

QUARTERLY REPORT

974-901
C183

LICENSEE ATLANTIC CITY SHOWBOAT, INC.

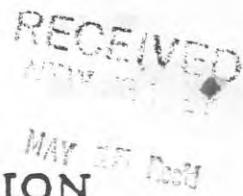
ADDRESS PO BOX 840

ATLANTIC CITY, NJ 08401



FOR THE QUARTER ENDED MARCH 31, **19**91

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



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

MARK J. MILLER

OFFICIAL TITLE

VICE PRESIDENT/FINANCE

ADDRESS

PO BOX 840

ATLANTIC CITY, NJ 08401

TRADING NAME OF LICENSEE ATLANTIC CITY SHOWBOAT, INC.

LIST OF FORMS — QUARTERLY REPORT

FOR THE QUARTER ENDED MARCH 31, 1991

<u>TITLE</u>	<u>FORM NO.</u>
Balance Sheets	CCC-205
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TRADING NAME OF LICENSEE: ATLANTIC CITY SHOWBOAT, INC.

BALANCE SHEET

MARCH 31, 1991 AND 1990
(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 19 91	(d) 19 90
ASSETS			
Current Assets:			
1	Cash	\$ 22,269	\$ 27,829
2	Marketable securities	0	0
3	Receivables and patrons' checks (net of allowances for doubtful accounts - 19_91_ \$ 5,223 ; 19_90_ \$ 6,111 ) .....NOTE 3.	5,584	9,392
4	Inventories	2,204	2,757
5	Prepaid expenses and other current assets.....	3,016	3,325
6	Total current assets	33,073	43,303
7	Investments, Advances, And Receivables .....NOTE 2 & 15	18,286	20,369
8	Property And Equipment - Net .....NOTE 4	210,688	216,844
9	Other Assets	9,901	10,854
10	Total Assets	\$ 271,948	\$ 291,370
LIABILITIES AND EQUITY			
Current Liabilities:			
11	Accounts payable	\$ 4,099	\$ 6,069
12	Notes payable	0	0
Current portion of long-term debt:			
13	Due to affiliates	0	0
14	Other .....NOTE 8	3,009	2,805
15	Income taxes payable and accrued.....	1,855	0
16	Other accrued expenses .....NOTE 5	12,464	13,663
17	Other current liabilities .....NOTE 6	7,503	1,631
18	Total current liabilities	28,930	24,168
Long-Term Debt:			
19	Due to affiliates .....NOTE 7	161,540	180,000
20	Other .....NOTE 8	8,714	11,640
21	Deferred Credits	4,010	1,418
22	Other Liabilities	25,418	42,671
23	Commitments And Contingencies .....NOTE 15		
24	Total Liabilities	228,612	259,897
25	Stockholders', Partners', Or Proprietor's Equity.....	43,336	31,473
26	Total Liabilities And Equity	\$ 271,948	\$ 291,370

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, 1991 AND 1990
(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 19 91	(d) 19 90
	Revenue:		
1	Casino	\$ 53,103	\$ 60,904
2	Rooms	2,256	2,249
3	Food and beverage	6,897	9,503
4	Other	805	1,063
5	Total revenue	63,061	73,719
6	Less: Promotional allowances .....NOTE 14	4,873	6,794
7	Net revenues	58,188	66,925
	Costs And Expenses:		
8	Costs of goods and services	37,122	42,624
9	Selling, general, and administrative	11,618	15,142
10	Provision for doubtful accounts	779	1,257
11	Depreciation and amortization	5,077	4,407
12	Charges from affiliates other than interest: Management fees .....NOTE 2	0	3,682
13	Other	0	0
14	Total costs and expenses	54,596	67,112
15	Income (Loss) From Operations	3,592	(187)
	Other Income (Expenses):		
16	Interest (expense) - affiliates .....NOTE 7	(4,594)	(5,118)
17	Interest (expense) - external	(466)	(593)
18	Investment alternative tax and related income (expense) - net	(217)	(249)
19	Nonoperating income (expense) - net .....NOTE 10	357	706
20	Total other income (expenses)	(4,920)	(5,254)
21	Income (Loss) Before Income Taxes And Extraordinary Items	(1,328)	(5,441)
22	Provision (credit) for income taxes .....NOTE 13	(503)	(1,897)
23	Income (Loss) Before Extraordinary Items	(825)	(3,544)
24	Extraordinary items (net of income taxes - 19 91, \$ _____ ; 19 90, \$ _____)	0	0
25	Net Income (Loss)	\$ (825)	\$ (3,544)

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, 1991 AND 1990
(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 19 91	(d) 19 90
	Revenue:		
1	Casino	\$ 53,103	\$ 60,904
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12	Charges from affiliates other than interest:		
	Management fees	0	3,682
13	Other	0	0
14	Total costs and expenses	54,596	67,112
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23	Income (Loss) Before Extraordinary Items	(825)	(3,544)
24	Extraordinary items (net of income taxes - 19 91, \$ _____ ; 19 90, \$ _____)	0	0
25	Net Income (Loss)	\$ (825)	\$ (3,544)

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, 1991 AND 1990

(UNAUDITED)

(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	1991		1990	
		(c) SHARES	(d) DOLLARS	(e) SHARES	(f) DOLLARS
1	Common Stock: 2500 SHARES AUTHORIZED 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
5	Preferred Stock: Beginning balance (January 1)				
6	Sale of stock				
7	_____				
8	Ending balance				
9	Additional Paid-in Capital: Beginning balance (January 1)	XXXXXXXXXXXXXXXXXX		XXXXXXXXXXXXXXXXXX	
10	_____	XXXXXXXXXXXXXXXXXX		XXXXXXXXXXXXXXXXXX	
11	_____	XXXXXXXXXXXXXXXXXX		XXXXXXXXXXXXXXXXXX	
12	Ending balance	XXXXXXXXXXXXXXXXXX		XXXXXXXXXXXXXXXXXX	
13	Treasury Stock: Beginning balance (January 1)		()		()
14	Purchase of additional stock		()		()
15	Sale or retirement of stock				
16	Ending balance		()		()
17	Subscriptions Receivable For Capital Stock: Beginning balance (January 1)		()		()
18	_____				
19	_____				
20	Ending balance		()		()
21	Net Unrealized Loss On Noncurrent Marketable Equity Securities: Beginning balance (January 1)	XXXXXXXXXXXXXXXXXX	()	XXXXXXXXXXXXXXXXXX	()
22	_____	XXXXXXXXXXXXXXXXXX		XXXXXXXXXXXXXXXXXX	
23	_____	XXXXXXXXXXXXXXXXXX		XXXXXXXXXXXXXXXXXX	
24	Ending balance	XXXXXXXXXXXXXXXXXX	()	XXXXXXXXXXXXXXXXXX	()
25	Retained Earnings: Beginning balance (January 1)	XXXXXXXXXXXXXXXXXX	(32,748)	XXXXXXXXXXXXXXXXXX	(34,892)
26	Prior period adjustments	XXXXXXXXXXXXXXXXXX		XXXXXXXXXXXXXXXXXX	
27	Net income (loss)	XXXXXXXXXXXXXXXXXX	(825)	XXXXXXXXXXXXXXXXXX	(3,544)
28	Dividends	XXXXXXXXXXXXXXXXXX		XXXXXXXXXXXXXXXXXX	(7,000)
29	_____	XXXXXXXXXXXXXXXXXX		XXXXXXXXXXXXXXXXXX	
30	_____	XXXXXXXXXXXXXXXXXX		XXXXXXXXXXXXXXXXXX	
31	Ending balance	XXXXXXXXXXXXXXXXXX	(33,573)	XXXXXXXXXXXXXXXXXX	(45,436)
32	Ending Stockholder's Equity	XXXXXXXXXXXXXXXXXX	43,336	XXXXXXXXXXXXXXXXXX	31,473

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 PARTNERS' OR PROPRIETOR'S EQUITY

FOR THE _____ MONTHS ENDED _____, 19 ____ AND 19 ____

(UNAUDITED)
(\$ IN THOUSANDS)

NOT APPLICABLE

LINE (a)	DESCRIPTION (b)	(c) 19 ____	(d) 19 ____
	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	\$	\$

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, 1991 AND 1990
(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 19 91	* Revised (d) 19 90
1	Net Cash Provided(Used) By Operating Activities	\$ (9,075)	\$ (3,377)
2	Cash Flows From Investing Activities:		
	Purchase of short-term investment securities		
3	Proceeds from the sale of short-term investment securities		
4	Cash outflows for property and equipment	(2,495)	(5,378)
5	Proceeds from disposition of property and equipment	393	0
6	Purchase of casino reinvestment obligatons	(660)	(702)
7	Purchase of other investments and loans/advances made	2,515	0
8	Proceeds from disposal of investments and collection of advances and long-term receivables		(2,023) *
9	Cash outflows to acquire business entities		
10	.....	0	
11	.....	
12	Net Cash Provided (Used) By Investing Activities	(247)	(8,103)
13	Cash Flows From Financing Activities:		
	Cash proceeds from issuance of short-term debt		
14	Payments to settle short-term debt		
15	Cash proceeds from issuance of long-term debt		
16	Cost of issuing debt		
17	Payments to settle long-term debt	(709)	(655)
18	Cash proceeds from issuing stock or capital contributions		
19	Purchases of treasury stock		
20	Payments of dividends or capital withdrawals	0	
21	.....NOTE 17.....	0	
22	.....	
23	Net Cash Provided (Used) By Financing Activities	(709)	(655)
24	Net Increase (Decrease) In Cash And Cash Equivalents	(10,031)	(12,135)
25	Cash And Cash Equivalents At Beginning Of Years	32,300	39,964
26	Cash And Cash Equivalents At End Of Years	\$ 22,269	\$ 27,829

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

27	Cash Paid During Period For: Interest (net of amount capitalized)	\$ 9,331	\$ 10,695
28	Income taxes	\$ 650	\$ 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 ATLANTIC CITY SHOWBOAT, INC.

STATEMENTS OF CASH FLOWS

FOR THE THREE MONTHS ENDED MARCH 31, 1991 AND 1990
(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 19 91	(d) 19 90
	Net Cash Flows From Operating Activities:		
29	Net income (loss)	\$ (825)	\$ (3,544)
	Noncash items included in income and cash items excluded from income:		
30	Depreciation and amortization of property and equipment	5,077	4,407
31	Amortization of other assets	122	136
32	Amortization of debt discount or premium		
33	Deferred income taxes - current		
34	Deferred income taxes - noncurrent	37	
35	(Gain) loss on disposition of property and equipment	152	9
36	(Gain) loss on casino reinvestment obligations	217	249
37	(Gain) loss from other investment activities		
38	Net (increase) decrease in receivables and patrons' checks	1,100	776
39	Net (increase) decrease in inventories	6	(249)
40	Net (increase) decrease in other current assets	(521)	(1,267)
41	Net (increase) decrease in other assets	(145)	(228)
42	Net increase (decrease) in accounts payables	(1,049)	(1,617)
43	Net increase (decrease) in other current liabilities excluding debt.....	(5,668)	(6,465)
44	Net increase (decrease) in other noncurrent liabilities excluding debt.....	(7,578)	4,416
45	.....		0
46	.....	0	
47	Net Cash Provided (Used) By Operating Activities	\$ (9,075)	\$ (3,377)

SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING AND FINANCING ACTIVITIES

48	Acquisition Of Property And Equipment: Additions to property and equipment	\$ 2,495	\$ 5,378
49	Less: Capital lease obligations incurred		
50	Cash Outflows For Property And Equipment	\$ 2,495	\$ 5,378
51	Acquisition Of Business Entries: 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	\$	\$
57	Stock Issued Or Capital Contributions: 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	\$	\$
	Non cash dividend to SBI		7,000 *

ATLANTIC CITY SHOWBOAT, INC.
NOTES TO FINANCIAL STATEMENTS

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. Disclosure

In accordance with the Quarterly Report Instructions, we have not submitted updated information for the summary of significant accounting policies, aggregate maturities of long term debt, future lease obligations and the reconciliation of the provision for income taxes to the statutory rate. There have been no significant changes to the information submitted in our December 31, 1990 Annual Report.

Cash and Cash Equivalents

Included in cash are cash equivalents of \$12,210,000 and \$20,610,000 as of March 31, 1991 and 1990, respectively.

For financial statement purposes, the Company considers all highly liquid purchases with an original maturity of three months or less to be cash equivalents.

2. RELATED PARTY TRANSACTIONS

In November 1985, ACS and SBI entered into a Parent Services Agreement whereby SBI has agreed to provide ACS with executive, financial, data processing, legal, marketing, tax planning and compliance, and administrative services. SBI's services are intended to support and supplement the routine functions and responsibilities of the ACS staff and are not intended to substitute for ACS's performance or OSI's oversight responsibilities. In addition to the services outlined above, SBI has also granted ACS a non-exclusive right to the use of each of SBI's trademarks, service marks, trade names and logos in the operation of ACS's business, including the registered trademark "Showboat".

In consideration for such services and license, ACS has agreed to pay SBI a fee equal to five percent of gross revenues, payable on a quarterly basis. The Bond Indenture of OSF provides that this management fee may not be paid during any period in which certain tests are not met.

ATLANTIC CITY SHOWBOAT, INC.
NOTES TO FINANCIAL STATEMENTS
(continued)

2. RELATED PARTY TRANSACTIONS CONTINUED

On March 22, 1991 the New Jersey Casino Control Commission, (the Commission), approved a December, 1990 amendment to the Parent Services Agreement in which SBI and ACS agreed effective January 1, 1990 to cancel and terminate the ACS's obligation to pay management fees to SBI during the period from January 1, 1990 until the fees accrued prior to January 1, 1990 (approximately \$25,000,000 net of federal income taxes of \$14,542,000) are paid in full to SBI and that upon payment in full, the obligation to pay fees will recommence for periods beginning after payment of the accrued fees. Currently, accrued management fees can be paid once earnings before interest expense and income taxes on a rolling twelve-month basis is 1.5 times the interest expense for the next twelve months (Threshold). As a result of the ACS's 1990 operating results, ACS's 1990 bond repurchase which resulted in a \$6,015,000 pre-tax gain and a \$2,100,000 expected reduction in interest expense in the next twelve months, ACS met the Threshold and paid \$5,000,000 (net of federal income taxes of \$2,575,000) in management fees to SBI in January 1991. Further, the Commission ruled that all payments of management fees must receive prior approval of the Commission.

For the three months ended March 31, 1991 and 1990, management fee expenses of -0- and \$3,682,000 have been incurred respectively. As of March 31, 1991 and 1990 management fees of \$31,418,000 and \$42,672,000 have accrued, respectively. Investments advances and receivables balance of \$18,286,000 and \$20,369,000 at March 31, 1991 and 1990 include \$12,053,000 and \$15,648,000 (receivables from SBI related to federal income taxes related to the management fee).

ATLANTIC CITY SHOWBOAT, INC.
NOTES TO FINANCIAL STATEMENTS
(continued)

2. RELATED PARTY TRANSACTIONS CONTINUED

On March 18, 1987, OSFC issued \$180,000,000 of Bonds, with interest payable semi-annually at the annual rate of 11.375%. The proceeds and related issuance costs of the Bonds were subsequently transferred to the Company in exchange for a promissory note containing the same terms and conditions to which OSFC is subject. OSFC is required to redeem, on March 15 in each year, commencing in 1994 and ending in 2001, \$18,000,000 of Bonds at a redemption price equal to 100% of the principal amount thereof. During the year ended December 31, 1990, the Company purchased \$18,460,000 face value of the Bonds. The Company can apply these purchased Bonds toward the required redemptions which, if applied, would satisfy the requirement for March 15, 1994. The Bonds are secured by a leasehold mortgage on the Company's ground lease on the site of the Atlantic City Showboat, the Atlantic City Showboat complex, and certain personal property. The Bonds are unconditionally guaranteed by OSI. The Indenture places significant restrictions on the payment of dividends, the making of loans and advances by the Company to SBI and its Las Vegas subsidiaries, the payment of management fees to SBI, the incurrence of additional indebtedness by the Company, except for up to \$15,000,000 of short-term borrowing, and the Company's investment activities.

At March 31, 1990, the Company had available an unsecured short-term line of credit totaling \$7,500,000 for general corporate purposes. The line has an interest rate of the financial institution's prime rate plus .5% and is scheduled to expire April 30, 1991.

ATLANTIC CITY SHOWBOAT, INC.
NOTES TO FINANCIAL STATEMENTS
(continued)

3. RECEIVABLES

Receivables consist of the following:

	Mar 31	Mar 31
	1991	1990
Casino	\$ 9,625,000	\$12,513,000
Hotel	686,000	778,000
Income Tax Receivable		1,873,000
Other	496,000	339,000
	10,807,000	15,503,000
Less allowance for Doubtful Accts.	5,223,000	6,111,000
	\$ 5,584,000	\$ 9,392,000

4. PROPERTY AND EQUIPMENT

Property and Equipment consist of the following:

	Mar 31	Mar 31
	1991	1990
Building & Improvements	\$ 195,504,000	\$190,477,000
Furniture, Fixtures & Equip	54,407,000	39,901,000
Vehicles	153,000	403,000
Properties under capital lease		
Building	2,050,000	2,050,000
Furniture, Fixtures & Equip	19,511,000	20,253,000
Construction in Progress	1,273,000	10,259,000
	\$272,898,000	\$263,343,000
Less accumulated depreciation & amortization	62,210,000	46,499,000
	\$ 210,688,000	\$ 216,844,000

ATLANTIC CITY SHOWBOAT, INC.
NOTES TO FINANCIAL STATEMENTS
(continued)

5. OTHER ACCRUED EXPENSES

Other accrued expenses consist of the following:

	Mar 31	Mar 31
	1991	1990
Salaries and Wages	\$ 3,346,000	\$ 3,463,000
Progressive Slot Liability	2,017,000	2,475,000
Payroll Taxes	1,313,000	1,394,000
Advertising	532,000	1,474,000
Medical Claims—Employee	1,152,000	1,056,000
Settlement Claims	711,000	982,000
Officers Club Redemption	1,350,000	752,000
DGE/CCC Charges	623,000	722,000
Taxes—Other	664,000	616,000
Legal Fees	76,000	121,000
Union Benefits	239,000	245,000
Other	441,000	363,000
	\$12,462,000	\$13,663,000

6. OTHER CURRENT LIABILITIES

Other current liabilities consist of the following:

	Mar 31	Mar 31
	1991	1990
Due to Affiliates - Interest	\$ 760,000	\$ 853,000
Management Fee Payable—Current	6,000,000	—0—
Other	743,000	778,000
	\$ 7,503,000	\$1,631,000

ATLANTIC CITY SHOWBOAT, INC.
NOTES TO FINANCIAL STATEMENTS
(continued)

7. LONG TERM DEBT, DUE TO AFFILIATES

Long-term debt, due to affiliates consist of the following:

	Mar 31	Mar 31
	1991	1990
On March 18, 1987, ACS incurred a Promissory Note to OSF (see Note 2) for \$180,000,000 with interest payable semi-annually at the annual rate of 11.375%	\$161,540,000	\$180,000,000
	\$161,540,000	\$180,000,000

8. LONG TERM DEBT, OTHER

Long-term debt, other consist of the following:

	Mar 31	Mar 31
	1991	1990
Capitalized lease obligations (Note 9)	\$ 11,723,000	\$ 14,445,000
Less current maturities	3,009,000	2,805,000
	\$ 8,714,000	\$ 11,640,000

ATLANTIC CITY SHOWBOAT, INC.
 NOTES TO FINANCIAL STATEMENTS
 (continued)

9. LEASES

The Company leases certain furniture and equipment and a warehouse under long-term lease agreements. The leases covering furniture and equipment, which range from 5 to 7 years expiring through 1994, and a warehouse, which is for 15 years expiring in 2001, are classified as capital leases. ACS renegotiated the warehouse lease to extend the purchase option date in the original lease, reduce the lease payments, and remove the SBI guarantee. Under the terms of the new lease, the option date is extended to 1996 at which time the Company may exercise its option to purchase the warehouse anytime from 1996 through March 31, 2001 at the original option price of \$1,928,000.

ACS 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, payable monthly, commenced upon opening of the Atlantic City Showboat. The rent will be adjusted based upon increases or decreases in the Consumer Price Index, not to exceed 10% per year during the second through the sixth lease year. In April 1990, the annual rent increased \$317,000 to \$7,276,000. ACS 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 \$2,003,000 and \$1,926,000 for the three months ended March 31, 1991 and 1990 respectively.

10. NON-OPERATING INCOME (EXPENSE)

For the three months ended March 31, 1990 and 1989, Non-Operating Income (Expense) is:

	<u>Mar 31</u>	<u>Mar 31</u>
	<u>1991</u>	<u>1990</u>
Interest Income on temporary Cash Investments	\$ 509,000	\$ 715,000
Loss on Disposal of Prop. & Equipment	<u>(152,000)</u>	<u>(9,000)</u>
	<u>357,000</u>	<u>\$ 706,000</u>

ATLANTIC CITY SHOWBOAT, INC.
NOTES TO FINANCIAL STATEMENTS
(continued)

11. STOCK INCENTIVE PLAN

On May 17, 1990, the shareholders of SBI approved a long-term incentive plan in which officers and key employees of ACS participate. Up to 600,000 shares of SBI common stock may be awarded to plan participants as either restricted shares or stock options. Restricted shares and options shall 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 75% of the fair market value of SBI's common stock determined on the date of grant of the options. As of March 31, 1991, 226,250 stock options have been granted at fair market value and 99,200 restricted shares have been issued to its officers and key employees from SBI shares purchased by ACS. At March 31, 1991 Investment Advances and Receivables on the balance sheet includes \$435,000 representing the cost of 65,200 shares of SBI stock purchased for use by the ASC for the long-term incentive plan.

Unearned compensation representing restricted stock issued for future services was recorded on the date of shareholder approval at the market value of SBI's common stock of \$7.625 and is being amortized ratably from the date of the grant over the five-year vesting period as it is earned. Compensating expense of \$31,000 was recognized for the three months ended March 31, 1991. Unearned compensation at March 31, 1991, is \$364,000 and is included on the balance sheet in Other Assets.

ATLANTIC CITY SHOWBOAT, INC.
NOTES TO FINANCIAL STATEMENTS
(continued)

12. EMPLOYEE BENEFIT PLANS

Effective November 1, 1989, the Company amended its retirement and savings plan for eligible employees not covered by a collective bargaining agreement. Under the terms of the amended plan, an eligible employee may defer up to 3 percent of their salary of which 100 percent is matched by the Company. Eligible employees may contribute an additional 7 percent of their salary which will not be matched by the Company. The Company contributed \$177,000 and \$157,000 to this plan for the three months ended March 31, 1991 and 1990, respectively.

The Company's union employees are covered by union-sponsored, collective 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 these plans were \$664,000 and \$963,000 for the three months ended March 31, 1991 and 1990, respectively.

ATLANTIC CITY SHOWBOAT, INC.
NOTE TO FINANCIAL STATEMENTS
(continued)

13. INCOME TAXES

Income tax expense (benefit) consists of the following:

	Mar 31	Mar 31
	1991	1990
Current	(503,000)	(\$ 1,897,000)
Deferred	-0-	-0-
	(\$ 503,000)	(\$ 1,897,000)
State Taxes	-0-	-0-
	(\$ 503,000)	(\$ 1,897,000)

14. COMPLIMENTARIES

Promotional Allowances

Three Months

Ended March 31, 1991

	Recipients	Amount
Rooms	12,000	\$1,282,000
Food	232,000	2,264,000
Beverage	578,000	1,285,000
Showroom	4,000	42,000
	826,000	\$4,873,000

ATLANTIC CITY SHOWBOAT, INC.
 NOTES TO FINANCIAL STATEMENTS
 (continued)

14. COMPLIMENTARIES (CONTINUED)

<u>Promotional Expenses</u>	
Three Months	
Ended March 31, 1990	
<u>Recipients</u>	<u>Amount</u>
Coin	381,000 \$4,804,000
Travel	2,000 365,000
Other	<u>10,000</u> <u>89,000</u>
	<u>393,000</u> <u>\$5,258,000</u>

Promotional allowances represent complimentaries furnished gratuitously to customers of ACS goods and services, such as free room, food and beverage. The sales values of these complimentaries are included in the respective revenue classification and are then deducted as promotional allowances. Promotional expenses are complimentaries furnished gratuitously to customers of non-revenue producing items such as coin coupons issued to patrons and reimbursement of travel expenses. These charges are included in selling, general and administrative expense.

SCHEDULE OF RECEIVABLES AND PAYMENTS CHECKS

ATLANTIC CITY SHOWBOAT, INC.
NOTES TO FINANCIAL STATEMENTS
(continued)

15. NEW JERSEY INVESTMENT OBLIGATION

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

Deposits with the CRDA have bear interest at two-thirds of market rate, resulting in a current value lower than cost. At March 31, 1991 and 1990, investments, advances and receivables include \$5,797,000 and \$4,008,000, respectively representing the Company's obligation to the CRDA of \$8,670,000 at March 31, 1991 and \$5,986,000 at March 31, 1990 net of an allowance for the interest rate differential of \$2,873,000 and \$1,978,000, respectively.

SCHEDULE OF RECEIVABLES AND PATRONS' CHECKS

MARCH 31, 1991

(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	3,420		
2	Returned patrons' checks	6,205		
3	Total patrons' checks	9,625	\$ 5,121	\$ 4,504
4	Hotel Receivables	686	102	584
	Other Receivables:			
5	Receivables due from officers and employees.....			
6	Receivables due from affiliates	28		
7	Other accounts and notes receivables	468		
8	Total other receivables	496		496
9	Totals (Form 205).....	\$ 10,807	\$ 5,223	\$ 5,584

UNDEPOSITED PATRONS' CHECKS ACTIVITY		
LINE (f)	DESCRIPTION (g)	AMOUNT (h)
10	Beginning Balance (January 1)	\$ 4,608
11	Counter checks issued (excluding counter checks issued through transactions relating to consolidations, partial redemptions, substitutions, and patrons' cash deposits)	29,772
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 consolidations, substitutions, and patrons' cash deposits)	(20,432)
13	Checks collected through deposits	(8,305)
14	Checks transferred to returned checks	(2,223)
15	Other adjustments	
16	Ending Balance	\$ 3,420
17	"Hold" Checks Included In Balance On Line 16	\$
18	Provision For Uncollectible Patrons' Checks	\$ 765
19	Provision As A Percent Of Counter Checks Issued	2.6 %

STATEMENT OF CONFORMITY AND ACCURACY

STATE OF NEW JERSEY :

COUNTY OF ATLANTIC :

: ss.

:

MARK J. MILLER, 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

MARK J. MILLER

Title

3587-11

License Number


Subscribed and sworn to
before me this 14th day
of May, 1991

Brenda Sue Wallace
Signature

On Behalf Of:

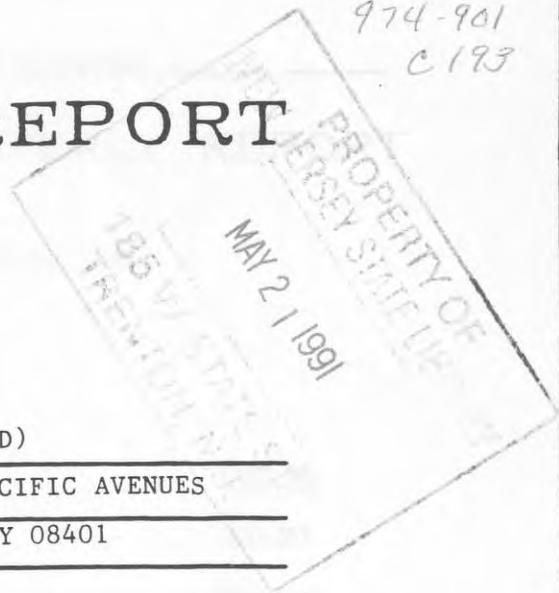
Atlantic City Showboat, Inc.
Casino Licensee

BRENDA SUE WALLACE
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Jan. 30, 1995.


Basis of Authority
to Take Oaths

QUARTERLY REPORT

974-901
C193



LICENSEE GNOC, CORP. (BALLY' S GRAND)
ADDRESS P.O. BOX 1737 BOSTON & PACIFIC AVENUES
ATLANTIC CITY, NEW JERSEY 08401

FOR THE QUARTER ENDED MARCH 31, 1991

TO THE
CASINO CONTROL COMMISSION
OF THE
STATE OF NEW JERSEY



NAME OF OFFICER IN CHARGE
OF CORRESPONDENCE REGARDING
THIS QUARTERLY REPORT . . . DONNA M. GRAHAM
OFFICIAL TITLE. CORPORATE CONTROLLER
ADDRESS P.O. BOX 1737 BOSTON & PACIFIC AVENUES
ATLANTIC CITY, NEW JERSEY 08401

BALANCE SHEETS

TRADING NAME OF LICENSEE GROC, CORP. (BALLY'S GRAND)

LIST OF FORMS - QUARTERLY REPORT

FOR THE QUARTER ENDED MARCH 31, 1991

<u>TITLE</u>	<u>FORM NO.</u>
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
Statement of Conformity and Accuracy	CCC-250

BALANCE SHEETS

MARCH 31, 1991 AND 1990
(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1991	(d) 1990
	ASSETS		
	Current Assets:	\$	\$
1	Cash	8,205	6,598
2	Marketable securities NOTE 2 . .	13,375	525
3	Receivables and patrons' checks (net of allowance for doubtful accounts - 1991, \$14,126; 1990, \$14,559)	4,697	5,393
4	Inventories	1,546	1,527
5	Prepaid expenses and other current assets NOTE 3 . .	14,274	13,841
6	Total current assets	42,097	27,884
7	Investments, Advances, and Receivables NOTE 4 . .	4,271	12,369 *
8	Property And Equipment - Net NOTE 5 . .	250,646	257,390
9	Other Assets NOTE 6 . .	117,704	116,261 *
10	Total Assets	\$ 414,718	\$ 413,904
	LIABILITIES AND EQUITY		
	Current Liabilities:	\$	\$
11	Accounts payable	2,139	2,355
12	Notes payable	2,700	-
	Current portion of long-term debt	-	-
13	Due to affiliates	-	-
14	Other	-	-
15	Income taxes payable and accrued	3,645	-
16	Other accrued expenses NOTE 7 . .	29,953	29,730
17	Other current liabilities NOTE 8 . .	3,570	1,677
18	Total current liabilities	42,007	33,762
	Long-Term Debt:		
19	Due to affiliates NOTE 9 . .	267,134	268,507
20	Other	-	-
21	Deferred Credits NOTE 10 . .	9,393	8,793
22	Other Liabilities NOTE 11 . .	29,691	33,071
23	Commitments And Contingencies NOTE 17 . .	-	-
24	Total Liabilities	348,225	344,133
25	Stockholders', Partners', Or Proprietor's Equity NOTE 12 . .	66,493	69,771
26	Total Liabilities And Equity	\$ 414,718	\$ 413,904

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, 1991 and 1990

(UNAUDITED)

(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1991	(d) 1990
	Revenue:	\$	\$
1	Casino	41,870	47,390
2	Rooms	3,356	3,665
3	Food and beverage	5,712	6,416
4	Other	1,477	2,144
5	Total revenue	52,415	59,615
6	Less: Promotional allowances NOTE 13. .	6,241	6,574
7	Net revenue	46,174	53,041
	Costs And Expenses:		
8	Cost of goods and services	21,924	25,353
9	Selling, general, and administrative	15,283	18,790
10	Provision for doubtful accounts	274	195
11	Depreciation and amortization	4,262	3,554
	Charges from affiliates other than interest:		
12	Management fees	-	-
13	Other NOTE 14. .	321	372
14	Total costs and expenses	42,064	48,264
15	Income (Loss) From Operations	4,110	4,777
	Other Income (Expenses):		
16	Interest (expense)-affiliates NOTE 14. .	(8,258)	(8,258)
17	Interest (expense)-external	(300)	(107)
18	Investment alternative tax and related income (expense) - net . .	(50)	(298)
19	Nonoperating income (expense)-net NOTE 15. .	192	186
20	Total other income (expenses)	(8,416)	(8,477)
21	Income (Loss) Before Income Taxes And Extraordinary Items. . .	(4,306)	(3,700)
22	Provision (credit) for income taxes NOTE 16. .	(1,378)	(1,168)
23	Income (Loss) Before Extraordinary Items	(2,928)	(2,532)
24	Extraordinary items (net of income taxes - 1990, \$ - ; 1989, \$ -)	-	-
25	Net Income (Loss)	\$ (2,928)	\$ (2,532)

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. (BALLY'S GRAND)

STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY

FOR THE THREE MONTHS ENDED MARCH 31, 1991 and 1990

(UNAUDITED)

(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	1991		1990	
		(c) SHARES	(d) DOLLARS	(e) SHARES	(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)		65,712		65,712
10	Capital contribution				
11	_____				
12	Ending balance		65,712		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)		3,679		6,561
26	Prior period adjustments				
27	Net income (loss)		(2,928)		(2,532)
28	Dividends		()		()
29	_____				
30	_____				
31	Ending balance		751		4,029
	Ending Stockholders' Equity		\$ 66,493		\$ 69,771

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. (BALLY'S GRAND)

STATEMENT OF CHANGES IN PARTNERS' OR PROPRIETOR'S EQUITY

FOR THE THREE MONTHS ENDED MARCH 31, 1991 and 1990

(UNAUDITED)
(\$ IN THOUSANDS)

- NOT APPLICABLE -

LINE (a)	DESCRIPTION (b)	(c) 1991	(d) 1990
	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	\$	\$

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. (BALLY'S GRAND)

STATEMENTS OF CASH FLOWS

FOR THE THREE MONTHS ENDED MARCH 31, 1991 AND 1990

(UNAUDITED)

(\$ IN THOUSANDS)

Line (a)	Description (b)	(c) 1991	(d) 1990
1	Net Cash Provided (Used) By Operating Activities	\$ 6,795	\$ 3,719 *
	Cash Flows From Investing Activities:		
2	Purchase of short-term investment securities	(6,100)	- *
3	Proceeds from the sale of short-term investment securities	-	850 *
4	Cash outflows for property and equipment	(520)	(1,232)
5	Proceeds from disposition of property and equipment	-	93
6	Purchase of casino reinvestment obligations	(101)	(596)
7	Purchase of other investments and loans/advances made	-	(3,726) *
8	Proceeds from disposal of investment and collection of advances and long-term receivables	572	617 *
9	Cash outflows to acquire business entities	-	-
10	_____	-	-
11	_____	-	-
12	Net Cash Provided (Used) By Investing Activities	(6,149)	(3,994) *
	Cash Flows From Financing Activities:		
13	Cash proceeds from issuance of short-term debt	-	-
14	Payments to settle short-term debt	-	(2,000)
15	Cash proceeds from issuance of long-term debt	-	-
16	Costs of issuing debt	-	-
17	Payments to settle long-term debt	-	-
18	Cash proceeds from issuing stock or capital contribution	-	-
19	Purchases of treasury stock	-	-
20	Payments of dividends or capital withdrawals	-	-
21	_____	-	-
22	_____	-	-
23	Net Cash Provided (Used) By Financing Activities	-	(2,000)
24	Net Increase (Decrease) In Cash And Cash Equivalents	646	(2,275)
25	Cash And Cash Equivalents At Beginning Of Year	7,559	8,873
26	Cash And Cash Equivalents At End Of Year	\$ 8,205	\$ 6,598

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

	Cash Paid During Year For:		
27	Interest (net of amount capitalized)	\$ -	\$ -
28	Income taxes	\$ -	\$ 9

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. (BALLY'S GRAND)
STATEMENTS OF CASH FLOWS
 FOR THE THREE MONTHS ENDED MARCH 31, 1991 AND 1990
 (UNAUDITED)
 (\$ IN THOUSANDS)

Line (a)	Description (b)	(c) 1991	(d) 1990
	Net Cash Flows From Operating Activities:		
29	Net income (loss)	\$ (2,928)	\$ (2,532)
	Noncash items included in income and cash items excluded from income:		
30	Depreciation and amortization of property and equipment.	3,083	2,859
31	Amortization of other assets.	1,179	695
32	Amortization of debt discount or premium.	(383)	(330)
33	Deferred income taxes - current.	-	-
34	Deferred income taxes - noncurrent.	(50)	285
35	(Gain) loss on disposition of property and equipment.	-	-
36	(Gain) loss on casino reinvestment obligations.	50	298
37	(Gain) loss from other investment activities.	-	-
38	Net (increase) decrease in receivables and patrons' checks.	1,112	(145)
39	Net (increase) decrease in inventories.	513	200
40	Net (increase) decrease in other current assets.	(1,073)	(3,085)
41	Net (increase) decrease in other assets.	(416)	420 *
42	Net increase (decrease) in accounts payables.	(456)	(1,011)
43	Net increase (decrease) in other current liabilities excluding debt.	5,956	5,849
44	Net increase (decrease) in other noncurrent liabilities excluding debt.	208	216
45	_____	-	-
46	_____	-	-
47	Net Cash Provided (Used) By Operating Activities.	\$ 6,795	\$ 3,719 *

SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING AND FINANCING ACTIVITIES

	Acquisition Of Property And Equipment:		
48	Additions to property and equipment.	\$ 520	\$ 1,232
49	Less: Capital lease obligations incurred.	-	-
50	Cash Outflows For Property And Equipment.	\$ 520	\$ 1,232
	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.	\$ -	\$ -

GNOC, CORP.
NOTES TO FINANCIAL STATEMENTS
(Unaudited)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Method of Presentation

GNOC, CORP. (the "Company") is a wholly owned subsidiary of GNAC, CORP. ("GNAC"). The financial statements include the transactions between the Company, GNAC and other affiliates.

(a) Casino Revenue and Promotional Allowances

In accordance with industry practice, the Company recognizes as casino revenue the net win from gaming activities, which is the difference between gaming wins and losses. Net revenue in the accompanying statements of income excludes the retail value of rooms, food, beverage and other promotional allowances provided to customers without charge.

(b) Marketable Securities

Marketable securities are carried at the lower of aggregate cost or market value.

(c) Cost in Excess of Acquired Assets

Bally Manufacturing Corporation ("Bally") acquired GNAC, including the Company, other related properties and real estate property leases from Golden Nugget, Inc. ("GNI") in a transaction which has been accounted for as a purchase. The excess of the total acquisition cost and debt assumed over the fair value of net assets acquired is being amortized by the Company over forty years (see Note 18).

(d) Property and Equipment

All property and equipment are depreciated over their estimated useful lives using the straight line method for financial statement purposes and accelerated methods for income tax purposes.

(e) Debt Premium

Debt Premium is amortized by the bonds outstanding method over the term of the issue.

GNOC, CORP.
NOTES TO FINANCIAL STATEMENTS
(Unaudited)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

(f) Income Taxes

Taxable income or loss of the Company is included in the consolidated federal income tax return of Bally. As more fully disclosed in Bally's Form 10-Q for the period ended March 31, 1991, the Internal Revenue Service ("IRS") has raised certain issues pertaining to accounting methods of other subsidiaries of Bally. If the IRS were to prevail on these issues, the estimated amount due as of March 31, 1991, including interest (net of income tax benefit) and penalties, less net operating loss and credit carryforwards available to Bally is approximately \$270 million.

Bally intends to vigorously oppose and, if necessary, litigate the IRS's proposed deficiencies with respect to these issues. Bally estimates that if the proposed deficiencies are fully litigated, the ultimate resolution of these issues is not likely to occur for approximately three to five years.

B. Disclosures Not Presented

Certain disclosures have not been presented in these Notes to Financial Statements since they would duplicate disclosures contained in the Casino Control Commission Annual Report for the year ended December 31, 1990. The notes excluded are Pension Costs, Lease and Other Commitments.

NOTE 2 - MARKETABLE SECURITIES

Marketable securities as of March 31, 1991 and 1990 consisted of repurchase agreements, at cost which approximates market.

GNOC, CORP.
NOTES TO FINANCIAL STATEMENTS
(Unaudited)

NOTE 3 - PREPAID EXPENSES AND OTHER CURRENT ASSETS

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

	<u>1991</u>	<u>1990</u>
Deferred federal and state income tax	\$10,702,000	\$ 5,088,000
Refundable federal income tax	1,873,000	5,860,000
Prepaid insurance expenses	726,000	1,525,000
Prepaid state gaming taxes and licenses	622,000	566,000
Prepaid operating expenses	307,000	798,000
Prepaid entertainment costs	38,000	-
Prepaid trustees fees	<u>6,000</u>	<u>4,000</u>
	<u>\$14,274,000</u>	<u>\$13,841,000</u>
	=====	=====

NOTE 4 - INVESTMENTS, ADVANCES AND RECEIVABLES

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

	<u>1991</u>	<u>1990</u>
New Jersey Casino Reinvestment related assets (net of discount)	\$4,271,000	\$ 8,643,000
Bally Manufacturing Corp.	-	<u>3,726,000</u>
	<u>\$4,271,000</u>	<u>\$12,369,000</u>
	=====	=====

The Company donated \$23,000 and \$ 0, for the three months ended March 31, 1991 and 1990, respectively, to the Casino Reinvestment Development Authority ("CRDA"), reducing the Company's obligations on deposit at the CRDA by such amount. The Company received \$12,000 and \$ 0, for the three months ended March 31, 1991 and 1990, respectively, in "credits" against future CRDA obligations.

Credits against future CRDA obligations as of March 31, 1991 and 1990 have been reclassified to Other Assets (see Note 6).

GNOC, CORP.
NOTES TO FINANCIAL STATEMENTS
(Unaudited)

NOTE 5 - PROPERTY AND EQUIPMENT

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

	<u>1991</u>	<u>1990</u>
Buildings and leasehold improvements	\$187,390,000	\$185,558,000
Furniture, fixtures and equipment	62,003,000	55,927,000
Land and improvements	51,776,000	51,776,000
Construction in progress	<u>619,000</u>	<u>3,210,000</u>
	301,788,000	296,471,000
Less accumulated depreciation and amortization	<u>(51,142,000)</u>	<u>(39,081,000)</u>
	<u>\$250,646,000</u>	<u>\$257,390,000</u>
	=====	=====

NOTE 6 - OTHER ASSETS

Other assets as of March 31 consisted of the following:

	<u>1991</u>	<u>1990</u>
Cost in excess of acquired assets, net	\$114,079,000	\$110,945,000
CRDA credits receivable	3,623,000	5,095,000
Other	<u>2,000</u>	<u>221,000</u>
	\$117,704,000	\$116,261,000
	=====	=====

See Note 1 and Note 18 for discussion of purchase price accounting.

For three months ended March 31, 1991 and 1990, the Company recorded an expense of \$404,000 and \$ 0, respectively, which represents amortization of CRDA credits.

GNOC, CORP.
NOTES TO FINANCIAL STATEMENTS
(Unaudited)

NOTE 7 - OTHER ACCRUED EXPENSES

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

	<u>1991</u>	<u>1990</u>
Accrued interest	\$12,539,000	\$11,439,000
Accrued payroll	8,809,000	8,589,000
Accrued progressive jackpot liability	3,272,000	2,467,000
Accrued self insurance claims	739,000	1,427,000
Accrued New Jersey casino reinvestment liability	506,000	595,000
Accrued casino win tax	393,000	201,000
Accrued sales, use and luxury taxes	382,000	381,000
Accrued legal fees	310,000	505,000
Accrued Casino Control Commission and Division of Gaming Enforcement fees	307,000	262,000
Accrued casino license fee	242,000	565,000
Accrued real estate tax	160,000	160,000
Accrued insurance	50,000	116,000
Other	<u>2,244,000</u>	<u>3,023,000</u>
	<u>\$29,953,000</u>	<u>\$29,730,000</u>
	=====	=====

NOTE 8 - OTHER CURRENT LIABILITIES

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

	<u>1991</u>	<u>1990</u>
Unredeemed gaming chips and tokens	\$1,084,000	\$1,050,000
Advance room deposits	68,000	87,000
Customer deposits	126,000	122,000
Bally Manufacturing Corp.	1,554,000	-
Bally's Park Place, Inc.	736,000	413,000
Bally's Las Vegas	1,000	-
Bally's Reno	1,000	-
Other	-	5,000
	<u>\$3,570,000</u>	<u>\$1,677,000</u>
	=====	=====

GNOC, CORP.
 NOTES TO FINANCIAL STATEMENTS
 (Unaudited)

NOTE 9 - LONG TERM DEBT-DUE TO AFFILIATES

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

	<u>1991</u>	<u>1990</u>
13 1/4% (effective rate of 13.3%) Mortgage-Backed Notes of \$259,000,000 principal amount, interest payable semiannually, maturing in 1995 (including unamortized premium of \$8,134,000 at March 31, 1991 and \$9,507,000 at March 31, 1990).	\$267,134,000 =====	\$268,507,000 =====

In June 1985, the Company consummated the public sale of \$299 million principal amount of 13 1/4% Mortgage-Backed Notes ("the Notes") due June 1, 1995. The Notes are unconditionally guaranteed by GNAC and are secured by a first lien and security interest on the Company's Boardwalk Casino Hotel.

As a result of the purchase of the Company by Bally, the Notes were valued at \$312,829,000 at March 1, 1987, based upon an imputed interest rate.

Sinking fund requirements for 1991 and 1992 have been met. Remaining sinking fund requirements are \$4,850,000 in 1993 and \$14,950,000 in 1994.

NOTE 10 - DEFERRED CREDITS

Deferred credits as of March 31, 1991 and 1990 consisted of deferred federal and state income taxes.

GNOC, CORP.
 NOTES TO FINANCIAL STATEMENTS
 (Unaudited)

NOTE 11 - OTHER LIABILITIES

Other liabilities as of March 31 consisted of advances due to affiliates and other liabilities as follows:

	<u>1991</u>	<u>1990</u>
GNAC, Corp.	\$29,690,000	\$26,949,000
Bally's Grand Transportation Corp.	-	1,881,000
Bally's Grand Marketing Corp. (a New York Corp.)	1,000	1,000
Self insurance claim	-	4,240,000
	<u>\$29,691,000</u>	<u>\$33,071,000</u>
	=====	=====

During the second quarter 1990, the Company reversed into income an insurance reserve of approximately \$4.0 million which was no longer deemed necessary.

NOTE 12 - STOCKHOLDER'S EQUITY

At March 31, 1991 and 1990, the Company had 5,000,000 shares of common stock authorized; of such shares 3,002,500 were issued and outstanding.

NOTE 13 - PROMOTIONAL EXPENSES AND ALLOWANCES

Promotional expenses and allowances and number of recipients for the three months ended March 31, 1991 consisted of the following:

	<u>PROMOTIONAL ALLOWANCES</u>		<u>PROMOTIONAL EXPENSES</u>	
	<u>Number of Recipients</u>	<u>Dollar Amount</u>	<u>Number of Recipients</u>	<u>Dollar Amount</u>
Rooms	32,986	\$2,004,000	-	\$ -
Food	229,498	2,672,000	-	-
Beverage	520,942	1,016,000	-	-
Travel	-	-	4,819	618,000
Other:				
Coin	-	-	274,263	3,450,000
Entertainment	2,075	62,000	283	34,000
Parking	9,496	75,000	-	-
Retail	9,399	377,000	-	-
Gifts	-	-	38,355	431,000
Other	1,740	35,000	10,445	107,000
Total other	<u>22,710</u>	<u>549,000</u>	<u>323,346</u>	<u>4,022,000</u>
TOTAL	<u>806,136</u>	<u>\$6,241,000</u>	<u>328,165</u>	<u>\$4,640,000</u>
	=====	=====	=====	=====

GNOC, CORP.
 NOTES TO FINANCIAL STATEMENTS
 (Unaudited)

NOTE 14 - CHARGES FROM AFFILIATES

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

<u>Nature of Charge From Affiliates</u>	<u>1991</u>	<u>1990</u>
Interest	\$8,258,000	\$8,258,000
Other (a)	321,000	372,000

(a) Other expenses include allocations of certain operating expenses from affiliated companies which perform services or incur costs on behalf of the Company including GNAC, Corp. and Bally's Park Place, Inc.

NOTE 15 - NON-OPERATING INCOME (EXPENSE) - NET

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

	<u>1991</u>	<u>1990</u>
Interest and dividend income	\$191,000	\$194,000
Other non-operating income (expense)	<u>1,000</u>	<u>(8,000)</u>
	\$192,000	\$186,000
	=====	=====

NOTE 16 - INCOME TAXES

The income tax provision for the three months ended March 31 consisted of the following:

	<u>1991</u>	<u>1990</u>
Current:		
Federal	\$ (324,000)	\$ (767,000)
State	<u>(153,000)</u>	<u>(245,000)</u>
	<u>(477,000)</u>	<u>(1,012,000)</u>
Deferred:		
Federal	(733,000)	(128,000)
State	<u>(168,000)</u>	<u>(28,000)</u>
	\$(1,378,000)	\$(1,168,000)
	=====	=====

GNOC, CORP.
NOTES TO FINANCIAL STATEMENTS
(Unaudited)

NOTE 17 - CONTINGENCIES

For the years ended December 31, 1990, 1988 and 1987, the Company was insured for its general liability insurance coverage through a captive insurance subsidiary of Bally. Due to Bally's current financial condition, it is presently uncertain if Bally's captive insurance subsidiary will be able to honor all reported or unreported claims for these years. If this were to occur, it is estimated that the Company would be liable for claims of between \$500,000 and \$1,100,000.

Although the final outcome of this matter cannot be predicted with certainty, an unfavorable outcome, if any, is not expected to have a material adverse impact on the Company's financial position, but it would affect the Company's liquidity.

NOTE 18 - LITIGATION

Pursuant to the 1987 Purchase Agreement between Bally and GNI (the "Agreement"), an amount was due to either party depending on the difference in value of certain assets and liabilities as defined in the Agreement. During 1990, the parties settled a dispute over such amounts and the Company paid GNI approximately \$4,231,000 and assumed additional liabilities of approximately \$2,009,000 which represented an increase in the final purchase price of the Company. Accordingly, \$6,240,000 was recorded as additional cost in excess of acquired assets (see Note 6).

SCHEDULE OF RECEIVABLES AND PATRONS' CHECKS

MARCH 31, 1991

(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.	\$ 2,892		
2	Returned patrons' checks.	14,592		
3	Total patrons' checks.	17,484	\$ 14,037	\$ 3,447
4	Hotel Receivables.	708	89	619
	Other Receivables:			
5	Receivables due from officers and employees.	15		
6	Receivables due from affiliates.	-		
7	Other accounts and notes receivables.	616		
8	Total other receivables.	631	-	631
9	Totals (Form 205).	\$ 18,823	\$ 14,126	\$ 4,697

UNDEPOSITED PATRONS' CHECKS ACTIVITY		
LINE (f)	DESCRIPTION (g)	AMOUNT (h)
10	Beginning Balance (January 1).	\$ 4,245
11	Counter checks issued (excluding counter checks issued through transactions relating to consolidations, partial redemptions, substitutions, and patrons' cash deposits).	24,547
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).	(17,749)
13	Checks collected through deposits.	(6,868)
14	Checks transferred to returned checks.	(1,283)
15	Other adjustments.	-
16	Ending Balance.	\$ 2,892
17	"Hold" Checks Included In Balance On Line 16.	\$ -
18	Provision For Uncollectible Patrons' Checks.	\$ 274
19	Provision As A Percent Of Counter Checks Issued.	1.12 %

HOTEL STATISTICS

FOR THE 3 MONTHS ENDED March 31, 1991

PERIOD	NUMBER OF GUEST ROOMS IN PROPERTY	NUMBER OF AVAILABLE ROOMS	NUMBER OF OCCUPIED ROOMS	AVERAGE RATE PER OCCUPIED ROOM	OCCUPANCY RATE	NUMBER OF GUESTS ACCOMMODATED	AVERAGE RATE PER GUEST ACCOMMODATED
JANUARY	518	16,058	8,990	\$ 95.71	56.0 %	17,001	\$ 50.61
FEBRUARY	518	14,504	10,843	\$ 99.98	74.8 %	20,825	\$ 52.05
MARCH	518	16,058	13,399	\$ 106.29	83.4 %	25,635	\$ 55.56
1ST QUARTER TOTALS		46,620	33,232	\$ 101.37	71.3 %	63,461	\$ 53.08
APRIL				\$	%		\$
MAY				\$	%		\$
JUNE				\$	%		\$
2ND QUARTER TOTALS				\$	%		\$
JULY				\$	%		\$
AUGUST				\$	%		\$
SEPTEMBER				\$	%		\$
3RD QUARTER TOTALS				\$	%		\$
OCTOBER				\$	%		\$
NOVEMBER				\$	%		\$
DECEMBER				\$	%		\$
4TH QUARTER TOTALS				\$	%		\$
ANNUAL TOTALS				\$	%		\$

STATEMENT OF CONFORMITY AND ACCURACY

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

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

CORPORATE CONTROLLER
Title

03 723 -11
License Number

Subscribed and sworn to
before me this 14th day
of May, 1991


Signature

GLORIA DEAN
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Dec. 17, 1991

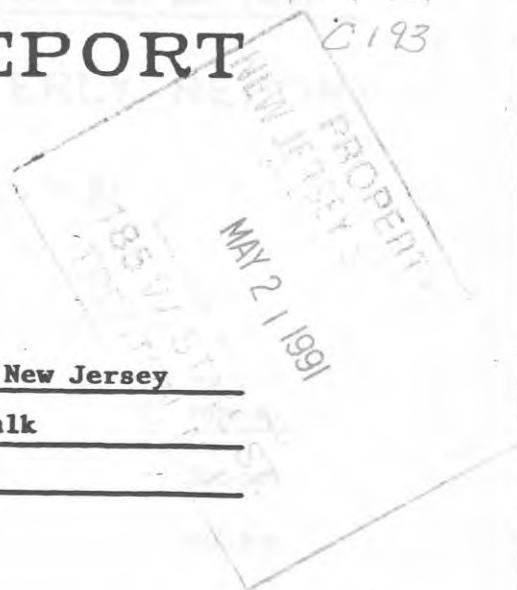
Basis of Authority
to Take Oaths

On Behalf Of:

GNOG, CORP.
Casino Licensee

QUARTERLY REPORT

974-901
C193



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

FOR THE QUARTER ENDED March 31, 1991

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



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

Joseph A. D'Amato

OFFICIAL TITLE

Vice President and Treasurer

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, 1991

<u>TITLE</u>	<u>FORM NO.</u>
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
Statement of Conformity and Accuracy	CCC-250

BALANCE SHEETS

March 31, 19 91 AND 19 90

(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 19 <u>91</u>	(d) 19 <u>90</u>
	ASSETS		
	Current Assets:		
1	Cash ..and Equivalents.....	\$ 8,951	\$ 7,797
2	Marketable securities	--	--
3	Receivables and patrons' checks (net of allowance for doubtful accounts - 19 <u>91</u> , \$ 6,850 ; 19 <u>90</u> , \$ 5,700)	4,789	9,196
4	Inventories	3,493	3,794
5	Prepaid expenses and other current assets NOTE 2.....	7,009	4,997
6	Total current assets	24,242	25,784
7	Investments, Advances, And Receivables NOTE 10.....	87,284	32,418
8	Property And Equipment - Net NOTE 3.....	507,694	487,497
9	Other Assets	15,824	16,979
10	Total Assets	\$ 635,044	\$ 562,678
	LIABILITIES AND EQUITY		
	Current Liabilities:		
1	Accounts payable	\$ 8,070	\$ 13,972
2	Notes payable	--	--
3	Current portion of long-term debt:		
4	Due to affiliates	--	--
5	Other	37	35
6	Income taxes payable and accrued	96	2,933
7	Other accrued expenses NOTE 11.....	22,954	19,593
8	Other current liabilities	1,523	1,820
9	Total current liabilities	32,680	38,353
	Long-Term Debt:		
10	Due to affiliates NOTE 4.....	350,000	350,000
11	Other NOTE 4.....	83,854	11,169
12	Deferred Credits NOTE 5.....	12,300	10,706
13	Other Liabilities NOTE 6.....	26,250	22,300
	Commitments And Contingencies NOTE 14		
	Total Liabilities	505,084	432,528
	Stockholders', Partners', Or Proprietor's Equity	129,960	130,150
	Total Liabilities And Equity	\$ 635,044	\$ 562,678

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

BALANCE SHEETS

March 31, 19 91 AND 19 90

(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 19 <u>91</u>	(d) 19 <u>90</u>
ASSETS			
Current Assets:			
1	Cash .. and Equivalents	\$ 8,951	\$ 7,797
2	Marketable securities	--	--
3	Receivables and patrons' checks (net of allowance for doubtful accounts - 19 <u>91</u> , \$ 6,850 ; 19 <u>90</u> , \$ 5,700)	4,789	9,196
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11	Accounts payable	\$ 8,070	\$ 13,972
12	Notes payable	--	--
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13	Due to affiliates	--	--
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15	Income taxes payable and accrued	96	2,933
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19	Due to affiliates NOTE 4.....	350,000	350,000
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23	Commitments And Contingencies NOTE 14		
24	Total Liabilities	505,084	432,528
25	Stockholders', Partners', Or Proprietor's Equity	129,960	130,150
26	Total Liabilities And Equity	\$ 635,044	\$ 562,678

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, 19 91 and 19 90

(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 19 <u>91</u>	(d) 19 <u>90</u>
	Revenue:		
1	Casino	\$ 60,195	\$ 67,050
2	Rooms	6,754	6,893
3	Food and beverage	8,203	8,682
4	Other	2,997	2,618
5	Total revenue	78,149	85,243
6	Less: Promotional allowances NOTE.7.....	<8,465>	<7,666>
7	Net revenue	69,684	77,577
	Costs And Expenses:		
8	Cost of goods and services	39,712	41,645
9	Selling, general, and administrative	14,401	14,773
10	Provision for doubtful accounts	462	296
11	Depreciation and amortization	7,419	6,454
	Charges from affiliates other than interest:		
12	Management fees	--	--
13	Other	--	--
14	Total costs and expenses	61,994	63,168
15	Income (Loss) From Operations	7,690	14,409
	Other Income (Expenses):		
16	Interest (expense) - affiliates NOTE.8.....	<10,344>	<9,944>
17	Interest (expense) - external NOTE.8.....	<1,928>	<274>
18	Investment alternative tax and related income (expense) - net..*..	<333>	<466>
19	Nonoperating income (expense) - net NOTE.13.....	1,646	338
20	Total other income (expenses).....	<10,959>	<10,346>
21	Income (Loss) Before Income Taxes And Extraordinary Items.....	<3,269>	4,063
22	Provision (credit) for income taxes NOTE.9.....	<1,167>	1,819
23	Income (Loss) Before Extraordinary Items	<2,102>	2,244
24	Extraordinary items (net of income taxes - 19 <u>91</u> \$ -0- ; 19 <u>90</u> , \$ -0-)	--	--
25	Net Income (Loss)	\$ <2,102>	\$ 2,244

* NOTE 12

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

STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY

FOR THE three MONTHS ENDED March 31, 1991 AND 1990

(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	19 <u>91</u>		19 <u>90</u>	
		(c) SHARES	(d) DOLLARS	(e) SHARES	(f) DOLLARS
	Common Stock:		\$		\$
1	Beginning balance (January 1)	100	93,987	100	93,987
2	Sale of stock	--	--	--	--
3	.....	--	--	--	--
4	Ending balance	100	93,987	100	93,987
	Preferred Stock:				
5	Beginning balance (January 1)	--	--	--	--
6	Sale of stock	--	--	--	--
7	.....	--	--	--	--
8	Ending Balance	--	--	--	--
	Additional Paid-in Capital:				
9	Beginning balance (January 1)		34,652		34,652
10	.....		--		--
11	.....		--		--
12	Ending balance		34,652		34,652
	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)		3,423		<733>
26	Prior period adjustments		--		--
27	Net income (loss)		<2,102>		2,244
28	Dividends		(--)		(--)
29	.....		--		--
30	.....		--		--
31	Ending balance		1,321		1,511
32	Ending Stockholders' Equity		\$ 129,960		\$ 130,150

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

STATEMENTS OF CASH FLOWS

TRADING NAME OF LICENSEE Bally's Park Place Casino Hotel and Tower

STATEMENTS OF CHANGES IN PARTNERS'

OR PROPRIETOR'S EQUITY

FOR THE three MONTHS ENDED March 31, 1991 AND 1990

(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 19 ____	(d) 19 ____
	NOT APPLICABLE		
	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	\$	\$

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

STATEMENTS OF CASH FLOWS

FOR THE 3 MONTHS ENDED March 31, 1991 and 1990

(UNAUDITED)

(\$ IN THOUSANDS)

Line (a)	Description (b)	(c) 19 <u>91</u>	(d) 19 <u>90</u>
	Net Cash Flows From Operating Activities:		
29	Net income (loss).....	\$ <2,102>	\$ 2,244
	Noncash items included in income and cash items excluded from income:		
30	Depreciation and amortization of property and equipment.....	6,993	5,608
31	Amortization of other assets.....	426	427
32	Amortization of debt discount or premium.....	--	--
33	Deferred income taxes - current.....	<564>	<293>
34	Deferred income taxes - noncurrent.....	374	<127>
35	(Gain) loss on disposition of property and equipment.....	--	--
36	(Gain) loss on casino reinvestment obligations.....	333	<114>
37	(Gain) loss from other investment activities.....	152	132
38	Net (increase) decrease in receivables and patrons' checks.....	4,818	1,195
39	Net (increase) decrease in inventories.....	1,435	<10>
40	Net (increase) decrease in other current assets.....	<1,773>	<2,077>
41	Net (increase) decrease in other assets.....	19	<739>
42	Net increase (decrease) in accounts payables.....	<1,866>	<801>
43	Net increase (decrease) in other current liabilities excluding debt.....	<10,371>	<7,613>
44	Net increase (decrease) in other noncurrent liabilities excluding debt.....	750	800
45	<u>Write off Bond issue costs</u>	--	1,300
46	<u>Net Book Value of Disposals</u>	15	840
47	Net Cash Provided (Used) By Operating Activities.....	\$ <1,361>	\$ 772

SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING AND FINANCING ACTIVITIES

48	Acquisition Of Property And Equipment:		
	Additions to property and equipment.....	\$ 2,811	\$ 13,329
49	Less: Capital lease obligations incurred.....	--	--
50	Cash Outflows For Property And Equipment.....	\$ 2,811	\$ 13,329
	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.....	\$	\$

STATEMENTS OF CASH FLOWS

FOR THE 3 MONTHS ENDED March 31, 1991 and 1990
(UNAUDITED)
(\$ IN THOUSANDS)

Line (a)	Description (b)	(c) 19 <u>91</u>	(d) 19 <u>90</u>
1	Net Cash Provided (Used) By Operating Activities.....	\$ <1,361>	\$ 772
	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.....	<2,811>	<13,329>
5	Proceeds from disposition of property and equipment.....	--	--
6	Purchase of casino reinvestment obligations.....	<800>	<492>
7	Purchase of other investments and loans/advances made.....	<1,471>	<593>
8	Proceeds from disposal of investments and collection of advances and long-term receivables.....	9	--
9	Cash outflows to acquire business entities.....	--	--
10	.....	--	--
11	.....	--	--
12	Net Cash Provided (Used) By Investing Activities.....	<5,073>	<14,414>
	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.....	17,500	16,382
16	Costs of issuing debt.....	--	--
17	Payments to settle long-term debt.....	<12,509>	<10,012>
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.....	4,991	6,370
24	Net Increase (Decrease) In Cash And Cash Equivalents.....	<1,443>	<7,272>
25	Cash And Cash Equivalents At Beginning Of Period	10,394	15,069
26	Cash And Cash Equivalents At End Of Period.....	\$ 8,951	\$ 7,797

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

	Cash Paid During Period For:		
27	Interest (net of amount capitalized).....	\$ 23,732	\$ 18,632
28	Income taxes.....	\$ 598	\$ -0-

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

SCHEDULE OF RECEIVABLES AND PATRONS' CHECKS

March 31, 19 91

(UNAUDITED)
(\$ IN THOUSANDS)

ACCOUNTS RECEIVABLE BALANCES				
LINE (a)	DESCRIPTION (b)	ACCOUNT BALANCE (c)	ALLOWANCE (d)	ACCOUNTS RECEIVABLE-(e) NET OF ALLOWANCE
1	Patrons' Checks:	\$ -		
	Undeposited patrons' checks	1,342		
2	Returned patrons' checks	7,648		
3	Total patrons' checks	8,990	\$ 6,700	\$ 2,290
4	Hotel Receivables	728	150	578
5	Other Receivables:			
	Receivables due from officers and employees.....	2		
6	Receivables due from affiliates	939		
7	Other accounts and notes receivables	980		
8	Total other receivables	1,921	--	1,921
9	Totals (Form 205).....	\$ 11,639	\$ 6,850	\$ 4,789

UNDEPOSITED PATRONS' CHECKS ACTIVITY		
LINE (f)	DESCRIPTION (g)	AMOUNT (h)
10	Beginning Balance (January 1)	\$ 1,886
11	Counter checks issued (excluding counter checks issued through transactions relating to consolidations, partial redemptions, substitutions, and patrons' cash deposits)	18,489
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)	(15,051)
13	Checks collected through deposits	(3,063)
14	Checks transferred to returned checks	(919)
15	Other adjustments	--
16	Ending Balance	\$ 1,342
17	"Hold" Checks Included In Balance On Line 16	\$ --
18	Provision For Uncollectible Patrons' Checks	\$ 411
19	Provision As A Percent Of Counter Checks Issued	2

BALLY'S PARK PLACE CASINO HOTEL AND TOWER
Note 1 - Notes to Financial Statements
For the Three Months Ended March 31, 1991 and 1990
(Unaudited)

The accompanying financial statements of Bally's Park Place Casino Hotel and Tower (the Company) should be read in conjunction with the consolidated financial statements in the Casino Control Commission Annual Report for the year December 31, 1990.

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

Certain reclassifications have been made to the 1990 statements to conform to the 1991 presentation.

Investments in Subsidiaries

The Company has three wholly owned subsidiaries, B.W. Realty, Inc. (which operates a motel in Atlantic City), 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.

Transactions with related parties

The Company participates in Bally Manufacturing Corporation ("Bally") insurance program for general liability. Under this program, general liability insurance expense is allocated to the Company based on claims experience. General liability insurance expense allocated to the Company was \$240,000 and \$297,000 for the three months ended March 31, 1991 and 1990, respectively.

In April 1990, the Company advanced Bally \$50,000,000 secured by a promissory note allowing for payment on demand by the Company, however, the Company has no current intention of requesting payment. In addition, Bally's ability to repay the \$50,000,000 may be affected by its liquidity position as discussed in Bally's Form 10-Q for the quarter ended March 31, 1991. The Company earns interest on the outstanding balance at the prime rate of its agent bank with such interest payable at the end of each quarter. Intercompany interest earned for the three months ended March 31, 1991 was \$1,551,000. Intercompany interest earned on other investment activities with Bally was \$64,000 for the quarter ended March 31, 1990.

BALLY'S PARK PLACE CASINO HOTEL AND TOWER
Note 1 - Notes to Financial Statements
For the Three Months Ended March 31, 1991 and 1990
(Unaudited)

In December 1990, the Company advanced GNOC Corp. ("Bally's Grand"), another wholly owned subsidiary of Bally, \$2,700,000. This advance is payable on demand by the Company. The Company earns interest on the outstanding balance at the prime rate of its agent bank with such interest payable at the end of each quarter. Intercompany interest earned on this advance was \$61,000 and \$0 for the three months ended March 31, 1991 and 1990, respectively.

The accompanying financial statements reflect an allocation of costs and expenses incurred by Bally on behalf of the Company. This allocation method includes all such costs and expenses which are directly attributable to the Company and, in management's view, results in a reasonable allocation of Bally's expenses to the Company. Certain other costs, such as general corporate overhead, are not allocated by Bally to the Company as the proportionate share of such costs, which would be allocated to the Company, is not significant.

The Company also leases surface area parking lots to Bally's Grand. Rental income was \$174,000 and \$62,000 for the three months ended March 31, 1991 and 1990, respectively. Certain administrative and support operations of the Company and Bally's Grand have been consolidated. The Company billed Bally's Grand based on actual costs incurred resulting in an allocation of \$587,000 and \$353,000 for 1991 and 1990, respectively, to Bally's Grand.

The Company purchased slot machines and related services from other Bally subsidiaries for the aggregate amounts of \$124,000 and \$167,000 for the three months ended March 31, 1991 and 1990, respectively.

Income Taxes

For the quarter ended March 31, 1991 and 1990, the income tax rate varied from the federal statutory rate of 34% (35.7% and 44.8%, respectively) due principally to state income taxes net of related income tax benefit.

The Company files a consolidated federal income tax return with Bally. As more fully disclosed in Bally's and the Company's Forms 10-Q for the quarter ended March 31, 1991, the Internal Revenue Service ("IRS") has raised certain issues pertaining to the tax accounting methods of other Bally subsidiaries. If the IRS were to prevail on these issues, the estimated amount due as of March 31, 1990, including interest (net of income tax benefit) and penalties, less net operating loss and credit carryforwards available to Bally, is approximately \$270 million.

Bally intends to vigorously oppose and, if necessary, litigate the IRS's proposed deficiencies with respect to these issues. Bally estimates that if the proposed deficiencies are fully litigated, the ultimate resolution of these issues is not likely to occur for approximately three to five years.

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

	<u>1991</u>	<u>1990</u>
Deferred Income Taxes	\$ 4,107,000	\$ 1,895,000
Prepaid Insurance	2,113,000	2,193,000
*Other	789,000	909,000
	<u>\$ 7,009,000</u>	<u>\$ 4,997,000</u>

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

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

	1991	1990*
Land	\$ 64,058,000	\$ 62,068,000
Buildings, Leasehold Improvements	533,519,000	481,385,000
Furniture, Fixtures and Equipment	129,500,000	121,381,000
Construction in Progress	3,580,000	22,530,000
	730,657,000	687,364,000
Less Accumulated Depreciation and Amortization	222,963,000	199,867,000
Property and Equipment, Net	\$507,694,000	\$487,497,000

*Restated to conform with 1991 presentation.

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

Long-Term Debt

	1991	1990
	(In thousands)	
Due to affiliates:		
11 7/8% First Mortgage Notes due 1999	\$ 350,000	\$ 350,000
13 7/8% Mortgage-Backed Bonds due 2003	---	---
	\$ 350,000	\$ 350,000
Other:		
Revolving credit agreement	\$ 80,000	\$ 8,500
Other secured and unsecured debt	3,854	2,669
	\$ 83,854	\$ 11,169

In 1989, the Company issued \$350,000,000 principal amount of 11 7/8% First Mortgage Notes due in 1999 (the "Notes"). Beginning August 1996, annual sinking fund payments are required which will retire approximately 40 percent of the Notes prior to maturity. The Notes may be redeemed beginning August 1994, in whole or in part, with premiums ranging from 4.45 percent in 1994 to zero in 1997 and thereafter. The Notes are secured by property at Bally's Park Place, which had a net book value of \$443,550,000 at March 31, 1991. Debt issuance costs is being amortized using the bonds outstanding method.

The Company has an unsecured revolving credit agreement due June 30, 1994 which provides for borrowings, from time to time, of up to \$100,000,000 through June 30, 1992. The principal amount outstanding on June 30, 1992 is payable in four semi-annual installments beginning December 31, 1992. The rate of interest on the borrowings (8.2% at March 31, 1991) is, at the Company's option, based upon the agent bank's prime rate or certain other short-term rates. The Company pays an annual fee of 3/8 of 1 percent on the unused commitment.

The indentures relating to the Bonds and the revolving credit agreement contain covenants restricting the Company's investment policies, total indebtedness, encumbrances on property and equipment securing the mortgage note, sale, transfer or lease of assets, and the amounts of additional debt which may be incurred. Payments of dividends are restricted in amount. At March 31, 1991, all retained earnings are so restricted. Additionally, banks holding more than 50% of the revolving credit agreement commitments, pursuant to the terms of the indenture, have requested the Company to enter into an agreement granting to the banks a mortgage on and security interest in all of its collateral property. The banks will rank pari passu in right of payment with the Note holders. The Company anticipates the agreement will be consummated during the second quarter of 1991.

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

	<u>1991</u>	<u>1990</u>
Deferred Federal Income Taxes	<u>\$12,300,000</u>	<u>\$10,706,000</u>

In connection with the employment of certain officers, the Company has unfunded Executive Retirement Plans, under which the participants earn benefits based on years of service and compensation. The Company recognizes expense over the expected length of the officers' employment.

BALLY'S PARK PLACE CASINO HOTEL AND TOWER
 Note 6 - Other Liabilities
 For the Years Ended March 31, March 31, 1991
 (Unaudited)

Promotional Allowance	1991 Promotional		1990
	Number of Participants	Dollar Amount	Amount
Accrued S.E.R.P.		<u>\$26,250,000</u>	<u>\$22,300,000</u>

In connection with the employment of certain officers, the Company has unfunded Supplemental Executive Retirement Plans, under which the participants earn benefits based on years of service and compensation. The Company recognizes this expense over the expected length of the officers' employment.

	10,525	1,443,000		
	224,152	1,838,000		
	2,000	45,000		
	3,250	50,000		
			46,705	\$ 715,000
Call			338,000	6,100,000
			75	1,000
			<u>2,370</u>	<u>118,000</u>
		<u>\$8,365,000</u>		<u>\$5,033,000</u>

BALLY'S PARK PLACE CASINO HOTEL AND TOWER
 Note 7 - Complimentary Services
 For the Three Months Ended March 31, 1991
 (Unaudited)

	<u>Promotional Allowances</u>		<u>Promotional Expenses</u>	
	<u>Number of Recipients</u>	<u>Dollar - Amount</u>	<u>Number of Recipients</u>	<u>Dollar Amount</u>
Rooms	27,235	\$2,962,000		
Food	214,718	2,306,000		
Beverage	720,525	1,441,000		
Parking	234,152	1,639,000		
Shows	2,888	49,000		
Other	2,260	68,000		
Travel			46,705	\$ 935,000
Coupon Redemption - Cash			324,350	4,100,000
Rooms off premises			72	3,000
Other			2,379	119,000
Total Amount of Services		<u>\$8,465,000</u>		<u>\$5,157,000</u>

BALLY'S PARK PLACE CASINO HOTEL AND TOWER
 Note 8 - Interest Expense
 For the Three Months Ended March 31,
 (Unaudited)

	<u>1991</u>	<u>1990</u>
<u>Charges From Affiliates</u>		
Bally's Park Place Funding, Inc.	\$10,391,000	\$10,391,000
Capitalized interest	<u>(47,000)</u>	<u>(447,000)</u>
	<u>\$10,344,000</u>	<u>\$ 9,944,000</u>
 <u>External Sources</u>		
Interest on various loans	\$ 1,940,000	\$ 394,000
Capitalized interest	<u>(12,000)</u>	<u>(120,000)</u>
	<u>\$ 1,928,000</u>	<u>\$ 274,000</u>

Reconciliation of Deferred Income Taxes
 For the Three Months Ended March 31,

	<u>1991</u>	<u>1990</u>
	\$ (164,000)	\$ (281,000)
	<u>274,000</u>	<u>(116,000)</u>
	<u>\$ (130,000)</u>	<u>\$ (397,000)</u>

BALLY'S PARK PLACE CASINO HOTEL AND TOWER
 Note 9 - Provision for Income Taxes
 For the Three Months Ended March 31,
 (Unaudited)

	1991	1990
Current:		
Federal	\$ (767,000)	\$1,838,000
State	(210,000)	400,000
	(977,000)	2,238,000
Deferred:		
Federal	(146,000)	(321,000)
State	(44,000)	(98,000)
	(190,000)	(419,000)
Total Income Taxes	\$(1,167,000)	\$1,819,000

Reconciliation of Deferred Income Taxes
 For the Three Months Ended March 31,

	1991	1990
Short-term	\$ (564,000)	\$ (293,000)
Long-term	374,000	(126,000)
	\$ (190,000)	\$ (419,000)

BALLY'S PARK PLACE CASINO HOTEL AND TOWER
 Note 10 - Investments, Advances and Receivables
 March 31,
 (Unaudited)

	<u>1991</u>	<u>1990</u>
<u>Other long-term investments and receivables:</u>		
Receivable from sale of retail merchandise	\$ 1,297,000	\$ ---
Total long-term receivables	\$ 1,297,000	\$ ---
Investment in subsidiaries - equity:		
Bally Warwick, Inc. - 100% owned	4,410,000	4,390,000
B.W. Realty, Inc. - 100% owned	<u>5,929,000</u>	<u>5,426,000</u>
Total investments in subsidiaries - equity	10,339,000	9,816,000
Casino Reinvestment Development Authority funds (less discount of \$4,906,000 in 1991 and \$4,956,000 in 1990)	4,635,000	4,312,000
Central credit receivable (less discount of \$438,000 in 1991 and \$134,000 in 1990)	---	150,000
Jacobs Family Terrace Mortgage Receivable (less reserve of \$175,000 in 1991 and \$162,000 in 1990)	2,720,000	2,546,000
Bally's Park Place Realty Company	15,630,000	15,625,000
Bally Manufacturing Corporation	50,000,000	---
Bally's Grand	2,700,000	---
Less current portion	<u>(37,000)</u>	<u>(31,000)</u>
Total Investments, Advances and Receivables	<u>\$87,284,000</u>	<u>\$32,418,000</u>

BALLY'S PARK PLACE CASINO HOTEL AND TOWER

Note 11 - Other Accrued Expenses

March 31,
(Unaudited)

	<u>1991</u>	<u>1990</u>
Payroll	\$ 6,309,000	\$ 5,910,000
Progressive Jackpots	2,926,000	1,965,000
Interest	6,185,000	5,476,000
*Miscellaneous	<u>7,534,000</u>	<u>6,242,000</u>
Total	<u>\$22,954,000</u>	<u>\$19,593,000</u>

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

BALLY'S PARK PLACE CASINO HOTEL AND TOWER
Note 12 - Reinvestment Obligation
March 31, 1991
(Unaudited)

The Company, pursuant to the New Jersey Casino Control Act ("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 ("CRDA") and by direct investments.

At March 31, 1991 and 1990, the Company had \$8,916,000 and \$8,793,000 respectively, in remaining bond purchase commitments on deposit with the CRDA. The Company has purchased \$625,000 and \$475,000 in bonds with the CRDA as of March 31, 1991 and 1990, respectively.

BALLY'S PARK PLACE CASINO HOTEL AND TOWER
 Note 13 - Non-Operating Income
 For the Three Months Ended March 31,
 (Unaudited)
 (Unaudited)

	1991	1990
Interest income	\$1,577,000	\$389,000
Equity in income or (loss) of unconsolidated subsidiaries:		
B. W. Realty, Inc.	(137,000)	(147,000)
Bally Warwick, Inc.	(15,000)	15,000
Other	221,000	81,000
Total	\$1,646,000	\$338,000

any received a \$4,500,000 tentative assessment from the Treasury Department of the Treasury (the "Treasury") alleging that the Control Act, that the investments in excess of \$100,000 made by the Casino in 1983 required in that situation a casino pay for the investment of \$1,221,000. The total of the assessment at March 31, 1991 is \$1,221,000 and \$1,227,000 of management is of the opinion that the assessment is to be paid and intends to vigorously oppose this assessment and, if necessary, in appropriate courts.

For the years ended December 31, 1986, 1987 and 1987, the Company was insured for general liability insurance coverage through a captive insurance company of Bally. Since Bally's is currently restructuring its operations, it is presently uncertain if Bally's captive insurance company will be able to honor all reported or unreported claims for these years were to occur. It is estimated that the Company would be liable for between \$1,300,000 and \$1,500,000.

The final outcome of these matters cannot be predicted with certainty. Any decisions, if any, are not expected to have a material impact on the Company's financial position, but they could affect the liquidity.

BALLY'S PARK PLACE CASINO HOTEL
 Note 14 - Contingent Liabilities
 March 31, 1991
 (Unaudited)

Contingent Liabilities

In January 1991, the Company received a \$4,600,000 tentative assessment from the New Jersey's Department of the Treasury (the "Treasury") alleging, pursuant to the Casino Control Act, that the Company in 1983 failed to have sufficient qualified investments in excess of casino revenues. The Casino Control Act in effect in 1983 required in this situation a casino pay an assessment to satisfy its investment obligation. The estimated total of the tentative assessment at March 31, 1991 is \$6,337,000 including \$1,737,000 of interest. Management is of the opinion that this tentative assessment is without merit and intends to vigorously oppose this assessment and, if necessary, litigate in appropriate courts.

For the years ended December 31, 1990, 1988 and 1987, the Company was insured for its general liability insurance coverage through a captive insurance subsidiary of Bally. Since Bally's is currently restructuring its operations and debt, it is presently uncertain if Bally's captive insurance subsidiary will be able to honor all reported or unreported claims for these years. If this were to occur, it is estimated that the Company would be liable for claims of between \$1,200,000 and \$1,900,000.

Although the final outcome of these matters cannot be predicted with certainty, unfavorable decisions, if any, are not expected to have a material adverse impact on the Company's financial position, but they would affect the Company's liquidity.

HOTEL STATISTICS

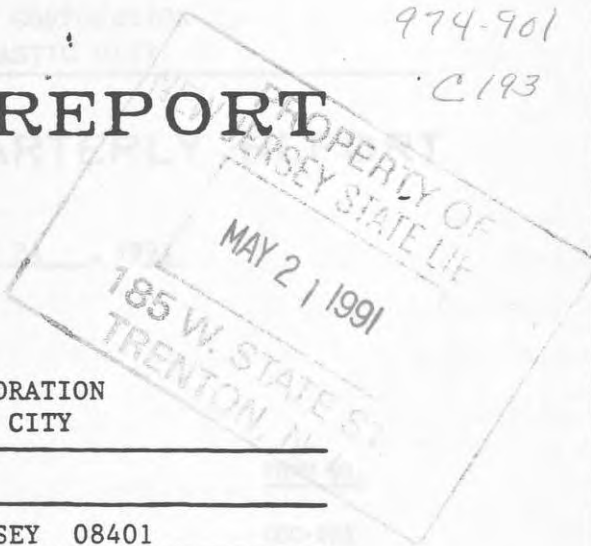
FOR THE 3 MONTHS ENDED March 31, 191

PERIOD	NUMBER OF GUEST ROOMS IN PROPERTY	NUMBER OF AVAILABLE ROOMS	NUMBER OF OCCUPIED ROOMS	AVERAGE RATE PER OCCUPIED ROOM	OCCUPANCY RATE	NUMBER OF GUESTS ACCOMMODATED	AVERAGE RATE PER GUEST ACCOMMODATED
JANUARY	1,191	37,009	17,245	\$ 114.64	46.6 %	35,604	\$ 55.53
FEBRUARY	1,201	33,085	20,182	\$ 109.28	61.0 %	42,719	\$ 51.63
MARCH	1,267	35,273	25,338	\$ 105.12	71.8 %	51,140	\$ 52.08
1ST QUARTER TOTALS		105,367	62,765	\$ 109.07	59.6 %	129,463	\$ 52.88
APRIL				\$	%		\$
MAY				\$	%		\$
JUNE				\$	%		\$
2ND QUARTER TOTALS				\$	%		\$
JULY				\$	%		\$
AUGUST				\$	%		\$
SEPTEMBER				\$	%		\$
3RD QUARTER TOTALS				\$	%		\$
OCTOBER				\$	%		\$
NOVEMBER				\$	%		\$
DECEMBER				\$	%		\$
4TH QUARTER TOTALS				\$	%		\$
ANNUAL TOTALS				\$	%		\$

974-901

C193

QUARTERLY REPORT



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, **19**91

TO THE

CASINO CONTROL COMMISSION

OF THE

STATE OF NEW JERSEY



NAME OF OFFICER IN CHARGE
OF CORRESPONDENCE REGARDING
THIS QUARTERLY REPORT . . . MICHAEL J. WALSH

OFFICIAL TITLE. VICE PRESIDENT FINANCE

ADDRESS 2100 PACIFIC AVENUE
ATLANTIC CITY, NEW JERSEY 08401

BOARDWALK REGENCY CORPORATION
 TRADING NAME OF LICENSEE d/b/a CAESARS ATLANTIC CITY

LIST OF FORMS — QUARTERLY REPORT

DESCRIPTION	(a) 1991	(b) 1990
FOR THE QUARTER ENDED <u>MARCH 31</u> , 1991		
<u>TITLE</u>	<u>FORM NO.</u>	
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	CCC-240	
Schedule of Receivables and Patrons' Checks	CCC-250	
Statement of Conformity and Accuracy		

TRADING NAME OF LICENSEE CAESARS ATLANTIC CITY

BALANCE SHEETS
MARCH 31, 1991 AND 1990
 (UNAUDITED)
 (\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1991	(d) 1990
ASSETS			
	Current Assets	\$	\$
1	Cash.....	7,644	8,729
2	Marketable securities.....	-	-
3	Receivables and patrons' checks (net of allowance for..... doubtful accounts - 1991_, \$12,724 ; 1990_, \$11,942).....	14,386	16,275
4	Inventories.....(NOTE 1).....	3,644	3,030
5	Prepaid expenses and other current assets...(NOTE 2).....	8,386	11,069
6	Total current assets.....	34,060	39,103
7	Investments, Advances and Receivables.....(NOTES 3 & 13)..	1,420	1,024
8	Property and Equipment - Net.....(NOTES 1,4,9&14)	283,884	258,519
9	Other Assets.....(NOTES 11&14)..	14,980	4,320
10	Total Assets.....	\$ 334,344	\$ 302,966
LIABILITIES AND EQUITY			
	Current Liabilities	\$	\$
11	Accounts payable.....	6,039	12,722
12	Notes payable.....(NOTE 5).....	16,216	19,428
	Current portion of long-term debt:		
13	Due to affiliates.....	-	-
14	Other.....(NOTE 9).....	250	231
15	Income taxes payable and accrued.....(NOTES 1,2&6)..	3,390	1,759
16	Other accrued expenses.....(NOTE 7).....	14,978	15,372
17	Other current liabilities.....	2,529	2,131
18	Total current liabilities.....	43,402	51,643
	Long-Term Debt:		
19	Due to affiliates.....(NOTE 8).....	85,047	79,747
20	Other.....(NOTE 9).....	16,180	16,339
21	Deferred Credits.....(NOTES 1 & 6)..	4,484	7,409
22	Other Liabilities.....(NOTE 10).....	7,840	8,617
23	Commitments and Contingencies.....(NOTE 9&13)....		
24	Total Liabilities.....	156,953	163,755
25	Stockholders', Partners', Or Proprietor's Equity.....*	177,391	139,211
26	Total Liabilities and Equity.....	\$ 334,344	\$ 302,966

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

Certain reclassifications have been made in the prior financial statements in order to conform with the presentation used in the current period.

TRADING NAME OF CAESARS ATLANTIC CITY

STATEMENTS OF INCOME

FOR THE 3 MONTHS ENDED MARCH 31, 1991 AND 1990

(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1991	(d) 1990
	Revenue:	\$	\$
1	Casino.....		
2	Rooms.....		
3	Food and beverage.....		
4	Other.....		
5	Total revenue.....		
6	Less: promotional allowances.....		
7	Net revenue.....		
	Costs And Expenses:		
8	Cost of goods and services.....		
9	Selling, general, and administrative.....		
10	Provision for doubtful accounts.....		
11	Depreciation and amortization.....		
	Charges from affiliates other than interest:		
12	Management fees.....		
13	Other.....		
14	Total costs and expenses.....		
15	Income (Loss) From Operations.....		
	Other Income (Expense):		
16	Interest (expense) - affiliates.....		
17	Interest (expense) - external.....		
	Investment alternative tax and related		
18	income (expense) - net.....		
19	Nonoperating income (expense) - net.....		
20	Total other income (expenses).....		
21	Income (Loss) Before Income Taxes and Extraordinary items..		
22	Provision (Credit) for income taxes.....		
23	Income (Loss) Before Extraordinary Items.....		
24	Extraordinary items (net of income taxes -		
	19__, \$; 19__, \$).....		
25	Net Income (Loss).....	\$	\$

THIS FORM 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

TRADING NAME OF CAESARS ATLANTIC CITY

STATEMENTS OF INCOME

FOR THE 3 MONTHS ENDED MARCH 31, 1991 AND 1990

(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1991	(d) 1990
	Revenue:	\$	\$
1	Casino.....(NOTE 1).....	65,560	72,560
2	Rooms.....	3,485	3,675
3	Food and beverage.....	7,478	8,348
4	Other.....	3,130	3,229
5	Total revenue.....	79,653	87,812
6	Less: promotional allowances.....(NOTES 1 & 15)..	8,318	9,098
7	Net revenue.....	71,335	78,714
	Costs And Expenses:		
8	Cost of goods and services.....(NOTES 1 & 15)..	39,394	41,937
9	Selling, general, and administrative.....(NOTES 1 & 15)..	15,141	18,944
10	Provision for doubtful accounts.....	612	1,165
11	Depreciation and amortization.....(NOTE 1).....	4,894	4,076
	Charges from affiliates other than interest:		
12	Management fees.....	-	-
13	Other.....(NOTE 12).....	1,799	2,020
14	Total costs and expenses.....	61,840	68,142
15	Income (Loss) From Operations.....	9,495	10,572
	Other Income (Expense):		
16	Interest (expense) - affiliates.....(NOTES 5 & 8)...	(2,848)	(2,723)
17	Interest (expense) - external.....(NOTE 9).....	(471)	(105)
18	Investment alternative tax and related income (expense) - net.....(NOTE 13).....	(11)	391
19	Nonoperating income (expense) - net.....	85	58
20	Total other income (expenses).....	(3,245)	(2,379)
21	Income (Loss) Before Income Taxes and Extraordinary items..	6,250	8,193
22	Provision (Credit) for income taxes.....(NOTE 6).....	2,498	3,318
23	Income (Loss) Before Extraordinary Items.....	3,752	4,875
24	Extraordinary items (net of income taxes - 19__, \$; 19__, \$).....	-	-
25	Net Income (Loss).....	\$ 3,752	\$ 4,875

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

Certain reclassifications have been made in the prior financial statements in order to conform with the presentation used in the current period.

TRADING NAME OF LICENSEE CAESARS ATLANTIC CITY

STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY

FOR THE 3 MONTHS ENDED MARCH 31, 1991 AND 1990
 (UNAUDITED)
 (\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	1991		1990	
		(c) SHARES	(d) DOLLARS	(e) SHARES	(f) DOLLARS
	Common Stock: NO PAR VALUE, 1000 SHARES		\$		\$
1	Beginning balance (January 1) AUTHORIZED.....	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: (NOTE 14)	+++++		+++++	
9	Beginning balance (January 1).....	+++++	46,333	+++++	5,912
10	.....	+++++	-	+++++	-
11	.....	+++++	-	+++++	-
12	Ending balance.....	+++++	46,333	+++++	5,912
	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: (NOTE 14)	+++++		+++++	
25	Beginning balance (January 1).....	+++++	125,936	+++++	127,054
26	Prior period adjustments.....	+++++	-	+++++	-
27	Net income (loss).....	+++++	3,752	+++++	4,875
28	Dividends.....	+++++	(-)	+++++	(-)
29	.....	+++++	-	+++++	-
30	.....	+++++	-	+++++	-
31	Ending balance.....	+++++	129,688	+++++	131,929
32	Ending Stockholders' Equity.....	+++++	\$177,391	+++++	\$139,211

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 3 MONTHS ENDED MARCH 31, 1991 AND 1990

(UNAUDITED)

(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1991	(d) 1990
	Invested Capital:	\$	\$
1	Beginning balance (January 1).....		
2	Additional capital invested.....		
3	.....	
4	Ending balance.....		
	Accumulated Income:		
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 3 MONTHS ENDED MARCH 31, 1991 AND 1990
 (UNAUDITED)
 (\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1991	(d) 1990
1	Net Cash Provided (Used) By Operating Activities.....	\$ 6,187	\$ (1,604)
	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.....	(1,263)	(15,582)
5	Proceeds from disposition of property and equipment.....	24	77
6	Purchase of casino reinvestment obligations.....	(181)	280
7	Purchase of other investments and loans/advances made.....	-	-
8	Proceeds from disposal of investments and collection of advances and long-term receivables.....	-	62
9	Cash outflows to acquire business entities.....	-	-
10	.....	-	-
11	.....	-	-
12	Net Cash Provided (Used) By Investing Activities.....	(1,420)	(15,163)
	Cash Flows From Financing Activities:		
13	Cash proceeds from issuance of short-term debt.....	9,193	28,554
14	Payments to settle short-term debt.....	(18,800)	(15,850)
15	Cash proceeds from issuance of long-term debt.....	2,226	2,079
16	Costs of issuing debt.....	-	-
17	Payments to settle long-term debt.....	(38)	(32)
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.....	(7,419)	14,751
24	Net Increase (Decrease) in Cash and Cash Equivalents.....	(2,652)	(2,016)
25	Cash and Cash Equivalents At Beginning Of Period.....	10,296	10,745
26	Cash And Cash Equivalents At End Of Period.....	\$ 7,644	\$ 8,729

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

	Cash Paid During Period For:		
27	Interest (net of amount capitalized).....	\$ 3,319	\$ 2,783
28	Income taxes.....	\$ 3,263	\$ 4,713

The accompanying notes are an integral part of the financial statements. Valid comparisons cannot be made without using information contained in the notes. Certain reclassifications have been made in the prior period financial statements in order to conform with the presentation used in the current period.

TRADING NAME OF LICENSEE CAESARS ATLANTIC CITY

STATEMENTS OF CASH FLOWS

FOR THE 3 MONTHS ENDED MARCH 31, 1991 AND 1990

(UNAUDITED)

(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1991	(d) 1990
	Net Cash Flows From Operating Activities:		
29	Net income (loss).....	\$ 3,752	\$ 4,875
	Noncash items included in income and cash items excluded from income:		
30	Depreciation and amortization of property and equipment....	4,602	4,004
31	Amortization of other assets	292	72
32	Amortization of debt discount or premium.....	-	-
33	Deferred income taxes - current.....	130	(555)
34	Deferred income taxes - noncurrent.....	39	68
35	(Gain) loss on disposition of property and equipment.....	(20)	(38)
36	(Gain) loss on casino reinvestment obligations.....	11	(391)
37	(Gain) loss from other investment activities.....	-	-
38	Net (increase) decrease in receivables and patrons' checks.....	2,001	(666)
39	Net (increase) decrease in inventories.....	(513)	73
40	Net (increase) decrease in other current assets.....	(11)	1,029
41	Net (increase) decrease in other assets.....	(1,429)	(598)
42	Net increase (decrease) in accounts payable.....	(2,600)	2,845
43	Net increase (decrease) in other current liabilities excluding debt.....	173	(12,333)
44	Net increase (decrease) in other noncurrent liabilities excluding debt.....	(240)	11
45	.....	-	-
46	.....	-	-
47	Net Cash Provided (Used) By Operating Activities.....	\$ 6,187	\$ (1,604)

SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING AND FINANCING ACTIVITIES

	Acquisition Of Property And Equipment:		
48	Additions to property and equipment.....	\$ 1,263	\$ 15,582
49	Less: Mortgage assumed.....	-	-
50	Cash Outflows For Property And Equipment.....	\$ 1,263	\$ 15,582
	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 Captial 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 (see Note 14). 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 on funds borrowed to finance construction. There was no capitalized interest recorded for the three months ended March 31, 1991. For the three months ended March 31, 1990 capitalized interest of \$367,000 was recorded. Depreciation and amortization are provided for on the straight-line method over the following estimated useful lives:

Buildings and improvements	10 to 40 years
Furniture, fixtures and equipment	3 to 8 years
Properties under capital leases, excluding land	28 to 31 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.

Reclassifications

Certain reclassifications have been made in the prior period financial statements in order to conform with the presentation used in the current period.

NOTE 1. Summary of Significant Accounting Policies (continued):

Income Taxes

BRC is included in CWI's consolidated Federal income tax return. Pursuant to a tax reimbursement agreement, BRC records income taxes based upon what the amount would have been, had BRC filed a separate return. In addition, when the potential tax benefits to CWI exceed the benefits that BRC could have derived as a separate entity, CWI will reimburse BRC for these excess benefits. The reimbursement of the excess benefits will be made before the earlier of the last year in which those benefits are available to BRC or the last year in which BRC is a member of CWI's consolidated group for Federal income tax purposes. Interest on the excess benefits will accrue at 7% per annum from the date CWI files a tax return in which such tax benefits are realized. Deferred income taxes are provided for timing differences between book and tax recognition of revenues and expenses.

In December 1987, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards Number 96 (SFAS 96) on accounting for income taxes. BRC is required to adopt the accounting and disclosure rules prescribed by SFAS 96 no later than its fiscal year ending July 31, 1993, although earlier adoption is permitted. Implementation of SFAS 96 may involve either restating net income for prior years or recognizing a cumulative adjustment in the year of adoption. The immediate effect of adopting SFAS 96 will depend principally on enacted tax rates at the date of adoption. Assuming no changes to the current tax rates, BRC's preliminary review indicates that the adoption of SFAS 96 is expected to have a favorable impact on BRC's financial statements.

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. 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, 1990.

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

NOTE 2. Prepaid Expenses and Other Current Assets:

	<u>1991</u>	<u>1990</u>
	(In Thousands)	
Deferred income taxes.....	\$6,628	\$ 8,971
Other.....	<u>1,758</u>	<u>2,098</u>
	<u>\$8,386</u>	<u>\$11,069</u>

NOTE 3. Investments, Advances, and Receivables:

	<u>1991</u>	<u>1990</u>
	(In Thousands)	
CRDA investment deposits.....	\$1,870	\$1,346
CRDA bonds receivable.....	292	128
Note receivable, net.....	<u>-</u>	<u>25</u>
	2,162	1,499
Less: valuation allowance.....(NOTE 13)	<u>742</u>	<u>475</u>
	<u>\$1,420</u>	<u>\$1,024</u>

NOTE 4. Property and Equipment:

	<u>1991</u>	<u>1990</u>
	(In Thousands)	
Land.....	\$ 46,895	\$ 38,227
Buildings and improvements.....	246,734	210,928
Furniture, fixtures and equipment.....	77,054	76,204
Construction in progress.....	1,897	20,942
Properties under capital leases.....	<u>15,178</u>	<u>11,893</u>
	387,758	358,194
Less: accumulated depreciation and amortization.....	99,190	97,270
CRDA valuation allowance(NOTE 13)	<u>4,684</u>	<u>2,405</u>
	<u>\$283,884</u>	<u>\$258,519</u>

NOTE 5. Notes Payable:

CWI maintains, for the benefit of CWI and its subsidiaries (including BRC), a \$225,000,000 unsecured credit arrangement with a syndicate of banks. The credit arrangement consists of a

BOARDWALK REGENCY CORPORATION
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(unaudited)

NOTE 5. Notes Payable (continued):

\$75,000,000 term loan and a \$150,000,000 revolving credit facility available to be used by CWI and its affiliates, including BRC, for working capital needs and general corporate purposes. The revolving credit facility bears interest at one-quarter percent below the prime rate or an alternate negotiated rate and expires September, 1993.

The unsecured credit arrangement contains affirmative and negative covenants and among other things, requires the maintenance of certain financial ratios; limits CWI's, CNJ's, and BRC's ability to incur additional debt, repurchase shares and sell certain assets; and restricts mergers, consolidations and similar transactions with respect to CWI and its subsidiaries.

In May 1989 BRC entered into an unsecured \$50,000,000 revolving line of credit with Desert Palace, Inc. (DPI), a wholly-owned subsidiary of CWI. The revolving line of credit carries interest at the prime rate, a \$75,000 annual commitment fee, and has a term of five years. In 1991, the maximum amount outstanding at any month-end was \$21,864,000, the average of the month-end amounts outstanding was \$19,784,000 and the weighted average interest rate was 9.2 percent. At March 31, 1991 and 1990, the outstanding balance on the revolving line of credit was \$16,216,000 and \$19,428,000, respectively.

NOTE 6. Income Taxes:

The provision for income taxes for the three months ended March 31, 1991 and 1990 is comprised of the following:

	<u>1991</u>	<u>1990</u>
	(In Thousands)	
Current:		
Federal.....	\$1,798	\$2,788
State.....	531	1,017
Deferred:		
Federal.....	112	(238)
State.....	<u>57</u>	<u>(249)</u>
	<u>\$2,498</u>	<u>\$3,318</u>

Deferred credits of \$4,484,000 and \$7,409,000 at March 31, 1991 and 1990, respectively, represent deferred income taxes which result from temporary differences between income for financial reporting purposes and income for tax purposes. The most significant temporary differences relate to depreciation, certain accrued liabilities and the provisions for the reinvestment obligations imposed by the Casino Control Act.

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

NOTE 6. Income Taxes (continued):

The provision for income taxes for the three months ended March 31, 1991 and 1990 differs from the amount computed at the statutory rate as follows:

	<u>1991</u>	<u>1990</u>
	(In Thousands)	
Federal income tax at statutory rate.....	\$2,124	\$2,786
State income taxes, net of federal benefit.....	371	487
Other, net.....	<u>3</u>	<u>45</u>
	<u>\$2,498</u>	<u>\$3,318</u>

The Internal Revenue Service has examined CWI's consolidated Federal income tax returns through fiscal 1985 and is currently examining the returns for fiscal 1986, 1987 and 1988.

NOTE 7. Other Accrued Expenses:

	<u>1991</u>	<u>1990</u>
	(In Thousands)	
Insurance.....	\$ 2,723	\$ 4,559
Taxes, other than income taxes.....	3,009	2,194
Salaries, wages and vacation pay...	2,424	3,225
Progressive slots.....	2,081	1,596
Legal.....	1,927	1,848
Other.....	<u>2,814</u>	<u>1,950</u>
	<u>\$14,978</u>	<u>\$15,372</u>

NOTE 8. Long-term Debt, Due to Affiliates:

	<u>1991</u>	<u>1990</u>
	(In Thousands)	
DPI non-negotiable term note due June 1, 1992, interest at 11.45%.....	\$80,317	\$75,017
DPI fixed rate term note due May 1, 1994, interest at 11.30%.....	<u>4,730</u>	<u>4,730</u>
	<u>\$85,047</u>	<u>\$79,747</u>

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

NOTE 8. Long-term Debt, Due to Affiliates (continued):

In addition to the unsecured \$50,000,000 revolving line of credit discussed in Note 5, BRC has also entered into two additional loan agreements with DPI. The first is a \$56,000,000 non-negotiable term note executed in June 1987. Interest accrues monthly in arrears at the rate of 11.45 percent and is added to the unpaid principal balance at the end of the month. All unpaid principal together with all unpaid accrued interest is due June 1, 1992. The note is unsecured and may be prepaid at any time without penalty. At March 31, 1991 and 1990, \$80,317,000 and \$75,017,000, respectively, is outstanding. The second loan is a \$29,490,000 five year term note which was executed in May 1989. Interest at 11.3 percent of the unpaid principal balance of the term note is payable quarterly, effective September 30, 1989. A facility fee equal to three-quarter percent of the initial principal is payable in five equal annual installments which began on May 31, 1989. The term note is unsecured and may be prepaid at any time without penalty. At March 31, 1991 and 1990, \$4,730,000 is outstanding.

NOTE 9. Long-term Debt, Other:

	<u>1991</u>	<u>1990</u>
	(In Thousands)	
(a) Long-term debt.....	\$ 2,297	\$ 2,547
(b) Capitalized lease obligation....	<u>13,883</u>	<u>13,792</u>
	<u>\$16,180</u>	<u>\$16,339</u>

	<u>1991</u>	<u>1990</u>
	(In Thousands)	
(a) Mortgage payable, interest at 8.0%, maturing January 1999, secured by property.....	\$2,547	\$2,778
Less current maturities.....	<u>250</u>	<u>231</u>
	<u>\$2,297</u>	<u>\$2,547</u>

BRC leases land, buildings and equipment under noncancellable lease agreements with primary terms which expire at various dates through 2076. The leases generally provide that the BRC pay the taxes, insurance and maintenance expenses related to the leased assets. CWI has guaranteed a substantial portion of the Company's lease obligations. Major leased assets, which have been capitalized, include vacant land in Atlantic City and a portion of the land on which the casino/hotel is situated.

BOARDWALK REGENCY CORPORATION
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(unaudited)

NOTE 9. Long-term Debt, Other (continued):

A separate land lease upon which a portion of the hotel sits requires annual payments of \$575,000. However, beginning in October, 1990 and for each year thereafter the annual lease payments increase by approximately 50 percent of the increase in the Producer Price Index. The lease expires in 2008 and is renewable for two additional 30-year periods. BRC has exercised the right to a \$6,500,000 purchase option for this property on July 31, 1991. BRC currently maintains \$5,000,000 letter of credit for the benefit of the owner of this property, under a requirement of the lease.

BRC also owns approximately 1.2 acres and leases approximately six acres of property in Atlantic City, including an entire block of Boardwalk frontage, which may be suitable for development of a casino/hotel. The capitalized lease requires annual payments of \$875,000 and may be purchased for \$13,000,000. The purchase option will increase by \$500,000 in August 1997 and another \$500,000 every 10 years thereafter.

	<u>1991</u>	<u>1990</u>
	(In Thousands)	
(b) Capital lease obligations, net of amounts representing interest.....	\$13,883	\$13,792
Less current maturities.....	-	-
	<u>\$13,883</u>	<u>\$13,792</u>

Rent expense for the three months ended March 31, 1991 and 1990 is \$816,000 and \$727,000, respectively.

NOTE 10. Other Liabilities:	<u>1991</u>	<u>1990</u>
	(In Thousands)	
Insurance claims.....	\$6,003	\$4,153
Other liabilities.....	1,837	1,864
CRDA valuation allowance.....(NOTE 13)..	-	2,600
	<u>\$7,840</u>	<u>\$8,617</u>

NOTE 11. Pension Plans:

BRC participates in CWI's defined benefit pension plans (the Plans) covering any officer or other employee designated as a key executive of CWI or its subsidiaries. The benefits are based on years of

BOARDWALK REGENCY CORPORATION
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(unaudited)

NOTE 11. Pension Plans (continued):

service (not to exceed 30) and the employee's highest five years of compensation during the last ten years of employment. BRC has funded the vested benefits of certain current employees by making contributions to a revocable trust. Income earned by the trust accrues to the benefit of BRC. At March 31, 1991, the amount in these revocable trusts was \$1,147,000 and was recorded as "Other Assets". Such trusts shall become irrevocable in the event of a change of control of CWI (as defined). Pension expense was \$88,000 and \$89,000 for the three months ended March 31, 1991 and 1990, respectively. The actuarially computed present value of the accumulated benefit obligation relating to participants employed by BRC was \$1,132,000 and \$969,000 at July 31, 1990 and 1989, respectively. The liability accrued with respect to the Plan at July 31, 1990 and 1989 was \$1,711,000 and \$1,383,000, respectively.

BRC also has an Individual Retirement Account Plan which is generally available to all full-time employees who have at least one year of service and are not covered under any qualified retirement plan. The expense of this plan was \$170,000 and \$184,000 for the three months ended March 31, 1991 and 1990, respectively.

In addition to the BRC plans described above, union employees are covered by various multi-employer pension plans. For the union sponsored plans, information is not available from the plans' sponsors to permit BRC to determine its share of unfunded vested benefits, if any.

NOTE 12. Related Party Transactions:

Intercompany Services

CWI, CNJ and DPI provide BRC with substantial funds for lease deposits, working capital and other operating purposes. CWI also provides certain assistance to BRC, including supervision of the casino/hotel operations and the furnishing of accounting, tax, internal audit, marketing, legal and security services. BRC reimburses CWI for the cost of such services, which amounted to \$1,799,000 and \$2,020,000 for the three months ended March 31, 1991 and 1990, respectively. The breakdown of these services is as follows:

	<u>1991</u>	<u>1990</u>
	(In Thousands)	
Reservations office expenses.....	\$1,050	\$1,112
General insurance.....	363	467
Other.....	<u>386</u>	<u>441</u>
	<u>\$1,799</u>	<u>\$2,020</u>

NOTE 13. Commitments and Contingencies:

The New Jersey Casino Control Act (the "Act") provides, among other things, for an investment obligation on licensees based upon their gross casino revenues. This assessment 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. The CRDA has given approval to BRC for qualified eligible direct investments consisting of three housing developments including a high-rise which opened for occupancy in March 1989. The cost of these housing developments completed in 1989 and 1990 was \$40,700,000. BRC, as owner of these housing developments, is required to operate them for a minimum of 15 years for the high-rise and 20 years for the other two developments.

The two 15-unit housing developments are expected to incur future negative cash flows and have negligible future residual value. For the three months ended March 31, 1991 and 1990, the respective amounts of \$65,000 and \$26,000 were credited to operating income for the amortization of the reserve provided for such losses.

A portion of the investment obligation is being met by purchasing CRDA bonds which may have terms as long as fifty years and bear interest at two-thirds of market rates at issue date resulting in a value lower than the face value of such bonds. At March 31, 1991 and 1990, the cumulative allowance for the investment obligation, including a valuation allowance for the differential in interest rates and the estimated loss on the housing developments described above, was \$5,426,000 and \$5,479,000, respectively. Adjustments to such valuation allowances have been made for changes in interest rates and, because of the approval for the qualified direct investment, reductions in BRC's obligation to purchase long-term CRDA bonds. Operating income includes a charge of \$76,000 and a credit of \$365,000 for the three months ended March 31, 1991 and 1990, respectively, to provide for such adjustments.

At March 31, 1991, all investment obligations had been substantially satisfied or prepaid.

Litigation

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

BOARDWALK REGENCY CORPORATION
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(unaudited)

NOTE 14. Purchase of Minority Interest by CWI:

In December 1990, CWI acquired the remaining outstanding shares of CNJ (approximately 13.4%) that were not previously owned by CWI, for a total cost of approximately \$51,200,000, including estimated expenses. CWI accounted for the acquisition, using the purchase method of accounting, by having BRC establish a new basis of accounting for the purchased assets. BRC credited additional paid-in capital for \$40,421,000, removed \$19,421,000 from retained earnings which represented the minority's interest and allocated \$11,903,000 of the purchase price paid to land, buildings and improvements and leased assets. The excess of purchase price over fair value of assets acquired, approximately \$9,097,000, is being amortized on a straight-line basis over 40 years.

\$51,200,000

\$51,200,000

Proportional Expenses

(\$ Amounts in Thousands)

Three Months

Ended March 31, 1991

Debitals Credits

\$51,200	\$9,097
9,421	2,850
2,363	350
<u>\$62,987</u>	<u>\$12,297</u>

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

NOTE 15. Complimentaries:

Promotional Allowances

(\$ Amounts in Thousands)

DESCRIPTION	Three Months Ended March 31, 1991		ALLOWANCE	ACCOUNTS RECEIVABLE
	Recipients	Amount		
Rooms	47,497	\$2,057		
Food	174,997	3,314		
Beverage	386,476	2,130		
Theatre	33,044	700		
Other	3,027	117		
	<u>645,041</u>	<u>\$8,318</u>		

Promotional Expenses

(\$ Amounts in Thousands)

DESCRIPTION	Three Months Ended March 31, 1991		ALLOWANCE	ACCOUNTS RECEIVABLE
	Recipients	Amount		
Coin	450,823	\$4,057		
Travel	9,405	1,800		
Special events	2,101	550		
Other	54,788	1,090		
	<u>517,117</u>	<u>\$7,497</u>		

TRADING NAME OF LICENSEE CAESARS ATLANTIC CITY

SCHEDULE OF RECEIVABLES AND PATRONS' CHECKS

MARCH 31, 1991

(UNAUDITED)
(\$ IN THOUSANDS)

ACCOUNTS RECEIVABLE BALANCES				
LINE	DESCRIPTION	ACCOUNT BALANCE	ALLOWANCE	ACCOUNTS RECEIVABLE
(a)	(b)	(c)	(d)	(e) NET OF ALLOWANCE
	Patron's Checks:	\$		
1	Undeposited patrons' checks.....	7,028		
2	Returned patrons' checks.....	18,895		
3	Total patrons' checks.....	25,923	\$ 12,611	\$ 13,312
4	Hotel Receivables.....	856	113	743
	Other Receivables:			
5	Receivables due from officers and employees.....	37		
6	Receivables due from affiliates.....	6		
7	Other accounts and notes receivables.....	288		
8	Total other receivables.....	331	-	331
9	Totals (Form 205).....	\$ 27,110	\$ 12,724	\$ 14,386

UNDEPOSITED PATRONS' CHECKS ACTIVITY		
LINE	DESCRIPTION	AMOUNT
(f)	(g)	(h)
10	Beginning Balance (January 1).....	\$ 7,893
11	Counter checks issued (excluding counter checks issued through transactions relating to consolidations, partial redemptions, substitutions, and patrons' cash deposits).....	50,442
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).....	(35,649)
13	Checks collected through deposits.....	(15,082)
14	Checks transferred to returned checks.....	(576)
15	Other adjustments.....	-
16	Ending Balance.....	\$ 7,028
17	"Hold" Checks Included In Balance On Line 16.....	\$ -
18	Provision For Uncollectible Patrons' Checks.....	\$ 603
19	Provision As A Percent Of Counter Checks Issued.....	1.2%

STATEMENT OF CONFORMITY AND ACCURACY

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

Michael J. Walsh, being duly sworn according to law upon my oath
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.

Michael J. Walsh

Signature

VICE PRESIDENT FINANCE
Title

01482-11
License Number

Subscribed and sworn to
before me this 14th day
of May, 1991

On Behalf Of:

Kathryn J. Robinson

Signature

KATHRYN J. ROBINSON

NOTARY PUBLIC OF NEW JERSEY

My Commission Expires FEB. 20, 1992

Basis of Authority
to Take Oaths

BOARDWALK REGENCY CORPORATION
Casino License

TRADING NAME OF LICENSEE CAESARS ATLANTIC CITY

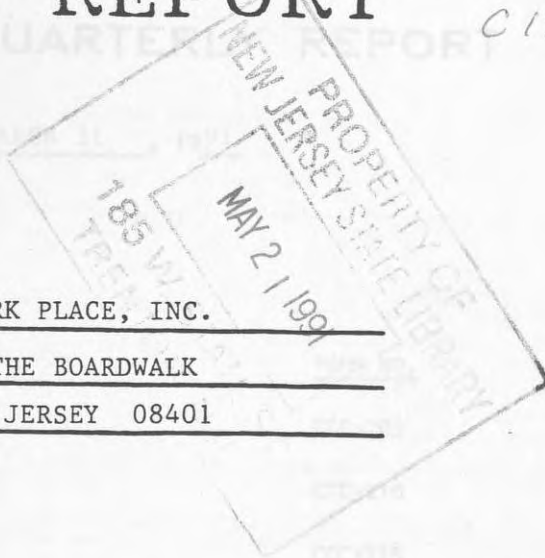
HOTEL STATISTICS

FOR THE 3 MONTHS ENDED March 31, 1991

PERIOD	NUMBER OF GUEST ROOMS IN PROPERTY	NUMBER OF AVAILABLE ROOMS	NUMBER OF OCCUPIED ROOMS	AVERAGE RATE PER OCCUPIED ROOM	OCCUPANCY RATE	NUMBER OF GUESTS ACCOMMODATED	AVERAGE RATE PER GUEST ACCOMMODATED
JANUARY	636	18,310	11,734	\$ 85.22	64.1 %	19,948	\$ 50.13
FEBRUARY	636	16,817	13,876	\$ 79.27	82.5 %	26,365	\$ 41.72
MARCH	636	19,018	16,966	\$ 82.51	89.2 %	34,587	\$ 40.48
1ST QUARTER TOTALS		54,145	42,576	\$ 82.21	78.6 %	80,900	\$ 43.26
APRIL				\$	%		\$
MAY				\$	%		\$
JUNE				\$	%		\$
2ND QUARTER TOTALS				\$	%		\$
JULY				\$	%		\$
AUGUST				\$	%		\$
SEPTEMBER				\$	%		\$
3RD QUARTER TOTALS				\$	%		\$
OCTOBER				\$	%		\$
NOVEMBER				\$	%		\$
DECEMBER				\$	%		\$
4TH QUARTER TOTALS				\$	%		\$
ANNUAL TOTALS				\$	%		\$

QUARTERLY REPORT

974-901
C 193



LICENSEE THE CLARIDGE AT PARK PLACE, INC.

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

FOR THE QUARTER ENDED MARCH 31, 1991

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



MAY 1991

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

RAYMOND A. SPERA

OFFICIAL TITLE

VICE PRESIDENT OF FINANCE

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, 1991

<u>TITLE</u>	<u>FORM NO.</u>
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
Statement of Conformity and Accuracy	CCC-250

BALANCE SHEETS

MARCH 31, 19 91 AND 19 90

(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 19 91	(d) 19 90
ASSETS			
	Current Assets:		
1	Cash	\$ 4,648	\$ 5,639
2	Marketable securities	-0-	-0-
3	Receivables and patrons' checks (net of allowance for doubtful accounts - 19 91, \$ 2,309 ; 19 90, \$ 2,710)	16,217	17,716
4	Inventories	2,271	1,840
5	Prepaid expenses and other current assets	2,470	2,165
6	Total current assets	25,606	27,360
7	Investments, Advances, And Receivables (NOTE 3)	133,972	141,922
8	Property And Equipment - Net OF ACCUM. DEPR. OF \$10,551 & \$10,353	3,723	3,673
9	Other Assets (NOTE 4)	234	184
10	Total Assets	\$ 163,535	\$ 173,139
LIABILITIES AND EQUITY			
	Current Liabilities:		
11	Accounts payable	\$ 3,110	\$ 3,371
12	Notes payable	-0-	-0-
	Current portion of long-term debt:		
13	Due to affiliates	-0-	-0-
14	Other (NOTE 7)	2,200	500
15	Income taxes payable and accrued	97	33
16	Other accrued expenses (NOTE 5)	10,040	15,517
17	Other current liabilities (NOTE 6)	19,315	14,676
18	Total current liabilities	34,762	34,097
	Long-Term Debt:		
19	Due to affiliates	-0-	-0-
20	Other (NOTE 7)	59,176	102,695
21	Deferred Credits	1,534	-0-
22	Other Liabilities (NOTE 8)	65,049	71,522
23	Commitments And Contingencies (NOTE 1)		
24	Total Liabilities	160,521	208,314
25	Stockholders', Partners', Or Proprietor's Equity	3,014	(35,175)
26	Total Liabilities And Equity	\$ 163,535	\$ 173,139

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, 19 91 and 19 90

(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 19 <u>91</u>	(d) 19 <u>90</u>
	Revenue:		
1	Casino	\$ 28,503	\$ 32,037
2	Rooms	2,042	2,410
3	Food and beverage	4,242	5,120
4	Other	528	518
5	Total revenue	35,315	40,085
6	Less: Promotional allowances (NOTE 10)	3,277	3,938
7	Net revenue	32,038	36,147
	Costs And Expenses:		
8	Cost of goods and services	19,784	20,066
9	Selling, general, and administrative	8,723	9,568
10	Provision for doubtful accounts	131	133
11	Depreciation and amortization	290	408
	Charges from affiliates other than interest:		
12	Management fees	-0-	-0-
13	Other (NOTE 13)	9,327	9,317
14	Total costs and expenses	38,255	39,492
15	Income (Loss) From Operations	(6,217)	(3,345)
	Other Income (Expenses):		
16	Interest (expense) - affiliates (NOTE 13)	(108)	(108)
17	Interest (expense) - external	(1,605)	(3,777)
18	Investment alternative tax and related income (expense) - net (NOTE 3)	(305)	(338)
19	Nonoperating income (expense) - net (NOTE 9)	5,159	5,438
20	Total other income (expenses)	3,141	1,215
21	Income (Loss) Before Income Taxes And Extraordinary Items	(3,076)	(2,130)
22	Provision (credit) for income taxes (NOTE 12)	(1,046)	-0-
23	Income (Loss) Before Extraordinary Items	(2,030)	(2,130)
24	Extraordinary items (net of income taxes - 19__, \$; 19__, \$)	-0-	-0-
25	Net Income (Loss)	\$ (2,030)	\$ (2,130)

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

STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY

FOR THE THREE MONTHS ENDED MARCH 31, 19 91 AND 19 90

(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	19 <u>91</u>		19 <u>90</u>	
		(c) SHARES	(d) DOLLARS	(e) SHARES	(f) DOLLARS
	Common Stock:		\$		\$
1	Beginning balance (January 1)	1000	1	1000	1
2	Sale of stock				
3	.....			
4	Ending balance	1000	1	1000	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)		4,999		4,999
10	.....			
11	.....			
12	Ending balance		4,999		4,999
	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)		44		(38,045)
26	Prior period adjustments				
27	Net income (loss)		(2,030)		(2,130)
28	Dividends		()		()
29	.....			
30	.....			
31	Ending balance		(1,986)		(40,175)
32	Ending Stockholders' Equity		\$ 3,014		\$(35,175)

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

STATEMENTS OF CASH FLOWS

TRADING NAME OF LICENSEE THE CLARIDGE CASINO HOTEL

STATEMENTS OF CHANGES IN PARTNERS' OR PROPRIETOR'S EQUITY

FOR THE THREE MONTHS ENDED MARCH 31, 19 91 AND 19 90

(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 19 <u>91</u>	(d) 19 <u>90</u>
	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	\$	\$

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

NOT APPLICABLE

STATEMENTS OF CASH FLOWS

FOR THE THREEMONTHS ENDED MARCH 31, 1991 and 1990
 (UNAUDITED)
 (\$ IN THOUSANDS)

Line (a)	Description (b)	(c) 19 <u>91</u>	(d) 19 <u>90</u>
1	Net Cash Provided (Used) By Operating Activities.....	\$ (2,018)	\$ 1,453
	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.....	(162)	(848)
5	Proceeds from disposition of property and equipment.....	10	-0-
6	Purchase of casino reinvestment obligations.....	(66)	(92)
7	Purchase of other investments and loans/advances made.....	(303)	(487)
8	Proceeds from disposal of investments and collection of advances and long-term receivables.....	2,111	2,130
9	Cash outflows to acquire business entities.....		
10			
11			
12	Net Cash Provided (Used) By Investing Activities.....	1,590	703
	Cash Flows From Financing Activities:		
13	Cash proceeds from issuance of short-term debt.....	1,000	-0-
14	Payments to settle short-term debt	(900)	(1,000)
15	Cash proceeds from issuance of long-term debt.....		
16	Costs of issuing debt.....		
17	Payments to settle long-term debt.....	(95)	(126)
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.....	5	(1,126)
24	Net Increase (Decrease) In Cash And Cash Equivalents.....	(423)	1,030
25	Cash And Cash Equivalents At Beginning Of Period	5,071	4,609
26	Cash And Cash Equivalents At End Of Period.....	\$ 4,648	\$ 5,639

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

	Cash Paid During Period For:		
27	Interest (net of amount capitalized).....	\$ 1,604	\$ 2,004
28	Income taxes.....	\$ 253	\$ 90

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

STATEMENTS OF CASH FLOWS

FOR THE THREEMONTHS ENDED MARCH 31, 1991 and 1990
 (UNAUDITED)
 (\$ IN THOUSANDS)

Line (a)	Description (b)	(c) 19 91	(d) 19 90
	Net Cash Flows From Operating Activities:		
29	Net income (loss).....	\$ (2,030)	\$ (2,130)
	Noncash items included in income and cash items excluded from income:		
30	Depreciation and amortization of property and equipment.....	277	405
31	Amortization of other assets.....	13	3
32	Amortization of debt discount or premium.....	-0-	129
33	Deferred income taxes - current.....		
34	Deferred income taxes - noncurrent.....	(1,046)	-0-
35	(Gain) loss on disposition of property and equipment.....	(10)	-0-
36	(Gain) loss on casino reinvestment obligations.....	305	338
37	(Gain) loss from other investment activities.....		
38	Net (increase) decrease in receivables and patrons' checks...excluding reclass from long term of \$108 & \$19.....	295	(503)
39	Net (increase) decrease in inventories.....	(274)	163
40	Net (increase) decrease in other current assets.....	38	160
41	Net (increase) decrease in other assets.....	(66)	(88)
42	Net increase (decrease) in accounts payables.....	464	(165)
43	Net increase (decrease) in other current liabilities excluding debt.....	1,838	4,909
44	Net increase (decrease) in other noncurrent liabilities excluding debt.....	(1,642)	(1,611)
45	Discount on wraparound mortgage receivable.....	(180)	(157)
46			
47	Net Cash Provided (Used) By Operating Activities.....	\$ (2,018)	\$ 1,453

SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING AND FINANCING ACTIVITIES

48	Acquisition Of Property And Equipment:		
49	Additions to property and equipment.....	\$ 162	\$ 848
50	Less: Capital lease obligations incurred.....		
	Cash Outflows For Property And Equipment.....	\$ 162	\$ 848
51	Acquisition Of Business Entities:		
52	Property and equipment acquired.....	\$	\$
53	Goodwill acquired.....		
54	Net assets acquired other than cash, goodwill, and property and equipment.....		
55	Long-term debt assumed.....		
56	Issuance of stock or capital invested.....		
	Cash Outflows To Acquire Business Entities.....	\$ -0-	\$ -0-
57	Stock Issued Or Capital Contributions:		
58	Total issuances of stock or capital contributions.....	\$	\$
59	Less: Issuances to settle long-term debt.....		
60	Consideration in acquisition of business entities.....		
	Cash Proceeds From Issuing Stock Or Capital Contributions.....	\$ -0-	\$ -0-

THE CLARIDGE CASINO - HOTEL

Notes to Financial Statements
MARCH 31, 1991 AND 1990

(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) Claridge Expansion

New Claridge expanded its facility by constructing a two story bridge building which connects the hotel building to the parking garage. The expanded facility, which opened to the public on August 28, 1986, houses approximately 10,000 square feet of casino space and a cabaret theatre with a seating capacity of approximately 200. The cost of the project approximated \$20 million. To finance the expansion, New Claridge together with Webb, DEWNJ, and the Partnership committed on March 17, 1986, to an agreement with the First Fidelity Bank, N.A. which increased the current First Mortgage by an amount sufficient to finance the cost of the expansion. As a result of the expansion project and the increase in the First Mortgage certain new agreements were entered into and certain existing agreements and certain Webb Commitments were amended on March 17, 1986.

(c) Restructuring

On October 27, 1989, the parties with an economic interest in the Corporation and New Claridge executed an agreement (the "Restructuring Agreement") with respect to the restructuring (the "Restructuring") of the Claridge. On June 16, 1989 the Restructuring was concluded pursuant to the terms of the Restructuring Agreement, and resulted in New Claridge's first mortgage balance being reduced from \$89,015,000 to \$74,557,000. The implementation of this agreement results in a reorganization of the ownership interests in the Corporation, modifications of the rights and obligations of the five banks which are the participants in New Claridge's first mortgage loan (the "First Mortgage Lenders"), satisfaction and

THE CLARIDGE CASINO - HOTEL

Notes to Financial Statements - Continued

termination of the obligations and commitments of Webb and DEWNJ, and modifications of the lease arrangements between New Claridge and the Partnership. Had the parties not executed the Restructuring Agreement, New Claridge would probably have exhausted its working capital resources by December 1988, would not have been relicensed for the license period beginning October 31, 1988 through October 31, 1989, and would have had to consider filing for protection in bankruptcy.

(d) Other Significant Events

Claridge License Renewal

On October 31, 1989, New Claridge was issued a two-year casino license by the New Jersey Casino Control Commission (the "Commission"). The financial stability of New Claridge was the major issue and the relicensing was based, in part, on the execution of the amendment to the Revolving Credit and Term Loan Agreement. The Commission also imposed certain conditions upon New Claridge which require New Claridge to provide certain financial information and quarterly updates to the Commission as to the status of sale or refinancing efforts, with the requirement that New Claridge present to the Commission a final plan concerning a sale or substantial capital infusion by October 31, 1990. On October 31, 1990, New Claridge was granted an extension by the Commission extending the October 31, 1990 date for presenting a final plan to March 31, 1991. On March 16, 1991 New Claridge submitted a petition based on the agreement reached with the First Mortgage Lenders (see Note 7) requesting a declaratory ruling that the above mentioned condition had been satisfied. On March 27, 1991, the Commission issued a declaratory ruling that if fully executed documents, which contain no material modification from the agreed upon terms, are submitted to the Commission and Division by April 16, 1991, the condition would be satisfied. Effective April 23, 1991, the Loan Agreement was amended and executed copies were thereafter submitted to the Commission and Division. On April 24, 1991, the Commission ruled that the condition was satisfied. Management of the Corporation is aware of no charges, objections or other facts which would provide a basis for the Commission to deny renewal of the casino license.

THE CLARIDGE CASINO - HOTEL

Notes to Financial Statements - Continued

(2) Summary of Significant Accounting Policies

(a) Basis of Presentation

Since its inception, New Claridge has incurred significant operating losses. New Claridge would probably not have been relicensed for the license period beginning October 31, 1988 and ending October 31, 1989, and would have had to consider filing for protection under bankruptcy, had it not entered into the Restructuring Agreement on October 27, 1988.

New Claridge entered into the Restructuring Agreement in an attempt to implement a plan pursuant to which it could remain financially viable through at least October 1989. On June 16, 1989 the restructuring of the financial obligations of the Corporation and New Claridge was concluded pursuant to the terms of the Restructuring Agreement.

On September 29, 1989 the Loan Agreement between New Claridge and First Fidelity Bank, N.A. was amended to provide for a reduction in the principal payments due in 1990 and 1991. In addition, the Loan Agreement was amended to permit increases in the revolving working capital facility from up to \$7.5 million to up to \$11 million to the extent of quarterly principal payments of excess cash flow as defined in the Loan Agreement.

On October 31, 1989, New Claridge was issued a two year casino license by the New Jersey Casino Control Commission (the "Commission"). The financial stability of New Claridge was the major issue and the relicensing was based, in part, on the execution of the amendment to the Loan Agreement, as described above. The Commission also imposed certain financial conditions upon New Claridge which require New Claridge to provide certain financial information and quarterly updates to the Commission as to the status of sale or refinancing efforts, with the requirement that New Claridge present to the Commission a final plan concerning a sale or substantial capital infusion by October 31, 1990.

On October 31, 1990, New Claridge was granted an extension by the Commission extending the October 31, 1990 date for presenting a final plan to March 31, 1991.

THE CLARIDGE CASINO - HOTEL

Notes to Financial Statements - Continued

On March 13, 1991, the Corporation and New Claridge reached an agreement with representatives of First Fidelity Bank, N.A., New Jersey and Marine Midland Bank, N.A., which act as lead banks for the First Mortgage Lenders, to extend the term of and otherwise modify the Loan Agreement (see Note 7). On March 27, 1991 the Commission considered a petition submitted by New Claridge seeking a declaratory ruling that the above mention condition had been satisfied. The Commission issued a declaratory ruling that if fully executed documents, which contained no material modification from the terms as outlined by New Claridge in its petition, were submitted to the Commission and Division by April 16, 1991, the condition would have been satisfied. Effective April 23, 1991, the second amendment to the Loan Agreement was executed (see note 7) and executed copies were thereafter submitted to the Commission and Division. On April 24, 1991, the Commission ruled that the condition was satisfied.

Management of the Corporation is aware of no charges, objections or other facts which would provide a basis for the Commission to deny renewal of the casino license for the two year period commencing October 31, 1991. Accordingly, the financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts or the amounts and classification of liabilities that might be necessary should the Corporation be unable to continue in existence.

(b) Cash

Cash includes investments in interest-bearing repurchase agreements in government securities. 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 complimentary is included in the statement of earnings as operating costs.

(e) Inventories

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

THE CLARIDGE CASINO - HOTEL

Notes to Financial Statements - Continued

(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.

(3) Investments, Advances, and Receivables

Investments, Advances, and Receivables at March 31, 1991 and 1990 are summarized as follows:

	<u>1991</u>	<u>1990</u>
	(in thousands)	
\$127,000,000 Expandable Wraparound Mortgage 14%, maturities through September 30, 2000 (net of \$14,752,000 discount and \$15,437,000 discount at March 31, 1991 and 1990, respectively)	\$101,998	106,313
Deferred interest receivable, due September 30, 2000	20,000	20,000
FF&E promissory note, 14%	6,203	8,097
FF&E promissory note - expansion, 14%	13,086	13,996
Reinvestment Obligations	689	758
Reinvestment Obligation Credit	1,721	2,801
Investment in Resort Hotel Insurance Corporation	<u>76</u>	<u>-0-</u>
	143,773	151,965
Less Current Installments:		
Receivables	8,476	8,779
Reinvestment Obligation Credit	<u>1,325</u>	<u>1,264</u>
	<u>\$133,972</u>	<u>141,922</u>

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 Partnership's debt under the Partnership's First Mortgage and Purchase Money Second Mortgage indebtedness (Note 7). The discounted portion of the Expandable Wraparound Mortgage is due to the deferral of \$20,000,000 in interest between 1983 and 1988 until maturity. Principal payments required under the Expandable Wraparound Mortgage commenced in 1988. During the three months ended March 31, 1991, \$1,250,000 in principal payments were made.

THE CLARIDGE CASINO - HOTEL

Notes to Financial Statements - Continued

The Expandable Wraparound Mortgage also includes a provision whereby New Claridge will loan the Partnership up to \$25,000,000 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, 1990, \$621,000 in principal payments were made.

The Expandable Wraparound Mortgage was increased by \$17 million to provide the Partnership with funding for the construction of the expansion. Effective on the date that the expansion opened to the public (August 28, 1986), the Partnership commenced making level monthly payments of principal and interest so as to repay on September 30, 1998, in full, the principal balance of this \$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 \$80,000,000 and on September 30, 2000 a balloon payment of \$67,000,000, which includes \$20,000,000 of deferred interest.

The Casino Control Act as amended in December 1984 provides for the imposition of an investment obligation pursuant to criteria set forth in the Act or the payment of an alternative tax. The investment obligation is calculated as 1.25% of the total gaming revenues each calendar year. Gaming revenues are the total revenues derived from gaming operations less the provision for bad debt. If the casino licensee opts not to make an investment as required it is assessed an additional tax of 2.5% of total gaming revenues less the provision for bad debt. The licensee has two options in satisfying its investment obligation. It can make a direct investment in a project which must be approved by the Casino Reinvestment Development Authority ("CRDA") which is the agency responsible for administering this portion of the Casino Control Act. Or it can buy bonds issued by the CRDA which shall, if tax exempt, bear interest at the rate of 66 2/3% of the average rate of Bond Buyer Weekly 25 Revenue Bond Index for the 26 weeks preceding the issue of the bonds. If the bonds are not tax exempt they shall bear interest at the rate of 66 2/3% of the average rate of Moody's A Rated Utility Index for the 26 weeks preceding the issue of the CRDA bonds. The investment obligation must be paid on the 15th day of the first, fourth, seventh, and tenth months of each year based on the estimated gaming revenues for the three month period preceding the first day of those months. The alternative tax must be paid not later than April 30 of the following year. New Claridge has deposited its reinvestment funds with the State Treasurer. Through

THE CLARIDGE CASINO - HOTEL

Notes to Financial Statements - Continued

March 31, 1991, \$9,363,000 has been deposited with the State. On March 16, 1987 CRDA had its first bond issue of which New Claridge's mandatory share was \$602,000. On April 30, 1987 a second bond issue was executed. New Claridge's portion amounted to \$1,052,000. Additional bond issuances executed through March 31, 1991 have totalled \$125,000. All purchases were made from funds already deposited. These funds deposited are earning interest at a rate approximately one-third less than market. Since at the time of purchase the bonds will also bear interest at two-thirds of market rates New Claridge has recorded a valuation allowance of \$3,169,000 to date of which \$22,000 was recorded during the three months ended March 31, 1991. Until such time as the bonds are issued this valuation allowance may be adjusted due to potential fluctuations in bond interest rates and other factors, including the determination of the terms of the bonds. New Claridge's investment obligation at March 31, 1991 and 1990 is \$67,000 and \$92,000 respectively.

On December 1, 1989, New Claridge made a donation to the CRDA in the amount of \$6,659,000. The amount donated represented amounts previously paid to the CRDA and included all of New Claridge's obligations (a) incurred from January 1, 1984 through September 30, 1989; and (b) incurred prior to January 1, 1984 allocable to Atlantic City which had not, as of November 30, 1989, been applied to the purchase of bonds. In exchange for the donation, New Claridge received a credit equal to \$3,396,000, (fifty-one percent of its donation), to be applied to its obligation commencing after September 30, 1989. During the fourth quarter of 1989 New Claridge recorded an expense of \$1,102,000 to write-down the book value of the donated amount to \$3,396,000. New Claridge also recorded an expense of \$287,000 in the fourth quarter of 1989, which represented the amount of the credit applied to the fourth quarter of 1989 obligation. For the three months ended March 31, 1991, New Claridge has recorded expense of \$268,000, representing the amount of the credit applied to the First Quarter of 1991 obligations.

A second donation was made to the CRDA, effective July 1, 1990, of funds previously paid to the CRDA which were allocable to the purchase of obligations of the New Jersey Development Authority for Small Businesses, Minorities and Women's Enterprises ("SBMWE"). In exchange for this donation, which was in the amount of \$429,000, New Claridge received a credit equal to \$219,000 (fifty-one percent of the donation), to be applied to obligations commencing after June 30, 1990. During the third quarter of 1990, New Claridge recorded an expense of \$71,000 to write-down the book value of the donated amount to \$219,000. For the three months ended March 31, 1991, New Claridge has recorded expense of \$15,000, representing the amount of the SBMWE credit applied to the First Quarter 1991 obligation.

THE CLARIDGE CASINO - HOTEL

Notes to Financial Statements - Continued

In addition, it was determined on January 15, 1990 that certain bonds issued by the CRDA and purchased by New Claridge pursuant to its investment obligation as required by the Casino Control Act, had become impaired and that the payment of interest and principal was uncertain. New Claridge's investment in these bonds totals \$1,654,000. These bonds as issued were to pay interest at approximately two-thirds of market rate. Consequently, New Claridge had recorded a valuation allowance of approximately \$538,000 at the time of purchase in 1987. Given the uncertainty regarding the receipt of principal and interest, New Claridge recorded an additional valuation allowance of \$1,116,000 during the fourth quarter of 1989 so as to fully reserve its investment.

At December 31, 1987, New Claridge also had a contingent liability to make a qualified investment in satisfaction of its pre-December 1984 investment obligation. Because no such qualified investment was made by December 31, 1988, New Claridge funded its obligation and accordingly \$333,000 was deposited with the State in 1988.

(4) Other Assets

Other assets at March 31, 1991 and 1990 consist of the following:

	<u>1991</u>	<u>1990</u>
	(in thousands)	
Intangible assets (net of accumulated amortization of \$57 and \$4 at March 31, 1991 and 1990 respectively)	\$ 112	115
Refundable deposits, non-current	<u>122</u>	<u>69</u>
	<u>\$ 234</u>	<u>184</u>

(5) Other Accrued Expenses

Other accrued expenses at March 31, 1991 and 1990 consist of the following:

	<u>1991</u>	<u>1990</u>
	(in thousands)	
Progressive jackpot liability	\$ 2,916	2,992
Accrued payroll and related benefits	4,697	4,579
Accrued interest payable	775	5,551
Other	<u>1,652</u>	<u>2,395</u>
	<u>\$10,040</u>	<u>15,517</u>

THE CLARIDGE CASINO - HOTEL

Notes to Financial Statements - Continued

(6) Other Current Liabilities

Other current liabilities at March 31, 1991 and 1990 consist of the following:

	<u>1991</u>	<u>1990</u>
	(in thousands)	
Due to affiliates	\$ 3,600	3,600
Deferred lease, current	12,382	7,167
Auto/general claims liability	1,993	2,273
Other	<u>1,340</u>	<u>1,636</u>
	<u>\$19,315</u>	<u>14,676</u>

As of March 31, 1991 and 1990, 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 representing all its cash other than funds needed to pay expenses incurred through or at the closing of the Restructuring.

(7) Long-term Debt

Long term debt at March 31, 1991 and 1990 consists of the following:

	<u>1991</u>	<u>1990</u>
	(in thousands)	
First Mortgage Note, prime plus 1%, or LIBOR plus 2%, or unadjusted LIBOR plus 2.25%, maturities to 1993 (a)	\$60,376	70,749
\$47,000,000 Purchase Money Second Mortgage 14%, due September 30, 2000 (net of \$14,554,000 discount at March 31, 1990)(b)	-0-	32,446
Revolving line of credit prime plus 1% (c)	<u>1,000</u>	<u>-0-</u>
	61,376	103,195
Less current installments	<u>2,200</u>	<u>500</u>
	<u>\$59,176</u>	<u>102,695</u>

THE CLARIDGE CASINO - HOTEL

Notes to Financial Statements - Continued

Pursuant to the Expandable Wraparound Mortgage Loan Agreement (Note 3) on October 31, 1983 New Claridge assumed the debt of the Partnership relating to an \$80,000,000 First Mortgage made by the Partnership to a group of banks and a \$47,000,000 Purchase Money Second Mortgage made by the Partnership to DEWNJ. The Expandable Wraparound Mortgage is secured by the Hotel Assets and is subordinate to the First Mortgage.

Provided the Partnership is not in default of its obligations under the Expandable Wraparound Mortgage and New Claridge is current in its rental obligations to the Partnership under the Operating Lease, New Claridge will be obligated to make payments required under the First Mortgage.

- (a) On March 17, 1986 the First Mortgage was amended and assumed by New Claridge. The amount of the amended and assumed First Mortgage ("Amended First Mortgage") was increased to \$96.5 million to provide financing for the construction of the expansion. On June 16, 1989 the Restructuring was concluded pursuant to the terms of the Restructuring Agreement. The First Mortgage balance was reduced in accordance with the agreement from approximately \$89 million to \$74.6 million. As of March 31, 1991 \$60.4 million was outstanding.

The Loan Agreement, prior to amendment as described below, required principal payments totalling \$1.5 million in both 1989 and 1990. A payment in the amount of \$500,000 was due and payable on the last day of each July, August, and September of 1989 and 1990. New Claridge is also required to pay, quarterly, to the First Mortgage Lenders, for permanent application to the outstanding principal balance of the first mortgage loan, any excess cash flow, as defined in the loan agreement. Commencing January 31, 1991, the required amortization of the First Mortgage Loan, prior to amendment as described below, for the calendar years 1991 and 1992 was \$11,500,000 per year payable in equal monthly installments. A balloon payment for the remaining balance was due January 31, 1993.

On September 29, 1989 the Loan Agreement was amended to provide for a reduction of the required principal payments to \$500,000 in both 1990 and 1991. A payment of \$150,000 is due on the last day of each July and August of 1990 and 1991 with a payment of \$200,000 on the last day of September in both 1990 and 1991. Required principal payments for 1992 remained at \$11.5 million, with the remaining balance due on January 1, 1993.

THE CLARIDGE CASINO - HOTEL

Notes to Financial Statements - Continued

On March 13, 1991, the Corporation and New Claridge reached agreement with representatives of First Fidelity Bank, N.A. New Jersey and Marine Midland Bank, N.A., which act as lead banks for the First Mortgage Lenders, whereby the Loan Agreement would be modified. Effective April 23, 1991, the Loan Agreement was amended to provide the following:

- (i) the maturity date of the loan was extended from January 1, 1993 to January 1, 1994;
- (ii) the maximum amount of the revolving loan facility was reduced from \$11 million to \$7.5 million
- (iii) the interest rate was adjusted, effective April 1, 1991, to the "prime rate" of Marine Midland, N.A., plus one and one-half (1 1/2%) percent on a per annum basis;
- (iv) the principal payments on the term loan are \$1.2 million annually (payable in equal monthly installments), commencing May 1, 1991 with a \$100,000 prepayment of principal paid upon the execution of the amendment to the Loan Agreement;
- (v) the maximum annual capital expenditure limitation was increased from \$2 million per annum to \$3.5 million per annum, effective for calendar year 1991, with New Claridge able to carry over to the first quarter of the succeeding year up to \$350,000 not expended during any year. Also, the maximum amount of any "delayed payments" to a succeeding fiscal year for capital items delivered in any subject year was capped at \$1 million.

A \$125,000 extension fee was paid by New Claridge upon the execution of the amendment to the Loan Agreement.

On March 27, 1991 the Commission considered a petition submitted by New Claridge seeking a declaratory ruling that the above mentioned condition had been satisfied. The Commission issued a declaratory ruling that if fully executed documents, which contained no material modification from the terms as outlined by New Claridge in its petition, were submitted to the Commission and Division by April 16, 1991, the condition would have been satisfied. Effective April 23, 1991, the second amendment to the Loan Agreement was executed and executed copies were thereafter submitted to the Commission and Division. On April 24, 1991, the Commission ruled that the condition was satisfied.

Interest prior to the amendment as outlined above was payable monthly in arrears at an annual rate equal to 1% over Marine Midland Bank, N.A.'s prime rate or the Eurodollar Rate (LIBOR) plus 2% or unadjusted LIBOR plus 2.5%.

THE CLARIDGE CASINO - HOTEL

Notes to Financial Statements - Continued

Quarterly co-agent fees equal to one fortieth of one percent of the average daily outstanding balance of the First Mortgage during the quarter are required. In addition, New Claridge is required to pay quarterly a commitment fee equal to .5% per annum of the unused portion of the revolving working capital line.

On December 1, 1989 the First Mortgage Lenders agreed in principal to the donation of funds to the CRDA, as described in Note 3. The First Mortgage Lenders will require New Claridge to make quarterly principal payments as a permanent reduction to the First Mortgage balance, in an amount equal to one-half of the Net Savings (the amount of the credit used less the interest income lost due to the donation of the funds) for each quarter. The remaining one-half of the Net Savings will be available to New Claridge. During the three months ended March 31, 1991, New Claridge made principal payments totalling \$95,000 under this agreement.

- (b) In conjunction with the Restructuring, DEWNJ assigned, without recourse and without representation or warranty, of any kind or nature, to the First Mortgage Lenders all right, title and interest of DEWNJ in, to and under the Purchase Money Second Mortgage. New Claridge retained the right to require the bank to cancel and release the Second Mortgage and the obligations secured thereunder upon the occurrence of one or more of the following conditions:
- (i) all indebtedness, liabilities and obligations owing to the First Mortgage Lenders and secured by the First Mortgage have been paid in full;
 - (ii) all or substantially all of the assets of New Claridge have been sold; or
 - (iii) as of December 1, 1990, New Claridge holds all necessary licenses to operate an approved hotel and casino under the Casino Control Act and neither the Casino Control Commission nor the Division of Gaming Enforcement or the New Jersey Attorney General has commenced any proceeding to revoke or terminate any such license.

THE CLARIDGE CASINO - HOTEL

Notes to Financial Statements - Continued

As of December 1, 1990, New Claridge held all necessary licenses to operate an approved hotel and casino under the Casino Control Act. In addition, neither the Casino Control Commission, the Division of Gaming Enforcement or the New Jersey Attorney General had commenced any proceeding to revoke or terminate the license. Accordingly, the Bank cancelled the Second Mortgage and released the obligations secured thereunder. Interest which accrued at 14% was to be deferred until January 1, 1991, at which time interest would have become due and payable. With the cancellation of the Second Mortgage New Claridge was released from its obligation to pay any amounts accrued for interest.

- (c) Pursuant to the terms of the Loan Agreement, the First Mortgage Lenders established on the restructuring date, a revolving working capital facility in the amount of \$5.4 million. On September 29, 1989 the Loan Agreement was amended to provide for increases in the revolving working capital facility to up to \$11 million to the extent New Claridge made principal payments other than scheduled principal payments after September 30, 1989. As of March 31, 1991, the revolving working capital facility was \$11 million, due to the unscheduled principal payments made to date. Effective April 23, 1991, the Loan Agreement was amended, and resulted in a reduction of the maximum amount of the revolving working capital facility from \$11 million to \$7.5 million. In addition, the interest rate was adjusted, effective April 1, 1991, to the "prime rate" of Marine Midland Bank, N.A., plus one and one-half (1 1/2%) percent on a per annum basis.

Interest on the revolving credit borrowings prior to the amendment as outlined above was payable monthly in arrears at the prime rate plus 1%. As of March 31, 1991, \$1,000,000 of the revolving line was in use. As of March 31, 1990, there were no outstanding borrowings on the revolving line.

THE CLARIDGE CASINO - HOTEL

Notes to Financial Statements - Continued

(8) Other Liabilities

Other liabilities at March 31, 1991 and 1990 consist of the following:

	<u>1991</u>	<u>1990</u>
	(in thousands)	
Deferred rent	\$ 45,049	51,522
Contingent Liability - Webb	<u>20,000</u>	<u>20,000</u>
Total	<u>\$ 65,049</u>	<u>71,522</u>

Pursuant to the Restructuring Agreement, Webb retains an interest as a creditor, equal to \$20 million plus interest at a rate of 15% per annum 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. Consequently, New Claridge has deferred the recognition of \$20 million of forgiveness income with respect to the Webb payment. Interest on the Webb payment is not being accrued since the likelihood of paying such amount is not considered probable at this time. On April 2, 1990, Webb, subject to The Claridge Hotel and Casino Corporation's consent, transferred its interest in the Webb payment to an irrevocable trust for the benefit of the United Way of Arizona, and upon such transfer Webb was no longer required to be qualified or licensed by the New Jersey Casino Control Commission.

(9) Other Nonoperating Income (Expense - Net)

Other nonoperating income (expense) - net for the three months ended March 31, 1991 and 1990 consists of the following (in thousands):

	<u>1991</u>	<u>1990</u>
Interest Income - Wraparound Mortgage	\$ 4,978	5,221
Interest Income - Other	43	51
Other Nonoperating income/(expense)	(5)	33
Facilities/Maintenance Fee	133	133
Gain on Disposal of Assets	<u>10</u>	<u>-0-</u>
Total	<u>\$ 5,159</u>	<u>5,438</u>

THE CLARIDGE CASINO - HOTEL

Notes to Financial Statements - Continued

(10) Complimentary Services

Complimentary services for the three months ended March 31, 1991 are summarized as follows:

For the three months ended March 31, 1991

Promotional Allowances

	<u>Number of Recipients</u>	<u>Dollar Amount</u>
Room	13,189	\$ 667,690
Food	107,903	1,260,026
Beverage	226,842	1,202,753
Showroom	<u>23,330</u>	<u>147,020</u>
Total	<u>371,264</u>	<u>\$3,277,489</u>

Promotional Expenses

	<u>Number of Recipients</u>	<u>Dollar Amount</u>
Coupon Redemption of Cash & Tokens	319,755	\$3,020,515
Travel	714	70,016
Parking	10,477	76,748
Other	<u>16,405</u>	<u>156,578</u>
Total	<u>347,351</u>	<u>\$3,323,857</u>

THE CLARIDGE CASINO - HOTEL

Notes to Financial Statements - Continued

(11) Operating Lease

New Claridge leases the Hotel Assets and the land on which the Claridge is located from the Partnership under an Operating Lease. The initial lease term is 15 years with three ten-year renewal options.

Basic lease payments under the Operating Lease as amended (as described below), as of March 31, 1991 are as follows:

04/01/91 - 03/31/92	\$ 34,153
04/01/92 - 03/31/93	31,971
04/01/93 - 03/31/94	32,734
04/01/94 - 03/31/95	33,583
04/01/95 - 03/31/96	34,349
Later Years	<u>91,117</u>
Total Minimum	<u>\$257,907</u>

In addition, 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, 1991 and 1990 rental expense for all operating leases amounted to \$9,710,000 and \$9,657,000 respectively, of which \$(1,642,000) and \$(1,610,000) 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.

On March 17, 1986 New Claridge entered into an Expansion Operating Lease Agreement with the Partnership whereby New Claridge will lease 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 \$3,950,000 in 1986 (prorated based on the day that the Expansion Improvements open to the public), annually thereafter the rental amount will be adjusted based on the Consumer Price Index but any increase not to exceed two percent per annum. The basic annual rent is predicated on the construction of the Expansion Improvements costing a specified amount. If the cost of construction differs from this amount, basic annual rent will be adjusted according to a formula. The total Expansion Operating Lease to be paid in 1991 is \$4,273,000. If the term of the Expansion Operating Lease is

THE CLARIDGE CASINO - HOTEL

Notes to Financial Statements - Continued

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 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 required to pay as additional rent certain expenses relating to the leasing by the Partnership of the Air Rights granted by the City of Atlantic City to DEWNJ, over which the expansion facility is constructed. 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 and the Partnership's interest in the Air Rights for their fair market value at the time the option is exercised.

In conjunction with the Restructuring, the Operating Lease and Expansion Operating Lease were amended to abate or defer receipt of all amounts it is entitled to receive except to the extent necessary to pay Partnership expenses until a sale or further refinancing of the Claridge. The receipt of amounts deferred is contingent upon the realization of profits or distributions from such sale or further refinancing. As a result of the Restructuring, lease expense recognized on a level basis is reduced prospectively, from the use of a revised schedule of rent levelling relative to the abatement of certain rental payments beginning in 1992. Commencing in 1992, \$33 million of Basic Rent will be abated.

(12) Income Taxes

The provision for income taxes as of March 31, 1991 and 1990 is comprised of the following:

	<u>1991</u>	<u>1990</u>
	(in thousands)	
Current:		
Federal	\$ 97	-0-
State	-0-	-0-
Deferred	<u>1,534</u>	<u>-0-</u>
	<u>\$1,631</u>	<u>-0-</u>

THE CLARIDGE CASINO - HOTEL

Notes to Financial Statements - Continued

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

	<u>1991</u>	<u>1990</u>
	(in thousands)	
Federal income tax at statutory rates	\$(1,046)	(724)
Unrecognized Tax Benefit Utilized		
Against Extraordinary Item	<u>-0-</u>	<u>724</u>
	<u>\$(1,046)</u>	<u>-0-</u>

New Claridge is included in the consolidated income tax return of its parent, the Corporation. At March 31, 1991 there are no available net operating loss carryforward for financial statement purposes. As a result of the Second Mortgage forgiveness in 1990, the remaining financial statement net operating losses were utilized which resulted in the reinstatement of deferred taxes of approximately \$2,580,000. As a result of the loss incurred for the three months ended March 31, 1991, a credit to income tax expense has been recorded which represents a reduction in the existing deferred taxes, which will reverse in the carryforward period. As a result of the restructuring in 1989, the amount of debt forgiven resulted in the loss or reduction of various tax attributes including tax operating loss carryforward of \$ 37,592,000 unused tax credits of \$1,041,000 and reduction in tax basis of assets by \$81,251,000. This also resulted in the reduction of net operating loss carryforwards for financial statement purposes in the amount of \$98,000,000 and the loss of all tax credit carryforwards for financial statement purposes. As a result of the reduction in tax basis of assets, future cash payments for income taxes will significantly exceed income tax expense for financial statement purposes in future years.

13) Related Party Transactions

- (a) At the closing of the Restructuring on June 16, 1989, the Partnership loaned to New Claridge all cash and cash equivalents remaining in the Partnership other than funds needed to pay expenses incurred through or at the closing of the Restructuring. Interest on this loan accrues at 12% per year. For the three months ended March 31, 1991 and 1990 interest expense due to affiliates was \$108,000 and \$108,000 respectively.

THE CLARIDGE CASINO - HOTEL

Notes to Financial Statements - Continued

- (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, 1991 and 1990 amounted to \$33,000 and \$28,000, 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, 1991 and 1990 New Claridge has earned interest income of \$4,978,000 and \$5,221,000 respectively, and incurred lease expense of \$9,294,000 and \$9,289,000, respectively.

SCHEDULE OF RECEIVABLES AND PATRONS' CHECKS

MARCH 31, 19 91

(UNAUDITED)
(\$ IN THOUSANDS)

ACCOUNTS RECEIVABLE BALANCES				
LINE (a)	DESCRIPTION (b)	ACCOUNT BALANCE (c)	ALLOWANCE (d)	ACCOUNTS RECEIVABLE-(e) NET OF ALLOWANCE
1	Patrons' Checks:	\$		
	Undeposited patrons' checks	964		
2	Returned patrons' checks	2,640		
3	Total patrons' checks	3,604	\$ 2,216	\$ 1,388
4	Hotel Receivables	492	68	424
5	Other Receivables:			
	Receivables due from officers and employees.....	-0-		
6	Receivables due from affiliates	14,293		
7	Other accounts and notes receivables	137		
8	Total other receivables	14,430	25	14,405
9	Totals (Form 205).....	\$ 18,526	\$ 2,309	\$ 16,217

UNDEPOSITED PATRONS' CHECKS ACTIVITY		
LINE (f)	DESCRIPTION (g)	AMOUNT (h)
10	Beginning Balance (January 1)	\$ 1,316
11	Counter checks issued (excluding counter checks issued through transactions relating to consolidations, partial redemptions, substitutions, and patrons' cash deposits)	11,884
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)	(9,517)
13	Checks collected through deposits	(2,305)
14	Checks transferred to returned checks	(414)
15	Other adjustments	
16	Ending Balance	\$ 964
17	"Hold" Checks Included In Balance On Line 16	\$
18	Provision For Uncollectible Patrons' Checks	\$ 111
19	Provision As A Percent Of Counter Checks Issued .....	.9

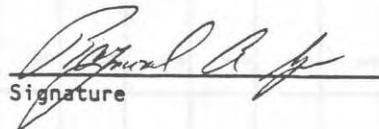
STATEMENT OF CONFORMITY AND ACCURACY

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

RAYMOND A. SPERA, 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.

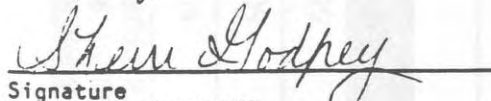

Signature

VICE PRESIDENT OF FINANCE
Title

License Number

On Behalf Of:

Subscribed and sworn to
before me this 14th day
of May, 1991


Signature

SHERRI GODFREY
NOTARY PUBLIC OF NEW JERSEY
MY COMMISSION EXPIRES JUNE 24, 1993

Casino Licensee

Basis of Authority
to Take Oaths

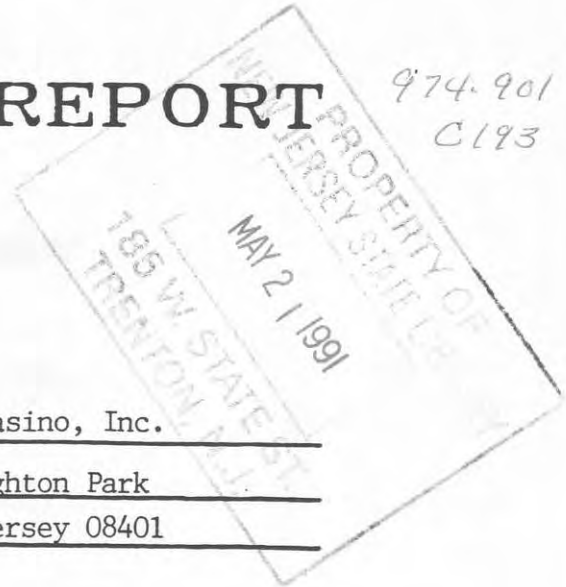
HOTEL STATISTICS

FOR THE 3 MONTHS ENDED March 31, 1991

PERIOD	NUMBER OF GUEST ROOMS IN PROPERTY	NUMBER OF AVAILABLE ROOMS	NUMBER OF OCCUPIED ROOMS	AVERAGE RATE PER OCCUPIED ROOM	OCCUPANCY RATE	NUMBER OF GUESTS ACCOMMODATED	AVERAGE RATE PER GUEST ACCOMMODATED
JANUARY	501	15,531	9,357	\$ 55.93	60.2 %	18,476	\$ 28.33
FEBRUARY	501	12,969	11,073	\$ 59.43	85.4 %	18,723	\$ 35.15
MARCH	501	14,859	13,384	\$ 64.35	90.1 %	26,876	\$ 32.05
1ST QUARTER TOTALS		43,359	33,814	\$ 60.41	78.0 %	64,075	\$ 31.88
APRIL				\$	%		\$
MAY				\$	%		\$
JUNE				\$	%		\$
2ND QUARTER TOTALS				\$	%		\$
JULY				\$	%		\$
AUGUST				\$	%		\$
SEPTEMBER				\$	%		\$
3RD QUARTER TOTALS				\$	%		\$
OCTOBER				\$	%		\$
NOVEMBER				\$	%		\$
DECEMBER				\$	%		\$
4TH QUARTER TOTALS				\$	%		\$
ANNUAL TOTALS				\$	%		\$

QUARTERLY REPORT

974-901
C193



LICENSEE Greate Bay Hotel & Casino, Inc.
ADDRESS Indiana Avenue & Brighton Park
Atlantic City, New Jersey 08401

FOR THE QUARTER ENDED March 31, **19**91

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



**NAME OF OFFICER IN CHARGE
OF CORRESPONDENCE REGARDING
THIS QUARTERLY REPORT . . .** John R. Rauén
OFFICIAL TITLE. Vice President, Finance
ADDRESS Indiana Avenue & Brighton Park
Atlantic City, NJ 08401

STATE OF CALIFORNIA
 BOARD OF ACCOUNTS
 March 31, 1991 and 1990

TRADING NAME OF LICENSEE Sands Hotel & Casino

LIST OF FORMS - QUARTERLY REPORT

FOR THE QUARTER ENDED March 31, 1991

TITLE	FORM NO.	1991	1990
Balance Sheets	CCC-205	17,000	7,000
Statements of Income (Year-to-Date)	CCC-210	3,100	3,100
Statements of Income (Three Months)	CCC-215	3,100	3,100
Statements of Changes in Stockholders' Equity	CCC-220	3,100	3,100
Statements of Changes in Partners' or Proprietor's Equity	CCC-225	3,100	3,100
Statements of Cash Flows	CCC-235	3,100	3,100
Notes to Financial Statements		3,100	3,100
Schedule of Receivables and Patrons' Checks	CCC-240	3,100	3,100
Statement of Conformity and Accuracy	CCC-250	3,100	3,100
	CCC-201	3,100	3,100

TRADING NAME OF LICENSEE Sands Hotel & Casino

BALANCE SHEETS

March 31, 1991 and 1990

(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1991	(d) 1990
	ASSETS		
	Current Assets:	\$	\$
1	Cash.....	17,458	9,361
2	Marketable securities.....	-	-
3	Receivables and patrons' checks (net of allowance for doubtful) accounts - 1991, \$ 17,064 ; 1990, \$ 15,144).....Note 4.....	33,359	27,810
4	Inventories.....	3,140	3,251
5	Prepaid expenses and other current assets.....Note 7.....	3,269	4,108
6	Total current assets.....	57,226	44,530
7	Investments, Advances, And Receivables.....Note 4,8.....	16,657	8,908
8	Property And Equipment - Net.....Note 6.....	184,918	183,410
9	Other Assets.....	12,430	9,730
10	Total Assets.....	\$ 271,231	\$ 246,578
	LIABILITIES AND EQUITY		
	Current Liabilities:	\$	\$
11	Accounts payable.....	7,493	7,020
12	Notes payable.....Note 2.....	8,000	2,000
	Current portion of long-term debt:		
13	Due to affiliates.....Note 2.....	2,557	-
14	Other.....Note 2.....	906	906
15	Income taxes payable and accrued.....	4,835	803
16	Other accrued expenses.....Note 9.....	19,449	14,558
17	Other current liabilities.....Note 4, 10...	4,233	5,199
18	Total current liabilities.....	47,473	30,486
	Long-Term Debt:		
19	Due to affiliates.....Note 2.....	180,470	182,666
20	Other.....Note 2.....	10,284	3,116
21	Deferred Credits.....	-	1,075
22	Other Liabilities.....Note 4.....	8,615	-
23	Commitments And Contingencies Note 12		
24	Total Liabilities.....	246,842	217,343
25	Stockholders', Partners', Or Proprietor's Equity.....	24,389	29,505
26	Total Liabilities And Equity.....	\$ 271,231	\$ 246,848

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 3 MONTHS ENDED March 31, 1991 and 1990

(UNAUDITED)
(\$ IN THOUSANDS)

Not Applicable

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

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, 1991 and 1990
(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1991	(d) 1990
	Revenue:	\$	\$
1	Casino.....	50,230	53,803
2	Rooms.....	2,369	2,347
3	Food and beverage.....	6,239	7,259
4	Other.....	710	1,143
5	Total revenue.....	59,548	64,552
6	Less: Promotional allowances.....Note 11.....	5,538	5,764
7	Net revenue.....	54,010	58,788
	Costs And Expenses:		
8	Cost of goods and services.....	25,107	26,646
9	Selling, general, and administrative.....	20,289	20,124
10	Provision for doubtful accounts.....	890	2,258
11	Depreciation and amortization.....	4,483	4,173
	Charges from affiliates other than interest:		
12	Management fees.....Note 4.....	1,102	1,094
13	Other.....	-	-
14	Total costs and expenses.....	51,871	54,295
15	Income (Loss) From Operations.....	2,139	4,493
	Other Income (Expenses):		
16	Interest (expense) - affiliates.....Note 4.....	(5,977)	(5,852)
17	Interest (expense) - external.....	(794)	(349)
18	Investment alternative tax and related income (expense) - net.....	(560)	(554)
19	Nonoperating income (expense) - net.....Note 5.....	1,243	646
20	Total other income (expenses).....	(6,088)	(6,109)
21	Income (Loss) Before Income Taxes And Extraordinary Items.....	(3,949)	(1,616)
22	Provision (credit) for income taxes.....Note 3.....	(1,310)	(1,678)
23	Income (Loss) Before Extraordinary Items.....	(2,639)	62
24	Extraordinary items (net of income taxes - 19___, \$; 19___, \$).....	-	-
25	Net Income (Loss).....	\$ (2,639)	\$ 62

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 3 MONTHS ENDED March 31, 1991 and 1990

(UNAUDITED)

(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1991_		(d) 1990_	
		(c) SHARES	(d) DOLLARS	(e) SHARES	(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).....	+++++	19,738	+++++	19,738
10	.....	+++++		+++++
11	.....	+++++		+++++
12	Ending balance.....	+++++	19,738	+++++	19,738
	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).....	+++++	3,790	+++++	6,205
26	Prior period adjustments.....	+++++		+++++	
27	Net income (loss).....	+++++	(2,639)	+++++	62
28	Dividends.....	+++++		+++++	
29	.....	+++++		+++++
30	.....	+++++		+++++
31	Ending balance.....	+++++	1,151	+++++	6,267
32	Ending Stockholders'	+++++	\$ 24,389	+++++	\$ 29,505
	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 CHANGES IN PARTNERS'
OR PROPRIETOR'S EQUITY

FOR THE 3 MONTHS ENDED March 31, 1991 and 1990
(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	Not Applicable	
		(c) 19__	(d) 19__
	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.....	\$	\$

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 3 MONTHS ENDED March 31, 1991 and 1990

(UNAUDITED)

(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1991	(d) 1990
1	Net Cash Provided (Used) By Operating Activities.....	\$ 1,550	\$ 2,405
	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.....	(1,660)	(5,487)
5	Proceeds from disposition of property and equipment.....	387	-
6	Purchase of casino reinvestment obligations.....	(125)	(150)
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.....	(1,398)	(5,637)
	Cash Flows From Financing Activities:		
13	Cash proceeds from issuance of short-term debt.....	3,000	2,000
14	Payments to settle short-term debt.....	-	-
15	Cash proceeds from issuance of long-term debt.....	4,190	
16	Costs of issuing debt.....		
17	Payments to settle long-term debt.....	(2,227)	(326)
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.....	4,913	1,674
24	Net Increase (Decrease) In Cash And Cash Equivalents.....	5,065	(1,558)
25	Cash And Cash Equivalents At Beginning Of Period.....	12,393	11,189
26	Cash And Cash Equivalents At End Of Period.....	\$ 17,458	\$ 9,631

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

	Cash Paid During Period For:		
27	Interest (net of amount capitalized).....	\$ 5,672	\$ 6,644
28	Income taxes.....	\$ 2,463	\$ -

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 3 MONTHS ENDED March 31, 1991 and 1990
(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1991	(d) 1990
	Net Cash Flows From Operating Activities:	\$ (2,639)	\$ 62
29	Net income (loss).....		
	Noncash items included in income and cash items excluded from income:		
30	Depreciation and amortization of property and equipment.....	4,046	3,764
31	Amortization of other assets.....	437	409
32	Amortization of debt discount or premium.....	90	90
33	Deferred income taxes - current.....		
34	Deferred income taxes - noncurrent.....	(495)	2,418
35	(Gain) loss on disposition of property and equipment.....	(51)	-
36	(Gain) loss on casino reinvestment obligations.....	560	554
37	(Gain) loss from other investment activities.....		
38	Net (increase) decrease in receivables and patrons' checks.....	2,333	2,832
39	Net (increase) decrease in inventories.....	(53)	(790)
40	Net (increase) decrease in other current assets.....	457	773
41	Net (increase) decrease in other assets.....	(526)	(65)
42	Net increase (decrease) in accounts payables.....	(468)	(236)
43	Net increase (decrease) in other current liabilities excluding debt.....	(2,141)	(7,406)
44	Net increase (decrease) in other noncurrent liabilities excluding debt.....		
45	.....	
46	.....	
47	Net Cash Provided (Used) By Operating Activities.....	\$ 1,550	\$ 2,405

SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING AND FINANCING ACTIVITIES

48	Acquisition Of Property and Equipment:	\$	\$
49	Additions to property and equipment.....	1,660	5,487
50	Less: Capital lease obligations incurred.....		
	Cash Outflows For Property And Equipment.....	\$ 1,660	\$ 5,487
51	Acquisition Of Business Entities:		
52	Property and equipment acquired.....	\$	\$
53	Goodwill acquired.....		
54	Net assets acquired other than cash, goodwill, and property and equipment.....		
55	Long-term debt assumed.....		
56	Issuance of stock or capital invested.....		
	Cash Outflows To Acquire Business Entities.....	\$	\$
57	Stock Issued Or Capital Contributions:		
58	Total issuances of stock or capital contributions.....	\$	\$
59	Less: Issuances to settle long-term debt.....		
60	Consideration in acquisition of business entities.....		
	Cash Proceeds From Issuing Stock Or Capital Contributions.....	\$	\$

TRADING NAME OF LICENSEE Sands Hotel & Casino

SCHEDULE OF RECEIVABLES AND PATRONS' CHECKS

March 31, 1991

(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.....	5,617		
2	Returned patrons' checks.....	22,482		
3	Total patrons' checks.....	28,099	\$ 16,970	\$ 11,129
4	Hotel Receivables.....	741	94	647
	Other Receivables:			
5	Receivables due from officers and employees.....	-		
6	Receivables due from affiliates.....	4,132		
7	Other accounts and notes receivables.....	17,451		
8	Total other receivables.....	21,583		
9	Totals (Form 205).....	\$ 50,423	\$ 17,064	\$ 33,359

UNDEPOSITED PATRONS' CHECKS ACTIVITY

LINE (f)	DESCRIPTION (g)	AMOUNT (h)
10	Beginning Balance (January 1).....	\$ 6,276
11	Counter checks issued (excluding counter checks issued through transactions relating to consolidations, partial redemptions, substitutions, and patrons' cash deposits).....	53,266
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).....	(42,723)
13	Checks collected through deposits.....	(10,051)
14	Checks transferred to returned checks.....	(1,151)
15	Other adjustments.....	-
16	Ending Balance.....	\$ 5,617
17	"Hold" Checks Included in Balance On Line 16.....	\$ -
18	Provision For Uncollectible Patrons' Checks.....	\$ 873
19	Provision As A Percent Of Counter Checks Issued.....	1.64%

STATEMENT OF CONFORMITY AND ACCURACY

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

John R. Rauen, 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

John R. Rauen
Vice President, Finance

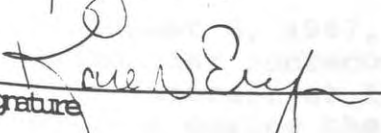
Title

866-11
License Number

On Behalf Of:

Casino Licensee

Subscribed and sworn to
before me this 14th day
of May, 1991


Signature

KAREN E. ENGLER
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Nov. 18, 1993

Basis of Authority
to Take Oaths

SANDS HOTEL & CASINO
(A Wholly Owned Subsidiary of Pratt Casino Properties, Inc.)
Notes to Financial Statements
(unaudited)

Note 1 - Organization and Business

Greate Bay Hotel & Casino, Inc. ("GBH&C") is a New Jersey Corporation and, through an affiliate, is a wholly-owned subsidiary of Pratt Casino Properties, Inc. ("Pratt Casino Properties"). Pratt Casino Properties, a Delaware corporation, is wholly owned by Pratt Hotel Corporation ("Pratt"), a Delaware corporation, through certain of its subsidiaries. Pratt Casino Properties was incorporated during October 1987, and acquired the ownership of GBH&C through contributions of capital by its parent.

During the three month period ended March 31, 1991, there were no changes in GBH&C's significant accounting policies as previously reported. In addition, there are no significant differences in the footnotes presented herein versus those reported in GBH&C's annual report at December 31, 1990 to the Casino Control Commission.

Note 2 - Long-term Debt

Long-term debt as of March 31, 1991 and 1990 is as follows:

	<u>1991</u>	<u>1990</u>
11.75% first mortgage notes, due 1994, net of discounts of \$1,203,000 and \$1,564,000 respectively (A)	\$171,827,000	\$171,466,000
16.5% Promissory note due 1998 (B)	11,200,000	11,200,000
Term Loan Due 1992 (C)	8,000,000	-
Note Payable to bank, due 1991 (D)	2,700,000	3,525,000
Other	<u>490,000</u>	<u>497,000</u>
	194,217,000	186,688,000
Less: Current portion of long-term debt	<u><3,463,000></u>	<u><906,000></u>
Long-term Debt:	<u>\$190,754,000</u>	<u>\$185,782,000</u>

(A) On August 6, 1987, GBH&C borrowed from an affiliate \$173,030,000 of seven-year nonrecourse first mortgage notes (the "Notes"). The Notes bear interest at 11.75% per annum, payable monthly; interest only is payable during the first four years; and thereafter, principal, with interest, is payable in monthly installments of \$2,049,000 based on a 15-year amortization schedule with the unpaid balance of \$158,310,000 due during August 1994.

SANDS HOTEL & CASINO
(A Wholly Owned Subsidiary of Pratt Casino Properties, Inc.)
Notes to Financial Statements
(unaudited)

Note 2 - Long-term Debt - (continued)

The mortgage indenture contains various provisions that, among other things, restrict the ability of GBH&C to incur additional secured indebtedness, to create additional liens on the property or sell the property. Additionally, maintenance of certain cash balances is required, as well as a requirement that a minimum of \$5,000,000 be committed annually for property and fixtures renewals, replacements and betterments. Substantially all of GBH&C's assets are pledged as collateral for this mortgage and the mortgage is guaranteed to the extent of \$10,000,000 by Pratt.

- (B) In February 1988, GBH&C borrowed \$11,200,000 from an affiliate, the proceeds of which were principally used to refinance an existing liability to another affiliate. The note bears interest at 16.5% per annum, with interest only payable semi-annually in March and September. The note matures in March 1998.
- (C) In September 1990, GBH&C entered into a term loan agreement with a non-affiliated corporate lender. The note bears interest at the London Interbank Offered Rate ("LIBOR") plus 2 5/8% per annum payable quarterly and at maturity on September 28, 1992. The note requires, among other things, that GBH&C maintain certain fixed charge coverage ratios. The loan is collateralized by certain land and buildings and is guaranteed by Pratt Casino Properties. GBH&C also entered into a revolving credit agreement with the corporate lender to provide up to an additional \$4,000,000 in funds. Borrowings under the credit agreement as of March 31, 1991 total \$3 million.
- (D) The note bears interest at 1% above the bank's prime lending rate and provides for equal monthly principal payments of \$75,000 with the unpaid balance of \$1,275,000 due during October 1992.

As of March 31, 1991, GBH&C had a bank line of credit in the amount of \$5,000,000 and, as of that date, had borrowed \$5,000,000 on the line of credit for its short-term cash needs. On April 30, 1991, the line of credit was increased to \$6,000,000 and renewed for one year.

Maturities of Long-term debt at March 31, 1991 amounted to:

1991 (9 months)	\$ 2,194,000
1992	14,628,000
1993	5,258,000
1994	161,678,000
1995	9,000
Thereafter	<u>11,653,000</u>
Total Payments:	195,420,000
Unamortized Discount	(1,203,000)
Current Maturities:	<u>(3,463,000)</u>
Long-Term Portion	<u>\$190,754,000</u>

SANDS HOTEL & CASINO
(A Wholly Owned Subsidiary of Pratt Casino Properties, Inc.)
Notes to Financial Statements
(unaudited)

Note 3 - Income Taxes

The components of the provision for income taxes for the three months ended March 31, 1991 and 1990 are as follows:

	1991	1990
Federal Income Tax Provision		
Current	\$ <624,000>	\$ <3,182,000>
Deferred	<379,000>	1,895,000
State Income Tax Provision		
Current	<191,000>	<914,000>
Deferred	<116,000>	523,000
Total Provision (Benefit) for Income Taxes:	\$ <1,310,000>	\$ <1,678,000>

Note 4 - Related Party Transactions

GBH&C has a Management Agreement with Pratt Casino Management, Inc., ("PCMI"), a subsidiary of Pratt. Pursuant to the Management Agreement, PCMI is responsible for the supervision, direction and control of the day-to-day operation of the hotel/casino. In accordance with the provisions of this Management Agreement, PCMI is entitled to receive annually a basic consulting fee of 1.5% of "adjusted gross revenues", as defined, and, if annual "gross operating profits" as defined, exceed \$5,000,000, incentive compensation of between 5% and 7.5% of gross operating profits in excess of certain stated amounts. Total charges to operations for the three months ended March 31, 1991 and 1990 were \$1,120,000 and \$1,094,000 respectively and are included in management fees charged from affiliates in the accompanying Financial Statements. Consultant and incentive fees of \$2,704,000 and \$2,023,000 were due to PCMI at March 31, 1991 and 1990 respectively, and are included in other current liabilities in the accompanying Financial Statements.

The Company has a License Agreement with PPI, (an affiliate) which entered into a parallel agreement with an unrelated third party. The license agreement provides for a license fee equal to the greater of (i) 3% of room charges, as defined, or (ii) \$100,000 for each property using the name. Such charges amounted to \$70,000 and \$70,000 for the three months ended March 31, 1991 and 1990, respectively. Such amounts are included in general and administrative expenses in the accompanying financial statements.

SANDS HOTEL & CASINO
 (A Wholly Owned Subsidiary of Pratt Casino Properties, Inc.)
Notes to Financial Statements
 (unaudited)

Note 4 - Related Party Transactions - (Continued)

For the three months ended March 31, 1991 and 1990 the Company paid the following amounts in interest charges to affiliates:

	1991	1990
11.75% first mortgage notes	\$ 5,173,000	\$ 5,173,000
16.5% promissory note	462,000	462,000
Cash Advances from Affiliates	342,000	217,000
Totals	\$ 5,977,000	\$ 5,852,000

At March 31, 1991 GBH&C had cash advances outstanding with affiliates totalling \$14,004,000. In addition, GBH&C had cash advances from affiliates totalling \$8,615,000. These amounts are included in receivables and patrons' checks, investments, advances, and receivables and other liabilities, respectively, in the accompanying financial statements. Advances to affiliates and from affiliates bear interest at 16.5% per annum.

Note 5 - Non-Operating Income (Expenses)

For the three months ended March 31, 1991 and 1990, interest income of \$1,243,000 and \$646,000 was earned on temporary investments, on deposits made with the CRDA pursuant to the Company's Casino Reinvestment obligations, and other sources.

Note 6 - Property and Equipment

Property and equipment as of March 31, 1991 and 1990 consisted of the following:

	1991	1990
Land	\$ 37,554,000	\$ 36,179,000
Buildings	169,360,000	155,584,000
Furniture, fixtures and equipment	92,554,000	85,907,000
Construction in progress	782,000	8,930,000
	300,250,000	286,600,000
Less: accumulated depreciation and amortization	115,332,000	103,190,000
Total property and equipment	\$184,918,000	\$183,410,000

SANDS HOTEL & CASINO
(A Wholly Owned Subsidiary of Pratt Casino Properties, Inc.)
Notes to Financial Statements
(unaudited)

Note 7 - Prepaid Expenses and Other Current Assets

At March 31, 1991 and 1990, the line item Prepaid Expenses and Other Current Assets is comprised of the following:

	<u>1991</u>	<u>1990</u>
Current Portion of CRDA Prepaid obligation	1,870,000	2,320,000
Prepaid advertising and promotions		243,000
Prepaid licenses and permits	176,000	179,000
Prepaid Taxes	321,000	242,000
Miscellaneous prepaids	421,000	292,000
Prepaid air charters	-	55,000
Deposits	162,000	606,000
Prepaid insurance	167,000	44,000
Other deferred charges	4,000	8,000
Other	148,000	119,000
Total prepaid expenses and other current assets	<u>\$3,269,000</u>	<u>\$4,108,000</u>

Note 8 - Investments, Advances, and Receivables

At March 31, 1991 and 1990, the line item Investments, Advances and Receivables is comprised of the following:

	<u>1991</u>	<u>1990</u>
CRDA Investments (net of allowance of \$5,185,000 and \$3,101,000 at March 31, 1991 and 1990 respectively)	\$ 6,572,000	\$ 8,744,000
Cash Advances to Affiliates	10,035,000	-
Other items	<u>50,000</u>	<u>164,000</u>
Total Investments, Advances and Receivables	<u>\$16,657,000</u>	<u>\$ 8,908,000</u>

SANDS HOTEL & CASINO
(A Wholly Owned Subsidiary of Pratt Casino Properties, Inc.)
Notes to Financial Statements
(unaudited)

Note 9 - Other Accrued Expenses

As of March 31, 1991 and 1990, the line item Other Accrued Expenses is comprised of the following:

	<u>1991</u>	<u>1990</u>
Accrued salaries and wages	\$ 1,157,000	\$ 1,124,000
Accrued vacation	1,772,000	1,510,000
Other accrued expenses	3,799,000	1,956,000
Accrued interest on debt	2,596,000	1,480,000
Accrued progressive slot machine jackpot	4,009,000	3,031,000
Accrued C.C.C. inspection fees	-	220,000
Accrued D.G.E. inspection fees	455,000	248,000
Accrued casino license fees	53,000	393,000
Accrued insurance	2,316,000	1,881,000
F.I.C.A. payable	303,000	169,000
NJ Sales Tax	11,000	37,000
S.U.I. payable	682,000	770,000
Gaming revenue tax	432,000	331,000
Other	<u>1,864,000</u>	<u>1,408,000</u>
 Total other accrued expenses	 <u>\$ 19,449,000</u>	 <u>\$ 14,558,000</u>

Note 10 - Other Current Liabilities

As of March 31, 1991 and 1990, the line item Other Current Liabilities was comprised of the following:

	<u>1991</u>	<u>1990</u>
Unredeemed gaming chips liability	\$ 547,000	\$ 926,000
Unredeemed token liability	153,000	28,000
Casino customer deposits	383,000	197,000
Unclaimed wages	66,000	160,000
Advance deposits	90,000	73,000
CRDA	119,000	149,000
Due to affiliates	2,733,000	3,499,000
Deferred trade out liability	73,000	79,000
Other	<u>69,000</u>	<u>88,000</u>
 Total Other Current Liabilities	 <u>\$ 4,233,000</u>	 <u>\$ 5,199,000</u>

SANDS HOTEL & CASINO
(A Wholly Owned Subsidiary of Pratt Casino Properties, Inc.)
Notes to Financial Statements
(unaudited)

Note 11 - Promotional Allowances and Expenses

A summary of Promotional Allowances and Expenses incurred during the three month period ended March 31, 1991 is as follows:

	<u>Promotional Allowances</u>		<u>Promotional Expenses</u>	
	<u>No. of Recipients</u>	<u>Dollar Amount</u>	<u>No. Of Recipients</u>	<u>Dollar Amount</u>
Rooms	21,960	1,190,000		
Food	175,262	2,016,000		
Beverage	337,482	2,025,000		
Travel	-	-	5,676	1,473,000
Theatre	4,266	172,000	-	-
Bus Tour Coupon				
Exchange Coin			145,366	3,256,000
Food Court - Other			31,172	218,000
Other	17,343	135,000	22,415	675,000
Complimentary				
Distribution Program			23,653	<u>1,856,000</u>
Total Promotional Allowances and Expenses		<u>5,538,000</u>		<u>7,478,000</u>

Note 12 - Commitments and Contingencies

GBH&C is a party to various legal proceedings with respect to its normal conduct of casino/hotel operations. It is the opinion of management, based upon the advice of counsel, that the settlement or resolution of these proceedings will not have a material adverse impact upon GBH&C's financial position.

In January 1989, the American Arbitration Association issued a determination in favor of GBH&C on its claim against a construction management company for damages due to improper performance in the completion of the renovation of the Sands on the Park during 1983 and 1984. The arbitration award, including interest through January 31, 1989, totalled \$14,524,000 and, on July 28, 1989, the Superior Court of New Jersey confirmed this arbitration award into a judgement. Although the construction management company sought reconsideration of the Superior Court's confirmation of the arbitration award, the confirmation of the award into a judgement was reaffirmed. The construction management company has filed an appeal of the determination of the Superior Court confirming the arbitration award into a judgement; this appeal was heard on March 4, 1991 and GBH&C believes this amount, plus post-judgement interest, will be collected during 1991. In accordance with the New Jersey Rules of Court, the construction management company was required to post a supersedeas bond in the full amount of the award plus projected interest, so as to avoid GBH&C seeking to execute on its judgement against the construction management company during the pendency of the appeal therefrom. Based on the advice of counsel, GBH&C believes that the likelihood of the award being modified or vacated is remote.

TRADING NAME OF LICENSEE SANDS HOTEL & CASINO

HOTEL STATISTICS

FOR THE 3 MONTHS ENDED March 31, 1991

PERIOD	NUMBER OF GUEST ROOMS IN PROPERTY	NUMBER OF AVAILABLE ROOMS	NUMBER OF OCCUPIED ROOMS	AVERAGE RATE PER OCCUPIED ROOM	OCCUPANCY RATE	NUMBER OF GUESTS ACCOMMODATED	AVERAGE RATE PER GUEST ACCOMMODATED
JANUARY	500	15,268	13,414	\$ 54.98	87.9 %	24,906	\$ 29.61
FEBRUARY	500	13,798	13,420	\$ 54.62	97.3 %	24,791	\$ 29.57
MARCH	500	15,324	15,015	\$ 59.87	98.0 %	26,969	\$ 33.33
1ST QUARTER TOTALS		44,390	41,849	\$ 56.62	94.3 %	76,666	\$ 30.91
APRIL				\$	%		\$
MAY				\$	%		\$
JUNE				\$	%		\$
2ND QUARTER TOTALS				\$	%		\$
JULY				\$	%		\$
AUGUST				\$	%		\$
SEPTEMBER				\$	%		\$
3RD QUARTER TOTALS				\$	%		\$
OCTOBER				\$	%		\$
NOVEMBER				\$	%		\$
DECEMBER				\$	%		\$
4TH QUARTER TOTALS				\$	%		\$
ANNUAL TOTALS				\$	%		\$

QUARTERLY REPORT

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LICENSEE MARINA ASSOCIATES
ADDRESS 1725 BRIGANTINE BOULEVARD
ATLANTIC CITY, N.J. 08401

FOR THE QUARTER ENDED MARCH 31 1951

TO THE
CASINO CONTROL COMMISSION
OF THE
STATE OF NEW JERSEY



NAME OF OFFICER IN CHARGE
OF THE FACILITY REGARDING
THIS QUARTERLY REPORT . . .

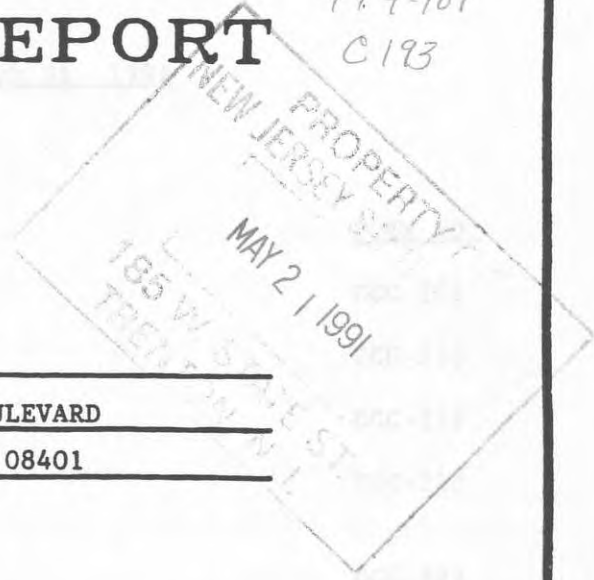
JOSEPH A. DOMENICO
VICE PRESIDENT OF FINANCE
1725 BRIGANTINE BOULEVARD
ATLANTIC CITY, N.J. 08401

OFFICIAL TITLE

LIST OF FINES - QUARTERLY REPORT

QUARTERLY REPORT

974-901
C193



LICENSEE MARINA ASSOCIATES
ADDRESS 1725 BRIGANTINE BOULEVARD
ATLANTIC CITY, NJ 08401

FOR THE QUARTER ENDED MARCH 31, **19**91

TO THE
CASINO CONTROL COMMISSION
OF THE
STATE OF NEW JERSEY



**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, 1991

(Unaudited)
(In Thousands)

TITLE	Mar 1991	FORM NO.
Balance Sheets		CCC-205
Statements of Income (Year-to-Date)	10,714	CCC-210
Statements of Income (Three Months)	3,361	CCC-215
Statements of Changes in Stockholders' Equity	2,010	CCC-220
Statements of Changes in Partners' or Proprietor's Equity	23,381	CCC-225
Statements of Cash Flows	1,768	CCC-235
Notes to Financial Statements	2,207	
Schedule of Receivables and Patrons' Checks	577,813	CCC-240
Statement of Conformity and Accuracy		CCC-250

BALANCE SHEETS

March 31, 1991 and 1990

(Unaudited)
(\$ in Thousands)

LINE (a)	DESCRIPTION (b)	(c) 1991	(d) 1990
	ASSETS		
	Current Assets:		
1	Cash	\$ 10,715	\$ 7,756
2	Marketable Securities	-0-	-0-
3	Receivables and patrons' checks (net of allowance for doubtful accounts - 1991 \$4,734; 1990 \$4,902	9,313	10,903
4	Inventories	2,010	2,078
5	Prepaid expenses and other current assets	1,359	1,466
6	Total current assets	23,397	22,203
7	Investments, Advances and Receivables (Note 4)	357,069	309,879
8	Property and Equipment - Net (Note 2)	244,848	233,263
9	Other Assets	2,509	3,749
10	Total Assets	627,823	569,094
	LIABILITIES AND EQUITY		
	Current Liabilities		
11	Accounts payable	\$ 3,263	\$ 3,440
12	Notes payable	-0-	-0-
	Current portion of long-term debt:		
13	Due to affiliates	-0-	-0-
14	Other (Note 3)	137	2
15	Income taxes payable and accrued (Notes 1 & 10)	2,084	3,124
16	Other accrued expenses (Note 8)	14,149	18,035
17	Other current liabilities	208	159
18	Total current liabilities	19,841	24,760
	Long-Term Debt:		
19	Due to affiliates	-0-	-0-
20	Other (Note 3)	142	-0-
21	Deferred Credits	-0-	-0-
22	Other Liabilities (Note 9)	26,450	22,319
23	Commitments and Contingencies (Notes 5 & 6).		
24	Total Liabilities	46,433	47,079
25	Stockholders', Partners', or Proprietor's Equity	581,390	522,015
26	Total Liabilities and Equity	\$ 627,823	\$ 569,094

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 3 Months Ended March 31, 1991 and 1990

(Unaudited)
(\$ in Thousands)

LINE (a)	DESCRIPTION (b)	(c) 1991	(d) 1990
	Revenue:		
1	Casino	\$ 61,601	\$ 71,079
2	Rooms	3,597	4,806
3	Food and Beverage	8,075	9,871
4	Other	1,669	1,718
5	Total revenue	74,942	87,474
6	Less: Promotional Allowance (Note 7)	7,482	9,065
7	Net revenue	67,460	78,409
	Costs and Expenses:		
8	Cost of goods and services	39,484	42,937
9	Selling, general, and administrative	13,097	13,809
10	Provision for doubtful accounts	506	703
11	Depreciation and amortization	3,232	3,092
	Charges from affiliates other than interest:		
12	Management Fees	-0-	-0-
13	Other	-0-	-0-
14	Total costs and expenses	56,319	60,541
15	Income (Loss) from Operations	11,141	17,868
	Other Income (Expenses):		
16	Interest (expense) - affiliates	-0-	-0-
17	Interest (expense) - external	(29)	-0-
18	Investment alternative tax and related income (expense) - net	(441)	(63)
19	Nonoperating income (expense) - net	197	240
20	Total other income (expenses)	(273)	177
21	Income (Loss) Before Income Taxes and Extraord. Items	10,868	18,045
22	Provision (credit) for income taxes . (Note 10)	905	1,689
23	Income (Loss) Before Extraordinary Items	9,963	16,356
24	Extraordinary items (net of income taxes - 1991, \$0; 1990, \$0)	-0-	-0-
25	Net Income (Loss)	\$ 9,963	\$ 16,356

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

STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY

For the Months Ended , 19 and 19

		(Unaudited) (\$ in Thousands)			
LINE (a)	DESCRIPTION (b)	1991		1990	
		(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	+++++		+++++	
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.

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

For the 3 Months Ended March 31, 1991 and 1990

(Unaudited)
(\$ in Thousands)

LINE (a)	DESCRIPTION (b)	(c) 1991	(d) 1990
	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)	536,571	470,803
6	Prior period adjustments	-0-	-0-
7	Net income (loss)	9,963	16,356
8		-0-	-0-
9	Ending balance	546,534	487,159
	Capital Withdrawals:		
10	Beginning balance (January 1)	(106,738)	(106,738)
11	Additional capital withdrawals	-0-	-0-
12		-0-	-0-
13	Ending balance	(106,738)	(106,738)
	Net Unrealized Loss on Noncurrent Marketable equity securities:		
14	Beginning balance (January 1)	-0-	-0-
15			
16			
17	Ending balance	-0-	-0-
18	Ending Partner's or Proprietor's Equity	\$ 581,390	\$ 522,015

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

STATEMENTS OF CASH FLOWS

For the 3 Months Ended March 31, 1991 and 1990
(Unaudited)
(\$ in Thousands)

LINE (a)	DESCRIPTION (b)	(c) 1991	(d) 1990
1	Net Cash Provided (Used) by Operating Activities	\$ 19,506	\$ 16,228
	Cash Flows from Investing Activities:		
2	Purchase of short-term investment securities	-0-	-0-
3	Proceeds from the sale of short-term investment sec.	-0-	-0-
4	Purchase outflows for property and equipment	(4,163)	(10,824)
5	Proceeds from disposition of property and equipment	2,221	17
6	Purchase of casino reinvestment obligations	(757)	(863)
7	Purchase of other investments and loan/advances made	(17,765)	(12,079)
8	Proceeds from disposal of investments and collection of advances and long-term receivables	587	2,476
9	Cash outflows to acquire business entities	-0-	-0-
10	_____	-0-	-0-
11	_____	-0-	-0-
12	Net Cash Provided (Used) by Investing Activities	(19,877)	(21,273)
	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	-0-	(1)
18	Cash proceeds from issuing stock or capital contrib.		
19	Purchases of treasury stock		
20	Payments of dividends or capital withdrawals		
21	_____		
22	_____		
23	Net Cash Provided (Used) by Financing activities	-0-	(1)
24	Net Increase (Decrease) in Cash and Cash Equivalents . .	(371)	(5,046)
25	Cash and Cash Equivalents at Beginning of Period	11,086	12,802
26	Cash and Cash Equivalents at End of Period	\$ 10,715	\$ 7,756

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

	Cash Paid During Period for:		
27	Interest (net of amount capitalized)	\$ -0-	\$ -0-
28	Income Taxes	\$ -0-	\$ -0-

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

STATEMENTS OF CASH FLOWS

For the 3 Months Ended March 31, 1991 and 1990
(Unaudited)
(\$ in Thousands)

LINE (a)	DESCRIPTION (b)	(c) 1991	(d) 1990
	Net Cash Flows From Operating Activities:		
29	Net income (loss)	\$ 9,963	\$ 16,356
	Noncash items included in income and cash items excluded from income:		
30	Depreciation and amortization of property & equip.	3,230	3,092
31	Amortization of other assets	2	-0-
32	Amortization of debt discount or premium	-0-	-0-
33	Deferred income taxes - current	-0-	-0-
34	Deferred income taxes - noncurrent	-0-	-0-
35	(Gain) loss on disposition of property & equipment	9	14
36	(Gain) loss on casino reinvestment obligations . .	441	63
37	(Gain) loss from other investment activities . . .	-0-	-0-
38	Net (increase) decrease in receivables and patrons' checks	1,088	2,078
39	Net (increase) decrease in inventories	218	6
40	Net (increase) decrease in other current assets . .	(214)	(488)
41	Net (increase) decrease in other assets	(75)	(163)
42	Net increase (decrease) in accounts payables . . .	677	1,532
43	Net increase (decrease) in other current liabilities excluding debt	3,730	763
44	Net increase (decrease) in other noncurrent liabilities excluding debt	437	(7,025)
45		-0-	-0-
46		-0-	-0-
47	Net Cash Provided (Used) by Operating Activities	\$ 19,506	\$ 16,228

SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING AND FINANCING ACTIVITIES

	Acquisition of Property and Equipment:		
48	Additions to property and equipment	\$ 4,261	\$ 10,824
49	Less: capital lease obligations incurred	98	-0-
50	Cash Outflows for Property and Equipment	\$ 4,163	\$ 10,824
	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	\$ -0-	\$ -0-
	Stock Issued or Capital Contributions		
57	Total issuances of stock or capital contributions . .	\$	\$
58	Less: issuances to settle long-term debt, and,		
59	Consideration in acquisition of business entities . .		
60	Cash Proceeds from Issuing Stock Or Capital Contrib . .	\$ -0-	\$ -0-

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

SUPPLEMENTAL DISCLOSURE OF NON-CASH ACTIVITY
BY BALANCE SHEET LINE ITEM NOT RECORDED ON STATEMENT OF CASH FLOWS

For the Quarter Ended March 31, 1991

(Unaudited)
(\$ in Thousands)

Non-Cash Transactions:

<u>3</u>	Reclass of Current Portion of Note Receivable from Long-Term	\$ (1)
	Total Line 3	\$ (1)
<u>7</u>	Reclass of Investment Previously Reported as a Construction Cost	\$ (1,001)
	Capitalized Interest passed through from Parent	723
	Reclass of Current Portion of Note Receivable to Current Receivables	<u>1</u>
	Total Line 7	\$ (277)
<u>8</u>	Reclass Items Previously Reported as Deferred Charges	\$ (1,295)
	Construction Retainage Released	563
	Capitalized Interest passed through from Parent	(723)
	Reclass of Investment Previously Reported as a Construction Cost	<u>1,001</u>
	Total Line 8	\$ (454)
<u>9</u>	Reclass Items Previously Reported as Deferred	\$ 1,295
	Total Line 9	\$ 1,295
<u>11</u>	Construction Retainage Released	\$ (563)
	Total Line 11	\$ (563)
	Grand Total	<u>\$ 0</u>

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 taxes, since any income or losses allocated to the partners are reportable 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.

HARRAH'S CASINO HOTEL, ATLANTIC CITY
NOTES TO FINANCIAL STATEMENTS (cont'd)

NOTE 2: Property and Equipment:

Property and equipment consist of the following:

	MARCH 31	
	1991	(000's) 1990
Land and land improvements	\$ 26,377	\$ 26,415
Buildings, leaseholds and improvements	210,527	199,864
Furniture, fixtures and equipment	61,567	59,585
Construction in progress	8,225	1,843
Equipment held under capital leases	279	-0-
C-I-P NE Inlet Redevelopment Project	24,964	21,504
	\$331,939	\$309,211
Less accumulated depreciation	(87,091)	(75,948)
Property and equipment, net	\$244,848	\$233,263

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. Seventy-six of the townhomes are to be sold and the balance are to be rented. Partial rental operations began in February 1991. Currently contained in the C-I-P account is uncompleted townhomes, the retail strip center, the mid-rise apartment building and capitalized interest transferred from the Parent Company who incurred the interest cost.

NOTE 3: Long-Term Debt:

Marina Associates has two thirty-six month leases on computer equipment. The first one, dated June 30, 1990, is payable in monthly installments of \$5,929. The second lease, dated January 1, 1991, is payable in monthly installments of \$3,259.

Long-term debt consists of the following:

	MARCH 31	
	1991	(000's) 1990
Capital lease obligation	\$ 279	\$ 2
Obligation due within one year	(137)	(2)
	\$ 142	\$ 0

The future minimum lease payments as of March 31, 1991, were as follows:

1991	\$151,759
1992	110,256
1993	68,753
	\$330,768
Less amounts representing interest	(51,293)
Total Obligations Under Capital Leases	\$279,475

HARRAH'S CASINO HOTEL, ATLANTIC CITY
NOTES TO FINANCIAL STATEMENTS (cont'd)

NOTE 4: Investments, Advances and Receivables:

	MARCH 31	
	1991	(000's) 1990
Notes Receivable	\$ 2,390	\$ 2,415
Investment in CRDA Bonds - Net of Valuation Adj.	1,911	2,165
Reinvestment Obligation Deposits - Net of Val. Adj.	1,958	8,565
Due from Affiliates	349,067	296,359
Funds Advanced to Northeast Inlet Redevelopment Project to be reimbursed by a UDAG Grant	742	375
Investment in market mid-rise	1,001	-0-
	\$357,069	\$309,879

Due from Affiliates consists of the following unsecured, non-interest bearing inter-company amounts at March 31, 1991 and 1990.

	MARCH 31	
	1991	(000's) 1990
Harrah's New Jersey, Inc.	\$ 18,962	\$ 18,962
Harrah's Lake Tahoe	139	116
Embassy Suites, Inc.	329,727	277,043
Harrah's Del Rio	128	128
Bill's Casino	111	110
Total Due from Affiliates	\$349,067	\$296,359

NOTE 5: Commitments and Contingencies:

Leases - The Company has several operating leases relating to a storage warehouse, parking areas, computer equipment, transportation equipment and shoreline land. These leases have various expiration dates through 2003. Rental expenses for the three months ended March 31, 1991 and March 31, 1990, were approximately \$655,684 and \$644,164 respectively.

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

1992	\$ 1,275,322
1993	548,222
1994	248,836
1995	204,000
1996	204,000
Thereafter	1,428,000
	\$ 3,908,380

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

1992	\$ 2,215,939
1993	2,146,839
1994	2,146,839
1995	1,896,839
1996	1,747,044
Thereafter	5,241,132
	\$ 15,394,632

HARRAH'S CASINO HOTEL, ATLANTIC CITY
NOTES TO FINANCIAL STATEMENTS (cont'd)

NOTE 6: Investment Obligation:

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 equivalent 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 qualified investments or by the purchase of bonds at below market rates from the newly created Casino Reinvestment Development Authority. In addition, commencing with obligations incurred after 1983, payments of a casino licensee's obligation must be made quarterly.

The Company has filed a petition with the Casino Reinvestment Development Authority 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 as well as obligations of the New Jersey Development Authority for Small Business, Minorities and Women's Enterprises. At March 31, 1991, the Company has established a valuation allowance of \$625,155 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.

HARRAH'S CASINO HOTEL, ATLANTIC CITY
NOTES TO FINANCIAL STATEMENTS (cont'd)

NOTE 7: Promotional Allowances:

Promotional allowances for the three months ended March 31, 1991, consist of:

	<u>PROMOTIONAL ALLOWANCES</u>		<u>PROMOTIONAL EXPENSES</u>	
	<u>NUMBER OF RECIPIENTS</u> (000's)	<u>DOLLAR AMOUNT</u> (000's)	<u>NUMBER OF RECIPIENTS</u> (000's)	<u>DOLLAR AMOUNT</u> (000's)
Rooms	20	\$ 1,654	0	\$ 0
Food	364	3,636	0	0
Beverage	607	1,517	0	0
Travel	0	0	12	1,166
Theatre	34	675	0	0
Coupon Redemption of				
Cash & Tokens	0	0	295	3,679
Rooms Off-Premises	0	0	N/A	11
Other*	0	0	46	270
	<u>1,025</u>	<u>\$ 7,482</u>	<u>353</u>	<u>\$ 5,126</u>

* Other comps are mainly comprised of tips, flowers, gift shop comps, phone calls, cigars, Harbour Holiday packages, and service charges for room service. For financial recording and reporting purposes, such complimentarys are combined in one expense account.

NOTE 8: Other Accrued Expenses:

Other accrued expenses consist of the following:

	<u>MARCH 31</u>	
	<u>1991</u>	<u>(000's) 1990</u>
Accrued salaries and wages	\$ 6,810	\$ 6,798
Taxes payable	853	752
Other accrued expenses	4,523	6,502
Accrued progressive slot liability	1,286	3,168
Accrued CCC/DGE/Casino License fees	572	777
Accrued Megabucks Handle Fees	65	38
Accrued Interest L-T-D	40	0
	<u>\$14,149</u>	<u>\$18,035</u>

HARRAH'S CASINO HOTEL, ATLANTIC CITY
NOTES TO FINANCIAL STATEMENTS (cont'd)

NOTE 9: Other Liabilities:

Other liabilities consist of the following:

	MARCH 31	
	1991	(000's) 1990
Long Term due to Affiliates	\$23,112	\$21,767
Other Liabilities	734	552
Def Income - ACIA Grant	2,207	0
Def Income - CRDA Grant	397	0
	\$26,450	\$22,319

Due to Affiliates consist of the following unsecured, non-interest bearing inter-company amounts.

	MARCH 31	
	1991	(000's) 1990
Due to Affiliates -		
Harrah's Holdings, Inc.	\$ 608	586
Harrah's Atlantic City, Inc.	22,084	20,775
Harrah's Reno	85	70
Harrah's Holiday Inns of NJ, Inc.	293	297
Holiday Casino, Inc.	42	39
	\$23,112	\$21,767

NOTE 10: Provision for State Income Taxes:

The Company, in accordance with regulations prescribed by the New Jersey Casino Control Act, has provided for New Jersey State tax at the statutory rate (9.417%).

NOTE 11: Savings and Retirement 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, 1991, was \$732,721.

SCHEDULE OF RECEIVABLES AND PATRONS' CHECKS
March 31, 1990

(Unaudited)
(\$ in Thousands)

Accounts Receivable Balances

LINE (a)	DESCRIPTION (b)	ACCOUNT BALANCE (c)	ALLOWANCE (d)	ACCOUNTS RECEIVABLE- (e) NET OF ALLOWANCE
1	Patron's Checks			
	Undeposited patrons' checks	\$ 3,454		
2	Returned patrons' checks . .	8,282		
3	Total patron's checks . .	11,736	\$ 4,692	\$ 7,044
4	Hotel Receivables	734	42	692
	Other Receivables:			
5	Receivables due from officers and employees . .	22		
6	Receivables due from affiliates	-0-		
7	Other accounts and notes receivables	1,555		
8	Total other receivables .	1,577	-0-	1,577
9	Totals (Form 205)	\$ 14,047	\$ 4,734	\$ 9,313

UNDEPOSITED PATRON'S CHECKS ACTIVITY

LINE (f)	DESCRIPTION (g)	AMOUNT (h)
10	Beginning Balance (January 1)	\$ 4,244
11	Counter checks issued (excluding counter checks issued through transactions relating to consolidations, partial redemptions, substitutions, and patrons' cash deposits) .	32,526
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)	(21,458)
13	Checks collected through deposits	(10,151)
14	Checks transferred to returned checks	(1,707)
15	Other adjustments	
16	Ending Balance	\$ 3,454
17	"Hold" Checks Included in Balance on Line 16	\$ -0-
18	Provision for Uncollectible Patrons' Checks	\$ 477
19	Provision as a Percent of Counter Checks Issued	1.5 %

HOTEL STATISTICS

FOR THE 3 MONTHS ENDED March 31, 1991


PERIOD	NUMBER OF GUEST ROOMS IN PROPERTY	NUMBER OF AVAILABLE ROOMS	NUMBER OF OCCUPIED ROOMS	AVERAGE RATE PER OCCUPIED ROOM	OCCUPANCY RATE	NUMBER OF GUESTS ACCOMMODATED	AVERAGE RATE PER GUEST ACCOMMODATED
JANUARY	760	23,560	14,686	\$ 72.80	62.3 %	27,172	\$ 39.34
FEBRUARY	760	21,280	17,033	\$ 70.29	80.0 %	32,910	\$ 36.38
MARCH	760	23,560	20,043	\$ 66.64	85.1 %	38,206	\$ 34.96
1ST QUARTER TOTALS		68,400	51,762	\$ 69.59	75.7 %	98,288	\$ 36.65
APRIL				\$	%		\$
MAY				\$	%		\$
JUNE				\$	%		\$
2ND QUARTER TOTALS				\$	%		\$
JULY				\$	%		\$
AUGUST				\$	%		\$
SEPTEMBER				\$	%		\$
3RD QUARTER TOTALS				\$	%		\$
OCTOBER				\$	%		\$
NOVEMBER				\$	%		\$
DECEMBER				\$	%		\$
4TH QUARTER TOTALS				\$	%		\$
ANNUAL TOTALS				\$	%		\$

STATEMENTS OF CONFORMITY AND ACCURACY

State of NEW JERSEY :
County of ATLANTIC : ss

Joseph A. Domenico, 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 of Finance
Title

01833-11
License Number

Subscribed and sworn to
before me this day
of , 1991

On Behalf Of:

Signature

Marina Associates
Casino Licensee

Basis of Authority
to Take Oaths

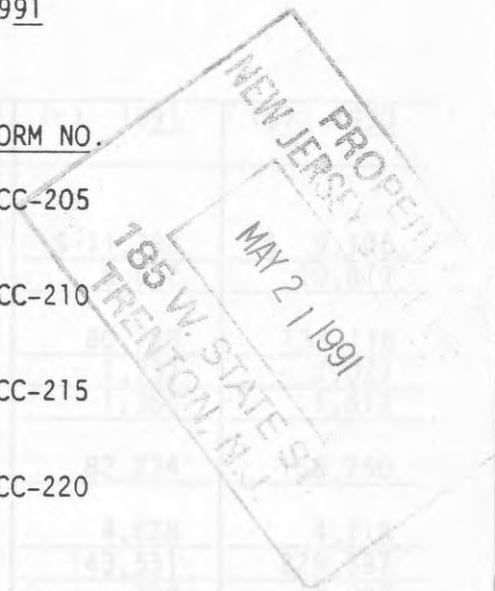
974.901

TRADING NAME OF LICENSEE MERV GRIFFIN'S RESORTS CASINO HOTEL C193
(a wholly owned subsidiary of RESORTS INTERNATIONAL, INC.)

LIST OF FORMS - QUARTERLY REPORT

FOR THE QUARTER ENDED MARCH 31, 1991

TITLE	FORM NO.
Balance Sheets	CCC-205
Statement of Income (Year)	CCC-210
Statements of Income (Three Months)	CCC-215
Statements of Changes in Stockholders' Equity	CCC-220
Statements of Changes in Partners' or Proprietor's Equity	CCC-225
Statements of Cash Flows	CCC-235
Notes to Financial Statements	
Schedule of Receivables and Patrons' Checks	CCC-240
Statement of Conformity and Accuracy	CCC-250
	CCC-201



2/87

2106

The accompanying notes are an integral part of the financial statements. Valid comparisons can only 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.)

BALANCE SHEETS

MARCH 31, 1991 and 1990
(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1991	(d) 1990
	ASSETS		
	Current Assets:		
1	Cash	\$ 11,788	\$ 9,106
2	Marketable securities (Short-term Money Market At Cost)	6,602	10,817
3	Receivables and patrons' checks (net of allowance for doubtful accounts - 1991, \$6,458; 1990, \$5,022 (Note 2)	60,728	133,118
4	Inventories	1,751	2,027
5	Prepaid expenses and other current assets	1,365	1,672
6	Total current assets	82,234	156,740
7	Investments, Advances, And Receivables	4,828	4,118
8	Property And Equipment - Net ....(Note 4).....	143,531	229,387
9	Other Assets ....(Note 5).....	309	18,909
10	Total Assets	\$230,902	\$409,154
	LIABILITIES AND EQUITY		
	Current Liabilities:		
11	Accounts Payable	\$ 6,727	\$ 4,537
12	Notes Payable		
13	Current portion of long-term debt: (Note 7)		
14	Due to affiliates		
15	Other	1,304	481
16	Income taxes payable and accrued (Note 13).....	18,950	17,260
17	Other accrued expenses (Note 6).....	69,539	4,118
18	Other current liabilities (Note 3)	96,520	26,396
	Total current liabilities		
19	Long-Term Debt: (Note 7)		
20	Due to affiliates	325,000	355,231
21	Other	2,002	1,596
22	Deferred Credits ....(Note 15).....	533	38,048
23	Other Liabilities		
24	Commitments and Contingencies (Note 14)		
	Total Liabilities.....	424,055	421,271
25	Stockholders', Partners', or Proprietor's Equity	(193,153)	(12,117)
26	Total Liabilities and equity	\$230,902	\$409,154

1/89

2106

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

CCC-205

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, 1991 and 1990
(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1991	(d) 1990
	Revenue:		
1	Casino	\$ 48,005	\$ 46,028
2	Rooms	2,897	3,509
3	Food and beverage	6,666	5,894
4	Other	1,432	1,873
5	Total revenue	59,000	57,304
6	Less: promotional allowances ....(Note 8).....	4,940	5,723
7	Net revenue	54,060	51,581
	Costs And Expenses:		
8	Cost of goods and services	37,140	37,527
9	Selling, general, and administrative	12,270	12,678
10	Provision for doubtful accounts	1,383	488
11	Depreciation and amortization	1,740	3,898
	Charges from affiliates other than interest:		
12	Management fees ..(Note 10).....	1,761	1,200
13	Other .....(Note 10).....	112	1,439
14	Total costs and expenses	54,406	57,230
15	Income (Loss) From Operations	(346)	(5,649)
	Other Income (Expense):		
16	Interest (expense) - affiliates.		
17	Interest expense - external	(148)	(56)
18	Investment alternative tax and related inc.(exp)	(704)	(346)
19	Nonoperating income (expense) - net ..(Note 11).....	1,874	299
20	Total other income (expenses)	1,022	(103)
21	Income (Loss) Before Income Taxes And Extraordinary Items .	676	(5,752)
22	Provision (Credit) for income taxes		
23	Income (Loss) Before Extraordinary Items	676	(5,752)
24	Extraordinary Items (net of income taxes - 1991, \$ <u>NONE</u> ; 1990, \$ <u>NONE</u>)		
25	Net Income (Loss)	676	(5,752)

1/89

2106

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

CCC-210

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, 1991 and 1990
(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1991	(d) 1990
	Revenue:		
1	Casino	\$ 48,005	\$ 46,028
2	Rooms	2,897	3,509
3	Food and beverage	6,666	5,894
4	Other	1,432	1,873
5	Total revenue	59,000	57,304
6	Less: promotional allowances ....(Note 8).....	4,940	5,723
7	Net revenue	54,060	51,581
	Costs And Expenses:		
8	Cost of goods and services	37,140	37,527
9	Selling, general, and administrative	12,270	12,678
10	Provision for doubtful accounts	1,383	488
11	Depreciation and amortization	1,740	3,898
	Charges from affiliates other than interest:		
12	Management fees ...(Note 10).....	1,761	1,200
13	Other .....(Note 10).....	112	1,439
14	Total costs and expenses	54,406	57,230
15	Income (Loss) From Operations	(346)	(5,649)
	Other Income (Expense):		
16	Interest (expense) - affiliates.		
17	Interest expense - external	(148)	(56)
18	Investment alternative tax and related inc.(exp)	(704)	(346)
19	Nonoperating income (expense) - net ..(Note 11).....	1,874	299
20	Total other income (expenses)	1,022	(103)
21	Income (Loss) Before Income Taxes And Extraordinary Items .	676	(5,752)
22	Provision (Credit) for income taxes		
23	Income (Loss) Before Extraordinary Items	676	(5,752)
24	Extraordinary Items (net of income taxes - 1991, \$ <u>NONE</u> ; 1990, \$ <u>NONE</u>)		
25	Net Income (Loss)	676	(5,752)

1/89

2106

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

CCC-215

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

STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
FOR THE THREE MONTHS ENDED MARCH 31, 1991 and 1990
(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	1991		1990	
		(c) SHARES	(d) DOLLARS	(e) SHARES	(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				
	Additional Paid-In Capital:	+++++		+++++	
9	Beginning balance (January 1)	+++++	(198,829)	+++++	180,030
10		+++++		+++++	
11		+++++		+++++	
12	Ending balance	+++++	(198,829)	+++++	180,030
	Treasury Stock:				
13	Beginning balance (January 1)				
14	Purchase of additional stock ...				
15	Sale or retirement of stock				
16	Ending balance				
	Note Receivable For Capital Stock:				
	Griffin Company				
17	Beginning balance (January 1)				(35,000)
18					
19					
20	Ending balance				(35,000)
	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)	+++++	5,000	+++++	(151,395)
26	Prior period adjustments	+++++		+++++	
27	Net income (loss)	+++++	676	+++++	(5,752)
28	Dividends	+++++		+++++	
29		+++++		+++++	
30		+++++		+++++	
31	Ending balance	+++++	5,676	+++++	(157,147)
32	Ending Stockholders' Equity	+++++	(\$193,153)	+++++	(\$12,117)

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: RESORTS INTERNATIONAL HOTEL, INC. AND SUBSIDIARIES
(a wholly owned subsidiary of RESORTS INTERNATIONAL, INC.)

STATEMENTS OF CHANGES IN PARTNERS'

FOR THE THREE MONTHS ENDED MARCH 31, 1991 and 1990
(UNAUDITED)
(\$ IN THOUSANDS)

NOT APPLICABLE

LINE (a)	DESCRIPTION (b)	(c) 1991	(d) 1990
	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	\$	\$

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.

STATEMENTS OF CASH FLOWS

FOR THE THREE MONTHS ENDED MARCH 31, 1991 and 1990
(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1991	(d) 1990
1	Net Cash Provided (Used) by Operating Activities	\$10,738	(\$ 563)
	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	(7,033)	(6,702)
5	Proceeds from disposition of property and equipment	(5)	5
6	Purchase of casino reinvestment obligations	(587)	(573)
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	Proceeds from CRDA Deposits Returned.....		20
11	Loans From Affiliate	704	16,821
12	Net Cash Provided (Used) By Investing Activities	(6,921)	9,571
	Cash Flows From Financing Activities		
13	Cash proceeds from issuance of short-term debt	260	
14	Payments to settle short-term debt		
15	Cash proceeds from issuance of long-term debt	216	
16	Costs of issuing debt		
17	Payments to settle long-term-debt		(127)
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			
23	Net Cash Provided (Used) By Financing Activities	476	(127)
24	Net Increase (Decrease) in Cash And Cash Equivalents	4,293	8,881
25	Cash And Cash Equivalents At Beginning Of Year	14,097	11,042
26	Cash And Cash Equivalents At End Of Year	<u>\$18,390</u>	<u>\$ 19,923</u>

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

27	Cash Paid During Year For:		
28	Interest (net of amount capitalized)	- 0 -	1,776
	Income taxes		

12/87

2106

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: 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, 1991 and 1990
(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1991	(d) 1990
	Net Cash Flows From Operating Activities:		
29	Net income (loss)	\$ 676	(\$ 5,752)
	Noncash items included in income and cash items excluded from income:		
30	Depreciation and amortization of property and equipment	1,738	3,746
31	Amortization of other assets	2	152
32	Amortization of debt discount or premium		
33	Deferred income taxes - current		
34	Deferred income taxes - noncurrent		
35	(Gain) loss on disposition of property and equipment ...	5	(5)
36	(Gain) loss on casino reinvestment obligations	704	346
37	(Gain) loss from other investment activities		57
38	Net (increase) decrease in receivables and patrons' checks	919	282
39	Net (increase) decrease in inventories	(2)	146
40	Net (increase) decrease in other current assets	1,606	374
41	Net (increase) decrease in other assets	3	(333)
42	Net increase (decrease) in accounts payable	2,661	(204)
43	Net increase (decrease) in other current liabilities excluding debt	2,434	646
44	Net increase (decrease) in other noncurrent liabilities excluding debt	(8)	(18)
45	Other		
46			
47	Net Cash Provided (Used) By Operating Activities	10,738	(\$ 563)

SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING AND FINANCING ACTIVITIES

48	Acquisition Of Property And Equipment:		
49	Additions to property and equipment	(\$ 7,844)	(\$ 6,702)
50	Less: Capital lease obligations incurred	811	
	Cash Outflows For Property And Equipment	(\$ 7,033)	(\$ 6,702)
51	Acquisition Of Business Entities:		
52	Property and equipment acquired	\$	\$
53	Goodwill acquired		
54	Net assets acquired other than cash, goodwill, and property and equipment		
55	Long-term debt assumed		
56	Issuance of stock or capital invested	\$	\$
	Cash Outflows To Acquire Business Entities		
57	Stock Issued Or Capital Contributions:		
58	Total issuances of stock or capital contributions	\$	\$
59	Less: Issuances to settle long-term debt		
60	Consideration in acquisition of business entities ..	\$	\$
	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, 1991

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying consolidated financial statements, which are unaudited, include the operations of Resorts International Hotel, Inc. ("RIH") and its subsidiaries. Resorts International Hotel, Inc. ("RIH"), a wholly owned subsidiary of Resorts International, Inc. ("RII"), owns and operates Merv Griffin's Resorts Casino Hotel ("Resorts Casino Hotel"), a casino/hotel complex located in Atlantic City, New Jersey.

While the accompanying financial information is unaudited, management of RIH believes that all adjustments necessary for a fair presentation of these financial statements have been made and all such adjustments are of a normal recurring nature.

Basis of Presentation

During 1989, RII and certain of its subsidiaries (the "Debtors") filed voluntary petitions or consented to involuntary petitions for relief under Chapter 11 of Title 11 of the U.S. Bankruptcy Code (the "Bankruptcy Code"). On April 16, 1990 the Debtors filed the First Amended Joint Plan of Reorganization and a disclosure statement under Section 1125 of the Bankruptcy Code. After notice and a hearing, this filing was amended as of May 31, 1990. By order dated as of June 14, 1990, the Bankruptcy Court approved the revised disclosure statement allowing the Debtors to solicit approval from their creditors of the Second Amended Joint Plan of Reorganization dated as of May 31, 1990 (the "Plan"). On August 28, 1990 the Bankruptcy Court entered an order confirming the Plan and on September 17, 1990 (the "Effective Date"), all conditions to effectiveness of the Plan were either met or waived and the Plan became effective.

Under the Plan, all previously outstanding debt securities of the Debtors were cancelled and exchanged for new debt and equity securities of RII. Also pursuant to the Plan, all previously outstanding shares of stock of RII were cancelled. As a result of these and other transactions prescribed in the Plan, Merv Griffin, who prior to the reorganization indirectly owned 100% of RII, owned 22% of RII as of October 1, 1990, the initial distribution date of the new securities.

RII accounted for the reorganization using "fresh start" accounting. Accordingly, all assets and liabilities of RII and its subsidiaries were restated to reflect their estimated fair values and the accumulated deficit was eliminated. Although the confirmation date was August 28, 1990, RIH has recorded the effects of the reorganization as of August 31, 1990.

RIH recorded a charge from the write off of the remaining balance of \$17,335,000 of deferred debt issuance costs related to certain old debt securities of the Debtors that were cancelled pursuant to the Plan. This write off had been reported as an extraordinary item.

RIH also recorded affiliated bad debt write offs of \$98,983,000 comprised of \$63,983,000, the net amount of intercompany receivables from the Debtors cancelled pursuant to the Plan, and a \$35,000,000 note receivable from Griffco Resorts Holding, Inc. ("Griffco"), RII's parent, which was also cancelled pursuant to the Plan.

The revaluation of RIH's other assets and liabilities, which was based on independent appraisals, discounted cash flows, evaluations, estimations, and other studies, resulted in a net loss of \$108,588,000, with the following components:

(In Thousands of Dollars)

Decrease in working capital	\$ 8,355
Decrease in property and equipment	99,849
Decrease in deferred charges and other assets	384
	<u>\$108,588</u>

Principles of Consolidation

The consolidated financial statements include the accounts of RIH and its subsidiaries except for one insignificant wholly owned subsidiary which is accounted for on the equity basis of accounting. 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 which have maturities of three months or less to be cash equivalents.

Inventories

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

Property and Equipment

Depreciation is computed on the straight-line method over the estimated useful lives of the assets, as follows: land improvements, 12 - 20 years; buildings and improvements, 24-30 years; furniture and equipment, 2-7 years.

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.

Debt Issuance Costs

Deferred debt issuance costs are amortized to expense using the bonds-outstanding method.

Income Taxes

For the year 1989, RII and its domestic subsidiaries, including RIH, filed a consolidated federal income tax return with Griffco. On the Effective Date, Griffco was merged with and into a subsidiary of RII. For tax years beginning 1990, RIH and RII's other domestic subsidiaries will file consolidated federal income tax returns with RII.

RIH provides income taxes based on the liability method prescribed in Statement of Financial Accounting Standards No. 96.

Prior to the revaluation at August 31, 1990 RIH's deferred tax liability was transferred to RII.

NOTE 2 - RECEIVABLES AND PATRONS' CHECKS

Components of receivables at March 31 were as follows:

(In Thousand of Dollars)

	<u>1991</u>	<u>1990</u>
Gaming	\$11,938	\$ 11,835
Less allowance for doubtful accounts	<u>(6,107)</u>	<u>(4,931)</u>
	5,831	6,904
Non-gaming		
Hotel and related	681	634
Other	<u>675</u>	<u>379</u>
	1,356	1,013
Less allowance for doubtful accounts	<u>(351)</u>	<u>(91)</u>
	1,005	922
Receivables due from affiliates	<u>53,892</u>	<u>125,292</u>
	53,892	125,292
	<u>\$60,728</u>	<u>\$133,118</u>

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, in exchange for a promissory note. Such note is payable on demand and bears interest at 13 1/2% per annum, with interest payments due each May 1 and November 1. The note is guaranteed by certain of RIB's subsidiaries. The guarantees are secured by mortgages on the Paradise Island Resort & Casino, the Ocean Club Golf & Tennis Resort, and the Paradise Beach Resort on Paradise Island in The Bahamas, and all furniture, machinery and equipment used in connection therewith. The RIB promissory note and the mortgages securing payment thereof have been assigned as part of the collateral for new debt securities issued by RII pursuant to the Plan. See Note 7.

NOTE 3 - OTHER CURRENT LIABILITIES

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

(In Thousands of Dollars)

	<u>1991</u>	<u>1990</u>
I/C R.I.I.	\$ 62,063	
CRDA Bond Disc.	5,000	\$1,289
Other	<u>2,476</u>	<u>2,829</u>
	<u>\$ 69,539</u>	<u>\$4,118</u>

NOTE 4 - PROPERTY AND EQUIPMENT - NET

Property and equipment at March 31, are summarized as follows:

(In Thousands of Dollars)

	1991	1990
Land and land rights	\$ 53,250	\$ 54,607
Land improvements	82	2,086
Hotel and other buildings	72,696	142,148
Furniture, machinery and equipment	17,481	41,133
Construction in progress	3,714	8,478
	<u>147,223</u>	<u>248,452</u>
Less Accumulated depreciation	3,692	19,065
	<u>\$143,531</u>	<u>\$229,387</u>

Substantially all of RIH's property and equipment has been pledged as collateral for new debt securities issued by RII pursuant to the Plan. See Note 7.

NOTE 5 - OTHER ASSETS

Components of other assets at March 31, were as follows:

(In Thousands of Dollars)

	1991	1990
Debt issuance costs		\$17,335
Deposits	\$ 309	1,478
Other		96
	<u>\$ 309</u>	<u>\$18,909</u>

Resorts Inc. ("CRI"), a subsidiary of RII and one of the...
 issued \$225,000,000 principal amount of notes (the "Securities")...
 in exchange of the Securities to RII in exchange for (i) two...
 notes payable to CRI, which CRI, in turn, pledged to the...
 of the Securities; (ii) a first mortgage on the Resort Center...
 the other properties owned by RII, and a first priority security...
 in the personal property of RII granted to the Collateral Agent...
 and (iii) the assignment of RII's prepayment...
 mortgage securing such debt... RII held the...
 of the Securities which amounted to \$20,000,000. The...
 issued by RII were written to mirror the terms of the...
 with the intent that RII pay interest to CRI on the...
 so that CRI would have cash available to make...

NOTE 6 - OTHER ACCRUED EXPENSES

Components of other accrued expenses at March 31, were as follows:

(In Thousands of Dollars)

	1991	1990
Accrued payroll and related taxes and benefits	\$ 9,244	\$ 7,323
Progressive slot liability	3,782	5,243
Litigation reserve	3,099	1,822
Accrued gaming taxes, fees and related assessments	1,010	738
Professional fees	510	500
Utilities	479	421
Various taxes	248	187
Other	578	1,026
	<u>\$18,950</u>	<u>\$17,260</u>

NOTE 7 - LONG-TERM DEBT

Components of long-term debt at March 31, were as follows:

(In Thousands of Dollars)

	1991	1990
Due to affiliates:		
13 7/8% note payable to affiliate	\$200,000	\$200,000
13 1/2% note payable to affiliate	125,000	125,000
Interest payable to affiliate		30,231
	<u>\$325,000</u>	<u>\$355,231</u>
Other:		
Capitalize lease obligations (Notes 7a)	3,306	2,077
Less - Current portion	<u>\$ 1,304</u>	<u>481</u>
	<u>\$ 2,002</u>	<u>\$ 1,596</u>

In 1988, Griffin Resorts Inc. ("GRI"), a subsidiary of RII and one of the Debtors, issued \$325,000,000 principal amount of notes (the "Securities"). GRI loaned the proceeds of the Securities to RIH in exchange for (i) two promissory notes payable to GRI, which GRI, in turn, pledged to the Trustees for the Securities; (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 granted to the Collateral Agent for the Securities; and (iii) the assignment of RIB's promissory note for \$50,000,000 and mortgage securing such note (see Note 2). RIH paid the issuance costs of the Securities which amounted to \$20,300,000. The promissory notes issued by RIH were written to mirror the terms of GRI's publicly held notes with the intent that RIH pay interest to GRI on GRI's interest payment dates so that GRI would have cash available to make its

interest payments to the public on those dates. Thus, with the announcement of the interest moratorium on GRI's notes in August 1989, RIH also ceased the payment of interest on its notes to GRI. Accordingly, accrued interest on these notes at March 31, 1990 is reflected in long-term, rather than current, liabilities.

Also, as of December 31, 1989, GRI stopped accruing interest on the Securities as the sum of accrued interest and principal on that secured indebtedness at that date approached the estimated liquidation value of the underlying collateral. Thus, RIH stopped accruing interest on its notes to GRI and stopped amortizing the deferred debt issuance costs associated with the Securities as of that date.

Pursuant to the Plan, the Securities were cancelled. RIH's notes payable to GRI were not cancelled; their terms were modified and such amended notes were pledged as collateral for certain new debt securities issued by RII. These amended notes are payable on demand after April 15, 1994, bear interest at 9% and permit RIH to satisfy such interest by increasing the principal amounts of the notes, in lieu of in cash. The purpose of these notes is to collateralize RII's new debt securities and RII, GRI and RIH do not intend for RIH to repay these intercompany notes in the normal course of business. RIH has not accrued interest from September 1, 1990 as the notes are in the process of being further amended to become non-interest bearing effective September 1, 1990 and to provide for annual increases to their collateral value, only if called. Accordingly, the Company is contingently liable for such increases in collateral value, if ultimately required, which at March 31, 1991 amounted to \$17,062,000.

As of April 15, 1994, the collateral value of the notes would increase to \$446,150,000. In accordance with "fresh start" accounting as of August 31, 1990 RIH's assets were restated to their estimated fair values. See Note 4 for a summary of RIH's property and equipment balances.

The indentures for RII's new debt securities restrict RIH from the incurrence of additional indebtedness, with certain exceptions.

Minimum principal payments of long-term debt other outstanding as of March 31, 1991 are as follows:

(In Thousands of Dollars)

1991	\$1,468
1992	647
1993	584
1994	541
1995	38
1996	28
Total	<u>\$3,306</u>

NOTE 7a - LEASES

RIH is the leasee of computer equipment, slot machines and printing equipment under capital leases expiring in various years through 1996. The assets and liabilities under capital leases are recorded at the lower of the present value of the minimum lease payments or the fair value of the asset. The assets are depreciated over the lower of their useful lives or their related lease terms.

Property debt under capital leases at March 31, are summarized as follows:

(In Thousands of Dollars)

Computer equipment	\$1,671
Slot Machines	1,431
Printing equipment	204
Accum Depreciation	(344)
Capital Leases Net	<u>\$2,962</u>

Interest rates on capital leases vary from 13.7% to 33.3%.

NOTE 8 - PROMOTIONAL ALLOWANCES AND PROMOTIONAL EXPENSES

Components of promotional allowances and promotional expenses at quarter ended March 31, 1991 were as follows:

(In Thousands of Dollars)

	<u>PROMOTIONAL ALLOWANCES</u>		<u>PROMOTIONAL EXPENSE</u>	
	<u>NUMBER OF RECIPIENTS</u>	<u>AMOUNT</u>	<u>NUMBER OF RECIPIENTS</u>	<u>AMOUNT</u>
Rooms	21	\$1,439		
Food	91	2,269		
Beverage	158	479		
Travel			4	\$ 415
Coupon redemption:				
Cash			490	4,522
Food	15	147		
Admissions	65	486		
Retail	2	58		
Junket Air			10	198
Other	6	62	20	250
Totals	<u>358</u>	<u>\$ 4,940</u>	<u>524</u>	<u>\$5,385</u>

NOTE 9 - SAVINGS AND PENSION PLANS

RIH has a defined contribution plan (the "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 Plan. Under the 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 match an additional amount of employee contributions. RIH's contributions under the Plan were approximately \$141,000 and \$85,000 for the year ended March 31, 1991 and 1990, 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 approximately \$172,000 and \$145,000 for the three months ended March 31, 1991 and 1990, respectively.

NOTE 10 - CHARGES FROM AFFILIATES

RIH has recorded the following expenses at March 31, from RII and other affiliates:

(In Thousands of Dollars)

<u>AFFILIATED COMPANY</u>	<u>TRANSACTION</u>	<u>1991</u>	<u>1990</u>
Resorts International, Inc.	Management fee	<u>\$1,761</u>	<u>\$1,200</u>
Resorts International, Inc.	Insurance	\$ 82	
	Property Rental		\$ 94
	Other		114
		<u>82</u>	<u>208</u>
International Intelligence, Inc.	Security fees		54
ANTL, Inc.	Aircraft rentals		124
PIVI	Flights	28	36
Resorts of New York, Inc.	Sales office expenses		29
Steeplechase Transport and Parking, Inc.	Parking fees		704
Trams Atlantic, Inc	Limo Services		237
Chalk's Airline	Flights	2	47
		<u>\$ 112</u>	<u>\$1,439</u>

NOTE 11 - NONOPERATING INCOME(EXPENSE), NET

Components of nonoperation income(expense), net at March 31, were as follows:

(In Thousands of Dollars)

	<u>1991</u>	<u>1990</u>
Interest income	\$ 239	\$ 280
Interest income from affiliates	1,688	1,612
Corporate office expense	(31)	(70)
Restructuring/ refinancing costs		(1,265)
Non-operating rent/taxes		(303)
Gain(loss) on fixed assets	(5)	5
Other	(17)	40
	<u>\$1,874</u>	<u>\$ 299</u>

NOTE 12 - DIVIDENDS AND OTHER RESTRICTED TRANSACTIONS

Dividends

For periods subsequent to November 14, 1988, the declaration and payment of dividends (other than stock dividends) by RIH are restricted by the indentures for the Securities. As of December 31, 1990, due to these restrictions, no funds were available for dividends or other restricted payments.

Other Restricted Transactions

Pursuant to the indentures for the Securities neither Griffin Resorts, RIH nor any of their respective subsidiaries may (i) sell, lease, transfer or otherwise dispose of any of its properties, assets or securities to, (ii) purchase any property, assets or securities from, (iii) make any investment in or, (iv) enter into any contract or agreement with or for the benefit of any affiliates of any of them (other than Griffin Resorts, RIH or any such subsidiary in which no affiliate (other than Griffin Resorts, RIH or another such wholly owned subsidiary) owns, directly or indirectly, any equity interest) (an "Affiliate transaction"), other than (a) loans to Griffin Co. by Griffin Resorts and RIH respectively, promptly following the issuance of the Securities, which shall not in the aggregate exceed \$50,000,000 less the consolidated cash balances of RII and its subsidiaries (other than Griffin Resorts, RIH and their subsidiaries) on the date of such loans plus \$3,000,000 and the forgiveness or cancellation of such loans and the notes relating thereto, (b) a loan to Griffin Co. by Griffin Resorts or the Company on or after January 1, 1989 in an amount not exceeding \$25,000,000 backed by a \$25,000,000 letter of credit to be pledged as Collateral for the Securities, provided, that no default or event of default shall have occurred and be continuing and the forgiveness or cancellation of such loans and the note relating thereto on or after November 15, 1992, and (c) Affiliate Transactions pursuant to a management agreement and the Tax Sharing Agreement entered into among Griffin Co., RII, Griffin Resorts, RIH, and certain other subsidiaries of RII, as in effect on the date of the indentures and certain other Permitted Affiliate Transactions.

The management agreement referred to in (c) above provides for an annual management services fee from RIH, Griffin Resorts and their subsidiaries to RII of \$16,000,000 and certain other permitted advances.

Notwithstanding the restrictions described above, RIH may make loans to Griffin Resorts, and Griffin Resorts may make loans or advances to RII to the extent required to provide RII and RII's subsidiaries (other than Griffin Resorts, RIH and their respective subsidiaries) with sufficient funds to satisfy the obligations on their indebtedness outstanding as of the date the Securities were issued (and any indebtedness issued in exchange therefore ("Exchange Debt")); provided that, at the time of such loan or advance, no indebtedness of RII or any of its subsidiaries shall have been accelerated prior to its stated maturity; and provided, further, that in the case of Exchange Debt, such Exchange Debt does not have scheduled principal payments due on or prior to November 1, 1996 in any amounts which are greater than, or which occur sooner than, any such scheduled principal payments due on or prior to November 1, 1996 on the indebtedness in exchange for which such Exchange Debt is issued.

NOTE 13 - INCOME TAXES

For federal tax purposes RIH has net operating loss carryforwards of approximately \$92,000,000 at March 31, 1991, which expire in 2005. The reorganization resulted in a change in ownership of the consolidated group of which RIH is a part. Therefore all of these loss carryforwards are limited in their availability to offset future taxable income.

NOTE 14 - CONTINGENCY

CRDA

The Casino Control Act, as originally adopted, required a licensee to make investments equal to 2% of the licensee's net casino win (as defined under the Casino Control Act) (the "investment obligation") for each calendar year, commencing in 1979, in which such net casino win 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 authorize by the CRDA, in an amount equal to 1.25% of a licensee's net casino win. 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.

Discounts charged to operations were \$704,460 and \$346,000 for the year ended March 31, 1991 and 1990, respectively.

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)

	<u>1979-1983</u>	<u>1984-1990</u>	<u>1991</u>	<u>TOTAL</u>
Investment obligations	\$(21,637)	\$(20,482)	\$(586)	\$(42,705)
Means of settlement:				
Housing related investments under audit	13,104			13,104
Housing related investments previously approved	1,000			1,000
CRDA deposits/bond purchases	<u>7,533</u>	<u>20,482</u>	<u>-0-</u>	<u>28,015</u>
Remaining investment obligation at March 31, 1991 which was deposited in April 1991	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$(586)</u>	<u>\$ (586)</u>

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

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

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, 1991
(UNAUDITED)

(\$ IN THOUSANDS)

ACCOUNTS RECEIVABLE BALANCES

LINE (a)	DESCRIPTION (b)	ACCOUNT (c) BALANCE	(d) ALLOWANCE	ACCOUNTS RECEIVABLE- (e) NET OF ALLOWANCE
	Patrons' Checks:			
1	Undeposited patrons' checks	\$ 4,111		
2	Returned patrons' checks	7,827		
3	Total patrons' checks	11,938	\$6,107	\$ 5,831
4	Hotel Receivables	658	351	307
	Other Receivables:			
5	Receivables due from officers and employees	23		
6	Receivables due from affiliates	53,892		
7	Other accounts and notes receivables ..	675		
8	Total other receivables	54,590		54,590
9	Totals (Form 305)	67,186	\$6,458	\$ 60,728

UNDEPOSITED PATRONS' CHECKS ACTIVITY

LINE (f)	DESCRIPTION (g)	AMOUNT (h)
10	Beginning Balance (January 1)	\$ 4,655
11	Counter checks issued (excluding counter checks issued through transactions relating to consolidations, partial redemptions, substitutions, and patrons' cash deposits)	32,232
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) ...	(21,944)
13	Checks collected through deposits	(9,443)
14	Checks transferred to returned checks	(1,389)
15	Other adjustments	
16	Ending balance	<u>\$ 4,111</u>
17	"Hold" Checks Included In Balance On Line 16	\$
18	Provision For Uncollectible Patrons' Checks	\$ 1,248
19	Provision As A Percent of Counter Checks Issued	3.8 %

HOTEL STATISTICS

FOR THE 3 MONTHS ENDED March 31, 1991

PERIOD	NUMBER OF GUEST ROOMS IN PROPERTY	NUMBER OF AVAILABLE ROOMS	NUMBER OF OCCUPIED ROOMS	AVERAGE RATE PER OCCUPIED ROOM	OCCUPANCY RATE	NUMBER OF GUESTS ACCOMMODATED	AVERAGE RATE PER GUEST ACCOMMODATED
JANUARY	673	16,825	13,006	\$ 66.88	77.3 %	25,858	\$ 33.64
FEBRUARY	673	17,238	14,290	\$ 67.35	82.9 %	28,501	\$ 33.77
MARCH	673	19,025	17,009	\$ 68.97	89.4 %	33,114	\$ 35.42
1ST QUARTER TOTALS		53,088	44,305	\$ 67.83	83.5 %	87,473	\$ 34.36
APRIL				\$	%		\$
MAY				\$	%		\$
JUNE				\$	%		\$
2ND QUARTER TOTALS				\$	%		\$
JULY				\$	%		\$
AUGUST				\$	%		\$
SEPTEMBER				\$	%		\$
3RD QUARTER TOTALS				\$	%		\$
OCTOBER				\$	%		\$
NOVEMBER				\$	%		\$
DECEMBER				\$	%		\$
4TH QUARTER TOTALS				\$	%		\$
ANNUAL TOTALS				\$	%		\$

STATEMENT OF CONFORMITY AND ACCURACY

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

JOHN R. SPINA, 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 Quarterly Report is accurate to the best of my knowledge and belief.

John Spina
Signature

SR. V.P. - FINANCE & ADMINISTRATION
Title

02507-11
License Number

Subscribed and sworn to
before me this 14th day
of May, 1991.

On Behalf Of:

Margaret M Bradley
Signature

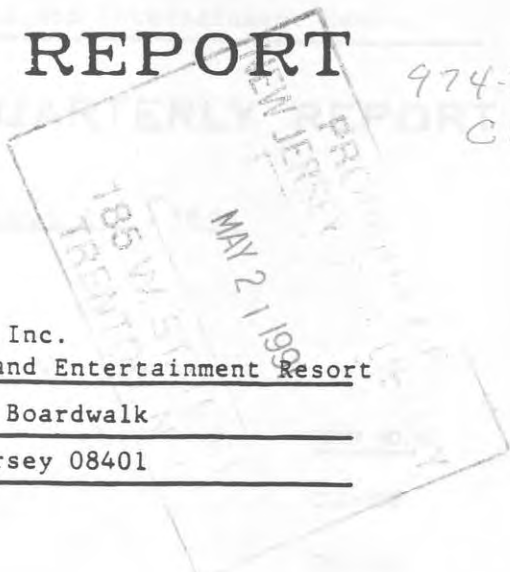
MERV GRIFFIN'S RESORTS CASINO HOTEL
Casino Licensee

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

Basis of Authority to Take Oaths

QUARTERLY REPORT

974-901
C193



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

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

FOR THE QUARTER ENDED March 31, **19**91

TO THE
CASINO CONTROL COMMISSION
OF THE
STATE OF NEW JERSEY



MAY 2 1991

NAME OF OFFICER IN CHARGE OF CORRESPONDENCE REGARDING THIS QUARTERLY REPORT . . . Lester Brzozowski

OFFICIAL TITLE. Vice President of Finance

ADDRESS Brighton Ave. and the Boardwalk
Atlantic City, NJ 08401

TRADING NAME OF LICENSEE TropWorld Casino and Entertainment Resort

LIST OF FORMS - QUARTERLY REPORT

FOR THE QUARTER ENDED March 31, 1991

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
Statement of Conformity and Accuracy	CCC-250

TRADING NAME OF LICENSEE TropWorld Casino and Entertainment Resort

BALANCE SHEETS

March 31, 19 91 AND 90
(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1991	(d) 1990
ASSETS			
	Current Assets:	\$	\$
1	Cash.....	7,409	9,033
2	Marketable Securities.....	-0-	-0-
3	Receivables and patrons' checks (net of allowance for doubtful accounts 1991 \$10,647 ; 1990, \$11,391).....	15,482	20,736
4	Inventories.....	2,843	2,019
5	Prepaid expenses and other current assets.....	4,708	4,000
6	Total current assets.....	30,442	35,788
7	Investments, Advances, and Receivables.....(Note II-7, III-1).....	70,191	50,891
8	Property and Equipment - Net .....(Note II-1).....	242,367	249,940
9	Other Assets.....	747	1,047
10	Total Assets.....	\$ 343,747	\$ 337,666
LIABILITIES AND EQUITY			
	Current Liabilities:	\$	\$
11	Accounts payable.....	2,157	2,827
12	Notes payable.....	-0-	-0-
	Current portion of long-term debt:		
13	Due to affiliates.....	-0-	-0-
14	Other.....(Note II-2).....	2,812	2,883
15	Income taxes payable and accrued.....	(662)	(645)
16	Other accrued expenses.....(Note III-2).....	24,668	18,513
17	Other current liabilities.....(Note III-3).....	2,003	3,170
18	Total current liabilities.....	30,978	26,748
	Long-Term Debt:		
19	Due to affiliates.....(Note II-2).....	140,000	140,000
20	Other.....(Note II-2).....	6,537	8,654
21	Deferred Credits.....(Note II-3).....	-0-	656
22	Other Liabilities.....(Note II-7, III-4).....	34,486	19,626
23	Commitments and Contingencies (Note II-4)		
24	Total Liabilities.....	212,001	195,684
25	Stockholders', Partners', Or Proprietor's Equity.....	131,746	141,982
26	Total Liabilities and Equity.....	\$ 343,747	\$ 337,666

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 INCOME

FOR THE THREE MONTHS ENDED March 31, 1991 AND 1990

(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1991	(d) 1990
	Revenue:	\$	\$
1	Casino.....	62,007	65,063
2	Rooms.....	4,598	5,601
3	Food and beverage.....	7,769	9,478
4	Other.....	2,438	2,257
5	Total revenue.....	76,812	82,419
6	Less: Promotional allowances.....(Note II-5, II-6)....	8,759	8,746
7	Net revenue.....	68,053	73,673
	Costs And Expenses:		
8	Cost of goods and services.....(Note II-6, II-7)....	36,545	38,556
9	Selling, general, and administrative.....(Note II-7).....	19,146	19,253
10	Provision for doubtful accounts.....	753	831
11	Depreciation and amortization.....	3,974	3,870
	Charges from affiliates other than interest:		
12	Management fees.....(Note II-7).....	-0-	153
13	Other.....(Note II-7).....	15,559	14,112
14	Total costs and expenses.....	75,977	76,775
15	Income (Loss) From Operations.....	(7,924)	(3,102)
	Other Income (Expenses):		
16	Interest (expense) - affiliates.....(Note II-2).....	(4,725)	(4,636)
17	Interest (expense) - external.....(Note II-2).....	(864)	(807)
18	Investment alternative tax and related income (expense) - net(II-4).....	(244)	(268)
19	Nonoperating income (expense) - net.....(Note III-5).....	5,440	5,638
20	Total other income (expenses).....	(393)	(73)
21	Income (Loss) Before Income Taxes And Extraordinary Items.....	(8,317)	(3,175)
22	Provision (credit) for income taxes.....(Note II-8).....	-0-	(1,373)
23	Income (Loss) Before Extraordinary Items.....	(8,317)	(1,802)
24	Extraordinary items (net of income taxes - 1991, \$ -0- ; 1990, \$ -0-).....	-0-	-0-
25	Net Income (Loss).....	\$ (8,317)	\$ (1,802)

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

STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY

FOR THE Three MONTHS ENDED March 31, , 1991 AND 1990

(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	19 <u>91</u>		19 <u>90</u>	
		(c) SHARES	(d) DOLLARS	(e) SHARES	(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)	70,609	78,902	70,609	78,902
6	Sale of stock				
7	.....			
8	Ending Balance	70,609	78,902	70,609	78,902
	Additional Paid-in Capital:				
9	Beginning balance (January 1)		53,883		53,883
10	.....			
11	.....			
12	Ending balance		53,883		53,883
	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)		7,277		10,998
26	Prior period adjustments				
27	Net income (loss)		(8,317)		(1,802)
28	Dividends		()		()
29	.....			
30	.....		(1,040)		9,196
31	Ending balance				
32	Ending Stockholders' Equity		\$ 131,746		\$ 141,982

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 FLOW

FOR THE Three Months ENDED March 31, 1991 AND 1990
(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1991	(d) 1990
1	Net Cash Provided (Used) By Operating Activities.....	\$ 6,637	\$ 2,943
	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.....	(1,235)	(1,851)
5	Proceeds from disposition of property and equipment.....	309	4
6	Purchase of casino reinvestment obligations.....	(767)	(809)
7	Purchase of other investments and loans\advances made.....	(2,180)	(3,148)
8	Proceeds from disposal of investments and collection of advances and long-term receivables.....	(328)	4,660
9	Cash outflows to acquire business entities.....		
10	.....	
11	.....	
12	Net Cash Provided (Used) By Investing Activities.....	(4,201)	(1,144)
	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.....	(658)	(687)
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.....	(658)	(687)
24	Net Increase (Decrease) In Cash And Cash Equivalents.....	1,778	1,112
25	Cash And Cash Equivalents At Beginning Of Period.....	5,631	7,921
26	Cash And Cash Equivalents At End Of Period.....	\$ 7,409	\$ 9,033

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

	Cash Paid During Period For:		
27	Interest (net of amount capitalized).....	\$ 10,158	\$ 5,491
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 these notes.

STATEMENTS OF CASH FLOW

FOR THE Three Months ENDED March 31, 1991 AND 1990

(UNAUDITED)

(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1991	(d) 1990
	Net Cash Flows From Operating Activities:		
29	Net income (loss).....	\$ (8,317)	\$ (1,802)
	Noncash items included in income and cash items excluded from income:		
30	Depreciation and amortization of property and equipment.....	3,910	3,805
31	Amortization of other assets.....	64	65
32	Amortization of debt discount or premium.....		
33	Deferred income taxes - current.....		
34	Deferred income taxes - noncurrent.....	-0-	(1,488)
35	(Gain) loss on disposition of property and equipment.....	647	(25)
36	(Gain) loss on casino reinvestment obligations.....	244	268
37	(Gain) loss from other investment activities.....		
38	Net (increase) decrease in receivables and patrons' checks.....	3,515	638
39	Net (increase) decrease in inventories.....	(109)	(18)
40	Net (increase) decrease in other current assets.....	(226)	230
41	Net (increase) decrease in other assets.....	31	104
42	Net increase (decrease) in accounts payables.....	(2,160)	(1,822)
43	Net increase (decrease) in other current liabilities excluding debt.....	1,246	2,257
44	Net increase (decrease) in other noncurrent liabilities excluding debt.....	7,792	731
45	.....	
46	.....	
47	Net Cash Provided (Used) By Operating Activities.....	\$ 6,637	\$ 2,943

SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING AND FINANCING ACTIVITIES

	Acquisition Of Property And Equipment:		
48	Additions to property and equipment.....	\$ (1,878)	\$ (5,066)
49	Less: Capital lease obligations incurred.....	* (643)	* (3,215)
50	Cash Outflows For Property And Equipment.....	\$ (1,235)	\$ (1,851)
	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.....	\$	\$

* CAPITAL LEASE OBLIGATIONS OF \$1,593 AND \$3,267 WERE INCURRED FOR 1991 AND 1990 RESPECTIVELY, WHEN ADAMAR ENTERED INTO NEW PROPERTY AND EQUIPMENT LEASES. CAPITAL LEASE OBLIGATION RETIREMENTS OF \$950 AND \$51 WERE INCURRED FOR 1991 AND 1990.

SCHEDULE OF RECEIVABLES AND PATRONS' CHECKS

STATEMENTS OF OWNERS WITH PARTNERS

March 31, 1991

(UNAUDITED)
(\$ IN THOUSANDS)

ACCOUNTS RECEIVABLE BALANCES				
LINE (a)	DESCRIPTION (b)	ACCOUNT (c) BALANCE	ALLOWANCE (d)	ACCOUNTS RECEIVABLE- (E) NET OF ALLOWANCE
	Patrons' Checks:	\$		
1	Undeposited patrons' checks.....	3,226		
2	Returned patrons' checks.....	14,677		
3	Total patrons' checks.....	17,903	(10,430)	7,473
4	Hotel Receivables.....	1,213	(217)	996
	Other Receivables:			
5	Receivables due from officers and employees..	50		
6	Receivables due from affiliates.....	-0-		
7	Other accounts and notes receivables.....	6,963		
8	Total other receivables.....	7,013		7,013
9	Totals (Form 205).....	\$ 26,129	\$ (10,647)	\$ 15,482

UNDEPOSITED PATRONS' CHECKS ACTIVITY		
LINE (f)	DESCRIPTION (g)	AMOUNT (h)
		\$
10	Beginning Balance (January 1).....	4,899
11	Counter checks issued (excluding counter checks issued through transactions relating to consolidations, partial redemptions, substitutions, and patrons' cash deposits).....	31,600
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).....	(22,427)
13	Checks collected through deposits.....	(10,189)
14	Checks transferred to returned checks.....	(647)
15	Other adjustments.....	-0-
16	Ending Balance.....	\$ 3,226
17	"Hold" Checks Included in Balance On Line 16.....	\$ -0-
18	Provision For Uncollectible Patrons' Checks.....	\$ 752
19	Provision As A Percent Of Counter Checks Issued.....	2.4

TRADING NAME OF LICENSEE TropWorld Casino and Entertainment Resort

STATEMENTS OF CHANGES IN PARTNERS' OR PROPRIETOR'S EQUITY

FOR THE Three MONTHS ENDED March 31, 19 91 AND 1990

(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 19 ____	(d) 19 ____
	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	\$	\$

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.

ADAMAR OF NEW JERSEY, INC.
 DBA TROPWORLD CASINO AND ENTERTAINMENT RESORT
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
 FOR THE THREE MONTHS ENDED MARCH 31, 1991 AND 1990

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

NOTE 1. DISCLOSURES NOT PRESENTED

Certain footnotes have not been presented in these Notes to Consolidated Financial Statements. These footnotes would be a duplicate of items contained in the Casino Control Commission Annual Report for the year ended December 31, 1990.

The specific footnotes not presented are the summary of significant accounting policies and lease obligations. The footnotes contained in the December 31, 1990 Annual Report should be read in conjunction with these financial statements.

II. SIGNIFICANT INFORMATION

NOTE 1. PROPERTY AND EQUIPMENT

At March 31, 1991 and 1990, the components of property and equipment consisted of:

	<u>1991</u>	<u>1990</u>
Land	\$ 36,546,000	\$ 36,308,000
Building, furniture and fixtures	278,861,000	280,152,000
Less accumulated depreciation	(76,774,000)	(68,225,000)
Construction in progress	<u>3,734,000</u>	<u>1,705,000</u>
Total Property and Equipment	<u>\$242,367,000</u>	<u>\$249,940,000</u>

NOTE 2. LONG-TERM DEBT

At March 31, 1991 and 1990, long-term debt consisted of:

	<u>1991</u>	<u>1990</u>
Note payable to Aztar Mortgage Funding, Inc.; 13.5%; due 1996;	\$140,000,000	140,000,000
Obligations under capital leases	<u>9,349,000</u>	<u>11,537,000</u>
	149,349,000	151,537,000
Less current portion	<u>(2,812,000)</u>	<u>(2,883,000)</u>
Long-term portion	<u>\$146,537,000</u>	<u>\$148,654,000</u>

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:

1991	\$ 2,064,000
1992	2,574,000
1993	2,286,000
1994	1,793,000
1995	625,000
Thereafter	<u>140,007,000</u>
TOTAL	<u>\$149,349,000</u>

NOTE 3. DEFERRED CREDITS

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

NOTE 4. 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 21, 1989, effective November 26, 1989, for a period of two years. Management has received no indication that future renewals will not be granted.

Adamar is a party to various claims, legal actions and complaints arising in the ordinary course of business or asserted by way of defense or counter claim in actions filed by Adamar.

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 of 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 1991 and 1990, respectively, was \$767,000 and \$809,000 for the purchase of CRDA bonds and, accordingly, the Company recorded a loss provision of of \$244,000 and \$268,000 to recognize the effect of the below market interest rate the bonds would have borne had they been issued on March 31, 1991 and 1990.

NOTE 5. COMPLIMENTARY SERVICES

The amount of promotional allowances and promotional expenses for the three months ended March 31, 1991 are:

	<u>PROMOTIONAL ALLOWANCES</u>		<u>PROMOTIONAL EXPENSE</u>	
	<u>Number of Recipients</u>	<u>Dollar Amount</u>	<u>Number of Recipients</u>	<u>Dollar Amount</u>
Room	48,714	\$ 3,051,000	9	\$ 1,000
Food	299,557	2,933,000	27,456	269,000
Beverage	1,290,734	1,491,000	-0-	-0-
Travel	-0-	-0-	646	226,000
Tivoli Pier/ Showroom/Boxing	13,725	248,000	3,314	67,000
Coin Payouts	-0-	-0-	609,735	7,289,000
Other	<u>103,631</u>	<u>1,036,000</u>	<u>14,704</u>	<u>147,000</u>
Total	<u>1,756,361</u>	<u>\$ 8,759,000</u>	<u>655,864</u>	<u>\$ 7,999,000</u>

NOTE 6. JACKPOT PAYOUTS

Jackpot payouts for the three months ending March 31, 1991 are:

	<u>PAYOUTS INCLUDED IN PROMOTIONAL ALLOWANCES</u>		<u>OTHER PAYOUTS</u>	
	<u>Number of Payouts</u>	<u>Dollar Amount</u>	<u>Number of Payouts</u>	<u>Dollar Amount</u>
Motor Vehicles	<u>-0-</u>	<u>\$ -0-</u>	<u>6*</u>	<u>\$104,247</u>
Total	<u>-0-</u>	<u>\$ -0-</u>	<u>6</u>	<u>\$104,247</u>

*Note: Cash was taken by five 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 are:

	<u>1991</u>	<u>1990</u>
Due to Aztar Corporation	\$15,530,000	\$ -0-
Due to Atlantic-Deauville, Inc.	-0-	60,000
Due to Ramada New Jersey, Inc.	914,000	193,000
Due to Adamar Garage Corporation	7,492,000	1,274,000
Due to Aztar Mortgage Funding, Inc.	683,000	593,000
	<u>\$24,619,000</u>	<u>\$ 2,120,000</u>

Advances to affiliates are reflected in Investments, Advances and Receivables. The identity of the affiliates and corresponding balances are:

	<u>1991</u>	<u>1990</u>
Advances to Aztar Corporation	\$ -0-	\$ 236,000
Advances to Tropicana West	21,421,000	4,457,000
Advances to Atlantic-Deauville, Inc.	37,000	-0-
	<u>21,458,000</u>	<u>4,693,000</u>
Note receivable - Adamar Garage Corporation	17,052,000	17,052,000
	<u>\$38,510,000</u>	<u>\$21,745,000</u>

A note payable to Aztar Mortgage Funding, Inc. in the amount of \$140,000,000 is included in Long-term debt to affiliates (see Note II-2).

For the three months ended March 31, 1991 and 1990 the Company incurred management fees from Aztar Corporation of \$-0- and \$153,000, respectively.

The nature of "Charges from affiliates - other" for the three months ended March 31, 1991 and 1990 are as follows:

	<u>1991</u>	<u>1990</u>
Basic rent - AGP	\$ 13,775,000	\$ 12,290,000
Rent	234,000	238,000
Rent - Adamar Garage Corporation	<u>1,550,000</u>	<u>1,584,000</u>
Total	<u>\$ 15,559,000</u>	<u>\$ 14,112,000</u>

For the three months ended March 31, 1991 and 1990 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:

COST OF GOODS AND SERVICES

	<u>1991</u>	<u>1990</u>
Executive Deferred Compensation Plan	\$ 1,000	\$ 1,000
Property Insurance	115,000	122,000
Workman's Compensation	<u>263,000</u>	<u>187,000</u>
Total	<u>\$ 379,000</u>	<u>\$ 310,000</u>

SELLING, GENERAL AND ADMINISTRATIVE

	<u>1991</u>	<u>1990</u>
Insurance (1)	\$ 288,000	\$ 345,000
Executive Deferred Compensation Plan	7,000	16,000
Workman's Compensation	71,000	36,000
Corporate Allocation	-0-	153,000
Long-term Incentive	214,000	235,000
Restricted Stock	<u>40,000</u>	<u>43,000</u>
	<u>620,000</u>	<u>828,000</u>
Total	<u>\$ 999,000</u>	<u>\$ 1,138,000</u>

(1) Insurance amounts include various premiums and claim settlements.

NOTE 8. INCOME TAXES/BENEFITS

The provision/(benefit) for income taxes from continuing operations is comprised of the following:

	<u>1991</u>	<u>1990</u>
State Deferred	\$ -0-	\$ (326,000)
Federal Deferred	-0-	(1,162,000)
Total Deferred	<u>-0-</u>	<u>(1,488,000)</u>
State Current	-0-	17,000
Federal Current	-0-	98,000
Total Current	<u>-0-</u>	<u>115,000</u>
 TOTAL	 <u>\$ -0-</u>	 <u>\$(1,373,000)</u>

The following table provides a reconciliation between the provision/(benefit) for income taxes on continuing operations and the federal statutory rate (1991-0%, 1990-34%) when both are expressed as a percentage of pretax income/(loss):

	<u>1991</u>	<u>1990</u>
Computed expected tax expense	0%	34.0%
Increase		
in tax resulting from:		
State taxes, net	0%	6.7%
Permanent tax difference	<u>0%</u>	<u>2.5%</u>
 Total	 <u>0%</u>	 <u>43.2%</u>

For income tax purposes, Adamar is included in Aztar's consolidated corporate, federal income tax return.

At December 31, 1990, the Company has financial net operating loss carryforwards of \$3.2 million for regular tax and alternative minimum tax. For tax purposes, the Company has net operating loss carryforwards of \$21.3 million for regular tax and alternative minimum tax. These loss carryforwards are available for future years and, if not used, will expire in the years 2004 through 2005.

The Company had credit carryforwards available for future years of \$1.4 million for financial reporting and tax reporting purposes which will expire in the years 2000 through 2005. The Company also had contribution carryforwards available for future years of \$500,000 for financial reporting and tax reporting purposes which will expire in the years 2003 through 2005.

III. SUPPORTING SCHEDULES FOR MATERIAL ITEMS

NOTE 1. INVESTMENTS, ADVANCES, AND RECEIVABLES

At March 31, 1991 and 1990, Investments, Advances, and Receivables consisted of the following:

	<u>1991</u>	<u>1990</u>
Due from Affiliates	\$ 21,458,000	\$ 4,693,000
CRDA investment	14,500,000	12,149,000
Mortgage receivable	16,798,000	16,690,000
Note receivable - Adamar Garage Corporation	17,052,000	17,052,000
Long-term note receivable	<u>383,000</u>	<u>307,000</u>
Total	<u>\$ 70,191,000</u>	<u>\$ 50,891,000</u>

NOTE 2. OTHER ACCRUED EXPENSES

At March 31, 1991 and 1990, Other accrued expenses consisted of the following:

	<u>1991</u>	<u>1990</u>
Accrued payroll taxes and benefits	\$ 6,791,000	\$ 6,789,000
Accrued advertising	685,000	1,009,000
Accrued rent	338,000	383,000
Accrued taxes	655,000	927,000
Accrued progressive slot win	6,826,000	4,958,000
Accrued CCC & DGE	637,000	760,000
Accrued miscellaneous	2,033,000	1,970,000
Accrued litigation	581,000	-0-
Deferred rent	3,819,000	-0-
Other	<u>2,303,000</u>	<u>1,717,000</u>
Total	<u>\$ 24,668,000</u>	<u>\$ 18,513,000</u>

NOTE 3. OTHER CURRENT LIABILITIES

At March 31, 1991 and 1990, Other current liabilities consisted of the following:

	<u>1991</u>	<u>1990</u>
Reinvestment Obligation	\$ 767,000	\$ 809,000
Accrued construction payables	-0-	284,000
Gaming chips	489,000	866,000
Casino and RCC payment deposit	139,000	237,000
Unclaimed wages	423,000	386,000
Other	<u>185,000</u>	<u>588,000</u>
Total	<u>\$ 2,003,000</u>	<u>\$ 3,170,000</u>

NOTE 4. OTHER LIABILITIES

At March 31, 1991 and 1990, Other liabilities consisted of the following:

	<u>1991</u>	<u>1990</u>
Due to affiliates	\$ 24,619,000	\$ 2,120,000
Deferred rent	<u>9,867,000</u>	<u>17,506,000</u>
TOTAL	<u>\$ 34,486,000</u>	<u>\$ 19,626,000</u>

NOTE 5. NON-OPERATING INCOME/(EXPENSE)

For the period ending March 31, 1991 and 1990, Non-operating income/(expense) consisted of the following:

	<u>1991</u>	<u>1990</u>
Interest income	\$ 1,822,000	\$ 1,692,000
Administrative fee	25,000	25,000
Leased land rental	1,386,000	1,386,000
Maintenance reimbursement	2,854,000	2,510,000
Gain/(Loss) on disposition	<u>(647,000)</u>	<u>25,000</u>
Total	<u>\$ 5,440,000</u>	<u>\$ 5,638,000</u>

TRADING NAME OF LICENSEE TROPWORLD CASINO AND ENTERTAINMENT RESORT

HOTEL STATISTICS

FOR THE 3 MONTHS ENDED March 31, 1991

PERIOD	NUMBER OF GUEST ROOMS IN PROPERTY	NUMBER OF AVAILABLE ROOMS	NUMBER OF OCCUPIED ROOMS	AVERAGE RATE PER OCCUPIED ROOM	OCCUPANCY RATE	NUMBER OF GUESTS ACCOMMODATED	AVERAGE RATE PER GUEST ACCOMMODATED
JANUARY	1,014	31,434	21,939	\$ 63.75	69.8 %	43,389	\$ 32.23
FEBRUARY	1,014	28,392	23,740	\$ 77.07	83.6 %	46,579	\$ 39.28
MARCH	1,014	31,434	28,655	\$ 60.25	91.2 %	56,852	\$ 30.37
1ST QUARTER TOTALS		91,260	74,334	\$ 66.65	81.5 %	146,820	\$ 33.75
APRIL				\$	%		\$
MAY				\$	%		\$
JUNE				\$	%		\$
2ND QUARTER TOTALS				\$	%		\$
JULY				\$	%		\$
AUGUST				\$	%		\$
SEPTEMBER				\$	%		\$
3RD QUARTER TOTALS				\$	%		\$
OCTOBER				\$	%		\$
NOVEMBER				\$	%		\$
DECEMBER				\$	%		\$
4TH QUARTER TOTALS				\$	%		\$
ANNUAL TOTALS				\$	%		\$

QUARTERLY REPORT

974-901
C-193



LICENSEE TRUMP CASTLE ASSOCIATES
ADDRESS Huron Avenue & Brigantine Boulevard
Atlantic City, New Jersey 08401

FOR THE QUARTER ENDED March 31, 1991

TO THE
CASINO CONTROL COMMISSION
OF THE
STATE OF NEW JERSEY



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

Thomas P. Venier

OFFICIAL TITLE

Vice President of Finance

ADDRESS

Huron Avenue & Brigantine Boulevard

Atlantic City, NJ 08401

TRADING NAME OF LICENSEE TRUMP CASTLE HOTEL & CASINO

LIST OF FORMS - QUARTERLY REPORT

FOR THE QUARTER ENDED MARCH 31, 1991

<u>TITLE</u>	<u>FORM NO.</u>
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 of Financial Statements	
Schedule of Receivables and Patrons' Checks	CCC-240
Statement of Conformity and Accuracy	CCC-250

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CCC-201

TRADING NAME OF LICENSEE TRUMP CASTLE HOTEL & CASINO

BALANCE SHEETS

MARCH 31, 1991 and 1990

(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1991	(d) 1990
	ASSETS		
	Current Assets:		
1	Cash.....(NOTE 1).....	\$ 12,748	\$ 13,730
2	Marketable Securities.....	0	9,655
3	Receivables and patrons' checks (net of allowance for doubtful accounts - 1991, \$3,366 ; 1990, \$2,866).....	9,152	17,310
4	Inventories.....	2,471	3,250
5	Prepaid expenses and other current assets.....	3,003	4,881
6	Total current assets.....	27,374	48,826
7	Investments, Advances, And Receivables.....	1,109	2,076
8	Property And Equipment - Net.....(NOTE 2).....	362,124	373,866
9	Other Assets.....(NOTE 6).....	11,820	11,788
10	Total Assets.....	\$402,427	\$436,556
	LIABILITIES AND EQUITY		
	Current Liabilities:		
11	Accounts payable.....(NOTE 7).....	\$ 6,543	\$ 5,975
12	Notes payable.....(NOTE 4).....	13,000	13,000 *
	Current portion of long-term debt:		
13	Due to affiliates.....(NOTE 3,5).....	316,613	24,680 *
14	Other.....(NOTE 4).....	50,000	0
15	Income taxes payable and accrued.....	0	0
16	Other accrued expenses.....(NOTE 8).....	28,411	23,741
17	Other current liabilities.....(NOTE 9).....	15,211	11,512
18	Total current liabilities.....	429,778	78,908
	Long-Term Debt:		
19	Due to affiliates.....(NOTE 3).....	0	285,744
20	Other.....(NOTE 4).....	0	50,000
21	Deferred Credits.....	0	0
22	Other Liabilities.....	8	19
23	Commitments And Contingencies (NOTE 11)		
24	Total Liabilities.....	429,786	414,671
25	Stockholders', Partners', Or Proprietor's Equity.....	(27,359)	21,885
26	Total Liabilities And Equity.....	\$402,427	\$436,556

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 , 1991 and 1990

(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1991	(d) 1990
	Revenue:		
1	Casino.....	\$ 45,974	\$ 66,336
2	Rooms.....	3,592	4,731
3	Food and beverage.....	7,378	10,304
4	Other.....	3,532	2,700
5	Total revenue.....	60,476	84,071
6	Less: Promotional allowances.....(NOTE 13).....	7,924	10,011
7	Net revenue.....	52,552	74,060
	Costs And Expenses:		
8	Cost of goods and services.....(NOTE 14).....	32,310	39,763
9	Selling, general, and administrative.....	15,889	23,164
10	Provision for doubtful accounts.....	554	690
11	Depreciation and amortization.....	5,349	4,976
	Charges from affiliates other than interest:		
12	Management fees.....	0	0
13	Other.....	0	0
14	Total costs and expenses.....	54,102	68,593
15	Income (Loss) From Operations.....	(1,550)	5,467
	Other Income (Expenses)		
16	Interest (expense) - affiliates.....(NOTE 3,5).....	(10,591)	(10,295)
17	Interest (expense) - external.....(NOTE 4).....	(1,593)	(1,721)
18	Investment alternative tax and related income (expense) - net.....(NOTE 11)...	(525)	(2,040)
19	Non-operating income (expense) - net.....(NOTE 10).....	109	222
20	Total other income (expenses).....	(12,600)	(13,834)
21	Income (Loss) Before Income Taxes And Extraordinary Items.....	(14,150)	(8,367)
22	Provision (credit) for income taxes.....(NOTE 1).....	0	0
23	Income (Loss) Before Extraordinary Items.....	(14,150)	(8,367)
24	Extraordinary items (net of income taxes - 1990, -0- 1989 \$ -0-).....	0	0
25	Net Income (Loss).....	\$ (14,150)	\$ (8,367)

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

STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY

FOR THE THREE MONTHS ENDED MARCH 31, 1991 and 1999

NOT APPLICABLE

(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	19		198	
		(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.....		\$ 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 CASTLE HOTEL & CASINO

STATEMENTS OF CHANGES IN PARTNERS' OR
PROPRIETOR'S EQUITY

FOR THE THREE MONTHS ENDED MARCH 31, 1991 and 1990

(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1991	(d) 1990
	Invested Capital:		
1	Beginning balance (January 1).....	\$ 71,196	\$ 71,196
2	Additional capital invested.....	0	0
3	.....	0	0
4	Ending balance.....	71,196	71,196
	Accumulated Income (Loss):		
5	Beginning balance (January 1).....	(45,955)	(2,494)
6	Prior period adjustments.....	0	0
7	Net income (loss).....	(14,150)	(8,367)
8	.....	
9	Ending balance.....	(60,105)	(10,861)
	Capital Withdrawals:		
10	Beginning balance (January 1).....	(38,450)	(38,450)
11	Additional capital withdrawals.....	0	0
12	Repayment of withdrawals.....		
13	Ending balance.....	(38,450)	(38,450)
	Net Unrealized Loss On Noncurrent Marketable Equity Securities:		
14	Beginning balance (January 1).....	0	0
15	.....	
16	.....	
17	Ending balance.....	0	0
18	Ending Partners' Or Proprietor's Equity.....	\$(27,359)	\$ 21,885

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 CASTLE HOTEL & CASINO

STATEMENTS OF CASH FLOWS

FOR THE THREE MONTHS ENDED MARCH 31, 1991 and 1990

(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1991	(d) 1990
1	Net Cash Provided (Used) By Operating Activities.....	\$ 5,491	\$ 2,848
	Cash Flows From Investing Activities:		
2	Purchase of short-term investment securities.....	0	
3	Proceeds from the sale of short-term investment securities.....	0	
4	Purchase outflows for property and equipment.....	(708)	(4,869)
5	Proceeds from disposition of property and equipment.....	0	0
6	Purchase of casino reinvestment obligations.....	(79)	
7	Purchase of other investments and loans/advances made.....	0	
8	Proceeds from disposal of investments and collection of advances and long-term receivables CRDA.....	0	3,153
9	Cash outflows to acquire business entities.....		
10	Redemption of Series A-1 Bonds held for Investment.....		
11			
12	Net Cash Provided (Used) By Investing Activities.....	(787)	(1,716)
	Cash Flows From Financing Activities:		
13	Cash proceeds from issuance of short-term debt.....		
14	Payments to settle short-term debt.....		(2,000)
15	Cash proceeds from issuance of long-term debt.....		
16	Costs of issuing debt.....		
17	Payments to settle long-term debt.....		
18	Cash proceeds from issuing stock or capital contributions.....		
19	Purchases of treasury stock.....		
20	Payments of dividends or capital withdrawals.....		
21			
22			
23	Net Cash Provided (Used) By Financing Activities.....		(2,000)
24	Net Increase (Decrease) In Cash And Cash Equivalents.....	4,704	(868)
25	Cash And Cash Equivalents At Beginning Of Period.....	8,044	14,598
26	Cash And Cash Equivalents At End Of Period.....	\$ 12,748	\$ 13,730
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION			
27	Cash Paid During Period For:		
28	Interest (net of amount capitalized).....	\$ 11,178	\$ 11,385
	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 TRUMP CASTLE HOTEL & CASINO

STATEMENTS OF CASH FLOWS

FOR THE THREE MONTHS ENDED MARCH 31, 1991 and 1990

(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1990	(d) 1989
	Net Cash Flows From Operating Activities		
29	Net income (loss).....	\$(14,150)	\$ (8,367)
	Noncash items included in income and cash items excluded from income:		
30	Depreciation and amortization of property and equipment.....	5,124	4,783
31	Amortization of other assets.....	225	193
32	Amortization of debt discount or premium.....	701	600
33	Deferred income taxes - current.....	0	0
34	Deferred income taxes - noncurrent.....	0	0
35	(Gain) loss on disposition of property and equipment.....	0	0
36	(Gain) loss on casino reinvestment obligations.....	525	2,040
37	(Gain) loss from other investment activities.....	0	0
38	Net (increase) decrease in receivables and patrons' checks.....	5,334	(1,003)
39	Net (increase) decrease in inventories.....	302	241
40	Net (increase) decrease in other current assets.....	613	(2,151)
41	Net (increase) decrease in other assets.....	(787)	(47)
42	Net increase (decrease) in accounts payable.....	(4,595)	(2,495)
43	Net increase (decrease) in other current liabilities excluding debt.....	12,199	9,054
44	Net increase (decrease) in other noncurrent liabilities excluding debt..	0	0
45			
46			
47	Net Cash Provided (Used) By Operating Activities.....	\$ 5,491	\$ 2,848

SUPPLEMENTAL SCHEDULE OF NON-CASH INVESTING AND FINANCING ACTIVITIES

48	Acquisition Of Property And Equipment:		
49	Additions to property and equipment.....	\$ 708	\$ 4,869
50	Less: Capital lease obligations incurred.....	0	0
	Cash Outflows For Property And Equipment.....	\$ 708	\$ 4,869
51	Acquisition of Business Entities:		
52	Property and equipment acquired.....	\$ 0	\$ 0
53	Goodwill acquired.....	0	0
54	Net assets acquired other than cash, goodwill, and property and equipment.....	0	0
55	Long-term debt assumed.....	0	0
56	Issuance of stock or capital invested.....		
	Cash Outflows To Acquire Business Entities.....	\$ 0	\$ 0
57	Stock Issued Or Capital Contributions:		
58	Total issuances of stock or capital contributions.....	\$ 0	\$ 0
59	Less: Issuances to settle long-term debt.....	0	0
60	Consideration in acquisition of business entities.....	0	0
	Cash Proceeds From Issuing Stock Or Capital Contributions.....	\$ 0	\$ 0

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SCHEDULE OF RECEIVABLES AND PATRONS' CHECKS

MARCH 31, 1991

(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.....	\$ 3,683		
2	Returned patrons' checks.....	5,779		
3	Total patrons' checks.....	9,462	\$ 2,795	\$ 6,667
4	Hotel Receivables.....	994	571	423
	Other Receivables:			
5	Receivables due from officers and employees.....	3		
6	Receivables due from affiliates.....	830		
7	Other accounts and notes receivables.....	1,229		
8	Total other receivables.....	2,062	0	2,062
9	Totals (Form 205).....	\$ 12,518	\$ 3,366	\$ 9,152

UNDEPOSITED PATRONS' CHECKS ACTIVITY

LINE (f)	DESCRIPTION (g)	AMOUNT (h)
10	Beginning Balance (January 1).....	\$ 7,553
11	Counter checks issued (excluding counter checks issued through transactions relating to consolidations, partial redemptions, substitutions, and patrons' cash deposits).....	34,972
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).....	(22,489)
13	Checks collected through deposits.....	(14,136)
14	Checks transferred to returned checks.....	(2,217)
15	Other adjustments.....	0
16	Ending Balance.....	\$ 3,683
17	"Hold" Checks Included In Balance On Line 16.....	\$ 0
18	Provision For Uncollectible Patrons' Checks.....	\$ 552
19	Provision As A Percent Of Counter Checks Issued.....	1.6 %

STATEMENT OF CONFORMITY AND ACCURACY

STATE OF NEW JERSEY :
COUNTY OF ATLANTIC : ss.

Thomas P. Venier, 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.

Handwritten signature of Tom Venier

Signature

Vice President Finance

Title

00711-11

License Number

Subscribed and sworn to before

On Behalf Of:

me this 14th day

of May, 1991

Trump Castle Hotel & Casino
Casino Licensee

Handwritten signature of Sharon J. Miller

Signature

SHARON J. MILLER

NOTARY PUBLIC OF NEW JERSEY

My Commission Expires JUNE 18, 1991

Basis of Authority to Take Oaths

TRUMP 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 organized on May 24, 1985, as a New Jersey limited partnership. Donald J. Trump and Trump's Castle Hotel & Casino, Inc., a New Jersey corporation which is owned by Mr. Trump, are the general partners and Mr. Trump is the sole limited partner (the "Partners").

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.

Marketable Securities

Marketable securities as of March 31, 1990, consisted of the purchase, by the Partnership, of Trump Castle Funding, Inc. Series A-1 Bonds, which are presented at cost.

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 allowance for doubtful accounts is maintained at a level considered adequate to provide for possible future losses. The Partnership has provided \$3,366,000 through March 31, 1991.

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 and Bond Issuance Costs:

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

Costs associated with the issuance of the bonds are capitalized and amortized over the life of the bonds using the effective interest method.

NOTE 2 - PROPERTY AND EQUIPMENT:
(In Thousands of Dollars)

Property and equipment as of March 31:

	<u>1991</u>	<u>1990</u>
Land	\$ 31,975	\$ 31,771
Buildings	236,728	236,728
Furniture, Fixtures and Equipment	92,265	85,890
Construction in Progress	60	15,923
Building/Leasehold Improvements	109,534	91,498
	-----	-----
TOTAL	\$470,562	\$461,810
Less Accumulated Depreciation	(108,438)	(87,944)
	-----	-----
Net Property and Equipment	\$362,124	\$373,866
	=====	=====

NOTE 3 - LONG TERM DEBT:

On June 27, 1985, Trump's Castle Funding ("The Company") issued its Series A-1 and Series A-2 First Mortgage Bonds (the "Bonds") for proceeds of \$300,000,000. The proceeds of the bonds were loaned by the Company to the Partnership under the terms which conform in all material respects with the terms of the Bonds, and were used by the Partnership to repay the interim bank financing.

The Series A-1 Bonds in an aggregate principal amount of \$226,800,000 bear interest at a rate of 13-3/4%, which is payable semi-annually, with the principal due in full in 1997. These bonds are redeemable at any time, subject to certain conditions at the option of the Company, at the principal amount plus a premium of 13-3/4%, in the first year, which premium declines ratably each year to zero in the year of maturity. As of June 30, 1990 the Partnership has redeemed \$22,680,000 of the original principal amount as required by the bond indenture and will be required to annually make sinking fund payments in an amount sufficient to redeem 10% of the principal amount of Series A-1 Bonds up to maximum of 70% of the principal amount through 1996.

The Series A-2 Bonds in an aggregate principal amount of \$125,000,000 bear interest at a rate of 7% and were issued at a discount (net proceeds of \$73,200,000) at an effective interest rate of 13-3/4%. Interest is payable semiannually and the principal will be due in full in 1999. These bonds will be redeemable at any time, subject to certain conditions, at the option of the Company, at 100% of the stated principal amount thereof.

The bonds are secured solely by an assignment to the Trustee of the Partnership's notes to the Company in the aggregate amount necessary to service bonds and by a first mortgage on the Partnership, excluding cash which may be distributed as described below (regardless of whether such cash has been distributed) and non-recourse to such distributable cash. The Partnership has issued a non-recourse, limited guaranty of the payment of the principal or premium, if any, and interest on the bonds. The bonds are non-recourse to the Partners of the Partnership and the shareholders of the Company and all other persons and entities (other than the Company and the Partnership). The bonds cannot be subordinated to any other future borrowings by the Partnership or the Company.

The bond indenture permits the quarterly distribution of available cash flow, as defined, to the Partners in excess of \$1,512,000. The Partnership must also maintain such cash flow in an aggregate amount of \$6,048,000 during each 12 month period ending June 30, 1986 through 1990. In addition, the bond indenture limits additional borrowings and liens, certain activities of the Partnership and the Company, and the consolidation, merger, and transfer of substantially all of the assets, among other provisions.

As of March 31, 1991, 10% of the original principal amount (\$22,680,000) of the Series A-1 Bonds had been redeemed in satisfaction of the sinking fund requirements under the Indenture.

The next scheduled semi-annual interest payment for the Bonds is due on June 15, 1991, in the amount of \$18,408,250. The Partnership has failed to make certain payments of principal and interest owed to Midlantic National Bank ("Midlantic"), which failure may result in an Event of Default under the Indenture and has resulted in the indebtedness represented by the Bonds being classified as current portion-long term debt - due to affiliates. See Note 4.

NOTE 4 - BANK BORROWINGS

In February 1988, the Partnership obtained a line of credit from Midlantic for \$50,000,000 to partially finance an expansion of Trump Castle and to reconstruct the Senator Frank S. Farley Marina, located directly across from the entrance to Trump Castle (the "Marina"). The company has borrowed the entire amount of this line of credit which was converted to a term loan in August 1990. Interest is payable monthly at 1% above the bank's prime rate. Principal is payable commencing February, 1992 and is based on a ten-year amortization schedule with the balance due in 1998. Security for this loan is identical to that of the Bonds. See Note 3.

The Partnership has failed to make interest payments totaling \$2,353,000 which represent interest charges for the months of August, September, October, November and December, 1990. Midlantic has not declared the entire outstanding balance currently due and payable as of March 31, 1991; however, no assurances can be given that demand for the outstanding balance will not be made. Accordingly, the entire outstanding principal balance of \$50,000,000 has been classified as current portion-long term debt-other.

The Partnership also maintains a line of credit due in 1995 with Midlantic of which \$13,000,000 has been drawn upon as of March 31, 1991. The Partnership has also failed to make interest payments due under such line of credit for the months of August, September, October, November and December, 1990 and January, February, March and April, 1991 totalling approximately \$961,000.

Midlantic has agreed to defer payment of the unpaid interest on the \$50,000,000 loan and the \$13,000,000 line of credit until June 15, 1991. However, Midlantic reserves the right to accelerate the principal amount of the borrowings at any time to be immediately due and payable.

NOTE 5 - OTHER BORROWINGS:

The Partnership borrowed \$28,265,000 from Donald J. Trump one of its general partners (which included \$9,889,000) (face value \$12,480,000) evidenced by Series A-1 Bonds acquired by the Partner), the proceeds of which were used to partially satisfy the June 1990 interest and sinking fund requirements of the Bonds. The loan is due on demand and bears interest at the prime rate. These notes are included in current portion-long term debt-due to affiliates.

NOTE 6 - OTHER ASSETS - (Net):
(In Thousands of Dollars)

Other Assets consist of:	<u>1991</u>	<u>1990</u>
Deferred Loan Cost	\$ 407	\$ 465
Deferred Bond Costs (Net)	10,251	11,027
Other Non-Current Assets	1,162	296
	-----	-----
TOTAL OTHER ASSETS	<u>\$11,820</u>	<u>\$11,788</u>
	=====	=====

NOTE 7 - ACCOUNTS PAYABLE:
(In Thousands of Dollars)

	<u>1991</u>	<u>1990</u>
Accounts Payable Trade	\$ 5,290	\$ 4,545
Patron Deposits	1,230	1,350
Other	23	80
	-----	-----
TOTAL ACCOUNTS PAYABLE	<u>\$ 6,543</u>	<u>\$ 5,975</u>
	=====	=====

NOTE 8 - OTHER ACCRUED EXPENSES:
(In Thousands of Dollars)

Other accrued expenses consist of:	<u>1990</u>	<u>1989</u>
Accrued Payroll & Taxes	\$ 4,251	\$ 4,507
Accrued Interest	16,910	11,759
Accrued Advertising/Promotions	574	752
Accrued Progressive Jackpots	1,879	1,716
Accrued Sick/Vacation	4,157	4,217
Other	640	790
	-----	-----
TOTAL OTHER ACCRUED EXPENSES	<u>\$28,411</u>	<u>\$23,741</u>
	=====	=====

NOTE 9 - OTHER CURRENT LIABILITIES

(In Thousands of Dollars)

Other current liabilities consist of:	<u>1990</u>	<u>1989</u>
Outstanding Chip Liability	\$ 4,316	\$ 976
Outstanding Token Liability	627	290
Patron Deposits	85	141
Accrued Utilities	486	305
Accrued Group Health insurance	1,649	1,398
Accrued Insurance	1,873	1,948
A/P Other	3,251	3,042
Accrued Legal	2,395	492
Accrued CCC/DGE	124	582
Construction Retainage	204	1,616
Accrued Inventories	122	613
Accrued CRDA	79	109
	-----	-----
TOTAL OTHER CURRENT LIABILITIES	\$15,211	\$11,512
	=====	=====

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

(In Thousands of Dollars)

Non-operating income for quarter ended March 31, 1991:

	<u>Three Months</u>	
	<u>1991</u>	<u>1990</u>
Discount Earned	\$ 0	\$ 58
Interest Income	109	164
	----	----
TOTAL NON-OPERATING INCOME	\$109	\$222
	=====	=====

NOTE 11 - COMMITMENTS AND CONTINGENCIES:

In May 1989, the New Jersey Casino Control Commission ("CCC") issued the Partnership a license to operate Trump Castle. A license is not transferable, is issued for a term of two years, and must be acted upon by the CCC no later than 30 days prior to the expiration of the license then in force. The continued operations of the Partnership are subject to its retaining its operating license. The Partnership's operating license is currently renewable in April, 1991.

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.

In April, 1990 the Partnership modified its agreement with the Casino Reinvestment Development Authority (CRDA) under which it is required to purchase bonds to satisfy the investment alternative tax on gross revenues.

Under the modified terms of the agreement, the Partnership has donated approximately \$9,588,000 in deposits to the CRDA in exchange for satisfaction of an equivalent amount of its prior bond purchase commitments, as well as receiving future tax credits in the amount of approximately \$4,890,000 which credits are to be utilized to satisfy substantial portions of the Partnership's investment alternative tax obligations over approximately the next four quarters.

As a result of this agreement, the Partnership has charged \$525,000 for the three months ending March 31, 1991 to operations, which represents application of portion of the tax credits, as well as effect below market interest rates associated with the first and second quarter bond purchase commitment.

Additionally, the Partnership charged \$1,288,000 against its first quarter 1990 results to give effect to the CRDA donation. This charge represents the write down of the new 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, 1991, the Partnership had made contributions totaling \$3,036,000.

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 the individual earnings. The Partnership recorded charges of approximately \$135,000 for matching contributions for the three months ended March 31, 1991.

The Partnership made payments to various trustee 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 - PROMOTIONAL ALLOWANCE AND PROMOTIONAL EXPENSES:

Promotional Allowances and Expenses and number of recipients for three months ended March 31, 1991 consisted of the following:

	<u>Promotional Allowances</u>		<u>Promotional Expenses</u>	
	<u>Number of Recipients</u>	<u>Amount</u>	<u>Number of Recipients</u>	<u>Amount</u>
Rooms	62,257	2,162,000	8	\$ 7,000
Food	230,542	3,421,000	---	---
Beverage	412,000	1,338,000	---	---
Travel	2,607	394,000	2,503	434,000
Cash Coupons	---	---	850,842	6,147,000
Admissions	20,520	513,000	26	2,000
Other/Gifts	19,280	96,000	7,275	360,000
	-----	-----	-----	-----
TOTALS	747,206	\$ 7,924,000	860,654	\$ 6,950,000
	=====	=====	=====	=====

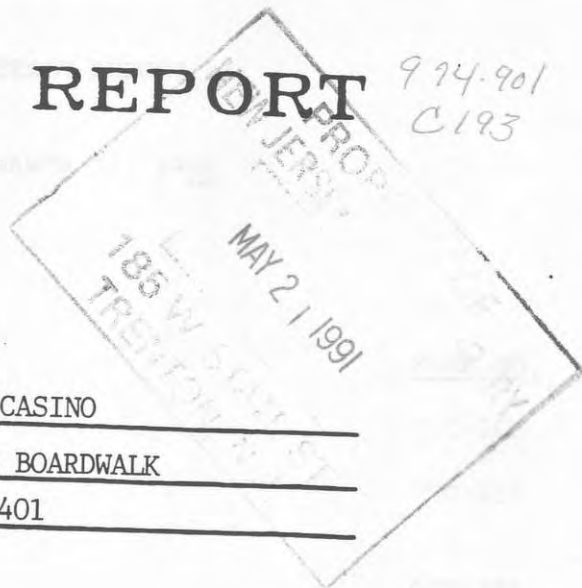
HOTEL STATISTICS

FOR THE 3 MONTHS ENDED March 31, 1991

PERIOD	NUMBER OF GUEST ROOMS IN PROPERTY	NUMBER OF AVAILABLE ROOMS	NUMBER OF OCCUPIED ROOMS	AVERAGE RATE PER OCCUPIED ROOM	OCCUPANCY RATE	NUMBER OF GUESTS ACCOMMODATED	AVERAGE RATE PER GUEST ACCOMMODATED
JANUARY	703	21,793	16,512	\$ 89.57	75.8 %	33,786	\$43.78
FEBRUARY	703	19,684	15,926	\$ 68.85	80.9 %	33,161	\$33.07
MARCH	703	21,793	16,517	\$ 65.22	75.8 %	35,282	\$30.53
1ST QUARTER TOTALS		63,270	48,955	\$ 74.61	77.4 %	102,229	\$35.73
APRIL				\$	%		\$
MAY				\$	%		\$
JUNE				\$	%		\$
2ND QUARTER TOTALS				\$	%		\$
JULY				\$	%		\$
AUGUST				\$	%		\$
SEPTEMBER				\$	%		\$
3RD QUARTER TOTALS				\$	%		\$
OCTOBER				\$	%		\$
NOVEMBER				\$	%		\$
DECEMBER				\$	%		\$
4TH QUARTER TOTALS				\$	%		\$
ANNUAL TOTALS				\$	%		\$

QUARTERLY REPORT

974.901
C193



LICENSEE TRUMP PLAZA HOTEL & CASINO
ADDRESS MISSISSIPPI AVENUE & BOARDWALK
ATLANTIC CITY, NJ 08401

FOR THE QUARTER ENDED MARCH 31, **19** 91

TO THE
CASINO CONTROL COMMISSION
OF THE
STATE OF NEW JERSEY



NAME OF OFFICER IN CHARGE
OF CORRESPONDENCE REGARDING
THIS QUARTERLY REPORT . . . FRANCIS X. MCCARTHY, JR.
OFFICIAL TITLE. SENIOR VICE PRESIDENT OF FINANCE & ADMINISTRATION
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, 1990

TITLE	FORM NO.
Balance Sheets	CCC-205
Statements of Income (Year-to-Date)	CCC-210
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 Patron's Checks	CCC-240
Statement of Conformity and Accuracy	CCC-250

The accompanying notes are an integral part of the financial statements. While management cannot be held liable without using information contained in the notes.

TRADING NAME OF LICENSEE TRUMP PLAZA HOTEL & CASINO

BALANCE SHEETS

MARCH 31, 1991 AND 1990

(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1991	(d) 1990
ASSETS			
Current Assets:			
1	Cash.....	\$ 11,676	\$ 18,149
2	Marketable securities.....	-	-
3	Receivables and patrons' checks (net of allowance for doubtful accounts - 1991, \$20,675; 1990, \$14,117).....	15,355	11,263
4	Inventories.....	3,289	3,974
5	Prepaid expenses and other current assets....(Note 2)...	5,918	5,476
6	Total current assets.....	36,238	38,862
7	Investments, Advances, and Receivables.....(Note 3)...	6,339	8,045
8	Property and Equipment - Net.....(Note 4)...	313,727	322,250
9	Other Assets.....(Note 5)...	38,172	40,482
10	Total Assets.....	<u>\$394,476</u>	<u>\$409,639</u>
LIABILITIES AND EQUITY			
Current Liabilities:			
11	Accounts payable.....	\$ 5,529	\$ 3,693
12	Notes payable.....	-	-
Current portion of long-term debt:			
13	Due to affiliates.....(Note 8)...	25,000	-
14	Other.....(Note 9)...	6,442	3,742
15	Income taxes payable and accrued.....	-	22
16	Other accrued expenses.....(Note 6)...	28,755	26,935
17	Other current liabilities.....(Note 7)...	8,492	6,626
18	Total current liabilities.....	74,218	41,018
Long-Term Debt:			
19	Due to affiliates.....(Note 8)...	225,000	250,000
20	Other.....(Note 9)...	18,471	23,275
21	Deferred Credits.....(Note 10)...	3,518	4,356
22	Other Liabilities.....	-	-
23	Commitments and Contingencies (Note 14)	-	-
24	Total Liabilities.....	321,207	318,649
25	Stockholders', Partners', or Proprietor's Equity.....	73,269	90,990
26	Total Liabilities and Equity.....	<u>\$394,476</u>	<u>\$409,639</u>

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, 1991 AND 1990

(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1991	(d) 1990
	Revenue:		
1	Casino.....	\$ 55,638	\$ 70,403
2	Rooms.....	5,674	4,762
3	Food and beverage.....	10,508	11,945
4	Other.....	1,830	5,620
5	Total revenue.....	73,650	92,730
6	Less: Promotional allowances.....(Note 11)..	9,751	11,656
7	Net revenue.....	63,899	81,074
	Costs and Expenses:		
8	Costs of goods and services.....	36,556	44,507
9	Selling, general, and administrative.....	21,429	23,832
10	Provision for doubtful accounts.....	1,792	847
11	Depreciation and amortization.....	3,956	4,506
	Charges from affiliates other than interest:		
12	Management fees.....	-	-
13	Other.....(Note 14)....	2,130	515
14	Total costs and expenses.....	65,863	74,207
15	Income (Loss) from Operations.....	(1,964)	6,867
	Other Income (Expenses):		
16	Interest (expense) - affiliates.....(Note 12)....	(8,047)	(8,047)
17	Interest (expense) - external.....	(629)	(548)
18	Investment alternative tax and related income (expense) - net.....(Note 14)....	(568)	(2,673)
19	Nonoperating income (expense) - net.....(Note 13)....	173	373
20	Total other income (expenses).....	(9,071)	(10,895)
21	Income (Loss) before Income Taxes and Extraordinary Items.	(11,035)	(4,028)
22	Provision (credit) for income taxes.....(Note 15)....	(1,031)	(354)
23	Income (Loss) before Extraordinary Items.....	(10,004)	(3,674)
24	Extraordinary items (net of income taxes - 1990, \$ - ; 1989, \$ -).....	-	-
25	Net Income (Loss).....	<u>\$(10,004)</u>	<u>\$(3,674)</u>

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 CHANGES IN PARTNERS'
OR PROPRIETOR'S EQUITY

FOR THE THREE MONTHS ENDED MARCH 31, 1991 AND 1990

(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1991	(d) 1990
	Invested Capital:		
1	Beginning balance (January 1).....	\$ 50,707	\$ 50,707
2	Additional capital invested.....	-	-
3	.....	-	-
4	Ending balance.....	50,707	50,707
	Accumulated Income (Loss):		
5	Beginning balance (January 1).....	79,741	90,332
6	Prior period adjustments.....	-	-
7	Net income (loss).....	(10,004)	(3,674)
8	.....	-	-
9	Ending balance.....	69,737	86,658
	Capital Withdrawals:		
10	Beginning balance (January 1).....	(47,175)	(52,558)
11	Additional capital withdrawals.....	-	6,183
12	.....	-	-
13	Ending balance.....	(47,175)	(46,375)
	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.....	\$ 73,269	\$ 90,990

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 CASH FLOWS

FOR THE THREE MONTHS ENDED MARCH 31, 1991 AND 1990

(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1991	(d) 1990
1	Net Cash Provided (Used) by Operating Activities	\$ 2,377	\$ 1,209
	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.....	(919)	(5,101)
5	Proceeds from disposition of property and equipment.....	55	68
6	Purchase of casino reinvestment obligations.....	(171)	(830)
7	Purchase of other investments and loans/advances made...	585	(7,324)
8	Proceeds from disposal of investments and collection of advances and long-term receivables.....	-	-
9	Cash outflows to acquire business entities.....	-	-
10		-	-
11		-	12,684
12	Net Cash Provided (Used) by Investing Activities.....	(450)	(515)
	Cash Flows from Financing Activities:		
13	Cash proceeds from issuance of short-term debt.....	-	-
14	Payments to settle short-term debt.....	(53)	(219)
15	Cash proceeds from issuance of long-term debt.....	-	-
16	Costs of issuing debt.....	-	-
17	Payments to settle long-term debt.....	(203)	(136)
18	Cash proceeds from issuing stock or capital contribution	-	-
19	Purchases of treasury stock.....	-	-
20	Payments of dividends or capital withdrawals.....	-	6,183
21		-	-
22		-	-
23	Net Cash Provided (Used) by Financing Activities.....	(256)	5,828
24	Net Increase (Decrease) in Cash and Cash Equivalents.....	1,671	6,522
25	Cash and Cash Equivalents at Beginning of Period.....	10,005	11,627
26	Cash and Cash Equivalents at End of Period.....	\$ 11,676	\$ 18,149

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

	Cash Paid During Period For:		
27	Interest (net of amount capitalized).....	\$ 638	\$ 728
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 PLAZA HOTEL & CASINO

STATEMENTS OF CASH FLOWS

FOR THE THREE MONTHS ENDED MARCH 31, 1991 AND 1990

(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1991	(d) 1990
	Net Cash Flows from Operating Activities:		
29	Net income (loss).....	\$(10,004)	\$ (3,674)
	Noncash items included in income and cash items excluded from income:		
30	Depreciation and amortization of property & equipment.....	3,732	4,254
31	Amortization of other assets.....	224	252
32	Amortization of debt discount or premium.....	-	-
33	Deferred income taxes - current.....	-	-
34	Deferred income taxes - noncurrent.....	(12)	135
35	(Gain) loss on disposition of property and equipment..	-	6
36	(Gain) loss on casino reinvestment obligation.....	568	2,673
37	(Gain) loss from other investment activities.....	-	-
38	Net (increase) decrease in receivables and patrons'... checks.....	2,424	1,224
39	Net (increase) decrease in inventories.....	(188)	242
40	Net (increase) decrease in other current assets.....	(1,836)	(3,240)
41	Net (increase) decrease in other assets.....	(164)	(989)
42	Net increase (decrease) in accounts payables.....	(2,375)	(499)
43	Net increase (decrease) in other current liabilities.. excluding debt.....	10,008	825
44	Net increase (decrease) in other noncurrent liabilities excluding debt.....	-	-
45		-	-
46		-	-
47	Net Cash Provided (Used) by Operating Activities.....	\$ 2,377	\$ 1,209

SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING AND FINANCING ACTIVITIES

	Acquisition of Property and Equipment:		
48	Additions to property and equipment.....	\$ (919)	\$ (5,175)
49	Less: Capital lease obligations incurred.....	-	74
50	Cash Outflows for Property and Equipment.....	\$ (919)	\$ (5,101)
	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.	\$ -	\$ -

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, operates as a general partnership.

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, 1990. 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:

	<u>1991</u>	<u>1990</u>
Prepaid taxes	\$ 544,000	\$ 212,000
Prepaid insurance	245,000	322,000
Prepaid air transportation costs	95,000	395,000
Prepaid rent	197,000	173,000
Prepaid advertising costs	34,000	32,000
Prepaid special event costs	1,704,000	940,000
Prepaid CRDA expense	2,651,000	3,200,000
Prepaid service contracts	91,000	85,000
Other	307,000	117,000
	<u>\$5,918,000</u>	<u>\$5,476,000</u>

NOTE 3: INVESTMENTS, ADVANCES AND RECEIVABLES

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

	<u>1991</u>	<u>1990</u>
Advances due from -		
Seashore Four Associates	\$ -	\$ 290,000
Trump Seashore Associates	1,405,000	1,468,000
The Trump Organization	14,000	13,000
Trump Taj Mahal Associates	-	1,171,000
Helicopter Air Services, Inc.	333,000	-
Trump Sports & Entertainment	75,000	47,000
Trump Penthouse Parcel	-	3,053,000
Other Affiliated Companies	8,000	8,000
Due from Partners	1,842,000	-
Casino reinvestment bonds and escrow deposit, net of valuation adjustment - (1991) \$1,225,000; (1990) \$ 994,000	2,457,000	1,995,000
CRDA Deferred Expense	205,000	-
	<u>\$6,339,000</u>	<u>\$8,045,000</u>

TRUMP PLAZA ASSOCIATES
NOTES TO FINANCIAL STATEMENTS, continued

NOTE 4: PROPERTY AND EQUIPMENT - NET

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

	<u>1991</u>	<u>1990</u>
Land and land improvements	\$ 34,747,000	\$ 34,747,000
Buildings	291,627,000	284,953,000
Furniture, fixtures and equipment	66,393,000	60,539,000
Leasehold improvements	2,378,000	2,319,000
Construction in progress	<u>2,336,000</u>	<u>8,800,000</u>
	397,481,000	391,358,000
Less - Accumulated depreciation & amortization	<u>(83,754,000)</u>	<u>(69,108,000)</u>
Net property and equipment	<u>\$313,727,000</u>	<u>\$322,250,000</u>

NOTE 5: OTHER ASSETS

Other assets as of March 31 consisted of the following:

	<u>1991</u>	<u>1990</u>
Land rights, net	\$ 31,074,000	\$ 31,444,000
Deferred preopening costs, net	-	47,000
Debt issuance costs, net	5,967,000	6,445,000
Deposits	557,000	46,000
CRDA - Deferred Expense	-	938,000
Other deferred charges	<u>574,000</u>	<u>1,562,000</u>
	<u>\$ 38,172,000</u>	<u>\$ 40,482,000</u>

NOTE 6: OTHER ACCRUED EXPENSES

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

	<u>1991</u>	<u>1990</u>
Accrued payroll	\$ 6,996,000	\$ 7,321,000
Accrued progressive jackpot liabilities	5,234,000	4,018,000
Accrued interest	9,558,000	9,563,000
Accrued gaming taxes payable	493,000	585,000
Accrued Casino Control Commission & Division of Gaming Enforcement fees	408,000	650,000
Accrued utilities	558,000	332,000
Accrued union benefits	301,000	282,000
Accrued health insurance benefits	825,000	775,000
Accrued sales, use & luxury tax	1,221,000	238,000
Accrued transportation costs	33,000	645,000
Accrued legal costs	163,000	285,000
Accrued special event costs	262,000	920,000
Accrued rent	602,000	-
Accrued repairs and maintenance	230,000	318,000
Other	<u>1,871,000</u>	<u>1,003,000</u>
	<u>\$ 29,755,000</u>	<u>\$ 26,935,000</u>

TRUMP PLAZA ASSOCIATES
NOTES TO FINANCIAL STATEMENTS, continued

NOTE 7: OTHER CURRENT LIABILITIES

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

	<u>1991</u>	<u>1990</u>
Unredeemed chip/token liability	\$ 2,969,000	\$ 824,000
Patron deposits	314,000	479,000
Casino reinvestment liability	148,000	117,000
Reserve for insurance claims	2,617,000	2,659,000
Due to partners	-	1,459,000
Advance room/theatre deposits	192,000	163,000
Advances due to Trump's Castle Associates	228,000	120,000
Advances due to Trump Penthouse Parcel	24,000	-
Advances due to Seashore Four Associates	238,000	-
Advances due to Taj Mahal Associates	402,000	-
Advances due to Trump Crystal Tower Associates	1,039,000	140,000
Unclaimed wages	288,000	199,000
Other	33,000	466,000
	<u>\$ 9,492,000</u>	<u>\$ 6,626,000</u>

NOTE 8: LONG-TERM DEBT-DUE TO AFFILIATES

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

	<u>1991</u>	<u>1990</u>
12 7/8% promissory note, interest payable semi-annually, sinking fund payments to retire \$25,000,000 principal amount annually commence June 15, 1991 are calculated to retire 70% of the promissory note prior to maturity in 1998.	\$250,000,000	\$250,000,000
Less current maturities	<u>25,000,000</u>	<u>-</u>
	<u>\$225,000,000</u>	<u>\$250,000,000</u>

NOTE 9: LONG-TERM DEBT - OTHER

Long-term debt - other as of March 31 consisted of the following:

	<u>1991</u>	<u>1990</u>
10% note payable to Harrah's Atlantic City, Inc., interest payable monthly, maturing in 1993 (A)	\$ 14,401,000	\$ 16,095,000
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 1990 and 1998 and are secured by certain real property.	10,411,000	10,791,000

TRUMP PLAZA ASSOCIATES
 NOTES TO FINANCIAL STATEMENTS, continued

NOTE 9: LONG-TERM DEBT-OTHER (Cont.)

	1991	1990
Other notes with interest rates ranging from 11.02% to 12.5%, principal and interest payable monthly, secured by television and automobile equipment.	101,000	131,000
Less current maturities	24,913,000	27,017,000
	6,442,000	3,742,000
	\$ 18,471,000	\$ 23,275,000

(A) Interest on the note accrues at a rate of 10% per annum and is payable monthly. Payments of the outstanding principal amounts are scheduled as follows:

1991	\$ 2,541,000
1992	3,389,000
1993	8,471,000
	\$14,401,000

The aggregate maturities of long-term debt - other in each of the years subsequent to 1989 are:

1992	\$ 6,477,000
1993	6,010,000
1994	8,809,000
1995	374,000
1996	412,000
Thereafter	2,831,000
	\$24,913,000

NOTE 10: DEFERRED CREDITS

Deferred credits as of March 31, 1991 and 1990 consisted of deferred state income taxes.

TRUMP PLAZA ASSOCIATES
NOTES TO FINANCIAL STATEMENTS, continued

NOTE 11: PROMOTIONAL ALLOWANCES AND EXPENSES

Promotional allowances and expenses for the three months ended March 31, 1991 consisted of the following:

	<u>Promotional Allowances</u>		<u>Promotional Expenses</u>	
	<u>Number of Recipients</u>	<u>Dollar Amount</u>	<u>Number of Recipients</u>	<u>Dollar Amount</u>
Rooms	22,635	\$ 2,924,000	227	\$ 17,000
Food	381,084	4,279,000	-	-
Beverage	689,130	2,067,000	-	-
Travel	-	-	16,360	2,454,000
Theatre	213,519	407,000	775	31,000
Coin Bonus	-	-	664,486	6,075,000
Tips	-	-	3,484	139,000
Player Gifts	-	-	5	366,000
Other	7,400	74,000	3,120	156,000
TOTAL	<u>1,313,768</u>	<u>\$ 9,751,000</u>	<u>668,457</u>	<u>\$9,238,000</u>

NOTE 12: INTEREST (EXPENSE) - AFFILIATES

Interest (Expense) - Affiliates for the three months ended March 31, 1991 and 1990 consisted of the 12-7/8% promissory note due in the principal amount of \$250,000,000 to Trump Plaza Funding, Inc.

NOTE 13: NONOPERATING INCOME (EXPENSE) - NET

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

	<u>Three months ended</u>	
	<u>1991</u>	<u>1990</u>
Interest income	\$141,000	\$379,000
Loss on disposal of property and equipment	-	(6,000)
Other nonoperating income	32,000	-
	<u>\$173,000</u>	<u>\$373,000</u>

TRUMP PLAZA ASSOCIATES
NOTES TO FINANCIAL STATEMENTS, continued

NOTE 14: COMMITMENTS AND CONTINGENCIES

A. Leases

The Company leases property (primarily land), certain parking space, and various equipment under operating leases. The Company also leases certain automobiles which have been classified as capital leases in the financial statements. Rent expense was \$2,885,000 and \$1,321,000 for the three months ended March 31, 1991 and 1990, respectively.

On August 21, 1990, the Company entered into an agreement (the "Regency Lease"), with Trump Crystal Towers Associates Limited Partnership, an affiliate of the Partnership ("TCTA") pursuant to which the Company currently leases and operates the Trump Regency Hotel. Until December 23, 1990 when the Company received all licenses and approvals necessary to operate and manage the Trump Regency Hotel, the Company managed such property on behalf of TCTA. The Trump Regency Hotel contains approximately 500 guest rooms, four restaurants (three of which are not in service), a ballroom and related function rooms, a cabaret theatre and an indoor swimming pool and health club. The Regency Lease is scheduled to expire on April 30, 1994 and requires the Company to pay, in addition to the monthly base rent described below, all costs and expenses with respect to the use and operation of the Trump Regency Hotel including but not limited to, all maintenance and repair costs, insurance premiums, real estate taxes and assessments, and utility charges which, the three months ended March 31, 1991, totalled approximately \$1,486,000. In exchange therefore, the Company is entitled to all revenues generated from the operation of the Trump Regency Hotel.

The monthly base rent under the Regency Lease is an amount equal to a percentage (50% until April 30, 1991, 75% until April 30, 1992, and 100% thereafter) of the interest payable, from time to time, on the outstanding principal balance of a mortgage loan made by a bank to TCTA which, as of March 31, 1991, had an outstanding principal balance of approximately \$80,382,000. Interest on such loan accrues at the prime rate plus 0.25% per annum. For the three months ended March 31, 1991, the aggregate base rent relating to the Regency Lease totalled approximately \$944,000.

Rent expense charged by the affiliates was \$2,130,000 for the three months ended March 31, 1991 and \$515,000 for the three months ended March 31, 1990, respectively. Certain of these leases contain options to purchase the leased properties at various prices and times throughout the lease terms. At March 31, 1990, the aggregate option prices for these leases were \$28,500,000.

TRUMP PLAZA ASSOCIATES
NOTES TO FINANCIAL STATEMENTS, continued

B. Casino Reinvestment Development Authority Obligations:

Pursuant to the provisions of the Casino Control Act, the Company, commencing twelve months after the date of the opening of Trump Plaza in May 1984, and continuing for a period of twenty-five years thereafter, must either obtain investment tax credits, (as defined in the Casino Control Act), 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, (as defined in the Casino Control Act). Investment tax credits may be obtained by making qualified investments or by the purchase of below market interest rates bonds from the Casino Reinvestment Development Authority ("CRDA"). The Company is required to make quarterly deposits with the CRDA.

In April 1990, the Company modified its agreement with the CRDA under which it was required to purchase bonds to satisfy the investment alternative tax. Under the terms of the agreement, the Company has donated \$11,971,000 in deposits previously made to the CRDA for the purchase of CRDA bonds through December 31, 1989 in exchange for the satisfaction of an equivalent amount of its prior bond purchase commitments, as well as receiving future tax credits which at March 31, 1991 amounted to \$2,856,000 utilized to satisfy substantial portions of the Company's investment alternative tax obligations over the next four to five quarters. For the three months ended March 31, 1991, the Company charged \$517,000 of the future tax credit \$2,651,000 to operations to give effect to the utilization of tax credits received in connection with the donation. As a result of this agreement, the Company for the three months ended March 31, 1990 charged \$1,875,000 as a nonoperating expense to reduce deposits previously also made to the amount of the future tax credits received.

As of March 31, 1991, approximately \$2,651,000 of future tax credits is included in other current assets in the accompanying balance sheets. Investments, Advances and Receivables include \$1,809,000 of below market interest rate bonds issued by the CRDA and \$1,872,000 of deposits paid towards the purchase of below market rate bonds, as well as \$205,000 in future tax credits.

TRUMP PLAZA ASSOCIATES
NOTES TO FINANCIAL STATEMENTS (continued)

NOTE 14: COMMITMENTS AND CONTINGENCIES (Cont.)

C. Casino License Renewal

The Company, as a casino licensee, is subject to regulation, qualification and licensing by the New Jersey Casino Control Commission (the "CCC"). The casino license of the Company must be renewed every two years, is not transferable, requires a review of the financial stability of the Company and its qualifiers and can be revoked at any time. Upon revocation, suspension for more than 120 days or failure or refusal to renew the casino license due to the financial condition of the Company or for any other reason, the Casino Control Act provides for the mandatory appointment of a conservator to take over and into his possession and control and to become vested with the title to all of the property and businesses of the Company relating to the casino and approved hotel facility subject to all valid liens, claims and encumbrances.

Effective May, 1984, the CCC issued the Company its initial casino license. The continued operations of the Company are subject to its retaining its casino license.

On May 8, 1991, the CCC renewed the casino license of the Company through May 16, 1993 subject to the conditions that:

- (i) by June 17, 1991, DJT submit to the CCC executed term sheets amending loan agreements with certain of his lender banks;
- (ii) prior to June 17, 1991, the Company, on a periodic basis, report to the CCC on its financial condition; and
- (iii) at a CCC hearing to resume on June 17, 1991, the Company and Donald J. Trump demonstrate their financial stability through May 16, 1993.

No assurances can be given that the CCC will continue the casino license of the Company or, if continued, what conditions may be imposed and whether those conditions will be considered acceptable to the Company.

NOTE 15: PROVISION (CREDIT) FOR INCOME TAXES

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

	Three months ended	
	1991	1990
Current	\$(1,019,000)	\$ (488,000)
Deferred	<u>(12,000)</u>	<u>134,000</u>
Total	<u><u>\$(1,031,000)</u></u>	<u><u>\$ (354,000)</u></u>

TRADING NAME OF LICENSEE TRUMP PLAZA HOTEL & CASINO

SCHEDULE OF RECEIVABLES AND PATRONS' CHECKS

MARCH 31, 1991

(UNAUDITED)
(† IN THOUSANDS)

ACCOUNTS RECEIVABLE BALANCES				
LINE (a)	DESCRIPTION (b)	ACCOUNT BALANCE (c)	ALLOWANCE (d)	ACCTS. REC. NET OF ALLOW. (e)
	Patrons' Checks:			
1	Undeposited patrons' checks.....	\$ 5,011		
2	Returned patrons' checks.....	26,099		
3	Total patrons' checks.....	31,110	\$20,433	\$10,677
4	Hotel Receivables.....	1,829	242	1,587
	Other Receivables			
5	Receivables due from officers & emps.	19		
6	Receivables due from affiliates.....	-		
7	Other accounts and notes receivables.....	3,072		
8	Total other receivables.....	3,091		3,091
9	Totals (Form 205).....	\$36,030	\$20,675	\$15,355

UNDEPOSITED PATRONS' CHECKS ACTIVITY		
LINE (f)	DESCRIPTION (g)	AMOUNT (h)
10	Beginning Balance (January 1).....	8,573
11	Counter checks issued (excluding counter checks issued through transactions relating to consolidations, partial redemptions, substitutions, and patrons' cash deposits).....	48,027
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).....	(34,618)
13	Checks collected through deposits.....	(13,843)
14	Checks transferred to returned checks.....	(3,128)
15	Other adjustments.....	
16	Ending Balance.....	5,011
17	"Hold Checks included in Balance on Line 16.....	
18	Provision for Uncollectible Patrons' Checks.....	1,768
19	Provision as a Percent of Counter Checks Issued.....	3.7%

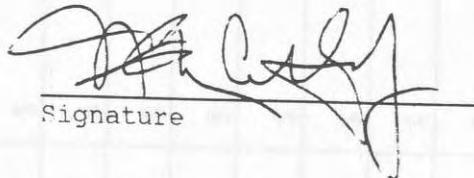
STATEMENT OF CONFORMITY AND ACCURACY

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

Francis X. McCarthy, Jr., being duly sworn according to law upon my oath
Name

deposes and says:

1. I have examined this Quarterly Report.
2. All the information contained in this 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.

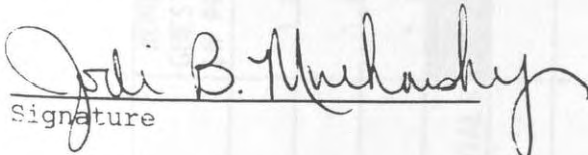

Signature

SR. VP OF FINANCE & ADMIN.
Title

004804-11
License Number

Subscribed and sworn to
before me this 15th day
of MAY, 1991

On Behalf Of:


Signature

TRUMP PLAZA ASSOCIATES
Casino Licensee

JODI B. MUCHARSKY
A Notary Public of New Jersey
My Commission Expires Sept. 22, 1991

Basis of Authority
to Take Oaths

HOTEL STATISTICS

FOR THE 3 MONTHS ENDED March 31, 69

PERIOD	NUMBER OF GUEST ROOMS IN PROPERTY	NUMBER OF AVAILABLE ROOMS	NUMBER OF OCCUPIED ROOMS	AVERAGE RATE PER OCCUPIED ROOM	OCCUPANCY RATE	NUMBER OF GUESTS ACCOMMODATED	AVERAGE RATE PER GUEST ACCOMMODATED
JANUARY	1,056	32,736	21,848	\$ 75.36	66.7 %	43,696	\$ 37.68
FEBRUARY	1,056	29,568	24,982	\$ 72.52	84.5 %	49,964	\$ 36.26
MARCH	1,056	32,736	25,580	\$ 86.78	78.1 %	51,160	\$ 43.39
1ST QUARTER TOTALS		95,040	72,410	\$ 78.41	76.2 %	144,820	\$ 39.21
APRIL				\$	%		\$
MAY				\$	%		\$
JUNE				\$	%		\$
2ND QUARTER TOTALS				\$	%		\$
JULY				\$	%		\$
AUGUST				\$	%		\$
SEPTEMBER				\$	%		\$
3RD QUARTER TOTALS				\$	%		\$
OCTOBER				\$	%		\$
NOVEMBER				\$	%		\$
DECEMBER				\$	%		\$
4TH QUARTER TOTALS				\$	%		\$
ANNUAL TOTALS				\$	%		\$

974-901
C193

QUARTERLY REPORT



LICENSEE TRUMP TAJ MAHAL CASINO RESORT

ADDRESS 1000 Boardwalk
Atlantic City, New Jersey 08401

FOR THE QUARTER ENDED March 31, 1991

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



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

OFFICIAL TITLE 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, 1990.

<u>TITLE</u>	<u>FORM NO.</u>
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
Statement of Conformity and Accuracy	CCC-250

BALANCE SHEETS

MARCH 31, 1991

(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	MARCH (c) 1991	(d) 19 ____
	ASSETS		
	Current Assets:		
1	Cash and cash investments.....	\$ 30,711	\$ N/A
2	Marketable securities.....	-	
3	Receivables and patrons' checks (net of allowance for doubtful accounts - 1991, \$6,747).....	16,435	
4	Inventories.....	3,971	
5	Prepaid expenses and other current assets.....	3,028	
6	Total current assets.....	54,145	
7	Investment, Advances, and Receivables.....	-	
8	Property and Equipment - Net..... NOTE 2.....	786,767	
9	Other Assets.....	664	
10	Total Assets.....	\$ 841,576	\$
	LIABILITIES AND EQUITY		
	Current Liabilities:	\$	\$
11	Accounts Payable.....	15,478	
12	Notes Payable.....	35,523	
	Current portion of long-term debt:		
13	Due to affiliates..... NOTE 3.....	700,000	
14	Other..... NOTE 3.....	45,212	
15	Income taxes payable and accrued.....	-	
16	Other accrued expenses..... NOTE 4.....	112,418	
17	Other current liabilities..... NOTE 5.....	28,026	
18	Total current liabilities.....	936,657	
	Long-Term Debt:		
19	Due to affiliates..... NOTE 3.....	0	
20	Other..... NOTE 3.....	740	
21	Deferred Credits.....	-	
22	Other Liabilities.....	0	
23	Commitments and Contingencies..... NOTE 1.....		
24	Total Liabilities.....	937,397	
25	Stockholders', Partners', or Proprietor's Equity.....	(95,821)	
26	Total Liabilities and Equity.....	\$ 841,576	\$ 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 TAJ MAHAL CASINO RESORT

STATEMENTS OF INCOME

THREE MONTHS ENDED MARCH 31, 1991

(UNAUDITED)

(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1991	(d) 19
	REVENUE:		
1	Casino.....	\$ 84,692	\$ N/A
2	Rooms.....	9,182	
3	Food and Beverage.....	14,351	
4	Other.....	2,414	
5	Total Revenue.....	110,639	
6	Less: Promotional allowances..... NOTE 7.....	14,453	
7	Net Revenue.....	96,186	
	COSTS AND EXPENSES:		
8	Cost of Goods and Services.....	49,620	
9	Selling, General and Administrative.....	30,972	
10	Provision for Doubtful Accounts.....	1,621	
11	Depreciation and Amortization.....	9,096	
	Charges from Affiliates other than Interest:		
12	Management Fees..... NOTE 8.....	-	
13	Other.....	1,926	
14	Total Costs and Expenses.....	-	
15	Income (Loss) From Operations.....	93,235	
	Other Income (Expenses):		
16	Interest (Expenses) - Affiliates..... NOTE 3.....	(24,192)	
17	Interest (Expenses) - External..... NOTE 3.....	(1,839)	
18	Investment Alternative Tax and Related Income (Expense) - Net.....	-	
19	Nonoperating Income (Expense) - Net..... NOTE 9.....	(3,301)	
20	Total other Income (Expenses).....	(29,332)	
21	Income (Loss) Before Income Taxes and Extraordinary Items.....	(26,381)	
22	Provision (Credit) for Income Taxes.....		
23	Income (Loss) Before Extraordinary Items.....	(26,381)	
24	Extraordinary Items (Net of Incomes Taxes - 19____, \$; 19____, \$).....	-	
25	Net Income (Loss).....	\$ (26,381)	\$

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

TRADING NAME OF LICENSEE: TRUMP TAJ MAHAL CASINO RESORT

STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY

FOR THE THREE MONTHS ENDED MARCH 31, 1991

UNAUDITED

(\$ IN THOUSANDS)

NOT APPLICABLE

LINE	DESCRIPTION	19		19	
		(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.....		\$		\$

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, 1991.

(UNAUDITED)

(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1991	(d) 19
	Invested Capital:		
1	Beginning Balance (April 2).....	\$ 75,001	N/A
2	Additional Capital Invested.....	0	
3	.....	0	
4	Ending Balance.....	75,001	
	Accumulated Income (Loss):		
5	Beginning Balance (April 2).....	(144,441)	
6	Prior Period Adjustments.....	0	
7	Net Income (Loss).....	(26,381)	
8	.....	0	
9	Ending Balance.....	(170,822)	
	Capital Withdrawals:		
10	Beginning Balance (April 2).....	-	
11	Additional Capital Withdrawals.....	-	
12	.....	-
13	Ending Balance.....	0	
	Net Unrealized Loss On Noncurrent Marketable Equity Securities:		
14	Beginning Balance (April 2).....	-	
15	.....	-
16	.....	-
17	Ending Balance.....	0	
18	Ending Partners' or Proprietor's Equity.....	\$ (95,821)	\$

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, 1991

(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1991	(d) 19
1	Net Cash Provided (Used) by Operating Activities.....	\$ 6,433	\$ N/A
	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.....		
5	Proceeds from Disposition of Property and Equipment.....	1,958	
6	Purchase of Casino Reinvestment Obligations.....		
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.....	1,958	
	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.....		
18	Cash Proceeds from Issuing Stock or Capital Contributions.....	(140)	
19	Purchases of Treasury Stock.....		
20	Payments of Dividends or Capital Withdrawals.....		
21			
22			
23	Net Cash Provided (Used) by Financing Activities.....	(140)	
24	Net Increase (Decrease) in Cash and Cash Equivalents.....	8,251	
25	Cash and Cash Equivalents at Beginning of Period.....	22,460	
26	Cash and Cash Equivalents at End of Period.....	\$ 30,711	\$

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

27	Cash Paid During Period for:		
28	Interest (Net of Amount Capitalized).....	\$ 756	\$
	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, 1991

(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1991	(d) 19
	Net Cash Flows from Operating Activities:		
29	Net Income (Loss).....	\$ (26,381)	\$ N/A
	Noncash Items Included in Income and Cash Items Excluded from Income:		
30	Depreciation and Amortization of Property and Equipment.....	9,096	
31	Amortization of Other Assets.....	-	
32	Amortization of Debt Discount or Premium.....	-	
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.....	-	
37	(Gain) Loss from Other Investment Activities.....	-	
38	Net (Increase) Decrease in Receivables and Patrons' Checks.....	1,889	
39	Net (Increase) Decrease in Inventories.....	594	
40	Net (Increase) Decrease in Other Current Assets.....	(1,180)	
41	Net (Increase) Decrease in Other Assets.....	102	
42	Net Increase (Decrease) in Accounts Payables.....	(8,559)	
43	Net Increase (Decrease) in Other Current Liabilities Excluding Debt.....	30,872	
44	Net Increase (Decrease) in Other Noncurrent Liabilities Excluding Debt.....	-	
45	Net Increase in Notes Payable.....	-	
46		-	
47	Net Cash Provided (Used) by Operating Activities.....	\$ 6,433	\$

SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING AND FINANCING ACTIVITIES

	Acquisition of Property and Equipment:		
48	Additions to Property and Equipment (Reduction Due to Settlements with FF&E Vendors)....	\$ (1,958)	\$
49	Less: Capital Lease Obligations Incurred.....	-	
50	Cash Outflows for Property and Equipment.....	\$ (1,958)	\$
	Acquisition of Business Entities:		
51	Property and Equipment Acquired.....	\$ -	\$ 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.....	\$ 0	
	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.....	\$ 0	

TRUMP TAJ MAHAL CASINO RESORT
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 1991
(Unaudited)

NOTE 1 - PROPOSED RESTRUCTURING OF DEBT AND PLAN OF REORGANIZATION

Organization and Operation:

Trump Taj Mahal Associates, ("the Partnership") commenced operations on April 2, 1990. Prior to this date, the Partnership was in the development stage and incurred losses amounting to approximately \$24,164,000. Trump Taj Mahal Funding, Inc. ("the Company") was formed for the purpose of raising funds through the issuance of 14% First Mortgage Bonds, Series A, due 1998, (the Bonds), the proceeds of which were loaned to the Partnership for construction of the Taj Mahal. The ability of the Company to repay the principal and interest on the 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 month period ended March 31, 1991 are not necessarily indicative of the operating results for a full year.

Proposed plan of reorganization:

As more fully discussed in the December 31, 1990 Casino Control Commission Annual Report and in Management's Discussion and Analysis of Financial Condition and Results of Operations in the March 31, 1991 Form 10Q, the Partnership is currently experiencing a liquidity problem due to a variety of factors. These factors resulted in the failure to make the November 15, 1990 scheduled interest payment on the Bonds, as well as scheduled interest and principal payments on its furniture fixtures and equipment loan since October 1, 1990. As a result of the failure to make these payments, substantially all of the Partnership's debt has been classified as current liabilities as of March 31, 1991 and December 31, 1990.

On May 13, 1991, the Partnership filed a Pre-Effective Amendment No. 4 to the Registration Statement on Form S-4 (the "Registration Statement") with the SEC describing a proposed plan of reorganization (the "Plan"). However, there can be no assurances that the restructuring proposal described therein, or any other proposal, will be implemented. Until such time, if ever, as a restructuring is completed or additional borrowing is obtained, the Partnership will rely on cash

generated from operations to service its debt and provide for its anticipated capital requirements.

Based on current operations, funds generated from operations will not be sufficient to cover all the Partnership's debt service obligations, including the May 15, 1991 installment of interest payable with respect to the Bonds, and the Company does not intend to make such interest payment. As part of the Plan, the Partnership intends to seek protection under the United States Bankruptcy Code of 1978, as amended. Any such bankruptcy proceeding would not personally involve Donald J. Trump, the beneficial owner of 100% of the equity interests in the Partnership and 100% of the capital stock of the Company as a petitioner.

Casino license renewal:

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, includes a review of the financial stability of the Partnership and can be revoked at anytime. 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 Partnership's financial condition or for any other reason, the Casino Control 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.

Effective April 26, 1990, the CCC issued the Partnership its initial license. The license was issued for a term of one year. The continued operations of the Partnership are subject to its retaining its license. On April 18, 1991, the CCC renewed the casino license of the Partnership through April 26, 1992, subject to the conditions that (i) by June 17, 1991, the Plan be filed with the United States Bankruptcy Court and Donald J. Trump submit to the CCC executed term sheets amending loan agreements with certain of his lender banks and (ii) at a CCC hearing to resume on that date, the Partnership and Donald J. Trump demonstrate their financial stability through April 26, 1992. No assurances can be given that the CCC will continue the casino license of the Partnership or, if continued, what conditions may be imposed and whether those conditions will be considered acceptable by the Partnership.

Legal proceedings:

The Partnership, its partners, certain members of its Executive Committee, and certain of its employees are involved in various legal proceedings. The Partnership has agreed to indemnify such persons against all fees, costs and expenses incurred by them in said legal proceedings. Such persons and entities are vigorously defending the allegations against them and intend to vigorously contest any future proceedings. If adversely decided, these legal proceedings could have a material adverse effect on the Partnership's results of operations and financial condition.

NOTE 2 - PROPERTY AND EQUIPMENT

March 31, 1991
(In Thousands)

Land	\$ 36,763
Buildings	625,769
Furniture, fixtures and equipment	141,630
Leasehold improvements	<u>24,276</u>
Total	828,438
Less Accumulated Depreciation	<u>(41,671)</u>
Net Property and Equipment	<u>\$786,767</u>

NOTE 3 - LONG TERM DEBT

March 31, 1991
(In Thousands)

Current Portion

Due to affiliates:

First Mortgage Bonds	\$675,000
Trump line of credit	<u>25,000</u>
	<u>\$700,000</u>

Other:

Bank Term Loan	\$ 44,668
Other	544
Total other	<u>\$ 45,212</u>

Long-term Portion

Other	<u>\$ 740</u>
-------	---------------

Interest Expense Affiliates

March 31, 1991
(In Thousands)

First Mortgage Bonds	\$23,625
Trump line of credit	<u>567</u>
Total	<u>\$24,192</u>

Interest Expense External

March 31, 1991
(In Thousands)

Bank Term loan	\$ 1,083
Other	756
Total	<u>\$ 1,839</u>

NOTE 3 - PROMOTIONAL ALLOWANCE AND PROMOTIONAL EXPENSE

Three Months ended March 31, 1991

NOTE 4 - OTHER ACCRUED EXPENSES

	March 31, 1991 (In Thousands)
Accrued Interest	\$ 88,118
Accrued Payroll & Related	12,543
Progressive Jackpot	3,566
Other	8,191 *
Total	<u>\$112,418</u>

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

NOTE 5 - OTHER CURRENT LIABILITIES

	March 31, 1991 (In Thousands)
Trump Hotel Management Corp.	\$ 18,410
Trump's Castle Associates	248
Trump Plaza Associates	(495)
Trump Taj Mahal Realty Corp.	1,838
Helicopter Air Services	(58)
Trump Regency	145
	<u>20,088</u>
Other:	
Advance deposits	412
Unredeemed chip liability	895
Insurance reserves	2,891
Reserve for litigation costs	3,000
Other	740
	<u>7,938</u>
Total other current liabilities	<u>\$ 28,026</u>

NOTE 7 - PROMOTIONAL ALLOWANCE AND PROMOTIONAL EXPENSE

Three Months ended March 31, 1991

	<u>PROMOTIONAL ALLOWANCES</u>		<u>PROMOTIONAL EXPENSE</u>	
	<u># OF RECIPIENTS</u>	<u>DOLLAR AMOUNTS (In Thousands)</u>	<u># OF RECIPIENTS</u>	<u>DOLLARS AMOUNTS (In Thousands)</u>
Rooms	36,445	\$ 5,371		\$
Food	361,013	4,035		
Beverage	1,010,902	2,835		
Travel			11,267	1,835
Coupon Food	319,830	1,890		
Coupon other	3,642	37		
Admissions	10,137	115		
Other	9,837	170		
Gifts			811	174
Coin			687,598	8,714
Cage Disbursements			567	520
Theatre - Outside			7,159	50
Outside Limo			12,909	661
Other			182	177
Total	<u>1,751,806</u>	<u>\$14,453</u>	<u>720,493</u>	<u>\$12,131</u>

NOTE 8 - CHARGES FROM AFFILIATES-MANAGEMENT FEE

	March 31, 1991 (In Thousands)
Trump Hotel Management Corp.	<u>\$ 1,926</u>

NOTE 9 - NON-OPERATING INCOME (EXPENSE)

	March 31, 1991 (In Thousands)
Interest Income	\$ 229
Restructuring Expense	(3,530)
	<u>\$ (3,301)</u>

TRADING NAME OF LICENSEE: TRUMP TAJ MAHAL CASINO RESORT

SCHEDULE OF RECEIVABLES AND PATRONS' CHECKS

MARCH 31, 1991

(UNAUDITED)
(\$ 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.....	\$ 10,096		
2	Returned Patrons' Checks.....	10,531		
3	Total Patrons' Checks.....	20,627	\$ 6,452	\$ 14,175
4	Hotel Receivables.....	2,509	295	2,214
	Other Receivables:			
5	Receivables Due From Officers and Employees.....	26		
6	Receivables Due From Affiliates.....	0		
7	Other Accounts and Notes Receivables.....	20		
8	Total Other Receivables.....	46	0	46
9	Totals (Form 205).....	\$ 23,182	\$ 6,747	\$ 16,435

UNDEPOSITED PATRONS' CHECKS ACTIVITY		
LINE (f)	DESCRIPTION (g)	AMOUNT (h)
10	Beginning Balance (January 1).....	\$ 12,849
11	Counter Checks Issued (excluding counter checks issued through transactions relating to consolidations, partial redemptions, substitutions, and patrons' cash deposits).....	74,485
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).....	(56,601)
13	Checks Collected Through Deposits.....	(14,585)
14	Checks Transferred to Returned Checks.....	(6,052)
15	Other Adjustments.....	0
16	Ending Balance.....	\$ 10,096
17	"Hold" Checks Included in Balance on Line 16.....	\$ 0
18	Provision for Uncollectible Patrons' Checks.....	\$ 1,595
19	Provisions as a Percent of Counter Checks Issued.....	2.1%

STATEMENT OF CONFORMITY AND ACCURACY

STATE OF NEW JERSEY

:

:SS.

COUNTY OF ATLANTIC

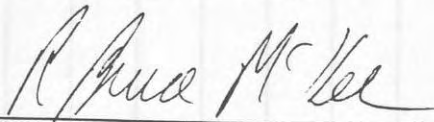
:

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.



SIGNATURE

Vice President - Finance

TITLE

0548-11

LICENSE NUMBER

Subscribed and Sworn to before me
this 15th day of March, 1991

On Behalf Of:



Signature

SUSAN P. ILSLEY

NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Dec. 1, 1993

Basis of Authority
to Take Oaths

Trump Taj Mahal Associates

Casino Licensee

TRADING NAME OF LICENSEE

TRUMP TAJ MAHAL CASINO RESORT*

HOTEL STATISTICS

FOR THE 3 MONTHS ENDED March 31, 1991

PERIOD	NUMBER OF GUEST ROOMS IN PROPERTY	NUMBER OF AVAILABLE ROOMS	NUMBER OF OCCUPIED ROOMS	AVERAGE RATE PER OCCUPIED ROOM	OCCUPANCY RATE	NUMBER OF GUESTS ACCOMMODATED	AVERAGE RATE PER GUEST ACCOMMODATED
JANUARY	1,250	38,750	25,008	\$ 107.96	64.5 %	49,806	\$ 54.21
FEBRUARY	1,250	35,000	28,461	\$ 109.97	81.3 %	61,711	\$ 50.72
MARCH	1,250	38,750	32,967	\$ 101.69	85.1 %	64,194	\$ 52.22
1ST QUARTER TOTALS		112,500	86,436	\$ 106.23	76.8 %	175,711	\$ 52.26
APRIL				\$	%		\$
MAY				\$	%		\$
JUNE				\$	%		\$
2ND QUARTER TOTALS				\$	%		\$
JULY				\$	%		\$
AUGUST				\$	%		\$
SEPTEMBER				\$	%		\$
3RD QUARTER TOTALS				\$	%		\$
OCTOBER				\$	%		\$
NOVEMBER				\$	%		\$
DECEMBER				\$	%		\$
4TH QUARTER TOTALS				\$	%		\$
ANNUAL TOTALS				\$	%		\$

Trump Taj Mahal Casino Resort commenced casino operations on April 4, 1990.

