) By Financing Activities	-	(2,283)
24	Net Increase (Decrease) In Cash And Cash Equivalents	24,407	(23,424)
25	Cash And Cash Equivalents At Beginning Of Years	26,251	55,354
26	Cash And Cash Equivalents At End Of Years	\$ 50,658	\$ 31,930

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

	Cash Paid During Period For:		
27	Interest (net of amount capitalized)	\$ 10,133	\$ 7,964
28	Income taxes	\$ 18,964	\$ 3,400

The accompanying notes are an integral part of the financial statements. Valid comparisons cannot be made without using information contained in the notes.

STATEMENTS OF CASH FLOWS

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 1995 AND 1994
(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 19 95	(d) 19 94
	Net Cash Flows From Operating Activities:		
29	Net income (loss)	\$ 16,843	\$ 7,897
	Noncash items included in income and cash items excluded from income:		
30	Depreciation and amortization of property and equipment	20,696	17,358
31	Amortization of other assets	255	255
32	Amortization of debt discount or premium		
33	Deferred income taxes - current	(356)	(573)
34	Deferred income taxes - noncurrent	(1,183)	1,882
35	(Gain) loss on disposition of property and equipment	(10)	(136)
36	(Gain) loss on casino reinvestment obligations	927	919
37	(Gain) loss from other investment activities	-	(50)
38	Net (increase) decrease in receivables and patrons' checks.....	(31)	(32)
39	Net (increase) decrease in inventories	(141)	(130)
40	Net (increase) decrease in other current assets	(723)	(513)
41	Net (increase) decrease in other assets	1,223	996
42	Net increase (decrease) in accounts payables	528	605
43	Net increase (decrease) in other current liabilities excluding debt.....	7,879	11,495
44	Net increase (decrease) in other noncurrent liabilities excluding debt.....		
45	Donation of CRDA deposits.....	164	-
46			
47	Net Cash Provided (Used) By Operating Activities	46,071	39,973

SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING AND FINANCING ACTIVITIES

	Acquisition Of Property And Equipment:		
48	Additions to property and equipment	\$ 14,152	\$ 58,149
49	Less: Capital lease obligations incurred		
50	Cash Outflows For Property And Equipment	\$ 14,152	\$ 58,149
	Acquisition Of Business Entries:		
51	Property and equipment acquired	\$	\$
52	Goodwill acquired		
53	Net assets acquired other than cash, goodwill, and property and equipment		
54	Long-term debt assumed		
55	Issuance of stock or capital invested		
56	Cash Outflows To Acquire Business Entries	\$	\$
	Stock Issued Or Capital Contributions:		
57	Total Paid in Capital.....	\$	\$ 583
58	Less: Issuances to settle long-term debt		
59	Consideration in acquisition of business entities		
60	Cash Proceeds From Issuing Stock Or Capital Contributions	\$	\$ 583

ATLANTIC CITY SHOWBOAT, INC.

Notes to Financial Statements

September 30, 1995 and 1994

(1) Summary of Significant Accounting Policies

Nature of Operations

Atlantic City Showboat, Inc. (the Company), is a wholly-owned subsidiary of Ocean Showboat, Inc. (OSI), which is a wholly-owned subsidiary of Showboat, Inc. (SBO). OSI was incorporated in 1983 and is a holding company with its principal assets being investments in the Company and Ocean Showboat Finance Corporation (OSFC). OSFC was organized in December 1986 in connection with the sale of \$180,000,000 of 11 3/8% Mortgage-Backed Bonds Due 2002 (the Bonds). The Company conducts casino gaming operations and operates full supportive services of hotel, restaurant, bar, bowling, and convention facilities at the Showboat Hotel and Casino in Atlantic City, New Jersey (Atlantic City Showboat).

Disclosure

In accordance with the Quarterly Report Instructions, the Company has not submitted updated information for the summary of significant accounting policies, aggregate maturities of long term debt and future lease obligations. There has been no significant changes to the information submitted in our December 31, 1994 Annual Report.

Reclassifications

Certain prior period balances have been reclassified to conform to the current period's presentation.

(2) Related Party Transactions

In November 1985, the Company and SBO entered into a Parent Services Agreement whereby SBO agreed to provide the Company with executive, financial, data processing, legal, marketing, tax planning and compliance, and administrative services. SBO's services are intended to support and supplement the routine functions and responsibilities of the Company's staff and are not intended to substitute for the Company's performance or OSI's oversight responsibilities. In addition to the services outlined above, SBO has also granted the Company a nonexclusive right to the use of each of SBO's trademarks, service marks, trade names, and logos in the operations of the Company's business, including the registered trademark "Showboat." In consideration for such services and license, the Company has agreed to pay SBO a fee equal to five percent of gross revenues.

During the nine months ended September 30, 1995 and 1994, the Company paid to SBO management fees of \$14,957,000 and \$11,721,000, respectively. At September 30, 1995 and 1994 the Company owed \$1,184,000 and \$1,003,000, respectively, in accrued fees, to SBO for SBO's services rendered to the Company in accordance with the Parent Services Agreement.

ATLANTIC CITY SHOWBOAT, INC.

Notes to Financial Statements

(3) Receivables and Patrons' Checks

As of September 30, 1995 and 1994, receivables consisted of the following (dollars in thousands):

	<u>1995</u>	<u>1994</u>
Casino	\$ 7,079	\$ 6,074
Hotel	977	700
Other	516	833
	<u>8,572</u>	<u>7,607</u>
Less allowance for doubtful accounts	<u>2,486</u>	<u>2,422</u>
Receivables, net	<u>\$ 6,086</u>	<u>\$ 5,185</u>

(4) Other Accrued Expenses

As of September 30, 1995 and 1994, other accrued expenses consisted of the following (dollars in thousands):

	<u>1995</u>	<u>1994</u>
Salaries and wages	\$ 9,552	\$ 7,796
Taxes, other than taxes on income	3,118	1,700
Medical and liability claims	1,319	1,038
Accrued advertising and promotion	2,046	1,585
Settlement claims	1,088	1,069
Other	1,735	1,456
	<u>\$ 18,858</u>	<u>\$ 14,644</u>

(5) Other Current Liabilities

As of September 30, 1995 and 1994, other current liabilities consisted of the following (dollars in thousands):

	<u>1995</u>	<u>1994</u>
Due to affiliates - interest	\$ 8,286	\$ 8,286
Due to affiliates - other	-	-
Outstanding chip liability	998	727
Other	457	304
	<u>\$ 9,741</u>	<u>\$ 9,317</u>

(6) Note Payable

On August 4, 1995, SBO obtained a two year secured line of credit for general working capital purposes totalling \$25.0 million. This line of credit replaces the Company's unsecured line of credit which expired in August of 1995.

ATLANTIC CITY SHOWBOAT, INC.

Notes to Financial Statements

(7) Long Term Debt - Due to Affiliates

On May 18, 1993 SBO issued \$275,000,000 of 9 1/4% First Mortgage Bonds due 2008 (9 1/4% Bonds). The proceeds from the sale of the 9 1/4% Bonds were \$268,469,000 net of underwriting discounts and commissions. Approximately \$215,000,000 of the proceeds of the offering were loaned by SBO to the Company which loan is evidenced by an intercompany note with terms and conditions consistent with those of the 9 1/4% Bonds.

The 9 1/4% Bonds are unconditionally guaranteed by OSI, Showboat Operating Company, a wholly owned subsidiary of SBO and the Company. Interest on the 9 1/4% Bonds will be payable semi-annually on May 1 and November 1 of each year. The 9 1/4% Bonds will not be redeemable prior to May 1, 2000. Thereafter, the 9 1/4% Bonds will be redeemable at any time at the option of SBO, in whole or in part, at redemption prices specified in the Indenture for the 9 1/4 % Bonds (Indenture). The 9 1/4% Bonds will be senior secured obligations of SBO and will rank senior in right of payment to all existing and future subordinated indebtedness of OSI and pari passu with OSI's senior indebtedness. The 9 1/4% Bonds will be secured by a deed of trust representing a first lien on the Las Vegas hotel casino (other than certain assets), by a pledge of all outstanding shares of capital stock of OSI and an intercompany note by the Company in favor of SBO and a pledge of certain intellectual property rights of SBO. OSI's obligation under its guaranty will be secured by a pledge of all outstanding shares of capital stock of the Company. The Company's obligations under its guaranty will be secured by a leasehold deed of trust representing a first lien on the Company's hotel casino (other than certain assets). Showboat Operating Company's guaranty will be secured by a pledge of certain of its assets related to a Las Vegas hotel casino.

On July 1, 1994, SBO obtained consents to amend its' Indenture governing its 9 1/4% Bonds. The permitted Amendments, as supplemented and modified, (a) permit SBO or its subsidiaries to invest in Controlled Entities (as defined in the Consent Solicitation Statement), the entity investment and management fees (subject to certain approvals) of which will be pledged as additional Collateral to secure the 9 1/4% Bonds; (b) permit SBO or its subsidiaries to raise up to \$150.0 million in subordinated indebtedness, which will not be secured by any Collateral and at least \$100.0 million of the proceeds of which will be used to fund SBO's investment in Sydney Harbour Casino Pty Limited; (c) permit SBO to pay its regular quarterly dividend and make certain Restricted Payments permitted by Section 4.09(b), as amended, without meeting the debt incurrence requirement contained in the Indenture; (d) limit SBO from incurring no more than fifty percent (50%) of the cost of improvements to either the Company or Las Vegas Showboat with indebtedness which is pari passu to the 9 1/4% Bonds.

At September 30, 1995, the Company had available an unsecured line of credit with SBO totaling \$15,000,000. Interest is payable monthly at money center banks average prime rate as published in the Wall Street Journal on the first day of each month, plus 1%. The line of credit expires in March 1996. At September 30, 1995 no funds had been drawn on this line of credit.

On August 10, 1994 SBO issued \$120,000,000 Senior Subordinated Notes due 2009 (Notes) of which the Company is a guarantor of these Notes.

ATLANTIC CITY SHOWBOAT, INC.

Notes to Financial Statements

(8) Leases

The Company leases certain furniture and equipment and a warehouse under long-term lease agreements. The leases covering furniture and equipment, which expired in 1994, and a warehouse, which expires in 2001, are classified as capital leases. The Company has the option to purchase the warehouse from January 1, 1996 through March 31, 2001 at an option price of approximately \$1,928,000.

The Company is leasing 10 1/2 acres of Boardwalk property in Atlantic City, New Jersey for a term of 99 years commencing October 1983. Annual rent payments, which are payable monthly, commenced upon opening of the Atlantic City Showboat. The rent will be adjusted annually based upon increases or decreases in the Consumer Price Index. In April 1995, the annual rent increased \$234,000 to \$8,560,000. Under the lease, the Company is responsible for taxes, assessments, insurance and utilities.

Rent expense for all operating leases (except those with terms of a month or less that were not renewed) was \$7,453,000 and \$6,679,000 for the nine months ended September 30, 1995 and 1994 respectively.

(9) Income Taxes

For the nine months ended September 30, 1995 and 1994 income tax expense consisted of the following (dollars in thousands):

	Years ended	
	1995	1994
Federal:		
Current	\$ 10,322	\$ 2,881
Deferred	(1,206)	1,433
	<u>9,116</u>	<u>4,314</u>
State and local:		
Current	3,108	1,148
Deferred	(332)	82
	<u>2,776</u>	<u>1,230</u>
Total		
Current	13,430	4,029
Deferred	(1,538)	1,515
	<u>\$ 11,892</u>	<u>\$ 5,544</u>

ATLANTIC CITY SHOWBOAT, INC.

Notes to Financial Statements

(10) Employee Benefit Plans

The Company maintains a retirement and savings plan for eligible employees not covered by a collective bargaining agreement. Under the terms of the plan, eligible employees may defer up to 3% of their compensation, as defined, of which 100% of the deferral is matched by the Company. Eligible employees may contribute an additional 12% of their compensation which will not be matched by the Company. Amounts contributed by the Company vest over a five-year period. The Company contributed \$1,055,000 and \$1,035,000 to this plan for the nine months ended September 30, 1995 and 1994, respectively.

The Company's union employees are covered by union-sponsored, collectively-bargained, multi-employer pension plans. Contributions are determined in accordance with the provisions of negotiated labor contracts and generally are based on the number of man-hours worked. Contributions to the plans were \$367,000 and \$303,000 during the nine months ended September 30, 1995 and 1994, respectively.

The Company has various incentive plans under which SBO stock options or restricted shares may be granted to officers, key employees and all full time and part time employees. A total of 3,720,000 shares have been reserved by SBO for issuance as stock options or restricted shares under these plans. Restricted shares and options granted to key employees vest over a five year period. The options are exercisable, subject to vesting, over ten years at option prices not less than 100% of the fair market value of SBO's common stock determined on the date of grant of the options.

As of September 30, 1995, 468,000 stock options have been granted and 177,300 restricted shares have been issued from SBO's treasury shares to officers and key employees.

Compensation expense of \$912,000 was recognized during the nine months ended September 30, 1995. Unearned compensation at September 30, 1995 is \$1,279,000 and is shown in Other Assets in the accompanying balance sheet.

(11) New Jersey Investment Obligation

The New Jersey Casino Control Act (the Act) provides, among other things, for an assessment on a gaming license based upon its gross casino revenues after completion of its first full year of operation. This assessment may be satisfied by investing in qualified direct investments, purchasing bonds issued by the Casino Reinvestment Development Authority (CRDA), or paying an "alternative tax". In order for direct investments to be eligible, they must be approved by the CRDA.

Deposits with the CRDA bear interest at two-thirds of market rates resulting in a current value lower than cost. At September 30, 1995 and 1994, Investments, Advances and Receivables include \$6,540,000 and \$4,742,000, respectively, representing the Company's deposits\bonds with the CRDA of \$9,477,000 at September 30, 1995 and \$7,079,000 at September 30, 1994 net of a valuation allowance of \$2,937,000 and \$2,337,000 respectively. The carrying value of these deposits\bonds, net of the valuation allowance, approximates fair value.

(Continued)

ATLANTIC CITY SHOWBOAT, INC.

Notes to Financial Statements

(11) New Jersey Investment Obligation (continued)

The CRDA as an agency of the City of Atlantic City is responsible for the redevelopment of the area surrounding the Boardwalk. The Company has requested and the CRDA has approved that \$8,000,000 of the Company's deposits with the CRDA will be used for the expansion of a City street leading to the Atlantic City Showboat. In connection with its approval, the CRDA required the company to donate \$2,000,000 of its deposits with the CRDA to certain public programs. In 1994 the Company donated an additional \$500,000 to these public programs. Construction commenced in the fourth quarter of 1993 and was completed in the 2nd quarter of 1994. In April 1995, an additional \$1,029,000 of the Company's deposits with the CRDA was approved in connection with the above street expansion. The Company has reclassified these CRDA deposits, net of the valuation allowance, totaling \$7,686,000 to property & equipment and will be amortized over seven years.

The Company has applied for and received approval for approximately \$8,700,000 in funding credits from the CRDA in connection with the construction of the Company's additional hotel rooms. In connection with the Company's Credit Agreement with the CRDA, which states the terms and conditions by which the Company may receive funding credit, the Company applied for and received funds from the CRDA of approximately \$3,046,000 as a credit for expenditures made relating to the construction of the hotel rooms. The balance of the funding credits may be applied to portions of future CRDA deposits.

(12) Commitments and Contingencies

The Company is involved in various claims and legal actions arising in the ordinary course of business. In the opinion of management these matters will not have a material adverse effect on the Company's financial position or results of operation.

Fig. The Three Months Ended December 31, 1995

Functional Assets		Functional Expenses	
Number of Repayments	Dollar Amount	Number of Repayments	Dollar Amount
(A)	(B)	(C)	(D)
	\$ 1,250,000	3	
	1,850,000		
	1,750,000		
		1,000	1,000
		2,100	2,100
	27,200		-0-
	1,400		300
	2,330,000	1,000	3,400

TRADING NAME OF LICENSEE ATLANTIC CITY SHOWBOAT
PROMOTIONAL EXPENSES AND ALLOWANCES

STATEMENT OF CONFIDENCY AND COMPLIANCE (\$ in Thousands)

For The Nine Months Ended September 30, 1995

Line (a)	(b)	Promotional Allowances		Promotional Expenses	
		Number of Recipients (c)	Dollar Amount (d)	Number of Recipients (e)	Dollar Amount (f)
1	Rooms	114,348	\$ 9,123		\$
2	Food	1,379,610	12,720		
3	Beverage	4,815,862	4,230		
4	Travel			15,451	2,704
5	Coin			1,506,573	22,831
6	Coupon				
7	Entertainment	72,734	1,091		
8	Retail & Gifts				
9	Parking				
10	Other	9,943	88	58,503	1,157
11	Total	6,392,497	\$ 27,252	1,580,527	\$ 26,692

 For The Three Months Ended September 30, 1995

Line (a)	(b)	Promotional Allowances		Promotional Expenses	
		Number of Recipients (c)	Dollar Amount (d)	Number of Recipients (e)	Dollar Amount (f)
1	Rooms	43,253	\$ 3,763		\$
2	Food	555,857	5,125		
3	Beverage	1,750,321	1,565		
4	Travel			5,800	1,015
5	Coin			548,566	8,109
6	Coupon				
7	Entertainment	27,200	408		
8	Retail & Gifts				
9	Parking				
10	Other	4,000	36	26,203	351
11	Total	2,380,631	\$ 10,897	580,569	\$ 9,475

QUARTERLY REPORT

LICENSEE Bally's Park Place, Inc., New Jersey
ADDRESS Park Place and the Boardwalk
Atlantic City, NJ 08401

FOR THE QUARTER ENDED SEPTEMBER 30, 1995

**TO THE
CASINO CONTROL COMMISSION
OF THE
STATE OF NEW JERSEY**

NAME OF OFFICER IN CHARGE
OF CORRESPONDENCE REGARDING
THIS QUARTERLY REPORT

OFFICIAL TITLE

ADDRESS

Vicki Lynn Guveiyian

Assistant Vice President/Controller

Park Place and the Boardwalk

Atlantic City, NJ 08401

TRADING NAME OF LICENSEE: BALLY'S PARK PLACE CASINO HOTEL AND TOWER

LIST OF FORMS - QUARTERLY REPORT

FOR THE QUARTER ENDED SEPTEMBER 30, 1995

TITLE	FORM NO.
Balance Sheets	CCC-205
Statements of Income (Year -to-Date)	CCC-210
Statements of Income (Three Months)	CCC-215
Statements of Changes in Stockholder's Equity	CCC-220
Statements of Changes in Partners' or Proprietor's Equity	CCC-225
Statements of Cash Flows	CCC-235
Schedule of Promotional Expenses and Allowances	CCC-245
Notes to Financial Statements	---
Statement of Conformity, Accuracy, and Compliance	CCC-249

8/95

CCC-201

The accompanying notes are an integral part of the financial statements.
 Valid comparisons cannot be made without same information contained in the notes.

TRADING NAME OF LICENSEE: BALLY'S PARK PLACE CASINO HOTEL AND TOWER

BALANCE SHEETS

SEPTEMBER 30, 1995 AND 1994

(UNAUDITED)
(\$ IN THOUSANDS)

LINE	DESCRIPTION	1995	1994
(a)	(b)	(c)	(d)
	ASSETS		
	Current Assets:		
11	Cash and Cash Equivalents	\$ 15,556	\$ 15,663
12	Short - Term Investments	—	—
13	Receivables and patrons' checks (net of allowances for doubtful accounts - 1995 \$1,655; 1994 \$1,300)	5,696	5,576
14	Inventories	2,147	2,278
15	Prepaid expenses and other current assets NOTE 1 & 2	15,134	14,596
16	Total current assets	38,533	38,113
17	Investments, Advances, and Receivables NOTE 9 ...	36,997	35,692
18	Property and Equipment - Gross NOTE 3 ...	778,843	762,414
19	Less: Accumulated Depreciation/Amortization NOTE 3 ...	(329,098)	(303,111)
20	Other Assets	14,491	15,511
21	Total Assets	\$ 539,766	\$ 548,619
	LIABILITIES AND EQUITY		
	Current Liabilities:		
22	Accounts payable	\$ 6,315	\$ 7,127
23	Notes payable	—	—
	Current portion of long-term debt:		
24	Due to affiliates	—	—
25	Other	48	44
26	Income taxes payable and accrued	3,264	—
27	Other accrued expenses NOTE 10 ..	27,696	24,531
28	Other current liabilities	3,625	3,235
29	Total current liabilities	40,948	34,937
	Long Term Debt:		
30	Due to affiliates NOTE 4 ...	425,000	425,000
31	Other NOTE 4 ...	2,568	2,690
32	Deferred Credits NOTE 5 ...	44,656	42,695
33	Other Liabilities NOTE 6 ...	3,497	10,035
34	Commitments And Contingencies	—	—
35	Total Liabilities	516,669	515,357
36	Stockholders', Partners', or Proprietors' Equity	23,097	33,262
37	Total Liabilities and Equity	\$ 539,766	\$ 548,619

The accompanying notes are an integral part of the financial statements.
Valid comparisons cannot be made without using information contained in the notes.

TRADING NAME OF LICENSEE: BALLY'S PARK PLACE CASINO HOTEL AND TOWER

STATEMENTS OF INCOME

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 1995 AND 1994

(UNAUDITED)
(\$ IN THOUSANDS)

LINE (A)	DESCRIPTION (B)	1995	1994
	REVENUE:		
1	Casino	\$ 273,189	\$ 241,447
2	Rooms	29,734	29,331
3	Food and Beverage	33,800	31,555
4	Other	7,443	6,261
5	Total Revenue	344,166	308,594
6	Less: Promotional allowances	(31,292)	(26,271)
7	Net Revenue	312,874	282,323
	COSTS AND EXPENSES:		
8	Costs of Goods and Services	153,176	145,521
9	Selling, General, and Administrative	43,159	39,441
10	Provision for Doubtful Accounts	1,009	98
11	Total costs and expenses	197,344	185,060
12	Gross Operating Profit	115,530	97,263
13	Depreciation and amortization	22,527	24,625
	Charges from affiliates other than interest:		
14	Management fees	—	—
15	Other NOTE 1.....	3,705	3,807
16	Income (Loss) from Operations	89,298	68,831
	Other Income (Expenses):		
17	Interest (expense) - affiliates NOTE 7.....	(29,446)	(29,705)
18	Interest (expense) - external NOTE 7.....	(535)	(650)
19	Investment alternative tax and related income (expense) - net ... NOTE 11.....	(1,569)	(1,014)
20	Non-operating income (expense) - net NOTE 12.....	2,314	1,519
21	Total other income (expenses)	(29,236)	(29,850)
22	Income (Loss) Before Income Taxes and Extraordinary Items	60,062	38,981
23	Provision (credit) for income taxes NOTE 8.....	25,776	15,507
24	Income (Loss) Before Extraordinary Items	34,286	23,474
25	Extraordinary items (net of income taxes - 1994, \$14,137)	—	(20,735)
	Cumulative effect on prior years of change in accounting for income taxes	—	—
26	Net Income (Loss)	\$ 34,286	\$ 2,739

The accompanying notes are an integral part of the financial statements.
Valid comparisons cannot be made without using information contained in the notes.

TRADING NAME OF LICENSEE: BALLY'S PARK PLACE CASINO HOTEL AND TOWER

STATEMENTS OF INCOME

FOR THE THREE MONTHS ENDED SEPTEMBER 30, 1995 AND 1994

(UNAUDITED)
(\$ IN THOUSANDS)

LINE (A)	DESCRIPTION (B)	1995 (C)	1994 (D)
	REVENUE:		
1	Casino	\$ 102,481	\$ 94,831
2	Rooms	12,017	12,147
3	Food and Beverage	12,400	11,717
4	Other	2,937	1,994
5	Total Revenue	129,835	120,689
6	Less: Promotional allowances	(11,788)	(9,906)
7	Net Revenue	118,047	110,783
	COSTS AND EXPENSES:		
8	Costs of Goods and Services	54,267	52,293
9	Selling, General, and Administrative	16,352	14,095
10	Provision for Doubtful Accounts	506	171
11	Total costs and expenses	71,125	66,559
12	Gross Operating Profit	46,922	44,224
13	Depreciation and amortization	7,830	8,440
	Charges from affiliates other than interest:		
14	Management fees	—	—
15	Other	NOTE 1	1,263
16	Income (Loss) from Operations	37,829	33,544
	Other Income (Expenses):		
17	Interest (expense) - affiliates	NOTE 7	(9,808)
18	Interest (expense) - external	NOTE 7	(182)
19	Investment alternative tax and related income (expense) - net ...	NOTE 11	(442)
20	Non-operating income (expense) - net	NOTE 12	924
21	Total other income (expenses)	(9,508)	(9,622)
22	Income (Loss) Before Income Taxes and Extraordinary Items	28,321	23,922
23	Provision (credit) for income taxes	NOTE 8	12,156
24	Income (Loss) Before Extraordinary Items	16,165	14,534
25	Extraordinary items (net of income taxes)	—	—
	Cumulative effect on prior years of change in accounting for income taxes	—	—
26	Net Income (Loss)	\$ 16,165	\$ 14,534

The accompanying notes are an integral part of the financial statements.
Valid comparisons cannot be made without using information contained in the notes.

TRADING NAME OF LICENSEE: BALLY'S PARK PLACE CASINO HOTEL AND TOWER

STATEMENTS OF CHANGES IN STOCKHOLDER'S EQUITY

FOR THE TWELVE MONTHS ENDED DECEMBER 31, 1994 AND THE NINE MONTHS ENDED SEPTEMBER 30, 1995

(UNAUDITED)

(\$ IN THOUSANDS)

Line (a)	Description (b)	Common Stock		Preferred Stock		Additional Paid - In Capital (g)	----- ----- ----- (h)	Retained Earnings (Accumulated) (Deficit) (i)	Total Stockholder's Equity (Deficit) (j)
		Shares (c)	Amount (d)	Shares (e)	Amount (f)				
1	Balance, December 31, 1993	100	\$ 1		\$	\$ 86,117	\$	\$ 0	\$ 86,118
2	Net Income (Loss) - 1994							6,852	6,852
3	Contribution to Paid - In Capital								
4	Dividends					(61,207)		(6,852)	(68,059)
5	Prior Period Adjustments								
6									
7									
8									
9									
10	Balance, December 31, 1994	100	1			24,910		0	24,911
11	Net Income (Loss) - 1995							34,286	34,286
12	Contribution to Paid - In Capital								
13	Dividends					(1,814)		(34,286)	(36,100)
14	Prior Period Adjustments								
15									
16									
17									
18									
19	Balance, September 30, 1995	100	\$ 1		\$	\$ 23,096	\$	\$ 0	\$ 23,097

The accompanying notes are an integral part of the financial statements.

Valid comparisons cannot be made without using information contained in the notes.

STATEMENTS OF CHANGES IN PARTNERS' OR PROPRIETOR'S EQUITY

FOR THE TWELVE MONTHS ENDED DECEMBER 31, 19 95
AND THE 9 MONTHS ENDED 9/30, 19 95

(UNAUDITED)
(\$ IN THOUSANDS)

NOT APPLICABLE

Line (a)	Description (b)	Contributed Capital (c)	Accumulated Earnings (Deficit) (d)	(e)	Total Equity (Deficit) (f)
1	Balance, December 31, 19__	\$	\$	\$	\$
2	Net Income (Loss) - 19__				
3	Capital Contributions.....				
4	Capital Withdrawals.....				
5	Partnership Distributions.....				
6	Prior Period Adjustments.....				
7					
8					
9					
10	Balance, December 31, 19__				
11	Net Income (Loss) - 19__				
12	Capital Contributions.....				
13	Capital Withdrawals.....				
14	Partnership Distributions.....				
15	Prior Period Adjustments.....				
16					
17					
18					
19	Balance, 19__	\$	\$	\$	\$

The accompanying notes are an integral part of the financial statements.
Valid comparisons cannot be made without using information contained in the notes.

STATEMENTS OF CASH FLOWS

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 1995 AND 1994

(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	Description (b)	1995 (c)	1994 (d)
1	Net Cash Provided (Used) By Operating Activities	\$ 47,715	\$ 45,550
	Cash Flows From Investing Activities:		
2	Purchase of short-term investment securities	—	—
3	Proceeds from the sale of short-term investment securities	—	—
4	Purchase outflows for property and equipment	(7,206)	(15,525)
5	Proceeds from disposition of property and equipment	—	—
6	Purchase of casino reinvestment obligations	(2,955)	(2,015)
7	Purchase of other investments and loans/advances made	—	—
8	Proceeds from disposal of investments and collection of advances and long-term receivables	69	37
9	Cash outflows to acquire business entities	—	—
10	Payment to affiliate for CRDA credits	—	—
101	Net book value of disposals	164	549
102	Net Cash Provided (Used) By Investing Activities	(9,928)	(16,954)
	Cash Flows From Financing Activities:		
13	Cash proceeds from issuance of short-term debt	—	—
14	Payments to settle short-term debt	—	—
15	Cash proceeds from issuance of long-term debt	8,000	460,000
16	Costs of issuing debt	—	(14,898)
17	Payments to settle long-term debt	(8,071)	(414,729)
18	Cash proceeds from issuing stock or capital contributions	—	—
19	Purchases of treasury stock	—	—
20	Payments of dividends or capital withdrawals	(36,100)	(55,595)
21	Advance (to) from Bally and affiliates	—	—
22	.....	—	—
23	Net Cash Provided (Used) By Financing Activities	(36,171)	(25,222)
24	Net Increase (Decrease) In Cash And Cash Equivalents	1,616	3,374
25	Cash And Cash Equivalents At Beginning Of Period	13,940	12,289
26	Cash And Cash Equivalents At End Of Period	\$ 15,556	\$ 15,663

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

Cash Paid During Period For:		1995	1994
27	Interest (net of amount capitalized)	\$ 40,033	\$ 44,225
28	Income taxes	\$ 20,290	\$ 2,615

The accompanying notes are an integral part of the financial statements.

Valid comparisons cannot be made without using information contained in the notes.

STATEMENTS OF CASH FLOWS

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 1995 AND 1994

(UNAUDITED)

(\$ IN THOUSANDS)

LINE	Description	1995	1994
(a)	(b)	(c)	(d)
	Net Cash Flows From Operating Activities:		
29	Net income (loss)	\$ 34,286	\$ 2,739
	Noncash items included in income and cash items excluded from income:		
30	Depreciation and amortization of property and equipment	20,905	22,376
31	Amortization of other assets	1,199	1,192
32	Amortization of Debt Discount or Premium	—	—
33	Deferred Income taxes - current	(1,173)	(6,618)
34	Deferred income taxes - noncurrent	3,351	10,935
35	(Gain) loss on disposition of property and equipment	—	—
36	(Gain) loss on casino reinvestment obligations	1,569	1,014
37	(Gain) loss from other investment activities	(26)	(36)
38	Net (increase) decrease in receivables and patrons' checks	144	412
39	Net (increase) decrease in inventories	81	(444)
40	Net (increase) decrease in other current assets	(98)	(835)
41	Net (increase) decrease in other assets	(231)	(15)
42	Net increase (decrease) in accounts payables	(906)	(1,950)
43	Net increase (decrease) in other current liabilities excluding debt	(4,581)	(19,024)
44	Net increase (decrease) in other noncurrent liabilities excluding debt	(7,228)	(125)
	(NOTE 6)		
45	(Gain)/Loss from financing activities	—	34,872
46	Amortization of CRDA credits	423	1,057
47	Net Cash Provided (Used) By Operating Activities	\$ 47,715	\$ 45,550

SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING AND FINANCING ACTIVITIES

	Acquisition Of Property And Equipment:		
48	Additions to property and equipment	\$ 7,206	\$ 15,525
49	Less: Capital lease obligations incurred	—	—
50	Cash Outflows For Property And Equipment	\$ 7,206	\$ 15,525
	Acquisition Of Business Entities:		
51	Property and equipment acquired	\$ —	\$ —
52	Goodwill acquired	—	—
53	Net assets acquired other than cash, goodwill, and property and equipment	—	—
54	Long-term debt assumed	—	—
55	Issuance of stock or capital invested	—	—
56	Cash Outflows To Acquire Business Entities	\$ —	\$ —
	Stock Issued Or Capital Contributions:		
57	Total issuances of stock or capital contributions	\$ —	\$ —
58	Less: Issuances to settle long-term debt	—	—
59	Consideration in acquisition of business entities	—	—
60	Cash Proceeds From Issuing Stock Or Capital Contributions	\$ —	\$ —

PROMOTIONAL EXPENSES AND ALLOWANCES

(\$ in Thousands)

For the nine months ended September 30, 1995

Line (a)	(b)	Promotional Allowances		Promotional Expenses	
		Number of Recipients (c)	Dollar Amount (d)	Number of Recipients (e)	Dollar Amount (f)
1	Rooms	129,598	12,154		
2	Food	1,015,349	12,550		
3	Beverage	2,490,655	6,037		
4	Travel			48,226	965
5	Coin				
6	Coupon			1,164,057	14,190
7	Entertainment	22,729	386		
8	Retail & Gifts				
9	Parking				
10	Other	5,503	165	37,360	1,868
11	Total	3,663,834	\$ 31,292	1,249,643	\$ 17,023

For the three months ended September 30, 1995

Line (a)	(b)	Promotional Allowances		Promotional Expenses	
		Number of Recipients (c)	Dollar Amount (d)	Number of Recipients (e)	Dollar Amount (f)
1	Rooms	45,002	4,816		
2	Food	240,141	4,426		
3	Beverage	617,143	2,290		
4	Travel			16,178	324
5	Coin				
6	Coupon			430,404	5,072
7	Entertainment	10,534	179		
8	Retail & Gifts				
9	Parking				
10	Other	2,554	77	19,605	980
11	Total	915,374	\$ 11,788	466,187	\$ 6,376

CHERYL ANN SUGGLES
 Notary Public of New Jersey
 My Commission Expires Feb. 16, 1999

By: _____
 In Teste Dicitur

On Behalf Of:
 Bally's Park Place, Inc. NJ
 Casino Licensee

STATEMENT OF CONFORMITY AND ACCURACY

STATE OF New Jersey

COUNTY OF Atlantic

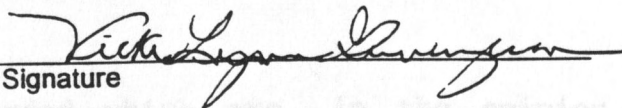
ss.

Vicki Lynn Guveiyian, being duly sworn according to law upon my oath
Name

deposes and says:

1. I have examined this Quarterly Report.
2. All the information contained in this Report has been prepared in conformity with Casino Control Commission's Quarterly Report Instructions and Uniform Chart of Accounts.
3. To the best of my knowledge and belief, the information contained in this report is accurate.
4. To the best of my knowledge and belief, except for the deficiencies noted below, the licensee submitting this Quarterly Report has remained in compliance with the financial stability regulations contained in N.J.A.C. 19:43-4.2(b)1-5 during the quarter.

Subscribed and sworn to
before me this 14th day
of November, 1995


Signature


Signature

Assistant Vice President / Controller
Title

#000558-11
License Number

CHERYL ANN RUGGLES
Notary Public of New Jersey
My Commission Expires Feb. 16, 1999

Basis of Authority
to Take Oaths

On Behalf Of:
Bally's Park Place, Inc. NJ
Casino Licensee

BALLY'S PARK PLACE CASINO HOTEL & TOWER
Note 1 - Notes to Financial Statements
For the Nine Months Ended September 30, 1995 and 1994
(Unaudited)
(In thousands)

Basis of presentation

The accompanying financial statements include the accounts of Bally's Park Place, a New Jersey corporation, (the "Company"). The Company is a wholly owned subsidiary of Bally's Park Place, Inc., a Delaware corporation which is an indirect wholly owned subsidiary of Bally Entertainment Corporation ("BEC"). The accompanying financial statements should be read in conjunction with the consolidated financial statements included in the Company's Annual Report to the Casino Control Commission (the "CCC") for the year ended December 31, 1994.

Please refer to the Annual Report for the following:

1. Summary of Significant Accounting Policies
2. Leases (except rent expense for the periods)
3. Provision for Income Taxes, Reconciliation to Statutory Rate
4. Pension Plans
5. Reinvestment Obligation
6. Capital Stock-Description of Features
7. Contingent Liabilities
8. Guarantee

All adjustments have been recorded which are, in the opinion of management, necessary for a fair presentation of the balance sheet of the Company at September 30, 1995 and 1994, its statements of income for the three and nine months ended September 30, 1995 and 1994, its statement of stockholder's equity for the nine months ended September 30, 1995 and 1994, and its statements of cash flows for the nine months ended September 30, 1995 and 1994. All such adjustments were of a normal recurring nature, except for those adjustments in March 1994 to reflect the refinancing of indebtedness (see "Note 4 - Long-Term Debt, Affiliates and Other").

The Company operates in one industry segment. All significant revenues arise from its casino and supporting hotel operations.

Certain reclassifications have been made to prior period financial statements to conform with the 1995 presentation.

Investments in subsidiaries

The Company has three wholly owned subsidiaries, B.W. Realty, Inc. and Bally's Park Place Realty Company (which both own land in Atlantic City) and Bally Warwick, Inc. (which owns several condominiums for sale or lease in a building in Atlantic City). The investments in these subsidiaries are reflected in the accompanying financial statements using the equity method.

BALLY'S PARK PLACE CASINO HOTEL & TOWER
Note 1 - Notes to Financial Statements
For the Nine Months Ended September 30, 1995 and 1994
(Unaudited)
(In thousands)

Allocations from BEC and transactions with related parties

BEC allocates costs to the Company consisting of the Company's allocable share of BEC's corporate overhead including executive salaries and benefits, public company reporting costs and other corporate headquarter's costs. While the Company does not obtain a measurable direct benefit from these allocated costs, management believes that the Company receives an indirect benefit from BEC's oversight. BEC's method for allocating costs is designed to apportion the majority of its operating costs to its subsidiaries and is generally based upon many subjective factors including various measures of operational size and extent of BEC's oversight requirements. Management of BEC believes that the methods used to allocate these costs are reasonable and expects similar allocations in future years. Because of BEC's controlling relationship with the Company and the allocation of certain BEC costs, the operating results of the Company could be significantly different if the Company operated autonomously. In addition, certain of the Company's insurance coverage is arranged by BEC pursuant to corporate-wide programs. In these circumstances, BEC charges the Company its proportionate share of the respective insurance premiums. The accompanying financial statements reflect an allocation of costs and expenses incurred by BEC of \$1,263 and \$2,240 for the three months ended September 30, 1995 and 1994, respectively, and \$3,705 and \$3,807 for the nine months ended September 30, 1995 and 1994, respectively.

Certain executive officers of the Company function in a similar capacity for GNAC, CORP. (a wholly owned subsidiary of BEC which owns and operates the casino hotel resort in Atlantic City known as "The Grand"), and exercise decision-making and operational authority over both entities. No allocation of cost is made from the Company to The Grand for these executive officers as management deems the direct allocable cost to be immaterial. In addition, certain administrative and support operations of the Company and The Grand are consolidated, including limousine services, legal services and purchasing. Costs of these operations are allocated to or from the Company either directly or using various formulas based on estimates of utilization of such services. On a net basis, allocations from the Company were \$107 and \$32 for the three months ended September 30, 1995 and 1994, respectively, and \$244 and \$125 for the nine months ended September 30, 1995 and 1994, respectively, which management believes are reasonable. The Company also leases surface area parking lots to The Grand, and rental income for each of the three and nine month periods ended September 30, 1995 and 1994 was \$174 and \$522, respectively.

BALLY'S PARK PLACE CASINO HOTEL & TOWER
BALLY Note 1 - Notes to Financial Statements
For the Nine Months Ended September 30, 1995 and 1994
(Unaudited)
(In thousands)

Income taxes

Taxable income or loss of the Company is included in the consolidated federal income tax return of BEC. Under agreements between the Company, BEC and Bally's Casino Holdings ("Casino Holdings"), income taxes are allocated to the Company based on amounts the Company would pay or receive if it filed a separate consolidated federal income tax return, except that the Company receives credit from BEC for the tax benefit of the Company's net operating losses and tax credits, if any, that can be utilized in BEC's consolidated federal income tax return, regardless of whether these losses or credits could be utilized by the Company on a separate consolidated federal income tax return basis. Payments to BEC for tax liabilities are due at such time and in such amounts as payments are required to be made to the Internal Revenue Service. Payments from BEC for tax benefits are due at the time BEC files the applicable consolidated federal income tax return. Under the tax sharing agreement, the Company had federal income taxes receivable from BEC of \$3,923 and \$5,118 at September 30, 1995 and 1994, respectively. The federal income taxes receivable is classified as Prepaid Expenses on the accompanying balance sheet.

For the three and nine months ended September 30, 1995 and 1994, the effective rates of the income tax provision varied from the U.S. statutory rate of 35% (42.9% and 39.2% for the three months ended September 30, 1995 and 1994, respectively and 42.9% and 39.8% for the nine months ended September 30, 1995 and 1994, respectively) due principally to state income taxes.

BALLY'S PARK PLACE CASINO HOTEL & TOWER
 Note 2 - Prepaid Expenses and
 Other Current Assets
 September 30,
 (Unaudited)
 (In thousands)

	<u>1995</u>	<u>1994</u>
Federal Income Tax Receivable	\$ 3,923	\$ 5,118
Deferred Income Tax	8,145	7,434
Prepaid License	839	855
Other*	<u>2,227</u>	<u>1,189</u>
	<u>\$15,134</u>	<u>\$14,596</u>

* No item in this category exceeds 5% of total current assets.

BALLY'S PARK PLACE CASINO HOTEL & TOWER
 Note 3 - Property, Plant and Equipment
 September 30,
 (Unaudited)
 (In thousands)

	<u>1995</u>	<u>1994</u>
Land of affiliates:	\$ 71,089	\$ 63,163
Buildings, Leasehold Improvements	550,269	547,749
Furniture, Fixtures and Equipment	155,332	150,482
Construction in Progress	<u>2,153</u>	<u>1,020</u>
	778,843	762,414
Less Accumulated Depreciation and Amortization	<u>(329,098)</u>	<u>(303,111)</u>
Property and Equipment, Net	<u>\$449,745</u>	<u>\$459,303</u>

The indenture for the 9 1/4% Notes and the \$50,000 revolving credit facility (the entire amount was unused at September 30, 1995) impose restrictions on the Company's ability to incur debt and issue preferred stock, make acquisitions and certain restricted payments, create liens, sell assets or enter into transactions with affiliates. The indenture for the 9 1/4% Notes and the \$50,000 revolving credit facility also limit dividends paid by the Company which are not paid pursuant to a net income test (generally limited to 50% of aggregate net income, as defined, earned since April 1, 1994) to \$50,000 in aggregate, of which \$25,000 was paid in each of the third quarters of 1995 and 1994. Pursuant to the net income test, \$8,102 was available at September 30, 1995 to be paid as dividends.

BALLY'S PARK PLACE CASINO HOTEL & TOWER
 Note 4 - Long-Term Debt, Affiliates and Other
 September 30,
 (Unaudited)
 (In thousands)

<u>Long-Term Debt</u>	<u>1995</u>	<u>1994</u>
Due to affiliates:		
9 1/4% First Mortgage Notes due 2004	<u>\$425,000</u>	<u>\$425,000</u>
	<u>\$425,000</u>	<u>\$425,000</u>
Other:		
Other secured and unsecured debt	<u>\$ 2,568</u>	<u>\$ 2,690</u>
	<u>\$ 2,568</u>	<u>\$ 2,690</u>

In March 1994, the Company issued \$425,000 principal amount of 9 1/4% First Mortgage Notes due 2004 (the "9 1/4% Notes"). The Company used the net proceeds from the sale of the 9 1/4% Notes to retire and defease its 11 7/8% First Mortgage Notes due 1999 (the "11 7/8% Notes") and pay dividends of \$30,214. The retirement and defeasance of the 11 7/8% Notes resulted in an extraordinary loss of \$20,735, net of an income tax benefit of \$14,137.

The indenture for the 9 1/4% Notes and the \$50,000 revolving credit facility (the entire amount was unused at September 30, 1995) impose restrictions on the Company's ability to incur debt and issue preferred stock, make acquisitions and certain restricted payments, create liens, sell assets or enter into transactions with affiliates. The indenture for the 9 1/4% Notes and the \$50,000 revolving credit facility also limit dividends paid by the Company which are not paid pursuant to a net income test (generally limited to 50% of aggregate net income, as defined, earned since April 1, 1994) to \$50,000 in aggregate, of which \$25,000 was paid in each of the third quarters of 1995 and 1994. Pursuant to the net income test, \$8,102 was available at September 30, 1995 to be paid as dividends.

BALLY'S PARK PLACE CASINO HOTEL & TOWER
 Note 5 - Deferred Credits
 September 30,
 (Unaudited)
 (In thousands)

	<u>1995</u>	<u>1994</u>
Deferred Federal Income Taxes	<u>\$44,656</u>	<u>\$42,695</u>
Investment Obligation		
Net of unamortized discount of \$43		
(in 1995 and \$138 in 1994)		
	<u>926</u>	<u>1,137</u>
	<u>\$45,582</u>	<u>\$43,832</u>

In September 1993, the Company settled its outstanding liability relating to its Supplemental Executive Retirement Plan (SERP) with all active participants and recognized a \$1.8 million gain on the settlement. The only remaining participants are retired employees of the Company.

BALLY'S PARK PLACE CASINO HOTEL & TOWER
 Note 6 - Other Liabilities
 For the Three Months Ended September 30, September 30,
 (Unaudited)
 (In thousands)

	<u>1995</u>	<u>1994</u>
Accrued SERP	\$ 2,571	\$ 8,898
Reinvestment Obligation (Net of unamortized discount of \$49 in 1995 and \$138 in 1994)	<u>926</u>	<u>1,137</u>
	<u>\$ 3,497</u>	<u>\$10,035</u>

In September 1995, the Company settled its outstanding liability relating to its Supplemental Executive Retirement Plan (the "SERP") with all active participants and recognized a \$1.8 million gain on the settlement. The only remaining participants are retired employees of the Company.

Charges from Affiliates	1,325	1,924
Bally's Park Place Funding, Inc.	429,436	429,939
Capitalized interest	1,119	1,281
External Sources		
Interest on various loans	4,579	4,483
Capitalized interest	1,147	1,110
	<u>1,936</u>	<u>2,737</u>

BALLY'S PARK PLACE CASINO HOTEL & TOWER
 Note 7 - Interest Expense
 For the Three Months Ended September 30,
 (Unaudited)
 (In thousands)

	<u>1995</u>	<u>1994</u>
<u>Charges From Affiliates</u>		
Bally's Park Place Funding, Inc.	\$ 9,828	\$ 9,828
Capitalized interest	<u>(20)</u>	<u>(145)</u>
	<u>\$ 9,808</u>	<u>\$ 9,683</u>
<u>External Sources</u>		
Interest on various loans	\$ 184	\$ 191
Capitalized interest	<u>(2)</u>	<u>(17)</u>
	<u>\$ 182</u>	<u>\$ 174</u>

For the Nine Months Ended September 30,
 (Unaudited)
 (In thousands)

For the Nine Months Ended September 30,
 (Unaudited)
 (In thousands)

	<u>1995</u>	<u>1994</u>
<u>Charges From Affiliates</u>		
Bally's Park Place Funding, Inc.	\$29,484	\$29,989
Capitalized interest	<u>(38)</u>	<u>(284)</u>
	<u>\$29,446</u>	<u>\$29,705</u>
<u>External Sources</u>		
Interest on various loans	\$ 539	\$ 683
Capitalized interest	<u>(4)</u>	<u>(33)</u>
	<u>\$ 535</u>	<u>\$ 650</u>

BALLY'S PARK PLACE CASINO HOTEL & TOWER
 Note 8 - Provision (Credit) for Income Taxes
 For the Three Months Ended September 30,
 (Unaudited)
 (In thousands)

	<u>1995</u>	<u>1994</u>
Current:		
Federal	\$ 5,463	\$ 466
State	<u>947</u>	<u>(181)</u>
	6,410	285
Deferred:		
Federal	4,015	8,939
State	<u>1,731</u>	<u>164</u>
	5,746	9,103
Provision for Income Taxes	<u>\$12,156</u>	<u>\$ 9,388</u>

For the Nine Months Ended September 30,
 (Unaudited)
 (In thousands)

	<u>1995</u>	<u>1994</u>
Current:		
Federal	\$18,956	\$ (8,412)
State	<u>4,642</u>	<u>120</u>
	23,598	(8,292)
Deferred:		
Federal	1,142	22,614
State	<u>1,036</u>	<u>1,185</u>
	2,178	23,799
Provision for Income Taxes	<u>\$25,776</u>	<u>\$15,507</u>

BALLY'S PARK PLACE CASINO HOTEL & TOWER
 Note 9 - Investments, Advances and Receivables
 September 30,
 (Unaudited)
 (In thousands)

	<u>1995</u>	<u>1994</u>
<u>Other long-term investments and receivables:</u>		
Investment in subsidiaries - equity:		
Bally Warwick, Inc. - 100% owned	\$ 4,260	\$ 4,285
B.W. Realty, Inc. - 100% owned	4,846	4,787
Bally's Park Place Realty Company - 100% owned	<u>15,630</u>	<u>15,630</u>
Total investments in subsidiaries - equity	24,736	24,702
Casino Reinvestment Development Authority Investment Obligations (less discount of \$10,469 in 1995 and \$8,887 in 1994)	9,936	8,547
Jacobs Family Terrace Mortgage Receivable (less reserve of \$250 in 1995 and in 1994)	2,372	2,491
Less current portion	<u>(47)</u>	<u>(48)</u>
Total Jacobs Family Terrace Receivable	<u>2,325</u>	<u>2,443</u>
Total Investments, Advances and Receivables	<u>\$36,997</u>	<u>\$35,692</u>

Recast to conform to 1995 presentation.

BALLY'S PARK PLACE CASINO HOTEL & TOWER

Note 10 - Other Accrued Expenses

BALLY'S PARK PLACE CASINO HOTEL & TOWER

Note 10 - Other Accrued Expenses

September 30,

(Unaudited)

(In thousands)

	<u>1995</u>	<u>1994**</u>
Payroll	\$ 8,493	\$ 7,906
Progressive Jackpots	1,058	1,741
Interest	1,880	1,785
Group Insurance	3,250	1,950
Guest Claims	3,221	2,970
Miscellaneous*	<u>9,794</u>	<u>8,179</u>
Total	<u>\$27,696</u>	<u>\$24,531</u>

September 30, 1995 and 1994, the Company had \$19,014 and \$19,014 respectively, in remaining bond purchase commitments on file with the CRDA. The Company has purchased \$1,382 and \$1,382 in bonds from the CRDA as of September 30, 1995 and 1994, respectively.

The Company charged to operations \$443 and \$477 for the three months ended September 30, 1995 and 1994 respectively, and

* No item in this category exceeds 5% of total current liabilities. to reflect the estimated realizable value of its investment obligations.

** Restated to conform to 1995 presentation. The Company utilized CRDA credits to offset its assessment of gross revenues by the CRDA of \$393 and \$240 for the three months ended September 30, 1995 and 1994, respectively. For the three months ended September 30, 1995 and 1994, the company utilized \$423 and \$1,057 of CRDA credits. These credits are shared to depreciation and amortization as they are used.

BALLY'S PARK PLACE CASINO HOTEL & TOWER

Note 11 - Investment Obligations

For the Three Months Ended September 30, 1995

(Unaudited)

(In thousands)

The New Jersey Casino Control Act (the "Act") provides, among other things, for an assessment of licensees equal to 1 1/4% of their casino revenues as defined. This assessment may be satisfied by the Company investing in qualified eligible direct investments, by making qualified contributions or by depositing funds with the New Jersey Casino Reinvestment Development Authority ("CRDA"). These funds may be used to purchase bonds designated by the CRDA or, under certain circumstances, they may be donated to the CRDA in exchange for credits against future CRDA investment obligations. CRDA designated bonds have terms up to fifty years and bear interest at below market rates. The Company records a charge to operations when it deposits funds with the CRDA to reflect the estimated realizable value of its CRDA investments. If the investment obligation is not satisfied, then the licensee is subject to an investment alternative tax of 2 1/2% of gross casino revenues. The Company's investment obligation at September 30, 1995 was satisfied.

At September 30, 1995 and 1994, the Company had \$19,014 and \$16,233 respectively, in remaining bond purchase commitments on deposit with the CRDA. The Company has purchased \$1,392 and \$1,201 in bonds from the CRDA as of September 30, 1995 and 1994, respectively.

The Company charged to operations \$442 and \$477 for the three months ended September 30, 1995 and 1994 respectively, and \$1,569 and \$1,014 for the nine months ending September 30, 1995, respectively, to reflect the estimated realizable value of its CRDA investment obligations.

The Company utilized CRDA credits to offset its assessment on gross revenues by the CRDA of \$393 and \$240 for the three months ended September 30, 1995 and 1994, respectively. For the nine months ended September 30, 1995 and 1994, the company utilized \$423 and \$1,057 of CRDA credits. These credits are charged to depreciation and amortization as they are used.

BALLY'S PARK PLACE CASINO HOTEL & TOWER
 Note 12 - Non-Operating Income
 For the Three Months Ended September 30,
 (Unaudited)
 (In thousands)

QUARTERLY REPORT

	<u>1995</u>	<u>1994</u>
Interest Income	\$ 586	\$ 449
Equity in income of unconsolidated subsidiaries:		
B. W. Realty, Inc.	13	22
Bally Warwick, Inc.	15	19
Other	<u>310</u>	<u>222</u>
Total Non-operating Income	<u>\$ 924</u>	<u>\$ 712</u>

FOR THE QUARTER ENDED SEPTEMBER 30, 1995

For the Nine Months Ended September 30,
 (Unaudited)
 (In thousands)

	<u>1995</u>	<u>1994</u>
Interest Income	\$1,601	\$ 982
Equity in income (loss) of unconsolidated subsidiaries:		
B. W. Realty, Inc.	38	45
Bally Warwick, Inc.	(12)	(10)
Other	<u>687</u>	<u>502</u>
Total Non-operating Income	<u>\$2,314</u>	<u>\$1,519</u>

TRADING NAME OF LICENSEE CAESARS ATLANTIC CITY

QUARTERLY REPORT

LIST OF FORMS FOR QUARTERLY REPORT

FOR LICENSEE CAESARS ATLANTIC CITY 1995

TITLE	FORM NO.
Balance Sheet	CCC-205
Statement of Income (Year-to-Date)	CCC-210
FOR THE QUARTER ENDED SEPTEMBER 30, 1995	CCC-215
Statement of Changes in Stockholders' Equity	CCC-220
Statement of Changes in Partners' and Operator's Equity	CCC-225
Statement of Cash Flows	CCC-235
Statement of Expenses and Allowances	CCC-245
Financial Statements	
Test of Conformity and Accuracy	CCC-249

TO THE
CASINO CONTROL COMMISSION
OF THE
STATE OF NEW JERSEY

CCC-201

TRADING NAME OF LICENSEE CAESARS ATLANTIC CITY

AS OF SEPTEMBER 30, 1995 AND 1994

(UNAUDITED)

LIST OF FORMS - QUARTERLY REPORT

FOR THE QUARTER ENDED SEPTEMBER 30, 1995

ASSETS			
TITLE	FORM NO.		
Balance Sheets	CCC-205		
Statements of Income (Year-to-Date)	CCC-210		
Statements of Income (Three Months)	CCC-215		
Statements of Changes in Stockholders' Equity	CCC-220		
Statements of Changes in Partners' or Proprietor's Equity	CCC-225		
Statements of Cash Flows	CCC-235		
Promotional Expenses and Allowances	CCC-245		
Notes to Financial Statements			
Statement of Conformity and Accuracy	CCC-249		
LIABILITIES			
Accounts Payable and Accrued			
Other Accrued Expenses			
Other Current Liabilities			
Total Current Liabilities			
Long-Term Debt			
Due to Affiliates			
Other			
Deferred Credits			
Other Liabilities			
Contingencies And Contingencies			
Total Liabilities			
Stockholders', Partners', Or Proprietor's Equity			
Total Liabilities And Equity			

8/95

The accompanying notes are an integral part of the financial statements.
 Their comparison cannot be made without using information contained in the notes.

TRADING NAME OF LICENSEE: CAESARS ATLANTIC CITY

BALANCE SHEETS

AS OF SEPTEMBER 30, 1995 AND 1994

(UNAUDITED)

(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	1995 (c)	1994 (d)
ASSETS			
Current Assets:			
1	Cash and Cash Equivalents	\$ 15,403	\$ 11,896
2	Short-Term Investments	-	-
3	Receivables and Patrons' Checks (Net of Allowance for Doubtful Accounts - 1995, \$8,383; 1994, \$7,753)	10,751	12,020
4	Inventories NOTE 1	3,212	2,987
5	Prepaid Expenses and Other Current Assets NOTES 2 & 6	16,028	12,444
6	Total Current assets	45,394	39,347
7	Investments, Advances, and Receivables NOTES 3 & 14	9,747	7,866
8	Property And Equipment - Gross NOTES 1, 4 & 10	426,748	405,739
9	(Accumulated Depreciation/Amortization)	(144,775)	(125,957)
10	Other Assets NOTE 1	5,345	13,187
11	Total Assets	\$ 342,459	\$ 340,182
LIABILITIES AND EQUITY			
Current Liabilities:			
12	Accounts Payable	\$ 6,502	\$ 5,028
13	Notes Payable NOTE 5	-	-
Current Portion of Long-Term Debt:			
14	Due to Affiliates	-	-
15	Other NOTE 10	-	-
16	Income Taxes Payable and Accrued NOTES 1 & 6	5,209	5,665
17	Other Accrued Expenses NOTE 7	17,734	15,143
18	Other Current Liabilities NOTE 8	6,049	5,126
19	Total Current Liabilities	35,494	30,962
Long-Term Debt:			
20	Due to Affiliates NOTE 9	44,708	58,600
21	Other NOTE 10	9,406	9,343
22	Deferred Credits NOTE 6	6,378	6,910
23	Other Liabilities NOTE 11	7,363	8,805
24	Commitments And Contingencies NOTE 14	-	-
25	Total Liabilities	103,349	114,620
26	Stockholders', Partners', Or Proprietor's Equity	239,110	225,562
27	Total Liabilities And Equity	\$ 342,459	\$ 340,182

The accompanying notes are an intergral part of the financial statements.
Valid comparisons cannot be made without using information contained in the notes.

TRADING NAME OF LICENSEE: CAESARS ATLANTIC CITY

STATEMENTS OF INCOME

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 1995 AND 1994
(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	1995 (c)	1994 (d)
	Revenue:		
1	Casino NOTE 1	\$ 287,235	\$ 257,503
2	Rooms	13,587	13,214
3	Food and Beverage	32,421	28,657
4	Other	10,419	10,494
5	Total Revenue	343,662	309,868
6	Less: Promotional Allowances NOTE 1	40,466	35,424
7	Net Revenue	303,196	274,444
	Costs And Expenses :		
8	Cost of Goods and Services	148,282	133,996
9	Selling, General and Administrative	63,899	62,395
10	Provision for Doubtful Accounts	2,822	2,958
11	Total Costs and Expenses	215,003	199,349
12	Gross Operating Profit	88,193	75,095
13	Depreciation and Amortization NOTE 1	15,491	14,682
	Charges from Affiliates Other than Interest:		
14	Management Fees NOTE 13	9,132	8,254
15	Other NOTE 13	9,202	10,284
16	Income (Loss) From Operations	54,368	41,875
	Other Income (Expenses) :		
17	Interest (Expense) - Affiliates NOTES 5 & 9	(5,228)	(5,677)
18	Interest (Expense) - External NOTE 10	(743)	(751)
19	Investment Alternative Tax and Related Income (Expense) - Net NOTE 14	(1,351)	(875)
20	Nonoperating Income (Expense) - Net NOTE 15	(9,220)	285
21	Total Other Income (Expenses)	(16,542)	(7,018)
22	Income (Loss) Before Income Taxes And Extraordinary Items	37,826	34,857
23	Provision (Credit) for Income Taxes NOTE 6	15,767	14,611
24	Income (Loss) Before Extraordinary Items	22,059	20,246
25	Extraordinary Items (Net of Income Taxes - 1995, \$; 1994, \$)	-	-
26	Net Income (Loss)	\$ 22,059	\$ 20,246

The accompanying notes are an integral part of the financial statements.

Valid comparisons cannot be made without using information contained in the notes.

Reclassifications between Cost of Goods and Services and Selling, General and Administrative have been made in the prior period financial statements in order to conform with the presentation used in the current period

TRADING NAME OF LICENSEE: CAESARS ATLANTIC CITY

STATEMENTS OF INCOME

FOR THE THREE MONTHS ENDED SEPTEMBER 30, 1995 AND 1994

(UNAUDITED)

(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	1995 (c)	1994 (d)
	Revenue:		
1	Casino NOTE 1	\$ 108,635	101,515
2	Rooms	4,827	4,777
3	Food and Beverage	12,077	11,219
4	Other	4,382	3,637
5	Total Revenue	129,921	121,148
6	Less: Promotional Allowances NOTE 1	15,121	14,112
7	Net Revenue	114,800	107,036
	Costs And Expenses :		
8	Cost of Goods and Services	54,032	49,077
9	Selling, General and Administrative	19,082	22,171
10	Provision for Doubtful Accounts	833	985
11	Total Costs and Expenses	73,947	72,233
12	Gross Operating Profit	40,853	34,803
13	Depreciation and Amortization NOTE 1	5,936	5,139
	Charges from Affiliates Other Than Interest:		
14	Management Fees NOTE 13	3,468	3,222
15	Other NOTE 13	2,987	3,339
16	Income (Loss) From Operations	28,462	23,103
	Other Income (Expenses) :		
17	Interest (Expense) - Affiliates NOTES 5 & 9	(1,610)	(1,842)
18	Interest (Expense) - External NOTE 10	(253)	(255)
19	Investment Alternative Tax and Related Income (Expense) - Net NOTE 14	(639)	(339)
20	Nonoperating Income (Expense) - Net	7	92
21	Total Other Income (Expenses)	(2,495)	(2,344)
22	Income (Loss) Before Income Taxes And Extraordinary Items	25,967	20,759
23	Provision (Credit) for Income Taxes NOTE 6	10,749	8,834
24	Income (Loss) Before Extraordinary Items	15,218	11,925
25	Extraordinary Items (Net of Income Taxes - 1995, \$; 1994, \$)	-	-
26	Net Income (Loss)	\$ 15,218	\$ 11,925

The accompanying notes are an integral part of the financial statements.

Valid comparisons cannot be made without using information contained in the notes.

Reclassifications between Cost of Goods and Services and Selling, General and Administrative have been made in the prior period financial statements in order to conform with the presentation used in the current period.

TRADING NAME OF LICENSEE: CAESARS ATLANTIC CITY
STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY

FOR THE TWELVE MONTHS ENDED DECEMBER 31, 1994 AND THE NINE MONTHS ENDED SEPTEMBER 30, 1995
 (UNAUDITED)
 (\$ IN THOUSANDS)

Line (a)	Description (b)	Common Stock		Preferred Stock		Additional Paid-In Capital (g)	(h)	Retained Earnings (Accumulated) (Deficit) (i)	Total Stockholders' Equity (Deficit) (j)
		Shares (c)	Amount (d)	Shares (e)	Amount (f)				
1	Balance, December 31, 1993.....	100	\$ 1,370		\$	\$ 46,065		\$ 169,881	\$ 217,316
2	Net Income (Loss) - 1994							25,735	25,735
3	Contribution to Paid-in-Capital								
4	Dividends							(12,000)	(12,000)
5	Prior Period Adjustments								
6	.....							
7	.....							
8	.....							
9	.....							
10	Balance, December 31, 1994.....	100	1,370			46,065		\$ 183,616	\$ 231,051
11	Net Income (Loss) - 1995							22,059	22,059
12	Contribution to Paid-in-Capital								
13	Dividends							(14,000)	(14,000)
14	Prior Period Adjustments								
15	.....							
16	.....							
17	.....							
18	.....							
19	Balance, September 30, 1995.....	100	\$ 1,370		\$	\$ 46,065	\$	\$ 191,675	\$ 239,110

The accompanying notes are an integral part of the financial statements.
 Valid comparisons cannot be made without using information contained in the notes

CCC-220

TRADING NAME OF LICENSEE: CAESARS ATLANTIC CITY

STATEMENTS OF CHANGES IN PARTNERS'
OR PROPRIETOR'S EQUITY

FOR THE TWELVE MONTHS ENDED DECEMBER 31, 1994
AND THE NINE MONTHS ENDED SEPTEMBER 30, 1995

(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	Description (b)	Contributed Capital (c)	Accumulated Earnings (Deficit) (d)	(e)	Total Equity (Deficit) (f)
1	Balance, December 31, 19 . . .	\$	\$	\$	\$
2	Net Income (Loss) - 19 . . .				
3	Capital Contributions				
4	Capital Withdrawals				
5	Partnership Distributions . . .				
6	Prior Period Adjustments. . .				
7	_____ ..				
8	_____ ..				
9	_____ ..				
10	Balance, December 31, 19 ..				
11	Net Income (Loss) - 19 . . .				
12	Capital Contributions . . .				
13	Capital Withdrawals . . .				
14	Partnership Distributions . . .				
15	Prior Period Adjustments . . .				
16	_____ ..				
17	_____ ..				
18	_____ ..				
19	Balance, ..	\$	\$	\$	\$

This Statement Is Not Applicable

The accompanying notes are an integral part of the financial statements.
Valid comparisons cannot be made without using information contained in the notes.

TRADING NAME OF LICENSEE: CAESARS ATLANTIC CITY

STATEMENTS OF CASH FLOWS

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 1995 AND 1994

(UNAUDITED)

(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1995	(d) 1994
1	NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ 46,986	\$ 40,652
	Cash Flows From Investing Activities :		
2	Purchase of Short-Term Investment Securities	-	-
3	Proceeds from the Sale of Short-Term Investment Securities	-	-
4	Cash Outflows for Property and Equipment	(19,055)	(15,343)
5	Proceeds from Disposition of Property and Equipment	-	-
6	Purchase of Casino Reinvestment Obligations	(3,249)	(2,633)
7	Purchase of Other Investments and Loans/Advances made	-	-
8	Proceeds from Disposal of Investments and Collection of Advances and Long-Term Receivables	-	-
9	Cash Outflows to Acquire Business Entities	-	-
10	Early Repayment of NJ Series A Bonds	52	-
11		-	-
12	Net Cash Provided (Used) By Investing Activities	(22,252)	(17,976)
	Cash Flows From Financing Activities :		
13	Cash Proceeds from Issuance of Short-Term Debt	95,092	65,888
14	Payments to Settle Short-Term Debt	(98,522)	(76,944)
15	Cash Proceeds from Issuance of Long-Term Debt	-	-
16	Costs of Issuing Debt	-	-
17	Payments to Settle Long-Term Debt	(6,193)	41
18	Cash Proceeds from Issuing Stock or Capital Contributions	-	-
19	Purchases of Treasury Stock	-	-
20	Payments of Dividends or Capital Withdrawals	(14,000)	(12,000)
21		-	-
22		-	-
23	Net Cash Provided (Used) by Financing Activities	(23,623)	(23,015)
24	Net Increase (Decrease) in Cash And Cash Equivalents	1,111	(339)
25	Cash And Cash Equivalents At Beginning Of Period	14,292	12,235
26	Cash And Cash Equivalents At End Of Period	\$ 15,403	\$ 11,896

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

27	Cash Paid During Period For:		
	Interest (Net of Amount Capitalized)	\$ 4,124	\$ 6,446
28	Income Taxes	\$ 18,199	\$ 11,060

The accompanying notes are an integral part of the financial statements.
Valid comparisons cannot be made without using information contained in the notes.

TRADING NAME OF LICENSEE: CAESARS ATLANTIC CITY

STATEMENTS OF CASH FLOWS

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 1995 AND 1994

(UNAUDITED)

(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1995	(d) 1994
	NET CASH FLOWS FROM OPERATING ACTIVITIES:		
29	Net Income (Loss)	\$ 22,059	\$ 20,246
	Noncash Items Included in Income and Cash Items Excluded from Income:		
30	Depreciation and Amortization of Property and Equipment	14,975	13,853
31	Amortization of Other Assets	516	829
32	Amortization of Debt Discount or Premium	-	-
33	Deferred Income Taxes - Current	(3,054)	2,186
34	Deferred Income Taxes - Noncurrent	(532)	(38)
35	(Gain) Loss on Disposition of Property and Equipment	1,049	(3)
36	(Gain) Loss on Casino Reinvestment Obligations	1,351	875
37	(Gain) Loss from Other Investment Activities	-	-
38	Net (Increase) Decrease in Receivables and Patrons' Checks	143	(766)
39	Net (Increase) Decrease in Inventories	224	41
40	Net (Increase) Decrease in Other Current Assets	(1,341)	(623)
41	Net (Increase) Decrease in Other Assets	7,493	(107)
42	Net Increase (Decrease) in Accounts Payable	(416)	(396)
43	Net Increase (Decrease) in Other Current Liabilities Excluding Debt	5,945	4,819
44	Net Increase (Decrease) in Other Noncurrent Liabilities Excluding Debt	(1,426)	(264)
45		-	-
46		-	-
47	Net Cash Provided (Used) By Operating Activities	\$ 46,986	\$ 40,652
	SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING AND FINANCING ACTIVITIES		
	Acquisition Of Property And Equipment:		
48	Additions to Property and Equipment	\$ 19,055	\$ 15,343
49	Less: Capital Lease Obligations Incurred	-	-
50	Cash Outflows For Property And Equipment	\$ 19,055	\$ 15,343
	Acquisition Of Business Entities:		
51	Property and Equipment Acquired	\$ -	\$ -
52	Goodwill Acquired	-	-
53	Net Assets Acquired Other than Cash, Goodwill, and Property and Equipment	-	-
54	Long-Term Debt Assumed	-	-
55	Issuance of Stock or Capital Invested	-	-
56	Cash Outflows To Acquire Business Entities	\$ -	\$ -
	Stock Issued Or Capital Contributions :		
57	Total Issuances of Stock or Capital Contributions	\$ -	\$ -
58	Less: Issuances to Settle Long-Term Debt	-	-
59	Consideration in Acquisiton of Business Entities	-	-
60	Cash Proceeds From Issuing Stock Or Capital Contributions	\$ -	\$ -

TRADING NAME OF LICENSEE: CAESARS ATLANTIC CITY

**SCHEDULE OF PROMOTIONAL
EXPENSES AND ALLOWANCES**

(\$ IN THOUSANDS)

(UNAUDITED)

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 1995

Line (a)	(b)	Promotional Allowances		Promotional Expenses	
		Number of Recipients (c)	Dollar Amount (d)	Number of Recipients (e)	Dollar Amount (f)
1	Rooms	200,563	\$ 11,699	-	-
2	Food	740,924	17,687	-	-
3	Beverage	1,516,709	8,138	-	-
4	Travel	-	-	26,476	\$ 8,356
5	Coin	-	-	963,770	10,193
7	Coupon	-	-	304,202	8,220
8	Cash Rebates	-	-	632	2,672
9	Entertainment	80,617	2,375	19,971	4,832
10	Retail & Gifts	-	-	2,923	598
11	Other	8,922	567	141,693	1,999
12	Total	2,547,735	\$ 40,466	1,459,667	\$ 36,870

FOR THE THREE MONTHS ENDING SEPTEMBER 30, 1995

Line (a)	(b)	Promotional Allowances		Promotional Expenses	
		Number of Recipients (c)	Dollar Amount (d)	Number of Recipients (e)	Dollar Amount (f)
1	Rooms	67,139	\$ 4,171	-	-
2	Food	252,646	6,571	-	-
3	Beverage	532,083	2,983	-	-
4	Travel	-	-	9,147	\$ 2,763
5	Coin	-	-	339,599	3,582
6	Coupon	-	-	112,835	3,091
7	Cash Rebates	-	-	246	1,160
8	Entertainment	37,166	1,185	8,475	1,435
9	Retail & Gifts	-	-	702	262
10	Other	3,432	212	50,047	705
11	Total	892,466	\$ 15,122	521,051	\$ 12,998

'8/95

CCC-245

BOARDWALK REGENCY CORPORATION
(d/b/a CAESARS ATLANTIC CITY)
(unaudited)

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

DESCRIPTION OF BUSINESS

Boardwalk Regency Corporation (BRC), a New Jersey corporation, is a wholly-owned subsidiary of Caesars New Jersey, Inc. (CNJ), a New Jersey corporation. BRC owns and operates Caesars Atlantic City Hotel/Casino (CAC) in Atlantic City, New Jersey. CNJ is a wholly-owned subsidiary of Caesars World, Inc., (CWI), a Florida corporation. In January, 1995, ITT Corporation purchased the outstanding shares of Caesars World, Inc. Effective February 1, 1995 Caesars World, Inc. and subsidiaries, including CNJ and BRC, became wholly-owned subsidiaries of ITT Corporation.

Income Taxes

BRC is included in CWI's consolidated Federal income tax return prior to February 1, 1995 and ITT Corporation's consolidated return thereafter. Pursuant to a parent services and expense reimbursement agreement, BRC records its income tax liability (and if applicable, benefit) based upon what the amount would have been had BRC filed a separate return. Deferred income taxes are provided for timing differences between book and tax recognition of revenues and expenses.

Disclosures

Certain disclosures have been omitted in conformance with the Casino Control Commission's quarterly instructions that usually are required for a fair presentation of the financial statements in accordance with general accepted accounting principles. The omitted disclosures pertain to revenue and promotional allowances, inventories, property and equipment, costs in excess of net assets acquired, the aggregate maturities of long term debt and future minimum lease payments for operating and capital leases, the reconciliation of the provision for income taxes to the statutory rate and certain information as it relates to notes payable, capital leases and long-term debt. The disclosures were omitted because there

BOARDWALK REGENCY CORPORATION
(d/b/a CAESARS ATLANTIC CITY)
(unaudited)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd):

was not a material change in the information previously disclosed in either the Company's annual financial statements for the year end December 31, 1994 or the most recent quarterly report. Reclassifications between Cost of Goods and Services and Selling, General and Administrative have been made in the prior period financial statements in order to conform with the presentation used in the current period.

NOTE 2. PREPAID EXPENSES AND OTHER CURRENT ASSETS:

	<u>1995</u>	<u>1994</u>
	(in thousands)	
Deferred income taxes. (NOTE 6) ..	\$12,734	\$ 9,680
Other.....	<u>3,294</u>	<u>2,764</u>
	<u>\$16,028</u>	<u>\$12,444</u>

NOTE 3. INVESTMENTS, ADVANCES AND RECEIVABLES:

	<u>1995</u>	<u>1994</u>
	(in thousands)	
CRDA deposits.....	\$13,892	\$10,492
CRDA bonds receivable.....	827	573
Note receivable.....	<u>1,590</u>	<u>831</u>
	16,309	11,896
Less: valuation allowance.....	<u>6,562</u>	<u>4,030</u>
	<u>\$ 9,747</u>	<u>\$ 7,866</u>

CRDA investments carry below market interest rates resulting in a valuation lower than cost. Accordingly, valuation allowances have been provided. The carrying value of the CRDA investment approximates its fair value.

BOARDWALK REGENCY CORPORATION
(d/b/a CAESARS ATLANTIC CITY)
(unaudited)

NOTE 4. PROPERTY AND EQUIPMENT:

	<u>1995</u>	<u>1994</u>
	(in thousands)	
Land.....	\$ 51,503	\$ 51,503
Buildings and improvements.....	277,581	269,326
Furniture, fixtures and equipment	80,213	64,139
Construction in progress.....	5,111	8,431
Properties under capital leases.	<u>12,340</u>	<u>12,340</u>
	426,748	405,739
Less: accumulated depreciation and amortization.....	<u>144,775</u>	<u>125,957</u>
	<u>\$281,973</u>	<u>\$279,782</u>

NOTE 5. NOTES PAYABLE:

BRC maintains a revolving line of credit (Grid Note) with Desert Palace, Inc. (DPI), a subsidiary of CWI, which is due May 1, 1999. The total commitment is \$35,000,000. At September 30, 1995 and 1994, the funds available were \$35,000,000. In the first nine months of 1995 and 1994, the maximum amount outstanding at any month-end was \$21,203,000 and \$22,082,000 respectively. The average of the month-end amounts outstanding was \$8,977,000 and \$12,232,000, respectively, and the weighted average interest rates were 8.9 percent and 6.9 percent, respectively.

At September 30, 1995, there was no outstanding balance on the revolving line of credit. At September 30, 1994, there was a receivable balance of \$726,000, which is included in receivables, net.

	<u>1995</u>	<u>1994</u>
	(in thousands)	
Salaries, wages and vacation pay....	\$ 4,676	\$ 4,531
Taxes, other than income taxes.....	2,915	2,247
Insurance claims liability.....	2,516	1,944
Other	<u>7,827</u>	<u>8,518</u>
	\$17,934	\$17,240

BOARDWALK REGENCY CORPORATION
(d/b/a CAESARS ATLANTIC CITY)
(unaudited)

NOTE 6. INCOME TAXES:

The provision for income taxes for the nine months ended September 30, 1995 and 1994 is comprised of the following:

	<u>1995</u>	<u>1994</u>
	(in thousands)	
Current:		
Federal.....	\$14,945	\$ 9,251
State.....	4,407	3,212
Deferred:		
Federal.....	(2,827)	1,776
State.....	<u>(758)</u>	<u>372</u>
	<u>\$15,767</u>	<u>\$14,611</u>

Noncurrent deferred credits of \$6,378,000 and \$6,910,000 at September 30, 1995 and 1994, respectively, represent noncurrent deferred income taxes which result from timing differences between income for financial reporting purposes and income for tax purposes. The most significant timing differences included in deferred credits and prepaid expenses (NOTE 2), relate to the allowance for doubtful accounts, depreciation, Casino Reinvestment Development Authority (CRDA) investments, and certain accrued liabilities.

The Internal Revenue Service has examined CWI's consolidated federal income tax returns through fiscal 1990, although fiscal 1989 & 1990 have not yet been settled. The IRS is currently examining the returns for fiscal 1991 & 1992.

NOTE 7. OTHER ACCRUED EXPENSES:

	<u>1995</u>	<u>1994</u>
	(in thousands)	
Salaries, wages and vacation pay....	\$ 4,676	\$ 4,534
Taxes, other than income taxes.....	2,915	2,247
Insurance claims liability.....	2,516	1,844
Other.....	<u>7,627</u>	<u>6,518</u>
	<u>\$17,734</u>	<u>\$15,143</u>

BOARDWALK REGENCY CORPORATION
(d/b/a CAESARS ATLANTIC CITY)
(unaudited)

NOTE 8. OTHER CURRENT LIABILITIES:

	<u>1995</u>	<u>1994</u>
	(in thousands)	
Due to CWI.....	\$1,679	\$3,105
Due to DPI.....	1,944	552
Other.....	<u>2,426</u>	<u>1,469</u>
	<u>\$6,049</u>	<u>\$5,126</u>

On January 18, 1995, BRC declared a \$6,000,000 dividend to CNJ. As of March 31, 1995, this dividend had been paid in full. On July 31, 1995, BRC declared an \$8,000,000 dividend to CNJ. As of August 31, 1995, this dividend had been paid in full.

NOTE 9. LONG-TERM NOTE, DUE TO AFFILIATES:

	<u>1995</u>	<u>1994</u>
	(in thousands)	
DPI term note due June 1, 2000, interest at 11.45%.....	<u>\$44,708</u>	<u>\$58,600</u>

NOTE 10. LONG-TERM DEBT, OTHER:

	<u>1995</u>	<u>1994</u>
	(in thousands)	
Capitalized lease obligation, net of amounts representing interest....	\$9,406	\$9,343
Less current maturities.....	<u>-</u>	<u>-</u>
	<u>\$9,406</u>	<u>\$9,343</u>

Rent expense for the nine months ended September 30, 1995 and 1994 was \$1,477,000 and \$1,794,000, respectively.

BOARDWALK REGENCY CORPORATION
(d/b/a CAESARS ATLANTIC CITY)
(unaudited)

NOTE 11. OTHER LIABILITIES:

	<u>1995</u>	<u>1994</u>
	(in thousands)	
Insurance claims liability.....	\$3,566	\$5,481
Other.....	<u>3,797</u>	<u>3,324</u>
	<u>\$7,363</u>	<u>\$8,805</u>

NOTE 12. PENSION PLANS:

BRC participates in CWI's nonqualified defined benefit pension plans (the Plans) covering officers or other employees designated as key executives of CWI or its subsidiaries. BRC has funded the vested benefits and at September 30, 1995 the amount in this revocable trust was \$2,218,000 and was recorded in Other Assets. This trust shall become irrevocable in the event of a change of control of CWI (as defined). Pension expense was \$421,000 and \$415,000 for the nine months ended September 30, 1995 and 1994, respectively. The actuarially computed present value of the accumulated benefit obligation relating to participants employed by BRC was \$2,346,000 at July 31, 1995, which was the last time it was calculated. The liability accrued with respect to the Plan at July 31, 1995 was \$3,720,000.

BRC also has a 401(k) plan which is available to all full-time, non-union employees who have at least one year of service (as defined in the Plan). The expense for the nine months ended September 30, 1995 and 1994 was \$1,426,000 and \$1,443,000, respectively.

In addition to the BRC plans described above, union employees are covered by various multi-employer pension plans. BRC's unfunded portion to Hotel Employees and Restaurant Employees International's plan as of December 31, 1994 was \$2,403,000.

BOARDWALK REGENCY CORPORATION
(d/b/a CAESARS ATLANTIC CITY)
(unaudited)

NOTE 13. RELATED TRANSACTIONS:

BRC has recorded expenses for the nine months ended September 30, 1995 and 1994 from CWI and affiliates as follows:

<u>Affiliate</u>	<u>Transaction</u>	<u>1995</u>	<u>1994</u>
		(in thousands)	
Caesars World, Inc.	Management fee	<u>\$ 9,132</u>	<u>\$ 8,254</u>
Caesars World Marketing Corp.	Reservation offices	\$ 4,481	\$ 4,601
Caesars Palace Corp.	Tradename fee	3,981	3,877
Caesars World, Inc.	Allocated expenses	<u>740</u>	<u>1,806</u>
		<u>\$ 9,202</u>	<u>\$10,284</u>

NOTE 14. COMMITMENTS AND CONTINGENCIES:

New Jersey Investment Obligation

The New Jersey Casino Control Act provides, among other things, for an investment obligation on licensees based upon their gross casino revenues. This obligation may be satisfied by investing in qualified eligible direct investments, by purchasing bonds issued by the Casino Reinvestment Development Authority (CRDA), and/or by making qualified contributions.

As of September 30, 1995, all BRC investment obligations had been satisfied.

Litigation

BRC is party to legal proceedings arising in the normal conduct of business. BRC believes that the final outcome of these matters will not have a material adverse effect upon BRC's financial position.

BOARDWALK REGENCY CORPORATION
(d/b/a CAESARS ATLANTIC CITY)
(unaudited)

NOTE 15. NONOPERATING INCOME (EXPENSE) - NET

As a result of the ITT purchase of CWI in January 1995, BRC recorded an unusual non-operating charge of \$8,692,000 related primarily to the acceleration of the unamortized balance of deferred compensation and the payment of stock options.

NOTE 16. FAIR VALUE OF FINANCIAL INSTRUMENTS

The following methods and assumptions were used by BRC in estimating its fair value disclosures for financial instruments.

Cash

Carrying amounts for cash approximate market value.

Due to Affiliates, Current

Carrying amounts from due to affiliates, current, approximate market value.

Long-term Debt Due to Affiliates

The fair values of debt are estimated by discounting future cash flows, using estimates from interest rates being offered to comparable properties on similar arrangements.

CRDA Investments

The fair value for CRDA investments are based on quoted market prices, where available. If quoted market prices are not available, fair values are based on quoted market prices of comparable investments.

BOARDWALK REGENCY CORPORATION
(d/b/a CAESARS ATLANTIC CITY)
(unaudited)

NOTE 16. FAIR VALUE OF FINANCIAL INSTRUMENTS (cont'd):

The carrying values and estimated fair values of BRC's financial instruments are as follows at September 30:

	1995		1994	
	Carrying Value (in thousands)	Estimated Fair Value (in thousands)	Carrying Value (in thousands)	Estimated Fair Value (in thousands)
Financial Assets				
Cash	\$15,403	\$15,403	\$11,896	\$11,896
CRDA Investments, net	9,747	9,747	7,866	7,866
Financial Liabilities				
Due to Affiliates, net	3,623	3,623	3,657	3,657
Long-term debt, due to affiliates	44,708	44,743	58,600	59,908

scribed and sworn to
 on this 5th day
 of November 1995

Mary Hessler

MARY HESSLER
 Notary Public in and for the State of New Jersey
 My Commission Expires May 26, 1997

Devis of Authority
 by Tara Oates

STATEMENT OF CONFORMITY AND ACCURACY

STATE OF NEW JERSEY :
COUNTY OF ATLANTIC : ss.

MICHAEL J. WALSH, being duly sworn according to law upon my oath deposes and says:

- 1. I have examined this Quarterly Report.
2. All the information contained in this Report has been prepared in conformity with Casino Control Commission's Quarterly Report instructions and Uniform Chart of Accounts.
3. To the best of my knowledge and belief, except for the deficiencies noted below, the licensee submitting this Quarterly Report has remained in compliance with the financial stability regulations contained in N.J.A.C. 19:43-4.2(B)1-5 during the quarter.

Signature: [Handwritten Signature]
VICE PRESIDENT, FINANCE
Title

1482-11
License Number

Subscribed and sworn to before me this 14th day of November 1995

[Handwritten Signature]
MARY NOCELLA
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires July 30, 1997

On Behalf Of:

BOARDWALK REGENCY CORPORATION
Casino License

Basis of Authority to Take Oaths

QUARTERLY REPORT

THE CLARIDGE AT PARK PLACE, INC.

INDIANA AVENUE AT THE BOARDWALK

ATLANTIC CITY, NEW JERSEY 08401

FOR THE QUARTER ENDED SEPTEMBER 30, 1995

TO THE

CASINO CONTROL COMMISSION

OF THE

STATE OF NEW JERSEY

**NAME OF OFFICER IN CHARGE
OF CORRESPONDENCE REGARDING
THIS QUARTERLY REPORT:**

LAURA L. PALAZZO

OFFICIAL TITLE:

VICE PRESIDENT CONTROLLER

ADDRESS:

**INDIANA AVENUE AT THE BOARDWALK
ATLANTIC CITY, NEW JERSEY 08401**

BALANCE SHEETS
 SEPTEMBER 30, 1995 AND 1994
 (CONDENSED)
 (\$ IN THOUSANDS)

LINE NO.	DESCRIPTION	(C) 1995	(D) 1994
	TRADING NAME OF LICENSEE: <u>THE CLARIDGE CASINO HOTEL</u>		
	ASSETS:		
	LIST OF FORMS - QUARTERLY REPORT	680	21,205
	FOR THE NINE MONTHS ENDED SEPTEMBER 30, 1995	114	17,479
	EXPENSES & OTHER CURRENT ASSETS	7,878	1,802
	TOTAL CURRENT ASSETS	862,483	70,178
	DEBTS, ADVANCES & RECEIVABLES	100,817	118,838
	PROPERTY & EQUIPMENT - GROSS	31,726	13,657
	LESS DEPRECIATION/AMORTIZATION	(11,282)	(8,981)
	TOTAL ASSETS	1,003,844	112,732
	LIABILITIES:		
	STATEMENTS OF INCOME (NINE MONTHS)		CCC - 210
	STATEMENTS OF INCOME (THREE MONTHS)		CCC - 215
	STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY		CCC - 220
	STATEMENTS OF CASH FLOWS		CCC - 235
	NOTES TO FINANCIAL STATEMENTS		CCC - 250
	PROMOTIONAL EXPENSES & ALLOWANCES		CCC - 245
	STATEMENT OF CONFORMITY & ACCURACY		CCC - 250
	TOTAL LIABILITIES	1,003,844	112,732
	LIABILITIES & EQUITY	1,003,844	112,732

TITLE

FORM #

- BALANCE SHEETS CCC - 205
- STATEMENTS OF INCOME (NINE MONTHS) CCC - 210
- STATEMENTS OF INCOME (THREE MONTHS) CCC - 215
- STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY CCC - 220
- STATEMENTS OF CASH FLOWS CCC - 235
- NOTES TO FINANCIAL STATEMENTS CCC - 250
- PROMOTIONAL EXPENSES & ALLOWANCES CCC - 245
- STATEMENT OF CONFORMITY & ACCURACY CCC - 250

THESE FINANCIAL STATEMENTS ARE PREPARED IN ACCORDANCE WITH THE RULES AND REGULATIONS OF THE COMMISSION ON REGULATION AND CONTROL OF GAMING AND ENTERTAINMENT. VALID COMPARISONS SHOULD BE MADE WITHOUT USING INFORMATION CONTAINED IN THIS REPORT.

TRADING NAME OF LICENSEE: THE CLARIDGE CASINO HOTEL

BALANCE SHEETS
 SEPTEMBER 30, 1995 AND 1994
 (UNAUDITED)
 (\$ IN THOUSANDS)

LINE (A)	DESCRIPTION (B)	(C) 1995	(D) 1994
	ASSETS		
	CURRENT ASSETS:		
1	CASH.....	\$ 13,650	\$ 21,205
2	SHORT TERM INVESTMENTS (at cost which approx. market)..	24,314	17,479
3	RECEIVABLES & PATRONS CHECKS (NET OF ALLOW. FOR DOUBTFUL ACCOUNTS - 1995, \$1,153; 1994, \$1,430).....	20,909	26,932
4	INVENTORIES.....	2,252	2,761
5	PREPAID EXPENSES & OTHER CURRENT ASSETS.....	1,836	1,802
6	TOTAL CURRENT ASSETS.....	62,961	70,179
7	INVESTMENTS, ADVANCES & RECEIVABLES... (NOTE 3).....	108,017	118,839
8	PROPERTY & EQUIPMENT - GROSS..... (NOTE 4).....	31,726	19,659
9	(ACCUMULATED DEPRECIATION/AMORTIZATION).....	(11,892)	(10,981)
10	OTHER ASSETS..... (NOTE 5).....	551	1,258
11	TOTAL ASSETS.....	\$191,363	\$198,954
	LIABILITIES & EQUITY		
	CURRENT LIABILITIES:		
12	ACCOUNTS PAYABLE.....	\$ 3,394	\$ 3,894
13	NOTES PAYABLE.....	-0-	-0-
	CURRENT PORTION OF LONG-TERM DEBT:		
14	DUE TO AFFILIATES.....	-0-	-0-
15	OTHER.....	-0-	-0-
16	INCOME TAXES PAYABLE & ACCRUED.....	3,200	(55)
17	OTHER ACCRUED EXPENSES..... (NOTE 6).....	11,030	9,507
18	OTHER CURRENT LIABILITIES..... (NOTE 7).....	21,205	21,368
19	TOTAL CURRENT LIABILITIES.....	38,829	34,714
	LONG TERM DEBT:		
20	DUE TO AFFILIATES.....	-0-	-0-
21	OTHER.....	-0-	-0-
22	DEFERRED CREDITS..... (NOTE 12).....	8,686	7,578
23	OTHER LIABILITIES..... (NOTE 9).....	51,616	54,126
24	COMMITMENTS & CONTINGENCIES (NOTE 1)		
25	TOTAL LIABILITIES.....	99,131	96,418
26	STOCKHOLDERS', PARTNERS, OR PROPRIETOR'S EQUITY.....	92,232	102,536
27	TOTAL LIABILITIES & EQUITY.....	\$191,363	\$198,954

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THE
 FINANCIAL STATEMENTS. VALID COMPARISONS CANNOT BE MADE
 WITHOUT USING INFORMATION CONTAINED IN THE NOTES.

TRADING NAME OF LICENSEE: THE CLARIDGE CASINO HOTEL

STATEMENTS OF INCOME
 FOR THE NINE MONTHS ENDED SEPTEMBER 30, 1995 AND 1994
 (UNAUDITED)
 (\$ IN THOUSANDS)

LINE (A)	DESCRIPTION (B)	(C) 1995	(D) 1994
	REVENUE:		
1	CASINO.....	\$128,302	\$117,216
2	ROOMS.....	7,203	8,485
3	FOOD & BEVERAGE.....	15,130	13,948
4	OTHER.....	1,130	1,663
5	TOTAL REVENUE.....	151,765	141,312
6	LESS: PROMOTIONAL ALLOWANCES.....	12,362	12,954
7	NET REVENUE.....	139,403	128,358
	COSTS & EXPENSES:		
8	COST OF GOODS & SERVICES.....	72,125	70,705
9	SELLING, GENERAL & ADMINISTRATIVE.....	41,936	40,916
10	PROVISION FOR DOUBTFUL ACCOUNTS.....	(18)	375
11	TOTAL COSTS & EXPENSES.....	114,043	111,996
12	GROSS OPERATING PROFIT.....	25,360	16,362
13	DEPRECIATION & AMORTIZATION.....	1,798	1,389
	CHARGES FROM AFFILIATES OTHER THAN INTEREST:		
14	MANAGEMENT FEES.....	-0-	-0-
15	OTHER.....(NOTE 13b).....	86	84
16	INCOME (LOSS) FROM OPERATIONS.....	23,476	14,889
	OTHER INCOME (EXPENSES):		
17	INTEREST (EXPENSES) - AFFILIATES.....(NOTE 13a).....	(324)	(324)
18	INTEREST (EXPENSES) - EXTERNAL.....	(234)	(342)
19	INVESTMENT ALT. TAX & RELATED INCOME (EXPENSE) - NET...	(1,292)	(1,568)
20	NONOPERATING INCOME (EXPENSE) - NET....(NOTE 10).....	(13,356)	(12,000)
21	TOTAL OTHER INCOME (EXPENSE).....	(15,206)	(14,234)
22	INCOME (LOSS) BEFORE INCOME TAXES & EXTRAORDINARY ITEMS	8,270	655
23	PROVISION (CREDIT) FOR INCOME TAXES..(NOTE 12).....	3,789	262
24	INCOME (LOSS) BEFORE EXTRAORDINARY ITEMS.....	4,481	393
25	EXTRAORDINARY ITEMS (NET OF INCOME TAXES - 1995, \$ -0-; 1994, \$-0-).....	-0-	-0-
26	NET INCOME (LOSS).....	\$ 4,481	\$ 393

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THE
 FINANCIAL STATEMENTS. VALID COMPARISONS CANNOT BE MADE
 WITHOUT USING INFORMATION CONTAINED IN THE NOTES.

TRADING NAME OF LICENSEE: THE CLARIDGE CASINO HOTEL

STATEMENTS OF INCOME
 FOR THE THREE MONTHS ENDED SEPTEMBER 30, 1995 AND 1994
 (UNAUDITED)
 (\$ IN THOUSANDS)

LINE (A)	DESCRIPTION (B)	(C) 1995	(D) 1994
	REVENUE:		
1	CASINO.....	\$ 47,015	\$ 47,766
2	ROOMS.....	2,935	3,651
3	FOOD & BEVERAGE.....	5,607	5,757
4	OTHER.....	432	639
5	TOTAL REVENUE.....	55,989	57,813
6	LESS: PROMOTIONAL ALLOWANCES.....	4,771	5,488
7	NET REVENUE.....	51,218	52,325
	COSTS & EXPENSES:		
8	COST OF GOODS & SERVICES.....	25,784	26,508
9	SELLING, GENERAL & ADMINISTRATIVE.....	14,768	15,096
10	PROVISION FOR DOUBTFUL ACCOUNTS.....	(133)	147
11	TOTAL COSTS & EXPENSES.....	40,419	41,751
12	GROSS OPERATING PROFIT.....	10,799	10,574
13	DEPRECIATION & AMORTIZATION.....	622	611
	CHARGES FROM AFFILIATES OTHER THAN INTEREST:		
14	MANAGEMENT FEES.....	-0-	-0-
15	OTHER.....	25	28
16	INCOME (LOSS) FROM OPERATIONS.....	10,152	9,935
	OTHER INCOME (EXPENSES):		
17	INTEREST (EXPENSES) - AFFILIATES.....(NOTE 13a).....	(108)	(108)
18	INTEREST (EXPENSES) - EXTERNAL.....	(234)	(8)
19	INVESTMENT ALT. TAX & RELATED INCOME (EXPENSE) - NET...	(291)	(1,273)
20	NONOPERATING INCOME (EXPENSE) - NET....(NOTE 10).....	(4,354)	(4,006)
21	TOTAL OTHER INCOME (EXPENSE).....	(4,987)	(5,395)
22	INCOME (LOSS) BEFORE INCOME TAXES & EXTRAORDINARY ITEMS	5,165	4,540
23	PROVISION (CREDIT) FOR INCOME TAXES..(NOTE 12).....	2,241	1,816
24	INCOME (LOSS) BEFORE EXTRAORDINARY ITEMS.....	2,924	2,724
25	EXTRAORDINARY ITEMS (NET OF INCOME TAXES -		
	1995, \$ -0-; 1994, \$-0-).....	-0-	-0-
26	NET INCOME (LOSS).....	\$ 2,924	\$ 2,724

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 FINANCIAL STATEMENTS. VALID COMPARISONS CANNOT BE MADE
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TRADING NAME OF LICENSEE: THE CLARIDGE CASINO HOTEL

STATEMENTS OF CHANGES IN STOCKHOLDERS EQUITY
 FOR THE NINE MONTHS ENDED SEPTEMBER 30, 1995 AND 1994
 (UNAUDITED)
 (\$ IN THOUSANDS)

LINE1 (A)	DESCRIPTION (B)	1995		1994	
		(C) SHARES	(D) DOLLARS	(E) SHARES	(F) DOLLARS
	COMMON STOCK: (PAR VALUE \$0.10, AUTHORIZED & OUTSTANDING 1,000 SHARES)				
1	BEGINNING BALANCE (JANUARY 1).....	1,000	\$ 1	1,000	\$ 1
2	SALE OF STOCK.....				
3					
4	ENDING BALANCE.....	1,000	\$ 1	1,000	\$ 1
	REFERRED STOCK:				
5	BEGINNING BALANCE (JANUARY 1).....				
6	SALE OF STOCK.....				
7					
8	ENDING BALANCE.....				
	ADDITIONAL PAID-IN CAPITAL:				
9	BEGINNING BALANCE (JANUARY 1).....		\$ 4,999		\$ 4,999
10	EQUITY CONTRIBUTION FROM THE CORPORATION...		82,206		82,206
11					
12	ENDING BALANCE.....		\$ 87,205		\$ 87,205
	TREASURY STOCK:				
13	BEGINNING BALANCE (JANUARY 1).....				
14	PURCHASE OF ADDITIONAL STOCK.....				
15	SALE OR RETIREMENT OF STOCK.....				
16	ENDING BALANCE.....				
	SUBSCRIPTIONS RECEIVABLE FOR CAPITAL STOCK:				
17	BEGINNING BALANCE (JANUARY 1).....				
18					
19					
20	ENDING BALANCE.....				
	NET UNREALIZED LOSS ON NONCURRENT MARKETABLE EQUITY SECURITIES:				
21	BEGINNING BALANCE (JANUARY 1).....				
22					
23					
24	ENDING BALANCE.....				
	RETAINED EARNINGS:				
25	BEGINNING BALANCE (JANUARY 1).....		\$ 15,554		\$ 14,937
26	PRIOR PERIOD ADJUSTMENTS.....				
27	NET INCOME (LOSS).....		4,481		393
28	DIVIDENDS.....		(15,009)		
29					
30					
31	ENDING BALANCE.....		5,026		15,330
32	ENDING STOCKHOLDERS' EQUITY.....		\$ 92,232		\$ 102,536

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TRADING NAME OF LICENSEE: THE CLARIDGE CASINO HOTEL

STATEMENTS OF CASH FLOWS
 FOR THE NINE MONTHS ENDED SEPTEMBER 30, 1995 AND 1994
 (UNAUDITED)
 (\$ IN THOUSANDS)

LINE (A)	DESCRIPTION (B)	(C) 1995	(D) 1994
1	NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES.....	\$ 22,119	\$ (5,418)
	CASH FLOWS FROM INVESTING ACTIVITIES:		
2	PURCHASE OF SHORT-TERM INVESTMENT SECURITIES.....	(1,872)	(17,479)
3	PROCEEDS FROM THE SALE OF SHORT-TERM INV. SECURITIES...		
4	CASH OUTFLOWS FOR PROPERTY & EQUIPMENT.....	(12,890)	(5,819)
5	PROCEEDS FROM DISPOSITION OF PROPERTY & EQUIPMENT.....	75	35
6	PURCHASE OF CASINO REINVESTMENT OBLIGATION.....	(540)	(769)
7	PURCHASE OF OTHER INVESTMENTS & LOANS/ADVANCES MADE....	(1,983)	(9,240)
8	PROCEEDS FROM DISPOSAL OF INVESTMENTS & COLLECTION OF ADVANCES & LONG TERM RECEIVABLES.....	8,949	7,755
9	CASH OUTFLOWS TO ACQUIRE BUSINESS ENTITIES.....		
10	.....	
11	.....	
12	NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES.....	(8,261)	(25,517)
	CASH FLOWS FROM FINANCING ACTIVITIES:		
13	CASH PROCEEDS FROM ISSUANCE OF SHORT-TERM DEBT.....	-0-	-0-
14	PAYMENTS TO SETTLE SHORT-TERM DEBT.....	-0-	(1,700)
15	CASH PROCEEDS FROM ISSUANCE OF LONG-TERM DEBT.....		
16	COSTS OF ISSUING DEBT.....		
17	PAYMENTS TO SETTLE LONG-TERM DEBT.....	-0-	(33,559)
18	CASH PROCEEDS FROM ISSUING STOCK OR CAPITAL CONTRIB....	-0-	82,206
19	PURCHASES OF TREASURY STOCK.....		
20	PAYMENTS OF DIVIDENDS OR CAPITAL WITHDRAWALS.....	(15,009)	-0-
21	.....	
22	.....	
23	NET CASH PROVIDED (USED) BY FINANCING ACTIVITIES.....	(15,009)	46,947
24	NET INCREASE (DECREASE) IN CASH & CASH EQUIVALENTS.....	(1,151)	16,012
25	CASH & CASH EQUIVALENTS AT BEGINNING OF PERIOD.....	14,801	5,193
26	CASH & CASH EQUIVALENTS AT END OF PERIOD.....	\$ 13,650	\$ 21,205
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION			
27	CASH PAID DURING YEAR FOR:		
28	INTEREST (NET OF AMOUNT CAPITALIZED).....	\$ 234	\$ 351
	INCOME TAXES.....	\$ 677	\$ 179

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TRADING NAME OF LICENSEE: THE CLARIDGE CASINO HOTEL

STATEMENTS OF CASH FLOWS
 FOR THE NINE MONTHS ENDED SEPTEMBER 30, 1995 AND 1994
 (UNAUDITED)
 (\$ IN THOUSANDS)

LINE (A)	DESCRIPTION (B)	(C) 1995	(D) 1994
	NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
29	NET INCOME (LOSS).....	\$ 4,481	\$ 393
	NON-CASH ITEMS INCLUDED INCOME & CASH ITEMS EXCLUDED FROM INCOME:		
30	DEPRECIATION & AMORTIZATION OF PROPERTY & EQUIPMENT...	1,687	1,273
31	AMORTIZATION OF OTHER ASSETS.....	111	116
32	AMORTIZATION OF DEBT DISCOUNT OR PREMIUM.....		
33	DEFERRED INCOME TAXES - CURRENT.....		
34	DEFERRED INCOME TAXES - NONCURRENT.....	487	1,475
35	(GAIN) LOSS ON DISPOSITION OF PROPERTY & EQUIPMENT....	(42)	58
36	(GAIN) LOSS ON CASINO REINVESTMENT OBLIGATIONS.....	1,292	1,568
37	(GAIN) LOSS FROM OTHER INVESTMENT ACTIVITIES.....		
38	NET (INCREASE) DECREASE IN RECEIVABLES AND PATRONS' CHECKS EXCLUDING RECLASS FROM LONG TERM OF \$1,396 and \$1,187.....	10,657	(6,492)
39	NET (INCREASE) DECREASE IN INVENTORIES.....	377	(114)
40	NET (INCREASE) DECREASE IN OTHER CURRENT ASSETS*.....	(562)	(245)
41	NET (INCREASE) DECREASE IN OTHER ASSETS.....	641	(945)
42	NET INCREASE (DECREASE) IN ACCOUNTS PAYABLE.....	574	1,356
43	NET INCREASE (DECREASE) IN OTHER CURRENT LIABILITIES EXCLUDING DEBT.....	4,910	(795)
44	NET INCREASE (DECREASE) IN OTHER NONCURRENT LIABILITIES EXCLUDING DEBT.....	(1,517)	(2,216)
45	DISCOUNT ON WRAPAROUND MORTGAGE RECEIVABLE.....	(977)	(850)
46			
47	NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES.....	\$ 22,119	\$ (5,418)

*Excluding decrease in current portion of CRDA credit of \$915 and \$0.

SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING AND FINANCING ACTIVITIES

48	ACQUISITION OF PROPERTY & EQUIPMENT:		
49	ADDITIONS TO PROPERTY & EQUIPMENT.....	\$ 12,890	\$ 5,819
50	LESS: CAPITAL LEASE OBLIGATIONS ACQUIRED.....		
	CASH OUTFLOWS FOR PROPERTY & EQUIPMENT.....	\$ 12,890	\$ 5,819
51	ACQUISITION OF BUSINESS ENTITIES:		
52	PROPERTY & EQUIPMENT ACQUIRED.....	\$ -0-	\$ -0-
53	GOODWILL ACQUIRED.....		
	NET ASSETS ACQUIRED OTHER THAN CASH, GOODWILL & PROPERTY & EQUIPMENT.....		
54	LONG TERM DEBT ASSUMED.....		
55	ISSUANCE OF STOCK OR CAPITAL INVESTED.....		
56	CASH OUTFLOWS TO ACQUIRE BUSINESS ENTITIES.....	\$ -0-	\$ -0-
57	STOCK ISSUED OR CAPITAL CONTRIBUTIONS:		
58	TOTAL ISSUANCES OF STOCK OR CAPITAL CONTRIBUTIONS.....	\$ -0-	\$ 82,206
59	LESS: ISSUANCES TO SETTLE LONG TERM DEBT.....		
60	CONSIDERATION IN ACQUISITION OF BUSINESS ENTITIES		
	CASH PROCEEDS FROM ISSUING STOCK OR CAPITAL CONTRIB.....	\$ -0-	\$ 82,206

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THE CLARIDGE CASINO HOTEL
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 1995 AND 1994

(1) Business

(a) Organization

The Claridge at Park Place, Incorporated ("New Claridge") formed on August 29, 1983, is a wholly-owned subsidiary of The Claridge Hotel and Casino Corporation (the "Corporation"). On October 31, 1983, New Claridge acquired certain assets of Del Webb's Claridge Casino - Hotel (the "Claridge"), including gaming equipment (the "Casino Assets"), from Del E. Webb New Jersey, Inc. ("DEW NJ"), a wholly-owned subsidiary of Del Webb Corporation ("Webb"), leased certain other of the Claridge's assets, including the buildings, parking facility and nongaming, depreciable, tangible property of the Claridge (the "Hotel Assets"), from Atlantic City Boardwalk Associates, L.P., (the "Partnership"), subleased the land on which the Claridge is located from the Partnership, assumed certain liabilities related to the acquired assets and undertook to carry on the business of the Claridge.

On October 27, 1988, the parties with an economic interest in the Corporation and New Claridge including the banks holding the First Mortgage (the "First Mortgage Lenders"), entered into an agreement to restructure the financial obligations of the Corporation and New Claridge (the "Restructuring Agreement"). The restructuring, which was consummated in June 1989, resulted in (i) a reorganization of the ownership interest in the Corporation; (ii) modifications of the rights and obligations of certain lenders; (iii) satisfaction and termination of the obligations and commitments of Webb and DEW NJ under the original structure; (iv) modifications of the lease agreements between New Claridge and the Partnership, and forgiveness by Webb of substantial indebtedness.

(b) Recent Business Developments

On January 31, 1994, the Corporation completed an offering of \$85 million of First Mortgage Notes (the "Notes"), due 2002, bearing interest at 11 3/4%. The Notes are secured by (i) a non-recourse mortgage granted by the Partnership representing a first lien on the Hotel Assets, (ii) and by a pledge granted by the Corporation of all outstanding shares of capital stock of New Claridge, and (iii) a guarantee by New Claridge. New Claridge's guarantee of the Notes is secured by a collateral assignment of the second lien Expandable Wraparound Mortgage, and by a lien on the Claridge's gaming and other assets, which lien will be subordinated to liens that may be placed on those gaming and other assets to secure any future revolving credit line arrangement. Interest on the Notes is payable semiannually on February 1 and August 1 of each year, commencing August 1, 1994.

A portion of the net proceeds of \$82.2 million, after deducting fees and expenses, was used as follows:

- (i) to repay in full the Corporation's outstanding debt under the Revolving Credit and Term Loan Agreement (the "Loan Agreement"), including the outstanding balance of the Corporation's revolving credit line, which was secured by the First Mortgage. In conjunction with the full satisfaction of the Loan Agreement, the Corporation's \$7.5 million revolving credit line arrangement was terminated. The Corporation is currently seeking to obtain a new line of credit arrangement;

THE CLARIDGE CASINO HOTEL
NOTES TO FINANCIAL STATEMENTS - CONTINUED

- (ii) to fund the cost of a 12,000 square foot expansion of New Claridge's casino capacity, the addition of approximately 500 slot machines, and the relocation of two restaurants and their related kitchen areas. The total cost of this expansion, which became fully operational on June 30, 1994, was approximately \$12.7 million; and
- (iii) the acquisition of land, at a cost of \$7.5 million, adjacent to New Claridge's existing valet-parking facility, which is being used for the construction of a self-parking facility.

The balance of the net proceeds from the offering of the Notes is expected to be used as follows:

- (i) the construction of the self-parking facility, which commenced in the second quarter of 1995. The total cost of the self-parking facility including architectural, engineering, and legal fees, is estimated to be in excess of \$18 million, in addition to the cost of the land;
- (ii) the possible purchase of the Contingent Payment (see Note 9, Other Liabilities) granted in 1989 and now held in a trust for the benefit of the United Way of Arizona. The Corporation is currently negotiating to purchase the Contingent Payment, for substantially less than face value, from the trustee for the United Way of Arizona; and
- (iii) the potential expansion of the Corporation's activities into emerging gaming markets. On March 16, 1994, Claridge Gaming Incorporated was formed as a wholly-owned subsidiary of the Corporation for the purpose of developing gaming opportunities in other jurisdictions.

(c) Claridge License Renewal

On September 22, 1995, New Claridge was issued a four-year casino license by the Casino Control Commission (the "Commission") for the period commencing September 30, 1995.

(2) Summary of Significant Accounting Policies

(a) Basis of Presentation

The accompanying financial statements are prepared in accordance with generally accepted accounting principles.

(b) Cash

Cash includes investments in interest-bearing repurchase agreements in government securities, with maturities of three months or less when purchased. Interest income is recorded as earned.

(c) Casino Receivables and Revenues

Credit is issued to certain casino customers and New Claridge records all unpaid credit as casino receivables on the date the credit was granted. Allowances for estimated uncollectible casino receivables are provided to reduce these receivables to amounts anticipated to be collected. New Claridge recognizes as casino revenue, the net win (which is the difference between amounts wagered and amounts paid to winning patrons) from gaming activity.

THE CLARIDGE CASINO HOTEL
NOTES TO FINANCIAL STATEMENTS - CONTINUED

(d) Promotional Allowances

Promotional allowances are presented at retail value. The cost of providing these complimentary is included in the statement of earnings as operating costs.

(e) Inventories

Inventories are stated at a lower of cost or market, cost being determined principally on a first-in, first-out basis.

(f) Property and Equipment

Property and equipment is stated at cost. Depreciation for furniture and equipment is provided over the estimated useful lives (five years) of the respective assets using the straight-line method.

(g) Income Taxes

New Claridge is included in the consolidated income tax return of its parent, the Corporation. Deferred income taxes are provided for the temporary differences between financial statement reporting and income tax reporting for rent levelling provisions, asset basis differences, and various other expenses recorded for financial statement purposes.

(3) Investments, Advances, and Receivables

Investments, Advances, and Receivables at September 30, 1995 and 1994 are summarized as follows:

	<u>1995</u>	<u>1994</u>
	(in thousands)	
\$127,000,000 Expandable Wraparound Mortgage 14%, maturities through September 30, 2000 (net of \$10,165,000 discount and \$11,445,000 discount at September 30, 1995 and 1994, respectively)	\$ 75,085	82,555
Deferred interest receivable, due September 30, 2000	20,000	20,000
FF&E promissory note, 14%	18,198	17,094
FF&E promissory note - expansion, 14%	6,986	8,689
Reinvestment Obligations	1,157	915
Reinvestment Obligations Credit	<u>-0-</u>	<u>1,282</u>
	121,426	130,535
Less Current Installments	<u>13,409</u>	<u>11,696</u>
	<u>\$ 108,017</u>	<u>118,839</u>

THE CLARIDGE CASINO HOTEL
NOTES TO FINANCIAL STATEMENTS - CONTINUED

The Expandable Wraparound Mortgage Loan Agreement ("Expandable Wraparound Mortgage") was executed and delivered by the Partnership to New Claridge and is secured by all property of the Partnership. As part of the agreement, New Claridge will service the First Mortgage and the Partnership's debt under the Purchase Money Second Mortgage indebtedness. \$20 million in interest was deferred between 1983 and 1988 and will be due upon maturity. Principal payments required under the Expandable Wraparound Mortgage commenced in 1988. During the nine months ended September 30, 1995, \$6,000,000 in principal payments were made.

The Expandable Wraparound Mortgage also includes a provision whereby New Claridge will loan the Partnership up to \$25 million in the form of FF&E promissory notes, secured under the Expandable Wraparound Mortgage, for the purchase of property and equipment. One half of the principal is due in 48 months and the remaining balance is due 60 months from the date of the respective FF&E promissory note. During the nine months ended September 30, 1995, \$899,000 in FF&E promissory note principal payments were made. In connection with the offering of \$85 million of Notes on January 31, 1994, the Corporation agreed to use not less than \$8 million from the net proceeds of the offering to finance internal improvements to the Claridge, which were funded through additional FF&E promissory notes. In connection therewith, the Expandable Wraparound Mortgage Loan agreement as well as the Operating Lease, and the Expansion Operating Lease were amended to provide that the principal on these additional FF&E promissory notes will be payable at final maturity of the Expandable Wraparound Mortgage.

In 1986, the Expandable Wraparound Mortgage was increased up to \$17 million to provide the Partnership with funding for the construction of an expansion. Effective on the date that the expansion opened to the public (August 28, 1986), the Partnership commenced making level monthly payments of principal and interest so as to repay on September 30, 1998, in full, the principal balance of this increase in the Expandable Wraparound Mortgage. The Expandable Wraparound Mortgage was amended to require, in addition to the above, principal payments (in equal monthly installments) due during the years 1988 through 1998 in escalating amounts totalling \$80 million and on September 30, 2000 a balloon payment of \$67 million, which includes \$20 million of deferred interest.

The Casino Control Act (the "Act") provides for the imposition of an investment obligation, calculated as 1.25% of the total revenues from gaming operations less the provision for uncollectible accounts. If a casino licensee opts not to make an investment as required, it is assessed an alternative tax of 2.5% of total gaming revenues less the provision for uncollectible accounts. The licensee can satisfy its investment obligation by making a direct investment in a project approved by the Casino Reinvestment Development Authority ("CRDA"), the agency responsible for administering this portion of the Act, or it can buy bonds issued by the CRDA. These bonds bear interest at two-thirds of market rates, as set forth in the Act.

New Claridge has opted to deposit its reinvestment obligation funds with the State Treasurer. Through September 30, 1995, New Claridge has deposited \$14,130,000, of which \$2,367,000 has been used to purchase bonds issued by the CRDA. Since interest on these bonds and funds deposited is paid at a discounted rate, New Claridge records a valuation allowance of approximately one-third of the reinvestment obligation. In addition, in January 1990, it was determined that certain bonds issued by the CRDA had become impaired, and that the payment of principal and interest on these bonds was uncertain. As a result, New Claridge has recorded a valuation allowance for the full amount of its investment in these bonds, totalling \$1,654,000.

THE CLARIDGE CASINO HOTEL
NOTES TO FINANCIAL STATEMENTS - CONTINUED

In December 1989, and again in July 1990, New Claridge made donations to the CRDA of funds, totalling \$7,088,000, which had previously been deposited with the State Treasurer. During the third quarter of 1994 and first quarter of 1995, New Claridge made donations to the CRDA, totalling approximately \$4.1 million, representing amounts previously deposited with the CRDA. In exchange for the donations, New Claridge received credits equal to fifty-one percent of the donations, to be applied to satisfy portions of the reinvestment obligations commencing after the dates of the donations. At the time of the donations, New Claridge recorded expense to write-down the book value of the donations to the amount of the credits received. As of September 30, 1995, none of these credits remained available.

(4) Property and Equipment

Property and equipment at September 30, 1995 and 1994 consist of the following:

	<u>1995</u>	<u>1994</u>
	(in thousands)	
Land and land improvements	\$ 8,100	-0-
Leasehold improvements	744	744
Furniture, fixtures, equipment	19,210	17,948
Construction in progress	3,059	-0-
Fixed assets under capital lease	<u>613</u>	<u>967</u>
Property and equipment, gross	31,726	19,659
Less accumulated depreciation	<u>11,892</u>	<u>10,981</u>
Property and equipment, net	<u>19,834</u>	<u>8,678</u>

(5) Other Assets

Other assets at September 30, 1995 and 1994 consist of the following:

	<u>1995</u>	<u>1994</u>
	(in thousands)	
Intangible assets (net of accumulated amortization of \$775 and \$629 at September 30, 1995 and 1994, respectively)	\$ 93	321
Refundable deposits, non-current	53	453
Other non-current assets	<u>405</u>	<u>484</u>
	<u>551</u>	<u>1,258</u>

THE CLARIDGE CASINO HOTEL
NOTES TO FINANCIAL STATEMENTS - CONTINUED

(6) Other Accrued Expenses

Other accrued expenses at September 30, 1995 and 1994 consist of the following:

	<u>1995</u>	<u>1994</u>
	(in thousands)	
Accrued payroll and related benefits	\$ 7,297	6,716
Accrued interest due to the Partnership	2,718	2,286
Other	<u>1,015</u>	<u>505</u>
	<u>\$11,030</u>	<u>9,507</u>

(7) Other Current Liabilities

Other current liabilities at September 30, 1995 and 1994 consist of the following:

	<u>1995</u>	<u>1994</u>
	(in thousands)	
Due to affiliates	\$ 3,600	3,600
Deferred rent due to Partnership	15,078	15,078
Auto/general claims liability	1,125	1,151
Other	<u>1,402</u>	<u>1,539</u>
	<u>\$21,205</u>	<u>21,368</u>

As of September 30, 1995 and 1994, Due to Affiliates includes \$3.6 million due to the Partnership. On June 16, 1989 pursuant to the terms of the Restructuring Agreement, the Partnership loaned to New Claridge \$3.6 million which represented substantially all cash and cash equivalents remaining in the Partnership other than funds needed to pay expenses incurred through the closing of the restructuring. This loan is evidenced by an unsecured promissory note and is not due and payable until such time as the full or partial satisfaction of the Wraparound Mortgage and the first mortgage has been made in connection with a refinancing or sale of all or a partial interest in New Claridge. Interest, which accrues at 12% per annum, is payable in full upon maturity. As of September 30, 1995, such interest, which is included in Accrued Expenses, amounted to \$2,718,000.

As of September 30, 1995, the amount of deferred rent of \$15,078,000 represents the maximum deferral allowed in accordance with the terms of the Operating Lease Agreement and Expansion Operating Lease Agreement, as amended (see Note 11, "Operating Lease"). The deferred rent liability will become payable (i) upon a sale or refinancing of the Claridge; (ii) upon full or partial satisfaction of the Wraparound Mortgage; and (iii) upon full satisfaction of any first mortgage then in place.

THE CLARIDGE CASINO HOTEL
NOTES TO FINANCIAL STATEMENTS - CONTINUED

(8) Long-Term Debt

On January 31, 1994, the Corporation completed an offering of \$85 million of Notes due 2002, bearing interest at 11 3/4%. The Notes are secured by (i) a non-recourse mortgage granted by the Partnership representing a first lien on the Hotel Assets, (ii) a pledge granted by the Corporation of all outstanding shares of capital stock of New Claridge, and (iii) a guarantee by New Claridge. New Claridge's guarantee of the Notes is secured by a collateral assignment of the second lien Expandable Wraparound Mortgage, and by a lien on the Claridge's gaming and other assets, which lien will be subordinated to liens that may be placed on those gaming and other assets to secure any future revolving credit line arrangement. Interest on the Notes is payable semiannually on February 1 and August 1 of each year, commencing August 1, 1994. The Corporation applied the net proceeds from the sale of the Notes of \$82.2 million as a contribution to the equity capital of New Claridge. A portion of the net proceeds was used to repay in full New Claridge's outstanding debt under the Loan Agreement, including the outstanding balance of New Claridge's revolving credit line. In conjunction with the full satisfaction of the Loan Agreement, New Claridge's \$7.5 million revolving credit line arrangement was terminated.

(9) Other Liabilities

Other liabilities at September 30, 1995 and 1994 consist of the following:

	<u>1995</u>	<u>1994</u>
	(in thousands)	
Deferred rent	\$31,445	34,126
Other non-current liabilities	<u>20,171</u>	<u>20,000</u>
Total	<u>\$51,616</u>	<u>54,126</u>

Pursuant to the Restructuring Agreement which was concluded on June 16, 1989, Webb retained an interest, which was assigned to a trustee for the benefit of the United Way of Arizona on April 2, 1990, equal to \$20 million plus interest at a rate of 15% per annum, compounded quarterly, commencing December 1, 1988, in any proceeds ultimately recovered from operations and/or the sale or refinancing of the Claridge facility in excess of the first mortgage loan ("Contingent Payment"), which amount is payable under certain circumstances. Consequently, New Claridge has deferred the recognition of \$20 million of forgiveness income with respect to the Contingent Payment obligation. Interest on the Contingent Payment has not been recorded in the accompanying financial statements since the likelihood of paying such amount is not considered probable at this time. As of September 30, 1995, accrued interest would have amounted to approximately \$34.7 million. The Corporation is currently negotiating to purchase the Contingent Payment, for less than face value, from the trustee for the United Way of Arizona. If these negotiations are successful, and the transactions thereby contemplated are completed, any obligation to pay the \$34.7 million of accrued interest would be eliminated.

THE CLARIDGE CASINO HOTEL
NOTES TO FINANCIAL STATEMENTS - CONTINUED

(10) Other Nonoperating Income (Expense) - Net

Other nonoperating income (expense) - net for the nine months ended September 30, 1995 and 1994 consists of the following:

	<u>1995</u>	<u>1994</u>
	(in thousands)	
Interest income - Wraparound Mortgage	\$13,000	13,427
Interest income - other	1,320	1,080
Other nonoperating income/(expense)	40	7
Facilities/maintenance fee	398	398
Gain/(loss) on disposal of assets	42	(58)
Partnership rent expense	<u>(28,156)</u>	<u>(26,854)</u>
Total	<u>\$(13,356)</u>	<u>(12,000)</u>

(11) Operating Lease

New Claridge leases the Hotel Assets and the land on which the Claridge is located from the Partnership under an Operating Lease, for an initial lease term of 15 years with three ten-year renewal options. If New Claridge exercises its option to extend the term of the Operating Lease, basic rent during the renewal term will be calculated pursuant to a formula, with such rent not to be more than \$29,500,000 nor less than \$24,000,000 for the lease year commencing October 1, 1998 through September 30, 1999 and, subsequently, not to be greater than 10% more than the basic rent for the immediately preceding lease year in each lease year thereafter. New Claridge is also required to pay as additional rent amounts including certain taxes, insurance and other charges relating to the occupancy of the land and Hotel Assets, certain expenses and debt service relating to furniture, fixture and equipment replacements and building improvements and the general and administrative costs of the Partnership. Under the terms of the Operating Lease, New Claridge has an option to purchase, on September 30, 1998 and, if it renews the Operating Lease, on September 30, 2003, the Hotel Assets and the underlying land for their fair market value at the time the option is exercised.

Minimum future basic lease payments under the initial term of the Operating Lease as amended, as of September 30, 1995 (net of expected abatements, as discussed below) are as follows (in thousands):

10/01/95 - 09/30/96	\$ 31,486
10/01/96 - 09/30/97	37,914
10/01/97 - 09/30/98	<u>42,551</u>
Total Minimum	<u>\$ 111,951</u>

THE CLARIDGE CASINO HOTEL
NOTES TO FINANCIAL STATEMENTS - CONTINUED

Also, additional rent payments are required based upon fixed assets purchased by the Partnership (the FF&E Replacements, note 3) and then leased to New Claridge. For the nine months ended September 30, 1995 and 1994 expense for the Operating Lease amounted to \$28,156,000 and \$26,854,000 respectively, of which \$(1,688,000) and \$(2,216,000) of rental expense is attributable to the requirement under Statement of Financial Accounting Standards #13 to provide a level rent expense for those leases with escalating payments. Under the terms of the Operating Lease, the Partnership is responsible for taxes, assessments, insurance, maintenance and repairs and other costs related to use and occupancy of the Hotel Assets.

New Claridge entered into an Expansion Operating Lease Agreement with the Partnership whereby New Claridge leased the 1986 expansion facility for an initial term beginning March 17, 1986 and ending on September 30, 1998 with three 10-year renewal options. Basic annual rent payable during the initial term of the Expansion Operating Lease is \$3,870,000 in 1986 (prorated based on the day that the 1986 expansion improvements opened to the public), and determined based on the cost of the construction of the expansion improvements. Annually thereafter the rental amount is adjusted based on the Consumer Price Index but any increase may not exceed two percent per annum. The total Expansion Operating Lease paid for the nine months ended September 30, 1995 was \$3,469,000. If the term of the Expansion Operating Lease is extended, basic annual rent will be calculated pursuant to a formula, with such rent not to be more than \$3,000,000 nor less than \$2,500,000 for the lease year commencing October 1, 1998 through September 30, 1999 and not to be greater than 10% more than the basic annual rent for the immediately preceding lease year in each lease year thereafter.

New Claridge is also required to pay as additional rent certain expenses and the debt service relating to Furniture, Fixture and Equipment Replacements and building improvements (collectively "Expansion FF&E Replacements") for the expanded facility. The Partnership will be required during the entire term of the Expansion Operating Lease to provide New Claridge with Expansion FF&E Replacements and until September 30, 1998, will be required to provide facility maintenance and engineering services to New Claridge. New Claridge will be obligated to lend the Partnership any amounts necessary to fund the cost of Expansion FF&E Replacements. Any advances by New Claridge for the foregoing will be secured under the Expandable Wraparound Mortgage. New Claridge will have the option to purchase, on September 30, 1998 and, if it renews the Expansion Operating Lease, on September 30, 2003, the expansion facility (including air rights) for their fair market value at the time the option is exercised.

Effective with the consummation of the restructuring in June 1989, the Operating Lease Agreement and the Expansion Operating Lease Agreement were amended to provide for the deferral of \$15,078,000 of rental payments during the period July 1, 1988 through the beginning of 1992, and to provide for the abatement of \$38.8 million of basic rent payable through 1998, thereby reducing the Partnership's cash flow to an amount estimated to be necessary to meet the Partnership's cash requirements. During the third quarter of 1991, the maximum deferral of basic rent allowable under the Operating Lease of \$15,078,000 was reached. On August 1, 1991, the Operating Lease Agreement and Expansion Operating Lease Agreement were further amended to revise the abatement provisions so that, commencing January 1, 1991, for each calendar year through 1998, the lease abatements may not exceed \$10 million in any one calendar year, and \$38,820,000 in the aggregate. As of September 30, 1995, \$26.9 million of basic rent had been abated.

Effective with the closing of the restructuring on June 16, 1989, lease expense recognized on a level basis is reduced prospectively, based on a revised schedule of rent levelling relative to the abatement of certain rents beginning in 1992.

THE CLARIDGE CASINO HOTEL
NOTES TO FINANCIAL STATEMENTS - CONTINUED

If the Partnership should fail to make any payment due under the Expandable Wraparound Mortgage, New Claridge may exercise a right of offset against rent or other payments due under the Operating Lease and Expansion Operating Lease to the extent of any such deficiency.

(12) Income Taxes

The provision for income taxes is comprised of the following:

	<u>1995</u>	<u>1994</u>
	(in thousands)	
Current:		
Federal	\$ 2,231	(1,031)
State	394	(182)
Deferred	<u>1,164</u>	<u>1,475</u>
	<u>\$3,789</u>	<u>262</u>

The provision for income tax differs from the amount computed at the statutory rate as follows:

	<u>1995</u>	<u>1994</u>
	(in thousands)	
Computed "expected" tax expense	\$2,812	223
Increase (reduction) in income taxes resulting from:		
State income tax, net of federal income tax benefit	496	39
Meals and entertainment	409	-0-
Other permanent differences	<u>72</u>	<u>-0-</u>
	<u>\$3,789</u>	<u>262</u>

New Claridge is included in the consolidated income tax return of its parent, the Corporation. During 1995 the Corporation received notice from the Internal Revenue Service ("IRS") asserting deficiencies in Federal corporate income taxes for the Corporation's 1990 and 1991 taxable years. Many of the proposed adjustments to the Corporation's tax returns have been settled with no adverse impact to the Corporation's consolidated financial statements. There is a remaining IRS asserted deficiency for the 1990 and 1991 taxable years. The Corporation has filed a petition to appeal the entire amount of this asserted deficiency. The Corporation believes the ultimate resolution of the case will result in no material impact on the Corporation's consolidated financial statements.

THE CLARIDGE CASINO HOTEL
 NOTES TO FINANCIAL STATEMENTS - CONTINUED

(13) Related Party Transactions

- (a) At the closing of the restructuring on June 16, 1989, the Partnership loaned to New Claridge all cash and cash equivalents remaining in the Partnership other than funds needed to pay expenses incurred through or at the closing of the restructuring. Interest on this loan accrues at 12% per year. For the nine months ended September 30, 1995 and 1994 interest expense due to affiliates was \$324,000 and \$324,000 respectively.
- (b) In conjunction with the restructuring, the Maintenance Services Contract was assigned by DEWNJ to New Claridge; consequently, certain charges are paid directly to the Partnership. The costs of these services for the nine months ended September 30, 1995 and 1994 amounted to \$86,000 and \$84,000 respectively.
- (c) The Partnership has a direct material interest in the Expandable Wraparound Mortgage Loan Agreement and the Operating Lease as described in the preceding notes. Under the terms of the above agreements, for the nine months ended September 30, 1995 and 1994 New Claridge has earned interest income of \$13,000,000 and \$13,427,000 respectively, and incurred lease expense of \$28,156,000 and \$26,854,000, respectively.

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 1995

	PROVISIONAL ALLOWANCES		PROVISIONAL RESERVE	
	NUMBER OF RECIPIENTS	DOLLAR AMOUNT	NUMBER OF RECIPIENTS	DOLLAR AMOUNT
Notes	96,933	\$ 3,587	-0-	\$ -0-
Yield	492,068	4,038	-0-	-0-
Placements	899,468	4,438	-0-	-0-
Interest	-0-	-0-	1,584	304
Other	-0-	-0-	1,401,016	17,834
Operating Lease	-0-	-0-	69,070	396
Operating Lease	10,778	219	-0-	-0-
Operating Lease	-0-	-0-	143,659	680
Operating Lease	-0-	-0-	50,748	428
Operating Lease	-0-	-0-	5,780	184
	<u>1,499,247</u>	<u>\$ 12,282</u>	<u>1,587,114</u>	<u>\$ 20,158</u>

TRADING NAME OF LICENSEE: THE CLARIDGE CASINO HOTEL

PROMOTIONAL EXPENSES & ALLOWANCES

(\$ IN THOUSANDS)

FOR THE THREE MONTHS ENDED SEPTEMBER 30, 1995

	<u>PROMOTIONAL ALLOWANCES</u>		<u>PROMOTIONAL EXPENSES</u>	
	<u>NUMBER OF RECIPIENTS</u>	<u>DOLLAR AMOUNT</u>	<u>NUMBER OF RECIPIENTS</u>	<u>DOLLAR AMOUNT</u>
ROOMS	40,483	\$ 1,644	-0-	\$ -0-
FOOD	189,389	1,536	-0-	-0-
BEVERAGE	307,183	1,550	-0-	-0-
TRAVEL	-0-	-0-	765	83
COIN	-0-	-0-	530,633	6,782
COUPON	-0-	-0-	31,022	349
ENTERTAINMENT	1,817	41	-0-	-0-
RETAIL & GIFTS	-0-	-0-	48,934	220
PARKING	-0-	-0-	17,811	173
OTHER	-0-	-0-	2,746	74
TOTAL	538,872	\$ 4,771	631,911	\$ 7,681

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 1995

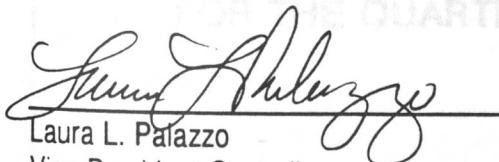
	<u>PROMOTIONAL ALLOWANCES</u>		<u>PROMOTIONAL EXPENSES</u>	
	<u>NUMBER OF RECIPIENTS</u>	<u>DOLLAR AMOUNT</u>	<u>NUMBER OF RECIPIENTS</u>	<u>DOLLAR AMOUNT</u>
ROOMS	96,933	\$ 3,567	-0-	\$ -0-
FOOD	492,068	4,088	-0-	-0-
BEVERAGE	899,468	4,488	-0-	-0-
TRAVEL	-0-	-0-	1,884	206
COIN	-0-	-0-	1,401,016	17,854
COUPON	-0-	-0-	83,070	796
ENTERTAINMENT	10,778	219	-0-	-0-
RETAIL & GIFTS	-0-	-0-	143,659	690
PARKING	-0-	-0-	50,745	428
OTHER	-0-	-0-	6,760	194
TOTAL	1,499,247	\$ 12,362	1,687,134	\$ 20,168

STATEMENT OF CONFORMITY AND ACCURACY

STATE OF NEW JERSEY
COUNTY OF ATLANTIC

Laura L. Palazzo, being duly sworn according the law upon my oath deposes and says:

1. I have examined this quarterly report.
2. All the information contained in this report has been prepared in conformity with Casino Control Commission's quarterly report instructions and uniform chart of accounts.
3. The information contained in this quarterly report is accurate to the best of my knowledge and behalf.

OF THE QUARTER ENDED September 30, 1995

Laura L. Palazzo
Vice President Controller

Lisc.# 02461-11

On Behalf of the Claridge Casino Hotel

TO THE
CASINO CONTROL COMMISSION
OF THE
Subscribed and sworn to before me on this 14th day of November, 1995.
STATE OF NEW JERSEY


Signature

WALTER P. SIMON
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Oct. 29, 1997

Basis of authority to take oaths

QUARTERLY REPORT

LIST OF FORMS - QUARTERLY REPORT

FOR THE QUARTER ENDED Sept. 30, 1995

LICENSEE GNOC, CORP. (THE GRAND)

TITLE	FORM NO.
Balance Sheet	CCC-205
Statement of Income (Year-to-Date)	CCC-210
Statement of Income (Three Months)	CCC-215
Statement of Changes in Stockholders' Equity	CCC-220
Statement of Changes in Partners' Capital	CCC-225
Statement of Cash Flow	CCC-235
Statement of Promotional Expenses and Allowances	CCC-245
Financial Statements	CCC-255
Statement of Conformity, Accuracy, and Compliance	CCC-265

FOR THE QUARTER ENDED September 30, **19**95

TO THE
CASINO CONTROL COMMISSION

OF THE
STATE OF NEW JERSEY



BALANCE SHEETS

TRADING NAME OF LICENSEE GNOC, CORP. (THE GRAND)

LIST OF FORMS - QUARTERLY REPORT

FOR THE QUARTER ENDED Sept. 30, 1995

TITLE	FORM NO.
Balance Sheets	CCC-205
Statements of Income (Year-to-Date)	CCC-210
Statements of Income (Three Months)	CCC-215
Statements of Changes in Stockholders' Equity	CCC-220
Statements of Changes in Partners' or Proprietor's Equity	CCC-225
Statements of Cash Flows	CCC-235
Schedule of Promotional Expenses and Allowances	CCC-245
Notes to Financial Statements	-
Statement of Conformity, Accuracy, and Compliance	CCC-249

TRADING NAME OF LICENSEE: GNOC, CORP. (THE GRAND)

BALANCE SHEETS

SEPTEMBER 30, 1995 AND 1994

(UNAUDITED)

(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	1995 (c)	1994 (d)
	ASSETS		
	Current Assets:		
1	Cash and cash equivalents	\$ 36,611	\$ 18,366
2	Short-term investments	-	-
3	Receivables and patrons' checks (net of allowance for doubtful accounts - 1995, \$ 6,625 ; 1994, \$ 6,196)	5,700	5,265
4	Inventories	2,428	2,578
5	Prepaid expenses and other current assets	7,762	6,538
6	Total current assets	52,501	32,747
7	Investments, Advances, and Receivables	3,368	3,351 *
8	Property And Equipment - Gross	357,299	343,798
9	Less: Accumulated Depreciation/Amortization	(109,378)	(96,529)
10	Other Assets	105,752	110,030 *
11	Total Assets	\$ 409,542	\$ 393,397
	LIABILITIES AND EQUITY		
	Current Liabilities:		
12	Accounts payable	\$ 3,748	\$ 1,857
13	Notes payable	-	-
	Current portion of long-term debt		
14	Due to affiliates	-	-
15	Other	-	-
16	Income taxes payable and accrued	1,418	214
17	Other accrued expenses	29,504	28,033
18	Other current liabilities	2,195	2,651
19	Total current liabilities	36,865	32,755
	Long-Term Debt:		
20	Due to affiliates	273,284	273,142
21	Other	-	-
22	Deferred Credits	57,234	50,929
23	Other Liabilities	31,590	31,021
24	Commitments And Contingencies	-	-
25	Total Liabilities	398,973	387,847
26	Stockholders', Partners', Or Proprietor's Equity	10,569	5,550
27	Total Liabilities And Equity	\$ 409,542	\$ 393,397

The accompanying notes are an integral part of the financial statements.
Valid comparisons cannot be made without using information contained in the notes.

* Restated to conform to 1995 presentation.

TRADING NAME OF LICENSEE: GNOC, CORP. (THE GRAND)

STATEMENTS OF INCOME

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 1995 and 1994

(UNAUDITED)

(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	1995 (c)	1994 (d)
	Revenues:		
1	Casino.....	\$ 196,488	\$ 170,449
2	Rooms.....	12,713	11,103
3	Food and beverage.....	27,118	24,683
4	Other.....	6,193	7,512
5	Total Revenues.....	242,512	213,747
6	Less: Promotional allowances.....	31,244	27,391
7	Net Revenues.....	211,268	186,356
	Costs And Expenses:		
8	Cost of goods and services.....	87,436	85,548
9	Selling, general, and administrative.....	71,529	66,369
10	Provision for doubtful accounts.....	929	2,094
11	Total Costs and Expenses.....	159,894	154,011
12	Gross Operating Profit.....	51,374	32,345
13	Depreciation and Amortization.....	13,051	14,040
	Charges from affiliates other than interest:		
14	Management fees.....	-	-
15	Other..... NOTE 12.....	2,355	2,369
16	Income (Loss) From Operations.....	35,968	15,936
	Other Income (Expenses):		
17	Interest (expense)-affiliates.....	(22,982)	(22,780)
18	Interest (expense)-external.....	(214)	(428)
19	Investment alternative tax and related income (expense) - net.....	(1,118)	(686)
20	Nonoperating income (expense) - net..... NOTE 13.....	928	417
21	Total Other Income (Expenses).....	(23,386)	(23,477)
22	Income (Loss) Before Income Taxes And Extraordinary Items.....	12,582	(7,541)
23	Provision (credit) for income taxes..... NOTE 14.....	6,838	(1,448)
24	Income (Loss) Before Extraordinary Items.....	5,744	(6,093)
25	Extraordinary items (net of income taxes - 1995, \$ - ; 1994, \$ -).....	-	-
26	Net Income (Loss).....	\$ 5,744	\$ (6,093)

The accompanying notes are an integral part of the financial statements.
Valid comparisons cannot be made without using information contained in the notes.

TRADING NAME OF LICENSEE: GNOC, CORP. (THE GRAND)

STATEMENTS OF INCOME

FOR THE THREE MONTHS ENDED SEPTEMBER 30, 1995 and 1994

(UNAUDITED)

(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	1995 (c)	1994 (d)
	Revenues:		
1	Casino.....	\$ 72,648	\$ 65,846
2	Rooms.....	5,124	4,573
3	Food and beverage.....	10,305	9,123
4	Other.....	2,487	2,453
5	Total Revenues.....	90,564	81,995
6	Less: Promotional allowances.....	12,344	10,165
7	Net Revenues.....	78,220	71,830
	Costs And Expenses:		
8	Cost of goods and services.....	31,445	30,141
9	Selling, general, and administrative.....	24,729	24,592
10	Provision for doubtful accounts.....	336	834
11	Total Costs and Expenses.....	56,510	55,567
12	Gross Operating Profit.....	21,710	16,263
13	Depreciation and Amortization.....	4,223	4,036
	Charges from affiliates other than interest:		
14	Management fees.....	-	-
15	Other..... NOTE 12.....	784	231
16	Income (Loss) From Operations.....	16,703	11,996
	Other Income (Expenses):		
17	Interest (expense)-affiliates.....	(7,662)	(7,658)
18	Interest (expense)-external.....	(73)	(112)
19	Investment alternative tax and related income (expense) - net.....	(422)	(365)
20	Nonoperating income (expense) - net..... NOTE 13.....	394	191
21	Total Other Income (Expenses).....	(7,763)	(7,944)
22	Income (Loss) Before Income Taxes And Extraordinary Items.....	8,940	4,052
23	Provision (credit) for income taxes..... NOTE 14.....	4,797	779
24	Income (Loss) Before Extraordinary Items.....	4,143	3,273
25	Extraordinary items (net of income taxes - 1995, \$ - ; 1994, \$ -).....	-	-
26	Net Income (Loss).....	\$ 4,143	\$ 3,273

The accompanying notes are an integral part of the financial statements.

Valid comparisons cannot be made without using information contained in the notes.

TRADING NAME OF LICENSEE: GNOC, CORP. (THE GRAND)

STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY

FOR THE TWELVE MONTHS ENDED DECEMBER 31, 1994 AND THE NINE MONTHS ENDED SEPTEMBER 30, 1995

(UNAUDITED)
(\$ IN THOUSANDS)

Line (a)	Description (b)	Common Stock		Preferred Stock		Additional Paid-In Capital (g)	(h)	Retained Earnings (Accumulated) (Deficit) (i)	Total Shareholders' Equity (Deficit) (j)
		Shares (c)	Amount (d)	Shares (e)	Amount (f)				
1	Balance, December 31, 1993.....	3,020,500	\$ 30	-	\$ -	\$ 58,212	\$ -	\$ (46,599)	\$ 11,643
2	Net Income (Loss) - 1994.....							(6,818)	(6,818)
3	Contribution to Paid-in Capital.....								
4	Dividends.....								
5	Prior Period Adjustments.....								
6									
7									
8									
9									
10	Balance, December 31, 1994.....	3,020,500	\$ 30	-	\$ -	\$ 58,212	\$ -	\$ (53,417)	\$ 4,825
11	Net Income (Loss) - 1995.....							5,744	5,744
12	Contribution to Paid-in Capital.....								
13	Dividends.....								
14	Prior Period Adjustments.....								
15									
16									
17									
18									
19	Balance, September 30, 1995.....	3,020,500	\$ 30	-	\$ -	\$ 58,212	\$ -	\$ (47,673)	\$ 10,569

The accompanying notes are an integral part of the financial statements.
Valid comparisons cannot be made without using information contained in the notes.

TRADING NAME OF LICENSEE: GNOC, CORP. (THE GRAND)

STATEMENTS OF CASH FLOWS

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 1995 and 1994

(UNAUDITED)

(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	1995 (c)	1994 (d)
1	Net Cash Provided (Used) By Operating Activities	\$ 35,574	\$ 21,956
	Cash Flows From Investing Activities:		
2	Purchase of short-term investment securities	-	-
3	Proceeds from the sale of short-term investment securities	-	-
4	Cash outflows for property and equipment	(11,588)	(11,036)
5	Proceeds from disposition of property and equipment	70	605
6	Purchase of casino reinvestment obligations	(1,612)	(1,376)
7	Purchase of other investments and loans/advances made	-	-
8	Proceeds from disposal of investment and collection of advances and long-term receivables	-	-
9	Cash outflows to acquire business entities	-	-
10		-	-
11		-	-
12	Net Cash Provided (Used) By Investing Activities	(13,130)	(11,807)
	Cash Flows From Financing Activities:		
13	Cash proceeds from issuance of short-term debt	-	9,000
14	Payments to settle short-term debt	-	(9,000)
15	Cash proceeds from issuance of long-term debt	-	-
16	Costs of issuing debt	-	-
17	Payments to settle long-term debt	-	-
18	Cash proceeds from issuing stock or capital contribution	-	-
19	Purchases of treasury stock	-	-
20	Payments of dividends or capital withdrawals	-	-
21		-	-
22		-	-
23	Net Cash Provided (Used) By Financing Activities	-	-
24	Net Increase (Decrease) In Cash And Cash Equivalents	22,444	10,149
25	Cash And Cash Equivalents At Beginning Of Year	14,167	8,217
26	Cash And Cash Equivalents At End Of Year	\$ 36,611	\$ 18,366

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

27	Cash Paid During Year For: Interest (net of amount capitalized)	\$ 14,686	\$ 14,817
28	Income taxes refunded (net of payments)	\$ (1,300)	\$ 3,757

The accompanying notes are an integral part of the financial statements.

Valid comparisons cannot be made without using information contained in the notes.

TRADING NAME OF LICENSEE: GNOC, CORP. (THE GRAND)

STATEMENTS OF CASH FLOWS

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 1995 and 1994

(UNAUDITED)

(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	1995 (c)	1994 (d)
	Net Cash Flows From Operating Activities:		
29	Net income (loss)	\$ 5,744	\$ (6,093)
	Noncash items included in income and cash items excluded from income:		
30	Depreciation and amortization of property and equipment	9,960	10,933
31	Amortization of other assets	3,091	3,107
32	Amortization of debt discount or premium	1,201	1,084
33	Deferred income taxes - current	9	1,624
34	Deferred income taxes - noncurrent	4,328	(3,375)
35	(Gain) loss on disposition of property and equipment	-	-
36	(Gain) loss on casino reinvestment obligations	1,118	686
37	(Gain) loss from other investment activities	-	-
38	Net (increase) decrease in receivables and patrons' checks	(319)	2,422
39	Net (increase) decrease in inventories	131	(3)
40	Net (increase) decrease in other current assets	1,225	3,856
41	Net (increase) decrease in other assets	-	-
42	Net increase (decrease) in accounts payables	(90)	(1,604)
43	Net increase (decrease) in other current liabilities excluding debt	8,749	8,892
44	Net increase (decrease) in other noncurrent liabilities excluding debt	427	427
45			
46			
47	Net Cash Provided (Used) By Operating Activities	\$ 35,574	\$ 21,956

SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING AND FINANCING ACTIVITIES

	Acquisition Of Property And Equipment:		
48	Additions to property and equipment	\$ 11,588	\$ 11,036
49	Less: Capital lease obligations incurred	-	-
50	Cash Outflows For Property And Equipment	\$ 11,588	\$ 11,036
	Acquisition Of Business Entities:		
51	Property and equipment acquired	\$ -	\$ -
52	Goodwill acquired	-	-
53	Net assets acquired other than cash, goodwill, and property and equipment	-	-
54	Long-term debt assumed	-	-
55	Issuance of stock or capital invested	-	-
56	Cash Outflows To Acquire Business Entities	\$ -	\$ -
	Stock Issued Or Capital Contributions:		
57	Total issuances of stock or capital contributions	\$ -	\$ -
58	Less: Issuances to settle long-term debt	-	-
59	Consideration in acquisition of business entities	-	-
60	Cash Proceeds From Issuing Stock Or Capital Contributions	\$ -	\$ -

The accompanying notes are an integral part of the financial statements.

Valid comparisons cannot be made without using information contained in the notes.

TRADING NAME OF LICENSEE: GNOC, CORP. (THE GRAND)

**SCHEDULE OF PROMOTIONAL
EXPENSES AND ALLOWANCES**
(\$ IN THOUSANDS)

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 1995

LINE (a)	(b)	Promotional Allowances		Promotional Expenses	
		Number of Recipients (c)	Dollar Amount (d)	Number of Recipients (e)	Dollar Amount (f)
1	Rooms	161,520	8,867	-	-
2	Food	863,659	15,179	-	-
3	Beverage	2,148,268	4,834	-	-
4	Travel	-	-	55,346	3,158
5	Coin	-	-	1,236,594	18,911
6	Coupon	-	-	81,434	725
7	Entertainment	11,438	453	3,563	436
8	Retail & Gifts	35,542	1,777	225,005	3,161
9	Parking	-	-	-	-
10	Other	11,214	134	121,149	1,462
11	Total	3,231,641	31,244	1,723,091	27,853

FOR THE THREE MONTHS ENDED SEPTEMBER 30, 1995

LINE (a)	(b)	Promotional Allowances		Promotional Expenses	
		Number of Recipients (c)	Dollar Amount (d)	Number of Recipients (e)	Dollar Amount (f)
1	Rooms	67,409	3,714	-	-
2	Food	318,656	5,824	-	-
3	Beverage	827,811	1,863	-	-
4	Travel	-	-	28,312	1,145
5	Coin	-	-	467,857	7,025
6	Coupon	-	-	45,565	317
7	Entertainment	5,181	206	1,573	192
8	Retail & Gifts	13,555	678	90,624	1,140
9	Parking	-	-	-	-
10	Other	5,353	59	44,482	455
11	Total	1,237,965	12,344	678,413	10,274

GNOC, CORP. (THE GRAND)
NOTES TO FINANCIAL STATEMENTS
(Unaudited)
(All dollar amounts in thousands)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

GNOC, CORP. (the "Company") is a wholly owned subsidiary of GNAC, CORP. ("GNAC"), which is a wholly owned subsidiary of Bally Entertainment Corporation ("BEC"). The financial statements include the transactions between the Company, GNAC and GNF, CORP. ("GNF"), another wholly owned subsidiary of GNAC which serves solely as a financing subsidiary. These financial statements should be read in conjunction with the Casino Control Commission Annual Report for the year ended December 31, 1994.

All adjustments have been recorded which are, in the opinion of management, necessary for a fair presentation of the balance sheets of the Company at September 30, 1995 and 1994, its statements of income for the three and nine months ended September 30, 1995 and 1994 and the statement of cash flows for the nine months ended September 30, 1995 and 1994. All such adjustments were of a normal recurring nature.

Certain reclassifications have been made to prior period financial statements to conform with the 1995 presentation.

Seasonal Factors

The Company's operations are subject to seasonal factors and, therefore, the results of operations for the three and nine months ended September 30, 1995 and 1994 are not necessarily indicative of the results of operations for the full year.

NOTE 2 - PREPAID EXPENSES AND OTHER CURRENT ASSETS

Prepaid expenses and other current assets as of September 30 consisted of the following:

	<u>1995</u>	<u>1994</u>
Deferred federal and state income taxes	\$ 5,738	\$ 4,882
Other	<u>2,024</u>	<u>1,656</u>
	<u>\$ 7,762</u>	<u>\$ 6,538</u>

NOTE 3 - INVESTMENTS, ADVANCES AND RECEIVABLES

Investments, advances and receivables as of September 30, 1995 and 1994 consisted of funds invested with the New Jersey Casino Reinvestment Development Authority (the "CRDA"), net of related valuation reserves.

GNOC, CORP. (THE GRAND)
NOTES TO FINANCIAL STATEMENTS
(Unaudited)
(All dollar amounts in thousands)

NOTE 4 - PROPERTY AND EQUIPMENT

Property and equipment as of September 30 consisted of the following:

	<u>1995</u>	<u>1994</u>
Land and improvements	\$ 52,009	\$ 52,009
Buildings and leasehold improvements	208,339	206,148
Furniture, fixtures and equipment	92,911	85,059
Construction in progress	<u>4,040</u>	<u>582</u>
	357,299	343,798
Accumulated depreciation	<u>(109,378)</u>	<u>(96,529)</u>
	<u>\$ 247,921</u>	<u>\$247,269</u>

NOTE 5 - OTHER ASSETS

Other assets as of September 30 consisted of the following:

	<u>1995</u>	<u>1994</u>
Cost in excess of acquired assets, less accumulated amortization of \$25,555 and \$22,502	\$ 95,921	\$ 98,974
Deferred finance costs, less accumulated amortization of \$3,815 and \$2,357	<u>9,831</u>	<u>11,056</u>
	<u>\$105,752</u>	<u>\$110,030</u>

NOTE 6 - OTHER ACCRUED EXPENSES

Other accrued expenses as of September 30 consisted of the following:

	<u>1995</u>	<u>1994</u>
Accrued interest	\$ 14,632	\$ 14,609
Accrued compensation and payroll taxes	7,015	6,542
Accrued guest insurance claims	1,170	1,326
Accrued progressive jackpots	739	458
Other	<u>5,948</u>	<u>5,098</u>
	<u>\$ 29,504</u>	<u>\$ 28,033</u>

GNOC, CORP. (THE GRAND)
NOTES TO FINANCIAL STATEMENTS
(Unaudited)
(All dollar amounts in thousands)

NOTE 7 - OTHER CURRENT LIABILITIES

Other current liabilities as of September 30 consisted of the following:

	<u>1995</u>	<u>1994</u>
Unredeemed gaming chips and tokens	\$ 808	\$ 762
Due to Bally's Park Place, Inc.	279	675
Due to BEC	19	617
Due to Bally's Las Vegas, Inc.	8	104
Due to Bally's Casino Holdings, Inc.	-	2
Due to Bally's Tunica, Inc.	43	-
Other	<u>1,038</u>	<u>491</u>
	<u>\$ 2,195</u>	<u>\$ 2,651</u>

NOTE 8 - LONG-TERM DEBT - DUE TO AFFILIATES

Long-term debt - due to affiliates as of September 30 consisted of the following:

	<u>1995</u>	<u>1994</u>
10-5/8% First Mortgage Notes due 2003, less unamortized discount of \$1,716 and \$1,858	<u>\$ 273,284</u>	<u>\$273,142</u>

The indenture for the Company's public indebtedness and the \$20,000 revolving credit agreement (the entire amount was unused at September 30, 1995) contain certain covenants limiting indebtedness and other payments. Payments of dividends by the Company are limited to 50% of its aggregate consolidated net income (as defined) earned since June 1, 1993. As of September 30, 1995, no dividends were available for payment.

NOTE 9 - DEFERRED CREDITS

Deferred credits as of September 30, 1995 and 1994 consisted of deferred federal and state income taxes, which reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting and income tax purposes.

Deferred credits at September 30, 1994 included a reduction of \$3,998 resulting from the settlement of a pre-acquisition contingency.

GNOC, CORP. (THE GRAND)
NOTES TO FINANCIAL STATEMENTS
(Unaudited)
(All dollar amounts in thousands)

NOTE 10 - OTHER LIABILITIES

Other liabilities consisted of \$31,590 and \$31,021 due to GNAC as of September 30, 1995 and 1994, respectively.

NOTE 11 - STOCKHOLDER'S EQUITY

At September 30, 1995 and 1994, the Company had 5,000,000 shares of common stock authorized; of such shares 3,002,500 were issued and outstanding.

NOTE 12 - CHARGES FROM AFFILIATES - OTHER

The charges from affiliates - other for the three months ended September 30 consisted of the following:

<u>Affiliate</u>	<u>Nature of Charge</u>	<u>1995</u>	<u>1994</u>
GNAC	Rent	\$ 255	\$ 255
BEC	Allocated costs and expenses (a)	248	(231)
Bally's Park Place, Inc.	Rent (surface area parking lots)	174	174
Bally's Park Place, Inc.	Allocated costs and expenses (b)	<u>107</u>	<u>33</u>
		<u>\$ 784</u>	<u>\$ 231</u>

The charges from affiliates - other for the nine months ended September 30 consisted of the following:

<u>Affiliate</u>	<u>Nature of Charge</u>	<u>1995</u>	<u>1994</u>
GNAC	Rent	\$ 765	\$ 765
BEC	Allocated costs and expenses (a)	824	956
Bally's Park Place, Inc.	Rent (surface area parking lots)	522	522
Bally's Park Place, Inc.	Allocated costs and expenses (b)	<u>244</u>	<u>126</u>
		<u>\$ 2,355</u>	<u>\$ 2,369</u>

- (a) Costs and expenses allocated from BEC include the Company's allocable share of BEC's corporate overhead including executive salaries and benefits, public company reporting costs and other corporate headquarters' costs. During the third quarter of 1994, BEC refined its allocation estimates retroactive to January 1, 1994 which resulted in a reduction of the amount initially allocated by BEC during the first half of 1994.

GNOC, CORP. (THE GRAND)
NOTES TO FINANCIAL STATEMENTS
(Unaudited)
(All dollar amounts in thousands)

- (b) Costs and expenses allocated from Bally's Park Place, Inc. (Bally's Park Place) relate to certain administrative and support operations of the Company and Bally's Park Place which are consolidated.


NOTE 13 - NONOPERATING INCOME (EXPENSE) - NET

Nonoperating income, consisting of interest and dividend income, was \$394 and \$191 for the three months ended September 30, 1995 and 1994 respectively, and \$928 and \$417 for the nine months ended September 30, 1995 and 1994, respectively.

NOTE 14 - INCOME TAXES

Taxable income or loss of the Company is included in the consolidated federal income tax return of BEC. Under a tax sharing agreement between BEC and the Company, income taxes are allocated to the Company based on amounts the Company would pay or receive if it filed a separate consolidated federal income tax return, except that the Company receives credit from BEC for the tax benefit of the Company's net operating losses and tax credits, if any, that can be utilized in BEC's consolidated federal income tax return, regardless of whether these losses or credits could be utilized by the Company on a separate consolidated federal income tax return basis. Payments to BEC for tax liabilities are due at such time and in such amounts as payments would be required to be made to the Internal Revenue Service. Payments from BEC for tax benefits are due at the time BEC files the applicable consolidated federal income tax return. Under the tax sharing agreement, the Company had income taxes payable to BEC of \$158 and \$214 at September 30, 1995 and 1994, respectively.

For the three and nine months ended September 30, 1995 and 1994, the effective rates of the income tax provision (benefit) varied from the U.S. statutory tax rate (35%) due principally to nondeductible amortization of cost in excess of acquired assets and state income taxes.



Signature

Title

Title

License Number

On Behalf Of
GNOC, CORP. (THE GRAND)
Casino Licensee

QUARTERLY REPORT

TRADING NAME OF LICENSEE SANDS HOTEL & CASINO

LIST OF FORMS - QUARTERLY REPORT

FOR THE QUARTER ENDED SEPTEMBER 30, 1995

LICENSEE GREATE BAY HOTEL AND CASINO, INC.

FOR THE QUARTER ENDED SEPTEMBER 30, 1995

Statement of Income (Three Months)

CCC-215

Statement of Changes in Stockholders'

CCC-220

TO THE

Statement of Changes in Partners'

CCC-225

CASINO CONTROL COMMISSION

Proprietor's

Statement of Cash Flows

CCC-230

OF THE

Statement of Promotional Expenses and Allowances

CCC-240

Statement of Proprietary System

STATE OF NEW JERSEY

CCC-245

Statement of Correctivity, Accuracy, and Compliance



CCC-250

BALANCE SHEETS

AS OF SEPTEMBER 30, 1995 AND 1994

(UNAUDITED)

(\$ IN THOUSANDS)

DESCRIPTION	1995	1994
TRADING NAME OF LICENSEE SANDS HOTEL & CASINO		
Accounts Receivable	\$ 18,750	\$ 17,436
Cash and Cash Equivalents	-	-
Prepaid Expenses	12,373	14,223
Inventory	3,838	4,247
Other Current Assets	11,047	7,843
Total Current Assets	46,175	43,900
Property, Plant and Equipment	2,805	10,781
Accumulated Depreciation and Amortization	(14,512)	(301,875)
Total Long-Term Assets	(11,707)	(291,094)
Total Assets	\$ 34,468	\$ 14,806
Accounts Payable	\$ -	\$ -
Accrued Expenses	14,208	14,340
Long-Term Debt	211,407	237,142
Other Liabilities	-	-
Total Liabilities	225,615	251,482
Stockholders' Equity	7,824	8,110
Partners' or Proprietor's Equity	1,839	2,300
Total Equity	9,663	10,410
Total Liabilities and Equity	\$ 34,468	\$ 14,806

LIST OF FORMS - QUARTERLY REPORT
FOR THE QUARTER ENDED SEPTEMBER 30, 1995

TITLE	FORM NO.
Balance Sheets	CCC-205
Statements of Income (Year-to-Date)	CCC-210
Statements of Income (Three Months)	CCC-215
Statements of Changes in Stockholders' Equity	CCC-220
Statements of Changes in Partners' or Proprietor's Equity	CCC-225
Statements of Cash Flows	CCC-235
Schedule of Promotional Expenses and Allowances	CCC-245
Notes to Financial Statements	CCC-249
Statement of Conformity, Accuracy, and Compliance	CCC-201

The accompanying notes are an integral part of the financial statements.
 No comparisons should be made without using information contained in the notes.

BALANCE SHEETS

AS OF SEPTEMBER 30, 1995 AND 1994

(UNAUDITED)

(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	1995 (c)	1994 (d)
	ASSETS		
	Current Assets:	\$	\$
1	Cash and Cash Equivalents.....	18,759	17,486
2	Short-Term Investments.....	-	-
3	Receivables and Patrons' Checks (Net of Allowance for Doubtful Accounts - 1995, \$16,532; 1994, \$14,858).....	12,373	14,229
4	Inventories.....	3,936	4,342
5	Prepaid Expenses and Other Current Assets..... Note 4, 11...	11,047	7,843
6	Total Current Assets	46,115	43,900
7	Investments, Advances, and Receivables..... Note 12.....	12,635	10,251
8	Property and Equipment - Gross..... Note 10.....	314,513	301,985
9	Less: Accumulated Depreciation and Amortization..... Note 10.....	(146,061)	(133,234)
10	Other Assets..... Note 13.....	14,205	14,240
11	Total Assets	\$ 241,407	\$ 237,142
	LIABILITIES AND EQUITY		
	Current Liabilities:	\$	\$
12	Accounts Payable.....	7,824	8,810
13	Notes Payable.....	-	-
	Current Portion of Long-Term Debt:		
14	Due to Affiliates.....	-	-
15	Other..... Note 3.....	10	9
16	Income Taxes Payable and Accrued..... Note 4.....	441	(2,897)
17	Other Accrued Expenses..... Note 14.....	18,931	17,968
18	Other Current Liabilities..... Note 15.....	3,399	2,300
19	Total Current Liabilities	30,605	26,190
	Long-Term Debt:		
20	Due to Affiliates..... Note 3.....	195,000	195,000
21	Other..... Note 3.....	445	455
22	Deferred Credits.....	-	-
23	Other Liabilities.....	2,049	-
24	Commitments and Contingencies.....		
25	Total Liabilities	228,099	221,645
26	Stockholders', Partners', Or Proprietor's Equity.....	13,308	15,497
27	Total Liabilities and Equity	\$ 241,407	\$ 237,142

The accompanying notes are an integral part of the financial statements.

Valid comparisons cannot be made without using information contained in the notes.

TRADING NAME OF LICENSEE: SANDS HOTEL & CASINO

STATEMENTS OF INCOME

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 1995 AND 1994

(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	1995 (c)	1994 (d)
	Revenue:	\$	\$
1	Casino.....	202,571	194,600
2	Rooms.....	7,341	7,161
3	Food and Beverage.....	24,499	22,051
4	Other.....	2,534	2,945
5	Total Revenue.....	236,945	226,757
6	Less: Promotional Allowances.....	20,267	18,811
7	Net Revenue.....	216,678	207,946
	Costs And Expenses:		
8	Cost of Goods and Services.....	100,019	97,133
9	Selling, General, and Administrative..... Note 5.....	77,614	74,088
10	Provision for Doubtful Accounts.....	2,263	2,205
11	Total Costs and Expenses.....	179,896	173,426
12	Gross Operating Profit.....	36,782	34,520
13	Depreciation and Amortization.....	13,709	11,838
	Charges from Affiliates Other than Interest:		
14	Management Fees..... Note 5.....	5,276	4,887
15	Other.....	-	-
16	Income (Loss) From Operations.....	17,797	17,795
	Other Income (Expenses):		
17	Interest (Expense) - Affiliates..... Note 5.....	(16,186)	(15,584)
18	Interest (Expense) - External.....	364	386
19	Investment Alternative Tax and Related Income (Expense) - Net.....	(1,238)	(1,957)
20	Nonoperating Income (Expense) - Net..... Note 9.....	1,347	1,737
21	Total Other Income (Expenses).....	(15,713)	(15,418)
22	Income (Loss) Before Income Taxes And Extraordinary Items.....	2,084	2,377
23	Provision (Credit) for Income Taxes..... Note 4.....	1,842	1,913
24	Income (Loss) Before Extraordinary Items.....	242	464
	Extraordinary Items (Net of Income Taxes -		
25	1995, \$ ____ - ____; 1994, \$ ____ - ____)	-	-
26	Net Income (Loss).....	\$242	\$464

The accompanying notes are an integral part of the financial statements. Valid comparisons cannot be made without using information contained in the notes.

TRADING NAME OF LICENSEE: SANDS HOTEL & CASINO

STATEMENTS OF INCOME

FOR THE THREE MONTHS ENDED SEPTEMBER 30, 1995 AND 1994

(UNAUDITED)

(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	1995 (c)	1994 (d)
	Revenue:	\$	\$
1	Casino.....	72,235	79,023
2	Rooms.....	2,671	2,739
3	Food and Beverage.....	9,905	8,711
4	Other.....	1,180	1,702
5	Total Revenue.....	85,991	92,175
6	Less: Promotional Allowances.....	7,913	7,189
7	Net Revenue.....	78,078	84,986
	Costs And Expenses:		
8	Cost of Goods and Services.....	36,210	36,994
9	Selling, General, and Administrative.....	26,700	27,172
10	Provision for Doubtful Accounts.....	726	805
11	Total Costs and Expenses.....	63,636	64,971
12	Gross Operating Profit.....	14,442	20,015
13	Depreciation and Amortization.....	4,549	4,420
	Charges from Affiliates Other than Interest:		
14	Management Fees.....	2,245	2,552
15	Other.....	-	-
16	Income (Loss) From Operations.....	7,648	13,043
	Other Income (Expenses):		
17	Interest (Expense) - Affiliates.....	(5,395)	(5,395)
18	Interest (Expense) - External.....	100	109
19	Investment Alternative Tax and Related Income (Expense) - Net.....	(426)	(735)
20	Nonoperating Income (Expense) - Net.....	474	1,000
21	Total Other Income (Expenses).....	(5,247)	(5,021)
22	Income (Loss) Before Income Taxes And Extraordinary Items.....	2,401	8,022
23	Provision (Credit) for Income Taxes.....	1,323	3,508
24	Income (Loss) Before Extraordinary Items.....	1,078	4,514
25	Extraordinary Items (Net of Income Taxes - 1995, \$ - - ; 1994, \$ - -).....	-	-
26	Net Income (Loss).....	\$1,078	\$4,514

The accompanying notes are an integral part of the financial statements. Valid comparisons cannot be made without using information contained in the notes.

STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY

FOR THE TWELVE MONTHS ENDED DECEMBER 31, 1994 AND THE NINE MONTHS ENDED SEPTEMBER 1995

(UNAUDITED)

(\$ IN THOUSANDS)

LINE (a)	Description (b)	Common Stock		Preferred Stock		Additional Paid-In Capital (g)	(h)	Retained Earnings (Accumulated) (Deficit) (i)	Total Stockholders' Equity (Deficit) (j)
		Shares (c)	Amount (d)	Shares (e)	Amount (f)				
1	Balance, December 31, 1993.....	100	\$ 3,500	-	\$ -	\$ -	\$ -	\$ (3,467)	\$ 33
2	Net Income (Loss) - 1994.....							(1,967)	(1,967)
3	Contribution to Paid-in-Capital.....					15,000			15,000
4	Dividends.....								
5	Prior Period Adjustments.....								
6	_____								
7	_____								
8	_____								
9	_____								
10	Balance, December 31, 1994.....	100	3,500	-	-	15,000		(5,434)	13,066
11	Net Income (Loss) - 1995.....							242	242
12	Contribution to Paid-in - Captial.....								
13	Dividends.....								
14	Prior Period Adjustments.....								
15	_____								
16	_____								
17	_____								
18	_____								
19	Balance, September, 1995.....	100	\$ 3,500	-	\$ -	\$ 15,000	\$ -	\$ (5,192)	\$ 13,308

The accompanying notes are an integral part of the financial statements.
Valid comparisons cannot be made without using information contained in the notes.

STATEMENTS OF CHANGES IN PARTNERS' OR PROPRIETOR'S EQUITY

FOR THE TWELVE MONTHS ENDED DECEMBER 31, 1994
AND THE NINE MONTHS ENDED SEPTEMBER, 1995

(UNAUDITED)

(\$ IN THOUSANDS)

NOT APPLICABLE

LINE (a)	DESCRIPTION (b)	Contributed Capital (c)	Accumulated Earnings (Deficit) (d)	(e)	Total Equity (Deficit) (f)
1	Balance, December 31, 19_____	\$	\$	\$	\$
2	Net Income (Loss) - 19_____				
3	Capital Contributions.....				
4	Capital Withdrawals.....				
5	Partnership Distributions.....				
6	Prior Period Adjustments.....				
7	_____				
8	_____				
9	_____				
10	Balance, December 31, 19_____				
11	Net Income (Loss) - 19_____				
12	Capital Contributions.....				
13	Capital Withdrawals.....				
14	Partnership Distributions.....				
15	Prior Period Adjustments.....				
16	_____				
17	_____				
18	_____				
19	Balance, _____, 19_____	\$	\$	\$	\$

The accompanying notes are an integral part of the
financial statements. Valid comparisons cannot be made
without using information contained in the notes.

STATEMENTS OF CASH FLOWS

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 1995 AND 1994

(UNAUDITED)

(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	1995 (c)	1994 (d)
1	NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES.....	\$13,428	\$10,025
	CASH FLOWS FROM INVESTING ACTIVITIES:		
2	Purchase of Short-Term Investment Securities.....	-	-
3	Proceeds from the Sale of Short-Term Investment Securities.....	-	-
4	Cash Outflows for Property and Equipment.....	(15,664)	(18,506)
5	Proceeds from Disposition of Property and Equipment.....	-	-
6	Purchase of Casino Reinvestment Obligations.....	(2,102)	(400)
7	Purchase of Other Investments and Loans/Advances made.....	-	-
8	Proceeds from Disposal of Investments and Collection of Advances and Long-Term Receivables.....	-	-
9	Cash Outflows to Acquire Business Entities.....	-	-
10	.....	-	-
11	.....	-	-
12	Net Cash Provided (Used) By Investing Activities.....	(17,766)	(18,906)
	CASH FLOWS FROM FINANCING ACTIVITIES:		
13	Cash Proceeds from Issuance of Short-Term Debt.....	2,000	1,500
14	Payments to Settle Short-Term Debt.....	(2,000)	(1,500)
15	Cash Proceeds from Issuance of Long-Term Debt.....	-	195,000
16	Costs of Issuing Debt.....	(32)	(6,827)
17	Payments to Settle Long-Term Debt.....	(8)	(161,676)
18	Cash Proceeds from Issuing Stock or Capital Contributions.....	-	15,000
19	Purchases of Treasury Stock.....	-	-
20	Payments of Dividends or Capital Withdrawals.....	-	-
21	Net repayments to affiliates.....	-	(28,083)
22	.....	
23	Net Cash Provided (Used) By Financing Activities.....	(40)	13,414
24	Net Increase (Decrease) In Cash And Cash Equivalents.....	(4,378)	4,533
25	Cash And Cash Equivalents At Beginning Of Period.....	23,137	12,953
26	Cash And Cash Equivalents At End Of Period.....	\$18,759	\$17,486
	CASH PAID DURING PERIOD FOR:		
27	Interest (Net of Amount Capitalized).....	\$22,404	\$12,981
28	Income Taxes.....	\$ -	\$1

The accompanying notes are an integral part of the financial statements. Valid comparisons cannot be made without using information contained in the notes.

STATEMENTS OF CASH FLOWS

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 1995 AND 1994

(UNAUDITED)

(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	1995 (c)	1994 (d)
	NET CASH FLOWS FROM OPERATING ACTIVITIES:	\$	\$
29	Net Income (Loss).....	242	464
	Noncash Items Included in Income and Cash Items Excluded from Income:		
30	Depreciation and Amortization of Property and Equipment	13,139	11,376
31	Amortization of Other Assets.....	570	462
32	Amortization of Debt Discount or Premium.....	-	45
33	Deferred Income Taxes - Current.....	-	-
34	Deferred Income Taxes - Noncurrent.....	(2,376)	3,537
35	(Gain) Loss on Disposition of Property and Equipment.....	-	-
36	(Gain) Loss on Casino Reinvestment Obligations.....	1,238	1,957
37	(Gain) Loss from Other Investment Activities.....	-	-
	Net (Increase) Decrease in Receivables and Patrons'		
38	Checks.....	1,461	(240)
39	Net (Increase) Decrease in Inventories.....	250	(546)
40	Net (Increase) Decrease in Other Current Assets.....	4,237	(1,441)
41	Net (Increase) Decrease in Other Assets.....	(683)	(1,646)
42	Net Increase (Decrease) in Accounts Payable.....	525	2,503
	Net Increase (Decrease) in Other Current Liabilities		
43	Excluding Debt.....	(5,175)	(5,305)
	Net Increase (Decrease) in Other Noncurrent Liabilities		
44	Excluding Debt.....	-	-
45	Net Decrease in Jackpot Accrual	-	(1,141)
46			
47	Net Cash Provided (Used) By Operating Activities.....	\$13,428	\$10,025
	SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
	ACQUISITION OF PROPERTY AND EQUIPMENT:	\$	\$
48	Additions to Property and Equipment.....	15,664	18,506
49	Less: Capital Lease Obligations Incurred.....		
50	Cash Outflows For Property And Equipment.....	\$15,664	\$18,506
	ACQUISITION OF BUSINESS ENTITIES:		
51	Property and Equipment Acquired.....	\$	\$
52	Goodwill Acquired.....		
	Net Assets Acquired Other Than Cash, Goodwill, and		
53	Property and Equipment.....		
54	Long-Term Debt Assumed.....		
55	Issuance of Stock or Capital Invested.....		
56	Cash Outflows To Acquire Business Entities.....	\$	\$
	STOCK ISSUED OR CAPITAL CONTRIBUTIONS:		
57	Total Issuances of Stock or Capital Contributions.....	\$ -	\$15,000
58	Less: Issuances to Settle Long-Term Debt.....		
59	Consideration in Acquisition of Business Entities.....		
60	Cash Proceeds From Issuing Stock Or Capital Contributions.....	\$ -	\$15,000

The accompanying notes are an integral part of the financial statements.

Valid comparisons cannot be made without using information contained in the notes.

CCC-235

TRADING NAME OF LICENSEE: SANDS HOTEL & CASINO

**SCHEDULE OF PROMOTIONAL
 EXPENSES AND ALLOWANCES**

(\$ IN THOUSANDS)

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 1995

Line (a)	(b)	Promotional Allowances		Promotional Expenses	
		Number of Recipients (c)	Dollar Amount (d)	Number of Recipients (e)	Dollar Amount (f)
1	Rooms	195,041	\$5,205		\$
2	Food	651,661	9,298		
3	Beverage	986,395	4,979		
4	Travel			11,800	3,062
5	Coin			891,224	21,740
6	Coupon			30,491	213
7	Entertainment	37,104	674		
8	Retail & Gifts			40,787	4,079
9	Parking			626,860	940
10	Other	13,857	111	447	2,997
11	Total	1,884,058	\$20,267	1,601,609	\$33,031

FOR THE THREE MONTHS ENDED SEPTEMBER 30, 1995

Line (a)	(b)	Promotional Allowances		Promotional Expenses	
		Number of Recipients (c)	Dollar Amount (d)	Number of Recipients (e)	Dollar Amount (f)
1	Rooms	71,401	\$1,931		\$
2	Food	246,428	3,561		
3	Beverage	406,228	1,982		
4	Travel			4,955	1,286
5	Coin			322,177	6,945
6	Coupon			9,779	68
7	Entertainment	19,576	392		
8	Retail & Gifts			17,404	1,740
9	Parking			242,983	364
10	Other	5,881	47	196	1,313
11	Total	749,514	\$7,913	597,494	\$11,716

GREATE BAY HOTEL AND CASINO, INC.
(a wholly owned subsidiary of GB HOLDINGS, INC.)

NOTES TO FINANCIAL STATEMENTS
(Unaudited)

(1) Organization, business and basis of presentation

Greate Bay Hotel and Casino, Inc. ("GBHC") is a New Jersey corporation and a wholly owned subsidiary of GB Holdings, Inc. ("Holdings"), a Delaware corporation. Holdings is a wholly owned subsidiary of Pratt Casino Corporation ("PCC"), also a Delaware corporation. PCC is wholly owned by PPI Corporation, a New Jersey corporation and a wholly owned subsidiary of Pratt Hotel Corporation ("PHC"). On February 17, 1994, Holdings obtained ownership of GBHC through a contribution of capital by its parent. GBHC's principal business activity includes its ownership of the Sands Hotel and Casino in Atlantic City, New Jersey (the "Sands"). The Sands is managed by New Jersey Management, Inc. ("NJMI"), also a wholly owned subsidiary of PCC. All of GBHC's revenues and net income are attributable to the operations of the Sands.

GB Property Funding Corp. ("GB Property Funding"), a Delaware corporation and a wholly owned subsidiary of PCC, was incorporated in September 1993 for the purpose of borrowing funds through the issuance of \$185,000,000 of ten-year, nonrecourse first mortgage notes for the benefit of GBHC; such debt was issued in February 1994 at the rate of 10 7/8% per annum and the proceeds were loaned to GBHC (see Note 3).

The financial statements as of September 30, 1995 and for the three and nine month periods ended September 30, 1995 and 1994 have been prepared by GBHC without audit. In the opinion of management, these financial statements contain all adjustments (consisting of only normal recurring adjustments) necessary to present fairly the financial position of GBHC as of September 30, 1995, and the results of its operation for the three and nine month periods ended September 30, 1995 and 1994 and its cash flows for the nine month periods ended September 30, 1995 and 1994.

(2) Short-term credit facilities

During June 1994, GBHC entered into an agreement for a bank line of credit in the amount of \$5,000,000. The agreement, which was renewed in April 1995, provides for interest on borrowings at the bank's prime lending rate plus 3/4% per annum. In addition to the maintenance of certain financial ratios, the line of credit agreement contains numerous restrictive covenants, all of which are also covenants under other debt as described in Note 3. The bank line of credit agreement also contains certain cross-default provisions with other outstanding debt of GBHC and its affiliates. Borrowings under the line of credit are guaranteed to the extent of \$2,000,000 by PCC. There were no borrowings outstanding under the line of credit at either September 30, 1995 or 1994.

GREATER BAY HOTEL AND CASINO, INC.
(a wholly owned subsidiary of GB HOLDINGS, INC.)

NOTES TO FINANCIAL STATEMENTS
(Unaudited)

(3) Long-term debt and pledge of assets

Substantially all of GBHC's assets are pledged in connection with its long-term indebtedness.

	September 30,	
	1995	1994
10 7/8% first mortgage notes, due 2004 (a)	\$185,000,000	\$185,000,000
14 5/8% affiliate loan, due 2005 (b)	10,000,000	10,000,000
Other	455,000	464,000
Total indebtedness	195,455,000	195,464,000
Less - current maturities	(10,000)	(9,000)
Total long term debt	\$195,445,000	\$195,455,000

(a) On February 17, 1994, the Sands obtained \$185,000,000 from GB Property Funding, which issued \$185,000,000 of non-recourse first mortgage notes due January 15, 2004 (the "10 7/8% First Mortgage Notes"). Interest on the notes accrues at the rate of 10 7/8% per annum, payable semiannually commencing July 15, 1994. Interest only is payable during the first three years. Commencing on July 15, 1997, semiannual principal payments of \$2,500,000 will become due on each interest payment date. The 10 7/8% First Mortgage Notes are redeemable at the option of the issuer, in whole or in part, on or after January 15, 1999 at stated redemption prices ranging up to 104.08% of par plus accrued interest.

The indenture for the 10 7/8% First Mortgage Notes contains various provisions which, among other things, restrict the ability of certain subsidiaries of PHC to pay dividends to PHC, to merge, consolidate or sell substantially all of their assets or to incur additional indebtedness beyond certain limitations. In addition, the indenture requires the maintenance of certain cash balances and, commencing in 1994, requires that a minimum of \$7,000,000 be expended for property and fixture renewals, replacements and betterments at the Sands, subject to increases of five percent per annum thereafter. The indenture also contains certain cross-default provisions with other outstanding debt of affiliates.

GREATER BAY HOTEL AND CASINO, INC.
(a wholly owned subsidiary of GB HOLDINGS, INC.)

NOTES TO FINANCIAL STATEMENTS
(Unaudited)

- (b) On February 17, 1994, GBHC issued a \$10,000,000 subordinated promissory note to an affiliate. The note bears interest at the rate of 14 5/8% per annum, payable semiannually commencing August 17, 1994, subject to maintaining average daily cash balances required by the indenture for the 10 7/8% First Mortgage Notes, with the principal due in February 2005.

Scheduled payments of long-term debt as of September 30, 1995 are set forth below:

1995 (3 months)	\$	2,000
1996		10,000
1997		2,512,000
1998		5,013,000
1999		5,014,000
Thereafter		<u>182,904,000</u>
Total	\$	<u>195,455,000</u>

(4) Income taxes

Components of the income tax provision consisted of the following:

	<u>Nine Months Ended September 30,</u>	
	<u>1995</u>	<u>1994</u>
Provision (benefit) in lieu of federal income taxes:		
Current	\$ 3,313,000	\$(1,259,000)
Deferred	(1,879,000)	2,741,000
State income taxes provision (benefit):		
Current	905,000	(365,000)
Deferred	<u>(497,000)</u>	<u>796,000</u>
	<u>\$ 1,842,000</u>	<u>\$ 1,913,000</u>

GBHC is included in the consolidated federal income tax return of Hollywood Casino Corporation ("HCC"), PHC's parent. Pursuant to agreements between GBHC, PHC and HCC, GBHC's provision for federal income taxes is based on the amount of tax which would be provided if a separate federal income tax return were filed. No federal tax payments were made during the nine month periods ended September 30, 1995 and 1994. The payment of taxes in accordance with the tax

GREATER BAY HOTEL AND CASINO, INC.
(a wholly owned subsidiary of GB HOLDINGS, INC.)

NOTES TO FINANCIAL STATEMENTS
(Unaudited)

allocation agreements is subject to the approval of the New Jersey Casino Control Commission. GBHC paid no state income taxes for the nine month period ended September 1995. During the nine month period ended September 30, 1994 GBHC paid state income taxes totaling \$1,000.

Both federal and state income tax provisions or benefits are based upon estimates of the results of operations for the current period and reflect the nondeductibility for income tax purposes of certain items, including certain amortization, meals and entertainment and other expenses.

Deferred income taxes result primarily from the use of the allowance method rather than the direct write-off method for doubtful accounts, the use of accelerated methods of depreciation for federal and state income tax purposes and differences in the timing of deductions taken between tax and financial reporting purposes for contributions of and adjustments to the carrying value of certain investment obligations and for vacation and other accruals.

The components of the deferred tax asset (liability) as of September 30, 1995 and 1994 were as follows:

	September 30,	
	1995	1994
Deferred tax assets:		
Allowance for doubtful accounts	\$ 6,866,000	\$ 4,353,000
Other liabilities and accruals	1,848,000	895,000
Other	1,414,000	324,000
Total deferred tax assets	\$ 10,128,000	\$ 5,572,000
Deferred tax liabilities:		
Depreciation and amortization	(8,404,000)	(6,469,000)
Other	(787,000)	(634,000)
Total deferred tax liabilities	(9,191,000)	(7,103,000)
Net deferred tax asset(liability)	\$ 937,000	\$(1,531,000)

GREATER BAY HOTEL AND CASINO, INC.
(a wholly owned subsidiary of GB HOLDINGS, INC.)

NOTES TO FINANCIAL STATEMENTS
(Unaudited)

Receivables from and payables to affiliates in connection with the aforementioned tax allocation agreements were as follows:

	September 30,	
	1995	1994
Prepaid expenses and other current assets	\$ 5,791,000	\$ 4,523,000
Other assets	6,064,000	4,848,000
Income taxes (payable)receivable	(330,000)	2,153,000

(5) Transactions with related parties

NJMI, under a management agreement with the Sands, is responsible for the supervision, direction and control of the day-to-day operations of the Sands. NJMI is entitled to receive annually (i) a basic consulting fee of 1.5% of "adjusted gross revenues" as defined, and (ii) incentive compensation of between 5% and 7.5% of gross operating profits in excess of certain stated amounts should annual "gross operating profits," as defined, exceed \$5,000,000. Such fees amounted to \$5,276,000 and \$4,887,000, during the nine month periods ended September 30, 1995 and 1994, respectively, and are included in management fees charged from affiliates in the accompanying financial statements. Management fees payable to NJMI at September 30, 1995 amounted to \$84,000 and management fees of \$47,000 were prepaid at September 30, 1994. These amounts were included in other current liabilities in the accompanying financial statements.

GBHC licenses the trade name "Sands" from a subsidiary of PHC, which licenses the name from an unaffiliated third party. Amounts payable by the Sands under this agreement are equal to the amounts paid to the unaffiliated third party. Such charges amounted to \$220,000 and \$214,000 for the nine month periods ended September 30, 1995 and 1994, respectively, and are included in selling, general, and administrative expenses in the accompanying financial statements.

GREATER BAY HOTEL AND CASINO, INC.
(a wholly owned subsidiary of GB HOLDINGS, INC.)

NOTES TO FINANCIAL STATEMENTS
(Unaudited)

For the nine months ended September 30, 1995 and 1994 GBHC recognized the following amounts in interest charges to affiliates net of capitalized interest:

	1995	1994
11 3/4% First Mortgage Notes	\$ -	\$ 2,375,000
10 7/8% First Mortgage Notes	15,089,000	12,537,000
14 5/8% Promissory Note	1,097,000	672,000
	\$ 16,186,000	\$ 15,584,000

GBHC had cash advances receivable from affiliates including interest of \$7,544,000 and \$6,608,000 as of September 30, 1995 and 1994, respectively, and are included in investments, advances, and receivables in the accompanying financial statements. Advances to affiliates bear interest at the rate of 16.5% per annum. There were no cash advances payable to affiliates as of September 30, 1995 and 1994, respectively.

From time to time, GBHC performs certain services for HCC and its subsidiaries and invoices such companies for the Sands' cost of providing those services. Similarly, GBHC is charged for certain legal, accounting and other expenses incurred by HCC and its subsidiaries that relate to the Sands' business. Such affiliate transactions are summarized below:

	Nine Months Ended September 30,	
	1995	1994
Billings to affiliates	\$ 711,000	\$ 739,000
Charges from affiliates	(481,000)	(1,573,000)

(6) Litigation

GBHC is a party in various legal proceedings with respect to the conduct of casino and hotel operations. Although a possible range of loss can not be estimated, in the opinion of management, based upon the advice of counsel, settlement or resolution of these proceedings should not have a material adverse impact upon the financial position or results of operations of Holdings and GBHC.

GREATER BAY HOTEL AND CASINO, INC.
(a wholly owned subsidiary of GB HOLDINGS, INC.)

NOTES TO FINANCIAL STATEMENTS
(Unaudited)

The accompanying financial statements do not include any adjustments that might result from the outcome of the uncertainties described above.

(7) Progressive Jackpot

Regulations approved by the New Jersey Casino Control Commission allow casino licensees to establish time limits for offering progressive slot machine jackpots to customers. Upon the expiration of the stated time limits, and upon providing proper notice to the casino customers, casino licensees are afforded certain relief including the reduction or removal of the progressive jackpot from the gaming floor. Accordingly, during the quarter ended June 30, 1994, GBHC removed certain progressive jackpots from the gaming floor, resulting in the reversal of \$1,035,000 of progressive jackpot liabilities and the corresponding recognition of an equal amount of slot machine revenues.

(8) Reclassifications

Certain reclassifications have been made to the 1994 financial statements to conform to the 1995 financial statement presentation.

(9) Non-Operating Income

For the nine months ended September 30, 1995 and 1994, interest income of \$1,347,000 and \$1,737,000 was earned on temporary investments, on deposits made with the Casino Reinvestment Development Authority, and other sources.

(10) Property and Equipment

Property and Equipment as of September 30, 1995 and 1994 consisted of the following:

	<u>1995</u>	<u>1994</u>
Land	\$ 37,807,000	\$ 37,807,000
Buildings and improvements	184,769,000	172,918,000
Operating equipment	89,799,000	90,171,000
Construction in progress	<u>2,138,000</u>	<u>1,089,000</u>
	314,513,000	301,985,000
Less: accumulated depreciation and amortization	<u>(146,061,000)</u>	<u>(133,234,000)</u>
Net property and equipment	<u>\$ 168,452,000</u>	<u>\$ 168,751,000</u>

GREATER BAY HOTEL AND CASINO, INC.
(a wholly owned subsidiary of GB HOLDINGS, INC.)

NOTES TO FINANCIAL STATEMENTS
(Unaudited)

(11) Prepaid Expenses and Other Current Assets

As of September 30, 1995 and 1994, Prepaid Expenses and Other Current Assets consisted of the following:

	<u>1995</u>	<u>1994</u>
Deferred taxes - current	\$ 7,825,000	\$ 4,523,000
Prepaid expenses and wages	2,938,000	2,706,000
Deposits	284,000	511,000
Current portion of deferred credits on deposit with the Casino Reinvestment Development Authority	-	103,000
	<u>\$11,047,000</u>	<u>\$ 7,843,000</u>

(12) Investments, Advances and Receivables

As of September 30, 1995 and 1994, Investments, Advances and Receivables consisted of the following:

	<u>1995</u>	<u>1994</u>
Investment in CRDA	\$ 5,091,000	\$ 3,643,000
Advances to affiliates	7,544,000	6,608,000
	<u>\$12,635,000</u>	<u>\$10,251,000</u>

(13) Other Assets

As of September 30, 1995 and 1994, Other Assets consisted of the following:

	<u>1995</u>	<u>1994</u>
Deferred taxes - non-current	\$ 6,064,000	\$ 5,814,000
Deferred financing costs	5,948,000	6,683,000
Other	2,193,000	1,743,000
	<u>\$14,205,000</u>	<u>\$14,240,000</u>

STATEMENT OF OPERATIONS
GREATE BAY HOTEL AND CASINO, INC.
(a wholly owned subsidiary of GB HOLDINGS, INC.)

NOTES TO FINANCIAL STATEMENTS
(Unaudited)

(14) Other Accrued Expenses

As of September 30, 1995 and 1994, Other Accrued Expenses consisted of the following:

	<u>1995</u>	<u>1994</u>
Accrued salaries and wages	\$ 3,475,000	\$ 3,261,000
Accrued interest	4,431,000	5,169,000
Accrued insurance	2,297,000	1,890,000
Other accrued expenses	<u>8,728,000</u>	<u>7,648,000</u>
	<u>\$18,931,000</u>	<u>\$17,968,000</u>

(15) Other Current Liabilities

As of September 30, 1995 and 1994, Other Current Liabilities consisted of the following:

	<u>1995</u>	<u>1994</u>
Due to affiliates	\$ 136,000	\$ 19,000
CRDA Bonds payable	896,000	426,000
Other	<u>2,367,000</u>	<u>1,855,000</u>
	<u>\$ 3,399,000</u>	<u>\$ 2,300,000</u>

Submitted and sworn to
before me this 7 day
of September 1995

James M. Glavin
Notary Public

JAMES M. GLAVIN
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Jan. 7, 1998
My Office is at
My Office is at

003052-11
License Number

On Behalf Of

Greate Bay Hotel And Casino, Inc.
Casino Licensee

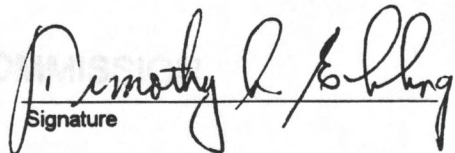
STATEMENT OF CONFORMITY, ACCURACY, AND COMPLIANCE

STATE OF NEW JERSEY :
:ss.
COUNTY OF :

Timothy A. Ebling, being duly sworn according
NAME

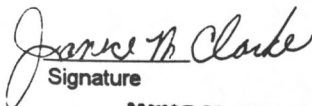
to law upon my oath deposes and says:

1. I have examined this Quarterly Report.
2. All the information contained in this Quarterly Report has been prepared in conformity with the 'Casino Control Commission's Quarterly Report Instructions and Uniform Chart of Accounts.
3. To the best of my knowledge and belief, the information contained in this report is accurate.
4. To the best of my knowledge and belief, except for the deficiencies noted below, the licensee submitting this Quarterly Report has remained in compliance with the financial stability regulations contained in N.J.A.C. 19:43-4.2(b)1-5 during the quarter.


Signature

Timothy A. Ebling
Vice President Finance
Title

Subscribed and sworn to
before me this 4 day
of NOV., 1995


Signature

JANICE M. CLARKE
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Jan. 7, 1998
Basis of Authority
to Take Oaths

003052-11
License Number

On Behalf Of:

Greate Bay Hotel And Casino, Inc.
Casino Licensee

Trading Name of Licensee HARRAH'S CASINO HOTEL ATLANTIC CITY

QUARTERLY REPORT

LIST OF FORMS - QUARTERLY REPORT

LICENSEE Harrah's Casino Hotel, Atlantic City

For the Quarter Ended: September 1995

TITLE

FORM NO.

Statement of Assets

CCC-205

FOR THE QUARTER ENDED September 30, **19** 95

Statement of Income (Year-to-Date)

CCC-210

Statement of Income (Three Months)

CCC-215

Statement of Changes in Stockholders' Equity

CCC-220

Statement of Changes in Partners' or Proprietors' Equity

CCC-225

TO THE

Statement of Cash Flows

CCC-235

CASINO CONTROL COMMISSION

Annual Financial Statements

OF THE

Statement of Expenses and Allowances

CCC-245

STATE OF NEW JERSEY

Statement of Conformity and Accuracy

CCC-250



Trading Name of Licensee: HARRAH'S CASINO HOTEL, ATLANTIC CITY

SEPTEMBER 30, 1995 AND 1994

(UNAUDITED)

LIST OF FORMS - QUARTERLY REPORT

(a)	(b) DESCRIPTION	(c) 1995	(d) 1994
For the Quarter Ended: September 1995			
	Current Assets:		
	Cash and Cash Equivalents (Note 1)	14,924	12,783
	Short-Term Investments	0	0
	Receivables, <u>TITLE</u> checks (net of allowances for doubtful accounts) - 1995 \$ 3,483 - 1994 \$ 3,247	7,076	5,953
	Inventories		1,603
	Prepaid expenses and other current assets (Note 1)	2,745	5,789
	Total Current Assets		26,119
Balance Sheets		CCC-205	
	Investments, Advances and Receivables (Note 1)	7,238	112,894
Statements of Income (Year-to-Date)	(Notes 1 and 2)	CCC-210	378,305
	Accumulated Depreciation (Note 2)		(120,825)
Statements of Income (Three Months)		CCC-215	19,697
	Net Assets	26,119	406,232
Statements of Changes in Stockholders' Equity		CCC-220	
	LIABILITIES AND EQUITY		
Statements of Changes in Partners' or Proprietor's Equity		CCC-225	
	Current Liabilities:		
Statements of Cash Flows		CCC-235	1,142
	Accounts Payable	0	0
	Current portion of long-term debt	0	0
Notes to Financial Statements			
	Income taxes payable and accrued	0	1,142
Promotional Expenses and Allowances		CCC-245	17,277
	Other current liabilities	0	0
Statement of Conformity and Accuracy		CCC-250	27,230
	Total current liabilities		27,230
	Long-Term Debt:		
	Due to affiliates	0	0
	Other (Notes 3)	38,719	356,273
	Deferred Credits (Note 1)	1,281	4,274
	Other Liabilities (Note 9)	2,304	31,710
	Commitments and Contingencies (Note 10)	0	0
	Total Liabilities	41,294	404,057
	Stockholders', Partners', or Proprietor's Equity	26,119	187,845
	Total Liabilities and Equity	67,413	591,902

The accompanying notes are an integral part of these financial statements. No comparisons can be made with the 1994 financial statements.

BALANCE SHEETS

SEPTEMBER 30, 1995 AND 1994

(UNAUDITED)
(\$ IN THOUSANDS)

(a) LINE	(b) DESCRIPTION	(c) 1995	(d) 1994
ASSETS			
Current Assets:			
1	Cash and Cash Equivalents (Note 1)	\$ 14,924	\$ 12,763
2	Short-Term Investments	0	0
3	Receivables and patrons' checks (net of allowance for doubtful accounts - 1995 \$ 3,565.....;1994 \$ 3,847.....)	7,076	5,965
4	Inventories	1,151	1,603
5	Prepaid expenses and other current assets (Note 4)	2,746	5,788
6	Total Current Assets	25,897	26,119
7	Investments, Advances and Receivables (Note 5) . . .	27,039	112,684
8	Property and Equipment - Gross (Notes 1 and 2)	388,193	376,885
9	(Accumulated Depreciation/Amortization)	(136,689)	(120,055)
10	Other Assets	24,699	10,604
11	Total Assets	329,139	406,237
LIABILITIES AND EQUITY			
Current Liabilities:			
12	Accounts Payable	\$ 1,603	\$ 1,342
13	Notes Payable	0	0
Current portion of long-term debt:			
14	Due to affiliates	0	0
15	Other	0	4
16	Income taxes payable and accrued	254	2,641
17	Other accrued expenses . . .(Note 8)	17,484	17,637
18	Other current liabilities	918	996
19	Total current liabilities	20,259	22,620
Long-Term Debt:			
20	Due to affiliates	0	0
21	Other(Notes 3)	280,000	395,278
22	Deferred Credits (Note 1)	2,887	4,474
23	Other Liabilities(Note 9)	42,064	41,710
24	Commitments and Contingencies . . .(Note 6)	0	0
25	Total Liabilities	345,210	464,082
26	Stockholders', Partners', or Proprietor's Equity . .	(16,071)	(57,845)
27	Total Liabilities and Equity	\$ 329,139	\$ 406,237

The accompanying notes are an integral part of the financial statements.
Valid comparisons cannot be made without using information contained in the notes.

STATEMENTS OF INCOME

For Nine Months Ended September 30, 1995 and 1994

(UNAUDITED)
(\$ IN THOUSANDS)

(a) LINE	(b) DESCRIPTION	(c) 1995	(d) 1994
	Revenue:		
1	Casino	\$ 243,161	\$ 217,086
2	Rooms	15,749	15,716
3	Food and Beverage	27,885	26,129
4	Other	6,854	7,445
5	Total revenue	293,649	266,376
6	Less: Promotional Allowance	30,543	27,513
7	Net revenue	263,106	238,863
	Costs and Expenses:		
8	Cost of goods and services	132,705	126,945
9	Selling, general, and administrative	46,633	42,798
10	Provision for doubtful accounts	937	1,142
11	Total costs and expenses	180,275	170,885
12	Gross Operating Profit	82,831	67,978
13	Depreciation and amortization	13,772	11,368
	Charges from affiliates other than interest:		
14	Management Fees	0	0
15	Other	1,374	1,220
16	Income (Loss) from Operations	67,685	55,390
	Other Income (Expenses):		
17	Interest (expense) - affiliates - Embassy Note	0	0
18	Interest (expense) - external (Note 3)	(22,162)	(29,011)
19	Investment alternative tax and related income (expense) - net	(35)	(216)
20	Nonoperating Income (expense) - net	456	332
21	Total other income (expenses)	(21,741)	(28,895)
22	Income (Loss) Before Income Taxes and Extraord. Items	45,944	26,495
23	Provision (credit) for income taxes	4,391	2,645
24	Income (Loss) Before Extraordinary Items	41,553	23,850
25	Extraordinary items (net of income taxes - 1995, \$0; 1994, \$0)	0	0
26	Net Income (Loss)	\$ 41,553	\$ 23,850

The accompanying notes are an integral part of the financial statements.
Valid comparisons cannot be made without using information contained in the notes.

STATEMENTS OF INCOME

For Three Months Ended September 30, 1995 and 1994

(UNAUDITED)
(\$ IN THOUSANDS)

(a) LINE	(b) DESCRIPTION	(c) 1995	(d) 1994
	Revenue:		
1	Casino	\$ 91,125	\$ 84,291
2	Rooms	6,574	6,542
3	Food and Beverage	10,815	10,270
4	Other	2,854	3,179
5	Total revenue	111,368	104,282
6	Less: Promotional Allowance	12,117	10,699
7	Net revenue	99,251	93,583
	Costs and Expenses:		
8	Cost of goods and services	46,726	46,055
9	Selling, general, and administrative	17,068	15,549
10	Provision for doubtful accounts	71	578
11	Total costs and expenses	63,865	62,182
12	Gross Operating Profit	35,386	31,401
13	Depreciation and amortization	4,691	4,074
	Charges from affiliates other than interest:		
14	Management Fees	0	0
15	Other	516	473
16	Income (Loss) from Operations	30,179	26,854
	Other Income (Expenses):		
17	Interest (expense) - affiliates - Embassy Note	0	0
18	Interest (expense) - external (Note 3)	(5,596)	(9,440)
19	Investment alternative tax and related income (expense) - net	(25)	(58)
20	Nonoperating Income (expense) - net	90	118
21	Total other income (expenses)	(5,531)	(9,380)
22	Income (Loss) Before Income Taxes and Extraord. Items	24,648	17,474
23	Provision (credit) for income taxes	2,260	1,638
24	Income (Loss) Before Extraordinary Items	22,388	15,836
25	Extraordinary items (net of income taxes - 1995, \$0; 1994, \$0)	0	0
26	Net Income (Loss)	\$ 22,388	\$ 15,836

The accompanying notes are an integral part of the financial statements.
Valid comparisons cannot be made without using information contained in the notes.

TRADING NAME OF LICENSEE Harrah's Casino Hotel, Atlantic City

STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY

FOR THE TWELVE MONTHS ENDED DECEMBER 31, 1994 AND THE Nine MONTHS ENDED September, 1995

(UNAUDITED)
(\$ IN THOUSANDS)

Line (a)	Description ... (b)	Common Stock		Preferred Stock		Additional Paid-In Capital (g)	(h)	Retained Earnings (Accumulated) (Deficit) (i)	Total Stockholders' Equity (Deficit) (j)
		Shares (c)	Amount (d)	Shares (e)	Amount (f)				
1	Balance, December 31, 19__		\$		\$	\$	\$	\$	\$
2	Net Income (Loss) - 19__								
3	Contribution to Paid-in-Capital.....								
4	Dividends.....								
5	Prior Period Adjustments.....								
6	.....							
7	.....							
8	.....							
9	.....							
10	Balance, December 31, 19__								
11	Net Income (Loss) - 19__								
12	Contribution to Paid-in - Capital.....								
13	Dividends.....								
14	Prior Period Adjustments.....								
15	.....							
16	.....							
17	.....							
18	.....							
19	Balance, _____, 19__		\$		\$	\$	\$	\$	\$

The accompanying notes are an integral part of the financial statements.
Valid comparisons cannot be made without using information contained in the notes.

STATEMENTS OF CASH FLOWS

TRADING NAME OF LICENSEE HARRAH'S CASINO HOTEL, ATLANTIC CITY

STATEMENTS OF CHANGES IN PARTNERS' OR PROPRIETOR'S EQUITY

For the Twelve Months Ended December 31, 1994
 And The Nine Months Ended September 30, 1995
 (UNAUDITED)
 (\$ IN THOUSANDS)

LINE (a)	Description (b)	Contributed Capital (c)	Accumulated Earnings (Deficit) (d)	(e)	Total Equity (Deficit) (f)
1	Balance, December 31, 1993	\$141,594	(\$194,580)	\$0	(\$52,986)
2	Net Income (Loss) - 1994		32,269		\$32,269
3	Capital Contributions.....				
4	Capital Withdrawals.....				
5	Partnership Distributions.....		(128,207)		(\$128,207)
6	Prior Period Adjustments.....				
7	_____				
8	_____				
9	_____				
10	Balance, December 31, 1994	141,594	(290,518)	0	(148,924)
11	Net Income 1995		41,553		\$41,553
12	Capital Contributions.....		24,360		\$24,360
13	Capital Withdrawals.....		66,940		\$66,940
14	Partnership Distributions.....				
15	Prior Period Adjustments.....				
16	_____				
17	_____				
18	_____				
19	Balance, September 30, 1995	\$141,594	(\$157,665)	\$0	(\$16,071)

The accompanying notes are an integral part of the financial statements.
 Valid comparisons cannot be made without using information contained in the notes.

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

Cash Paid During Period for:
 Interest (net of amount capitalized)
 Income Taxes

STATEMENTS OF CASH FLOWS

For the Nine Months Ended September 30, 1995 and 1994

(UNAUDITED)
(\$ IN THOUSANDS)

(a) LINE	(b) DESCRIPTION	(c) 1995	(d) 1994
1	Net Cash Provided (Used) by Operating Activities	\$ 47,272	\$ 68,859
	Cash Flows from Investing Activities:		
2	Purchase of short-term investment securities	0	0
3	Proceeds from the sale of short-term investment securities	0	0
4	Cash outflows for property and equipment	(9,101)	(9,138)
5	Proceeds from disposition of property and equipment	222	86
6	Purchase of casino reinvestment obligations	(2,638)	(2,401)
7	Purchase of other investments and loan advances made	135	(61,469)
8	Proceeds from disposal of investments and collection of advances and long-term receivables	1,929	1,727
9	Cash outflows to acquire business entities	0	0
10	W/O of Prior Year Construction Project	1,440	0
11	Transfer Cash from sale of Land from Embassy	5,856	0
12	Net Cash Provided (Used) by Investing Activities	(2,157)	(71,195)
	Cash Flows from Financing Activities:		
13	Cash proceeds from issuance of short-term debt		
14	Payments to settle short-term debt		
15	Cash proceeds from issuance of long-term debt	470,650	95,350
16	Costs of issuing debt		
17	Payments to settle long-term debt	(586,000)	(63,052)
18	Cash proceeds from issuing stock or capital contributions		
19	Purchases of treasury stock		
20	Payments of dividends or capital withdrawals	66,940	(29,011)
21			
22			
23	Net Cash Provided (Used) by Financing Activities	(48,410)	3,287
24	Net Increase (Decrease) in Cash and Cash Equivalents	(3,295)	951
25	Cash and Cash Equivalents at Beginning of Period	18,219	11,812
26	Cash and Cash Equivalents at End of Period	\$ 14,924	\$ 12,763
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION			
27	Cash Paid During Period for:		
	Interest (net of amount capitalized)	\$ 22,162	\$ 29,011
28	Income Taxes	\$ 4,415	\$ 2,250

The accompanying notes are an integral part of the financial statements.
Valid comparisons cannot be made without using information contained in the notes.

TRADING NAME OF LICENSEE HARRAH'S CASINO HOTEL, ATLANTIC CITY

STATEMENTS OF CASH FLOWS

For the Nine Months Ended September 30, 1995 and 1994

(UNAUDITED)
(\$ IN THOUSANDS)

(a) LINE	(b) DESCRIPTION	(c) 1995	(d) 1994
	Net Cash Flows From Operating Activities:		
29	Net Income (loss)	\$ 41,553	\$ 23,850
	Noncash items included in income and cash items excluded from income:		
30	Depreciation and amortization of property & equipment	11,959	11,258
31	Amortization of other assets	1,275	1,512
32	Amortization of debt discount or premium	24	138
33	Deferred income taxes - current	0	0
34	Deferred income taxes - noncurrent	0	792
35	Loss (Gain) in disposition of property & equipment	68	(42)
36	(Gain) loss on casino reinvestment obligation	0	0
37	Loss from other investment activities	0	0
38	Net decrease in receivables and patrons checks	181	2,254
39	Net decrease in inventories	207	685
40	Net decrease (increase) in other current assets	1,025	(3,011)
41	Net decrease (increase) in other assets	930	(5,177)
42	Net (decrease) in accounts payables	(1,602)	(359)
43	Net (decrease) increase in other current liabilities excluding debt . . .	(1,029)	4,072
44	Net (decrease) in other noncurrent liabilities excluding debt . . .	(7,582)	(26)
45	Net increase in other receivables or advances	263	32,913
46			
47	Net Cash Provided (Used) by Operating Activities	\$ 47,272	\$ 68,859

SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING AND FINANCIAL ACTIVITIES

	Aquisition of Property and Equipment:		
48	Additions to property and equipment	\$ 9,101	\$ 9,138
49	Less: capital lease obligations incurred	0	0
50	Cash Outflows for Property and Equipment	\$ 9,101	\$ 9,138
	Acquisition of Business Entities:		
51	Property and equipment acquired	\$	\$
52	Goodwill Acquired		
53	Net assets acquired other than cash, goodwill, and property and equipment		
54	Long-term debt assumed		
55	Issuance of stock or capital invested		
56	Cash Outflows To Acquire Business Entities	\$	\$
	Stock Issued or Capital Contributions:		
57	Total issuance of stock or capital contributions	\$	\$
58	Less: issuances to settle long-term debt, and consideration in acquisition of business entities		
59			
60	Cash Proceeds from Issuing Stock or Capital Contributions	\$	\$

The accompanying notes are an integral part of the financial statements.
Valid comparisons cannot be made without using information contained in the notes.

HARRAH'S CASINO HOTEL, ATLANTIC CITY

NOTES TO FINANCIAL STATEMENTS

(DOLLARS IN THOUSANDS)

Note 1: Summary of Significant Accounting Policies

Organization - Marina Associates (the Company), doing business as Harrah's Casino Hotel, Atlantic City, operates as a general partnership. Harrah's Entertainment, Inc., through its subsidiaries, is the sole owner of the Company.

Gaming Revenues - Gaming revenues are the net win from gaming activities and represent the difference between amounts wagered and amounts won by patrons.

Promotional Allowances - Gross revenues include the retail value of complimentary food, beverage, theater and hotel services furnished to patrons. The retail value of these promotional allowances is deducted to arrive at net revenues. The cost of promotional allowances is charged to operations.

Inventories - Inventories of provisions and supplies are valued at the lower of cost, weighted average, or market.

Property and Equipment - Property and Equipment is carried at cost and is depreciated on the straight-line method using rates based on the following estimated useful lives:

Buildings, leaseholds and improvements	40 years
Furniture, fixtures and equipment	3-10 years

The interest associated with borrowings used to finance the construction and expansion of the hotel/casino during the construction period has been capitalized and is being amortized over the estimated useful life of the complex.

When management determines that some element of property and equipment is to be disposed of, its net realizable value is estimated and a write-down is recorded if the estimated net realizable value is less than the net book value.

A valuation allowance is included as a component of accumulated depreciation.

Pre-Opening Expenses - Costs incurred prior to opening and expansion were deferred and charged to operations over a three year period using the straight-line method.

HARRAH'S CASINO HOTEL, ATLANTIC CITY
 NOTES TO FINANCIAL STATEMENTS (CONT.)
HARRAH'S CASINO HOTEL, ATLANTIC CITY
NOTES TO FINANCIAL STATEMENTS (CONT.)
 (DOLLARS IN THOUSANDS)

Income Taxes - The accompanying financial statements do not include a provision for Federal Income Tax purposes by the individual partners.

In accordance with regulations prescribed by the New Jersey Casino Control Act, the Company files a State Income Tax return on behalf of the partners.

Deferred tax assets and liabilities represent for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of a change in existing tax rates is recognized as an increase or decrease to the tax provision in the period that includes the enactment date.

NOTE 2: Property and Equipment

Property and Equipment consists of the following:

	<u>SEPTEMBER 30</u>	
	<u>1995</u>	<u>1994</u>
Land and Land Improvements	\$ 51,139	\$ 31,791
Buildings, Leaseholds and Improvements	249,442	261,891
Furniture, Fixtures and Equipment	84,614	76,731
Construction in Progress	1,764	2,104
Equipment held under Capital Leases	345	345
C-I-P NE Inlet Redevelopment Project	<u>889</u>	<u>4,023</u>
	388,193	376,885
Less Accumulated Depreciation	<u>(136,689)</u>	<u>(120,055)</u>
Property and Equipment, Net	<u>\$ 251,504</u>	<u>\$256,830</u>

The Northeast Inlet Redevelopment Project is an approved CRDA project sponsored by Harrah's. The project includes 130 townhomes, a retail strip center and a mid-rise apartment building. Eighty-seven of the townhomes are sold and the balance are rented. Rental operations began in February 1992 for the townhomes and August of 1992 for the mid-rise building.

HARRAH'S CASINO HOTEL, ATLANTIC CITY
NOTES TO FINANCIAL STATEMENTS (CONT.)
(DOLLARS IN THOUSANDS)

NOTE 3: Long-term debt:

Long-term debt consisted of the following;

	<u>SEPTEMBER 30</u>	
	<u>1995</u>	<u>1994</u>
(A) Revolving Credit and Letter of Credit Facility, 6.675%-8.75% at June 30, 1995, maturing in 1998, with interest payable monthly.	\$280,000	195,350
(b) 9% Notes due February 15, 1995, backed by letter of credit maturing in 1998, with interest payable monthly.	-	200,000
Long Term Debt- Capital Leases	-	22
Discount on 9% Notes	-	(72)
	<u>\$280,000</u>	<u>\$395,278</u>

(a) In July 1993, Promus and certain of its subsidiaries entered into a new secured bank facility which is a \$650 million reducing revolving letter of credit facility (the Facility).

In connection with PHC Spin-off, Harrah's Entertainment Inc. negotiated changes to its reducing revolving and letter of credit facility (the New Facility) which became effective June 30, 1995. Among the modifications was an increase in total capacity from \$650 million to \$750 million, extension of the maturity, and reduced borrowing costs. As of September 30, 1995 the Partnership is the primary obligor on \$280 million of the New Facility.

(b) The Revolver provides for borrowing at either the Eurodollar plus 1 1/2% or the prime rate. In connection with the 9% Notes, annual fees on the Letter of Credit and commitment fees on the unutilized portion under the Revolver were 1 1/4% and 1/4%, respectively.

In 1993, the 9% Notes, were transferred to the Partnership, through a series of intercompany transactions, in exchange for the Promissory Note from Embassy. In connection with this transaction related unamortized deferred financing charges of \$2,882 were transferred to Embassy. These transfers were accounted for as capital distributions and have been applied against Partners' (deficit). The 9% Notes principal amount is \$200,000 and paid interest monthly with the principal retired on February 15, 1995. Associated with the 9% Notes was a \$282,000 discount that was recorded and was being amortized using the effective interest method over the life of the notes.

HARRAH'S CASINO HOTEL, ATLANTIC CITY
NOTES TO FINANCIAL STATEMENTS (CONT)
(DOLLARS IN THOUSANDS)

NOTE 3: Long - term debt (cont.)

The accompanying financial statements reflect interest expense at the effective interest rate of 9.0984% for 1995. In February 1995, the Partnership utilized the Letter of Credit Facility to refinance the 9% Notes.

Interest Rate Agreements:

The Partnership, through Promus entered into a interest protection agreement in the form of a rate collar transaction in June 1990 on \$140 million of the variable bank debt. The interest rate protection agreement expired as of June 30, 1995. The agreement held the interest rate between 7.81% and 11%.

These non-cash transactions have been excluded from the Statement of Cash Flows.

NOTE 4: Prepaid Expenses and Other Current Assets

	<u>SEPTEMBER 30</u>	
	<u>1995</u>	<u>1994</u>
Prepaid Slot Tax	\$ 766	\$ 705
Prepaid Insurance	242	268
Prepaid Air Charters	677	676
Prepaid Marketing	150	262
Prepaid Other	783	3,821
Future Credit against CRDA Obligations	<u>128</u>	<u>56</u>
	<u>\$ 2,746</u>	<u>\$ 5,788</u>

NOTE 5: Investments, Advances and Receivables

	<u>SEPTEMBER 30</u>	
	<u>1995</u>	<u>1994</u>
Notes Receivable	\$ 2,252	\$ 2,286
Investment in CRDA Bonds - Net of Valuation Adj.	2,674	2,525
Reinvestment Obligation Deposits - Net of Val. Adj.	197	49
Due from Affiliates	21,916	106,953
Funds Advanced to Northeast Inlet Redevelopment Project to be Reimbursed by a UDAG Grant	-	743
Interest Receivable	<u>-</u>	<u>128</u>
	<u>\$27,039</u>	<u>\$ 112,684</u>

HARRAH'S CASINO HOTEL, ATLANTIC CITY
NOTES TO FINANCIAL STATEMENTS (CONT.)
(DOLLARS IN THOUSANDS)

Due from Affiliates consists of the following unsecured, non-interest bearing inter-company amounts at September 30, 1995 and 1994.

	<u>SEPTEMBER 30</u>	
	<u>1995</u>	<u>1994</u>
Harrah's Holdings, Inc.	\$ -	\$ 84,747
Harrah's New Jersey, Inc.	18,962	18,962
Harrah's Lake Tahoe	168	123
Embassy Suites, Inc.	1,927	2,230
Harrah's Del Rio	149	149
Harrah's Reno	345	395
Bill's Casino	111	111
Harrah's Vicksburg	23	22
Harrah's Joliet	93	81
Harrah's New Orleans	80	75
Harrah's Tunica	10	10
Harrah's Shreveport	19	19
Harrah's St. Louis	2	2
Harrah's North Kansas City	27	27
Total Due from Affiliates	<u>\$ 21,916</u>	<u>\$ 106,953</u>

NOTE 6: Commitments and Contingencies

Leases - The Company has several operating leases relating to a storage warehouse, parking areas, computer and communication equipment, transportation equipment and shoreline land. These leases have various expiration dates through 1999. Rental expenses for the year ended September 30, 1995 and 1994, were approximately \$2,377 and \$2,476, respectively.

Future minimum lease payments due under these leases are as follows:

<u>Year</u>	<u>Amount</u>
1996	\$ 1,121
1997	503
1998	112
1999	58
2000	-
Thereafter	-
	<u>\$1,794</u>

HARRAH'S CASINO HOTEL, ATLANTIC CITY
NOTES TO FINANCIAL STATEMENTS (CONT.)
(DOLLARS IN THOUSANDS)

The Company has entered into several long-term contracts for entertainment, marketing and laundry. The future commitments follow:

1996	2,704
1997	2,042
1998	2,042
1999	2,042
2000	-
Thereafter	-
	<u>\$ 8,830</u>

NOTE 7: Investment Obligations

Section 144 of the New Jersey Casino Control Act as amended in 1984 requires a casino licensee to make investments in New Jersey or pay an investment alternative tax if it fails to do so. For each of the calendar years 1979 to 1983, a casino licensee whose gross casino revenues exceed its cumulative investment (the "cumulative investment"), must either make investments in an amount equal to 2% of its gross casino revenues or pay an investment alternative tax in the same amount within five years of the applicable calendar year. The cumulative investment of a casino licensee includes the real property and improvement costs associated with its hotel/casino complex.

For the 25 years after 1984, the Partnership must either obtain investment tax credits, as defined, in an amount equivalent to 1.25% of its gross casino revenues or pay an alternative tax on 2.5% of its gross casino revenues. Investment tax credits may be obtained by making qualified direct investments or by the purchase of bonds from the CRDA which pay interest at below market rates. In addition, deposits to the CRDA for the Partnership's obligation must be made quarterly.

Through 1995, the Partnership was required to make deposits with the CRDA of approximately \$51,596 towards its obligations through that date, of which \$50,796 was deposited. The Partnership's obligation for the third quarter of 1995 of approximately \$800 was deposited in October, 1995. The funds on deposit with the CRDA are to be used for subsequent purchases of bonds from the CRDA or for reimbursement of qualified direct investment expenditures as discussed below.

HARRAH'S CASINO HOTEL, ATLANTIC CITY
NOTES TO FINANCIAL STATEMENTS (CONT.)
(DOLLARS IN THOUSANDS)

To satisfy current Atlantic City obligations as well as those projected beyond the year 2000, the Partnership received approval from the CRDA for a qualified direct investment project to construct various townhomes, an apartment building and a retail store outlet in the northeast section of Atlantic City at an estimated cost to the Partnership of approximately \$54,500. As of September 30, 1995, approximately \$54,399 has been expended by the Partnership of which approximately \$4,123 was reimbursed to the Partnership from certain government grants and \$ 18,742 represents a prepayment position of the Partnership's future obligations. The prepaid asset is being amortized over thirteen years.

In addition to the direct investment discussed above the CRDA issued bonds to satisfy 1995 other non-Atlantic City obligations totaling \$115. Also, the CRDA partially redeemed North Jersey Bonds-NEDC Riverfront Corporation Project, Series A, totaling \$50. The CRDA investment bonds are included in investments and totaled \$3,913 and \$3,790 at September 30, 1995 and 1994, respectively.

The CRDA withdrew from funds on deposit totaling \$2,550 to satisfy the Partnership's donation for the Marina District Beautification Project. The project is estimated to be completed by December 31, 1995. The donation is included in deferred charges and other assets and upon completion will be capitalized as land improvements.

As of September 30, 1995, approximately \$300 remains on deposit with the CRDA which is included in deferred charges and other noncurrent assets. The Partnership anticipates that it will utilize these funds to fulfill its non-Atlantic City obligations.

NOTE 8: Other Accrued Expenses

Other Accrued Expenses consists of the following:

	<u>SEPTEMBER 30</u>	
	<u>1995</u>	<u>1994</u>
Accrued Salaries, Wages and Benefits	\$ 11,422	\$ 8,751
Taxes Payable	966	867
Other Accrued Expenses	4,153	4,808
Accrued Progressive Slot Liability	359	333
Accrued CCC/DGE/Casino License Fees	252	236
Accrued Megabucks Handle Fees	227	138
Accrued Interest L-T-D	<u>105</u>	<u>2,504</u>
	<u>\$ 17,484</u>	<u>\$17,637</u>

HARRAH'S CASINO HOTEL ATLANTIC CITY
 NOTES TO FINANCIAL STATEMENTS (CONT.)
 (DOLLARS IN THOUSANDS)

HARRAH'S CASINO HOTEL ATLANTIC CITY
NOTES TO FINANCIAL STATEMENTS (CONT.)
 (DOLLARS IN THOUSANDS)

NOTE 9: Other Liabilities

Other Liabilities consists of the following:

	<u>SEPTEMBER 30</u>	
	<u>1995</u>	<u>1994</u>
Long Term Due to Affiliates	\$ 38,724	\$ 38,163
Other Liabilities - Insurance Loss Reserves	1,398	1,427
Deferred Income - ACIA Grant	615	671
Deferred Income - CRDA Grant	111	121
Deferred Income - NJHMFA Grant	401	438
Deferred Income - DCA Grant	815	890
	<u>\$ 42,064</u>	<u>\$ 41,710</u>

NOTE 9: Other Liabilities (CONT.)

December 1993, the Partnership had an \$800 allowance for incurred but not yet recorded claims (IBNR). The IBNR consists of \$700 for possible insurance claims that have been incurred but not yet reported and \$100 for estimated legal expenses. IBNR also covers any increase that may occur in the amount of the claim over the possible years of litigation. The Partnership is self-insured for various level of general liability and employee medical coverage. Insurance claims and reserves includes the accrual of estimated settlements for known and reported claims.

Due to Affiliates consists of the following unsecured, non-interest bearing inter-company accounts:

	<u>SEPTEMBER 30</u>	
	<u>1995</u>	<u>1994</u>
Harrah's Holdings, Inc,	\$ 603	\$ --
Harrah's Atlantic City, Inc.	37,712	37,722
Harrah's Holiday Inns of N.J., Inc.	293	293
Harrah's Las Vegas	116	148
	<u>\$ 38,724</u>	<u>\$ 38,163</u>

HARRAH'S CASINO HOTEL, ATLANTIC CITY
NOTES TO FINANCIAL STATEMENTS (CONT.)
(DOLLARS IN THOUSANDS)

NOTE 10: Savings and Retirements Plan

An employee Savings and Retirement Plan was established on October 1, 1985. This plan covers all non-union employees who have been employed at least one year with a minimum of one thousand hours worked. The Company will match employee contributions up to 6% of gross pay. A participating employee is vested in Company contributions according to their years of service. The Company's contribution through the nine months ended September 30, 1995 and 1994, was \$2,171 and \$2,119, respectively.

For the Nine Months Ended September 30, 1995

	1995	1994
Travel	\$ 14,108	\$ -
Car	4,748	-
Commuter	-	85,328
Entertainment	-	1,387,238
Other	-	-
Total	\$ 19,856	\$ 1,472,566

For the Three Months Ended September 30, 1994

Promotional Allowances		Promotional Expenses	
Number of Recipients	Dollar Amount	Number of Recipients	Dollar Amount
41,711	\$ 2,833	-	\$ -
591,900	3,805	-	-
718,333	2,157	-	-
-	-	28,717	2,813
-	-	923,482	8,235
44,400	880	-	-
-	-	89,735	447
-	-	12,984	35
Total	\$ 12,117	932,114	\$ 9,080

TRADING NAME OF LICENSEE

HARRAH'S CASINO HOTEL, ATLANTIC CITY

PROMOTIONAL EXPENSES AND ALLOWANCES

(\$ in Thousands)

For the Nine Months Ended September 30, 1995

	Promotional Allowances		Promotional Expenses	
	Number of Recipients	Dollar Amount	Number of Recipients	Dollar Amount
Rooms	100,999	\$ 8,797	-	\$ -
Food	1,489,800	\$ 14,898	-	\$ -
Beverage	1,899,200	\$ 4,748	-	\$ -
Travel	-	\$ -	55,929	\$ 5,537
Coin	-	\$ -	1,337,200	\$ 16,715
Coupon	-	\$ -	-	\$ -
Entertainment	105,000	\$ 2,100	-	\$ -
Retail & Gifts	-	\$ -	211,600	\$ 1,058
Other	-	\$ -	4,000	\$ 68
Total	3,594,999	\$ 30,543	1,608,729	\$ 23,378

For the Three Months Ended September 30, 1995

	Promotional Allowances		Promotional Expenses	
	Number of Recipients	Dollar Amount	Number of Recipients	Dollar Amount
Rooms	41,711	\$ 3,633	-	\$ -
Food	580,900	\$ 5,809	-	\$ -
Beverage	714,800	\$ 1,787	-	\$ -
Travel	-	\$ -	20,717	\$ 2,051
Coin	-	\$ -	523,440	\$ 6,543
Coupon	-	\$ -	-	\$ -
Entertainment	44,400	\$ 888	-	\$ -
Retail & Gifts	-	\$ -	89,400	\$ 447
Other	-	\$ -	2,294	\$ 39
Total	1,381,811	\$ 12,117	635,851	\$ 9,080

7/92

On Behalf of:

CCC-245

Martin Associates
Casino Licensee

CCC-250

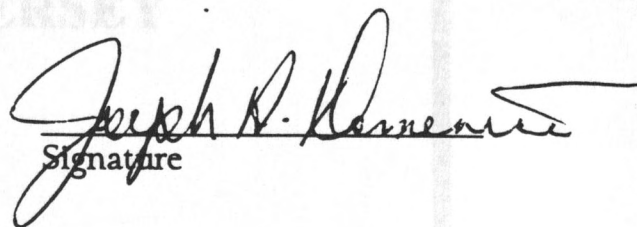
STATEMENTS OF CONFORMITY AND ACCURACY

State of NEW JERSEY :
: ss
County of ATLANTIC :

Joseph A. Domenico, being duly sworn according to law upon my oath

disposes and says:

1. I have examined this Quarterly Report
2. All the information contained in this Report has been prepared in conformity with Casino Control Commission's Quarterly Report Instructions and Uniform Chart of Accounts.
3. The information contained in this Quarterly Report is accurate to the best of my knowledge and belief.
4. To the best of my knowledge and belief, except for the deficiencies noted below, the licensee submitting this Quarterly Report has remained in compliance with the financial stability regulations contained in N.J.A.C. 19:43-4.2(b)1-5 during this quarter.


Signature

V.P. of Finance
Title

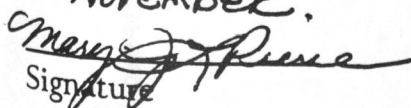
01833-11
License Number

On Behalf of:

Marina Associates
Casino Licensee

CCC-250

Subscribed and sworn to
before me this 10th day
of ~~September~~ 1995
November.


Signature

MARY JOL PIERCE
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Dec. 23, 1996

Basis of Authority
to Take Oaths

TRADING NAME OF LICENSEE: MERV GRIFFIN'S RESORTS CASINO HOTEL
(a wholly owned subsidiary of GRIFFIN GAMING & ENTERTAINMENT, INC.)

LIST OF FORMS - QUARTERLY REPORT

QUARTERLY REPORT

Balance Sheets

FORM NO

CCC-205

Statements of Income (Year to Date)

CCC-210

Statements of Income (Three Months)

CCC-215

LICENSEE RESORTS INTERNATIONAL HOTEL, INC.

ADDRESS 1133 BOARDWALK

ATLANTIC CITY, NEW JERSEY 08401

Statements of Changes in Partners
& Proprietor's Equity

CCC-220

CCC-225

Statements of Cash Flows

CCC-235

Notes to Financial Statements

FOR THE QUARTER ENDED SEPTEMBER 30, 1995

TO THE

CASINO CONTROL COMMISSION

OF THE

STATE OF NEW JERSEY

NAME OF OFFICER IN CHARGE

OF CORRESPONDENCE REGARDING

THIS ANNUAL REPORT..... ANTHONY RODIO

OFFICIAL TITLE..... VICE PRESIDENT FINANCE

ADDRESS..... 1133 BOARDWALK

ATLANTIC CITY, NEW JERSEY 08401

CCC-101

TRADING NAME OF LICENSEE: MERV GRIFFIN'S RESORTS CASINO HOTEL
(a wholly owned subsidiary of GRIFFIN GAMING & ENTERTAINMENT, INC.)

TRADING NAME OF LICENSEE: MERV GRIFFIN'S RESORTS CASINO HOTEL
(a wholly owned subsidiary of GRIFFIN GAMING & ENTERTAINMENT, INC.)

LIST OF FORMS - QUARTERLY REPORT

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 1995

BALANCE SHEETS
(Unaudited)
(In thousands)

TITLE	FORM NO.
Balance Sheets	CCC-205
Statements of Income (Year to Date)	CCC-210
Statements of Income (Three Months)	CCC-215
Statements of Changes in Stockholder's Equity	CCC-220
Statements of Changes in Partners' or Proprietor's Equity	CCC-225
Statements of Cash Flows	CCC-235
Notes to Financial Statements	
Promotional Expenses and Allowances	CCC-245
Statement of Conformity, Accuracy, and Compliance	CCC-249
	CCC-201

The accompanying notes are an integral part of the financial statements. Valid comparisons cannot be made without using information contained in the notes.

TRADING NAME OF LICENSEE: MERV GRIFFIN'S RESORTS CASINO HOTEL
(a wholly owned subsidiary of GRIFFIN GAMING & ENTERTAINMENT, INC.)

BALANCE SHEETS
SEPTEMBER 30, 1995 AND 1994
(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	1995 (c)	1994 (d)
	ASSETS		
	Current Assets:		
1	Cash.....	\$ 14,305	\$ 13,540
2	Marketable securities (Short-term money market at cost).....	22,147	20,985
3	Receivables and patrons' checks (net of allowance for doubtful accounts - 1995, \$3,979; 1994, \$4,029).....	7,093	5,721
4	Inventories.....	2,382	1,444
5	Prepaid expenses and other current assets.....	7,407	9,239
6	Total current assets.....	53,334	50,929
7	Investments, advances, and receivables.....	11,740	10,217
8	Property and equipment - gross.....	217,403	202,594
9	(Accumulated depreciation/amortization).....	(59,142)	(45,795)
10	Other assets.....	739	1,159
11	Total Assets.....	\$ 224,074	\$ 219,104
	LIABILITIES AND STOCKHOLDER'S EQUITY (DEFICIT)		
	Current Liabilities:		
12	Accounts payable.....	\$ 2,131	\$ 1,641
13	Notes payable.....		
	Current portion of long-term debt:		
14	Notes Payable to affiliate.....		
15	Other.....	577	5
16	Income taxes payable.....		
17	Other accrued liabilities.....	20,588	20,310
18	Other current liabilities.....NOTE 3.	7,242	11,266
19	Total current liabilities.....	30,538	33,222
	Long-Term Debt:		
20	Notes Payable to affiliate.....NOTE 2.....	126,392	135,759
21	Other.....NOTE 2.....	1,070	9
22	Deferred credits.....	19,605	19,682
23	Other liabilities.....		
24	Commitments and contingencies.....NOTE 5.....		
25	Total Liabilities.....	177,605	188,672
26	Stockholder's Equity.....	46,469	30,432
27	Total Liabilities and Stockholder's Equity.....	\$ 224,074	\$ 219,104

The accompanying notes are an integral part of the financial statements. Valid comparisons cannot be made without using information contained in the notes.

TRADING NAME OF LICENSEE: MERV GRIFFIN'S RESORTS CASINO HOTEL
(a wholly owned subsidiary of GRIFFIN GAMING & ENTERTAINMENT, INC.)
STATEMENTS OF INCOME
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 1995 AND 1994
(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	1995 (c)	1994 (d)
REVENUE:			
1	Casino.....	\$ 206,976	\$ 188,256
2	Rooms.....	12,352	12,359
3	Food and beverage.....	21,337	21,125
4	Other.....	7,224	8,746
5	Total revenue.....	247,889	230,486
6	Less: promotional allowances.....	22,193	19,433
7	Net revenue.....	225,696	211,053
COSTS AND EXPENSES:			
8	Cost of goods and services.....	132,625	130,059
9	Selling, general, and administrative.....	49,549	45,841
10	Provision for doubtful accounts.....	887	181
11	Total costs and expenses.....	183,061	176,081
12	Gross Operating Profit.....	42,635	34,972
13	Depreciation and amortization.....	10,284	10,037
14	Charges from affiliates other than interest NOTE 4		
14	Management fees.....	7,436	6,846
15	Other.....	513	244
16	Income From Operations.....	24,402	17,845
Other Income (Expenses):			
17	Interest (expense) - affiliates.....	(13,545)	(7,826)
18	Interest (expense) - external.....	(78)	(7)
19	Investment alternative tax and related expense, net of amortization..... NOTE 5.....	(1,175)	(1,098)
20	Nonoperating income - net.....	1,729	2,214
21	Total other income.....	(13,069)	(6,717)
22	Income Before Income Taxes And Extraordinary Items.....	11,333	11,128
23	Provision for income taxes.....		
24	Income Before Extraordinary Items.....	11,333	11,128
25	Extraordinary items (net of income taxes - 1995, \$0 ; 1994, \$0).....		
26	Net Income.....	\$ 11,333	\$ 11,128

The accompanying notes are an integral part of the financial statements. Valid comparisons cannot be made without using information contained in the notes.

TRADING NAME OF LICENSEE: MERV GRIFFIN'S RESORTS CASINO HOTEL
(a wholly owned subsidiary of GRIFFIN GAMING & ENTERTAINMENT, INC.)
STATEMENTS OF INCOME
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 1995 AND 1994
(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	1995 (c)	1994 (d)
REVENUE:			
1	Casino.....	\$ 76,276	\$ 69,567
2	Rooms.....	5,538	5,409
3	Food and beverage.....	8,120	7,850
4	Other.....	1,367	3,242
5	Total revenue.....	91,301	86,068
6	Less: promotional allowances.....	9,555	7,583
7	Net revenue.....	81,746	78,485
COSTS AND EXPENSES:			
8	Cost of goods and services.....	42,261	45,535
9	Selling, general, and administrative.....	19,169	15,165
10	Provision for doubtful accounts.....	387	
11	Total costs and expenses.....	61,817	60,700
12	Gross Operating Profit.....	19,929	17,785
13	Depreciation and amortization.....	3,340	3,295
14	Charges from affiliates other than interest		NOTE 4
14	Management fees.....	2,790	2,558
15	Other.....	325	82
16	Income From Operations.....	13,474	11,850
Other Income (Expenses):			
17	Interest (expense) - affiliates.....	(4,474)	(4,762)
18	Interest (expense) - external.....	(48)	
19	Investment alternative tax and related expense, net of amortization..... NOTE 5.....	(521)	(404)
20	Nonoperating income - net.....	568	442
21	Total other income.....	(4,475)	(4,724)
22	Income Before Income Taxes And Extraordinary Items.....	8,999	7,126
23	Provision for income taxes.....		
24	Income Before Extraordinary Items.....	8,999	7,126
25	Extraordinary items (net of income taxes - 1995, \$0 ; 1994, \$0).....		
26	Net Income.....	\$ 8,999	\$ 7,126

The accompanying notes are an integral part of the financial statements. Valid comparisons cannot be made without using information contained in the notes.

TRADING NAME OF LICENSEE: MERV GRIFFIN'S RESORTS CASINO HOTEL
(a wholly owned subsidiary of GRIFFIN GAMING & ENTERTAINMENT, INC.)
STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY

FOR THE TWELVE MONTHS ENDED DECEMBER 31, 1994 AND NINE MONTHS ENDED SEPTEMBER 30, 1995

(UNAUDITED)
(\$ IN THOUSANDS)

Line (a)	Description (b)	Common Stock		Preferred Stock		Additional Paid-in Capital (Excess liabilities over assets at Aug 1990 Reorg) (g)	(h)	Retained Earnings (Accumulated) Deficit (i)	Total Stockholders' Equity (j)
		Shares (c)	Amount (d)	Shares (e)	Amount (f)				
1	Balance, December 31, 1993.....	100	\$		\$	\$ (198,829)	\$	\$ 50,834	\$ (147,995)
2	Net Income (Loss)-1994.....							15,832	15,832
3	Contribution to Paid-in-Capital.....								
4	Dividends.....								
5	Prior Period Adjustments.....								
6	Distribution of promissory notes to RII. Exchange of interco notes for commo stock.....	999,900	1,000			(38,168)		(53,896)	(92,064)
7						324,000			325,000
8	Distribution to GGRI of note receivable					(53,375)			(53,375)
9	Distribution of cash to GGRI.....					(12,262)			(12,262)
10	Balance, December 31, 1994.....	1,000,000	1,000			21,366		12,770	35,136
11	Net Income (Loss)-1995.....							11,333	11,333
12	Contribution to Paid-in-Capital.....								
13	Dividends.....								
14	Prior Period Adjustments.....								
15	.....							
16	.....							
17	.....							
18	.....							
19	Balance, September 30, 1995.....	1,000,000	\$ 1,000		\$	\$ 21,366	\$ 0	\$ 24,103	\$ 46,469

The accompanying notes are an integral part of the financial statements.
Valid comparisons cannot be made without using information contained in the notes.

TRADING NAME OF LICENSEE: MERV GRIFFIN'S RESORTS CASINO HOTEL
(a wholly owned subsidiary of GRIFFIN GAMING & ENTERTAINMENT, INC.)

STATEMENT OF CHANGES IN PARTNERS'
OR PROPRIETOR'S EQUITY

FOR THE TWELVE MONTHS ENDED DECEMBER 31, 1994
AND THE NINE MONTHS ENDED SEPTEMBER 30, 1995

(UNAUDITED)
(\$ IN THOUSANDS)

NOT APPLICABLE

Line (a)	Description (b)	Contributed Capital (c)	Accumulated Earnings (Deficit) (d)	_____	Total Equity (Deficit) (f)
				(e)	
1	Balance, December 31, 1993.....	\$	\$	\$	\$
2	Net Income (Loss)-1994.....				
3	Capital Contribution.....				
4	Capital Withdrawals.....				
5	Prior Period Adjustments.....				
6	_____				
7	_____				
8	_____				
9	_____				
10	Balance, December 31, 1994.....				
11	Net Income (Loss)-1995.....				
12	Capital Contribution.....				
13	Capital Withdrawals.....				
14	Prior Period Adjustments.....				
15	_____				
16	_____				
17	_____				
18	_____				
19	Balance, September 30, 1995.....	\$	\$	\$	\$

The accompanying notes are an integral part of the financial statements.
Valid comparisons cannot be made without using information contained in the notes.

TRADING NAME OF LICENSEE: MERV GRIFFIN'S RESORTS CASINO HOTEL
(a wholly owned subsidiary of GRIFFIN GAMING & ENTERTAINMENT, INC.)
STATEMENTS OF CASH FLOWS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 1995 AND 1994
 (UNAUDITED)
 (\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	1995 (c)	1994 (d)
1	Net Cash Provided by Operating Activities.....	\$ 23,761	\$ 21,139
	Cash Flows From Investing Activities:		
2	Purchase of short-term investment securities.....		
3	Proceeds from the sale of short-term investments securities....		
4	Cash outflows for property and equipment.....	(10,809)	(3,885)
5	Proceeds from disposition of property and equipment.....	1	116
6	Purchase of casino reinvestment obligations.....	(2,234)	(2,175)
7	Purchase of other investments and loans/advances made.....		
8	Proceeds from disposal of investments and collections..... of advances and long-term receivables.....		
9	Cash outflows to acquire business entities.....		
10	Investment in Subsidiary		
11			
12	Net Cash Used By Investing Activities.....	(13,042)	(5,944)
	Cash Flows From Financing Activities:		
13	Cash proceeds from issuance of short-term debt.....		
14	Payments to settle short-term debt.....	(181)	(73)
15	Cash proceeds from issuance of long-term debt.....	1,815	
16	Costs of issuing debt.....		
17	Payments to settle long-term debt purchase of units.....		
18	Cash proceeds from issuing stock or capital contributions.....		
19	Purchases of treasury stock.....		
20	Payments of dividends or capital withdrawals.....		(12,262)
21	Payments for recapitalization cost.....		(975)
22	Advances from (repayment to) parent company and affiliates	(2,777)	6,693
23	Net Cash Used By Financing Activities.....	(1,143)	(6,617)
24	Net Decrease in Cash And Cash Equivalents.....	9,576	8,578
25	Cash And Cash Equivalents At Beginning Of Period.....	26,876	25,947
26	Cash And Cash Equivalents At End Of Period.....	\$ 36,452	\$ 34,525

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

27	Cash Paid During Year For:		
27	Interest (net of amount capitalized).....	\$ 15,288	\$ 5,164
28	Income taxes.....	\$	\$

The accompanying notes are an integral part of the
 financial statements. Valid comparisons cannot be made
 without using information contained in the notes.

TRADING NAME OF LICENSEE: MERV GRIFFIN'S RESORTS CASINO HOTEL
(a wholly owned subsidiary of GRIFFIN GAMING & ENTERTAINMENT, INC.)
STATEMENTS OF CASH FLOWS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 1995 AND 1994
(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	1995 (c)	1994 (d)
	Net Cash Provided by Operating Activities		
29	Net income.....	\$ 11,333	\$ 11,128
	Noncash items included in income and cash items excluded from income:		
30	Depreciation and amortization for property and equipment.....	10,284	10,037
31	Amortization of other assets.....		
32	Amortization of debt discount or premium.....	1,083	459
33	Deferred income taxes - current.....		
34	Deferred income taxes - noncurrent.....		
35	Loss on disposition of property and equipment.....	17	
36	Loss on casino reinvestment obligations, net of amortization....	1,175	1,098
37	(Gain) loss from other investment activities.....		
38	Net (increase) decrease in receivables and patrons' checks.....	(1,114)	(2,857)
39	Net (increase) decrease in inventories.....	(589)	310
40	Net decrease in other current assets.....	1,159	(3,597)
41	Net (increase) decrease in other assets.....	525	1,139
42	Net increase (decrease) in accounts payable.....	1,095	(186)
43	Net increase (decrease) in other current liabilities excluding debt.....	(1,149)	2,688
44	Net increase (decrease) in other noncurrent liabilities excluding debt.....	(58)	(55)
45	Recapitalization costs.....		975
46	Write-off of Goodwill.....		
47	Net Cash Provided By Operating Activities.....	\$ 23,761	\$ 21,139

SUPPLEMENTAL DISCLOSURE OF NONCASH INVESTING AND FINANCING ACTIVITIES

	Acquisition Of Property And Equipment:		
48	Additions to property and equipment.....	\$ (10,809)	\$ (3,885)
49	Less: Capital lease obligations incurred.....		
50	Cash Outflow For Property And Equipment.....	\$ (10,809)	\$ (3,885)
	Acquisition Of Business Entities:		
51	Property and equipment acquired.....	\$	\$
52	Goodwill acquired.....		
53	Net assets acquired other than cash, goodwill, and property and equipment.....		
54	Long-term debt assumed.....		
55	Issuance of stock or capital invested.....		
56	Cash Outflow To Acquire Business Entities.....	\$	\$
	Stock Issued Or Capital Contributions:		
57	Total issuances of stock or capital contributions.....	\$	\$ 325,000
58	Less: Issuance to settle long-term debt.....		(325,000)
59	Consideration in acquisition of business entities.....		
60	Cash Proceeds From Issuing Stock Or Capital Contributions.	\$	\$ 0

MERV GRIFFIN'S RESORTS CASINO HOTEL

(an indirect wholly owned subsidiary of GRIFFIN GAMING & ENTERTAINMENT, INC.)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS **FOR THE NINE MONTHS ENDED SEPTEMBER 30, 1995 and 1994**

NOTE 1 - GENERAL

Resorts International Hotel, Inc. ("RIH") owns and operates Merv Griffin's Resorts Casino Hotel ("Resorts Casino Hotel"), a casino/hotel complex located in Atlantic City, New Jersey. Prior to May 3, 1994, RIH was a direct, wholly owned subsidiary of Griffin Gaming & Entertainment, Inc. ("GGE"). GGE was known as Resorts International, Inc. until its name change, which was effective June 30, 1995. "GGE" is used herein to refer to RIH's ultimate parent corporation both before and after its name change. As part of a restructuring (the "Restructuring") of certain publicly held debt securities of GGE (the "Series Notes") which was effective on May 3, 1994 (the "Effective Date"), RIH became a wholly owned subsidiary of GGRI, Inc. ("GGRI"), which is a wholly owned subsidiary of GGE.

The notes presented herein are intended to provide supplemental disclosure of items of significance occurring subsequent to December 31, 1994 and should be read in conjunction with the Notes to Consolidated Financial Statements contained in RIH's Quarterly Report for the year ended December 31, 1994 to the Casino Control Commission.

NOTE 2 - LONG-TERM DEBT AND SENIOR FACILITY

Notes Payable to Affiliate

GGE and GGRI, GGE's subsidiary which guaranteed the Series Notes, proposed the Restructuring of the Series Notes which was accomplished through a prepackaged bankruptcy plan of reorganization (the "Plan"). On March 21, 1994, after receiving the requisite acceptances for confirmation of the Plan from holders of the Series Notes and equity interests in GGE, GGE and GGRI filed their prepackaged bankruptcy cases with the United States Bankruptcy Court for the District of Delaware (the "Bankruptcy Court"). The Plan was confirmed by the Bankruptcy Court on April 22, 1994 and on the Effective Date all conditions to the effectiveness of the Plan were either met or waived and the Plan became effective.

Pursuant to the Plan, the Series Notes were exchanged for, among other things, \$125,000,000 principal amount of 11% Mortgage Notes (the "Mortgage Notes") due September 15, 2003 and \$35,000,000 principal amount of 11.375% Junior Mortgage Notes (the "Junior Mortgage Notes") due December 15, 2004. Hereinafter the Mortgage Notes and the Junior Mortgage Notes, collectively, are referred to as the "New Debt Securities." The New Debt Securities were issued by Resorts International

Hotel Financing, Inc. ("RIHF"), a subsidiary of GGE, and are guaranteed by RIH. The accrual of interest and amortization of discounts on the New Debt Securities commenced on May 3, 1994. Also pursuant to the Plan, RIHF, RIH and GGE entered into the senior note purchase agreement (the "Senior Facility") described below.

The Mortgage Notes are secured by a \$125,000,000 promissory note made by RIH (the "RIH Promissory Note"), the terms of which mirror the terms of the Mortgage Notes. The RIH Promissory Note and RIH's guaranty of the Mortgage Notes are secured by liens on the Resorts Casino Hotel, consisting of RIH's fee and leasehold interests in the Resorts Casino Hotel, the contiguous parking garage and property, all additions and improvements thereto, and related personal property. The liens securing the Mortgage Notes will be subordinated to the lien securing the Senior Facility Notes (described below), if the Senior Facility Notes are issued.

The Junior Mortgage Notes are secured by a \$35,000,000 promissory note made by RIH (the "RIH Junior Promissory Note"), the terms of which mirror the terms of the Junior Mortgage Notes. In certain circumstances, interest payable on the Junior Mortgage Notes may be satisfied by the issuance of additional Junior Mortgage Notes, in which case the balance of the RIH Junior Promissory Note would increase accordingly. The RIH Junior Promissory Note and RIH's guaranty of the Junior Mortgage Notes are also secured by liens on the Resorts Casino Hotel property as described above. The liens securing the Junior Mortgage Notes will be subordinated to the lien securing the Senior Facility Notes, if the Senior Facility Notes are issued, and are subordinated to the liens securing the Mortgage Notes.

The indentures pursuant to which the Mortgage Notes and the Junior Mortgage Notes were issued (collectively, the "Indentures") prohibit RIH and its subsidiaries from paying dividends, from making other distributions in respect of their capital stock, and from purchasing or redeeming their capital stock, with certain exceptions, unless certain interest coverage ratios are attained. The Indentures also contain certain other restrictive covenants on the part of RIH and its subsidiaries, including (i) limitations on incurring additional indebtedness, with certain exceptions; (ii) restrictions on making loans to an affiliate or other person other than (x) intercompany advances to GGE not in excess of \$1,000,000 in the aggregate at any time outstanding and (y) loans to GGE from the proceeds of the Senior Facility (or similar working capital facility), provided, however, that RIH can make certain loans or engage in certain credit transactions in the operation of Resorts Casino Hotel, if such loans or credit transactions are in the ordinary course of business of operating a casino/hotel; and (iii) restrictions from entering into certain transactions with affiliates on terms less favorable to RIH or its subsidiaries than an arm's length transaction. In this regard, the Indentures specifically permit affiliated transactions in connection with the Senior Facility, the Griffin Services Agreement described in Note 4, the parent services agreement with GGE which provides for payment of the three percent services fee described in Note 4, and a tax sharing agreement with GGE which limits RIH's tax payments to GGE to reimbursements of cash payments made by GGE for income or alternative minimum taxes arising from the earnings or operations of RIH.

Senior Facility RELATED PARTY TRANSACTIONS

The Senior Facility among RIHF, GGE and RIH and certain funds and accounts advised or managed by Fidelity Management & Research Company ("Fidelity") is available for a single borrowing of up to \$19,738,000 during the period ending May 2, 1996, through the issuance of notes (the "Senior Facility Notes"). If issued, the Senior Facility Notes will bear interest at 11.75% and will be due in 2002. The Senior Facility Notes will be senior obligations of RIHF secured by a promissory note from RIH in an aggregate principal amount of up to \$19,738,000 payable in amounts and at times necessary to pay the principal of and interest on the Senior Facility Notes. The Senior Facility Notes will be guaranteed by RIH and secured by a lien on the Resorts Casino Hotel property as described above. The Senior Facility Notes will also be secured by a pledge by GGRI of all issued and outstanding shares of RIH common stock. In addition, the Senior Facility Notes will be guaranteed by GGE, which guaranty will be secured by a pledge of all the issued and outstanding stock of GGRI and RIHF. Market interest rates and other economic conditions, among other factors, will determine if it is appropriate for RIHF to draw on the Senior Facility.

Other Long-Term Debt

On May 10, 1995 RIH borrowed \$1,815,000 to finance the purchase of new slot machines and related equipment. The loan is collateralized by a lien on all such equipment. The note bears interest at 9.2% per annum and requires monthly payments over a three year term.

NOTE 3 - OTHER CURRENT LIABILITIES

Components of other current liabilities at September 30 were as follows:

(In Thousands of Dollars)	1995	1994
Intercompany Payable to GGE	\$ 1,634	\$ 6,316
Affiliate Interest Payable	1,365	2,210
CRDA Bond Obligation	952	869
Other	<u>3,291</u>	<u>1,871</u>
	<u>\$ 7,242</u>	<u>\$ 11,266</u>

NOTE 4 - RELATED PARTY TRANSACTIONS

RIH recorded the following income and expenses for the nine months ended September 30, from GGE and other affiliates:

<u>(In Thousands of Dollars)</u>		<u>1995</u>	<u>1994</u>
<u>AFFILIATED COMPANY</u>	<u>TRANSACTION</u>		
Income - Resorts International (Bahamas) 1984 Limited	Interest	<u>\$</u>	<u>\$ 2,250</u>
Expenses:			
Griffin Gaming & Entertainment, Inc.	Parent services	\$ 7,436	\$ 6,846
	Property rental	513	244
Resorts International Hotel Financing, Inc.	Interest and amortization of discounts on affiliated notes	<u>13,545</u>	<u>7,826</u>
		<u>\$ 21,494</u>	<u>\$ 14,916</u>

GGE charges RIH the parent services fee of three percent of gross revenues for administrative and other services.

In addition to the above, charges for insurance costs are allocated to RIH based on relative amounts of operating revenue, payroll, property value, or other appropriate measures. Also, recapitalization costs of \$975,000 reflected in nonoperating income - net represent RIH's allocated portion of GGE's consolidated recapitalization costs.

License and Services Agreement

In April 1993, GGE, RIH and The Griffin Group, Inc. (the "Griffin Group"), a corporation controlled by Merv Griffin, Chairman of the Board of GGE, entered into a license and services agreement (the "Griffin Services Agreement") effective as of September 17, 1992, upon the expiration of the previous license and services agreement. Pursuant to the Griffin Services Agreement, Griffin Group granted GGE and RIH a non-exclusive license to use the name and likeness of Merv Griffin to advertise and promote the facilities and operations of GGE and its subsidiaries. Also pursuant to the Griffin Services Agreement, Mr. Griffin is to provide certain services to GGE and RIH, including serving as Chairman of the Board of GGE and as a host, producer and featured performer in various shows to be presented in Resorts Casino Hotel, and furnishing marketing and consulting services.

The Griffin Services Agreement is to continue until September 17, 1997 and provides for earlier termination under certain circumstances including, among others, a change of control (as defined) of GGE and RIH and Mr. Griffin ceasing to serve as Chairman of the Board of GGE.

The Griffin Services Agreement provides for compensation to Griffin Group in the amount of \$2,000,000 for the year ended September 16, 1993, and in specified amounts for each of the following years, which increase at approximately 5% per year. In accordance with the Griffin Services Agreement, upon signing RIH paid Griffin Group \$4,100,000, representing compensation for the first two years. Thereafter, the Griffin Services Agreement calls for annual payments on September 17, each representing a prepayment for the year ending two years hence. In the event of an early termination of the Griffin Services Agreement, and depending on the circumstances of such early termination, all or a portion of the compensation paid to Griffin Group in respect of the period subsequent to the date of termination may be required to be repaid to GGE and RIH.

In the Griffin Services Agreement GGE and RIH agreed to indemnify, defend and hold harmless Griffin Group and Mr. Griffin against certain claims, losses and costs, and to maintain certain insurance coverage with Mr. Griffin and Griffin Group as named insureds.

As part of the Restructuring, the payment due Griffin Group on September 17, 1994 was settled by applying \$2,310,000 as a reduction of the balance of a note payable to GGE by Griffin Group. On August 1, 1994, following review and approval by the independent members of GGE's Board of Directors, GGE agreed to issue 1,940,000 shares of common stock of GGE to an affiliate of Griffin Group in satisfaction of the final payment obligation of RIH and GGE under the Griffin Services Agreement. This payment of \$2,425,000 would have been due on September 17, 1995. The closing price of GGE's common stock on the date of the agreement was \$1.0625 per share. The shares are not registered under the Securities Act of 1933 and are restricted securities.

NOTE 5 - COMMITMENTS AND CONTINGENCIES

CRDA

The Casino Control Act, as originally adopted, required a licensee to make investments equal to 2% of the licensee's gross revenue (as defined under the Casino Control Act) (the "investment obligation") for each calendar year, commencing in 1979, in which such gross revenue exceeded its "cumulative investments" (as defined in the Casino Control Act). A licensee had five years from the end of each calendar year to satisfy this investment obligation or become liable for an "alternative tax" in the same amount. In 1984, the New Jersey legislature amended the Casino Control Act so that these provisions now apply only to investment obligations for the years 1979 through 1983.

Effective for 1984 and subsequent years, the amended Casino Control Act requires a licensee to satisfy its investment obligation by purchasing bonds to be issued by the CRDA, or by making other investments authorized by the CRDA, in an amount equal to 1.25% of a licensee's gross revenue. If the investment obligation is not satisfied, then the licensee will be subject to an investment alternative tax of 2.5% of net casino win. Since 1985, a licensee has been required to make quarterly deposits with the CRDA against its current year investment obligation.

An analysis of RIH's investment obligations under the Casino Control Act and RIH's means of settlement since 1979 follows:

(In Thousands of Dollars)	1979-1983	1984-1995	TOTAL
Investment obligations	\$ (21,637)	\$ (34,748)	\$ (56,385)
Means of settlement:			
Housing related investments under audit	13,104		13,104
Housing related investments previously approved	1,000		1,000
CRDA deposits/bond purchases	<u>7,533</u>	<u>33,796</u>	<u>41,329</u>
Remaining investment obligation at September 30, 1995, which was deposited in October 1995	<u>\$ 0</u>	<u>\$ (952)</u>	<u>\$ (952)</u>

With regard to the housing related investments under audit, in January 1988, the CRDA notified RIH of its interpretation as to the periods of time during which expenditures could be made to satisfy investment obligations. This interpretation differs from RIH's and if found to be correct would decrease the amount of RIH's qualifying expenditures by approximately \$5,000,000 to \$6,000,000. RIH believes that its interpretation is correct and intends to contest this issue.

RIH also received a letter dated November 9, 1989, from the State of New Jersey Department of the Treasury (the "Treasury") stating that the housing related investments made by RIH were not sufficient to meet its investment obligation for the years 1979 through 1983. The letter also stated that alternative tax in the amount of \$21,637,000 was due for those years, in addition to penalties and interest thereon which amounted to \$12,514,000 as of the date of the letter. As set forth in the table above, RIH believes that \$8,533,000 of such obligations have been settled; \$7,533,000 in cash and \$1,000,000 by previously approved housing related

investments. Also, RIH has received audit reports issued by an agency acting on behalf of the Treasury identifying \$10,165,000 of project development costs available for investment credit towards the investment obligation. This leaves a total of \$2,939,000 of housing related investments under audit in question. RIH has notified the Treasury that it takes exception to the Treasury's computation of amounts due. Further, RIH believes that the \$2,939,000 of housing related investments in question will be found, under further audit, to have been satisfied.

These matters have been dormant for some time. RIH was verbally contacted by the Treasury in late 1993 regarding the Treasury's proposal for a resolution of these matters, but has had no communication since then. If the CRDA's interpretation as to the periods of time during which qualifying expenditures can be made is found to be correct, or if the Treasury's issue is determined adversely, RIH could be required to pay the relevant amount in cash to the CRDA. In the opinion of management, based upon advice of counsel, the aggregate liability, if any, arising from these issues will not have a material adverse effect on the accompanying financial statements.

As reflected in the table above, through September 30, 1995, RIH had made CRDA deposits/bond purchases totaling \$41,329,000. However, in August 1989 RIH donated \$12,048,000 to the CRDA in exchange for which RIH was relieved of its obligation to purchase CRDA bonds of \$18,193,000. Because RIH already had the \$18,193,000 for bond purchases on deposit with the CRDA, the difference between this amount and the amount of the donation, or \$6,145,000, was refunded to RIH in August 1989. Also, in April 1995 RIH donated \$250,000 of its funds on deposit to the CRDA. In exchange for this, RIH was relieved of its obligation to purchase CRDA bonds with these funds and RIH also received a credit of \$127,000 towards its first quarter 1995 obligation. In 1995 39,000 in CRDA Bonds were redeemed. Thus, at September 30, 1995 RIH had a remaining balance of \$5,438,000 face value of bonds issued by the CRDA and had \$17,409,000 on deposit with the CRDA. These bonds and deposits, net of an estimated discount charged to expense to reflect the below-market interest rate payable on the bonds, are included in investments, advances, and receivables in RIH's Consolidated Balance Sheets.

RIH records charges to expense to reflect the below-market interest rate payable on the bonds it may have to purchase to fulfill its investment obligation at the date the obligation arises. The charges for nine months ended September 30, 1995 and 1994 for discounts on obligations arising in those years were \$1,179,000 and \$1,102,000, respectively.

Litigation

RIH is a defendant in certain litigation. In the opinion of management, based upon the advice of counsel, the aggregate liability, if any, arising from such litigation will not have a material adverse effect on the accompanying consolidated financial statements.

STATEMENT OF CONFORMITY AND ACCURACY

TRADING NAME OF LICENSEE: MERV GRIFFIN'S RESORTS CASINO HOTEL
(a wholly owned subsidiary of GRIFFIN GAMING & ENTERTAINMENT, INC.)

SCHEDULE OF PROMOTIONAL
EXPENSES AND ALLOWANCES

(\$ IN THOUSANDS)

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 1995

Line (a)	(b)	Promotional Allowances		Promotional Expenses	
		Number of Recipients (c)	Dollar Amount (d)	Number of Recipients (e)	Dollar Amount (f)
1	Rooms	102,466	\$ 7,173		\$
2	Food	913,352	9,134		
3	Beverage	613,774	2,455		
4	Travel			42,015	4,202
5	Coin			2,374,396	23,744
6	Coupon				
7	Entertainment	244,355	2,932		
8	Retail & Gifts	1,854	93		
9	Parking				
10	Other	81,374	406	60,199	1,504
11					
12	Total	1,957,175	\$ 22,193	2,476,610	\$ 29,450

FOR THE THREE MONTHS ENDED SEPTEMBER 30, 1995

Line (a)	(b)	Promotional Allowances		Promotional Expenses	
		Number of Recipients (c)	Dollar Amount (d)	Number of Recipients (e)	Dollar Amount (f)
1	Rooms	48,929	\$ 3,425		\$
2	Food	343,408	3,435		
3	Beverage	222,460	890		
4	Travel			15,497	1,550
5	Coin			1,452,882	8,010
6	Coupon				
7	Entertainment	123,156	1,478		
8	Retail & Gifts	564	28		
9	Parking				
10	Other	59,285	299	19,867	496
11					
12	Total	797,802	\$ 9,555	1,488,246	\$ 10,056

STATEMENT OF CONFORMITY AND ACCURACY

QUARTERLY REPORT

STATE OF NEW JERSEY

:

:ss.

COUNTY OF ATLANTIC

:

Admiral of New Jersey, Inc.
LICENSEE (The State of New Jersey) Entertainment Report

ANTHONY RODIO, being duly sworn according to law
Name

upon my oath deposes and says:

1. I have examined this Quarterly Report.
2. All the information contained in this Report has been prepared in conformity with Casino Control Commission's Quarterly Report Instructions and Uniform Chart of Accounts.
3. The information contained in this Quarterly Report is accurate to the best of my knowledge and belief.


Signature

VICE PRESIDENT FINANCE

Title

002895-11

License Number

Subscribed and sworn to
before me this 14th day
of November, 1995.

On Behalf Of:


Signature

MERV GRIFFIN'S RESORTS CASINO HOTEL

MARGARET M. KANICH
NOTARY PUBLIC OF NEW JERSEY

My Commission Expires March 29, 2000

Basis of Authority to Take Oaths

QUARTERLY REPORT

NAME OF LICENSEE: Adamar of New Jersey, Inc.

LIST OF FORMS - QUARTERLY REPORT

FOR THE QUARTER ENDED September 30, 1995

LICENSEE dba TropWorld Casino & Entertainment Resort

TITLE

FORM NO.

Balance Sheets

COC-205

Statements of Income (Year-to-Date)

COC-210

Statements of Income (Three Months)

COC-215

FOR THE QUARTER ENDED September 30, **19**95

Statements of Cash Flows

COC-220

Statement of Promotional Expenses and Allowances

COC-245

Notes to Financial Statements

Statement of Conformity, Accuracy and Compliance

TO THE

COC-249

CASINO CONTROL COMMISSION

OF THE

STATE OF NEW JERSEY



COC-201

BALANCE SHEETS

AS OF SEPTEMBER 30, 1995 AND 1994

TRADING NAME OF LICENSEE: TROPWORLD CASINO & ENTERTAINMENT RESORT

LIST OF FORMS - QUARTERLY REPORT

FOR THE QUARTER ENDED SEPTEMBER 30, 1995

ASSETS

	<u>TITLE</u>	<u>FORM NO.</u>
Balance Sheets	\$4,043,1894, \$4,965	CCC-205
Statements of Income (Year-to-Date)		CCC-210
Statements of Income (Three Months)		CCC-215
Statements of Changes in Stockholder's Equity		CCC-220
Statements of Cash Flows	(Note 2)	CCC-235
Schedule of Promotional Expenses and Allowances		CCC-245
Notes to Financial Statements		
Statement of Conformity, Accuracy, and Compliance		CCC-249

LIABILITIES AND EQUITY

Accounts Payable		
Accounts Payable		
Portion of Long-Term Debt		
Due to Affiliates		
Taxes Payable and Accrued	(Note 3)	
Accrued Expenses		
Current Liabilities	(Note 4)	
Current Liabilities		
Term Debt:		
Due to Affiliates	(Note 3, 5)	
Due to Affiliates	(Note 3)	
Accrued Credits		
Liabilities	(Note 5)	
Contingencies and Contingencies		
Contingencies		
Owner's, Partners', Or Proprietor's Equity		CCC-201
Liabilities and Equity		

8/95

The accompanying notes are an integral part of the financial statements.
Valid comparisons cannot be made without using information contained in the notes.

BALANCE SHEETS

AS OF SEPTEMBER 30, 1995 AND 1994

(UNAUDITED)
(\$ in Thousands)

LINE (a)	DESCRIPTION (b)	1995 (c)	1994 (d)
ASSETS			
Current Assets:			
1	Cash and Cash Equivalents.....	\$14,903	\$11,860
2	Short-Term Investments.....	0	0
3	Receivables and Patrons' Checks (Net of Allowance for Doubtful Accounts - 1995, \$4,043; 1994, \$4,995).....	11,941	8,958
4	Inventories.....	2,573	2,468
5	Prepaid Expenses and Other Current Assets.....	9,429	9,261
6	Total Current Assets.....	38,846	32,547
7	Investments, Advances, and Receivables..... (Note 4, 5).....	112,825	70,391
8	Property and Equipment - Gross..... (Note 2).....	621,158	598,674
9	Less: Accumulated Depreciation and Amortization (Note 2).....	(108,550)	(90,707)
10	Other Assets.....	35,651	31,407
11	Total Assets.....	\$699,930	\$642,312
LIABILITIES AND EQUITY			
Current Liabilities:			
12	Accounts Payable.....	\$3,156	\$2,735
13	Notes Payable.....	0	0
Current Portion of Long-Term Debt:			
14	Due to Affiliates.....	0	0
15	Other..... (Note 3).....	30	16
16	Income Taxes Payable and Accrued.....	0	0
17	Other Accrued Expenses.....	17,639	15,023
18	Other Current Liabilities..... (Note 4).....	2,971	2,490
19	Total Current Liabilities.....	23,796	20,264
Long-Term Debt:			
20	Due to Affiliates..... (Note 3, 5).....	208,041	423,041
21	Other..... (Note 3).....	75,057	51
22	Deferred Credits.....	0	0
23	Other Liabilities..... (Note 5).....	21,845	39,665
24	Commitments and Contingencies.....	0	0
25	Total Liabilities.....	328,739	483,021
26	Stockholder's, Partners', Or Proprietor's Equity.....	371,191	159,291
27	Total Liabilities and Equity.....	\$699,930	\$642,312

The accompanying notes are an integral part of the financial statements.

Valid comparisons cannot be made without using information contained in the notes.

STATEMENTS OF INCOME

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 1995 AND 1994

LINE (a)	DESCRIPTION (b)	(UNAUDITED) (\$ in Thousands) 1995 (c)	Restated 10/19/95 1994 (d)
	Revenue:		
1	Casino.....	\$236,906	\$223,460
2	Rooms.....	17,552	16,619
3	Food and Beverage.....	28,187	25,627
4	Other.....	9,281	9,668
5	Total Revenue.....	291,926	275,374
6	Less: Promotional Allowances.....	34,664	32,302
7	Net Revenue.....	257,262	243,072
	Costs and Expenses:		
8	Cost of Goods and Services..... (Note 5).....	130,742	123,712
9	Selling, General, and Administrative..... (Note 5).....	62,425	58,518
10	Provision for Doubtful Accounts.....	190	321
11	Total Costs and Expenses.....	193,357	182,551
12	Gross Operating Profit.....	63,905	60,521
13	Depreciation and Amortization.....	15,491	15,938
	Charges from Affiliates Other than Interest:		
14	Management Fees.....	0	0
15	Other.....	0	0
16	Income (Loss) from Operations.....	48,414	44,583
	Other Income (Expenses):		
17	Interest (Expense) – Affiliates..... (Note 3).....	(20,219)	(40,151)
18	Interest (Expense) – External..... (Note 3).....	(4,657)	(3)
19	Investment Alternative Tax and Related Income (Expense)–Net...(Note 4).....	2,453	(826)
20	Nonoperating Income (Expense) – Net.....	(2,313)	(2,572)
21	Total Other Income (Expenses).....	(24,736)	(43,552)
22	Income(Loss) Before Income Taxes and Extraordinary Items.....	23,678	1,031
23	Provision (Credit) for Income Taxes.....	4,280	510
24	Income (Loss) Before Extraordinary Items.....	19,398	521
25	Extraordinary Items (Net of Income Taxes).....	0	0
26	Net Income (Loss).....	\$19,398	\$521

The accompanying notes are an integral part of the financial statements.
Valid comparisons cannot be made without using information contained in the notes.

STATEMENTS OF INCOME

FOR THE THREE MONTHS ENDED SEPTEMBER 30, 1995 AND 1994

LINE (a)	DESCRIPTION (b)	(UNAUDITED) (\$ in Thousands) 1995 (c)	Restated 10/19/95 1994 (d)
	Revenue:		
1	Casino.....	\$85,422	\$85,038
2	Rooms.....	6,421	6,072
3	Food and Beverage.....	9,970	10,014
4	Other.....	3,766	3,481
5	Total Revenue.....	105,579	104,605
6	Less: Promotional Allowances.....	11,930	12,040
7	Net Revenue.....	93,649	92,565
	Costs and Expenses:		
8	Cost of Goods and Services..... (Note 5).....	46,378	44,781
9	Selling, General, and Administrative..... (Note 5).....	21,440	22,026
10	Provision for Doubtful Accounts.....	113	(164)
11	Total Costs and Expenses.....	67,931	66,643
12	Gross Operating Profit.....	25,718	25,922
13	Depreciation and Amortization.....	5,167	5,221
	Charges from Affiliates Other than Interest:		
14	Management Fees.....	0	0
15	Other.....	0	0
16	Income (Loss) from Operations.....	20,551	20,701
	Other Income (Expenses):		
17	Interest (Expense) – Affiliates..... (Note 3).....	(6,345)	(13,384)
18	Interest (Expense) – External..... (Note 3).....	(1,575)	(2)
19	Investment Alternative Tax and Related Income (Expense)–Net...(Note 4).....	1,031	(338)
20	Nonoperating Income (Expense) – Net.....	(880)	(821)
21	Total Other Income (Expenses).....	(7,769)	(14,545)
22	Income(Loss) Before Income Taxes and Extraordinary Items.....	12,782	6,156
23	Provision (Credit) for Income Taxes.....	993	3,438
24	Income (Loss) Before Extraordinary Items.....	11,789	2,718
25	Extraordinary Items (Net of Income Taxes).....	0	0
26	Net Income (Loss).....	\$11,789	\$2,718

The accompanying notes are an integral part of the financial statements.
Valid comparisons cannot be made without using information contained in the notes.

STATEMENTS OF CHANGES IN STOCKHOLDER'S EQUITY

FOR THE TWELVE MONTHS ENDED DECEMBER 31, 1994 AND THE NINE MONTHS ENDED SEPTEMBER 30, 1995

(UNAUDITED)
(\$ IN THOUSANDS)

Line (a)	Description (b)	Common Stock		Preferred Stock		Additional Paid- In Capital (g)		Retained Earnings (Accumulated) (Deficit) (i)	Total Stockholder's Equity (Deficit) (j)
		Shares (c)	Amount (d)	Shares (e)	Amount (f)				
1	Balance, December 31, 1993	100	\$ 1	0	\$ 0	\$ 132,785		\$ 25,984	\$ 158,770
2	Net Income (Loss) - 1994							418	418
3	Contributons to Paid-in-Capital					192,605			192,605
4	Dividends								
5	Prior Period Adjustments								
6									
7									
8									
9									
10	Balance, December 31, 1994	100	\$ 1	0	\$ 0	\$ 325,390		\$ 26,402	\$ 351,793
11	Net Income (Loss) - 1995							19,398	19,398
12	Contributions to Paid-in-Capital								
13	Dividends								
14	Prior Period Adjustments								
15									
16									
17									
18									
19	Balance, September 30, 1995	100	\$ 1	0	\$ 0	\$ 325,390	0	\$ 45,800	\$371,191

The accompanying notes are an integral part of the financial statements.
Valid comparisons cannot be made without using information contained in the notes.

STATEMENTS OF CASH FLOWS

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 1995 AND 1994

(UNAUDITED)
(\$ in Thousands)

LINE (a)	DESCRIPTION (b)	1995 (c)	1994 (d)
1	NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES.....	\$38,705	\$11,114
	CASH FLOWS FROM INVESTING ACTIVITIES:		
2	Purchase of Short-Term Investment Securities.....		
3	Proceeds from the Sale of Short-Term Investment Securities.....		
4	Cash Outflows for Property and Equipment.....	(23,574)	(5,040)
5	Proceeds from Disposition of Property and Equipment.....	83	321
6	Purchase of Casino Reinvestment Obligations.....	(2,895)	(2,832)
7	Purchase of Other Investments and Loans/Advances made.....	0	0
8	Proceeds from Disposal of Investments and Collection of Advances and Long-Term Receivables.....	(9,759)	(4,757)
9	Cash Outflows to Acquire Business Entities.....		
10	.....	
11	.....	
12	Net Cash Provided (Used) By Investing Activities.....	(36,145)	(12,308)
	CASH FLOWS FROM FINANCING ACTIVITIES:		
13	Cash Proceeds from Issuance of Short-Term Debt.....		
14	Payments to Settle Short-Term Debt.....		
15	Cash Proceeds from Issuance of Long-Term Debt.....	25,000	0
16	Costs of Issuing Debt.....	0	0
17	Payments to Settle Long-Term Debt.....	(25,020)	(10)
18	Cash Proceeds from Issuing Stock or Capital Contributions.....		
19	Purchases of Treasury Stock.....		
20	Payments of Dividends or Capital Withdrawals.....		
21	.....	
22	.....	
23	Net Cash Provided (Used) By Financing Activities.....	(20)	(10)
24	Net Increase (Decrease) in Cash And Cash Equivalents.....	2,540	(1,204)
25	Cash And Cash Equivalents at Beginning of Period.....	12,363	13,064
26	Cash And Cash Equivalents at End of Period.....	\$14,903	\$11,860
	CASH PAID DURING PERIOD FOR:		
27	Interest (Net of Amount Capitalized).....	\$4,290	\$18,903
28	Income Taxes.....	\$0	\$0

The accompanying notes are an integral part of the financial statements.
Valid comparisons cannot be made without using information contained in the notes.

STATEMENTS OF CASH FLOWS

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 1995 AND 1994

(UNAUDITED)
(\$ in Thousands)

LINE (a)	DESCRIPTION (b)	1995 (c)	1994 (d)
	NET CASH FLOWS FROM OPERATING ACTIVITIES:		
29	Net Income (Loss).....	\$19,398	\$521
	Noncash Items Included in Income and Cash Items Excluded from Income:		
30	Depreciation and Amortization of Property and Equipment.....	15,485	15,932
31	Amortization of Other Assets.....	6	6
32	Amortization of Debt Discount or Premium.....		
33	Deferred Income Taxes – Current.....	274	890
34	Deferred Income Taxes – Noncurrent.....	4,006	(380)
35	(Gain) Loss on Disposition of Property and Equipment.....	121	24
36	(Gain) Loss on Casino Reinvestment Obligations.....	(2,453)	826
37	(Gain) Loss from Other Investment Activities.....		
38	Net (Increase) Decrease in Receivables and Patrons' Checks.....	(3,249)	218
39	Net (Increase) Decrease in Inventories.....	(22)	43
40	Net (Increase) Decrease in Other Current Assets.....	917	(222)
41	Net (Increase) Decrease in Other Assets.....	(1,589)	308
42	Net Increase (Decrease) in Accounts Payable.....	87	(1,172)
43	Net Increase (Decrease) in Other Current Liabilities Excluding Debt.....	4,192	1,733
44	Net Increase (Decrease) in Other Noncurrent Liabilities Excluding Debt.....	1,532	(7,613)
45	.....	
46	.....	
47	Net Cash Provided (Used) By Operating Activities.....	\$38,705	\$11,114

SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING AND FINANCING ACTIVITIES

	ACQUISITION OF PROPERTY AND EQUIPMENT:		
48	Additions to Property and Equipment.....	(\$23,615)	(\$5,110)
49	Less: Capital Lease Obligations Incurred.....	(\$41)	(\$70)
50	Cash Outflows For Property and Equipment.....	(\$23,574)	(\$5,040)
	ACQUISITION OF BUSINESS ENTITIES:		
51	Property and Equipment Acquired.....	\$0	\$0
52	Goodwill Acquired.....	0	0
53	Net Assets Acquired Other than Cash, Goodwill, and Property and Equipment.....	0	0
54	Long-Term Debt Assumed.....	0	0
55	Issuance of Stock or Capital Invested.....	0	0
56	Cash Outflows To Acquire Business Entities.....	\$0	\$0
	STOCK ISSUED OR CAPITAL CONTRIBUTIONS:		
57	Total Issuance of Stock or Capital Contributions.....	\$0	\$0
58	Less: Issuances to Settle Long-Term Debt.....	0	0
59	Consideration in Acquisition of Business Entities.....		
60	Cash Proceeds From Issuing Stock Or Capital Contributions.....	\$0	\$0

In 1992, a \$225 note receivable was issued for the sale of fixed assets of which \$0 and \$79 was received in 1995 and 1994, respectively. Capital lease obligations of \$41 and \$70 were incurred for 1995 and 1994, respectively, when Adamar entered into new property and equipment leases.

SCHEDULE OF PROMOTIONAL EXPENSES AND ALLOWANCES

(\$ IN THOUSANDS)

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 19 95

Line (a)	(b)	Promotional Allowances		Promotional Expenses	
		Number of Recipients (c)	Dollar Amount (d)	Number Recipients (e)	Dollar Amount (f)
1	Rooms	196,502	\$ 12,867	8	\$ 1
2	Food	1,293,131	12,672	87,196	855
3	Beverage	3,917,511	4,651	-0-	-0-
4	Travel	-0-	-0-	2,230	780
5	Coin	-0-	-0-	1,968,316	22,786
6	Coupon	-0-	-0-	-0-	-0-
7	Entertainment	39,195	1,330	29,308	586
8	Retail & Gifts	188,271	1,883	-0-	-0-
9	Parking	-0-	-0-	-0-	-0-
10	Other	126,069	1,261	94,888	949
11	Total	5,760,679	\$ 34,664	2,181,946	\$ 25,957

FOR THE THREE MONTHS ENDED SEPTEMBER 30, 19 95

Line (a)	(b)	Promotional Allowances		Promotional Expenses	
		Number of Recipients (c)	Dollar Amount (d)	Number Recipients (e)	Dollar Amount (f)
1	Rooms	60,094	\$ 4,010	-0-	\$ -0-
2	Food	443,325	4,344	35,920	353
3	Beverage	1,458,714	1,792	-0-	-0-
4	Travel	-0-	-0-	737	257
5	Coin	-0-	-0-	677,320	7,115
6	Coupon	-0-	-0-	-0-	-0-
7	Entertainment	19,659	656	12,209	244
8	Retail & Gifts	66,512	665	-0-	-0-
9	Parking	-0-	-0-	-0-	-0-
10	Other	46,235	463	41,386	414
11	Total	2,094,539	\$ 11,930	767,572	\$ 8,383

ADAMAR OF NEW JERSEY, INC.
 DBA TROPWORLD CASINO AND ENTERTAINMENT RESORT
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 1995 AND 1994

NOTE 1. DISCLOSURES NOT PRESENTED

Certain footnotes have not been presented in these Notes to Consolidated Financial Statements. These footnotes would be a duplicate of items contained in the Casino Control Commission Annual Report for the year ended December 31, 1994.

The specific footnotes not presented are the summary of significant accounting policies and lease obligations. The footnotes contained in the December 31, 1994 Annual Report should be read in conjunction with these financial statements.

NOTE 2. PROPERTY AND EQUIPMENT

At September 30, 1995 and 1994, the components of Property and Equipment consisted of:

	<u>1995</u>	<u>1994</u>
Land	\$ 39,218,000	\$ 39,218,000
Building, furniture and fixtures	557,469,000	557,124,000
Construction in progress	<u>24,471,000</u>	<u>2,332,000</u>
Total property and equipment-gross	621,158,000	598,674,000
Accumulated depreciation	<u>(108,550,000)</u>	<u>(90,707,000)</u>
Total property and equipment	<u>\$512,608,000</u>	<u>\$507,967,000</u>

NOTE 3. LONG-TERM DEBT

At September 30, 1995 and 1994, Long-Term Debt consisted of:

Due to Affiliates:	<u>1995</u>	<u>1994</u>
<u>Notes Payable to Aztar Mortgage Funding, Inc.</u>		
Note payable; 13.5%	\$ -	\$ 140,000,000
<u>Notes Payable to Aztar Corporation</u>		
First Mortgage Note; 12-1/4%	-	171,000,000
Second Mortgage; 16.5%	-	52,041,000
Note payable; 8.5%	-	60,000,000
Note Payable; 12.0% due 2004	<u>208,041,000</u>	<u>-</u>
Long-term debt due to affiliates	208,041,000	423,041,000
Reducing Revolving Credit Facility; Floating Rate, 8.38% at September 30, 1995, Matures December 31, 1999	75,000,000	-
Obligations under capital leases	<u>87,000</u>	<u>67,000</u>
Total Affiliates and Other	283,128,000	423,108,000
Less: current portion	<u>(30,000)</u>	<u>(16,000)</u>
Total long-term debt	<u>\$ 283,098,000</u>	<u>\$ 423,092,000</u>

Substantially all of the Company's property and equipment is pledged as collateral for long-term debt.

NOTE 4. COMMITMENTS AND CONTINGENCIES

On November 26, 1982, the Company was granted a plenary gaming license by the New Jersey Casino Control Commission. The license is renewable on a biennial basis. The license was renewed on November 3, 1993, effective November 26, 1993, for a period of two years. Management has received no indication that future renewals will not be granted.

The Company is a party to various claims, legal actions and complaints arising in the ordinary course of business or asserted by way of defense or counter-claim in actions filed by the Company. Management believes that its defenses are substantial in each of these matters, and the Company's legal posture can be successfully defended or satisfactorily settled without material adverse effect on its consolidated financial position.

The New Jersey Casino Control Commission imposes an annual tax of eight percent on gross revenue. Pursuant to legislation adopted in 1984, casino licensees are required to invest an additional one and one-quarter percent of gross casino revenue for the purchase of bonds to be issued by the Casino Reinvestment Development Authority ("CRDA") or make other approved investments equal to that amount; in the event the investment requirement is not met, the casino licensee is subject to a tax of two and one-half percent on gross casino revenue. As mandated by the legislation, the interest rate of the CRDA bonds purchased by the licensee will be two-thirds of the average market rate for bonds available for purchase and published by a national bond index at the time of the CRDA bond issuance. The Company's reinvestment obligation for 1995 and 1994, respectively, was \$2,895,000 and \$2,832,000 for the purchase of CRDA bonds. In February 1995, the Company commenced construction on an expansion of TropWorld. The expansion will consist primarily of a new 628-room hotel tower, with additional restaurant and support facilities in the existing operation. The Company has executed a credit agreement with the CRDA for approximately \$25,000,000 in funding for this project. The Company will receive funds from the CRDA based on expenditures made for the project to the extent the Company has available funds on deposit with the CRDA that qualify for this funding. At September 30, 1995, the Company had received \$8,555,000 of these qualifying funds with approximately \$3,800,000 in remaining available deposits with the CRDA. The Company recorded a (gain)/loss provision of \$(2,453,000) and \$826,000 at September 30, 1995 and 1994, respectively. The loss provision is to recognize the effect of the below market interest rate the bonds would have borne had they been issued on September 30, 1994, and the gain reflects the reversal of prior loss provisions based on receipts of funds from the CRDA under the credit agreement which is being used to partially fund an expansion of TropWorld.

Center Mortgage Funding, Inc.

Center Corporation

\$ 1140,000,000

288,241,000 281,711,000

\$782,011,000 \$423,011,000

NOTE 5. RELATED PARTIES

Due to affiliates is reflected in Other Liabilities. The identity of the affiliate and corresponding balances at September 30, 1995 and 1994 are:

	<u>1995</u>	<u>1994</u>
Due to Aztar Corporation	\$ -	\$ 19,233,000
Due to Aztar Mortgage Funding, Inc.	-	683,000
Due to Ramada New Jersey, Inc.	3,394,000	3,184,000
Due to Adamar Garage Corporation	17,409,000	15,763,000
Due to Atlantic Deauville, Inc.	<u>1,042,000</u>	<u>802,000</u>
	\$ 21,845,000	\$ 39,665,000
	=====	=====

Advances to affiliates are reflected in Investments, Advances and Receivables. The identity of the affiliate and corresponding balances at September 30, 1995 and 1994 are:

	<u>1995</u>	<u>1994</u>
Due from Aztar Corporation	\$ 43,673,000	\$ -
Advances to Tropicana West	30,423,000	29,198,000
Advances to Laughlin	3,000	3,000
Note Receivable-Adamar Garage Corporation	<u>17,052,000</u>	<u>17,052,000</u>
	\$ 91,151,000	\$ 46,253,000
	=====	=====

Notes payable to related parties are included in Long-term Debt: Due to Affiliates (See Note 3). The identity of the affiliate and corresponding balances at September 30, 1995 and 1994 are:

	<u>1995</u>	<u>1994</u>
<u>PAYEE</u>		
Aztar Mortgage Funding, Inc.	\$ -	\$140,000,000
Aztar Corporation	<u>208,041,000</u>	<u>283,041,000</u>
	\$208,041,000	\$423,041,000
	=====	=====

STATEMENT OF CONFORMITY, ACCURACY, AND COMPLIANCE

For the nine months ended September 30, 1995 and 1994 the Company incurred charges from affiliates which are indicated in the accompanying Statements of Income as Cost of Goods and Services and Selling, General, and Administrative. The nature of the charges and dollar amounts are as follows:

	<u>1995</u>	<u>1994</u>
<u>COST OF GOODS AND SERVICES</u>		
Executive Deferred compensation plan	\$ 7,000	\$ 7,000
Property Insurance	396,000	376,000
Workmen's Compensation	<u>683,000</u>	<u>708,000</u>
	<u>\$1,086,000</u>	<u>\$1,091,000</u>

<u>SELLING, GENERAL AND ADMINISTRATIVE</u>		
Insurance	\$ 723,000	\$ 755,000
Executive Deferred Compensation Plan	22,000	24,000
Workmen's Compensation	131,000	141,000
Long-term Incentive	482,000	525,000
Restricted Stock	27,000	-
Other	<u>18,000</u>	<u>16,000</u>
	<u>1,403,000</u>	<u>1,461,000</u>
Total	<u>\$2,489,000</u>	<u>\$2,552,000</u>

scribed and sworn to
in me this 14th day
October 19

[Signature]
Signature

[Signature]
Signature

Controller
Title

347611
License Number

STATE OF NEW JERSEY
Division of Casino Control
Atlantic City, New Jersey

State of Authority
to Take Oaths

On Behalf Of:

Trump Taj Mahal & Entertainment Resort
Casino Licensee

STATEMENT OF CONFORMITY, ACCURACY, AND COMPLIANCE

STATE OF _____ :
COUNTY OF _____ : ss.
_____ :

Deborah Marchese, being duly sworn according
Name

to law upon my oath deposes and says:

1. I have examined this Quarterly Report.
2. All the information contained in this Quarterly Report has been prepared in conformity with the Casino Control Commission's Quarterly Report Instructions and Uniform Chart of Accounts.
3. To the best of my knowledge and belief, the information contained in this report is accurate.
4. To the best of my knowledge and belief, except for the deficiencies noted below, the licensee submitting this Quarterly Report has remained in compliance with the financial stability regulations contained in N.J.A.C. 19:43-4.2(b)1-5 during the quarter.

Subscribed and sworn to
before me this 14th day
of November 19

Joann Martilini
Signature

JOANN MARTILINI
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires May 18, 1999

Basis of Authority
to Take Oaths

Deborah Marchese
Signature

Controller
Title

367611
License Number

On Behalf Of:

TropWorld Casino & Entertainment Resort
Casino Licensee

TRADING NAME OF LICENSEE TRUMP'S CASTLE HOTEL & CASINO

QUARTERLY REPORT

LIST OF FORMS - QUARTERLY REPORT

FOR THE QUARTER ENDED SEPTEMBER 30, 1995

LICENSEE Trump's Castle Associates
ADDRESS One Castle Boulevard
Atlantic City, N.J. 08401

FOR THE QUARTER ENDED SEPTEMBER 30, 1995

TITLE	FORM NO.
Balance Sheets	CCC-205
Statements of income (Three Months)	CCC-218
Statements of Changes in Stockholders' Equity	CCC-223
Statements of Changes in Partnerships or Proprietor's Equity	CCC-228
Statements of Changes in Partnerships	CCC-238
Schedule of Promotions	CCC-248
Notes to Financial Statements	CCC-249
Statement of Conformity, Accuracy, and Compliance	CCC-249

**TO THE
CASINO CONTROL COMMISSION
OF THE
STATE OF NEW JERSEY**

**NAME OF OFFICER IN CHARGE
OF CORRESPONDENCE REGARDING
THIS QUARTERLY REPORT.....** Stephen S. Oskiera

OFFICIAL TITLE..... Executive Director Financial Accounting

ADDRESS..... One Castle Boulevard
Atlantic City, N.J. 08401

BALANCE SHEETS

TRADING NAME OF LICENSEE TRUMP'S CASTLE HOTEL & CASINO

SEPTEMBER 30, 1995 AND 1994

LIST OF FORMS – QUARTERLY REPORT

(IN THOUSANDS)

FOR THE QUARTER ENDED SEPTEMBER 30, 1995

	1995	1994
	(9)	(9)
ASSETS		
Cash and Cash Equivalents	\$26,398	\$23,690
Investments	—	—
Accounts and notes receivable (net of allowance for doubtful 1995 - \$3,174; 1994, \$5,226)	9,074	10,790
Prepaid expenses and other current assets	1,442	1,918
Other current assets	9,207	7,064
Current assets	46,121	43,462
Property, plant and equipment	1,147	480,875
Goodwill	—	161,844
Other non-current assets	—	872
Non-current assets	1,147	643,591
Total Assets	\$47,268	\$1,087,053
LIABILITIES AND EQUITY		
Accounts payable	\$3,514	\$2,101
Other current liabilities	—	—
Long-term debt	—	—
Other non-current liabilities	—	—
Current liabilities	\$3,514	\$2,101
Other non-current liabilities	—	—
Partners', Proprietors', or Stockholders' Equity	43,754	1,084,952
Total Liabilities and Equity	\$47,268	\$1,087,053

TITLE

FORM NO.

Balance Sheets

CCC-205

Statements of Income (Year-to-Date)

CCC-210

Statements of Income (Three Months)

CCC-215

Statements of Changes in Stockholders' Equity

CCC-220

Statements of Changes in Partners'
or Proprietor's Equity

CCC-225

Statements of Cash Flows

CCC-235

Schedule of Promotional Allowances and Expenses

CCC-245

Notes to Financial Statements

—

Statement of Conformity, Accuracy, and Compliance

CCC-249

The accompanying notes are an integral part of the financial statements.
Valid comparisons cannot be made without using information contained in the notes.

TRADING NAME OF LICENSEE TRUMP'S CASTLE HOTEL & CASINO

BALANCE SHEETS

SEPTEMBER 30, 1995 and 1994

(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	1995 (c)	1994 (d)
	ASSETS		
	Current Assets:		
1	Cash and Cash Equivalents.....	\$28,388	\$23,686
2	Short-Term Investments	--	--
3	Receivables and patrons' checks (net of allowance for doubtful accounts - 1995, \$3,174; 1994, \$5,226)	9,074	10,766
4	Inventories	1,442	1,918
5	Prepaid expenses and other current assets.....(NOTE 5).....	8,397	7,584
6	Total current assets	47,301	43,954
7	Investments, Advances, And Receivables	2,608	1,147
8	Property And Equipment - Gross	507,655	499,879
9	(Accumulated Depreciation/Amortization)	(183,945)	(169,984)
10	Other Assets	4,059	832
11	Total Assets	\$377,678	\$375,828
	LIABILITIES AND EQUITY		
	Current Liabilities:		
12	Accounts payable	\$3,614	\$2,191
13	Notes payable	--	--
	Current portion of long-term debt:		
14	Due to affiliates	--	--
15	Other .....(NOTE 2).....	2,721	--
16	Income taxes payable and accrued	--	--
17	Other accrued expenses .....(NOTE 6).....	11,638	17,792
18	Other current liabilities .....(NOTE 7).....	24,074	20,099
19	Total current liabilities	42,047	40,082
	Long-Term Debt:		
20	Due to affiliates .....(NOTE 2).....	288,308	274,779
21	Other .....(NOTE 2).....	36,191	38,000
22	Deferred Credits	--	--
23	Other Liabilities	12	21
24	Commitments And Contingencies .....(NOTE 3).....		
25	Total Liabilities	366,558	352,882
26	Stockholders', Partners', Or Proprietor's Equity	11,120	22,946
27	Total Liabilities and Equity	\$377,678	\$375,828

The accompanying notes are an integral part of the financial statements.
Valid comparisons cannot be made without using information contained in the notes.

TRADING NAME OF LICENSEE TRUMP'S CASTLE HOTEL & CASINO

STATEMENTS OF INCOME

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 1995 and 1994

(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	1995 (c)	1994 (d)
	Revenue:		
1	Casino.....	\$205,561	\$200,244
2	Rooms	15,475	15,284
3	Food and Beverage	24,787	24,935
4	Other	7,053	7,073
5	Total Revenue	252,876	247,536
6	Less: Promotional Allowances	27,562	27,863
7	Net Revenue	225,314	219,673
	Costs and Expenses:		
8	Cost of Goods and Services	117,972	115,880
9	Selling, General, and Administrative	62,694	59,646
10	Provision for Doubtful Accounts	976	4,083
11	Total Costs and Expenses	181,642	179,609
12	Gross Operating Profit	43,672	40,064
13	Depreciation and Amortization	10,817	10,898
	Charges from Affiliates Other than Interest:		
14	Management Fees	1,968	1,688
15	Other	952	--
16	Income (Loss) from Operations	29,935	27,478
	Other Income (Expenses):		
17	Interest (Expense) - Affiliates.....(NOTE 2).....	(31,154)	(30,408)
18	Interest (Expense) - External	(3,075)	(2,637)
19	Investment Alternative Tax and Related Income (Expense) - Net.....(NOTE 3)...	(1,240)	(3,586)
20	Nonoperating Income (Expense) - Net	(311)	421
21	Total Other Income (Expenses)	(35,780)	(36,210)
22	Income (Loss) Before Income Taxes And Extraordinary Items	(5,845)	(8,732)
23	Provision (Credit) for Income Taxes	--	--
24	Income (Loss) Before Extraordinary Items	(5,845)	(8,732)
25	Extraordinary Items (Net of Income Taxes - 1994, \$ -; 1993, \$ -).....	--	--
26	Net Income (Loss)	(\$5,845)	(\$8,732)

The accompanying notes are an integral part of the financial statements.
Valid comparisons cannot be made without using information contained in the notes.

TRADING NAME OF LICENSEE TRUMP'S CASTLE HOTEL & CASINO

STATEMENTS OF INCOME

FOR THE THREE MONTHS ENDED SEPTEMBER 30, 1995 and 1994

(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	1995 (c)	1994 (d)
	Revenue:		
1	Casino.....	\$81,050	\$72,594
2	Rooms	6,281	6,219
3	Food and beverage	10,306	9,323
4	Other	3,219	3,012
5	Total revenue	100,856	91,148
6	Less: Promotional allowances	11,698	10,548
7	Net revenue	89,158	80,600
	Costs And Expenses:		
8	Cost of goods and services	43,443	40,731
9	Selling, general, and administrative	24,328	20,500
10	Provision for doubtful accounts	452	360
11	Total costs and expenses	68,223	61,591
12	Gross Operating Profit	20,935	19,009
13	Depreciation and amortization	3,704	3,564
	Charges from affiliates other than interest:		
14	Management fees .....(NOTE 4).....	845	666
15	Other	172	--
16	Income (Loss) From Operations	16,214	14,779
	Other Income (Expenses):		
17	Interest (expense) - affiliates.....(NOTE 2).....	(10,463)	(10,200)
18	Interest (expense) - external .....(NOTE 2).....	(1,177)	(897)
19	Investment alternative tax and related income (expense) - net.....(NOTE 3).....	(472)	(1,246)
20	Nonoperating income (expense) - net	(112)	126
21	Total other income (expenses)	(12,224)	(12,217)
22	Income (Loss) Before Income Taxes And Extraordinary Items	3,990	2,562
23	Provision (credit) for income taxes	--	--
24	Income (Loss) Before Extraordinary Items	3,990	2,562
	Extraordinary items (net of income taxes -		
25	1995, \$ -; 1994, \$ -)	--	--
26	Net Income (Loss)	\$3,990	\$2,562

The accompanying notes are an integral part of the financial statements.
Valid comparisons cannot be made without using information contained in the notes.

STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY

FOR THE TWELVE MONTHS ENDED DECEMBER 31, 1994 AND THE NINE MONTHS ENDED SEPTEMBER 30, 1995

(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	Description (b)	Common Stock		Preferred Stock		Additional Paid-in Capital (g)	(h)	Retained Earnings (Accumulated) (Deficit) (i)	Total Stockholders' Equity (Deficit) (j)
		Shares (c)	Amount (d)	Shares (e)	Amount (f)				
1	Balance, December 31, 1993		\$		\$	\$	\$	\$	\$
2	Net Income (Loss) 1993								
3	Contribution to Paid-in-Capital.....								
4	Dividends.....								
5	Prior Period Adjustments.....								
6	_____								
7	_____								
8	_____								
9	_____								
10	Balance, December 31, 1994								
11	Net Income (Loss) 1994								
12	Contribution to Paid-in-Capital.....								
13	Dividends.....								
14	Prior Period Adjustments.....								
15	_____								
16	_____								
17	_____								
18	_____								
19	Balance, September 30, 1995	N/A	\$ N/A	N/A	\$ N/A	\$ N/A	\$ N/A	\$ N/A	\$ N/A

The accompanying notes are an integral part of the financial statements.
Valid comparisons cannot be made without using information contained in the notes.

STATEMENTS OF CASH FLOWS

**STATEMENTS OF CHANGES IN PARTNERS'
OR PROPRIETOR'S EQUITY**

FOR THE TWELVE MONTHS ENDED DECEMBER 31, 1994
AND THE NINE MONTHS ENDED SEPTEMBER 30, 1995

(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	Description (b)	Contributed Capital (c)	Accumulated Earnings (Deficit) (d)	(e)	Total Equity (Deficit) (f)
1	Balance, December 31, 1993.....	\$73,395	(\$41,717)		\$31,678
2	Net Income (Loss) - 1994.....		(14,713)		(14,713)
3	Capital Contributions.....				
4	Capital Withdrawals.....				
5	Partnership Distributions.....				
6	Prior Period Adjustments.....				
7	.....			
8	.....			
9	.....			
10	Balance, December 31, 1994.....	73,395	(56,430)		16,965
11	Net Income (Loss) - 1995.....		(5,845)		(5,845)
12	Capital Contributions.....				
13	Capital Withdrawals.....				
14	Prior Period Adjustments.....				
15	.....			
16	.....			
17	.....			
18	.....			
19	Balance, September 30, 1995.....	\$73,395	(\$62,275)		\$11,120

The accompanying notes are an integral part of the financial statements.
Valid comparisons cannot be made without using information contained in the notes.

TRADING NAME OF LICENSEE TRUMP'S CASTLE HOTEL & CASINO

STATEMENTS OF CASH FLOWS

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 1995 and 1994

(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	1995 (c)	1994 (d)
1	NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$16,755	\$11,458
	CASH FLOWS FROM INVESTING ACTIVITIES:		
2	Purchase of Short-Term Investment Securities.....	--	--
3	Proceeds from the Sale of Short-Term Investment Securities.....	--	--
4	Cash Outflows for Property and Equipment.....	(6,353)	(6,439)
5	Proceeds from Disposition of Property and Equipment.....	--	--
6	Purchase of Casino Reinvestment Obligations.....	(2,048)	(1,772)
7	Purchase of Other Investments and Loans/Advances made.....	--	--
8	Proceeds from Disposal of Investments and Collection of Advances and Long-Term Receivables.....	--	--
9	Cash Outflows to Acquire Business Entities.....	--	--
10	.....	--	--
11	.....	--	--
12	Net Cash Provided (Used) By Investing Activities.....	(8,401)	(8,211)
	CASH FLOWS FROM FINANCING ACTIVITIES:		
13	Cash Proceeds from Issuance of Short-Term Debt.....	--	--
14	Payments to Settle Short-Term Debt.....	--	--
15	Cash Proceeds from Issuance of Long-Term Debt.....	1,706	--
16	Costs of Issuing Debt.....	--	--
17	Payments to Settle Long-Term Debt.....	(794)	--
18	Cash Proceeds from Issuing Stock or Capital Contributions.....	--	--
19	Purchases of Treasury Stock.....	--	--
20	Payments of Dividends or Capital Withdrawals.....	--	--
21	.....	--	--
22	.....	--	--
23	Net Cash Provided (Used) By Financing Activities.....	912	--
24	Net Increase (Decrease) in Cash and Cash Equivalents.....	9,266	3,247
25	Cash and Cash Equivalents at Beginning of Period.....	19,122	20,439
26	Cash and Cash Equivalents at End of Period.....	\$28,388	\$23,686
	CASH PAID DURING PERIOD FOR:		
27	Interest (Net of Amount Capitalized).....	\$27,216	\$14,625
28	Income Taxes.....	--	--

The accompanying notes are an integral part of the financial statements.
Valid comparisons cannot be made without using information contained in the notes.

STATEMENTS OF CASH FLOWS

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 1995 and 1994

(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	1995 (c)	1994 (d)
	NET CASH FLOWS FROM OPERATING ACTIVITIES:		
29	Net Income (Loss).....	(\$5,845)	(\$8,732)
	Noncash Items Included in Income and Cash Items Excluded from Income:		
30	Depreciation and Amortization of Property and Equipment.....	10,817	10,898
31	Amortization of Other Assets.....	--	--
32	Amortization of Debt Discount or Premium.....	1,750	1,640
33	Deferred Income Taxes - Current.....	--	--
34	Deferred Income Taxes - Noncurrent.....	--	--
35	(Gain) Loss on Disposition of Property and Equipment.....	--	--
36	(Gain) Loss on Casino Reinvestment Obligations.....	1,179	825
37	(Gain) Loss from Other Investment Activities.....	--	--
	Net (Increase) Decrease in Receivables and Patrons'		
38	Checks.....	216	(497)
39	Net (Increase) Decrease in Inventories.....	348	397
40	Net (Increase) Decrease in Other Current Assets.....	(3,567)	(4,418)
41	Net (Increase) Decrease in Other Assets.....	(209)	4,264
42	Net Increase (Decrease) in Accounts Payable.....	(3,024)	2,191
	Net Increase (Decrease) in Other Current Liabilities		
43	Excluding Debt.....	9,374	1,180
	Net Increase (Decrease) in Other Noncurrent Liabilities		
44	Excluding Debt.....	5,716	3,710
45	.....	--	--
46	.....	--	--
47	Net Cash Provided (Used) By Operating Activities.....	\$16,755	\$11,458

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

	ACQUISITION OF PROPERTY AND EQUIPMENT:		
48	Additions to Property and Equipment.....	\$6,353	\$6,439
49	Less: Capital Lease Obligations Incurred.....	(1,706)	--
50	Cash Outflows for Property and Equipment.....	\$4,647	\$6,439
	ACQUISITION OF BUSINESS ENTITIES:		
51	Property and Equipment Acquired.....	--	--
52	Goodwill Acquired.....	--	--
	Net Assets Acquired Other than Cash, Goodwill, and		
53	Property and Equipment.....	--	--
54	Long-Term Debt Assumed.....	--	--
55	Issuance of Stock or Capital Invested.....	--	--
56	Cash Outflows To Acquire Business Entities.....	--	--
	STOCK ISSUED OR CAPITAL CONTRIBUTIONS:		
57	Total Issuances of Stock or Capital Contributions.....	--	--
58	Less: Issuances to Settle Long-Term Debt.....	--	--
59	Consideration in Acquisition of Business Entities.....	--	--
60	Cash Proceeds From Issuing Stock Or Capital Contributions.....	--	--

The accompanying notes are an integral part of the financial statements.
Valid comparisons cannot be made without using information contained in the notes.

TRADING NAME OF LICENSEE TRUMP'S CASTLE HOTEL & CASINO

SCHEDULE OF PROMOTIONAL EXPENSES AND ALLOWANCES

(\$ IN THOUSANDS)

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 1995

Line (a)	(b)	PROMOTIONAL ALLOWANCES		PROMOTIONAL EXPENSES	
		Number of Recipients (c)	Dollar Amount (d)	Number of Recipients (e)	Dollar Amount (f)
1	ROOMS	213,837	\$11,034	--	--
2	FOOD	782,400	11,736	--	--
3	BEVERAGE	900,000	\$3,825	--	--
4	TRAVEL	--	--	32,337	\$5,659
5	COIN	--	--	--	--
6	COUPON	--	--	1,072,531	20,546
7	ENTERTAINMENT	38,680	967	633	19
8	RETAIL & GIFTS	--	--	--	--
9	PARKING	--	--	--	--
10	OTHER	--	--	46,640	2,332
11	TOTAL	1,934,917	\$27,562	1,152,141	\$28,556

FOR THE THREE MONTHS ENDED SEPTEMBER 30, 1995

Line (a)	(b)	PROMOTIONAL ALLOWANCES		PROMOTIONAL EXPENSES	
		Number of Recipients (c)	Dollar Amount (d)	Number of Recipients (e)	Dollar Amount (f)
1	ROOMS	83,358	\$4,647	--	--
2	FOOD	345,333	5,180	--	--
3	BEVERAGE	332,000	1,411	--	--
4	TRAVEL	--	--	11,920	\$2,086
5	COIN	--	--	--	--
6	COUPON	--	--	242,423	8,320
7	ENTERTAINMENT	18,400	460	333	10
8	RETAIL & GIFTS	--	--	--	--
9	PARKING	--	--	--	--
10	OTHER	--	--	16,580	829
11	TOTAL	779,091	\$11,698	271,256	\$11,245

TRUMP'S CASTLE ASSOCIATES AND SUBSIDIARY

NOTES TO FINANCIAL STATEMENTS

(unaudited)

NOTE 1 - ORGANIZATION AND OPERATION:

The accompanying dated financial statements represent those of Trump's Castle Associates, a New Jersey general partnership (the "Partnership"). The Partnership owns and operates Trump's Castle, a luxury casino hotel located in the Marina District of Atlantic City, New Jersey.

The accompanying financial statements have been prepared by the Partnership without audit. In the opinion of the Partnership, all adjustments, consisting of only normal recurring adjustments, necessary to present fairly the financial position, results of operations and cash flows for the periods presented have been made.

The accompanying financial statements and related notes have been prepared by the Partnership pursuant to the rules and regulations of both the Securities and Exchange Commission and the Casino Control Commission of the State of New Jersey (the "Commission"). Accordingly, certain information and note disclosures normally included in the financial statements prepared in conformity with generally accepted accounting principles have been omitted.

These financial statements should be read in conjunction with the financial statements and notes thereto included in the annual report for the year ended December 31, 1994, as filed with the Commission.

The results of operations for the three month and nine month periods ended September 30, 1995 are not necessarily indicative of the operating results to be attained for any other period.

NOTE 2 - LONG TERM BORROWINGS

Plan of Reorganization:

Trump's Castle Funding, Inc. ("Funding") was incorporated on May 28, 1985 solely to serve as a financial company to raise funds through the issuance of its 13-3/4% First Mortgage Bonds, Series A-1, due 1997 (the "Series A-1 Bonds") and 7% First Mortgage Bonds, Series A-2, due 1999 (the "Series A-2 Bonds," and together with the Series A-1 Bonds, the "Old Bonds"), the proceeds of which were loaned to the Partnership. In return for such proceeds, the Partnership issued a promissory note (the "Old Partnership Note") to Funding in a principal amount equal to the aggregate principal amount of the Old Bonds and with similar

payment terms. In addition, the Partnership directly guaranteed the payment of the principal of, premium, if any, and interest on the Old Bonds (the "Old Guaranty"). On the Effective Date (as defined below), the Old Partnership Note and Old Guaranty were discharged, the Partnership issued a new promissory note (the "Partnership Note") and a new guaranty (the "Guaranty") and the Old Bonds were exchanged for Funding's 9.5% Mortgage Bonds, due 1988 (the "New Bonds") and shares of common stock of TC/GP (the "Common Stock").

On March 9, 1992, Funding, the Partnership, and its general partners filed a voluntary petition for relief under Chapter 11 of title 11, United States Code (the "Bankruptcy Code") and filed a Plan of Reorganization (the "Plan"). The Plan was confirmed by the Bankruptcy Court on May 5, 1992 and the Plan was consummated on May 29, 1992 (the "Effective Date"). Pursuant to the terms of the Plan, Funding's outstanding bonds (the "Old Bonds") were exchanged for new bonds and common stock of TC/GP, Inc. ("TC/GP") and certain modifications were made to the terms of the bank borrowings, and amounts owed to Donald J. Trump. The issuance of the common stock of TC/GP resulted in approximately 50% of the beneficial ownership interest in the Partnership being transferred to the holders of the Old Bonds.

In accordance with AICPA Statement of Position 90-7, "Financial Reporting by Entities in Reorganization Under the Bankruptcy Code," the Bonds issued at the time of the reorganization were stated at the present value of amounts to be paid, determined at current interest rates (effective rate of approximately 17.4%). The effective interest rate of these Bonds was determined based on the trading price of these Bonds for a specific period. Stating the debt at its approximate present value resulted in a reduction in the \$322,987,000 initial face amount of these Bonds of approximately \$96,896,000. This gain will be offset by increased interest costs over the period of the bonds to accrete such bonds to their face value at maturity.

On the Effective Date, TC/GP received a 49.995% interest in the Partnership and was admitted as a partner. TC/GP also received a 50% beneficial interest in Trump's Castle Hotel & Casino, Inc. ("TCHC"), a partner in the Partnership, which held a .01% partnership interest, thereby giving TC/GP a 50% beneficial interest in the Partnership. On the Effective Date, the partners executed the Amended and Restated Partnership Agreement (the "Partnership Agreement"), which provided for, among other things, a Board of Partners Representatives (the "Board") to oversee the business and operations of the Partnership. Pursuant to the terms of the Partnership Agreement, Donald J. Trump was appointed the Managing General Partner of the Partnership responsible for its day-to-day operations, and appointed four of the seven members of the Board. The remaining members of the Board are appointed by TC/GP through the holders of its Common Stock.

The Plan resulted in an extraordinary gain totaling approximately \$128,187,000, including the \$96,896,000 discussed above, \$18,000,000 representing the forgiveness of bank debt, and \$22,805,000 representing a discharge of accrued interest and accretion on indebtedness, less the write-off of unamortized loan issuance costs of \$9,514,000. On the Effective Date, 35,447 of additional units were issued in lieu of the Bond Carryforward Amount, as defined and the Effective Date Amount, as defined. Additionally, the Plan resulted in a discharge of related party indebtedness in the approximate amount of \$33,325,000 which has been accounted for as a contribution to capital.

Upon consummation of the Plan on May 29, 1992, each \$1,000 principal amount of the Company's Series A-1 Bonds or \$1,000 accreted amount as of December 15, 1990 of Series A-2 Bonds was exchanged for a Unit consisting of \$1,000 in principal amount of the Company's Bonds, together with one share of the Common Stock of TC/GP and certain other payments. The Bonds and Common Stock trade together as a Unit and may not be transferred separately, except upon the occurrence of certain events. The Bonds bear interest at 9.50% per annum from the date of issuance, payable semi-annually on each February 15 and August 15, commencing August 15, 1992. Funding is required to pay interest in cash to holders of Bonds outstanding on the immediately preceding August 1 or February 1 at varying rates per annum (the "Mandatory Cash Amounts") as follows:

<u>INTEREST PAYMENT DATE</u>	<u>Mandatory Cash Rate (Per Annum)</u>
August 15, 1992	5.00%
February 15, 1993	6.00
August 15, 1993	7.00
February 15, 1994	8.00
August 15, 1994 and all subsequent dates	9.50

For interest payment dates on or before February 15, 1994, the difference between interest calculated at the rate of 9.50% per annum and the Mandatory Cash Amount (the "Additional Amount") was payable to holders of Bonds in cash to the extent that Excess Available Cash, as defined, of the Partnership was available for such purpose and in additional units to the extent that Excess Available Cash was less than the Additional Amount.

Recapitalization:

On December 28, 1993, the Partnership, Funding and TC/GP consummated a Recapitalization Plan whereby each \$1,000 of principal of the 9.5% Mortgage Bonds issued as part of the Plan was exchanged for \$750 principal amount of Funding's 11-3/4% Mortgage Notes due 2003 (the "Mortgage Notes"), \$120

principal amount of Funding's Increasing Rate Subordinated Pay-in-Kind Notes due 2005 (the "PIK Notes") and a cash payment of \$6.19 plus all accrued and unpaid interest. Those bondholders who did not elect to exchange their bonds received a cash payment of \$750 for each \$1,000 of principal amount of bonds plus accrued and unpaid interest. In addition, each share of TC/GP common stock was exchanged for \$35 principal amount of PIK Notes.

As a result of the Recapitalization Plan, approximately 96% of the principal amount of the previously issued bonds were exchanged for Mortgage and PIK Notes and the TC/GP common stock was redeemed. Those bonds that were redeemed for cash were purchased at an amount which approximated their net book value at the date of purchase. The net book value of the exchanged bonds has been carried forward and allocated to the Mortgage and PIK Notes in proportion to the principal amount of Notes issued. The difference between the principal amount and net book value of these notes will be accreted as a charge to interest expense over the life of the Notes using the effective interest method.

The PIK Notes bear interest, payable at Funding's option in whole or in part in cash and through the issuance of additional PIK Notes, semi-annually commencing May 15, 1994 at the rate of 7% through September 30, 1994 and 13-7/8% through November 15, 2003. Interest payments due of \$1,345,000 on May 15, 1994, \$2,250,000 on November 15, 1994 and \$3,753,000 on May 15, 1995 have been satisfied by the issuance of additional PIK Notes in lieu of a cash payment. It is the Partnership's intent to issue additional PIK Notes in lieu of a cash payment on November 15, 1995. The current interest accrual is presented as Long Term Debt: Due to Affiliates. After November 15, 2003, interest on the Notes is payable in cash, semiannually at the rate of 13-7/8%. The PIK Notes mature on November 15, 2005. The PIK Notes may be redeemed at Funding's option at 100% of the principal amount under certain conditions, as defined in the PIK Note Indenture, and are required to be redeemed from a specified percentage of any equity offering which includes the Partnership. Interest is accrued under the effective interest method.

The terms of both the Mortgage Notes and PIK Notes include limitations on the amount of additional indebtedness the Partnership may incur, distributions of Partnership capital, investments and other business activities.

The Mortgage Notes are secured by a promissory note of the Partnership to Funding in an amount and with payment terms necessary to service the Mortgage Notes. The Partnership Note is secured by a mortgage on Trump's Castle and substantially all of the other assets of the Partnership. The Partnership Note has been assigned by Funding to the Trustee to secure the repayment of the Mortgage Notes. In addition, the Partnership has guaranteed (the "Guaranty") the

payment of the Mortgage Notes, which Guaranty is secured by a mortgage on Trump's Castle. The Partnership Note and the Guaranty are expressly subordinated to the Senior Secured Notes (described below) and the liens of the mortgages securing the Partnership Note and the Guaranty are subordinate to the liens securing the Senior Indebtedness.

The PIK Notes are secured by a subordinated promissory note of the Partnership to Funding (the "Subordinated Partnership Note"), which has been assigned to the Trustee for the PIK Notes, and the Partnership has issued a subordinated guaranty (the "Subordinated Guaranty") of the PIK Notes. The Subordinated Partnership Note and the Subordinated Guaranty are expressly subordinated to the Senior Secured Notes, the Partnership Note and the Guaranty.

On June 23, 1995, the Partnership entered into an Option Agreement with Hamilton Partners, L.P. ("Hamilton") which grants the Partnership an option (the "Option") to acquire the PIK Notes owned by Hamilton. Hamilton has represented to the Partnership that it is the owner of at least 92% of the outstanding principal amount of the PIK Notes. The Option was granted to the Partnership in consideration of a one million dollar payment to Hamilton.

The Option, which is initially scheduled to expire on December 12, 1995, may be extended until June 21, 1996, and is exercisable at a price equal to 60% of the aggregate principal amount and accrued interest of the PIK Notes delivered upon exercise of the Option, plus an additional 40% of the principal amount of PIK Notes issued after the date of the Option Agreement and delivered upon exercise of the Option. Pursuant to the terms of the Option Agreement, upon the occurrence of certain events within 18 months of the time the Option is exercised, the Partnership will make an additional payment to Hamilton of up to 40% of the principal amount of the PIK Notes.

On December 28, 1993, Funding issued 11-1/2% Senior Secured Notes, due 2000. Similar to the Mortgage Notes, the Senior Notes are secured by an assignment of a promissory note of the Partnership (the "Senior Partnership Note") which is in turn secured by a mortgage on Trump's Castle and substantially all of the other assets of the Partnership. In addition, the Partnership has guaranteed (the "Senior Guaranty") the payment of the Senior Notes, which Guaranty is secured by a mortgage on Trump's Castle. The Senior Partnership Note and the Senior Guaranty are subordinated to the Amended Term Loan described below.

Interest on the Senior Notes is payable semiannually commencing May 15, 1994 at the rate of 11-1/2%; however, in the event that the PIK Notes are redeemed prior to November 15, 1998, the interest rate will be reduced to 11-1/4%. The Senior Notes are subject to a required partial redemption commencing on June 1, 1998 at 100% of the principal amount.

Other Borrowings:

In February 1988, Funding and the Partnership entered into a \$50,000,000 revolving credit facility with Midlantic National Bank ("Midlantic") which was later converted to a term loan in August 1990 ("Term Loan"). In addition, in June 1990, the Partnership borrowed \$13,000,000 from Midlantic under an unsecured line of credit pursuant to a grid note ("Grid Note"). Pursuant to the Plan, the terms of these loans were modified.

The amended Grid Note (the "Amended Grid Note") bore interest at 8.5% and the outstanding principal amount of \$13,000,000 was reduced to \$7,000,000 payable on demand as part of the Plan. On December 28, 1993, the Amended Grid Note was paid in full.

The principal amount of the amended Term Loan (the "Amended Term Loan") was reduced to \$38,000,000. The Amended Term Loan had an initial maturity of three years from the Effective Date and with its terms, the Partnership had the option, subject to certain conditions, to extend the Amended Term Loan an additional five years. The Partnership exercised its option to extend the Amended Term Loan on May 28, 1995. The interest rate was revised to be a fluctuating rate of 3% above Midlantic National Bank's prime rate, but in no event less than 9% per annum. In addition, the outstanding principal amount of the Midlantic Loan will be amortized over the five-year extension period on a twenty year amortization schedule requiring principal prepayments of \$158,333 per month over the period.

The Amended Term Loan is secured by a mortgage lien on Trump's Castle that is prior to the lien securing the Mortgage Notes and the Senior Notes.

NOTE 3 - COMMITMENTS AND CONTINGENCIES:

The Partnership is subject to regulation and licensing by the Commission. The Partnership's casino license must be renewed periodically, is not transferable, is dependent upon the financial stability of the Partnership and can be revoked at any time. Due to the uncertainty of any license renewal application, there can be no assurance that the license will be renewed. Upon revocation, suspension for more than 120 days, or failure to renew the casino license due to the Partnerships's financial condition or for any other reason, the Casino Control Act ("the Act") provides that the Commission may appoint a conservator to take possession of, and title to, the hotel and casino's business and property, subject to all valid liens, claims and encumbrances.

On June 22, 1995, the Commission renewed the casino license of the Partnership through 1999, subject to certain continuing reporting and compliance conditions.

In connection with Trump's Castle Associate's aborted attempt to acquire certain property in Philadelphia, Trump's Castle Associates paid certain indebtedness in the amount of \$2,249,000 and assumed an additional \$2.3 million of indebtedness. Trump's Castle Associates expects to recover the \$3,228,000 advanced as of September 30, 1995 from the ultimate purchaser of the property and has included said amount in other assets. Trump's Castle Associates also expects that the \$1.9 million of remaining debt will be assumed by the ultimate purchaser. Accordingly, Trump's Castle Associates has neither recorded the receivable nor the payable with respect to this aspect of the transaction. Trump's Castle Associates has confirmed the appropriateness of this accounting treatment with it's independent public accountants.

CASINO REINVESTMENT DEVELOPMENT AUTHORITY OBLIGATIONS

Pursuant to the provisions of the Act, the Partnership, must either obtain investment tax credits (as defined in the Act), in an amount equivalent to 1.25% of its gross casino revenues (as defined in the Act) or pay an alternative tax of 2.5% of its gross casino revenues. Investment tax credits may be obtained by making qualified investments, as defined, or by the purchase of bonds at below market interest rates from the Casino Reinvestment Development Authority ("CRDA"). The Partnership is required to make quarterly deposits with the CRDA to satisfy its investment obligations.

From time-to-time the Partnership has elected to donate funds that it has on deposit with the CRDA in return for tax credits to satisfy substantial portions of the Partnership's future investment alternative tax obligations. For the nine months ended September 30, 1995 and 1994, the Partnership charged to operations \$520,000 and \$716,000 respectively, which represents amortization of a portion of the tax credits discussed above.

In addition, for the nine months ended September 30, 1995 and 1994, the Partnership charged to operations \$662,000 and \$711,000, respectively, to give effect to the below market interest rates associated with purchased CRDA bonds.

NOTE 4 - RELATED PARTY TRANSACTIONS:

Other Payments to Donald J. Trump

During 1994, the Board of Partner Representatives approved a \$1,000,000 bonus to be paid to Donald J. Trump in 1995, based on 1994 operating results. The amount was paid in two installments subject to certain Board imposed restrictions and was approved by the Commission on June 22, 1995. The first installment of \$500,000 was paid on June 22, 1995, and the remaining installment was paid on August 9, 1995.

In February 1994, Trump's Castle Associates paid a \$1,500,000 bonus to Donald J. Trump. Said bonus was approved by both the Commission and Trump's Castle's Board of Partner Representatives.

Trump Services Agreement

On December 28, 1993, the Partnership entered into a Services Agreement with TC/GP, a company wholly owned by Donald J. Trump.

Pursuant to the terms of the Services Agreement, TC/GP is obligated to provide the Partnership, from time to time, when reasonably requested, consulting services with respect to the business and operations of Trump's Castle.

In consideration for the services rendered, the Partnership pays to TC/GP an annual fee in the amount of \$1,500,000 for each year in which earnings before interest, taxes, depreciation and amortization ("EBITDA"), as defined, exceeds certain levels. In addition, TC/GP, beginning with the fiscal year ended December 31, 1994, receives an incentive fee equal to 10% of the excess EBITDA over \$45,000,000 for such fiscal year. The Services Agreement expires on December 31, 2005.

The Partnership has recorded expenses for the nine months ended September 30, 1995 and 1994 of approximately \$1,968,000 and \$1,688,000 respectively.

Partnership Agreement

Under the terms of the Partnership Agreement, the Partnership was required to pay all costs incurred by TC/GP. For the period ended September 30, 1995 the Partnership paid \$952,000 of expenses on behalf of TC/GP. These costs were charged to other expense in the accompanying financial statements.

NOTE 5 - PREPAID EXPENSES AND OTHER CURRENT ASSETS:

	<u>1995</u>	<u>1994</u>
	(in thousands)	
Prepaid insurance	\$ 1,017	\$ 1,307
Prepaid slot license fees	828	796
Other	6,552	5,481
	<hr/>	<hr/>
TOTAL PREPAID EXPENSES AND OTHER CURRENT ASSETS	<u>\$ 8,397</u>	<u>\$ 7,584</u>

STATEMENT OF CONFORMITY AND ACCURACY

NOTE 6 - OTHER ACCRUED EXPENSES:

	<u>1995</u>	<u>1994</u>
	(in thousands)	
Accrued payroll & taxes	\$ 4,346	\$ 5,048
Accrued group health insurance	1,134	2,119
Accrued advertising/promotions	709	228
Accrued insurance	1,605	3,922
Accrued sick/vacation	3,094	4,788
Other	750	1,687
TOTAL OTHER ACCRUED EXPENSES	<u><u>\$11,638</u></u>	<u><u>\$17,792</u></u>

NOTE 7 - OTHER CURRENT LIABILITIES:

	<u>1995</u>	<u>1994</u>
	(in thousands)	
Interest payable-affiliates	\$17,152	\$15,619
Outstanding chip liability	1,352	1,137
Outstanding token liability	504	168
Patron deposits	165	106
Accrued CRDA obligations	801	313
Other	4,100	2,756
TOTAL OTHER CURRENT LIABILITIES	<u><u>\$24,074</u></u>	<u><u>\$20,099</u></u>

I have examined the Quarterly Report
 and the information contained therein and I have
 found it to be true and correct.

[Signature]

 Title

[Signature]

 Signature

Executive Director, Financial Accounting
 Title

05476-11
 License Number

On behalf of

Tropic's Casino Association

Casino License

STATE OF NEW JERSEY
 Expires Nov. 12, 1995

Party

STATEMENT OF CONFORMITY AND ACCURACY

STATE OF NEW JERSEY :
:ss.
COUNTY OF ATLANTIC :

LICENSEE: TRUMP PLAZA HOTEL & CASINO

Stephen S. Oskiera, being duly sworn according to law upon my oath deposes and says:
(Name)

1. I have examined this Quarterly Report.
2. All the information contained in this Quarterly Report has been prepared in conformity with Casino Control Commission's Quarterly Report Instructions and Uniform Chart of Accounts.
3. To the best of my knowledge and belief, the information contained in this Report is accurate.
4. To the best of my knowledge and belief, except for the deficiencies noted below, the licensee submitting this Quarterly Report has remained in compliance with the financial stability regulations contained in N.J.A.C. 19:43-4.2(b)1-5 during the quarter.

Subscribed and sworn to
before me this 14TH day
of NOVEMBER, 1995

Norma J. Zimmerman-Hines
Signature

NORMA J. ZIMMERMAN-HINES
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Nov. 12, 1998

Basis of Authority
to Take Oaths

Stephen Oskiera
Signature

Executive Director Financial Accounting
Title

004074-11
License Number

On behalf Of:

Trump's Castle Associates

Casino Licensee

QUARTERLY REPORT

LICENSEE: TRUMP PLAZA HOTEL & CASINO

FOR THE QUARTER ENDED SEPTEMBER 30, 1995

TO THE
CASINO CONTROL COMMISSION
OF THE
STATE OF NEW JERSEY

FORM NO.

CCC-203

CCC-215

CCC-225

CCC-235

CCC-245

CCC-255

CCC-251

TRADING NAME OF LICENSEE: TRUMP PLAZA HOTEL & CASINO

TRADING NAME OF LICENSEE: TRUMP PLAZA HOTEL & CASINO

LIST OF FORMS – QUARTERLY REPORT

FOR THE QUARTER ENDED SEPTEMBER 30, 1995

DESCRIPTION (A)	1995 (B)	1994 (C)
ASSETS		
Current Assets:		
Cash and Cash Equivalents	\$ 20,077	\$ 23,187
Investments		
Receivables and Prepaid Expenses	12,331	7,037
Other Current Assets	2,551	2,186
Total Current Assets	35,000	32,410
Long-Term Assets:		
Investments	4,831	5,119
Other Long-Term Assets	520,828	511,461
Total Long-Term Assets	525,659	516,580
Total Assets	\$ 860,659	\$ 848,990
LIABILITIES AND EQUITY		
Current Liabilities:		
Accounts Payable	2,100	3,142
Accrued Expenses	26,734	25,596
Other Current Liabilities	8,252	6,478
Total Current Liabilities	37,086	35,216
Long-Term Debt:		
Notes Payable	326,043	326,136
Other Long-Term Debt	5,119	3,146
Deferred Credits	1,251	1,850
Other Liabilities	8,329	3,743
Total Long-Term Debt	340,742	334,875
Reserves and Contingencies		
Reserves		
Contingencies		
Total Liabilities	377,828	370,091
Partners', Partners', or Proprietor's Equity	482,831	478,899
Total Liabilities and Equity	\$ 860,659	\$ 848,990

TITLE	FORM NO.
Balance Sheets	CCC-205
Statements of Income (Year-to-Date)	CCC-210
Statements of Income (Three Months)	CCC-215
Statements of Change in Partners' or Proprietor's Equity	CCC-225
Statements of Cash Flows	CCC-235
Schedule of Promotional Expenses and Allowances	CCC-245
Notes to Financial Statements	-
Statement of Conformity and Accuracy	CCC-250

The accompanying notes are an integral part of the financial statements.
 A true comparison cannot be made without using information contained in the notes.

TRADING NAME OF LICENSEE: TRUMP PLAZA HOTEL & CASINO

BALANCE SHEETS

AS OF SEPTEMBER 30, 1995 AND 1994

(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	1995 (c)	1994 (d)
ASSETS			
Current Assets:			
1	Cash and Cash Equivalents.....	\$ 20,077	\$ 22,157
2	Short-Term Investments.....	-	-
3	Receivables and Patrons' checks (Net of Allowance for Doubtful Accounts - 1995, \$8,672; 1994, \$9,300).....	12,321	7,037
4	Inventories.....	2,598	2,436
5	Prepaid Expenses and Other Current Assets.....NOTE 2.....	4,765	5,121
6	Total Current Assets	39,761	36,751
7	Investments, Advances, and Receivables.....NOTE 3.....	4,631	9,235
8	Property and Equipment - Gross.....NOTE 4.....	520,920	430,134
9	Less: Accumulated Depreciation and Amortization.....NOTE 4.....	(144,804)	(133,834)
10	Other Assets.....NOTE 5.....	43,248	45,014
11	Total Assets	\$ 463,756	\$ 387,300
LIABILITIES AND EQUITY			
Current Liabilities:			
12	Accounts Payable.....	\$ 5,231	\$ 5,119
13	Notes Payable.....	837	741
Current Portion of Long-Term Debt:			
14	Due to Affiliates.....	-	-
15	Other.....NOTE 9.....	2,100	3,142
16	Income Taxes Payable and Accrued.....	-	-
17	Other Accrued Expenses.....NOTE 6.....	28,834	25,899
18	Other Current Liabilities.....NOTE 7.....	6,252	6,428
19	Total Current Liabilities	43,254	41,329
Long-Term Debt:			
20	Due to Affiliates.....NOTE 8.....	326,543	326,136
21	Other.....NOTE 9.....	5,112	3,148
22	Deferred Credits.....NOTE 10.....	1,351	1,858
23	Other Liabilities.....NOTE 13.....	3,822	3,743
24	Commitments and Contingencies.....NOTE 14.....	-	-
25	Total Liabilities	380,082	376,214
26	Stockholders', Partners', or Proprietor's Equity.....	83,674	11,086
27	Total Liabilities and Equity	\$ 463,756	\$ 387,300

The accompanying notes are an integral part of the financial statements.
Valid comparison cannot be made without using information contained in the notes.

STATEMENTS OF INCOME

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 1995 AND 1994

(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	1995 (c)	1994 (d)
	Revenue:		
1	Casino.....	\$ 226,586	\$ 198,597
2	Rooms.....	14,671	14,014
3	Food and Beverage.....	33,403	29,556
4	Other.....	7,187	6,558
5	Total Revenue.....	281,847	248,725
6	Less: Promotional Allowances.....	33,231	27,189
7	Net Revenue.....	248,616	221,536
	Costs and Expenses:		
8	Costs of Goods and Services.....	128,447	116,660
9	Selling, General, and Administrative.....	57,306	55,215
10	Provision for Doubtful Accounts.....	788	357
11	Total Costs and Expenses.....	186,541	172,232
12	Gross Operating Profit.....	62,075	49,304
13	Depreciation and amortization.....	11,792	11,734
	Charges from Affiliates Other than Interest:		
14	Management Fees.....	1,012	961
15	Other.....	1,551	1,425
16	Income (Loss) from Operations.....	47,720	35,184
	Other Income (Expenses):		
17	Interest (Expense) – Affiliates.....NOTE 11.....	(28,298)	(28,260)
18	Interest (Expense) – External.....	(1,063)	(778)
19	Investment Alternative Tax and Related Income (Expense) – Net.....	345	(1,222)
20	Nonoperating Income (Expense) – Net.....NOTE 12.....	(3,007)	(3,216)
21	Total Other Income (Expenses).....	(32,023)	(33,476)
22	Income (Loss) Before Income Taxes and Extraordinary Items.....	15,697	1,708
23	Provision (Credit) for Income Taxes.....NOTE 16.....	1,447	185
24	Income (Loss) Before Extraordinary Items.....	14,250	1,523
	Extraordinary Items (Net of Income Taxes –		
25	1995, \$ (2,292), 1994, \$ –).....NOTE 14.....	(2,292)	–
26	Net Income (Loss).....	\$ 11,958	\$ 1,523

The accompanying notes are an integral part of the financial statements.
Valid comparison cannot be made without using information contained in the notes.

TRADING NAME OF LICENSEE: TRUMP PLAZA HOTEL & CASINO

STATEMENTS OF INCOME

FOR THE THREE MONTHS ENDED SEPTEMBER 30, 1995 AND 1994

(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	1995 (c)	1994 (d)
	Revenue:		
1	Casino.....	\$ 86,099	\$ 76,153
2	Rooms.....	5,865	5,552
3	Food and Beverage.....	12,514	11,370
4	Other.....	3,422	2,714
5	Total Revenue.....	107,900	95,789
6	Less: Promotional Allowances.....	13,749	10,838
7	Net Revenue.....	94,151	84,951
	Costs and Expenses:		
8	Costs of Goods and Services.....	47,494	42,500
9	Selling, General, and Administrative.....	19,819	18,717
10	Provision for Doubtful Accounts.....	184	187
11	Total Costs and Expenses.....	67,497	61,404
12	Gross Operating Profit.....	26,654	23,547
13	Depreciation and amortization.....	3,956	3,893
	Charges from Affiliates Other than Interest:		
14	Management Fees.....	326	304
15	Other.....	592	475
16	Income (Loss) from Operations.....	21,780	18,875
	Other Income (Expenses):		
17	Interest (Expense) - Affiliates.....NOTE 11.....	(9,459)	(9,420)
18	Interest (Expense) - External.....	(386)	(258)
19	Investment Alternative Tax and Related Income (Expense) - Net.....	551	(763)
20	Nonoperating Income (Expense) - Net.....NOTE 12.....	(1,697)	(975)
21	Total Other Income (Expenses).....	(10,991)	(11,416)
22	Income (Loss) Before Income Taxes and Extraordinary Items.....	10,789	7,459
23	Provision (Credit) for Income Taxes.....NOTE 16.....	963	708
24	Income (Loss) Before Extraordinary Items.....	9,826	6,751
	Extraordinary Items (Net of Income Taxes -		
25	1995, \$ (2,292), 1994, \$ -).....NOTE 14.....	-	-
26	Net Income (Loss).....	\$ 9,826	\$ 6,751

The accompanying notes are an integral part of the financial statements.
Valid comparison cannot be made without using information contained in the notes.

TRADING NAME OF LICENSEE: TRUMP PLAZA HOTEL & CASINO

STATEMENTS OF CHANGE IN PARTNERS' OR PROPRIETOR'S EQUITY

FOR THE TWELVE MONTHS ENDED DECEMBER 31, 1994
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 1995

(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	Contributed Capital (c)	Accumulated Earnings (Deficit) (d)	Capital Withdrawals (e)	Total Equity (Deficit) (f)
1	Balance, December 31, 1993	\$69,114	\$28,391	(\$87,889)	\$9,616
2	Net Income (Loss) - 1994		356		356
3	Capital Contributions				0
4	Capital Withdrawals				0
5	Partnership Distributions				0
6	Prior Period Adjustments				0
7	.....				0
8	.....				0
9	.....				0
10	Balance, December 31, 1994	69,114	28,747	(87,889)	9,972
11	Net Income (Loss) - 1995		11,958		11,958
12	Capital Contributions	60,650			60,650
13	Capital Withdrawals				0
14	Partnership Distributions				0
15	Prior Period Adjustments				0
16	Adjustments Trump Plaza Holding Associates.		1,094		1,094
17	.....				0
18	.....				0
19	Balance, September 30, 1995	129,764	41,799	(87,889)	83,674

**The accompanying notes are an integral part of the financial statements.
Valid comparison cannot be made without using information contained in the notes.**

STATEMENTS OF CASH FLOWS

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 1995 AND 1994

(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	1995 (c)	1994 (d)
1	NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ 29,548	\$ 23,916
	CASH FLOWS FROM INVESTING ACTIVITIES:		
2	Purchase of Short-Term Investment Securities.....	-	-
3	Proceeds from the Sale of Short-Term Investment Securities.....	-	-
4	Cash Outflows for Property and Equipment.....	(86,468)	(14,252)
5	Proceeds from Disposition of Property and Equipment.....	306	7
6	Purchase of Casino Reinvestment Obligations.....	(2,284)	(2,160)
7	Purchase of Other Investments and Loans/Advances made.....	7,215	(1,585)
8	Proceeds from Disposal of Investments and Collection of Advances and Long-Term Receivables.....	-	-
9	Cash Outflows to Acquire Business Entities.....	-	-
10	Casino Reinvestment Obligation Donation.....	375	3,151
11	Adjustment Trump Plaza Holding Associates.....	1,094	-
12	Net Cash Provided (Used) by Investing Activities.....	(79,762)	(14,839)
	CASH FLOWS FROM FINANCING ACTIVITIES:		
13	Cash Proceeds from Issuance of Short-Term Debt.....	-	1,520
14	Payments to Settle Short-Term Debt.....	(3,429)	(2,598)
15	Cash Proceeds from Issuance of Long-Term Debt.....	1,928	-
16	Costs of Issuing Debt.....	-	-
17	Payments to Settle Long-Term Debt.....	-	-
18	Cash Proceeds from Issuing Stock or Capital Contribution.....	60,650	-
19	Purchases of Treasury Stock.....	-	-
20	Payments of Dividends or Capital Withdrawals.....	-	-
21	Preferred Partnership Interest Distribution.....	-	(233)
22	.....	-	-
23	Net Cash Provided (Used) by Financing Activities.....	59,149	(1,311)
24	Net Increase (Decrease) in Cash and Cash Equivalents.....	8,935	7,766
25	Cash and Cash Equivalents at Beginning of Period.....	11,142	14,391
26	Cash and Cash Equivalents at End of Period.....	\$ 20,077	\$ 22,157

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

CASH PAID DURING PERIOD FOR:			
27	Interest (Net of Amount Capitalized).....	\$ 18,736	\$ 18,445
28	Income Taxes.....	\$ -	\$ -

The accompanying notes are an integral part of the financial statements.
Valid comparison cannot be made without using information contained in the notes.

STATEMENTS OF CASH FLOWS

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 1995 AND 1994

(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1995	(d) 1994
	NET CASH FLOWS FROM OPERATING ACTIVITIES:		
29	Net Income (Loss).....	\$ 11,958	\$ 1,523
	Noncash Items Included in Income and Cash Items Excluded from Income:		
30	Depreciation and Amortization of Property and Equipment.....	11,277	11,452
31	Amortization of Other Assets.....	515	282
32	Amortization of Debt Discount or Premium.....	309	277
33	Deferred Income Taxes - Current.....	-	-
34	Deferred Income Taxes - Noncurrent.....	(414)	185
35	(Gain) Loss on Disposition of Property and Equipment.....	(152)	9
36	(Gain) Loss on Casino Reinvestment Obligation.....	(345)	1,222
37	(Gain) Loss from Other Investment Activities.....	-	-
38	Net (Increase) Decrease in Receivables and Patrons' Checks.....	(5,524)	(80)
39	Net (Increase) Decrease in Inventories.....	1,562	10
40	Net (Increase) Decrease in Other Current Assets.....	(485)	(2,420)
41	Net (Increase) Decrease in Other Assets.....	(705)	758
42	Net Increase (Decrease) in Accounts Payable.....	(1,644)	718
43	Net Increase (Decrease) in Other Current Liabilities Excluding Debt.....	13,196	9,980
44	Net Increase (Decrease) in Other Noncurrent Liabilities Excluding Debt.....	-	-
45	.....	-	-
46	.....	-	-
47	Net Cash Provided (Used) by Operating Activities.....	\$ 29,548	\$ 23,916

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

	ACQUISITION OF PROPERTY AND EQUIPMENT:		
48	Additions to Property and Equipment.....	\$ (89,696)	\$ (14,627)
49	Less: Capital Lease Obligations Incurred.....	3,228	375
50	Cash Outflows for Property and Equipment.....	\$ (86,468)	\$ (14,252)
	ACQUISITION OF BUSINESS ENTITIES:		
51	Property and Equipment Acquired.....	\$ -	\$ -
52	Goodwill Acquired.....	-	-
53	Net Assets Acquired Other than Cash, Goodwill, and Property and Equipment.....	-	-
54	Long-Term Debt Assumed.....	-	-
55	Issuance of Stock or Capital Invested.....	-	-
56	Cash Outflows to Acquire Business Entities.....	\$ -	\$ -
	STOCK ISSUED OR CAPITAL CONTRIBUTIONS:		
57	Total Issuances of Stock or Capital Contribution.....	\$ 60,650	\$ -
58	Less: Issuances to Settle Long-Term Debt.....	-	-
59	Consideration in Acquisition of Business Entities.....	-	-
60	Cash Proceeds from Issuing Stock or Capital Contributions.....	\$ 60,650	\$ -

The accompanying notes are an integral part of the financial statements.
Valid comparison cannot be made without using information contained in the notes.

TRADING NAME OF LICENSEE: TRUMP PLAZA HOTEL AND CASINO

SCHEDULE OF PROMOTIONAL EXPENSES AND ALLOWANCES

(\$ IN THOUSANDS)

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 1995

Line (a)	(b)	Promotional Expenses		Promotional Allowances	
		Number of Recipients (c)	Dollar Amount (d)	Number of Recipients (e)	Dollar Amount (f)
1	Rooms	1,248	\$93	85,393	\$9,689
2	Food			781,138	10,155
3	Beverage			2,242,024	6,726
4	Travel	9,343	1,401		
5	Coin				
6	Coupon	2,716,570	23,597	684,437	4,620
7	Entertainment			50,700	1,453
8	Retail & Gifts	685	27		
9	Parking	774,530	1,549		
10	Other	28,436	2,206	58,849	588
11	Total	3,530,812	\$28,873	3,902,541	\$33,231

FOR THE THREE MONTHS ENDED SEPTEMBER 30, 1995

Line (a)	(b)	Promotional Expenses		Promotional Allowances	
		Number of Recipients (c)	Dollar Amount (d)	Number of Recipients (e)	Dollar Amount (f)
1	Rooms	204	\$15	37,164	\$4,400
2	Food			312,605	4,063
3	Beverage			854,740	2,563
4	Travel	3,790	568		
5	Coin	1,049,016	8,683		
6	Coupon			245,144	1,654
7	Entertainment	283	11	21,974	814
8	Retail & Gifts	320	40		
9	Parking	298,859	598		
10	Other	10,829	962	25,641	255
11	Total	1,363,301	\$10,877	1,497,268	\$13,749

TRUMP PLAZA ASSOCIATES
NOTES TO FINANCIAL STATEMENTS

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Organization

Trump Plaza Associates, (the "Company"), doing business as Trump Plaza Hotel and Casino ("Trump Plaza") was organized in June 1982 as a general partnership under the laws of the State of New Jersey for the purpose of acquiring, completing the construction of and operating Trump Plaza.

B. Disclosures Not Presented

Certain footnotes have not been presented in these Notes to Financial Statements since they would duplicate the disclosures contained in the Casino Control Commission Annual Report for the year ended December 31, 1994. The footnotes excluded are Summary of Significant Accounting Policies (except for Organization), and Employee Benefit Plans.

NOTE 2: PREPAID EXPENSES AND OTHER CURRENT ASSETS

Prepaid expenses and other current assets as of September 30, consisted of the following:

	<u>1995</u>	<u>1994</u>
Prepaid taxes	\$ 898,000	\$ 825,000
Prepaid insurance	1,033,000	1,241,000
Prepaid rent	120,000	120,000
Prepaid advertising costs	385,000	363,000
Prepaid CRDA expense	-	257,000
Prepaid collateral	1,675,000	1,500,000
Other	654,000	815,000
	<u>\$ 4,765,000</u>	<u>\$ 5,121,000</u>

as of September 30, consisted of the following:

	<u>1995</u>	<u>1994</u>
Net	\$ 29,113,000	\$ 29,781,000
Loan Cost (net of affiliates)	10,316,000	12,115,000
	1,366,000	1,440,000
Slot and table tax charges	29,000	77,000
	<u>2,125,000</u>	<u>1,801,000</u>
	<u>\$ 43,249,000</u>	<u>\$ 43,014,000</u>

**TRUMP PLAZA ASSOCIATES
NOTES TO FINANCIAL STATEMENTS**

NOTE 3: INVESTMENTS, ADVANCES AND RECEIVABLES

Investments, advances and receivables as of September 30, consisted of the following:

	<u>1995</u>	<u>1994</u>
Advances due from -		
Trump Seashore Associates	\$ 704,000	\$ 732,000
Trump Plaza Holding Associates	-	3,050,000
Donald J. Trump	-	1,250,000
Trump Organization	304,000	-
Trump Taj Mahal	18,000	-
Trump Hotels & Casino Resorts, Inc.	807,000	-
Casino reinvestment bonds and escrow deposit, net of valuation adjustment (1995) \$1,413,000; (1994) \$2,157,000	<u>2,798,000</u>	<u>4,203,000</u>
	<u>\$ 4,631,000</u>	<u>\$ 9,235,000</u>

NOTE 4: PROPERTY AND EQUIPMENT - NET

Property and equipment as of September 30, consisted of the following:

	<u>1995</u>	<u>1994</u>
Land and land improvements	\$ 47,695,000	\$ 36,463,000
Buildings	349,747,000	297,390,000
Furniture, fixtures and equipment	88,551,000	83,423,000
Leasehold improvements	2,404,000	2,404,000
Construction in progress	<u>32,523,000</u>	<u>10,454,000</u>
	520,920,000	430,134,000
Less - Accumulated depreciation & amortization	<u>(144,804,000)</u>	<u>(133,834,000)</u>
Net property and equipment	<u>\$ 376,116,000</u>	<u>\$ 296,300,000</u>

NOTE 5: OTHER ASSETS

Other assets as of September 30, consisted of the following:

	<u>1995</u>	<u>1994</u>
Land rights, net	\$ 29,412,000	\$ 29,781,000
Deferred Loan Cost (net of affiliate)	10,316,000	12,115,000
Deposits	1,366,000	1,440,000
Deferred slot and table tax charges	29,000	77,000
Other	<u>2,125,000</u>	<u>1,601,000</u>
	<u>\$ 43,248,000</u>	<u>\$ 45,014,000</u>

**TRUMP PLAZA ASSOCIATES
NOTES TO FINANCIAL STATEMENTS**

NOTE 6: OTHER ACCRUED EXPENSES

Other accrued expenses as of September 30, consisted of the following:

	<u>1995</u>	<u>1994</u>
Accrued payroll	\$ 9,844,000	\$ 8,251,000
Accrued progressive jackpot liabilities	367,000	957,000
Accrued interest	10,469,000	10,469,000
Accrued gaming taxes payable	619,000	355,000
Accrued Casino Control Commission & Division of Gaming Enforcement fees	522,000	421,000
Accrued utilities	456,000	415,000
Accrued union benefits	216,000	219,000
Accrued health insurance benefits	1,229,000	1,544,000
Accrued parking, sales, use & luxury tax	351,000	359,000
Accrued professional costs	487,000	426,000
Accrued special event costs	1,103,000	648,000
Accrued repairs & maintenance costs	142,000	87,000
Distribution payable on income taxes to Trump Plaza Funding, Inc.	-	-
Other	<u>3,029,000</u>	<u>1,748,000</u>
	<u>\$28,834,000</u>	<u>\$25,899,000</u>

NOTE 7: OTHER CURRENT LIABILITIES

Other current liabilities as of September 30, consisted of the following:

	<u>1995</u>	<u>1994</u>
Unredeemed chip/token liability	\$ 951,000	\$1,059,000
Patron deposits	479,000	246,000
Casino reinvestment liability	893,000	365,000
Reserve for insurance claims	2,216,000	3,092,000
Advance room/theater deposits	196,000	129,000
Advances due to Trump Castle Associates	560,000	488,000
Advances due to Seashore Four Associates	571,000	579,000
Advances due to Taj Mahal Associates	-	\$ 136,000
Advances due to Trump Oceanview, Inc.	300,000	-
Other	<u>86,000</u>	<u>334,000</u>
	<u>\$6,252,000</u>	<u>\$6,428,000</u>

**TRUMP PLAZA ASSOCIATES
NOTES TO FINANCIAL STATEMENTS**

NOTE 8: LONG-TERM DEBT-DUE TO AFFILIATES

Long-term debt-due to affiliates as of September 30, consisted of the following:

	<u>1995</u>	<u>1994</u>
10 7/8% Partnership Note, net of unamortized discount of \$3,457,000 and \$3,864,000, respectively, interest payable semi-annually, maturing in 2001.	\$326,543,000 =====	\$326,136,000 =====

On June 25, 1993 Trump Plaza Funding, Inc., ("TPF") issued \$330,000,000 principal amount of 10 7/8% Mortgage Notes, due 2001 (the "Mortgage Notes"), net of discount of \$4,313,000. The Mortgage Notes mature on June 15, 2001 and are redeemable at any time on or after June 15, 1998, at the option of the Company or TPF, in whole or in part, at the principal amount plus a premium which declines ratably each year to zero in the year of maturity. The Mortgage Notes bear interest at the rate of 10 7/8% per annum from the date of issuance, payable semi-annually on each June 15 and December 15, commencing December 15, 1993 and are secured by substantially all of the Company's assets.

The Mortgage Note Indenture contains certain covenants limiting the ability of the Company to incur indebtedness, including indebtedness secured by liens on Trump Plaza.

NOTE 9: LONG-TERM DEBT - OTHER

Long-term debt - other as of September 30, consisted of the following:

	<u>1995</u>	<u>1994</u>
Mortgage notes payable in monthly installments, including interest, with interest rates ranging from 10.0% to 10.5%. The notes are due at various dates between 1995 and 1998 and are secured by certain real property.	\$ 3,055,000	\$ 5,602,000
Other notes with interest rates ranging from 7.9% to 11.0%, principal and interest payable monthly, secured by automobile, computer, telephone, and slot equipment.	4,157,000 7,212,000 <u>2,100,000</u>	688,000 6,290,000 <u>3,142,000</u>
Less current maturities	\$ 5,112,000 =====	\$ 3,148,000 =====

**TRUMP PLAZA ASSOCIATES
NOTES TO FINANCIAL STATEMENTS**

NOTE 10: DEFERRED CREDITS

Deferred credits as of September 30, 1995 and 1994 consisted of deferred state income taxes.

NOTE 11: INTEREST (EXPENSE) - AFFILIATES

Interest (Expense)- Affiliates consisted of the interest on the 10 7/8% Partnership Note for the three and nine months ended September 30, 1995 and 1994.

NOTE 12: NON-OPERATING INCOME (EXPENSE) - NET

Non-operating income (expense) - net for the three and nine months ended September 30, consisted of the following:

	<u>Three Months Ended</u>		<u>Nine Months Ended</u>	
	1995	1994	1995	1994
Interest income	\$ 219,000	\$ 204,000	\$ 689,000	\$ 520,000
(Gain) loss on disposal of property and equipment	90,000	(8,000)	152,000	(9,000)
Non-operating lease and related costs	(2,006,000)	(1,171,000)	(3,848,000)	(3,727,000)
	\$(1,697,000)	\$ (975,000)	\$(3,007,000)	\$(3,216,000)

NOTE 13: OTHER LIABILITIES

Other liabilities as of September 30, consisted of the following:

	1995	1994
Deferred Income Taxes relating to Preferred Partnership Interest	\$ 3,822,000	\$ 3,743,000
	\$ 3,822,000	\$ 3,743,000

**TRUMP PLAZA ASSOCIATES
NOTES TO FINANCIAL STATEMENTS**

NOTE 14: COMMITMENTS AND CONTINGENCIES

A. Casino License Renewal

The operation of an Atlantic City hotel and casino is subject to significant regulatory controls which affect virtually all of its operations. Under the New Jersey Casino Control Act (the "Act"), the Company is required to maintain certain licenses.

In June 1995, the New Jersey Casino Control Commission ("CCC") renewed the Company's license to operate Trump Plaza. This license must be renewed in June, 1999, is not transferable and such renewal of the license will include a review of the financial stability of the Company. Upon revocation, suspension for more than 120 days, or if the CCC fails or refuses to renew such casino license, the Act allows for the appointment of a conservator to take possession of the hotel and casino's business and property, subject to all valid liens, claims and encumbrances.

B. Pay-In-Kind Notes

On June 25, 1993, Holding, a Partnership beneficially owned 100% by Donald J. Trump ("Trump"), issued \$60,000,000 principal amount of 12 1/2% Pay-in-Kind Notes (the "PIK Notes"), due 2003, together with Warrants to acquire and additional \$12,000,000 of PIK Notes at no additional cost (the "Warrants").

The PIK Notes and Warrants were exercised and redeemed on June 12, 1995. Such redemption resulted in the recognition of an extraordinary loss of \$2,292,000 relating to the write-off of unamortized deferred financing costs.

C. Trump Plaza East Tower

In 1993, the Company received the approval of the CCC, subject to certain conditions, for the expansion of its hotel facilities ("Trump Plaza East Tower"). On June 24, 1993, Trump transferred title of the Trump Plaza East Tower to a lender in exchange for a reduction in indebtedness to such lender in an amount equal to the sum of fair market value of the Trump Plaza East Tower and all rent payments made to such lender by Trump under the Trump Plaza East Tower Lease (defined below). At that time, the lender leased the Trump Plaza East Tower to Trump (the "Trump Plaza East Tower Lease") for a term of five years, which expires on June 30, 1998, during which time Trump is obligated to pay the lender \$260,000 per month in lease payments. In October 1993, the Company assumed the Trump Plaza East Tower Lease and related expenses.

**TRUMP PLAZA ASSOCIATES
NOTES TO FINANCIAL STATEMENTS**

C. Trump Plaza East Tower Cont'd

On June 24, 1993, the Company acquired a five-year option to purchase the Trump Plaza East Tower (the "Trump Plaza East Tower Purchase Option"). In addition, the Company has a right of first refusal upon any proposed sale of all or any portion of the Trump Plaza East Tower during the term of the Trump Plaza East Tower Purchase Option. Until such time as the Trump Plaza East Tower Option is exercised or expires, the Company will be obligated, from and after the date it entered into the Trump Plaza East Tower Purchase Option, to pay the net expenses associated with the Trump Plaza East Tower. During the nine months ended September 30, 1995, the Company incurred \$2.3 million of such expenses. The CCC has required that the Company exercise the Trump Plaza East Tower Purchase Option or its right of first refusal no later than July 1, 1996. If the Company defaults in making payments due under the Trump Plaza East Tower Purchase Option, the Company would be liable to the lender for the sum of (a) the present value of all remaining payments to be made by the Company pursuant to the Trump Plaza East Tower Purchase Option during the terms thereof and (b) the cost of demolition of all improvements then located on the Trump Plaza East Tower Site. In order for the Company to exercise the option, it would be required to pay \$27.0 million through December 31, 1995, increasing by \$1.0 million annually thereafter until expiration on December 31, 1998. If the Company is unable to exercise the option, it would be required to expense any capitalized costs associated with the Trump Plaza East Tower.

As of September 30, 1995 the Company had capitalized approximately \$25.6 million in construction costs related to the Trump Plaza East Tower including a \$1 million consulting fee paid to Trump. The Company's ability to acquire the Trump Plaza East Tower pursuant to the Trump Plaza East Tower Purchase Option is dependent upon its ability to obtain financing to acquire the property. The ability to incur such indebtedness is restricted by the Mortgage Note Indenture and requires the consent of certain of Trump's personal creditors. The Company's ability to develop the Trump Plaza East Tower is dependent upon its ability to use existing cash on hand and generate cash flow from operations sufficient to fund development costs. No assurance can be given that such cash on hand will be available to the Company for such purposes or that it will be able to generate sufficient cash flows from operations. In addition, exercise of the Trump Plaza East Tower Purchase Option or the right of first refusal requires the consent of certain of Trump's personal creditors, and there can be no assurance that such consent will be obtained at the time the Company desires to exercise the Trump Plaza East Tower Purchase Option or such right.

The accompanying financial statements do not include any adjustments that may be necessary should the Company be unable to exercise the Trump Plaza East Tower Purchase Option.

243,000	798,000	2,447,000	231,000
963,000	9,708,000	\$1,447,000	9,189,000

**TRUMP PLAZA ASSOCIATES
NOTES TO FINANCIAL STATEMENTS**

D. Services Agreement

Pursuant to the terms of a Services Agreement with Trump Plaza Management Corp. ("TPM"), a corporation beneficially owned by Trump, in consideration for services provided, the Company pays TPM each year an annual fee of \$1.0 million in equal monthly installments, and reimburses TPM on a monthly basis for all reasonable out-of-pocket expenses incurred by TPM in performing its obligations under the Services Agreement, up to certain amounts. Under this Agreement, \$1,012,000 and \$961,000 was charged to expense for the nine months ended September 30, 1995 and 1994, respectively.

E. Trump Regency Option

On June 12, 1995, Trump exercised his option to purchase the Trump Regency ("Trump Plaza Regency".) The option price of \$60,000,000 was funded with \$58,150,000 from the Offerings and \$1,850,000 of previous deposits made by the Company. Plaza Associates received the property via directed deed.

Note 15: OTHER PAYMENTS TO DONALD J. TRUMP:

During 1994, the Company paid to Trump \$1,000,000 under a Construction Management Service Agreement. The payment was made for construction management services rendered by Trump with respect to the Trump Plaza East Tower. This payment was approved prior to disbursement by the CCC and has been classified in construction in process in the accompanying balance sheets as of September 30, 1995 and December 31, 1994.

During 1994, the Company also paid Trump a commission of approximately \$572,000 for securing a retail lease at Trump Plaza. The commission has been capitalized and is being amortized to expense over the 10-year term of the lease.

NOTE 16: PROVISION FOR INCOME TAXES

The provision for state income taxes for the three and nine months ended September 30, consisted of the following:

	<u>THREE MONTHS ENDED</u>		<u>NINE MONTHS ENDED</u>	
	<u>1995</u>	<u>1994</u>	<u>1995</u>	<u>1994</u>
Current	\$ -	\$ -	\$ -	\$ -
Deferred	<u>963,000</u>	<u>708,000</u>	<u>1,447,000</u>	<u>185,000</u>
Total	<u>\$ 963,000</u>	<u>\$ 708,000</u>	<u>\$1,447,000</u>	<u>\$ 185,000</u>

STATEMENT OF CONFORMITY, ACCURACY AND COMPLIANCE

QUARTERLY REPORT

STATE OF NEW JERSEY :
COUNTY OF ATLANTIC :ss.

Francis X. McCarthy, Jr., being duly sworn according to law upon my oath
Name

deposes and says:

- 1. I have examined this Quarterly Report.
2. All the information contained in this Quarterly Report has been prepared in conformity with the Casino Control Commission's Quarterly Report Instructions and Uniform Chart of Accounts.
3. To the best of my knowledge and belief, the information contained in this report is accurate.
4. To the best of my knowledge and belief, except for the deficiencies noted below, the licensee submitting this Quarterly Report has remained in compliance with the financial stability regulations contained in N.J.A.C. 19:43-4.2(b)1-5 during the quarter.

Subscribed and sworn to before me this 14 day of November 1995

Sherry A. Field
Signature

NOTARY PUBLIC OF NEW JERSEY
My Commission Expires July 26, 1999

Basis of Authority to Take Oaths

Signature

Executive Vice President - Finance and Administration
Title

001015-11
License Number

On behalf of:

TRUMP PLAZA ASSOCIATES
Casino Licensee
CCC-250

QUARTERLY REPORT

LICENSEE TRUMP TAJ MAHAL CASINO RESORT

ADDRESS 1000 BOARDWALK

ATLANTIC CITY, NEW JERSEY 08401

FOR THE QUARTER ENDED SEPTEMBER 30, 1995

TO THE

CASINO CONTROL COMMISSION

OF THE

STATE OF NEW JERSEY

**NAME OF OFFICER IN CHARGE
OF CORRESPONDENCE REGARDING**

THIS QUARTERLY REPORT..... JAMES L. WRIGHT

OFFICIAL TITLE..... VICE PRESIDENT, FINANCE AND CONTROLLER

ADDRESS..... 1000 BOARDWALK

ATLANTIC CITY, NEW JERSEY 08401

TRADING NAME OF LICENSEE: TRUMP TAJ MAHAL CASINO RESORT

LIST OF FORMS - QUARTERLY REPORT

FOR THE QUARTER ENDED SEPTEMBER 30, 1995.

<u>TITLE</u>	<u>FORM NO.</u>
Balance Sheets	CCC-205
Statements of Income (Year)	CCC-210
Statements of Income (Three months)	CCC-215
Statements of Changes in Stockholders' Equity	CCC-220
Statements of Changes in Partners' or Proprietor's Equity	CCC-225
Statements of Cash Flows	CCC-235
Notes to Financial Statements	
Promotional Expenses and Allowances	CCC-245
Statement of Conformity and Accuracy	CCC-250

BALANCE SHEETS

SEPTEMBER 30, 1995 AND 1994

(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	SEPTEMBER (c) 1995	SEPTEMBER (c) 1994
ASSETS			
Current Assets:			
1	Cash and cash investments.....	\$ 108,749	\$ 76,482
2	Short-Term Investments.....	-	-
3	Receivables and patrons' checks (net of allowance for doubtful accounts - 1995, \$5,354; 1994, \$3,452).....	15,759	12,913
4	Inventories.....	6,950	6,568
5	Prepaid expenses and other current assets.....	5,175	5,179
6	Total current assets.....	136,633	101,142
7	Investment, Advances, and Receivables - CRDA.....	6,829	9,280
8	Property and Equipment - Gross..... NOTE 2.....	902,427	879,143
9	(Accumulated Depreciation/Amortization)..... NOTE 2.....	(207,825)	(169,136)
10	Other Assets.....	5,641	2,465
11	Total Assets.....	\$ 843,705	\$ 822,894
LIABILITIES AND EQUITY			
Current Liabilities:			
12	Accounts Payable.....	\$ 5,880	\$ 6,185
13	Notes Payable.....	-	-
Current portion of long-term debt:			
14	Due to affiliates.....	-	-
15	Other..... NOTES 1 & 3.....	868	711
16	Income taxes payable and accrued.....	-	-
17	Other accrued expenses..... NOTE 4.....	54,515	53,479
18	Other current liabilities..... NOTE 5.....	11,776	8,938
19	Total current liabilities.....	73,039	69,313
Long-Term Debt:			
20	Due to affiliates..... NOTES 1 & 3.....	643,135	606,509
21	Other..... NOTES 1 & 3.....	45,008	45,117
22	Deferred Credits.....	-	-
23	Other Liabilities..... NOTE 6.....	29,644	28,366
24	Commitments and Contingencies..... NOTE 9.....	-	-
25	Total Liabilities.....	790,826	749,305
26	Stockholders', Partners', or Proprietor's Equity.....	52,879	73,589
27	Total Liabilities and Equity.....	\$ 843,705	\$ 822,894

The accompanying notes are an integral part of the financial statements.
Valid comparisons cannot be made without using information contained in the notes

TRADING NAME OF LICENSEE: TRUMP TAJ MAHAL CASINO RESORT

STATEMENTS OF INCOME

NINE MONTHS ENDED SEPTEMBER 30, 1995 AND 1994

(UNAUDITED)

(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1995	(d) 1994
	REVENUE:		
1	Casino.....	\$ 377,368	\$ 345,329
2	Rooms.....	33,035	32,159
3	Food and Beverage.....	42,933	44,110
4	Other.....	11,479	13,742
5	Total Revenue.....	464,815	435,340
6	Less: Promotional allowances.....	47,519	48,802
7	Net Revenue.....	417,296	386,538
	COSTS AND EXPENSES:		
8	Cost of Goods and Services.....	188,388	185,272
9	Selling, General and Administrative.....	113,743	106,809
10	Provision for Doubtful Accounts.....	3,825	1,809
11	Total Costs and Expenses.....	305,956	293,890
12	Gross Operating Profit.....	111,340	92,648
13	Depreciation and Amortization.....	32,407	28,944
14	Charges from Affiliates other than Interest:	-	-
15	Management Fees.....	-	-
15	Other..... NOTE 7.....	4,122	3,667
16	Income (Loss) From Operations.....	74,811	60,037
	Other Income (Expenses):		
17	Interest (Expenses) - Affiliates..... NOTE 3.....	(84,012)	(79,913)
18	Interest (Expenses) - External..... NOTE 3.....	(4,852)	(6,942)
19	Investment Alternative Tax and Related Income(Expense) - Net.....	(2,407)	(2,148)
20	Nonoperating Income (Expense) - Net..... NOTE 8.....	2,752	(2,356)
21	Total Other Income (Expenses).....	(88,519)	(91,359)
22	Income (Loss) Before Income Taxes and Extraordinary Items.....	(13,708)	(31,322)
23	Provision (Credit) for Income Taxes.....	-	-
24	Income (Loss) Before Extraordinary Items.....	(13,708)	(31,322)
25	Extraordinary Items.....	-	-
26	Net Income (Loss).....	\$ (13,708)	\$ (31,322)

The accompanying notes are an integral part of the financial statements.
Valid comparisons cannot be made without using information contained in the notes.

TRADING NAME OF LICENSEE: TRUMP TAJ MAHAL CASINO RESORT

STATEMENTS OF INCOME

THREE MONTHS ENDED SEPTEMBER 30, 1995 AND 1994

(UNAUDITED)

(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1995	(d) 1994
	REVENUE:		
1	Casino.....	\$ 143,814	\$ 132,786
2	Rooms.....	12,698	12,549
3	Food and Beverage.....	15,281	16,097
4	Other.....	4,122	5,065
5	Total Revenue	175,915	166,497
6	Less: Promotional allowances.....	18,107	18,510
7	Net Revenue	157,808	147,987
	COSTS AND EXPENSES:		
8	Cost of Goods and Services.....	66,467	66,608
9	Selling, General and Administrative.....	40,861	37,616
10	Provision for Doubtful Accounts.....	1,696	455
11	Total Costs and Expenses	109,024	104,679
12	Gross Operating Profit.....	48,784	43,308
13	Depreciation and Amortization.....	11,213	9,801
14	Charges from Affiliates other than Interest:	-	-
15	Management Fees.....	-	-
15	Other..... NOTE 7.....	1,543	1,376
16	Income (Loss) From Operations.....	36,028	32,131
	Other Income (Expenses):		
17	Interest (Expenses) - Affiliates..... NOTE 3.....	(28,487)	(27,037)
18	Interest (Expenses) - External..... NOTE 3.....	(1,213)	(1,467)
19	Investment Alternative Tax and Related Income(Expense) - Net.....	(908)	(824)
20	Nonoperating Income (Expense) - Net..... NOTE 8.....	1,025	483
21	Total Other Income (Expenses)	(29,583)	(28,845)
22	Income (Loss) Before Income Taxes and Extraordinary Items.....	6,445	3,286
23	Provision (Credit) for Income Taxes.....	-	-
24	Income (Loss) Before Extraordinary Items.....	6,445	3,286
25	Extraordinary Items.....	-	-
26	Net Income (Loss).....	\$ 6,445	\$ 3,286

The accompanying notes are an integral part of the financial statements.
Valid comparisons cannot be made without using information contained in the notes.

TRADING NAME OF LICENSEE: TRUMP TAJ MAHAL CASINO RESORT

STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY

FOR THE TWELVE MONTHS ENDED DECEMBER 31, 1995 AND THE NINE MONTHS ENDED SEPTEMBER 30, 1995

(UNAUDITED)
(\$ IN THOUSANDS)

NOT APPLICABLE

LINE (a)	DESCRIPTION	COMMON STOCK		PREFERRED STOCK		ADDITIONAL PAID-IN CAPITAL (g)	(h)	RETAINED EARNINGS ACCUMULATED (DEFICIT) (i)	TOTAL STOCKHOLDERS' EQUITY (DEFICIT) (j)
		SHARES (c)	AMOUNT (d)	SHARES (e)	AMOUNT (f)				
1	Balance, December 31, 19__		\$		\$	\$	\$	\$	\$
2	Net Income (Loss) - 19__								
3	Contribution to Paid-in- Capital								
4	Dividends								
5	Prior Period Adjustments								
6	_____								
7	_____								
8	_____								
9	_____								
10	Balance, December 31, 19__								
11	Net Income (Loss) - 19__								
12	Contribution to Paid-in- Capital								
13	Dividends								
14	Prior Period Adjustments								
15	_____								
16	_____								
17	_____								
18	_____								
19	Balance, _____, 19__		\$		\$	\$	\$	\$	\$

The accompanying notes are an integral part of the financial statements.
Valid comparisons cannot be made without using information contained in the notes.

TRADING NAME OF LICENSEE: TRUMP TAJ MAHAL CASINO RESORT

STATEMENTS OF CHANGES IN PARTNERS' OR PROPRIETOR'S EQUITY

FOR THE TWELVE MONTHS ENDED DECEMBER 31, 1994

AND THE NINE MONTHS ENDED SEPTEMBER 30, 1995

(UNAUDITED)

(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION	CONTRIBUTED CAPITAL (c)	ACCUMULATED EARNINGS (DEFICIT) (d)	(e)	TOTAL EQUITY (DEFICIT) (f)
1	Balance, December 31, 1993.....	\$123,745	(\$17,124)	\$	\$106,621
2	Net Income (Loss) - 1994.....	-	(36,658)		(\$36,658)
3	Capital Contributions.....	-	-		-
4	Capital Withdrawals.....	-	-		-
5	Partnership Distributions.....	-	(2,171)		(2,171)
6	Prior Period Adjustments.....	-	-		-
7	.....			
8	.....			
9	.....			
10	Balance, December 31, 1994.....	123,745	(55,953)		67,792
11	Net Income (Loss) - 1995.....	-	(13,708)		(13,708)
12	Capital Contributions.....	-	-		-
13	Capital Withdrawals.....	-	-		-
14	Partnership Distributions..(NOTE 9).....	-	(1,205)		(1,205)
15	Prior Period Adjustments.....	-	-		-
16	.....			
17	.....			
18	.....			
19	Balance, September 30, 1995.....	\$123,745	(\$70,866)	\$0	\$52,879

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

The accompanying notes are an integral part of the financial statements.
Valid comparisons cannot be made without using information contained in the notes.

STATEMENT OF CASH FLOWS

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 1995 AND 1994

(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1995	(d) 1994
1	Net Cash Provided (Used) by Operating Activities.....	\$ 58,198	\$ 28,314
	Cash Flows from Investing Activities:		
2	Purchase of Short-Term Investment Securities.....	-	-
3	Proceeds from the Sale of Short-Term Investment Securities.....	-	-
4	Purchase Outflows for Property and Equipment.....	(19,477)	(15,749)
5	Proceeds from Disposition of Property and Equipment.....	-	-
6	Purchase of Casino Reinvestment Obligations.....	(4,274)	(4,000)
7	Purchase of Other Investments and Loans/Advances Made.....	-	-
8	Proceeds from Disposal of Investments and Collection of Advances and Long-Term Receivables.....	-	-
9	Cash Outflows to Acquire Business Entities.....	-	-
10	.....	-	-
11	.....	-	-
12	Net Cash Provided (Used) by Investing Activities.....	(23,751)	(19,749)
	Cash Flows from Financing Activities:		
13	Cash Proceeds from Issuance of Short-Term Debt.....	-	-
14	Payments to Settle Short-Term Debt.....	-	-
15	Cash Proceeds from Issuance of Long-Term Debt.....	-	-
16	Costs of Issuing Debt.....	-	-
17	Payments to Settle Long-Term Debt.....	(781)	(646)
18	Cash Proceeds from Issuing Stock or Capital Contributions.....	-	-
19	Reduction in Debt Due To Restructuring.....	-	-
20	Subcontractor's Note Settlement.....	-	-
21	Issuance of Additional Bonds.....	15,112	12,249
22	Partnership Distribution.....	(1,205)	(1,710)
23	Net Cash Provided (Used) by Financing Activities.....	13,126	9,893
24	Net Increase (Decrease) in Cash and Cash Equivalents.....	47,573	18,458
25	Cash and Cash Equivalents at Beginning of Period.....	61,176	58,024
26	Cash and Cash Equivalents at End of Period.....	\$ 108,749	\$ 76,482

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

27	Cash Paid During Period for:		
	Interest (Net of Amount Capitalized).....	\$ 40,718	\$ 42,074
28	Income Taxes.....	\$ -	\$ -

The accompanying notes are an integral part of the financial statements.
Valid comparisons cannot be made without using information contained in the notes

STATEMENT OF CASH FLOWS

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 1995 AND 1994

(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1995	(d) 1994
	Net Cash Flows from Operating Activities:		
29	Net Income (Loss).....	\$ (13,708)	\$ (31,322)
	Noncash Items Included in Income and Cash Items Excluded from Income:		
30	Depreciation and Amortization of Property and Equipment.....	32,407	28,944
31	Amortization of Other Assets.....	-	-
32	Amortization of Debt Discount or Premium.....	16,489	13,795
33	Deferred Income Taxes - Current.....	-	-
34	Deferred Income Taxes - Noncurrent.....	-	-
35	(Gain) Loss on Disposition of Property and Equipment.....	-	-
36	(Gain) Loss on Casino Reinvestment Obligations.....	1,959	1,852
37	(Gain) Loss from Other Investment Activities.....	-	-
38	Net (Increase) Decrease in Receivables and Patrons' Checks.....	(316)	121
39	Net (Increase) Decrease in Inventories.....	(519)	(1,883)
40	Net (Increase) Decrease in Other Current Assets.....	2,631	(1,193)
41	Net (Increase) Decrease in Other Assets.....	(204)	(672)
42	Net Increase (Decrease) in Accounts Payables.....	2,624	2,251
43	Net Increase (Decrease) in Other Current Liabilities Excluding Debt.....	20,103	16,367
44	Net Increase (Decrease) in Other Noncurrent Liabilities Excluding Debt.....	(5,016)	(1,452)
45	Net Increase in Notes Payable.....	-	-
46	Costs related to lease guarantee.....	1,748	1,506
47	Net Cash Provided (Used) by Operating Activities.....	\$ 58,198	\$ 28,314

SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING AND FINANCING ACTIVITIES

	Acquisition of Property and Equipment:		
48	Additions to Property and Equipment.....	\$ 20,224	\$ 16,117
49	Less: Capital Lease Obligations Incurred.....	(747)	(368)
50	Cash Outflows for Property and Equipment.....	\$ 19,477	\$ 15,749
	Acquisition of Business Entities:		
51	Property and Equipment Acquired.....	\$ N/A	\$ N/A
52	Goodwill Acquired.....	-	-
53	Net Assets Acquired Other than Cash, Goodwill, and Property and Equipment.....	-	-
54	Long-Term Debt Assumed.....	-	-
55	Issuance of Stock or Capital Invested.....	-	-
56	Cash Outflows to Acquire Business Entities.....	\$ -	\$ -
	Stock Issued or Capital Contributions:		
57	Total Issuances of Stock or Capital Contributions.....	\$ N/A	\$ N/A
58	Less: Issuances to Settle Long-Term Debt.....	-	-
59	Consideration in Acquisition of Business Entities.....	-	-
60	Cash Proceeds from Issuing Stock or Capital Contributions.....	\$ -	\$ -

TRUMP TAJ MAHAL CASINO RESORT
NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 1995

(Unaudited)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and Operation:

Trump Taj Mahal Associates was formed on June 23, 1988, as a New Jersey limited partnership. The Partnership was converted to a general partnership in December, 1990. The current partners and their respective ownership interests are Trump Taj Mahal, Inc. ("TTMI"), 49.995%, the Trump Taj Mahal Corporation ("Trump Corp."), .01%, and TM/GP Corporation ("TMGP"), the managing general partner, a wholly owned subsidiary of Taj Mahal Holding Corp. ("Holding") 49.995%.

Trump Taj Mahal Funding, Inc., ("Funding") is a wholly owned subsidiary of the Partnership and was incorporated on June 3, 1988 for the purpose of raising funds through the issuance of Mortgage Bonds, the proceeds of which were loaned to the Partnership for construction of the Taj Mahal.

The accompanying financial statements have been prepared by the Partnership without audit. In the opinion of the Partnership, all adjustments, consisting of only normal recurring adjustments, necessary to present fairly the financial position, results of operations and changes in cash flows for the periods presented, have been made. Accordingly, certain information and note disclosures normally included in financial statements prepared in conformity with generally accepted accounting principles have been condensed or omitted. These financial statements should be read in conjunction with the financial statements and notes thereto included in the Partnership's December 31, 1994 Annual Report.

Certain reclassifications have been made to the 1994 presentation to make it comparable to 1995.

The casino industry in Atlantic City is seasonal in nature, therefore, results of operations for the three and nine months ended September 30, 1995 and 1994 are not necessarily indicative of the operating results for a full year.

NOTE 2 - PROPERTY AND EQUIPMENT

	<u>September 30,</u>	
	<u>1995</u>	<u>1994</u>
	(in thousands)	
Land	\$ 37,843	\$ 37,843
Buildings	663,284	656,266
Furniture, fixtures and equipment	170,047	153,959
Leasehold improvements	<u>31,253</u>	<u>31,075</u>
Total	902,427	879,143
Less Accumulated Depreciation	<u>(207,825)</u>	<u>(169,136)</u>
Net Property and Equipment	<u>\$694,602</u>	<u>\$710,007</u>

NOTE 3 - LONG TERM DEBT (continued)

Long term debt consisted of the following at September 30:

	<u>1995</u>	<u>1994</u>
	(in thousands)	
<u>Long-term Portion</u>		
Due to affiliates:		
Trump Taj Mahal Funding, Inc.	\$780,243	\$765,130
Unamortized discount	<u>(137,108)</u>	<u>(158,621)</u>
Net	<u>\$643,135</u>	<u>\$606,509</u>
Other:		
Bank term loan	\$ 44,790	\$ 44,986
Other	<u>218</u>	<u>131</u>
Total other	<u>\$ 45,008</u>	<u>\$ 45,117</u>
<u>Current Portion</u>		
Other:		
Bank term loan	\$ 196	\$ 189
Other	<u>672</u>	<u>522</u>
Total other	<u>\$ 868</u>	<u>\$ 711</u>

Nine months ended September 30,
1995 (in thousands) 1994

Interest Expense - Affiliates

Trump Taj Mahal Funding, Inc.	\$ 65,775	\$ 64,612
Accretion - bond discount	16,489	13,795
Accretion - lease guarantee	<u>1,748</u>	<u>1,506</u>
Total	<u>\$ 84,012</u>	<u>\$ 79,913</u>

Interest Expense - External

Bank term loan	\$ 3,204	\$ 3,217
Working Capital line of credit	235	325
Refinancing Costs	1,352	3,369
Other	<u>61</u>	<u>31</u>
Total	<u>\$ 4,852</u>	<u>\$ 6,942</u>

NOTE 3 - LONG TERM DEBT (continued)

Three months ended September 30,
1995 1994
 (in thousands)

Interest Expense-Affiliates

Trump Taj Mahal Funding, Inc.	\$ 22,140	\$ 21,711
Accretion - bond discount	5,743	4,805
Accretion - lease guarantee	604	521
Total	<u>\$ 28,487</u>	<u>\$ 27,037</u>

Interest Expense-External

Bank term loan	\$ 1,079	\$ 1,083
Working Capital line of credit	78	106
Refinancing Costs	31	265
Other	25	13
Total	<u>\$ 1,213</u>	<u>\$ 1,467</u>

Borrowings:

Long term debt consists of bank debt and outstanding Mortgage Bonds. Funding's first Mortgage Bonds bear interest at the rate of 11.35% and are due November 15, 1999. Each \$1,000 principal amount of Bonds, together with one share of Holding's Class B redeemable common stock, trade together as a Unit, and may not be transferred separately. Interest on the Bonds is due semi-annually on each November 15 and May 15. Interest on the Bonds must be paid in cash on each interest payment date at the rate of 9.375% per annum (the "Mandatory Cash Interest Amount"). In addition to the Mandatory Cash Interest Amount, effective May 15, 1992 and annually thereafter, an additional amount of interest (the "Additional Amount") in cash or additional Bonds or a combination thereof, is payable equal to the difference between 11.35% of the outstanding principal amount of the Bonds and the Mandatory Cash Interest Amount previously paid. To the extent that there is excess available cash flow ("EACF") of the Partnership, as defined in the Indenture, for the immediately preceding calendar year, Funding will pay the Additional Amount in cash up to 10.28% and the balance thereof may be paid at the option of Funding in cash or additional Units, provided that an equivalent amount of cash is used to purchase or redeem Units. Additional Bonds issued on October 4, 1991 amounted to approximately \$7,208,000. For the period from the issuance of the Bonds, October 4, 1991 through December 31, 1992, there was no EACF. Accordingly, Funding paid the Additional Amounts on May 15, 1993 and May 15, 1992 through the issuance of approximately \$14,579,000 and \$8,844,000, respectively, in additional Bonds. Of the \$14,870,000 Additional Amount due May 15, 1994, \$2,621,000 was paid in cash and the \$12,249,000 balance in Bonds. Of the \$15,112,000 Additional Amount due May 15, 1995, Funding satisfied the entire obligation through the issuance of Bonds.

In accordance with AICPA Statement of Position 90-7, "Financial Reporting By Entities in Reorganization Under the Bankruptcy Code", the Bonds when issued were stated at the present value of amounts to be paid, determined at current interest rates (effective rate of approximately 18%). The effective interest rate of the Bonds was determined based on the trading price of the Bonds for a specific period. Stating the debt at its approximate present value resulted in a reduction of approximately \$204,276,000 in the carrying amount of the Bonds. This gain is being offset by increased interest costs over the period of the Bonds to accrete such Bonds to their face value at maturity. At September 30, 1995, the unaccreted balance of this discount was approximately \$137,108,000. The current interest rates of other borrowings approximated their stated interest rates as of the effective date.

The Partnership also has a loan agreement with National Westminster Bank, U.S.A. (the "NatWest Loan") which provided financing up to \$50,000,000 for certain items of furniture, fixtures and equipment installed in the Taj Mahal. The NatWest Loan bears interest at 9 3/8% per annum. Principal and interest is payable monthly in the fixed amount of \$373,000 to be applied first to accrued interest and the balance to the extent available, to principal, through maturity, November 15, 1999. Additionally, on May 15 of each year while principal is still outstanding, NatWest will receive 16.5% of the EACF of the preceding calendar year in excess of the Additional Amount, to be applied first to accrued but unpaid interest, and then to principal.

The NatWest Loan is secured by a first priority lien on the furniture, fixtures and equipment acquired with the proceeds of the NatWest Loan plus any after acquired furniture, fixtures and equipment that replaces such property, or of the same type, provided however, that the NatWest Loan may be subordinated to a lien to secure purchase money financing of such after acquired property up to 50% of the value of such after acquired property.

In November 1991, the Partnership obtained a working capital line of credit in the amount of \$25,000,000 with a maturity of five years. In September 1994, the Partnership extended the maturity to November 1999, in consideration for modifications of the terms of the facility. Interest on advances under the line are at prime plus 3% with a minimum of 7% per annum. The Agreement provides for a 3/4% annual fee and a 1/2% unused line fee and contains various covenants. During 1995 and 1994, no amounts were outstanding under the line.

Proposed Recapitalization:

On October 6, 1995, the Partnership, Funding, and Holding (collectively with the Partnership and Funding, the "Taj Entities") executed a letter agreement (the "Agreement") with certain institutional holders of the Class A Common Stock (the "Class A Stock") of Holding (collectively, the "Holders"), whereby the Holders agreed to support a proposed recapitalization of the Taj Entities (the "Recapitalization") in which each holder of Class A Stock would receive at least \$30 for each share of Class A Stock, payable in cash or shares of the Common Stock of Trump Hotels and Casino Resorts, Inc. ("THCR"). The other terms of the Recapitalization have not yet been determined. The Holders also agreed not to dispose of their shares of Class A Stock except pursuant to the Recapitalization, other than sales to third parties who agree to be bound by the Agreement. The Agreement expires on April 30, 1996.

THCR, which is approximately 40% owned by Donald J. Trump and not affiliated with the

Taj Entities, is not a party to the Agreement. Any transaction involving the issuance of shares of the Common Stock of THCR will be subject to the approval of the Board of Directors and Stockholders of THCR.

The Recapitalization is expected to be subject to, among other conditions, the receipt by the Taj Entities of financing in an amount sufficient to effectuate the Recapitalization, the receipt of fairness opinions and the negotiation of satisfactory documentation to effect the Recapitalization. No assurances can be given that any type of recapitalization plan will be consummated by the Taj Entities.

NOTE 4 - OTHER ACCRUED EXPENSES

	<u>September 30,</u>	
	<u>1995</u>	<u>1994</u>
	(in thousands)	
Accrued payroll & related	\$ 16,202	\$ 14,932
Accrued interest	27,441	26,910
Accrued advertising/marketing	1,846	3,152
Other	** 9,026	** 8,485
Total	<u>\$ 54,515</u>	<u>\$ 53,479</u>

** None of the individual components of Other exceed 5% of the total.

NOTE 5 - OTHER CURRENT LIABILITIES

	<u>September 30,</u>	
	<u>1995</u>	<u>1994</u>
	(in thousands)	
Affiliates:		
Donald J. Trump	\$ 471	\$ 211
Trump's Castle Associates	17	7
Trump Plaza Associates	18	(136)
Helicopter Air Service	<u>(43)</u>	<u>(43)</u>
	463	39
Advance deposits	2,483	1,097
Unredeemed chip liability	2,827	1,865
Insurance reserves	4,263	5,016
Other	** <u>1,740</u>	** <u>921</u>
	<u>11,313</u>	<u>8,899</u>
Total	<u>\$ 11,776</u>	<u>\$ 8,938</u>

** None of the individual components of Other exceed 5% of the total.

NOTE 6 - OTHER LIABILITIES

	September 30,	
	1995	1994
	(in thousands)	
Deferred taxes	\$ 4,908	\$ 6,707
Insurance reserves	2,314	1,637
Accrued interest - long term	5,779	5,668
Lease guarantee	16,525	14,237
Other	<u>118</u>	<u>117</u>
	<u>\$29,644</u>	<u>\$28,366</u>

NOTE 7 - CHARGES FROM AFFILIATES

	Nine months ended September 30,	
	1995	1994
	(in thousands)	
Other:		
Rent	\$ 2,044	\$ 2,044
Allocated salaries	591	614
Trump Services Agreement	<u>1,487</u>	<u>1,009</u>
	<u>\$ 4,122</u>	<u>\$ 3,667</u>

	Three months ended September 30,	
	1995	1994
	(in thousands)	
Other:		
Rent	\$ 681	\$ 681
Allocated salaries	179	202
Trump Services Agreement	<u>683</u>	<u>493</u>
	<u>\$ 1,543</u>	<u>\$ 1,376</u>

NOTE 8 - NON-OPERATING INCOME (EXPENSE)

	Nine months ended September 30,	
	1995	1994
	(in thousands)	
Interest income	\$ 2,752	\$ 1,344
Litigation costs	<u>-</u>	<u>(3,700)</u>
	<u>\$ 2,752</u>	<u>\$(2,356)</u>

NOTE 8 - NON-OPERATING INCOME (EXPENSE) (continued)

	Three months ended September 30,	
	<u>1995</u>	<u>1994</u>
	(in thousands)	
Interest income	<u>\$ 1.025</u>	<u>\$ 483</u>

NOTE 9 - COMMITMENTS AND CONTINGENCIES

Casino License Renewal:

The Company and the Partnership are subject to regulation and licensing by the New Jersey Casino Control Commission (the "CCC"). The Partnership's casino license must be renewed periodically, is not transferable, is dependent upon the financial stability of the Partnership and can be revoked at anytime. Upon revocation, suspension for more than 120 days, or failure to renew the casino license due to the Partnership's financial condition or for any other reason, the Casino Control Act provides that the CCC may appoint a conservator to take possession of and title to the hotel and casino's business and property, subject to all valid liens, claims and encumbrances. On June 22, 1995, the CCC renewed the Partnership's Casino License for four years, through March 31, 1999.

Legal Proceedings:

The Partnership, its Partners, certain of its employees and the Company are involved in various legal proceedings incurred in the normal course of business. In the opinion of the Partnership the expected disposition of these proceedings would not have a material adverse effect on the Partnership's or the Company's financial condition or results of operations.

Partnership Distribution:

The Partnership is obligated to reimburse Holding for its operating expenses which consist of directors and officers liability insurance, board of director fees and expenses, and administrative expenses. Total expenses for the nine months ended September 30, 1995 and 1994 approximated \$1,205,000 and \$1,710,000, respectively.

TRADING NAME OF LICENSEE: TRUMP TAJ MAHAL CASINO RESORT

PROMOTIONAL EXPENSES AND ALLOWANCES

(\$ IN THOUSANDS)

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 1995

	<u>PROMOTIONAL ALLOWANCES</u>		<u>PROMOTIONAL EXPENSE</u>	
	# OF RECIPIENTS	DOLLAR AMOUNTS	# OF RECIPIENTS	DOLLAR AMOUNTS
Rooms	156,804	\$21,061		\$
Food	1,292,852	15,798		
Beverage	4,417,870	7,698		
Travel			63,320	8,744
Coin/Table Coupons			2,519,153	37,677
Coupon	117,714	685		
Entertainment	105,219	1,692	25,862	995
Retail & Gifts			5,160	440
Cash Complimentaries			400	6,070
Other	28,235	585	55,446	1,147
Total	<u>6,118,694</u>	<u>\$47,519</u>	<u>2,669,341</u>	<u>\$55,073</u>

FOR THE THREE MONTHS ENDED SEPTEMBER 30, 1995

	<u>PROMOTIONAL ALLOWANCES</u>		<u>PROMOTIONAL EXPENSE</u>	
	# OF RECIPIENTS	DOLLAR AMOUNTS	# OF RECIPIENTS	DOLLAR AMOUNTS
Rooms	60,223	\$ 8,277		\$
Food	490,557	6,078		
Beverage	1,505,336	2,641		
Travel			23,072	3,145
Coin/Table Coupons			968,995	14,910
Coupon	47,441	279		
Entertainment	35,424	629	7,607	314
Retail & Gifts			2,273	131
Cash Complimentaries			160	2,033
Other	9,953	203	21,775	399
Total	<u>2,148,934</u>	<u>\$18,107</u>	<u>1,023,882</u>	<u>\$20,932</u>

STATEMENT OF CONFORMITY AND ACCURACY

STATE OF NEW JERSEY :
:SS.
COUNTY OF ATLANTIC :

JAMES L. WRIGHT, being duly sworn according to law upon my oath deposes and says:
NAME

1. I have examined this Quarterly Report.
2. All the information contained in this Report has been prepared in conformity with Casino Control Commission's Quarterly Report Instructions and Uniform Chart of Accounts.
3. The information contained in this Quarterly Report is accurate to the best of my knowledge and belief.

James L. Wright
SIGNATURE

Vice President, Finance and Controller
TITLE

3507-11
LICENSE NUMBER

Subscribed and Sworn to before me
this 14th day of November, 1995

On Behalf Of:

Brenda J. Thibault
Signature

Trump Taj Mahal Associates
Casino Licensee

BRENDA J. THIBAUT
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Dec. 11, 1997

Basis of Authority
to Take Oaths