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QUARTERLY REPORT

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LICENSEE ATLANTIC CITY SHOWBOAT, INC
ADDRESS P.O. BOX 840
ATLANTIC CITY, NEW JERSEY

FOR THE QUARTER ENDED MARCH 31, 1994

TO THE

CASINO CONTROL COMMISSION

OF THE

STATE OF NEW JERSEY

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CASINO CONTROL
COMMISSION

NAME OF OFFICER IN CHARGE
OF CORRESPONDENCE REGARDING
THIS QUARTERLY REPORT ... KATHLEEN M. CARACCIOLO
OFFICIAL TITLE ..... VICE PRESIDENT FINANCE
ADDRESS ..... P.O. BOX 840
ATLANTIC CITY, NEW JERSEY

TRADING NAME OF LICENSEE: ATLANTIC CITY SHOWBOAT, INC.

LIST OF FORMS - QUARTERLY REPORT

FOR THE QUARTER ENDED MARCH 31, 1994

TITLE	FORM NO.
Balance Sheets	CCC-205
Statements of Income (Year)	CCC-210
Statements of Income (Three Months)	N/A
Statements of Changes in Stockholders' Equity	CCC-220
Statements of Changes in Partners; or Proprietor's Equity	N/A
Statements of Cash Flows	CCC-235
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New Jersey State Library

TRADING NAME OF LICENSEE ATLANTIC CITY SHOWBOAT, INC.

BALANCE SHEET

MARCH 31, 1994 AND 1993
(UNAUDITED)
($ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 19 94	(d) 19 93
	ASSETS		
	Current Assets:	$	$
1	Cash	47,509	15,197
2	Marketable securities	–	–
3	Receivables and patrons' checks (net of allowances for doubtful accounts – 19_94_, $ 2,590 ; 19_93_ $ 3,052) .....NOTE 3..	5,491	4,243
4	Inventories	1,668	1,646
5	Prepaid expenses and other current assets	5,616	5,880
6	Total current assets	60,284	26,966
7	Investments, Advances, And Receivables .....NOTE 2 & 11...	7,270	11,518
8	Property And Equipment – Gross	378,246	312,568
9	(Accumulated Depreciation/Amortization)	(109,496)	(93,606)
10	Other Assets	6,282	8,392
11	Total Assets	$ 342,586	$ 265,838
	LIABILITIES AND EQUITY		
	Current Liabilities:	$	$
12	Accounts payable	12,748	7,769
13	Notes payable ..... NOTE 6	–	1,100
	Current portion of long–term debt:		
14	Due to affiliates	–	–
15	Other	1,683	2,309
16	Income taxes payable and accrued	2,916	–
17	Other accrued expenses ..... NOTE 4	13,377	13,554
18	Other current liabilities ..... NOTE 5	10,188	6,701
19	Total current liabilities	40,912	31,433
	Long–Term Debt:		
20	Due to affiliates ..... NOTE 7	215,000	149,444
21	Other	1,928	3,611
22	Deferred Credits	14,239	11,702
23	Other Liabilities	–	–
24	Commitments And Contingencies NOTE 11		
25	Total Liabilities	272,079	196,190
26	Stockholders', Partners', Or Proprietor's Equity	70,507	69,648
27	Total Liabilities And Equity	$ 342,586	$ 265,838

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 MARCH 31, 1994 AND 1993
(UNAUDITED)
($ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 19 94	(d) 19 93
	Revenue:		
1	Casino	$ 61,555	$ 60,657
2	Rooms	2,709	2,444
3	Food and beverage	7,442	7,290
4	Other	1,303	1,260
5	Total revenue	73,009	71,651
6	Less: Promotional allowances	5,722	5,893
7	Net revenues	67,287	65,758
	Costs And Expenses:		
8	Costs of goods and services	41,593	40,089
9	Selling, general, and administrative	13,281	14,936
10	Provision for doubtful accounts	(147)	413
11	Total costs and expenses	54,727	55,438
12	Gross Operating Profit	12,560	10,320
13	Depreciation and amortization	5,284	4,000
	Charges from affiliates other than interest:		
14	Management fees	3,578	–
15	Other	–	–
16	Income (Loss) From Operations	3,698	6,320
	Other Income (Expenses):		
17	Interest (expense) – affiliates	(4,972)	(4,250)
18	Interest (expense) – external	243	(111)
19	Investment alternative tax and related income (expense) – net	(255)	(249)
20	Nonoperating income (expense) – net	384	(179)
21	Total other income (expenses)	(4,600)	(4,789)
22	Income (Loss) Before Income Taxes And Extraordinary Items	(902)	1,531
23	Provision (credit) for income taxes NOTE 9	(351)	619
24	Income (Loss) Before Extraordinary Items	(551)	912
25	Extraordinary items (net of income taxes – 19 94, $____ ; 19 93, $ ____) NOTE 13	–	556
26	Net Income (Loss)	$ (551)	$ 1,468

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 CHANGES IN STOCKHOLDERS' EQUITY

FOR THE THREE MONTHS ENDED MARCH 31, 1994 AND 1993
(UNAUDITED)
($ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	1994 (c) SHARES	1994 (d) DOLLARS	1993 (e) SHARES	1993 (f) DOLLARS
	Common Stock: 2500 SHARES AUTHORIZED				
1	Beginning balance (January 1)	1,500	$ 76,909	1,500	$ 76,909
2	Sale of stock				
3					
4	Ending balance	1,500	76,909	1,500	76,909
	Preferred Stock:				
5	Beginning balance (January 1)				
6	Sale of stock				
7					
8	Ending balance				
	Additional Paid–in Capital:				
9	Beginning balance (January 1)				
10					
11					
12	Ending balance				
	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)		(5,851)		(8,729)
26	Prior period adjustments				
27	Net income (loss)		(551)		1,468
28	Dividends				
29					
30					
31	Ending balance		(6,402)		(7,261)
32	Ending Stockholder's Equity		$ 70,507		$ 69,648

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 CASH FLOWS

FOR THE THREE MONTHS ENDED MARCH 31, 1994 AND 1993
(UNAUDITED)
($ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 19 94	(d) 19 93
1	Net Cash Provided(Used) By Operating Activities	$ 12,388	$ (2,013)
	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	(18,855)	(15,910)
5	Proceeds from disposition of property and equipment	35	28
6	Purchase of casino reinvestment obligations	(792)	(717)
7	Purchase of other investments and loans/advances made	(19)	–
8	Proceeds from disposal of investments and collection of advances and long-term receivables	–	32
9	Cash outflows to acquire business entities		
10	_____		
11	_____		
12	Net Cash Provided (Used) By Investing Activities	(19,631)	(16,567)
	Cash Flows From Financing Activities:		
13	Cash proceeds from issuance of short-term debt	–	1,100
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	(600)	(541)
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	(600)	559
24	Net Increase (Decrease) In Cash And Cash Equivalents	(7,843)	(18,021)
25	Cash And Cash Equivalents At Beginning Of Years	55,352	33,218
26	Cash And Cash Equivalents At End Of Years	$ 47,509	$ 15,197

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

	Cash Paid During Period For:		
27	Interest (net of amount capitalized)	$ 54	$ 8,494
28	Income taxes	$ –	$ 2,100

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 CASH FLOWS

FOR THE THREE MONTHS ENDED MARCH 31, 1994 AND 1993
(UNAUDITED)
($ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 19 94	(d) 19 93
	Net Cash Flows From Operating Activities:		
29	Net income (loss)	$ (551)	$ 1,468
	Noncash items included in income and cash items excluded from income:		
30	Depreciation and amortization of property and equipment	5,284	4,000
31	Amortization of other assets	85	117
32	Amortization of debt discount or premium		
33	Deferred income taxes – current	248	(614)
34	Deferred income taxes – noncurrent	852	1,045
35	(Gain) loss on disposition of property and equipment	(16)	374
36	(Gain) loss on casino reinvestment obligations	255	249
37	(Gain) loss from other investment activities	(54)	(15)
38	Net (increase) decrease in receivables and patrons' checks	(337)	458
39	Net (increase) decrease in inventories	148	127
40	Net (increase) decrease in other current assets	(344)	(370)
41	Net (increase) decrease in other assets	135	266
42	Net increase (decrease) in accounts payables	1,591	591
43	Net increase (decrease) in other current liabilities excluding debt	9,498	(6,881)
44	Net increase (decrease) in other noncurrent liabilities excluding debt		
45	Decrease in accr Showboat, Inc management fees, net of tax	(4,406)	(2,828)
46	Extraordinary loss extinguishment of debt		
47	Net Cash Provided (Used) By Operating Activities	$ 12,388	$ (2,013)

SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING AND FINANCING ACTIVITIES

	Acquisition Of Property And Equipment:		
48	Additions to property and equipment	$ 18,855	$ 15,910
49	Less: Capital lease obligations incurred		
50	Cash Outflows For Property And Equipment	$ 18,855	$ 15,910
	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 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	$	$

ATLANTIC CITY SHOWBOAT, INC.

Notes to Financial Statements

March 31, 1994 and 1993

(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, 1993 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.

(Continued)

(2) **Related Party Transactions (continued)**

In December 1990, SBO and the Company agreed effective January 1, 1990 to cancel and terminate the Company's obligation to pay management fees to SBO during the period from January 1, 1990 until the fees accrued prior to January 1, 1990 (approximately $24,678,000 net of intercompany tax obligations) were paid in full to SBO and that upon payment in full the obligation to pay fees would recommence for periods beginning after payment of the accrued fees. During the quarter ended June 30, 1993 the Company paid the balance of accrued fees in full and recommenced accruing management fees.

During the three months ended March 31, 1994 and 1993, the Company paid to SBO management fees, net of intercompany tax obligations, of $2,966,000 and $2,828,000, respectively. At March 31, 1994 and 1993 the Company owed $874,000 and $5,280,000, respectively, in accrued fees, net of income taxes, to SBO for SBO's services rendered to the Company in accordance with the Parent Services Agreement.

(3) **Receivables and Patrons' Checks**

As of March 31, 1994 and 1993, receivables consisted of the following (dollars in thousands):

	1994	1993
Casino	$ 6,456	6,453
Hotel	733	458
Other	892	384
	8,081	7,295
Less allowance for doubtful accounts	2,590	3,052
Receivables, net	$ 5,491	4,243

(4) **Other Accrued Expenses**

As of March 31, 1994 and 1993, other accrued expenses consisted of the following (dollars in thousands):

	1994	1993
Salaries and wages	$ 5,696	5,010
Taxes, other than taxes on income	2,455	2,423
Medical and liability claims	1,301	1,397
Progressive slot liability	40	70
Accrued advertising and promotion	1,475	2,259
Enforcement/annual license	562	579
Settlement claims	873	873
Other	975	943
	$ 13,377	13,554

(5) Other Current Liabilities

As of March 31, 1994 and 1993, other current liabilities consisted of the following (dollars in thousands):

	1994	1993
Due to affiliates - interest	$ 8,286	708
Due to affiliates - mgmnt. fees	874	5,280
Outstanding chip liability	721	469
Other	307	244
	$ 10,188	6,701

(6) Note Payable

At March 31, 1994, the Company had available an unsecured line of credit for general working capital purposes totaling $15,000,000. Interest is payable monthly at the bank's prime rate plus .5%. The banks prime rate was 6.75% at March 31, 1994. The line of credit is guaranteed by OSI and expires in August 1994. Borrowings on this line of credit may not be used for the payment of management fees or to fund ventures in other jurisdictions. As of March 31, 1994, no funds have been drawn on this line of credit.

(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 ne 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. Approximately $162,289,000 of these proceeds were used to pay the lor term OSFC payable, OSFC in turn redeemed all of the outstanding 11 3/8% Bonds at 105.7% of the principle amount plus accrued interest. The remaining proceeds will be used for the Company's operation and expansion of existing facilities.

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 commencing November 1, 1993. 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 SE 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

(Continued)

(7) Long Term Debt - Due to Affiliates (continued)

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.

The Indenture places significant restrictions on SBO and its subsidiaries, including restrictions on making loans and advances by SBO to subsidiaries which are Non-Recourse subsidiaries or subsidiaries in which SBO owns less than 50% of the equity. All capitalized terms not otherwise defined in this paragraph have the meanings assigned to the Indenture. The Indenture also places significant restrictions on the incurrence of additional Indebtedness by SBO and its subsidiaries, the creation of additional Liens on the Collateral securing the 9 1/4 Bonds, transactions with Affiliates and the investment of SBO and its subsidiaries in certain Investments. In addition, the terms of the Indenture prohibit SBO and its subsidiaries from making a Restricted Payment unless, at the time of such Restricted Payment: (i) no Default or Event of Default has occurred or would occur as a consequence of such Restricted Payment; (ii) SBO, at the time of such Restricted Payment and after giving pro forma effect thereto as if such Restricted Payment had been made at the beginning of the applicable four-quarter period, would have been permitted to incur at least $1.00 of additional Indebtedness; and, (iii) such Restricted Payment, together with the aggregate of all other Restricted Payments by SBO and its subsidiaries is less than the sum of (x) 50% of the Consolidated Net Income of SBO for the period (taken as one accounting period) from April 1, 1993 to the end of SBO's most recently ended fiscal quarter for which internal financial statements are available plus, (y) 100% of the aggregate net cash proceeds received by SBO from the issuance or sale of Equity Interests of SBO since the Issue Date, plus (z) Excess Non-Recourse Subsidy Cash Proceeds received after the Issue Date. The term Restricted Payment does not include, among other things, the payment of any dividend if, at the time of declaration of such dividend, the dividend would have compiled with the provisions of the Indenture; the redemption, repurchase, retirement, or other acquisition of any Equity Interest of SBO out of proceeds of the substantially concurrent sale of other Equity Interests of SBO; Investments by SBO in an amount not to exceed $75,000,000 in the aggregate in any Non-Recourse Subsidiary engaged in a Gaming Related Business; Investments by SBO in any Non-Recourse Subsidiary engaged in a Gaming Related Business in an amount not to exceed in the aggregate 100% of all cash received by SBO from any Non-Recourse Subsidiary up to $75,000,000 in the aggregate and thereafter, 50% of all cash received by SBO from any Non-Recourse Subsidiary other than cash required to be repaid or returned to such Non-Recourse Subsidiary provided that the aggregate amount of the Investments pursuant thereto does not exceed $125,000,000 in the aggregate; and the purchase, redemption, defeasance, or retirement of the 9 1/4 Bonds (on a pro rate basis).

At March 31, 1994, the Company had available an unsecured line of credit with SBI totaling $15,000,000. Interest is payable monthly at money center banks average prime rate as published in the Wall Street Journal, plus 1%. The line of credit expires in March 1995. At March 31, 1994 no funds had been drawn on this line of credit.

(8) Leases

The Company leases certain furniture and equipment and a warehouse under long-term lease agreements. The leases covering furniture and equipment, which expire 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, not to exceed 10% per year during the second through the sixth lease years. In April 1994, the annual rent increased $208,000 to $8,326,000. 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 $2,201,000 and $2,135,000 for the three months ended March 31, 1994 and 1993 respectively.

(9) Income Taxes

As discussed in Note 1, the Company adopted the provisions of FAS 109 as of January 1, 1993. The cumulative effect of this change in accounting for income taxes of $556,000 was determined as of January 1, 1993 (Note 12).

For the three months ended, March 31, 1994 and 1993 Income tax expense consisted of the following (dollars in thousands):

	Years ended 1994	1993
Federal:		
Current	$ (988)	(394)
Deferred	707	876
	(281)	482
State and local:		
Current	33	26
Deferred	(103)	111
	(70)	137
Total		
Current	(955)	(368)
Deferred	604	987
	$ (351)	619

(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 $330,000 and $303,000 to this plan for the three months ended March 31, 1994 and 1993, 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 $94,000 and $86,000 during the three months ended March 31, 1994 and 1993, respectively.

On May 17, 1990, the shareholders of SBO approved a long-term incentive plan in which officers and key employees of the Company participate. Up to 600,000 shares of SBO common stock may be awarded to plan participants as either restricted shares or stock options. Restricted shares and options vest over a five-year period. The options are exercisable, subject to vesting, over ten years at option prices determined by the Compensation Committee and subject to the approval of the Board of Directors provided that the option price is not less than 100% of the fair market value of SBO's common stock determined on the date of grant of the options.

In April 1992, the Board of Directors of the Company adopted the Showboat, Inc. 1992 Employee Stock Option Plan (Plan) for all full-time and part-time employees. SBO reserved an aggregate of 1,000,000 shares of Showboat, Inc. common stock for issuance under the Plan. The exercise price of an option awarded under the Plan cannot be less than the fair market value of SBO common stock on the date of grant. The number of options granted to an employee is based on the employee's years of service with the Company. Options, all of which expire ten years from the date of grant, are subject to vesting and continued affiliation with the Company.

(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.

(Continued)

(11) **New Jersey Investment Obligation (continued)**

Deposits with the CRDA bear interest at two-thirds of market rates resulting in a current value lower than cost. At March 31, 1994 and 1993, Investments, Advances and Receivables include $5,520,000 and $9,929,000, respectively, representing the Company's deposits with the CRDA of $8,253,000 at March 31, 1994 and $14,868,000 at March 31, 1993 net of a valuation allowance of $2,733,000 and $4,939,000 respectively. The carrying value of these deposits, net of the valuation allowance, approximates fair value.

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. Construction commenced in the fourth quarter of 1993 and is expected to be completed in 1994. The Company has reclassified these CRDA deposits, net of the valuation allowance, totaling $6,667,000 to construction in progress. When construction is complete, these costs will be amortized over seven years. The CRDA has set aside these deposits in a restricted account and the Company no longer receives the benefit of investment income from these funds.

The Company has applied for and received approval for funding credits from the CRDA in connection with the construction of the Company's additional hotel rooms. Pending the execution of a Credit Agreement with the CRDA, which states the terms and conditions by which the Company may receive funding credit, the Company may begin applying for and receiving funds from the CRDA as expenditures are made for the construction of the hotel rooms to the extent the Company has available funds on deposit with the CRDA. The Company has approximately $2,500,000 in available deposits with the CRDA which they may apply for upon execution of the Credit Agreement, with the balance being applied to portions of future CRDA deposits.

(12) **Commitments and Contingencies**

In 1993, the Company entered into construction contracts which commit the Company to approximately $39,000,000 in expenditures in 1994 and approximately $7,000,000 in 1995.

The Company is involved in various claims and legal actions arising in the ordinary course of business. Additionally, the Company is presently undergoing an audit by the Internal Revenue Service for the tax years ending June 30, 1989 and 1990. The State of New Jersey is currently auditing the Company's state income tax returns for the tax years ended June 30, 1986 through 1992. In the opinion of management, the ultimate disposition of these matters will not have a material adverse effect on the Company's financial position or results of operation.

(13) Extraordinary Gain

As discussed in Note 1, the Company adopted the provisions of FAS 109 as of January 1, 1993. The cumulative effect of this change in accounting for income taxes of $556,000 was determined as of January 1, 1993 and is reported as an extraordinary gain in the statement of income for the three months ended March 31, 1993.

(14) Statement of Cash Flow Supplemental Information

1. Disposal of fixed assets:

Property Gross	(1,099)
Accumulated Depreciation	1,080
Proceeds	35
Loss on disposals	(16)

2. Increase in fixed asset acquisition included in accounts payable (795)

3. Decrease in CRDA obligation included in accounts payable 27

4. Decrease in accrued mgmt fees, net of tax, included in Other Current Liabilities (4,406)

5. Increase in Current Deferred income taxes included in Other Current Assets 248

TRADING NAME OF LICENSEE ATLANTIC CITY SHOWBOAT, INC.

SCHEDULE OF RECEIVABLES AND PATRONS' CHECKS

MARCH 31, 1994

(UNAUDITED)
($ IN THOUSANDS)

		ACCOUNTS RECEIVABLE BALANCES		
LINE (a)	DESCRIPTION (b)	ACCOUNT BALANCE (c)	ALLOWANCE (d)	ACCOUNTS RECEIVABLE – (e) NET OF ALLOWANCE
	Patrons' Checks:	$		
1	Undeposited patrons' checks	3,303		
2	Returned patrons' checks	3,153		
3	Total patrons' checks	6,456	$ 2,406	$ 4,050
4	Hotel Receivables	733	184	549
	Other Receivables:			
5	Receivables due from officers and employees	–		
6	Receivables due from affiliates	229		
7	Other accounts and notes receivables	663		
8	Total other receivables	892	–	892
9	Totals (Form 205)	$ 8,081	$ 2,590	$ 5,491

		UNDEPOSITED PATRONS' CHECKS ACTIVITY
LINE (f)	DESCRIPTION (g)	AMOUNT (h)
10	Beginning Balance (January 1)	$ 2,982
11	Counter checks issued (excluding counter checks issued through transactions relating to consolidations, partial redemptions, substitutions, and patrons' cash deposits)	25,206
12	Checks redeemed prior to deposit (excluding the unredeemed portion of counter checks redeemed through partial redemptions, and excluding checks redeemed through transactions relating to consolidations, substitutions, and patrons' cash deposits)	(17,762)
13	Checks collected through deposits	(6,415)
14	Checks transferred to return checks	(708)
15	Other adjustments	–
16	Ending Balance	$ 3,303
17	"Hold" Checks Included in Balance On Line 16	$ –
18	Provision For Uncollectible Patrons' Checks	$ (195)
19	Provision As A Percent Of Counter Checks Issued	–0.8%

TRADING NAME OF LICENSEE ATLANTIC CITY SHOWBOAT

PROMOTIONAL EXPENSES AND ALLOWANCES

For The Three Months Ended March 31, 1994
(in Thousands)

	Promotional Allowances		Promotional Expenses	
	Number of Recipients	Dollar Amount	Number of Recipients	Dollar Amount
Rooms	20	$ 1,471		$
Food	284	2,621		
Beverage	1,325	1,133		
Travel			4	664
Coin			412	6,207
Coupon				
Entertainment	32	474		
Retail & Gifts				
Other	3	23	N/A	283
Total	1,664	$ 5,722	416	$ 7,154

STATEMENT OF CONFORMITY AND ACCURACY

STATE OF New Jersey :
: ss
COUNTY OF Atlantic :

Kathy Caracciolo 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. The information contained in this Quarterly Report is accurate to the best of my knowledge and belief.

K m Caracciolo
Signature

Vice President of Finance
Title

3472–11
License Number

Subscribed and sworn to before me this 13th day of May, 1994

Brenda Sue Wallace
Signature

BRENDA SUE WALLACE
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Jan. 30, 1995.
Basis of Authority to Take Oaths

Atlantic City Showboat, Inc.
Casino Licensee

974.901
c193

QUARTERLY REPORT

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

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

FOR THE QUARTER ENDED MARCH 31, 1994

TO THE
CASINO CONTROL COMMISSION
OF THE
STATE OF NEW JERSEY

RECEIVED
FEU
MAY 16 1994
CASINO CONTROL
COMMISSION

NAME OF OFFICER IN CHARGE
OF CORRESPONDENCE REGARDING
THIS QUARTERLY REPORT .... Vicki Lynn Guveiyian
OFFICIAL TITLE ..... Assistant Vice President / Controller
ADDRESS ..... 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 MARCH 31. 1994

TITLE	FORM NO.
Balance Sheets	CCC–205
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 Receivables and Patrons' Checks	CCC–240
Promotional Expenses and Allowances	CCC–245
Statement of Conformity and Accuracy	CCC–250
Notes to Financial Statements	

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

BALANCE SHEETS

MARCH 31, 1994 AND 1993

(UNAUDITED)
($ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)		1994 (c)	1993 (d)
	ASSETS			
	Current Assets:			
1	Cash		$ 9,153	$ 10,806
2	Marketable securities		---	---
3	Receivables and patrons' checks (net of allowance for doubtful accounts – 1994 $1,270; 1993 $1,888)		4,360	3,397
4	Inventories		1,813	1,857
5	Prepaid expenses and other current assets	NOTE 2.	7,498	9,101
6	Total current assets		22,824	25,161
7	Investments, Advances, and Receivables	NOTE 9	36,152	34,804
8	Property and Equipment – Gross	NOTE 3.	754,664	742,297
9	(Accumulated Depreciation/Amortization)	NOTE 3.	(291,455)	(267,929)
10	Other Assets		16,027	10,416
11	Total Assets		$ 538,212	$ 544,749
	LIABILITIES AND EQUITY			
	Current Liabilities:			
12	Accounts payable		$ 8,433	$ 6,495
13	Notes payable		---	---
	Current portion of long-term debt:			
14	Due to affiliates	NOTE 1.	---	8,000
15	Other		44	42
16	Income taxes payable and accrued	NOTE 1.	2,420	4,442
17	Other accrued expenses	NOTE 10	26,570	29,586
18	Other current liabilities		2,429	2,410
19	Total current liabilities		39,896	50,975
	Long Term Debt:			
20	Due to affiliates	NOTE 4.	425,000	350,000
21	Other	NOTE 4.	8,715	25,763
22	Deferred Credits	NOTE 5.	20,393	27,666
23	Other Liabilities	NOTE 6.	10,452	7,769
24	Commitments And Contingencies			
25	Total Liabilities		504,456	462,173
26	Stockholders', Partners', or Proprietors' Equity		33,756	82,576
27	Total Liabilities and Equity		$ 538,212	$ 544,749

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 MARCH 31, 1994 AND 1993

(UNAUDITED)

($ IN THOUSANDS)

LINE (A)	DESCRIPTION (b)	1994 (c)	1993 (d)
	REVENUE:		
1	Casino	$ 65,714	$ 65,379
2	Rooms	7,297	7,280
3	Food and Beverage	9,022	8,918
4	Other	1,690	1,848
5	Total Revenue	83,723	83,425
6	Less: Promotional allowances	(7,790)	(7,655)
7	Net Revenue	75,933	75,770
	COSTS AND EXPENSES:		
8	Costs of Goods and Services	44,795	41,951
9	Selling, General, and Administrative	13,537	10,742
10	Provision for Doubtful Accounts	(43)	62
11	Total cost and expenses	58,289	52,755
12	Gross Operating Profit	17,644	23,015
13	Depreciation and amortization	7,668	7,030
	Charges from affiliates other than interest:		
14	Management fees	---	---
15	Other NOTE 1.	1,101	1,155
16	Income (Loss) from Operations	8,875	14,830
	Other Income (Expenses):		
17	Interest (expense) – affiliates NOTE 7.	(10,301)	(10,384
18	Interest (expense) – external NOTE 7.	(282)	(696
19	Investment alternative tax and related income (expense) – net NOTE 11	(420)	(414
0	Nonoperating income (expense) – net NOTE 12	392	287
21	Total other income (expenses)	(10,611)	(11,207
22	Income (Loss) Before Income Taxes and Extraordinary Items	(1,736)	3,623
23	Provision (credit) for income taxes NOTE 8.	(704)	1,438
24	Income (Loss) Before Extraordinary Items	(1,032)	2,185
25	Extraordinary items (net of income taxes – 1994, $14,137)	(20,735)	---
	Cumulative effect on prior years of change in accounting for income taxes NOTE 1.	---	(11,377
26	Net Income (Loss)	$ (21,767)	$ (9,192

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 STOCKHOLDERS' EQUITY

FOR THE THREE MONTHS ENDED MARCH 31, 1994 AND 1993

(UNAUDITED)

($ IN THOUSANDS)

LINE (A)	DESCRIPTION (b)	1994 SHARES (c)	1994 DOLLARS (d)	1993 SHARES (e)	1993 DOLLARS (f)
	Common Stock:				
1	Beginning balance (January 1)	100	$ 1	100	$ 1
2	Sale of stock				
3					
4	Ending balance	100	1	100	1
	Preferred Stock:				
5	Beginning balance (January 1)	---	---	---	---
6	Sale of stock				
7	_____				
8	Ending balance	---	---	---	---
	Additional Paid-in Capital:				
9	Beginning balance (January 1)		86,117		91,767
10	Dividend		(30,595)		
11					
12	Ending balance		55,522		91,767
	Treasury Stock:				
13	Beginning balance (January 1)	---	---	---	---
14	Purchase of additional stock				
15	Sale or retirement of stock				
16	Ending balance	---	---	---	---
	Other:				
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)		---		---
26	Prior period adjustments				
27	Net income (loss)		(21,767)		(9,192)
28	Dividends				
29					
30					
31	Ending balance		(21,767)		(9,192)
32	*Ending Stockholders' Equity*		$ 33,756		$ 82,576

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

STATEMENT OF CHANGES IN PARTNERS' OR PROPRIETOR'S EQUITY

FOR THE THREE MONTHS MARCH 31, 1994 AND 1993

(UNAUDITED)
($ IN THOUSANDS)

NOT APPLICABLE

LINE (a)	DESCRIPTION (b)	1994 (c)	1993 (d)
	Invested Capital:		
1	Beginning Balance (January 1)	$	$
2	Additional capital invested		
3	_____		
4	Ending balance		
	Accumulated Income (Loss):		
5	Beginning Balance (January 1)		
6	Prior period adjustments		
7	Net income (loss)		
8	_____		
9	Ending balance		
	Capital Withdrawals:		
10	Beginning Balance (January 1)	( )	( )
11	Additional capital withdrawals	( )	( )
12	_____		
13	Ending balance	( )	( )
	Net Unrealized Loss On Noncurrent Marketable Equity Securities:		
14	Beginning Balance (January 1)	( )	( )
15	_____		
16	_____		
17	Ending balance	( )	( )
	Ending Partners' Or		
18	Proprietor's Equity	$	$

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

New Jersey State Library

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

STATEMENTS OF CASH FLOWS

FOR THE THREE MONTHS ENDED MARCH 31, 1994 AND 1993

(UNAUDITED)
($ IN THOUSANDS)

LINE (a)	Description (b)	1994 (c)	1993 (d)
1	Net Cash Provided (Used) By Operating Activities	$ (4,658)	$ (10,155)
	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	(3,784)	(1,625)
5	Proceeds from disposition of property and equipment	---	---
6	Purchase of casino reinvestment obligations	(843)	(824)
7	Purchase of other investments and loans/advances made	---	---
8	Proceeds from disposal of investments and collection of advances and long-term receivables	5	12
9	Cash outflows to acquire business entities	---	---
10	Payment to affiliate for CRDA credits	---	---
11	Net book value of disposals	---	146
12	Net Cash Provided (Used) By Investing Activities	(4,622)	(2,291)
	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	443,000	64,000
16	Costs of issuing debt	(14,558)	---
17	Payments to settle long-term debt	(391,703)	(45,011)
18	Cash proceeds from issuing stock or capital contributions	---	---
19	Purchases of treasury stock	---	---
20	Payments of dividends or capital withdrawals	(30,595)	(8,000)
21	Advance (to) from Bally and affiliates	---	
22	_____	---	---
23	Net Cash Provided (Used) By Financing Activities	6,144	10,989
24	Net Increase (Decrease) In Cash And Cash Equivalents	(3,136)	(1,457)
25	Cash And Cash Equivalents At Beginning Of Period	12,289	12,263
26	Cash And Cash Equivalents At End Of Period	$ 9,153	$ 10,806

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

	Cash Paid During Period For:		
27	Interest (net of amount capitalized)	$ 24,064	21,440
28	Income taxes	$ 22,907	---

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: BALLY'S PARK PLACE CASINO HOTEL AND TOWER

STATEMENTS OF CASH FLOWS

FOR THE THREE MONTHS ENDED MARCH 31, 1994 AND 1993

(UNAUDITED)

($ IN THOUSANDS)

LINE (a)	Description (b)	1994 (c)	1993 (d)
	Net Cash Flows From Operating Activities:		
29	Net income (loss)	$ (21,767)	(9,192)
	Noncash items included in income and cash items excluded from income:		
30	Depreciation and amortization of property and equipment	7,278	6,602
31	Amortization of other assets	390	428
32	(Gain)/Loss from financing activities	34,872	---
33	Deferred income taxes – current	(120)	(505)
34	Deferred income taxes – noncurrent	(11,367)	1,928
35	(Gain) loss on disposition of property and equipment	---	---
36	(Gain) loss on casino reinvestment obligations	420	413
37	(Gain) loss from other investment activities	14	39
38	Net (increase) decrease in receivables and patrons' checks	1,628	505
39	Net (increase) decrease in inventories	21	115
40	Net (increase) decrease in other current assets	(235)	(560)
41	Net (increase) decrease in other assets	(69)	3,733
42	Net increase (decrease) in accounts payables	(643)	(887)
43	Net increase (decrease) in other current liabilities excluding debt	(15,372)	(8,420)
44	Net increase (decrease) in other noncurrent liabilities excluding debt	292	(15,731)
45	Cumulative effect of change in accounting for income taxes	---	11,377
46	Amortization of CRDA credits	---	---
47	Net Cash Provided (Used) By Operating Activities	$ (4,658)	$ (10,155)
	SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING AND FINANCING ACTIVITIES		
	Acquisition Of Property And Equipment:		
48	Additions to property and equipment	$ 3,784	1,625
49	Less: Capital lease obligations incurred	---	---
50	Cash Outflows For Property And Equipment	$ 3,784	$ 1,625
	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	$ ---	$ ---

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

SCHEDULE OF RECEIVABLES AND PATRONS' CHECKS

MARCH 31, 1994

(UNAUDITED)

($ IN THOUSANDS)

ACCOUNTS RECEIVABLE BALANCES

LINE (a)	DESCRIPTION (b)	ACCOUNT BALANCE (c)	ALLOWANCE (d)	ACCOUNTS RECEIVABLE - NET OF ALLOWANCE (e)
	Patrons' Checks:			
1	Undeposited patrons' checks	$ 1,439		
2	Returned patrons' checks	996		
3	Total patrons' checks	2,435	$ (1,070)	$ 1,365
4	Hotel Receivables	897	(200)	697
	Other Receivables:			
5	Receivables due from officers and employees	6		
6	Receivables due to affiliates	687		
7	Other accounts and notes receivables	1,605		
8	Total other receivables	2,298	---	2,298
9	Totals (Form 205)	$ 5,630	$ (1,270)	$ 4,360

UNDEPOSITED PATRONS' CHECKS ACTIVITY

LINE (f)	DESCRIPTION (g)	AMOUNT (h)
10	Beginning Balance (January 1)	$ 2,716
11	Counter checks issued (excluding counter checks issued through transactions relating to consolidations, partial redemptions, substitutions, and patrons' cash deposits)	16,146
12	Checks redeemed prior to deposit (excluding the unredeemed portion of counter checks redeemed through partial redemptions, and excluding checks redeemed through transactions relating to consolidations, substitutions, and patrons' cash deposits)	(13,565)
13	Checks collected through deposits	(3,195)
14	Checks transferred to returned checks	(663)
15	Other adjustments	---
16	Ending Balance	$ 1,439
17	"Hold" Checks Included In Balance On Line 16	$ 0
18	Provision For Uncollectible Patrons' Checks	$ (30)
19	Provision As A Percent Of Counter Checks Issued	0.001%

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

PROMOTIONAL EXPENSES AND ALLOWANCES

($ in Thousands)

For the three months ended March 31, 1994

	Promotional Allowances		Promotional Expenses	
	Number of Recipients	Dollar Amount	Number of Recipients	Dollar Amount
Rooms	34,575	$ 2,784		$
Food	340,050	3,381		
Beverage	764,513	1,529		
Travel			19,215	384
Coin				
Coupon			271,884	3,374
Entertainment	3,617	61		
Retail & Gifts				
Other	1,166	35	7,079	354
Total	1,143,921	$ 7,790	298,178	$ 4,112

STATEMENT OF CONFORMITY AND ACCURACY

STATE OF New Jersey :
:ss.
COUNTY OF Atlantic :

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. The information contained in this Quarterly Report is accurate to the best of my knowledge and belief.

Signature

Assistant Vice President / Controller
Title

#000558-11
License Number

Subscribed and sworn to
before me this 16th day
of May, 1994

On Behalf Of:

Signature

Bally's Park Place, Inc. NJ
Casino Licensee

CHERYL ANN [illegible]
NOTARY PUBLIC OF [illegible]
[illegible] 1999

Basis of Authority
to Take Oaths

BALLY'S PARK PLACE CASINO HOTEL & TOWER
Note 1 - Notes to Financial Statements
For the Three Months Ended March 31, 1994 and 1993
(Unaudited)

The accompanying financial statements include the accounts of Bally's Park Place, a New Jersey corporation, (the "Company"). The Company was a direct wholly owned subsidiary of Bally Manufacturing Corporation ("BMC") until June 16, 1993, when BMC contributed all of the capital stock of the Company to Bally Casino Holdings, Inc. ("Casino Holdings"). Casino Holdings was formed as a subsidiary of BMC in April 1993 to serve as a holding company for the Company and for acquiring and developing gaming operations, including those in newly emerging gaming jurisdictions. 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 for the year ended December 31, 1993.

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

All adjustments have been recorded which are, in the opinion of management, necessary for a fair presentation of the balance sheet and statement of changes in stockholders' equity of the Company at March 31, 1994, its statements of operations and cash flows for the quarter ended March 31, 1994 and 1993. All such adjustments were of a normal recurring nature, except for those adjustments in 1994 to reflect the refinancing of indebtedness (see "Note 4 - Long-Term Debt, Affiliates and Other") and in 1993 to apply the provisions of Statement of Financial Accounting Standards ("SFAS") No. 109, "Accounting for Income Taxes" (see "Income Taxes").

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 1994 presentation.

Investments in Subsidiaries

The Company has three wholly owned subsidiaries, B.W. Realty, Inc. (which operated a motel in Atlantic City until January 1992), Bally Warwick, Inc. (which owns several condominiums in a building in Atlantic City for sale and lease) and Bally's Park Place Realty Company (which owns land in Atlantic City). The investments in these subsidiaries are reflected in the accompanying financial statements using the equity method.

Allocations from BMC and transactions with related parties

During the quarter ended March 31, 1994 and 1993, respectively, BMC allocated costs to the Company consisting of the Company's allocable share of BMC's corporate overhead including executive salaries and benefits, public company reporting costs and other corporate headquarters' 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 BMC's oversight. BMC's method for allocating costs to its subsidiaries is designed to apportion its costs to its subsidiaries based upon many subjective factors including size of operations and extent of BMC's oversight requirements. Management of BMC believes that the methods used to allocate these costs are reasonable and expects similar allocations in future years. Because of BMC's controlling relationship with the Company and the allocation of certain BMC costs, the operating results of the Company could be significantly different from those that would have been obtained if the Company operated autonomously. The accompanying financial statements reflect

an allocation of costs and expenses incurred by BMC of $1,101,000 and $1,155,000 for the quarter ended March 31, 1994 and 1993, respectively.

Certain executive officers of the Company function in a similar capacity for GNAC, CORP. (a wholly owned subsidiary of BMC which owns and operates the casino resort in Atlantic City known as the "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 legal services, purchasing, limousine services, and certain aspects of human resources. Costs of these operations are allocated to or from the Company either directly or using various formulas based on utilization estimates of such services. On a net basis, allocations from the Company were $56,000 and $696,000 for the quarters ended March 31, 1994 and 1993, respectively, which management believes were reasonable. The Company leases surface area parking lots to The Grand, and rental income was $174,000 for each of the quarters ended March 31, 1994 and 1993.

The Company and The Grand have a cash management arrangement whereby The Grand advances excess funds to the Company which the Company uses to reduce the outstanding balance under its revolving credit agreement. As of March 31, 1994 and 1993, the Company had $0 and $8,000,000 owed to The Grand respectively. These advances are payable on demand. The Company pays interest monthly on these advances (at the prime rate of its agent bank) which totalled $199,000 for the quarter ended March 31, 1993.

Income Taxes

Taxable income or loss of the Company is included in the consolidated federal income tax return of BMC. Under an agreement between the Company and BMC, income taxes are allocated to the Company based on amounts the Company would pay or receive if it filed a separate federal income tax return, except that the Company receives credit from BMC for the tax benefit of the Company's net operating losses and tax credits, if any, that can be utilized in BMC's consolidated federal income tax return, whether or not such losses or credits could be utilized by the Company on a separate return basis. Payments to BMC are due at such time and in such amounts as payments are required to be made for income tax purposes. Payments by BMC for such tax benefits are due at the time BMC files the applicable consolidated federal income tax return.

Effective January 1, 1993, the Company changed its method of accounting for income taxes as required by SFAS No. 109. The cumulative effect on prior years of this change in accounting for income taxes was a charge of $11,377,000.

For the quarter ended March 31, 1994 and 1993, the effective income tax rate of the income tax provision (benefit) differed from the federal statutory rate of 35% and 34.% respectively (40.6% and 39.7%, respectively) due principally to state income taxes.

BALLY'S PARK PLACE CASINO HOTEL & TOWER
Note 2 - Prepaid Expenses and
Other Current Assets
March 31
(Unaudited)

	1994	1993
Deferred Income Taxes	$ 6,281,000	$ 7,398,000
Prepaid Insurance	141,000	580,000
Other *	1,076,000	1,123,000
	$ 7,498,000	$ 9,101,000

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

BALLY'S PARK PLACE CASINO HOTEL & TOWER
Note 3 - Property, Plant and Equipment
March 31
(Unaudited)

	1994	1993*
Land	$ 63,163,000	$ 63,168,000
Buildings, Leasehold Improvements	541,187,000	539,388,000
Furniture, Fixtures and Equipment	144,301,000	138,329,000
Construction in Progress	6,013,000	1,412,000
	754,664,000	742,297,000
Less Accumulated Depreciation and Amortization	(291,455,000)	(267,929,000)
Property and Equipment, Net	$463,209,000	$474,368,000

*Restated to conform to 1994 Presentation.

BALLY'S PARK PLACE CASINO HOTEL & TOWER
Note 4 - Long-Term Debt, Affiliates and Other
March 31
(Unaudited)

Long-Term Debt	1994	1993
Due to affiliates:		
9 1/4% First Mortgage Notes due 2004	$425,000,000	$ ---
11 7/8 First Mortgage Notes due 1999	---	350,000,000
	$425,000,000	$350,000,000
Other:		
Revolving credit agreement	$ 6,000,000	$ 23,000,000
Other secured and unsecured debt	2,715,000	2,763,000
	$ 8,715,000	$ 25,763,000

On March 8, 1994, the Company issued $425,000,000 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 purchase and retire certain of its 11 7/8% First Mortgage Notes due 1999 (the "11 7/8% Notes"), defease the remaining 11 7/8% Notes at a price of 104.45% of their principal amount plus accrued interest through the redemption date, thereby satisfying all obligations thereunder, and pay a $30,000,000 dividend to Casino Holdings. The retirement and defeasance of the 11 7/8% Notes resulted in an extraordinary loss of $20,735,000 net of an income tax benefit of $14,137,000. In connection with the sale of the 9 1/4% Notes, the Company terminated its former credit facility and entered into an agreement for a new $50,000,000 revolving credit facility which expires on December 31, 1996, at which time all amounts outstanding become due. The new credit facility provides for interest on borrowings payable, at the Company's option, at the agent bank's prime rate (6.25% at March 31, 1994) or the LIBOR rate plus 2%, each of which increases as the balance outstanding increases. The Company pays a fee of 1/2% on the unused commitment. At March 31, 1994, $44,000,000 was available under the new credit facility.

The indenture for the 9 1/4% Notes and the new credit facility imposes 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 new credit facility is, in certain circumstances, more restrictive than the indenture for the 9 1/4% Notes. In connection with the sale of the 9 1/4% Notes, the Casino Control Commission (the "CCC") requires, among other things, that dividends paid by the Company to Casino Holdings which are not paid pursuant to a net income test (generally limited to 50% of aggregate consolidated net income, as defined, earned since April 1, 1994) receive prior approval from the CCC. The indenture for the 9 1/4% Notes limits these dividends to $50,000,000 in aggregate.

In February 1994, a dividend of $595,000 was paid, which was the amount available at December 31, 1993 under the indenture for the 11 7/8% Notes. At March 31, 1994, no amounts were available under the net income test of the indenture for the 9 1/4% Notes and the credit line to pay dividends.

BALLY'S PARK PLACE CASINO HOTEL & TOWER
Note 5 - Deferred Credits
March 31
(Unaudited)

	1994	1993
Deferred Federal Income Taxes	$ 20,393,000	$ 27,666,000

BALLY'S PARK PLACE CASINO HOTEL & TOWER
Note 6 - Other Liabilities
March 31
(Unaudited)

	1994	1993
Accrued SERP	$ 9,359,000	$ 6,481,000
1983 Reinvestment Obligation (net of unamortized discount $204,000 in 1994 and $286,000 in 1993)	1,093,000	1,288,000
	$ 10,452,000	$ 7,769,000

The Company has a noncontributory supplemental executive retirement plan (the "SERP") for certain key executives. Normal retirement under the SERP is age 60 and participants receive benefits based on years of service and compensation. Pension costs of the SERP are unfunded. The Company recognizes this expense over the expected length of the officers' employment.

On January 8, 1993, the Company and BMC entered into a Retirement and Separation Agreement with a former executive of the Company and BMC. The Company paid this executive $14,500,000 on such date in full settlement of the remaining amounts due under his employment contract and for the liability under a previous settlement of his supplemental executive retirement plan, which resulted in a gain of approximately $1,500,000 for the three months ended March 31, 1993.

BALLY'S PARK PLACE CASINO HOTEL & TOWER
Note 7 - Interest Expense
For the Three Months Ended March 31
(Unaudited)

Charges From Affiliates	1994	1993
Bally's Park Place Funding, Inc.	$ 10,332,000	$ 10,391,000
Capitalized interest	(31,000)	(7,000)
	$ 10,301,000	$ 10,384,000
External Sources		
Interest on various loans	$ 290,000	$ 698,000
Capitalized interest	(8,000)	(2,000)
	$ 282,000	$ 696,000

BALLY'S PARK PLACE CASINO HOTEL & TOWER
Note 8 - Provision for Income Taxes
For the Three Months Ended March 31
(Unaudited)

	1994	1993
Current:		
Federal	$ (4,101,000)	$ 79,000
State	747,000	(63,000)
	(3,354,000)	16,000
Deferred:		
Federal	3,533,000	1,090,000
State	(883,000)	332,000
	2,650,000	1,422,000
Total Income Taxes	$ (704,000)	$ 1,438,000

Reconciliation of Deferred Income Taxes
for the Three Months Ended March 31
(Unaudited)

	1994	1993
Short-term	$ (120,000)	$ (298,000)
Long-term	2,770,000	1,720,000
	$ 2,650,000	$ 1,422,000

BALLY'S PARK PLACE CASINO HOTEL & TOWER
Note 9 - Investments, Advances and Receivables
March 31
(Unaudited)

	1994	1993
Other long-term investments and receivables:		
Investment in subsidiaries - equity:		
Bally Warwick, Inc. - 100% owned	$ 4,268,000	$ 4,261,000
B.W. Realty, Inc. - 100% owned	4,753,000	4,736,000
Bally' Park Place Realty Company - 100% owned	15,630,000	15,630,000
Total investments in subsidiaries - equity	24,651,000	24,627,000
Casino Reinvestment Development Authority funds (less discount of $8,140,000 in 1994 and $7,715,000 in 1993)	9,026,000	7,636,000
Jacobs Family Terrace Mortgage Receivable (less reserve of $250,000 in 1994 and $225,000 in 1993)	2,523,000	2,586,000
Less current portion	(48,000)	(45,000)
Total Investments, Advances and Receivables	$36,152,000	$34,804,000

BALLY'S PARK PLACE CASINO HOTEL & TOWER
Note 10 - Other Accrued Expenses
March 31
(Unaudited)

	1994	1993
Payroll	$ 8,483,000	$ 7,018,000
Progressive Jackpots	1,706,000	3,256,000
Interest	2,604,000	5,327,000
*Miscellaneous	13,777,000	13,985,000
Total	$26,570,000	$29,586,000

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

BALLY'S PARK PLACE CASINO HOTEL & TOWER
Note 11 - Reinvestment Obligation
March 31, 1994
(Unaudited)

The Company, pursuant to the New Jersey Casino Control Act (The "Act"), is subject to making qualified investments, as specified by the Act or become liable for an alternative tax (2.5% of gross casino revenues). The Company has fulfilled its obligation under the Act by making deposits to the Casino Reinvestment Development Authority (the "CRDA") and by direct investments.

At March 31, 1994 and 1993, the Company had $16,027,000 and $14,222,000 respectively, in remaining bond purchase commitments on deposit with the CRDA. The Company has purchased $1,139,000 and $1,129,000 in bonds from the CRDA as of March 31, 1994 and 1993, respectively.

The Company charged to operations $420,000, and $414,000 for the quarter ended March 31, 1994 and 1993 respectively, to reflect the estimated realizable value of its CRDA investments.

BALLY'S PARK PLACE CASINO HOTEL & TOWER
Note 12 - Non-Operating Income
For the Three Months Ended March 31
(Unaudited)

	1994	1993
Interest Income	$ 232,000	$ 252,000
Equity in income or (loss) of unconsolidated subsidiaries:		
B. W. Realty, Inc.	12,000	(20,000)
Bally Warwick, Inc.	(26,000)	(19,000)
Other	174,000	74,000
Total	$ 392,000	$ 287,000

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QUARTERLY REPORT

PROPERTY OF
NEW JERSEY STATE LIBRARY
TRENTON, N.J.

LICENSEE BOARDWALK REGENCY CORPORATION
d/b/a CAESARS ATLANTIC CITY
ADDRESS 2100 PACIFIC AVENUE
ATLANTIC CITY, NEW JERSEY 08401

FOR THE QUARTER ENDED MARCH 31, 1994

TO THE

CASINO CONTROL COMMISSION

OF THE

STATE OF NEW JERSEY

RECEIVED
FEU
MAY 17 1994
CASINO CONTROL
COMMISSION

NAME OF OFFICER IN CHARGE
OF CORRESPONDENCE REGARDING
THIS QUARTERLY REPORT . . . . . MICHAEL J. WALSH
OFFICIAL TITLE . . . . . VICE PRESIDENT OF FINANCE

ADDRESS . . . . . 2100 PACIFIC AVENUE
ATLANTIC CITY, NEW JERSEY 08401

TRADING NAME OF LICENSEE CAESARS ATLANTIC CITY

LIST OF FORMS - QUARTERLY REPORT

FOR THE QUARTER ENDED MARCH 31, 1994

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
Notes to Financial Statements	
Schedule of Receivables and Patrons' Checks	CCC-240
Promotional Expenses and Allowances	CCC-245
Statement of Conformity and Accuracy	CCC-250

TRADING NAME OF LICENSEE: CAESARS ATLANTIC CITY

BALANCE SHEETS

MARCH 31, 1994 AND 1993
(UNAUDITED)
($ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1994	(d) 1993
	ASSETS		
	Current Assets:		
1	Cash	$ 10,621	$ 11,320
2	Marketable securities	–	–
3	Receivables and patrons' checks(net of allowance for doubtful accounts – 1994, $6,704; 1993, $9,510)	12,155	9,068
4	Inventories . . . NOTE 1	2,987	3,563
5	Prepaid expenses and other current assets . . . NOTES 2 & 6	13,501	16,661
6	Total current assets	39,264	40,612
7	Investments, Advances, and Receivables . . . NOTES 3 & 14	7,108	4,310
8	Property And Equipment – Gross . . . NOTES 1, 4 & 10	394,426	414,388
9	(Accumulated Depreciation/Amortization)	(116,765)	(139,360)
10	Other Assets . . . NOTES 1 & 12	13,589	14,604
11	**Total Assets**	$ 337,622	$ 334,554
	LIABILITIES AND EQUITY		
	Current Liabilities:		
12	Accounts payable	$ 5,416	$ 5,090
13	Notes payable . . . NOTE 5	17,032	11,533
	Current portion of long–term debt :		
14	Due to affiliates	–	–
15	Other . . . NOTE 10	–	293
16	Income taxes payable and accrued . . . NOTES 1 & 6	487	–
17	Other accrued expenses . . . NOTE 7	16,617	15,081
18	Other current liabilities . . . NOTE 8	1,718	4,164
19	Total current liabilities	41,270	36,161
	Long–Term Debt:		
20	Due to affiliates . . . NOTE 9	58,600	68,300
21	Other . . . NOTE 10	9,316	10,994
22	Deferred Credits . . . NOTE 6	6,865	6,982
23	Other Liabilities . . . NOTE 11	9,061	6,879
24	Commitments And Contingencies . . . NOTE 14	–	–
25	**Total Liabilities**	125,112	129,316
26	**Stockholders', Partners', Or Proprietor's Equity**	212,510	205,238
27	**Total Liabilities And Equity**	$ 337,622	$ 334,554

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 THREE MONTHS ENDED MARCH 31, 1994 AND 1993

(UNAUDITED)

($ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1994	(d) 1993
	Revenue:		
1	Casino . . . . . NOTE 1 . . .	$ 70,656	$ 71,267
2	Rooms	3,912	3,683
3	Food and beverage	7,857	7,181
4	Other	3,051	2,297
5	Total revenue	85,476	84,428
6	Less: Promotional allowances . . . . . NOTE 1 . . .	9,531	8,230
7	Net revenue	75,945	76,198
	Costs And Expenses :		
8	Cost of goods and services	45,033	42,983
9	Selling, general and administrative	16,117	16,226
10	Provision for doubtful accounts	61	419
11	Total costs and expenses	61,211	59,628
12	Gross Operating Profit	14,734	16,570
13	Depreciation and amortization . . . . . NOTE 1 . . .	4,830	4,591
	Charges from affiliates other than interest:		
14	Management fees . . . . . NOTE 13 . .	2,287	2,284
15	Other . . . . . NOTE 13 . .	3,436	3,647
16	Income (Loss) From Operations	4,181	6,048
	Other Income (Expenses) :		
17	Interest (expense) – affiliates . . . . . NOTES 5 & 9. . .	(1,901)	(2,087)
18	Interest (expense) – external . . . . . NOTE 10 . . .	(251)	(291)
19	Investment alternative tax and related income (expense) – net . . . NOTE 14 . . .	66	(114)
20	Nonoperating income (expense) – net	76	70
21	Total other income (expenses)	(2,010)	(2,422)
22	Income (Loss) Before Income Taxes And Extraordinary Items	2,171	3,626
23	Provision (credit) for income taxes . . . . . NOTE 6 . . .	977	1,449
24	Income (Loss) Before Extraordinary Items	1,194	2,177
25	Extraordinary Items (net of income taxes – 1993, $; 1992 , $) Cumulative Effect of Accounting Change	–	–
26	**Net Income (Loss)**	$ 1,194	$ 2,177

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 THREE MONTHS ENDED MARCH 31, 1994 AND 1993
(UNAUDITED)
($ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1994	(d) 1993
	Revenue:		
1	Casino . . . NOTE 1 . . .	$ 70,656	$ 71,267
2	Rooms	3,911	3,683
3	Food and beverage	7,857	7,181
4	Other	3,051	2,297
5	Total revenue	85,475	84,428
6	Less: Promotional allowances . . . NOTE 1 . . .	9,531	8,230
7	Net revenue	75,944	76,198
	Costs And Expenses :		
8	Cost of goods and services	45,034	42,983
9	Selling, general and administrative	16,117	16,226
10	Provision for doubtful accounts	61	419
11	Total costs and expenses	61,212	59,628
12	Gross Operating Profit	14,732	16,570
13	Depreciation and amortization . . . NOTE 1 . . .	4,829	4,591
	Charges from affiliates other than interest:		
14	Management fees . . . NOTE 13 . . .	2,287	2,284
15	Other . . . NOTE 13 . . .	3,436	3,647
16	Income (Loss) From Operations	4,180	6,048
	Other Income (Expenses) :		
17	Interest (expense) – affiliates . . . NOTES 5 & 9. . . .	(1,901)	(2,087)
18	Interest (expense) – external . . . NOTE 10. . . .	(251)	(291)
19	Investment alternative tax and related income (expense) – net . . . NOTE 14 . . .	67	(114)
20	Nonoperating income (expense) – net	76	70
21	Total other income (expenses)	(2,009)	(2,422)
22	Income (Loss) Before Income Taxes And Extraordinary Items	2,171	3,626
23	Provision (credit) for income taxes . . . NOTE 6 . . .	977	1,449
24	Income (Loss) Before Extraordinary Items	1,194	2,177
25	Extraordinary Items (net of income taxes – 1993, $; 1992 , $)	–	–
26	**Net Income (Loss)**	$ 1,194	$ 2,177

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 CHANGES IN STOCKHOLDERS' EQUITY

FOR THE THREE MONTHS ENDEDMARCH 31, 1994 AND 1993

(UNAUDITED)

($ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	1994 (c) SHARES	1994 (d) DOLLARS	1993 (e) SHARES	1993 (f) DOLLARS
	Common Stock: No Par Value, 1,000 Shares Authorized				
1	Beginning balance (January 1)	100	$ 1,370	100	$ 1,370
2	Sale of stock	–	–	–	–
3	_____	–	–	–	–
4	Ending balance	100	1,370	100	1,370
	Preferred Stock:				
5	Beginning balance (January 1)	–	–	–	–
6	Sale of stock	–	–	–	–
7	_____	–	–	–	–
8	Ending balance	–	–	–	–
	Additional Paid–in Capital:				
9	Beginning balance (January 1)		46,065		46,065
10	_____		–		–
11	_____		–		–
12	Ending balance		46,065		46,065
	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)		169,881		161,626
26	Prior period adjustments		–		–
27	Net Income (loss)		1,194		2,177
28	Dividends (Note 8)		(6,000)		(6,000)
29	_____		–		–
30	_____		–		–
31	Ending balance		165,075		157,803
32	Ending Stockholders' Equity		$ 212,510		$ 205,238

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 CHANGES IN PARTNERS' OR PROPRIETOR'S EQUITY

FOR THE THREE MONTHS ENDED MARCH 31, 1994 AND 1993

(UNAUDITED)
($ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1994	(d) 1993
	Invested Capital:		
1	Beginning balance (January 1)	$	$
2	Additional capital invested		
3	_____		
4	Ending balance		
	Accumulated Income (Loss):		
5	Beginning balance (January 1)		
6	Prior period adjustments		
7	Net income (loss)		
8	_____		
9	Ending balance		
	Capital Withdrawals:		
10	Beginning balance (January 1)	( )	( )
11	Additional capital withdrawals	( )	( )
12	_____		
13	Ending balance	( )	( )
	Net Unrealized Loss On Noncurrent Marketable Equity Securities:		
14	Beginning balance (January 1)	( )	( )
15	_____		
16	_____		
17	Ending balance	( )	( )
18	**Ending Partners' Or Proprietor's Equity**		

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 THREE MONTHS ENDED MARCH 31, 1994 AND 1993
(UNAUDITED)
($ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1994	(d) 1993
1	Net Cash Provided (Used) By Operating Activities	$ 3,197	$ 6,370
	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	(4,000)	(3,067)
5	Proceeds from disposition of property and equipment	–	–
6	Purchase of casino reinvestment obligations	(801)	(840)
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	(4,801)	(3,907)
	Cash Flows From Financing Activities :		
13	Cash proceeds from issuance of short–term debt	21,526	16,892
14	Payments to settle short–term debt	(15,550)	(11,500)
15	Cash proceeds from issuance of long–term debt	–	–
16	Costs of issuing debt	–	–
17	Payments to settle long–term debt	14	(58)
18	Cash proceeds from issuing stock or capital contributions	–	–
19	Purchases of treasury stock	–	–
20	Payments of dividends or capital withdrawals	(6,000)	(6,000)
21	_____	–	–
22	_____	–	–
23	Net Cash Provided (Used) by Financing Activities	(10)	(666)
24	Net Increase (Decrease) In Cash And Cash Equivalents	(1,614)	1,797
25	Cash And Cash Equivalents At Beginning Of Period	12,235	9,523
26	Cash And Cash Equivalents At End Of Period	$ 10,621	$ 11,320
	SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
	Cash Paid During Period For:		
27	Interest (net of amount capitalized)	$ 2,152	$ 2,378
28	Income taxes	$ 4,889	$ 4,609

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 THREE MONTHS ENDED MARCH 31, 1994 AND 1993
(UNAUDITED)
($ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1994	(d) 1993
	Net Cash Flows From Operating Activities:		
29	Net income (loss)	$ 1,194	$ 2,177
	Noncash items included in income and cash items excluded from income:		
30	Depreciation and amortization of property and equipment	4,496	4,306
31	Amortization of other assets	333	285
32	Amortization of debt discount or premium	–	–
33	Deferred income taxes – current	(55)	(78)
34	Deferred income taxes – noncurrent	(83)	336
35	(Gain) loss on disposition of property and equipment	0	(16)
36	(Gain) loss on casino reinvestment obligations	(67)	114
37	(Gain) loss from other investment activities	–	–
38	Net (increase) decrease in receivables and patrons' checks	(901)	1,994
39	Net (increase) decrease in inventories	41	145
40	Net (increase) decrease in other current assets	561	(2,474)
41	Net (increase) decrease in other assets	(13)	(133)
42	Net increase (decrease) in accounts payable	(8)	(854)
43	Net increase (decrease) in other current liabilities excluding debt	(2,293)	571
44	Net increase (decrease) in other noncurrent liabilities excluding debt	(8)	(3)
45	_____	–	–
46	_____	–	–
47	Net Cash Provided (Used) By Operating Activities	$ 3,197	$ 6,370
	SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING AND FINANCING ACTIVITIES		
	Acquisition Of Property And Equipment:		
48	Additions to property and equipment	$ 4,000	$ 3,067
49	Less: Capital lease obligations incurred	–	–
50	Cash Outflows For Property And Equipment	$ 4,000	$ 3,067
	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	$ –	$ –

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. CNJ is a wholly-owned subsidiary of Caesars World, Inc., (CWI), a Florida corporation. BRC owns and operates Caesars Atlantic City Hotel/Casino (CAC) in Atlantic City, New Jersey.

Revenue and Promotional Allowances

Casino revenue represents the net win from gaming wins and losses. The retail value of accommodations and the food and beverage provided to customers without charge is included in gross revenue and deducted as promotional allowances.

Inventories

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

Property and Equipment

Property and equipment is recorded at cost, including interest capitalized on funds borrowed to finance construction of major projects. For the three months ended March 31, 1994 no capitalized interest was recorded. Depreciation and amortization are provided for on the straight-line method over the following estimated useful lives:

Buildings and improvements including capital lease	10 to 40 years
Furniture, fixtures and equipment	3 to 8 years

Betterments, renewals and extraordinary repairs that extend the life of the asset are capitalized; other repairs and maintenance are expensed. The cost and accumulated depreciation applicable to assets retired are removed from the accounts and the resultant gain or loss on disposition is recognized.

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

Costs in Excess of Net Assets Acquired

The excess of the purchase price over the fair value of assets acquired, as a result of CWI's acquisition in December 1990 of the outstanding minority shares of CNJ, was approximately $8,829,000, is included in Other Assets and is being amortized on a straight-line basis over 40 years.

Income Taxes

BRC is included in CWI's consolidated Federal income tax return. 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 generally accepted accounting principles. The omitted disclosures pertain to the aggregate maturities of long term debt and future minimum lease payments for operating and capital leases and certain information as it relates to notes payable, capital leases and long-term debt. The disclosures were omitted because there was not a material change in the information previously disclosed in the Company's annual financial statements for the year ended December 31, 1993.

NOTE 2. PREPAID EXPENSES AND OTHER CURRENT ASSETS:

	1994	1993
	(In Thousands)	
Deferred income taxes.**(NOTE 6)**..	$11,921	$12,282
Prepaid Income Taxes - current	-	2,548
Other.....	1,580	1,831
	$13,501	$16,661

NOTE 3. INVESTMENTS, ADVANCES AND RECEIVABLES:

	1994	1993
	(In Thousands)	
CRDA deposits	$9,543	$6,028
CRDA bonds receivable	521	521
	10,064	6,549
Less: valuation allowance on CRDA investments	2,956	2,239
	$7,108	$4,310

The carrying value of the CRDA investment approximated its fair value.

NOTE 4. PROPERTY AND EQUIPMENT:

	1994	1993
	(In Thousands)	
Land	$ 51,503	$ 51,503
Buildings and improvements	266,212	256,778
Furniture, fixtures and equipment	59,903	90,663
Construction in progress	4,468	3,104
Properties under capital leases.	12,340	12,340
	394,426	414,388
Less: accumulated depreciation and amortization	116,765	139,360
	$277,661	$275,028

NOTE 5. NOTES PAYABLE:

In the first quarter of 1994 and 1993, the maximum amount outstanding at any month-end was $22,082,000 and $12,944,000, respectively, the average of the month-end amounts outstanding was $17,825,000 and $11,189,000, respectively, and the weighted average interest rates were 6.1 percent and 6.0 percent, respectively.

At March 31, 1994 and 1993, the outstanding balance on the revolving line of credit was $17,032,000 and $11,533,000, respectively.

NOTE 6. INCOME TAXES:

In August 1993, the Omnibus Budget Reconciliation Act of 1993 was enacted which increased the corporate tax rate from 34 to 35 percent retroactive to January 1, 1993. In accordance with generally accepted accounting principles, the retroactive effect of this change was recognized in the quarter ended September 30, 1993 and was approximately $225,000.

The provision for income taxes for the three months ended March 31, 1994 and 1993 is comprised of the following:

	1994	1993
	(In Thousands)	
Current:		
Federal	$ 894	$ 860
State	221	331
Deferred:		
Federal	(131)	227
State	(7)	31
	$ 977	$ 1,449

Noncurrent deferred credits of $6,865,000 and $6,982,000 at March 31, 1994 and 1993, 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, and certain accrued liabilities.

The provision for income taxes for the three months ended March 31, 1994 and 1993 differs from the amount computed at the statutory rate as follows:

	(In Thousands)	
	1994	1993
Federal income tax at statutory rate.	$ 760	$ 1,233
State income taxes, net of federal benefit	129	215
Other, net	88	1
	$ 977	$ 1,449

NOTE 6. INCOME TAXES (cont'd):

The Internal Revenue Service has examined CWI's consolidated federal income tax returns through fiscal 1988 and is currently examining the returns for Fiscal 1989 and 1990.

NOTE 7. OTHER ACCRUED EXPENSES:

	1994	1993
	(In Thousands)	
Salaries, wages and vacation pay....	$ 3,705	$ 3,151
General liability, etc.....	4,126	4,561
Taxes, other than income taxes.....	2,481	2,269
Other.....	6,305	5,100
	$16,617	$15,081

NOTE 8. OTHER CURRENT LIABILITIES:

	1994	1993
	(In Thousands)	
Due to CWI.....	-	$2,239
Due to DPI.....	$ 569	664
Other.....	1,149	1,261
	$1,718	$4,164

On January 24, 1994, BRC declared a $6,000,000 dividend to CNJ. As of March 31, 1994, this dividend has been paid in full.

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

	1994	1993
	(In Thousands)	
DPI term note due June 1, 1996, interest at 11.45%, unsecured.....	$58,600	$68,300

At March 31, 1994, management estimates that the carrying value of this note approximates its fair value.

NOTE 10. LONG-TERM DEBT, OTHER:

	1994	1993
	(In Thousands)	
Mortgage payable, bearing interest at 8.0%, secured by property, paid in full November 30, 1993	$ -	$ 2,025
Capitalized lease obligation, net of amounts representing interest....	9,316	9,262
	9,316	11,287
Less current maturities.....	-	293
	$9,316	$10,994

Rent expense for the three months ended March 31, 1994 and 1993 was $636,000 and $603,000, respectively.

NOTE 11. OTHER LIABILITIES:

	1994	1993
	(In Thousands)	
General liability, etc.....	$6,227	$4,481
Other.....	2,834	2,398
	$9,061	$6,879

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 March 31, 1994 the amount in this revocable trust was $1,808,000 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 $138,000 and $111,000 for the three months ended March 31, 1994 and 1993, respectively. The actuarially computed present value of the accumulated benefit obligation relating to participants employed by BRC was $2,007,000 at July 31, 1993. The liability accrued with respect to the Plan at July 31, 1993 was $2,725,000.

The Individual Retirement Account Plan was terminated on December 31, 1993 and replaced by a new 401(k) Plan effective January 1, 1994. This new plan is available to all full-time, non-union employees who have at least one year of service (as defined in the Plan). The expense of these plans for the three months ended March 31, 1994 and 1993 was $468,000 and $202,000, respectively.

In addition to the BRC plans described above, union employees are covered by various multi-employer pension plans for which there is no information available from the plans sponsors regarding its share of unfunded vested benefits, if any.

NOTE 13. RELATED TRANSACTIONS:

BRC has recorded expenses for the three months ended March 31, 1994 and 1993 from CWI and affiliates as follows:

Affiliate	Transaction	1994	1993
		(In Thousands)	
Caesars World, Inc.	Management Fee	$ 2,287	$ 2,284
Caesars World Marketing Corp.	Reservation Offices	$ 1,503	$ 1,697
Caesars Palace Corp	Tradename Fee	1,274	1,200
Caesars World, Inc.	Allocated Expenses	659	750
		$ 3,436	$ 3,647

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 March 31, 1994, all BRC investment obligations had been satisfied or prepaid.

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.

TRADING NAME OF LICENSEE: CAESARS ATLANTIC CITY

SCHEDULE OF RECEIVABLES AND PATRONS' CHECKS

MARCH 31, 1994
(UNAUDITED)
($ IN THOUSANDS)

ACCOUNTS RECEIVABLE BALANCES				
LINE (a)	DESCRIPTION (b)	ACCOUNT BALANCE (c)	ALLOWANCE (d)	ACCOUNTS RECEIVABLE – (e) NET OF ALLOWANCE
	Patron Checks :			
1	Undeposited patrons' checks	$ 5,654	–	
2	Returned patrons' checks	10,489	–	
3	Total patrons' checks	16,143	$ 6,557	$ 9,586
4	Hotel Receivables	553	147	406
	Other Receivables:			
5	Receivables due from officers and employees	5	–	
6	Receivables due from affiliates	1,323	–	
7	Other accounts and notes receivables	835	–	
8	Total other receivables	2,163	–	2,163
9	Totals (Form 205)	$ 18,859	$ 6,704	$ 12,155

UNDEPOSITED PATRONS' CHECKS ACTIVITY		
LINE (f)	DESCRIPTION (g)	AMOUNT (h)
10	Beginning Balance (January 1)	$ 4,855
11	Counter checks issued (excluding counter checks issued through transactions relating to consolidations, partial redemptions, substitutions, and patrons' cash deposits).	50,772
12	Checks redeemed prior to deposit (excluding the unredeemed portion of counter checks redeemed through partial redemptions, and excluding checks redeemed through transactions relating to consolidation, substitutions, and patrons' cash deposits)	(38,529)
13	Checks collected through deposits	(11,756)
14	Checks transferred to returned checks	312
15	Other adjustments	–
16	Ending Balance	$ 5,654
17	"Hold" Checks Included Balance on Line 16	$ –
18	Provision For Uncollectible Patrons' Checks	$ 35
19	Provision As A Percent Of Counter Checks Issued	0.1%

TRADING NAME OF LICENSEE: CAESARS ATLANTIC CITY

PROMOTIONAL EXPENSES AND ALLOWANCES

($ IN THOUSANDS)

(UNAUDITED)

FOR THE THREE MONTHS ENDED MARCH 31, 1994

	Promotional Allowances		Promotional Expenses	
	Number of Recipients	Dollar Amount	Number of Recipients	Dollar Amount
Rooms	50,145	$ 2,929		$
Food	204,657	3,729		
Beverage	417,035	2,095		
Travel			6,637	2,565
Coin			231,661	2,404
Coupon			66,444	1,787
Cash Rebates			316	750
Entertainment	34,433	658	3,703	753
Retail & gifts			642	194
Other	3,180	120	36,260	802
Total	709,450	$ 9,531	345,663	$ 9,255

FOR THE YEAR ENDED DECEMBER 31, 1994

	Promotional Allowances		Promotional Expenses	
	Number of Recipients	Dollar Amount	Number of Recipients	Dollar Amount
Rooms	50,145	$ 2,929		$
Food	204,657	3,729		
Beverage	417,035	2,095		
Travel			6,637	2,565
Coin			231,661	2,404
Coupon			66,444	1,787
Cash Rebates			316	750
Entertainment	34,433	658	3,703	753
Retail & gifts			642	194
Other	3,180	120	36,308	802
Total	709,450	$ 9,531	345,711	$ 9,255

STATEMENT OF CONFORMITY AND ACCURACY

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

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. The information contained in this Quarterly Report is accurate to the best of my knowledge and belief.

Signature

VICE PRESIDENT FINANCE
Title

1482-11
License Number

Subscribed and sworn to before me this 13th day of May 1994

Signature

MARY NOCELLA
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires July 30, 1997

Basis of Authority to Take Oaths

On Behalf Of:

BOARDWALK REGENCY CORPORATION
Casino License

974.901
C193

QUARTERLY REPORT

THE CLARIDGE AT PARK PLACE, INC.

INDIANA AVENUE AT THE BOARDWALK

ATLANTIC CITY, NEW JERSEY 08401

FOR THE QUARTER ENDED MARCH 31, 1994

TO THE

CASINO CONTROL COMMISSION

OF THE

STATE OF NEW JERSEY

RECEIVED
FEU
MAY 17 1994
CASINO CONTROL
COMMISSION

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

TRADING NAME OF LICENSEE: THE CLARIDGE CASINO HOTEL

LIST OF FORMS - QUARTERLY REPORT

FOR THE QUARTER ENDED MARCH 31, 1994

TITLE	FORM #
BALANCE SHEETS	CCC - 205
STATEMENTS OF INCOME (THREE MONTHS)	CCC - 215
STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY	CCC - 220
STATEMENTS OF CHANGES IN PARTNERS' OR PROPRIETORS' EQUITY	CCC - 225
STATEMENTS OF CASH FLOWS	CCC - 235
NOTES TO FINANCIAL STATEMENTS	
SCHEDULE OF RECEIVABLES & PATRONS' CHECKS	CCC - 240
PROMOTIONAL EXPENSES & ALLOWANCES	CCC - 245
STATEMENT OF CONFORMITY & ACCURACY	CCC - 250

TRADING NAME OF LICENSEE: THE CLARIDGE CASINO HOTEL

BALANCE SHEETS
MARCH 31, 1994 AND 1993
(UNAUDITED)
($ IN THOUSANDS)

LINE (A)	DESCRIPTION (B)	(C) 1994	(D) 1993
	ASSETS		
	CURRENT ASSETS:		
1	CASH	$ 24,253	$ 5,906
2	MARKETABLE SECURITIES (at cost which approx. market)	22,373	-0-
3	RECEIVABLES & PATRONS CHECKS (NET OF ALLOW. FOR DOUBTFUL ACCOUNTS - 1994, $1,340; 1993, $1,453)	19,619	17,460
4	INVENTORIES	2,601	2,292
5	PREPAID EXPENSES & OTHER CURRENT ASSETS	1,130	990
6	TOTAL CURRENT ASSETS	69,976	26,648
7	INVESTMENTS, ADVANCES & RECEIVABLES...(NOTE 3)	118,885	121,858
8	PROPERTY & EQUIPMENT - GROSS	14,668	13,851
9	(ACCUMULATED DEPRECIATION/AMORTIZATION)	(10,332)	(9,428)
10	OTHER ASSETS.....(NOTE 4)	771	421
11	TOTAL ASSETS	$193,968	$153,350
	LIABILITIES & EQUITY		
	CURRENT LIABILITIES:		
12	ACCOUNTS PAYABLE	$ 2,795	$ 3,063
13	NOTES PAYABLE	-0-	-0-
14	CURRENT PORTION OF LONG-TERM DEBT:		
15	DUE TO AFFILIATES	-0-	-0-
16	OTHER.....(NOTE 7)	-0-	4,148
17	INCOME TAXES PAYABLE & ACCRUED	(651)	314
18	OTHER ACCRUED EXPENSES.....(NOTE 5)	8,801	8,209
19	OTHER CURRENT LIABILITIES.....(NOTE 6)	21,339	21,296
	TOTAL CURRENT LIABILITIES	32,284	37,030
	LONG TERM DEBT:		
20	DUE TO AFFILIATES	-0-	-0-
21	OTHER.....(NOTE 7)	-0-	37,850
22	DEFERRED CREDITS	6,685	5,188
23	OTHER LIABILITIES.....(NOTE 8)	54,966	58,735
24	COMMITMENTS & CONTINGENCIES (NOTE 1)		
25	TOTAL LIABILITIES	93,935	138,803
26	STOCKHOLDERS', PARTNERS, OR PROPRIETOR'S EQUITY	100,033	14,547
27	TOTAL LIABILITIES & EQUITY	$193,968	$153,350

THE ACCOMPANYING NOTES ARE IN 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 MARCH 31, 1994 AND 1993
(UNAUDITED)
($ IN THOUSANDS)

LINE (A)	DESCRIPTION (B)	(C) 1994	(D) 1993
	REVENUE:		
	CASINO	$ 30,072	$ 34,853
	ROOMS	2,159	2,302
	FOOD & BEVERAGE	3,759	4,245
	OTHER	484	489
	TOTAL REVENUE	36,474	41,889
	LESS: PROMOTIONAL ALLOWANCES	3,510	3,612
	NET REVENUE	32,964	38,277
	COSTS & EXPENSES:		
	COST OF GOODS & SERVICES	21,178	21,409
	SELLING, GENERAL & ADMINISTRATIVE	10,240	11,141
	PROVISION FOR DOUBTFUL ACCOUNTS	100	136
	TOTAL COSTS & EXPENSES	31,518	32,686
	GROSS OPERATING PROFIT	1,446	5,591
	DEPRECIATION & AMORTIZATION	359	334
	CHARGES FROM AFFILIATES OTHER THAN INTEREST:		
	MANAGEMENT FEES	-0-	-0-
	OTHER	27	29
	INCOME (LOSS) FROM OPERATIONS	1,060	5,228
	OTHER INCOME (EXPENSES):		
	INTEREST (EXPENSES) - AFFILIATES.....(NOTE 13)	(108)	(108)
	INTEREST (EXPENSES) - EXTERNAL	(386)	(816)
	INVESTMENT ALT. TAX & RELATED INCOME (EXPENSE) - NET	(130)	(150)
	NONOPERATING INCOME (EXPENSE) - NET....(NOTE 9)	(3,952)	(3,727)
	TOTAL OTHER INCOME (EXPENSE)	(4,576)	(4,801)
	INCOME (LOSS) BEFORE INCOME TAXES & EXTRAORDINARY ITEMS	(3,516)	427
	PROVISION (CREDIT) FOR INCOME TAXES..(NOTE 11)	(1,406)	86
	INCOME (LOSS) BEFORE EXTRAORDINARY ITEMS	(2,110)	341
	EXTRAORDINARY ITEMS (NET OF INCOME TAXES - 1994, $ -0-; 1993, $-0-)	-0-	-0-
	NET INCOME (LOSS)	$ (2,110)	$ 341

THE ACCOMPANYING NOTES ARE IN 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 CHANGES IN STOCKHOLDERS EQUITY
FOR THE THREE MONTHS ENDED MARCH 31, 1994 AND 1993
(UNAUDITED)
($ IN THOUSANDS)

NE	DESCRIPTION (B)	1994		1993	
		(C) SHARES	(D) DOLLARS	(E) SHARES	(F) DOLLARS
	COMMON STOCK: (PAR VALUE $0.10, AUTHORIZED & OUTSTANDING 1,000 SHARES)				
	BEGINNING BALANCE (JANUARY 1)	1,000	$ 1	1,000	$ 1
	SALE OF STOCK				
	_____				
	ENDING BALANCE	1,000	$ 1	1,000	$ 1
	PREFERRED STOCK:				
	BEGINNING BALANCE (JANUARY 1)				
	SALE OF STOCK				
	_____				
	ENDING BALANCE				
	ADDITIONAL PAID-IN CAPITAL:				
	BEGINNING BALANCE (JANUARY 1)		$ 4,999		$ 4,999
	EQUITY CONTRIBUTION FROM THE CORPORATION		82,206		-0-
	_____				
	ENDING BALANCE		$87,205		$ 4,999
	TREASURY STOCK:				
	BEGINNING BALANCE (JANUARY 1)				
	PURCHASE OF ADDITIONAL STOCK				
	SALE OR RETIREMENT OF STOCK				
	ENDING BALANCE				
	SUBSCRIPTIONS RECEIVABLE FOR CAPITAL STOCK:				
	BEGINNING BALANCE (JANUARY 1)				
	_____				
	_____				
	ENDING BALANCE				
	NET UNREALIZED LOSS ON NONCURRENT MARKETABLE EQUITY SECURITIES:				
	BEGINNING BALANCE (JANUARY 1)				
	_____				
	_____				
	ENDING BALANCE				
	RETAINED EARNINGS:				
	BEGINNING BALANCE (JANUARY 1)		$14,937		$ 9,206
	PRIOR PERIOD ADJUSTMENTS				
	NET INCOME (LOSS)		(2,110)		341
	DIVIDENDS				
	_____				
	_____				
	ENDING BALANCE		12,827		9,547
	ENDING STOCKHOLDERS' EQUITY		$100,033		$ 14,547

THE ACCOMPANYING NOTES ARE IN 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

STATEMENT OF CHANGES IN PARTNERS' OR PROPRIETORS' EQUITY

FOR THE THREE MONTHS ENDED MARCH 31, 1994 AND 1993
(UNAUDITED)
($ IN THOUSANDS)

LINE (A)	DESCRIPTION (B)	(C) 1994	(D) 1993
	INVESTED CAPITAL:		
1	BEGINNING BALANCE (JANUARY 1)		
2	ADDITIONAL CAPITAL INVESTED		
3	_____		
4	ENDING BALANCE		
	ACCUMULATED INCOME (LOSS):		
5	BEGINNING BALANCE		
6	PRIOR PERIOD ADJUSTMENTS		
7	NET INCOME (LOSS)		
8	_____ _____		
9	ENDING BALANCE		
	CAPITAL WITHDRAWALS:		
10	BEGINNING BALANCE		
11	ADDITIONAL CAPITAL WITHDRAWALS		
12	_____		
13	ENDING BALANCE		
	NET UNREALIZED LOSS ON NONCURRENT MARKETABLE EQUITY SECURITIES:		
14	BEGINNING BALANCE		
15	_____		
16	_____		
17	ENDING BALANCE		
18	ENDING PARTNERS' OR PROPRIETOR'S EQUITY		

NOT APPLICABLE

THE ACCOMPANYING NOTES ARE IN 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 CASH FLOWS
FOR THE THREE MONTHS ENDED MARCH 31, 1994 AND 1993
(UNAUDITED)
($ IN THOUSANDS)

LINE (A)	DESCRIPTION (B)	(C) 1994	(D) 1993
1	NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES.....	$ (4,556)	$ 920
	CASH FLOWS FROM INVESTING ACTIVITIES:		
2	PURCHASE OF SHORT-TERM INVESTMENT SECURITIES.....	(22,373)	-0-
3	PROCEEDS FROM THE SALE OF SHORT-TERM INV. SECURITIES...		
4	CASH OUTFLOWS FOR PROPERTY & EQUIPMENT.....	(444)	(750)
5	PROCEEDS FROM DISPOSITION OF PROPERTY & EQUIPMENT.....	10	40
6	PURCHASE OF CASINO REINVESTMENT OBLIGATION.....	(363)	(418)
7	PURCHASE OF OTHER INVESTMENTS & LOANS/ADVANCES MADE....	(2,799)	(489)
8	PROCEEDS FROM DISPOSAL OF INVESTMENTS & COLLECTION OF ADVANCES & LONG TERM RECEIVABLES.....	2,638	2,348
9	CASH OUTFLOWS TO ACQUIRE BUSINESS ENTITIES.....		
10	_____.....		
11	_____.....		
12	NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES.....	(23,331)	731
	CASH FLOWS FROM FINANCING ACTIVITIES:		
13	CASH PROCEEDS FROM ISSUANCE OF SHORT-TERM DEBT.....	-0-	800
14	PAYMENTS TO SETTLE SHORT-TERM DEBT.....	(1,700)	(1,000)
15	CASH PROCEEDS FROM ISSUANCE OF LONG-TERM DEBT.....		
16	COSTS OF ISSUING DEBT.....		
17	PAYMENTS TO SETTLE LONG-TERM DEBT.....	(33,559)	(303)
18	CASH PROCEEDS FROM ISSUING STOCK OR CAPITAL CONTRIB....	82,206	-0-
19	PURCHASES OF TREASURY STOCK.....		
20	PAYMENTS OF DIVIDENDS OR CAPITAL WITHDRAWALS.....		
21	_____.....		
22	_____.....		
23	NET CASH PROVIDED (USED) BY FINANCING ACTIVITIES.....	46,947	(503)
24	NET INCREASE (DECREASE) IN CASH & CASH EQUIVALENTS.....	19,060	1,148
25	CASH & CASH EQUIVALENTS AT BEGINNING OF PERIOD.....	5,193	4,758
26	CASH & CASH EQUIVALENTS AT END OF PERIOD.....	$ 24,253	$ 5,906

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

27	CASH PAID DURING YEAR FOR:		
28	INTEREST (NET OF AMOUNT CAPITALIZED).....	$ 386	$ 816
	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.

TRADING NAME OF LICENSEE: THE CLARIDGE CASINO HOTEL

STATEMENTS OF CASH FLOWS
FOR THE THREE MONTHS ENDED MARCH 31, 1994 AND 1993
(UNAUDITED)
($ IN THOUSANDS)

LINE (A)	DESCRIPTION (B)	(C) 1994	(D) 1993
	NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
9	NET INCOME (LOSS)	$ (2,110)	$ 341
	NON-CASH ITEMS INCLUDED INCOME & CASH ITEMS EXCLUDED FROM INCOME:		
0	DEPRECIATION & AMORTIZATION OF PROPERTY & EQUIPMENT	314	287
1	AMORTIZATION OF OTHER ASSETS	45	47
2	AMORTIZATION OF DEBT DISCOUNT OR PREMIUM		
3	DEFERRED INCOME TAXES - CURRENT		
4	DEFERRED INCOME TAXES - NONCURRENT	582	239
5	(GAIN) LOSS ON DISPOSITION OF PROPERTY & EQUIPMENT	9	(39)
6	(GAIN) LOSS ON CASINO REINVESTMENT OBLIGATIONS	130	150
7	(GAIN) LOSS FROM OTHER INVESTMENT ACTIVITIES		
8	NET (INCREASE) DECREASE IN RECEIVABLES AND PATRONS' CHECKS EXCLUDING RECLASS FROM LONG TERM OF $1,030 and $489	(92)	(23)
9	NET (INCREASE) DECREASE IN INVENTORIES	46	(7)
0	NET (INCREASE) DECREASE IN OTHER CURRENT ASSETS	427	76
1	NET (INCREASE) DECREASE IN OTHER ASSETS	(387)	(7)
2	NET INCREASE (DECREASE) IN ACCOUNTS PAYABLE	257	1,194
3	NET INCREASE (DECREASE) IN OTHER CURRENT LIABILITIES EXCLUDING DEBT	(2,127)	(310)
4	NET INCREASE (DECREASE) IN OTHER NONCURRENT LIABILITIES EXCLUDING DEBT	(1,376)	(790)
5	DISCOUNT ON WRAPAROUND MORTGAGE RECEIVABLE	(274)	(238)
6			
7	NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	$ (4,556)	$ 920

SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING AND FINANCING ACTIVITIES

	ACQUISITION OF PROPERTY & EQUIPMENT:		
8	ADDITIONS TO PROPERTY & EQUIPMENT	$ 444	$ 750
9	LESS: CAPITAL LEASE OBLIGATIONS ACQUIRED		
0	CASH OUTFLOWS FOR PROPERTY & EQUIPMENT	$ 444	$ 750
	ACQUISITION OF BUSINESS ENTITIES:		
1	PROPERTY & EQUIPMENT ACQUIRED	$	$
2	GOODWILL ACQUIRED		
3	NET ASSETS ACQUIRED OTHER THAN CASH, GOODWILL & PROPERTY & EQUIPMENT		
4	LONG TERM DEBT ASSUMED		
5	ISSUANCE OF STOCK OR CAPITAL INVESTED		
6	CASH OUTFLOWS TO ACQUIRE BUSINESS ENTITIES	$ -0-	$ -0-
	STOCK ISSUED OR CAPITAL CONTRIBUTIONS:		
7	TOTAL ISSUANCES OF STOCK OR CAPITAL CONTRIBUTIONS	$ 82,206	$ -0-
8	LESS: ISSUANCES TO SETTLE LONG TERM DEBT		
9	CONSIDERATION IN ACQUISITION OF BUSINESS ENTITIES		
0	CASH PROCEEDS FROM ISSUING STOCK OR CAPITAL CONTRIB	$ 82,206	$ -0-

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

(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. ("DEWNJ"), 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.

(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 Corporation applied the net proceeds from the sale of the Notes of $82.2 million, after deducting fees and expenses 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 Revolving Credit and Term Loan Agreement (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 revolving credit line arrangement was terminated. Interest on the Notes is payable semiannually on February 1 and August 1 of each year, commencing August 1, 1994.

The Notes are secured by a non-recourse mortgage granted by the Partnership representing a first lien on the Hotel Assets, and by a pledge granted by the Corporation of all outstanding shares of capital stock of New Claridge. New Claridge's guarantee of the Notes is secured by a collateral assignment of the second lien 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.

The balance of the net proceeds from the offering of the Notes will be used (i) to fund internal improvements intended to expand the Claridge's casino capacity, which will result in the addition of approximately 550 slot machines, as well as a poker and simulcast area; (ii) the possible acquisition of an adjacent parcel of land and construction on that land of a self-parking garage facility; (iii) the possible purchase of the Contingent Payment (see Note 8, "Other Liabilities") issued by New Claridge in 1989 and now held by a trustee for the benefit of the United Way of Arizona; and (iv) the potential expansion of the Corporation's activities into emerging gaming markets.

(c) Claridge License Renewal

On September 22, 1993, New Claridge was issued a two-year casino license by the New Jersey Casino Control Commission (the "Commission") for the period commencing September 30, 1993.

(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.

(d) Promotional Allowances

Promotional allowances are presented at retail value. The cost of providing these complimentaries 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) Furniture and Equipment

Furniture and equipment is stated at cost. Depreciation 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 March 31, 1994 and 1993 are summarized as follows:

	1994	1993
	(in thousands)	
$127,000,000 Expandable Wraparound Mortgage 14%, maturities through September 30, 2000 (net of $12,021,000 discount and $13,061,000 discount at March 31, 1994 and 1993, respectively)	$ 85,979	92,189
Deferred interest receivable, due September 30, 2000	20,000	20,000
FF&E promissory note, 14%	11,004	6,546
FF&E promissory note - expansion, 14%	9,455	10,837
Reinvestment Obligations	3,222	1,993
Reinvestment Obligation Credit	8	62
	129,668	131,627
Less Current Installments	10,783	9,769
	$118,885	121,858

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. The discounted portion of the Expandable Wraparound Mortgage is due to the deferral of $20 million in interest between 1983 and 1988 until maturity. Principal payments required under the Expandable Wraparound Mortgage commenced in 1988. During the three months March 31, 1994, $2 million 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 three months ended March 31, 1994, $274,000 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 will be funded through additional FF&E Loans. In connection therewith, the Wraparound Mortgage Agreement as well as the Operating Lease and Expansion Operating Lease were amended to provide that the principal on these additional FF&E Loans will be payable at final maturity of the Wraparound Mortgage.

The Expandable Wraparound Mortgage was increased up to $17 million to provide the Partnership with funding for the construction of an expansion improvement in 1986. 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 $17 million 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 bad debt. 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 bad debt. 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 administrating 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 funds with the State Treasurer. Through March 31, 1994, New Claridge has deposited $13,151,000, of which $2,025,000 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.

In December 1989, and again in July 1990, New Claridge made to the CRDA donations of funds, totalling $7,088,000, which had previously been deposited with the State Treasurer. In exchange for these donations, New Claridge received credits from the CRDA equal to 51% of the donations, to be applied to

satisfy portions of the reinvestment obligations commencing after the date of the donations. As of March 31, 1994, $8,000 of these credits remained available.

(4) Other Assets

Other assets at March 31, 1994 and 1993 consist of the following:

	1994	1993
	(in thousands)	
Intangible assets (net of accumulated amortization of $558 and $385 at March 31, 1994 and 1993, respectively)	$160	258
Refundable deposits, non-current	67	118
Non-current assets	544	45
	$771	421

(5) Other Accrued Expenses

Other accrued expenses at March 31, 1994 and 1993 consist of the following:

	1994	1993
	(in thousands)	
Accrued payroll and related benefits	$5,546	5,228
Accrued interest due to the Partnership	2,070	1,638
Other	1,185	1,343
	$8,801	8,209

(6) Other Current Liabilities

Other current liabilities at March 31, 1994 and 1993 consist of the following:

	1994	1993
	(in thousands)	
Due to affiliates	$ 3,600	3,600
Deferred rent, current	15,078	15,078
Auto/general claims liability	1,315	1,399
Other	1,346	1,219
	$21,339	21,296

As of March 31, 1994 and 1993, 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 March 31, 1994, such interest, which is included in Accrued Expenses, amounted to $2,070,000.

As of March 31, 1994, 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. 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.

(7) Long-term Debt

Long-term debt at March 31, 1994 and 1993 consists of the following:

	1994	1993
	(in thousands)	
First Mortgage Note (a)	$ - 0 -	41,198
Revolving line of credit (b)	- 0 -	800
	$ - 0 -	41,998
Less current installments	- 0 -	4,148
	$ - 0 -	37,850

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 Corporation applied the net proceeds from the sale of the Notes of $82.2 million, after deducting fees and expenses 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 Revolving Credit and Term Loan Agreement (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 revolving credit line arrangement was terminated.

(a) On October 7, 1991, New Claridge was issued a two year license by the Commission for the period commencing October 31, 1991. In conjunction with the relicensing, New Claridge was required to submit to the Commission by April 30, 1993 a plan to satisfy the balloon payment due on the term loan on January 1, 1994, pursuant to the terms of the Loan Agreement, with implementation of the plan by June 30, 1993. The third amendment to the Loan Agreement was executed, effective April 1, 1993. The modifications resulting from this amendment included (i) the extension of the maturity date of the first mortgage loan from January 1, 1994 to December 31, 1996; (ii) an increase in the interest rate to the "prime rate" of Marine Midland Bank, N.A. plus four percent (from the previous prime rate plus one and one-half percent); (iii) an increase in the mandatory principal payments from $1.2 million to $3 million annually, payable in equal monthly installments; (iv) an increase in the maximum annual capital expenditure limitation from $3.5 million per year to $5 million per year; and (v) an increase in the co-agent's fee to $70,000 per year. Prior to this amendment, New Claridge was required to pay a co-agent's fee equal to one-fortieth of one percent of the average daily outstanding balance of the first mortgage loan. In addition, New Claridge paid an extension fee of $200,000 upon the execution of this amendment to the Loan Agreement.

In addition to the mandatory principal payments, New Claridge was also required to pay quarterly, to First Fidelity Bank, N.A., New Jersey (the "Bank"), for permanent application to the outstanding principal balance of the first mortgage loan, any excess cash flow as defined in the Loan Agreement.

b) Pursuant to the terms of the Loan Agreement, the Bank established a revolving working capital facility, which, prior to the full satisfaction of the Loan Agreement on January 31, 1994, was in the amount of $7.5 million. Interest on the working capital facility borrowings, which was payable monthly in arrears, accrued at a rate equal to the prime rate plus four percent, as amended effective April 1, 1993. New Claridge was also required to pay quarterly a commitment fee equal to .5% per annum of the unused portion of the revolving working capital facility. New Claridge's outstanding borrowings on the revolving working capital facility at March 31, 1993 was $800,000.

(8) Other Liabilities

Other liabilities at March 31, 1994 and 1993 consist of the following:

	1994	1993
	(in thousands)	
Deferred rent	$34,966	38,735
Other non-current liabilities	20,000	20,000
Total	$54,966	58,735

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 March 31, 1994, accrued interest would have amounted to approximately $23.9 million.

(9) Other Nonoperating Income (Expense) - Net

Other nonoperating income (expense) - net for the three months March 31, 1994 and 1993 consists of the following:

	1994	1993
	(in thousands)	
Interest income - Wraparound Mortgage	$4,402	4,572
Interest income - other	253	27
Other nonoperating income/(expense)	2	118
Facilities/maintenance fee	132	132
Loss on disposal of assets	(9)	39
Partnership rent expense	(8,732)	(8,615)
Total	$(3,952)	(3,727)

(10) 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 March 31, 1994 (net of expected abatements, as discussed below) are as follows (in thousands):

04/01/94 - 03/31/95	$ 30,806
04/01/95 - 03/31/96	30,872
04/01/96 - 03/31/97	33,843
04/01/97 - 03/31/98	42,175
04/01/98 - 09/30/98	21,687
Total Minimum	$ 159,383

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 three months ended March 31, 1994 and 1993 rental expense for all operating leases amounted to $9,274,000 and $9,931,000 respectively, of which $(1,376,000) and $(790,000) of rental expense is attributable to the requirement under Statement of Financial Accounting Statements #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 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 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 three months ended March 31, 1994 was $1,134,000. 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.

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.

If the Partnership should fail to make any payment due under the 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.

(11) Income Taxes

New Claridge is included in the consolidated income tax return of its parent, the Corporation. Effective January 1, 1993, the Corporation adopted Statement No. 109 on a prospective basis. There was no effect on the Corporation's statement of operations for the three month period ended March 31, 1993 as a result of the adoption of Statement No. 109.

Under the asset and liability method, deferred tax assets and liabilities are recognized for the estimated future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax basis.

The provision (credit) for income taxes is comprised of the following (in thousands):

	1994	1993
Current:		
Federal	$(1,690)	(130)
State	(298)	(23)
Deferred	582	239
	$(1,406)	86

The provision (credit) for income tax differs from the amount computed at the statutory rate as follows (in thousands):

	1994	1993
Federal income tax at statutory rates	$(1,195)	73
State income taxes less Federal benefit	(211)	13
	$(1,406)	86

New Claridge recorded an income tax credit of $1,406,000 for the three months ended March 31, 1994 which represents the tax benefit of losses which New Claridge believes will more likely than not be recognized.

(12) 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 years. For the three months ended March 31, 1994 and 1993 interest expense due to affiliates was $108,000 and $108,000 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 three months ended March 31, 1994 and 1993 amounted to $27,000 and $29,000 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 three months ended March 31, 1994 and 1993 New Claridge has earned interest income of $4,402,000 and $4,572,000 respectively, and incurred lease expense of $8,732,000 and $8,615,000, respectively.

(d) In February 1992, the Corporation's Board of Directors adopted a Long-Term Incentive Plan (the "Plan") in which certain key employees of the Corporation and/or New Claridge participate. The Plan provides for the grant of the 273,938 shares of the Corporation's Class A stock, which were held as treasury shares of the Corporation, and for the issuance of 100 Equity Units. The aggregate value of the 100 Equity Units is equal to 5.41 percent of certain amounts as further defined in the Plan. Specified portions of the awarded treasury shares and Equity Units held by participants shall vest upon the attainment of specific goals as described in the Plan. The treasury shares and Equity Units fully vest upon a further restructuring or a change in control as defined. Payment with respect to the Equity Units will only be made (a) upon the occurrence of a transaction in which substantially all of the assets and business operations of the Claridge entities are transferred to one or more entities in a merger, sale of assets or other acquisition-type transaction, (b) upon termination of employment of any participant in the Plan within one year after any change in control of the Corporation occurs, as defined in the Plan, or (c) if the Corporation pays dividends to its stockholders, if the partnership makes distributions to its partners, or if the Corporation or the Partnership makes certain distributions under the Restructuring Agreement. On April 15, 1992, the Commission approved the plan and the treasury shares were delivered to the participants. Upon the issuance of the Notes and the repayment in full of the Corporation's outstanding debt under the Loan Agreement, 25% of the share and Equity Units awarded under the Plan vested. A participant is entitled to vote all awarded shares whether or not vested in such shares.

On July 25, 1993, Shannon Bybee resigned his position as Chairman and Chief Executive Officer of the Corporation, resulting in the return to the Corporation of 73,963 shares of the Corporation's Class A stock, which had previously been awarded under the Plan. In addition, the Equity Units held by Mr. Bybee were returned to the Corporation upon his resignation. Mr. Bybee continues to serve as a member of the Board of Directors of the Corporation. In April 1994, the shares of Class A Stock and Equity Units which had been returned by Mr. Bybee were awarded to certain officers of the Corporation and/or New Claridge.

New Jersey State Library

TRADING NAME OF LICENSEE: THE CLARIDGE CASINO HOTEL

SCHEDULE OF RECEIVABLES & PATRONS' CHECKS
MARCH 31, 1994
(UNAUDITED)
($ IN THOUSANDS)

ACCOUNTS RECEIVABLE BALANCES

LINE (A)	DESCRIPTION (B)	ACCT. BAL. (C)	ALLOWANCE (D)	A/R NET OF ALLOW. (E)
	PATRONS' CHECKS:			
1	UNDEPOSITED PATRONS' CHECKS	$ 673		
2	RETURNED PATRONS' CHECKS	1,026		
3	TOTAL PATRONS' CHECKS	1,699	$ 1,314	$ 385
4	HOTEL RECEIVABLES	202	13	189
	OTHER RECEIVABLES:			
5	RECEIVABLES DUE FROM OFFICERS & EMPLOYEES	5		
6	RECEIVABLES DUE FROM AFFILIATES	18,829		
7	OTHER ACCOUNTS & NOTES RECEIVABLES	224		
8	TOTAL OTHER RECEIVABLES	19,058	13	19,045
9	TOTALS (FORM 205)	$ 20,959	$ 1,340	$ 19,619

UNDEPOSITED PATRONS' CHECKS ACTIVITY

LINE (F)	DESCRIPTION (G)	(H) AMOUNT
10	BEGINNING BALANCE (JANUARY 1)	$ 864
11	COUNTER CHECKS ISSUED (EXCLUDING COUNTER CHECKS ISSUED THROUGH TRANSACTIONS RELATING TO CONSOLIDATION, PARTIAL REDEMPTIONS, SUBSTITUTIONS, & PATRONS CASH DEPOSITS)	9,142
12	CHECKS REDEEMED PRIOR TO DEPOSIT (EXCLUDING THE UNREDEEMED PORTION OF COUNTER CHECKS REDEEMED THROUGH PARTIAL REDEMPTIONS, & EXCLUDING CHECKS REDEEMED THROUGH TRANSACTIONS RELATING TO CONSOLIDATION, SUBSTITUTIONS, & PATRONS CASH DEPOSITS)	(1,255)
13	CHECKS COLLECTED THROUGH DEPOSITS	(7,858)
14	CHECKS TRANSFERRED TO RETURNED CHECKS	(220)
15	OTHER ADJUSTMENTS	
16	ENDING BALANCE	$ 673
17	"HOLD" CHECKS INCLUDED IN BALANCE ON LINE 16	
18	PROVISION FOR UNCOLLECTIBLE PATRONS' CHECKS	$ 91
19	PROVISION AS A PERCENT OF COUNTER CHECKS ISSUED	1.0%

THE ACCOMPANYING NOTES ARE IN 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

PROMOTIONAL EXPENSES & ALLOWANCES
($ IN THOUSANDS)

FOR THE THREE MONTHS ENDED MARCH 31, 1994

	PROMOTIONAL ALLOWANCES		PROMOTIONAL EXPENSES	
	NUMBER OF RECIPIENTS	DOLLAR AMOUNT	NUMBER OF RECIPIENTS	DOLLAR AMOUNT
ROOMS	19,598	$ 1,021	-0-	$ -0-
FOOD	139,138	1,271	-0-	-0-
BEVERAGE	222,948	1,141	-0-	-0-
TRAVEL	-0-	-0-	806	85
COIN	-0-	-0-	283,836	3,175
COUPON	-0-	-0-	-0-	-0-
ENTERTAINMENT	3,431	77	-0-	-0-
RETAIL & GIFTS	-0-	-0-	57,278	244
PARKING	-0-	-0-	19,487	145
OTHER	-0-	-0-	1,890	53
TOTAL	385,115	$ 3,510	363,297	$ 3,702

STATEMENT OF CONFORMITY AND ACCURACY

STATE OF NEW JERSEY

COUNTY OF ATLANTIC

Laura L. Palazzo, 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. The information contained in this annual report is accurate to the best of my knowledge and belief.

Laura L. Palazzo
Vice President Controller

Lisc. # 02461-11

On Behalf of the Claridge at Park Place, Inc.

Subscribed and sworn to before me on this day of , 1994.

Signature 3/13/94

ANNA PAPPAS
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Jan. 15, 1998

Basis of authority to take oaths

974.901
C193

QUARTERLY REPORT

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LICENSEE	**GNOC, CORP. (THE GRAND)**
ADDRESS	**Boston and Pacific Avenues**
	Atlantic City, New Jersey 08401

FOR THE QUARTER ENDED MARCH 31, 1994

TO THE

CASINO CONTROL COMMISSION

OF THE

STATE OF NEW JERSEY

RECEIVED
FEB
MAY 16 1994
CASINO CONTROL
COMMISSION

NAME OF OFFICER IN CHARGE OF CORRESPONDENCE REGARDING THIS QUARTERLY REPORT . .	**Donna M. Graham**
OFFICIAL TITLE	**Vice President of Finance/Treasurer**
ADDRESS	**Boston and Pacific Avenues**
	Atlantic City, New Jersey 08401

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

LIST OF FORMS – QUARTERLY REPORT

FOR THE QUARTER ENDED MARCH 31, 1994

TITLE	FORM NO.
Balance Sheets	CCC–205
Statements of Income (Quarter–to–Date)	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	
Schedule of Receivables and Patrons' Checks	CCC–240
Schedule of Promotional Expenses and Allowances	CCC–245
Statement of Conformity and Accuracy	CCC–250

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

BALANCE SHEETS

MARCH 31, 1994 AND 1993
(UNAUDITED)
($ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1994	(d) 1993
	ASSETS		
	Current Assets:	$	$
1	Cash	3,503	3,879
2	Marketable securities. NOTE 2.	8,150	5,015
3	Receivables and patrons' checks (net of allowance for doubtful accounts – 1994, $5,645 ; 1993, $ 7,952)	6,984	4,660
4	Inventories	2,660	1,540
5	Prepaid expenses and other current assets. NOTES 3 & 17.	11,759	26,248
6	Total current assets	33,056	41,342
7	Investments, Advances, and Receivables. NOTE 4.	2,659	2,418
8	Property And Equipment – Gross. NOTE 5.	341,799	329,424
9	(Accumulated Depreciation/Amortization). NOTE 5.	(94,727)	(79,834)
10	Other Assets. NOTE 6.	116,977	120,533
11	Total Assets	$ 399,764	$ 413,883
	LIABILITIES AND EQUITY		
	Current Liabilities:		
12	Accounts payable	$ 2,147	$ 2,216
13	Notes payable	–	–
	Current portion of long–term debt		
14	Due to affiliates	–	–
15	Other	–	–
16	Income taxes payable and accrued	–	–
17	Other accrued expenses. NOTE 7.	28,471	17,756
18	Other current liabilities. NOTE 8.	2,140	1,887
19	Total current liabilities	32,758	21,859
	Long–Term Debt:		
20	Due to affiliates. NOTE 9.	273,077	272,974
21	Other	–	–
22	Deferred Credits. NOTE 10.	59,904	59,574
23	Other Liabilities. NOTE 11.	30,736	31,153
24	Commitments And Contingencies	–	–
25	Total Liabilities	396,475	385,560
26	Stockholders', Partners', Or Proprietor's Equity. NOTE 12.	3,289	28,323
27	Total Liabilities And Equity	$ 399,764	$ 413,883

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 MARCH 31, 1994 and 1993
(UNAUDITED)
($ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1994	(d) 1993	
	Revenues:	$	$	
1	Casino	45,644	50,137	
2	Rooms	2,878	2,972	
3	Food and beverage	7,354	7,226	
4	Other	2,740	2,780	
5	Total Revenues	58,616	63,115	
6	Less: Promotional allowances	8,277	7,395	
7	Net Revenues	50,339	55,720	
	Costs And Expenses:			
8	Cost of goods and services	26,871	24,994	*
9	Selling, general, and administrative	20,038	18,733	*
10	Provision for doubtful accounts	340	136	
11	Total Costs and Expenses	47,249	43,863	
12	Gross Operating Profit	3,090	11,857	
13	Depreciation and Amortization	4,657	4,420	
	Charges from affiliates other than interest:			
14	Management fees	–	–	
15	Other ..... NOTE 14	1,189	1,841	*
16	Income (Loss) From Operations	(2,756)	5,596	
	Other Income (Expenses):			
17	Interest (expense)–affiliates	(7,465)	(7,820)	
18	Interest (expense)–external	(103)	–	
19	Investment alternative tax and related income (expense) – net	(138)	(299)	
20	Nonoperating income (expense) – net ..... NOTE 15	121	345	
21	Total Other Income (Expenses)	(7,585)	(7,774)	
22	Income (Loss) Before Income Taxes And Extraordinary Items	(10,341)	(2,178)	
23	Provision (credit) for income taxes ..... NOTE 16	(1,987)	(636)	
24	Income (Loss) Before Extraordinary Items	(8,354)	(1,542)	
25	Extraordinary items (net of income taxes – 1994, $ – ; 1993, $ (1,405) ..... NOTES 1 and 9	–	(31,961)	
26	Net Income (Loss)	$ (8,354)	$ (33,503)	

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

1/89

* Restated to conform to 1994 presentation.

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

STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY

FOR THE THREE MONTHS ENDED MARCH 31, 1994 and 1993

(UNAUDITED)

($ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	1994 (c) SHARES	1994 (d) DOLLARS	1993 (e) SHARES	1993 (f) DOLLARS
	Common Stock:		$		$
1	Beginning balance (January 1)	3,002,500	30	3,002,500	30
2	Sale of stock				
3					
4	Ending balance	3,002,500	30	3,002,500	30
	Preferred Stock:				
5	Beginning balance (January 1)				
6	Sale of stock				
7					
8	Ending balance				
	Additional Paid-In Capital:				
9	Beginning balance (January 1)		58,212		65,712
10	Dividend Paid				
11					
12	Ending balance		58,212		65,712
	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)		(46,599)		(3,916)
26	Prior period adjustments				
27	Net income (loss)		(8,354)		(33,503)
28	Dividends		( )		( )
29					
30					
31	Ending balance		(54,953)		(37,419)
32	Ending Stockholders' Equity		3,289		28,323

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)

STATEMENT OF CHANGES IN PARTNERS' OR PROPRIETOR'S EQUITY

FOR THE THREE MONTHS ENDED MARCH 31, 1994 and 1993

(UNAUDITED)

($ IN THOUSANDS)

– NOT APPLICABLE –

LINE (a)	DESCRIPTION (b)	(c) 1994	(d) 1993
	Invested Capital:	$	$
1	Beginning balance (January 1)		
2	Additional capital invested		
3	_____		
4	Ending balance		
	Accumulated Income (Loss):		
5	Beginning balance (January 1)		
6	Prior period adjustments		
7	Net income (loss)		
8	_____		
9	Ending balance		
	Capital Withdrawals:		
10	Beginning balance (January 1)		
11	Additional capital withdrawals		
12	_____		
13	Ending balance		
	Net Unrealized Loss On Noncurrent Marketable Equity Securities:		
14	Beginning balance (January 1)		
15	_____		
16	_____		
17	Ending balance		
	Ending Partners' Or		
18	Proprietor's Equity	$	$

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 THREE MONTHS ENDED MARCH 31, 1994 AND 1993
(UNAUDITED)
($ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1994	(d) 1993
1	Net Cash Provided (Used) By Operating Activities	$ 6,586	$ (2,347)
	Cash Flows From Investing Activities:		
2	Purchase of short-term investment securities	(6,665)	(2,015)
3	Proceeds from the sale of short-term investment securities	–	–
4	Cash outflows for property and equipment	(2,870)	(1,600)
5	Proceeds from disposition of property and equipment	–	–
6	Purchase of casino reinvestment obligations	(280)	(598)
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	Short-term advance Bally's Park Place, Inc.(net)	–	8,000
11		–	–
12	Net Cash Provided (Used) By Investing Activities	(9,815)	3,787
	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	–	272,957
16	Costs of issuing debt	–	(12,651)
17	Payments to settle long-term debt	–	(268,840)
18	Cash proceeds from issuing stock or capital contribution	–	–
19	Purchases of treasury stock	–	–
20	Payments of dividends or capital withdrawals	–	–
21	Extraordinary loss on extinguishment of debt, net of tax	–	2,091
22		–	–
23	Net Cash Provided (Used) By Financing Activities	–	(6,443)
24	Net Increase (Decrease) In Cash And Cash Equivalents	(3,229)	(5,003)
25	Cash And Cash Equivalents At Beginning Of Year	6,732	8,882
26	Cash And Cash Equivalents At End Of Year	$ 3,503	$ 3,879

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

	Cash Paid During Year For:		
27	Interest (net of amount capitalized)	$ 18	$ 9,342
28	Income taxes refunded (net of payments)	$ 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 THREE MONTHS ENDED MARCH 31, 1994 AND 1993
(UNAUDITED)
($ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1994	(d) 1993
	Net Cash Flows From Operating Activities:		
29	Net income (loss)	$ (8,354)	$ (33,503)
	Noncash items included in income and cash items excluded from income:		
30	Depreciation and amortization of property and equipment	3,569	3,606
31	Amortization of other assets	1,088	814
32	Amortization of debt discount or premium	233	(367)
33	Deferred income taxes – current	150	–
34	Deferred income taxes – noncurrent	1,602	–
35	(Gain) loss on disposition of property and equipment	–	–
36	(Gain) loss on casino reinvestment obligations	138	299
37	(Gain) loss from other investment activities	–	–
38	Net (increase) decrease in receivables and patrons' checks	703	(230)
39	Net (increase) decrease in inventories	(85)	167
40	Net (increase) decrease in other current assets	109	(93)
41	Net (increase) decrease in other assets	–	–
42	Net increase (decrease) in accounts payables	(1,314)	(1,943)
43	Net increase (decrease) in other current liabilities excluding debt	8,605	(1,110)
44	Net increase (decrease) in other noncurrent liabilities excluding debt	142	143
45	Cumulative effect on prior years of change		
46	in accounting for income taxes	–	29,870
47	Net Cash Provided (Used) By Operating Activities	$ 6,586	$ (2,347)
	SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING AND FINANCING ACTIVITIES		
	Acquisition Of Property And Equipment:		
48	Additions to property and equipment	$ 2,870	$ 1,600
49	Less: Capital lease obligations incurred	–	–
50	Cash Outflows For Property And Equipment	$ 2,870	$ 1,600
	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.

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 Manufacturing Corporation ("BMC"). 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, 1993.

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 March 31, 1994 and 1993, and the statements of income and cash flows for the three months ended March 31, 1994 and 1993. All such adjustments were of a normal, recurring nature, except for those adjustments required to reflect the refinancing of indebtedness (see "Note 9 - Long-term debt") and to apply the provisions of Statement of Financial Accounting Standards ("SFAS") No. 109, "Accounting for Income Taxes" (see "Note 16 - Income taxes").

Certain reclassifications have been made to the prior period financial statements to conform with the 1994 presentation.

Seasonal factors

The Company's operations are subject to seasonal factors and, therefore, the results of operations for the three months ended March 31, 1994 and 1993 are not necessarily indicative of the results of operations for the full year.

NOTE 2 - MARKETABLE SECURITIES

Marketable securities as of March 31, 1994 and 1993 consisted of repurchase agreements, at cost, which approximates market.

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

NOTE 3 - PREPAID EXPENSES AND OTHER CURRENT ASSETS

Prepaid expenses and other current assets as of March 31 consisted of the following:

	1994	1993
Advances to Bally's Park Place, Inc.	$ -	$ 8,000
Income taxes receivable	3,828	10,500
Deferred federal and state income taxes	6,356	6,118
Other	1,575	1,630
	$ 11,759	$ 26,248

The Company and Bally's Park Place, Inc. ("Bally's Park Place") have a cash management arrangement whereby the Company advances excess funds to Bally's Park Place which Bally's Park Place uses to reduce the outstanding balance under its revolving credit agreement. The Company received interest monthly on these advances (at the prime rate of Bally's Park Place's agent bank) which totalled $199 for the three months ended March 31, 1993.

NOTE 4 - INVESTMENTS, ADVANCES AND RECEIVABLES

Investments, advances and receivables as of March 31, 1994 and 1993 consisted of funds invested with the New Jersey Casino Reinvestment Development Authority (the "CRDA"), net of related valuation reserves.

NOTE 5 - PROPERTY AND EQUIPMENT

Property and equipment as of March 31 consisted of the following:

	1994	1993
Land and improvements	$ 52,009	$ 51,870
Buildings and leasehold improvements	205,304	204,767
Furniture, fixtures and equipment	82,925	71,757
Construction in progress	1,561	1,030
	341,799	329,424
Less accumulated depreciation and amortization	(94,727)	(79,834)
	$247,072	$249,590

NOTE 6 - OTHER ASSETS

Other assets as of March 31 consisted of the following:

	1994	1993
Cost in excess of acquired assets, less accumulated amortization of $20,924 and $17,748	$104,550	$107,726
Deferred finance costs, less accumulated amortization of $1,571 and $105	11,842	12,546
CRDA credits receivable	585	261
	$116,977	$120,533

For the three months ended March 31, 1994 and 1993, the Company expensed $294 and $20, respectively, representing amortization of CRDA credits.

NOTE 7 - OTHER ACCRUED EXPENSES

Other accrued expenses as of March 31 consisted of the following:

	1994	1993
Accrued interest	$ 14,609	$ 3,704
Accrued payroll	7,807	7,179
Accrued progressive jackpot liability	1,385	1,396
Accrued self insurance claims	1,055	1,338
Other	3,615	4,139
	$ 28,471	$ 17,756

NOTE 8 - OTHER CURRENT LIABILITIES

Other current liabilities as of March 31 consisted of the following:

	1994	1993
Unredeemed gaming chips and tokens	$ 401	$ 735
Due to Bally's Park Place	631	636
Due to BMC	667	72
Due to Bally's Las Vegas, Inc.	38	-
Due to Bally's Casino Holdings, Inc,	18	-
Other	385	444
	$ 2,140	$ 1,887

NOTE 9 - LONG-TERM DEBT - DUE TO AFFILIATES

Long-term debt due to affiliates as of March 31 consisted of the following:

	1994	1993
10-5/8% First Mortgage Notes due 2003, less unamortized discount of $1,923 and $2,026	$273,077	$272,974

In March 1993, GNF issued $275,000 principal amount of 10-5/8% First Mortgage Notes due 2003 (the "10-5/8 Notes") at a discount to yield an interest rate of 10-3/4%. The 10-5/8% Notes are unconditionally guaranteed by GNAC and are secured by a first mortgage on and security interest in substantially all property and equipment of the Company. GNF used the net proceeds from the sale of the 10-5/8% Notes, together with the collection of certain funds on deposit with Bally's Park Place, to redeem its 13-1/4% Mortgage-Backed Notes due 1995 at a price of 102.94% of their principal amount plus accrued interest, thereby satisfying all obligations thereunder. The redemption of the 13-1/4% Mortgage-Backed Notes due 1995 resulted in an extraordinary loss of $2,091, net of an income tax benefit of $1,405.

The Company has a $20,000 revolving credit facility (the "Credit Facility"), which provides for interest on borrowings at the rate of 1% above the banks' stated prime rates and expires on March 31, 1995. The Company pays a fee of 1/2% on the unused commitment. As of March 31, 1994, the entire amount of the Credit Facility was unused.

The indenture for the 10-5/8% Notes and the Credit Facility contain covenants including, but not limited to, the following: (i) limitation on indebtedness; (ii) limitation on restricted payments; (iii) limitation on transactions with affiliates; (iv) limitation on capital expenditures; (v) limitations on encumbrances and liens; (vi) limitation on dividends and other payment restrictions affecting subsidiaries; (vii) limitation on issuance of guaranties by subsidiaries; and (viii) restrictions on merger and sale of assets. 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 March 31, 1994, no dividends were available for payment.

NOTE 10 - DEFERRED CREDITS

Deferred credits as of March 31, 1994 and 1993 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.

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

NOTE 11 - OTHER LIABILITIES

Other liabilities consisted of $30,736 and $31,153 due to GNAC as of March 31, 1994 and 1993, respectively.

NOTE 12 - STOCKHOLDER'S EQUITY

At March 31, 1994 and 1993, the Company had 5,000,000 shares of common stock authorized; of such shares 3,002,500 were issued and outstanding.

NOTE 13 - JACKPOT PAYOUTS IN MERCHANDISE

There were no jackpot payouts in merchandise for the three months ended March 31, 1994 and 1993.

NOTE 14 - CHARGES FROM AFFILIATES - OTHER

The charges from affiliates for the three months ended March 31 consisted of the following:

Affiliate	Nature of Charge	1994	1993
GNAC	Rent	$ 255	$ 255
BMC	Allocated costs and expenses (a)	704	716
Bally's Park Place	Rent (surface area parking lots)	174	174
Bally's Park Place	Allocated costs and expenses (b)	56	696
		$1,189	$1,841

(a) Costs and expenses allocated from BMC include the Company's proportionate share for directors' and officers' insurance, regulatory and public company reporting, administrative and other corporate overhead costs.

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

NOTE 15 - NONOPERATING INCOME (EXPENSE) - NET

Nonoperating income, which consisted of interest and dividend income, of $121 and $345 for the three months ended March 31, 1994 and 1993, respectively.

NOTE 16 - INCOME TAXES

Taxable income or loss of the Company is included in the consolidated federal income tax return of BMC. Under a tax sharing agreement between BMC 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 BMC for the tax benefit of the Company's net operating losses and tax credits, if any, that can be utilized in BMC'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 BMC are due at such time and in such amounts as payments are required to be made for income tax purposes. Payments by BMC for such tax benefits are due at the time BMC files the applicable consolidated federal tax return.

Effective January 1, 1993, the Company changed its method of accounting for income taxes as required by SFAS No. 109. The cumulative effect on prior years of this change in accounting for income taxes was a charge of $29,870.

For the three months ended March 31, 1994 and 1993, the effective rates of the income tax benefits varied from the U.S. statutory tax rates (35% and 34%, respectively) due principally to nondeductible amortization of cost in excess of acquired assets.

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

SCHEDULE OF RECEIVABLES AND PATRONS' CHECKS

MARCH 31, 1994
(UNAUDITED)
($ IN THOUSANDS)

	ACCOUNTS RECEIVABLE BALANCES			
LINE (a)	DESCRIPTION (b)	ACCOUNT BALANCE (c)	ALLOWANCE (d)	ACCOUNTS RECEIVABLE– (e) NET OF ALLOWANCE
	Patrons' Checks:			
1	Undeposited patrons' checks	$ 4,399		
2	Returned patrons' checks	7,535		
3	Total patrons' checks	11,934	$ 5,570	$ 6,364
4	Hotel Receivables	391	75	316
	Other Receivables:			
5	Receivables due from officers and employees.	4		
6	Receivables due from affiliates	6		
7	Other accounts and notes receivables	294		
8	Total other receivables	304	–	304
9	Totals (Form 205)	$ 12,629	$ 5,645	$ 6,984

	UNDEPOSITED PATRONS' CHECKS ACTIVITY	
LINE (f)	DESCRIPTION (g)	AMOUNT (h)
10	Beginning Balance (January 1)	$ 4,694
11	Counter checks issued (excluding counter checks issued through transactions relating to consolidations, partial redemptions, substitutions, and patrons' cash deposits)	32,317
12	Checks redeemed prior to deposit (excluding the unredeemed portion of counter checks redeemed through partial redemptions, and excluding checks redeemed through transactions relating to consolidations, substitutions, and patrons' cash deposits)	(23,399)
13	Checks collected through deposits	(7,224)
14	Checks transferred to returned checks	(1,989)
15	Other adjustments	–
16	Ending Balance	$ 4,399
17	"Hold" Checks Included In Balance On Line 16	$ –
18	Provision For Uncollectible Patrons' Checks	$ 323
19	Provision As A Percent Of Counter Checks Issued	1.00%

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

PROMOTIONAL EXPENSES AND ALLOWANCES

($ in Thousands)

For The Three Months Ended March 31, 1994

	Promotional Allowances		Promotional Expenses	
	Number of Recipients	Dollar Amount	Number of Recipients	Dollar Amount
Rooms	41,302	$ 1,951	–	$ –
Food	282,958	3,959	–	–
Beverage	730,092	1,424	–	–
Travel	–	–	14,213	1,304
Coin	–	–	293,584	3,433
Coupon	–	–	–	–
Entertainment	14,982	400	1,550	190
Retail & Gifts	9,580	479	6,878	792
Other	2,866	64	47,459	362
Total	1,081,780	$ 8,277	363,684	$ 6,081

STATEMENT OF CONFORMITY AND ACCURACY

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

Donna M. Graham, 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. The information contained in this Quarterly Report is accurate to the best of my knowledge and belief.

Signature

Vice President of Finance/Treasurer
Title

03723-11
License Number

Subscribed and sworn to
before me this 13TH day
of MAY , 1994

On Behalf Of:

Signature
LINDA LOIACONO
NOTARY PUBLIC OF NEW JERSEY
MY COMMISSION EXPIRES JULY 31, 1996

GNOC, CORP. (THE GRAND)
Casino Licensee

Basis of Authority
to Take Oaths

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QUARTERLY REPORT

PROPERTY OF
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LICENSEE GREATE BAY HOTEL AND CASINO. INC.

ADDRESS INDIANA AVENUE AND BRIGHTON PARK

ATLANTIC CITY. NEW JERSEY 08401

FOR THE QUARTER ENDED MARCH 31, 1994

TO THE

CASINO CONTROL COMMISSION

OF THE

STATE OF NEW JERSEY

RECEIVED
FEU
MAY 17 1994
CASINO CONTROL
COMMISSION

NAME OF OFFICER IN CHARGE OF CORRESPONDENCE REGARDING THIS QUARTERLY REPORT: Timothy A. Ebling

OFFICIAL TITLE: Vice President Finance

ADDRESS: Indiana Avenue & Brighton Park

Atlantic City, New Jersey 08401

TRADING NAME OF LICENSEE SANDS HOTEL & CASINO

LIST OF FORMS – QUARTERLY REPORT

FOR THE QUARTER ENDED MARCH 31, 1994

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
Notes to Financial Statements	
Schedule of Receivables and Patrons' Checks	CCC – 240
Promotional Expenses and Allowances	CCC – 245
Statement of Conformity and Accuracy	CCC – 250

TRADING NAME OF LICENSEE: SANDS HOTEL & CASINO

BALANCE SHEETS

MARCH 31, 1994 AND 1993

(UNAUDITED)

($ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)		(c) 1994	(d) 1993
	ASSETS			
	Current Assets:		$	$
1	Cash		18,919	18,223
2	Marketable securities		–	–
3	Receivables and patrons' checks (net of allowance for doubtful accounts – 1994, $14,912; 1993, $14,410)		13,648	11,796
4	Inventories		3,860	3,831
5	Prepaid expenses and other current assets	Note 4, 8	10,898	7,560
6	Total current assets		47,325	41,410
7	Investments, Advances, and Receivables	Note 5	10,717	18,897
8	Property and Equipment – Gross	Note 7	286,840	304,051
9	(Accumulated Depreciation/Amortization)	Note 7	(125,417)	(142,458)
10	Other Assets	Note 4, 9	12,246	8,401
11	Total Assets		$ 231,711	$ 230,301
	LIABILITIES AND EQUITY			
	Current Liabilities:		$	$
12	Accounts payable		7,446	4,579
13	Notes payable	Note 2, 5	–	22,400
	Current portion of Long-term debt:			
14	Due to affiliates	Note 3	–	3,006
15	Other	Note 3	8	8
16	Income taxes payable and accrued	Note 4	(3,611)	6,631
17	Other accrued expenses	Note 10	17,818	16,803
18	Other current liabilities	Note 5, 11	2,271	3,395
19	Total current liabilities		23,932	61,822
	Long-Term Debt:			
20	Due to affiliates	Note 2, 3	195,000	159,776
21	Other	Note 3	460	469
22	Deferred Credits		–	–
23	Other Liabilities		–	949
24	Commitments and Contingencies			
25	Total Liabilities		219,392	223,016
26	Stockholders', Partners', Or Proprietor's Equity		12,319	[illegible]285
27	Total Liabilities and Equity		$ 231,711	$ 230,301

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

TRADING NAME OF LICENSEE: SANDS HOTEL & CASINO

STATEMENTS OF INCOME

FOR THE THREE MONTHS ENDED MARCH 31, 1994 AND 1993

(UNAUDITED)

($ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)		(c) 1994	(d) 1993
	Revenue:		$	$
1	Casino		54,136	53,168
2	Rooms		2,017	2,290
3	Food and beverage		7,057	6,942
4	Other		490	994
5	Total revenue		63,700	63,394
6	Less: Promotional allowances		6,432	6,233
7	Net revenue		57,268	57,161
	Costs And Expenses:			
8	Cost of goods and services		28,591	27,862
9	Selling, general, and administrative	Note 5	21,644	20,020
10	Provision for doubtful accounts		642	655
11	Total costs and expenses		50,877	48,537
12	Gross Operating Profit		6,391	8,624
13	Depreciation and amortization		3,645	4,337
	Charges from affiliates other than interest:			
14	Management fees	Note 5	1,024	1,253
15	Other		–	–
16	Income (Loss) From Operations		1,722	3,034
	Other Income (Expenses):			
17	Interest (expense) – affiliates	Note 5	(5,552)	(5,548)
18	Interest (expense) – external		138	41
19	Investment alternative tax and related income (expense) – net		(596)	(329)
20	Nonoperating income (expense) – net	Note 6	305	520
21	Total other income (expenses)		(5,705)	(5,316)
22	Income (Loss) Before Income Taxes And Extraordinary Items		(3,983)	(2,282)
23	Provision (credit) for income taxes	Note 4	(1,269)	(612)
24	Income (Loss) Before Extraordinary Items		(2,714)	(1,670)
25	Extraordinary items (net of income taxes – 1994, $_____; 1993, $_____)	Note 4	–	2,000
26	Net Income (Loss)		($2,714)	$330

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 MARCH 31, 1994 AND 1993

(UNAUDITED)

($ IN THOUSANDS)

NOT APPLICABLE

LINE (a)	DESCRIPTION (b)	(c) 1994	(d) 1993
	Revenue:	$	$
1	Casino		
2	Rooms		
3	Food and beverage		
4	Other		
5	Total revenue	0	0
6	Less: Promotional allowances		
7	Net revenue	0	0
	Costs And Expenses:		
8	Cost of goods and services		
9	Selling, general, and administrative		
10	Provision for doubtful accounts		
11	Total costs and expenses	0	0
12	Gross Operating Profit	0	0
13	Depreciation and amortization		
	Charges from affiliates other than interest:		
14	Management fees		
15	Other		
16	Income (Loss) From Operations	0	0
	Other Income (Expenses):		
17	Interest (expense) – affiliates		
18	Interest (expense) – external		
19	Investment alternative tax and related income (expense) – net		
20	Nonoperating income (expense) – net		
21	Total other income (expenses)	0	0
22	Income (Loss) Before Income Taxes And Extraordinary Items	0	0
23	Provision (credit) for income taxes		
24	Income (Loss) Before Extraordinary Items	0	0
25	Extraordinary items (net of income taxes – 1994, $_____; 1993, $_____)		
26	Net Income (Loss)	$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.

TRADING NAME OF LICENSEE: SANDS HOTEL & CASINO

STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY

For the three months ended March 31, 1994 and 1993

(UNAUDITED)

($ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1994 (c) SHARES	(d) 1994 (d) DOLLARS	(e) 1993 (e) SHARES	(f) 1993 (f) DOLLARS
			$		$
	Common Stock:				
1	Beginning balance (January 1)	100	3,500	100	3,500
2	Sale of stock				
3					
4	Ending balance	100	3,500	100	3,500
	Preferred Stock:				
5	Beginning balance (January 1)				
6	Sale of stock				
7					
8	Ending Balance				
	Additional Paid-in Capital:				
9	Beginning balance (January 1)		—		
10	Capital Contribution		15,000		
11					
12	Ending balance		15,000		
	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)		(3,467)		3,455
26	Prior period adjustments				
27	Net income (loss)		(2,714)		330
28	Dividends				
29					
30					
31	Ending balance		(6,181)		3,785
32	Ending Stockholders Equity		$12,319		$7,285

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

4-86 Valid comparisons cannot be made without using information contained in the notes. CCC-220

TRADING NAME OF LICENSEE: SANDS HOTEL & CASINO

STATEMENTS OF CHANGES IN PARTNERS' OR PROPRIETOR'S EQUITY

FOR THE THREE MONTHS ENDED MARCH 31, 1994 AND 1993

(UNAUDITED)

($ IN THOUSANDS)

NOT APPLICABLE

LINE (a)	DESCRIPTION (b)	(c) 1994	(d) 1993
	Invested Capital:	$	$
1	Beginning balance (January 1)		
2	Additional capital invested		
3	_____		
4	Ending balance		
	Accumulated Income (Loss):		
5	Beginning balance (January 1)		
6	Prior period adjustments		
7	Net income (loss)		
8	_____		
9	Ending balance		
	Capital Withdrawals:		
10	Beginning balance (January 1)	( )	( )
11	Additional capital withdrawals	( )	( )
12	_____		
13	Ending balance	( )	( )
	Net Unrealized Loss On Noncurrent Marketable Equity Securities:		
14	Beginning balance (January 1)	( )	( )
15	_____		
16	_____		
17	Ending balance	( )	( )
	Ending Partners' Or	$	$
18	**Proprietor's Equity**		

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 CASH FLOWS

FOR THE THREE MONTHS ENDED MARCH 31, 1994 AND 1993

(UNAUDITED)

($ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1994	(d) 1993
1	Net Cash provided (Used) By Operating Activities	($4,227)	$4,177
	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	(3,361)	(527)
5	Proceeds from disposition of property and equipment		
6	Purchase of casino reinvestment obligations	(55)	(665)
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	(3,416)	(1,192)
	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	195,000	
16	Costs of issuing debt	(6,637)	(1,629)
17	Payments to settle long-term debt	(161,671)	(10,308)
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 borrowings from (repayments to) Affiliates	(28,083)	15,735
22			
23	Net Cash Provided (Used) By Financing Activities	13,609	3,798
24	Net Increase (Decrease) In Cash And Cash Equivalents	5,966	6,783
25	Cash And Cash Equivalents At Beginning Of Period	12,953	11,440
26	Cash And Cash Equivalents At End Of Period	$18,919	$18,223
	SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
	Cash Paid During Period For:		
27	Interest (net of amount capitalized)	$5,427	$5,256
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: SANDS HOTEL & CASINO

STATEMENTS OF CASH FLOWS

FOR THE THREE MONTHS ENDED MARCH 31, 1994 AND 1993

(UNAUDITED)

($ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1994	(d) 1993
	Net Cash Flows From Operating Activities:	$	$
29	Net income (loss)	(2,714)	330
	Noncash items included in income and cash items excluded from income:		
30	Depreciation and amortization of property and equipment	3,558	3,686
31	Amortization of other assets	87	651
32	Amortization of debt discount or premium	45	90
33	Deferred income taxes – current		
34	Deferred income taxes – noncurrent	1,071	(297)
35	(Gain) Loss on disposition of property and equipment		
36	(Gain) Loss on casino reinvestment obligations	596	329
37	(Gain) Loss from other investment activities		
38	Net (increase) decrease in receivables and patrons' checks	654	1,777
39	Net (increase) decrease in inventories	(64)	(121)
40	Net (increase) decrease in other current assets	(1,985)	285
41	Net (increase) decrease in other assets	(236)	(265)
42	Net increase (decrease) in accounts payables	1,139	(1,629)
43	Net increase (decrease) in other current liabilities excluding debt	(6,374)	1,218
44	Net increase (decrease) in other noncurrent liabilities excluding debt		–
45	Net increase in progressive jackpot accrual	(4)	123
46	Cumulative effect of accounting change		(2,000)
47	Net Cash Provided (Used) By Operating Activities	(4,227)	4,177

SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING AND FINANCING ACTIVITIES

	Acquisition Of Property and Equipment:	$	$
48	Additions to property and equipment	3,361	527
49	Less: Capital lease obligations incurred		
50	Cash Outflows For Property And Equipment	3,361	527
	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	$	$

TRADING NAME OF LICENSEE: SANDS HOTEL & CASINO

SCHEDULE OF RECEIVABLES AND PATRONS' CHECKS

MARCH 31, 1994

(UNAUDITED)

($ IN THOUSANDS)

ACCOUNTS RECEIVABLE BALANCES

LINE (a)	DESCRIPTION (b)	ACCOUNT BALANCE (c)	ALLOWANCE (d)	ACCOUNTS RECEIVABLE – (e) NET OF ALLOWANCE
	Patrons' Checks:	$		
1	Undeposited patrons' checks	6,076		
2	Returned patrons' checks	20,692		
3	Total patrons' checks	$ 26,768	$ (14,885)	$ 11,883
4	Hotel Receivables	472	(27)	445
	Other Receivables:			
5	Receivables due from officers and employees	–		
6	Receivables due from affiliates	170		
7	Other accounts and notes receivables	1,150		
8	Total other receivables	1,320	–	1,320
9	Totals (Form 205)	$ 28,560	$ (14,912)	$ 13,648

UNDEPOSITED PATRONS' CHECKS ACTIVITY

LINE (f)	DESCRIPTION (g)	AMOUNT (h)
10	Beginning Balance (January 1)	$5,630
11	Counter checks issued (excluding counter checks issued through transactions relating to consolidations, partial redemptions, substitutions, and patrons' cash deposits	38,170
12	Checks redeemed prior to deposit (excluding the unredeemed portion of counter checks redeemed through partial redemptions, and excluding checks redeemed through transactions relating to consolidations, substitutions, and patrons' cash deposits)	(27,104)
13	Checks collected through deposits	(7,607)
14	Checks transferred to returned checks	3,013)
15	Other adjustments	0
16	Ending Balance	$6,076
17	"Hold" Checks Included in Balance On Line 16	$0
18	Provision For Uncollectible Patrons' Checks	$652
19	Provision As A Percent Of Counter Checks Issued	1.7%

TRADING NAME OF LICENSEE: SANDS HOTEL & CASINO

PROMOTIONAL EXPENSES AND ALLOWANCES

($ IN THOUSANDS)

FOR THE THREE MONTHS ENDED MARCH 31, 1994

	Promotional Allowances		Promotional Expenses	
	Number of Recipients	Dollar Amount	Number of Recipients	Dollar Amount
Rooms	56,903	$1,513	–	$ –
Food	180,200	2,424	–	–
Beverage	172,838	2,325	–	–
Travel	–	–	4,639	1,204
Coin	–	–	227,726	6,092
Coupon	–	–	7,050	49
Entertainment	773	51	–	–
Retail & Gifts	–	–	6,680	668
Other	14,875	119	–	–
Total	425,589	$6,432	246,095	$8,013

****

FOR THE THREE MONTHS ENDED MARCH 31, 1994

	Promotional Allowances		Promotional Expenses	
	Number of Recipients	Dollar Amount	Number of Recipients	Dollar Amount
Rooms	56,903	$1,513	–	$ –
Food	180,200	2,424	–	–
Beverage	172,838	2,325	–	–
Travel	–	–	4,639	1,204
Coin	–	–	227,726	6,092
Coupon	–	–	7,050	49
Entertainment	773	51	–	–
Retail & Gifts	–	–	6,680	668
Other	14,875	119	–	–
Total	425,589	$6,432	246,095	$8,013

STATEMENT OF CONFORMITY AND ACCURACY

STATE OF NEW JERSEY

ss.

COUNTY OF ATLANTIC

Timothy A. Ebling 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. The information contained in this Quarterly Report is accurate to the best of my knowledge and belief.

Signature

Timothy A. Ebling
Vice President
Title

003052-11
License Number

On Behalf Of:

Greate Bay Hotel And Casino, Inc.
Casino Licensee

Subscribed and sworn to
before me this 13th day
of May 1994

Signature

An Attorney at Law
Authorized to Administer Oaths
~~in and for the State of~~ New Jersey
Basis of Authority
to Take Oaths

4/86

CCC-250

SANDS 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 Pratt Casino Corporation ("PCC"), 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, PCC 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. Substantially 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).

(2) Short-term credit facilities

GBHC had no unused short-term credit facilities at March 31, 1994. During February and March 1993, a subsidiary of PHC issued $21,000,000 of Series A and Series B 13.5% Guaranteed First Mortgage Notes due in 1994 (the "Series Notes"). The Series Notes were not registered under the Securities Act and since no such registration became effective prior to August 18, 1993, the interest rate increased to 14% per annum effective at that date. The indenture to the Series Notes also provided for additional increases of .25% to become effective after each succeeding 90-day period. Refinancing of the Series Notes was completed in February 1994 when GB Property Funding issued $185,000,000 of 10 7/8% First Mortgage Notes due in 2004 (see Note 3).

Hollywood Casino Corporation ("HCC"), the parent of PHC, agreed to loan up to $8,000,000 to a subsidiary of PHC, the proceeds of which were used by the Sands in connection with an expansion of its gaming space. During 1993, the subsidiary loaned $7,083,000 to GBHC for such purposes. Such loans accrued interest at the rate of 13.5% per annum payable semiannually, and the outstanding balance of $8,000,000 was repaid during February 1994 in connection with a refinancing of virtually all of PHC's casino-related outstanding debt.

(3) Long-term debt and pledge of assets

Long-term debt as of March 31, 1994 and 1993 is as follows:

	1994	1993
10 7/8% first mortgage notes, due 2004 (a)	$ 185,000,000	$ -
11 3/4% first mortgage notes, refinanced in 1994, net of discount of $45,000 (b)	-	165,182,000
14 5/8% affiliate loan, due 2005 (c)	10,000,000	-
16 1/2% promissory note due 1998 (d)	-	2,600,000
Other	468,000	477,000
Total indebtedness	195,468,000	168,259,000
Less - current maturities	(8,000)	(8,014,000)
Total long term debt	$ 195,460,000	$ 160,245,000

(a) On February 17, 1994, the Sands obtained $185,000,000 from GB Property Funding, which issued $185,000,000 of ten year, non-recourse first mortgage notes due 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 indenture to 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 also requires the maintenance of certain cash balances and that, commencing in 1994, a minimum of $7,000,000 be committed for property and fixture renewals, replacements and betterments, subject to increases of five percent per annum each year thereafter. The indenture also contains certain cross-default provisions with other outstanding debt of affiliates.

(b) On August 6, 1987, the Sands obtained $170,504,000 from a special purpose funding affiliate which issued $173,030,000 of seven-year, non-callable, nonrecourse first mortgage notes bearing interest at 11 3/4% per annum, payable semiannually (the "11 3/4% First Mortgage Notes"), net of a $2,526,000 discount. The 11 3/4% First Mortgage Notes were repaid in February 1994.

(c) 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, subject to certain restrictions, commencing August 17, 1994 with the principal due in February 2005.

(d) This obligation was repaid in April 1993. The note was payable to an affiliate, accrued interest at 16 1/2% per annum and was payable semi-annually in March and September.

Scheduled payments of long-term debt as of March 31, 1994 are:

1994 (9 months)	$ 6,000
1995	9,000
1996	10,000
1997	2,512,000
1998	5,013,000
Thereafter	187,918,000
Total	$ 195,468,000

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

(4) Income taxes

GBHC is included in HCC's consolidated federal income tax return. 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. GBHC paid no state or federal income taxes during the three month periods ended March 31, 1994 or 1993. The payment of taxes in accordance with the tax allocation agreements is subject to the approval of the New Jersey Casino Control Commission.

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, travel and entertainment and other expenses.

SANDS HOTEL AND CASINO, INC.
(a wholly owned subsidiary of GB Holdings, Inc.)

NOTES TO FINANCIAL STATEMENTS (Continued)
(unaudited)

Components of the benefit for income taxes consisted of the following:

	Three Months Ended March 31,	
	1994	1993
Benefit (provision) in lieu of federal income taxes:		
Current	$ 1,794,000	$ 250,000
Deferred	(821,000)	228,000
State income tax benefit (provision):		
Current	546,000	65,000
Deferred	(250,000)	69,000
	$ 1,269,000	$ 612,000

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 the write off of financing costs.

In the first quarter of 1993, GBHC adopted the provisions of Statement of Financial Accounting Standards No. 109, "Accounting for Income Taxes" ("SFAS 109"). The cumulative effect of adopting SFAS 109 as of January 1, 1993 was to increase GBHC's net deferred tax assets and net income by approximately $2,000,000. This change results primarily from reductions in the enacted tax rates from those in effect when the differences between the financial statement and tax bases of assets and liabilities arose.

The components of the deferred tax asset (liability) as of March 31, 1994 and 1993 were as follows:

	1994	1993
Deferred tax assets:		
Allowance for doubtful accounts	$ 4,605,000	$ 4,945,000
Early extinguishment of debt	2,086,000	-
Other liabilities and accruals	933,000	1,501,000
Other	288,000	402,000
Total deferred tax assets	7,912,000	6,848,000
Deferred tax liabilities:		
Depreciation and amortization	(6,901,000)	(7,939,000)
Other	(621,000)	(939,000)
Total deferred tax liabilities	(7,522,000)	(8,878,000)
Net deferred tax asset (liability)	$ 390,000	$ (2,030,000)

New Jersey State Library

Federal Income tax receivables and payables included in the accompanying balance sheets in connection with the aforementioned tax allocation agreements were as follows:

	March 31, 1994	March 31, 1993
Prepaid expenses and other current assets	$ 6,948,000	$ 5,510,000
Other assets	4,345,000	3,362,000
Federal income taxes payable and accrued	2,688,000	(5,621,000)

The amounts included in Federal income taxes payable and accrued in the above table represent the current federal tax liability under the tax allocation agreements. Such payments are subject to the approval of the New Jersey Casino Control Commission.

The New Jersey Division of Taxation is currently examining the state income tax returns of the Sands for the years 1987, 1988 and 1989. Although a possible range of adjustment can not be estimated, in the opinion of management, the results of such examination will not have a material adverse effect on the financial position or results of operations of GBHC.

(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 $1,024,000 and $1,253,000, during the three month periods ended March 31, 1994 and 1993, respectively, and are included in management fees charged from affiliates in the accompanying financial statements. As of March 31, 1994 and 1993, management fees payable of $452,000 and $17,000, respectively, 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 $60,000 and $69,000 for the three month periods ended March 31, 1994 and 1993, respectively. Such amounts are included in selling, general, and administrative expenses in the accompanying financial statements.

For the three months ended March 31, 1994 and 1993 GBHC recognized the following amounts in interest charges to affiliates:

	1994	1993
11 3/4% First Mortgage Notes	$ 2,371,000	$ 4,971,000
10 7/8% First Mortgage Notes	2,477,000	-
16 1/2% Promissory Note	-	107,000
14 5/8% Promissory Note	179,000	-
Cash Advances from Affiliates	525,000	470,000
	$ 5,552,000	$ 5,548,000

GBHC had cash advances receivable from affiliates including interest of $6,140,000 and $11,878,000 as of March 31, 1994 and 1993, and are included in investments, advances, and receivables in the accompanying financial statements. In addition, GBHC had cash advances payable to affiliates including interest totaling $2,573,000 at March 31, 1993, which is included in other current liabilities in the accompanying financial statements. Affiliate advances bear interest at the rate of 16.5% per annum.

Additionally, at March 31, 1993 GBHC had lines of credit outstanding to affiliates of $1,400,000 and short term borrowings outstanding to affiliates of $21,000,000 (see Note 2). These amounts are included in notes payable in the accompanying financial statements.

(6) Non-Operating Income

For the three months ended March 31, 1994 and 1993, interest income of $305,000 and $520,000 was earned on temporary investments, on deposits made with the Casino Reinvestment Development Authority, and other sources.

(7) Property and Equipment

Property and Equipment as of March 31, 1994 and 1993 consisted of the following:

	1994	1993
Land	$ 37,807,000	$ 37,554,000
Buildings	169,340,000	169,340,000
Furniture, fixtures and equipment	70,235,000	96,371,000
Construction in progress	9,458,000	786,000
	286,840,000	304,051,000
Less: accumulated depreciation and amortization	(125,417,000)	(142,458,000)
Net property and equipment	$ 161,423,000	$ 161,593,000

(8) Prepaid Expenses and Other Current Assets

As of March 31, 1994 and 1993, the line item, Prepaid Expenses and Other Current Assets is comprised of the following:

	1994	1993
Deferred Taxes - Current	$ 6,948,000	$ 5,510,000
Prepaid expenses	1,790,000	1,380,000
Deposits	937,000	604,000
Current portion of deferred credits on deposit with the Casino Reinvestment Development Authority	1,223,000	66,000
	$ 10,898,000	$ 7,560,000

(9) Other Assets

As of March 31, 1994 and 1993, the line item, Other Assets is comprised of the following:

	1994	1993
Deferred Taxes - Non-Current	$ 5,857,000	$ 4,315,000
Deferred financing costs	6,866,000	3,715,000
Other	(477,000)	(481,000)
Non-current portion of deferred credits on deposit with the Casino Reinvestment Development Authority	-	852,000
	$ 12,246,000	$ 8,401,000

(10) Other Accrued Expenses

As of March 31, 1994 and 1993, the line item, Other Accrued Expenses is comprised of the following:

	1994	1993
Accrued salaries and wages	$ 4,060,000	$ 4,018,000
Accrued jackpot liability	1,323,000	1,751,000
Accrued interest	2,638,000	1,849,000
Accrued insurance	2,109,000	2,397,000
Accrued refinancing costs	735,000	-
Other accrued expenses	6,953,000	6,788,000
	$ 17,818,000	$ 16,803,000

(11) Other Current Liabilities

As of March 31, 1994 and 1993, the line item Other Current Liabilities is comprised of the following:

	1994	1993
Due to affiliates	$ 652,000	$ 1,642,000
Other	1,619,000	1,753,000
	$ 2,271,000	$ 3,395,000

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QUARTERLY REPORT

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LICENSEE HARRAH'S CASINO HOTEL, ATLANTIC CITY

ADDRESS 1725 BRIGANTINE BOULEVARD

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FOR THE QUARTER ENDED MARCH, 19 94

TO THE

CASINO CONTROL COMMISSION

OF THE

STATE OF NEW JERSEY

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MAY 17 1994
CASINO CONTROL
COMMISSION

NAME OF OFFICER IN CHARGE OF CORRESPONDENCE REGARDING THIS QUARTERLY REPORT . . . JOSEPH A. DOMENICO

OFFICIAL TITLE. . . . . VICE PRESIDENT OF FINANCE

ADDRESS . . . . . 1725 BRIGANTINE BOULEVARD

ATLANTIC CITY, NJ 08401

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

LIST OF FORMS - QUARTERLY REPORT

For the Quarter Ended: March 31, 1994

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
Notes to Financial Statements	
Schedule of Receivables and Patrons' Checks	CCC-240
Promotional Expenses and Allowances	CCC-245
Statement of Conformity and Accuracy	CCC-250

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

BALANCE SHEETS

MARCH 31, 1994 AND 1993

(UNAUDITED)
($ IN THOUSANDS)

(a) LINE	(b) DESCRIPTION	(c) 1994	(d) 1993
	ASSETS		
	Current Assets:		
1	Cash	$ 10,728	$ 8,334
2	Marketable Securities	0	0
3	Receivables and patrons' checks (net of allowance for doubtful accounts - 1994 $ 3,359; 1993 $ 3,575)	7,120	7,754
4	Inventories	1,968	2,339
5	Prepaid expenses and other current assets (Note 5)	2,518	2,384
6	**Total Current Assets**	22,334	20,811
7	Investments, Advances and Receivables (Note 6)	103,800	30,005
8	Property and Equipment - Gross (Note 2)	375,890	367,039
9	(Accumulated Depreciation/Amortization)	(117,250)	(108,508)
10	Other Assets	9,318	9,650
11	**Total Assets**	394,092	318,997
	LIABILITIES AND EQUITY		
	Current Liabilities:		
12	Accounts Payable	$ 3,059	$ 2,441
13	Notes Payable	0	0
	Current portion of long-term debt:		
14	Due to affiliates	0	0
15	Other (Note 4)	39	103
16	Income taxes payable and accrued	236	1,366
17	Other accrued expenses (Note 9)	14,855	14,342
18	Other current liabilities	482	294
19	**Total current liabilities**	18,671	18,546
	Long-Term Debt:		
20	Due to affiliates (Note 3 & 4)	0	147,000
21	Other (Notes 3 & 4)	384,835	160,259
22	Deferred Credits	4,474	4,502
23	Other Liabilities (Note 10)	41,734	33,870
24	Commitments and Contingencies (Note 7)	0	0
25	**Total Liabilities**	449,714	364,177
26	**Stockholders', Partners', or Proprietor's Equity**	(55,622)	(45,180)
27	**Total Liabilities and Equity**	$ 394,092	$ 318,997

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 HARRAH'S CASINO HOTEL, ATLANTIC CITY

STATEMENTS OF INCOME

For Three Months Ended March 31, 1994 and 1993

(UNAUDITED)
($ IN THOUSANDS)

(a) LINE	(b) DESCRIPTION	(c) 1994	(d) 1993
	Revenue:		
1	Casino	$ 60,856	$ 65,957
2	Rooms	4,141	4,117
3	Food and Beverage	7,398	8,248
4	Other	1,977	1,735
5	Total revenue	74,372	80,057
6	Less: Promotional Allowance	7,921	8,794
7	Net revenue	66,451	71,263
	Costs and Expenses:		
8	Cost of goods and services	39,074	42,893
9	Selling, general, and administrative	12,765	13,820
10	Provision for doubtful accounts	349	609
11	Total costs and expenses	52,188	57,322
12	Gross Operating Profit	14,263	13,941
13	Depreciation and amortization	3,543	3,304
	Charges from affiliates other than interest:		
14	Management Fees	0	0
15	Other	338	288
16	Income (Loss) from Operations	10,382	10,349
	Other Income (Expenses):		
17	Interest (expense) - affiliates - Embassy Note	0	(322)
18	Interest (expense) - external .... (Note 4)	(9,519)	(6,482)
19	Investment alternative tax and related income .... (expense) - net	(92)	(55)
20	Nonoperating Income (expense) - net	70	63
21	Total other income (expenses)	(9,541)	(6,796)
22	Income (Loss) Before Income Taxes and Extraord. Items	841	3,553
23	Provision (credit) for income taxes	240	(441)
24	Income (Loss) Before Extraordinary Items	601	3,112
25	Extraordinary items (net of income taxes - 1994, $0; 1993, $157) ..(Note 3)	0	(1,517)
26	**Net Income (Loss)**	$ 601	$ 1,595

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 PARTNERS' OR PROPRIETOR'S EQUITY

For the Three Months Ended : March 31,1994 and 1993
(UNAUDITED)
($ IN THOUSANDS)

(a) LINE	(b) DESCRIPTION	(c) 1994	(d) 1993
	Invested Capital:		
1	Beginning balance (January 1)	$ 141,594	$ 141,594
2	Additional capital invested	0	0
3	_____	0	0
4	Ending balance	141,594	141,594
	Additional Income (Loss):		
5	Beginning balance (January 1)	675,321	647,084
6	Prior period adjustments . .(Note 11).	0	0
7	Net income (loss)	601	1,595
8	Deferred State Tax Adj.	302	0
9	Ending balance	676,224	648,679
	Capital Withdrawals:		
10	Beginning balance (January 1)	(869,901)	(827,557)
11	Additional capital withdrawals	(3,539)	(7,896)
12	_____	0	0
13	Ending balance	(873,440)	(835,453)
	Net Unrealized Loss on Noncurrent Marketable equity securities:		
14	Beginning balance (January 1)	0	0
15	_____	0	0
16	_____	0	0
17	Ending balance	0	0
18	**Ending Partner's or Proprietor's Equity**	(55,622)	(45,180)

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

March 31, 1994 and 1993

(UNAUDITED)
($ IN THOUSANDS)

(a) LINE	(b) DESCRIPTION	(c) 1994	(d) 1993
1	Net Cash Provided (Used) by Operating Activities	$ 9,525	$ 9,147
	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	Purchase outflows for property and equipment	(3,202)	(2,547)
5	Proceeds from disposition of property and equipment	51	65
6	Purchase of casino reinvestment obligations	(1,530)	(805)
7	Purchase of other investments and loan advances made	(25,601)	0
8	Proceeds from disposal of investments and collection of advances and long-term receivables	1,229	770
9	Cash outflows to acquire business entities	0	0
10	_____	0	0
11	_____	0	0
12	Net Cash Provided (Used) by Investing Activities . .	(29,053)	(2,517)
	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	85,000	
16	Costs of issuing debt		
17	Payments to settle long-term debt	(63,017)	(27)
18	Cash proceeds from issuing stock or capital contributions		
19	Purchases of treasury stock		
20	Payments of dividends or capital withdrawals . . .	(3,539)	(10,831)
21			
22	_____		
23	Net Cash Provided (Used) by Financing Activities . .	18,444	(10,858)
24	Net Increase (Decrease) in Cash and Cash Equivalents	(1,084)	(4,228)
25	Cash and Cash Equivalents at Beginning of Period . .	11,812	12,562
26	Cash and Cash Equivalents at End of Period	$ 10,728	$ 8,334
	SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
	Cash Paid During Period for:		
27	Interest (net of amount capitalized)	$ 9,519	$ 6,914
28	Income Taxes	$ 0	$ 14

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

March 31, 1994 and 1993

(UNAUDITED)
($ IN THOUSANDS)

(a) LINE	(b) DESCRIPTION	(c) 1994	(d) 1993
	Net Cash Flows From Operating Activities:		
29	Net Income (loss)	$ 601	$ 1,595
	Noncash items included in income and cash items excluded from income:		
30	Depreciation and amortization of property & equipment	3,525	3,291
31	Amortization of other assets	440	471
32	Amortization of debt discount or premium	45	0
33	Deferred income taxes - current	0	0
34	Deferred income taxes - noncurrent	980	0
35	(Gain) loss in dispostion of property & equipment	(43)	0
36	(Gain) loss on casino reinvestment obligation	0	55
37	(Gain) loss from other investment activities	3,820	0
38	Net (increase) decrease in receivables and patrons checks	962	1,809
39	Net (increase) decrease in inventories	320	230
40	Net (increase) decrease in other current assets	259	530
41	Net (increase) decrease in other assets	(1,107)	1,798
42	Net increase (decrease) in accounts payables	1,354	258
43	Net increase (decrease) in other current liabilities excluding debt . . .	(1,629)	(890)
44	Net increase (decrease) in other noncurrent liabilities excluding debt . . .	(2)	0
45			
46			
47	**Net Cash Provided (Used) by Operating Activities . . . .**	$ 9,525	$ 9,147
	SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING AND FINANCIAL ACTIVITES		
	Aquisition of Property and Equipment:		
48	Additions to property and equipment	$ 3,202	$ 2,547
49	Less: capital lease obligations incurred	0	0
50	**Cash Outflows for Property and Equipment . . . . . .**	$ 3,202	$ 2,547
	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		
59	Consideration in acquistion 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.

HARRAH'S CASINO HOTEL, ATLANTIC CITY

NOTES TO FINANCIAL STATEMENTS

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. The Promus Companies, 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.

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.

In February 1992, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards (SFAS) No. 109, *Accounting for Income Taxes.* Under the asset and liability method of accounting for income taxes prescribed by SFAS No. 109, deferred tax

assets and liabilities are recognized 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. The Partnership adopted SFAS NO. 109 in 1992 and applied the provisions of the statement retroactively.

NOTE 2: Property and Equipment

Property and Equipment consists of the following:

	MARCH 31 000's)	
	1994	1993
Land and Land Improvements	$ 30,020	$ 30,754
Buildings, Leaseholds and Improvements	264,417	251,761
Furniture, Fixtures and Equipment	69,920	69,537
Construction in Progress	7,432	11,643
Equipment held under Capital Leases	345	345
C-I-P NE Inlet Redevelopment Project	3,756	2,999
	375,890	367,039
Less Accumulated Depreciation	(117,250)	(108,508)
Property and Equipment, Net	$ 258,640	$ 261,531

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- five 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. Currently contained in the C-I-P account is the retail strip center.

NOTE 3: Supplemental Cash Flow Information

Supplemental disclosure of non-cash financing activities:

In March 1993, Embassy issued $200,000,000 of notes (the "8 3/4% Notes"). A portion of the proceeds of this note issuance was used to pay down certain debt owed by Embassy, and the remaining $147,000,000 was advanced to the Partnership in exchange for a promissory note (the "Promissory Note") executed by the Partnership under terms similar to the 8 3/4% Notes. This advance was accounted for as a capital distribution and was applied against Partners' (deficit) earnings. The proceeds from the Promissory Note were used to retire a portion of the Loan Facility that the Partnership acquired in August 1992. In connection with these transactions, approximately $3,000,000 of deferred financing charges related to issuance costs incurred by Embassy were recorded by the Partnership and were being amortized over the life of the Promissory Note.

Additionally, in conjunction with the reduction of the Loan Facility the Partnership wrote-off a proportionate share of the previously established deferred financing charges which resulted in a extraordinary loss of approximately $1,675,000.

In July 1993, Promus and certain of its subsidiaries entered into a new secured bank facility, which is a $650,000,000 reducing revolver and letter of credit facility together referred to as (the "New Facility"). The Partnership is the primary obligor of $400,000,000 of the New Facility, which consists of a $195,000,000 revolver (the "Revolver") and a $204,650,000 letter of credit (the "Letter of Credit"). Borrowings and repayments under the Revolver are accounted for as capital distributions and have been applied against Partners' (deficit) earnings. Promus has unconditionally guaranteed the Partnership's obligations under the New Facility. Initial borrowings of $160,000,000 under the Revolver were used to repay the Loan Facility, this repayment resulted in an extraordinary loss of approximately $3,330,000 related to the write-off of deferred financing charges associated with the Loan Facility. As if March 31, 1994 the Partnerships borrowings under the Revolver were $185,000,000.

The Revolver provides for borrowings at either the Eurodollar rate plus 1 1/2% or the prime rate plus 1/2%. The annual fees on the Letter of Credit and commitment fees on the unutilized portion under the Revolver are 1 3/4% and 1/2% , respectively. As required by the New Facility, interest rate protection has been maintained on $140,000,000 in principal to reduce the impact of changes in interest rates. The interest rate protection, in the form of a rate collar transaction expires in 1995 and currently holds the Partnership's interest rate in a range between 9.3% and 12.5%. As part of the New Facility transaction, deferred financing charges of approximately $8,438,000 were transferred to the Partnership and are being amortized over the life of the New Facility.

In July 1993, Embassy, through a series of intercompany transactions, transferred to the Partnership $200,000,000 Notes (the "9% Notes") in exchange for the Promissory Note. In connection with this transaction related unamortized deferred financing charges of $2,882,000 were transferred to Embassy. These transfers were accounted for as capital distributions and have been applied against Partners' (deficit) earnings. The 9% Notes principal amount is $200,000,000 and bear 9% payable monthly with the principal payment due on February 15, 1995. Associated with the 9% Notes is a $282,000 discount that was recorded and will be amortized over the life of the 9% Notes. The accompanying financial statements reflect interest expense at the effective interest rate of 9.0984%. The Letter of Credit discussed above, guarantees the liquidity to retire the 9% Notes when they mature on February 15, 1995.

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

NOTE 4: Long-Term Debt

The maturities of long term debt are:

Date	Amount Due
1993	- -
1994	- -
1995	200,000,000
1996	- -
1997	- -
1998	185,000,000
1999	- -
2000	- -
	$385,000,000

Total Long-Term Debt consists of:

	MARCH 31 (000'S)	
	1994	1993
Long-term debt - Term Loan	$ --	$160,220
Long-term debt - ESI Note	--	147,000
Long-term debt - Capital Leases	39	142
Capital Lease Obligation Due within 1 Year	(39)	(103)
Long-term debt - 9% Note	200,000	--
Discount on N/P	(165)	--
Long-term debt - Bank Revolver	185,000	--
Long-term Debt	$384,835	$307,259

Long-Term Debt - Capital Leases - Represents three thirty-six month capital leases for computer equipment.

Future minimum lease payments consist of:

Year	
1994	$ 42,245
Less amounts representing interest	(3,038)
Present value of net minimum lease payments	$ 39,207

NOTE 5: Prepaid Expenses and Other Current Assets

	MARCH 31 (000'S)	
	1994	1993
Prepaid Slot Tax	$ 239	$ 249
Prepaid Insurance	219	235
Prepaid Air Charters	415	515
Prepaid Marketing	282	826
Prepaid Other	1,258	451
Future Credit against CRDA Obligations	105	108
	$2,518	$2,384

NOTE 6: Investments, Advances and Receivables

	MARCH 31 (000'S)	
	1994	1993
Notes Receivable	$ 2,303	$ 2,334
Investment in CRDA Bonds - Net of Valuation Adj.	2,338	2,261
Reinvestment Obligation Deposits - Net of Val. Adj.	1,643	1,401
Due from Affiliates	96,556	21,987
Funds Advanced to Northeast Inlet Redevelopment Project to be Reimbursed by a UDAG Grant	743	743
Investment in Developer's Component of CRDA Project	--	1,083
Interest Receivable	217	196
	$103,800	$ 30,005

Due from Affiliates consists of the following unsecured, non-interest bearing inter-company amounts at March 31, 1994 and 1993.

	MARCH 31 (000's)	
	1994	1993
Harrah's New Jersey, Inc.	$ 18,962	$ 18,962
Harrah's Holdings, Inc.	74,397	--
Harrah's Lake Tahoe	118	118
Embassy Suites, Inc.	2,248	2,254
Harrah's Del Rio	147	147
Harrah's Reno	394	395
Bill's Casino	111	111
Harrah's Vicksburg	19	--
Harrah's Joliet	62	--
Harrah's New Orleans	78	--
Harrah's Tunica	8	--
Harrah's Shreveport	4	--
Harrah's North Kansas City	8	--
Total Due from Affiliates	$ 96,556	$ 21,987

NOTE 7: 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 2003. Rental expenses for the three months ended March 31, 1994 and 1993, were approximately $838,678 and $779,607, respectively.

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

Year	Amount
1994	$3,127,000
1995	1,981,000
1996	1,050,000
1997	518,000
1998	204,000
Thereafter	1,428,000
	$8,308,000

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

1994	$ 5,167,494
1995	1,770,044
1996	1,747,044
1997	1,747,044
1998	1,747,044
Thereafter	1,747,044
	$13,925,714

NOTE 8: 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.

Commencing with calendar year 1984, and continuing for twenty five years thereafter, a casino licensee must either obtain investment tax credits in an amount equivalent to 1.25% of its gross casino revenues or pay an alternative tax of 2.5% of its gross casino revenues. Investment tax credits may be obtained by making approved direct investments, purchasing bonds which pay interest below market rates which are issued by the Casino Reinvestment Development Authority (CRDA), or by donating funds directly to the CRDA in return for credit against future obligations. In addition, commencing with obligations incurred after 1983, payments of a casino licensee's obligation must be made quarterly.

NOTE 8: Investment Obligations (Cont.)

The Company has filed a petition with the CRDA and has received final approval for a direct investment project in Atlantic City. This project will be eligible for credit in satisfaction of the investment obligation, and the Company will not be required to continue purchasing bonds or pay the investment alternative tax. Accordingly, no liability has been recorded in the financial statements for the Atlantic City portion of the Company's obligation.

The Company, in the absence of receiving approval for a direct investment project will have to purchase bonds in order to satisfy obligations outside of Atlantic City. At March 31, 1994, the Company has established a valuation allowance of $547,803 to provide for the charge against operations which would be incurred at the time that these bonds were issued. The charge against operations would reflect the below market rate interest paid by the bonds.

During 1990 and 1991, the Company donated obligations on deposit, allocable to South Jersey and the New Jersey Development Authority, totalling $2,000,367, directly to the CRDA, in lieu of purchasing bonds. The donation was made in consideration of 51% credit against future obligations.

NOTE 9: Other Accrued Expenses

Other Accrued Expenses consists of the following:

	MARCH 31 (000's)	
	1994	1993
Accrued Salaries, Wages and Benefits	$ 6,839	$ 7,170
Taxes Payable	637	553
Other Accrued Expenses	4,611	4,201
Accrued Progressive Slot Liability	265	501
Accrued CCC/DGE/Casino License Fees	502	262
Accrued Megabucks Handle Fees	133	141
Accrued Interest L-T-D	1,868	1,514
	$ 14,855	$ 14,342

NOTE 10: Other Liabilities

Other Liabilities consists of the following:

	MARCH 31 (000'S)	
	1994	1993
Long Term Due to Affiliates	$ 38,126	$ 30,893
Other Liabilities - Insurance Loss Reserves	1,444	828
Deferred Income - ACIA Grant	685	713
Deferred Income - CRDA Grant	123	128
Deferred Income - NJHMFA Grant	447	465
Deferred Income - DCA Grant	909	843
	$ 41,734	$ 33,870

NOTE 10: Other Liabilities (CONT.)

In December 1993, Marina Associates recorded an $800,000 reserve for incurred but not yet recorded claims (IBNR). The IBNR consists of $700,000 for possible insurance claims that have been incurred but not yet reported and $100,000 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 IBNR reserve is based on an actuarial report. 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:

	MARCH 31 (000's)	
	1994	1993
Harrah's Holdings, Inc,	$ --	$ 603
Harrah's Atlantic City, Inc.	37,726	29,958
Harrah's Holiday Inns of N.J., Inc.	293	293
Holiday Casino, Inc.	--	39
Harrah's Las Vegas	107	--
	$ 38,126	$ 30,893

NOTE 12: 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 three months ended March 31, 1994, was $693,069.

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

SCHEDULE OF RECEIVABLES AND PATRONS' CHECKS
March 31, 1994
(UNAUDITED)
($ IN THOUSANDS)
Accounts Receivable Balances

LINE (a)	DESCRIPTION (b)	ACCOUNT BALANCE (c)	ALLOWANCE (d)	ACCOUNTS RECEIVABLE (e) NET OF ALLOWANCE
	Patrons' Checks			
1	Undeposited patrons' checks	$ 2,610		
2	Returned patrons's checks	4,784		
3	Total patrons' checks	7,394	$ 3,272	$ 4,122
4	Hotel Receivables	1,055	87	968
	Other Receivables:			
5	Receivables due from officers and employees	26		
6	Receivables due from affiliates	0		
7	Other accounts and notes receivable	2,004		
8	Total other receivables	2,030	0	2,030
9	**Totals (Form 205)**	$ 10,479	$ 3,359	$ 7,120

UNDEPOSITED PATRON'S CHECKS ACTIVITY

LINE (f)	DESCRIPTION (g)	AMOUNT (h)
10	Beginning Balance (January 1)	$ 2,677
11	Counter checks issued (excluding counter checks issued through transactions relating to consolidations, partial redemptions, substitutions, and patrons' cash deposits)	25,560
12	Checks redeemed prior to deposit (excluding the unredeemed portion of counter checks redeemed through partial redemptions, and excluding checks redeemed through transactions relating to consolidations, substitutions, and patrons' cash deposits)	(16,824)
13	Checks collected through deposits	(7,924)
14	Checks transferred to returned checks	$ (879)
15	Other adjustments	$ 0
16	Ending Balance	$ 2,610
17	"Hold" Checks Included in Balance on Line 16	$ 0
18	Provision for Uncollectible Patrons' Checks	$ 1,593
19	Provision as a Percent of Counter Checks Issued	6.2%

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

PROMOTIONAL EXPENSES AND ALLOWANCES

($ in Thousands)

For the Three Months Ended March 31,1994

	Promotional Allowances		Promotional Expenses	
	Number of Recipients	Dollar Amount	Number of Recipients	Dollar Amount
Rooms	27	$ 2,335		$
Food	358	$ 3,583		$
Beverage	578	$ 1,444		$
Travel		$ 0	18	$ 1,781
Coin		$ 0	277	$ 3,458
Coupon		$ 0		$
Entertainment	28	$ 557		$
Retail & Gifts		$ 0	56	$ 279
Other	N/A	$ 2	N/A	$ 1
Total	990	$ 7,921	350	$ 5,519

For the Three Months Ended March 31,1994

	Promotional Allowances		Promotional Expenses	
	Number of Recipients	Dollar Amount	Number of Recipients	Dollar Amount
Rooms	27	$ 2,335		$
Food	358	$ 3,583		$
Beverage	578	$ 1,444		$
Travel		$ 0	18	$ 1,781
Coin		$ 0	278	$ 3,458
Coupon		$ 0		$
Entertainment	28	$ 557		$
Retail & Gifts		$ 0	56	$ 279
Other	N/A	$ 2	N/A	$ 1
Total	990	$ 7,921	350	$ 5,519

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.

Signature

V.P. of Finance
Title

01833-11
License Number

Subscribed and sworn to
before me this 13th day
of May 1994

Signature

MARY JO L. PIERCE
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Dec. 25, 1994

Basis of Authority
to Take Oaths

On Behalf of:

Marina Associates
Casino Licensee

CCC-250

974.901
C193

QUARTERLY REPORT

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LICENSEE **RESORTS INTERNATIONAL HOTEL, INC.**
ADDRESS **1133 BOARDWALK**
ATLANTIC CITY, NEW JERSEY 08401

FOR THE QUARTER ENDED MARCH 31, 1994
TO THE
CASINO CONTROL COMMISSION
OF THE
STATE OF NEW JERSEY

RECEIVED
FEU
MAY 16 1994
CASINO CONTROL
COMMISSION

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

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

LIST OF FORMS – ANNUAL REPORT

FOR THE YEAR ENDED MARCH 31, 1994

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 Deficit	CCC–220
Statements of Changes in Partners' or Proprietor's Equity	CCC–225
Statements of Cash Flows	CCC–235
Notes to Financial Statements	
Schedule of Receivables and Patrons' Checks	CCC–240
Promotional Expenses and Allowances	CCC–245
Statement of Conformity and Accuracy	CCC–250

TRADING NAME OF LICENSEE: MERV GRIFFIN'S RESORTS CASINO HOTEL
(a wholly owned subsidiary of RESORTS INTERNATIONAL, INC.)
BALANCE SHEETS
MARCH 31, 1994 AND 1993
(UNAUDITED)
($ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	1994 (c)	1993 (d)
	ASSETS		
	Current Assets:		
1	Cash	$ 11,633	$ 9,879
2	Marketable securities (Short–term money market at cost)	12,592	8,068
3	Receivables and patrons' checks (net of allowance for doubtful accounts – 1994, $4,427; 1993, $4,345; NOTE 3	57,283	57,957
4	Inventories	1,485	1,444
5	Prepaid expenses and other current assets	4,596	2,524
6	Total current assets	87,589	79,872
7	Investments, advances, and receivables	9,321	7,787
8	Property and equipment – gross NOTE 4	200,749	184,074
9	(Accumulated depreciation/amortization)	(39,093)	(25,357)
10	Other assets	2,203	1,488
11	**Total Assets**	$ 260,769	$ 247,864
	LIABILITIES AND STOCKHOLDER'S DEFICIT		
	Current Liabilities:		
12	Accounts payable	$ 1,450	$ 2,149
13	Notes payable		
	Current portion of long–term debt:		
14	Notes Payable to affiliate NOTE 7	325,000	
15	Other	66	822
16	Income taxes payable		
17	Other accrued liabilities NOTE 5	15,188	16,763
18	Other current liabilities NOTE 6	47,705	42,942
19	Total current liabilities	389,409	62,676
	Long–Term Debt:		
20	Notes Payable to affiliate NOTE 7		325,000
21	Other	12	1,112
22	Deferred credits NOTE 8,12	19,718	19,392
23	Other liabilities		
24	Commitments and contingencies NOTE 13		
25	**Total Liabilities**	409,139	408,180
26	**Stockholder's Deficit**	(148,370)	(160,316)
27	**Total Liabilities and Stockholder's Deficit**	$ 260,769	$ 247,864

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 RESORTS INTERNATIONAL, INC.)
STATEMENTS OF INCOME
FOR THE THREE MONTHS ENDED MARCH 31, 1994 AND 1993
(UNAUDITED)
($ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	1994 (c)	1993 (d)
	REVENUE:		
1	Casino	$ 53,557	$ 55,636
2	Rooms	2,792	2,680
3	Food and beverage	6,235	6,903
4	Other	2,550	1,510
5	Total revenue	65,134	66,729
6	Less: promotional allowances	5,578	5,663
7	Net revenue	59,556	61,066
	COSTS AND EXPENSES:		
8	Cost of goods and services	41,456	42,031
9	Selling, general, and administrative	13,965	10,780
10	Provision for doubtful accounts	168	137
11	Total costs and expenses	55,589	52,948
12	**Gross Operating Profit**	3,967	8,118
13	Depreciation and amortization	3,272	3,049
	Charges from affiliates other than interest NOTE 10		
14	Management fees	1,933	1,980
15	Other	81	81
16	**Income (Loss) From Operations**	(1,319)	3,008
	Other Income (Expenses):		
17	Interest (expense) – affiliates		
18	Interest (expense) – external	(4)	(88)
19	Investment alternative tax and related expense NOTE 13	(311)	(354)
20	Nonoperating income – net NOTE 11	1,259	1,476
21	Total other income	944	1,034
22	**Income Before Income Taxes And Extraordinary Items**	(375)	4,042
23	Provision for income taxes NOTE 1,12		
24	**Income Before Extraordinary Items**	(375)	4,042
25	Extraordinary items (net of income taxes – 1994, $0 ; 1993, $0)		
26	**Net Income**	$ (375)	$ 4,042

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

New Jersey State Library

TRADING NAME OF LICENSEE: MERV GRIFFIN'S RESORTS CASINO HOTEL
(a wholly owned subsidiary of RESORTS INTERNATIONAL, INC.)
STATEMENTS OF INCOME
FOR THE THREE MONTHS ENDED MARCH 31, 1994 AND 1993
(UNAUDITED)
($ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	1994 (c)	1993 (d)
	REVENUE:		
1	Casino	$ 53,557	$ 55,636
2	Rooms	2,792	2,680
3	Food and beverage	6,235	6,903
4	Other	2,550	1,510
5	Total revenue	65,134	66,729
6	Less: promotional allowances	5,578	5,663
7	Net revenue	59,556	61,066
	COSTS AND EXPENSES:		
8	Cost of goods and services	41,456	42,031
9	Selling, general, and administrative	13,965	10,780
10	Provision for doubtful accounts	168	137
11	Total costs and expenses	55,589	52,948
12	**Gross Operating Profit**	3,967	8,118
13	Depreciation and amortization	3,272	3,049
	Charges from affiliates other than interest NOTE 10		
14	Management fees	1,933	1,980
15	Other	81	81
16	**Income From Operations**	(1,319)	3,008
	Other Income (Expenses):		
17	Interest (expense) – affiliates		
18	Interest (expense) – external	(4)	(88)
19	Investment alternative tax and related expense NOTE 13	(311)	(354)
20	Nonoperating income – net NOTE 11	1,259	1,476
21	Total other income	944	1,034
22	**Income Before Income Taxes And Extraordinary Items**	(375)	4,042
23	Provision for income taxes NOTE 1,12		
24	**Income Before Extraordinary Items**	(375)	4,042
25	Extraordinary items (net of income taxes – 1994, $0 ; 1993, $0)		
26	**Net Income**	$ (375)	$ 4,042

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 RESORTS INTERNATIONAL, INC.)
STATEMENTS OF CHANGES IN STOCKHOLDER'S DEFICIT
FOR THE THREE MONTHS ENDED MARCH 31, 1994 AND 1993
(UNAUDITED)
($ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	1994 (c) SHARES	1994 (d) DOLLARS	1993 (e) SHARES	1993 (f) DOLLARS
	Common Stock: ($1 par value, 2,500 shares authorized)				
1	Beginning balance (January 1)	100	$	100	$
2	Sale of Stock				
3	_____				
4	Ending balance	100		100	
	Preferred Stock:				
5	Beginning balance (January 1)				
6	Sale of Stock				
7	_____				
8	Ending balance				
	Excess of Liabilities over Assets at August 31, 1990 Reorganization				
9	Beginning balance (January 1)		(198,829)		(198,829)
10	_____				
11	_____				
12	Ending balance		(198,829)		(198,829)
	Treasury Stock:				
13	Beginning balance (January 1)				
14	Purchase of additional stock				
15	Sale or retirement of stock				
16	Ending balance				
	Subscription 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)		50,834		34,471
26	Prior period adjustments				
27	Net income		(375)		4,042
28	Dividends				
29	_____				
30	_____				
31	Ending balance		50,459		38,513
32	**Ending Stockholder's Deficit**		$ (148,370)		$ (160,316)

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 RESORTS INTERNATIONAL, INC.)
STATEMENTS OF CHANGES IN PARTNERS'
OR PROPRIETOR'S EQUITY
FOR THE THREE MONTHS ENDED MARCH 31, 1994 AND 1993
(UNAUDITED)
($ IN THOUSANDS)

NOT APPLICABLE

LINE (a)	DESCRIPTION (b)	1994 (c)	1993 (d)
	Invested Capital:		
1	Beginning Balance (January 1)	$	$
2	Additional capital invested		
3	_____		
4	Ending Balance		
	Accumulated Income (Loss):		
5	Beginning Balance (January 1)		
6	Prior period adjustments		
7	Net income (loss)		
8	_____		
9	Ending Balance		
	Capital Withdrawals:		
10	Beginning Balance (January 1)	( )	( )
11	Additional capital invested	( )	( )
12	_____		
13	Ending Balance	( )	( )
	Net Unrealized Loss On Noncurrent Marketable Equity Securities:		
14	Beginning Balance (January 1)		
15	_____		
16	_____		
17	Ending Balance		
18	**Ending Partners' Or Proprietor's Equity**	$	$

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 RESORTS INTERNATIONAL, INC.)
STATEMENTS OF CASH FLOWS
FOR THE THREE MONTHS ENDED MARCH 31, 1994 AND 1993
(UNAUDITED)
($ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	1994 (c)	1993 (d)
1	**Net Cash Provided by Operating Activities**	$ 3,788	$ 6,108
	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	(1,608)	(5,739)
5	Proceeds from disposition of property and equipment		74
6	Purchase of casino reinvestment obligations	(693)	(663)
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**	(2,301)	(6,328)
	Cash Flows From Financing Activities:		
13	Cash proceeds from issuance of short-term debt		
14	Payments to settle short-term debt	(9)	(199)
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 contributions		
19	Purchases of treasury stock		
20	Payments of dividends or capital withdrawals		
21	Payments for recapitalization cost		
22	Repayment to parent company and affiliates	(3,200)	(4,277)
23	**Net Cash Used By Financing Activities**	(3,209)	(4,476)
24	**Net Increase in Cash And Cash Equivalents**	(1,722)	(4,696)
25	**Cash And Cash Equivalents At Beginning Of Period**	25,947	22,643
26	**Cash And Cash Equivalents At End Of Period**	$ 24,225	$ 17,947

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

	Cash Paid During Year For:		
27	Interest (net of amount capitalized)	$ 4	$
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 RESORTS INTERNATIONAL, INC.)
STATEMENTS OF CASH FLOWS
FOR THE THREE MONTHS ENDED MARCH 31, 1994 AND 1993
(UNAUDITED)
($ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	1994 (c)	1993 (d)
	Net Cash Provided by Operating Activities		
29	Net income	$ (375)	$ 4,042
	Noncash items included in income and cash items excluded from income:		
30	Depreciation and amortization for property and equipment	3,272	3,049
31	Amortization of other assets		
32	Amortization of debt discount or premium		
33	Deferred income taxes – current		
34	Deferred income taxes – noncurrent		
35	Loss on disposition of property and equipment		174
36	Loss on casino reinvestment obligations	311	354
37	(Gain) loss from other investment activities		
38	Net (increase) decrease in receivables and patrons' checks	(1,044)	262
39	Net increase in inventories	269	98
40	Net increase in other current assets	1,046	(662)
41	Net increase in other assets	95	55
42	Net increase (decrease) in accounts payable	(377)	621
43	Net decrease in other current liabilities excluding debt	610	(20,862)
44	Net increase (decrease) in other noncurrent liabilities excluding debt	(19)	18,977
45	Other		
46	_____		
47	**Net Cash Provided By Operating Activities**	$ 3,788	$ 6,108

SUPPLEMENTAL DISCLOSURE OF NONCASH INVESTING AND FINANCING ACTIVITIES

	Acquisition Of Property And Equipment:		
48	Additions to property and equipment	$ (1,608)	$ (6,326)
49	Less: Capital lease obligations incurred		587
50	**Cash Outflow For Property And Equipment**	$ (1,608)	$ (5,739)
	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	$	$
58	Less: Issuance to settle long–term debt		
59	Consideration in acquisition of business entities		
60	**Cash Proceeds From Issuing Stock Or Capital Contributions**	$	$

MERV GRIFFIN'S RESORTS CASINO HOTEL
(a wholly owned subsidiary of RESORTS INTERNATIONAL, INC.)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED MARCH 31, 1994 and 1993

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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 wholly owned subsidiary of Resorts International, Inc. ("RII"). As part of a restructuring (the "Restructuring") of certain publicly held debt securities of RII (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 RII.

Principles of Consolidation

The consolidated financial statements include the accounts of RIH and its subsidiaries. All significant intercompany balances and transactions have been eliminated in consolidation.

Revenue Recognition

RIH records as revenue the win from gaming activities which represents the difference between amounts wagered and amounts won by patrons. Revenues from hotel and related services and from theatre ticket sales are recognized at the time the related service is performed.

Promotional Allowances

Gross revenues include the retail value of complimentary rooms, food, beverage and other hotel services furnished to casino patrons. The retail value of these complimentary services is deducted as a promotional allowance to arrive at net revenues. The cost of complimentary services is charged to cost of goods and services and selling, general and administrative.

Cash Equivalents

RIH considers all of its short-term money market securities purchased with maturities of three months or less to be cash equivalents. The carrying value of cash equivalents approximates fair value due to the short maturity of these instruments.

Inventories

Inventories of provisions, supplies and spare parts are carried at the lower of cost (first-in, first-out) or market.

Property and Equipment

Property and equipment are depreciated over their useful lives using the straight-line method for financial reporting purposes.

Casino Reinvestment Development Authority ("CRDA") Obligations

Under the New Jersey Casino Control Act ("Casino Control Act"), RIH is obligated to purchase CRDA bonds, which will bear a below market interest rate, or make an alternative qualifying investment. RIH charges to expense an estimated discount related to CRDA investment obligations as of the date the obligation arises based on fair market interest rates of similar quality bonds in existence as of that date. On the date RIH actually purchases the CRDA bond, the estimated discount previously recorded is adjusted to reflect the actual terms of the bonds issued and the then existing fair market interest rate for similar quality bonds. The discount on CRDA bonds purchased is amortized to interest income over the life of the bonds using the effective interest rate method.

Income Taxes

RIH and RII's other domestic subsidiaries file consolidated federal income tax returns with RII.

RIH accounts for income taxes under the liability method of accounting prescribed by Statement of Financial Accounting Standards No. 109 ("SFAS 109"),"Accounting for Income Taxes". Although RIH is a member of a consolidated group for federal income tax purposes, RIH applies SFAS 109 on a separate return basis for financial reporting purposes.

NOTE 2 - RESTRUCTURING OF RII SERIES NOTES

RII and GGRI, RII'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 RII, RII and GGRI filed their prepackaged bankruptcy cases with the Unites 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 recently formed subsidiary of RII, and are guaranteed by RIH. Also pursuant to the Plan, RIHF, RIH and RII 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 comprising 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. 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 RII not in excess of $1,000,000 in the aggregate at any time outstanding and (y) loans to RII 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 10, the parent services agreement with RII which provides for payment of the three percent services fee described in Note 10, and a tax sharing agreement with RII which limits RIH's tax payments to RII to reimbursements of cash payments made by RII for income or alternative minimum taxes arising from the earnings or operations of RIH.

The Senior Facility among RIHF, RII 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 $20,000,000 during the one-year period following the Effective Date, through the issuance of notes (the "Senior Facility Notes"). If issued, the Senior Facility Notes will bear interest at 11% 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 $20,000,000 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 RII, which guaranty will be secured by a pledge of all the issued and outstanding stock of GGRI and RIHF.

The Restructuring prescribed various intercompany transactions in connection with RIH's issuance of the promissory notes collateralizing the New Debt Securities which resulted in (i) the cancellation of the $325,000,000 Second Amended RIH-GGRI Notes (see Note 7), (ii) the cancellation of the $50,000,000 RIB Note (see Note 3), (iii) RIH distributing all of its cash and equivalents in excess of $15,000,000 to RII, so that RII, in turn, could distribute Excess Cash (as defined in the Plan) to holders of Series Notes, and (iv) RIH becoming a wholly owned subsidiary of GGRI. In order to accomplish the last preceding item, (x) RIH authorized an additional 4,997,500 shares of its common stock, (y) RIH issued 999,900 shares of its common stock to GGRI, and (z) RII transferred the 100 shares of RIH common stock which it had owned to GGRI. RIH now has a total of 5,000,000 shares of common stock authorized, of which 1,000,000 shares are issued and outstanding.

NOTE 3 - RECEIVABLES AND PATRONS' CHECKS

Components of receivables and patrons' checks at March 31 were as follows:

(In Thousands of Dollars)	1994	1993
Gaming	$ 7,435	$ 8,356
Less allowance for doubtful accounts	(4,387)	(4,301)
	3,048	4,055
Non-gaming:		
Hotel and related	473	670
Other	989	463
	1,462	1,133
Less allowance for doubtful accounts	(40)	(44)
	1,422	1,089
Interest receivable from affiliate	2,813	2,813
Note receivable from affiliate	50,000	50,000
	$57,283	$57,957

In 1988, RIH loaned $50,000,000 pursuant to a pre-arranged back-to-back loan to Resorts International (Bahamas) 1984 Limited ("RIB"), an indirect wholly owned subsidiary of RII which was disposed of as part of the Restructuring, in exchange for a promissory note (the "RIB Note"). Such note was payable on demand and bore interest at 13 1/2% per annum, with interest payments due each May 1 and November 1. The note was guaranteed by certain of RIB's subsidiaries. The guarantees were secured by mortgages on the Paradise Island Resort & Casino, the Ocean Club Golf & Tennis Resort, and the Paradise Paradise Beach Resort on Paradise Island in The Bahamas, and all furniture, machinery and equipment used in connection therewith. The RIB Note was cancelled pursuant to the Restructuring. See Note 2.

NOTE 4 - PROPERTY AND EQUIPMENT

Components of property and equipment at March 31 were as follows:

(In Thousands of Dollars)	1994	1993
Land and land rights	$ 53,250	$ 53,250
Land improvements	158	131
Hotel and other buildings	104,766	95,164
Furniture, machinery and equipment	41,009	33,847
Construction in progress	1,566	1,682
	200,749	184,074
Less accumulated depreciation	(39,093)	(25,357)
	$161,656	$158,717

Substantially all of RIH's property and equipment was pledged as collateral for the Series Notes through the Effective Date, and is now pledged as collateral for the New Debt Securities issued by RIHF. See Note 2.

NOTE 5 - OTHER ACCRUED LIABILITIES

Components of other accrued liabilities at March 31 were as follows:

(In Thousands of Dollars)	1994	1993
Accrued payroll and related taxes and benefits	$10,535	$10,574
Litigation reserve	1,873	2,497
Accrued gaming taxes, fees and related assessments	760	639
Utilities	575	539
Various taxes	248	221
Progressive slot liability	101	335
Other	1,096	1,958
	$15,188	$16,763

NOTE 6 - OTHER CURRENT LIABILITIES

Components of other current liabilities at March 31 were as follows:

(In Thousands of Dollars)	1994	1993
Intercompany Payable to RII	$ 39,659	$ 35,791
CRDA Bond Discount	5,000	5,000
CRDA Bond Obligation	668	694
Customer Deposit Liability	670	183
Deferred Revenue	80	80
Tenant Deposits	42	42
Other	1,586	1,152
	$ 47,705	$ 42,942

NOTE 7 - NOTES PAYABLE TO AFFILIATE

In 1988, GGRI issued $325,000,000 principal amount of publicly traded notes. GGRI loaned the proceeds of the notes to RIH in exchange for (i) two promissory notes payable to GGRI (the "RIH-GGRI Notes"); (ii) a first mortgage on the Resorts Casino Hotel and the other properties owned by RIH, and a first priority security interest in the personal property of RIH; and (iii) the assignment of the RIB Note and mortgage securing such note.

In 1990 the terms of the RIH-GGRI Notes were modified and such amended notes were pledged as collateral for the Series Notes issued by RII. In 1992 the notes were further amended (the "Second Amended RIH-GGRI Notes"). The sole purpose of the Second Amended RIH-GGRI Notes was to collateralize RII's Series Notes. The Second Amended RIH-GGRI Notes were payable on demand after April 15, 1994 and were non-interest bearing, but the principal due upon demand by GGRI accreted according to a schedule. The Second Amended RIH-GGRI Notes were cancelled pursuant to the Restructuring. See Note 2.

NOTE 8 - DEFERRED REVENUE

$318,000 and $392,000 of deferred credits at March 31, 1994 and 1993, respectively, represent the unrecognized portion of a lump-sum payment made by a tenant in July 1983 at the inception of a fifteen year lease. This payment is being recognized and recorded in earnings in equal monthly installments over the original term of the lease.

NOTE 9 - SAVINGS AND PENSION PLANS

RIH has a defined contribution plan (the "Savings Plan"), in which substantially all non-union employees are eligible to participate. Employees of certain other affiliated companies are also eligible to participate in the Savings Plan. Under the Savings Plan, eligible participating employees may contribute up to a total of 4% of their annual cash compensation as a basic contribution and may also elect to contribute up to an additional 10% as a voluntary contribution. RIH and other subsidiaries of RII contribute an amount equal to 50% of their employees' basic contributions and, on a discretionary basis, may make additional contributions. RIH's contributions under the Savings Plan were $171,000 and $172,000 for the three months ended March 31, 1994 and 1993, respectively.

Union employees are covered by various multi-employer pension plans to which contributions are made by RIH and other unrelated employers. Contributions by RIH were $221,000 and $200,000 for the three months ended March 31, 1994 and 1993 respectively.

NOTE 10 - RELATED PARTY TRANSACTIONS

RIH recorded the following income and expenses for the three months ended March 31, from RII and other affiliates:

(In Thousands of Dollars)		1994	1993
AFFILIATED COMPANY	TRANSACTION		
Income - Resorts International (Bahamas) 1984 Limited	Interest	$ 1,688	$ 1,688
Expenses:			
Resorts International, Inc.	Parent services	$ 1,933	$ 1,980
	Property rental	81	81
		$ 2,014	$ 2,061

RII charges RIH a fee of three (3) percent of gross revenues for administrative and other services. Also, recapitalization costs reflected in nonoperating income - net (see Note 11) represent RIH's allocated portion, approximately one-third, of RII's consolidated recapitalization costs.

In addition to the above, charges for insurance cost are allocated to RIH based on relative operating revenue, payroll, property value, or other appropriate measures.

License and Services Agreement

In April 1993, RII, RIH and The Griffin Group, Inc. (the "Griffin Group"), a corporation controlled by Merv Griffin, Chairman of the Board of RII, 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 RII and RIH a non-exclusive license to use the name and likeness of Merv Griffin to advertise and promote the facilities and operations of RII and its subsidiaries. Also pursuant to the Griffin Services Agreement, Mr. Griffin is to provide certain services to RII and RIH, including serving as Chairman of the Board of RII 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 will continue in force until September 17, 1997 unless earlier terminated under certain circumstances including, among others, a change of control (as defined) of the Company and Mr. Griffin ceasing to serve as Chairman of the Board of RII.

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 RII and RIH.

RII 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.

NOTE 11 - NONOPERATING INCOME, NET

Components of nonoperating income, net for the three months ended March 31, were as follows:

(In Thousands of Dollars)	1994	1993
Interest income from affiliates	$ 1,688	$ 1,688
Interest income	236	195
Corporate office expense	(58)	(35)
Recapitalization costs	(605)	(198)
Loss on disposition of property and equipment		(174)
Other	(2)	
	$ 1,259	$ 1,476

NOTE 12 - INCOME TAXES

Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. Significant components of RIH's deferred tax liabilities and assets as of March 31, 1994 were as follows:

(In Thousands of Dollars)	
Deferred tax liabilities:	
Basis differences on land	$ (19,300)
Other	(1,500)
Total deferred tax liabilities	(20,800)
Deferred tax assets:	
Net operating loss carryforwards	65,800
Basis differences on property and equipment, excluding land	2,900
Book reserves not yet deductible for tax	14,100
Tax credit carryforwards	2,000
Other	100
Total deferred tax assets	84,900
Valuation allowance for deferred tax assets	(83,500)
Deferred tax assets, net of valuation allowance	1,400
Net deferred tax liabilities	$ (19,400)

For federal tax purposes RIH had net operating loss carryforwards of approximately $188,000,000 at March 31, 1994, which expire from 2003 through 2005. These tax loss carryforwards were produced in periods prior to a change in ownership of the consolidated group of which RIH is a part; therefore these loss carryforwards are limited in their availability to offset future taxable income.

At March 31, 1994 RIH net operating loss carryforwards in New Jersey of approximately $156,000,000, which expire from 1994 through 1997.

Also, for federal tax purposes, RIH had tax credit carryforwards of $2,000,000 at March 31, 1994 which expire from 1998 through 2008.

NOTE 13 - 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	1984-1994	TOTAL
Investment obligations	$ (21,637)	$ (29,840)	$ (51,477)
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	7,533	29,172	36,705
Remaining investment obligation at March 31, 1994, which was deposited in April 1994	$ 0	$ (668)	$ (668)

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 an audit report issued by an agency acting on behalf of the Treasury identifying qualifying credits from housing related investments of $10,165,000. 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.

Although these matters have been dormant for some time, RIH was recently verbally contacted by the Treasury and expects further communication regarding the Treasury's proposal for a resolution of these matters in the near future. 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 March 31, 1994, RIH had made CRDA deposits/bond purchases totaling $36,705,000. 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 $6,146,000, was refunded to RIH in August 1989. Thus, at March 31, 1994, RIH had a remaining balance of $4,873,000 face value of bonds issued by the CRDA and had $13,639,000 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, were recorded as other assets 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 three months ended March 31, 1994 and 1993 for discounts on obligations arising in those years were $311,000 and $354,000, respectively.

Litigation

RII 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.

TRADING NAME OF LICENSEE: MERV GRIFFIN'S RESORTS CASINO HOTEL
(a wholly owned subsidiary of RESORTS INTERNATIONAL, INC.)
SCHEDULE OF RECEIVABLES AND PATRONS' CHECKS
MARCH 31, 1994
(UNAUDITED)
($ IN THOUSANDS)

ACCOUNTS RECEIVABLE BALANCES

LINE (a)	DESCRIPTION (b)	ACCOUNT BALANCE (c)	ALLOWANCE (d)	ACCOUNTS RECEIVABLE (e) NET OF ALLOWANCE
	Patrons' Checks:			
1	Undeposited patrons' checks	$ 2,506		
2	Returned patrons' checks	4,929		
3	Total Patrons' Checks	7,435	$ 4,387	$ 3,048
4	**Hotel Receivables**	473	40	433
	Other Receivables:			
5	Receivables due from officers and employees			
6	Receivables due from affiliates	52,813		
7	Other accounts and notes receivables	989		
8	Total Other Receivables	53,802		53,802
9	**Total (Form 305)**	$ 61,710	$ 4,427	$ 57,283

UNDEPOSITED PATRONS' CHECKS ACTIVITY

LINE (f)	DESCRIPTION (g)	AMOUNT (h)
10	**Beginning Balance (January 1)**	$ 3,028
11	Counter checks issued (excluding counter checks issued through transactions relating to consolidations, partial redemptions, substitutions, and patrons' cash deposits)	24,600
12	Checks redeemed prior to deposit (excluding the unredeemed portion of counter checks redeemed through partial redemptions, and excluding checks redeemed through transactions relating to consolidations, substitutions, and patrons' cash deposits)	(20,538)
13	Checks collected through deposits	(3,617)
14	Checks transferred to returned checks	(967)
15	Other adjustments	
16	**Ending Balance**	$ 2,506
17	"Hold" Checks Included In Balance On Line 16	$
18	Provision For Uncollectible Patrons' Checks	$ 155
19	Provision As A Percent Of Counter Checks Issued	0.6%

TRADING NAME OF LICENSEE: MERV GRIFFIN'S RESORTS CASINO HOTEL
PROMOTIONAL EXPENSES AND ALLOWANCES
(IN THOUSANDS)

FOR THREE MONTHS ENDED MARCH 31, 1994

	PROMOTIONAL ALLOWANCES		PROMOTIONAL EXPENSES	
	NUMBER OF RECIPIENTS	DOLLAR AMOUNT	NUMBER OF RECIPIENTS	DOLLAR AMOUNT
ROOMS	23	$ 1,614		
FOOD	243	2,428		
BEVERAGE	169	680		
TRAVEL			11	$ 1,106
COIN			227	2,270
COUPON				
CASH COMP			87	3,865
ENTERTAINMENT	63	758		
RETAIL & GIFTS	1	42		
OTHER	11	56	14	357
TOTAL	510	$ 5,578	339	$ 7,598

STATEMENT OF CONFORMITY AND ACCURACY

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

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 13th day
of May, 1994.

On Behalf Of:

Margaret M Bradley
Signature

MARGARET M. BRADLEY
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Nov. 21, 1994

MERV GRIFFIN'S RESORTS CASINO HOTEL

Basis of Authority to Take Oaths

CCC-250

974.901
C193

QUARTERLY REPORT

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LICENSEE Adamar of New Jersey, Inc.
dba TropWorld Casino & Entertainment Resort

ADDRESS Brighton & Boardwalk
Atlantic City, New Jersey 08401

FOR THE QUARTER ENDED March 31, 19 94

TO THE

CASINO CONTROL COMMISSION

OF THE

STATE OF NEW JERSEY

RECEIVED
-FEU
MAY 17 1994
CASINO CONTROL
COMMISSION

NAME OF OFFICER IN CHARGE OF CORRESPONDENCE REGARDING THIS QUARTERLY REPORT . . . Deborah Marchese

OFFICIAL TITLE. . . . . Controller

ADDRESS . . . . . Brighton Ave. and the Boardwalk
Atlantic City, New Jersey 08401

TRADING NAME OF LICENSEE: **TROPWORLD CASINO & ENTERTAINMENT RESORT**

LIST OF FORMS - QUARTERLY REPORT

FOR THE QUARTER ENDED MARCH 31, 1994

TITLE	FORM NO.
Balance Sheets	CCC-205
Statements of Income (Year-to-Date)	CCC-210
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	
Schedule of Receivables and Patrons' Checks	CCC-240
Promotional Expenses and Allowances	CCC-245
Statement of Conformity and Accuracy	CCC-250

TRADING NAME OF LICENSEE TROPWORLD CASINO AND ENTERTAINMENT RESORT

BALANCE SHEETS

MARCH 31, 1994 and 1993

(UNAUDITED)

($ in Thousands)

LINE (a)	DESCRIPTION (b)	1994 (c)	1993 (d)
	ASSETS		
	Current Assets:		
1	Cash	$10,279	$8,132
2	Marketable securities	0	0
3	Receivables and patrons' checks (net of allowance for doubtful accounts – 1994, $5,507; 1993, $7,958)	8,473	15,609
4	Inventories	2,424	2,531
5	Prepaid expenses and other current assets (Note 4, 8, 9)	9,095	11,200
6	Total current assets	30,271	37,472
7	Investments, Advances, And Receivables (Note 5, 7, 10)	70,307	77,038
8	Property And Equipment – Gross (Note 2)	596,000	328,322
9	(Accumulated Depreciation/Amortization) (Note 2)	(80,766)	(99,925)
10	Other Assets (Note 4, 8)	33,978	16,935
11	Total Assets	$649,790	$359,842
	LIABILITIES AND EQUITY		
	Current Liabilities:		
12	Accounts payable	$2,154	$2,446
13	Notes payable	0	0
	Current portion of long-term debt:		
14	Due to affiliates	0	0
15	Other (Note 3)	5	2,862
16	Income taxes payable and accrued	0	0
17	Other accrued expenses (Note 11)	14,684	19,846
18	Other current liabilities (Note 5)	2,408	2,475
19	Total current liabilities	19,251	27,629
	Long-Term Debt:		
20	Due to affiliates (Note 3, 7)	423,041	140,000
21	Other (Note 3)	0	6,256
22	Deferred Credits	0	0
23	Other Liabilities (Note 7, 12)	51,170	30,804
24	Commitments And Contingencies (Note 5)		
25	Total Liabilities	493,462	204,689
26	Stockholder's, Partners', Or Proprietor's Equity	156,328	155,153
27	Total Liabilities And Equity	$649,790	$359,842

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 MARCH 31, 1994 and 1993

(UNAUDITED)
($ in Thousands)

LINE (a)	DESCRIPTION (b)	1994 (c)	1993 (d)
	Revenue:		
1	Casino	$66,347	$72,303
2	Rooms	4,903	5,740
3	Food and beverage	7,205	7,784
4	Other	2,557	2,604
5	Total revenue	81,012	88,431
6	Less: Promotional allowances	9,166	11,394
7	Net revenue	71,846	77,037
	Costs and Expenses:		
8	Cost of goods and services (Note 6, 7)	39,178	40,776
9	Selling, general, and administrative (Note 7)	17,504	20,610
10	Provision for doubtful accounts	311	85
11	Total costs and expenses	56,993	61,471
12	Gross Operating Profit	14,853	15,566
13	Depreciation and amortization	5,383	3,874
	Charges from affiliates other than interest:		
14	Management fees	0	0
15	Other	0	0
16	Income (loss) from operations	9,470	11,692
	Other Income (Expenses):		
17	Interest (expense) – affiliates (Note 3)	(13,384)	(4,725)
18	Interest (expense) – external (Note 3)	(1)	(698)
19	Investment alternative tax & related income (exp)–net (Note 5)	(131)	(242)
20	Nonoperating income (expense) – net (Note 13)	(870)	(10,361)
21	Total other income (expenses)	(14,386)	(16,026)
22	Income(Loss) Before Income Tax & Extraordinary Items	(4,916)	(4,334)
23	Provision (credit) for income taxes (Note 8)	(2,474)	(1,862)
24	Income (Loss) Before Extraordinary Items	(2,442)	(2,472)
25	Extraordinary items	0	0
26	Net Income (Loss)	($2,442)	($2,472)

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 TROPWORLD CASINO AND ENTERTAINMENT RESORT

STATEMENTS OF CHANGES IN STOCKHOLDER'S EQUITY

FOR THE THREE MONTHS ENDED MARCH 31, 1994 AND 1993

(UNAUDITED)

($ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	1994 (c) SHARES	1994 (d) DOLLARS	1993 (e) SHARES	1993 (f) DOLLARS
	Common Stock:				
1	Beginning balance (January 1).....	100	$1	100	$1
2	Sale of stock.....				
3	_____.....				
4	Ending balance.....	100	1	100	1
	Preferred Stock:				
5	Beginning balance (January 1).....	0	0	0	0
6	Sale of stock.....				
8	Ending balance.....	0	0	0	0
	Additional Paid-in Capital:				
9	Beginning balance (January 1).....		132,785		132,785
10	_____.....				
12	Ending balance.....		132,785		132,785
	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).....		25,984		24,839
26	Prior period adjustments.....				
27	Net income (loss).....		(2,442)		(2,472)
28	Dividends.....				
29	Extraordinary item.....				
30	Change in acct method.....		0		0
31	Ending balance.....		23,542		22,367
32	Ending Stockholder's Equity.....		$156,328		$155,153

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 TROPWORLD CASINO & ENTERTAINMENT RESORT

STATEMENTS OF CHANGES IN PARTNERS' OR PROPRIETOR'S EQUITY

FOR THE three MONTHS ENDED March 1994 AND 1993

(UNAUDITED)
($ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 19 94	(d) 19 93
	Invested Capital:	$	$
1	Beginning balance (January 1)		
2	Additional capital invested		
3	_____		
4	Ending balance		
	Accumulated Income (Loss):		
5	Beginning balance (January 1)		
6	Prior period adjustments		
7	Net income (loss)		
8	_____		
9	Ending balance		
	Capital Withdrawals:		
10	Beginning balance (January 1)	( )	(
11	Additional capital withdrawals	( )	(
12	_____		
13	Ending balance	( )	(
	Net Unrealized Loss On Noncurrent Marketable Equity Securities:		
14	Beginning balance (January 1)	( )	(
15	_____		
16	_____		
17	Ending balance	( )	(
	Ending Partners' Or		
18	Proprietor's Equity	$	$

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 TROPWORLD CASINO AND ENTERTAINMENT RESORT

STATEMENTS OF CASH FLOWS

FOR THE THREE MONTHS ENDED MARCH 31, 1994 and 1993

(UNAUDITED)
($ in Thousands)

LINE (a)	DESCRIPTION (b)	1994 (c)	1993 (d)
1	Net Cash Provided (Used) By Operating Activities	$5,553	$1,502
	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	(1,594)	(3,476)
5	Proceeds from disposition of property and equipment	69	242
6	Purchase of casino reinvestment obligations	(820)	(900)
7	Purchase of other investments and loans/advances made	0	(239)
8	Proceeds from disposal of investments and collection of advances and long-term receivables	(5,991)	(2,323)
9	Cash outflows to acquire business entities		
10	_____		
11	_____		
12	Net Cash Provided (Used) By Investing Activities	(8,336)	(6,696)
	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	(2)	(761)
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	(2)	(761)
24	Net Increase (Decrease) In Cash And Cash Equivalents	(2,785)	(5,955)
25	Cash And Cash Equivalents At Beginning Of Period	13,064	14,087
26	Cash And Cash Equivalents At End Of Period	$10,279	$8,132

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

	Cash Paid During Period For:		
27	Interest (net of amount capitalized)	$9,450	$10,149
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.

TRADING NAME OF LICENSEE TROPWORLD CASINO AND ENTERTAINMENT RESORT

STATEMENTS OF CASH FLOWS

FOR THE THREE MONTHS ENDED MARCH 31, 1994 AND 1993

(UNAUDITED)
($ in Thousands)

LINE (a)	DESCRIPTION (b)	1994 (c)	1993 (d)
	Net Cash Flows From Operating Activities:		
29	Net income (loss)	($2,442)	($2,472)
	Noncash items included in income and cash items excluded from income:		
30	Depreciation and amortization of property and equipment	5,381	3,872
31	Amortization of other assets	2	2
32	Amortization of debt discount or premium		
33	Deferred income taxes – current	268	820
34	Deferred income taxes – noncurrent	(2,742)	(2,769)
35	(Gain) loss on disposition of property and equipment	(8)	(22)
36	(Gain) loss on casino reinvestment obligations	131	242
37	(Gain) loss from other investment activities	0	99
38	Net (increase) decrease in receivables and patrons' checks	756	1,084
39	Net (increase) decrease in inventories	87	126
40	Net (increase) decrease in other current assets	566	769
41	Net (increase) decrease in other assets	103	(177)
42	Net increase (decrease) in accounts payables	(1,753)	(912)
43	Net increase (decrease) in other current liabilities excluding debt	1,312	102
44	Net increase (decrease) in other noncurrent liabilities excluding debt	3,892	1,200
45	Net (increase) decrease in accrued interest income	0	(462)
46	_____		
47	Net Cash Provided (Used) By Operating Activities	$5,553	$1,502

SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING AND FINANCING ACTIVITIES

	Acquisition Of Property And Equipment:		
48	Additions to property and equipment	($1,594)	($3,723)
49	Less: Capital lease obligations incurred	$0	($247)
50	Cash Outflows For Property And Equipment	($1,594)	($3,476)
	Acquisition Of Business Entities:		
51	Property and equipment acquired	$0	$0
52	Goodwill acquired		
53	Net assets acquired other than cash, goodwill, and property & equipment	0	0
54	Long-term debt assumed	0	
55	Issuance of stock or capital invested		
56	Cash Outflows To Acquire Business Entities	$0	$0
	Stock Issued Or Capital Contributions:		
57	Total issuance 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		

In 1992, a note receivable in the amount of $225 was issued for the sale of fixed assets of which $26 and $24 was received in 1994 and 1993, respectively.

ADAMAR OF NEW JERSEY, INC.
DBA TROPWORLD CASINO AND ENTERTAINMENT RESORT
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED MARCH 31, 1994 AND 1993

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 1993.

The specific footnotes not presented are the summary of significant accounting policies and lease obligations. The footnotes contained in the December 31, 1993 Annual Report should be read in conjunction with these financial statements.

NOTE 2. PROPERTY AND EQUIPMENT

At March 31, 1994 and 1993, the components of Property and Equipment consisted of:

	1994	1993
Land	$ 39,218,000	$ 39,218,000
Building, furniture and fixtures	555,489,000	286,786,000
Construction in progress	1,293,000	2,318,000
Total property and equipment - gross	596,000,000	328,322,000
Accumulated depreciation	(80,766,000)	(99,925,000)
Total property and equipment	$ 515,234,000	$ 228,397,000

NOTE 3. LONG-TERM DEBT

At March 31, 1994 and 1993, Long-Term Debt consisted of:

	1994	1993
Notes Payable to Aztar Mortgage Funding, Inc.		
Note payable; 13.5%; due 1996	$ 140,000,000	$ 140,000,000
Notes Payable to Aztar Corporation		
First Mortgage Note; 12-1/4%; due 1996	171,000,000	-
Second Mortgage; 16.5%; matures 1996	52,041,000	-
Note payable; 8.5%; due 1996	60,000,000	-
Long-term debt due to affiliates	423,041,000	140,000,000
Obligations under capital leases	5,000	9,118,000
	423,046,000	149,118,000
Less: current portion	(5,000)	(2,862,000)
Long-term debt, net of current portion	$ 423,041,000	$ 146,256,000

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

The aggregate fixed maturities for all long-term debt are:

1994	$ 5,000
1995	0
1996	423,041,000
1997	0
Thereafter	0
Total	$ 423,046,000

NOTE 4. DEFERRED CREDITS

Deferred Credits consist of income taxes due to timing differences between financial and taxable income.

NOTE 5. COMMITMENTS AND CONTINGENCIES

Licensing

On November 26, 1982, the Company was granted a permanent 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 counterclaim in actions filed by the Company.Management believes that its defenses are substantial in each of these matters and that the Company's legal posture can be successfully defended 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 1994 and 1993, respectively, was $ 820,000 and $900,000 for the purchase of CRDA bonds and, accordingly, the Company recorded a loss provision (unamortized discount) of $131,000 and $242,000 to recognize the effect of the below market interest rate the bonds would have borne had they been issued on March 31, 1994 and 1993, respectively.

NOTE 6. JACKPOT PAYOUTS

Jackpot payouts for the three months ended March 31, 1994 are:

	Payouts Included In Promotional Allowances		Other Payouts	
	Number of Payouts	Dollar Amount	Number of Payouts	Dollar Amount
Motor Vehicles	-0-	$ -0-	2*	$ 30,000
Total	-0-	$ -0-	2	$ 30,000

*Note: Cash was taken by two patrons instead of motor vehicles.

NOTE 7. RELATED PARTIES

Due to affiliates is reflected in Other Liabilities. The identity of the affiliates and corresponding balances at March 31, 1994 and 1993 are:

	1994	1993
Due to Aztar Corporation	$ 31,816,000	$ 11,798,000
Due to Atlantic-Deauville, Inc.	682,000	442,000
Due to Ramada New Jersey, Inc.	3,088,000	2,476,000
Due to Adamar Garage Corporation	14,901,000	13,177,000
Due to Aztar Mortgage Funding, Inc.	683,000	683,000
	$ 51,170,000	$ 28,576,000

Advances to affiliates are reflected in Investments, Advances and Receivables. The identity of the affiliates and corresponding balances at March 31, 1994 and 1993 are:

	1994	1993
Advances to Tropicana West	$ 30,433,000	$ 20,834,000
Advances to Laughlin	3,000	-0-
	30,436,000	20,834,000
Note receivable - Adamar Garage Corporation	17,052,000	17,052,000
	$ 47,488,000	$ 37,886,000

Notes payable to related parties are included in Long-term debt to affiliates (See Note 3). The identity of the affiliate and corresponding balances at March 31, 1994 and 1993 are:

Payee	1994	1993
Aztar Mortgage Funding, Inc.	$ 140,000,000	$ 140,000,000
Aztar Corporation	283,041,000	-0-
	$ 423,041,000	$ 140,000,000

For the three months ended March 31, 1994 and 1993 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:

	1994	1993
Cost of Goods and Services		
Executive Deferred Compensation Plan	$ 2,000	$ 2,000
Property insurance	122,000	116,000
Workman's compensation	236,000	195,000
	$ 360,000	$ 313,000
Selling, General and Administrative		
Insurance	$ 245,000	$ 374,000
Executive deferred compensation plan	9,000	9,000
Workman's compensation	48,000	41,000
Long-term incentive	174,000	197,000
Other	6,000	5,000
	482,000	626,000
Total	$ 842,000	$ 939,000

NOTE 8. INCOME TAXES

Under the regular federal income tax rules the Company's net operating loss carryforward fully offsets taxable income for tax purposes. The benefit for income taxes recorded in the quarters ended 1994 and 1993 is entirely a deferred benefit. The difference between the federal statutory rate and the effective tax rate was primarily attributable to state income taxes, the non-deductible nature of certain business meal expenses, and corporate overhead expense allocations made for tax purposes.

For income tax purposes, the Company is included in Aztar's consolidated corporate Federal income tax return. The Company uses a separate return method for purposes of allocating the consolidated tax provision.

The Internal Revenue Service is examining the income tax returns for the years 1986 through 1991. The New Jersey Division of Taxation is examining the income tax returns for the years 1983 through 1988. Management believes that adequate provision for income taxes and interest has been made in the financial statements.

NOTE 9. PREPAID EXPENSES AND OTHER CURRENT ASSETS

At March 31, 1994 and 1993, Prepaid Expenses and Other Current Assets consisted of the following:

	1994	1993
Current deferred taxes	$ 4,404,000	$ 6,428,000
Other	4,691,000	4,772,000
	$ 9,095,000	$ 11,200,000

NOTE 10. INVESTMENTS, ADVANCES, AND RECEIVABLES

At March 31, 1994 and 1993, Investments, Advances, and Receivables consisted of the following:

	1994	1993
Due from affiliates	$ 30,436,000	$ 20,834,000
CRDA investment	22,819,000	19,908,000
Mortgage receivable	-0-	18,946,000
Note receivable - Adamar Garage Corporation	17,052,000	17,052,000
Long-term note receivable	-0-	298,000
Total	$ 70,307,000	$ 77,038,000

NOTE 11. OTHER ACCRUED EXPENSES

At March 31, 1994 and 1993, Other Accrued Expenses consisted of the following:

	1994	1993
Accrued payroll taxes and benefits	$ 6,363,000	$ 6,151,000
Accrued progressive slot win	837,000	1,552,000
Accrued miscellaneous	669,000	604,000
Accrued claims reserve	1,862,000	2,047,000
Deferred rent	-0-	3,819,000
Accrued employee taxes	1,960,000	1,857,000
Other	2,993,000	3,816,000
Total	$ 14,684,000	$ 19,846,000

NOTE 12. OTHER LIABILITIES

At March 31, 1994 and 1993, Other Liabilities consisted of the following:

	1994	1993
Due to affiliates	$ 51,170,000	$ 28,576,000
Deferred rent	-0-	2,228,000
Total	$ 51,170,000	$ 30,804,000

NOTE 13. NON-OPERATING INCOME/(EXPENSE)

For the period ended March 31, 1994 and 1993, Non-operating income/(expense) consisted of the following:

	1994	1993
Interest income	$ 770,000	$ 1,752,000
Administrative fee	-0-	25,000
Leased land rental	-0-	1,386,000
Maintenance reimbursement	-0-	2,925,000
Gain on disposition	8,000	22,000
Rent expense	(1,648,000)	(16,471,000)
Total	$ (870,000)	$ (10,361,000)

New Jersey State Library

TRADING NAME OF LICENSEE: TROPWORLD CASINO AND ENTERTAINMENT RESORT

SCHEDULE OF RECEIVABLES AND PATRONS' CHECKS

MARCH 31, 1994
(UNAUDITED)
($ IN THOUSANDS)

	ACCOUNTS RECEIVABLE BALANCES			
LINE (a)	DESCRIPTION (b)	ACCOUNT BALANCE (c)	ALLOWANCE (d)	ACCOUNTS RECEIVABLE- (e) NET OF ALLOWANCE
	Patrons' Checks:			
1	Undeposited patrons' checks	$2,691		
2	Returned patrons' checks	9,664		
3	Total patrons' checks	12,355	($5,385)	$6,970
4	Hotel Receivables	875	(122)	753
	Other Receivables:			
5	Receivables due from officers and employees	43		
6	Receivables due from affiliates	0		
7	Other accounts and notes receivables	707		
8	Total other receivables	750		750
9	Totals (Form 205)	$13,980	($5,507)	$8,473

	UNDEPOSITED PATRONS' CHECKS ACTIVITY	
LINE (f)	DESCRIPTION (g)	AMOUNT (h)
10	Beginning Balance (January 1)	$3,079
11	Counter checks issued (excluding counter checks issued through transactions relating to consolidations, partial redemptions, substitutions, and patrons' cash deposits)	23,734
12	Checks redeemed prior to deposit (excluding the unredeemed portion of counter checks redeemed throuh partial redemptions, and excluding checks redeemed through transactions relating to consolidations, substitutions, and patrons' cash deposits)	(15,824)
13	Checks collected through deposits	(7,616)
14	Checks transferred to returned checks	(682)
15	Other adjustments	0
16	Ending Balance	$2,691
17	"Hold" Checks Included In Balance On Line 16	$0
18	Provision For Uncollectable Patrons' Checks	$303
19	Provision As A Percent Of Counter Checks Issued	1.3%

TRADING NAME OF LICENSEE: TROPWORLD CASINO AND ENTERTAINMENT RESORT

PROMOTIONAL EXPENSES AND ALLOWANCES

For The Three Months Ended March 31, 1994

	Promotional Allowances		Promotional Expense	
	Number of Recipients	Dollar Amount	Number of Recipients	Dollar Amount
Rooms	55,435	$ 3,685,000	-0-	$ -0-
Food	300,461	2,944,000	24,059	236,000
Beverage	991,653	1,217,000	-0-	-0-
Travel	-0-	-0-	803	281,000
Coin	-0-	-0-	203,049	5,303,000
Coupon	-0-	-0-	-0-	-0-
Entertainment	18,627	451,000	3,708	74,000
Retail & Gifts	54,606	546,000	-0-	-0-
Other	32,255	323,000	15,199	152,000
Total	1,453,037	$ 9,166,000	246,818	$ 6,046,000

STATEMENT OF CONFORMITY AND ACCURACY

STATE OF New Jersey :
:ss.
COUNTY OF Atlantic :

Deborah Marchese, being duly sworn according to law upon my oath
Name

deposes and says:

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

Deborah Marchese
Signature

Controller
Title

367611
License Number

Subscribed and sworn to
before me this 16 day
of May , 1994

Pamela Antczak
Signature

On Behalf Of:

TropWorld Casino &
Entertainment Resort
Casino Licensee

Basis of Authority
to Take Oaths

PAMELA ANTCZAK
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires May 24, 1998

974.901
c193

QUARTERLY REPORT

PROPERTY OF
NEW JERSEY STATE LIBRARY
JUN - 6 1994
185 W. STATE ST.
TRENTON, N.J.

LICENSEE Trump's Castle Associates
ADDRESS Huron Avenue & Brigantine Boulevard
Atlantic City, N.J. 08401

FOR THE QUARTER ENDED MARCH 31, 1994

TO THE
CASINO CONTROL COMMISSION
OF THE
STATE OF NEW JERSEY

RECEIVED
FEU
MAY 16 1994
CASINO CONTROL
COMMISSION

NAME OF OFFICER IN CHARGE OF CORRESPONDENCE REGARDING THIS QUARTERLY REPORT..... Richard V. Williamson

OFFICIAL TITLE..... Executive Director Financial Accounting

ADDRESS..... Huron Avenue & Brigantine Boulevard
Atlantic City, N.J. 08401

TRADING NAME OF LICENSEE TRUMP'S CASTLE HOTEL & CASINO

LIST OF FORMS – QUARTERLY REPORT

FOR THE QUARTER ENDED MARCH 31, 1994

TITLE	FORM NO.
Balance Sheets	CCC–205
Statements of Income (Three Months)	CCC–210
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	
Schedule of Receivables and Patrons' Checks	CCC–240
Promotional Allowances and Expenses	CCC–245
Statement of Conformity and Accuracy	CCC–250

TRADING NAME OF LICENSEE TRUMP'S CASTLE HOTEL & CASINO

BALANCE SHEETS

MARCH 31, 1994 and 1993

(UNAUDITED)
($ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1994	(d) 1993
	ASSETS		
	Current Assets:		
1	Cash	$18,359	$18,574
2	Marketable securities	0	0
3	Receivables and patrons' checks (net of allowance for doubtful accounts – 1994, $4,092; 1993, $2,440) (NOTE 16)	11,688	6,150
4	Inventories	2,470	2,033
5	Prepaid expenses and other current assets	3,267	1,751
6	Total current assets	35,784	28,508
7	Investments, Advances, And Receivables	2,645	2,618
8	Property And Equipment – Gross (NOTE 2)	494,376	486,740
9	(Accumulated Depreciation/Amortization)	(162,682)	(147,334)
10	Other Assets (NOTE 6)	786	499
11	Total Assets	$370,909	$371,031
	LIABILITIES AND EQUITY		
	Current Liabilities:		
12	Accounts payable (NOTE 7)	$2,444	$3,477
13	Notes payable (NOTE 4)	0	0
	Current portion of long–term debt:		
14	Due to affiliates (NOTE 3,5)	0	0
15	Other (NOTE 4)	0	0
16	Income taxes payable and accrued	0	0
17	Other accrued expenses (NOTE 8)	19,320	13,619
18	Other current liabilities (NOTE 9)	13,685	14,472
19	Total current liabilities	35,449	31,568
	Long–Term Debt:		
20	Due to affiliates (NOTE 3)	273,258	242,584
21	Other (NOTE 4)	38,000	45,000
22	Deferred Credits	0	0
23	Other Liabilities	8	7
24	Commitments And Contingencies (NOTE 11)		
25	Total Liabilities	346,715	319,159
26	Stockholders', Partners', Or Proprietor's Equity	24,194	51,872
27	Total Liabilities and Equity	$370,909	$371,031

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 MARCH 31, 1994 and 1993

(UNAUDITED)
($ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1994	(d) 1993
	Revenue:		
1	Casino	$61,782	$56,325
2	Rooms	3,923	3,812
3	Food and beverage	7,062	7,554
4	Other	1,565	1,507
5	Total revenue	74,332	69,198
6	Less: Promotional allowances	8,003	7,676
7	Net revenue	66,329	61,522
	Costs And Expenses:		
8	Cost of goods and services	36,257	35,079
9	Selling, general, and administrative	17,860	18,399
10	Provision for doubtful accounts	2,388	306
11	Total costs and expenses	56,505	53,784
12	Gross Operating Profit	9,824	7,738
13	Depreciation and amortization	3,591	4,660
	Charges from affiliates other than interest:		
14	Management fees (NOTE 15)	515	433
15	Other	0	0
16	Income (Loss) From Operations	5,718	2,645
	Other Income (Expenses):		
17	Interest (expense) – affiliates (NOTE 3,5)	(10,083)	(10,222)
18	Interest (expense) – external (NOTE 4)	(863)	(1,008)
19	Investment alternative tax and related income (expense) – net (NOTE 11)	(2,092)	(296)
20	Nonoperating income (expense) – net (NOTE 10)	(164)	135
21	Total other income (expenses)	(13,202)	(11,391)
22	Income (Loss) Before Income Taxes And Extraordinary Items	(7,484)	(8,746)
23	Provision (credit) for income taxes (NOTE 1)	0	0
24	Income (Loss) Before Extraordinary Items	(7,484)	(8,746)
25	Extraordinary items (net of income taxes – 1994, $ 0; 1993, $ 0) (NOTE 14)	0	0
26	Net Income (Loss)	($7,484)	($8,746)

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 CHANGES IN STOCKHOLDERS' EQUITY

FOR THE THREE MONTHS ENDED MARCH 31, 1994 and 1993

NOT APPLICABLE

(UNAUDITED)
($ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	1993 (c) SHARES	1993 (d) DOLLARS	1992 (e) SHARES	1992 (f) DOLLARS
	Commom Stock:		$		$
1	Beginning balance (January 1)				
2	Sale of stock				
3	_____				
4	Ending balance				
	Preferred Stock				
5	Beginning balance (January 1)				
6	Sale of stock				
7	_____				
8	Ending balance				
	Additional Paid–in Capital:				
9	Beginning balance (January 1)				
10	_____				
11	_____				
12	Ending balance				
	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)				
26	Prior period adjustments				
27	Net income (loss)				
28	Dividends		( )		( )
29	_____				
30	_____				
31	Ending balance				
32	Ending Stockholders' Equity		$ 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.

TRADING NAME OF LICENSEE TRUMP'S CASTLE HOTEL & CASINO

STATEMENTS OF CHANGES IN PARTNERS' OR PROPRIETOR'S EQUITY

FOR THE THREE MONTHS ENDED MARCH 31, 1994 and 1993

(UNAUDITED)
($ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1994	(d) 1993
	Invested Capital:		
1	Beginning balance (January 1)	$71,196	$71,196
2	Additional capital invested	32,118	32,673
3	_____	0	0
4	Ending balance	103,314	103,869
	Accumulated Income (Loss):		
5	Beginning balance (January 1)	(33,186)	(4,801)
6	Prior period adjustments	0	0
7	Net income (loss)	(7,484)	(8,746)
8	_____	0	0
9	Ending balance	(40,670)	(13,547)
	Capital Withdrawals:		
10	Beginning balance (January 1)	(38,450)	(38,450)
11	Additional capital withdrawals	0	0
12	_____	0	0
13	Ending balance	(38,450)	(38,450)
	Net Unrealized Loss On Noncurrent Marketable Equity Securities:		
14	Beginning balance (January 1)	0	0
15	_____	0	0
16	_____	0	0
17	Ending balance	0	0
18	Ending Partners' Or Proprietor's Equity	$24,194	$51,872

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 THREE MONTHS ENDED MARCH 31, 1994 and 1993

(UNAUDITED)
($ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1994	(d) 1993
1	Net Cash Provided (Used) By Operating Activities	($540)	($6,485)
	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	(936)	(3,670)
5	Proceeds from disposition of property and equipment	0	0
6	Purchase of casino reinvestment obligations	(720)	(609)
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	0	0
9	Cash outflows to acquire business entities	0	0
10	Redemption of A-1 Bonds	0	0
11	_____	0	0
12	Net Cash Provided (Used) By Investing Activities	(1,656)	(4,279)
	Cash Flows From Financing Activities:		
13	Cash proceeds from issuance of short-term debt	0	0
14	Payments to settle short-term debt	0	0
15	Cash proceeds from issuance of long-term debt	0	5,706
16	Costs of issuing debt	0	0
17	Payments to settle long-term debt	0	0
18	Cash proceeds from issuing stock or capital contributions	0	0
19	Purchases of treasury stock	0	0
20	Payments of dividends or capital withdrawls	0	(178)
21	_____	0	0
22	_____	0	0
23	Net Cash Provided (Used) By Financing Activities	0	5,528
24	Net Increase (Decrease) In Cash And Cash Equivalents	(2,196)	(5,236)
25	Cash And Cash Equivalents At Beginning Of Period	20,555	23,810
26	Cash And Cash Equivalents At End Of Period	$18,359	$18,574

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

	Cash Paid During Period For:		
27	Interest (net of amount capitalized)	$855	$10,785
28	Income taxes	0	0

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

TRADING NAME OF LICENSEE TRUMP'S CASTLE HOTEL & CASINO

STATEMENTS OF CASH FLOWS

FOR THE THREE MONTHS ENDED MARCH 31, 1994 and 1993

(UNAUDITED)
($ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1994	(d) 1993
	Net Cash Flows From Operating Activities:		
29	Net income (loss)	($7,484)	($8,746)
	Noncash items included in income and cash items excluded from income:		
30	Depreciation and amortization of property and equipment	3,591	4,660
31	Amortization of other assets	0	0
32	Amortization of debt discount or premium	551	2,433
33	Deferred income taxes – current	0	0
34	Deferred income taxes – noncurrent	0	0
35	(Gain) loss on disposition of property and equipment	5	(13)
36	(Gain) loss on casino reinvestment obligations	2,092	296
37	(Gain) loss from other investment activities	0	0
38	Net (increase) decrease in receivables and patrons' checks	(1,360)	792
39	Net (increase) decrease in inventories	(155)	127
40	Net (increase) decrease in other current assets	188	1,503
41	Net (increase) decrease in other assets	95	192
42	Net increase (decrease) in accounts payables	(862)	(1,744)
43	Net increase (decrease) in other current liabilities excluding debt	2,798	(5,985)
44	Net increase (decrease) in other noncurrent liabilities excluding debt	1	0
45	_____	0	0
46	_____	0	0
47	Net Cash Provided (Used) By Operating Activities	($540)	($6,485)

SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING AND FINANCING ACTIVITIES

	Acquisition Of Property And Equipment:		
48	Additions to property and equipment	$936	$3,670
49	Less: Capital lease obligations incurred	0	0
50	Cash Outflows For Property And Equipment	$936	$3,670
	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 issuances of stock or capital contributions	$0	$0
58	Less: Issuances to settle long–term debt	0	0
59	Consideration in acquisition of business entities	0	0
60	Cash Proceeds From Issuing Stock Or Capital Contributions	$0	$0

TRUMP'S CASTLE HOTEL & CASINO

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Organization and Operation:

Trump's Castle Associates Limited Partnership (the "Partnership") was formed as a limited partnership in 1985 for the sole purpose of acquiring and operating Trump's Castle Casino Resort ("Trump's Castle"). The Partnership converted to a general partnership in February 1992. As a result of a recapitalization involving the Partnership, the Company and TC/GP, Inc. ("TC/GP") in December, 1993, the partnership is wholly owned by Donald J. Trump, and his wholly owned companies, TC/GP and Trump's Castle Hotel & Casino Inc. ("TCHC").

Revenue Recognition:

The Partnership records as revenue the win from gaming activities which represents the difference between amounts wagered and amounts won by patrons. Revenues from hotel and related services are recognized at the time the related service is performed.

Promotional Allowances:

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

Income Taxes/Deferred Credits:

The accompanying financial statements do not include a provision for Federal income taxes of the Partnership, since any income or losses allocated to the Partners are reportable for Federal income tax purposes by the Partners.

Under the New Jersey Casino Control Commission regulations, the Partnership is required to file a consolidated New Jersey corporation business tax return. However, no provision for state income taxes has been reflected in the accompanying financial statements, since the Partnership has experienced operating losses during the periods contained in this report.

Allowance for Doubtful Accounts:

The Partnership has provided $4,092,000 through March 31, 1994 including a $2.0 million provision (recorded in the

first quarter of 1994) with respect to $4.0 million owed by four foreign gaming patrons.

Inventories:

Food and beverage inventories are carried on a weighted average basis and all other inventories are carried at the lower of cost or market on a first in, first out basis.

Property and Equipment:

Property and equipment is recorded at cost and is depreciated on the straight-line method over the estimated useful lives of assets. Estimated useful lives for furniture, fixtures and equipment are from three to eight years and 40 years for buildings.

Original Issuance Discount:

Original issue discount is accreted over the life of the related indebtedness using the effective interest method.

NOTE 2 - PROPERTY AND EQUIPMENT:

Property and equipment as of March 31:

	1994	1993
	(In thousands)	
Land and Land Improvements	$ 36,407	$ 36,242
Buildings	235,170	235,170
Furniture, Fixtures and Equipment	103,675	98,856
Construction in Progress	3,602	4,259
Building/Leasehold Improvements	115,522	112,213
TOTAL	$494,376	$486,740
Less Accumulated Depreciation	(162,682)	(147,334)
Net Property and Equipment	$331,694	$339,406

NOTE 3 - LONG TERM DEBT:

Plan of Reorganization:

Trump's Castle Funding (the "Company") was incorporated on May 28, 1985 solely to serve as a financing 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 the Company 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, 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 the Company's 9.50% Mortgage Bonds, due 1998 (the "New Bonds") and shares of common stock of TC/GP (the "Common Stock").

On March 9, 1992, the Company, 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, the Old Bonds were exchanged for the New Bonds and Common Stock (Note 3) and certain modifications were made to the terms of the bank borrowings (Note 4), and amounts owed to Donald J. Trump (Note 5). The issuance of the Common Stock resulted in approximately 50% of the beneficial ownership interest in the Partnership being transferred to the holders of Old Bonds.

In accordance with AICPA Statement of Position 90-7, "Financial Reporting by Entities in Reorganization Under the Bankruptcy Code," the New Bonds have been stated at the present value of amounts to be paid, determined at current interest rates (effective rate of approximately 17.5%). The effective interest rate of the New Bonds was determined based on the trading price of the New Bonds for a specific period. Stating the debt at its present value resulted in a reduction of approximately $96,896,000 in the carrying amount of the New Bonds. This gain will be offset by increased interest costs over the period of the New Bonds to accrete such bonds to their face value at maturity.

On the Effective Date, TC/GP received a 50% beneficial interest in Trump's Castle Hotel & Casino, Inc., a partner in the Partnership, and was admitted as a partner in the Partnership, 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 provides, among other things, for 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 has the right to appoint 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. Upon the occurrence of certain events, TC/GP has the right to appoint four members to the Board, and Donald J. Trump has the right to appoint three.

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 the bank debt (Note 3), and $23,805,000 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 (Note 3) were issued in lieu of the Bond Carryforward Amount 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 (Note 5).

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. The Company 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:

INTEREST PAYMENT DATE	Mandatory Cash Rate (Per Annum)
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 that the Additional Amount.

Recapitalization:

On December 28, 1993, the Partnership, the Company 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 the Company's 11-3/4% Mortgage Notes due 2003 (the "Mortgage Notes"), $120 principal amount of the Company'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 the Company'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. Thereafter, 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 the Company'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.

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 the Company (the "Partnership Note") 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 the Company 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 indebtedness described in Note 5 (the "Senior Indebtedness") 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 the Company (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 Indebtedness, the Partnership Note and the Guaranty.

NOTE 4 - BANK BORROWINGS:

In February 1988, the Company 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 principal amount of the amended Term Loan (the "Amended Term Loan") was reduced to $38,000,000. The amended Term Loan has an initial maturity of three years from the Effective Date and with its terms, the Partnership has the option, subject to certain conditions, to extend the Amended Term Loan an additional five years. Upon such an extension, the interest rate on such loan will adjust to a market rate, but not less than a minimum rate of 9%. The Amended Term Loan is secured by a mortgage lien on Trump's Castle that is prior to the lien securing the Mortgage Notes (Note 4) and the Senior Notes described below.

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

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 $2,249,000 from the ultimate purchaser of the property and accordingly has included said amount as an account

receivable. Trump's Castle Associates also expects that the $2.3 million of assumed 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.

NOTE 5 - OTHER BORROWINGS:

Senior Notes:

On December 28, 1993, the Company 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 above.

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.

Trump Priority Interest:

During 1990, the Partnership borrowed $28,265,000 from Donald J. Trump, one of its general partners, which included $9,889,000 of series A-1 Bonds (face value $12,480,000), the proceeds of which were used to partially satisfy the June 1990 interest and sinking fund requirements of the Old Bonds. Pursuant to the Plan, the above obligations and related accrued interest of $5,060,000 were canceled and contributed to capital and Donald J. Trump received in exchange therefor a priority interest in the Partnership (the "Trump Priority Interest"). The Trump Priority Interest was initially $15,000,000 and pursuant to the terms of the Partnership Agreement, the Partnership was required to pay a priority return thereon semi-annually at a rate per annum of up to 9.5%. pursuant to the terms of the Recapitalization Plan, the Partnership Agreement was amended to provide, among other things, that Trump will be entitled to receive a priority distribution equal to the Trump Priority Interest upon liquidation and to eliminate the priority return. For the quarter ended March 31, 1994 and 1993, no amounts were paid as priority return on capital.

Fred Trump Gaming Chip Liability:

In December 1990, Fred Trump, the father of Donald J. Trump, placed $3,500,000 in cash on deposit with the Partnership's casino cage, which was recorded by the Partnership as a gaming patron deposit. Counter checks totaling $3,500,000 were issued against the deposit, for which Fred Trump received gaming chips valued at $3,500,000. On October 8, 1992, in accordance with the indenture, Fred Trump redeemed $1,000,000 in gaming chips for cash. In December 1993, Fred Trump redeemed $1,000,000 in gaming chips and placed the same amount on deposit in the casino cage. This amount was included in Patrons Deposits as of December 31, 1993 and was subsequently redeemed on January 6, 1994. The remaining liability may be redeemed at any time provided there shall exist no Event of Default, the Partnership shall have achieved EBITDA for any period of four consecutive fiscal quarters in an amount not less than $45,000,000 and or if approved by a unanimous consent of the Noteholder Representatives. The remaining chip liability to Fred Trump of $1,500,000 is included in unredeemed chip liability as of March 31, 1993.

NOTE 6 - OTHER ASSETS - (NET):

	1994	1993
	(In thousands)	
Deferred Loan Cost	$ 0	$ 0
Deferred Bond Costs (Net)	0	0
Other Non-Current Assets	786	499
Deferred Marina Improvement	0	0
TOTAL OTHER ASSETS	$ 786	$ 499

NOTE 7 - ACCOUNTS PAYABLE:

	1994	1993
	(In thousands)	
Accounts Payable Trade	$ 1,149	$2,340
Patron Deposits	1,261	1,108
Other	34	29
TOTAL ACCOUNTS PAYABLE	$ 2,444	$ 3,477

NOTE 8 - OTHER ACCRUED EXPENSES:

	1994	1993
	(In thousands)	
Accrued Payroll & Taxes	$ 4,704	$ 4,237
Accrued Interest	8,852	4,014
Accrued Advertising/Promotions	234	171
Accrued Progressive Jackpots	340	209
Accrued Sick/Vacation	4,762	4,545
Other	428	443
TOTAL OTHER ACCRUED EXPENSES	$19,320	$13,619

NOTE 9 - OTHER CURRENT LIABILITIES:

	1994	1993
	(In thousands)	
Outstanding Chip Liability	$ 2,470	$ 3,327
Outstanding Token Liability	432	499
Patron Deposits	81	125
Accrued Utilities	432	349
Accrued Group Health insurance	1,355	1,823
Accrued Insurance	4,686	4,012
A/P Other	2,163	2,888
Accrued Legal	366	375
Accrued CCC/DGE	457	297
Construction Retainage	12	47
Accrued Inventories	468	137
Accrued CRDA	763	593
TOTAL OTHER CURRENT LIABILITIES	$13,685	$14,472

NOTE 10 - NON-OPERATING INCOME (EXPENSES) - NET:

Non-operating income (expense) for the period ended March 31:

	Three Months	
	1994	1993
	(In thousands)	
Interest Income	$ 147	$ 135
Business Development Expense	(311)	0
	$ (164)	$ 135

NOTE 11 - COMMITMENTS AND CONTINGENCIES:

The Partnership is 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 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 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.

The CCC renewed the casino license of the Partnership through May 31, 1995 subject to certain continuing reporting and compliance conditions.

CASINO REINVESTMENT DEVELOPMENT AUTHORITY OBLIGATIONS

The New Jersey Casino Control Act requires the Partnership to make qualified investments, as defined, in New Jersey, or pay an investment alternative tax.

Commencing 12 months after the date of opening (June 17, 1985) and continuing for a period of 25 years thereafter, 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 of 2.5% of its gross casino revenues. Investment tax credits may be obtained by the purchase of bonds at below market interest rates from the Casino Reinvestment Development Authority (CRDA) or by making qualified investments which must be approved by the CRDA. The Partnership is required to make quarterly deposits with the CRDA to satisfy its investment obligation.

As a result of this agreement, the Partnership has charged $274,000 for the three months ending March 31, 1994 to operations, which represents application of a portion of the tax credits, as well as the effect of below market interest rates associated with the bond purchase commitment.

The Partnership made two (2) additional donations of its existing CRDA deposits during the first Quarter of 1994, totaling approximately $3,171,000, in exchange for satisfaction of an equivalent amount of its prior bond purchasing commitments, in addition to receiving future tax credits totaling approximately $314,000.

Additionally, the Partnership has charged $307,000 respectively to its first quarter of 1994 results to give effect to the CRDA donations. This charge represents the write down of the asset value of the CRDA deposits to the value of the tax credits issued to the Partnership by the CRDA.

ROADWAY IMPROVEMENTS

The Partnership, along with another Atlantic City casino, has entered into a joint venture agreement with the New Jersey Department of Transportation to fund the construction of certain roadway improvements in the Atlantic City Marina District. The agreement requires that the Partnership make cash contributions totaling $8,000,000. As of March 31, 1994, the Partnership had made contributions totaling approximately $8,419,000.

NOTE 12 - EMPLOYEE BENEFIT PLANS:

Effective November 1, 1986, the Company adopted a retirement savings plan for its non-union employees under Section 401K of the Internal Revenue Code. The plan allows employees of the Partnership to defer up to 15% of their income on a pre-tax basis through contributions to the plan.

The Partnership will match 50% of eligible employees' contributions up to a maximum of 4% of an individual's earnings. Effective January 1, 1992, the Partnership will match 50% of eligible employees' contributions up to a maximum of 5% of an individual's earnings.

The Partnership recorded charges of approximately $230,000 for matching contributions for the three months ended March 31, 1994.

The Partnership made payments to various trusted pension plans under industry-wide union agreements. The payments are based on the hours worked by or gross wages paid to covered employees. It is not practical to determine the amount of payments ultimately used to fund pension benefit plans or the current financial condition of these plans. Under the Employee Retirement Income Security Act, the Partnership may be liable for its share of the plans unfunded liability, if any, if the plans are terminated.

NOTE 13 - JACKPOT PAYOUTS:

The Partnership has not recorded any jackpot payouts in the form of merchandise for the three months ended March 31, 1994 and 1993.

NOTE 14 - EXTRAORDINARY ITEM:

The Partnership has not recorded any extraordinary items for the three months ended March 31, 1994 and 1993.

NOTE 15 - RELATED PARTY TRANSACTIONS:

The Partnership had a management agreement with Trump's Castle Management Corp. ("TCMC"), a corporation wholly owned by Donald J. Trump (the "Management Agreement"). The Management Agreement provided that the day-to-day operation of Trumps's Castle and all ancillary properties and businesses of the Partnership was to be under the exclusive management and supervision of TCMC.

Pursuant to the Management Agreement, the Partnership was required to pay an annual fee in the amount of $1,500,000 to TCMC for each year in which Earnings Before Interest, Taxes, Depreciation and Amortization ("EBITDA"), as defined, exceeds certain levels. In addition, TCMC, beginning with the fiscal year ended December 31, 1994, was to receive an incentive fee equal to 10% of the excess EBITDA over $45,000,000 for such fiscal year. During the years ended 1993 and 1992, the Partnership incurred fees and expenses of $1,647,000 and 888,000 respectively, under the Management Agreement.

As a result of the Recapitalization Plan described in Note 3, on December 28, 1993, the Partnership terminated the Management Agreement with TCMC and entered into a Services Agreement with TC/GP. 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 the Partnership, including such other services as the Managing Partner may reasonably request.

In consideration for the services to be rendered, the Partnership will pay TC/GP an annual fee on the same basis as that of the previous Management Agreement, discussed above. The Services Agreement expires on December 31, 2005.

The Partnership has recorded expenses for the period ended March 31, 1994 and 1993 of approximately $ 515,000 and $433,000, respectively.

In December 1993, Fred Trump redeemed $1,000,000 in gaming chips and placed the same amount on deposit in the cage. This amount was subsequently redeemed on January 6, 1994 (see Note 5).

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

NOTE 16 - MISCELLANEOUS RECEIVABLE:

In March of 1994, Trump's Castle Associates paid $2,249,089 to acquire certain riverfront property in Philadelphia, Pennsylvania. Discussions in connection with the proposed acquisition have been terminated and Trump's Castle Associates expects to recover the amount paid from the ultimate purchaser of the property. Accordingly, the full $2,249,089 has been recorded as a receivable in these financial statements.

TRADING NAME OF LICENSEE TRUMP'S CASTLE HOTEL & CASINO

SCHEDULE OF RECEIVABLES AND PATRONS' CHECKS

MARCH 31, 1994

(UNAUDITED)
($ IN THOUSANDS)

	ACCOUNTS RECEIVABLE BALANCES			
LINE (a)	DESCRIPTION (b)	ACCOUNT BALANCE (c)	ALLOWANCE (d)	ACCOUNTS RECEIVABLE – (e) NET OF ALLOWANCE
	Patrons' Checks:			
1	Undeposited patrons' checks	$4,254		
2	Returned patrons' checks	2,494		
3	Total patrons' checks	6,748	$3,948	$2,800
4	Hotel Receivables	574	144	430
	Other Receivables:			
5	Receivables due from officers and employees	12		
6	Receivables due from affiliates	1,088		
7	Other accounts and notes receivables	7,358		
8	Total other receivables	8,458	0	8,458
9	Totals (Form 305)	$15,780	$4,092	$11,688

	UNDEPOSITED PATRONS' CHECKS ACTIVITY	
LINE (f)	DESCRIPTION (g)	AMOUNT (h)
10	Beginning Balance (January 1)	$7,015
11	Counter checks issued (excluding counter checks issued through transactions relating to consolidations, partial redemptions, substitutions, and patrons' cash deposits)	37,356
12	Checks redeemed prior to deposit (excluding the unredeemed portion of counter checks redeemed through partial redemptions, and excluding checks redeemed through transactions relating to consolidations, substitutions, and patrons' cash deposits)	(26,680)
13	Checks collected through deposits	(11,586)
14	Checks transferred to returned checks	(1,851)
15	Other adjustments	0
16	Ending Balance	$4,254
17	"Hold" Checks Included In Balance On Line 16	$0
18	Provision For Uncollectible Patrons' Checks	299
19	Provision As A Percent Of Counter Checks Issued	0.8%

TRADING NAME OF LICENSEE TRUMP'S CASTLE HOTEL & CASINO

PROMOTIONAL EXPENSES AND ALLOWANCES

($ IN THOUSANDS)

FOR THE THREE MONTHS ENDED MARCH 31, 1994

	PROMOTIONAL ALLOWANCES		PROMOTIONAL EXPENSES	
	Number of Recipients	Dollar Amount	Number of Recipients	Dollar Amount
ROOMS	64,569	2,852,000	0	0
FOOD	226,600	3,398,000	0	0
BEVERAGE	313,412	1,332,000	0	0
TRAVEL	0	0	9,451	1,654,000
COIN	0	0	0	0
COUPON	0	0	423,399	4,733,000
ENTERTAINMENT	14,000	350,000	375	11,224
RETAIL & GIFTS	13,000	65,000	0	0
OTHER	1,200	6,000	18,640	932,000
TOTAL	632,781	$8,003,000	451,865	$7,330,224

****

STATEMENT OF CONFORMITY AND ACCURACY

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

Richard V. Williamson, 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. The information contained in this Quarterly Report is accurate to the best of my knowledge and belief.

Signature

Executive Director Financial Accounting
Title

005378-11
License Number

On behalf Of:

Subscribed and sworn to
before me this 13TH day
of May, 1994

Signature

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

Basis of Authority
to Take Oaths

Trump's Castle Hotel & Casino
Casino Licensee

QUARTERLY REPORT

974.901
C193

PROPERTY OF
NEW JERSEY STATE LIBRARY
JUN 16 1994
185 W. STATE ST.
TRENTON, N.J.

LICENSEE: TRUMP PLAZA HOTEL & CASINO

ADDRESS: MISSISSIPPI AVENUE & BOARDWALK
ATLANTIC CITY, NJ 08401

FOR THE QUARTER ENDED MARCH 31, 1994

TO THE

CASINO CONTROL COMMISSION

OF THE

STATE OF NEW JERSEY

RECEIVED
FEU
MAR 13 1994
CASINO CONTROL
COMMISSION

NAME OF OFFICER IN CHARGE
OF CORRESPONDENCE REGARDING
THIS QUARTERLY REPORT..... GEORGE T. PAPANIER

OFFICIAL TITLE..... VICE-PRESIDENT OF FINANCE

ADDRESS..... MISSISSIPPI AVENUE & BOARDWALK
ATLANTIC CITY, NJ 08401

TRADING NAME OF LICENSEE: TRUMP PLAZA HOTEL & CASINO

LIST OF FORMS – QUARTERLY REPORT

FOR THE QUARTER ENDED MARCH 31, 1994

TITLE	FORM NO.
Balance Sheets	CCC–205
Statements of Income (Three Months)	CCC–215
Statements of Changes in Partners' or Proprietor's Equity	CCC–225
Statements of Cash Flows	CCC–235
Notes to Financial Statements	
Schedule of Receivables and Patrons' Checks	CCC–240
Promotional Expenses and Allowances	CCC–245
Statement of Conformity and Accuracy	CCC–250

TRADING NAME OF LICENSEE: TRUMP PLAZA HOTEL & CASINO

BALANCE SHEETS

MARCH 31, 1994 AND 1993

(UNAUDITED)
($ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1994	(d) 1993
	ASSETS		
	Current Assets:		
1	Cash	$ 16,374	$ 12,273
2	Marketable securities	–	–
3	Receivables and patrons' checks (net of allowance for doubtful accounts – 1994, $10,239; 1993, $13,894)	5,766	6,881
4	Inventories	3,406	2,826
5	Prepaid expenses and other current assets NOTE 2	1,695	1,362
6	Total current assets	27,241	23,342
7	Investments, Advances, and Receivables NOTE 3	10,289	5,456
8	Property and Equipment – Gross NOTE 4	421,754	411,266
9	(Accumulated Depreciation/Amortization) NOTE 4	(126,276)	(112,910)
10	Other Assets NOTE 5	44,562	34,851
11	Total Assets	$ 377,570	$ 362,005
	LIABILITIES AND EQUITY		
	Current Liabilities:		
12	Accounts Payable	$ 5,193	$ 7,298
13	Notes Payable	–	–
	Current portion of long–term debt:		
14	Due to affiliates	–	–
15	Other NOTE 9	1,659	9,997
16	Income taxes payable and accrued	–	–
17	Other accrued expenses NOTE 6	26,504	22,958
18	Other current liabilities NOTE 7	6,898	5,823
19	Total current liabilities	40,254	46,076
	Long–Term Debt:		
20	Due to affiliates NOTE 8	325,949	225,000
21	Other NOTE 9	5,582	24,491
22	Deferred Credits NOTE 10	890	422
23	Other Liabilities NOTE 13	2,949	58,416
24	Commitments and Contingencies NOTE 14	–	–
25	Total Liabilities	375,624	354,405
26	Stockholders', Partners', or Proprietor's Equity	1,946	7,600
27	Total Liabilities and Equity	$ 377,570	$ 362,005

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 PLAZA HOTEL & CASINO

STATEMENTS OF INCOME

FOR THE THREE MONTHS ENDED MARCH 31, 1994 AND 1993

(UNAUDITED)
($ IN THOUSANDS)

LINE	DESCRIPTION	(c) 1994	(d) 1993	
(a)	(b)			
	Revenue:			
1	Casino	$ 54,580	$ 61,308	
2	Rooms	3,631	3,635	
3	Food and beverage	8,383	9,468	
4	Other	1,820	1,886	*
5	Total revenue	68,414	76,297	*
6	Less: Promotional allowances	7,487	8,371	
7	Net revenue	60,927	67,926	*
	Costs and Expenses:			
8	Costs of goods and services	35,487	37,582	
9	Selling, general, and administrative	17,839	17,502	
10	Provision for doubtful accounts	246	177	
11	Total costs and expenses	53,572	55,261	
12	Gross Operating Profit	7,355	12,665	*
13	Depreciation and amortization	3,922	4,363	
	Charges from affiliates other than interest:			
14	Management fees	268	274	
15	Other	475	1,190	
16	Income (Loss) from Operations	2,690	6,838	*
	Other Income (Expenses):			
17	Interest (expense) – affiliates NOTE 11	(9,421)	(6,750)	
18	Interest (expense) – external	(260)	(803)	
19	Investment alternative tax and related income (expense) – net	(277)	(255)	
20	Nonoperating income (expense) – net NOTE 12	(1,185)	66	*
21	Total other income (expense)	(11,143)	(7,742)	*
22	Income (Loss) before Income Taxes and Extraordinary Items	(8,453)	(904)	
23	Provision (credit) for income taxes NOTE 15	(783)	(73)	
24	Income (Loss) before Extraordinary Items	(7,670)	(831)	
25	Extraordinary items (net of income taxes – 1994, $ – ; 1993, $ –)	–	–	
26	Net (Loss)	$ (7,670)	$ (831)	

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

5/92 * Prior year restated to conform to current year presentation.

TRADING NAME OF LICENSEE: TRUMP PLAZA HOTEL & CASINO

STATEMENTS OF CHANGES IN PARTNERS' OR PROPRIETOR'S EQUITY

FOR THE THREE MONTHS ENDED MARCH 31, 1994 AND 1993

(UNAUDITED)
($ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1994	(d) 1993
	Invested Capital:		
1	Beginning balance (January 1)	$ 69,114	$ 50,707
2	Additional capital invested	–	–
3	_____	–	–
4	Ending balance	69,114	50,707
	Accumulated Income (Loss):		
5	Beginning balance (January 1)	28,391	14,724
6	Prior period adjustments	–	–
7	Net income (loss)	(7,670)	(831)
8	_____	–	–
9	Ending balance	20,721	13,893
	Capital Withdrawals:		
10	Beginning balance (January 1)	(87,889)	(54,069)
11	Additional capital withdrawals	–	–
12	Preferred Partnership Interest Distribution	–	(2,931)
13	Ending balance	(87,889)	(57,000)
	Net Unrealized Loss on Noncurrent Marketable Equity Securities:		
14	Beginning balance (January 1)	–	–
15	_____	–	–
16	_____	–	–
17	Ending balance	–	–
18	Ending Partners' or Proprietor's Equity	$ 1,946	$ 7,600

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 CASH FLOWS

FOR THE THREE MONTHS ENDED MARCH 31, 1994 AND 1993

(UNAUDITED)
($ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1994	(d) 1993
1	Net Cash Provided (Used) by Operating Activities	$ 9,347	$ 553
	Cash Flows from Investing Activities:		
2	Purchase of short-term investment securities	–	–
3	Proceeds from the sale of short-term invest. securities	–	–
4	Cash outflows for property and equipment	(6,015)	(2,262)
5	Proceeds from disposition of property and equipment	5	–
6	Purchase of casino reinvestment obligations	(747)	(237)
7	Purchase of other investments and loans/advances made	(833)	(454)
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	877	–
11		–	–
12	Net Cash Provided (Used) by Investing Activities	(6,713)	(2,953)
	Cash Flows from Financing Activities:		
13	Cash proceeds from issuance of short-term debt	–	–
14	Payments to settle short-term debt	(651)	(194)
15	Cash proceeds from issuance of long-term debt	–	–
16	Costs of issuing debt	–	–
17	Payments to settle long-term debt	–	(312)
18	Cash proceeds from issuing stock or capital contribution	–	–
19	Purchases of treasury stock	–	–
20	Payments of dividends or capital withdrawals	–	(3,623)
21		–	–
22		–	–
23	Net Cash Provided (Used) by Financing Activities	(651)	(4,129)
24	Net Increase (Decrease) in Cash and Cash Equivalents	1,983	(6,529)
25	Cash and Cash Equivalents at Beginning of Period	14,391	18,802
26	Cash and Cash Equivalents at End of Period	$ 16,374	$ 12,273

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

	Cash Paid During Period For:		
27	Interest (net of amount capitalized)	$ 172	$ 13,901
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.

TRADING NAME OF LICENSEE: TRUMP PLAZA HOTEL & CASINO

STATEMENTS OF CASH FLOWS

FOR THE THREE MONTHS ENDED MARCH 31, 1994 AND 1993

(UNAUDITED)
($ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1994	(d) 1993
	Net Cash Flows from Operating Activities:		
29	Net income (loss)	$ (7,670)	$ (831)
	Noncash items included in income and cash items excluded from income:		
30	Depreciation and amortization of property & equipment	3,828	4,269
31	Amortization of other assets	94	94
32	Amortization of debt discount or premium	90	–
33	Deferred income taxes – current	–	–
34	Deferred income taxes – noncurrent	(783)	(73)
35	(Gain) loss on disposition of property and equipment	3	–
36	(Gain) loss on casino reinvestment obligation	277	255
37	(Gain) loss from other investment activities	–	–
38	Net (increase) decrease in receivables and patrons' checks	1,191	989
39	Net (increase) decrease in inventories	160	242
40	Net (increase) decrease in other current assets	1,006	1,140
41	Net (increase) decrease in other assets	278	(1,063)
42	Net increase (decrease) in accounts payable	792	1,408
43	Net increase (decrease) in other current liabilities excluding debt	10,081	(5,877)
44	Net increase (decrease) in other noncurrent liabilities excluding debt	–	–
45		–	–
46		–	–
47	Net Cash Provided (Used) by Operating Activities	$ 9,347	$ 553

SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING AND FINANCING ACTIVITIES

	Acquisition of Property and Equipment:		
48	Additions to property and equipment	$ (6,173)	$ (2,359)
49	Less: Capital lease obligations incurred	158	97
50	Cash Outflows for Property and Equipment	$ (6,015)	$ (2,262)
	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	$ –	$ –
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 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. On June 25, 1993 the Company issued a Promissory Note (the "Partnership Note") to reflect the terms of the 10 7/8% Mortgage Notes. See Note 8 Long-Term Debt Due To Affiliates.

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, 1993. 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 March 31, consisted of the following:

	1994	1993
Prepaid taxes	$ 234,000	$ 241,000
Prepaid insurance	298,000	275,000
Prepaid rent	118,000	124,000
Prepaid advertising costs	340,000	406,000
Prepaid CRDA expense	393,000	-
Other	312,000	316,000
	$1,695,000	$1,362,000

NOTE 3: INVESTMENTS, ADVANCES AND RECEIVABLES

Investments, advances and receivables as of March 31, consisted of the following:

	1994	1993
Advances due from -		
Trump Seashore Associates	$ 793,000	$1,077,000
Trump Plaza Holding Associates	3,044,000	-
Donald J. Trump	1,000,000	-
Casino reinvestment bonds and escrow deposit, net of valuation adjustment (1994) $2,744,000; (1993)$2,189,000	5,452,000	4,379,000
	$10,289,000	$5,456,000

NOTE 4: PROPERTY AND EQUIPMENT - NET

Property and equipment as of March 31, consisted of the following:

	1994	1993
Land and land improvements	$ 35,614,000	$ 34,906,000
Buildings	295,617,000	293,678,000
Furniture, fixtures and equipment	78,512,000	74,705,000
Leasehold improvements	2,404,000	2,378,000
Construction in progress	9,607,000	5,599,000
	421,754,000	411,266,000
Less - Accumulated depreciation & amortization	(126,276,000)	(112,910,000)
Net property and equipment	$ 295,478,000	$ 298,356,000

NOTE 5: OTHER ASSETS

Other assets as of March 31, consisted of the following:

	1994	1993
Land rights, net	$ 29,966,000	$ 30,336,000
Deferred Loan Cost (net of affiliate)	12,990,000	1,876,000
Deposits	1,536,000	1,130,000
Deferred slot tax charge	70,000	93,000
Other deferred charges	-	1,416,000
	$ 44,562,000	$ 34,851,000

NOTE 6: OTHER ACCRUED EXPENSES

Other accrued expenses as of March 31, consisted of the following:

	1994	1993
Accrued payroll	$ 7,895,000	$ 7,381,000
Accrued progressive jackpot liabilities	872,000	1,156,000
Accrued interest	10,469,000	1,680,000
Accrued gaming taxes payable	327,000	340,000
Accrued Casino Control Commission & Division of Gaming Enforcement fees	712,000	601,000
Accrued utilities	361,000	422,000
Accrued union benefits	245,000	364,000
Accrued health insurance benefits	1,720,000	1,769,000
Accrued parking, sales, use & luxury tax	327,000	193,000
Accrued professional costs	426,000	2,004,000
Accrued special event costs	653,000	686,000
Accrued repairs & maintenance costs	114,000	140,000
Accrued restructuring expense	-	1,600,000
Accrued preferred stock dividends	-	275,000
Distribution payable on income taxes to Trump Plaza Funding, Inc.	974,000	2,937,000
Other	1,409,000	1,410,000
	$26,504,000	$22,958,000

NOTE 7: OTHER CURRENT LIABILITIES

Other current liabilities as of March 31, consisted of the following:

	1994	1993
Unredeemed chip/token liability	$1,161,000	$1,079,000
Patron deposits	347,000	217,000
Casino reinvestment liability	628,000	766,000
Reserve for insurance claims	3,106,000	2,367,000
Advance room/theater deposits	154,000	113,000
Advances due to Trump Castle Associates	460,000	108,000
Advances due to Trump Penthouse Parcel	-	63,000
Advances due to Seashore Four Associates	586,000	592,000
Advances due to Taj Mahal Associates	185,000	93,000
Other	271,000	425,000
	$6,898,000	$5,823,000

TRUMP PLAZA ASSOCIATES
NOTES TO FINANCIAL STATEMENTS

NOTE 8: LONG-TERM DEBT-DUE TO AFFILIATES

Long-term debt-due to affiliates as of March 31, consisted of the following:

	1994	1993
10 7/8% Partnership Note, net of unamortized discount of $4,051,000, interest payable semi-annually, maturing in 2001.	$325,949,000	$ -
12% Partnership Note, interest payable semi-annually, maturing in 2002.	-	225,000,000
	$325,949,000	$225,000,000

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. Net proceeds of the Offering were used to redeem all of TPF's outstanding $225,000,000 principal amount 12% Mortgage Bonds, due 2002 and together with other funds, $40,000,000 of the Preferred Partnership Interest, $12,000,000 principal amount of the 9.14% Regency Note due 2003, a portion of the Special Distribution and transaction expenses. In exchange for the Mortgage Notes, the Company issued a Partnership Note to TPF.

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 March 31, consisted of the following:

	1994	1993
10% note payable to Harrah's Atlantic City, Inc., interest payable monthly, maturing in 1993	$ -	$ 8,471,000
Regency Note	-	17,500,000
Mortgage notes payable in monthly installments, including interest, with interest rates ranging from 10.0% to 11.0%. The notes are due at various dates between 1994 and 1998 and are secured by certain real property.	6,291,000	7,175,000
Other notes with interest rates ranging from 8.0% to 11.5%, principal and interest payable monthly, secured by automobile and computer equipment	950,000	1,342,000
	7,241,000	34,488,000
Less current maturities	1,659,000	9,997,000
	$5,582,000	$24,491,000

NOTE 10: DEFERRED CREDITS

Deferred credits as of March 31, 1994 and 1993 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 months ended March 31, 1994, and interest on the 12% Partnership Note for the three months ended March 31, 1993.

NOTE 12: NONOPERATING INCOME (EXPENSE) - NET

Nonoperating income (expense) - net for the three months ended March 31, consisted of the following:

	Three Months Ended	
	1994	1993
Interest income	$ 102,000	$ 125,000
Loss on disposal of property and equipment	(3,000)	-
Litigation expense	-	(59,000)
Restructuring expense	(1,000)	-
Nonoperating lease and related costs	(1,283,000)	-
	$(1,185,000)	$ 66,000

NOTE 13: OTHER LIABILITIES

Other liabilities as of March 31, consisted of the following:

	1994	1993
Preferred Partnership Interest	$ -	$58,247,000
Deferred Income Taxes relating to Preferred Partnership Interest	2,949,000	169,000
	$2,949,000	$58,416,000

On June 25, 1993, TPF's Preferred Stock units were redeemed with $40.0 million of the proceeds of the Company's 10 7/8% Mortgage Note as well as Trump Plaza Holding Associates ("Holding")'s $35.0 million of 12 1/2% Pay-In-Kind Notes, due 2003 (the "PIK Notes"). The balance of the Company's preferred partnership interest was converted into and classified as a general partnership interest in accordance with the amended Partnership Agreement.

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 April, 1993, the New Jersey Casino Control Commission ("CCC") renewed the Company's license to operate Trump Plaza. This license must be renewed in June, 1995, is not transferable and will include a review of the financial stability of the Company. Upon revocation, suspension for more than 120 days, or failure to renew the casino license, the Act provides for the mandatory 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 newly formed Partnership beneficially owned 100% by Donald J. Trump ("Trump"), issued $60,000,000 principal amount of 12 1/2% PIK Notes, together with Warrants to acquire an additional $12,000,000 of PIK Notes at no additional cost. The Warrants will be exercisable following the earlier of certain triggering events or June 15, 1996.

The PIK Notes mature on June 15, 2003. The PIK Notes bear interest at the rate of 12 1/2% per annum from the date of issuance, payable semi-annually on each June 15 and December 15, commencing December 15, 1993. At the option of Holding, interest is payable in whole or in part, in cash or, in lieu of cash, through the issuance of additional PIK Notes valued at 100% of their principal amount. Holding has no other assets or business other than its 99% equity interest in the Company. As such, the ability of Holding to pay interest in cash on the PIK Notes is entirely dependent on the ability of the Company to distribute available cash, as defined, to Holding for such purpose. On December 15, 1993 the Company elected to issue, in lieu of cash, an additional $3,562,000 in PIK Notes to satisfy its semi-annual PIK Note interest obligation.

The PIK Notes are subordinate to TPF's Mortgage Notes and any other indebtedness of the Company. The PIK Notes are secured by a pledge of Holding's 99% equity interest in the Company. The indenture to which the PIK Notes were issued (the "PIK Note Indenture") contains covenants prohibiting Holding from incurring additional indebtedness and engaging in other activities, and other covenants restricting the activities of the Company substantially similar to those set forth in the Mortgage Note Indenture. The PIK Note and Warrants are non-recourse to the Partners of Holding, including Trump, and to all other persons and entities (other than Holding). Upon an event of default, holders of PIK Notes or Warrants will

B. Pay-In-Kind Notes cont.

have recourse only to the assets of Holding which consist solely of its equity interest in the Company.

C. Future Expansion

In 1993, the Company received the approval of the CCC, subject to certain conditions, for the expansion of its hotel facilities (the "Boardwalk Expansion Site"). On June 25, 1993, Trump transferred title to the Boardwalk Expansion Site 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 Boardwalk Expansion Site and all rent payments made to such lender by Trump under the Boardwalk Expansion Site Lease. On June 25, 1993, the lender leased the Boardwalk Expansion Site to Trump (the "Boardwalk Expansion Site 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 Boardwalk Expansion Site Lease and related expenses.

On June 25, 1993, the Company acquired a five-year option to purchase the Boardwalk Expansion Site (the "Option"). In addition, the Company has a right of first refusal upon any proposed sale of all or any portion of the Boardwalk Expansion Site during the term of the Option. Until such time as the Option is exercised or expires, the Company will be obligated, from and after the date it entered into the Option, to pay the net expenses associated with the Boardwalk Expansion Site. During the three months ended March 31, 1994 the Company incurred $1.3 million of such expenses. Under the Option, the Company has the right to acquire the Boardwalk Expansion Site for a purchase price of $26.0 million through 1994, increasing by $1.0 million annually thereafter until expiration on June 30, 1998. The CCC has required that the Company exercise the Option for its right of first refusal therein no later than July 1, 1995. If the Company defaults in making payments due under the 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 Option during the term thereof and (b) the cost of demolition of all improvements then located on the Boardwalk Expansion Site.

As of March 31, 1994 the Company had capitalized approximately $4.9 million in construction costs related to the Boardwalk Expansion Site. The Company's ability to acquire the Boardwalk Expansion Site pursuant to the Option would be dependent upon its ability to obtain financing to acquire the property. The ability to incur such indebtedness is restricted by the Indenture and the PIK Note Indenture and requires the consent of certain of Trump's personal creditors. The Company's ability to develop the Boardwalk Expansion Site would be 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 flow from operations. In addition, exercise of the Option requires the consent of

C. Future Expansion cont.

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 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 Option.

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, $290,000 was charged to expense for the period ended March 31, 1994.

E. Advances to Donald J. Trump

In December, 1993, Trump entered into an option agreement (the "Chemical Option Agreement") with Chemical Bank ("Chemical") and ACFH, Inc. ("ACFH") a wholly owned subsidiary of Chemical. The Chemical Option Agreement grants to Trump an option to purchase (i) the Trump Regency (including the land, improvements and personal property used in the operation of the hotel) and (ii) certain promissory notes made by Trump and/or certain of his affiliates and payable to Chemical (the "Chemical Notes") which are secured by certain real estate assets located in New York, unrelated to the Company.

The aggregate purchase price payable for the assets subject to the Chemical Option Agreement is $80 million. Under the terms of the Chemical Option Agreement, $1 million was required to be paid for the option by January 5, 1994. In addition, the Chemical Option Agreement provides for an expiration of the option on May 6, 1994, subject to an extension until June 30, 1994 upon payment of an additional $250,000 on or prior to May 6, 1994. The $1 million payment (and the $250,000 payment, if made) may be credited against the $80 million purchase price. The Chemical Option Agreement does not allocate the purchase price among the assets subject to the option or permit the option to be exercised for some, but not all, of such assets.

In connection with the execution of the Chemical Option Agreement, Trump agreed with the Company that, if Trump is able to acquire the Trump Regency pursuant to the exercise of the option, he would make the Trump Regency available for the sole benefit of the Company on a basis consistent with the Company's contractual obligations and requirements. Trump further agreed that the Company would not be required to pay any additional consideration to Trump in connection with any assignment of the option to purchase the Trump Regency. On January 5, 1994, the Company obtained the approval of the

E. Advances to Donald J. Trump cont.

CCC to make the $1 million payment, which was made on that date. Because of, among other things, the likelihood that a financing transaction that would provide the funds to acquire the assets subject to the Chemical Option Agreement would not be completed by the June 30, 1994 expiration date, the $250,000 payment that was due on or prior to May 6, 1994 in order to extend the option until June 30, 1994 has not been made. Trump, Chemical and ACFH have discussed the terms of an extension of the option exercise period and the modification of other conditions to the Chemical Option Agreement. The partners have reached a tentative agreement in regards to an extension of the option through September 30, 1994 and certain other modifications to the Chemical Option Agreement.

NOTE 15: PROVISION (CREDIT) FOR INCOME TAXES

The credit for state income taxes for the three months ended March 31, consisted of the following:

	Three months ended	
	1994	1993
Current	$ -	$ -
Deferred	(783,000)	(73,000)
Total	$(783,000)	$ (73,000)

TRADING NAME OF LICENSEE: TRUMP PLAZA HOTEL & CASINO

SCHEDULE OF RECEIVABLES AND PATRONS' CHECKS

MARCH 31, 1994

(UNAUDITED)
($ IN THOUSANDS)

		ACCOUNTS RECEIVABLE BALANCES		
LINE (a)	DESCRIPTION (b)	ACCOUNT BALANCE (c)	ALLOWANCE (d)	ACCOUNTS RECEIVABLE–NET OF ALLOWANCE (e)
	Patrons' Checks:			
1	Undeposited patrons' checks	$ 2,547		
2	Returned patrons' checks	12,228		
3	Total patrons' checks	14,775	$ 10,021	$ 4,754
4	Hotel Receivables	1,022	218	804
	Other Receivables:			
5	Receivables due from officers and employees	18		
6	Receivables due from affiliates	–		
7	Other accounts and notes receivables	190		
8	Total other receivables	208	–	208
9	Totals (Form 205)	$ 16,005	$ 10,239	$ 5,766

	UNDEPOSITED PATRONS' CHECKS ACTIVITY	
LINE (f)	DESCRIPTION (g)	AMOUNT (h)
10	Beginning Balance (January 1)	$ 3,074
11	Counter checks issued (excluding counter checks issued through transactions relating to consolidations, partial redemptions, substitutions, and patrons' cash deposits)	23,325
12	Checks redeemed prior to deposit (excluding the unredeemed portion of counter checks redeemed through partial redemptions, and excluding checks, redemmed through transactions relating to consolidations, substitutions, and patrons' cash deposits)	(16,882)
13	Checks collected through deposits	(5,722)
14	Checks transferred to returned checks	(1,248)
15	Other adjustments	–
16	Ending Balance	$ 2,547
17	"Hold Checks" included in Balance on Line 16	$ –
18	Provision for Uncollectible Patrons' Checks	$ 251
19	Provision as a percent of Counter Checks Issued	1.1%

TRADING NAME OF LICENSEE: TRUMP PLAZA HOTEL AND CASINO

PROMOTIONAL EXPENSES AND ALLOWANCES

For the Three Months Ended March 31, 1994

	Promotional Allowances		Promotional Expenses	
	Number of Recipients	Dollar Amount	Number of Recipients	Dollar Amount
Rooms	22,490	$2,144,000	1,793	$ 134,000
Food	200,141	2,602,000	-	-
Beverage	601,044	1,803,000	-	-
Travel	-	-	4,185	628,000
Coin	-	-	559,186	3,937,000
Coupon	60,809	498,000	-	-
Entertainment	13,888	250,000	895	36,000
Retail & Gifts	-	-	20	29,000
Other	18,959	190,000	10,150	254,000
Total	917,331	$7,487,000	576,229	$5,018,000

STATEMENT OF CONFORMITY AND ACCURACY

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

GEORGE T. PAPANIER, 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. The information contained in this Quarterly Report is accurate to the best of my knowledge and belief.

Signature

Vice President of Finance
Title

004859-11
License Number

On Behalf Of:

Subscribed and sworn to
before me this 12 day
of May, 1994

Signature

Sherry A. Field
NOTARY PUBLIC OF NEW JERSEY
MY COMMISSION EXPIRES JULY 26, 1994

Basis of Authority
to Take Oaths

4/86

CCC-250

974.901
C193

PROPERTY OF NEW JERSEY STATE LIBRARY
JUN - 6 1994
185 W. STATE ST.
TRENTON, N.J.

QUARTERLY REPORT

LICENSEE TRUMP TAJ MAHAL CASINO RESORT

ADDRESS 1000 BOARDWALK

ATLANTIC CITY, NEW JERSEY 08401

FOR THE QUARTER ENDED MARCH 31, 1994

TO THE

CASINO CONTROL COMMISSION

OF THE

STATE OF NEW JERSEY

RECEIVED
FEU
MAY 17 1994
CASINO CONTROL
COMMISSION

NAME OF OFFICER IN CHARGE
OF CORRESPONDENCE REGARDING
THIS QUARTERLY REPORT..... R. BRUCE MCKEE

OFFICIAL TITLE..... SENIOR VICE PRESIDENT, FINANCE

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 MARCH 31, 1994.

TITLE	FORM NO.
Balance Sheets	CCC-205
Statements of Income (Year)	CCC-210
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	
Schedule of Receivables and Patrons' Checks	CCC-240
Promotional Expenses and Allowances	CCC-245
Statement of Conformity and Accuracy	CCC-250

TRADING NAME OF LICENSEE: TRUMP TAJ MAHAL CASINO RESORT

BALANCE SHEETS

MARCH 31, 1994 AND 1993

(UNAUDITED)
($ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)		MARCH (c) 1994	MARCH (d) 1993
	ASSETS			
	Current Assets:			
1	Cash and cash investments		$ 72,860	$ 53,996
2	Marketable securities		-	-
3	Receivables and patrons' checks (net of allowance for doubtful accounts - 1994, $3,724; 1993, $4,762)		12,477	13,156
4	Inventories		5,024	2,707
5	Prepaid expenses and other current assets		2,583	2,145
6	Total current assets		92,944	72,004
7	Investment, Advances, and Receivables - CRDA		7,752	4,984
8	Property and Equipment - Gross	NOTE 3	866,438	850,397
9	(Accumulated Depreciation/Amortization)	NOTE 3	(149,987)	(113,698)
10	Other Assets		2,091	1,211
11	Total Assets		$ 819,238	$ 814,898
	LIABILITIES AND EQUITY			
	Current Liabilites:			
12	Accounts Payable		$ 5,800	$ 4,799
13	Notes Payable		-	-
	Current portion of long-term debt:			
14	Due to affiliates		-	-
15	Other	NOTES 2 & 4	735	460
16	Income taxes payable and accrued		-	-
17	Other accrued expenses	NOTE 5	55,712	51,153
18	Other current liabilities	NOTE 6	8,999	6,574
19	Total current liabilities		71,246	62,986
	Long-Term Debt:			
20	Due to affiliates	NOTES 2 & 4	584,859	553,817
21	Other	NOTES 2 & 4	45,166	45,435
22	Deferred Credits		-	-
23	Other Liabilities	NOTE 7	32,513	35,201
24	Commitments and Contingencies	NOTE 10		
25	Total Liabilities		733,784	697,439
26	Stockholders', Partners', or Proprietor's Equity		85,454	117,459
27	Total Liabilities and Equity		$ 819,238	$ 814,898

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 MARCH 31, 1994 AND 1993

(UNAUDITED)

($ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1994	(d) 1993
	REVENUE:		
1	Casino	$ 100,283	$ 99,230
2	Rooms	8,772	8,436
3	Food and Beverage	12,963	12,665
4	Other	3,852	3,829
5	Total Revenue	125,870	124,160
6	Less: Promotional allowances	13,884	12,924
7	Net Revenue	111,986	111,236
	COSTS AND EXPENSES:		
8	Cost of Goods and Services	57,854	54,555
9	Selling, General and Administrative	34,162	31,926
10	Provision for Doubtful Accounts	862	821
11	Total Costs and Expenses	92,878	87,302
12	Gross Operating Profit	19,108	23,934
13	Depreciation and Amortization	9,505	9,192
	Charges from Affiliates other than Interest:	-	-
14	Management Fees	-	-
15	Other NOTE 8	1,082	1,113
16	Income (Loss) From Operations	8,521	13,629
	Other Income (Expenses):		
17	Interest (Expenses) - Affiliates NOTE 4	(26,241)	(25,043)
18	Interest (Expenses) - External NOTE 4	(2,831)	(1,186)
19	Investment Alternative Tax and Related Income(Expense) - Net	(620)	(614)
20	Nonoperating Income (Expense) - Net NOTE 9	410	211
21	Total Other Income (Expenses)	(29,282)	(26,632)
22	Income (Loss) Before Income Taxes and Extraordinary Items	(20,761)	(13,003)
23	Provision (Credit) for Income Taxes	-	-
24	Income (Loss) Before Extraordinary Items	(20,761)	(13,003)
25	Extraordinary Items	-	-
26	Net Income (Loss)	$ (20,761)	$ (13,003)

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: TRUMP TAJ MAHAL CASINO RESORT

STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY

FOR THE THREE MONTHS ENDED MARCH 31, 1994 AND 1993

(UNAUDITED)

($ IN THOUSANDS)

NOT APPLICABLE

LINE	DESCRIPTION	1994		1993	
		(C) SHARES	(D) DOLLARS	(E) SHARES	(F) DOLLARS
	Common Stock:				
1	Beginning Balance (January 1)		$		$
2	Sale of Stock				
3	_____				
4	Ending Balance				
	Preferred Stock:				
5	Beginning Balance (January 1)				
6	Sale of Stock				
7	_____				
8	Ending Balance				
	Additional Paid-in Capital:				
9	Beginning Balance (January 1)				
10	_____				
11	_____				
12	Ending Balance				
	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)				
26	Prior Period Adjustments				
27	Net Income (Loss)				
28	Dividends		( )		( )
29	_____				
30	_____				
31	Ending Balance				
32	Ending Stockholders' Equity		$		$

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 THREE MONTHS ENDED MARCH 31, 1994 AND 1993

(UNAUDITED)

($ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1994	(d) 1993
	Invested Capital:		
1	Beginning Balance	$ 123,745	$ 123,745
2	Capital Contributions	0	0
3	_____	0	0
4	Ending Balance	123,745	123,745
	Accumulated Income (Loss):		
5	Beginning Balance	(13,566)	8,973
6	Prior Period Adjustments	0	0
7	Net Income (Loss)	(20,761)	(13,003)
8	_____	0	0
9	Ending Balance	(34,327)	(4,030)
	Capital Withdrawals:		
10	Beginning Balance	(3,558)	(1,825)
11	Additional Capital Withdrawals	-	-
12	Partnership Distribution NOTE 10	(406)	(431)
13	Ending Balance	(3,964)	(2,256)
	Net Unrealized Loss On Noncurrent Marketable Equity Securities:		
14	Beginning Balance	-	-
15	_____	-	-
16	_____	-	-
17	Ending Balance	0	0
18	Ending Partners' or Proprietor's Equity	$ 85,454	$ 117,459

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: TRUMP TAJ MAHAL CASINO RESORT

STATEMENT OF CASH FLOWS

FOR THE THREE MONTHS ENDED MARCH 31, 1994 AND 1993

(UNAUDITED)
($ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1994	(d) 1993
1	Net Cash Provided (Used) by Operating Activities	$ 19,923	$ 25,540
	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	(3,122)	(3,696)
5	Proceeds from Disposition of Property and Equipment	-	-
6	Purchase of Casino Reinvestment Obligations	(1,353)	(1,233)
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	(4,475)	(4,929)
	Cash Flows from Financing Activites:		
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	(206)	(226)
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	-	-
22	Partnership Distribution	(406)	(431)
23	Net Cash Provided (Used) by Financing Activites	(612)	(657)
24	Net Increase (Decrease) in Cash and Cash Equivalents	14,836	19,954
25	Cash and Cash Equivalents at Beginning of Period	58,024	34,042
26	Cash and Cash Equivalents at End of Period	$ 72,860	$ 53,996

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

	Cash Paid During Period for:		
27	Interest (Net of Amount Capitalized)	$ 1,764	$ 1,215
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: TRUMP TAJ MAHAL CASINO RESORT

STATEMENT OF CASH FLOWS

FOR THE THREE MONTHS ENDED MARCH 31, 1994 AND 1993

(UNAUDITED)
($ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1994	(d) 1993
	Net Cash Flows from Operating Activities:		
29	Net Income (Loss)	$ (20,761)	$ (13,003)
	Noncash Items Included in Income and Cash Items Excluded from Income:		
30	Depreciation and Amortization of Property and Equipment	9,505	9,192
31	Amortization of Other Assets	-	-
32	Amortization of Debt Discount or Premium	4,395	3,677
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	733	617
37	(Gain Loss from Other Investment Activities	-	-
38	Net (Increase) Decrease in Receivables and Patrons' Checks	557	1,069
39	Net (Increase) Decrease in Inventories	(339)	366
40	Net (Increase) Decrease in Other Current Assets	1,403	1,526
41	Net (Increase) Decrease in Other Assets	(298)	(183)
42	Net Increase (Decrease) in Accounts Payables	1,866	(360)
43	Net Increase (Decrease) in Other Current Liabilities Excluding Debt	18,661	18,822
44	Net Increase (Decrease) in Other Noncurrent Liabilities Excluding Debt	3,718	3,401
45	Net Increase in Notes Payable	-	-
46	Costs related to lease guarantee	483	416
47	Net Cash Provided (Used) by Operating Activites	$ 19,923	$ 25,540

SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING AND FINANCING ACTIVITIES

	Acquisition of Property and Equipment:		
48	Additions to Property and Equipment	$ 3,122	$ 3,763
49	Less: Captial Lease Obligations Incurred	-	(67)
50	Cash Outflows for Property and Equipment	$ 3,122	$ 3,696
	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
MARCH 31, 1994
(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. As part of the Plan of Reorganization (Note 2), 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., (the"Company") 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 its 14% First Mortgage Bonds, Series A, due 1998 (the "Old Bonds"), the proceeds of which were loaned to the Partnership for construction of the Taj Mahal. The Old Bonds were subsequently exchanged for the Company's 11.35% Mortgage Bonds, Series A, due 1999 (the "New Bonds"), as more fully described in Note 3. Since the Company has no business operations, its ability to repay the principal and interest on the New Bonds is completely dependent on the operations of the Partnership.

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.

The casino industry in Atlantic City is seasonal in nature, therefore, results of operations for the three months ended March 31, 1994 are not necessarily indicative of the operating results for a full year.

NOTE 2 - PLAN OF REORGANIZATION

On July 16, 1991, the Company, the Partnership, and its general partners filed a voluntary petition for relief under chapter 11 of title 11, United States Code (the "Bankruptcy Code"). On July 17, 1991 these entities filed a Plan of Reorganization, as amended (the "Plan"). The Plan was confirmed by the Bankruptcy Court on August 28, 1991 and the Plan was consummated on October 4, 1991 (the "Effective

Date"). Pursuant to the terms of the Plan, the Old Bonds were exchanged for the New Bonds and certain modifications were made to the terms of bank borrowings, and amounts owed to both Donald J. Trump and his affiliates. In addition, approximately 50% of the ownership interest in the Partnership was transferred indirectly to the holders of the Old Bonds. Since the Company has no business operations, its ability to repay the principal and interest on the New Bonds is completely dependent on the operations of the Partnership.

In accordance with AICPA Statement of Position 90-7, "Financial Reporting By Entities in Reorganization Under the Bankruptcy Code", the New Bonds when issued were stated at the present value of amounts to be paid. The effective interest rate of the New Bonds was determined based on the trading price of the New 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 New Bonds. This gain is being offset by increased interest costs over the period of the New Bonds to accrete such bonds to their face value at maturity. At March 31, 1994 the unaccreted balance of this discount approximated $168,022,000. The current interest rates of other borrowings approximated their stated interest rates as of the Effective Date.

NOTE 3 - PROPERTY AND EQUIPMENT

	March 31,	
	1994	1993
	(in thousands)	
Land	$ 37,291	$ 37,291
Buildings	649,218	640,824
Furniture, fixtures and equipment	148,876	145,005
Leasehold improvements	31,053	27,277
Total	866,438	850,397
Less Accumulated Depreciation	(149,987)	(113,698)
Net Property and Equipment	$716,451	$736,699

NOTE 4 - LONG TERM DEBT

Long term debt consisted of the following at March 31:

	1994	1993
		(in thousands)
Long-term Portion		
Due to affiliates:		
Trump Taj Mahal Funding, Inc.	$752,881	$738,302
Unamortized discount	(168,022)	(184,485)
Net	$584,859	$553,817
Other:		
Bank term loan	$ 45,077	$ 45,257
Other	89	178
Total other	$ 45,166	$ 45,435
Current Portion		
Other:		
Bank term loan	$ 180	$ 164
Other	555	296
Total other	$ 735	$ 460

	Three months ended March 31,	
	1994	1993
		(in thousands)
Interest Expense - Affiliates		
Trump Taj Mahal Funding, Inc.	$ 21,363	$ 20,949
Accretion - bond discount	4,395	3,677
Accretion - lease guarantee	483	417
Total	$ 26,241	$ 25,043
Interest Expense - External		
Bank term loan	$ 1,062	$ 1,065
Other	10	106
Working Capital line of credit	109	15
Refinancing Costs	1,650	-
Total	$ 2,831	$ 1,186

Borrowings:

The New Bonds bear interest at 11.35% per annum payable semi-annually on May 15 and November 15. Interest on the New 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, on each May 15 an additional amount of interest (the "Additional Amount") in cash or additional New Bonds, or a combination thereof, is payable equal to the difference between 11.35% of the outstanding principal amount of the New Bonds and the Mandatory Cash Interest Amount paid on that date and the immediately preceding November 15. To the extent that there is Excess Available Cash Flow ("EACF") of the Partnership, as defined, for the immediately preceding calendar year, the Company will pay the Additional Amount in cash up to 10.28% and the balance thereof may be paid at the option of the Company in cash or additional New Bonds provided that an equivalent amount of cash is used to purchase or redeem New Bonds. For the period from the Effective Date through December 31, 1992, there was no EACF. Accordingly, the Company 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 New Bonds. Of the $14,869,000 Additional Amount due May 15, 1994, the Partnership will satisfy $2,621,000 in cash from EACF and the $12,248,000 balance in New Bonds.

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. Interest on advances under the line is at prime plus 4% with a minimum of 9% per annum. The Agreement provides for a 1% annual fee and a 3/4% unused line fee and contains various covenants during the term of the facility. During 1994 and 1993, no amounts were outstanding under the line.

Proposed Recapitalization:

On April 1, 1994, the Partnership and the Company filed a Registration Statement on Form S-4 with the SEC relating to a proposed recapitalization which would include (i) an exchange offer with the holders of the Bonds, (ii) an acquisition by Donald J. Trump of all the Holding Class A Common Stock for a cash price of $29.50 per share, (iii) the repayment of certain indebtedness of the Partnership and certain of its affiliates and (iv) a new financing by an affiliate of the Partnership, the proceeds of which, together with certain cash on hand of the Partnership and certain new borrowings by the Partnership, would be used to fund the cash requirements for the transaction. The Partnership has obtained an agreement from certain holders of New Bonds (with respect to approximately 12.9% of the outstanding New Bonds) and Holding Class A Common Stock (with respect to approximately 52% of the outstanding shares of Holding Class A Common Stock) to participate in the proposed recapitalization and to agree to certain transfer restrictions with respect to all or a portion of their securities. The foregoing agreements will cease to be binding if the Registration Statement shall not have been declared effective and the exchange offer

shall not have commenced by June 1, 1994 or if the recapitalization shall not have been consummated by June 30, 1994. Reference should be made to the Registration Statement for a complete description of such proposed recapitalization. No definitive agreements exist with respect to any such transaction, and there can be no assurance that such recapitalization will be commenced or consummated, or if consummated as to its ultimate terms. The transactions comprising the recapitalization would be subject, among other conditions, to receipt of a number of consents and approvals and to the receipt of the necessary financing.

NOTE 5 - OTHER ACCRUED EXPENSES

	March 31, 1994	March 31, 1993
	(in thousands)	
Accrued interest	$ 29,106	$ 25,972
Accrued advertising	2,764	2,396
Accrued payroll & related	12,989	12,714
Progressive jackpot	2,287	2,264
Accrued taxes	2,912	2,705
Other	** 5,654	** 5,102
Total	$ 55,712	$ 51,153

** None of the individual components of Other exceed 5% of the total.

NOTE 6 - OTHER CURRENT LIABILITIES

	March 31, 1994	March 31, 1993
	(in thousands)	
Affiliates:		
Donald J. Trump	$ (20)	$ 258
Trump's Castle Associates	160	366
Trump Plaza Associates	(206)	(93)
Helicopter Air Service	(43)	(43)
	(109)	488
Advance deposits	1,014	536
Unredeemed chip liability	1,890	1,735
Insurance reserves	5,569	3,216
Other	635	599
	9,108	6,086
Total	$ 8,999	$ 6,574

NOTE 7 - OTHER LIABILITIES

Other liabilities at March 31, consisted of the following (in thousands):

	1994	1993
Deferred taxes	$ 7,155	$ 7,155
Insurance reserves	1,637	1,637
Accrued interest - Long Term	10,390	12,759
Accounts payable - Long Term	-	1,000
Lease guarantee	13,214	11,384
Other	117	1,266
	$32,513	$35,201

NOTE 8 - CHARGES FROM AFFILIATES

	Three months ended March 31,	
	1994	1993
	(in thousands)	
Other:		
Rent	$ 681	$ 681
Allocated salaries	202	149
Trump Services Agreement	199	283
	$ 1,082	$ 1,113

NOTE 9 - NON-OPERATING INCOME (EXPENSE)

	Three months ended March 31,	
	1994	1993
	(in thousands)	
Interest Income	$ 410	$ 211
	$ 410	$ 211

NOTE 10 - 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 March 15, 1993, the CCC renewed the casino license of the Partnership through March 31, 1995.

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, including certain claims initiated in the Bankruptcy Court. 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 three months ended March 31, 1994 and 1993 approximated $406,000 and $431,000, respectively.

NOTE 11 - JACKPOT PAYOUTS IN MERCHANDISE

The Company purchased motor vehicles and antique slot machines to be used as jackpot payouts. This merchandise was accounted for as operating expenses of the Slot Department which are included in the accompanying statements of income as costs of goods and services.

	Three months ended March 31,	
	1994	1993
Merchandise - jackpot payouts	$29,209	$22,896

TRADING NAME OF LICENSEE: TRUMP TAJ MAHAL CASINO RESORT

SCHEDULE OF RECEIVABLES AND PATRONS' CHECKS

MARCH 31, 1994

($ IN THOUSANDS)

ACCOUNTS RECEIVABLE BALANCE				
LINE (a)	DESCRIPTION (b)	ACCOUNT BALANCE (c)	ALLOWANCE (d)	ACCOUNTS RECEIVABLE-NET OF ALLOWANCE (e)
	Patrons' Checks:			
1	Undeposited Patrons' Checks	$ 7,603		
2	Returned Patrons' Checks	6,313		
3	Total Patrons' Checks	13,916	$ (3,491)	$ 10,425
4	Hotel Receivables	1,973	(233)	1,740
	Other Receivables:			
5	Receivables Due From Officers and Employees	0		
6	Receivables Due From Affiliates	0		
7	Other Accounts and Notes Receivables	312		
8	Total Other Receivables	312	0	312
9	Totals (Form 205)	$ 16,201	$ (3,724)	$ 12,477

UNDEPOSITED PATRONS' CHECKS ACTIVITY		
LINE (f)	DESCRIPTION (g)	AMOUNT (h)
10	Beginning Balance (January 1)	$ 8,027
11	Counter Checks Issued (excluding counter checks issued through transactions relating to consolidations, partial redemptions, substitutions, and patrons' cash deposits)	60,002
12	Checks Redeemed Prior to Deposit (excluding the unredeemed portion of counter checks redeemed through partial redemptions, and excluding checks redeemed through transactions relating to consolidations, substitutions, and patrons' cash deposits)	(45,710)
13	Checks Collected Through Deposits	(12,474)
14	Checks Transferred to Returned Checks	(2,242)
15	Other Adjustments	0
16	Ending Balance	$ 7,603
17	"Hold" Checks Included in Balance on Line 16	$ 0
18	Provision for Uncollectible Patrons' Checks	$ 840
19	Provision as a Percent of Counter Checks Issued	1.4%

TRADING NAME OF LICENSEE: TRUMP TAJ MAHAL CASINO RESORT

PROMOTIONAL EXPENSES AND ALLOWANCES

($ IN THOUSANDS)

FOR THE THREE MONTHS ENDED MARCH 31, 1994

	PROMOTIONAL ALLOWANCES		PROMOTIONAL EXPENSE	
	# OF RECIPIENTS	DOLLAR AMOUNTS	# OF RECIPIENTS	DOLLAR AMOUNTS
Rooms	44,429	$ 5,379		$
Food	435,323	4,928		
Beverage	1,308,017	2,413		
Travel			6,991	739
Coin			603,611	9,118
Coupon	31,712	208		
Entertainment	41,611	774		
Retail & Gifts			3,010	107
Other	8,891	182	29,675	2,245
Total	1,869,983	$13,884	643,287	$12,210

STATEMENT OF CONFORMITY AND ACCURACY

STATE OF NEW JERSEY :

:SS.

COUNTY OF ATLANTIC :

R. BRUCE MCKEE , 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.

R. Bruce McKee
SIGNATURE

Senior Vice President, Finance
TITLE

0548-11
LICENSE NUMBER

Subscribed and Sworn to before me
this 13th day of May, 1994

Maryann S. Connor
Signature

MARYANN S. CONNOR
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Jan. 11, 1998
Basis of Authority
to Take Oaths

On Behalf Of:

Trump Taj Mahal Associates
Casino Licensee