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QUARTERLY REPORT

LICENSEE ATLANTIC CITY SHOWBOAT
ADDRESS 801 BOARDWALK/PO BOX 840
ATLANTIC CITY, NJ 08401-0840

FOR THE QUARTER ENDED JUNE 30 ~~PROPER~~ 19 91

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OF THE
STATE OF NEW JERSEY



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NAME OF OFFICER IN CHARGE
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THIS QUARTERLY REPORT . . .
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ADDRESS

MARK J. MILLER
VICE PRESIDENT/FINANCE
801 BOARDWALK/PO BOX 840
ATLANTIC CITY, NJ 08401-0840

TRADING NAME OF LICENSEE ATLANTIC CITY SHOWBOAT

LIST OF FORMS - QUARTERLY REPORT

FOR THE QUARTER ENDED JUNE 30, 1991

<u>TITLE</u>	<u>FORM NO.</u>
Balance Sheets	CCC-205
Statements of Income (Year)	CCC-210
Statements of Income (Three Months)	CCC-215
Statements of Changes in Stockholders' Equity	CCC-220
Statements of Changes in Partners' or Proprietor's Equity	CCC-225
Statements of Changes in Financial Position	CCC-230
Notes to Financial Statements	
Schedule of Receivables and Patrons' Checks	CCC-240
Statement of Conformity and Accuracy	CCC-250

TRADING NAME OF LICENSEE: ATLANTIC CITY SHOWBOAT, INC.

BALANCE SHEET

JUNE 30, 1991 AND 1990

(UNAUDITED)

(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 19 91	(d) 19 90
ASSETS			
	Current Assets:		
1	Cash .....NOTE 1.	\$ 30,274	\$ 30,485
2	Marketable securities	0	0
3	Receivables and patrons' checks (net of allowances for doubtful accounts - 19_91_, \$ 4,551 ; 19_90_ \$ 5,771 ) .....NOTE 3.	5,332	9,347
4	Inventories	1,953	2,620
5	Prepaid expenses and other current assets.....	3,614	4,082
6	Total current assets	41,173	46,534
7	Investments, Advances, And Receivables .....NOTE 2, 11 & 15	18,150	21,753
8	Property And Equipment - Net .....NOTE 4	208,569	219,608
9	Other Assets	9,686	10,343
10	Total Assets	\$ 277,578	\$ 298,238
LIABILITIES AND EQUITY			
	Current Liabilities:		
11	Accounts payable	\$ 4,502	\$ 4,811
12	Notes payable	0	0
	Current portion of long-term debt:		
13	Due to affiliates	0	0
14	Other .....NOTE 8	3,089	2,879
15	Income taxes payable and accrued.....	273	0
16	Other accrued expenses .....NOTE 5	13,143	15,198
17	Other current liabilities .....NOTE 6	11,196	6,838
18	Total current liabilities	32,203	29,726
	Long-Term Debt:		
19	Due to affiliates .....NOTE 7	161,540	180,000
20	Other .....NOTE 8	7,911	10,891
21	Deferred Credits	4,998	1,164
22	Other Liabilities	24,881	46,700
23	Commitments And Contingencies .....NOTE 15		
24	Total Liabilities	231,533	268,481
25	Stockholders', Partners', Or Proprietor's Equity.....	46,045	29,757
26	Total Liabilities And Equity	\$ 277,578	\$ 298,238

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

TRADING NAME OF LICENSEE ATLANTIC CITY SHOWBOAT, INC.

STATEMENTS OF INCOME

FOR THE SIX MONTHS ENDED JUNE 30, 1991 AND 1990
(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 19 91	(d) 19 90
	Revenue:	\$	\$
1	Casino	114,032	124,760
2	Rooms	4,903	5,086
3	Food and beverage	15,607	19,527
4	Other	1,935	2,254
5	Total revenue	136,477	151,627
6	Less: Promotional allowances .....NOTE 13	10,953	13,341
7	Net revenues	125,524	138,286
	Costs And Expenses:		
8	Costs of goods and services	76,770	87,888
9	Selling, general, and administrative	23,724	28,960
10	Provision for doubtful accounts	1,365	2,135
11	Depreciation and amortization	10,203	8,892
	Charges from affiliates other than interest:		
12	Management fees .....NOTE 2	0	7,710
13	Other	0	0
14	Total costs and expenses	112,062	135,585
15	Income (Loss) From Operations	13,462	2,701
	Other Income (Expenses):		
16	Interest (expense) - affiliates .....NOTE 7	(9,193)	(10,237)
17	Interest (expense) - external	(907)	(1,170)
18	Investment alternative tax and related income (expense) - net	(551)	(508)
19	Nonoperating income (expense) - net .....NOTE 10	540	992
20	Total other income (expenses)	(10,111)	(10,923)
21	Income (Loss) Before Income Taxes And Extraordinary Items	3,351	(8,222)
22	Provision (credit) for income taxes .....NOTE 14	1,467	(2,962)
23	Income (Loss) Before Extraordinary Items	1,884	(5,260)
24	Extraordinary items (net of income taxes - 19 91, \$ _____ ; 19 90, \$ _____)	0	0
25	Net Income (Loss)	\$ 1,884	\$ (5,260)

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 JUNE 30, 1991 AND 1990
(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 19 91	(d) 19 90
	Revenue:	\$	\$
1	Casino	60,929	63,856
2	Rooms	2,647	2,837
3	Food and beverage	8,710	10,024
4	Other	1,130	1,191
5	Total revenue	73,416	77,908
6	Less: Promotional allowances .....NOTE 13	6,080	6,547
7	Net revenues	67,336	71,361
	Costs And Expenses:		
8	Costs of goods and services	39,648	45,273
9	Selling, general, and administrative	12,106	13,818
10	Provision for doubtful accounts	586	878
11	Depreciation and amortization	5,126	4,485
	Charges from affiliates other than interest:		
12	Management fees	0	4,028
13	Other	0	0
14	Total costs and expenses	57,466	68,482
15	Income (Loss) From Operations	9,870	2,879
	Other Income (Expenses):		
16	Interest (expense) - affiliates	(4,599)	(5,119)
17	Interest (expense) - external	(441)	(577)
18	Investment alternative tax and related income (expense) - net	(334)	(259)
19	Nonoperating income (expense) - net	183	295
20	Total other income (expenses)	(5,191)	(5,660)
21	Income (Loss) Before Income Taxes And Extraordinary Items	4,679	(2,781)
22	Provision (credit) for income taxes	1,970	(1,065)
23	Income (Loss) Before Extraordinary Items	2,709	(1,716)
24	Extraordinary items (net of income taxes - 19 91, \$ _____ ; 19 90, \$ _____)	0	0
25	Net Income (Loss)	\$ 2,709	\$ (1,716)

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 SIX MONTHS ENDED JUNE 30, 1991 AND 1990

(UNAUDITED)

(\$ IN THOUSANDS)

LINE	DESCRIPTION	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	1,884	XXXXXXXXXXXXXXXXXX	(5,260)
28	Dividends	XXXXXXXXXXXXXXXXXX		XXXXXXXXXXXXXXXXXX	(7,000)
29	_____	XXXXXXXXXXXXXXXXXX		XXXXXXXXXXXXXXXXXX	
30	_____	XXXXXXXXXXXXXXXXXX		XXXXXXXXXXXXXXXXXX	
31	Ending balance	XXXXXXXXXXXXXXXXXX	(30,864)	XXXXXXXXXXXXXXXXXX	(47,152)
32	Ending Stockholder's Equity	XXXXXXXXXXXXXXXXXX	46,045	XXXXXXXXXXXXXXXXXX	29,757

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

TRADING NAME OF LICENSEE ATLANTIC CITY SHOWBOAT

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 SIX MONTHS ENDED JUNE 30, 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	\$ 2,935	\$ 9,119
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	(5,771)	(12,930)
5	Proceeds from disposition of property and equipment	394	0
6	Purchase of casino reinvestment obligatons	(1,288)	(1,449)
7	Purchase of other investments and loans/advances made	3,136	(1,857)
8	Proceeds from disposal of investments and collection of advances and long-term receivables		0 *
9	Cash outflows to acquire business entities		
10	INVESTMENT IN SHOWBOAT, INC.	0	(1,032)
11	.....	
12	Net Cash Provided (Used) By Investing Activities	(3,529)	(17,268)
	Cash Flows From Financing Activities:		
13	Cash proceeds from issuance of short-term debt		
14	Payments to settle short-term debt		
15	Cash proceeds from issuance of long-term debt		
16	Cost of issuing debt		
17	Payments to settle long-term debt	(1,432)	(1,330)
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	(1,432)	(1,330)
24	Net Increase (Decrease) In Cash And Cash Equivalents	(2,026)	(9,479)
25	Cash And Cash Equivalents At Beginning Of Years	32,300	39,964
26	Cash And Cash Equivalents At End Of Years	\$ 30,274	\$ 30,485

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

27	Cash Paid During Period For:		
	Interest (net of amount capitalized)	\$ 9,331	\$ 10,237
28	Income taxes	\$ 650	\$ 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 ATLANTIC CITY SHOWBOAT, INC.

STATEMENTS OF CASH FLOWS

FOR THE SIX MONTHS ENDED JUNE 30, 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)	\$ 1,884	\$ (5,260)
	Noncash items included in income and cash items excluded from income:		
30	Depreciation and amortization of property and equipment	10,203	8,892
31	Amortization of other assets	245	
32	Amortization of debt discount or premium		
33	Deferred income taxes - current		
34	Deferred income taxes - noncurrent	1,025	(9)
35	(Gain) loss on disposition of property and equipment	327	312
36	(Gain) loss on casino reinvestment obligations	460	508
37	(Gain) loss from other investment activities		
38	Net (increase) decrease in receivables and patrons' checks	1,352	821
39	Net (increase) decrease in inventories	257	(112)
40	Net (increase) decrease in other current assets	(1,119)	(2,024)
41	Net (increase) decrease in other assets	(53)	146
42	Net increase (decrease) in accounts payables	(653)	(2,875)
43	Net increase (decrease) in other current liabilities excluding debt.....	(2,878)	247
44	Net increase (decrease) in other noncurrent liabilities excluding debt.....	(6)	8,200
45	Decrease in noncurrent mgmtnt fees payable	(8,109)	0
46	AMORT. BOND ISSUE COSTS.	0	273
47	Net Cash Provided (Used) By Operating Activities	\$ 2,935	\$ 9,119

SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING AND FINANCING ACTIVITIES

48	Acquisition Of Property And Equipment: Additions to property and equipment	\$ 5,771	\$ 12,930
49	Less: Capital lease obligations incurred	0	0
50	Cash Outflows For Property And Equipment	\$ 5,771	\$ 12,930
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 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 \$20,613,000 and \$21,273,000 as of June 30, 1991 and 1990, respectively.

For financial purposes, Atlantic City Showboat, Inc., (ACS), 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 Showboat, Inc., (SBO), entered into a Parent Services Agreement whereby SBO has agreed to provide ACS with executive, financial, data processing, legal, marketing, tax planning and compliance, and administrative services. SBO's services are intended to support and supplement the routine functions and responsibilities of the ACS staff and are not intended to substitute for ACS's performance or Ocean Showboat Inc.'s, (OSI's), oversight responsibilities. In addition to the services outlined above, SBO has also granted ACS a non-exclusive right to the use of each of SBO'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 SBO a fee equal to five percent of gross revenues, payable on a quarterly basis. The Bond Indenture of Ocean Showboat Finance Corporation, (OFI), provides that this management fee may not be paid during any period in which certain tests are not met. On March 22, 1991, the New Jersey Casino Control Commission, (the Commission), ruled that all payments of management fees pursuant to the Parent Service Agreement must receive the prior approval of the Commission.

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

2. RELATED PARTY TRANSACTIONS (CONTINUED)

On March 22, 1991 the Commission, approved a December, 1990 amendment to the Parent Services Agreement in which SBO and ACS agreed, effective January 1, 1990, to cancel and terminate the ACS's obligation to pay management fees to SBO during the period from January 1, 1990 until the fees accrued prior to January 1, 1990 (approximately \$25,000,000 net of federal income taxes of \$14,542,000) are paid in full to SBO 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 SBO in January 1991. Further, the Commission ruled that all payments of management fees must receive prior approval of the Commission.

For the six months ended June 30, 1991, and 1990, management fees expenses of -0- and \$7,710,000 have been incurred respectively. As of June 30, 1991 and 1990 management fees of \$29,839,000 and \$46,700,000 have accrued, respectively. Investment advances and receivables balance of \$18,150,000 and \$21,753,000 at June 30, 1991 and 1990 include \$11,433,000 and \$17,075,000 (receivables from SBO related to federal income taxes). Since January 1991, ACS has paid management fees to SBO of \$6,000,000, net of intercompany income taxes.

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 redemption 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 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 SBO, 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.

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

3. RECEIVABLES

Receivables consist of the following:

	JUNE 30	JUNE 30
	1991	1990
Casino	\$ 8,702,000	\$12,437,000
Hotel	651,000	744,000
Income Tax Receivable	-0-	1,007,000
Other	530,000	930,000
	\$ 9,883,000	\$15,118,000
Less allowance for Doubtful Accts.	4,551,000	5,771,000
	\$ 5,332,000	\$ 9,347,000

4. PROPERTY AND EQUIPMENT

Property and Equipment consist of the following:

	JUNE 30	JUNE 30
	1991	1990
Building & Improvements	\$195,607,000	\$193,911,000
Furniture, Fixtures & Equip	55,861,000	45,883,000
Vehicles	153,000	177,000
Properties under capital lease		
Building	2,050,000	2,050,000
Furniture, Fixtures & Equip	20,059,000	20,241,000
Construction in Progress	2,065,000	7,624,000
	\$275,795,000	\$269,886,000
Less accumulated depreciation & amortization	67,226,000	50,278,000
	\$208,569,000	\$219,608,000

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

5. OTHER ACCRUED EXPENSES

Other accrued expenses consist of the following:

	JUNE 30	JUNE 30
	1991	1990
Salaries and Wages	\$ 2,868,000	\$ 4,435,000
Progressive Slot Liability	2,160,000	1,871,000
Medical Claims-Employee	1,404,000	1,056,000
Taxes-Other	724,000	664,000
DGE/CCC Charges	681,000	730,000
Settlement Claims	546,000	1,113,000
Payroll Taxes	1,453,000	1,068,000
Management Bonus	1,024,000	650,000
Advertising	453,000	2,183,000
Accrued Officers Club Coin	1,405,000	931,000
Other	425,000	497,000
	\$13,143,000	\$15,198,000
	=====	=====

6. OTHER CURRENT LIABILITIES

Other current liabilities consist of the following:

	JUNE 30	JUNE 30
	1991	1990
Due to Affiliates - Interest	\$ 5,359,000	\$ 5,972,000
Management Fee Payable Current	4,958,000	-0-
Other	879,000	866,000
	\$11,196,000	\$ 6,838,000
	=====	=====

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:

	JUNE 30	JUNE 30
	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 =====

8. LONG TERM DEBT, OTHER

Long-term debt, other consist of the following:

	JUNE 30	JUNE 30
	1991	1990
Capitalized lease obligations (Note 9)	\$ 11,000,000	\$ 13,770,000
Less current maturities	<u>3,089,000</u>	<u>2,879,000</u>
	\$ 7,911,000 =====	\$ 10,891,000 =====

ACS has available a \$10,000,000 unsecured line of credit from a bank which expires May 31, 1992 with interest payable at the bank's prime rate + 1/2 %. Under the terms of its agreement with the bank, ACS may utilize a maximum of \$5 million of the fund available under this line for repurchase of its bonds or payment of management fees to SBO without prior approval from the bank.

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

9. LEASES

ACS 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 ACS 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 1991, the annual rent increased \$355,000 to \$7,631,000. 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 \$4,096,000 and \$3,848,000 for the six months ended June 30, 1991 and 1990 respectively.

10. NON-OPERATING INCOME (EXPENSE)

For the six months ended June 30, 1991 and 1990, Non-Operating Income (Expense) is:

	<u>JUNE 30</u>	<u>JUNE 30</u>
	<u>1991</u>	<u>1990</u>
Interest Income on temporary Cash Investments	\$ 867,000	\$1,304,000
Loss on Disposal of Prop. & Equipment	<u>(327,000)</u>	<u>(312,000)</u>
	<u>\$ 540,000</u>	<u>\$ 992,000</u>
	=====	=====

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

11. STOCK INCENTIVE PLAN

On May 17, 1990, the shareholders of SBO approved a long-term incentive plan in which officers and key employees of ACS participate. Up to 600,000 shares of SBO common stock may be awarded to plan participants as either restricted shares or stock options. Restricted shares and options 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 SBO's common stock determined on the date of grant of the options. As of June 30, 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 SBO shares purchased by ACS. At June 30, 1991 Investment Advances and Receivables on the balance sheet includes \$435,000 representing the cost of 65,200 shares of SBO stock purchased and unissued 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 SBO's common stock of \$7.625 and is being amortized ratably from the date of the grant over the five year period as it is earned. Compensating expense of \$71,000 was recognized for the six months ended June 30, 1991. Unearned compensation at June 30, 1991 is \$324,000 and is included on the balance sheet in Other Assets.

12. EMPLOYEE BENEFIT PLANS

Effective November 1, 1989, ACS 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 12 percent of their salary which will not be matched by ACS. ACS contributed \$276,000 and \$328,000 to this plan for the six months ended June 30, 1991 and 1990, respectively.

ACS'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 \$1,430,000 and \$1,790,000 for the six months ended June 30, 1991 and 1990, respectively.

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

13. COMPLIMENTARIES

Promotional Allowances

	Six Months		Three Months	
	Ended June 30, 1991		Ended June 30, 1991	
	<u>Recipients</u>	<u>Amount</u>	<u>Recipients</u>	<u>Amount</u>
Rooms	24,000	\$ 2,637,000	12,000	\$1,355,000
Food	532,000	5,185,000	300,000	2,921,000
Beverage	1,257,000	2,813,000	679,000	1,528,000
Showroom	<u>32,000</u>	<u>318,000</u>	<u>28,000</u>	<u>276,000</u>
	1,845,000	\$10,953,000	1,019,000	\$6,080,000
	=====	=====	=====	=====

Promotional Expenses

	Six Months		Three Months	
	Ended June 30, 1991		Ended June 30, 1991	
	<u>Recipients</u>	<u>Amount</u>	<u>Recipients</u>	<u>Amount</u>
Coin	837,000	\$ 2,637,000	456,000	\$4,966,000
Travel	4,000	774,000	2,000	409,000
Other	<u>27,000</u>	<u>241,000</u>	<u>17,000</u>	<u>152,000</u>
	868,000	\$10,785,000	475,000	\$5,527,000
	=====	=====	=====	=====

Promotional allowances represent complimentaries furnished gratuitously to customers of ACS goods and services, such as free room, food and beverage. The sales value 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.

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

14. INCOME TAXES

Income tax expense (benefit) consists of the following:

	JUNE 30	JUNE 30
	1991	1990
Current	\$1,467,000	(\$ 2,953,000)
Deferred	-0-	9,000
	\$1,467,000	(\$ 2,962,000)
State Taxes	-0-	-0-
	<u>\$1,467,000</u>	<u>(\$ 2,962,000)</u>

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 June 30, 1991 and 1990, investments, advances and receivables include \$6,282,000 and \$4,526,000, respectively representing ACS's obligation to the CRDA of \$9,398,000 at June 30, 1991 and \$6,762,000 at June 30, 1990 net of an allowance for the interest rate differential of \$3,116,000 and \$2,236,000, respectively.

SCHEDULE OF RECEIVABLES AND PATRONS' CHECKS

JUNE 30, 19 91

(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	3,607		
2	Returned patrons' checks	5,095		
3	Total patrons' checks	8,702	\$ 4,445	\$ 4,257
4	Hotel Receivables	730	106	624
	Other Receivables:			
5	Receivables due from officers and employees.....			
6	Receivables due from affiliates	81		
7	Other accounts and notes receivables	370		
8	Total other receivables	451		451
9	Totals (Form 205).....	\$ 9,883	\$ 4,551	\$ 5,332

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)	65,534
12	Checks redeemed prior to deposit (excluding the unredeemed portion of counter checks redeemed through partial redemptions, and excluding checks redeemed through transactions relating to consolidations, substitutions, and patrons' cash deposits)	(45,962)
13	Checks collected through deposits	(16,886)
14	Checks transferred to returned checks	(3,687)
15	Other adjustments	
16	Ending Balance	\$ 3,607
17	"Hold" Checks Included In Balance On Line 16	\$
18	Provision For Uncollectible Patrons' Checks	\$ 1,336
19	Provision As A Percent Of Counter Checks Issued	2

HOTEL STATISTICS

FOR THE 6 MONTHS ENDED June 30, 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	516	15,996	10,004	\$ 63.87	62.5%	17,416	\$ 36.69
FEBRUARY	516	14,448	11,665	\$ 64.33	80.7%	18,660	\$ 40.22
MARCH	516	15,939	13,061	\$ 65.46	81.9%	20,970	\$ 40.77
1ST QUARTER TOTALS		46,383	34,730	\$ 64.63	74.9%	57,046	\$ 39.35
APRIL	516	15,270	13,160	\$ 62.87	86.2%	21,277	\$ 38.89
MAY	516	15,816	13,139	\$ 70.63	83.1%	19,518	\$ 47.54
JUNE	516	15,120	13,296	\$ 67.02	87.9%	21,984	\$ 40.53
2ND QUARTER TOTALS		46,206	39,595	\$ 66.84	85.7%	62,779	\$ 42.15
JULY				\$	%		\$
AUGUST				\$	%		\$
SEPTEMBER				\$	%		\$
3RD QUARTER TOTALS				\$	%		\$
OCTOBER				\$	%		\$
NOVEMBER				\$	%		\$
DECEMBER				\$	%		\$
4TH QUARTER TOTALS				\$	%		\$
ANNUAL TOTALS				\$	%		\$

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QUARTERLY REPORT

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

FOR THE QUARTER ENDED JUNE 30 **PROPE** 19 91
NEW JERSEY LIBRARY

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TO THE
CASINO CONTROL COMMISSION
OF THE
STATE OF NEW JERSEY



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CASINO CONTROL
COMMISSION

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

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

LIST OF FORMS - QUARTERLY REPORT

FOR THE QUARTER ENDED JUNE 30, 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

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

BALANCE SHEETS

JUNE 30, 1991 AND 1990

(UNAUDITED)

(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1991	(d) 1990
	ASSETS		
	Current Assets:		
1	Cash	\$ 7,672	\$ 6,296
2	Marketable securities NOTE 2 . .	5,700	1,600
3	Receivables and patrons' checks (net of allowance for doubtful accounts - 1991, \$14,347; 1990, \$13,866)	5,147	6,528
4	Inventories	1,326	1,718
5	Prepaid expenses and other current assets NOTE 3 . .	13,960	13,628
6	Total current assets	33,805	29,770
7	Investments, Advances, and Receivables NOTE 4 . .	8,786	9,211 *
8	Property And Equipment - Net NOTE 5 . .	247,617	257,658
9	Other Assets NOTE 6 . .	116,498	121,303 *
10	Total Assets	\$ 406,706	\$ 417,942
	LIABILITIES AND EQUITY		
	Current Liabilities:		
11	Accounts payable	\$ 2,242	\$ 1,521
12	Notes payable	2,700	10,000
	Current portion of long-term debt		
13	Due to affiliates	-	-
14	Other	-	-
15	Income taxes payable and accrued	3,847	4,013
16	Other accrued expenses NOTE 7 . .	22,423	23,137
17	Other current liabilities NOTE 8 . .	3,182	1,802
18	Total current liabilities	34,394	40,473
	Long-Term Debt:		
19	Due to affiliates NOTE 9 . .	266,751	268,177
20	Other	-	-
21	Deferred Credits NOTE 10 . .	9,324	8,804
22	Other Liabilities NOTE 11 . .	29,892	29,027
23	Commitments And Contingencies NOTE 17 . .	-	-
24	Total Liabilities	340,361	346,481
25	Stockholders', Partners', Or Proprietor's Equity NOTE 12 . .	66,345	71,461
26	Total Liabilities And Equity	\$ 406,706	\$ 417,942

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 INCOME

FOR THE SIX MONTHS ENDED JUNE 30, 1991 and 1990
(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1991	(d) 1990
	Revenue:	\$	\$
1	Casino	91,765	97,015
2	Rooms	7,806	8,569
3	Food and beverage	12,854	13,255
4	Other	2,952	4,406
5	Total revenue	115,377	123,245
6	Less: Promotional allowances	NOTE 13 ..	13,993
7	Net revenue	101,882	109,252
	Costs And Expenses:		
8	Cost of goods and services	46,477	51,191
9	Selling, general, and administrative	32,538	32,990
10	Provision for doubtful accounts	700	402
11	Depreciation and amortization	8,758	7,276
	Charges from affiliates other than interest:		
12	Management fees	-	-
13	Other	NOTE 14 ..	711
14	Total costs and expenses	89,115	92,570
15	Income (Loss) From Operations	12,767	16,682
	Other Income (Expenses):		
16	Interest (expense)-affiliates	NOTE 14 ..	(16,499)
17	Interest (expense)-external	(600)	(218)
18	Investment alternative tax and related income (expense) - net	(113)	(610)
19	Nonoperating income (expense)-net	NOTE 15 ..	437
20	Total other income (expenses)	(16,712)	(16,890)
21	Income (Loss) Before Income Taxes And Extraordinary Items	(3,945)	(208)
22	Provision (credit) for income taxes	NOTE 16 ..	634
23	Income (Loss) Before Extraordinary Items	(3,076)	(842)
24	Extraordinary items (net of income taxes - 1991, \$ - ; 1990, \$ -)	-	-
25	Net Income (Loss)	\$ (3,076)	\$ (842)

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 INCOME

FOR THE THREE MONTHS ENDED JUNE 30, 1991 and 1990
(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1991	(d) 1990
	Revenue:	\$	\$
1	Casino	49,895	49,625
2	Rooms	4,450	4,904
3	Food and beverage	7,142	6,839
4	Other	1,475	2,262
5	Total revenue	62,962	63,630
6	Less: Promotional allowances	NOTE 13.	7,419
7	Net revenue	55,708	56,211
	Costs And Expenses:		
8	Cost of goods and services	24,553	25,838
9	Selling, general, and administrative	17,255	14,200
10	Provision for doubtful accounts	426	207
11	Depreciation and amortization	4,496	3,722
	Charges from affiliates other than interest:		
12	Management fees	-	-
13	Other	NOTE 14.	339
14	Total costs and expenses	47,051	44,306
15	Income (Loss) From Operations	8,657	11,905
	Other Income (Expenses):		
16	Interest (expense)-affiliates	NOTE 14.	(8,241)
17	Interest (expense)-external	(300)	(111)
18	Investment alternative tax and related income (expense) - net	(63)	(312)
19	Nonoperating income (expense)-net	NOTE 15.	251
20	Total other income (expenses)	(8,296)	(8,413)
21	Income (Loss) Before Income Taxes And Extraordinary Items.	361	3,492
22	Provision (credit) for income taxes	NOTE 16.	1,802
23	Income (Loss) Before Extraordinary Items	(148)	1,690
24	Extraordinary items (net of income taxes - 1991, \$ - ; 1990, \$ -)	-	-
25	Net Income (Loss)	\$ (148)	\$ 1,690

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 SIX MONTHS ENDED JUNE 30, 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	_____				
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)		(3,076)		(842)
28	Dividends		()		()
29	_____				
30	_____				
31	Ending balance		603		5,719
	Ending Stockholders' Equity		\$ 66,345		\$ 71,461

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 SIX MONTHS ENDED JUNE 30, 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.		
	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 SIX MONTHS ENDED JUNE 30, 1991 AND 1990

(UNAUDITED)

(\$ IN THOUSANDS)

Line (a)	Description (b)	(c) 1991	(d) 1990
1	Net Cash Provided (Used) By Operating Activities.	\$ 3,340	\$ (901) *
	Cash Flows From Investing Activities:		
2	Purchase of short-term investment securities.	-	(225)
3	Proceeds from the sale of short-term investment securities.	1,575	-
4	Cash outflows for property and equipment	(695)	(4,498)
5	Proceeds from disposition of property and equipment	-	138
6	Purchase of casino reinvestment obligations	(225)	(1,220)
7	Purchase of other investments and loans/advances made	(5,028)	(903) *
8	Proceeds from disposal of investment and collection of advances and long-term receivables.	1,146	1,263
9	Cash outflows to acquire business entities.	-	-
10	Purchase price adjustment - GNI	-	(4,231)
11	_____	-	-
12	Net Cash Provided (Used) By Investing Activities.	(3,227)	(9,676) *
	Cash Flows From Financing Activities:		
13	Cash proceeds from issuance of short-term debt	-	10,000
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	-	8,000
24	Net Increase (Decrease) In Cash And Cash Equivalents	113	(2,577)
25	Cash And Cash Equivalents At Beginning Of Year.	7,559	8,873
26	Cash And Cash Equivalents At End Of Year.	\$ 7,672	\$ 6,296

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

Cash Paid During Year For:			
27	Interest (net of amount capitalized)	\$ 17,278	\$ 19,809
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 SIX MONTHS ENDED JUNE 30, 1991 AND 1990
 (UNAUDITED)
 (\$ IN THOUSANDS)

Line (a)	Description (b)	(c) 1991	(d) 1990
	Net Cash Flows From Operating Activities:		
29	Net income (loss)	\$ (3,076)	\$ (842)
	Noncash items included in income and cash items excluded from income:		
30	Depreciation and amortization of property and equipment	6,287	5,812
31	Amortization of other assets	2,471	1,464
32	Amortization of debt discount or premium	(766)	(660)
33	Deferred income taxes - current	-	-
34	Deferred income taxes - noncurrent	(119)	296
35	(Gain) loss on disposition of property and equipment	-	-
36	(Gain) loss on casino reinvestment obligations	113	610
37	(Gain) loss from other investment activities	-	-
38	Net (increase) decrease in receivables and patrons' checks	662	(1,280)
39	Net (increase) decrease in inventories	733	9
40	Net (increase) decrease in other current assets	(759)	(2,872)
41	Net (increase) decrease in other assets	(502)	(1,159)
42	Net increase (decrease) in accounts payables	(353)	(1,845)
43	Net increase (decrease) in other current liabilities excluding debt	(1,760)	3,394
44	Net increase (decrease) in other noncurrent liabilities excluding debt	409	(3,828)
45		-	-
46		-	-
47	Net Cash Provided (Used) By Operating Activities	\$ 3,340	\$ (901)

SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING AND FINANCING ACTIVITIES

	Acquisition Of Property And Equipment:		
48	Additions to property and equipment	\$ 695	\$ 4,498
49	Less: Capital lease obligations incurred	-	-
50	Cash Outflows For Property And Equipment	\$ 695	\$ 4,498
	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 June 30, 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 June 30, 1991, including interest (net of income tax benefit) and penalties, less net operating loss and credit carryforwards available to Bally is approximately \$280 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 four 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 June 30, 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 June 30 consisted of the following:

	<u>1991</u>	<u>1990</u>
Deferred federal and state income tax	\$11,137,000	\$ 5,183,000
Refundable federal income tax	1,062,000	5,781,000
Prepaid insurance expenses	386,000	1,213,000
Prepaid state gaming taxes and licenses	1,079,000	1,062,000
Prepaid operating expenses	296,000	362,000
Prepaid entertainment costs	-	27,000
	<u>\$13,960,000</u>	<u>\$13,628,000</u>
	=====	=====

NOTE 4 - INVESTMENTS, ADVANCES AND RECEIVABLES

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

	<u>1991</u>	<u>1990</u>
New Jersey Casino Reinvestment related assets (net of discount)	\$3,758,000	\$8,309,000
Bally's Park Place, Inc.	5,000,000	-
Bally Manufacturing Corp.	-	899,000
Bally's Grand - Las Vegas	-	2,000
Bally's Grand - Reno	-	1,000
Other	28,000	-
	<u>\$8,786,000</u>	<u>\$9,211,000</u>
	=====	=====

The Company donated \$23,000 and \$ 0 for the six months ended June 30, 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 six months ended June 30, 1991 and 1990, respectively, in "credits" against future CRDA obligations.

Credits against future CRDA obligations as of June 30, 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 June 30 consisted of the following:

	<u>1991</u>	<u>1990</u>
Buildings and leasehold improvements	\$187,390,000	\$185,620,000
Furniture, fixtures and equipment	62,163,000	56,934,000
Land and improvements	51,776,000	51,776,000
Construction in progress	634,000	5,362,000
	<u>301,963,000</u>	<u>299,692,000</u>
Less accumulated depreciation and amortization	(54,346,000)	(42,034,000)
	<u>\$247,617,000</u>	<u>\$257,658,000</u>
	=====	=====

NOTE 6 - OTHER ASSETS

Other assets as of June 30 consisted of the following:

	<u>1991</u>	<u>1990</u>
Cost in excess of acquired assets, net	\$113,284,000	\$116,421,000
CRDA credits receivable	3,214,000	4,638,000
Other	-	244,000
	<u>\$116,498,000</u>	<u>\$121,303,000</u>
	=====	=====

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

For the six months ended June 30, 1991 and 1990, the Company recorded an expense of \$900,000 and \$470,000, respectively, which represents amortization of CRDA credits.

GNOC, CORP.
NOTES TO FINANCIAL STATEMENTS
(Unaudited)

NOTE 7 - OTHER ACCRUED EXPENSES

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

	<u>1991</u>	<u>1990</u>
Accrued payroll	\$ 8,871,000	\$ 9,248,000
Accrued interest	4,260,000	2,942,000
Accrued progressive jackpot liability	3,218,000	3,174,000
Accrued self insurance claims	736,000	1,667,000
Accrued New Jersey casino reinvestment liability	620,000	626,000
Accrued casino win tax	444,000	386,000
Accrued sales, use and luxury taxes	416,000	342,000
Accrued legal fees	395,000	519,000
Accrued Casino Control Commission and Division of Gaming Enforcement fees	404,000	518,000
Accrued casino license fee	599,000	601,000
Accrued real estate tax	160,000	160,000
Accrued insurance	50,000	166,000
Other	2,250,000	2,788,000
	<u>\$22,423,000</u>	<u>\$23,137,000</u>
	=====	=====

NOTE 8 - OTHER CURRENT LIABILITIES

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

	<u>1991</u>	<u>1990</u>
Unredeemed gaming chips and tokens	\$1,243,000	\$1,124,000
Customer deposits	105,000	132,000
Advance room deposits	27,000	46,000
Bally Manufacturing Corp.	1,190,000	-
Bally's Park Place, Inc.	613,000	492,000
Bally's Las Vegas	1,000	-
Other	3,000	8,000
	<u>\$3,182,000</u>	<u>\$1,802,000</u>
	=====	=====

GNOC, CORP.
 NOTES TO FINANCIAL STATEMENTS
 (Unaudited)

NOTE 9 - LONG TERM DEBT-DUE TO AFFILIATES

Long term debt-due to affiliates as of June 30 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 \$7,751,000 at June 30, 1991 and \$9,177,000 at June 30, 1990).	\$266,751,000 =====	\$268,177,000 =====

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.

In May 1991, Bally entered into an Amended and Restated Credit Agreement with a syndicate of banks and Manufacturers Hanover Trust Company, as agent. The Amended and Restated Credit Agreement converts the existing borrowings under Bally's \$90 million unsecured Revolving Credit Agreement into a secured term loan and provides up to \$40 million in bridge loans (including a \$10 million bridge loan obtained by Bally in March 1991) and a \$10 million letter of credit facility. The stock of GNAC was pledged as collateral to support the Amended and Restated Credit Agreement. The letters of credit are available to support surety bonds and insurance requirements. The Amended and Restated Credit Agreement requires Bally to repay the bridge and term loans with an agreed upon amount of the proceeds from each of the sales of Bally's products and services businesses, if and when such sales are consummated. To the extent that asset sales are consummated and the bridge and term loans are repaid, such loans will not be available for reborrowing. In July 1991, Bally completed the sale of the assets of its Life Fitness computerized fitness equipment business. The cash proceeds from the sale were used to repay \$13,550,000 of the term loan and the outstanding bridge loans of \$13,150,000. After such repayment the bridge loan facility was terminated. The remaining term loan is required to be repaid in a \$23,225,000 installment on December 12, 1991, a \$30,000,000 installment on June 11, 1992, and a \$23,225,000 installment on December 12, 1992.

GNOC, CORP.
 NOTES TO FINANCIAL STATEMENTS
 (Unaudited)

NOTE 10 - DEFERRED CREDITS

Deferred credits as of June 30, 1991 and 1990 consisted of deferred federal and state income taxes.

NOTE 11 - OTHER LIABILITIES

Other liabilities as of June 30 consisted of advances due to affiliates and other liabilities as follows:

	<u>1991</u>	<u>1990</u>
GNAC, Corp.	\$29,891,000	\$29,027,000
Bally's Grand Marketing Corp. (a New York Corp.)	1,000	-
Self insurance claim	-	-
	<u>\$29,892,000</u>	<u>\$29,027,000</u>
	=====	=====

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

NOTE 12 - STOCKHOLDER'S EQUITY

At June 30, 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 six months ended June 30, 1991 consisted of the following:

	PROMOTIONAL ALLOWANCES		PROMOTIONAL EXPENSES	
	Number of Recipients	Dollar Amount	Number of Recipients	Dollar Amount
Rooms	72,878	\$ 4,599,000	-	\$ -
Food	478,895	5,707,000	-	-
Beverage	1,128,710	2,201,000	-	-
Travel	-	-	10,027	1,334,000
Other:				
Coin	-	-	670,161	8,224,000
Entertainment	5,494	267,000	653	79,000
Parking	19,961	160,000	-	-
Retail	10,303	482,000	5,752	220,000
Gifts	-	-	96,075	734,000
Other	3,936	79,000	26,110	199,000
Total other	<u>39,694</u>	<u>988,000</u>	<u>798,751</u>	<u>9,456,000</u>
TOTAL	<u>1,720,177</u>	<u>\$13,495,000</u>	<u>808,778</u>	<u>\$10,790,000</u>
	=====	=====	=====	=====

GNOC, CORP.
 NOTES TO FINANCIAL STATEMENTS
 (Unaudited)

NOTE 13 - PROMOTIONAL EXPENSES AND ALLOWANCES (cont.)

Promotional expenses and allowances and number of recipients for the three months ended June 30, 1991 consisted of the following:

	PROMOTIONAL ALLOWANCES		PROMOTIONAL EXPENSES	
	Number of Recipients	Dollar Amount	Number of Recipients	Dollar Amount
Rooms	39,892	\$2,595,000	-	\$ -
Food	249,397	3,035,000	-	-
Beverage	607,768	1,185,000	-	-
Travel	-	-	5,208	716,000
Other:				
Coin	-	-	395,898	4,774,000
Entertainment	3,419	205,000	370	45,000
Parking	10,465	85,000	-	-
Retail	904	105,000	5,752	220,000
Gifts	-	-	57,720	303,000
Other	2,196	44,000	15,665	92,000
Total other	<u>16,984</u>	<u>439,000</u>	<u>475,405</u>	<u>5,434,000</u>
TOTAL	<u>914,041</u>	<u>\$7,254,000</u>	<u>480,613</u>	<u>\$6,150,000</u>
	=====	=====	=====	=====

NOTE 14 - CHARGES FROM AFFILIATES

The charges from affiliates for the six months ended June 30, consisted of the following:

Nature of Charge From Affiliates	1991	1990
Interest	\$16,512,000	\$16,499,000
Other (a)	642,000	711,000

(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.

GNOC, CORP.
 NOTES TO FINANCIAL STATEMENTS
 (Unaudited)

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

Non-operating income (expense) - net for the six months ended June 30 consisted of the following:

	<u>1991</u>	<u>1990</u>
Interest and dividend income	\$464,000	\$445,000
Rental income	46,000	-
Other non-operating income (expense)	3,000	(8,000)
	<u>\$513,000</u>	<u>\$437,000</u>
	=====	=====

NOTE 16 - INCOME TAXES

The income tax provision for the six months ended June 30 consisted of the following:

	<u>1991</u>	<u>1990</u>
Current:		
Federal	\$ 488,000	\$326,000
State	49,000	230,000
	<u>537,000</u>	<u>556,000</u>
Deferred:		
Federal	(1,154,000)	160,000
State	(252,000)	(82,000)
	<u>(1,406,000)</u>	<u>78,000</u>
	\$ (869,000)	\$634,000
	=====	=====

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.

GNOC, CORP.
 NOTES TO FINANCIAL STATEMENTS
 (Unaudited)

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).

	1990	1989	1988
Accounts receivable	21,771		
Inventory	14,784	11,227	1,707
Prepaid expenses	817	108	75
Other assets	13		
Accounts payable	510		
Other liabilities	1-2		815
Total	\$ 37,495	\$ 11,335	\$ 2,607

	1990	1989	1988
Accounts receivable	21,771		
Inventory	14,784	11,227	1,707
Prepaid expenses	817	108	75
Other assets	13		
Accounts payable	510		
Other liabilities	1-2		815
Total	\$ 37,495	\$ 11,335	\$ 2,607

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

SCHEDULE OF RECEIVABLES AND PATRONS' CHECKS

JUNE 30, 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.	\$ 3,277		
2	Returned patrons' checks.	14,777		
3	Total patrons' checks.	18,054	\$ 14,257	\$ 3,797
4	Hotel Receivables.	815	90	725
	Other Receivables:			
5	Receivables due from officers and employees.	15		
6	Receivables due from affiliates.	-		
7	Other accounts and notes receivables.	610		
8	Total other receivables.	625	-	625
9	Totals (Form 205).	\$ 19,494	\$ 14,347	\$ 5,147

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).	54,545
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).	(38,247)
13	Checks collected through deposits.	(14,935)
14	Checks transferred to returned checks.	(2,331)
15	Other adjustments.	-
16	Ending Balance.	\$ 3,277
17	"Hold" Checks Included In Balance On Line 16.	\$ -
18	Provision For Uncollectible Patrons' Checks.	\$ 700
19	Provision As A Percent Of Counter Checks Issued.	1.28 %

STATEMENT OF CONFORMITY AND ACCURACY

STATE OF NEW JERSEY

COUNTY OF ATLANTIC

:
: ss.
:

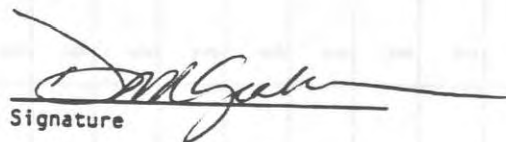
DONNA M. GRAHAM

Name

, 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

CORPORATE CONTROLLER
Title

03 723-11
License Number

Subscribed and sworn to
before me this 14th day
of August, 19 91

On Behalf Of:


Signature

MICHELE KLINGHOFFER
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires May 10, 1994

GNOC, CORP.
Casino Licensee

Basis of Authority
to Take Oaths

HOTEL STATISTICS

FOR THE 6 MONTHS ENDED June 30, 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	518	15,540	12,912	\$ 104.52	83.1 %	24,185	\$ 55.81
MAY	518	16,058	12,726	\$ 112.15	79.3 %	23,853	\$ 59.83
JUNE	518	15,540	14,159	\$ 116.81	91.1 %	26,533	\$ 62.33
2ND QUARTER TOTALS		47,138	39,797	\$ 111.33	84.4 %	74,571	\$ 59.42
JULY				\$	%		\$
AUGUST				\$	%		\$
SEPTEMBER				\$	%		\$
3RD QUARTER TOTALS				\$	%		\$
OCTOBER				\$	%		\$
NOVEMBER				\$	%		\$
DECEMBER				\$	%		\$
4TH QUARTER TOTALS				\$	%		\$
ANNUAL TOTALS				\$	%		\$

LIST OF FORMS - QUARTERLY REPORT

974.901
C193

QUARTERLY REPORT

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

FOR THE QUARTER ENDED JUNE 30, 1991

PROPERTY OF
NEW JERSEY STATE LIBRARY

SEP 30 1991

185 W. STATE ST.
TRENTON, N.J.

TO THE
 CASINO CONTROL COMMISSION
 OF THE
 STATE OF NEW JERSEY

RECEIVED
 NEW JERSEY
 AUG 10 Recd
 CASINO CONTROL
 COMMISSION

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 JUNE 30, 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
	CCC-201

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

BALANCE SHEETS

JUNE 30, 1991 AND 1990

(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	1991 (c)	1990 (d)
ASSETS			
	Current Assets:		
1	Cash	\$ 8,985	\$ 7,828
2	Marketable securities	---	---
3	Receivables and patrons' checks (net of allowance for doubtful accounts - 1991, \$7,350; 1990, \$6,600)	6,576	8,832
4	Inventories	3,284	4,709
5	Prepaid expenses and other current assets NOTE 2	6,796	5,447
6	Total current assets	25,641	26,816
7	Investments, Advances, and Receivables NOTE 10	87,032	82,932
8	Property and Equipment - Net NOTE 3	503,261	500,883
9	Other Assets	15,291	16,968
10	Total Assets	\$ 631,225	\$ 627,599
LIABILITIES AND EQUITY			
	Current Liabilities:		
11	Accounts payable	\$ 7,688	\$ 16,426
12	Notes payable	---	---
	Current portion of long-term debt:		
13	Due to affiliates	5,000	---
14	Other	38	36
15	Income taxes payable and accrued NOTE 1	3,075	2,017
16	Other accrued expenses NOTE 11	34,835	31,051
17	Other current liabilities	1,622	1,560
18	Total current liabilities	52,258	51,090
	Long Term Debt:		
19	Due to affiliates NOTE 4	350,000	350,000
20	Other NOTE 4	55,844	59,150
21	Deferred Credits NOTE 5	12,674	10,729
22	Other Liabilities NOTE 6	27,000	23,100
23	Commitments And Contingencies NOTE 14		
24	Total Liabilities	497,776	494,069
25	Stockholders', Partners', or Proprietors' Equity	133,449	133,530
26	Total Liabilities and Equity	\$ 631,225	\$ 627,599

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 JUNE 30, 1991 AND 1990

(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	1991 (c)	1990 (d)
	REVENUE:		
1	Casino	\$ 69,341	\$ 68,615
2	Rooms	9,167	9,513
3	Food and Beverage	9,696	9,364
4	Other	3,499	2,968
5	Total Revenue	91,703	90,460
6	Less: Promotional allowances	(9,384)	(8,162)
7	Net Revenue	82,319	82,298
	COSTS AND EXPENSES:		
8	Costs of Goods and Services	41,026	42,905
9	Selling, General, and Administrative	16,999	15,576
10	Provision for Doubtful Accounts	585	1,006
11	Depreciation and Amortization	7,347	6,711
	Charges from affiliates other than interest:		
12	Management Fees	---	---
13	Other	---	---
14	Total costs and expenses	65,957	66,198
15	Income (Loss) From Operations	16,362	16,100
	Other Income (Expenses)		
16	Interest (expense) - affiliates	(10,346)	(9,911)
17	Interest (expense) - external	(1,529)	(1,351)
18	Investment alternative tax and related income (expense) - net	(145)	(344)
19	Nonoperating income (expense) - net	1,610	1,506
20	Total other income (expenses)	(10,410)	(10,100)
21	Income (Loss) Before Income Taxes and Extraordinary Items	5,952	6,000
22	Provision (credit) for income taxes	2,463	2,620
23	Income (Loss) Before Extraordinary Items	3,489	3,380
24	Extraordinary items (net of income taxes - 19__, \$; 19__, \$)	---	---
25	Net Income (Loss)	\$ 3,489	\$ 3,380

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 SIX MONTHS ENDED JUNE 30, 1991 AND 1990

(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	1991 (c)	1990 (d)
	REVENUE:		
1	Casino	\$ 129,536	\$ 135,665
2	Rooms	15,921	16,406
3	Food and Beverage	17,899	18,046
4	Other	6,496	5,586
5	Total Revenue	169,852	175,703
6	Less: Promotional allowances NOTE 7 . .	(17,849)	(15,828)
7	Net Revenue	152,003	159,875
	COSTS AND EXPENSES:		
8	Costs of Goods and Services	80,738	84,550
9	Selling, General, and Administrative	31,400	30,349
10	Provision for Doubtful Accounts	1,047	1,302
11	Depreciation and Amortization	14,766	13,165
	Charges from affiliates other than interest:		
12	Management Fees	---	---
13	Other	---	---
14	Total costs and expenses	127,951	129,366
15	Income (Loss) From Operations	24,052	30,509
	Other Income (Expenses)		
16	Interest (expense) - affiliates NOTE 8 . .	(20,690)	(19,855)
17	Interest (expense) - external NOTE 8 . .	(3,457)	(1,625)
18	Investment alternative tax and related income (expense) - net NOTE 12 . .	(478)	(810)
19	Nonoperating income (expense) - net NOTE 13 . .	3,256	1,844
20	Total other income (expenses)	(21,369)	(20,446)
21	Income (Loss) Before Income Taxes and Extraordinary Items	2,683	10,063
22	Provision (credit) for income taxes NOTE 9 . .	1,296	4,439
23	Income (Loss) Before Extraordinary Items	1,387	5,624
24	Extraordinary items (net of income taxes - 19__, \$; 19__, \$)	---	---
25	Net Income (Loss)	\$ 1,387	\$ 5,624

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

TRADING NAME OF LICENSEE: BALLY'S PARK PLACE CASINO HOTEL AND TOWER
STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY

FOR THE SIX MONTHS ENDED JUNE 30, 1991 AND 1990

(UNAUDITED)
 (\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	1991		1990	
		SHARES (c)	DOLLARS (d)	SHARES (e)	DOLLARS (f)
	<i>Common Stock:</i>				
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
	<i>Preferred Stock:</i>				
5	Beginning balance (January 1)	---	---	---	---
6	Sale of stock				
7	_____				
8	Ending balance	---	---	---	---
	<i>Additional Paid-in Capital:</i>				
9	Beginning balance (January 1)		34,652		34,652
10	_____				
11	_____				
12	Ending balance		34,652		34,652
	<i>Treasury Stock:</i>				
13	Beginning balance (January 1)	---	---	---	---
14	Purchase of additional stock				
15	Sale or retirement of stock				
16	Ending balance	---	---	---	---
	<i>Subscriptions Receivable For Capital stock:</i>				
17	Beginning balance (January 1)	---	---	---	---
18	_____				
19	_____				
20	Ending balance	---	---	---	---
	<i>Net Unrealized Loss On Noncurrent Marketable Equity Securities:</i>				
21	Beginning balance (January 1)		---		---
22	_____				
23	_____				
24	Ending balance		---		---
	<i>Retained Earnings:</i>				
25	Beginning balance (January 1)		3,423		(733)
26	Prior period adjustments				
27	Net income (loss)		1,387		5,624
28	Dividends				
29	_____				
30	_____				
31	Ending balance		4,810		4,891
32	Ending Stockholders' Equity		\$ 133,449		\$ 133,530

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

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

STATEMENT OF CHANGES IN PARTNERS' OR PROPRIETOR'S EQUITY

FOR THE SIX MONTHS ENDED JUNE 30, 1991 AND 1990

(UNAUDITED)
(\$ IN THOUSANDS)
NOT APPLICABLE

LINE (a)	DESCRIPTION (b)	1991 (c)	1990 (d)
	Invested Capital:		
1	Beginning Balance (January 1)	\$	\$
2	Additional capital invested		
3	_____		
4	Ending balance		
	Accumulated Income (Loss):		
5	Beginning Balance (January 1)		
6	Prior period adjustments		
7	Net income (loss)		
8	_____		
9	Ending balance		
	Capital Withdrawals:		
10	Beginning Balance (January 1)	()	()
11	Additional capital withdrawals	()	()
12	_____		
13	Ending balance	()	()
	Net Unrealized Loss On Noncurrent Marketable Equity Securities:		
14	Beginning Balance (January 1)	()	()
15	_____		
16	_____		
17	Ending balance	()	()
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: BALLY'S PARK PLACE CASINO HOTEL AND TOWER

STATEMENTS OF CASH FLOWS

FOR THE SIX MONTHS ENDED JUNE 30, 1991 AND 1990

(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	Description (b)	1991 (c)	1990 (d)
1	Net Cash Provided (Used) By Operating Activities	\$ 24,155	\$ 23,475
	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	(4,877)	(32,613)
5	Proceeds from disposition of property and equipment	---	---
6	Purchase of casino reinvestment obligations	(1,005)	(1,431)
7	Purchase of other investments and loans/advances made	(1,683)	(1,024)
8	Proceeds from disposal of investments and collection of advances and long-term receivables	19	---
9	Cash outflows to acquire business entities	---	---
10	_____	---	---
11	_____	---	---
12	Net Cash Provided (Used) By Investing Activities	(7,546)	(35,068)
	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	19,500	78,127
16	Costs of issuing debt	---	---
17	Payments to settle long-term debt	(42,518)	(23,775)
18	Cash proceeds from issuing stock or capital contributions	---	---
19	Purchases of treasury stock	---	---
20	Payments of dividends or capital withdrawals	---	---
21	Advance to Bally and affiliates	5,000	(50,000)
22	_____	---	---
23	Net Cash Provided (Used) By Financing Activities	(18,018)	4,352
24	Net Increase (Decrease) In Cash And Cash Equivalents	(1,409)	(7,241)
25	Cash And Cash Equivalents At Beginning Of Period	10,394	15,069
26	Cash And Cash Equivalents At End Of Period	\$ 8,985	\$ 7,828

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

Cash Paid During Period For:			
27	Interest (net of amount capitalized)	\$ 24,038	\$ 19,411
28	Income taxes	\$	\$ 3,509

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 CASH FLOWS

FOR THE SIX MONTHS ENDED JUNE 30, 1991 AND 1990

(UNAUDITED)

(\$ IN THOUSANDS)

LINE (a)	Description (b)	1991 (c)	1990 (d)
	Net Cash Flows From Operating Activities:		
29	Net income (loss)	\$ 1,387	\$ 5,624
	Noncash items included in income and cash items excluded from income:		
30	Depreciation and amortization of property and equipment	13,000	11,465
31	Amortization of other assets	852	853
32	Amortization of debt discount or premium	---	---
33	Deferred income taxes - current	(1,196)	(287)
34	Deferred income taxes - noncurrent	748	(104)
35	(Gain) loss on disposition of property and equipment	---	---
36	(Gain) loss on casino reinvestment obligations	478	748
37	(Gain) loss from other investment activities	203	119
38	Net (increase) decrease in receivables and patrons' checks	3,031	1,559
39	Net (increase) decrease in inventories	1,644	(925)
40	Net (increase) decrease in other current assets	(928)	(2,533)
41	Net (increase) decrease in other assets	126	(1,154)
42	Net increase (decrease) in accounts payables	(2,248)	1,653
43	Net increase (decrease) in other current liabilities excluding debt	4,588	2,669
44	Net increase (decrease) in other noncurrent liabilities excluding debt	1,500	1,600
45	Net book value of disposals	56	1,341
46	CRDA obligation amortization	914	847
47	Net Cash Provided (Used) By Operating Activities	\$ 24,155	\$ 23,475

SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING AND FINANCING ACTIVITIES

	Acquisition Of Property And Equipment:		
48	Additions to property and equipment	\$ 4,877	\$ 32,613
49	Less: Capital lease obligations incurred	---	---
50	Cash Outflows For Property And Equipment	\$ 4,877	\$ 32,613
	Acquisition Of Business Entities:		
51	Property and equipment acquired	\$ ---	\$ ---
52	Goodwill acquired	---	---
53	Net assets acquired other than cash, goodwill, and property and equipment	---	---
54	Long-term debt assumed	---	---
55	Issuance of stock or capital invested	---	---
56	Cash Outflows To Acquire Business Entities	\$ ---	\$ ---
	Stock Issued Or Capital Contributions:		
57	Total issuances of stock or capital contributions	\$ ---	\$ ---
58	Less: Issuances to settle long-term debt	---	---
59	Consideration in acquisition of business entities	---	---
60	Cash Proceeds From Issuing Stock Or Capital Contributions	\$ ---	\$ ---

TRADING NAME OF LICENSEE: BALLY'S PARK PLACE CASINO HOTEL AND TOWER
SCHEDULE OF RECEIVABLES AND PATRONS' CHECKS

JUNE 30, 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	\$ 1,680		
2	Returned patrons' checks	7,740		
3	Total patrons' checks	9,420	\$ 7,200	\$ 2,220
4	Hotel Receivables	1,485	150	1,335
	Other Receivables:			
5	Receivables due from officers and employees	3		
6	Receivables due to affiliates	1,850		
7	Other accounts and notes receivables	1,168		
8	Total other receivables	3,021	---	3,021
9	Totals (Form 205)	\$ 13,926	\$ 7,350	\$ 6,576

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)	39,635
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)	(31,707)
13	Checks collected through deposits	(6,541)
14	Checks transferred to returned checks	(1,593)
15	Other adjustments	---
16	Ending Balance	\$ 1,680
17	"Hold" Checks Included In Balance On Line 16	\$ 0
18	Provision For Uncollectible Patrons' Checks	\$ 889
19	Provision As A Percent Of Counter Checks Issued	2.2%

STATEMENT OF CONFORMITY AND ACCURACY

STATE OF New Jersey :
COUNTY OF Atlantic : ss.

Joseph A. D'Amato, 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.

Handwritten signature of Joseph A. D'Amato over a line labeled 'Signature'.

Vice President & Treasurer
Title

#03310-11
License Number

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

On Behalf Of:

Handwritten signature of Kimberly A. Ketschek over a line labeled 'Signature'.

Bally's Park Place, Inc. NJ
Casino Licensee

KIMBERLY A. KETSCHER
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Jan. 7, 1993

Basis of Authority to Take Oaths

BALLY'S PARK PLACE CASINO HOTEL AND TOWER
Note 1 - Notes to Financial Statements
For the Six Months Ended June 30, 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
7. Contingent Liabilities

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 accompanying financial statements reflect an allocation of costs and expenses incurred by Bally Manufacturing Corporation ("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 expense to the Company. Certain other Bally costs, such as general corporate overhead, are not allocated to the Company as the proportionate share of such costs which would be allocated to the Company is not significant. Further, since November 1990, certain management personnel of the Company assumed a more active role in the operation of Bally and its subsidiaries. Such costs were not allocated to Bally as they are not considered significant.

In April 1990, the Company advanced Bally \$50,000,000 secured by a promissory note allowing for payment on demand by the Company. 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 financial difficulties. 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 \$1,509,000 and \$1,095,000 for the three months ended June 30, 1991 and 1990, respectively, and \$2,643,000 and \$1,095,000 for the six months ended June 30, 1991 and 1990, respectively.

BALLY'S PARK PLACE CASINO HOTEL AND TOWER
Note 1 - Notes to Financial Statements
For the Six Months Ended June 30, 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, and the Company has no current intention of requesting payment. 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 the advance to Bally's Grand for the three and six months ended June 30, 1991 was \$59,000 and \$120,000, respectively.

During the second quarter of 1991, Bally's Grand advanced the Company \$5,000,000, which was used by the Company to reduce its outstanding balance on its line of credit. The Company pays interest on the outstanding balance at the prime rate of its agent bank with such interest payable at the end of each month. The principal balance is due upon demand by Bally's Grand. Intercompany interest paid on the advance from Bally's Grand was \$14,000 for the three and six months ended June 30, 1991.

The Company participated in the Bally insurance program for general liability in 1991 and 1990. Under this program, general liability insurance expense was allocated to the Company based on claims experience. In 1991, Bally discontinued operations of its captive insurance subsidiary. Payments in 1991 to Bally for insurance coverage are reimbursements of premium payments made by Bally to outside insurance companies. General liability insurance expense for the three months ended June 30, 1991 includes an adjustment relating to the first quarter of 1991 resulting in a credit of \$50,000 as compared to an expense of \$297,000 for 1990. For the six months ended June 30, 1991 and 1990, the Company was allocated costs of \$190,000 and \$594,000, respectively.

The Company purchased slot machines and related services from other Bally subsidiaries for aggregate amounts of \$219,000 and \$662,000 for the three months ended June 30, 1991 and 1990, respectively and \$343,000 and \$861,000 for the six months ended June 30, 1991 and 1990, respectively.

The Company leases surface area parking lots and an administrative facility to Bally's Grand. Rental income was \$174,000 and \$61,000 for the three months ended June 30, 1991 and 1990, respectively and \$348,000 and \$123,000 for the six months ended June 30, 1991 and 1990, respectively. Certain administrative and support operations of the Company and Bally's Grand are consolidated. The Company allocated direct costs to Bally's Grand of \$639,000 and \$442,000 for the three months ended June 30, 1991 and 1990, respectively and \$1,226,000 and \$795,000 for the six months ended June 30, 1991 and 1990, respectively, related to these consolidated operations.

BALLY'S PARK PLACE CASINO HOTEL AND TOWER
Note 1 - Notes to Financial Statements
For the Six Months Ended June 30, 1991 and 1990
(Unaudited)

Income Taxes

For the six months ended June 30, 1991 and 1990, the income tax rate varied from the federal statutory rate of 34% (48.3% and 44.1%, 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 June 30, 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 June 30, 1991, including interest (net of income tax benefit) and penalties, less net operating loss and credit carryforwards available to Bally, is approximately \$280 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 four years.

BALLY'S PARK PLACE CASINO HOTEL AND TOWER
 Note 2 - Prepaid Expenses and
 Other Current Assets
 June 30,
 (Unaudited)

	1991	1990
Deferred Income Taxes	\$ 4,739,000	\$ 1,889,000
Prepaid Insurance	560,000	1,687,000
Prepaid Licenses-Casino	831,000	831,000
Other *	666,000	1,040,000
	\$ 6,796,000	\$ 5,447,000

* 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
 June 30,
 (Unaudited)

	1991	1990*
Land	\$ 64,152,000	\$ 62,067,000
Buildings, Leasehold Improvements	535,785,000	484,273,000
Furniture, Fixtures and Equipment	129,826,000	125,093,000
Construction in Progress	2,187,000	34,762,000
	731,950,000	706,195,000
Less Accumulated Depreciation and Amortization	(228,689,000)	(205,312,000)
Property and Equipment, Net	\$503,261,000	\$500,883,000

*Restated to conform with 1991 presentation.

BALLY'S PARK PLACE CASINO HOTEL AND TOWER
 Note 4 - Long-Term Debt, Affiliates and Other
 June 30,
 (Unaudited)

Long-Term Debt

	1991	1990
	(In thousands)	
Due to affiliates:		
11 7/8% First Mortgage Notes due 1999	\$350,000	\$350,000
	\$350,000	\$350,000
Other:		
Revolving credit agreement	\$ 52,000	\$ 56,250
Other secured and unsecured debt	3,844	2,900
	\$ 55,844	\$ 59,150

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 \$439,205,000 at June 30 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 (7.6% at June 30, 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 June 30, 1991, all retained earnings are so restricted. In June 1991, the Company granted to the bankers a mortgage on and security interest in all the property securing the 11 7/8% First Mortgage Notes. The banks rank pari passu in right of payment with the holders of the 11 7/8% First Mortgage Notes. The agreement was also approved by the Casino Control Commission in June 1991.

BALLY'S PARK PLACE CASINO HOTEL AND TOWER
Note 4 - Long-Term Debt, Affiliates and Other
June 30,
(Unaudited)

Long-Term Debt (Continued)

In May 1991, Bally entered into an Amended and Restated Credit Agreement with a syndicate of banks and Manufacturers Hanover Trust Company, as agent. The Amended and Restated Credit Agreement converts the existing borrowings under Bally's \$90 million unsecured Revolving Credit Agreement into a secured term loan and provides up to \$40 million in bridge loans (including a \$10 million bridge loan obtained by Bally in March 1991) and a \$10 million letter of credit facility. The stock of the Company was pledged as collateral to support the Amended and Restated Credit Agreement. The letters of credit are available to support surety bonds and insurance requirements. The Amended and Restated Credit Agreement requires Bally to repay the bridge and term loans with an agreed upon amount of the proceeds from each of the sales of Bally's products and services businesses, if and when such sales are consummated. To the extent that asset sales are consummated and the bridge and term loans are repaid, such loans will not be available for reborrowing.

In July 1991, Bally completed the sale of the assets of its Life Fitness computerized fitness equipment business. The cash proceeds from the sale were used to repay \$13,550,000 of the term loan and the outstanding bridge loans of \$13,150,000. After such repayment the bridge loan facility was terminated. The remaining term loan is required to be repaid in a \$23,225,000 installment on December 12, 1991, a \$30,000,000 installment on June 11, 1992, and a \$23,225,000 installment on December 12, 1992.

BALLY'S PARK PLACE CASINO HOTEL AND TOWER
Note 5 - Deferred Credits
June 30,
(Unaudited)

	<u>1991</u>	<u>1990</u>
Deferred Federal Income Taxes	<u>\$12,674,000</u>	<u>\$10,729,000</u>

with the employment of certain officers, the Company has established Executive Retirement Plans. The participants earn benefits based on years of service and age at retirement. The Company recognizes this expense over the length of the officers' employment.

BALLY'S PARK PLACE CASINO HOTEL AND TOWER
 Note 6 - Other Liabilities
 June 30, 1991
 (Unaudited)

	1991	1990
Accrued S.E.R.P.	<u>\$27,000,000</u>	<u>\$23,100,000</u>

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

	1,213,121	1,021,000
	421,775	3,398,000
	5,877	26,000
	5,100	123,000
	79,214	4,406,000
	748,131	8,388,000
	52	8,000
	6,832	332,000
	<u>177,849,000</u>	<u>211,219,000</u>

BALLY'S PARK PLACE CASINO HOTEL AND TOWER
 Note 7 - Complimentary Services
 For the Six Months Ended June 30, 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	57,155	\$ 6,355,000		
Food	449,732	4,821,000		
Beverage	1,513,121	3,026,000		
Parking	485,375	3,398,000		
Shows	5,627	96,000		
Other	5,109	153,000		
Travel			99,314	\$ 1,986,000
Coupon Redemption - Cash			758,361	8,888,000
Rooms off premises			152	8,000
Other			6,632	<u>332,000</u>
Total Amount of Services		<u>\$17,849,000</u>		<u>\$11,214,000</u>

BALLY'S PARK PLACE CASINO HOTEL AND TOWER
 Note 7 - Complimentary Services
 For the Three Months Ended June 30, 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	29,920	\$3,393,000		
Food	235,014	2,515,000		
Beverage	792,596	1,585,000		
Parking	251,223	1,759,000		
Shows	2,739	47,000		
Other	2,849	85,000		
Travel			52,609	\$1,051,000
Coupon Redemption - Cash			434,011	4,788,000
Rooms off premises			80	5,000
Other			4,253	213,000
				<u>213,000</u>
Total Amount of Services		<u>\$9,384,000</u>		<u>\$6,057,000</u>

BALLY'S PARK PLACE CASINO HOTEL AND TOWER
 Note 8 - Interest Expense
 For the Three Months Ended June 30, 1991
 (Unaudited)

	<u>1991</u>	<u>1990</u>
<u>Charges From Affiliates</u>		
Bally's Park Place Funding, Inc.	\$10,390,000	\$10,390,000
Capitalized interest	<u>(44,000)</u>	<u>(479,000)</u>
	<u>\$10,346,000</u>	<u>\$ 9,911,000</u>
 <u>External Sources</u>		
Interest on various loans	\$ 1,541,000	\$ 1,477,000
Capitalized interest	<u>(12,000)</u>	<u>(126,000)</u>
	<u>\$ 1,529,000</u>	<u>\$ 1,351,000</u>

For the Six Months Ended June 30, 1991

	<u>1991</u>	<u>1990</u>
<u>Charges From Affiliates</u>		
Bally's Park Place Funding, Inc.	\$20,781,000	\$20,781,000
Capitalized interest	<u>(91,000)</u>	<u>(926,000)</u>
	<u>\$20,690,000</u>	<u>\$19,855,000</u>
 <u>External Sources</u>		
Interest on various loans	\$ 3,481,000	\$ 1,871,000
Capitalized interest	<u>(24,000)</u>	<u>(246,000)</u>
	<u>\$ 3,457,000</u>	<u>\$ 1,625,000</u>

BALLY'S PARK PLACE CASINO HOTEL AND TOWER
 Note 9 - Provision for Income Taxes
 For the Three Months Ended June 30,
 (Unaudited)

	<u>1991</u>	<u>1990</u>
Current:		
Federal	\$2,057,000	\$2,042,000
State	<u>664,000</u>	<u>550,000</u>
	2,721,000	2,592,000
Deferred:		
Federal	(197,000)	30,000
State	<u>(61,000)</u>	<u>(2,000)</u>
	(258,000)	28,000
Total Income Taxes	<u>\$2,463,000</u>	<u>\$2,620,000</u>

For the Six Months Ended June 30,

	<u>1991</u>	<u>1990</u>
Current:		
Federal	\$1,290,000	\$3,880,000
State	<u>454,000</u>	<u>950,000</u>
	1,744,000	4,830,000
Deferred:		
Federal	(343,000)	(291,000)
State	<u>(105,000)</u>	<u>(100,000)</u>
	(448,000)	(391,000)
Total Income Taxes	<u>\$1,296,000</u>	<u>\$4,439,000</u>

Reconciliation of Deferred Income Taxes
 For the Six Months Ended June 30,

	<u>1991</u>	<u>1990</u>
Short-term	\$(1,196,000)	\$ (287,000)
Long-term	<u>748,000</u>	<u>(104,000)</u>
	<u>\$ (448,000)</u>	<u>\$ (391,000)</u>

BALLY'S PARK PLACE CASINO HOTEL AND TOWER
 Note 10 - Investments, Advances and Receivables
 June 30,
 (Unaudited)

	<u>1991</u>	<u>1990</u>
<u>Other long-term investments and receivables:</u>		
Receivable from sale of retail merchandise	\$ <u>1,324,000</u>	\$ <u>---</u>
Total long-term receivables	\$ 1,324,000	\$ ---
Investment in subsidiaries - equity:		
Bally Warwick, Inc. - 100% owned	4,393,000	4,449,000
B.W. Realty, Inc. - 100% owned	<u>6,079,000</u>	<u>5,583,000</u>
Total investments in subsidiaries - equity	10,472,000	10,032,000
Casino Reinvestment Development Authority funds (less discount of \$4,732,000 in 1991 and \$4,976,000 in 1990)	4,233,000	4,383,000
Central credit receivable (less discount of \$476,000 in 1991 and \$134,000 in 1990)	---	160,000
Jacobs Family Terrace Mortgage Receivable (less reserve of \$175,000 in 1991 and \$176,000 in 1990)	2,710,000	2,762,000
Bally's Park Place Realty Company	15,630,000	15,630,000
Bally Manufacturing Corporation	50,000,000	50,000,000
Bally's Grand	2,700,000	---
Less current portion	<u>(37,000)</u>	<u>(35,000)</u>
Total Investments, Advances and Receivables	<u>\$87,032,000</u>	<u>\$82,932,000</u>

BALLY'S PARK PLACE CASINO HOTEL AND TOWER
Note 11 - Other Accrued Expenses
June 30,
(Unaudited)

	<u>1991</u>	<u>1990</u>
Payroll	\$ 7,473,000	\$ 6,005,000
Progressive Jackpots	3,221,000	2,364,000
Interest	16,128,000	16,062,000
*Miscellaneous	<u>8,013,000</u>	<u>6,620,000</u>
Total	<u>\$34,835,000</u>	<u>\$31,051,000</u>

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

BALLY'S PARK PLACE CASINO HOTEL AND TOWER
 Note 13 - Non-Operating Income
 For the Three Months Ended June 30, 1991
 (Unaudited)

	<u>1991</u>	<u>1990</u>
Interest income	\$1,456,000	\$1,521,000
Equity in income or (loss) of unconsolidated subsidiaries:		
B. W. Realty, Inc.	(34,000)	(46,000)
Bally Warwick, Inc.	(17,000)	58,000
Other	<u>205,000</u>	<u>(27,000)</u>
Total	<u>\$1,610,000</u>	<u>\$1,506,000</u>

For the Six Months Ended June 30,

	<u>1991</u>	<u>1990</u>
Interest income	\$3,033,000	\$1,910,000
Equity in income or (loss) of unconsolidated subsidiaries:		
B. W. Realty, Inc.	(171,000)	(193,000)
Bally Warwick, Inc.	(32,000)	73,000
Other	<u>426,000</u>	<u>54,000</u>
Total	<u>\$3,256,000</u>	<u>\$1,844,000</u>

HOTEL STATISTICS

FOR THE 6 MONTHS ENDED June 30, 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	1,191	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	1,267	33,757	24,576	\$ 114.43	72.8 %	50,708	\$ 55.46
MAY	1,257	36,235	25,125	\$ 112.96	69.3 %	50,801	\$ 55.87
JUNE	1,267	35,497	28,897	\$ 119.55	81.4 %	58,815	\$ 58.74
2ND QUARTER TOTALS		105,489	78,598	\$ 115.84	74.5 %	160,324	\$ 56.79
JULY				\$	%		\$
AUGUST				\$	%		\$
SEPTEMBER				\$	%		\$
3RD QUARTER TOTALS				\$	%		\$
OCTOBER				\$	%		\$
NOVEMBER				\$	%		\$
DECEMBER				\$	%		\$
4TH QUARTER TOTALS				\$	%		\$
ANNUAL TOTALS				\$	%		\$

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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 JUNE 30, 1991

NEW JERSEY STATE LIBRARY

SEP 30 1991

185 W. STATE ST.

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

FOR THE QUARTER ENDED JUNE 30, 19 91

<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

TRADING NAME OF LICENSEE CAESARS ATLANTIC CITY

BALANCE SHEETS
 JUNE 30, 1991 AND 1990
 (UNAUDITED)
 (\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1991	(d) 1990
ASSETS			
	Current Assets		
1	Cash.....	\$ 9,857	\$ 9,543
2	Marketable securities.....	-	-
3	Receivables and patrons' checks (net of allowance for doubtful accounts - 1991, \$11,467 ; 1990, \$11,903).....	16,611	19,291
4	Inventories.....(NOTE 1).....	3,783	2,968
5	Prepaid expenses and other current assets...(NOTE 2).....	9,012	12,087
6	Total current assets.....	39,263	43,889
7	Investments, Advances and Receivables.....(NOTES 3 & 13).....	1,529	1,074
8	Property and Equipment - Net.....(NOTES 1,4,9&14).....	281,100	271,964
9	Other Assets.....(NOTES 11 & 14).....	14,389	4,386
10	Total Assets.....	\$ 336,281	\$ 321,313
LIABILITIES AND EQUITY			
	Current Liabilities		
11	Accounts payable.....	\$ 6,868	\$ 15,058
12	Notes payable.....(NOTE 5).....	5,554	31,986
	Current portion of long-term debt:		
13	Due to affiliates.....	-	-
14	Other.....(NOTE 9).....	4,981	236
15	Income taxes payable and accrued.....(NOTES 1,2&6).....	3,729	296
16	Other accrued expenses.....(NOTE 7).....	16,534	16,542
17	Other current liabilities.....	3,393	1,947
18	Total current liabilities.....	41,059	66,065
	Long-Term Debt:		
19	Due to affiliates.....(NOTE 8).....	86,592	81,909
20	Other.....(NOTE 9).....	11,411	16,303
21	Deferred Credits.....(NOTES 1 & 6).....	4,522	7,693
22	Other Liabilities.....(NOTE 10).....	7,838	6,057
23	Commitments and Contingencies.....(NOTES 9 & 13).....		
24	Total Liabilities.....	151,422	178,027
25	Stockholders', Partners', Or Proprietor's Equity.....	184,859	143,286
26	Total Liabilities and Equity.....	\$ 336,281	\$ 321,313

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

4/86 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 6 MONTHS ENDED JUNE 30, 1991 AND 1990

(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1991	(d) 1990
	Revenue:		
1	Casino.....(NOTE 1).....	\$ 144,270	\$ 143,322
2	Rooms.....	7,868	7,963
3	Food and beverage.....	16,325	17,297
4	Other.....	6,020	7,142
5	Total revenue.....	174,483	175,724
6	Less: promotional allowances.....(NOTES 1 & 15)..	17,830	19,301
7	Net revenue.....	156,653	156,423
	Costs And Expenses:		
8	Cost of goods and services.....(NOTES 1 & 15)..	81,375	83,052
9	Selling, general, and administrative.....(NOTES 1 & 15)..	33,586	39,281
10	Provision for doubtful accounts.....	1,987	1,782
11	Depreciation and amortization.....(NOTE 1).....	9,740	8,236
	Charges from affiliates other than interest:		
12	Management fees.....	-	-
13	Other.....(NOTE 12).....	4,415	3,825
14	Total costs and expenses.....	131,103	136,176
15	Income (Loss) From Operations.....	25,550	20,247
	Other Income (Expense):		
16	Interest (expense) - affiliates.....(NOTES 8 & 12)..	(5,571)	(5,692)
17	Interest (expense) - external.....	(940)	60
	Investment alternative tax and related		
18	income (expense) - net.....(NOTE 13).....	(19)	323
19	Nonoperating income (expense) - net.....	164	80
20	Total other income (expenses).....	(6,366)	(5,229)
21	Income (Loss) Before Income Taxes and Extraordinary items..	19,184	15,018
22	Provision (Credit) for income taxes.....(NOTE 6).....	7,696	6,068
23	Income (Loss) Before Extraordinary Items.....	11,488	8,950
24	Extraordinary items (net of income taxes - 19__, \$; 19__, \$).....	-	-
25	Net Income (Loss).....	\$ 11,488	\$ 8,950

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 JUNE 30, 1991 AND 1990

(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1991	(d) 1990
	Revenue:		
1	Casino.....(NOTE 1).....	\$ 78,710	\$ 70,762
2	Rooms.....	4,383	4,288
3	Food and beverage.....	8,847	8,949
4	Other.....	2,890	3,913
5	Total revenue.....	94,830	87,912
6	Less: promotional allowances.....(NOTES 1 & 14)..	9,512	10,203
7	Net revenue.....	85,318	77,709
	Costs And Expenses:		
8	Cost of goods and services.....(NOTES 1 & 14)..	41,981	41,115
9	Selling, general, and administrative.....(NOTES 1 & 14)..	18,445	20,337
10	Provision for doubtful accounts.....	1,375	617
11	Depreciation and amortization.....(NOTE 1).....	4,846	4,160
	Charges from affiliates other than interest:		
12	Management fees.....	-	-
13	Other.....(NOTE 12).....	2,616	1,805
14	Total costs and expenses.....	69,263	68,034
15	Income (Loss) From Operations.....	16,055	9,675
	Other Income (Expense):		
16	Interest (expense) - affiliates.....(NOTES 8 & 12)..	(2,723)	(2,969)
17	Interest (expense) - external.....	(469)	165
18	Investment alternative tax and related income (expense) - net.....(NOTE 13).....	(8)	(68)
19	Nonoperating income (expense) - net.....	79	22
20	Total other income (expenses).....	(3,121)	(2,850)
21	Income (Loss) Before Income Taxes and Extraordinary items..	12,934	6,825
22	Provision (Credit) for income taxes.....(NOTE 6).....	5,198	2,750
23	Income (Loss) Before Extraordinary Items.....	7,736	4,075
24	Extraordinary items (net of income taxes - 19__, \$; 19__, \$).....	-	-
25	Net Income (Loss).....	\$ 7,736	\$ 4,075

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 6 MONTHS ENDED JUNE 30, 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	CWI Buyout (NOTE 14).....	+++++	(268)	+++++	-
11		+++++	-	+++++	-
12	Ending balance.....	+++++	46,065	+++++	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).....	+++++	11,488	+++++	8,950
28	Dividends.....	+++++	(-)	+++++	(-)
29		+++++	-	+++++	-
30		+++++	-	+++++	-
31	Ending balance.....	+++++	137,424	+++++	136,004
32	Ending Stockholders' Equity.....	+++++	\$184,859	+++++	\$143,286

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

TRADING NAME OF LICENSEE CAESARS ATLANTIC CITY

STATEMENTS OF CHANGES IN PARTNERS' OR PROPRIETOR'S EQUITY

FOR THE 6 MONTHS ENDED JUNE 30, 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 6 MONTHS ENDED JUNE 30, 1991 AND 1990
(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1991	(d) 1990
1	Net Cash Provided (Used) By Operating Activities.....	\$ 19,428	\$ 4,745
	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.....	(3,003)	(35,635)
5	Proceeds from disposition of property and equipment.....	74	77
6	Purchase of casino reinvestment obligations.....	(364)	84
7	Purchase of other investments and loans/advances made.....	-	-
8	Proceeds from disposal of investments and collection of advances and long-term receivables.....	-	87
9	Cash outflows to acquire business entities.....	-	-
10	.....	-	-
11	.....	-	-
12	Net Cash Provided (Used) By Investing Activities.....	(3,293)	(35,387)
	Cash Flows From Financing Activities:		
13	Cash proceeds from issuance of short-term debt.....	18,931	55,462
14	Payments to settle short-term debt.....	(39,200)	(30,200)
15	Cash proceeds from issuance of long-term debt.....	3,771	4,241
16	Costs of issuing debt.....	-	-
17	Payments to settle long-term debt.....	(76)	(63)
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.....	(16,574)	29,440
24	Net Increase (Decrease) in Cash and Cash Equivalents.....	(439)	(1,202)
25	Cash and Cash Equivalents At Beginning Of Period.....	10,296	10,745
26	Cash And Cash Equivalents At End Of Period.....	\$ 9,857	\$ 9,543

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

	Cash Paid During Period For:		
27	Interest (net of amount capitalized).....	\$ 6,513	\$ 5,589
28	Income taxes.....	\$ 7,931	\$ 9,306

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 6 MONTHS ENDED JUNE 30, 1991 AND 1990
(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1991	(d) 1990
	Net Cash Flows From Operating Activities:		
29	Net income (loss).....	\$ 11,488	\$ 8,950
	Noncash items included in income and cash items excluded from income:		
30	Depreciation and amortization of property and equipment....	9,192	8,065
31	Amortization of other assets	548	171
32	Amortization of debt discount or premium.....	-	-
33	Deferred income taxes - current.....	258	(1,219)
34	Deferred income taxes - noncurrent.....	77	352
35	(Gain) loss on disposition of property and equipment.....	(70)	(38)
36	(Gain) loss on casino reinvestment obligations.....	19	(323)
37	(Gain) loss from other investment activities.....	-	-
38	Net (increase) decrease in receivables and patrons' checks.....	(224)	(3,682)
39	Net (increase) decrease in inventories.....	(652)	135
40	Net (increase) decrease in other current assets.....	(765)	675
41	Net (increase) decrease in other assets.....	(1,362)	(763)
42	Net increase (decrease) in accounts payable.....	(1,771)	5,181
43	Net increase (decrease) in other current liabilities excluding debt.....	2,932	(12,810)
44	Net increase (decrease) in other noncurrent liabilities excluding debt.....	(242)	51
45	.....	-	-
46	.....	-	-
47	Net Cash Provided (Used) By Operating Activities.....	\$ 19,428	\$ 4,745

SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING AND FINANCING ACTIVITIES

	Acquisition Of Property And Equipment:		
48	Additions to property and equipment.....	\$ 3,003	\$ 35,635
49	Less: Mortgage assumed.....	-	-
50	Cash Outflows For Property And Equipment.....	\$ 3,003	\$ 35,635
	Acquisition Of Business Entities:		
51	Property and equipment acquired.....	\$ -	\$ -
52	Goodwill acquired.....	(268)	-
53	Net assets acquired other than cash, goodwill, and property and equipment.....	-	-
54	Long-term debt assumed.....	-	-
55	Issuance of stock or capital invested.....	268	-
56	Cash Outflows To Acquire Business Entities.....	\$ -0-	\$ -
	Stock Issued Or Capital Contributions:		
57	Total issuances of stock or capital contributions.....	\$ (268)	\$ -
58	Less: Issuances to settle long-term debt.....	-	-
59	Consideration in acquisition of business entities.....	(268)	-
60	Cash Proceeds From Issuing Stock Or Capital Contributions.....	\$ -0-	\$ -

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 six months ended June 30, 1991. For the six months ended June 30, 1990 capitalized interest of \$1,004,000 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.

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

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.....	\$6,500	\$ 9,635
Other.....	<u>2,512</u>	<u>2,452</u>
	<u>\$9,012</u>	<u>\$12,087</u>

NOTE 3. Investments, Advances, and Receivables:

	<u>1991</u>	<u>1990</u>
	(In Thousands)	
CRDA investment deposits.....	\$1,874	\$1,507
CRDA bonds receivable.....	444	137
	<u>2,318</u>	<u>1,644</u>
Less: valuation allowance.....(NOTE 13)	789	570
	<u>\$1,529</u>	<u>\$1,074</u>

NOTE 4. Property and Equipment:

	<u>1991</u>	<u>1990</u>
	(In Thousands)	
Land.....	\$ 46,895	\$ 38,482
Buildings and improvements.....	247,771	214,594
Furniture, fixtures and equipment.....	77,766	77,205
Construction in progress.....	1,350	36,073
Properties under capital leases.....	<u>15,178</u>	<u>11,893</u>
	388,960	378,247
Less: accumulated depreciation and amortization.....	103,242	101,331
CRDA valuation allowance(NOTE 13)	<u>4,618</u>	<u>4,952</u>
	<u>\$281,100</u>	<u>\$271,964</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
(d/b/a CAESARS ATLANTIC CITY)
(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 \$15,084,000 and the weighted average interest rate was 8.9 percent. At June 30, 1991 and 1990, the outstanding balance on the revolving line of credit was \$5,554,000 and \$31,986,000, respectively.

NOTE 6. Income Taxes:

The provision for income taxes for the six months ended June 30, 1991 and 1990 is comprised of the following:

	<u>1991</u>	<u>1990</u>
	(In Thousands)	
Current:		
Federal.....	\$5,671	\$5,195
State.....	1,690	1,740
Deferred:		
Federal.....	221	(538)
State.....	<u>114</u>	<u>(329)</u>
	<u>\$7,696</u>	<u>\$6,068</u>

Deferred credits of \$4,522,000 and \$7,693,000 at June 30, 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 six months ended June 30, 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.....	\$6,523	\$5,106
State income taxes, net of federal benefit.	1,140	892
Other, net.....	<u>33</u>	<u>70</u>
	<u>\$7,696</u>	<u>\$6,068</u>

The Internal Revenue Service has examined CWI's consolidated Federal income tax returns through Fiscal 1988.

NOTE 7. Other Accrued Expenses:

	<u>1991</u>	<u>1990</u>
	(In Thousands)	
Taxes, other than income taxes.....	\$ 3,496	\$ 1,911
Insurance.....	2,861	3,846
Salaries, wages and vacation pay...	2,218	3,383
Legal.....	2,118	1,867
Progressive slots.....	1,877	1,817
Other.....	<u>3,964</u>	<u>3,718</u>
	<u>\$16,534</u>	<u>\$16,542</u>

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

	<u>1991</u>	<u>1990</u>
	(In Thousands)	
DPI term note due June 1, 1996, interest at 11.45%.	\$81,862	\$ -
DPI term note due June 1, 1992, interest at 11.45%.	-	77,179
DPI term note due May 1, 1994, interest at 11.30%.	<u>4,730</u>	<u>4,730</u>
	<u>\$86,592</u>	<u>\$81,909</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 two additional loan agreements with DPI. In June 1991, BRC executed an \$81,862,000 term note due June 1996 that replaced the \$56,000,000 term note and accrued interest of \$25,862,000 due June 1, 1992. Interest is accrued monthly and paid quarterly at the annual rate of 11.45 percent on the unpaid principal balance. The note is unsecured and may be prepaid at any time. At June 30, 1991 and 1990, \$81,862,000 and \$77,179,000, 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 accrued monthly and paid 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 June 30, 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.....	\$ 2,231	\$ 2,486
(b) Capitalized lease obligation....	<u>9,180</u>	<u>13,817</u>
	<u>\$11,411</u>	<u>\$16,303</u>

	<u>1991</u>	<u>1990</u>
	(In Thousands)	
(a) Mortgage payable, interest at 8.0%, maturing January 1999, secured by property.....	\$2,486	\$2,722
Less current maturities.....	<u>255</u>	<u>236</u>
	<u>\$2,231</u>	<u>\$2,486</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
(d/b/a CAESARS ATLANTIC CITY)
(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. BRC has announced its intention to exercise a \$6,500,000 purchase option for this property on January 2, 1992.

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.....	\$13,906	\$13,817
Less current maturities.....	<u>4,726</u>	<u>-</u>
	<u>\$ 9,180</u>	<u>\$13,817</u>

Rent expense for the six months ended June 30, 1991 and 1990 is \$1,545,000 and \$1,653,000, respectively.

Note 10. Other Liabilities:

	<u>1991</u>	<u>1990</u>
	(In Thousands)	
Insurance claims.....	\$7,688	\$5,692
Other liabilities.....	<u>150</u>	<u>365</u>
	<u>\$7,838</u>	<u>\$6,057</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
(d/b/a CAESARS ATLANTIC CITY)
(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 June 30, 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 \$177,000 for the six months ended June 30, 1991 and 1990. 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 \$355,000 and \$349,000 for the six months ended June 30, 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 \$4,415,000 and \$3,825,000 for the six months ended June 30, 1991 and 1990, respectively. The breakdown of these services is as follows:

	<u>1991</u>	<u>1990</u>
	(In Thousands)	
Reservations office expenses.....	\$2,048	\$2,129
Tradename fee.....	800	-
General insurance.....	784	893
Other.....	<u>783</u>	<u>803</u>
	<u>\$4,415</u>	<u>\$3,825</u>

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

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 six months ended June 30, 1991 and 1990, the respective amounts of \$131,000 and \$79,000 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 June 30, 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 \$5,407,000 and \$5,522,000, 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 \$150,000 and a credit of \$244,000 for the six months ended June 30, 1991 and 1990, respectively, to provide for such adjustments.

At June 30, 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
(d/b/a CAESARS ATLANTIC CITY)
(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 \$51,000,000, 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 \$40,153,000, 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 \$8,829,000, is being amortized on a straight-line basis over 40 years.

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

NOTE 15. Complimentaries:

Promotional Allowances

(\$ Amounts in Thousands)

	Three Months		Six Months	
	Ended June 30, 1991		Ended June 30, 1991	
	<u>Recipients</u>	<u>Amount</u>	<u>Recipients</u>	<u>Amount</u>
Rooms	40,901	\$2,525	88,398	\$ 4,582
Food	201,436	3,933	376,433	7,247
Beverage	449,159	2,441	835,635	4,571
Theatre	22,408	449	55,452	1,149
Other	<u>3,404</u>	<u>164</u>	<u>6,431</u>	<u>281</u>
	<u>717,308</u>	<u>\$9,512</u>	<u>1,362,349</u>	<u>\$17,830</u>

Promotional Expenses

(\$ Amounts in Thousands)

	Three Months		Six Months	
	Ended June 30, 1991		Ended June 30, 1991	
	<u>Recipients</u>	<u>Amount</u>	<u>Recipients</u>	<u>Amount</u>
Coin	689,543	\$ 6,419	1,140,366	\$10,476
Travel	10,478	2,970	19,883	4,770
Special events	2,907	719	5,008	1,269
Other	<u>56,961</u>	<u>1,170</u>	<u>111,749</u>	<u>2,260</u>
	<u>759,889</u>	<u>\$11,278</u>	<u>1,277,006</u>	<u>\$18,775</u>

TRADING NAME OF LICENSEE CAESARS ATLANTIC CITY

SCHEDULE OF RECEIVABLES AND PATRONS' CHECKS

JUNE 30, 1991

(UNAUDITED)
(\$ IN THOUSANDS)

ACCOUNTS RECEIVABLE BALANCES				
LINE (a)	DESCRIPTION (b)	ACCOUNT BALANCE (c)	ALLOWANCE (d)	ACCOUNTS RECEIVABLE (e) NET OF ALLOWANCE
	Patron's Checks:	\$		
1	Undeposited patrons' checks.....	7,923		
2	Returned patrons' checks.....	18,603		
3	Total patrons' checks.....	26,526	\$ 11,363	\$ 15,163
4	Hotel Receivables.....	1,148	104	1,044
	Other Receivables:			
5	Receivables due from officers and employees.....	9		
6	Receivables due from affiliates.....	84		
7	Other accounts and notes receivables.....	311		
8	Total other receivables.....	404	-	404
9	Totals (Form 205).....	\$ 28,078	\$ 11,467	\$ 16,611

UNDEPOSITED PATRONS' CHECKS ACTIVITY		
LINE (f)	DESCRIPTION (g)	AMOUNT (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).....	124,264
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).....	(88,079)
13	Checks collected through deposits.....	(33,735)
14	Checks transferred to returned checks.....	(2,420)
15	Other adjustments.....	-
16	Ending Balance.....	\$ 7,923
17	"Hold" Checks Included In Balance On Line 16.....	\$ -
18	Provision For Uncollectible Patrons' Checks.....	\$ 1,977
19	Provision As A Percent Of Counter Checks Issued.....	1.6%

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.



Signature

VICE PRESIDENT FINANCE

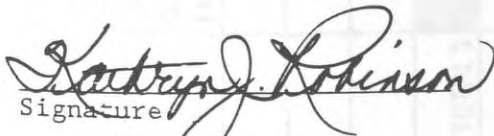
Title

01482-11

License Number

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

On Behalf Of:



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 6 MONTHS ENDED June 30, 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	636	18,344	17,623	\$ 79.44	96.1 %	33,483	\$ 41.81
MAY	637	19,371	17,603	\$ 82.33	87.8 %	30,605	\$ 45.74
JUNE	637	18,937	17,733	\$ 90.23	93.6 %	33,692	\$ 47.49
2ND QUARTER TOTALS		56,652	52,359	\$ 84.04	92.4 %	97,780	\$ 45.00
JULY				\$	%		\$
AUGUST				\$	%		\$
SEPTEMBER				\$	%		\$
3RD QUARTER TOTALS				\$	%		\$
OCTOBER				\$	%		\$
NOVEMBER				\$	%		\$
DECEMBER				\$	%		\$
4TH QUARTER TOTALS				\$	%		\$
ANNUAL TOTALS				\$	%		\$

974.901
C.193

QUARTERLY REPORT

LICENSEE THE CLARIDGE AT PARK PLACE, INCORPORATED
ADDRESS INDIANA AVENUE AT THE BOARDWALK
ATLANTIC CITY, NEW JERSEY 08401

FOR THE QUARTER ENDED JUNE 30, 1991

PROPERTY
NEW JERSEY STATE LIBRARY
SEP 30 1991
185 W. STATE ST.

TO THE
CASINO CONTROL COMMISSION
OF THE
STATE OF NEW JERSEY



RECEIVED
NEW JERSEY
AUG 15 Rec'd
CASINO CONTROL
COMMISSION

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 JUNE 30, 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

JUNE 30, 19 91 AND 19 90

(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 19 91	(d) 19 90
ASSETS			
	Current Assets:		
1	Cash	\$ 7,229	\$ 6,484
2	Marketable securities	-0-	-0-
3	Receivables and patrons' checks (net of allowance for doubtful accounts - 19 91, \$ 2,278 ; 19 90, \$ 2,639)	16,607	17,360
4	Inventories	2,290	1,839
5	Prepaid expenses and other current assets	2,845	2,582
6	Total current assets	28,971	28,265
7	Investments, Advances, And Receivables (NOTE 3)	131,888	139,693
8	Property And Equipment - Net OF ACCUM. DEPRECIATION OF \$10,762 + 10,296	3,595	3,357
9	Other Assets (NOTE 4)	371	209
10	Total Assets	\$ 164,825	\$ 171,524
LIABILITIES AND EQUITY			
	Current Liabilities:		
11	Accounts payable	\$ 3,309	\$ 4,649
12	Notes payable	-0-	-0-
	Current portion of long-term debt:		
13	Due to affiliates	-0-	-0-
14	Other (NOTE 7)	1,200	500
15	Income taxes payable and accrued	97	33
16	Other accrued expenses (NOTE 5)	10,979	16,956
17	Other current liabilities (NOTE 6)	20,966	16,098
18	Total current liabilities	36,551	38,236
	Long-Term Debt:		
19	Due to affiliates	-0-	-0-
20	Other (NOTE 7)	58,788	99,394
21	Deferred Credits (NOTE 12)	2,055	-0-
22	Other Liabilities (NOTE 8)	63,407	69,911
23	Commitments And Contingencies (NOTE 1)		
24	Total Liabilities	160,801	207,541
25	Stockholders', Partners', Or Proprietor's Equity	4,024	(36,017)
26	Total Liabilities And Equity	\$ 164,825	\$ 171,524

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 SIX MONTHS ENDED JUNE 30, 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	\$ 63,641	\$ 66,379
2	Rooms	4,824	5,416
3	Food and beverage	9,758	11,082
4	Other	1,159	1,263
5	Total revenue	79,382	84,140
6	Less: Promotional allowances (NOTE 10)	7,282	8,410
7	Net revenue	72,100	75,730
	Costs And Expenses:		
8	Cost of goods and services	41,381	41,285
9	Selling, general, and administrative	18,445	19,602
10	Provision for doubtful accounts	279	284
11	Depreciation and amortization	594	793
	Charges from affiliates other than interest:		
12	Management fees	-0-	-0-
13	Other (NOTE 13)	18,989	19,097
14	Total costs and expenses	79,688	81,061
15	Income (Loss) From Operations	(7,588)	(5,331)
	Other Income (Expenses):		
16	Interest (expense) - affiliates (NOTE 13)	(216)	(216)
17	Interest (expense) - external	(3,188)	(7,510)
18	Investment alternative tax and related income (expense) - net (NOTE 3)	(687)	(700)
19	Nonoperating income (expense) - net (NOTE 9)	10,134	10,785
20	Total other income (expenses)	6,043	2,359
21	Income (Loss) Before Income Taxes And Extraordinary Items	(1,545)	(2,972)
22	Provision (credit) for income taxes (NOTE 12)	(525)	-0-
23	Income (Loss) Before Extraordinary Items	(1,020)	(2,972)
24	Extraordinary items (net of income taxes - 19__, \$; 19__, \$)	-0-	-0-
25	Net Income (Loss)	\$ (1,020)	\$ (2,972)

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

TRADING NAME OF LICENSEE THE CLARIDGE CASINO HOTEL

STATEMENTS OF INCOME

FOR THE THREE MONTHS ENDED JUNE 30, 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	\$ 35,138	\$ 34,342
2	Rooms	2,782	3,006
3	Food and beverage	5,516	5,962
4	Other	631	745
5	Total revenue	44,067	44,055
6	Less: Promotional allowances (NOTE 10)	4,005	4,472
7	Net revenue	40,062	39,583
	Costs And Expenses:		
8	Cost of goods and services	21,597	21,219
9	Selling, general, and administrative	9,722	10,034
	Provision for doubtful accounts	148	151
	Depreciation and amortization	304	385
	Charges from affiliates other than interest:		
12	Management fees	-0-	-0-
13	Other	9,662	9,780
14	Total costs and expenses	41,433	41,569
15	Income (Loss) From Operations	(1,371)	(1,986)
	Other Income (Expenses):		
16	Interest (expense) - affiliates	(108)	(108)
17	Interest (expense) - external	(1,583)	(3,733)
18	Investment alternative tax and related income (expense) - net.....	(382)	(362)
19	Nonoperating income (expense) - net	4,975	5,347
20	Total other income (expenses).....	2,902	1,144
21	Income (Loss) Before Income Taxes And Extraordinary Items.....	1,531	(842)
22	Provision (credit) for income taxes	521	-0-
23	Income (Loss) Before Extraordinary Items	1,010	(842)
24	Extraordinary items (net of income taxes - 19__, \$; 19__, \$)	-0-	-0-
25	Net Income (Loss)	\$ 1,010	\$ (842)

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

STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY

FOR THE SIX MONTHS ENDED JUNE 30, 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
	PER VALUE \$.10, AUTHORIZED & OUTSTANDING 1,000 Common Stock: SHARES				
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)		(1,020)		(2,972)
28	Dividends		()		()
29	.....			
30	.....			
31	Ending balance		(976)		(41,017)
	Ending Stockholders' Equity		\$ 4,024		\$ (36,017)

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 SIX MONTHS ENDED JUNE 30, 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 SIX MONTHS ENDED JUNE 30, 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.....	\$ (133)	\$ 3,651
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.....	(313)	(899)
5	Proceeds from disposition of property and equipment.....	18	-0-
6	Purchase of casino reinvestment obligations.....	(151)	(190)
7	Purchase of other investments and loans/advances made.....	(579)	(870)
8	Proceeds from disposal of investments and collection of advances and long-term receivables.....	4,699	4,743
9	Cash outflows to acquire business entities.....		
10			
11			
12	Net Cash Provided (Used) By Investing Activities.....	3,674	2,784
Cash Flows From Financing Activities:			
13	Cash proceeds from issuance of short-term debt.....	-0-	-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.....	(483)	(3,560)
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.....	(1,383)	(4,560)
24	Net Increase (Decrease) In Cash And Cash Equivalents.....	2,158	1,875
25	Cash And Cash Equivalents At Beginning Of Period	5,071	4,609
26	Cash And Cash Equivalents At End Of Period.....	\$ 7,229	\$ 6,484

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

27	Cash Paid During Period For:		
28	Interest (net of amount capitalized).....	\$ 3,188	\$ 3,959
	Income taxes.....	\$ 255	\$ 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 SIX MONTHS ENDED JUNE 30, 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).....	\$ (1,020)	\$ (2,972)
	Noncash items included in income and cash items excluded from income:		
30	Depreciation and amortization of property and equipment.....	556	783
31	Amortization of other assets.....	38	10
32	Amortization of debt discount or premium.....	-0-	262
33	Deferred income taxes - current.....		
34	Deferred income taxes - noncurrent.....	(525)	
35	(Gain) loss on disposition of property and equipment.....	(18)	(11)
36	(Gain) loss on casino reinvestment obligations.....	687	700
37	(Gain) loss from other investment activities.....		
38	Net (increase) decrease in receivables and patrons' checks...EXCLUDING RECLASS FROM LONG TERM OF \$(116) + (122).....	(319)	(250)
39	Net (increase) decrease in inventories.....	(293)	164
40	Net (increase) decrease in other current assets...*.....	(451)	(257)
41	Net (increase) decrease in other assets.....	(228)	(120)
42	Net increase (decrease) in accounts payables.....	663	1,113
43	Net increase (decrease) in other current liabilities excluding debt.....	4,428	7,770
44	Net increase (decrease) in other noncurrent liabilities excluding debt.....	(3,284)	(3,222)
45	DISCOUNT ON WRAPAROUND MORTGAGE RECEIVABLE	(367)	(319)
46	.....	
47	Net Cash Provided (Used) By Operating Activities.....	\$ (133)	\$ 3,651
	* EXCLUDING DECREASE IN CURRENT PORTION OF CRDA CREDIT OF \$114 (WHICH IS INCLUDED IN LINE 36)		

SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING AND FINANCING ACTIVITIES

48	Acquisition Of Property And Equipment:		
	Additions to property and equipment.....	\$ 313	\$ 899
49	Less: Capital lease obligations incurred.....		
50	Cash Outflows For Property And Equipment.....	\$ 313	\$ 899
	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.....		
59	Consideration in acquisition of business entities.....		
60	Cash Proceeds From Issuing Stock Or Capital Contributions.....	\$ -0-	\$ -0-

THE CLARIDGE CASINO - HOTEL

Notes to Financial Statements
JUNE 30, 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. ("DEWJ"), 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, DEWJ, 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, 1988, 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 June 30, 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 \$14,566,000 discount and \$15,274,000 discount at June 30, 1991 and 1990, respectively)	\$100,934	105,226
Deferred interest receivable, due September 30, 2000	20,000	20,000
FF&E promissory note, 14%	5,464	7,256
FF&E promissory note - expansion, 14%	12,838	13,780
Reinvestment Obligations	745	824
Reinvestment Obligation Credit	1,368	2,471
Investment in Resort Hotel Insurance Corporation	-0-	76
	<u>141,349</u>	<u>149,633</u>
Less Current Installments:		
Receivables	8,251	8,676
Reinvestment Obligation Credit	<u>1,210</u>	<u>1,264</u>
	<u>\$131,888</u>	<u>139,693</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 six months ended June 30, 1991, \$2,500,000 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 six months ended June 30, 1991, \$1,636,000 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 proceeding 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

June 30, 1991, \$9,430,000 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 June 30, 1991 have totalled \$185,000. 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 \$3,198,000 to date of which \$51,000 was recorded during the six months ended June 30, 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 June 30, 1991 and 1990 is \$85,000 and \$98,000 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. 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 six months ended June 30, 1991, New Claridge has recorded expense of \$636,000, representing the amount of the credit applied to the First and Second Quarters of 1991 obligations.

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 June 30, 1991 and 1990 consist of the following:

	<u>1991</u>	<u>1990</u>
	(in thousands)	
Intangible assets (net of accumulated amortization of \$82 and \$10 at June 30, 1991 and 1990 respectively)	\$ 249	140
Refundable deposits, non-current	<u>122</u>	<u>69</u>
	<u>\$ 371</u>	<u>209</u>

(5) Other Accrued Expenses

Other accrued expenses at June 30, 1991 and 1990 consist of the following:

	<u>1991</u>	<u>1990</u>
	(in thousands)	
Progressive jackpot liability	\$ 2,947	3,032
Accrued payroll and related benefits	4,874	4,705
Accrued interest payable	882	7,304
Other	<u>2,276</u>	<u>1,915</u>
	<u>\$10,979</u>	<u>16,956</u>

THE CLARIDGE CASINO - HOTEL

Notes to Financial Statements - Continued

(6) Other Current Liabilities

Other current liabilities at June 30, 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	14,474	8,776
Auto/general claims liability	1,998	1,893
Other	<u>894</u>	<u>1,829</u>
	<u>\$20,966</u>	<u>16,098</u>

As of June 30, 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 June 30, 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)	\$59,988	67,315
\$47,000,000 Purchase Money Second Mortgage 14%, due September 30, 2000 (net of \$14,421,000 discount at June 30, 1990)(b)	-0-	32,579
Revolving line of credit prime plus 1% (c)	<u>-0-</u>	<u>-0-</u>
	59,988	99,894
Less current installments	<u>1,200</u>	<u>500</u>
	<u>\$58,788</u>	<u>99,394</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 June 30, 1991 \$60.0 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 six months ended June 30, 1991, New Claridge made principal payments totalling \$183,000 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 June 30, 1991 and 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 June 30, 1991 and 1990 consist of the following:

	<u>1991</u>	<u>1990</u>
	(in thousands)	
Deferred rent	\$ 43,407	49,911
Contingent Liability - Webb	<u>20,000</u>	<u>20,000</u>
Total	<u>\$ 63,407</u>	<u>69,911</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 six months ended June 30, 1991 and 1990 consists of the following (in thousands):

	<u>1991</u>	<u>1990</u>
Interest Income - Wraparound Mortgage	\$ 9,888	10,381
Interest Income - Other	92	119
Other Nonoperating income/(expense)	(129)	9
Facilities/Maintenance Fee	265	265
Gain on Disposal of Assets	<u>18</u>	<u>11</u>
Total	<u>\$ 10,134</u>	<u>10,785</u>

THE CLARIDGE CASINO - HOTEL

Notes to Financial Statements - Continued

(10) Complimentary Services

Complimentary services for the three and six months ended June 30, 1991 are summarized as follows:

For the three months ended June 30, 1991

Promotional Allowances

	<u>Number of Recipients</u>	<u>Dollar Amount</u>
Room	15,068	\$ 788,230
Food	114,415	1,578,344
Beverage	281,289	1,452,800
Showroom	<u>26,331</u>	<u>185,414</u>
Total	<u>437,103</u>	<u>\$4,004,788</u>

Promotional Expenses

	<u>Number of Recipients</u>	<u>Dollar Amount</u>
Coupon Redemption of Cash & Tokens	580,207	\$3,835,210
Travel	847	85,056
Parking	16,822	118,584
Other	<u>50,105</u>	<u>279,804</u>
Total	<u>647,981</u>	<u>\$4,318,654</u>

For the six months ended June 30, 1991

Promotional Allowances

	<u>Number of Recipients</u>	<u>Dollar Amount</u>
Room	28,257	\$1 455,920
Food	222,318	2,838,370
Beverage	508,131	2,655,553
Showroom	<u>49,661</u>	<u>332,434</u>
Total	<u>808,367</u>	<u>\$7,282,277</u>

Promotional Expenses

	<u>Number of Recipients</u>	<u>Dollar Amount</u>
Coupon Redemption of Cash & Tokens	899,962	\$6,885,725
Travel	1,561	155,071
Parking	27,299	195,332
Other	<u>66,510</u>	<u>436,382</u>
Total	<u>995,332</u>	<u>\$7,642,510</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 June 30, 1991 are as follows:

07/01/91 - 06/30/92	\$ 33,365
07/01/92 - 06/30/93	32,153
07/01/93 - 06/30/94	32,952
07/01/94 - 06/30/95	33,778
07/01/95 - 06/30/96	34,452
Later Years	<u>82,472</u>
Total Minimum	<u>\$249,172</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 six months ended June 30, 1991 and 1990 rental expense for all operating leases amounted to \$19,831,000 and \$19,795,000 respectively, of which \$(3,283,000) and \$(3,221,000) 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 June 30, 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>2,055</u>	<u>-0-</u>
	<u>\$2,152</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	\$(525)	(1,010)
Unrecognized Tax Benefit Utilized		
Against Extraordinary Item	<u>-0-</u>	<u>1,010</u>
	<u>\$(525)</u>	<u>-0-</u>

New Claridge is included in the consolidated income tax return of its parent, the Corporation. At June 30, 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 six months ended June 30, 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 six months ended June 30, 1991 and 1990 interest expense due to affiliates was \$216,000 and \$216,000 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 six months ended June 30, 1991 and 1990 amounted to \$60,000 and \$62,000, 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 six months ended June 30, 1991 and 1990 New Claridge has earned interest income of \$9,888,000 and \$10,381,000 respectively, and incurred lease expense of \$18,929,000 and \$19,035,000, respectively.

SCHEDULE OF RECEIVABLES AND PATRONS' CHECKS

JUNE 30, 19 91

(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	1,042		
2	Returned patrons' checks	2,556		
3	Total patrons' checks	3,598	\$ 2,178	\$ 1,420
4	Hotel Receivables	778	74	704
	Other Receivables:			
5	Receivables due from officers and employees.....	1		
6	Receivables due from affiliates	14,184		
7	Other accounts and notes receivables	324		
8	Total other receivables	14,509	26	14,483
9	Totals (Form 205).....	\$ 18,885	\$ 2,278	\$ 16,607

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)	25,363
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)	(19,854
13	Checks collected through deposits	(4,922
14	Checks transferred to returned checks	(861
15	Other adjustments	
16	Ending Balance	\$ 1,042
17	"Hold" Checks Included In Balance On Line 16	\$
18	Provision For Uncollectible Patrons' Checks	\$ 246
19	Provision As A Percent Of Counter Checks Issued	1.0

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:

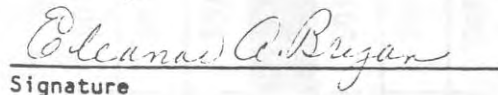
1. I have examined this Quarterly Report.
2. All the information contained in this Report has been prepared in conformity with Casino Control Commission's Quarterly Report Instructions and Uniform Chart of Accounts.
3. The information contained in this Quarterly Report is accurate to the best of my knowledge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


Signature

VICE PRESIDENT
Title

002369-11
License Number

Subscribed and sworn to
before me this 6th day
of August, 1991.


Signature

ELEANOR A. BRYAN
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires March 8, 1993

Basis of Authority
to Take Oaths

On Behalf Of:

THE CLARIDGE AT PARK PLACE, INC.
Casino Licensee

HOTEL STATISTICS

FOR THE 6 MONTHS ENDED June 30, 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	501	14,820	14,056	\$ 64.45	94.8%	29,098	\$ 31.13
MAY	501	15,103	12,467	\$ 71.69	82.5%	25,560	\$ 34.97
JUNE	501	14,468	13,502	\$ 72.93	93.3%	27,603	\$ 35.67
2ND QUARTER TOTALS		44,391	40,025	\$ 69.57	90.2%	82,261	\$ 33.85
JULY				\$	%		\$
AUGUST				\$	%		\$
SEPTEMBER				\$	%		\$
3RD QUARTER TOTALS				\$	%		\$
OCTOBER				\$	%		\$
NOVEMBER				\$	%		\$
DECEMBER				\$	%		\$
4TH QUARTER TOTALS				\$	%		\$
YEAR TOTALS				\$	%		\$

974.901
C193

QUARTERLY REPORT

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

FOR THE QUARTER ENDED June 30 **19** 91

NEW JERSEY STATE LIBRARY
SEP 30 1991
185 W. STATE ST.
N.J.

TO THE
CASINO CONTROL COMMISSION
OF THE
STATE OF NEW JERSEY



RECEIVED
NEW JERSEY
AUG 15 Rec'd
CASINO CONTROL
COMMISSION

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

TRADING NAME OF LICENSEE Sands Hotel & Casino

LIST OF FORMS - QUARTERLY REPORT

FOR THE QUARTER ENDED June 30, 1991

TITLE	FORM NO.	Q1 1991	Q2 1991
Balance Sheets	CCC-205	11,753	12,598
Statements of Income (Year-to-Date)	CCC-210	36,382	20,330
Statements of Income (Three Months)	CCC-215	11,753	6,777
Statements of Changes in Stockholders' Equity	CCC-220	11,753	11,753
Statements of Changes in Partners' or Proprietor's Equity	CCC-225	11,753	11,753
Statements of Cash Flows	CCC-235	11,753	11,753
Notes to Financial Statements			
Schedule of Receivables and Patrons' Checks	CCC-240	11,753	11,753
Statement of Conformity and Accuracy	CCC-250	11,753	11,753
	CCC-201		

TRADING NAME OF LICENSEE Sands Hotel & Casino

BALANCE SHEETS

June 30, 1991 and 1990

(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1991	(d) 1990
	ASSETS		
	Current Assets:	\$	\$
1	Cash.....	13,720	10,528
2	Marketable securities.....	-	-
3	Receivables and patrons' checks (net of allowance for doubtful) accounts - 1991, \$17,402 ; 1990, \$16,459).....Note 5....	36,385	29,465
4	Inventories.....	2,901	2,895
5	Prepaid expenses and other current assets.....Note 8....	4,169	5,562
6	Total current assets.....	57,175	48,450
7	Investments, Advances, And Receivables.....Note 5....	15,245	4,275
8	Property And Equipment - Net.....Note 7....	181,491	185,209
9	Other Assets.....	11,942	14,193
10	Total Assets.....	\$ 265,853	\$ 252,127
	LIABILITIES AND EQUITY		
	Current Liabilities:	\$	\$
11	Accounts payable.....	6,416	7,263
12	Notes payable.....Note 3....	8,000	5,000
	Current portion of long-term debt:		
13	Due to affiliates.....Note 2....	3,707	-
14	Other.....Note 2....	907	906
15	Income taxes payable and accrued.....	5,834	4,268
16	Other accrued expenses.....Note 9....	20,020	15,376
17	Other current liabilities.....Note 5, 10	6,887	5,600
18	Total current liabilities.....	51,771	38,413
	Long-Term Debt:		
19	Due to affiliates.....Note 2....	179,410	182,756
20	Other.....Note 2....	9,983	2,889
21	Deferred Credits.....	-	255
22	Other Liabilities.....Note 5....	6,375	-
23	Commitments And Contingencies		
24	Total Liabilities.....	247,539	224,313
25	Stockholders', Partners', Or Proprietor's Equity.....	18,314	27,814
26	Total Liabilities And Equity.....	\$ 265,853	\$ 252,127

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 SIX MONTHS ENDED JUNE 30, 1991 and 1990

(UNAUDITED)

(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1991	(d) 1990
	Revenue:	\$	\$
1	Casino.....	111,965	113,591
2	Rooms.....	5,073	5,149
3	Food and beverage.....	13,817	14,870
4	Other.....	1,262	3,026
5	Total revenue.....	132,117	136,636
6	Less: Promotional allowances.....Note 11..	11,797	11,909
7	Net revenue.....	120,320	124,727
	Costs And Expenses:		
8	Cost of goods and services.....	52,533	56,108
9	Selling, general, and administrative.....Note 5...	43,811	43,180
10	Provision for doubtful accounts.....	1,916	3,951
11	Depreciation and amortization.....	9,011	8,385
	Charges from affiliates other than interest:		
12	Management fees.....Note 5...	2,846	2,546
13	Other.....	-	-
14	Total costs and expenses.....	110,117	114,170
15	Income (Loss) From Operations.....	10,203	10,557
	Other Income (Expenses):		
16	Interest (expense) - affiliates.....Note 5...	<12,032>	<11,270>
17	Interest (expense) - external.....	<1,571>	<734>
18	Investment alternative tax and related income (expense) - net.....	<1,312>	<3,358>
19	Nonoperating income (expense) - net.....Note 6...	2,414	1,307
20	Total other income (expenses).....	<12,501>	<14,055>
21	Income (Loss) Before Income Taxes And Extraordinary Items.....	<2,298>	<3,498>
22	Provision (credit) for income taxes.....Note 4...	<184>	<1,869>
23	Income (Loss) Before Extraordinary Items.....	<2,114>	<1,629>
24	Extraordinary items (net of income taxes - 1990, \$; 1989, \$).....	-	-
25	Net Income (Loss).....	\$ <2,114>	\$ <1,629>

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 June 30, 1991 and 1990
(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1991	(d) 1990
	Revenue:	\$	\$
1	Casino.....	61,735	59,788
2	Rooms.....	2,704	2,802
3	Food and beverage.....	7,578	7,611
4	Other.....	552	1,883
5	Total revenue.....	72,569	72,084
6	Less: Promotional allowances.....Note 11..	6,259	6,145
7	Net revenue.....	66,310	65,939
	Costs And Expenses:		
8	Cost of goods and services.....	27,426	29,462
9	Selling, general, and administrative.....	23,522	23,056
10	Provision for doubtful accounts.....	1,026	1,693
11	Depreciation and amortization.....	4,528	4,212
	Charges from affiliates other than interest:		
12	Management fees.....	1,744	1,452
13	Other.....	-	-
14	Total costs and expenses.....	58,246	59,875
15	Income (Loss) From Operations.....	8,064	6,064
	Other Income (Expenses):		
16	Interest (expense) - affiliates.....	<6,055>	<5,423>
17	Interest (expense) - external.....	<777>	<380>
18	Investment alternative tax and related income (expense) - net.....	<152>	<2,804>
19	Nonoperating income (expense) - net.....	1,171	661
20	Total other income (expenses).....	<6,413>	<7,946>
21	Income (Loss) Before Income Taxes And Extraordinary Items.....	1,651	<1,882>
22	Provision (credit) for income taxes.....	1,126	<191>
23	Income (Loss) Before Extraordinary Items.....	525	<1,691>
24	Extraordinary items (net of income taxes - 19__, \$; 19__, \$).....	-	-
25	Net Income (Loss).....	\$ \$ 525	<1,691>

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 SIX MONTHS ENDED June 30, 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	Dividends.....	+++++	<6,600>	+++++	-
11	.....	+++++		+++++
12	Ending balance.....	+++++	13,138	+++++	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).....	+++++	<2,114>	+++++	<1,629>
28	Dividends.....	+++++		+++++	
29	.....	+++++		+++++
30	.....	+++++		+++++
31	Ending balance.....	+++++	1,676	+++++	4,576
2	Ending Stockholders' Equity.....	+++++	\$ 18,314	+++++	\$ 27,814

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 SIX MONTHS ENDED June 30, 1991 and 1990
(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	NOT APPLICABLE	
		(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 Sands Hotel & Casino

STATEMENTS OF CASH FLOWS

FOR THE SIX MONTHS ENDED June 30, 1991 and 1990
(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1991	(d) 1990
1	Net Cash Provided (Used) By Operating Activities.....	\$ 7,643	\$ 6,296
	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.....	<2,408>	<11,088>
5	Proceeds from disposition of property and equipment.....	388	
6	Purchase of casino reinvestment obligations.....	<244>	<316>
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.....	<2,264>	<11,404>
	Cash Flows From Financing Activities:		
13	Cash proceeds from issuance of short-term debt.....	3,000	5,000
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.....	<452>	<553>
18	Cash proceeds from issuing stock or capital contributions.....		
19	Purchases of treasury stock.....		
20	Payments of dividends or capital withdrawals.....	<6,600>	
21			
22			
23	Net Cash Provided (Used) By Financing Activities.....	<4,052>	4,447
24	Net Increase (Decrease) In Cash And Cash Equivalents.....	1,327	<661>
25	Cash And Cash Equivalents At Beginning Of Period.....	12,393	11,189
26	Cash And Cash Equivalents At End Of Period.....	\$ 13,720	\$ 10,528

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

27	Cash Paid During Period For:		
28	Interest (net of amount capitalized).....	\$ 12,246	\$ 12,162
	Income taxes.....	\$ 2,562	\$ 135

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 SIX MONTHS ENDED June 30, 1991 and 1990
(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1991	(d) 1990
	Net Cash Flows From Operating Activities:	\$	\$
29	Net income (loss).....	<2,114>	<1,629>
	Noncash items included in income and cash items excluded from income:		
30	Depreciation and amortization of property and equipment.....	8,138	7,566
31	Amortization of other assets.....	873	819
32	Amortization of debt discount or premium.....	180	180
33	Deferred income taxes - current.....		
34	Deferred income taxes - noncurrent.....	<467>	<1,374>
35	(Gain) loss on disposition of property and equipment.....		
36	(Gain) loss on casino reinvestment obligations.....	1,312	3,358
37	(Gain) loss from other investment activities.....		
38	Net (increase) decrease in receivables and patrons' checks.....	<693>	1,177
39	Net (increase) decrease in inventories.....	186	<434>
40	Net (increase) decrease in other current assets.....	<1,193>	<681>
41	Net (increase) decrease in other assets.....	908	28
42	Net increase (decrease) in accounts payables.....	<1,514>	7
43	Net increase (decrease) in other current liabilities excluding debt.....	2,202	<2,721>
44	Net increase (decrease) in other noncurrent liabilities excluding debt.....	<175>	
45			
46			
47	Net Cash Provided (Used) By Operating Activities.....	\$ 7,643	\$ 6,296

SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING AND FINANCING ACTIVITIES

48	Acquisition Of Property and Equipment:	\$	\$
49	Additions to property and equipment.....	2,408	11,088
50	Less: Capital lease obligations incurred.....		
	Cash Outflows For Property And Equipment.....	\$ 2,408	\$ 11,088
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.....	\$	\$

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 six month period ended June 30, 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 June 30, 1991 and 1990 is as follows:

	<u>1991</u>	<u>1990</u>
11.75% first mortgage notes, due 1994, net of discounts of \$1,113,000 and \$1,474,000 respectively (A)	\$171,917,000	\$171,556,000
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)	2,400,000	3,300,000
Other	<u>490,000</u>	<u>495,000</u>
	194,007,000	186,551,000
Less: Current portion of long-term debt	<u><4,614,000></u>	<u><906,000></u>
Long-term Debt:	<u>\$189,393,000</u>	<u>\$185,645,000</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) The note is payable to an affiliate, bears interest at 16.5% per annum, payable semi-annually in March and September, and matures in March 1998.
- (C) 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 financial ratios and places restrictions on the amount of new borrowings or increases in existing debt. The loan is collateralized by certain land and buildings and is guaranteed by Pratt and Pratt Casino Properties.
- (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.

Maturities of Long-term debt at June 30, 1991 amounted to:

1991 (6 months)	\$ 1,894,000
1992	14,628,000
1993	5,258,000
1994	161,678,000
1995	9,000
Thereafter	<u>11,653,000</u>
Total Payments	195,120,000
Unamortized Discount	(1,113,000)
Current Maturities	<u>(4,614,000)</u>
Long-Term Portion	<u>\$189,393,000</u>

Note 3 - Short-term credit facilities

As of June 30, 1991, GBH&C had borrowed \$5,000,000 on its bank line of credit for short-term cash needs. Effective April 30, 1991, the \$5,000,000 line of credit was renewed for one year and an additional \$1,000,000 credit facility was obtained subject to GBH&C maintaining certain financial conditions.

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

Note 3 - Short-term credit facilities (continued)

Additionally, GBH&C has a separate \$4,000,000 revolving line of credit which is subject to renewal no later than September 28, 1992. As of June 30, 1991, GBH&C had borrowed \$3,000,000 on this line of credit. The revolving credit agreement requires a 30-day repayment period during each consecutive twelve-month period and, accordingly, the outstanding balance was repaid during July 1991. The entire \$4,000,000 credit facility again became available to GBH&C in August 1991.

Note 4 - Income Taxes

The components of the provision for income taxes for the six months ended June 30, 1991 and 1990 are as follows:

	1991	1990
Federal Income Tax Provision (Benefit)		
Current	\$ 240,000	\$ <355,000>
Deferred	<358,000>	<1,076,000>
State Income Tax Provision (Benefit)		
Current	43,000	<140,000>
Deferred	<109,000>	<298,000>
Total Provision (Benefit) for Income Taxes:	\$ <184,000>	\$ <1,869,000>

Note 5 - 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 six months ended June 30, 1991 and 1990 were \$2,846,000 and \$2,546,000 respectively and are included in management fees charged from affiliates in the accompanying Financial Statements. Consultant and incentive fees of \$2,043,000 and \$2,455,000 were due to PCMI at June 30, 1991 and 1990 respectively, and are included in other current liabilities in the accompanying Financial Statements.

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

Note 5 - Related Party Transactions - (Continued)

GBH&C 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 \$152,000 and \$154,000 for the six months ended June 30, 1991 and 1990, respectively. Such amounts are included in general and administrative expenses in the accompanying financial statements.

For the six months ended June 30, 1991 and 1990 the Company paid the following amounts in interest charges to affiliates:

	<u>1991</u>	<u>1990</u>
11.75% first mortgage notes	\$10,346,000	\$10,346,000
16.5% promissory note	924,000	924,000
Cash Advances from Affiliates	<u>762,000</u>	<u>-</u>
Totals	<u>\$12,032,000</u>	<u>\$11,270,000</u>

At June 30, 1991 GBH&C had cash advances receivable from affiliates totalling \$14,087,000. In addition, GBH&C had cash advances payable to affiliates totalling \$9,703,000. 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 6 - Non-Operating Income (Expenses)

For the six months ended June 30, 1991 and 1990, interest income of \$2,414,000 and \$1,307,000 was earned on temporary investments, on deposits made with the Casino Reinvestment Development Authority, and other sources.

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

Note 7 - Property and Equipment

Property and equipment as of June 30, 1991 and 1990 consisted of the following:

	<u>1991</u>	<u>1990</u>
Land	\$ 37,554,000	\$ 36,179,000
Buildings	169,583,000	155,654,000
Furniture, fixtures and equipment	93,258,000	87,481,000
Construction in progress	<u>520,000</u>	<u>12,857,000</u>
	300,915,000	292,171,000
Less: accumulated depreciation and amortization	<u>119,424,000</u>	<u>106,962,000</u>
Total property and equipment	<u>\$181,491,000</u>	<u>\$185,209,000</u>

Note 8 - Prepaid Expenses and Other Current Assets

At June 30, 1991 and 1990, the line item Prepaid Expenses and Other Current Assets is comprised of the following:

	<u>1991</u>	<u>1990</u>
Prepaid assets	\$ 2,285,000	\$ 2,423,000
Current portion of deferred credits on deposit with the Casino Reinvestment Development Authority	1,548,000	2,421,000
Deposits	<u>336,000</u>	<u>718,000</u>
	<u>\$ 4,169,000</u>	<u>\$ 5,562,000</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 June 30, 1991 and 1990, the line item Other Accrued Expenses is comprised of the following:

	<u>1991</u>	<u>1990</u>
Accrued expenses	\$ 5,769,000	\$ 3,433,000
Accrued payroll expenses	5,261,000	4,410,000
Accrued slot machine jackpots and casino expenses	4,685,000	3,494,000
Accrued insurance	2,309,000	1,940,000
Accrued interest	1,996,000	2,099,000
	<u>\$ 20,020,000</u>	<u>\$ 15,376,000</u>

Note 10 - Other Current Liabilities

As of June 30, 1991 and 1990, the line item Other Current Liabilities was comprised of the following:

	<u>1991</u>	<u>1990</u>
Due to affiliates	\$ 5,403,000	\$ 3,810,000
Other	1,484,000	1,790,000
	<u>\$ 6,887,000</u>	<u>\$ 5,600,000</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 six month period ended June 30, 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	43,598	\$2,393,000		\$
Food	410,333	4,514,000		
Beverage	740,363	4,442,000		
Travel	-	-	12,921	3,352,000
Theatre	6,260	194,000	-	-
Bus Tour Coupon Exchange Coin			368,017	7,133,000
Complimentary Distribution Program			72,075	4,633,000
Food Court - Other			69,277	485,000
Other	31,783	<u>254,000</u>	52,121	<u>1,570,000</u>
Total Promotional Allowances and Expenses		<u>\$11,797,000</u>		<u>\$17,173,000</u>

A summary of Promotional Allowances and Expenses incurred during the three month period ended June 30, 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	21,638	\$1,203,000		\$
Food	235,071	2,498,000		
Beverage	402,881	2,417,000		
Travel	-	-	7,245	1,879,000
Theatre	1,994	22,000	-	-
Bus Tour Coupon Exchange Coin			368,017	3,877,000
Complimentary Distribution Program			72,075	2,777,000
Food Court - Other			69,277	267,000
Other	14,440	<u>119,000</u>	29,706	<u>895,000</u>
Total Promotional Allowances and Expenses		<u>\$ 6,259,000</u>		<u>\$ 9,695,000</u>

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

Note 12 - Commitments and Contingencies

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 judgment. Although the construction management company sought reconsideration of the Superior Court's confirmation of the arbitration award, the confirmation of the award into a judgment was reaffirmed. The construction management company filed an appeal of the determination of the Superior Court confirming the arbitration award into a judgment; this appeal was heard on March 4, 1991 and on May 29, 1991, the appellate court reaffirmed the judgment in favor of GBH&C. The construction management company has requested that the New Jersey Supreme Court review the judgment; the New Jersey Supreme Court has yet to rule on such request. GBH&C believes this amount, plus post-judgment 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 judgment 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

SCHEDULE OF RECEIVABLES AND PATRONS' CHECKS

June 30, 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.....	6,645		
2	Returned patrons' checks.....	23,030		
3	Total patrons' checks.....	29,675	\$ 17,314	\$ 12,361
4	Hotel Receivables.....	742	88	654
	Other Receivables:			
5	Receivables due from officers and employees.....	-		
6	Receivables due from affiliates.....	5,147		
7	Other accounts and notes receivables.....	18,223		
8	Total other receivables.....	23,370	-	23,370
9	Totals (Form 205).....	\$ 53,787	\$ 17,402	\$ 36,385

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).....	113,713
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).....	(87,655)
13	Checks collected through deposits.....	(21,781)
14	Checks transferred to returned checks.....	(3,908)
15	Other adjustments.....	-
16	Ending Balance.....	\$ 6,645
	"Hold" Checks Included in Balance On Line 16.....	\$ -
19	Provision For Uncollectible Patrons' Checks.....	\$ 1,886
	Provision As A Percent Of Counter Checks Issued.....	1.66%

STATEMENT OF CONFORMITY AND ACCURACY

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

John R. Rauert 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. Rauert
Vice President, Finance

Title

866-11
License Number

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

On Behalf Of:

Robin L. Lieb
Signature

Greene Bay Hotel & Casino, Inc.
Casino Licensee

ROBIN L. LIEB
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Oct. 16, 1995

Basis of Authority
to Take Oaths

HOTEL STATISTICS

FOR THE 6 MONTHS ENDED June 30, 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	500	14,810	14,145	\$ 60.41	95.5%	26,112	\$ 32.72
MAY	500	15,352	13,727	\$ 66.24	89.4%	24,941	\$ 36.46
JUNE	500	14,948	14,428	\$ 65.47	96.5%	25,623	\$ 36.87
2ND QUARTER TOTALS		45,110	42,300	\$ 64.03	93.8%	76,676	\$ 35.32
JULY				\$	%		\$
AUGUST				\$	%		\$
SEPTEMBER				\$	%		\$
3RD QUARTER TOTALS				\$	%		\$
OCTOBER				\$	%		\$
NOVEMBER				\$	%		\$
DECEMBER				\$	%		\$
4TH QUARTER TOTALS				\$	%		\$
ANNUAL TOTALS				\$	%		\$

974.901
C193

QUARTERLY REPORT

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

FOR THE QUARTER ENDED JUNE 30, 1991

PROPER
NEW JERSEY STATE LIBRARY
SEP 30 1991
195 W. STATE ST.
TRENTON, N.J.

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: June 30, 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

June 30, 1991 and 1990

(Unaudited)
(\$ in Thousands)

LINE (a)	DESCRIPTION (b)	(c) 1991	(d) 1990
	ASSETS		
	Current Assets:		
1	Cash	\$ 8,846	\$ 9,386
2	Marketable Securities	0	0
3	Receivables and patrons' checks (net of allowance for doubtful accounts - 1991 \$4,805; 1990 \$5,132	9,768	11,870
4	Inventories	1,925	2,139
5	Prepaid expenses and other current assets	2,815	2,513
6	Total current assets	23,354	25,908
7	Investments, Advances and Receivables .(Note 4)	372,764	315,817
8	Property and Equipment - Net(Note 2)	244,341	237,210
9	Other Assets	3,033	3,919
10	Total Assets	\$643,492	\$582,854
	LIABILITIES AND EQUITY		
	Current Liabilities		
11	Accounts payable	\$ 3,228	\$ 4,438
12	Notes payable	0	0
	Current portion of long-term debt:		
13	Due to affiliates	0	0
14	Other(Note 3)	105	0
15	Income taxes payable and accrued	1,280	1,082
16	Other accrued expenses(Note 8)	15,035	17,234
17	Other current liabilities	313	501
18	Total current liabilities	19,961	23,255
	Long-Term Debt:		
19	Due to affiliates	0	0
20	Other(Note 3)	116	0
21	Deferred Credits	0	0
22	Other Liabilities(Note 9)	28,052	22,544
23	Commitments and Contingencies(Note 5)		
24	Total Liabilities	48,129	45,799
25	Stockholders', Partners', or Proprietor's Equity	595,363	537,055
26	Total Liabilities and Equity	\$643,492	\$582,854

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 Six Months Ended June 30, 1991 and 1990

(Unaudited)
(\$ in Thousands)

LINE (a)	DESCRIPTION (b)	(c) 1991	(d) 1990
	Revenue:		
1	Casino	\$137,397	\$143,195
2	Rooms	7,783	10,289
3	Food and Beverage	18,209	20,502
4	Other	4,024	4,280
5	Total revenue	167,413	178,266
6	Less: Promotional Allowance (Note 7) . . .	16,771	19,093
7	Net revenue	150,642	159,173
	Costs and Expenses:		
8	Cost of goods and services	83,428	87,229
9	Selling, general, and administrative	32,962	28,808
10	Provision for doubtful accounts	1,109	1,432
11	Depreciation and amortization	6,393	6,247
	Charges from affiliates other than interest:		
12	Management Fees	0	0
13	Other	0	0
14	Total costs and expenses	123,892	123,716
15	Income (Loss) from Operations	26,750	35,457
	Other Income (Expenses):		
16	Interest (expense) - affiliates	0	0
17	Interest (expense) - external	(166)	(486)
18	Investment alternative tax and related income (expense) - net	(683)	(135)
19	Nonoperating income (expense) - net	411	450
20	Total other income (expenses)	(438)	(171)
21	Income (Loss) Before Income Taxes and Extraord. Items	26,312	35,286
22	Provision (credit) for income taxes . (Note 10)	2,376	3,890
23	Income (Loss) Before Extraordinary Items	23,936	31,396
24	Extraordinary items (net of income taxes - 1991, \$0; 1990, \$0)	0	0
25	Net Income (Loss)	\$ 23,936	\$ 31,396

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 June 30, 1991 and 1990

(Unaudited)
(\$ in Thousands)

LINE (a)	DESCRIPTION (b)	(c) 1991	(d) 1990
	Revenue:		
1	Casino	\$ 75,796	\$ 72,116
2	Rooms	4,186	5,483
3	Food and beverage	10,134	10,631
4	Other	2,355	2,562
5	Total revenue	92,471	90,792
6	Less: Promotional allowance (Note 7) . . .	9,289	10,028
7	Net revenue	83,182	80,764
	Costs and Expenses:		
8	Cost of goods and services	43,944	44,292
9	Selling, general, and administrative	19,865	14,999
10	Provision for doubtful accounts	603	729
11	Depreciation and amortization	3,161	3,155
	Charges from affiliates other than interest:		
12	Management fees	0	0
13	Other	0	0
14	Total costs and expenses	67,573	63,175
15	Income (Loss) from Operations	15,609	17,589
	Other Income (Expenses):		
16	Interest (expense) - affiliates	0	0
17	Interest (expense) - external	(137)	(486)
18	Investment alternative tax and related income (expense) - net	(242)	(72)
19	Nonoperating income (expense) - net	214	210
20	Total other income (expenses)	(165)	(348)
21	Income (loss) before income taxes and extraord. items	15,444	17,241
22	Provision (credit) for income taxes . (Note 10)	1,471	2,201
23	Income (loss) before extraordinary items	13,973	15,040
24	Extraordinary items (net of income taxes - 1991, \$0; 1990, \$0)	0	0
25	Net Income (Loss)	\$ 13,973	\$ 15,040

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

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

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

For the Six Months Ended June 30, 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)	23,936	31,396
8		0	0
9	Ending balance	560,507	502,199
	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		0	0
16		0	0
17	Ending balance	(0)	(0)
18	Ending Partner's or Proprietor's Equity	\$595,363	\$537,055

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 Six Months Ended June 30, 1991 and 1990
(Unaudited)
(\$ in Thousands)

LINE (a)	DESCRIPTION (b)	(c) 1991	(d) 1990
1	Net Cash Provided (Used) by Operating Activities	\$ 37,579	\$ 31,575
	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	(9,266)	(18,553)
5	Proceeds from disposition of property and equipment	4,009	41
6	Purchase of casino reinvestment obligations	(1,401)	(1,748)
7	Purchase of other investments and loan/advances made	(34,289)	(23,387)
8	Proceeds from disposal of investments and collection of advances and long-term receivables	1,186	8,659
9	Cash outflows to acquire business entities	0	0
10	_____	0	0
11	_____	0	0
12	Net Cash Provided (Used) by Investing Activities	(39,761)	(34,988)
	Cash Flows from Financing Activities:		
13	Cash proceeds from issuance of short-term debt	0	0
14	Payments to settle short-term debt	0	0
15	Cash proceeds from issuance of long-term debt	0	0
16	Costs of issuing debt	0	0
17	Payments to settle long-term debt	(58)	(3)
18	Cash proceeds from issuing stock or capital contrib.	0	0
19	Purchases of treasury stock	0	0
20	Payments of dividends or capital withdrawals	0	0
21	_____	0	0
22	_____	0	0
23	Net Cash Provided (Used) by Financing activities	(58)	(3)
24	Net Increase (Decrease) in Cash and Cash Equivalents	(2,240)	(3,416)
25	Cash and Cash Equivalents at Beginning of Period	11,086	12,802
26	Cash and Cash Equivalents at End of Period	\$ 8,846	\$ 9,386

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

	Cash Paid During Period for:		
27	Interest (net of amount capitalized)	\$ 19	\$ 486
28	Income Taxes	\$ 2,275	\$ 4,243

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 Six Months Ended June 30, 1991 and 1990

(Unaudited)

(\$ in Thousands)

LINE (a)	DESCRIPTION (b)	(c) 1991	(d) 1990
	Net Cash Flows From Operating Activities:		
29	Net income (loss)	\$ 23,936	\$ 31,396
	Noncash items included in income and cash items excluded from income:		
30	Depreciation and amortization of property & equip.	6,383	6,247
31	Amortization of other assets	10	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	(14)	107
36	(Gain) loss on casino reinvestment obligations . .	683	135
37	(Gain) loss from other investment activities . . .	0	0
38	Net (increase) Decrease in receivables and patrons' checks	634	1,111
39	Net (increase) decrease in inventories	303	(55)
40	Net (increase) decrease in other current assets . .	(1,670)	(1,535)
41	Net (increase) decrease in other assets	(371)	(333)
42	Net increase (decrease) in accounts payables . . .	471	2,530
43	Net increase (decrease) in other current liabilities excluding debt	3,917	(1,228)
44	Net increase (decrease) in other noncurrent liabilities excluding debt	3,297	(6,800)
45	_____	0	0
46	_____	0	0
47	Net Cash Provided (Used) by Operating Activities . . .	\$ 37,579	\$ 31,575

SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING AND FINANCING ACTIVITIES

	Acquisition of Property and Equipment:		
48	Additions to property and equipment	\$ 9,364	\$ 18,553
49	Less: capital lease obligations incurred	98	0
50	Cash Outflows for Property and Equipment	\$ 9,266	\$ 18,553
	Acquisition of Business Entities:		
51	Property and equipment acquired	\$ 0	\$ 0
52	Goodwill acquired	0	0
53	Net assets acquired other than cash, goodwill, and property and equipment	0	0
54	Long-term debt assumed	0	0
55	Issuance of stock or capital invested	0	0
56	Cash Outflows To Acquire Business Entities	\$ 0	\$ 0
	Stock Issued or Capital Contributions		
57	Total issuances of stock or capital contributions . .	\$ 0	\$ 0
58	Less: issuances to settle long-term debt, and. . . .	0	0
59	Consideration in acquisition of business entities . .	0	0
60	Cash Proceeds from Issuing Stock Or Capital Contrib . .	\$ 0	\$ 0

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

STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY

For the Six Months Ended June 30, 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) . .		\$		\$
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.

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 Six Months Ended June 30, 1991

(Unaudited)
(\$ in Thousands)

Non-Cash Transactions:

<u>3</u>	Reclass of Current Portion of Note Receivable from Long-Term	\$ (2)
	Total Line 3	\$ (2)
<u>7</u>	Reclass of Investment Previously Reported as a Construction Cost	\$ (1,035)
	Capitalized Interest passed through from Parent	900
	Reclass of Current Portion of Note Receivable to Current Receivables	2
	Reclass Donation from Deferred	<u>488</u>
	Total Line 7	\$ 355
<u>8</u>	Reclass Items Previously Reported as Deferred Charges	\$ (1,547)
	Excess of Construction Retainage Released over Construction Retainage Withheld	392
	Capitalized Interest Passed through from Parent	(900)
	Reclass of Investment Previously Reported as a Construction Cost	1,035
	Reclass Grant Money to PP&E	<u>1,258</u>
	Total Line 8	\$ 238
<u>9</u>	Reclass Items Previously Reported as Deferred Reclass Donation from Deferred	\$ 1,547 (<u>488</u>)
	Total Line 9	\$ 1,059
<u>11</u>	Excess of Construction Retainage Released over Construction Retainage Withheld	\$ (<u>392</u>)
	Total Line 11	\$ (392)
<u>22</u>	Reclass Grant Money to PP&E	\$ (<u>1,258</u>)
	Total Line 22	\$ (1,258)
	Grand Total	<u><u>\$ 0</u></u>

FORM CCC-305 BALANCE SHEETS				CCC-335 CASH FLOW			
LINE NO.	DESCRIPTION	BALANCES		INCREASE DECREASE	AMOUNT	LINE NO.	DIFFERENC
		CURRENT	12/31/90				
1	CASH	8,846	11,086	(2,240)	(2,240)	24	0
						2	
						3	
2	MARKETABLE SEC.	0	0	0	0		
3	RECEIV. & PATRONS' CHECKS	9,768	10,400	(632)	634	38	(2)
4	INVENTORIES	1,925	2,228	(303)	303	39	0
5	PPD. EXP. & OTHER CURRENT	2,815	1,145	1,670	(1,670)	40	0
					(1,401)	6	
					(34,289)	7	
					1,186	8	
					683	36	
					0	37	
7	INVEST., ADVANCES & REC.	372,764	339,298	33,466	(33,821)		355
					4,009	5	
					6,383	30	
					(14)	35	
					(9,364)	48	
					0	51	
8	PROPERTY & EQUIP. - NET	244,341	245,593	(1,252)	1,014		238
					0	16	
					10	31	
					(371)	41	
					0	52	
9	OTHER ASSETS	3,033	3,731	(698)	(361)		1,059
11	ACCOUNTS PAYABLE	3,228	3,149	79	300	42	(221)
12	NOTES PAYABLE	0	0		0	13	
	CURRENT PORT. - L/T DEBT:				0	14	
13	DUE AFFILIATES	0	0		0	15	
14	OTHER	105	88		(58)	17	
	LONG-TERM DEBT:				0	32	
19	DUE AFFILIATES	0	0		98	49	
20	OTHER	116	93		0	54	
					0	58	
	TOTAL	221	181	40	40		0
15	INCOME TAXES PAY. & ACC.	1,280	817		0	33	
16	OTHER ACCRUED EXP.	15,035	11,488		3,917	43	
17	OTHER CURRENT LIABILITIES	313	406				
	TOTAL	16,628	12,711	3,917	3,917		0
					0	34	
21	DEFERRED CREDITS	0	0		3,297	44	
22	OTHER LIABILITIES	28,052	26,013				
	TOTAL	28,052	26,013	2,039	3,297		(1,258)
					0	19	
					0	20	
					23,936	29	
					0	57	
25	STOCKS., PARTS., EQUITY	595,363	571,427	23,936	23,936		0

SCHEDULE OF RECEIVABLES AND PATRONS' CHECKS

June 30, 1991

(Unaudited)
(\$ in Thousands)

Accounts Receivable Balances				
LINE (a)	DESCRIPTION (b)	ACCOUNT BALANCE (c)	ALLOWANCE (d)	ACCOUNTS RECEIVABLE- (e) NET OF ALLOWANCE
	Patron's Checks			
1	Undeposited patrons' checks	\$ 3,672		
2	Returned patrons' checks . .	7,961		
3	Total patron's checks . .	11,633	\$ 4,765	\$ 6,868
4	Hotel Receivables	1,246	40	1,206
	Other Receivables:			
5	Receivables due from officers and employees . .	19		
6	Receivables due from affiliates	0		
7	Other accounts and notes receivables	1,675		
8	Total other receivables .	1,694	0	1,694
9	Totals (Form 205)	\$ 14,573	\$ 4,805	\$ 9,768

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) .	71,684
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)	(47,509)
13	Checks collected through deposits	(21,751)
14	Checks transferred to returned checks	(2,996)
15	Other adjustments	
16	Ending Balance	\$ 3,672
17	"Hold" Checks Included in Balance on Line 16	\$ 0
18	Provision for Uncollectible Patrons' Checks	\$ 1,062
19	Provision as a Percent of Counter Checks Issued	1.5 %

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:

	JUNE 30	
	1991	(000's) 1990
Land and land improvements	\$ 27,763	\$ 26,377
Buildings, leaseholds and improvements	223,645	200,451
Furniture, fixtures and equipment	62,563	60,413
Construction in progress	7,980	4,107
Equipment held under capital leases	279	0
C-I-P NE Inlet Redevelopment Project	11,451	25,042
	\$333,681	\$316,390
Less accumulated depreciation	(89,340)	(79,180)
Property and equipment, net	\$244,341	\$237,210

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.

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:

	JUNE 30	
	1991	(000's) 1990
Capital lease obligation	\$ 221	\$ 0
Obligation due within one year	(105)	0
	\$ 116	\$ 0

The future minimum lease payments as of June 30, 1991, were as follows:

1991	\$ 74,682
1992	110,256
1993	68,753
	\$253,691
Less amounts representing interest	(32,648)
Total Obligations Under Capital Leases	\$221,043

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

NOTE 4: Investments, Advances and Receivables:

	JUNE 30	
	1991	(000's) 1990
Notes Receivable	\$ 2,383	\$ 2,410
Investment in CRDA Bonds - Net of Valuation Adj.	2,020	2,164
Reinvestment Obligation Deposits - Net of Val. Adj.	1,170	3,201
Due from Affiliates	365,413	307,527
Funds Advanced to Northeast Inlet Redevelopment Project to be reimbursed by a UDAG Grant	743	515
Equity Investment in Real Estate Project	1,035	0
	\$372,764	\$315,817

Due from Affiliates consists of the following unsecured, non-interest bearing inter-company amounts at June 30, 1991 and 1990.

	JUNE 30	
	1991	(000's) 1990
Harrah's New Jersey, Inc.	\$ 18,962	\$ 18,962
Harrah's Lake Tahoe	143	131
Embassy Suites, Inc.	346,069	288,195
Harrah's Del Rio	128	128
Bill's Casino	111	111
Total Due from Affiliates	\$365,413	\$307,527

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 six months ended June 30, 1991 and 1990, were approximately \$1,204,131 and \$1,187,606 respectively.

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

1992	\$ 1,274,050
1993	548,222
1994	248,836
1995	204,000
1996	204,000
Thereafter	1,428,000
	\$ 3,907,108

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 June 30, 1991, the Company has established a valuation allowance of \$381,549 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 six months ended June 30, 1991, consist of:

	<u>PROMOTIONAL ALLOWANCES</u>		<u>PROMOTIONAL EXPENSES</u>	
	<u>NUMBER OF</u> <u>RECIPIENTS</u> (000's)	<u>DOLLAR</u> <u>AMOUNT</u> (000's)	<u>NUMBER OF</u> <u>RECIPIENTS</u> (000's)	<u>DOLLAR</u> <u>AMOUNT</u> (000's)
Rooms	44	\$ 3,606	0	\$ 0
Food	830	8,295	0	0
Beverage	1,311	3,278	0	0
Travel	0	0	33	3,187
Theatre	80	1,592	0	0
Coupon Redemption of				
Cash & Tokens	0	0	1,001	12,482
Rooms Off-Premises	0	0	N/A	16
Other*	0	0	117	686
	<u>2,265</u>	<u>\$16,771</u>	<u>1,151</u>	<u>\$16,371</u>

Promotional allowances for the three months ended June 30, 1991, consist of:

	<u>PROMOTIONAL ALLOWANCES</u>		<u>PROMOTIONAL EXPENSES</u>	
	<u>NUMBER OF</u> <u>RECIPIENTS</u> (000's)	<u>DOLLAR</u> <u>AMOUNT</u> (000's)	<u>NUMBER OF</u> <u>RECIPIENTS</u> (000's)	<u>DOLLAR</u> <u>AMOUNT</u> (000's)
Rooms	24	\$ 1,952	0	\$ 0
Food	466	4,659	0	0
Beverage	704	1,761	0	0
Travel	0	0	21	2,021
Theatre	46	917	0	0
Coupon Redemption of				
Cash & Tokens	0	0	706	8,803
Rooms Off-Premises	0	0	N/A	5
Other*	0	0	71	416
	<u>1,240</u>	<u>\$ 9,289</u>	<u>798</u>	<u>\$11,245</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.

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

NOTE 8: Other Accrued Expenses:

Other accrued expenses consist of the following:

	JUNE 30	
	1991	(000's) 1990
Accrued salaries and wages	\$ 7,415	\$ 7,035
Taxes payable	959	782
Other accrued expenses	4,483	4,979
Accrued progressive slot liability	1,416	3,443
Accrued CCC/DGE/Casino License fees	647	960
Accrued Megabucks Handle Fees	102	35
Accrued Interest L-T-D	13	0
	\$ 15,035	\$ 17,234

NOTE 9: Other Liabilities:

Other liabilities consist of the following:

	JUNE 30	
	1991	(000's) 1990
Long Term due to Affiliates	\$ 25,943	\$ 22,030
Other Liabilities	764	514
Def Income - ACIA Grant	1,140	0
Def Income - CRDA Grant	205	0
	\$ 28,052	\$ 22,544

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

	JUNE 30	
	1991	(000's) 1990
Due to Affiliates -		
Harrah's Holdings, Inc.	\$ 590	\$ 597
Harrah's Atlantic City, Inc.	24,917	21,025
Harrah's Reno	92	71
Harrah's Holiday Inns of NJ, Inc.	293	297
Holiday Casino, Inc.	51	40
	\$ 25,943	\$ 22,030

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 (9.375%).

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 six months ended June 30, 1991, was \$1,455,280.

STATEMENTS OF CONFORMITY AND ACCURACY

State of NEW JERSEY :
: ss
County of ATLANTIC :

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

Joseph A. Domenico
Signature

Vice President of Finance
Title

01833-11
License Number

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

Cydney Kinter
Signature

CYDNEY KINTER
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires May 25, 1995

Basis of Authority
to Take Oaths

On Behalf Of:

Marina Associates
Casino Licensee

HOTEL STATISTICS

FOR THE 6 MONTHS ENDED June 30, 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	760	22,800	20,274	\$ 65.38	88.9%	38,280	\$ 34.63
MAY	760	23,560	20,009	\$ 67.89	84.9%	38,207	\$ 35.55
JUNE	760	22,800	21,986	\$ 69.07	96.4%	40,669	\$ 37.34
2ND QUARTER TOTALS		69,160	62,269	\$ 67.49	90.0%	117,156	\$ 35.87
JULY				\$	%		\$
AUGUST				\$	%		\$
SEPTEMBER				\$	%		\$
3RD QUARTER TOTALS				\$	%		\$
OCTOBER				\$	%		\$
NOVEMBER				\$	%		\$
DECEMBER				\$	%		\$
4TH QUARTER TOTALS				\$	%		\$
ANNUAL TOTALS				\$	%		\$

974.901
C193

QUARTERLY REPORT

LICENSEE RESORTS INTERNATIONAL HOTEL, INC.
ADDRESS NORTH CAROLINA AVENUE & BOARDWALK
ATLANTIC CITY, NEW JERSEY 08401

FOR THE QUARTER ENDED JUNE 30, **PROPERTY OF** 1991

TO THE
CASINO CONTROL COMMISSION
OF THE
STATE OF NEW JERSEY

NEW JERSEY STATE LIBRARY
SEP 30 1991
RECEIVED
NEW JERSEY
185 W. STATE ST. AUG 15 Rec'd
TRENTON, NJ
CASINO CONTROL
COMMISSION



NAME OF OFFICER IN CHARGE JOHN R. SPINA
OF CORRESPONDENCE REGARDING
THIS QUARTERLY REPORT . . .
OFFICIAL TITLE. CORPORATE VICE PRESIDENT
ADDRESS NORTH CAROLINA AVENUE & THE BOARDWALK
ATLANTIC CITY, NEW JERSEY 08401

TRADING NAME OF LICENSEE MERV GRIFFIN'S RESORTS CASINO HOTEL

(a wholly owned subsidiary of RESORTS INTERNATIONAL, INC.)

LIST OF FORMS - QUARTERLY REPORT

FOR THE QUARTER ENDED JUNE 30, 1991

<u>TITLE</u>	<u>FORM NO.</u>
Balance Sheets	CCC-205
Statement of Income (Six)	CCC-210
Statements of Income (Three)	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

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

BALANCE SHEETS

JUNE , 1991 and 1990

(UNAUDITED)

(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1991	(d) 1990
	ASSETS		
	Current Assets:		
1	Cash	\$ 11,261	\$ 10,900
2	Marketable securities (Short-term Money Market At Cost)	3,728	14,302
3	Receivables and patrons' checks (net of allowance for doubtful accounts - 1991, \$6,297; 1990, \$4,905) (Note 2)	58,464	126,010
4	Inventories	1,675	2,825
5	Prepaid expenses and other current assets	2,774	3,237
6	Total current assets	77,902	157,274
7	Investments, Advances, And Receivables	5,445	4,352
8	Property And Equipment - Net ....(Note 4).....	145,276	233,167
9	Other Assets ....(Note 5).....	265	18,162
10	Total Assets	\$228,888	\$412,955
	LIABILITIES AND EQUITY		
	Current Liabilities:		
11	Accounts Payable	\$ 3,921	\$ 6,350
12	Notes Payable		
	Current portion of long-term debt: (Note 7)		
13	Due to affiliates		
14	Other	1,295	482
15	Income taxes payable and accrued (Note 13).....		
16	Other accrued expenses (Note 6).....	20,277	16,604
17	Other current liabilities (Note 3).....	65,879	4,218
18	Total current liabilities	91,372	27,664
	Long-Term Debt: (Note 7)		
19	Due to affiliates	325,000	355,231
20	Other	1,842	1,366
21	Deferred Credits ....(Note 15).....	524	38,074
22	Other Liabilities		
23	Commitments and Contingencies (Note 14)		
24	Total Liabilities.....	418,738	422,335
25	Stockholders', Partners', or Proprietor's Equity	(189,850)	(9,380)
26	Total Liabilities and equity	\$228,888	\$412,955

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

STATEMENTS OF INCOME

FOR THE SIX MONTHS ENDED JUNE, 1991 and 1990
(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1991	(d) 1990
	Revenue:		
1	Casino	\$105,733	\$ 97,628
2	Rooms	6,853	7,516
3	Food and beverage	14,888	13,661
4	Other	3,135	4,715
5	Total revenue	130,609	123,520
6	Less: promotional allowances ....(Note 8).....	11,411	12,535
7	Net revenue	119,198	110,985
	Costs And Expenses:		
8	Cost of goods and services	77,915	76,876
9	Selling, general, and administrative	26,148	21,701
10	Provision for doubtful accounts	2,048	865
11	Depreciation and amortization	4,548	8,170
	Charges from affiliates other than interest:		
12	Management fees ....(Note 10).....	3,896	2,400
13	Other ....(Note 10).....	251	3,077
14	Total costs and expenses	114,806	113,089
15	Income (Loss) From Operations	4,392	(2,104)
	Other Income (Expense):		
16	Interest (expense) - affiliates..		
17	Interest expense - external	(294)	(56)
18	Investment alternative tax and related inc.(exp).....	(795)	(700)
19	Nonoperating income (expense) - net ... (Note 11).....	3,329	(155)
20	Total other income (expenses)	2,240	(911)
21	Income (Loss) Before Income Taxes And Extraordinary Items .	6,632	(3,015)
22	Provision (Credit) for income taxes ... (Note 13).....	2,653	
23	Income (Loss) Before Extraordinary Items	3,979	(3,015)
24	Extraordinary Items (net of income taxes - 1991, \$ NONE ; 1990, \$ NONE)		
25	Net Income (Loss)	\$ 3,979	(\$ 3,015)

1/89

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

LINE (a)	DESCRIPTION (b)	(c) 1991	(d) 1990
	Revenue:		
1	Casino	\$ 57,728	\$ 51,600
2	Rooms	3,956	4,007
3	Food and beverage	8,222	7,767
4	Other	1,703	2,842
5	Total revenue	71,609	66,216
6	Less: promotional allowances ....(Note 8).....	6,471	6,812
7	Net revenue	65,138	59,404
	Costs And Expenses:		
8	Cost of goods and services	40,775	39,349
9	Selling, general, and administrative	13,878	9,023
10	Provision for doubtful accounts	665	377
11	Depreciation and amortization	2,808	4,272
	Charges from affiliates other than interest:		
12	Management fees .....(Note 10).....	2,135	1,200
13	Other .....(Note 10).....	139	1,638
14	Total costs and expenses	60,400	55,859
15	Income (Loss) From Operations	4,738	3,545
	Other Income (Expense):		
16	Interest (expense) - affiliates		
17	Interest expense - external	(146)	
18	Investment alternative tax and related inc.(exp)	(91)	(354)
19	Nonoperating income (expense) - net ... (Note 11).....	1,455	(454)
20	Total other income (expenses)	1,218	(808)
21	Income (Loss) Before Income Taxes And Extraordinary Items .	5,956	2,737
22	Provision (Credit) for income taxes ... (Note 13).....	2,653	
23	Income (Loss) Before Extraordinary Items	3,303	2,737
24	Extraordinary Items (net of income taxes -		
	1991, \$ <u>NONE</u> ; 1990, \$ <u>NONE</u>)		
25	Net Income (Loss)	\$ 3,303	\$ 2,737

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

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

STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
FOR THE SIX MONTHS ENDED JUNE 30, 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)	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 From 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)	+++++	3,979	+++++	(3,015)
28	Dividends	+++++		+++++	
29		+++++		+++++	
30		+++++		+++++	
31	Ending balance	+++++	8,979	+++++	(154,410)
32	Ending Stockholders' Equity	+++++	(\$189,850)	+++++	(\$ 9,380)

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'
OR PROPRIETOR'S EQUITY**

FOR THE SIX MONTHS ENDED JUNE 30, 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

0037

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 SIX MONTHS ENDED JUNE 30, 1991 and 1990
(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1991	(d) 1990
1	Net Cash Provided (Used) by Operating Activities	\$16,421	\$ 5,105
	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	(10,884)	(14,760)
5	Proceeds from disposition of property and equipment	7	9
6	Purchase of casino reinvestment obligations	(1,295)	(1,196)
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			27
11	Loans from Affiliate	(2,629)	25,331
12	Net Cash Provided (Used) By Investing Activities	(14,801)	9,411
	Cash Flows From Financing Activities		
13	Cash proceeds from issuance of short-term debt		
14	Payments to settle short-term debt	(241)	
15	Cash proceeds from issuance of long-term debt		
16	Costs of issuing debt		
17	Payments to settle long-term-debt	(487)	(356)
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	(728)	(356)
24	Net Increase (Decrease) in Cash And Cash Equivalents	892	14,160
25	Cash And Cash Equivalents At Beginning Of Period	14,097	11,042
26	Cash And Cash Equivalents At End Of Period.....	\$14,989	\$25,202

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

27	Cash Paid During Year For:		
28	Interest (net of amount capitalized)	\$10,149	\$ 3,915
	Income taxes	\$	\$

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

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

FOR THE SIX MONTHS ENDED JUNE 30, 1991 and 1990
(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1991	(d) 1990
	Net Cash Flows From Operating Activities:		
29	Net income (loss)	<u>\$ 3,979</u>	<u>(\$ 3,015)</u>
	Noncash items included in income and cash items excluded from income:		
30	Depreciation and amortization of property and equipment	<u>4,545</u>	<u>7,934</u>
31	Amortization of other assets	<u>3</u>	<u>236</u>
32	Amortization of debt discount or premium		
33	Deferred income taxes - current	<u>2,653</u>	
34	Deferred income taxes - noncurrent		
35	(Gain) loss on disposition of property and equipment ...	<u>327</u>	<u>81</u>
36	(Gain) loss on casino reinvestment obligations	<u>795</u>	<u>700</u>
37	(Gain) loss from other investment activities		<u>85</u>
38	Net (increase) decrease in receivables and patrons' checks	<u>416</u>	<u>(1,120)</u>
39	Net (increase) decrease in inventories	<u>74</u>	<u>(652)</u>
40	Net (increase) decrease in other current assets	<u>197</u>	<u>(1,191)</u>
41	Net (increase) decrease in other assets	<u>46</u>	<u>330</u>
42	Net increase (decrease) in accounts payable	<u>(145)</u>	<u>1,619</u>
43	Net increase (decrease) in other current liabilities excluding debt	<u>3,548</u>	<u>90</u>
44	Net increase (decrease) in other noncurrent liabilities excluding debt	<u>(17)</u>	<u>8</u>
45			
46			
47	Net Cash Provided (Used) By Operating Activities	<u><u>\$16,421</u></u>	<u><u>\$ 5,105</u></u>

SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING AND FINANCING ACTIVITIES

48	Acquisition Of Property And Equipment:		
49	Additions to property and equipment	<u>(\$11,919)</u>	<u>(\$16,544)</u>
50	Less: Capital lease obligations incurred	<u>1,035</u>	<u>1,784</u>
	Cash Outflows For Property And Equipment	<u><u>(\$10,884)</u></u>	<u><u>(\$14,760)</u></u>
51	Acquisition Of Business Entities:		
52	Property and equipment acquired	<u>\$</u>	<u>\$</u>
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	<u><u>\$</u></u>	<u><u>\$</u></u>
57	Stock Issued Or Capital Contributions:		
58	Total issuances of stock or capital contributions	<u>\$</u>	<u>\$</u>
59	Less: Issuances to settle long-term debt		
60	Consideration in acquisition of business entities ..		
	Cash Proceeds From Issuing Stock Or Capital Contributions ..	<u><u>\$</u></u>	<u><u>\$</u></u>

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED JUNE 30, 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 reevaluation 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	<u>384</u>
	<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 reevaluation at August 31, 1990 RIH's deferred tax liability was transferred to RII.

NOTE 2 - RECEIVABLES AND PATRONS' CHECKS

Components of receivables at June 30 were as follows:

(In Thousand of Dollars)

	<u>1991</u>	<u>1990</u>
Gaming	\$12,286	\$ 12,964
Less allowance for doubtful accounts	<u>(5,930)</u>	<u>(4,834)</u>
	6,356	8,130
Non-gaming		
Hotel and related	665	718
Other	<u>685</u>	<u>451</u>
	1,350	1,169
Less allowance for doubtful accounts	<u>(367)</u>	<u>(71)</u>
	983	1,098
Receivables due from affiliates	<u>51,125</u>	<u>116,782</u>
	<u>51,125</u>	<u>116,782</u>
	<u>\$58,464</u>	<u>\$126,010</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 June 30, were as follows:

(In Thousands of Dollars)

	<u>1991</u>	<u>1990</u>
I/C R.I.I.	\$ 58,616	
CRDA Bond Disc.	5,000	\$1,289
Customer Deposit Liability	246	226
Chip Liability		938
Deferred Revenue	52	305
Tenant Deposits	48	341
Slot Token Liability		253
CRDA Bond Obligation	712	619
Unclaimed Wage Liability	48	80
Other	<u>1,157</u>	<u>167</u>
	<u>\$ 65,879</u>	<u>\$4,218</u>

NOTE 4 - PROPERTY AND EQUIPMENT - NET

Property and equipment at June 30, are summarized as follows:

(In Thousands of Dollars)

	<u>1991</u>	<u>1990</u>
Land and land rights	\$ 53,250	\$ 53,250
Land improvements	82	3,443
Hotel and other buildings	76,818	146,555
Furniture, machinery and equipment	20,784	42,669
Construction in progress	832	10,497
	<u>151,766</u>	<u>256,414</u>
Less Accumulated depreciation	6,490	23,247
	<u>\$145,276</u>	<u>\$233,167</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 June 30, were as follows:

(In Thousands of Dollars)

	<u>1991</u>	<u>1990</u>
Debt issuance costs		\$17,335
Deposits	\$ 265	805
Other		22
	<u>\$ 265</u>	<u>\$18,162</u>

NOTE 6 - OTHER ACCRUED EXPENSES

Components of other accrued expenses at June 30, were as follows:

(In Thousands of Dollars)

	<u>1991</u>	<u>1990</u>
Accrued payroll and related taxes and benefits	\$10,184	\$ 8,105
Progressive slot liability	3,622	5,186
Litigation reserve	2,795	555
Accrued gaming taxes, fees and related assessments	1,562	462
Professional fees	768	200
Utilities	491	464
Advertising	350	
Various taxes	273	240
Insurance Reserve		1,344
Other	232	48
	<u>\$20,277</u>	<u>\$16,604</u>

NOTE 7 - LONG-TERM DEBT

Components of long-term debt at June 30, were as follows:

(In Thousands of Dollars)

	<u>1991</u>	<u>1990</u>
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)	3,137	1,848
Less - Current portion	<u>\$ 1,295</u>	<u>482</u>
	<u>\$ 1,842</u>	<u>\$ 1,366</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 June 30, 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 June 30, 1991 amounted to \$24,375,000.

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 June 30, 1991 are as follows:

(In Thousands of Dollars)

1991	\$1,295
1992	606
1993	608
1994	564
1995	40
1996	24
Total	<u>\$3,137</u>

NOTE 7a - LEASES

RIH is the lessee 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 June 30, are summarized as follows:

(In Thousands of Dollars)

Computer equipment	\$1,710
Slot Machines	1,161
Printing equipment	266
Accum Depreciation	<u>(679)</u>
Capital Leases Net	<u>\$2,458</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 for the quarter ended June 30, 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	26	\$1,813		
Food	270	2,699		
Beverage	133	530		
Travel			26	\$ 513
Coupon redemption:				
Cash			549	5,492
Food	19	144		
Food Air	65	455		
Admissions	81	644		
Retail	3	76		
Junket Air			2	268
Casino Caravan Fees			10	44
Charter Market Expense			41	163
Promo Food			3	10
Other	12	110	18	456
Totals	<u>609</u>	<u>\$6,471</u>	<u>649</u>	<u>\$6,946</u>

Components of promotional allowances and promotional expenses for the six months ended June 30, 1991 were as follows:

(In Thousands of Dollars)

	PROMOTIONAL ALLOWANCES		PROMOTIONAL EXPENSE	
	NUMBER OF RECIPIENTS	AMOUNT	NUMBER OF RECIPIENTS	AMOUNT
Rooms	47	\$3,252		
Food	361	4,968		
Beverage	291	1,009		
Travel			30	\$ 928
Coupon redemption:				
Cash			1,039	10,014
Food	34	291		
Food Air	70	601		
Admissions	146	1,130		
Retail	5	134		
Junket Air			12	466
Casino Caravan Fees			19	85
Charter Market Expense			50	197
Promo Food			4	17
Other	13	26	19	624
Totals	<u>967</u>	<u>\$11,411</u>	<u>1173</u>	<u>\$12,331</u>

	TRANSACTIONS	1991	1990
World International, Inc. Management fee		\$1,121	\$1,000
World International, Inc. Insurance		194	
Property Rental			\$ 111
Other			2,404
		194	2,515
Travel			
Intelligence, Inc. Security fees			104
Travel, Inc. Aircraft rentals			171
			111
World of New York, Inc. sales office expenses			
Continental Transport Corp. Fueling fees		12	1 111
World of New York, Inc. Limousines			111
World of New York, Inc. Flights			11

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 \$314,000 and \$216,000 for the year ended June 30, 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 \$356,000 and \$306,000 for the six months ended June 30, 1991 and 1990, respectively.

NOTE 10 - CHARGES FROM AFFILIATES

RIH has recorded the following expenses at June 30, 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>\$3,896</u>	<u>\$2,400</u>
Resorts International, Inc.	Insurance	\$ 164	
	Property Rental		\$ 175
	Other		<u>1,004</u>
		164	1,179
International Intelligence, Inc.	Security fees		54
ANTL, Inc.	Aircraft rentals		135
PIVI	Flights	73	136
Resorts of New York, Inc.	Sales office expenses		30
Steeplechase Transport and Parking, Inc.	Parking fees	12	1,118
Trams Atlantic, Inc	Limo Services		376
Chalk's Airline	Flights	2	49
		<u>\$ 251</u>	<u>\$3,077</u>

NOTE 11 - NONOPERATING INCOME(EXPENSE), NET

Components of nonoperation income(expense), net at June 30, were as follows:

(In Thousands of Dollars)

	<u>1991</u>	<u>1990</u>
Interest income	\$ 443	\$ 616
Interest income from affiliates	3,375	3,299
Corporate office expense	(110)	(315)
Restructuring/ refinancing costs		(3,088)
Non-operating rent/taxes		(560)
Gain(loss) on fixed assets	(327)	(81)
Other	(52)	(26)
	<u>\$3,329</u>	<u>\$ (155)</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 June 30, 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.

Commencing in 1991, RIH has agreed with RII that it will provide for federal and state income taxes using a combined rate of 40%. Material transactions which would be subject to combined tax rates that are significantly different from the 40% rate will be separately tax effected.

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 \$795,000 and \$700,000 for the year ended June 30, 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)	\$(1,298)	\$(43,417)
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>586</u>	<u>28,601</u>
Remaining investment obligation at June 30, 1991 which was deposited in July 1991	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ (712)</u>	<u>\$ (712)</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.

NOTE 15 - DEFERRED CREDITS

Deferred credits represent the unrecognized portion of a lump-sum payment made by a tenant at the inception, July 1983 of a fifteen year lease. As of June 1, 1990 management extended the life of the lease by ten years to end June 31, 2008. This payment is being recognized and recorded in earnings in equal monthly installments over the life of the lease. The recognized portions were \$524,000 and \$557,000 for the six months ended June 30, 1991 and 1990, respectively. Deferred credits also represent deferred income taxes of \$37,517,000 at June 30, 1990. As of August 31, 1990 due to reorganization we transferred income tax liabilities to the parent company.

DESCRIPTION	AMOUNT
Deferred credits	2,939,000
Deferred income taxes	37,517,000
Total	40,456,000

DESCRIPTION	AMOUNT
Deferred credits	2,939,000
Deferred income taxes	37,517,000
Total	40,456,000

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

SCHEDULE OF RECEIVABLES AND PATRONS' CHECKS

JUNE 30, 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	\$ 4,826		
2	Returned patrons' checks	7,460		
3	Total patrons' checks	12,286	\$5,930	\$ 6,356
4	Hotel Receivables	665	367	298
	Other Receivables:			
5	Receivables due from officers and employees	30		
6	Receivables due from affiliates	51,125		
7	Other accounts and notes receivables ..	655		
8	Total other receivables	51,810		51,810
9	Totals (Form 305)	64,761	\$6,297	\$ 58,464

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)	71,095
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) ...	(48,093)
13	Checks collected through deposits	(20,020)
14	Checks transferred to returned checks	(2,811)
15	Other adjustments	
16	Ending balance	\$ 4,826
17	"Hold" Checks Included In Balance On Line 16	\$
18	Provision For Uncollectible Patrons' Checks	\$ 1,891
19	Provision As A Percent of Counter Checks Issued	2.7 %

STATEMENT OF CONFORMITY AND ACCURACY

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

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 dm
Signature

SR. V.P. - FINANCE & ADMINISTRATION
Title

02507-11
License Number

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

HOTEL STATISTICS

FOR THE 6 MONTHS ENDED June 30, 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	671	18,328	16,712	\$ 69.84	91.2%	33,486	\$ 34.86
MAY	671	19,030	17,469	\$ 70.03	91.8%	35,128	\$ 34.83
JUNE	671	19,893	19,237	\$ 73.53	96.7%	39,023	\$ 36.25
2ND QUARTER TOTALS		57,251	53,418	\$ 71.23	93.3%	107,637	\$ 35.35
JULY				\$	%		\$
AUGUST				\$	%		\$
SEPTEMBER				\$	%		\$
3RD QUARTER TOTALS				\$	%		\$
OCTOBER				\$	%		\$
NOVEMBER				\$	%		\$
DECEMBER				\$	%		\$
4TH QUARTER TOTALS				\$	%		\$
ANNUAL TOTALS				\$	%		\$

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QUARTERLY REPORT

LICENSEE Adamar of New Jersey, Inc.
dba TropWorld Casino and Entertainment Resort
ADDRESS Brighton Avenue and the Boardwalk
Atlantic City, New Jersey 08401

8

FOR THE QUARTER ENDED June 30

PROPERTY 19 91
NEW JERSEY STATE LIBRARY
SEP 30 1991
185 W. STATE ST.
N. N.J.

TO THE
CASINO CONTROL COMMISSION
OF THE
STATE OF NEW JERSEY



RECEIVED
NEW JERSEY
AUG 15 Rec'd
CASINO CONTROL
COMMISSION

NAME OF OFFICER IN CHARGE
OF CORRESPONDENCE REGARDING
THIS QUARTERLY REPORT . . .
OFFICIAL TITLE
ADDRESS

Lester Brzozowski
Vice President of Finance
Brighton Avenue 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 June 30, 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

June 30, 1991 AND 90

(UNAUDITED)

(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1991	(d) 1990
ASSETS			
	Current Assets:	\$	\$
1	Cash.....	9,038	5,951
2	Marketable Securities.....	-0-	-0-
3	Receivables and patrons' checks (net of allowance for doubtful accounts 1991 \$9,963 ; 1990, \$11,275).....	16,597	20,845
4	Inventories.....	2,865	2,051
5	Prepaid expenses and other current assets.....	5,565	4,100
6	Total current assets.....	34,065	32,947
7	Investments, Advances, and Receivables.....(Note II-7, III-1).....	70,925	68,665
8	Property and Equipment - Net .....(Note II-1).....	240,885	249,426
9	Other Assets.....	652	930
10	Total Assets.....	\$ 346,527	\$ 351,968
LIABILITIES AND EQUITY			
	Current Liabilities:	\$	\$
11	Accounts payable.....	2,669	3,226
12	Notes payable.....	-0-	-0-
	Current portion of long-term debt:		
13	Due to affiliates.....	-0-	-0-
14	Other.....(Note II-2).....	2,652	2,839
15	Income taxes payable and accrued.....	(662)	(662)
16	Other accrued expenses.....(Note III-2).....	25,686	24,196
17	Other current liabilities.....(Note III-3).....	2,621	2,856
18	Total current liabilities.....	32,966	32,455
	Long-Term Debt:		
19	Due to affiliates.....(Note II-2).....	140,000	140,000
20	Other.....(Note II-2).....	6,099	8,061
21	Deferred Credits.....(Note II-3).....	-0-	2,144
22	Other Liabilities.....(Note II-7, III-4).....	35,872	29,488
23	Commitments and Contingencies (Note II-4)		
24	Total Liabilities.....	214,937	212,148
25	Stockholders', Partners', Or Proprietor's Equity.....	131,590	139,820
26	Total Liabilities and Equity.....	\$ 346,527	\$ 351,968

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 Six Months ENDED June 30, 1991 AND 1990

(UNAUDITED)
(\$ IN THOUSANDS)

LINE	DESCRIPTION	(c) 1991	(d) 1990
a)	(b)		
	Revenue:	\$	\$
1	Casino.....	134,454	134,552
2	Rooms.....	9,951	12,114
3	Food and beverage.....	16,042	18,690
4	Other.....	5,015	5,012
5	Total revenue.....	165,462	170,368
6	Less: Promotional allowances.....(Note II-5, II-6)....	18,019	18,106
7	Net revenue.....	147,443	152,262
	Costs And Expenses:		
8	Cost of goods and services.....(Note II-6, II-7)....	76,083	78,217
9	Selling, general, and administrative.....(Note II-7).....	40,092	40,542
10	Provision for doubtful accounts.....	848	1,261
11	Depreciation and amortization.....	7,913	7,848
	Charges from affiliates other than interest:		
12	Management fees.....(Note II-7).....	-0-	305
13	Other.....(Note II-7).....	31,155	28,166
14	Total costs and expenses.....	156,091	156,339
15	Income (Loss) From Operations.....	(8,648)	(4,077)
	Other Income (Expenses):		
16	Interest (expense) - affiliates.....(Note II-2).....	(9,450)	(9,272)
17	Interest (expense) - external.....(Note II-2).....	(1,536)	(1,632)
18	Investment alternative tax and related income (expense) - net.(II-4)	(504)	(527)
19	Nonoperating income (expense) - net.....(Note III-5).....	11,665	11,544
20	Total other income (expenses).....	175	113
21	Income (Loss) Before Income Taxes And Extraordinary Items.....	(8,473)	(3,964)
22	Provision (credit) for income taxes.....(Note II-8).....	-0-	-0-
23	Income (Loss) Before Extraordinary Items.....	(8,473)	(3,964)
24	Extraordinary items (net of income taxes - 1991, \$ -0- ; 1990, \$ -0-).....	-0-	-0-
25	Net Income (Loss).....	\$ (8,473)	\$ (3,964)

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

CCC-210

STATEMENTS OF INCOME

FOR THE THREE MONTHS ENDED June 30, 1991 AND 1990

(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1991	(d) 1990
	Revenue:	\$	\$
1	Casino.....	72,447	69,469
2	Rooms.....	5,353	6,513
3	Food and beverage.....	8,273	9,212
4	Other.....	2,577	2,755
5	Total revenue.....	88,650	87,949
6	Less: Promotional allowances.....(Note II-5, II-6)....	9,260	9,360
7	Net revenue.....	79,390	78,589
	Costs And Expenses:		
8	Cost of goods and services.....(Note II-6, II-7)....	39,538	39,661
9	Selling, general, and administrative.....(Note II-7).....	20,946	21,289
10	Provision for doubtful accounts.....	39	430
11	Depreciation and amortization.....	3,939	3,978
	Charges from affiliates other than interest:		
12	Management fees.....(Note II-7).....	-0-	152
13	Other.....(Note II-7).....	15,596	14,054
14	Total costs and expenses.....	80,058	79,564
15	Income (Loss) From Operations.....	(668)	(975)
	Other Income (Expenses):		
16	Interest (expense) - affiliates.....(Note II-2).....	(4,725)	(4,636)
17	Interest (expense) - external.....(Note II-2).....	(672)	(825)
18	Investment alternative tax and related income (expense) - net(II-4).	(260)	(259)
19	Nonoperating income (expense) - net.....(Note III-5).....	6,225	5,906
20	Total other income (expenses).....	568	186
21	Income (Loss) Before Income Taxes And Extraordinary Items.....	(100)	(789)
22	Provision (credit) for income taxes.....(Note II-8).....	-0-	1,373
23	Income (Loss) Before Extraordinary Items.....	(100)	(2,162)
24	Extraordinary items (net of income taxes - 1991, \$ -0- ; 1990, \$ -0-).....	-0-	-0-
25	Net Income (Loss).....	\$ (100)	\$ (2,162)

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 six MONTHS ENDED June 30, 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)	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)		(8,473)		(3,964)
28	Dividends		()		()
29	.....			
30	.....			
31	Ending balance		(1,196)		7,034
32	Ending Stockholders' Equity		\$ 131,590		\$ 139,820

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

TRADING NAME OF LICENSEE TropWorld Casino and Entertainment Resort

STATEMENTS OF CHANGES IN PARTNERS' OR PROPRIETOR'S EQUITY

FOR THE six MONTHS ENDED June 30, 19 91 AND 19 90

(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.

TRADING NAME OF LICENSEE TropWorld Casino and Entertainment Resort

STATEMENTS OF CASH FLOW

FOR THE Six Months ENDED JUNE 30, 1991 AND 1990
(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1991	(d) 1990
1	Net Cash Provided (Used) By Operating Activities.....	\$ 10,428	\$ 21,949
	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.....	(4,002)	(5,191)
5	Proceeds from disposition of property and equipment.....	589	7
6	Purchase of casino reinvestment obligations.....	(1,677)	(1,682)
7	Purchase of other investments and loans\advances made.....	(2,314)	(3,565)
8	Proceeds from disposal of investments and collection of advances and long-term receivables.....	1,715	(12,083)
9	Cash outflows to acquire business entities.....		
10			
11			
12	Net Cash Provided (Used) By Investing Activities.....	(5,689)	(22,514)
	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.....	(1,332)	(1,405)
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.....	(1,332)	(1,405)
24	Net Increase (Decrease) In Cash And Cash Equivalents.....	3,407	(1,970)
25	Cash And Cash Equivalents At Beginning Of Period.....	5,631	7,921
26	Cash And Cash Equivalents At End Of Period.....	\$ 9,038	\$ 5,951

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

27	Cash Paid During Period For:		
28	Interest (net of amount capitalized).....	\$ 10,841	\$ 10,953
	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.

000-235

STATEMENTS OF CASH FLOW

FOR THE Six Months ENDED June 30, 1991 AND 1990

(UNAUDITED)

(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1991	(d) 1990
	Net Cash Flows From Operating Activities:		
29	Net income (loss).....	\$ (8,473)	\$ (3,964)
	Noncash items included in income and cash items excluded from income:		
30	Depreciation and amortization of property and equipment.....	7,784	7,719
31	Amortization of other assets.....	129	129
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.....	818	(7)
36	(Gain) loss on casino reinvestment obligations.....	504	527
37	(Gain) loss from other investment activities.....		
38	Net (increase) decrease in receivables and patrons' checks.....	407	529
39	Net (increase) decrease in inventories.....	(131)	(50)
40	Net (increase) decrease in other current assets.....	(1,083)	130
41	Net (increase) decrease in other assets.....	61	157
42	Net increase (decrease) in accounts payables.....	(1,648)	(1,423)
43	Net increase (decrease) in other current liabilities excluding debt.....	2,882	7,609
44	Net increase (decrease) in other noncurrent liabilities excluding debt.....	9,178	10,593
45			
46			
47	Net Cash Provided (Used) By Operating Activities.....	\$ 10,428	\$ 21,949

SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING AND FINANCING ACTIVITIES

48	Acquisition Of Property And Equipment:		
49	Additions to property and equipment.....	\$ (4,721)	\$ (8,487)
50	Less: Capital lease obligations incurred.....	* (719)	* (3,296)
	Cash Outflows For Property And Equipment.....	\$ (4,002)	\$ (5,191)
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.....	\$	\$

* CAPITAL LEASE OBLIGATIONS OF \$1,853 AND \$3,348 WERE INCURRED FOR 1991 AND 1990 RESPECTIVELY,
WHEN ADAMAR ENTERED INTO NEW PROPERTY AND EQUIPMENT LEASES. CAPITAL LEASE OBLIGATION
RETIREMENTS OF \$1.134 AND \$52 WERE INCURRED FOR 1991 AND 1990.

ADAMAR OF NEW JERSEY, INC.
 DBA TROPWORLD CASINO AND ENTERTAINMENT RESORT
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED JUNE 30, 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 June 30, 1991 and 1990, the components of property and equipment consisted of:

	<u>1991</u>	<u>1990</u>
Land	\$ 38,028,000	\$ 36,308,000
Building, furniture and fixtures	277,714,000	280,056,000
Less accumulated depreciation	(79,543,000)	(71,643,000)
Construction in progress	<u>4,686,000</u>	<u>4,705,000</u>
 Total Property and Equipment	 <u>\$240,885,000</u>	 <u>\$249,426,000</u>

NOTE 2. LONG-TERM DEBT

At June 30, 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>8,751,000</u>	<u>10,900,000</u>
	148,751,000	150,900,000
Less current portion	<u>(2,652,000)</u>	<u>(2,839,000)</u>
Long-term portion	<u>\$146,099,000</u>	<u>\$148,061,000</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	\$ 1,347,000
1992	2,518,000
1993	2,323,000
1994	1,820,000
1995	703,000
Thereafter	<u>140,040,000</u>
 TOTAL	 <u>\$148,751,000</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 at June 30, 1991 and 1990, respectively, was \$1,677,000 and \$1,682,000 for the purchase of CRDA bonds and, accordingly, the Company recorded a loss provision of \$504,000 and \$527,000 to recognize the effect of the below market interest rate the bonds would have borne had they been issued on June 30, 1991 and 1990.

NOTE 5. COMPLIMENTARY SERVICES

The amount of promotional allowances and promotional expenses for the six months ended June 30, 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	64,440	\$ 6,081,000	48	\$ 4,000
Food	627,065	6,145,000	53,567	525,000
Beverage	2,623,709	3,051,000	-0-	-0-
Travel	-0-	-0-	1,377	482,000
Tivoli Pier/ Showroom/Boxing	27,903	606,000	8,742	175,000
Coin Payouts	-0-	-0-	1,349,860	15,604,000
Other	<u>213,641</u>	<u>2,136,000</u>	<u>25,308</u>	<u>253,000</u>
Total	<u>3,556,758</u>	<u>\$18,019,000</u>	<u>1,438,902</u>	<u>\$17,043,000</u>

The amount of promotional allowances and promotional expenses for the quarter ended June 30, 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	27,762	\$ 3,030,000	39	\$ 3,000
Food	327,508	3,212,000	26,111	256,000
Beverage	1,332,975	1,560,000	-0-	-0-
Travel	-0-	-0-	731	256,000
Tivoli Pier/ Showroom/Boxing	14,178	358,000	5,428	108,000
Coin Payouts	-0-	-0-	740,125	8,315,000
Other	<u>110,010</u>	<u>1,100,000</u>	<u>10,604</u>	<u>106,000</u>
Total	<u>1,812,433</u>	<u>\$ 9,260,000</u>	<u>783,038</u>	<u>\$ 9,044,000</u>

NOTE 6. JACKPOT PAYOUTS

Jackpot payouts for the six months ending June 30, 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>14*</u>	<u>\$283,597</u>
Total	<u>-0-</u>	<u>\$ -0-</u>	<u>14</u>	<u>\$283,597</u>

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

Jackpot payouts for the quarter ending June 30, 1991 are:

	<u>PAYOUTS INCLUDED IN PROMOTIONAL ALLOWANCES</u>			
	<u>Number of Payouts</u>	<u>Dollar Amounts</u>	<u>Number of Payouts</u>	<u>Dollar Amount</u>
Motor Vehicles	<u>-0-</u>	<u>\$ -0-</u>	<u>8</u>	<u>\$179,350</u>
Total	<u>-0-</u>	<u>\$ -0-</u>	<u>8</u>	<u>\$179,350</u>

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	\$11,941,000	\$ 8,807,000
Due to Atlantic-Deauville, Inc.	22,000	120,000
Due to Ramada New Jersey, Inc.	1,123,000	371,000
Due to Adamar Garage Corporation	8,467,000	2,230,000
Due to Aztar Mortgage Funding, Inc.	<u>5,407,000</u>	<u>5,229,000</u>
	<u>\$26,960,000</u>	<u>\$16,757,000</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 Tropicana West	\$ 21,408,000	\$ 21,436,000
Note receivable - Adamar Garage Corporation	<u>17,052,000</u>	<u>17,052,000</u>
	<u>\$ 38,460,000</u>	<u>\$ 38,488,000</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 six months ended June 30, 1991 and 1990 the Company incurred management fees from Aztar Corporation of \$-0- and \$305,000, respectively.

The nature of "Charges from affiliates - other" for the six months ended June 30, 1991 and 1990 are as follows:

	<u>1991</u>	<u>1990</u>
Basic rent - AGP	\$ 27,552,000	\$ 24,585,000
Rent	503,000	476,000
Rent - Adamar Garage Corporation	<u>3,100,000</u>	<u>3,105,000</u>
Total	<u>\$ 31,155,000</u>	<u>\$ 28,166,000</u>

For the six months ended June 30, 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	\$ 2,000	\$ 2,000
Property Insurance	228,000	228,000
Workman's Compensation	<u>345,000</u>	<u>484,000</u>
Total	<u>\$ 575,000</u>	<u>\$ 714,000</u>

SELLING, GENERAL AND ADMINISTRATIVE

	<u>1991</u>	<u>1990</u>
Insurance (1)	\$ 576,000	\$ 699,000
Executive Deferred Compensation Plan	11,000	31,000
Workman's Compensation	92,000	136,000
Corporate Allocation	-0-	255,000
Long-term Incentive	428,000	450,000
Restricted Stock	<u>79,000</u>	<u>85,000</u>
	<u>1,186,000</u>	<u>1,656,000</u>
Total	<u>\$ 1,761,000</u>	<u>\$ 2,370,000</u>

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

NOTE 8. INCOME TAXES/BENEFITS

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 June 30, 1991 and 1990, Investments, Advances, and Receivables consisted of the following:

	<u>1991</u>	<u>1990</u>
Due from Affiliates	\$ 21,408,000	\$ 21,436,000
CRDA investment	15,150,000	12,763,000
Mortgage receivable	16,918,000	17,076,000
Note receivable - Adamar Garage Corporation	17,052,000	17,052,000
Long-term note receivable	<u>397,000</u>	<u>338,000</u>
Total	<u>\$ 70,925,000</u>	<u>\$ 68,665,000</u>

NOTE 2. OTHER ACCRUED EXPENSES

At June 30, 1991 and 1990, Other accrued expenses consisted of the following:

	<u>1991</u>	<u>1990</u>
Accrued payroll taxes and benefits	\$ 7,396,000	\$ 6,896,000
Accrued advertising	718,000	1,085,000
Accrued rent	325,000	303,000
Accrued taxes	876,000	1,119,000
Accrued progressive slot win	6,734,000	5,686,000
Accrued CCC & DGE	1,080,000	888,000
Accrued miscellaneous	2,062,000	2,242,000
Accrued litigation	431,000	-0-
Deferred rent	3,819,000	3,819,000
Other	<u>2,245,000</u>	<u>2,158,000</u>
Total	<u>\$ 25,686,000</u>	<u>\$ 24,196,000</u>

NOTE 3. OTHER CURRENT LIABILITIES

At June 30, 1991 and 1990, Other current liabilities consisted of the following:

	<u>1991</u>	<u>1990</u>
Reinvestment Obligation	\$ 908,000	\$ 872,000
Accrued construction payables	-	136,000
Gaming chips	849,000	810,000
Casino and RCC payment deposit	237,000	315,000
Unclaimed wages	440,000	411,000
Other	187,000	312,000
	<u> </u>	<u> </u>
Total	<u>\$ 2,621,000</u>	<u>\$ 2,856,000</u>

NOTE 4. OTHER LIABILITIES

At June 30, 1991 and 1990, Other liabilities consisted of the following:

	<u>1991</u>	<u>1990</u>
Due to affiliates	\$ 26,960,000	\$ 16,757,000
Deferred rent	8,912,000	12,731,000
	<u> </u>	<u> </u>
TOTAL	<u>\$ 35,872,000</u>	<u>\$ 29,488,000</u>

NOTE 5. NON-OPERATING INCOME/(EXPENSE)

For the period ending June 30, 1991 and 1990, Non-operating income/(expense) consisted of the following:

	<u>1991</u>	<u>1990</u>
Interest income	\$ 3,522,000	\$ 3,393,000
Administrative fee	50,000	50,000
Leased land rental	2,771,000	2,771,000
Maintenance reimbursement	6,140,000	5,323,000
Gain/(Loss) on disposition	(818,000)	7,000
	<u> </u>	<u> </u>
Total	<u>\$ 11,665,000</u>	<u>\$ 11,544,000</u>

TRADING NAME OF LICENSEE TropWorld Casino and Entertainment Resort

SCHEDULE OF RECEIVABLES AND PATRONS' CHECKS

June 30, 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.....	3,556		
2	Returned patrons' checks.....	14,275		
3	Total patrons' checks.....	17,831	(9,745)	8,086
4	Hotel Receivables.....	1,256	(218)	1,038
	Other Receivables:			
5	Receivables due from officers and employees..	43		
6	Receivables due from affiliates.....	-0-		
7	Other accounts and notes receivables.....	7,430		
8	Total other receivables.....	7,473		7,473
9	Totals (Form 205).....	\$ 26,560	\$ (9,963)	\$ 16,597

UNDEPOSITED PATRONS' CHECKS ACTIVITY

LINE (f)	DESCRIPTION (g)	AMOUNT (h)
10	Beginning Balance (January 1).....	\$ 4,889
11	Counter checks issued (excluding counter checks issued through transactions relating to consolidations, partial redemptions, substitutions, and patrons' cash deposits).....	68,449
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).....	(47,956)
13	Checks collected through deposits.....	(20,660)
14	Checks transferred to returned checks.....	(1,166)
15	Other adjustments.....	-0-
16	Ending Balance.....	\$ 3,556
17	"Hold" Checks Included in Balance On Line 16.....	\$ -0-
18	Provision For Uncollectible Patrons' Checks.....	\$ 754
19	Provision As A Percent Of Counter Checks Issued.....	1.1 %

HOTEL STATISTICS

FOR THE 6 MONTHS ENDED June 30, 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	1,014	30,420	28,392	\$ 60.33	93.3%	56,020	\$ 30.58
MAY	1,014	31,434	29,160	\$ 74.43	92.8%	57,044	\$ 38.05
JUNE	1,014	30,420	28,450	\$ 62.50	93.5%	56,847	\$ 31.29
2ND QUARTER TOTALS		92,274	86,002	\$ 65.83	93.2%	169,911	\$ 33.32
JULY				\$	%		\$
AUGUST				\$	%		\$
SEPTEMBER				\$	%		\$
3RD QUARTER TOTALS				\$	%		\$
OCTOBER				\$	%		\$
NOVEMBER				\$	%		\$
DECEMBER				\$	%		\$
4TH QUARTER TOTALS				\$	%		\$
ANNUAL TOTALS				\$	%		\$

974.901
C193

QUARTERLY REPORT

LICENSEE TRUMP CASTLE ASSOCIATES
ADDRESS Huron Avenue & Brigantine Boulevard
Atlantic city, NJ 08401

FOR THE QUARTER ENDED JUNE 30, 1991

PROPERTY OF
NEW JERSEY STATE LIBRARY
SEP 30 1991
185 W. STATE ST.
TRENTON, N.J.

TO THE
CASINO CONTROL COMMISSION
OF THE
STATE OF NEW JERSEY



RECEIVED
NEW JERSEY
JUL 30 Rec'd
CASINO CONTROL
COMMISSION

**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

LIST OF FORMS - QUARTERLY REPORT

FOR THE QUARTER ENDED JUNE 30, 1991

DESCRIPTION	(Q1 1991)	(Q2 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
7/87 -		CCC-201
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.

BALANCE SHEETS

JUNE 30, 1991 and 1990

(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1991	(d) 1990
ASSETS			
Current Assets:			
1	Cash.....(NOTE 1).....	\$ 12,089	\$ 9,953
2	Marketable Securities.....	0	0
3	Receivables and patrons' checks (net of allowance for doubtful accounts - 1991, \$3,366 ; 1990, \$2,866).....	8,115	19,204
4	Inventories.....	2,104	3,121
5	Prepaid expenses and other current assets.....	3,706	6,233
6	Total current assets.....	26,014	38,511
7	Investments, Advances, And Receivables.....	646	2,139
8	Property And Equipment - Net.....(NOTE 2).....	356,719	373,618
9	Other Assets.....(NOTE 6).....	11,204	11,626
10	Total Assets.....	\$394,583	\$425,894
LIABILITIES AND EQUITY			
Current Liabilities:			
	Accounts payable.....(NOTE 7).....	\$ 5,925	\$ 7,657
12	Notes payable.....(NOTE 4).....	13,000	13,000 *
Current portion of long-term debt:			
13	Due to affiliates.....(NOTE 3,5).....	317,316	50,945 *
14	Other.....(NOTE 4).....	50,000	0
15	Income taxes payable and accrued.....	0	0
16	Other accrued expenses.....(NOTE 8).....	34,890	13,836
17	Other current liabilities.....(NOTE 9).....	14,906	13,029
18	Total current liabilities.....	436,037	98,467
Long-Term Debt:			
19	Due to affiliates.....(NOTE 3).....	0	263,667
20	Other.....(NOTE 4).....	0	50,000
21	Deferred Credits.....	0	0
22	Other Liabilities.....	8	18
23	Commitments And Contingencies (NOTE 11)		
24	Total Liabilities.....	436,045	412,152
25	Stockholders', Partners', Or Proprietor's Equity.....	(41,462)	13,742
26	Total Liabilities And Equity.....	\$394,583	\$425,894

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

*Certain items have been reclassified to conform to current presentation.

STATEMENTS OF INCOME

FOR THE SIX MONTHS ENDED JUNE 30 , 1991 and 1990

(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1991	(d) 1990
	Revenue:		
1	Casino.....	\$ 90,626	\$121,892
2	Rooms.....	7,546	10,286
3	Food and beverage.....	15,506	20,545
4	Other.....	5,852	5,947
5	Total revenue.....	119,530	158,670
6	Less: Promotional allowances.....(NOTE 13).....	14,904	21,230
7	Net revenue.....	104,626	137,440
	Costs And Expenses:		
8	Cost of goods and services.....	64,656	77,446
9	Selling, general, and administrative.....	30,038	41,662
10	Provision for doubtful accounts.....	1,536	1,522
11	Depreciation and amortization.....	10,809	10,145
	Charges from affiliates other than interest:		
12	Management fees.....	0	0
13	Other.....	0	0
14	Total costs and expenses.....	107,039	130,775
15	Income (Loss) From Operations.....	(2,413)	6,665
	Other Income (Expenses):		
16	Interest (expense) - affiliates.....(NOTE 3,5).....	(21,166)	(20,551)
17	Interest (expense) - external.....(NOTE 4).....	(3,094)	(3,481)
18	Investment alternative tax and related income (expense) - net..(NOTE 11)..	(1,268)	(2,653)
19	Non-operating income (expense) - net.....(NOTE 10).....	(312)	374
20	Total other income (expenses).....	(25,840)	(26,311)
21	Income (Loss) Before Income Taxes And Extraordinary Items.....	(28,253)	(19,646)
22	Provision (credit) for income taxes.....	0	0
23	Income (Loss) Before Extraordinary Items.....	(28,253)	(19,646)
24	Extraordinary items (net of income taxes - 1991 \$ -0- , 1990 \$ 3,136).....(NOTE 15).....	0	3,136
25	Net Income (Loss).....	\$(28,253)	\$(16,510)

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 JUNE 30, 1991 and 1990

(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1991	(d) 1990
	Revenue:		
1	Casino.....	\$ 44,652	\$ 55,556
2	Rooms.....	3,954	5,555
3	Food and beverage.....	8,128	10,241
4	Other.....	2,320	3,247
5	Total revenue.....	59,054	74,599
6	Less: Promotional allowances.....(NOTE 13).....	6,980	11,219
7	Net revenue.....	52,074	63,380
	Costs And Expenses:		
8	Cost of goods and services.....(NOTE 14).....	32,346	37,683
9	Selling, general, and administrative.....	14,148	18,498
10	Provision for doubtful accounts.....	982	832
11	Depreciation and amortization.....	5,460	5,169
	Charges from affiliates other than interest:		
12	Management fees.....	0	0
	Other.....	0	0
14	Total costs and expenses.....	52,936	62,182
15	Income (Loss) From Operations.....	(862)	1,198
	Other Income (Expenses)		
16	Interest (expense) - affiliates.....(NOTE 3,5).....	(10,575)	(10,256)
17	Interest (expense) - external.....(NOTE 4).....	(1,501)	(1,760)
18	Investment alternative tax and related income (expense) - net.(NOTE 11)...	(743)	(613)
19	Non-operating income (expense) - net.....(NOTE 10).....	(421)	152
20	Total other income (expenses).....	(13,240)	(12,477)
21	Income (Loss) Before Income Taxes And Extraordinary Items.....	(14,102)	(11,279)
22	Provision (credit) for income taxes.....(NOTE 1).....	0	0
23	Income (Loss) Before Extraordinary Items.....	(14,102)	(11,279)
24	Extraordinary items (net of income taxes - 1991, -0- 1990 \$3,136).....(NOTE 15).....	0	3,136
25	Net Income (Loss).....	\$(14,102)	\$ (8,143)

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 SIX MONTHS ENDED JUNE 30, 1991 and 1990

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.

STATEMENTS OF CHANGES IN PARTNERS' OR PROPRIETOR'S EQUITY

FOR THE SIX MONTHS ENDED JUNE 30, 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).....	(28,253)	(16,510)
8	.....	
9	Ending balance.....	(74,208)	(19,004)
	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.....	\$(41,462)	\$ 13,742

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 SIX MONTHS ENDED JUNE 30, 1991 and 1990

(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1991	(d) 1990
1	Net Cash Provided (Used) By Operating Activities.....	\$ 4,676	\$ (8,632)
	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.....	(2,322)	(9,730)
5	Proceeds from disposition of property and equipment.....	1,841	0
6	Purchase of casino reinvestment obligations.....	(150)	(110)
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	2,587
9	Cash outflows to acquire business entities.....		
10	Redemption of Series A-1 Bonds Held For Investment.....	0	9,655
11	.....	
12	Net Cash Provided (Used) By Investing Activities.....	(631)	2,402
	Cash Flows From Financing Activities:		
13	Cash proceeds from issuance of short-term debt.....		
14	Payments to settle short-term debt.....		(2,000)
	Cash proceeds from issuance of long-term debt.....		26,265
16	Costs of issuing debt.....		
17	Payments to settle long-term debt.....		(22,680)
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.....		1,585
24	Net Increase (Decrease) In Cash And Cash Equivalents.....	4,045	(4,645)
25	Cash And Cash Equivalents At Beginning Of Period.....	8,044	14,598
26	Cash And Cash Equivalents At End Of Period.....	\$ 12,089	\$ 9,953

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

27	Cash Paid During Period For:		
	Interest (net of amount capitalized).....	\$ 5,453	\$ 21,670
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 SIX MONTHS ENDED JUNE 30, 1991 and 1990

(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1991	(d) 1990
	Net Cash Flows From Operating Activities		
29	Net income (loss).....	\$(28,253)	\$(16,510)
	Noncash items included in income and cash items excluded from income:		
30	Depreciation and amortization of property and equipment.....	10,360	9,759
31	Amortization of other assets.....	449	386
32	Amortization of debt discount or premium.....	1,402	1,203
33	Deferred income taxes - current.....	0	0
34	Deferred income taxes - noncurrent.....	0	0
35	(Gain) loss on disposition of property and equipment.....	(58)	133
36	(Gain) loss on casino reinvestment obligations.....	1,268	2,653
37	(Gain) loss from other investment activities.....	0	0
38	Net (increase) decrease in receivables and patrons' checks.....	6,371	(2,897)
39	Net (increase) decrease in inventories.....	669	370
40	Net (increase) decrease in other current assets.....	(297)	(3,503)
41	Net (increase) decrease in other assets.....	(395)	(78)
42	Net increase (decrease) in accounts payable.....	(5,213)	(813)
43	Net increase (decrease) in other current liabilities excluding debt.....	18,373	666
44	Net increase (decrease) in other noncurrent liabilities excluding debt..	0	(1)
45			
46			
47	Net Cash Provided (Used) By Operating Activities.....	\$ 4,676	\$ (8,632)

SUPPLEMENTAL SCHEDULE OF NON-CASH INVESTING AND FINANCING ACTIVITIES

48	Acquisition Of Property And Equipment:		
	Additions to property and equipment.....	\$ (2,322)	\$ (9,730)
49	Less: Capital lease obligations incurred.....	0	0
50	Cash Outflows For Property And Equipment.....	\$ (2,322)	\$ (9,730)
	Acquisition of Business Entities:		
51	Property and equipment acquired.....	\$ 0	\$ 0
52	Goodwill acquired.....	0	0
53	Net assets acquired other than cash, goodwill, and property and equipment.....	0	0
54	Long-term debt assumed.....	0	0
55	Issuance of stock or capital invested.....		
56	Cash Outflows To Acquire Business Entities.....	\$ 0	\$ 0
	Stock Issued Or Capital Contributions:		
57	Total issuances of stock or capital contributions.....	\$ 0	\$ 0
58	Less: Issuances to settle long-term debt.....	0	0
59	Consideration in acquisition of business entities.....	0	0
60	Cash Proceeds From Issuing Stock Or Capital Contributions.....	\$ 0	\$ 0

SCHEDULE OF RECEIVABLES AND PATRONS' CHECKS

JUNE 30, 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.....	\$ 3,432		
2	Returned patrons' checks.....	5,378		
3	Total patrons' checks.....	8,810	\$ 2,873	\$ 5,937
4	Hotel Receivables.....	1,071	158	913
Other Receivables:				
5	Receivables due from officers and employees.....	28		
6	Receivables due from affiliates.....	673		
7	Other accounts and notes receivables.....	564		
8	Total other receivables.....	1,265	0	1,039
9	Totals (Form 205).....	\$ 11,146	\$ 3,031	\$ 8,115


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).....	68,070
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).....	(46,449)
13	Checks collected through deposits.....	(21,683)
14	Checks transferred to returned checks.....	(4,059)
15	Other adjustments.....	0
16	Ending Balance.....	\$ 3,432
17	"Hold" Checks Included In Balance On Line 16.....	\$ 0
18	Provision For Uncollectible Patrons' Checks.....	\$ 1,514
19	Provision As A Percent Of Counter Checks Issued.....	2.2 %

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.



Signature

Vice President Finance

Title

00711-11

License Number

Subscribed and sworn to before

On Behalf Of:

me this 29th day
of July, 1998.

Trump Castle Hotel & Casino
Casino Licensee


Signature

SHARON J. MILLER
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires June 18, 1996

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.

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 \$3,419,000 through June 30, 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 June 30:

	<u>1991</u>	<u>1990</u>
Land	\$ 31,558	\$ 31,792
Buildings	235,170	236,728
Furniture, Fixtures and Equipment	93,068	87,365
Construction in Progress	573	2,948
Building/Leasehold Improvements	109,535	107,488
	-----	-----
TOTAL	\$469,904	\$466,321
Less Accumulated Depreciation	(113,185)	(92,703)
	-----	-----
Net Property and Equipment	<u>\$356,719</u>	<u>\$373,618</u>

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 June 30, 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 Partnership failed to make certain interest payments on the Series A-1 and A-2 Bonds due June 15, 1991, in the amount of \$18,408,250, and failed to make sinking fund payment on the Series A-1 Bonds in the amount of \$22,680,000, also due on June 15, 1991. Failure to meet these payment requirements has resulted in the indebtedness represented by the Series A-1 and A-2 Bonds being classified as a current liability.

The Partnership and the Company are currently involved in negotiations with the Bondholders of the Company in an effort to restructure the indebtedness represented by the Series A-1 and A-2 Bonds. The intent of the restructuring process is to obtain more favorable repayment terms for the Partnership and the Company and to improve long-term financial stability. However, no assurances can be given that the restructuring process will be successful in solving the Company's and Partnership's current liquidity problems. In the event that a debt restructure is not completed, the Company and Partnership may be forced to seek protection under Chapter 11 of the United States Bankruptcy Code.

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 State 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 also maintains a line of credit with Midlantic, due in 1995, of which \$13,000,000 has been drawn upon as of June 30, 1991.

The Partnership had failed to make interest payments totaling approximately \$2,353,000, which represented interest charges on the term loan for the months of August through December, 1990, as well as interest payments on the line of credit, totaling approximately \$961,000, which represented interest charges for the months of August 1990 through April 1991. Midlantic had agreed to defer payment of the unpaid interest on both loans until June 15, 1991.

On June 14, 1991 the Partnership made payment, to Midlantic, of all unpaid interest for both the term loan as well as the line of credit, then due and payable. The Partnership has maintained both loans in a current status since that date.

Since the security for the term loan is identical to that of the Bonds (see note 3), and since the Bonds have been classified as a current liability, the term loan has also been classified as a current liability.

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.

In December 1990, Fred Trump, the father of Donald J. Trump, placed \$3,500,000 in cash on deposit with the Partnership's casino cage, which was recorded by the Partnership as a gaming patron deposit. Counter check(s) totaling \$3,500,000 were issued against the deposit, for which Fred Trump received gaming chips valued at \$3,500,000. These gaming chips were included in the outstanding chip liability on the Partnership's books at June 30, 1991.

The Casino Control Commission (CCC) has ruled that the transaction was, in fact, a loan from Fred Trump to the Partnership, and not a customer deposit. The Partnership has subsequently been fined by the CCC for its handling of the transaction.

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

	<u>1991</u>	<u>1990</u>
Other Assets consist of:		
Deferred Loan Cost	\$ 392	\$ 451
Deferred Bond Costs (Net)	10,041	10,848
Other Non-Current Assets	771	327
	-----	-----
TOTAL OTHER ASSETS	<u>\$11,204</u>	<u>\$11,626</u>
	=====	=====

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

	<u>1991</u>	<u>1990</u>
Accounts Payable Trade	\$ 4,939	\$ 6,573
Patron Deposits	122	835
Other	864	249
	-----	-----
TOTAL ACCOUNTS PAYABLE	<u>\$ 5,925</u>	<u>\$ 7,657</u>
	=====	=====

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

Other accrued expenses consist of:	<u>1991</u>	<u>1990</u>
Accrued Payroll & Taxes	\$ 4,198	\$ 4,066
Accrued Interest	23,573	2,081
Accrued Advertising/Promotions	585	837
Accrued Progressive Jackpots	1,882	1,980
Accrued Sick/Vacation	3,995	4,119
Other	657	753
	-----	-----
TOTAL OTHER ACCRUED EXPENSES	\$34,890	\$13,836
	=====	=====

NOTE 9 - OTHER CURRENT LIABILITIES
(In Thousands of Dollars)

Other current liabilities consist of:	<u>1991</u>	<u>1990</u>
Outstanding Chip Liability	\$ 4,300	\$1,010
Outstanding Token Liability	628	160
Patron Deposits	102	243
Accrued Utilities	165	1,235
Accrued Group Health insurance	1,647	1,398
Accrued Insurance	1,793	2,362
A/P Other	3,710	4,074
Accrued Legal	1,477	707
Accrued CCC/DGE	591	817
Construction Retainage	204	550
Accrued Inventories	217	386
Accrued CRDA	72	87
	-----	-----
TOTAL OTHER CURRENT LIABILITIES	\$14,906	\$13,029
	=====	=====

NOTE 10 - NON-OPERATING INCOME (EXPENSE) - NET:
(In Thousands of Dollars)

Non-operating income for quarter ended June 30, 1991:

	<u>Three Months</u>	
	<u>1991</u>	<u>1990</u>
Discount Earned	\$ 0	\$ 24
Interest Income	145	261
Gain/(Loss) Disp. of Equipment	58	(133)
Debt Restructuring	(624)	0
	-----	-----
	(\$421)	\$ 152
	=====	=====

	<u>Six Months</u>	
	<u>1991</u>	<u>1990</u>
Discount Earned	\$ 0	\$ 82
Interest Income	254	425
Gain/(Loss) Disp. of Equipment	58	(133)
Debt Restructuring	(624)	0
	-----	-----
	(\$312)	\$374
	=====	=====

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.

On May 8, 1991, the CCC renewed the casino license of the Partnership through May 16, 1993, subject to the conditions that both the Partnership and Donald J. Trump demonstrate their financial stability through May 16, 1993 at a subsequent CCC proceeding. On June 20, 1991, the CCC determined that Donald J. Trump, as a natural person qualifier, had by clear and convincing evidence established his financial stability, integrity, and responsibility through May 16, 1993 but required that by July 31, 1991 Donald J. Trump file with the CCC and the Division final executed contracts effectuating agreements with certain lender banks to which Donald J. Trump and certain of his Affiliates are a party. On June 26, 1991, the CCC required that the Partnership (a) by July 31, 1991 agree upon definitive documentation reflecting a previously agreed upon outline of principal terms; (b) by July 31, 1991 file with the SEC the Registration Statement outlining a Plan of Reorganization; and (c) within forty-five days of the registration Statement being declared effective by the SEC, file a Petition with the United States Bankruptcy Court for approval of the Plan. 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.

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 three to four quarters.

The Partnership made an additional donation of its existing CRDA deposits during the second quarter of 1991, totaling approximately \$524,000, in exchange for satisfaction of an equivalent amount of its prior bond purchase commitments, in addition to receiving future tax credits totaling approximately \$267,000.

As a result of this agreement, the Partnership has charged \$1,011,000 for the six months ending June 30, 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 has charged \$257,000 and \$1,288,000 respectively to its 1991 and 1990 results to give effect to the CRDA donations. These charges represent the write down of the asset value of the CRDA deposits to the value of the tax credits issued to the Partnership by the CRDA.

ROADWAY IMPROVEMENTS

The Partnership, along with another Atlantic City casino, has entered into a joint venture agreement with the New Jersey Department of Transportation to fund the construction of certain roadway improvements in the Atlantic City Marina District. The agreement requires that the Partnership make cash contributions totaling \$8,000,000. As of June 30, 1991, the Partnership had made contributions totaling approximately \$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 \$232,000 for matching contributions for the six months ended June 30, 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 June 30, 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	50,572	1,787,000	5	\$ 6,000
Food	240,963	3,661,000	---	---
Beverage	389,846	1,268,000	---	---
Travel	113	14,000	3,040	532,000
Cash Coupons	---	---	637,408	5,759,000
Admissions	7,880	197,000	19	2,000
Other/Gifts	10,520	53,000	12,885	648,000
	-----	-----	-----	-----
TOTALS	699,894	\$ 6,980,000	653,357	\$ 6,947,000
	=====	=====	=====	=====

Promotional Allowances and Expenses and number of recipients for six months ended June 30, 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	112,829	3,949,000	13	\$ 13,000
Food	471,505	7,082,000	---	---
Beverage	801,846	2,606,000	---	---
Travel	2,720	408,000	5,543	966,000
Cash Coupons	---	---	1,488,250	11,906,000
Admissions	28,400	710,000	45	4,000
Other/Gifts	29,800	149,000	20,160	1,008,000
	-----	-----	-----	-----
TOTALS	1,447,100	\$14,904,000	1,514,011	\$13,897,000
	=====	=====	=====	=====

NOTE 14 - JACKPOT PAYOUTS

Jackpot payouts in the form of merchandise which are included in cost of goods and services consisted of the following:

For the Three Months Ended 6/30/91

	<u>Number of Recipients</u>	<u>Amount</u>
Motor Vehicles	2	\$ 30,909
	--	-----
TOTALS	2	\$ 30,909
	==	=====

For the Six Months Ended 6/30/91

	<u>Number of Recipients</u>	<u>Amount</u>
Motor Vehicles	6	\$ 79,938
	--	-----
TOTALS	6	\$ 79,938
	==	=====

HOTEL STATISTICS

FOR THE 6 MONTHS ENDED June 30, 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	703	21,090	19,418	\$ 68.45	92.1 %	41,143	\$ 32.29
MAY	703	21,793	16,844	\$ 49.21	77.3 %	34,655	\$ 23.92
JUNE	703	21,090	19,506	\$ 70.81	92.5 %	41,503	\$ 33.28
2ND QUARTER TOTALS		63,973	55,768	\$ 63.46	87.2 %	117,301	\$ 30.17
JULY				\$	%		\$
AUGUST				\$	%		\$
SEPTEMBER				\$	%		\$
3RD QUARTER TOTALS				\$	%		\$
OCTOBER				\$	%		\$
NOVEMBER				\$	%		\$
DECEMBER				\$	%		\$
4TH QUARTER TOTALS				\$	%		\$
ANNUAL TOTALS				\$	%		\$

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QUARTERLY REPORT

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

FOR THE QUARTER ENDED JUNE 30, 1991

PROPERTY OF
NEW JERSEY STATE LIBRARY

SEP 30 1991

185 W. STATE ST.

TO THE
CASINO CONTROL COMMISSION

OF THE
STATE OF NEW JERSEY



RECEIVED
NEW JERSEY
AUG 16 Rec'd
CASINO CONTROL
COMMISSION

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 JUNE 30, 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 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. Valid comparisons cannot be made without using information contained in the notes.

TRADING NAME OF LICENSEE TRUMP PLAZA HOTEL & CASINO

BALANCE SHEETS

JUNE 30, 1991 AND 1990

(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1991	(d) 1990
ASSETS			
	Current Assets:	\$	\$
1	Cash.....	7,047	9,174
2	Marketable securities.....	-	-
3	Receivables and patrons' checks (net of allowance for doubtful accounts - 1991, \$21,032; 1990, \$15,540).....	13,037	18,209
4	Inventories.....	3,035	4,378
5	Prepaid expenses and other current assets....(Note 2)...	5,531	7,236
6	Total current assets.....	28,650	38,997
7	Investments, Advances, and Receivables.....(Note 3)...	6,220	7,394
8	Property and Equipment - Net.....(Note 4)...	311,073	322,064
9	Other Assets.....(Note 5)...	38,287	39,432
10	Total Assets.....	<u>\$384,230</u>	<u>\$407,887</u>
LIABILITIES AND EQUITY			
	Current Liabilities:	\$	\$
11	Accounts payable.....	9,724	10,361
12	Notes payable.....	1,056	747
	Current portion of long-term debt:		
13	Due to affiliates.....(Note 8)...	25,000	25,000
14	Other.....(Note 9)...	9,521	4,564
15	Income taxes payable and accrued.....	-	-
16	Other accrued expenses.....(Note 6)...	22,592	19,235
17	Other current liabilities.....(Note 7)...	8,630	6,905
18	Total current liabilities.....	76,523	66,812
	Long-Term Debt:		
19	Due to affiliates.....(Note 8)...	200,000	225,000
20	Other.....(Note 9)...	37,712	20,642
21	Deferred Credits.....(Note 10)...	2,053	4,367
22	Other Liabilities.....	-	-
23	Commitments and Contingencies (Note 14)		
24	Total Liabilities.....	316,288	316,821
25	Stockholders', Partners', or Proprietor's Equity.....	67,942	91,066
26	Total Liabilities and Equity.....	<u>\$384,230</u>	<u>\$407,887</u>

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 SIX MONTHS ENDED JUNE 30, 1991 AND 1990

(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1991	(d) 1990
	Revenue:	\$	\$
1	Casino.....	111,437	144,853
2	Rooms.....	12,301	10,744
3	Food and beverage.....	20,764	22,956
4	Other.....	3,609	9,321
5	Total revenue.....	148,111	187,874
6	Less: Promotional allowances.....(Note 11)..	17,736	23,434
7	Net revenue.....	130,375	164,440
	Costs and Expenses:		
8	Costs of goods and services.....	73,768	88,079
9	Selling, general, and administrative.....	40,375	47,168
10	Provision for doubtful accounts.....	2,861	2,599
11	Depreciation and amortization.....	8,038	8,683
	Charges from affiliates other than interest:		
12	Management fees.....	-	-
13	Other.....(Note 14)....	4,315	1,030
14	Total costs and expenses.....	129,357	147,559
15	Income (Loss) from Operations.....	1,018	16,881
	Other Income (Expenses):		
16	Interest (expense) - affiliates.....(Note 12)....	(15,960)	(16,094)
17	Interest (expense) - external.....	(1,350)	(1,083)
18	Investment alternative tax and related income (expense) - net.....(Note 14)....	(1,145)	(3,524)
19	Nonoperating income (expense) - net.....(Note 13)....	567	754
20	Total other income (expenses).....	(17,888)	(19,947)
21	Income (Loss) before Income Taxes and Extraordinary Items.	(16,870)	(3,066)
22	Provision (credit) for income taxes.....(Note 15)....	(1,539)	(268)
23	Income (Loss) before Extraordinary Items.....	(15,331)	(2,798)
24	Extraordinary items (net of income taxes - 1991, \$ - ; 1990, \$ -).....	-	-
25	Net Income (Loss).....	<u>\$(15,331)</u>	<u>\$(2,798)</u>

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 JUNE 30, 1991 AND 1990

(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1991	(d) 1990
	Revenue:	\$	\$
1	Casino.....	55,799	74,450
2	Rooms.....	6,627	5,982
3	Food and beverage.....	10,256	11,011
4	Other.....	1,779	3,701
5	Total revenue.....	74,461	95,144
6	Less: Promotional allowances.....(Note 11)..	7,985	11,778
7	Net revenue.....	66,476	83,366
	Costs and Expenses:		
8	Costs of goods and services.....	37,212	43,572
9	Selling, general, and administrative.....	18,946	23,336
10	Provision for doubtful accounts.....	1,069	1,752
11	Depreciation and amortization.....	4,082	4,177
	Charges from affiliates other than interest:		
12	Management fees.....	-	-
13	Other.....(Note 14).....	2,185	515
14	Total costs and expenses.....	63,494	73,352
15	Income (Loss) from Operations.....	2,982	10,014
	Other Income (Expenses):		
16	Interest (expense) - affiliates.....(Note 12)....	(7,913)	(8,047)
17	Interest (expense) - external.....	(721)	(535)
18	Investment alternative tax and related income (expense) - net.....(Note 14)....	(577)	(851)
19	Nonoperating income (expense) - net.....(Note 13)....	394	381
20	Total other income (expenses).....	(8,817)	(9,052)
21	Income (Loss) before Income Taxes and Extraordinary Items.	(5,835)	962
22	Provision (credit) for income taxes.....(Note 15)....	(508)	86
23	Income (Loss) before Extraordinary Items.....	(5,327)	876
24	Extraordinary items (net of income taxes - 1991, \$ - ; 1990, \$ -).....	-	-
25	Net Income (Loss).....	<u>\$ (5,327)</u>	<u>\$ 876</u>

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 SIX MONTHS ENDED JUNE 30, 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).....	(15,331)	(2,798)
8	.....	-	-
9	Ending balance.....	64,410	87,534
	Capital Withdrawals:		
10	Beginning balance (January 1).....	(47,175)	(52,558)
11	Additional capital withdrawals.....	-	5,383
12	.....	-	-
13	Ending balance.....	(47,175)	(47,175)
	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.....	<u>\$ 67,942</u>	<u>\$ 91,066</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 CASH FLOWS

FOR THE SIX MONTHS ENDED JUNE 30, 1991 AND 1990

(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1991	(d) 1990
1	Net Cash Provided (Used) by Operating Activities	\$ 1,605	\$ (1,991)
	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.....	(2,127)	(8,858)
5	Proceeds from disposition of property and equipment.....	56	102
6	Purchase of casino reinvestment obligations.....	(324)	(947)
7	Purchase of other investments and loans/advances made...	(288)	(6,694)
8	Proceeds from disposal of investments and collection of advances and long-term receivables.....	-	-
9	Cash outflows to acquire business entities.....	-	-
10	Casino Reinvestment Obligation Donation	-	11,971
11	.....	-	-
12	Net Cash Provided (Used) by Investing Activities.....	(2,683)	(4,426)
	Cash Flows from Financing Activities:		
13	Cash proceeds from issuance of short-term debt.....	1,056	872
14	Payments to settle short-term debt.....	(53)	(347)
15	Cash proceeds from issuance of long-term debt.....	25,000	-
16	Costs of issuing debt.....	-	-
17	Payments to settle long-term debt.....	(27,883)	(1,944)
18	Cash proceeds from issuing stock or capital contribution	-	-
19	Purchases of treasury stock.....	-	-
20	Payments of dividends or capital withdrawals.....	-	5,383
21	.....	-	-
22	.....	-	-
23	Net Cash Provided (Used) by Financing Activities.....	(1,880)	3,964
24	Net Increase (Decrease) in Cash and Cash Equivalents.....	(2,958)	(2,453)
25	Cash and Cash Equivalents at Beginning of Period.....	10,005	11,627
26	Cash and Cash Equivalents at End of Period.....	\$ 7,047	\$ 9,174

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

	Cash Paid During Period For:		
27	Interest (net of amount capitalized).....	\$ 17,339	\$ 17,250
28	Income taxes.....	\$ -	\$ 1,900

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 SIX MONTHS ENDED JUNE 30, 1991 AND 1990

(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1991	(d) 1990
	Net Cash Flows from Operating Activities:		
29	Net income (loss).....	\$(15,331)	\$ (2,798)
	Noncash items included in income and cash items excluded from income:		
30	Depreciation and amortization of property & equipment.	7,592	8,180
31	Amortization of other assets.....	446	503
32	Amortization of debt discount or premium.....	-	-
33	Deferred income taxes - current.....	-	-
34	Deferred income taxes - noncurrent.....	(1,477)	146
35	(Gain) loss on disposition of property and equipment..	1	(23)
36	(Gain) loss on casino reinvestment obligation.....	1,145	3,524
37	(Gain) loss from other investment activities.....	-	-
38	Net (increase) decrease in receivables and patrons'... checks.....	4,742	(5,722)
39	Net (increase) decrease in inventories.....	66	(162)
40	Net (increase) decrease in other current assets.....	(881)	(5,000)
41	Net (increase) decrease in other assets.....	(501)	(190)
42	Net (increase) decrease in accounts payables.....	1,820	6,619
43	Net (increase) decrease in other current liabilities.. excluding debt.....	3,983	(6,618)
44	Net increase (decrease) in other noncurrent liabilities excluding debt.....	-	-
45		-	-
46		-	-
47	Net Cash Provided (Used) by Operating Activities.....	<u>\$ 1,605</u>	<u>\$ (1,991)</u>

SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING AND FINANCING ACTIVITIES

	Acquisition of Property and Equipment:		
48	Additions to property and equipment.....	\$ (2,127)	\$ (8,932)
49	Less: Capital lease obligations incurred.....	-	74
50	Cash Outflows for Property and Equipment.....	<u>\$ (2,127)</u>	<u>\$ (8,858)</u>
	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.....	<u>\$ -</u>	<u>\$ -</u>
	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.	<u>\$ -</u>	<u>\$ -</u>

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 June 30 consisted of the following:

	<u>1991</u>	<u>1990</u>
Prepaid taxes	\$ 819,000	\$1,803,000
Prepaid insurance	1,307,000	1,065,000
Prepaid air transportation costs	93,000	474,000
Prepaid rent	171,000	107,000
Prepaid advertising costs	108,000	4,000
Prepaid special event costs	41,000	186,000
Prepaid CRDA expense	2,332,000	3,322,000
Prepaid service contracts	151,000	69,000
Prepaid sewerage costs	268,000	110,000
Other	241,000	96,000
	<u>\$5,531,000</u>	<u>\$7,236,000</u>

NOTE 3: INVESTMENTS, ADVANCES AND RECEIVABLES

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

	<u>1991</u>	<u>1990</u>
Advances due from -		
Seashore Four Associates	\$ -	\$ 170,000
Trump Seashore Associates	1,362,000	1,484,000
The Trump Organization	14,000	-
Trump Taj Mahal Associates	-	1,142,000
Helicopter Air Services, Inc.	357,000	118,000
Trump Sports & Entertainment	75,000	59,000
Trump Penthouse Parcel	-	2,290,000
Other Affiliated Companies	9,000	22,000
Due from Partners	1,842,000	-
Casino reinvestment bonds and escrow deposit, net of valuation adjustment - (1991) \$1,276,000; (1990) \$1,051,000	<u>2,561,000</u>	<u>2,109,000</u>
	<u>\$6,220,000</u>	<u>\$7,394,000</u>

TRUMP PLAZA ASSOCIATES
NOTES TO FINANCIAL STATEMENTS, continued

NOTE 4: PROPERTY AND EQUIPMENT - NET

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

	<u>1991</u>	<u>1990</u>
Land and land improvements	\$ 34,747,000	\$ 34,747,000
Buildings	292,085,000	291,157,000
Furniture, fixtures and equipment	67,955,000	64,026,000
Leasehold improvements	2,378,000	2,330,000
Construction in progress	<u>1,520,000</u>	<u>2,601,000</u>
	398,685,000	394,861,000
Less - Accumulated depreciation & amortization	<u>(87,612,000)</u>	<u>(72,797,000)</u>
Net property and equipment	<u><u>\$311,073,000</u></u>	<u><u>\$322,064,000</u></u>

NOTE 5: OTHER ASSETS

Other assets as of June 30 consisted of the following:

	<u>1991</u>	<u>1990</u>
Land rights, net	\$ 30,982,000	\$ 31,351,000
Debt issuance costs, net	5,889,000	6,333,000
Deposits	212,000	133,000
Other deferred charges	<u>1,204,000</u>	<u>1,615,000</u>
	<u><u>\$ 38,287,000</u></u>	<u><u>\$ 39,432,000</u></u>

NOTE 6: OTHER ACCRUED EXPENSES

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

	<u>1991</u>	<u>1990</u>
Accrued payroll	\$ 8,124,000	\$ 7,608,000
Accrued progressive jackpot liabilities	4,641,000	4,559,000
Accrued interest	1,495,000	1,515,000
Accrued gaming taxes payable	583,000	415,000
Accrued Casino Control Commission & Division of Gaming Enforcement fees	715,000	748,000
Accrued utilities	254,000	393,000
Accrued union benefits	296,000	261,000
Accrued health insurance benefits	416,000	832,000
Accrued sales, use & luxury tax	1,266,000	219,000
Accrued transportation costs	2,000	384,000
Accrued legal costs	157,000	100,000
Accrued special event costs	325,000	884,000
Accrued rent	1,745,000	-
Accrued repairs & maintenance cost	163,000	163,000
Accrued property taxes	669,000	-
Accrued uniforms	57,000	127,000
Accrued bank service charges	100,000	73,000
Other	<u>1,584,000</u>	<u>954,000</u>
	<u><u>\$ 22,592,000</u></u>	<u><u>\$ 19,235,000</u></u>

TRUMP PLAZA ASSOCIATES
NOTES TO FINANCIAL STATEMENTS, continued

NOTE 7: OTHER CURRENT LIABILITIES

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

	<u>1991</u>	<u>1990</u>
Unredeemed chip/token liability	\$ 2,835,000	\$ 2,766,000
Patron deposits	265,000	375,000
Casino reinvestment liability	153,000	171,000
Reserve for insurance claims	2,218,000	2,318,000
Advance room/theatre deposits	209,000	112,000
Advances due to Trump's Castle Associates	264,000	381,000
Advances due to Trump Penthouse Parcel	119,000	-
Advances due to Seashore Four Associates	393,000	-
Advances due to Taj Mahal Associates	131,000	-
Advances due to Trump Crystal Tower Associates	1,677,000	469,000
Unclaimed wages	302,000	244,000
Other	64,000	69,000
	<u>\$ 8,630,000</u>	<u>\$ 6,905,000</u>

NOTE 8: LONG-TERM DEBT-DUE TO AFFILIATES

Long-term debt-due to affiliates as of June 30 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 commenced June 15, 1991 and are calculated to retire 70% of the promissory note prior to maturity in 1998.	\$225,000,000	\$250,000,000
Less current maturities	<u>25,000,000</u>	<u>25,000,000</u>
	<u>\$200,000,000</u>	<u>\$225,000,000</u>

As more fully described below, the Company satisfied its initial \$25,000,000 Sinking Fund requirement through the issuance of promissory notes payable to Belmont Fund, L.P., a Bermuda Limited Partnership ("Belmont"), and Fidelity Capital & Income Fund ("Fidelity"), a mutual fund business trust in the amount of \$5,125,000 and \$19,875,000, respectively, for an equivalent amount of Bonds.

NOTE 9: LONG-TERM DEBT - OTHER

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

	<u>1991</u>	<u>1990</u>
Promissory notes payable, interest payable monthly, maturing in 1996. (A)	\$ 25,000,000	\$ -
10% note payable to Harrah's Atlantic City, Inc., interest payable monthly, maturing in 1993 (B)	11,859,000	14,401,000

TRUMP PLAZA ASSOCIATES
 NOTES TO FINANCIAL STATEMENTS, continued

NOTE 9: LONG-TERM DEBT - OTHER, continued

<p>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 1991 and 1998 and are secured by certain real property.</p>	10,332,000	10,708,000
<p>Other notes with interest rates ranging from 11.02% to 12.5%, principal and interest payable monthly, secured by automobile equipment</p>	<u>42,000</u> 47,233,000	<u>97,000</u> 25,206,000
<p>Less current maturities</p>	<u>9,521,000</u>	<u>4,564,000</u>
	<u>\$ 37,712,000</u>	<u>\$ 20,642,000</u>

(A) On May 30, 1991, the Company issued promissory notes ("The 1991 Notes") payable to Belmont and Fidelity in the principal amounts of \$5,125,000 and \$19,875,000, respectively. Interest on the notes is payable monthly and commence July 15, 1991 and continue to May 30, 1992 at a rate of 11% (12% until May 30, 1993 and 12-7/8% until maturity on September 30, 1996) on the outstanding principal balance. Subsequent to the maturity date or in the event the principal balance becomes due at an earlier date, interest will be payable on any overdue principal at the prime rate plus five (5%) per annum.

The 1991 notes were issued in exchange for \$25,000,000 in principal amount of the Company's mortgage bonds held by Fidelity Management and Research Company. This exchange satisfied the Company's June 15, 1991 Sinking Fund requirement.

The 1991 notes are secured by a mortgage (senior to the lien of the Bond Mortgage, but subordinate to mortgages on certain real property). In addition, the 1991 notes provide; (i) for a mandatory prepayment on April 1 of each year commencing on April 1, 1992 in an amount equal to 50% of the Company's excess cash flow, as defined, in excess of \$75,000,000; and (ii) for the mandatory prepayment of all or a portion thereof in the event all or a portion of the Bonds are redeemed.

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

	\$ 3,388,000	
1992		
1993	<u>8,471,000</u>	
	<u>\$ 11,859,000</u>	

TRUMP PLAZA ASSOCIATES
NOTES TO FINANCIAL STATEMENTS, continued

NOTE 9: LONG-TERM DEBT - OTHER, continued

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

1992	\$ 9,521,000
1993	8,815,000
1994	347,000
1995	383,000
1996	423,000
Thereafter	<u>27,744,000</u>
	<u>\$47,233,000</u>

NOTE 10: DEFERRED CREDITS

Deferred credits as of June 30, 1991 and 1990 consisted of deferred state income taxes.

NOTE 11: PROMOTIONAL ALLOWANCES AND EXPENSES

Promotional allowances and expenses for the three months and six months ended June 30, 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	16,971	\$ 2,323,000	494	\$ 37,000
Food	295,275	3,470,000	-	-
Beverage	648,241	1,945,000	-	-
Travel	-	-	4,971	745,000
Theatre	7,118	177,000	20,456	818,000
Coin Bonus	-	-	538,351	4,311,000
Tips	-	-	2,874	115,000
Player Gifts	-	-	5	47,000
Other	7,076	70,000	4,390	111,000
TOTAL	<u>974,681</u>	<u>\$ 7,985,000</u>	<u>571,541</u>	<u>\$ 6,184,000</u>

TRUMP PLAZA ASSOCIATES
NOTES TO FINANCIAL STATEMENTS, continued

NOTE 11: PROMOTIONAL ALLOWANCES AND EXPENSES, continued

Six months ended:

	<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	39,606	\$ 5,247,000	721	\$ 54,000
Food	676,359	7,749,000	-	-
Beverage	1,337,371	4,012,000	-	-
Travel	-	-	21,331	3,199,000
Theatre	220,637	584,000	21,231	849,000
Coin Bonus	-	-	1,202,837	10,386,000
Tips	-	-	6,358	254,000
Player Gifts	-	-	10	413,000
Other	14,476	144,000	7,510	267,000
TOTAL	<u>2,288,449</u>	<u>\$17,736,000</u>	<u>1,259,998</u>	<u>\$15,422,000</u>

NOTE 12: INTEREST (EXPENSE) - AFFILIATES

Interest (Expense) - Affiliates for the six months ended June 30, 1991 and 1990 consisted of the 12-7/8% promissory note due in the principal amount of \$225,000,000 to Trump Plaza Funding, Inc.

NOTE 13: NONOPERATING INCOME (EXPENSE) - NET

Nonoperating income (expense) - net for the three months and six months ended June 30 consisted of the following:

	<u>Three months ended</u>		<u>Six months ended</u>	
	<u>1991</u>	<u>1990</u>	<u>1991</u>	<u>1990</u>
Interest income	\$124,000	\$316,000	\$265,000	\$695,000
Gain (Loss) on disposal of property and equipment	(1,000)	29,000	(1,000)	23,000
Other nonoperating income	<u>271,000</u>	<u>36,000</u>	<u>303,000</u>	<u>36,000</u>
	<u>\$394,000</u>	<u>\$381,000</u>	<u>\$567,000</u>	<u>\$754,000</u>

NOTE 14: COMMITMENTS AND CONTINGENCIES

A. Leases

On August 21, 1990, the Company entered into an agreement (the "Regency Lease") with Trump Crystal Tower Associates Limited Partnership, an affiliate of the Company ("TCTA") pursuant to which the Company currently leases and operates the Trump Regency Hotel ("Hotel") through April 30, 1994. Until December 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 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, and entitles the Company to all revenues generated from the operation of the Trump Regency Hotel. For the six months ended June 30, 1991, the Company incurred \$2,320,000 of costs and expenses in excess of revenues as a result of the operation of the 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 June 30, 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 six months ended June 30, 1991, the aggregate base rent relating to the Regency Lease totalled approximately \$1,850,000.

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 June 30, 1991 amounted to \$2,332,000 to be utilized to satisfy substantial portions of the Company's investment alternative tax obligations over the subsequent three to four quarters. Of the future tax credits, \$2,332,000 is included as prepaid expenses and other current assets in the accompanying balance sheets.

B. Casino Reinvestment Development Authority Obligations, continued

For the six months ended June 30, 1991, the Company charged \$1,041,000 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 had for six months ended June 30, 1990 charged \$1,875,000 as an expense to reduce deposits previously made to the amount of the future tax credits received.

Investments, advances and receivables also include \$1,869,000 of below market interest rate bonds issued by the CRDA and \$1,968,000 of deposits paid towards the purchase of below market interest rate bonds.

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 of 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 certain conditions, and on June 20, 1991 found that subject to the conditions, the Company had demonstrated its financial stability. On June 28, 1991, the CCC staff imposed additional conditions that:

- (i) on a weekly basis, to report to the CCC its available cash balance and house funds;
- (ii) by July 15, 1991, pay Trump Regency real estate taxes;
- (iii) by July 31, 1991, obtain a commitment for the \$10,000,000 line of credit and submit a copy of the expected credit line;
- (iv) within fifteen calendar days of the end of each month commencing as of July 15, 1991, submit monthly balance sheets, statements of income and statements of cash flows in the CCC's prescribed format and advise of any significant deviations from previously submitted financial forecasts; and
- (v) on a monthly basis, within five calendar days of the end of each month, provide the CCC and DGE with a completed progressive jackpot liability form and certification of its Chief Financial Officer regarding withdrawals, deposits and ending balances with respect to its progressive jackpot liability escrow account.

On July 15, 1991, Trump Regency real estate taxes were paid. The Company is still in the process of obtaining a \$10,000,000 line of credit. 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.

TRUMP PLAZA ASSOCIATES
NOTES TO FINANCIAL STATEMENTS, continued

NOTE 15: PROVISION (CREDIT) FOR INCOME TAXES

The provision (credit) for state income taxes for the three months ended June 30 consisted of the following:

	Three months ended		Six months ended	
	1991	1990	1991	1990
Current	\$ 955,000	\$ 75,000	\$ (64,000)	\$ (413,000)
Deferred	(1,463,000)	11,000	(1,475,000)	145,000
Total	\$ (508,000)	\$ 86,000	\$ (1,539,000)	\$ 268,000

Total patrons' checks	10,372	\$70,740	2,510	\$13,100
Receivables	1,858	243	1,526	1,526
Receivables due from affiliates	15	-	-	-
Accounts and notes receivables	1,958	-	-	-
Other receivables	3,289	-	-	1,363
(Part 205)	234,369	\$71,032	-	\$13,037

UNCOLLECTIBLE PATRONS' CHECKS ACTIVITY

DESCRIPTION	AMOUNT (in)
Balance (January 1)	\$ 8,272
Checks issued (including counter checks issued through redemptions relating to consolidations, partial redemptions, redemptions, and patrons' cash deposits)	91,821
Checks redeemed prior to deposit (including the unredeemed portion of counter checks redeemed through partial redemptions, including checks redeemed through transactions relating to consolidations, redemptions, and patrons' cash deposits)	(97,344)
Checks collected through deposits	(23,511)
Checks transferred to returned checks	(5,420)
Other adjustments	5,420
Balance	\$ 4,128
Checks included in balance on line 14	\$ 4
Less for Uncollectible Patrons' Checks	\$ 2,072
Less for a Percent of Counter Checks Issued	-

TRADING NAME OF LICENSEE TRUMP PLAZA HOTEL & CASINO

SCHEDULE OF RECEIVABLES AND PATRONS' CHECKS

JUNE 30, 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.....	\$ 4,120		
2	Returned patrons' checks.....	26,112		
3	Total patrons' checks.....	30,232	\$20,790	\$ 9,442
4	Hotel Receivables.....	1,868	242	1,626
	Other Receivables			
5	Receivables due from officers & emps.	15		
6	Receivables due from affiliates.....	-		
7	Other accounts and notes receivables.....	1,954		
8	Total other receivables.....	1,969		1,969
9	Totals (Form 205).....	\$34,069	\$21,032	\$13,037

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).....	91,827
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).....	(67,344)
13	Checks collected through deposits.....	(23,516)
14	Checks transferred to returned checks.....	(5,420)
15	Other adjustments.....	
16	Ending Balance.....	\$ 4,120
17	"Hold Checks included in Balance on Line 16.....	\$ 0
18	Provision for Uncollectible Patrons' Checks.....	\$ 2,812
19	Provision as a Percent of Counter Checks Issued.....	3.1%

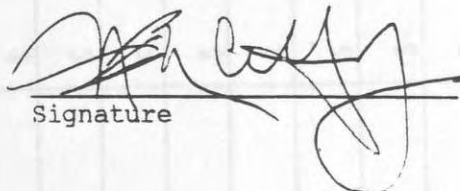
STATEMENT OF CONFORMITY AND ACCURACY

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.

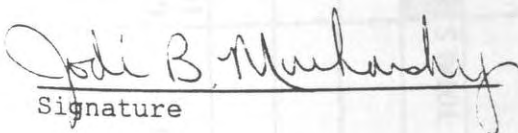

Signature

SR. VP OF FINANCE & ADMIN.
Title

1015
~~004804~~-11
License Number

Subscribed and sworn to
before me this 14th day
of August , 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 6 MONTHS ENDED June 30, 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	1,056	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	1,056	31,680	24,181	\$ 89.00	76.3 %	48,362	\$ 44.50
MAY	1,056	32,736	21,904	\$ 96.73	66.9 %	43,808	\$ 48.37
JUNE	1,056	31,680	24,181	\$ 97.43	76.3 %	48,362	\$ 48.71
2ND QUARTER TOTALS		96,096	70,266	\$ 94.31	73.1 %	140,532	\$ 47.15
JULY				\$	%		\$
AUGUST				\$	%		\$
SEPTEMBER				\$	%		\$
3RD QUARTER TOTALS				\$	%		\$
OCTOBER				\$	%		\$
NOVEMBER				\$	%		\$
DECEMBER				\$	%		\$
4TH QUARTER TOTALS				\$	%		\$
ANNUAL TOTALS				\$	%		\$

974.901
C193

LIST QUARTERLY REPORT REPORT

LICENSEE TRUMP TAJ MAHAL CASINO RESORT

ADDRESS 1000 BOARDWALK

ATLANTIC CITY, NEW JERSEY 08401

FOR THE QUARTER ENDED **JUNE 30, 1991**

TO THE

CASINO CONTROL COMMISSION

OF THE

STATE OF NEW JERSEY

PROPERTY OF
NEW JERSEY LIBRARY
SEP 30 1991
TRENTON, N.J.

RECEIVED
NEW JERSEY
AUG 15 Rec'd
CASINO CONTROL
COMMISSION

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 JUNE 30, 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

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

BALANCE SHEETS

JUNE 30, 1991 AND 1990

(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	JUNE (c) 1991	JUNE (d) 1990
ASSETS			
Current Assets:			
1	Cash and cash investments.....	\$ 44,304	\$ 20,569
2	Marketable securities.....	0	0
3	Receivables and patrons' checks (net of allowance for doubtful accounts - 1991, \$7,348; 1990, \$1,436).....	17,309	18,877
4	Inventories.....	3,248	6,273
5	Prepaid expenses and other current assets.....	1,898	7,300
6	Total current assets.....	66,759	53,019
7	Investment, Advances, and Receivables - CRDA..... NOTE 1.....	620	0
8	Property and Equipment - Net..... NOTE 2.....	776,542	805,062
9	Other Assets.....	787	61,870
10	Total Assets.....	\$ 844,708	\$ 919,951
LIABILITIES AND EQUITY			
Current Liabilities:			
11	Accounts Payable.....	\$ 8,137	\$ 91,076
12	Notes Payable.....	35,523	0
Current portion of long-term debt:			
13	Due to affiliates..... NOTE 3.....	700,000	0
14	Other..... NOTE 3.....	45,223	11,043
15	Income taxes payable and accrued.....	0	0
16	Other accrued expenses..... NOTE 4.....	138,915	31,670 *
17	Other current liabilities..... NOTE 5.....	28,422	11,813 *
18	Total current liabilities.....	956,220	145,602
Long-Term Debt:			
19	Due to affiliates..... NOTE 3.....	0	700,000
20	Other..... NOTE 3.....	577	37,928
21	Deferred Credits.....	0	0
22	Other Liabilities.....	0	0
23	Commitments and Contingencies..... NOTE 1.....		
24	Total Liabilities.....	956,797	883,530
25	Stockholders', Partners', or Proprietor's Equity.....	(112,089)	36,421
26	Total Liabilities and Equity.....	\$ 844,708	\$ 919,951

* Certain reclassifications have been made to the 1990 financial statement to conform to the 1991 presentation.

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

SIX MONTHS ENDED JUNE 30, 1991 AND 1990

(UNAUDITED)

(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1991	(d) 1990	*
	REVENUE:	\$	\$	
1	Casino.....	185,569	104,454	
2	Rooms.....	19,843	12,078	
3	Food and Beverage.....	29,359	21,294	
4	Other.....	5,423	4,247	**
5	Total Revenue.....	240,194	142,073	
6	Less: Promotional allowances..... NOTE 6.....	28,886	16,561	
7	Net Revenue.....	211,308	125,512	
	COSTS AND EXPENSES:			
8	Cost of Goods and Services.....	101,984	63,944	
9	Selling, General and Administrative.....	64,406	33,716	
10	Provision for Doubtful Accounts.....	3,847	1,436	
11	Depreciation and Amortization.....	17,988	13,485	
	Charges from Affiliates other than Interest:			
12	Management Fees.....	4,179	2,486	
13	Other.....	-	-	
14	Total Costs and Expenses.....	192,404	115,067	
15	Income (Loss) From Operations.....	18,904	10,445	
	Other Income (Expenses):			
16	Interest (Expenses) - Affiliates..... NOTE 3.....	(48,385)	(24,042)	
17	Interest (Expenses) - External..... NOTE 3.....	(3,649)	(1,332)	
18	Investment Alternative Tax and Related Income (Expense) - Net.....	(620)	-	
19	Nonoperating Income (Expense) - Net..... NOTE 7.....	(8,899)	513	**
20	Total other Income (Expenses).....	(61,553)	(24,861)	
21	Income (Loss) Before Income Taxes and Extraordinary Items.....	(42,649)	(14,416)	
22	Provision (Credit) for Income Taxes.....			
23	Income (Loss) Before Extraordinary Items.....	(42,649)	(14,416)	
24	Extraordinary Items (Net of Incomes Taxes - 19____, \$; 19____, \$)	-	-	
25	Net Income (Loss).....	\$ (42,649)	\$ (14,416)	

* 1990 includes 3 months from Inception April 2, 1990 through June 30, 1990.

** Certain reclassifications have been made to the 1990 financial statement to conform to the 1991 presentation.

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

THREE MONTHS ENDED JUNE 30, 1991 AND 1990

(UNAUDITED)

(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1991	(d) 1990
	REVENUE:	\$	\$
1	Casino.....	100,877	104,454
2	Rooms.....	10,661	12,078
3	Food and Beverage.....	15,008	21,294
4	Other.....	3,009	4,247 *
5	Total Revenue.....	129,555	142,073
6	Less: Promotional allowances..... NOTE 6.....	14,433	16,561
7	Net Revenue.....	115,122	125,512
	COSTS AND EXPENSES:		
8	Cost of Goods and Services.....	52,364	63,944
9	Selling, General and Administrative.....	33,434	33,716
10	Provision for Doubtful Accounts.....	2,226	1,436
11	Depreciation and Amortization.....	8,892	13,485
	Charges from Affiliates other than Interest:		
12	Management Fees.....	2,253	2,486
13	Other.....	-	-
14	Total Costs and Expenses.....	99,169	115,067
15	Income (Loss) From Operations.....	15,953	10,445
	Other Income (Expenses):		
16	Interest (Expenses) - Affiliates..... NOTE 3.....	(24,193)	(24,042)
17	Interest (Expenses) - External..... NOTE 3.....	(1,810)	(1,332)
18	Investment Alternative Tax and Related Income (Expense) - Net.....	(620)	0
19	Nonoperating Income (Expense) - Net..... NOTE 7.....	(5,598)	513 *
20	Total other Income (Expenses).....	(32,221)	(24,861)
21	Income (Loss) Before Income Taxes and Extraordinary Items.....	(16,268)	(14,416)
22	Provision (Credit) for Income Taxes.....	-	-
23	Income (Loss) Before Extraordinary Items.....	(16,268)	(14,416)
24	Extraordinary Items (Net of Incomes Taxes - 19____, \$; 19____, \$)	-	-
25	Net Income (Loss).....	\$ (16,268)	\$ (14,416)

* Certain reclassifications have been made to the 1990 financial statement to conform to the 1991 presentation.

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 SIX MONTHS ENDED JUNE 30, 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.....		\$		\$

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 SIX MONTHS ENDED JUNE 30, 1991 AND 1990

(UNAUDITED)

(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1991	(d) 1990*
	Invested Capital:		
1	Beginning Balance.....	\$ 75,001	\$ 75,001
2	Additional Capital Invested.....	0	0
3	.....	0	0
4	Ending Balance.....	75,001	75,001
	Accumulated Income (Loss):		
5	Beginning Balance.....	(144,441)	(24,164)
6	Prior Period Adjustments.....	0	0
7	Net Income (Loss).....	(42,649)	(14,416)
8	.....	0	0
9	Ending Balance.....	(187,090)	(38,580)
	Capital Withdrawals:		
10	Beginning Balance.....	-	-
11	Additional Capital Withdrawals.....	-	-
12	.....	-	-
13	Ending Balance.....	0	0
	Net Unrealized Loss On Noncurrent Marketable Equity Securities:		
14	Beginning Balance.....	-	-
15	.....	-	-
16	.....	-	-
17	Ending Balance.....	0	0
18	Ending Partners' or Proprietor's Equity.....	\$ (112,089)	\$ 36,421

* 1990 includes 3 months from Inception April 2, 1990 through June 30, 1990

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

STATEMENT OF CASH FLOWS

FOR THE SIX MONTHS ENDED JUNE 30, 1991 AND 1990

(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1991	(d) 1990 *
1	Net Cash Provided (Used) by Operating Activities.....	\$ 20,085	\$ 1,834
	Cash Flows from Investing Activities:		
2	Purchase of Short-Term Investment Securities.....		
3	Proceeds from the Sale of Short-Term Investment Securities.....		
4	Purchase Outflows for Property and Equipment.....	3,291	(64,640)
5	Proceeds from Disposition of Property and Equipment.....		
6	Purchase of Casino Reinvestment Obligations.....	(1,240)	0
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.....	2,051	(64,640)
	Cash Flows from Financing Activities:		
13	Cash Proceeds from Issuance of Short-Term Debt.....		
14	Payments to Settle Short-Term Debt.....		
15	Cash Proceeds from Issuance of Long-Term Debt.....		25,017
16	Costs of Issuing Debt.....		
17	Payments to Settle Long-Term Debt.....	(292)	(2,844)
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.....	(292)	22,173
24	Net Increase (Decrease) in Cash and Cash Equivalents.....	21,844	(40,633)
25	Cash and Cash Equivalents at Beginning of Period.....	22,460	61,202
26	Cash and Cash Equivalents at End of Period.....	\$ 44,304	\$ 20,569

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

27	Cash Paid During Period for:		
	Interest (Net of Amount Capitalized).....	\$ 1,532	\$ 47,723
28	Income Taxes.....	\$	\$

* 1990 Includes 3 months from Inception April 2, 1990 through June 30, 1990.

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 SIX MONTHS ENDED JUNE 30, 1991 AND 1990

(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1991	(d) 1990
	Net Cash Flows from Operating Activities:		
29	Net Income (Loss).....	\$ (42,649)	\$ (14,416)
	Noncash Items Included in Income and Cash Items Excluded from Income:		
30	Depreciation and Amortization of Property and Equipment.....	17,988	8,652
31	Amortization of Other Assets.....	-	4,833
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.....	620	-
37	(Gain) Loss from Other Investment Activities.....	-	-
38	Net (Increase) Decrease in Receivables and Patrons' Checks.....	1,015	(17,476)
39	Net (Increase) Decrease in Inventories.....	1,317	2,307
40	Net (Increase) Decrease in Other Current Assets.....	(50)	5,866
41	Net (Increase) Decrease in Other Assets.....	(21)	3,348
42	Net Increase (Decrease) in Accounts Payables.....	(15,900)	23,445
43	Net Increase (Decrease) in Other Current Liabilities Excluding Debt.....	57,765	(4,596)
44	Net Increase (Decrease) in Other Noncurrent Liabilities Excluding Debt.....	-	(10,129)
45	Net Increase in Notes Payable.....	-	-
46		-	-
47	Net Cash Provided (Used) by Operating Activities.....	\$ 20,085	\$ 1,834

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)....	\$ (3,291)	\$ 64,640
49	Less: Capital Lease Obligations Incurred.....	-	-
50	Cash Outflows for Property and Equipment.....	\$ (3,291)	\$ 64,640
	Acquisition of Business Entities:		
51	Property and Equipment Acquired.....	\$ N/A	\$ N/A
52	Goodwill Acquired.....		
53	Net Assets Acquired Other than Cash, Goodwill, and Property and Equipment.....		
54	Long-Term Debt Assumed.....		
55	Issuance of Stock or Capital Invested.....		
56	Cash Outflows to Acquire Business Entities.....	\$	\$
	Stock Issued or Capital Contributions:		
57	Total Issuances of Stock or Capital Contributions.....	\$ N/A	\$ N/A
58	Less: Issuances to Settle Long-Term Debt.....		
59	Consideration in Acquisition of Business Entities.....		
60	Cash Proceeds from Issuing Stock or Capital Contributions.....	\$	\$

* 1990 Includes 3 months from Inception April 2, 1990 through June 30, 1990.

TRUMP TAJ MAHAL CASINO RESORT
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 1991

(Unaudited)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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 and six month periods ended June 30, 1991 and 1990 are not necessarily indicative of the operating results for a full year.

Proposed plan of reorganization:

As more fully discussed in the Partnership's December 31, 1990 Casino Control Commission Annual Report and Management's Discussion and Analysis of Financial Condition and Results of Operations in the June 30, 1991 Form 10-Q, the Partnership is currently experiencing a liquidity problem due to a variety of factors. These factors resulted in the Partnership's failure to make the November 15, 1990 and May 15, 1991 scheduled interest payments 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 June 30, 1991 and December 31, 1990.

On July 16, 1991, the Partnership, its general partners, and the Company filed a voluntary petition for relief under chapter 11, title 11, United States Bankruptcy Code (the "Bankruptcy Code"). On July 17, 1991, the Partnership also filed a plan of reorganization ("the Plan"). As more fully explained in the Plan and a Registration Statement filed on Form S-4, the Partnership has proposed certain modifications to the terms of the Bonds, bank borrowings as well as certain amounts

owed to Donald J. Trump, the beneficial owner of 100% of the equity interest in both the Partnership and the Company, and affiliated entities. In addition, the proposal would transfer approximately 50% of the ownership interest in the Partnership to the Bondholders. The terms of the Plan are subject to confirmation by the bankruptcy court. A confirmation hearing has been scheduled for August 28, 1991.

As part of the debt restructuring contemplated by the Plan and described in the Registration Statement, on July 16, 1991 the Partnership paid to a trustee for the benefit of each holder of \$1,000 principal amount of Bonds an amount equal to \$1.33 plus \$.27483 per day from April 1, 1991 through July 16, 1991. The total amount paid pursuant to this distribution was \$20,747,347. In addition, approximately \$2,379,000 was disbursed to a trustee for the benefit of certain banks as part of the debt restructuring contemplated by the Plan.

On September 6, 1990, the Partnership entered into an agreement, as amended (the "Subcontractors Agreement") with the Subcontractors. On August 12, 1991, the Partnership and the Subcontractors entered into an agreement assuming the Subcontractors Agreement and resolving all claims thereunder, subject to bankruptcy court approval. In exchange for releasing their claims, the Subcontractors will, among other things, be entitled to receive \$23,750,000 aggregate principal amount of Bonds to be acquired by a nominee of the Subcontractors with funds provided by the Partnership during the pendency of the bankruptcy proceeding. The Subcontractors' Note has been classified as a current liability as a result of the Partnership's failure to make the interest payment on the NatWest Loan, which default is a default under the Subcontractors Agreement.

For the six months ended June 30, 1991, the Partnership has incurred approximately \$7,673,000 in costs associated with the Plan.

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 and May 8, 1991, the CCC renewed the casino license of the Partnership through April 26, 1992, subject to certain conditions, including the Partnership and Donald J. Trump demonstrate their financial stability through the license period. On June 20, 1991,

the Commission found that, subject to certain conditions, the Partnership and Mr. Trump had so demonstrated their financial stability. The licensing conditions include certain continuing reporting requirements and the condition that cash reserves be maintained to cover portions of certain progressive jackpot liabilities. The amount reserved at June 30, 1991 was approximately \$472,000. 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, certain of its employees and the Company are involved in various legal proceedings, which are discussed in the 1990 Annual Report and First Quarter Report for the three months ended March 31, 1991. The Partnership and the Company have 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. If adversely decided, these legal proceedings could have a material adverse effect on the Company's and the Partnership's results of operations and financial condition. During the three months ended June 30, 1991, the Partnership settled certain legal proceedings. The cost of these settlements, which were outside the normal course of operations, were approximately \$1,750,000.

Investment obligation

The Partnership, pursuant to the New Jersey Casino Control Act, is first obligated to make qualified investments to the Casino Reinvestment Development Authority effective April 3, 1991, and has fulfilled its obligations in connection therewith.

NOTE 2 - PROPERTY AND EQUIPMENT

	<u>1991</u>	<u>June 30,</u> <u>1990</u>
	(in thousands)	
Land	\$ 37,291	\$ 36,763
Buildings	629,925	623,848
Furniture, fixtures and equipment	135,592	143,153
Leasehold improvements	<u>24,276</u>	<u>9,950</u>
Total	827,084	813,714
Less Accumulated Depreciation	<u>(50,542)</u>	<u>(8,652)</u>
Net Property and Equipment	<u>\$776,542</u>	<u>\$805,062</u>

NOTE 3 - LONG TERM DEBT

	1991	June 30, 1990
	(in thousands)	
<u>Current Portion</u>		
Due to affiliates:		
First mortgage bonds	\$675,000	\$ 0
Trump line of credit	<u>25,000</u>	<u>0</u>
	<u>\$700,000</u>	<u>\$ 0</u>
Other:		
Bank term loan	\$ 44,668	\$ 10,526
Other	<u>555</u>	<u>517</u>
Total other	<u>\$ 45,223</u>	<u>\$ 11,043</u>
<u>Long-term Portion</u>		
Due to Affiliates		
Trump Taj Mahal Funding, Inc.	\$ 0	\$675,000
Trump line of credit	<u>0</u>	<u>25,000</u>
Total	<u>\$ 0</u>	<u>\$700,000</u>
Other:		
National Westminster, FF&E Loan	\$ 0	\$ 36,774
Other	<u>577</u>	<u>1,154</u>
Total	<u>\$ 577</u>	<u>\$ 37,928</u>
<u>Interest Expense Affiliates</u>		
	Six Months Ended June 30,	
	1991	1990*
	(in thousands)	
First Mortgage Bonds	\$ 47,250	\$ 23,625
Trump line of credit	<u>1,135</u>	<u>417</u>
Total	<u>\$ 48,385</u>	<u>\$ 24,042</u>

*From Inception April 2, 1990 to June 30, 1990.

NOTE 3 - LONG TERM DEBT

Interest Expense External

	Six Months Ended June 30,	
	<u>1991</u>	<u>1990*</u>
	(in thousands)	
Bank term loan	\$ 2,221	\$ 1,294
Other	<u>1,428</u>	<u>38</u>
Total	<u>\$ 3,649</u>	<u>\$ 1,332</u>

Interest Expense Affiliates

	Three Months Ended June 30,	
	<u>1991</u>	<u>1990*</u>
	(in thousands)	
First mortgage bonds	\$ 23,625	\$ 23,625
Trump line of credit	<u>568</u>	<u>417</u>
Total	<u>\$ 24,193</u>	<u>\$ 24,042</u>

Interest Expense External

	Three Months Ended June 30,	
	<u>1991</u>	<u>1990*</u>
	(in thousands)	
Bank term loan	\$ 1,138	\$ 1,294
Other	<u>672</u>	<u>38</u>
Total	<u>\$ 1,810</u>	<u>\$ 1,332</u>

NOTE 4 - OTHER ACCRUED EXPENSES

	<u>June 30,</u>	
	<u>1991</u>	<u>1990</u>
	(in thousands)	
Accrued interest	\$113,346	\$ 13,615
Accrued payroll & related	12,181	11,669
Progressive jackpot	3,530	2,477
Other	<u>9,858 **</u>	<u>(1) 3,909 **</u>
Total	<u>\$138,915</u>	<u>\$ 31,670</u>

*From Inception April 2, 1990 to June 30, 1990.

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

(1) Certain reclassifications have been made to the 1990 financial statement to conform to the 1991 presentation.

NOTE 5 - OTHER CURRENT LIABILITIES

	<u>1991</u>	<u>June 30,</u> <u>1990</u>
	(in thousands)	
Trump Hotel Management Corp.	\$20,662	12,386
Trump's Castle Associates	162	634
Trump Plaza Associates	(181)	646
Trump Taj Mahal Realty Corp.	2,152	(5,376)
Helicopter Air Services	(43)	285
Trump Regency	0	425
	<u>\$ 22,752</u>	<u>\$ 9,000</u>
Other:		
Unredeemed chip liability	951	957
Insurance reserves	3,050	(1) 789
Other	1,669	1,067
	<u>5,670</u>	<u>2,813</u>
Total other current liabilities	<u>\$ 28,422</u>	<u>\$ 11,813</u>

(1) Certain reclassifications have been made to the 1990 financial statement to conform to the 1991 presentation.

NOTE 6 - PROMOTIONAL ALLOWANCE AND PROMOTIONAL EXPENSE

Six Months ended June 30, 1991

	<u>PROMOTIONAL ALLOWANCES</u>		<u>PROMOTIONAL EXPENSE</u>	
	<u># OF</u> <u>RECIPIENTS</u>	<u>DOLLAR</u> <u>AMOUNTS</u> (in thousands)	<u># OF</u> <u>RECIPIENTS</u>	<u>DOLLARS</u> <u>AMOUNTS</u> (in thousands)
Rooms	73,259	\$10,733		\$
Food	831,678	8,412		
Beverage	2,182,610	5,118		
Travel			23,610	3,595
Coupon Food	633,836	3,869		
Admissions	18,273	306		
Other	26,031	448		
Gifts			1,457	226
Coin			1,393,687	18,243
Cage Disbursements			1,252	1,603
Theatre - Outside			36,007	1,364
Limo			33,135	962
Other			7,383	425
Total	<u>3,765,687</u>	<u>\$28,886</u>	<u>1,496,531</u>	<u>\$26,418</u>

Six Months ended June 30, 1990*

	<u>PROMOTIONAL ALLOWANCES</u>		<u>PROMOTIONAL EXPENSE</u>	
	<u># OF</u> <u>RECIPIENTS</u>	<u>DOLLAR</u> <u>AMOUNTS</u> (in thousands)	<u># OF</u> <u>RECIPIENTS</u>	<u>DOLLARS</u> <u>AMOUNTS</u> (in thousands)
Rooms	30,493	\$ 5,254		\$
Food	332,949	5,261		
Beverage	659,576	4,314		
Travel			11,620	2,893
Coupon Food	32,642	307		
Coupon other				
Admissions	95,755	1,255		
Other	17,029	170		
Gifts			29,292	50
Coin			79,765	501
Cage Disbursements			690	462
Other			100	97
Total	<u>1,168,444</u>	<u>\$16,561</u>	<u>121,467</u>	<u>\$ 4,003</u>

*From Inception April 2, 1990 to June 30, 1990.

NOTE 6 - PROMOTIONAL ALLOWANCE AND PROMOTIONAL EXPENSE

Three Months ended June 30, 1991

	<u>PROMOTIONAL ALLOWANCES</u>		<u>PROMOTIONAL EXPENSE</u>	
	<u># OF</u>	<u>DOLLAR</u>	<u># OF</u>	<u>DOLLARS</u>
	<u>RECIPIENTS</u>	<u>AMOUNTS</u>	<u>RECIPIENTS</u>	<u>AMOUNTS</u>
		(in thousands)		(in thousands)
Rooms	36,814	\$ 5,362		\$
Food	470,665	4,377		
Beverage	1,171,708	2,283		
Travel			12,343	1,760
Coupon Food	314,006	1,979		
Admissions	8,136	191		
Other	12,552	241		
Gifts			646	52
Coin			706,089	9,529
Cage Disbursements			685	1,083
Theatre - Outside			28,848	1,314
Limo			20,226	301
Other			<u>7,201</u>	<u>248</u>
Total	<u>2,013,881</u>	<u>\$14,433</u>	<u>776,038</u>	<u>\$14,287</u>

Three Months ended June 30, 1990*

	<u>PROMOTIONAL ALLOWANCES</u>		<u>PROMOTIONAL EXPENSE</u>	
	<u># OF</u>	<u>DOLLAR</u>	<u># OF</u>	<u>DOLLARS</u>
	<u>RECIPIENTS</u>	<u>AMOUNTS</u>	<u>RECIPIENTS</u>	<u>AMOUNTS</u>
		(in thousands)		(in thousands)
Rooms	30,493	\$ 5,254		\$
Food	332,949	5,261		
Beverage	659,576	4,314		
Travel			11,620	2,893
Coupon Food	32,642	307		
Coupon other				
Admissions	95,755	1,255		
Other	17,029	170		
Gifts			29,292	50
Coin			79,765	501
Cage Disbursements			690	462
Other			<u>100</u>	<u>97</u>
Total	<u>1,168,444</u>	<u>\$16,561</u>	<u>121,467</u>	<u>\$ 4,003</u>

*From Inception April 2, 1990 to June 30, 1990.

SCHEDULE OF RECEIVABLES AND PATRONS' CHECKS

JUNE 30, 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.....	\$ 9,254		
2	Returned Patrons' Checks.....	12,467		
3	Total Patrons' Checks.....	21,721	\$ 7,040	\$ 14,681
4	Hotel Receivables.....	2,574	308	2,266
	Other Receivables:			
5	Receivables Due From Officers and Employees.....	0		
6	Receivables Due From Affiliates.....	0		
7	Other Accounts and Notes Receivables.....	362		
8	Total Other Receivables.....	362	0	362
9	Totals (Form 205).....	\$ 24,657	\$ 7,348	\$ 17,309

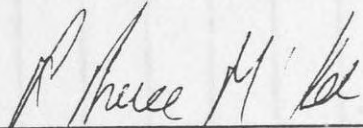
UNDEPOSITED PATRONS' CHECKS ACTIVITY		
LINE (f)	DESCRIPTION (g)	AMOUNT (h)
10	Beginning Balance (January 1).....	\$ 12,849
11	Counter Checks Issued (excluding counter checks issued through transactions relating to consolidations, partial redemptions, substitutions, and patrons' cash deposits).....	184,262
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).....	(136,368)
13	Checks Collected Through Deposits.....	(38,853)
14	Checks Transferred to Returned Checks.....	(12,636)
15	Other Adjustments.....	0
16	Ending Balance.....	\$ 9,254
17	"Hold" Checks Included in Balance on Line 16.....	\$ 0
18	Provision for Uncollectible Patrons' Checks.....	\$ 3,782
19	Provision 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 June, 1991

On Behalf Of:

Trump Taj Mahal Associates
Casino Licensee

Susan P. Ilsley
Signature

SUSAN P. ILSLEY
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Dec. 1, 1993

Basis of Authority
to Take Oaths

HOTEL STATISTICS

FOR THE 6 MONTHS ENDED June 30, 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	1,250	37,500	33,791	\$ 97.41	90.1 %	66,137	\$ 49.77
MAY	1,250	38,750	33,614	\$ 108.75	86.7 %	65,262	\$ 56.02
JUNE	1,250	37,500	35,130	\$ 105.71	93.7 %	68,030	\$ 54.59
2ND QUARTER TOTALS		113,750	102,535	\$ 103.97	90.1 %	199,429	\$ 53.46
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.

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