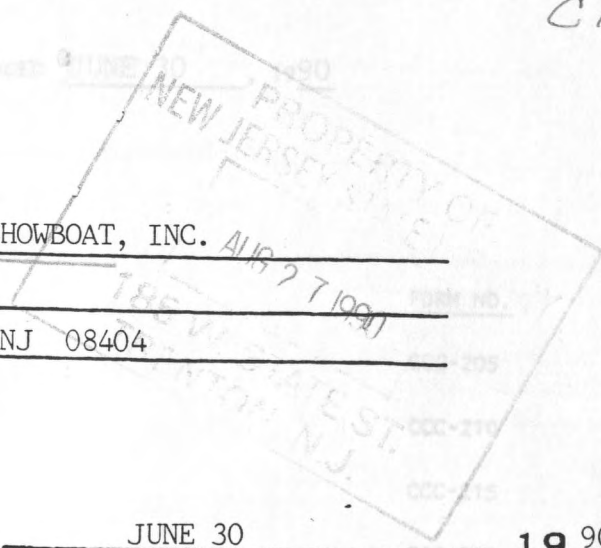


ATLANTIC CITY SHOWBOAT, INC.
QUARTERLY REPORT

474-901
C193

LICENSEE ATLANTIC CITY SHOWBOAT, INC.
ADDRESS PO BOX 840
ATLANTIC CITY, NJ 08404



FOR THE QUARTER ENDED JUNE 30, **19**90

TO THE
CASINO CONTROL COMMISSION
OF THE
STATE OF NEW JERSEY



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

MARK J. MILLER

OFFICIAL TITLE

VICE-PRESIDENT FINANCE

ADDRESS

PO BOX 840

ATLANTIC CITY, NJ 08404

BALANCE SHEETS

TRADING NAME OF LICENSEE ATLANTIC CITY SHOWBOAT, INC.

LIST OF FORMS - QUARTERLY REPORT

FOR THE QUARTER ENDED JUNE 30, 1990

TITLE	FORM NO.	(a) 19 90	(a) 19 89
ASSETS			
Cash		\$ 30,485	\$ 32,076
Accounts receivable		-0-	-0-
Prepaid expenses and other current assets		9,313	10,047
Balance Sheets	CCC-205	2,715	2,715
Statements of Income (Year-to-Date)	CCC-210	3,616	3,616
Statements of Income (Three Months)	CCC-215	46,534	48,454
Statements of Changes in Stockholders' Equity	CCC-220	21,757	19,209
Statements of Changes in Partners' or Proprietor's Equity	CCC-225	219,633	216,362
Statements of Cash Flows	CCC-235	10,343	10,873
Notes to Financial Statements		\$ 298,238	\$ 295,098
Schedule of Receivables and Patrons' Checks	CCC-240	4,811	4,172
Statement of Conformity and Accuracy	CCC-250	-0-	-0-
LIABILITIES AND EQUITY			
Current liabilities		2,384	2,384
Long-term debt		-0-	-0-
Accounts payable and accrued expenses		13,154	13,154
Other current liabilities		6,838	6,838
Total current liabilities		22,376	22,376
Term Debt		180,000	180,000
Accounts receivable		10,891	13,664
Other liabilities		1,154	35
Accounts and Contingencies		46,787	30,692
Total liabilities		268,491	251,500
Partners', or Proprietors' Equity		21,757	43,598
Total Liabilities and Equity		\$ 298,238	\$ 295,098

The accompanying notes are an integral part of the financial statements. Valid considerations should be made therein using information contained in the notes.

BALANCE SHEETS

JUNE 30, 19 90 AND 19 89

(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 19 90	(d) 19 89
	ASSETS		
	Current Assets:		
1	Cash NOTE 1	\$ 30,485	\$ 32,076
2	Marketable securities	-0-	-0-
3	Receivables and patrons' checks (net of allowance for doubtful accounts - 19 90, \$5,771 ; 19 90, \$2,715) NOTE 3	9,347	10,047
4	Inventories NOTE 1	2,620	2,715
5	Prepaid expenses and other current assets	4,082	3,616
6	Total current assets	46,534	48,454
7	Investments, Advances, And Receivables	21,753	19,209
8	Property And Equipment - Net NOTE 4	219,608	216,562
9	Other Assets	10,343	10,873
10	Total Assets	\$ 298,238	\$ 295,098
	LIABILITIES AND EQUITY		
	Current Liabilities:		
11	Accounts payable	\$ 4,811	\$ 4,172
12	Notes payable		-0-
	Current portion of long-term debt:		
13	Due to affiliates	-0-	-0-
14	Other NOTE 8	2,879	2,584
15	Income taxes payable and accrued	-0-	-0-
16	Other accrued expenses NOTE 5	15,198	13,469
17	Other current liabilities NOTE 6	6,838	6,884
18	Total current liabilities	29,726	27,109
	Long-Term Debt:		
19	Due to affiliates NOTE 7	180,000	180,000
20	Other NOTE 8	10,891	13,664
21	Deferred Credits	1,164	35
22	Other Liabilities	46,700	30,692
23	Commitments And Contingencies NOTE 14		
24	Total Liabilities	268,481	251,500
25	Stockholders', Partners', Or Proprietor's Equity	29,757	43,598
26	Total Liabilities And Equity	\$ 298,238	\$ 295,098

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 6 MONTHS ENDED JUNE 30, 1990 and 1989

(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 19 <u>90</u>	(d) 19 <u>89</u>
	Revenue:		
1	Casino NOTE 1	\$ 124,760	\$ 125,005
2	Rooms	5,086	7,395
3	Food and beverage	19,527	22,898
4	Other	2,254	2,427
5	Total revenue	151,627	157,725
6	Less: Promotional allowances NOTE 1&12	13,341	17,990
7	Net revenue	138,286	139,735
	Costs And Expenses:		
8	Cost of goods and services	87,888	83,644
9	Selling, general, and administrative	28,960	33,576
10	Provision for doubtful accounts	2,135	1,848
11	Depreciation and amortization NOTE 1	8,892	8,209
	Charges from affiliates other than interest:		
12	Management fees NOTE 2	7,710	7,803
13	Other	-0-	-0-
14	Total costs and expenses	135,585	135,080
15	Income (Loss) From Operations	2,701	4,655
	Other Income (Expenses):		
16	Interest (expense) - affiliates NOTE 7	(10,237)	(10,237)
17	Interest (expense) - external	(1,170)	(1,301)
18	Investment alternative tax and related income (expense) - net.....	(508)	(538)
19	Nonoperating income (expense) - net NOTE 10	992	1,269
20	Total other income (expenses).....	(10,923)	(10,807)
21	Income (Loss) Before Income Taxes And Extraordinary Items.....	(8,222)	(6,152)
22	Provision (credit) for income taxes NOTE 1&13	(2,962)	(1,990)
23	Income (Loss) Before Extraordinary Items	(5,260)	(4,162)
24	Extraordinary items (net of income taxes - 19__, \$; 19__, \$)	-0-	-0-
25	Net income (Loss)	\$ (5,260)	\$ (4,162)

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 3 MONTHS ENDED JUNE 30, 1990 and 1989

(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 19 <u>90</u>	(d) 19 <u>89</u>
	Revenue:		
1	Casino	\$ 63,856	\$ 65,376
2	Rooms	2,837	4,014
3	Food and beverage	10,024	11,830
4	Other	1,191	1,263
5	Total revenue	77,908	82,483
6	Less: Promotional allowances	6,547	9,319
7	Net revenue	71,361	73,164
	Costs And Expenses:		
8	Cost of goods and services	45,273	42,504
9	Selling, general, and administrative	13,818	18,000
10	Provision for doubtful accounts	878	000
11	Depreciation and amortization	4,485	4,176
	Charges from affiliates other than interest:		
12	Management fees	4,028	4,080
13	Other	-0-	-0-
14	Total costs and expenses	68,482	69,713
15	Income (Loss) From Operations	2,879	3,451
	Other Income (Expenses):		
16	Interest (expense) - affiliates	(5,119)	(5,119)
17	Interest (expense) - external	(577)	(643)
18	Investment alternative tax and related income (expense) - net.....	(259)	(282)
19	Nonoperating income (expense) - net	295	612
20	Total other income (expenses).....	(5,660)	(5,432)
21	Income (Loss) Before Income Taxes And Extraordinary Items.....	(2,781)	(1,981)
22	Provision (credit) for income taxes	(1,065)	(757)
23	Income (Loss) Before Extraordinary Items	(1,716)	(1,224)
24	Extraordinary items (net of income taxes - 19 <u> </u> , \$; 19 <u> </u> , \$)		-0-
25	Net Income (Loss)	\$ (1,716)	\$ (1,224)

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 6 MONTHS ENDED JUNE 30, 1990 AND 1989

(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	19 <u>90</u>		19 <u>89</u>	
		(c) SHARES	(d) DOLLARS	(e) SHARES	(f) DOLLARS
	Common Stock: 2500 AUTHORIZED SHARES				
1	Beginning balance (January 1)	1,500	\$ 76,909	1,500	\$ 76,909
2	Sale of stock				
3	.....			
4	Ending balance	1,500	76,909	1,500	76,909
	Preferred Stock:				
5	Beginning balance (January 1)				
6	Sale of stock				
7	.....			
8	Ending Balance				
	Additional Paid-in Capital:				
9	Beginning balance (January 1)				
10	.....			
11	.....			
12	Ending balance				
	Treasury Stock:				
13	Beginning balance (January 1)		()		()
14	Purchase of additional stock		()		()
15	Sale or retirement of stock				
16	Ending balance		()		()
	Subscriptions Receivable For				
	Capital Stock:				
17	Beginning balance (January 1)		()		()
18	.....			
19	.....			
20	Ending balance		()		()
	Net Unrealized Loss On Noncurrent				
	Marketable Equity Securities:				
21	Beginning balance (January 1)		()		()
22	.....			
23	.....			
24	Ending balance		()		()
	Retained Earnings:				
25	Beginning balance (January 1)		(34,892)		(29,149)
26	Prior period adjustments				
27	Net income (loss)		(5,260)		(4,162)
28	Dividends		(7,000)		()
29	.....			
30	.....			
31	Ending balance		(47,152)		(33,311)
32	Ending Stockholders' Equity		\$ 29,757		\$ 43,598

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 ATLANTIC CITY SHOWBOAT, INC.

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

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

(UNAUDITED) NOT APPLICABLE
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 19__	(d) 19__
	Invested Capital:	\$	\$
1	Beginning balance (January 1)		1,536
2	Additional capital invested		2,768
3	.....	
4	Ending balance		
	Accumulated Income (Loss):		
5	Beginning balance (January 1)		(8,386)
6	Prior period adjustments		
7	Net income (loss)		
8	.....	
9	Ending balance		
	Capital Withdrawals:		
10	Beginning balance (January 1)	(30)	(1,160)
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	\$	\$ 32,076

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 6 MONTHS ENDED JUNE 30, 1990 and 1989
(UNAUDITED)
(\$ IN THOUSANDS)

Line (a)	Description (b)	(c) 19 <u>90</u>	(d) 19 <u>89</u>
1	Net Cash Provided (Used) By Operating Activities.....	\$ 9,119	\$ 10,983
	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.....	(12,930)	(4,652)
5	Proceeds from disposition of property and equipment.....		
6	Purchase of casino reinvestment obligations.....	(1,449)	(1,536)
7	Purchase of other investments and loans/advances made.....		(2,768)
8	Proceeds from disposal of investments and collection of advances and long-term receivables.....	5,143	
9	Cash outflows to acquire business entities.....		
10	<u>INVESTMENT IN SHOWBOAT, INC.</u>	(1,032)	
11	.....	
12	Net Cash Provided (Used) By Investing Activities.....	(10,268)	(8,956)
	Cash Flows From Financing Activities:		
13	Cash proceeds from issuance of :		
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.....	(1,330)	(1,160)
18	Cash proceeds from issuing stock or capital contributions.....		
19	Purchases of treasury stock.....		
20	Payments of dividends or capital withdrawals.....		
21	<u>DIVIDEND TO SHOWBOAT, INC.</u>	(7,000)	
22	.....	
23	Net Cash Provided (Used) By Financing Activities.....	(8,330)	(1,160)
24	Net Increase (Decrease) In Cash And Cash Equivalents.....	(9,479)	867
25	Cash And Cash Equivalents At Beginning Of Period	39,964	31,209
26	Cash And Cash Equivalents At End Of Period.....	\$ 30,485	\$ 32,076

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

27	Cash Paid During Period For:		
	Interest (net of amount capitalized).....	\$ 10,237	\$ 10,237
28	Income taxes.....	\$ 9	\$ (953)

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 6 MONTHS ENDED JUNE 30, 1990 and 1989

(UNAUDITED)

(\$ IN THOUSANDS)

Line (a)	Description (b)	(c) 19 <u>90</u>	(d) 19 <u>89</u>
	Net Cash Flows From Operating Activities:		
29	Net income (loss).....	\$ (5,260)	\$ (4,162)
	Noncash items included in income and cash items excluded from income:		
30	Depreciation and amortization of property and equipment.....	8,892	8,209
31	Amortization of other assets.....		
32	Amortization of debt discount or premium.....		
33	Deferred income taxes - current.....		
34	Deferred income taxes - noncurrent.....	(9)	953
35	(Gain) loss on disposition of property and equipment.....	312	
36	(Gain) loss on casino reinvestment obligations.....	508	538
37	(Gain) loss from other investment activities.....		
38	Net (increase) decrease in receivables and patrons' checks.....	821	(123)
39	Net (increase) decrease in inventories.....	(112)	(314)
40	Net (increase) decrease in other current assets.....	(2,024)	(1,386)
41	Net (increase) decrease in other assets.....	146	(486)
42	Net increase (decrease) in accounts payables.....	(2,875)	(3,453)
43	Net increase (decrease) in other current liabilities excluding debt.....	247	3,141
44	Net increase (decrease) in other noncurrent liabilities excluding debt.....	8,200	7,793
45			
46	<u>AMORT. BOND ISSUE COSTS.</u>	273	273
47	Net Cash Provided (Used) By Operating Activities.....	\$ 9,119	\$ 10,983

SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING AND FINANCING ACTIVITIES

	Acquisition Of Property And Equipment:		
48	Additions to property and equipment.....	\$ 12,930	\$ 4,652
49	Less: Capital lease obligations incurred.....	-0-	-0-
50	Cash Outflows For Property And Equipment.....	\$ 12,930	\$ 4,652
	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.....	\$	\$

ATLANTIC CITY SHOWBOAT, INC.
NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

Atlantic City Showboat (ACS), is a wholly-owned subsidiary of Ocean Showboat, Inc. (OSI). OSI is a 97.525% owned subsidiary of Showboat, Inc. (SBI). Additionally, OSI owns all of the stock of Ocean Showboat Finance Corporation (OSF). On March 30, 1987, ACS commenced limited services of hotel, restaurant, bar, bowling, and convention facilities at the Showboat Hotel, Casino and Bowling Center in Atlantic City, New Jersey. Full operation of the casino commenced on April 2, 1987.

Casino Revenue and Complimentaries

In accordance with common industry practice, casino revenues are the net of gaming wins less losses.

Complimentaries consist of rooms, food, and beverage furnished gratuitously to customers. The sales values of such services are included in the respective revenue classifications and are then deducted as complimentary expenses.

Cash

Included in cash are cash equivalents of \$21,273,000 and \$24,018,000 as of June 30, 1990 and 1989, respectively. These are repurchase agreements and commercial paper which have short-term maturities not greater than three months.

Inventories

Inventories are stated at the lower of cost or market. Cost is determined by the first-in first-out method.

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

Property & Equipment

Property and equipment are carried at cost. Depreciation, including amortization of capitalized leases is computed using the straight-line method. The cost of maintenance and repairs is charged to income as incurred; significant renewals and betterments are capitalized.

Estimated useful lives for property and equipment are 40 years for buildings and 2 to 7 years for furniture and equipment.

Income Taxes

Statement of Financial Accounting Standard No. 96 (FAS 96), "Accounting for Income Taxes", was issued by the Financial Accounting Standards Board in December 1987. FAS 96 requires a change from the deferred method to the asset and liability method of accounting for income taxes. Under the asset and liability method, deferred income taxes are recognized for the tax consequences of "temporary differences" by applying enacted statutory rates applicable to future years to differences between the financial statement carrying amounts and the tax bases of existing assets and liabilities. Under FAS 96, the effect deferred taxes of a change in tax rates is recognized in income in the period that includes the enactment date. Under the deferred method, deferred taxes were recognized using the tax rate applicable to the year of the calculation and were not adjusted for subsequent changes in the tax laws. The Company elected to adopt FAS 96 in 1988.

The Company has consented to be included in the consolidated Federal Income Tax group of Showboat, Inc. and subsidiaries and is under a tax allocation agreement with SBI. Accordingly, income taxes are allocated based on the agreement which reflects the separate return method except that tax benefits available to the Company are recognized when generated by the company to the extent utilized by the consolidated group, including carrybacks.

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

Amortization of Debt Issuance Cost

Costs associated with the issuance of debt have been deferred and are being amortized over the life of the related indebtedness using a weighted method based on retirement schedules specified in the bond indenture.

Disclosure

In accordance with the Quarterly Report Instructions, we have not submitted updated information for the 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, 1989 Annual Report.

2. RELATED PARTY TRANSACTIONS

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

In consideration for such services and license, ACS has agreed to pay SBI a fee equal to five percent of gross revenues, payable on a quarterly basis. The Bond Indenture of OSF provides that this management fee may not be paid during any period in which certain tests are not met, and to date, no management fees have been paid. For the six months ended June 30, 1990 and 1989, management fee expenses of \$ 7,710,000 and \$ 7,803,000 have been incurred, respectively. As of June 30, 1990 and 1989, management fees of \$46,700,000 and \$30,692,000 have been accrued, respectively.

The investments, advances and receivables balances of \$21,753,000 and \$19,209,000 at June 30, 1990 and 1989, include \$17,075,000 and \$16,859,000 receivables from Showboat, Inc. related to federal income taxes relating to the management fee.

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

3. RECEIVABLES

Receivables consist of the following:

	<u>June 30</u>	<u>June 30</u>
	1990	1989
Casino	\$ 12,437,000	\$ 8,194,000
Hotel	744,000	1,035,000
Income Tax Receivable	1,007,000	2,876,000
Other	929,000	675,000
	<u>15,117,000</u>	<u>12,762,000</u>
Less allowance for doubtful accounts	5,771,000	2,715,000
	<u>\$ 9,346,000</u>	<u>\$ 10,047,000</u>

4. PROPERTY AND EQUIPMENT

Property and Equipment consist of the following:

	<u>June 30</u>	<u>June 30</u>
	1990	1989
Building and Improvements	\$193,911,000	\$187,847,000
Furniture, Fixtures & Equipment	45,883,000	38,585,000
Vehicles	177,000	757,000
Properties under capital lease		
Building	2,050,000	2,050,000
Furniture, Fixtures & Equipment	20,241,000	19,488,000
Construction in Progress	7,624,000	2,974,000
	<u>269,886,000</u>	<u>251,701,000</u>
Less accumulated depreciation and amortization	50,278,000	35,139,000
	<u>\$219,608,000</u>	<u>\$216,562,000</u>

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

5. OTHER ACCRUED EXPENSES

Accrued expenses consist of the following:

	<u>June 30</u>	<u>June 30</u>
	<u>1990</u>	<u>1989</u>
Salaries and Wages	\$ 4,435,000	\$ 3,707,000
Progressive Slot Liability	1,871,000	1,559,000
Medical Claims-Employee	1,056,000	1,308,000
Taxes-Other	664,000	916,000
DGE/CCC Charge	730,000	836,000
Settlement Cl-	1,113,000	804,000
Payroll Taxes	1,068,000	1,090,000
Legal Fees	131,000	295,000
Union Benefits	246,000	232,000
Advertising	2,183,000	1,413,000
Profit Sharing	-0-	600,000
Accrued Officers Club Coin	931,000	-0-
Other	770,000	709,000
	<u>\$ 15,198,000</u>	<u>\$13,469,000</u>

6. OTHER CURRENT LIABILITIES

Other current liabilities consist of the following:

	<u>June 30</u>	<u>June 30</u>
	<u>1990</u>	<u>1989</u>
Due to Affiliates - Interest	\$ 5,972,000	\$ 5,972,000
Other	866,000	912,000
	<u>\$ 6,838,000</u>	<u>\$ 6,884,000</u>

ATLANTIC CITY SHOWBOAT, INC.
 NOTES TO FINANCIAL STATEMENTS
 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
	1990	1989
On March 18, 1987, ACS incurred a Promissory Note to OSF for \$180,000,000 with interest payable semi-annually at the annual rate of 11.375%. ACS is required to repay \$15 million in each year, commencing in 1994 and ending in 2001, \$18,000,000. The note is secured by a leasehold mortgage on the ACS ground lease on site of the Atlantic City Showboat, the Atlantic City Showboat complex, and certain personal property.	\$180,000,000	\$180,000,000

8. LONG-TERM DEBT, OTHER

Long-term debt, other consist of the following:

	June 30	June 30
	1990	1989
Capitalized lease obligations (Note 9)	\$ 13,771,000	\$16,248,000
Less current maturities	2,880,000	2,584,000
	\$ 10,891,000	\$ 13,664,000

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

9. LEASES

The Company leases certain furniture and equipment and a warehouse under long-term lease agreements. The leases covering furniture and equipment, which range from 5 to 7 years expiring through 1994, and a warehouse, which is for 15 years expiring in 2001, are classified as capital leases. The Company has the option to purchase the warehouse during the period of August 1989 through July 1990 for \$1,928,000.

ACS is leasing 10 1/2 acres of Boardwalk property in Atlantic City, New Jersey for a term of 99 years commencing October 1983. Annual rent payments, payable monthly, commenced upon opening of the Atlantic City Showboat. The rent will be adjusted based upon increases or decreases in the Consumer Price Index, not to exceed 10% per year during the second through the sixth lease year. In April 1990, the annual rent increased to \$7,276,000, a 5% increase. 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 \$3,848,000 and \$3,660,000 for the six months ended June 30, 1990 and 1989 respectively.

10. NON-OPERATING INCOME (EXPENSE)

For the six months ended June 30, 1990 and 1989, Non-Operating Income (Expense) is:

	<u>June 30</u>	<u>June 30</u>
	<u>1990</u>	<u>1989</u>
Interest Income on temporary Cash Investments	\$1,304,000	\$ 1,269,000
Loss on Disposal of Prop. & Equipment	(312,000)	-0-
	<u>\$ 992,000</u>	<u>\$ 1,269,000</u>

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

11. EMPLOYEE BENEFIT PLANS

Until November 1, 1989, the Company participated in a profit sharing and retirement plan with SBI for eligible employees who are not covered by a collective bargaining agreement or by another retirement plan to which the Company was required to contribute. Contributions to this plan were made at the discretion of the Board of Directors of Ocean Showboat. The benefits are limited to the allocated interest in the fund assets and each participant's account vests over a ten-year period. The Company contributed and accrued \$0 and \$300,000 during the six months ended June 30, 1990 and 1989, respectively.

Effective November 1, 1989, the Company amended its retirement and savings plan for eligible employees not covered by a collective bargaining agreement. Under the terms of the amended plan, an eligible employee may defer up to 3 percent of their salary of which 100 percent is matched by the Company. Eligible employees may contribute an additional 7 percent of their salary which will not be matched by the Company. The Company contributed \$328,000 to this plan for the six months ended June 30, 1990.

The Company's union employees are covered by union-sponsored, collective bargained, multi-employer pension plans. Contributions are determined in accordance with the provisions of negotiated labor contracts and generally are based on the number of man-hours worked.

	Beginning June 30, 1989	Ending June 30, 1990
Profit sharing and retirement plan	\$0	\$300,000
Retirement and savings plan	\$328,000	\$328,000
Union-sponsored pension plans	\$0	\$0
Total	\$328,000	\$628,000

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

12. COMPLIMENTARIES

Promotional Allowances

	Six Months		Three Months	
	Ending June 30, 1990		Ending June 30, 1990	
	<u>Recipients</u>	<u>Amount</u>	<u>Recipients</u>	<u>Amount</u>
Rooms	27,409	\$ 3,015,000	14,609	\$1,607,000
Food	680,390	6,627,000	311,807	3,037,000
Beverage	1,448,166	3,379,000	739,725	1,715,000
Showroom	<u>24,767</u>	<u>320,000</u>	<u>18,900</u>	<u>188,000</u>
	2,180,732	\$ 13,341,000	1,085,041	\$6,547,000
	=====	=====	=====	=====

Promotional Expenses

	Six Months		Three Months	
	Ending June 30, 1990		Ending June 30, 1990	
	<u>Recipients</u>	<u>Amount</u>	<u>Recipients</u>	<u>Amount</u>
Coin	1,003,653	\$10,258,000	460,285	\$4,292,000
Travel	9,102	1,593,000	3,971	695,000
Other	<u>65,600</u>	<u>574,000</u>	<u>30,400</u>	<u>266,000</u>
	1,078,355	\$12,425,000	494,656	\$5,253,000
	=====	=====	=====	=====

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)

13. INCOME TAXES

Income tax expense (benefit) consists of the following:

	<u>June 30</u>	<u>June 30</u>
	<u>1990</u>	<u>1989</u>
Current	(2,953,000	(\$ 2,943,000)
Deferred	<u>9,000</u>	<u>953,000</u>
	(\$ 2,962,000)	(\$ 1,990,000)
State Taxes	<u>0</u>	<u>0</u>
	<u>(\$ 2,962,000)</u>	<u>(\$ 1,990,000)</u>

ATLANTIC CITY SHOWBOAT, INC.
NOTES TO FINANCIAL STATEMENTS

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

14. COMMITMENTS AND CONTINGENCIES

In conjunction with its land lease agreement, and in conjunction with obtaining various permits from various authorities of the State of New Jersey, the Company is required to share in certain costs subsequent to opening. Such costs relate to improving the Urban Renewal Tract, on which the Atlantic City Showboat is located, and improving the traffic and transportation infrastructure in Atlantic City. The Company's proportionate share of these costs, if any, has not yet been determined.

The New Jersey Casino Control Act (the Act) provides, among other things, for an assessment on licenses based upon their 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 Redevelopment Authority (CRDA), or paying an "alternative tax". In order for direct investments to be eligible, they must be approved by the CRDA. The Company's obligation under the Act through June 30, 1990 is \$6,762,000.

The Company intends to satisfy its obligation by purchasing CRDA bonds which may have terms as long as 50 years and will bear interest at two-thirds of market rates at issue date resulting in a current value lower than the face value of such bonds.

At June 30, 1990 and 1989, deposits and other assets includes \$4,526,000 and \$2,350,000, respectively, representing the Company's obligation to the CRDA of \$6,762,000 at June 30, 1990 and \$3,612,000 at June 30, 1989 net of an allowance for the interest rate differential of \$2,236,000 and \$1,262,000 respectively.

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

15. INVESTMENT IN SHOWBOAT, INC.

In December 1989, the Board of Directors of ACSI authorized the purchase of up to 4 percent of the outstanding shares of SBI by the Company. These shares are designated for issuance to officers and key employees of ACSI as a result of their participation in the SBI long-term incentive plan. Adoption of the plan is subject to the approval of the shareholders of SBI. As of April 25, 1990, 124,400 shares of SBI had been purchased at a total cost of \$1,032,000.

16. DIVIDEND TO SHOWBOAT, INC.

In March 1990, ACSI declared a dividend to Showboat, Inc. for \$7,000,000. The declaration of this dividend is allowed under the OSFC Bond Indenture restrictions regarding the payment of dividends received by Showboat, Inc. as a result of the utilization of OSI's June 30, 1987 tax losses by the Showboat, Inc. consolidated group.

SCHEDULE OF RECEIVABLES AND PATRONS' CHECKS

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

ACCOUNTS RECEIVABLE-
(A) NET OF ALLOWANCE

17. WAREHOUSE LEASE

The Company is currently renegotiating the warehouse lease to extend the purchase option date. Under the terms of the proposed new lease, the option date is expected to be extended to 1996 at which time the Company may exercise their option to purchase the warehouse any time from 1996 through the remainder of the lease term. The lease term expires in 2001.

18. STOCK OPTION PLAN

On May 17, 1990, the shareholders of SBI approved the long-term incentive plan for officers and key employees of the Company whereby up to 600,000 of restricted SBI shares of SBI stock options may be awarded to plan participants. On that date, 106,000 restricted shares were awarded from SBI shares purchased by the Company. Unearned compensation equal to the market value of SBI's common stock on the date of grant was recorded on the grant date and is being amortized ratably over the restricted period, which is five years, as it is earned. Compensation expense of \$292,000 was recognized during the quarter ended June 30, 1990. The unamortized value of the restricted stock at June 30, 1990 was \$558,000.

1,937
9,347
90,011
94,275
1,311
6,106
2,073
2,32

SCHEDULE OF RECEIVABLES AND PATRONS' CHECKS

JUNE 30, 19 90

(UNAUDITED)
(\$ IN THOUSANDS)

ACCOUNTS RECEIVABLE BALANCES				
LINE	DESCRIPTION	ACCOUNT BALANCE	ALLOWANCE	ACCOUNTS RECEIVABLE-
a)	(b)	(c)	(d)	(e) NET OF ALLOWANCE
1	Patrons' Checks:	\$		
	Undeposited patrons' checks	6,106		
2	Returned patrons' checks	6,331		
3	Total patrons' checks	12,437	\$ 5,642	\$ 6,795
4	Hotel Receivables	744	129	615
	Other Receivables:			
5	Receivables due from officers and employees.....			
6	Receivables due from affiliates			
7	Other accounts and notes receivables	1,937		
8	Total other receivables	1,937		1,937
9	Totals (Form 205).....	\$ 15,118	\$ 5,771	\$ 9,347

UNDEPOSITED PATRONS' CHECKS ACTIVITY		
LINE	DESCRIPTION	AMOUNT
(1)	(g)	(h)
0	Beginning Balance (January 1)	\$ 6,840
1	Counter checks issued (excluding counter checks issued through transactions relating to consolidations, partial redemptions, substitutions, and patrons' cash deposits)	90,013
2	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)	(64,276)
3	Checks collected through deposits	(21,908)
4	Checks transferred to returned checks	(4,563)
5	Other adjustments	
6	Ending Balance	\$ 6,106
7	"Hold" Checks Included In Balance On Line 16	\$ -0-
8	Provision For Uncollectible Patrons' Checks	\$ 2,093
9	Provision As A Percent Of Counter Checks Issued	2.32

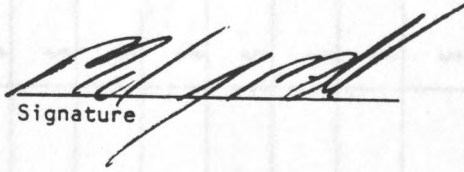
STATEMENT OF CONFORMITY AND ACCURACY

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

MARK J. MILLER, being duly sworn according to law upon my oath
Name

deposes and says:

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


Signature

VICE-PRESIDENT FINANCE
Title

3587-11
License Number

Subscribed and sworn to
before me this 15th day
of AUGUST, 19 90

On Behalf Of:

Brenda Sue Wallace
Signature

Atlantic City Showboat, Inc.
Casino Licensee

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

Basis of Authority
to Take Oaths

HOTEL STATISTICS

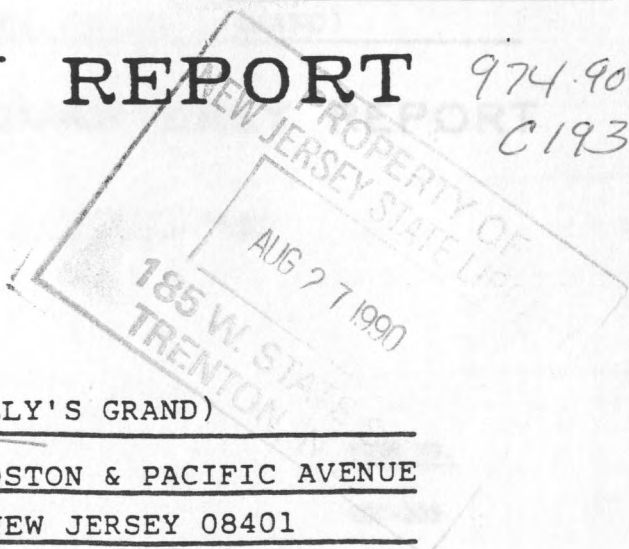
FOR THE 6 MONTHS ENDED June 30, 1990

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	16,865	11,009	\$ 67.93	65.3 %	22,018	\$ 33.97
FEBRUARY	516	14,750	11,282	\$ 65.14	76.5 %	24,000	\$ 30.62
MARCH	516	15,996	11,989	\$ 65.49	75.0 %	24,000	\$ 32.71
1ST QUARTER TOTALS		47,611	34,280	\$ 66.16	72.0 %	70,018	\$ 32.39
APRIL	516	15,301	13,025	\$ 69.54	85.1 %	26,050	\$ 34.77
MAY	516	15,854	12,850	\$ 74.44	81.1 %	25,700	\$ 37.22
JUNE	516	15,429	13,068	\$ 73.24	84.7 %	26,136	\$ 36.62
2ND QUARTER TOTALS		46,584	38,943	\$ 72.40	83.6 %	77,886	\$ 36.20
JULY				\$	%		\$
AUGUST				\$	%		\$
SEPTEMBER				\$	%		\$
3RD QUARTER TOTALS				\$	%		\$
OCTOBER				\$	%		\$
NOVEMBER				\$	%		\$
DECEMBER				\$	%		\$
4TH QUARTER TOTALS				\$	%		\$
ANNUAL TOTALS				\$	%		\$



QUARTERLY REPORT

974-901
C193



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

FOR THE QUARTER ENDED JUNE 30, 1990

TO THE
CASINO CONTROL COMMISSION
OF THE
STATE OF NEW JERSEY



NAME OF OFFICER IN CHARGE OF CORRESPONDENCE REGARDING THIS QUARTERLY REPORT . . . PETER R. BURNS
OFFICIAL TITLE. VICE PRESIDENT OF FINANCE AND TREASURER
ADDRESS P O BOX 1737 BOSTON & PACIFIC AVENUE
ATLANTIC CITY, NEW JERSEY 08401

100 THE MONTHLY ORDER TRUE TO THE STATE JETON HOTEL 211212102

BALANCE SHEETS

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

LIST OF FORMS - QUARTERLY REPORT

FOR THE QUARTER ENDED JUNE 30, 1990

TITLE	FORM NO.	(6/30/90)	(6/30/89)
Balance Sheets	CCC-205	6,236	5,724
Statements of Income (Year-to-Date)	CCC-210	1,600	1,575
Statements of Income (Three Months)	CCC-215	775	2,927
Statements of Changes in Stockholders' Equity	CCC-220	13,866	1,574
Statements of Changes in Partners' or Proprietor's Equity	CCC-225	13,866	408,773
Statements of Cash Flows	CCC-235		
Notes to Financial Statements		1,377	3,297
Schedule of Receivables and Patrons' Checks	CCC-240	5,500	5,500
Statement of Conformity and Accuracy	CCC-250		
Accounts Payable and Accrued		1,111	1,191
Accounts Receivable		21,117	21,117
Other Current Liabilities		1,801	2,273
Total Current Liabilities		23,029	24,581
Long-Term Debt		268,177	300,030
Other		8,804	5,709
Deferred Credits		29,827	31,906
Other Liabilities			
Commitments And Contingencies			
Total Liabilities		349,837	362,226
Stockholders', Partners', or Proprietor's Equity		71,461	38,790
Total Liabilities And Equity		421,298	401,016

BALANCE SHEETS

JUNE 30, 19 90 AND 19 89

(UNAUDITED)
(\$ IN THOUSANDS)

LINE	DESCRIPTION (b)	(c) 19 <u>90</u>	(d) 19 <u>89</u>
	ASSETS		
	Current Assets:		
1	Cash	\$ 6,296	\$ 5,724
2	Marketable securities NOTE 3	1,600	1,575
3	Receivables and patrons' checks (net of allowance for doubtful accounts - 19 <u>90</u> , \$ 13,866 ; 19 <u>89</u> , \$ 15,235)	6,528	5,538
4	Inventories	1,718	2,937
5	Prepaid expenses and other current assets NOTE 4	13,628	7,534
6	Total current assets	29,770	23,308
7	Investments, Advances, And Receivables NOTE 5	13,849	13,835
8	Property And Equipment - Net NOTE 6	257,658	258,416
9	Other Assets NOTE 7	116,665	113,214
10	Total Assets	\$ 417,942	\$ 408,773
	LIABILITIES AND EQUITY		
	Current Liabilities:		
11	Accounts payable	\$ 1,521	\$ 2,257
12	Notes payable	10,000	5,500
	Current portion of long-term debt:		
13	Due to affiliates	-	-
14	Other	-	-
15	Income taxes payable and accrued NOTE 8	4,013	1,191
16	Other accrued expenses NOTE 9	23,137	21,117
17	Other current liabilities	1,802	2,273
18	Total current liabilities	40,473	32,338
	Long-Term Debt:		
19	Due to affiliates NOTE 10	268,177	300,030
20	Other	-	-
21	Deferred Credits NOTE 11	8,804	5,709
22	Other Liabilities NOTE 12	29,027	31,906
23	Commitments And Contingencies NOTE 18	-	-
24	Total Liabilities	346,481	369,983
25	Stockholders', Partners', Or Proprietor's Equity NOTE 13	71,461	38,790
26	Total Liabilities And Equity	\$ 417,942	\$ 408,773

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 6 MONTHS ENDED JUNE 30, 1990 and 1989

(UNAUDITED)
(\$ IN THOUSANDS)

LINE	DESCRIPTION	(c) 19 <u>90</u>	(d) 19 <u>89</u>
a)	(b)		
	Revenue:		
1	Casino	\$ 97,017	\$ 104,163
2	Rooms	8,569	8,080
3	Food and beverage	13,255	12,868
4	Other	4,406	4,320
5	Total revenue	123,247	129,431
6	Less: Promotional allowances NOTE 14	13,993	14,394
7	Net revenue	109,254	115,037
	Costs And Expenses:		
8	Cost of goods and services	51,193	48,183
9	Selling, general, and administrative NOTE 12	32,990	38,918
0	Provision for doubtful accounts	402	457
1	Depreciation and amortization	7,276	8,518
	Charges from affiliates other than interest:		
2	Management fees	-	-
3	Other NOTE 15	711	2,191
4	Total costs and expenses	92,572	98,267
5	Income (Loss) From Operations	16,682	16,770
	Other Income (Expenses):		
6	Interest (expense) - affiliates NOTE 15	(16,499)	(18,585)
7	Interest (expense) - external	(218)	(17)
8	Investment alternative tax and related income (expense) - net.....	(610)	(644)
9	Nonoperating income (expense) - net NOTE 16	437	1,203
0	Total other income (expenses).....	(16,890)	(18,043)
1	Income (Loss) Before Income Taxes And Extraordinary Items.....	(208)	(1,273)
2	Provision (credit) for income taxes NOTE 17	634	267
3	Income (Loss) Before Extraordinary Items	(842)	(1,540)
4	Extraordinary items (net of income taxes -		
5	19 <u>90</u> , \$ - ; 19 <u>89</u> , \$ -)	-	-
	Net Income (Loss)	\$ (842)	\$ (1,540)

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 GNOG, CORP. (BALLY'S GRAND)

STATEMENTS OF INCOME

FOR THE THREE MONTHS ENDED JUNE 30, 19 90 and 19 89

(UNAUDITED)
(\$ IN THOUSANDS)

DESCRIPTION (b)	(c) 1990	(d) 19 89
Revenue:		
Casino	\$ 49,627	\$ 54,515
Rooms	4,904	4,463
Food and beverage	6,839	6,908
Other	2,262	2,512
Total revenue	63,632	68,398
Less: Promotional allowances NOTE 14	7,419	7,584
Net revenue	56,213	60,814
Costs And Expenses:		
Cost of goods and services	25,840	24,560
Selling, general, and administrative NOTE 12	14,200	19,807
Provision for doubtful accounts	207	240
Depreciation and amortization	3,722	4,287
Charges from affiliates other than interest:		
Management fees	-	-
Other	339	1,058
Total costs and expenses	44,308	49,952
Income (Loss) From Operations	11,905	10,862
Other Income (Expenses):		
Interest (expense) - affiliates	(8,241)	(9,292)
Interest (expense) - external	(111)	24
Investment alternative tax and related income (expense) - net.....	(312)	(340)
Nonoperating income (expense) - net	251	693
Total other income (expenses).....	(8,413)	(8,915)
Income (Loss) Before Income Taxes And Extraordinary Items.....	3,492	1,947
Provision (credit) for income taxes	1,802	1,167
Income (Loss) Before Extraordinary Items	1,690	780
Extraordinary items (net of income taxes - 1990, \$ - ; 1989, \$ -)	-	-
Net Income (Loss)	\$ 1,690	\$ 780

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 GNOC, CORP. (BALLY'S GRAND)

STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY

FOR THE SIX MONTHS ENDED June 30, 19 90 AND 19 89

(UNAUDITED)
 (\$ IN THOUSANDS)

NE ()	DESCRIPTION (b)	19 <u>90</u>		19 <u>89</u>	
		(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		35,712
10	.....			
11	Ending balance		65,712		35,712
	Treasury Stock:				
12	Beginning balance (January 1)		()		()
13	Purchase of additional stock		()		()
14	Sale or retirement of stock		()		()
15	Ending balance		()		()
	Subscriptions Receivable For				
16	Capital Stock:				
17	Beginning balance (January 1)		()		()
18	.....			
19	Ending balance		()		()
	Net Unrealized Loss On Noncurrent				
20	Marketable Equity Securities:				
21	Beginning balance (January 1)		()		()
22	.....			
23	Ending balance		()		()
	Retained Earnings:				
24	Beginning balance (January 1)		6,561		4,588
25	Prior period adjustments				
26	Net income (loss)		(842)		(1,540)
27	Dividends		()		()
28	.....			
29	Ending balance		5,719		3,048
	Ending Stockholders'				
30	Equity		\$ 71,461		\$ 38,790

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 6 MONTHS ENDED JUNE 30, 1990 and 1989
(UNAUDITED)
(\$ IN THOUSANDS)

Line (a)	Description (b)	(c) 19 <u>90</u>	(d) 19 <u>89</u>
1	Net Cash Provided (Used) By Operating Activities.....	\$ (1,804)	\$ (4,506)
	Cash Flows From Investing Activities:		
2	Purchase of short-term investment securities.....	(225)	-
3	Proceeds from the sale of short-term investment securities.....	-	6,175
4	Purchase outflows for property and equipment.....	(4,498)	(8,813)
5	Proceeds from disposition of property and equipment.....	138	-
6	Purchase of casino reinvestment obligations.....	(1,220)	(1,288)
7	Purchase of other investments and loans/advances made.....	-	-
8	Proceeds from disposal of investments and collection of advances and long-term receivables.....	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.....	(8,773)	(3,926)
	Cash Flows From Financing Activities:		
13	Cash proceeds from issuance of short-term debt.....	10,000	9,000 *
14	Payments to settle short-term debt	(2,000)	(3,500)*
15	Cash proceeds from issuance of long-term debt.....	-	-
16	Costs of issuing debt.....	-	-
17	Payments to settle long-term debt.....	-	-
18	Cash proceeds from issuing stock or capital contributions.....	-	-
19	Purchases of treasury stock.....	-	-
20	Payments of dividends or capital withdrawals.....	-	-
21	.....	-	-
22	.....	-	-
23	Net Cash Provided (Used) By Financing Activities.....	8,000	5,500
24	Net Increase (Decrease) In Cash And Cash Equivalents.....	(2,577)	(2,932)
25	Cash And Cash Equivalents At Beginning Of Period	8,873	8,656
26	Cash And Cash Equivalents At End Of Period.....	\$ 6,296	\$ 5,724

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

Cash Paid During Period For:			
27	Interest (net of amount capitalized).....	\$ 19,809	\$ 19,809
28	Income taxes.....	\$ 9	\$ 103

*Restated

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 6 MONTHS ENDED JUNE 30, 1990 and 1989
 (UNAUDITED)
 (\$ IN THOUSANDS)

Line (a)	Description (b)	(c) 1990	(d) 1989
	Net Cash Flows From Operating Activities:		
29	Net income (loss).....	\$ (842)	\$ (1,540)
	Noncash items included in income and cash items excluded from income:		
30	Depreciation and amortization of property and equipment.....	5,812	7,078
31	Amortization of other assets.....	1,464	1,440
32	Amortization of debt discount or premium.....	(660)	(577)
33	Deferred income taxes - current.....	-	-
34	Deferred income taxes - noncurrent.....	296	304
35	(Gain) loss on disposition of property and equipment.....	-	-
36	(Gain) loss on casino reinvestment obligations.....	610	644
37	(Gain) loss from other investment activities.....	-	-
38	Net (increase) decrease in receivables and patrons' checks.....	(1,280)	(300)
39	Net (increase) decrease in inventories.....	9	(300)
40	Net (increase) decrease in other current assets.....	(2,872)	(1,787)
41	Net (increase) decrease in other assets.....	(2,062)	52
42	Net increase (decrease) in accounts payables.....	(1,845)	(1,761)
43	Net increase (decrease) in other current liabilities excluding debt.....	3,394	(8,078)
44	Net increase (decrease) in other noncurrent liabilities excluding debt.....	(3,828)	319
45		-	-
46		-	-
47	Net Cash Provided (Used) By Operating Activities.....	\$ (1,804)	\$ (4,506)

SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING AND FINANCING ACTIVITIES

48	Acquisition Of Property And Equipment:		
49	Additions to property and equipment.....	\$ 4,498	\$ 8,813
50	Less: Capital lease obligations incurred.....	-	-
	Cash Outflows For Property And Equipment.....	\$ 4,498	\$ 8,813
	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.

On March 1, 1987, the capital stock of GNAC and certain of its affiliates, including the Company, were purchased by Bally Manufacturing Corporation ("Bally") from Golden Nugget, Inc. ("GNI") (Note 2).

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, 1989. The notes excluded are Summary of Significant Accounting Policies, Pension Costs, Lease and Other Commitments.

NOTE 2 - TRANSFER OF OWNERSHIP

On March 1, 1987, Bally acquired GNAC, including the Company, other related properties and real estate property leases from GNI in a transaction which has been accounted for as a purchase. The accompanying financial statements reflect an allocation of the purchase price (See Note 18). 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.

NOTE 3 - MARKETABLE SECURITIES

Marketable securities as of June 30, 1990 and 1989 consisted of repurchase agreements, at cost which approximates market.

GNOC, CORP.
NOTES TO FINANCIAL STATEMENTS
(Unaudited)

NOTE 4 - PREPAID EXPENSES AND OTHER CURRENT ASSETS

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

	<u>1990</u>	<u>1989</u>
Prepaid State gaming taxes and licenses	\$ 1,062,000	\$ 970,000
Prepaid operating expenses	362,000	635,000
Prepaid entertainment costs	27,000	235,000
Prepaid State income tax	-	22,000
Refundable Federal income tax	5,781,000	4,000
Prepaid insurance expenses	1,213,000	448,000
Deferred Federal and State income tax	5,183,000	5,214,000
Other	-	6,000
	<u>\$13,628,000</u>	<u>\$7,534,000</u>
	=====	=====

NOTE 5 - INVESTMENTS, ADVANCES AND RECEIVABLES

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

	<u>1990</u>	<u>1989</u>
New Jersey Casino Reinvestment related assets (net of discount)	\$12,947,000	\$13,835,000
Bally Manufacturing Corp.	899,000	-
Bally's Grand - Reno	1,000	-
Bally's Grand - Las Vegas	2,000	-
	<u>\$13,849,000</u>	<u>\$13,835,000</u>
	=====	=====

During 1989, the Company donated approximately \$18.7 million to the New Jersey Casino Reinvestment Development Authority (CRDA) and also assisted Bally's Park Place in a CRDA donation of \$4.0 million. The financial impact of the donations to the Company is that the Company's obligations on deposit at the CRDA were reduced by \$22.7 million and the Company received in total, \$11.6 million in "credits" against future CRDA obligations and "credits" receivable from Bally's Park Place. No gain or loss was recorded relating to these transactions as the book value of the assets donated also approximated \$11.6 million.

GNOC, CORP.
 NOTES TO FINANCIAL STATEMENTS
 (Unaudited)

NOTE 6 - PROPERTY AND EQUIPMENT

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

	<u>1990</u>	<u>1989</u>
Land and improvements	\$ 51,776,000	\$ 51,737,000
Buildings and leasehold improvements	185,620,000	174,405,000
Furniture, fixtures and equipment	56,934,000	51,802,000
Construction in progress	5,362,000	13,059,000
	<u>299,692,000</u>	<u>291,003,000</u>
Less accumulated depreciation and amortization	(42,034,000)	(32,587,000)
	<u>\$257,658,000</u>	<u>\$258,416,000</u>

NOTE 7 - OTHER ASSETS

Other assets as of June 30 consisted of the following:

	<u>1990</u>	<u>1989</u>
Costs in excess of acquired assets, net	\$116,421,000	\$112,940,000
Other	244,000	274,000
	<u>\$116,665,000</u>	<u>\$113,214,000</u>

See Note 2 for discussion of purchase price accounting.

GNOC, CORP.
NOTES TO FINANCIAL STATEMENTS
(Unaudited)

NOTE 8 - OTHER ACCRUED EXPENSES

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

	1990	1989
Accrued payroll	\$ 9,248,000	\$ 7,636,000
Accrued progressive jackpot liability	3,174,000	1,751,000
Accrued interest	2,942,000	3,253,000
Accrued New Jersey casino reinvestment liability	626,000	679,000
Accrued sales, use and luxury taxes	342,000	373,000
Accrued Casino Control Commission and Division of Gaming Enforcement Fees	518,000	227,000
Accrued Casino License Fee	601,000	341,000
Accrued self insurance claims	1,667,000	1,427,000
Accrued Casino Win Tax	386,000	191,000
Accrued legal fees	519,000	912,000
Accrued insurance	166,000	574,000
Accrued real estate tax	160,000	429,000
Other	2,788,000	3,324,000
	\$23,137,000	\$21,117,000
	=====	=====

NOTE 9 - OTHER CURRENT LIABILITIES

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

	1990	1989
Unredeemed gaming chips and tokens	\$1,124,000	\$1,334,000
Customer deposits	132,000	184,000
Advance room deposits	46,000	82,000
Bally Manufacturing Corp.	-	65,000
Bally's Park Place, Inc.	492,000	547,000
Bally's Las Vegas	-	15,000
Other	8,000	46,000
	\$1,802,000	\$2,273,000
	=====	=====

GNOC, CORP.
 NOTES TO FINANCIAL STATEMENTS
 (Unaudited)

NOTE 10 - LONG TERM DEBT-DUE TO AFFILIATES

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

	<u>1990</u>	<u>1989</u>
13 1/4% (effective rate of 13.3%) Mortgage-Backed Notes of \$259,000,000 principal amount at June 30, 1990 and \$289,000,000 at June 30, 1989, interest payable semi-annually, maturing in 1995 (including unamortized premium of \$9,177,000 at June 30, 1990 and \$11,030,000 at June 30, 1989). (Note 2)	\$268,177,000	\$300,030,000
	=====	=====

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.

The Company has acquired the following principal amounts of the Notes to satisfy future sinking fund requirements; \$10 million in 1987 and \$30 million in 1989.

Remaining sinking fund payments are \$4,850,000 in 1993, and \$14,950,000 in 1994.

NOTE 11 - DEFERRED CREDITS

Deferred credits as of June 30, 1990 and 1989 consisted of deferred federal and state income taxes.

Total Other	\$1,082	\$1,082	\$1,082	\$1,082
	\$1,082	\$1,082	\$1,082	\$1,082

GNOC, CORP.
NOTES TO FINANCIAL STATEMENTS
(Unaudited)

NOTE 12 - OTHER LIABILITIES

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

	1990	1989
GNAC, CORP.	\$29,027,000	\$26,265,000
Bally's Grand Transportation Corp.	-	1,426,000
Self Insurance Claim	-	4,215,000
	\$29,027,000	\$31,906,000

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

NOTE 13 - STOCKHOLDER'S EQUITY

At June 30, 1990 and 1989, the Company had 5,000,000 shares of common stock authorized; of such shares 3,002,500 were issued and outstanding.

NOTE 14 - PROMOTIONAL EXPENSES AND ALLOWANCES

Promotional expenses and allowances and number of recipients for the three months ended June 30, 1990 consisted of the following:

	PROMOTIONAL ALLOWANCES		PROMOTIONAL EXPENSES	
	Number of Recipients	Dollar Amount	Number of Recipients	Dollar Amount
Rooms	27,620	\$2,832,000	-	\$ -
Food	152,778	2,603,000	-	-
Beverage	580,498	1,132,000	-	-
Travel	-	-	8,405	1,297,000
Other				
Coin	-	-	380,217	4,431,000
Entertainment	4,013	234,000	485	59,000
Parking	31,132	249,000	-	-
Retail	5,103	339,000	-	-
Other	844	30,000	41,429	294,000
Total Other	41,092	852,000	422,131	4,784,000
TOTAL	801,988	\$7,419,000	430,536	\$6,081,000

GNOC, CORP.
 NOTES TO FINANCIAL STATEMENTS
 (Unaudited)

NOTE 14 - PROMOTIONAL EXPENSES AND ALLOWANCES (cont.)

Promotional expenses and allowances and number of recipients for the six months ended June 30, 1990 consisted of the following:

	PROMOTIONAL ALLOWANCES		PROMOTIONAL EXPENSES	
	Number of Recipients	Dollar Amount	Number of Recipients	Dollar Amount
Rooms	52,608	\$ 4,967,000	-	-
Food	361,184	5,150,000	-	-
Beverage	1,154,553	2,251,000	-	-
Travel	-	-	16,628	2,625,000
Other				
Coin	-	-	713,840	8,994,000
Entertainment	7,446	361,000	920	112,000
Parking	65,219	522,000	-	-
Retail	11,242	680,000	-	-
Other	1,754	62,000	61,632	615,000
Total Other	85,661	1,625,000	776,392	9,721,000
TOTAL	1,654,006	\$13,993,000	793,020	\$12,346,000

NOTE 15 - CHARGES FROM AFFILIATES

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

Nature of Charge From Affiliate	1990	1989
Interest	\$16,499,000	\$18,585,000
Other (a)	711,000	2,191,000

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

Pursuant to the 1987 Purchase Agreement (the "Agreement") between Bally and GNI, an amount was due to either party depending on the difference in value between certain assets and liabilities as defined in the Agreement. During the second quarter of 1990, the parties settled a dispute over such amounts and the Company paid GNI approximately \$4.2 million which represented an increase in the final purchase price of the Company paid by Bally. Accordingly, the \$4.2 million was recorded as costs in excess of acquired assets (Note 7).

GNOC, CORP.
 NOTES TO FINANCIAL STATEMENTS
 (Unaudited)

NOTE 16 - NON-OPERATING INCOME (EXPENSE) - NET

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

DESCRIPTION	1990	1989
Interest and dividend income	\$445,000	\$1,198,000
Other non-operating income (expense)	(8,000)	5,000
	<u>\$437,000</u>	<u>\$1,203,000</u>
	=====	=====

NOTE 17 - INCOME TAXES

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

DESCRIPTION	1990	1989
Current:		
Federal	\$326,000	\$413,000
State	230,000	207,000
	<u>556,000</u>	<u>620,000</u>
	=====	=====
Deferred:		
Federal	160,000	(206,000)
State	(82,000)	(147,000)
	78,000	(353,000)
	<u>\$634,000</u>	<u>\$267,000</u>
	=====	=====

NOTE 18 - LITIGATION

Pursuant to the 1987 Purchase Agreement (the "Agreement") between Bally and GNI, an amount was due to either party depending on the difference in value between certain assets and liabilities as defined in the Agreement. During the second quarter of 1990, the parties settled a dispute over such amounts and the Company paid GNI approximately \$4.2 million which represented an increase in the final purchase price of the Company paid by Bally. Accordingly, the \$4.2 million was recorded as costs in excess of acquired assets (Note 7).

SCHEDULE OF RECEIVABLES AND PATRONS' CHECKS

JUNE 30, 1990

(UNAUDITED)
(\$ IN THOUSANDS)

ACCOUNTS RECEIVABLE BALANCES				
LINE	DESCRIPTION (b)	ACCOUNT BALANCE (c)	ALLOWANCE (d)	ACCOUNTS RECEIVABLE- (e) NET OF ALLOWANCE
	Patrons' Checks:	\$		
1	Undeposited patrons' checks	5,739		
2	Returned patrons' checks	13,173		
3	Total patrons' checks	18,912	\$ 13,566	\$ 5,346
4	Hotel Receivables	1,053	75	978
	Other Receivables:			
5	Receivables due from officers and employees.....	20		
6	Receivables due from affiliates	-		
7	Other accounts and notes receivables	409		
8	Total other receivables	429	225	204
9	Totals (Form 205).....	\$ 20,394	\$ 13,866	\$ 6,528

UNDEPOSITED PATRONS' CHECKS ACTIVITY		AMOUNT (h)
LINE	DESCRIPTION (g)	
0	Beginning Balance (January 1)	\$ 4,926
1	Counter checks issued (excluding counter checks issued through transactions relating to consolidations, partial redemptions, substitutions, and patrons' cash deposits)	72,990
2	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)	(51,641)
3	Checks collected through deposits	(17,415)
4	Checks transferred to returned checks	(3,121)
5	Other adjustments	
6	Ending Balance	\$ 5,739
7	"Hold" Checks Included In Balance On Line 16	\$ -
8	Provision For Uncollectible Patrons' Checks	\$ 402
9	Provision As A Percent Of Counter Checks Issued .....	.55

HOTEL STATISTICS

FOR THE 6 MONTHS ENDED June 30, 1990

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	15,800	8,906	\$ 115.58	56.4 %	15,522	\$ 66.31
FEBRUARY	518	13,803	10,681	\$ 109.88	77.4 %	19,104	\$ 61.43
MARCH	518	15,703	13,179	\$ 111.73	83.9 %	22,958	\$ 64.14
1ST QUARTER TOTALS		45,306	32,766	\$ 112.17	72.3 %	57,584	\$ 63.83
APRIL	518	15,284	12,936	\$ 111.00	84.6 %	24,249	\$ 59.21
MAY	518	15,735	13,029	\$ 122.02	82.8 %	23,202	\$ 68.52
JUNE	518	15,409	12,993	\$ 140.77	84.3 %	24,921	\$ 73.39
2ND QUARTER TOTALS		46,428	38,958	\$ 124.61	83.9 %	72,372	\$ 67.08
JULY				\$	%		\$
AUGUST				\$	%		\$
SEPTEMBER				\$	%		\$
3RD QUARTER TOTALS				\$	%		\$
OCTOBER				\$	%		\$
NOVEMBER				\$	%		\$
DECEMBER				\$	%		\$
4TH QUARTER TOTALS				\$	%		\$
ANNUAL TOTALS				\$	%		\$

QUARTERLY REPORT

LIST OF FORMS - QUARTERLY REPORT

FOR THE QUARTER ENDED JUNE 30, 1990

974-901
C193
NEW JERSEY
PROPERTY OF
AUG 27 1990
185
NEW JERSEY
STATE

LICENSEE BALLY'S PARK PLACE, INC. NEW JERSEY

ADDRESS PARK PLACE & THE BOARDWALK
ATLANTIC CITY, NEW JERSEY 08401

FOR THE QUARTER ENDED JUNE 30, 1990

TO THE
CASINO CONTROL COMMISSION
OF THE
STATE OF NEW JERSEY



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

JOSEPH A. D'AMATO

OFFICIAL TITLE

VICE PRESIDENT & TREASURER

ADDRESS

PARK PLACE & THE BOARDWALK

ATLANTIC CITY, NEW JERSEY 08401

BALANCE SHEETS

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

LIST OF FORMS - QUARTERLY REPORT

FOR THE QUARTER ENDED June 30, 19 90

TITLE	(c) 19 90	(c) 19 89
ASSETS		
Balance Sheets	7,828	6,015
Statements of Income (Year-to-Date)	0	0
Statements of Income (Three Months)	0	0
Statements of Changes in Stockholders' Equity	0	0
Statements of Changes in Partners' or Proprietor's Equity	0	0
Statements of Cash Flows	0	0
Notes to Financial Statements	0	0
Schedule of Receivables and Patrons' Checks	16,476	18,484
Statement of Conformity and Accuracy	0	0
LIABILITIES AND EQUITY		
Liabilities	350,000	39,679
Liabilities and Contingencies	58,150	70,035
Liabilities	10,779	14,195
Liabilities	23,100	17,219
Liabilities	494,069	245,937
Liabilities	135,400	280,639
Liabilities and Equity	629,569	526,576

Restated to conform with 1990 presentation
 The accompanying notes are an integral part of the financial statements. Your comparisons should be made without using information contained in the notes.

BALANCE SHEETS

June 30, 19 90 AND 1989

(UNAUDITED)
(\$ IN THOUSANDS)

LINE	DESCRIPTION (b)	(c) 19 90	(d) 19 89 *
	ASSETS		
	Current Assets:		
1	Cash	\$	\$
2	Marketable securities	7,828	6,016
3	Receivables and patrons' checks (net of allowance for doubtful accounts - 19 90, \$ 6,600 ; 19 89, \$ 5,318)	0	0
4	Inventories	8,832	8,920
5	Prepaid expenses and other current assets NOTE 2.....	4,709	2,792
6	Total current assets	5,447	5,456
7	Investments, Advances, And Receivables NOTE 11.....	26,816	23,184
8	Property And Equipment - Net NOTE 3.....	82,932	19,568
9	Other Assets	500,883	479,043
	Total Assets	16,968	4,781
		\$ 627,599	\$ 526,576
	LIABILITIES AND EQUITY		
	Current Liabilities:		
	Accounts payable	\$ 16,426	\$ 18,484
	Notes payable	0	0
	Current portion of long-term debt:		
	Due to affiliates	0	0
	Other	36	0
	Income taxes payable and accrued	2,017	2,938
	Other accrued expenses NOTE 12.....	31,051	21,525
	Other current liabilities	1,560	1,862
	Total current liabilities	51,090	44,809
	Long-Term Debt:		
	Due to affiliates NOTE 4.....	350,000	99,679
	Other NOTE 4.....	59,150	70,035
	Deferred Credits NOTE 5.....	10,729	14,195
	Other Liabilities NOTE 7.....	23,100	17,219
	Commitments And Contingencies		
	Total Liabilities	494,069	245,937
	Stockholders', Partners', Or Proprietor's Equity	133,530	280,639
	Total Liabilities And Equity	\$ 627,599	\$ 526,576

* Restated to conform with 1990 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 Bally's Park Place, Inc.

STATEMENTS OF INCOME

FOR THE 6 MONTHS ENDED June 30, 1990 and 1989

(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 19 <u>90</u>	(d) 19 <u>89</u>
	Revenue:		
1	Casino	\$ 135,665	\$ 132,904
2	Rooms	16,406	10,130
3	Food and beverage	18,046	16,266
4	Other	5,586	4,647
5	Total revenue	175,703	163,947
6	Less: Promotional allowances NOTE. 8	<15,828>	<13,860>
7	Net revenue	159,875	150,087
	Costs And Expenses:		
8	Cost of goods and services	84,550	74,873
9	Selling, general, and administrative	30,349	34,363
10	Provision for doubtful accounts	1,302	293
11	Depreciation and amortization	13,165	11,386
12	Charges from affiliates other than interest:		
13	Management fees	0	0
14	Other	0	600
15	Total costs and expenses	129,366	121,515
	Income (Loss) From Operations	30,509	28,572
	Other Income (Expenses):		
6	Interest (expense) - affiliates NOTE. 9	<19,855>	<2,528>
7	Interest (expense) - external NOTE. 9	<1,625>	<2,370>
8	Investment alternative tax and related income (expense) - net...*	<810>	<988>
9	Nonoperating income (expense) - net NOTE. 14	1,844	848
0	Total other income (expenses).....	<20,446>	<5,038>
1	Income (Loss) Before Income Taxes And Extraordinary Items.....	10,063	23,534
2	Provision (credit) for income taxes NOTE. 10	4,439	9,591
3	Income (Loss) Before Extraordinary Items	5,624	13,943
4	Extraordinary items (net of income taxes - 19 <u> </u> , \$; 19 <u> </u> , \$)	0	0
5	Net Income (Loss)	\$ 5,624	\$ 13,943

* NOTE 13

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, Inc.

STATEMENTS OF INCOME

FOR THE THREE MONTHS ENDED June 30, 19 90 and 19 89

(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 19 <u>90</u>	(d) 19 <u>89</u>
	Revenue:		
1	Casino	\$ 68,615	\$ 70,643
2	Rooms	9,513	6,183
3	Food and beverage	9,364	8,914
4	Other	2,968	2,535
5	Total revenue	90,460	88,275
6	Less: Promotional allowances NOTE 8	<8,162>	<7,185>
7	Net revenue	82,298	81,090
	Costs And Expenses:		
8	Cost of goods and services	42,905	38,814
9	Selling, general, and administrative	15,576	17,560
10	Provision for doubtful accounts	1,006	160
11	Depreciation and amortization	6,711	5,931
12	Charges from affiliates other than interest:		
13	Management fees	0	0
14	Other NOTE 6	0	300
15	Total costs and expenses	66,198	62,765
	Income (Loss) From Operations	16,100	18,325
	Other Income (Expenses):		
16	Interest (expense) - affiliates NOTE 6	<9,911>	<1,837>
17	Interest (expense) - external NOTE 9	<1,351>	<1,492>
18	Investment alternative tax and related income (expense) - net.*	<344>	<493>
19	Nonoperating income (expense) - net NOTE 14	1,506	561
20	Total other income (expenses)	<10,100>	<3,261>
21	Income (Loss) Before Income Taxes And Extraordinary Items	6,000	15,064
22	Provision (credit) for income taxes NOTE 10	2,620	6,014
23	Income (Loss) Before Extraordinary Items	3,380	9,050
24	Extraordinary items (net of income taxes - 19__, \$; 19__, \$)	0	0
25	Net Income (Loss)	\$ 3,380	\$ 9,050

* NOTE 13

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 90 AND 19 89

(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	19 <u>90</u>		19 <u>89</u>	
		(c) SHARES	(d) DOLLARS	(e) SHARES	(f) DOLLARS
1	Common Stock:				
2	Beginning balance (January 1)	100	\$ 93,987	100	\$ 93,987
3	Sale of stock	-	-	-	-
4	Ending balance	100	93,987	100	93,987
5	Preferred Stock:				
6	Beginning balance (January 1)	-	-	-	-
7	Sale of stock	-	-	-	-
8	Ending Balance	-	-	-	-
9	Additional Paid-in Capital:				
10	Beginning balance (January 1)	-	34,652	-	34,652
11	.....	-	-	-	-
12	Ending balance	-	34,652	-	34,652
13	Treasury Stock:				
14	Beginning balance (January 1)	-	(-)	-	(-)
15	Purchase of additional stock	-	(-)	-	(-)
16	Sale or retirement of stock	-	(-)	-	(-)
17	Ending balance	-	(-)	-	(-)
18	Subscriptions Receivable For				
19	Capital Stock:				
20	Beginning balance (January 1)	-	(-)	-	(-)
21	.....	-	( - )	-	( - )
22	Ending balance	-	(-)	-	(-)
23	Net Unrealized Loss On Noncurrent				
24	Marketable Equity Securities:				
25	Beginning balance (January 1)	-	(-)	-	(-)
26	.....	-	( - )	-	( - )
27	Ending balance	-	(-)	-	(-)
28	Retained Earnings:				
29	Beginning balance (January 1)	-	(733)	-	138,057
30	Prior period adjustments	-	-	-	-
31	Net income (loss)	-	5,624	-	13,943
32	Dividends	-	(-)	-	(-)
33	Ending balance	-	4,891	-	152,000
34	Ending Stockholders' Equity		\$ 133,530		\$ 280,639

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

STATEMENTS OF CASH FLOWS

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

STATEMENTS OF CHANGES IN PARTNERS' OR PROPRIETOR'S EQUITY

FOR THE Six MONTHS ENDED June 30, 19 90 AND 19 89

(UNAUDITED)
(\$ IN THOUSANDS)

NOT APPLICABLE

LINE (a)	DESCRIPTION (b)	(c) 19 <u>90</u>	(d) 19 <u>89</u>
	Invested Capital:		
1	Beginning balance (January 1)	\$	\$
2	Additional capital invested		
3	Ending balance		
	Accumulated Income (Loss):		
5	Beginning balance (January 1)		
6	Prior period adjustments		
7	Net income (loss)		
8	Ending balance		
	Capital Withdrawals:		
10	Beginning balance (January 1)	((
11	Additional capital withdrawals))
12	Ending balance	((
	Net Unrealized Loss On Noncurrent Marketable Equity Securities:		
13	Beginning balance (January 1)	((
14	Ending balance))
15	Ending Partners' Or Proprietor's Equity	\$	\$

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

STATEMENTS OF CASH FLOWS

FOR THE 6 MONTHS ENDED June 30, 1990 and 1989
 (UNAUDITED)
 (\$ IN THOUSANDS)

Line (a)	Description (b)	(c) 19 90	(d) 19 89 *
1	Net Cash Provided (Used) By Operating Activities.....	\$ 23,475	\$ 28,881
	Cash Flows From Investing Activities:		
2	Purchase of short-term investment securities.....		
3	Proceeds from the sale of short-term investment securities.....		
4	Purchase outflows for property and equipment.....		
5	Proceeds from disposition of property and equipment.....	<32,613>	<42,029>
6	Purchase of casino reinvestment obligations.....		
7	Purchase of other investments and loans/advances made.....	<1,431>	<1,039>
8	Proceeds from disposal of investments and collection of advances and long-term receivables.....	<1,024>	<2,262>
9	Cash outflows to acquire business entities.....	0	237
10			
11			
12	Net Cash Provided (Used) By Investing Activities.....	<35,068>	<45,093>
	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.....	78,127	38,555
17	Payments to settle long-term debt.....		
18	Cash proceeds from issuing stock or capital contributions.....	<23,775>	<25,319>
19	Purchases of treasury stock.....		
20	Payments of dividends or capital withdrawals.....		
21	Advance to Bally.....		
22		<50,000>	
23	Net Cash Provided (Used) By Financing Activities.....	4,352	13,236
24	Net Increase (Decrease) In Cash And Cash Equivalents.....	<7,241>	<2,976>
25	Cash And Cash Equivalents At Beginning Of Period	15,069	8,992
26	Cash And Cash Equivalents At End Of Period.....	\$ 7,828	\$ 6,016

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

27	Cash Paid During Period For:		
28	Interest (net of amount capitalized).....	\$ 19,411	\$ 4,387
	Income taxes.....	\$ 3,509	\$ 9,075

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

2/87 * Restated to conform with 1990 presentation

STATEMENTS OF CASH FLOWS

FOR THE 6 MONTHS ENDED June 30, 1990 and 1989
 (UNAUDITED)
 (\$ IN THOUSANDS)

Line (a)	Description (b)	(c) 19 <u>90</u>	(d) 19 <u>89</u> *
	Net Cash Flows From Operating Activities:		
29	Net income (loss).....	\$ 5,624	\$ 13,943
	Noncash items included in income and cash items excluded from income:		
30	Depreciation and amortization of property and equipment.....	11,465	10,905
31	Amortization of other assets.....	853	481
32	Amortization of debt discount or premium.....	0	16
33	Deferred income taxes - current.....	<287>	<85>
34	Deferred income taxes - noncurrent.....	<104>	270
35	(Gain) loss on disposition of property and equipment.....	0	30
36	(Gain) loss on casino reinvestment obligations.....	0	202
37	(Gain) loss from other investment activities.....	119	10
38	Net (increase) decrease in receivables and patrons' checks.....	1,559	1,659
39	Net (increase) decrease in inventories.....	<925>	<627>
40	Net (increase) decrease in other current assets.....	<2,533>	<1,470>
41	Net (increase) decrease in other assets.....	<1,154>	<89>
42	Net increase (decrease) in accounts payables.....	1,653	<2,167>
43	Net increase (decrease) in other current liabilities excluding debt.....	2,669	2,637
44	Net increase (decrease) in other noncurrent liabilities excluding debt.....	1,600	3,166
45	NET BOOK VALUE OF DISPOSALS	1,341	0
46	CRDA OBLIGATION AMORTIZATION	1,595	0
47	Net Cash Provided (Used) By Operating Activities.....	\$ 23,475	\$ 28,881

SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING AND FINANCING ACTIVITIES

48	Acquisition Of Property And Equipment:		
49	Additions to property and equipment.....	\$ 32,613	\$ 42,029
50	Less: Capital lease obligations incurred.....		
	Cash Outflows For Property And Equipment.....	\$ 32,613	\$ 42,029
	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.....	\$	\$

2/87 * Restated to conform with 1990 presentation

BALLY'S PARK PLACE CASINO HOTEL AND TOWER
Note 1 - Notes to Financial Statements
For the Six Months Ended June 30, 1990 and 1989
(Unaudited)

The accompanying financial statements should be read in conjunction with the consolidated financial statements in the Casino Control Commission Annual Report for the year December 31, 1989.

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

All adjustments (which include only normal and recurring adjustments) have been recorded which are, in the opinion of management, necessary for a fair presentation of the financial position of Bally's Park Place, New Jersey (the "Company") at June 30, 1990 and 1989. Certain reclassifications have been made to the 1989 financial statements to conform to the 1990 representation.

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 for sale and lease in a building in Atlantic City) 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 on the equity method.

Transactions with Related Parties

The Company participates in the Bally Manufacturing Corporation ("Bally") insurance program for general liability in 1990. Under this program, general liability insurance expense is allocated to the Company based on claims experience. General liability insurance expense allocated to the Company was \$297,000 and \$594,000 for the three and six months ended June 30, 1990. There was no such allocation in 1989 as the Company did not participate in the Bally insurance program.

In April 1990, the Company advanced Bally \$50,000,000 secured by a promissory note allowing for payment on demand by the Company, however, the Company has no current intention of requesting payment. The Company earns interest on the outstanding balance at the prime rate of its agent bank with such interest payable at the end of each quarter. Intercompany interest earned for the three and six months ended was \$1,095,000, all of which remained unpaid as of June 30, 1990.

BALLY'S PARK PLACE CASINO HOTEL AND TOWER
Note 1 - Notes to Financial Statements
For the Six Months Ended June 30, 1990 and 1989
(Unaudited)

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

During the six months ended June 30, 1990, the Company purchased slot machines for its casino from an affiliate for an aggregate amount of \$156,000. There were no such purchases during the comparable period in 1989.

For the three and six months ended June 30, 1989, rent expense, related to a former lease agreement between Bally and the Company, for land acquired in 1989 by the Company from Bally, was \$300,000 and \$600,000, respectively. There was no such lease expense for the three and six months ended June 30, 1990.

The Company leases real estate to GNOC Corp. ("Bally's Grand"), another wholly owned subsidiary of Bally. Rental income was \$61,000 and \$77,000 for the three months ended June 30, 1990 and 1989, respectively and \$123,000 and \$153,000 for the six months ended June 30, 1990 and 1989, respectively. In 1989, certain support operations of the Company and Bally's Grand were consolidated. The Company allocated direct costs to Bally's Grand of \$442,000 and \$795,000 during the three and six months ended June 30, 1990, related to these consolidated operations. There were no such costs allocated in the comparable 1989 periods, since such costs were not significant.

Income Taxes

The effective income tax rate was greater than the Federal statutory rate for the three and six months ended June 30, 1990 and 1989. The variation from the Federal statutory rate was due principally to state income taxes, net of the related Federal income tax benefit.

BALLY'S PARK PLACE CASINO HOTEL AND TOWER

Note 2 - Prepaid Expenses and
Other Current Assets

June 30,

Unaudited

	<u>1990</u>	<u>1989</u>
Deferred Income Taxes	\$ 1,889,000	\$ 3,151,000
Prepaid Insurance	1,687,000	1,038,000
Prepaid Licenses-Casino	831,000	835,000
Other *	<u>1,040,000</u>	<u>432,000</u>
	<u>\$ 5,447,000</u>	<u>\$ 5,456,000</u>

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

BALLY'S PARK PLACE CASINO HOTEL AND TOWER
 Note 3 - Property, Plant and Equipment
 June 30,

Unaudited

	<u>1990</u>	<u>1989</u>
Land	\$ 62,067,000	\$ 62,054,000
Buildings, Leasehold Improvements	458,286,000	318,198,000
Furniture, Fixtures and Equipment	125,093,000	109,183,000
Construction in Progress	<u>60,749,000</u>	<u>171,588,000</u>
	706,195,000	661,023,000
Less Accumulated Depreciation and Amortization	<u>205,312,000</u>	<u>181,980,000</u>
Property and Equipment, Net	<u>\$500,883,000</u>	<u>\$479,043,000</u>

The Company issued \$50,000,000 in 1989...
 The Company entered into an amended revolving credit agreement...
 The Company had \$13,750,000 available under this credit...

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

Unaudited

Long-Term Debt

	<u>1990</u>	<u>1989</u>
Due to affiliates:		
11 7/8% First Mortgage Notes due 1999	\$350,000,000	\$ ---
13 7/8% Mortgage-Backed Bonds due 2003	---	99,679,000
	<u>\$350,000,000</u>	<u>\$ 99,679,000</u>
Other:		
Revolving credit agreement	\$ 56,250,000	\$ 65,800,000
Other secured and unsecured debt	<u>2,900,000</u>	<u>4,235,000</u>
	<u>\$ 59,150,000</u>	<u>\$ 70,035,000</u>

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 \$440,013,000 at June 30, 1990. Debt issuance costs is being amortized using the bonds outstanding method.

In 1989, the Company entered into 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 (9.6% at June 30, 1990) 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 Company had \$43,750,000 available under this credit line as of June 30, 1990.

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, 1990, all retained earnings except for approximately \$2,800,000 are so restricted.

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

Unaudited

Deferred Federal Income Taxes

	<u>1990</u>	<u>1989</u>
	<u>\$10,729,000</u>	<u>\$14,195,000</u>

Mortgage
 sinking
 of the
 1991
 zero
 Bally
 insurance
 In
 the June
 \$100,000
 30, 1991
 1991
 the Company
 short-term
 turned out
 line as
 The
 contain
 indebtedness
 note, sale
 which ma
 June 30,
 restricted

BALLY'S PARK PLACE CASINO HOTEL AND TOWER
Note 6 - Rent Expense
For the Three Months Ended June 30,

Unaudited

	<u>1990</u>	<u>1989</u>
Affiliates - Bally Manufacturing Corp.	<u>\$ ---</u>	<u>\$ 300,000</u>

For the Six Months Ended June 30,

	<u>1990</u>	<u>1989</u>
Affiliates - Bally Manufacturing Corp.	<u>\$ ---</u>	<u>\$ 600,000</u>

BALLY'S PARK PLACE CASINO HOTEL AND TOWER
 Note 7 - Other Liabilities
 For the Years Ended June 30, 1990 and June 30, 1989

Unaudited

Accrued S.E.R.P.

	1990	1989
Number of recipients	\$23,100,000	\$17,219,000

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.

745,560	1,491,000
177,926	1,246,000
3,876	66,000
1,824	54,000

48,471	\$ 910,000
975,608	4,275,000
322	20,000
2,648	137,000
	<u>\$5,337,000</u>

Contribution - Cash
 Services
 Total Services

\$5,152,000

BALLY'S PARK PLACE CASINO HOTEL AND TOWER
 Note 8 - Complimentary Services
 For the Three Months Ended June 30, 1990

Unaudited

	<u>Promotional Allowances</u>		<u>Promotional Expenses</u>	
	<u>Number of Recipients</u>	<u>Dollar Amount</u>	<u>Number of Recipients</u>	<u>Dollar Amount</u>
Rooms	27,892	\$3,239,000		
Food	210,588	2,066,000		
Beverage	745,560	1,491,000		
Parking	177,926	1,246,000		
Shows	3,876	66,000		
Other	1,824	54,000		
Travel			45,471	\$ 910,000
Coupon Redemption - Cash			355,676	4,275,000
Rooms off premises			313	20,000
Other			2,640	132,000
Total Amount of Services		<u>\$8,162,000</u>		<u>\$5,337,000</u>

BALLY'S PARK PLACE CASINO HOTEL AND TOWER
 Note 8 - Complimentary Services
 For the Six Months Ended June 30, 1990

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	55,083	\$6,065,000		
Food	417,436	4,279,000		
Beverage	1,511,561	3,023,000		
Parking	318,538	2,230,000		
Shows	7,776	132,000		
Other	3,308	99,000		
Travel			87,734	\$1,755,000
Coupon Redemption - Cash			620,224	8,156,000
Rooms off premises			466	29,000
Other			6,475	324,000
Total Amount of Services		<u>\$15,828,000</u>		<u>\$10,264,000</u>

BALLY'S PARK PLACE CASINO HOTEL AND TOWER
 Note 9 - Interest Expense
 For the Three Months Ended June 30,

Unaudited

<u>Charges From Affiliates</u>	<u>1990</u>	<u>1989</u>
Bally's Park Place Funding, Inc.	\$10,390,000	\$ 3,469,000
Capitalized interest	<u>(479,000)</u>	<u>(1,632,000)</u>
	<u>\$ 9,911,000</u>	<u>\$ 1,837,000</u>
 <u>External Sources</u>		
Interest on various loans	\$ 1,477,000	\$ 1,926,000
Capitalized interest	<u>(126,000)</u>	<u>(434,000)</u>
	<u>\$ 1,351,000</u>	<u>\$ 1,492,000</u>
For the Six Months Ended June 30,		

<u>Charges From Affiliates</u>	<u>1990</u>	<u>1989</u>
Bally's Park Place Funding, Inc.	\$20,781,000	\$ 6,938,000
Capitalized interest	<u>(926,000)</u>	<u>(4,410,000)</u>
	<u>\$19,855,000</u>	<u>\$ 2,528,000</u>
 <u>External Sources</u>		
Interest on various loans	\$ 1,871,000	\$ 3,542,000
Capitalized interest	<u>(246,000)</u>	<u>(1,172,000)</u>
	<u>\$ 1,625,000</u>	<u>\$ 2,370,000</u>

<u>1990</u>	<u>1989</u>
\$ (287,000)	\$ (185,000)
<u>(184,000)</u>	<u>(270,000)</u>
<u>\$ (471,000)</u>	<u>\$ (455,000)</u>

BALLY'S PARK PLACE CASINO HOTEL AND TOWER
 Note 10 - Provision for Income Taxes
 For the Three Months Ended June 30,

Unaudited

	1990	1989
Current:		
Federal		
State		
	\$2,042,000	\$3,648,000
	550,000	1,750,000
	<u>2,592,000</u>	<u>5,398,000</u>
Deferred:		
Federal		
State		
	30,000	477,000
	(2,000)	139,000
	<u>28,000</u>	<u>616,000</u>
Total Income Taxes	<u>\$2,620,000</u>	<u>\$6,014,000</u>

For the Six Months Ended June 30,

	1990	1989
Current:		
Federal		
State		
	\$3,880,000	\$7,306,000
	950,000	2,100,000
	<u>4,830,000</u>	<u>9,406,000</u>
Deferred:		
Federal		
State		
	(291,000)	143,000
	(100,000)	42,000
	<u>(391,000)</u>	<u>185,000</u>
Total Income Taxes	<u>\$4,439,000</u>	<u>\$9,591,000</u>

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

	1990	1989
Short-term	\$ (287,000)	\$ (85,000)
Long-term	(104,000)	270,000
	<u>\$ (319,000)</u>	<u>\$ 185,000</u>

BALLY'S PARK PLACE CASINO HOTEL AND TOWER
 Note 11 - Investments, Advances and Receivables
 June 30,

	1990	1989
<u>Other long-term investments and receivables:</u>		
Reese Palley/Martin Blatt (Mortgage - Marlboro Bleinheim)		
First Mortgage	\$ ---	\$ 1,952,000
Second Mortgage	---	2,602,000
	\$ ---	\$ 4,554,000
Total long-term receivables		
Investment in subsidiaries - equity:		
Bally Warwick, Inc. - 100% owned	4,449,000	4,219,000
B.W. Realty, Inc. - 100% owned	5,583,000	4,936,000
	10,032,000	9,155,000
Total investments in subsidiaries - equity		
Casino Reinvestment Development Authority funds (less discount of \$4,976,000 in 1990 and \$4,303,000 in 1989)	4,383,000	4,251,000
Central credit receivable (less discount of \$134,000 in 1990 and \$56,000 in 1989)	160,000	142,000
Jacobs Family Terrace Mortgage Receivable (less reserve of \$176,000 in 1990 and \$118,000 in 1989)	2,762,000	1,856,000
Bally's Park Place Realty Company	15,630,000	---
Bally Manufacturing Corporation	50,000,000	---
Less current portion	(35,000)	(390,000)
Total Investments, Advances and Receivables	\$82,932,000	\$19,568,000

BALLY'S PARK PLACE CASINO HOTEL AND TOWER

Note 12 - Other Accrued Expenses

June 30,

Unaudited

(Unaudited)

	<u>1990</u>	<u>1989</u>
Payroll	\$ 6,005,000	\$ 6,013,000
Progressive Jackpots	2,364,000	2,691,000
Interest	16,062,000	5,491,000
*Miscellaneous	<u>6,620,000</u>	<u>7,330,000</u>
Total	<u>\$31,051,000</u>	<u>\$21,525,000</u>

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

BALLY'S PARK PLACE CASINO HOTEL AND TOWER
 Note 13 - Reinvestment Obligation
 For the Six Months Ended June 30, 1990

(Unaudited)

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

At June 30, 1990 and 1989, the Company had \$8,884,000 and \$8,154,000 respectively, in remaining bond purchase commitments on deposit with the CRDA. The Company has purchased \$475,000 and 400,000 in bonds with the CRDA as of June 30, 1990 and 1989, respectively. The Company has also sponsored the development of a 72-unit condominium housing project in Atlantic City. In 1988, the Company commenced direct sales of the units and as of June 30, 1990 all the units were sold.

For the Six Months Ended June 30,

	1990	1989
Income	\$1,910,000	\$683,000
Income or (loss) of related subsidiaries:		
Realty, Inc.	(193,000)	(193,000)
Warwick, Inc.	73,000	93,000
	<u>54,000</u>	<u>173,000</u>
	<u>\$1,814,000</u>	<u>\$856,000</u>

SCHEDULE OF RECEIVABLES AND PATRONS' CHECKS

BALLY'S PARK PLACE CASINO HOTEL AND TOWER
 Note 14 - Non-Operating Income
 For the Three Months Ended March 31,

Unaudited

	1990	1989	
Interest income	\$1,521,000	\$374,000	ACCOUNTS RECEIVABLE-
Equity in income or (loss) of unconsolidated subsidiaries:			(a) NET OF ALLOWANCE
B. W. Realty, Inc.	(46,000)	(3,000)	
Bally Warwick, Inc.	58,000	94,000	4,159
Other	(27,000)	96,000	1,648
Total	<u>\$1,506,000</u>	<u>\$561,000</u>	

For the Six Months Ended June 30,

	1990	1989	
Interest income	\$1,910,000	\$685,000	
Equity in income or (loss) of unconsolidated subsidiaries:			
B. W. Realty, Inc.	(193,000)	(103,000)	
Bally Warwick, Inc.	73,000	93,000	
Other	54,000	173,000	
Total	<u>\$1,844,000</u>	<u>\$848,000</u>	

	1990	1989	
Accounts receivable	1,987		1,025
Patrons' checks activity			8,832
B. W. Realty, Inc.	(193,000)	(103,000)	
Bally Warwick, Inc.	73,000	93,000	
Other	54,000	173,000	
Total	<u>\$1,844,000</u>	<u>\$848,000</u>	

Provision for doubtful accounts in Balance on Line 15
 Provision for doubtful Patrons' Checks
 Provision for doubtful Counter Checks

SCHEDULE OF RECEIVABLES AND PATRONS' CHECKS

June 30, 19 90

(UNAUDITED)
(\$ IN THOUSANDS)

ACCOUNTS RECEIVABLE BALANCES				
LINE (a)	DESCRIPTION (b)	ACCOUNT BALANCE (c)	ALLOWANCE (d)	ACCOUNTS RECEIVABLE-(e) NET OF ALLOWANCE
1	Patrons' Checks:			
	Undeposited patrons' checks	\$ 2,360		
2	Returned patrons' checks	8,299		
3	Total patrons' checks	10,659	\$ 6,500	\$ 4,159
4	Hotel Receivables	1,748	100	1,648
5	Other Receivables:			
	Receivables due from officers and employees.....	7		
6	Receivables due from affiliates	1,035		
7	Other accounts and notes receivables	1,983		
8	Total other receivables	3,025	0	3,025
9	Totals (Form 205).....	\$ 15,432	\$ 6,600	\$ 8,832

UNDEPOSITED PATRONS' CHECKS ACTIVITY		
LINE (f)	DESCRIPTION (g)	AMOUNT (h)
10	Beginning Balance (January 1)	\$ 3,024
11	Counter checks issued (excluding counter checks issued through transactions relating to consolidations, partial redemptions, substitutions, and patrons' cash deposits)	51,922
12	Checks redeemed prior to deposit (excluding the unredeemed portion of counter checks redeemed through partial redemptions, and excluding checks redeemed through transactions relating to consolidations, substitutions, and patrons' cash deposits)	(42,388)
13	Checks collected through deposits	(7,817)
14	Checks transferred to returned checks	(2,381)
15	Other adjustments	0
16	Ending Balance	\$ 2,360
17	"Hold" Checks Included In Balance On Line 16	\$ 0
18	Provision For Uncollectible Patrons' Checks	\$ 1,184
19	Provision As A Percent Of Counter Checks Issued	2.3 %

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.

Joseph A. D'Amato
Signature

Vice President & Treasurer
Title

#03310-11
License Number

On Behalf Of:

Subscribed and sworn to
before me this 10th day
of August, 19 90

Cheryl Ann Ruggles
Signature

Bally's Park Place, Inc. NJ
Casino Licensee

CHERYL ANN RUGGLES
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Feb. 16, 1994

Basis of Authority
to Take Oaths



HOTEL STATISTICS

FOR THE 6 MONTHS ENDED June 30, 1990

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	1,195	37,320	18,757	\$ 103.81	50.3%	37,501	\$ 51.92
FEBRUARY	1,199	33,621	22,033	\$ 103.92	65.5%	43,042	\$ 53.20
MARCH	1,211	37,193	24,932	\$ 105.80	67.0%	49,301	\$ 53.51
1ST QUARTER TOTALS		108,134	65,722	\$ 104.60	60.8%	129,844	\$ 52.95
APRIL	1,170	36,079	26,358	\$ 111.99	73.1%	50,503	\$ 58.45
MAY	1,197	37,252	15,322	\$ 136.20	41.1%	52,770	\$ 39.55
JUNE	1,211	36,112	27,136	\$ 122.30	75.1%	53,009	\$ 62.61
2ND QUARTER TOTALS		109,443	68,816	\$ 121.45	62.9%	156,282	\$ 53.48
JULY				\$	%		\$
AUGUST				\$	%		\$
SEPTEMBER				\$	%		\$
3RD QUARTER TOTALS				\$	%		\$
OCTOBER				\$	%		\$
NOVEMBER				\$	%		\$
DECEMBER				\$	%		\$
4TH QUARTER TOTALS				\$	%		\$
ANNUAL TOTALS				\$	%		\$

BOARDWALK REGENCY CORPORATION
QUARTERLY REPORT

974.901
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NEW JERSEY
STATE LIBRARY
AUG 27 1990
185 W. STATE ST.
TRENTON, N.J.

LICENSEE BOARDWALK REGENCY CORPORATION
d/b/a CAESARS ATLANTIC CITY

ADDRESS 2100 PACIFIC AVENUE
ATLANTIC CITY, NJ 08401

FOR THE QUARTER ENDED JUNE 30, 1990

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, NJ 08401

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

LIST OF FORMS - QUARTERLY REPORT

FOR THE QUARTER ENDED JUNE 30, 1990

LINE NO.	DESCRIPTION	FORM NO.
	ASSETS	
1	Balance Sheets	CCC-205
2	Statements of Income (Year-to-Date)	CCC-210
3	Statements of Income (Three Months)	CCC-215
4	Statements of Changes in Stockholders' Equity	CCC-220
5	Statements of Changes in Partners' or Proprietor's Equity	CCC-225
6	Statements of Cash Flows	CCC-235
7	Notes to Financial Statements	
8	Schedule of Receivables and Patrons' Checks	CCC-240
9	Statement of Conformity and Accuracy	CCC-250
	LIABILITIES AND EQUITY	
10	Current liabilities	
11	Long-term debt:	
12	Due to affiliates	
13	Other	
14	Deferred credits	
15	Other liabilities	
16	Commitments and Contingencies	
17	Total liabilities	
18	Stockholders', Partners', or Proprietors' Equity	
19	Total liabilities and equity	

The accompanying notes are an integral part of these financial statements. Certain reclassifications have been made to conform with the presentation used in the preceding period.

TRADING NAME OF LICENSEE CAESARS ATLANTIC CITY

BALANCE SHEETS
JUNE 30, 1990 AND 1989
 (UNAUDITED)
 (\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1990	(d) 1989
ASSETS			
	Current Assets	\$	\$
1	Cash.....	9,543	7,783
2	Marketable securities.....	-	-
3	Receivables and patrons' checks (net of allowance for..... doubtful accounts - 1990_, \$11,903 ; 1989_, \$14,905).....	19,291	17,434
4	Inventories.....(NOTE 1).....	2,968	3,016
5	Prepaid expenses and other current assets.....(NOTE 2).....	12,087	10,613
6	Total current assets.....	43,889	38,846
7	Investments, Advances and Receivables.....(NOTES 3 & 13)	1,074	627
8	Property and Equipment - Net.....(NOTES 1,4&9)	271,964	234,600
9	Other Assets.....	4,386	3,965
10	Total Assets.....	\$ 321,313	\$ 278,038
LIABILITIES AND EQUITY			
	Current Liabilities	\$	\$
11	Accounts payable.....	15,058	11,204
12	Notes payable.....(NOTE 5).....	-	-
	Current portion of long-term debt:		
13	Due to affiliates.....	-	-
14	Other.....(NOTE 9).....	236	180
15	Income taxes payable and accrued.....(NOTES 1,2&6)	296	-
16	Other accrued expenses.....(NOTE 7).....	16,542	30,483
17	Other current liabilities.....	33,933	2,484
18	Total current liabilities.....	66,065	44,351
	Long-Term Debt:		
19	Due to affiliates.....(NOTE 8).....	81,909	92,260
20	Other.....(NOTE 9).....	16,303	16,481
21	Deferred Credits.....(NOTE 6).....	7,693	5,415
22	Other Liabilities.....(NOTE 10).....	6,057	4,046
23	Commitments and Contingencies.....(NOTE 13).....		
24	Total Liabilities.....	178,027	162,553
25	Stockholders', Partners', Or Proprietor's Equity.....	143,286	115,485
26	Total Liabilities and Equity.....	\$ 321,313	\$ 278,038

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 period financial statements in order to conform with the presentation used in the current period. GCG-205

TRADING NAME OF CAESARS ATLANTIC CITY

STATEMENTS OF INCOME

FOR THE 6 MONTHS ENDED JUNE 30, 1990 AND 1989
(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1990	(d) 1989
	Revenue:	\$	\$
1	Casino.....(NOTE 1).....	143,322	147,970
2	Rooms.....	7,963	8,012
3	Food and beverage.....	17,297	17,786
4	Other.....	7,142	7,977
5	Total revenue.....	175,724	181,745
6	Less: promotional allowances.....(NOTES 1 & 14)..	19,301	19,934
7	Net revenue.....	156,423	161,811
	Costs And Expenses:		
8	Cost of goods and services.....(NOTES 1 & 14)..	83,052	82,040
9	Selling, general, and administrative.....(NOTES 1 & 14)..	39,281	43,275
10	Provision for doubtful accounts.....	1,782	3,553
11	Depreciation and amortization.....(NOTE 1).....	8,236	8,063
	Charges from affiliates other than interest:		
12	Management fees.....	-	-
13	Other.....(NOTE 12).....	3,825	3,560
14	Total costs and expenses.....	136,176	140,491
15	Income (Loss) From Operations.....	20,247	21,320
	Other Income (Expense):		
16	Interest income (expense) - affiliates....(NOTES 8 & 12)..	(5,692)	(3,770)
17	Interest income (expense) - external.....	60	(183)
18	Investment alternative tax and related income (expense) - net.....(NOTE 13).....	323	45
19	Nonoperating income (expense) - net.....	80	(21)
20	Total other income (expense).....	(5,229)	(3,929)
21	Income (Loss) Before Income Taxes and Extraordinary items..	15,018	17,391
22	Provision (Credit) for income taxes.....(NOTE 6).....	6,068	6,973
23	Income (Loss) Before Extraordinary Items.....	8,950	10,418
24	Extraordinary items (net of income taxes - 19__, \$; 19__, \$).....	-	-
25	Net Income (Loss).....	\$ 8,950	\$ 10,418

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

1/89 Certain reclassifications have been made in the prior financial statements in order to conform with the presentation used in the current period.

CCC-210

TRADING NAME OF CAESARS ATLANTIC CITY

STATEMENTS OF INCOME

FOR THE 3 MONTHS ENDED JUNE 30, 1990 AND 1989
(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1990	(d) 1989
	Revenue:	\$	\$
1	Casino.....(NOTE 1).....	70,762	77,627
2	Rooms.....	4,288	4,394
3	Food and beverage.....	8,949	9,649
4	Other.....	3,913	4,417
5	Total revenue.....	87,912	96,087
6	Less: promotional allowances.....(NOTES 1 & 14)..	10,203	10,586
7	Net revenue.....	77,709	85,501
	Costs And Expenses:		
8	Cost of goods and services.....(NOTES 1 & 14)..	41,115	42,106
9	Selling, general, and administrative.....(NOTES 1 & 14)..	20,337	25,115
10	Provision for doubtful accounts.....	617	2,308
11	Depreciation and amortization.....(NOTE 1).....	4,160	4,097
	Charges from affiliates other than interest:		
12	Management fees.....	-	-
13	Other.....(NOTE 12).....	1,805	1,771
14	Total costs and expenses.....	68,034	75,397
15	Income (Loss) From Operations.....	9,675	10,104
	Other Income (Expense):		
16	Interest income (expense) - affiliates....(NOTES 8 & 12)..	(2,969)	(2,094)
17	Interest income (expense) - external.....	165	470
	Investment alternative tax and related		
18	income (expense) - net.....(NOTE 13).....	(68)	260
19	Nonoperating income (expense) - net.....	22	18
20	Total other income (expense).....	(2,850)	(1,346)
21	Income (Loss) Before Income Taxes and Extraordinary items..	6,825	8,758
22	Provision (Credit) for income taxes.....(NOTE 6).....	2,750	3,370
23	Income (Loss) Before Extraordinary Items.....	4,075	5,388
24	Extraordinary items (net of income taxes -		
	19__, \$; 19__, \$).....	-	-
25	Net Income (Loss).....	\$ 4,075	\$ 5,388

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

1/89 Certain reclassifications have been made in the prior financial statements in order to conform with the presentation used in the current period.

CGG-215

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

CGG-215

TRADING NAME OF LICENSEE CAESARS ATLANTIC CITY

STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY

FOR THE 6 MONTHS ENDED JUNE 30, 1990 AND 1989
 (UNAUDITED)
 (\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	1990		1989	
		(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:				
9	Beginning balance (January 1).....	+++++	5,912	+++++	5,912
10	.....	+++++	-	+++++	-
11	.....	+++++	-	+++++	-
12	Ending balance.....	+++++	5,912	+++++	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:				
25	Beginning balance (January 1).....	+++++	127,054	+++++	97,785
26	Prior period adjustments.....	+++++	-	+++++	-
27	Net income (loss).....	+++++	8,950	+++++	10,418
28	Dividends.....	+++++	(-)	+++++	(-)
29	.....	+++++	-	+++++	-
30	.....	+++++	-	+++++	-
31	Ending balance.....	+++++	136,004	+++++	108,203
32	Ending Stockholders' Equity.....	+++++	\$143,286	+++++	\$115,485

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, 1990 AND 1989
(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1990	(d) 1989
	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, 1990 AND 1989
(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1990	(d) 1989
1	Net Cash Provided (Used) By Operating Activities.....	\$ 30,007	\$ 20,520
	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.....	(35,635)	(29,021)
5	Proceeds from disposition of property and equipment.....	77	-
6	Purchase of casino reinvestment obligations.....	84	(398)
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	CRDA reimbursements.....	-	2,600
11	.....	-	-
12	Net Cash Provided (Used) By Investing Activities.....	(35,387)	(26,819)
	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.....	4,241	33,402
16	Costs of issuing debt.....	-	-
17	Payments to settle long-term debt.....	(63)	(28,671)
18	Cash proceeds from issuing stock or capital contributions....	-	-
19	Purchases of treasury stock.....	-	-
20	Payments of dividends or capital withdrawals.....	-	-
21	.....	-	-
22	.....	-	-
23	Net Cash Provided (Used) By Financing Activities.....	4,178	4,731
24	Net Increase (Decrease) in Cash and Cash Equivalents.....	(1,202)	(1,568)
25	Cash and Cash Equivalents At Beginning Of Period.....	10,745	9,351
26	Cash And Cash Equivalents At End Of Period.....	\$ 9,543	\$ 7,783

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

	Cash Paid During Period For:		
27	Interest (net of amount capitalized).....	\$ 5,589	\$ 3,677
28	Income taxes.....	\$ 9,306	\$ 15,616

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. CCC-235

TRADING NAME OF LICENSEE CAESARS ATLANTIC CITY

STATEMENTS OF CASH FLOWS

FOR THE 6 MONTHS ENDED JUNE 30, 1990 AND 1989

(UNAUDITED)

(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1990	(d) 1989
	Net Cash Flows From Operating Activities:		
29	Net income (loss).....	\$ 8,950	\$ 10,418
	Noncash items included in income and cash items excluded from income:		
30	Depreciation and amortization of property and equipment....	8,065	7,930
31	Amortization of other assets	171	133
32	Amortization of debt discount or premium.....	-	-
33	Deferred income taxes - current.....	(1,219)	482
34	Deferred income taxes - noncurrent.....	352	(906)
35	(Gain) loss on disposition of property and equipment.....	(38)	67
36	(Gain) loss on casino reinvestment obligations.....	(323)	(45)
37	(Gain) loss from other investment activities.....	-	-
38	Net (increase) decrease in receivables and patrons' checks.....	(3,682)	17,352
39	Net (increase) decrease in inventories.....	135	(205)
40	Net (increase) decrease in other current assets.....	675	(2,127)
41	Net (increase) decrease in other assets.....	(763)	(815)
42	Net increase (decrease) in accounts payable.....	5,181	(139)
43	Net increase (decrease) in other current liabilities excluding debt.....	12,452	(11,662)
44	Net increase (decrease) in other noncurrent liabilities excluding debt.....	51	37
45		-	-
46		-	-
47	Net Cash Provided (Used) By Operating Activities.....	\$ 30,007	\$ 20,520

SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING AND FINANCING ACTIVITIES

	Acquisition Of Property And Equipment:		
48	Additions to property and equipment.....	\$ 35,635	\$ 31,995
49	Less: Mortgage assumed.....	-	2,974
50	Cash Outflows For Property And Equipment.....	\$ 35,635	\$ 29,021
	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.....	\$ -	\$ -

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 an 86.6% owned subsidiary of Caesars World, Inc. (CWI), a Florida corporation. Additionally, CNJ also owns all of the stock of Caesars World Finance Corporation (CWFC), a Delaware corporation. BRC owns and operates Caesars Atlantic City hotel/casino (CAC) in Atlantic City, New Jersey.

Revenue and Promotional Allowances

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

Inventories

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

Property and Equipment

Property and equipment is recorded at cost, including interest on funds borrowed to finance construction. For the six months ended June 30, 1990 and 1989 capitalized interest of \$1,004,000 and \$1,411,000, respectively, 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

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.

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

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

Reclassifications

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

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 provide for timing differences between book and tax recognition of revenues and expenses.

In December 1987, the Financial Accounting Standards Board issued a Statement of Financial Accounting Standards Number 96 (SFAS 96) on accounting for income taxes. BRC is required to adopt the new 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 as provided by the Tax Reform Act of 1986, 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, 1989.

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

NOTE 2. Prepaid Expenses and Other Current Assets:

	<u>1990</u>	<u>1989</u>
	(In Thousands)	
Deferred income taxes.....	\$ 9,635	\$ 4,933
Income taxes.....	-	1,833
Other.....	<u>2,452</u>	<u>3,847</u>
	<u>\$12,087</u>	<u>\$10,613</u>

NOTE 3. Investments, Advances, and Receivables:

	<u>1990</u>	<u>1989</u>
	(In Thousands)	
CRDA investment deposits.....	\$1,507	\$874
CRDA bonds receivable.....	<u>137</u>	<u>43</u>
	1,644	917
Less: valuation allowance.....(NOTE 13)	<u>570</u>	<u>290</u>
	<u>\$1,074</u>	<u>\$627</u>

NOTE 4. Property and Equipment:

	<u>1990</u>	<u>1989</u>
	(In Thousands)	
Land.....	\$ 38,482	\$ 40,315
Buildings and improvements.....	214,594	199,382
Furniture, fixtures and equipment.....	77,205	68,101
Construction in progress.....	36,073	4,295
Properties under capital leases.....	<u>11,893</u>	<u>27,055</u>
	378,247	339,148
Less: accumulated depreciation and amortization.....	101,331	99,463
Current CRDA valuation allowance(NOTE 13)	<u>4,952</u>	<u>5,085</u>
	<u>\$271,964</u>	<u>\$234,600</u>

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

NOTE 5. Notes Payable: (continued)

CWI maintains an unsecured credit arrangement with a syndicate of banks. This credit arrangement consists of a \$100,000,000 term loan and a \$100,000,000 revolving credit facility 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 alternative negotiated rate and matures on September 30, 1992, unless extended by the banks. This facility replaced all prior short-term bank credit arrangements.

The 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 which began on May 31, 1989, and has a term of five years. Amounts outstanding under this line of credit are included in "Other Current Liabilities" on the Balance Sheets.

In 1990 the maximum amount outstanding at any month-end under lines of credit was \$31,986,000, the average of the month-end amounts outstanding was \$24,201,000 and the weighted average interest rate was 10.0 percent.

NOTE 6. Income Taxes:

The provision for income taxes for the six months ended June 30, 1990 and 1989 is comprised of the following:

	<u>1990</u>	<u>1989</u>
	(In Thousands)	
Current:		
Federal.....	\$5,195	\$5,417
State.....	1,740	1,980
Deferred:		
Federal.....	(538)	(91)
State.....	<u>(329)</u>	<u>(333)</u>
	<u>\$6,068</u>	<u>\$6,973</u>

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

NOTE 6. Income Taxes (continued):

Deferred credits of \$7,693,000 and \$5,415,000 at June 30, 1990 and 1989, 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.

The provision for income taxes for the six months ended June 30, 1990 and 1989 differs from the amount computed at the statutory rate as follows:

	<u>1990</u>	<u>1989</u>
	(In Thousands)	
Federal income tax at statutory rate.....	\$5,106	\$5,913
State income taxes, net of federal benefit.	892	1,033
Other, net.....	<u>70</u>	<u>27</u>
	<u>\$6,068</u>	<u>\$6,973</u>

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

NOTE 7. Other Accrued Expenses:

	<u>1990</u>	<u>1989</u>
	(In Thousands)	
Insurance.....	\$ 3,846	\$ 5,253
Salaries, wages and vacation pay...	3,383	5,215
Taxes, other than income taxes.....	1,911	1,852
Legal.....	1,867	2,917
Progressive slots.....	1,817	2,971
Rent.....	0	9,193
Other.....	<u>3,718</u>	<u>3,082</u>
	<u>\$16,542</u>	<u>\$30,483</u>

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

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

	<u>1990</u>	<u>1989</u>
	(In Thousands)	
DPI Non-negotiable term note due June 1, 1992, interest at 11.45%.	\$77,179	\$71,169
DPI Fixed rate term note due May 1, 1994, interest at 11.30%.	<u>4,730</u>	<u>21,091</u>
	<u>\$81,909</u>	<u>\$92,260</u>

In addition to the unsecured \$50,000,000 revolving line of credit discussed in Note 5, BRC has also entered into two additional loan agreements with DPI. The first is a \$56,000,000 non-negotiable term note executed in June 1987. Interest accrues monthly in arrears at the rate of 11.45 percent and is added to the unpaid principal balance at the end of the month. All unpaid principal together with all unpaid accrued interest is due June 1, 1992. The note is unsecured and may be prepaid at any time without penalty. The second is a \$29,490,000 five year term note which was executed in May 1989 to finance a portion of the lease purchase discussed in Note 9. Interest at 11.3 percent of the unpaid principal balance of the term note is payable quarterly, effective September 30, 1989. A facility fee equal to three-quarter percent of the initial principal is payable in five equal annual installments which began on May 31, 1989. The term note is unsecured and may be prepaid at any time without penalty.

NOTE 9. Long-term Debt, Other:

	<u>1990</u>	<u>1989</u>
	(In Thousands)	
(a) Long-term debt.....	\$ 2,486	\$ 2,759
(b) Capitalized lease obligation....	<u>13,817</u>	<u>13,722</u>
	<u>\$16,303</u>	<u>\$16,481</u>

	<u>1990</u>	<u>1989</u>
	(In Thousands)	
(a) Mortgage payable, interest at 8.0%, maturing January 1999, secured by property.....	\$2,722	\$2,939
Less current maturities.....	<u>236</u>	<u>180</u>
	<u>\$2,486</u>	<u>\$2,759</u>

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

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

BRC leases land, buildings and equipment under noncancellable lease agreements which expire at various dates through 2076. The leases generally provide that BRC pay the taxes, insurance and maintenance expenses related to the leased assets. CWI has guaranteed a substantial portion of BRC's lease obligations. Major leased assets, which have been capitalized, include a portion of the land on which the casino/hotel is situated. This lease requires annual payments of \$575,000 and beginning in 1990 the payments increase by 50 percent of the increase in the producer price index. The lease expires in 2008 and is renewable for two additional 30-year periods. BRC has the right to exercise a \$6,500,000 purchase option beginning in November 1990. After July 1991 the purchase price increases pursuant to a formula tied to the increase in the producer price index. BRC is required to maintain a \$5,000,000 letter of credit for the benefit of the owner of this property.

BRC also 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 had a purchase option at December 31, 1989, of \$13,000,000. The purchase option will increase by \$500,000 in August 1997 and for each of the ten years thereafter.

On June 1, 1989, BRC purchased the property under its primary lease for \$38,822,000, including related costs and expenses. Upon consummation of the purchase, BRC assumed a \$2,974,000 mortgage on the property and retired the \$19,676,000 capitalized lease obligation. The excess of the purchase price over the carrying value of the capitalized lease asset of \$19,146,000 has been added to property and equipment. A portion of this purchase was financed through borrowings from DPI. This lease had provided for a minimum rental of \$1,230,000 for the five months of 1989 prior to the purchase and a percentage rental of 19.3 percent of the casino/hotel's net profit (as defined). The percentage rental amounted to \$3,216,000 for the six months ended June 30, 1989.

	<u>1990</u>	<u>1989</u>
	(In Thousands)	
(b) Capital lease obligations, net of amounts representing interest.....	\$13,817	\$13,722
Less current maturities.....	-	-
	<u>\$13,817</u>	<u>\$13,722</u>

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

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

Rent expense for the six months ended June 30, 1990 and 1989 is comprised of the following:

	<u>1990</u>	<u>1989</u>
	(In Thousands)	
Minimum rentals under operating leases...	\$1,653	\$1,705
Contingent rentals under capital leases..	<u>-</u>	<u>3,216</u>
	<u>\$1,653</u>	<u>\$4,921</u>

Note 10. Other Liabilities:

	<u>1990</u>	<u>1989</u>
	(In Thousands)	
Insurance claims.....	\$5,692	\$3,765
Other	<u>365</u>	<u>281</u>
	<u>\$6,057</u>	<u>\$4,046</u>

NOTE 11. Pension Plans:

BRC participates in CWI's nonqualified defined benefit pension plans covering any officer or other employee designated as a key executive of CWI or its subsidiaries. The benefits are based on years of service (not to exceed 30) and the employee's highest five years of compensation during the last ten years of employment. During 1989, BRC funded the vested benefits of certain current employees in the amount of \$841,000 by making contributions to a revocable trust. Income earned by the revocable trust accrues to the benefit of BRC. The amounts in these revocable trusts are recorded as "other assets". Pension expense was \$177,000 and \$159,000 for the six months ended June 30, 1990 and 1989, respectively. The actuarially computed present value of the accumulated benefit obligation relating to participants employed by BRC was \$969,000 at July 31, 1989, the most recent valuation date. The liability accrued with respect to the Plan at July 31, 1989 was \$1,383,000.

BRC also has an Individual Retirement Account Plan which is 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 \$349,000 and \$380,000 for the six months ended June 30, 1990 and 1989, respectively.

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

NOTE 11. Pension Plans (continued):

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 \$3,825,000 and \$3,560,000 for the six months ended June 30, 1990 and 1989, respectively. The breakdown of these services is as follows:

	1990	1989
	(In Thousands)	
Reservations office expenses.....	\$2,129	\$2,099
General insurance.....	893	1,029
Other.....	803	432
	<u>\$3,825</u>	<u>\$3,560</u>

NOTE 13. Commitments and Contingencies:

The New Jersey Casino Control Act (the "Act") provides, among other things, for an investment obligation on licensees based upon their gross casino revenues. This assessment may be satisfied by BRC investing in qualified eligible direct investments, by purchasing bonds issued by the Casino Reinvestment Development Authority (CRDA), and by making qualified contributions. BRC has satisfied its current investment obligation by receiving CRDA approval to invest in qualified eligible direct investments consisting of three housing developments including a 200 unit high-rise development. The other two housing developments are fifteen unit townhouse complexes which are expected to incur future negative cash flows and have negligible future residual value. 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 cost of the high-rise development and the two townhouse complexes was \$40,400,000, which substantially satisfies BRC's investment obligation thru the second quarter of 1991.

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

NOTE 13. Commitments and Contingencies (continued):

A portion of BRC's investment obligation is also 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, 1990 and 1989, 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 \$5,522,000 and \$5,375,000, respectively. Adjustments to such valuation allowances have been made for changes in interest rates and reductions in BRC's obligation to purchase long-term CRDA bonds because of the approval for the qualified direct investment. Operating income includes a \$270,000 credit and a \$25,000 charge for the six months ended June 30, 1990 and 1989, respectively, to provide for such adjustments.

At June 30, 1990, all investment obligations had been substantially satisfied or prepaid.

Commitments

BRC has committed approximately \$5,800,000 as of June 30, 1990 related to construction costs associated with the Transportation Center.

Litigation

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

Tender Offer

CWI has made a tender offer of \$22 per share for the remaining 13.4% of the stock of CNJ which it does not already hold, approximately 2.2 million shares. BRC, which trades as Caesars Atlantic City, is a wholly-owned subsidiary of CNJ.

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

NOTE 14. Complimentaries:

Promotional Allowances

(\$ Amounts in Thousands)

DESCRIPTION	Three Months Ended June 30, 1990		Six Months Ended June 30, 1990	
	Recipients	Amount	Recipients	Amount
Rooms	40,235	\$ 2,525	76,863	\$ 4,684
Food	206,366	3,775	396,988	7,161
Beverage	440,530	2,535	892,525	5,063
Parking	74,535	707	154,439	1,403
Theatre	16,060	497	22,852	675
Other	2,042	164	3,859	315
	<u>779,768</u>	<u>\$10,203</u>	<u>1,547,526</u>	<u>\$19,301</u>

Promotional Expenses

(\$ Amounts in Thousands)

DESCRIPTION	Three Months Ended June 30, 1990		Six Months Ended June 30, 1990	
	Recipients	Amount	Recipients	Amount
Coin	353,883	\$ 6,299	659,925	\$12,310
Travel	12,437	3,010	26,636	6,155
Special events	3,918	677	13,855	4,229
Other	86,254	1,117	174,006	2,082
	<u>456,492</u>	<u>\$11,103</u>	<u>874,422</u>	<u>\$24,776</u>

TRADING NAME OF LICENSEE CAESARS ATLANTIC CITY

SCHEDULE OF RECEIVABLES AND PATRONS' CHECKS

JUNE 30, 1990

(UNAUDITED)
(\$ IN THOUSANDS)

ACCOUNTS RECEIVABLE BALANCES				
LINE	DESCRIPTION	ACCOUNT BALANCE	ALLOWANCE	ACCOUNTS RECEIVABLE
(a)	(b)	(c)	(d)	(e) NET OF ALLOWANCE
	Patron's Checks:	\$		
1	Undeposited patrons' checks.....	11,359		
2	Returned patrons' checks.....	17,992		
3	Total patrons' checks.....	29,351	\$ 11,786	\$ 17,565
4	Hotel Receivables.....	985	117	868
	Other Receivables:			
5	Receivables due from officers and employees.....	17		
6	Receivables due from affiliates.....	40		
7	Other accounts and notes receivables.....	801		
8	Total other receivables.....	858	-	858
9	Totals (Form 205).....	\$ 31,194	\$ 11,903	\$ 19,291

UNDEPOSITED PATRONS' CHECKS ACTIVITY		
LINE	DESCRIPTION	AMOUNT
(f)	(g)	(h)
10	Beginning Balance (January 1).....	\$ 7,533
11	Counter checks issued (excluding counter checks issued through transactions relating to consolidations, partial redemptions, substitutions, and patrons' cash deposits).....	146,487
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).....	(103,673)
13	Checks collected through deposits.....	(37,011)
14	Checks transferred to returned checks.....	(1,977)
15	Other adjustments.....	-
16	Ending Balance.....	\$ 11,359
17	"Hold" Checks Included In Balance On Line 16.....	\$ -
18	Provision For Uncollectible Patrons' Checks.....	\$ 1,751
19	Provision As A Percent Of Counter Checks Issued.....	1.2%

STATEMENT OF CONFORMITY AND ACCURACY

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

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

deposes and says:

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

Michael J. Walsh
Signature

VICE PRESIDENT FINANCE
Title

01482-11
License Number

Subscribed and sworn to
before me this 14th day
of August , 1990

On Behalf Of:

Kathryn J. Robinson
Signature

BOARDWALK REGENCY CORPORATION
Casino License

KATHRYN J. ROBINSON
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires FEB. 20, 1992
Basis of Authority
to Take Oaths

TRADING NAME OF LICENSEE CAESARS ATLANTIC CITY

HOTEL STATISTICS

FOR THE 6 MONTHS ENDED June 30, 1990

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	639	18,099	14,279	\$ 84.04	78.9%	28,143	\$ 42.64
FEBRUARY	638	16,364	14,444	\$ 76.16	88.3%	29,257	\$ 37.60
MARCH	636	18,483	17,083	\$ 81.95	92.4%	33,880	\$ 41.32
1ST QUARTER TOTALS		52,946	45,806	\$ 80.78	86.5%	91,280	\$ 40.53
APRIL	636	18,485	17,577	\$ 79.65	95.1%	29,881	\$ 46.85
MAY	636	18,687	16,701	\$ 83.83	89.4%	30,897	\$ 45.31
JUNE	636	18,738	17,564	\$ 83.69	93.7%	35,171	\$ 41.80
2ND QUARTER TOTALS		55,910	51,842	\$ 82.37	92.7%	95,949	\$ 44.50
JULY				\$	%		\$
AUGUST				\$	%		\$
SEPTEMBER				\$	%		\$
3RD QUARTER TOTALS				\$	%		\$
OCTOBER				\$	%		\$
NOVEMBER				\$	%		\$
DECEMBER				\$	%		\$
4TH QUARTER TOTALS				\$	%		\$
ANNUAL TOTALS				\$	%		\$

TRADING NAME OF LICENSEE The Claridge Casino Hotel

QUARTERLY REPORT

974-901
C193
PROPERTY OF
NEW JERSEY STATE
AUG 27 1990

LICENSEE The Claridge at Park Place, Inc.

ADDRESS Indiana Avenue and The Boardwalk
Atlantic City, New Jersey 08401

FOR THE QUARTER ENDED June 30, 1990

TO THE
CASINO CONTROL COMMISSION
OF THE
STATE OF NEW JERSEY



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

Raymond A. Spera

OFFICIAL TITLE

Vice President of Finance

ADDRESS

Indiana Avenue and The Boardwalk

Atlantic City, New Jersey 08401

TRADING NAME OF LICENSEE The Claridge Casino Hotel

TRADING NAME OF LICENSEE The Claridge Casino Hotel

LIST OF FORMS — QUARTERLY REPORT

FOR THE QUARTER ENDED June 30, 1990

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

BALANCE SHEETS

June 30, 19 90 AND 19 89

(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 19 90	(d) 19 89
ASSETS			
	Current Assets:		
1	Cash	\$ 6,484	\$ 6,313
2	Marketable securities .. (At cost which approximates market) ..	-0-	50
3	Receivables and patrons' checks (net of allowance for doubtful accounts - 19 90, \$ 2,639 ; 19 89, \$ 2,790)	17,360	16,568
4	Inventories	1,839	2,163
5	Prepaid expenses and other current assets	2,582	1,246
6	Total current assets	28,265	26,340
7	Investments, Advances, And Receivables .. (Note 3)	139,693	150,286
8	Property And Equipment - Net of Accum. Deprec. of \$10,296 & 9,334 ..	3,357	3,482
9	Other Assets .. (Note 4)	209	66
10	Total Assets	\$ 171,524	\$ 180,174
LIABILITIES AND EQUITY			
	Current Liabilities:		
11	Accounts payable .. (Note 1)	\$ 4,649	\$ 3,799
12	Notes payable	-0-	-0-
13	Current portion of long-term debt:		
14	Due to affiliates	-0-	-0-
15	Other .. (Note 7)	500	3,300
16	Income taxes payable and accrued	33	493
17	Other accrued expenses .. (Note 5)	16,956	11,284
18	Other current liabilities .. (Note 6)	16,098	11,295
	Total current liabilities	38,236	30,171
19	Long-Term Debt:		
20	Due to affiliates	-0-	-0-
21	Other .. (Note 7)	99,394	105,132
22	Deferred Credits	-0-	-0-
23	Other Liabilities .. (Note 8)	69,911	75,248
24	Commitments And Contingencies (Note 1)		
	Total Liabilities	207,541	210,551
25	Stockholders', Partners', Or Proprietor's Equity	(36,017)	(30,377)
26	Total Liabilities And Equity	\$ 171,524	\$ 180,174

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 Six MONTHS ENDED June 30, 19 90 and 19 89

(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 19 <u>90</u>	(d) 19 <u>89</u>
	Revenue:		
1	Casino	\$ 66,379	\$ 63,258
2	Rooms	5,416	5,773
3	Food and beverage	11,082	10,499
4	Other	1,263	1,553
5	Total revenue	84,140	81,083
6	Less: Promotional allowances (Note 10)	8,410	8,294
7	Net revenue	75,730	72,789
	Costs And Expenses:		
8	Cost of goods and services	41,285	41,404
9	Selling, general, and administrative	19,602	18,489
10	Provision for doubtful accounts	284	319
11	Depreciation and amortization	793	825
	Charges from affiliates other than interest:		
12	Management fees	-0-	-0-
13	Other (Note 13)	19,097	21,838
14	Total costs and expenses	81,061	82,875
15	Income (Loss) From Operations	(5,331)	(10,086)
	Other Income (Expenses):		
16	Interest (expense) - affiliates (Note 13)	(216)	(4,823)
17	Interest (expense) - external	(7,510)	(6,216)
18	Investment alternative tax and related income (expense) - net (Note 3)	(700)	(255)
19	Nonoperating income (expense) - net (Note 9)	10,785	11,110
20	Total other income (expenses)	2,359	(184)
21	Income (Loss) Before Income Taxes And Extraordinary Items	(2,972)	(10,270)
22	Provision (credit) for income taxes (Note 12)	-0-	-0-
23	Income (Loss) Before Extraordinary Items	(2,972)	(10,270)
24	Extraordinary items (net of income taxes - 19 <u>90</u> , \$ -0- ; 19 <u>89</u> , \$ 493) ... Note 14	-0-	69,023
25	Net Income (Loss)	\$ (2,972)	\$ 58,753

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 90 and 19 89

(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 19 <u>90</u>	(d) 19 <u>89</u>
	Revenue:		
1	Casino	\$ 34,342	\$ 33,956
2	Rooms	3,006	3,301
3	Food and beverage	5,962	5,672
4	Other	745	723
5	Total revenue	44,055	43,652
6	Less: Promotional allowances (Note 10)	4,472	4,157
7	Net revenue	39,583	39,495
	Costs And Expenses:		
8	Cost of goods and services	21,219	21,202
9	Selling, general, and administrative	10,034	10,100
10	Provision for doubtful accounts	151	161
11	Depreciation and amortization	385	413
	Charges from affiliates other than interest:		
12	Management fees	-0-	-0-
13	Other	9,780	10,869
14	Total costs and expenses	41,569	42,745
15	Income (Loss) From Operations	(1,986)	(3,250)
	Other Income (Expenses):		
16	Interest (expense) - affiliates	(108)	(2,109)
17	Interest (expense) - external	(3,733)	(3,391)
18	Investment alternative tax and related income (expense) - net.....	(362)	(137)
19	Nonoperating income (expense) - net	5,347	5,561
20	Total other income (expenses).....	1,144	(76)
21	Income (Loss) Before Income Taxes And Extraordinary Items.....	(842)	(3,326)
22	Provision (credit) for income taxes	-0-	-0-
23	Income (Loss) Before Extraordinary Items	(842)	(3,326)
24	Extraordinary items (net of income taxes - 19 90, \$ -0- ; 1989, \$493) Note 14	-0-	69,023
25	Net Income (Loss)	\$ (842)	\$ 65,697

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 90 AND 19 89

(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	19 <u>90</u>		19 <u>89</u>	
		(c) SHARES	(d) DOLLARS	(e) SHARES	(f) DOLLARS
	(Par value \$.10, authorized Common Stock:and outstanding 1000 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)		(38,045)		(94,130)
26	Prior period adjustments				
27	Net income (loss)		(2,972)		58,753
28	Dividends		()		()
29	.....			
30	.....			
31	Ending balance		(41,017)		(35,377)
32	Ending Stockholders' Equity		\$(36,017)		\$(30,377)

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 90 AND 19 89

(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 19 <u>90</u>	(d) 19 <u>89</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, 1990 and 1989

(UNAUDITED)

(\$ IN THOUSANDS)

Line (a)	Description (b)	(c) 19 <u>90</u>	(d) 19 <u>89</u>
1	Net Cash Provided (Used) By Operating Activities.....	\$ 3,673	\$ 2,000
	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.....	(921)	(222)
5	Proceeds from disposition of property and equipment.....		
6	Purchase of casino reinvestment obligations.....	(190)	(787)
7	Purchase of other investments and loans/advances made.....	(870)	(272)
8	Proceeds from disposal of investments and collection of advances and long-term receivables.....	4,743	3,502
9	Cash outflows to acquire business entities.....		
10			
11			
12	Net Cash Provided (Used) By Investing Activities.....	2,762	2,221
	Cash Flows From Financing Activities:		
13	Cash proceeds from issuance of short-term debt.....	-0-	4,550
14	Payments to settle short-term debt	(1,000)	(6,000)
15	Cash proceeds from issuance of long-term debt.....		
16	Costs of issuing debt.....		
17	Payments to settle long-term debt.....	(3,560)	(750)
18	Cash proceeds from issuing stock or capital contributions.....		
19	Purchases of treasury stock.....		
20	Payments of dividends or capital withdrawals.....		
21			
22			
23	Net Cash Provided (Used) By Financing Activities.....	(4,560)	(2,200)
24	Net Increase (Decrease) In Cash And Cash Equivalents.....	1,875	2,021
25	Cash And Cash Equivalents At Beginning Of Period	4,609	4,292
26	Cash And Cash Equivalents At End Of Period.....	\$ 6,484	\$ 6,313

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

27	Cash Paid During Period For:		
	Interest (net of amount capitalized).....	\$ 3,959	\$ 6,714
28	Income taxes.....	\$ 90	\$ -0-

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 1989 statement of cash flows to conform to the 1990 presentation

STATEMENTS OF CASH FLOWS

FOR THE Six MONTHS ENDED June 30, 1990 and 1989

(UNAUDITED)
(\$ IN THOUSANDS)

Line (a)	Description (b)	(c) 19 <u>90</u>	(d) 19 <u>89</u>
	Net Cash Flows From Operating Activities:		
29	Net income (loss).....	\$ (2,972)	\$ 58,753
	Noncash items included in income and cash items excluded from income:		
30	Depreciation and amortization of property and equipment.....	783	825
31	Amortization of other assets.....	10	-0-
32	Amortization of debt discount or premium.....	262	223
33	Deferred income taxes - current.....		
34	Deferred income taxes - noncurrent.....		
35	(Gain) loss on disposition of property and equipment.....	11	-0-
36	(Gain) loss on casino reinvestment obligations.....	700	255
37	(Gain) loss from other investment activities.....		
38	Net (increase) decrease in receivables and patrons' checks *Excl. recl. from Long Term of (\$122) & \$1,243	(250)	(1,062)
39	Net (increase) decrease in inventories.....	164	305
40	Net (increase) decrease in other current assets.....	(257)	(397)
41	Net (increase) decrease in other assets.....	(120)	-0-
42	Net increase (decrease) in accounts payables.....	1,113	123
43	Net increase (decrease) in other current liabilities & amounts forgiven at restructuring excluding debt.....	7,770	7,312
44	Net increase (decrease) in other noncurrent liabilities excluding debt.....	(3,222)	(499)
45	Discount on Wraparound Mortgage receivable	(319)	(278)
46	debt forgiveness resulting from restructuring.....	-0-	(63,560)
47	Net Cash Provided (Used) By Operating Activities.....	\$ 3,673	\$ 2,000

SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING AND FINANCING ACTIVITIES

48	Acquisition Of Property And Equipment:		
49	Additions to property and equipment.....	\$ 921	\$ 222
50	Less: Capital lease obligations incurred.....		
	Cash Outflows For Property And Equipment.....	\$ 921	\$ 222
	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-

12/87 *Certain reclassifications have been made in the 1989 statement of cash flows to conform to the 1990 presentation

THE CLARIDGE CASINO - HOTEL

Notes to Financial Statements - Continued
JUNE 30, 1990 AND 1989

(1) Business

(a) Organization

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

(b) Claridge Expansion

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

(c) Restructuring

On October 27, 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. 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

Webb relinquished all of its class A stock in the Corporation and is entitled to retain only one of its seats on the Board of 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.

The Restructuring was intended to provide the Corporation and New Claridge with financial viability through at least October 31, 1989.

Because New Claridge has not been able to obtain a profitable level of operations since its inception in 1983, it has not generated the cash flow necessary to meet its obligations. Further additional debts have arisen since 1983 representing fees and interest earned by Webb which Webb was required to loan back to New Claridge.

The following transactions occurred on June 16, 1989 in accordance with the Restructuring Agreement as amended.

Webb made a payment to the First Mortgage Lenders of approximately \$14.5 million to reduce the first mortgage loan. This resulted in the reduction of the outstanding balance of the first mortgage loan from \$89,015,000 to \$74,557,000.

Webb forgave and cancelled all accrued but unpaid management fees, and interest and the Management Agreement was terminated. In addition, Webb forgave and cancelled a \$500,000 unsecured loan made to New Claridge.

Additionally, Webb forgave and cancelled \$10.35 million of the working capital loans which it had made to New Claridge. At June 16, 1989, such loans were \$15.0 million. New Claridge repaid the additional \$4.65 million owed to Webb at the closing of the Restructuring. Webb made a payment of approximately \$5 million to Manufacturers Hanover Trust Company to satisfy fully the working capital advances made by Manufacturers Hanover Trust Company to New Claridge under a \$5 million working capital line of credit which Webb had guaranteed on behalf of New Claridge. Webb was released from its obligation to provide working capital facilities to New Claridge.

THE CLARIDGE CASINO - HOTEL

Notes to Financial Statements - Continued

Webb relinquished all of its Class B stock in the Corporation and is entitled to retain only one of its seats on the Board of Directors of New Claridge. In addition, Webb has the right to designate one nominee to serve on the Board of Directors of the Corporation. All options, cross options and land options existing between Webb, DEWNJ, the Partnership and New Claridge was terminated.

Webb transferred all of its right, title and interest to its Claridge land, easement and air rights to the Partnership.

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 shall have 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.

Interest which accrues at 14% shall be deferred until January 1, 1991, at which time interest will become due and payable. Pursuant to the terms of the Subordination Agreement of the Purchase Money Second Mortgage between DEWNJ and the First Mortgage Lenders, the Purchase Money Second Mortgage is subordinate to the First Mortgage. Principal and interest charges due under the Purchase Money Second Mortgage are subordinate to payment in full to the First Mortgage Lenders of all obligations pursuant to the Revolving Credit and Term Loan Agreement. If any of the conditions are met which would cause the cancellation of the Second Mortgage, New Claridge will be released from its obligation to pay any amounts accrued for interest.

THE CLARIDGE CASINO - HOTEL

Notes to Financial Statements - Continued

Pursuant to amendments to the Operating Lease and Expansion Operating Lease, the Partnership agreed to defer up to \$15 million in rentals through 1992 and to abate up to \$33 million in rentals commencing in 1992, thereby reducing its cash flow 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.

In addition, the Partnership loaned \$3.6 million to New Claridge representing substantially all cash and cash equivalents remaining in the Partnership as of June 16, 1989 other than funds needed to pay expenses incurred through the closing of the Restructuring. The Partnership paid to New Claridge \$100,000 for the cancellation of the Land Option Agreement.

At the closing of the Restructuring, New Claridge's first mortgage balance was reduced in accordance with the Restructuring Agreement from \$89,015,000 to \$74,557,000. The Revolving Credit and Term Loan Agreement ("Loan Agreement") which constitutes an amendment to New Claridge's First Mortgage Agreement, prior to the September 29, 1989 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. 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, with a balloon payment for the remaining balance due January 1, 1993.

On September 29, 1989 the Loan Agreement was amended to provide for a reduction of the required principal payments from \$1.5 million in 1990 and \$11.5 million in 1991 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 will remain at \$11.5 million for 1992 with the remaining balance to be paid on January 1, 1993.

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.

THE CLARIDGE CASINO - HOTEL

Notes to Financial Statements - Continued

The Loan Agreement which provided for a revolving working facility of \$5.4 million was amended to permit increases in the revolving credit facility from up to \$7.5 million to up to \$11 million to the extent that New Claridge makes quarterly principal payments of excess cash flow. The revolving working capital facility which is secured by the first mortgage and all other collateral presently securing the first mortgage loan will mature on January 1, 1993.

The Restructuring Agreement provides for Webb to retain an interest as a creditor, equal to \$20 million plus interest at the rate of 15% per annum (the "Contingent Payment"), in any proceeds ultimately recovered from the operations and/or the sale or refinancing of the Claridge facility in excess of the first mortgage loan. The Corporation and the Partnership agreed not to make any distributions to the investors whether derived from operations or from sale or refinancing proceeds, until Webb in its capacity as an unsecured creditor pursuant to the Contingent Payment, has been paid \$20 million plus interest on such amount from the closing of the Restructuring to the date of such payment at a rate of 15%, compounded semi-annually. On April 2, 1990, Webb transferred its interest in the contingent 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.

Webb agreed to permit those investors from whom Webb had received written releases from all liabilities ("Releasing Investors") to receive certain amounts ("Contingent Payment Rights"), to the extent available, in accordance with the following schedule of priorities:

- (i) Releasing Investors would receive a prorata interest in the first \$10 million of any net proceeds from operations or a sale or a refinancing of the Claridge facility pursuant to an agreement executed within five years after the Restructuring ("Five-Year Payments") (i.e., the sum obtained by multiplying the lesser of \$10 million of, or the total of, any Five-Year Payments by the percentage interest of the Releasing Investors in the Partnership and the Corporation, with the balance of any such funds to be applied against the Contingent Payment), and
- (ii) Other

THE CLARIDGE CASINO - HOTEL

Notes to Financial Statements - Continued

- (ii) All distributions of funds other than Five-Year Payments, or of Five-Year Payments in excess of the \$10 million, will be shared by Webb and Releasing Investors in the following proportions: Releasing Investors will receive a pro rata share of one-half of any such excess proceeds, with Webb receiving the balance until it has received the Contingent Payment.

The Restructuring Agreement provided for certain financial arrangements during the period commencing with the signing of the Restructuring Agreement and ending on the Restructuring date (the "Interim Period"). During the Interim Period Webb was obligated to continue to meet its obligations under the Management Agreement including its obligation to provide working capital to New Claridge.

On February 1, 1989 the First Mortgage Lenders and New Claridge entered into an agreement (the "Interim Agreement") pursuant to which the First Mortgage Lenders would provide New Claridge with a working capital line of credit guaranteed by Webb, of up to \$5 million. This working capital line of credit was available for use by New Claridge when funds provided by Webb became exhausted.

In addition, Webb paid interest accrued on \$14.5 million of the First Mortgage Loan and on the \$5 million Manufacturers Hanover Trust Company line of credit from December 1, 1988 through the closing of the Restructuring.

During the Interim Period the Partnership deferred receipt of all amounts it was entitled to receive under the Operating Lease and Expansion Operating Lease except to the extent necessary to pay Partnership expenses during the Interim Period.

The First Mortgage Lenders deferred principal payments under the First Mortgage Loan from December 1, 1988 through March 31, 1989.

(d) Other Significant Events

i. Claridge License Renewal

On October 31, 1989, New Claridge was issued a two-year casino license by the New Jersey Casino Control 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, (see Notes 1 and 7). 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 goal of New Claridge toward presenting a final plan concerning a sale or substantial capital infusion by October 31, 1990.

THE CLARIDGE CASINO - HOTEL

Notes to Financial Statements - Continued

ii. Other Events

On April 15, 1989, the Corporation, New Claridge, (the "Seller"), and the Partnership entered into an agreement with ALM Moonstone, Inc. (the "Purchaser") for the sale of the Claridge Hotel and Casino (the "Claridge").

Completion of the sale was subject to a number of conditions including licensing of the Purchaser by the Commission, closing of the Restructuring, the absence of any material adverse change to the business of the Seller or the assets of the Seller or the Partnership and approval of the sale by two-thirds of the Class A Shareholders of the Corporation and a majority in interest of the limited partners of the Partnership. As of August 4, 1989, the Seller and the Partnership had obtained investor approval of the proposed sale.

Completion of the sale was also subject to the Purchaser's obtaining necessary financing and the Commission approval of such financing. By its terms, the Asset Purchase Agreement terminated on August 15, 1989 upon the failure of the Purchaser, by that date, to obtain the financing and the licensing approvals from the Commission necessary to close the sale.

(2) Summary of Significant Accounting Policies

(a) Basis of Presentation

Since its inception, the New Claridge has incurred significant operating losses. New Claridge would probably not have been relicensed for the licensed 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.

THE CLARIDGE CASINO - HOTEL

Notes to Financial Statements - Continued

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 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.

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 interest between 1983 and 1989 until maturity. Principal payments required under the Expandable wraparound mortgage commenced in 1988. During the six months ended June 30, 1990, \$2,500,000 in principal payments were made.

THE CLARIDGE CASINO - HOTEL

Notes to Financial Statements - Continued

(e) Inventories

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

(f) Furniture and Equipment

Furniture and equipment is stated at cost. Depreciation is provided over the estimated useful lives (from three to five years) of the respective assets using the straight-line method.

(3) Investments, Advances, and Receivables

Investments, Advances, and Receivables at June 30, 1990 and 1989 are summarized as follows:

	<u>1990</u>	<u>1989</u>
	(in thousands)	
\$127,000,000 Expandable Wraparound Mortgage 14%, maturities through September 30, 2000 (net of \$15,274,000 discount and \$15,891,000 discount at June 30, 1990 and 1989, respectively)	\$105,226	108,609
Deferred interest receivable, due September 30, 2000	20,000	20,000
FF&E promissory note, 14%	7,256	9,604
FF&E promissory note - expansion, 14%	13,780	14,600
Reinvestment Obligations	824	5,955
Reinvestment Obligation Credit	2,471	-0-
Investment in Resort Hotel Insurance Corporation	<u>76</u>	<u>-0-</u>
	149,633	158,768
Less Current Installments:		
Receivables	8,676	8,482
Reinvestment Obligation Credit	<u>1,264</u>	<u>-0-</u>
	<u>\$139,693</u>	<u>150,286</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, 1990, \$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, 1990, \$1,819,000 in principal payments were made.

The Expandable Wraparound Mortgage was increased by \$17 million to provide the Partnership with funding for the construction of the expansion. Effective on the date that the expansion opened to the public (August 28, 1986), the Partnership commenced making level monthly payments of principal and interest so as to repay on September 30, 1998, in full, the principal balance of this \$17 million increase in the Expandable Wraparound Mortgage. The Expandable Wraparound Mortgage was amended to require, in addition to the above, principal payments (in equal monthly installments) due during the years 1988 through 1998 in escalating amounts totalling \$80,000,000 and on September 30, 2000 a balloon payment of \$67,000,000, which includes \$20,000,000 of deferred interest.

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

THE CLARIDGE CASINO - HOTEL

Notes to Financial Statements - Continued

June 30, 1990, \$9,102,000 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, 1990 have totalled \$53,000. 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 \$3,094,000 to date of which \$62,000 was recorded during the six months ended June 30, 1990. 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, 1990 and 1989 is \$98,000 and \$424,000 respectively.

On December 1, 1989, New Claridge made a donation to the CRDA in the amount of \$6,659,000. The amount donated represented amounts previously paid to the CRDA and included all of New Claridge's obligations (a) incurred from January 1, 1984 through September 30, 1989; and (b) incurred prior to January 1, 1984 allocable to Atlantic City which had not, as of November 30, 1989, been applied to the purchase of bonds. In exchange for the donation, New Claridge received a credit equal to \$3,396,000, (fifty-one percent of its donation), to be applied to its obligation commencing after September 30, 1989. During the fourth quarter of 1989 New Claridge recorded an expense of \$1,102,000 to write-down the book value of the donated amount to \$3,396,000. New Claridge also recorded an expense of \$287,000 in the fourth quarter of 1989, which represented the amount of the credit applied to the fourth quarter of 1989 obligation. For the six months ended June 30, 1990, New Claridge has recorded expense of \$638,000, representing the amount of the credit applied to the first and second quarter of 1990 obligations.

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 so as to fully reserve its investment.

THE CLARIDGE CASINO - HOTEL

Notes to Financial Statements - Continued

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, 1990 and 1989 consist of the following:

	<u>1990</u>	<u>1989</u>
	(in thousands)	
Deferred lease, current	8,776	4,305
Accruals/general claims liability	<u>1,893</u>	<u>1,893</u>
Other		
	(in thousands)	
Intangible assets (net of accumulated amortization of \$10 at June 30, 1990)	\$ 140	-0-
Refundable deposits, non-current	<u>69</u>	<u>66</u>
	<u>\$ 209</u>	<u>66</u>

(5) Other Accrued Expenses

Other accrued expenses at June 30, 1990 and 1989 consist of the following:

	<u>1990</u>	<u>1989</u>
	(in thousands)	
Progressive jackpot liability	\$ 3,032	2,996
Accrued payroll and related benefits	4,705	4,876
Accrued interest payable	7,304	315
Other	<u>1,915</u>	<u>3,097</u>
	<u>\$16,956</u>	<u>11,284</u>

THE CLARIDGE CASINO - HOTEL

Notes to Financial Statements - Continued

(6) Other Current Liabilities

Other current liabilities at June 30, 1990 and 1989 consist of the following:

	<u>1990</u>	<u>1989</u>
	(in thousands)	
Due to affiliates	\$ 3,600	3,759
Deferred lease, current	8,776	4,305
Auto/general claims liability	1,893	1,818
Other	<u>1,829</u>	<u>1,413</u>
	<u>\$16,098</u>	<u>11,295</u>

As of June 30, 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, 1990 and 1989 consists of the following:

	<u>1990</u>	<u>1989</u>
	(in thousands)	
First Mortgage Note, prime plus 1%, or LIBOR plus 2%, or unadjusted LIBOR plus 2.25%, maturities to 1993 (a)	\$ 67,315	74,557
\$47,000,000 Purchase Money Second Mortgage 14%, due September 30, 2000 (net of \$14,421,000 and \$14,925,000 discount at June 30, 1990 and 1989, respectively)(b)	32,579	32,075
Revolving line of credit, prime plus 1% (c)	<u>-0-</u>	<u>1,800</u>
	99,894	108,432
Less current installments	<u>500</u>	<u>3,300</u>
	<u>\$ 99,394</u>	<u>105,132</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 and the Purchase Money Second 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 and Purchase Money Second 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, 1990 \$67.3 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 is due January 31, 1993.

On April 20, 1990, New Claridge made a principal payment of \$2,030,000, representing the amount of excess cash flow for the three months ended March 31, 1990. On June 29, 1990, New Claridge made a principal payment of \$1,300,000, representing a prepayment of a portion of the estimated excess cash flow for the three months ended June 30, 1990. The balance of the actual excess cash flow for the three months ended June 30, 1990, totalling \$2,203,000, was paid as defined in the loan agreement, in July, 1990.

THE CLARIDGE CASINO - HOTEL

Notes to Financial Statements - Continued

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.

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, 1990, New Claridge made principal payments totalling \$230,000 under this agreement.

Interest is payable monthly in arrears at an annual rate equal to 1% over Marine Midland Bank, N.A.'s prime rate or the Eurodollar Rate (as defined) plus the applicable margin.

(b) On June 16, 1989 the Purchase Money Second Mortgage was assigned without recourse and without representation or warrant, of any kind or nature to the First Mortgage Lenders in accordance with the terms of the Restructuring Agreement as amended. New Claridge has the right, upon the occurrence of certain conditions, to require the First Mortgage lenders to cancel and release the Second Mortgage and the obligations secured thereunder.

(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 makes principal payments other than scheduled principal payments after September 30, 1989. As of June 30, 1990, the revolving working capital facility was \$10.9 million, due to the unscheduled principal payments made on October 23, 1989 (\$2.2 million), April 20, 1990 (\$2.0 million), and June 29, 1990 (\$1.3 million).

Interest on the revolving credit borrowings is payable monthly in arrears at the prime rate plus 1%. As of June 30, 1990, none of the revolving line was in use.

THE CLARIDGE CASINO - HOTEL

Notes to Financial Statements - Continued

(8) Other Liabilities

Other liabilities at June 30, 1990 and 1989 consist of the following:

	<u>1990</u>	<u>1989</u>
	(in thousands)	
Deferred rent	\$ 49,911	55,248
Contingent Liability - Webb	<u>20,000</u>	<u>20,000</u>
Total	<u>\$ 69,911</u>	<u>75,248</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, 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 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, 1990 and 1989 consists of the following (in thousands):

	<u>1990</u>	<u>1989</u>
Interest Income - Wraparound Mortgage	\$ 10,381	10,824
Interest Income - Other	119	262
Other Nonoperating income/(expense)	9	2
Facilities/Maintenance Fee	265	22
Gain on Disposal of Assets	<u>11</u>	<u>-0-</u>
Total	<u>\$ 10,785</u>	<u>11,110</u>

Upon Redemption of		
Cash and Tokens	\$ 11,764,195	
Travel	31,850	
Parking	196,143	
Other	363,498	
Total	<u>\$ 12,355,686</u>	

THE CLARIDGE CASINO - HOTEL

Notes to Financial Statements - Continued

(10) Complimentary Services

Complimentary services for the three months and six months ended June 30, 1990 are summarized as follows:

For the three months ended June 30, 1990

Promotional Allowances

	<u>Number of Recipients</u>	<u>Dollar Amount</u>
Room	18,229	\$ 857,816
Food	110,016	2,001,958
Beverage	242,809	1,378,439
Showroom	26,307	233,929
Total	<u>397,361</u>	<u>\$4,472,142</u>

Promotional Expenses

	<u>Number of Recipients</u>	<u>Dollar Amount</u>
Coupon Redemption of		
Cash & Tokens	484,748	\$3,930,965
Travel	1,689	153,899
Parking	16,910	107,855
Other	20,308	193,666
Total	<u>523,655</u>	<u>\$4,386,385</u>

For the six months ended June 30, 1990

Promotional Allowances

	<u>Number of Recipients</u>	<u>Dollar Amount</u>
Room	37,584	\$1,677,259
Food	206,219	3,666,467
Beverage	471,178	2,704,167
Showroom	40,090	362,393
Total	<u>755,071</u>	<u>\$8,410,286</u>

Promotional Expenses

	<u>Number of Recipients</u>	<u>Dollar Amount</u>
Coupon Redemption of		
Cash and Tokens	868,011	\$7,764,195
Travel	3,886	331,850
Parking	31,297	196,143
Other	28,129	363,498
Total	<u>931,323</u>	<u>\$8,655,686</u>

THE CLARIDGE CASINO - HOTEL

Notes to Financial Statements - Continued

(11) Operating Lease

New Claridge leases the Hotel Assets and subleases 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, 1990 are as follows:

07/01/90 - 06/30/91	\$ 34,878
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
Later Years	<u>116,924</u>
Total Minimum	<u>\$284,050</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, 1990 and 1989 rental expense for all operating leases amounted to \$19,795,000 and \$22,221,000 respectively, of which \$(3,221,000) and \$(499,000) 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 1990 is \$4,189,000. 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, 1990 and 1989 is comprised of the following:

	<u>1990</u>	<u>1989</u>
	(in thousands)	
Current:		
Federal	\$-0-	-0-
State	-0-	-0-
Deferred	<u>-0-</u>	<u>-0-</u>
	<u>\$-0-</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>1990</u>	<u>1989</u>
	(in thousands)	
Federal income tax at statutory rates	\$(1,010)	(3,492)
Goodwill amortization not deductible for tax purposes	-0-	-0-
Unrecognized tax benefit of loss carryforward	<u>1,010</u>	<u>3,492</u>
	<u>\$ -0-</u>	<u>-0-</u>

New Claridge is included in the consolidated income tax return of its parent, the Corporation. At June 30, 1990 there was available net operating loss carryforward for financial statement purposes of \$8,631,000. As a result of the restructuring, 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.

(13) Related Party Transactions

- (a) Pursuant to an exclusive management agreement ("Management Agreement") between New Claridge and DEWNJ, DEWNJ agreed to manage the Claridge in a proper, efficient and competitive manner in accordance with standards not less than those existing at the time of the agreement was entered into. The Management Agreement which had an initial term of 15 years, entitled DEWNJ to receive as compensation certain management fees based on various operating results.

Under the terms of the Management Agreement, Webb was obligated to defer the payment or allow the recapture of management fees and interest whenever the New Claridge's cash flow was insufficient to meet its current obligations including payment of such fees. The Management Agreement was amended to provide for the abatement of management fees for the period November 1, 1985 through the completion of the expansion project. With the

THE CLARIDGE CASINO - HOTEL

Notes to Financial Statements - Continued

opening of the expansion facility on August 28, 1986, the abatement of management fees ceased and the Incentive Fee increased to an amount equal to 10% of gross operating profit until such time as all abated fees have been recouped. Effective January 1, 1987 DEWNJ agreed to abate management fees through December 31, 1987 and each year thereafter upon the mutual consent of DEWNJ and New Claridge. In addition, DEWNJ agreed to abate interest on deferred management fees for the period of April 1, 1987 to and including December 31, 1987. Effective January 1, 1988 the agreement with DEWNJ was further amended to abate management fees and interest on deferred management fees through December 31, 1988. This agreement was further extended, effective January 1, 1989, through the earlier of the closing of the Restructuring or August 1, 1989. At June 16, 1989 New Claridge had deferred fees and interest of \$32,491,000. In addition Webb guaranteed a \$20 million line of credit which was available to fund cash flow deficits.

On June 16, 1989 the Restructuring transaction was concluded and therewith Webb and DEWNJ terminated virtually all of their contractual and financial arrangements with New Claridge, including the Management Agreement.

- (b) Through June 16, 1989 Webb and DEWNJ had direct and material interest in the Purchase Money Second Mortgage and other indebtedness of New Claridge. 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, 1990 and 1989 interest expense due to affiliates was \$216,000 and \$4,823,000 respectively.
- (c) Prior to the Restructuring, New Claridge purchased from Webb and DEWNJ certain services including insurance through October 1, 1988, and other miscellaneous services. On October 1, 1988 New Claridge obtained its own equivalent insurance coverage. In conjunction with the restructuring, the Maintenance Services Contract was assigned to New Claridge; consequently, certain charges are paid directly to the Partnership. The costs of these services for the six months ended June 30, 1990 and 1989 amounted to \$62,000 and \$334,000, respectively.

SCHEDULE OF RECEIVABLES AND PATRONS' CHECKS
THE CLARIDGE CASINO - HOTEL

Notes to Financial Statements - Continued

(d) 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, 1990 and 1989 New Claridge has earned interest income of \$10,381,000 and \$10,824,000 respectively, and incurred lease expense of \$19,035,000 and \$21,251,000, respectively.

(14) Extraordinary Items (Net of Income Taxes)

For the three and six months ended June 30, 1989 New Claridge recorded extraordinary items in the amount of \$69,023,000 net of income taxes. The extraordinary items which result from the closing of the Restructuring and the related tax effect consist of the following (in thousands):

	<u>1989</u>	
Debt forgiveness by Webb:		
Deferred fees/interest	\$ 32,491	
Deferred interest	11,622	
Line of Credit	10,350	
Abated fees	3,425	
Offering cost loan	500	
Interest on Webb debt	9,501	
Webb contribution for payment of First Mortgage/Manufacturers Hanover line of credit	19,500	
Payment of ACBA for land option cancellation	100	
Webb contribution of interim restructuring funding	2,027	
Less Webb contingent payment	<u>(20,000)</u>	
	69,516	
Income Taxes	<u>23,698</u>	
Extraordinary item from restructuring net of income taxes	45,818	
Extraordinary item: Reduction of income taxes arising from carryforward of prior year operating losses, net of alternative minimum tax of \$493	<u>23,205</u>	
	<u>\$ 69,023</u>	

SCHEDULE OF RECEIVABLES AND PATRONS' CHECKS

June 30, 19 90

(UNAUDITED)
(\$ IN THOUSANDS)

ACCOUNTS RECEIVABLE BALANCES				
LINE (a)	DESCRIPTION (b)	ACCOUNT BALANCE (c)	ALLOWANCE (d)	ACCOUNTS RECEIVABLE- (e) NET OF ALLOWANCE
1	Patrons' Checks:	\$ 1,598		
	Undeposited patrons' checks			
2	Returned patrons' checks	3,023		
3	Total patrons' checks	4,621	\$ 2,534	\$ 2,087
4	Hotel Receivables	742	80	662
5	Other Receivables:			
	Receivables due from officers and employees.....	8		
6	Receivables due from affiliates	14,454		
7	Other accounts and notes receivables	174		
8	Total other receivables	14,636	25	14,611
9	Totals (Form 205).....	\$ 19,999	\$ 2,639	\$ 17,360

UNDEPOSITED PATRONS' CHECKS ACTIVITY		
LINE (f)	DESCRIPTION (g)	AMOUNT (h)
10	Beginning Balance (January 1)	\$ 1,639
11	Counter checks issued (excluding counter checks issued through transactions relating to consolidations, partial redemptions, substitutions, and patrons' cash deposits)	32,649
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)	(25,964)
13	Checks collected through deposits	(5,383)
14	Checks transferred to returned checks	(1,343)
15	Other adjustments	
16	Ending Balance	\$ 1,598
17	"Hold" Checks Included In Balance On Line 16	\$
18	Provision For Uncollectible Patrons' Checks	\$ 261
19	Provision As A Percent Of Counter Checks Issued .....	.8 %

STATEMENT OF CONFORMITY AND ACCURACY

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

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.

Raymond A. Spera
Signature

Vice President of Finance
Title

02369-11
License Number

On Behalf Of:

Subscribed and sworn to
before me this 14th day
of August, 1990.

Eleanor A. Bryan
Signature

The Claridge at Park Place, Inc.
Casino Licensee

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

Basis of Authority
to Take Oaths

TRADING NAME OF LICENSEE THE CLARIDGE CASINO HOTEL

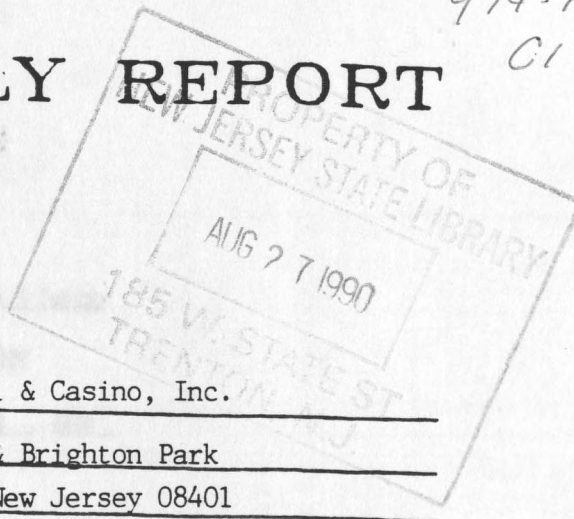
HOTEL STATISTICS

FOR THE 6 MONTHS ENDED June 30, 1990

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	15,363	11,454	\$ 67.27	74.6%	26,335	\$ 29.26
FEBRUARY	501	13,532	11,631	\$ 64.95	86.0%	24,446	\$ 30.90
MARCH	501	15,426	13,723	\$ 64.77	89.0%	29,177	\$ 30.46
1ST QUARTER TOTALS		44,321	36,808	\$ 65.61	83.0%	79,958	\$ 30.20
APRIL	501	14,856	14,709	\$ 66.35	99.0%	31,448	\$ 31.03
MAY	501	15,009	13,748	\$ 73.74	91.6%	28,395	\$ 35.70
JUNE	501	14,309	13,325	\$ 77.01	93.1%	28,197	\$ 36.39
2ND QUARTER TOTALS		44,174	41,782	\$ 72.18	94.6%	88,040	\$ 34.26
JULY				\$	%		\$
AUGUST				\$	%		\$
SEPTEMBER				\$	%		\$
3RD QUARTER TOTALS				\$	%		\$
OCTOBER				\$	%		\$
NOVEMBER				\$	%		\$
DECEMBER				\$	%		\$
4TH QUARTER TOTALS				\$	%		\$
ANNUAL TOTALS				\$	%		\$

QUARTERLY REPORT

974-901
C193



LICENSEE Greate Bay Hotel & Casino, Inc.

ADDRESS Indiana Avenue & Brighton Park
Atlantic City, New Jersey 08401

FOR THE QUARTER ENDED June 30, 1990

TO THE
CASINO CONTROL COMMISSION
OF THE
STATE OF NEW JERSEY



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, New Jersey 08401

TRADING NAME OF LICENSEE Sands Hotel & Casino

BALANCE SHEETS

FOR THE QUARTER ENDED

(IF APPLICABLE)
(IF IN TRANSITION)

DESCRIPTION	1989	(BY 1989)
TRADING NAME OF LICENSEE Sands Hotel & Casino		
LIST OF FORMS - QUARTERLY REPORT		
FOR THE QUARTER ENDED June 30, 1990		
Receivables and patrons' checks (net of allowance for doubtful)		
1989 \$10,000 1990 \$11,000		
Inventory		
Prepaid expenses and other current assets		
Total current assets		

TITLE	FORM NO.	1989	1990
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		
Liabilities			
Liabilities and Equity			

CCC-201

TRADING NAME OF LICENSEE Sands Hotel & Casino

BALANCE SHEETS

June 30, 1990 and 1989

(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1990	(d) 1989
	ASSETS		
	Current Assets:	\$	\$
1	Cash.....	10,528	9,076
2	Marketable securities.....	-	-
3	Receivables and patrons' checks (net of allowance for doubtful accounts - 1990, \$16,459 ; 1989, \$11,821).....	29,465	27,268
4	Inventories.....	2,895	2,370
5	Prepaid expenses and other current assets..... Note 8.....	5,562	5,594
6	Total current assets.....	48,450	44,308
7	Investments, Advances, And Receivables..... Note 9.....	4,275	16,158
8	Property And Equipment - Net..... Note 2, 7.....	185,209	177,894
9	Other Assets.....	14,193	9,594
10	Total Assets.....	\$ 252,127	\$ 247,954
	LIABILITIES AND EQUITY		
	Current Liabilities:	\$	\$
11	Accounts Payable..... Note 2.....	5,000	6,934
	Current portion of long-term debt:		
13	Due to affiliates.....	-	-
14	Other..... Note 2.....	906	2,105
15	Income taxes payable and accrued.....	4,268	2,758
16	Other accrued expenses..... Note 10.....	15,376	14,039
17	Other current liabilities..... Note 11.....	5,600	5,140
18	Total current liabilities.....	38,413	30,976
	Long-Term Debt:		
19	Due to affiliates..... Note 2.....	182,756	182,395
20	Other..... Note 2.....	2,889	3,295
21	Deferred Credits.....	255	919
22	Other Liabilities.....	-	-
23	Commitments And Contingencies.....	-	-
24	Total Liabilities.....	224,313	217,585
25	Stockholders', Partners', Or Proprietor's Equity.....	27,814	30,369
26	Total Liabilities And Equity.....	\$ 252,127	\$ 247,954

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

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NOTE: See page 101 and 102 for footnotes to this w/p.

TRADING NAME OF LICENSEE Sands Hotel & Casino

STATEMENTS OF INCOME

FOR THE SIX MONTHS ENDED JUNE 30, 1990 and 1989

(UNAUDITED)

(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1990	(d) 1989
	Revenue:	\$	\$
1	Casino.....	113,591	104,226
2	Rooms.....	5,149	5,584
3	Food and beverage.....	14,870	12,367
4	Other.....	3,026	2,398
5	Total revenue.....	136,636	124,575
6	Less: Promotional allowances..... Note 12.....	11,909	9,679
7	Net revenue.....	124,727	114,896
	Costs And Expenses:		
8	Cost of goods and services.....	56,108	49,787
9	Selling, general, and administrative.....	43,180	37,884
10	Provision for doubtful accounts.....	3,951	1,105
11	Depreciation and amortization.....	8,385	8,222
	Charges from affiliates other than interest:		
12	Management fees..... Note 4.....	2,546	2,772
13	Other.....	-	-
14	Total costs and expenses.....	114,170	99,770
15	Income (Loss) From Operations.....	10,557	15,126
	Other Income (Expenses):		
16	Interest (expense) - affiliates..... Note 4.....	<11,270>	<11,268>
17	Interest (expense) - external.....	<734>	<367>
18	Investment alternative tax and related income (expense) - net.....	<3,358>	<366>
19	Nonoperating income (expense) - net..... Note 6.....	1,307	1,636
20	Total other income (expenses).....	<14,055>	<10,365>
21	Income (Loss) Before Income Taxes And Extraordinary Items.....	<3,498>	4,761
22	Provision (credit) for income taxes..... Note 3.....	<1,869>	2,294
23	Income (Loss) Before Extraordinary Items.....	<1,629>	2,467
24	Extraordinary items (net of income taxes - 1990_ \$; 1989_ \$).....	-	-
25	Net Income (Loss).....	\$ <1,629>	\$ 2,467

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, 1990 and 1989

(UNAUDITED)

(\$ IN THOUSANDS)

LINE: (a)	DESCRIPTION (b)	(c) 1990	(d) 1989
	Revenue:	\$	\$
1	Casino.....	59,788	54,054
2	Rooms.....	2,802	3,110
3	Food and beverage.....	7,611	6,679
4	Other.....	1,883	1,232
5	Total revenue.....	72,084	65,075
6	Less: Promotional allowances..... Note 12.....	6,145	5,122
7	Net revenue.....	65,939	59,953
	Costs And Expenses:		
8	Cost of goods and services.....	29,462	25,950
9	Selling, general, and administrative.....	23,056	20,530
10	Provision for doubtful accounts.....	1,693	656
11	Depreciation and amortization.....	4,212	4,084
	Charges from affiliates other than interest:		
12	Management fees.....	1,452	1,468
13	Other.....	-	-
14	Total costs and expenses.....	59,875	52,688
15	Income (Loss) From Operations.....	6,064	7,265
16	Other Income (Expenses): affiliates.....	<5,423>	<5,633>
17	Interest (expense) - external.....	<380>	<181>
18	Investment alternative tax and related income (expense) - net.....	<2,804>	<197>
19	Nonoperating income (expense) - net.....	661	913
20	Total other income (expenses).....	<7,946>	<5,098>
21	Income (Loss) Before Income Taxes And Extraordinary Items.....	<1,882>	2,167
22	Provision (credit) for income taxes.....	<191>	1,061
23	Income (Loss) Before Extraordinary Items.....	<1,691>	1,106
24	Extraordinary items (net of income taxes - 19___ \$ _____; 19___ \$ _____).....	-	-
25	Net Income (Loss).....	\$ <1,691>	\$ 1,106

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, 1990 and 1989
(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1990_		(d) 1989_	
		(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).....	N/A	19,738	N/A	19,738
6	Sale of stock.....				
7					
8	Ending balance.....	N/A	19,738	N/A	19,738
	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).....	+++++	6,205	+++++	4,664
26	Prior period adjustments.....	+++++		+++++	
27	Net income (loss).....	+++++	<1,629>	+++++	2,467
28	Dividends.....	+++++		+++++	
29		+++++		+++++	
30		+++++		+++++	
31	Ending balance.....	+++++	4,576	+++++	7,131
	Ending Stockholders'	+++++	\$	+++++	\$
32	Equity.....	+++++	27,814	+++++	30,369

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, 1990 and 1989
(UNAUDITED)
(\$ IN THOUSANDS)

LINE: (a)	DESCRIPTION (b)	NOT APPLICABLE	
		(c) 1990	(d) 1989
	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, 1990 and 1989

(UNAUDITED)

(\$ IN THOUSANDS)

LINE: (a)	DESCRIPTION (b)	(c) 1990	(d) 1989
1	Net Cash Provided (Used) By Operating Activities.....	\$ 6,296	\$ 5,644
	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.....	<11,088>	<8,156>
5	Proceeds from disposition of property and equipment.....		
6	Purchase of casino reinvestment obligations.....	<316>	<1,295>
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.....	<11,404>	<9,451>
	Cash Flows From Financing Activities:		
13	Cash proceeds from issuance of short-term debt.....	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.....	<553>	<1,227>
18	Cash proceeds from issuing stock or capital contributions.....		
19	Purchases of treasury stock.....		
20	Payments of dividends or capital withdrawals.....		
21			
22			
23	Net Cash Provided (Used) By Financing Activities.....	4,447	<1,227>
24	Net Increase (Decrease) In Cash And Cash Equivalents.....	<661>	<5,034>
25	Cash And Cash Equivalents At Beginning Of Period.....	11,189	14,110
26	Cash And Cash Equivalents At End Of Period.....	\$ 10,528	\$ 9,076

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

	Cash Paid During Period For:		
27	Interest (net of amount capitalized).....	\$ 12,162	\$ 11,515
28	Income taxes.....	\$ 135	\$ 5,828

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

TRADING NAME OF LICENSEE Sands Hotel & Casino

STATEMENTS OF CASH FLOWS

FOR THE SIX MONTHS ENDED June, 1990 and 1989
(UNAUDITED)
(\$ IN THOUSANDS)

LINE: (a)	DESCRIPTION (b)	(c) 1990	(d) 1989
	Net Cash Flows From Operating Activities:	\$	\$
29	Net income (loss).....	<1,629>	2,467
	Noncash items included in income and cash items excluded from income:		
30	Depreciation and amortization of property and equipment.....	7,566	7,403
31	Amortization of other assets.....	819	819
32	Amortization of debt discount or premium.....	180	180
33	Deferred income taxes - current.....		<3,173>
34	Deferred income taxes - noncurrent.....	<1,374>	<374>
35	(Gain) loss on disposition of property and equipment.....		
36	(Gain) loss on casino reinvestment obligations.....	3,358	366
37	(Gain) loss from other investment activities.....		
38	Net (increase) decrease in receivables and patrons' checks.....	1,177	92
39	Net (increase) decrease in inventories.....	<434>	247
40	Net (increase) decrease in other current assets.....	<681>	<1,363>
41	Net (increase) decrease in other assets.....	28	<12>
42	Net increase (decrease) in accounts payables.....	7	<28>
43	Net increase (decrease) in other current liabilities excluding debt.....	<2,721>	<936>
44	Net increase (decrease) in other noncurrent liabilities excluding debt.....	-	<44>
45			
46			
47	Net Cash Provided (Used) By Operating Activities.....	\$ 6,296	\$ 5,644

SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING AND FINANCING ACTIVITIES

48	Acquisition Of Property and Equipment:	\$	\$
49	Additions to property and equipment.....	11,088	8,156
50	Less: Capital lease obligations incurred.....		
50	Cash Outflows For Property And Equipment.....	\$ 11,088	\$ 8,156
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.....		
56	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.....		
60	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, 1990, 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, 1989 to the Casino Control Commission.

Note 2 - Long-term Debt

Long-term debt as of June 30, 1990 and 1989 is as follows:

	<u>1990</u>	<u>1989</u>
11.75% first mortgage notes, due 1994, net of discounts of \$1,474,000 and \$1,835,000 respectively (A)	\$171,556,000	\$171,195,000
16.5% Promissory note due 1998 (B)	11,200,000	11,200,000
Note Payable to bank, due 1992 (C)	3,300,000	4,900,000
Other	<u>495,000</u>	<u>500,000</u>
	186,551,000	187,795,000
Less: Current portion of long-term debt	<u>906,000</u>	<u>2,105,000</u>
Long-term Debt:	<u>\$185,645,000</u>	<u>\$185,690,000</u>
	=====	=====
	1990 (6 months)	
	1991	
	1992	
	1993	
	1994	
	Thereafter	
Total Payments	188,075,000	
Unamortized Discount	(1,474,000)	
Current Portion	(906,000)	
Long-Term Portion	\$185,645,000	

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

Note 2 - Long-term Debt - (continued)

- (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.

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

- (B) In February 1988, GBH&C borrowed \$11,200,000 from an affiliate, the proceeds of which were principally used to refinance an existing liability to another affiliate. The note bears interest at 16.5% per annum, with interest only payable semi-annually in March and September. The note matures in March 1998.
- (C) 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.

GBH&C has \$5,000,000 available under a line of credit. Interest on borrowings under the line of credit is calculated at 1% above the prime lending rate of a certain bank. As of June 30, 1990, the line of credit was fully drawn.

As of June 30, 1990, GBH&C has capitalized interest of \$426,000 included in property and equipment in the accompanying balance sheet.

Maturities of Long-term debt at June 30, 1990 amounted to:

1990 (6 months)	\$ 453,000
1991	2,346,000
1992	6,628,000
1993	5,258,000
1994	161,678,000
Thereafter	<u>11,662,000</u>
Total Payments:	188,025,000
Unamortized Discount	(1,474,000)
Current Portion	<u>(906,000)</u>
Long-Term Portion	<u>\$185,645,000</u>

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

Note 3 - Income Taxes

The components of the provision for income taxes for the six months ended June 30, 1990 and 1989 are as follows:

	1990	1989
Federal Income Tax Provision (Benefit)		
Current	\$ <355,000>	\$ 2,118,000
Deferred	<1,076,000>	<341,000>
State Income Tax Provision (Benefit)		
Current	<140,000>	607,000
Deferred	<298,000>	<90,000>
Total Provision (Benefit) for Income Taxes:	\$<1,869,000>	\$2,294,000

Note 4 - Related Party Transactions

GBH&C has a Management Agreement with Pratt Casino Management, Inc., ("PCMI"), a subsidiary of Pratt. Pursuant to the Management Agreement, PCMI is responsible for the supervision, direction and control of the day-to-day operation of the hotel/casino. The agreement expires during 1991, at which time it may be extended if certain minimum operating results are achieved. 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, 1990 and 1989 were \$2,546,000 and \$2,772,000 respectively and are included in management fees charged from affiliates in the accompanying Financial Statements. Consultant and incentive fees of \$1,083,000 and \$2,455,000 were due to PCMI at June 30, 1990 and 1989 respectively, and are included in other current liabilities in the accompanying Financial Statements.

GBH&C has a License Agreement with PPI, (an affiliate) which entered into a parallel agreement with MGM Sands Inc. for the use of the trade name "Sands". The license agreement, as amended in May 1987, 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 \$154,000 and \$167,000 for the six months ended June 30, 1990 and 1989, respectively. Such amounts are included in general and administrative expenses in the accompanying financial statements.

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

Note 4 - Related Party Transactions - (Continued)

For the six months ended June 30, 1990 and 1989 the company paid the following amounts in interest charges to affiliates:

	1990	1989
11.75% first mortgage notes	\$10,346,000	\$10,344,000
16.5% promissory note	924,000	924,000
	\$11,270,000	\$11,268,000
	=====	=====

Note 5 - Obligatory Investments

In August 1990, as a result of preliminary discussions with the Casino Reinvestment Development Authority (the "Authority"), GBH&C concluded that it may make a contribution to the Authority of certain amounts held in escrow by the Authority pursuant to the deposit requirements established by the New Jersey Casino Control Act. In consideration thereof, should such preliminary discussions ultimately lead to an approval by the Authority for GBH&C to make the contribution, GBH&C anticipates receiving a waiver of its investment obligations in future periods. The book value of the obligatory investments to be contributed is \$3,845,000 and the anticipated waiver to be granted by the Authority is \$2,547,000. As a result of the contribution, GBH&C's reserve for losses on obligatory investments was increased by \$1,298,000. In addition, the reserve for losses associated with the remaining \$3,684,000 of obligatory deposits held in escrow by the Authority was increased by \$889,000.

Note 6 - Non-Operating Income (Expenses)

For the six months ended June 30, 1990 and 1989, Non-Operating Income of \$1,307,000 and \$1,636,000 was earned on temporary investments, on deposits made with the CRDA pursuant to GBH&C's Casino Reinvestment obligations, and other sources.

CASINO 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, 1990 and 1989 consisted of the following:

	<u>1989</u>	<u>1988</u>
Land	\$ 36,179,000	\$ 36,179,000
Buildings	155,654,000	148,730,000
Furniture, fixtures and equipment	87,481,000	78,017,000
Construction in progress	<u>12,857,000</u>	<u>6,848,000</u>
	292,171,000	269,774,000
Less: accumulated depreciation and amortization	<u>106,962,000</u>	<u>91,880,000</u>
 Total property and equipment	 \$185,209,000 =====	 \$177,894,000 =====

Note 8 - Prepaid Expenses and Other Current Assets

At June 30, 1990 and 1989, the line item Prepaid Expenses and Other Current Assets is comprised of the following:

	<u>1990</u>	<u>1989</u>
Current portion of CRDA prepaid obligation	2,422,000	-
Prepaid advertising and promotions	55,000	661,000
Prepaid licenses and permits	702,000	709,000
Prepaid Taxes	240,000	303,000
Miscellaneous prepaids	991,000	303,000
Deposits	711,000	3,155,000
Prepaid insurance	229,000	207,000
Other	<u>212,000</u>	<u>256,000</u>
 Total prepaid expenses and other current assets	 \$ 5,562,000 =====	 \$5,594,000 =====

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

Note 9 - Investments, Advances, and Receivables

At June 30, 1990 and 1989, the line item Investments, Advances and Receivables is comprised of the following:

	<u>1990</u>	<u>1989</u>
CRDA Investments (net of allowance of \$2,894,000 and \$4,655,000 at June 30, 1990 and 1989 respectively)	\$ 4,123,000	\$ 15,676,000
Other items	<u>152,000</u>	<u>482,000</u>
Total Investments, Advances and Receivables	\$ 4,275,000 =====	\$ 16,158,000 =====

Note 10 - Other Accrued Expenses

As of June 30, 1990 and 1989, the line item Other Accrued Expenses is comprised of the following:

	<u>1990</u>	<u>1989</u>
Accrued salaries and wages	\$ 1,128,000	\$ 941,000
Accrued vacation	1,577,000	1,200,000
Other accrued expenses	2,287,000	1,693,000
Accrued interest on debt	2,099,000	1,930,000
Accrued progressive slot machine jackpot	2,940,000	3,645,000
Accrued C.C.C. inspection fees	162,000	170,000
Accrued D.G.E. inspection fees	179,000	179,000
Accrued casino license fees	396,000	303,000
Accrued insurance	1,940,000	1,679,000
F.I.C.A. payable	194,000	205,000
NJ Sales Tax	15,000	164,000
S.U.I payable	621,000	603,000
Gaming revenue tax	404,000	321,000
Other	<u>1,434,000</u>	<u>1,006,000</u>
Total other accrued expenses	\$ 15,376,000 =====	\$ 14,039,000 =====

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

Note 11 - Other Current Liabilities

As of June 30, 1990 and 1989, the line item Other Current Liabilities was comprised of the following:

	<u>1990</u>	<u>1989</u>
Unredeemed gaming chips liability	\$ 624,000	\$ 495,000
Unredeemed token liability	267,000	133,000
Casino customer deposits	362,000	203,000
Unclaimed wages	186,000	164,000
Advance deposits	52,000	57,000
CRDA	165,000	671,000
Due to affiliates	3,810,000	3,041,000
Deferred trade out liability	72,000	90,000
Red Carpet Slot liability	-	93,000
Other	<u>62,000</u>	<u>193,000</u>
Total Other Current Liabilities	\$ 5,600,000 =====	\$ 5,140,000 =====

Note 12 - Promotional Allowances and Expenses

A summary of Promotional Allowances and Expenses incurred during the six month period ended June 30, 1990 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	51,044	1,617,000		
Food	369,304	4,247,000		
Beverage	798,666	4,792,000		
Travel	-	-	10,994	2,852,000
Theatre	16,472	578,000	-	-
Parking	56,750	454,000	-	-
Bus Tour Coupon				
Exchange Coin			493,005	10,571,000
Food Court - Other			59,857	419,000
Red Carpet Certificates			4,286	30,000
Other	27,625	<u>221,000</u>	37,052	<u>1,116,000</u>
Total Promotional Allowances and Expenses		11,909,000 =====		14,988,000 =====

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

Note 12 - Promotional Allowances and Expenses - (continued)

A summary of Promotional Allowances and Expenses incurred during the three month period ended June 30, 1990 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	27,389	899,000		
Food	189,043	2,174,000		
Beverage	396,333	2,378,000		
Travel	-	-	6,075	1,576,000
Theatre	8,165	365,000	-	-
Parking	28,750	230,000		
Bus Tour Coupon				
Exchange Coin			271,222	5,776,000
Food Court - Other			30,571	214,000
Red Carpet Certificates			-	-
Other	12,375	<u>99,000</u>	18,061	<u>544,000</u>
Total Promotional Allowances and Expenses		<u>6,145,000</u>		<u>8,110,000</u>

TRADING NAME OF LICENSEE Sands Hotel & Casino

SCHEDULE OF RECEIVABLES AND PATRONS' CHECKS

June 30, 1990

(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.....	7,483		
2	Returned patrons' checks.....	20,122		
3	Total patrons' checks.....	27,605	16,349	11,256
4	Hotel Receivables.....	1,181	110	1,071
	Other Receivables:			
5	Receivables due from officers and employees.....	-		
6	Receivables due from affiliates.....	709		
7	Other accounts and notes receivables.....	16,429		
8	Total other receivables.....	17,138		17,138
9	Totals (Form 205).....	\$ 45,924	\$ 16,459	\$ 29,465

UNDEPOSITED PATRONS' CHECKS ACTIVITY		
LINE: (f)	DESCRIPTION (g)	AMOUNT (h)
10	Beginning Balance (January 1).....	\$ 6,797
11	Counter checks issued (excluding counter checks issued through transactions relating to consolidations, partial redemptions, substitutions, and patrons' cash deposits).....	105,537
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).....	(78,306)
13	Checks collected through deposits.....	(22,938)
14	Checks transferred to returned checks.....	(3,607)
15	Other adjustments.....	
16	Ending Balance.....	\$ 7,483
17	"Hold" Checks Included in Balance On Line 16.....	\$ -
18	Provision for Uncollectible Patrons' Checks.....	\$ 3,915
19	Provision As A Percent Of Counter Checks Issued.....	3.7%

STATEMENT OF CONFORMITY AND ACCURACY

STATE OF NEW JERSEY

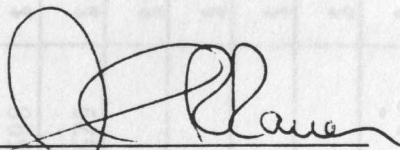
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COUNTY OF ATLANTIC

John R. Rauon, 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

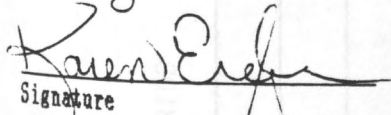
John R. Rauon
Vice President, Finance

Title

866-11
License Number

On Behalf Of:

Subscribed and sworn to
before me this 14 day
of August 1990


Signature

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

Greate Bay Hotel & Casino, Inc.
Casino Licensee

Basis of Authority
to Take Oaths

HOTEL STATISTICS

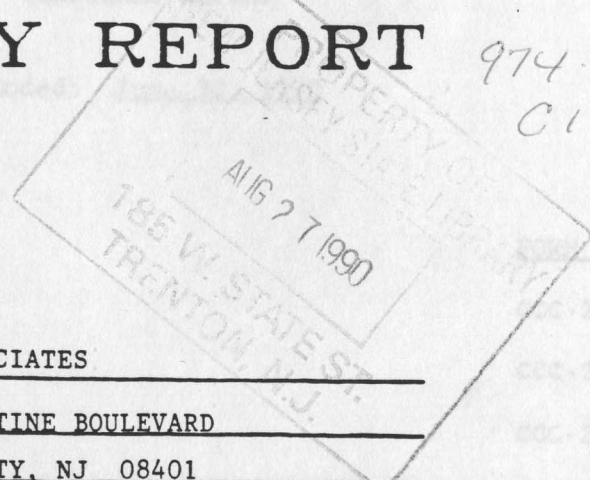
FOR THE 6 MONTHS ENDED June 30, 1990

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	15,500	12,375	\$ 56.47	79.8%	22,023	\$ 31.73
FEBRUARY	500	14,000	12,486	\$ 59.11	89.2%	22,864	\$ 32.28
MARCH	500	15,315	14,407	\$ 62.76	94.1%	27,065	\$ 33.41
1ST QUARTER TOTALS		44,815	39,268	\$ 59.62	87.6%	71,952	\$ 32.54
APRIL	500	14,840	14,198	\$ 63.18	95.7%	24,575	\$ 36.50
MAY	500	15,294	13,783	\$ 68.74	90.1%	24,245	\$ 39.08
JUNE	500	14,840	13,698	\$ 69.96	92.3%	25,062	\$ 38.24
2ND QUARTER TOTALS		44,974	41,679	\$ 67.25	92.7%	73,882	\$ 37.94
JULY				\$	%		\$
AUGUST				\$	%		\$
SEPTEMBER				\$	%		\$
3RD QUARTER TOTALS				\$	%		\$
OCTOBER				\$	%		\$
NOVEMBER				\$	%		\$
DECEMBER				\$	%		\$
4TH QUARTER TOTALS				\$	%		\$
ANNUAL TOTALS				\$	%		\$



QUARTERLY REPORT

974-901
C193



LICENSEE MARINA ASSOCIATES

ADDRESS 1725 BRIGANTINE BOULEVARD
ATLANTIC CITY, NJ 08401

FOR THE QUARTER ENDED JUNE 30, 1990

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. DIRECTOR OF FINANCE

ADDRESS 1725 BRIGANTINE BOULEVARD
ATLANTIC CITY, NJ 08401

Trading Name of Licensee: HARRAH'S MARINA HOTEL CASINO

LIST OF FORMS - QUARTERLY REPORT

For the Quarter Ended: June 30, 1990

<u>TITLE</u>	<u>DESCRIPTION</u>	<u>FORM NO.</u>
Balance Sheets	ASSETS	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: HARRAH'S MARINA HOTEL CASINO

BALANCE SHEETS

June 30, 1990 and 1989

For the Six Months Ended June 30, 1990 and 1989

(Unaudited)
(\$ in Thousands)

LINE (a)	DESCRIPTION (b)	(c) 1990	(d) 1989
ASSETS			
Current Assets:			
1	Cash	\$ 9,386	\$ 11,660
2	Marketable Securities	0	0
3	Receivables and patrons' checks (net of allowance for doubtful accounts - 1990 \$5,132; 1989 \$4,555	11,870	9,818
4	Inventories	2,139	2,326
5	Prepaid expenses and other current assets	2,513	1,773
6	Total current assets	25,908	25,577
7	Investments, Advances and Receivables (Note 4)	315,817	255,153
8	Property and Equipment - Net (Note 2)	237,210	224,555
9	Other Assets	3,919	3,259
10	Total Assets	\$582,854	\$508,544
LIABILITIES AND EQUITY			
Current Liabilities			
11	Accounts payable	\$ 4,438	\$ 1,116
12	Notes payable	0	0
Current portion of long-term debt:			
13	Due to affiliates	0	0
14	Other (Note 3)	0	6
15	Income taxes payable and accrued	1,082	1,061
16	Other accrued expenses (Note 8)	17,234	15,569
17	Other current liabilities	501	508
18	Total current liabilities	23,255	18,260
Long-Term Debt:			
19	Due to affiliates	0	0
20	Other	0	0
21	Deferred Credits	0	0
22	Other Liabilities (Note 9)	22,544	27,404
23	Commitments and Contingencies (Note 5)		
24	Total Liabilities	45,799	45,664
25	Stockholders', Partners', or Proprietor's Equity	537,055	462,880
26	Total Liabilities and Equity	\$582,854	\$508,544

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

Trading Name of Licensee: HARRAH'S MARINA HOTEL CASINO

STATEMENTS OF INCOME

For the Six Months Ended June 30, 1990 and 1989

(Unaudited)
(\$ in Thousands)

LINE (a)	DESCRIPTION (b)	(c) 1990	(d) 1989
	Revenue:		
1	Casino	\$142,860	\$139,882
2	Rooms	10,289	9,995
3	Food and Beverage	20,502	21,296
4	Other	4,280	4,716
5	Total revenue	177,931	175,889
6	Less: Promotional Allowance (Note 7) . . .	19,093	19,524
7	Net revenue	158,838	156,365
	Costs and Expenses:		
8	Cost of goods and services	86,894	83,476
9	Selling, general, and administrative	28,808	25,503
10	Provision for doubtful accounts	1,432	731
11	Depreciation and amortization	6,247	6,338
	Charges from affiliates other than interest:		
12	Management Fees	0	0
13	Other	0	0
14	Total costs and expenses	123,381	116,048
15	Income (Loss) from Operations	35,457	40,317
	Other Income (Expenses):		
16	Interest (expense) - affiliates	0	0
17	Interest (expense) - external	(486)	(1)
18	Investment alternative tax and related income (expense) - net	(135)	(257)
19	Nonoperating income (expense) - net	450	736
20	total other income (expenses)	(171)	478
21	Income (Loss) Before Income Taxes and Extraord. Items	35,286	40,795
22	Provision (credit) for income taxes . (Note 10) . . .	3,890	3,668
23	Income (Loss) Before Extraordinary Items	31,396	37,127
24	Extraordinary items (net of income taxes - 1990, \$0; 1989, \$0)	0	0
25	Net Income (Loss)	\$ 31,396	\$ 37,127

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: HARRAH'S MARINA HOTEL CASINO

STATEMENTS OF INCOME

For the Three Months Ended June 30, 1990 and 1989

(Unaudited)
(\$ in Thousands)

LINE (a)	DESCRIPTION (b)	(c) 1990	(d) 1989
	Revenue:		
1	Casino	\$ 71,827	\$ 70,394
2	Rooms	5,483	5,388
3	Food and beverage	10,631	10,884
4	Other	2,562	2,664
5	Total revenue	90,503	89,330
6	Less: Promotional allowance (Note 7) . . .	10,028	10,008
7	Net revenue	80,475	79,322
	Costs and Expenses:		
8	Cost of goods and services	44,003	42,060
9	Selling, general, and administrative	14,999	12,023
10	Provision for doubtful accounts	729	252
11	Depreciation and amortization	3,155	3,062
	Charges from affiliates other than interest:		
12	Management fees	0	0
13	Other	0	0
14	Total costs and expenses	62,886	57,397
15	Income (Loss) from Operations	17,589	21,925
	Other Income (Expenses):		
16	Interest (expense) - affiliates	0	0
17	Interest (expense) - external	(486)	(1)
18	Investment alternative tax and related income (expense) - net	(72)	(258)
19	Nonoperating income (expense) - net	210	360
20	Total other income (expenses)	(348)	101
21	Income (loss) before income taxes and extraord. items	17,241	22,026
22	Provision (credit) for income taxes . (Note 10) . . .	2,201	1,980
23	Income (loss) before extraordinary items	15,040	20,046
24	Extraordinary items (net of income taxes - 1990, \$0; 1989, \$0)	0	0
25	Net Income (Loss)	\$ 15,040	\$ 20,046

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 MARINA HOTEL CASINO

STATEMENTS OF CHANGES IN PARTNERS'
OR PROPRIETOR'S EQUITY

For the 6 Months Ended June 30, 1990 and 1989

(Unaudited)
(\$ in Thousands)

LINE (a)	DESCRIPTION (b)	(c) 1990	(d) 1989
	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)	470,803	390,897
6	Prior period adjustments	0	0
7	Net income (loss)	31,396	37,127
8		0	0
9	Ending balance	502,199	428,024
	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	\$537,055	\$462,880

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 MARINA HOTEL CASINO

STATEMENTS OF CASH FLOWS

For the Six Months Ended June 30, 1990 and 1989

(Unaudited)

(\$ in Thousands)

LINE (a)	DESCRIPTION (b)	(c) 1990	(d) 1989
1	Net Cash Provided (Used) by Operating Activities . . .	\$ 31,575	\$ 39,308
	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	(18,553)	(13,464)
5	Proceeds from disposition of property and equipment .	41	45
6	Purchase of casino reinvestment obligations	(1,748)	(5,713)
7	Purchase of other investments and loan/advances made	(23,387)	(32,528)
8	Proceeds from disposal of investments and collection of advances and long-term receivables	8,659	9,435
9	Cash outflows to acquire business entities	0	0
10	_____	0	0
11	_____	0	0
12	Net Cash Provided (Used) by Investing Activities . . .	(34,988)	(42,225)
	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	(3)	(2)
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 . . .	(3)	(2)
24	Net Increase (Decrease) in Cash and Cash Equivalents .	(3,416)	(2,919)
25	Cash and Cash Equivalents at Beginning of Period . . .	12,802	14,579
26	Cash and Cash Equivalents at End of Period	\$ 9,386	\$ 11,660

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

27	Cash Paid During Period for:		
28	Interest (net of amount capitalized)	\$ 486	\$ 1
	Income Taxes	\$ 4,243	\$ 2,048

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

12/87

CCC-235

Trading Name of Licensee: HARRAH'S MARINA HOTEL CASINO

STATEMENTS OF CASH FLOWS

For the Six Months Ended June 30, 1990 and 1989
(Unaudited)
(\$ in Thousands)

LINE (a)	DESCRIPTION (b)	(c) 1990	(d) 1989
	Net Cash Flows From Operating Activities:		
29	Net income (loss)	\$ 31,396	\$ 37,127
	Noncash items included in income and cash items excluded from income:		
30	Depreciation and amortization of property & equip.	6,247	6,159
31	Amortization of other assets	0	179
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	107	109
36	(Gain) loss on casino reinvestment obligations	135	257
37	(Gain) loss from other investment activities	0	0
38	Net (increase) Ddcrease in receivables and patrons' checks	1,111	382
39	Net (increase) decrease in inventories	(55)	(143)
40	Net (increase) decrease in other current assets	(1,535)	(743)
41	Net (increase) decrease in other assets	(333)	(161)
42	Net increase (decrease) in accounts payables	2,530	(2,374)
43	Net increase (decrease) in other current liabilities excluding debt	(1,228)	(4,012)
44	Net increase (decrease) in other noncurrent liabilities excluding debt	(6,800)	2,528
45		0	0
46		0	0
47	Net Cash Provided (Used) by Operating Activities	\$ 31,575	\$ 39,308

SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING AND FINANCING ACTIVITIES

48	Acquisition of Property and Equipment:		
49	Additions to property and equipment	\$ 18,553	\$ 13,464
50	Less: capital lease obligations incurred	0	0
	Cash Outflows for Property and Equipment	\$ 18,553	\$ 13,464
51	Acquisition of Business Entities:		
52	Property and equipment acquired	\$ 0	\$ 0
53	Goodwill acquired	0	0
54	Net assets acquired other than cash, goodwill, and property and equipment	0	0
55	Long-term debt assumed	0	0
56	Issuance of stock or capital invested	0	0
	Cash Outflows To Acquire Business Entities	\$ 0	\$ 0
57	Stock Issued or Capital Contributions		
58	Total issuances of stock or capital contributions	\$ 0	\$ 0
59	Less: issuances to settle long-term debt, and.	0	0
60	Consideration in acquisition of business entities	0	0
	Cash Proceeds from Issuing Stock Or Capital Contrib	\$ 0	\$ 0

HARRAH'S MARINA HOTEL CASINO

NOTES TO FINANCIAL STATEMENTS

NOTE 1: Summary of Significant Accounting Policies:

Organization -

Marina Associates (The Company), doing business as Harrah's Marina Hotel Casino, 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.

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 MARINA HOTEL CASINO

NOTES TO FINANCIAL STATEMENTS (cont'd)

NOTE 2: Property and Equipment:

Property and equipment consist of the following:

	JUNE 30	
	<u>1990</u>	(000's) <u>1989</u>
Land and land improvements	\$ 26,377	\$ 26,377
Buildings, leaseholds and improvements	200,451	198,071
Furniture, fixtures and equipment	60,413	56,549
Construction in progress	<u>29,149</u>	<u>11,831</u>
	\$316,390	\$292,828
Less accumulated depreciation	<u>(79,180)</u>	<u>(68,273)</u>
Property and equipment, net	<u>\$237,210</u>	<u>\$224,555</u>

NOTE 3: Long-Term Debt:

Marina Associates has a lease on certain warehouse equipment dated June 18, 1985. This 60 month residual lease in the amount of \$41,021 is payable in monthly installments from July 1985 through June 1990.

Long-term debt consists of the following:

	JUNE 30	
	<u>1990</u>	(000's) <u>1989</u>
Capital lease obligation	\$ -0-	\$ 6
Obligation due within one year	<u>(-0-)</u>	<u>(6)</u>
	<u>\$ -0-</u>	<u>\$ -0-</u>

HARRAH'S MARINA HOTEL CASINO

NOTES TO FINANCIAL STATEMENTS (cont'd)

NOTE 4: Investments, Advances and Receivables:

	JUNE 30	
	1990	(000's) 1989
Notes Receivable	\$ 2,410	\$ 2,430
Investment in CRDA Bonds - Net of Valuation Adj.	2,164	2,109
Reinvestment Obligation Deposits - Net of Val. Adj.	3,201	13,224
Due from Affiliates	307,527	236,967
Funds Advanced to Northeast Inlet Redevelopment Project to be reimbursed by a UDAG Grant	515	423
	<u>\$315,817</u>	<u>\$255,153</u>

Due from Affiliates consists of the following unsecured, non-interest bearing inter-company amounts at June 30, 1990 and 1989.

	JUNE 30	
	1990	(000's) 1989
Harrah's New Jersey, Inc.	\$ 18,962	\$ 18,972
Harrah's Lake Tahoe	131	131
Holiday Corporation	-0-	214,787
Embassy Suites, Inc.	288,195	2,627
Holiday Inns, Inc.	-0-	214
Harrah's Del Rio	128	127
Bill's Casino	111	109
Total Due from Affiliates	<u>\$307,527</u>	<u>\$236,967</u>

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, 1990 and June 30, 1989, were approximately \$1,187,606 and \$1,247,796 respectively.

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

1991	\$ 1,511,895
1992	772,081
1993	184,922
1994	152,461
1995	120,000
Thereafter	960,000
	<u>\$ 3,701,359</u>

HARRAH'S MARINA HOTEL CASINO

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, 1990, the Company has established a valuation allowance of \$777,118 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 MARINA HOTEL CASINO

NOTES TO FINANCIAL STATEMENTS (cont'd)

NOTE 7: Promotional Allowances:

Promotional allowances for the six months ended June 30 1990, 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	61	\$ 5,209	0	\$ 0
Food	889	8,887	0	0
Beverage	1,496	3,739	0	0
Travel	0	0	40	3,888
Theatre	63	1,258	0	0
Coupon Redemption of				
Cash & Tokens	0	0	523	6,532
Rooms Off-Premises	0	0	N/A	30
Other*	0	0	144	837
	<u>2,509</u>	<u>\$19,093</u>	<u>707</u>	<u>\$11,287</u>

Promotional allowances for the three months ended June 30 1990, 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	32	\$ 2,734	0	\$ 0
Food	463	4,628	0	0
Beverage	743	1,857	0	0
Travel	0	0	23	2,251
Theatre	41	809	0	0
Coupon Redemption of				
Cash & Tokens	0	0	293	3,661
Rooms Off-Premises	0	0	N/A	11
Other*	0	0	83	484
	<u>1,279</u>	<u>\$10,028</u>	<u>399</u>	<u>\$ 6,407</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 complimentary are combined in one expense account.

HARRAH'S MARINA HOTEL CASINO

NOTES TO FINANCIAL STATEMENTS (cont'd)

NOTE 8: Other Accrued Expenses:

Other accrued expenses consist of the following:

	JUNE 30	
	<u>1990</u>	<u>(000's) 1989</u>
Accrued salaries and wages	\$ 7,035	\$ 7,441
Taxes payable	782	674
Other accrued expenses	4,979	5,289
Accrued progressive slot liability	3,443	1,950
Accrued CCC/DGE/Casino License fees	960	215
Accrued Megabucks Handle Fees	35	-0-
	<u>\$17,234</u>	<u>\$15,569</u>

NOTE 9: Other Liabilities:

Other liabilities consist of the following:

	JUNE 30	
	<u>1990</u>	<u>(000's) 1989</u>
Long Term due to Affiliates	\$22,030	\$26,583
Other Liabilities	514	821
	<u>\$22,544</u>	<u>\$27,404</u>

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

	JUNE 30	
	<u>1990</u>	<u>(000's) 1989</u>
Due to Affiliates -		
Harrah's Services, Inc.	\$ -0-	\$ 19
Holiday Inns - Hotel Group	-0-	5,672
Harrah's Holdings, Inc.	597	803
Harrah's Atlantic City, Inc.	21,025	19,725
Harrah's Reno	71	31
Harrah's Holiday Inns of NJ, Inc.	297	297
Holiday Casino, Inc.	40	36
	<u>\$22,030</u>	<u>\$26,583</u>

NOTE 10: Provision for State Income Taxes:

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

NOTE 11: Savings and Retirement Plan:

An employee Savings and Retirement Plan was established on October 1, 1985. This plan covers all non-union employees who have been employed at least one year with a minimum of one thousand hours worked. The company will match employee contributions up to 6% of gross pay. A participating employee is vested in company contributions according to their years of service. The company's contribution through the six months ended June 30, 1990, was \$1,501,533.

1	Deposited patrons' checks	5,272		
2	Patrons' checks	8,685		
3	Patron's checks	15,967	3,380	2,284
4	Accounts receivable	3,000		
5	Accounts payable:			
6	Due from employees			
7	Due from other			
8	Notes and accounts receivable	1,619		
9	Other receivables	1,619		
10	Total	17,002	3,380	2,284

UNDEPOSITED PATRON'S CHECKS ACCOUNT

LINE	DESCRIPTION	AMOUNT
(a)	(b)	(c)
10	Balance (January 1)	5,364
11	Checks issued (excluding counter checks issued for transactions relating to consolidations, substitutions, and patron's cash deposits)	75,338
12	Checks redeemed prior to deposit (excluding the amount of counter checks redeemed through partial redemptions, and excluding checks redeemed through consolidations, substitutions, and patron's cash deposits)	61,805
13	Checks collected through deposits	1,071
14	Checks transferred to returned checks	1,619
15	Direct payments	1,619
16	Ending Balance	1,619
17	This amount is included in balance as of 6/30/90	
18	Provision for Uncollectible Patrons' Checks	
19	Provision at 2 Percent of Counter Checks Issued	

Trading Name of Licensee: HARRAH'S MARINA HOTEL CASINO

SCHEDULE OF RECEIVABLES AND PATRONS' CHECKS

June 30, 1990

(Unaudited)
(\$ in Thousands)

Accounts Receivable Balances				
LINE (a)	DESCRIPTION (b)	ACCOUNT BALANCE (c)	ALLOWANCE (d)	ACCOUNTS RECEIVABLE- (e) NET OF ALLOWANCE
1	Patron's Checks			
	Undeposited patrons' checks	\$ 5,272		
2	Returned patrons' checks . .	8,695		
3	Total patron's checks . .	13,967	\$ 5,103	\$ 8,864
4	Hotel Receivables	1,416	29	1,387
Other Receivables:				
5	Receivables due from officers and employees . .	46		
6	Receivables due from affiliates	0		
7	Other accounts and notes receivables	1,573		
8	Total other receivables .	1,619	0	1,619
9	Totals (Form 205)	\$ 17,002	\$ 5,132	\$ 11,870

UNDEPOSITED PATRON'S CHECKS ACTIVITY

LINE (f)	DESCRIPTION (g)	AMOUNT (h)
10	Beginning Balance (January 1)	\$ 5,564
11	Counter checks issued (excluding counter checks issued through transactions relating to consolidations, partial redemptions, substitutions, and patrons' cash deposits) .	96,558
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)	(65,905)
13	Checks collected through deposits	(26,491)
14	Checks transferred to returned checks	(4,454)
15	Other adjustments	
16	Ending Balance	\$ 5,272
17	"Hold" Checks Included in Balance on Line 16	\$ 0
18	Provision for Uncollectible Patrons' Checks	\$ 1,405
19	Provision as a Percent of Counter Checks Issued	1.5 %

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

Director of Finance
Title

01833-11
License Number

Subscribed and sworn to before me this 14th day of August, 1990

Cynthia L.
Signature

On Behalf Of:

Marina Associates
Casino Licensee

CYNTHY HINTER
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires 12.31.1995
Basis of Authority
to Take Oaths

HOTEL STATISTICS

MONTH	TOTALS
JANUARY	
FEBRUARY	
MARCH	
1ST QUARTER TOTALS	
APRIL	
MAY	
JUNE	
2ND QUARTER TOTALS	
JULY	
AUGUST	
3RD QUARTER TOTALS	
SEPTEMBER	
OCTOBER	
NOVEMBER	
4TH QUARTER TOTALS	
ANNUAL TOTALS	

HOTEL STATISTICS

FOR THE 6 MONTHS ENDED June 30, 1990

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	17,804	\$ 82.63	75.6%	33,716	\$ 43.63
FEBRUARY	760	21,280	18,990	\$ 83.61	89.2%	34,853	\$ 45.56
MARCH	760	23,560	20,760	\$ 84.18	88.1%	38,870	\$ 44.96
1ST QUARTER TOTALS		68,400	57,554	\$ 83.51	84.1%	107,439	\$ 44.74
APRIL	760	22,800	21,826	\$ 88.85	95.7%	38,762	\$ 50.03
MAY	760	23,560	21,407	\$ 83.14	90.9%	41,927	\$ 42.45
JUNE	760	22,800	21,288	\$ 84.09	93.4%	42,810	\$ 41.81
2ND QUARTER TOTALS		69,160	64,521	\$ 85.38	93.3%	123,499	\$ 44.61
JULY				\$	%		\$
AUGUST				\$	%		\$
SEPTEMBER				\$	%		\$
3RD QUARTER TOTALS				\$	%		\$
OCTOBER				\$	%		\$
NOVEMBER				\$	%		\$
DECEMBER				\$	%		\$
4TH QUARTER TOTALS				\$	%		\$
ANNUAL TOTALS				\$	%		\$

NEW JERSEY STATE LIBRARY
3 3009 00033 0102

QUARTERLY REPORT

974-901
C193

PROPERTY OF
NEW JERSEY STATE LIBRARY
AUG 27 1990
185 W. STATE ST.
TRENTON, NJ

LICENSEE RESORTS INTERNATIONAL HOTEL, INC.

ADDRESS NORTH CAROLINA & BOARDWALK

ATLANTIC CITY, NEW JERSEY 08401

FOR THE QUARTER ENDED JUNE 30, 1990

TO THE
CASINO CONTROL COMMISSION
OF THE
STATE OF NEW JERSEY



NAME OF OFFICER IN CHARGE
OF CORRESPONDENCE REGARDING
THIS QUARTERLY REPORT . . . JOHN R. SPINA

OFFICIAL TITLE CORPORATE VICE PRESIDENT

ADDRESS N. CAROLINA & BOARDWALK
ATLANTIC CITY, NJ 08401

LOOK THE 0 MONTHS ENDED June 30 1990
HOTEL DIVISION

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, 1990

TITLE	FORM NO.
Balance Sheets	CCC-205
Statement 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

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

CCC-205

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

BALANCE SHEETS

JUNE 30, 1990 and 1989

(UNAUDITED)

(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1990	(d) 1989
	ASSETS		
	Current Assets:		
1	Cash	\$ 10,900	\$ 9,046
2	Marketable securities (Short-term Money Market At Cost)	14,302	8,244
3	Receivables and patrons' checks (net of allowance for doubtful accounts - 1990, \$4,905 1989, \$4,716	126,010	145,681
4	Inventories	2,825	2,306
5	Prepaid expenses and other current assets	3,237	3,035
6	Total current assets	157,274	168,312
7	Investments, Advances, And Receivables	4,352	13,229
8	Property And Equipment - Net ....(Note 2).....	233,167	222,871
9	Other Assets	18,162	126,283
10	Total Assets	\$412,955	\$530,695
	LIABILITIES AND EQUITY		
	Current Liabilities:		
11	Accounts Payable	\$ 6,360	\$ 7,034
12	Notes Payable		1,220
13	Current portion of long-term debt: (Note 5)		
14	Due to affiliates		
15	Other	482	197
16	Income taxes payable and accrued (Note 12).....	16,604	24,043
17	Other accrued expenses (Note 3).....	4,218	5,047
18	Other current liabilities .....(Note 15).....	27,664	37,541
	Total current liabilities		
19	Long-Term Debt: (Note 4)		
20	Due to affiliates	355,231	325,000
21	Other .....(Note 5).....	1,366	518
22	Deferred Credits ....(Note 7).....	38,074	36,803
23	Other Liabilities		
23	Commitments and Contingencies (Note 13)		
24	Total Liabilities.....	422,335	399,862
25	Stockholders', Partners', or Proprietor's Equity	(9,380)	130,833
26	Total Liabilities and Equity	\$412,955	\$530,695

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-205

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 30, 1990 and 1989
(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1990	(d) 1989
	Revenue:		
1	Casino	\$ 97,433	\$110,708
2	Rooms	7,516	8,053
3	Food and beverage	13,661	14,607
4	Other	4,715	3,258
5	Total revenue	123,325	136,626
6	Less: promotional allowances ....(Note 6).....	12,535	12,654
7	Net revenue	110,790	123,972
	Costs And Expenses:		
8	Cost of goods and services	76,681	78,228
9	Selling, general, and administrative	21,701	24,939
10	Provision for doubtful accounts	865	699
11	Depreciation and amortization	8,170	9,893
	Charges from affiliates other than interest: (Note 9)		
12	Management fees	2,400	2,400
13	Other	3,077	6,096
14	Total costs and expenses	112,894	122,255
15	Income (Loss) From Operations	(2,104)	1,717
	Other Income (Expense):		
16	Interest (expense) - affiliates.. (Note 9).....		(22,313)
17	Interest expense - external	(56)	(50)
18	Investment alternative tax and related inc.(exp) (Note 13)	(700)	(711)
19	Nonoperating income (expense) - net ...(Note 10).....	(155)	5,213
20	Total other income (expenses)	(911)	(17,861)
21	Income (Loss) Before Income Taxes And Extraordinary Items .	(3,015)	(16,144)
22	Provision (Credit) for income taxes (Notes 1,12).....		(4,300)
23	Income (Loss) Before Extraordinary Items	(3,015)	(11,844)
24	Extraordinary Items (net of income taxes -		
	1990, \$ <u>NONE</u> ; 1989, \$ <u>NONE</u>)		
25	Net Income (Loss)	(\$ 3,015)	(\$ 11,844)

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

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

STATEMENTS OF INCOME

FOR THE THREE MONTHS ENDED JUNE 30, 1990 and 1989

(UNAUDITED)

(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1990	(d) 1989
	Revenue:		
1	Casino	\$51,433	\$58,673
2	Rooms	4,007	4,408
3	Food and beverage	7,767	7,622
4	Other	2,842	1,470
5	Total revenue	66,049	72,173
6	Less: promotional allowances ....(Note 6).....	6,812	6,614
7	Net revenue	59,237	65,559
	Costs And Expenses:		
8	Cost of goods and services	39,182	39,851
9	Selling, general, and administrative	9,023	14,011
10	Provision for doubtful accounts	377	432
11	Depreciation and amortization	4,272	5,033
	Charges from affiliates other than interest:		
12	Management fees	1,200	1,650
13	Other	1,638	3,166
14	Total costs and expenses	55,692	64,143
15	Income (Loss) From Operations	3,545	1,416
	Other Income (Expense):		
16	Interest (expense) - affiliates.....		(11,157)
17	Interest expense - external		(29)
18	Investment alternative tax and related inc.(exp) (Note 13)	(354)	(382)
19	Nonoperating income (expense) - net	(454)	2,082
20	Total other income (expenses)	(808)	(9,486)
21	Income (Loss) Before Income Taxes And Extraordinary Items .	2,737	(8,070)
22	Provision (Credit) for income taxes (Notes 1,12).....		(1,500)
23	Income (Loss) Before Extraordinary Items	2,737	(6,570)
24	Extraordinary Items (net of income taxes -		
25	1990, \$ <u>NONE</u> ; 1989, \$ <u>NONE</u>)		
	Net Income (Loss)	\$ 2,737	(\$ 6,570)

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-215

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

STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
FOR THE SIX MONTHS ENDED JUNE 30, 1990 and 1989

(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	1990		1989	
		(c) SHARES	(d) DOLLARS	(e) SHARES	(f) DOLLARS
	Common Stock: (\$1 par value, 2,500 shares authorized)				
1	Beginning balance (January 1)	100	\$	100	\$
2	Sale of stock				
3					
4	Ending balance	100		100	
	Preferred Stock:				
5	Beginning balance (January 1)				
6	Sale of stock				
7					
8	Ending balance				
	Additional Paid-In Capital:				
9	Beginning balance (January 1)	+++++	180,030	+++++	180,030
10		+++++		+++++	
11		+++++		+++++	
12	Ending balance	+++++	180,030	+++++	180,030
	Treasury Stock:				
13	Beginning balance (January 1)				
14	Purchase of additional stock ...				
15	Sale or retirement of stock				
16	Ending balance				
	Subscriptions Receivable For From Capital Stock: Griffin Company				
17	Beginning balance (January 1)		(35,000)		(35,000)
18	Note Receivable Griffin Company				
19					
20	Ending balance		(35,000)		(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)	+++++	(151,395)	+++++	(2,353)
26	Prior period adjustments	+++++		+++++	
27	Net income (loss)	+++++	(3,015)	+++++	(11,844)
28	Dividends	+++++		+++++	
29		+++++		+++++	
30		+++++		+++++	
31	Ending balance	+++++	(154,410)	+++++	(14,197)
32	Ending Stockholders' Equity	+++++	(\$ 9,380)	+++++	\$130,833

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

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

STATEMENTS OF CHANGES IN PARTNERS'
OR PROPRIETOR'S EQUITY

FOR THE SIX MONTHS ENDED JUNE 30, 1990 and 1989
(UNAUDITED)
(\$ IN THOUSANDS)

NOT APPLICABLE

LINE (a)	DESCRIPTION (b)	(c) 1990	(d) 1989
	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

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

CCC-225

TRADING NAME OF LICENSEE: MERV GRIFFIN'S RESORTS CASINO HOTEL

STATEMENTS OF CASH FLOWS

FOR THE SIX MONTHS ENDED JUNE 30, 1990 and 1989

(UNAUDITED)

(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1990	(d) 1989
1	Net Cash Provided (Used) by Operating Activities	\$ 5,098	(\$66,851)
	Cash Flows From Investing Activities:		
2	Purchase of short-term investment securities		
3	Proceeds from the sale of short-term investment securities		
4	Cash outflows for property and equipment	(14,760)	(5,031)
5	Proceeds from disposition of property and equipment	9	103
6	Purchase of casino reinvestment obligations	(1,188)	(1,379)
7	Purchase of other investments and loans/advances made		96
8	Proceeds from disposal of investments and collections of advances and long-term receivables		
9	Cash outflows to acquire business entities		
10	Investment in subsidiary	27	
11	Loans to Affilliate	25,331	
12	Net Cash Provided (Used) By Investing Activities	9,419	(6,211)
	Cash Flows From Financing Activities		
13	Cash proceeds from issuance of short-term debt		572
14	Payments to settle short-term debt		(122)
15	Cash proceeds from issuance of long-term debt	(357)	(29)
16	Costs of issuing debt		
17	Payments to settle long-term-debt		
18	Cash proceeds from issuing stock or capital contributions.		
19	Purchases of treasury stock		
20	Payments of dividends or capital withdrawals		
21	Payments for Recapitalization Cost.....		
22	.....	
23	Net Cash Provided (Used) By Financing Activities	(357)	421
24	Net Increase (Decrease) in Cash And Cash Equivalents	14,160	(72,641)
25	Cash And Cash Equivalents At Beginning Of Year	11,042	89,931
26	Cash And Cash Equivalents At End Of Year	\$25,202	\$17,290

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

27	Cash Paid During Year For:		
28	Interest (net of amount capitalized)	\$ 3,915	\$20,519
	Income taxes		

12/87

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

CCC-235

TRADING NAME OF LICENSEE: MERV GRIFFIN'S RESORTS CASINO HOTEL

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

STATEMENTS OF CASH FLOWS

FOR THE SIX MONTHS ENDED JUNE 30, 1990 and 1989

(UNAUDITED)

(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1990	(d) 1989
	Net Cash Flows From Operating Activities:		
29	Net income (loss)	(\$3,015)	(\$11,844)
	Noncash items included in income and cash items excluded from income:		
30	Depreciation and amortization of property and equipment	7,934	7,144
31	Amortization of other assets	236	2,749
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 ...	81	167
36	(Gain) loss on casino reinvestment obligations	693	711
37	(Gain) loss from other investment activities	85	44
38	Net (increase) decrease in receivables and patrons' checks	(1,120)	(58,705)
39	Net (increase) decrease in inventories	(652)	(30)
40	Net (increase) decrease in other current assets	(1,191)	(1,934)
41	Net (increase) decrease in other assets	331	(1,064)
42	Net increase (decrease) in accounts payable	1,619	856
43	Net increase (decrease) in other current liabilities excluding debt	90	345
44	Net increase (decrease) in other noncurrent liabilities excluding debt	7	(5,290)
45	Other		
46			
47	Net Cash Provided (Used) By Operating Activities	\$5,098	(\$66,851)

SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING AND FINANCING ACTIVITIES

48	Acquisition Of Property And Equipment:		
49	Additions to property and equipment	(\$16,544)	(\$ 5,775)
50	Less: Capital lease obligations incurred	1,784	744
	Cash Outflows For Property And Equipment	(\$14,760)	(\$5,031)
51	Acquisition Of Business Entities:		
52	Property and equipment acquired	\$	\$
53	Goodwill acquired		
54	Net assets acquired other than cash, goodwill, and property and equipment		
55	Long-term debt assumed		
56	Issuance of stock or capital invested	\$	\$
	Cash Outflows To Acquire Business Entities		
57	Stock Issued Or Capital Contributions:		
58	Total issuances of stock or capital contributions	\$	\$
59	Less: Issuances to settle long-term debt		
60	Consideration in acquisition of business entities ..		
	Cash Proceeds From Issuing Stock Or Capital Contributions ..	\$	\$

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED JUNE 30, 1990

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

General

The accompanying consolidated financial statements, which are unaudited, include the operations of Resorts International Hotel, Inc. ("RIH") and its subsidiaries.

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

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.

Effective November 15, 1988, The Griffin Company ("Griffin Co."), a company wholly-owned by Merv Griffin, purchased a controlling interest in RII from Donald J. Trump, then Chairman of the Board and controlling shareholder of RII (the "Stock Sale"). Also effective November 15, 1988, Griffco Acquisition Corp. ("Griffco"), a wholly-owned subsidiary of Griffin Co., was merged with and into RII (the "Merger"). As a result of the Merger, the Stock Sale and certain other purchases of RII common stock by Griffin Co., RII became a wholly-owned subsidiary of Griffin Co.

Stock Sale and Merger

The Stock Sale and Merger was accounted for as a purchase, and according to a practice known as "push-down" accounting, on November 15, 1988, RIH adjusted its net assets to reflect its portion of Griffin Co.'s investment in RII. In doing so, RIH's consolidated assets and liabilities were adjusted to their estimated fair values, based on independent appraisals, evaluations, estimations and other studies.

The appraisals used to establish fair values of the majority of RIH's property and equipment also provided revised estimates of remaining depreciable lives of such assets, which generally were greater than those previously used by RIH, particularly for hotels and other buildings. RIH commenced using such revised estimates as of November 15, 1988.

As a result of the previously described acquisition of RII by Griffin Co., RIH adjusted its net assets to reflect its portion of the cost of Griffin Co.'s investment in RII. RII's consolidated goodwill was allocated among

its subsidiaries based on return on investment computations and other relevant factors. Goodwill was being amortized on the straight line basis over 40 years. The remaining balance of goodwill was written off at the end of 1989.

Subsequent to November 15, 1988, the date goodwill was initially recorded, the overall financial condition of RII and its subsidiaries including RIH ("RII Consolidated ") declined dramatically. The additional debt burden related to the acquisition contributed to this decline, and proceeds from anticipated sales of RII Consolidated's non-operating properties, which management had projected would help service RII Consolidated's debt, did not materialize. The acquisition price, and therefore the resultant goodwill, was based on higher projected Cash Flow which now does not appear to be realizable. With RII Consolidated's announcement in August 1989 of an interest moratorium on its debentures and the notes and debentures issued by its subsidiaries, Griffin Resorts Inc. ("GRI") and Resorts International Financing, Inc. ("RIFI"), and the initiation of the bankruptcy proceedings of RII and three of its subsidiaries, GRI, RIFI, and Griffin Resorts Holding Inc. ("GRH") in late 1989 operations of RII Consolidated further deteriorated. As a result of these and other factors, RIH's remaining balance of goodwill of \$105,161,000 at December 31, 1989 was written off.

Principles of Consolidation

The consolidated financial statements include the accounts of RIH and its subsidiaries except for one minor 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

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

Casino Reinvestment Development Authority ("CRDA") Obligations

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

The discount on CRDA bonds purchased is amortized to interest income over the life of the bonds using the effective interest rate method.

Income Taxes

For periods beginning November 15, 1988 RII and its domestic subsidiaries including RIH, will file consolidated federal income tax returns with RII's parent, Griffin Co. Pursuant to a Tax Sharing Agreement among Griffin Co. RII, RIH and another RII subsidiary, RIH will be liable to Griffin Co. for the amount of federal income taxes calculated on a separate return basis, and tax benefits have been calculated on that basis. However, RIH will not be liable to Griffin Co. to the extent that Griffin Co.'s consolidated federal tax return does not have an actual tax liability for a particular year, or to the extent that RII and its domestic subsidiaries would not have had an actual tax liability had they filed a separate consolidated federal income tax return for such year.

Also for periods from November 15, 1988, RIH adopted the Statement of Financial Accounting Standards No. 96, "Accounting For Income Taxes" ("SFAS 96"). Under the liability method specified by SFAS 96, the deferred tax liability is determined based on the difference between the financial reporting and tax bases of assets and liabilities and enacted tax rates which will be in effect for the years in which the differences are expected to reverse. The deferred tax liability is reduced by cumulative tax credits and losses being carried forward for tax purposes.

For periods through November 14, 1988, RIH's taxable income was included in the consolidated federal income tax return filed by RII. Based on an agreement with RII, RIH, through November 14, 1988, provided for federal and state income taxes using a combined tax rate of 40%. Pursuant to this agreement, no tax benefits were allocated to RIH.

(Thousands of Dollars)

12/31/88
12/31/87

12/31/88	12/31/87	
8 1/2% note payable to affiliate	2300,000	2300,000
12 1/2% note payable to affiliate	175,000	175,000
Interest payable to affiliate	10,211	
	2485,211	2475,000

8 1/2% note payable to affiliate	2300,000	2300,000
12 1/2% note payable to affiliate	175,000	175,000
Interest payable to affiliate	10,211	
	2485,211	2475,000

NOTE 2 - PROPERTY AND EQUIPMENT

(In Thousands of Dollars)

	JUNE 30,	
	1990	1989
Land	\$ 53,250	\$ 53,250
Land improvements	3,443	3,443
Building and improvements	146,555	139,976
Furniture, machinery and equipment	42,669	33,818
Construction in progress	10,497	871
	256,414	231,358
Less accumulated depreciation	23,247	8,487
	<u>\$233,167</u>	<u>\$222,871</u>

NOTE 3 - OTHER ACCRUED EXPENSES

(In Thousands of Dollars)

	JUNE 30,	
	1990	1989
Accrued payroll	\$ 5,044	\$ 4,205
Progressive slot liability	5,186	5,085
Interest payable to affiliate		7,437
Other	6,374	7,316
	<u>\$16,604</u>	<u>\$ 24,043</u>

NOTE 4 - LONG-TERM DEBT - DUE TO AFFILIATES

(In Thousands of Dollars)

	JUNE 30,	
	1990	1989
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>\$355,231</u>	<u>\$325,000</u>

On November 16, 1988, Griffin Resorts issued \$200,000,000 principal amount of First Mortgage Notes due 1998 (the "Mortgage Notes"), and \$125,000,000 principal amount of Senior Secured Reset Notes (the "Reset Note", and together with the Mortgage Notes, the "Securities"). Griffin Resorts loaned the proceeds of the Securities to RIH in exchange for (i) two promissory notes payable to Griffin Resorts, which Griffin Resorts, in turn, pledged to the Trustees for the Securities; and (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 mortgages securing such note. RIH paid the issuance costs of the Securities which amounted to \$20,300,000.

One promissory note, in the amount of \$200,000,000, contains interest, principal and redemption terms which are substantially identical to those of the Mortgage Notes. The Mortgage Notes bear interest at 13 7/8% per annum until July 15, 1991 at which time the interest rate shall be reset as prescribed, provided that the interest rate shall not be increased by more than 100 basis points (one percentage point). Interest is payable each May 1 and November 1. Sinking fund payments of \$20,000,000 are required annually commencing November 1, 1993.

The second promissory note for \$125,000,000, contains interest, principal and redemption terms which are substantially identical to those of the Reset Notes. The Reset Notes bear interest at 13 1/2% per annum until November 1, 1990 (the "First Reset Date"). Prior to the First Reset Date, Griffin Resorts, unless the Reset Notes are to be redeemed, will elect a new date which shall be one, three or five years from the First Reset Date. The interest rate payable on the Reset Notes from the First Reset Date to the date so chosen (such date, together with the First Reset Date and each date subsequently so chosen, a "Reset Date") shall be reset as prescribed. Griffin Resorts may make similar elections, and the interest rate will be similarly reset on each Reset Date provided that the final maturity shall be no later than November 1, 1995. The interest rate on the Reset Notes may not exceed the initial interest rate by more than 250 basis points (two and one half percentage points). Interest is payable each May 1 and November 1.

The promissory notes issued by RIH were written to mirror the terms of Griffin Resorts publicly held notes with the intent that RIH pay interest to Griffin Resorts on Griffin Resorts' interest payment dates so that Griffin Resorts would have cash available to make its interest payments to the public on those dates. Thus, with the announcement of the interest moratorium on Griffin Resorts' notes (see Note 14), RIH also ceased the payment of interest on its notes to Griffin Resorts. Accordingly, accrued interest on these notes at June 30, 1990 is reflected in long-term, rather than current liabilities.

NOTE 5 - LONG-TERM DEBT - OTHER

The other long-term debt consisted of capitalized lease obligations under which RIH is the lessee of computer equipment, slot machines and printing equipment. The leases were entered into in 1989 and expire in various years through 1996. The outstanding obligations at June 30, 1990 are as follows:

	June 30	
	1990	1989
Capital lease obligations	\$1,848,000	\$715,000
Less current maturities	482,000	197,000
	<u>\$1,366,000</u>	<u>\$ 518,000</u>

Minimum future principal payments of long-term debt - other outstanding as of June 30, 1990 are as follows:

1990	-	\$ 126,000
1991	-	528,000
1992	-	484,000
1993	-	195,000
1994	-	423,000
Thereafter	-	<u>92,000</u>
		<u>\$1,848,000</u>

NOTE 6 - PROMOTIONAL ALLOWANCES AND PROMOTIONAL EXPENSES

(In Thousands of Dollars)

Quarter ended 06/30/90

	PROMOTIONAL ALLOWANCES		PROMOTIONAL EXPENSE	
	NUMBER OF RECIPIENTS	AMOUNT	NUMBER OF RECIPIENTS	AMOUNT
Rooms	16	\$2,171		
Food	229	2,256		
Beverage	218	505		
Travel			6	\$ 479
Coupon redemption:				
Cash			438	4,031
Food	32	753		
Admissions	50	1,017		
Parking			118	421
Other	16	110	46	458
Totals	<u>561</u>	<u>\$6,812</u>	<u>608</u>	<u>\$5,389</u>

NOTE 6 - PROMOTIONAL ALLOWANCES AND PROMOTIONAL EXPENSES (Continued)

(In Thousands of Dollars)
Six Months ended 6/30/90

	<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	39	\$ 4,152		
Food	453	4,395		
Beverage	346	748		
Travel			10	\$ 1,077
Coupon redemption:				
Cash			1,077	10,152
Food	61	1,389		
Admissions	110	1,683		
Parking			324	1,155
Other	16	168	59	590
Totals	<u>1,025</u>	<u>\$12,535</u>	<u>1,470</u>	<u>\$12,974</u>

NOTE 7 - DEFERRED CREDITS

Deferred credits represent deferred income taxes of \$37,516,000 and \$36,216,000 at June 30, 1990 and 1989 respectively, and the unamortized portion of a lump-sum payment made by a tenant at the inception, July 1983, of a fifteen year lease. This payment is being amortized and recorded in earnings in equal monthly installments over the life of the lease.

NOTE 8 - SAVINGS AND PENSION PLANS

RIH has a defined contribution plan (the "Thrift 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 Thrift Plan. Under the Thrift 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 as a "basic match". In addition to the basic match, the company may declare an "incentive match". For 1990, the incentive match is an additional 50% of the employees' contributions up to 2% of the employees' annual cash compensation. RIH's contributions under the Plan were approximately \$216,000 and \$262,000 for the six months ended June 30, 1990 and 1989, respectively.

In addition to the Company's plan described above, union employees are covered by various multi-employer pension plans to which contributions are made. Contributions by RIH were approximately \$306,000 and \$347,000 for the six months ended June 30, 1990 and 1989, respectively.

NOTE 9 - CHARGES FROM AFFILIATES

RIH has recorded expenses from affiliates and RII as follows:

(In Thousands of Dollars)

<u>AFFILIATED COMPANY</u>	<u>TRANSACTION</u>	<u>SIX MONTHS ENDED</u>	
		<u>JUNE 30,</u>	
		<u>1990</u>	<u>1989</u>
Griffin Resorts, Inc.	Interest charges	\$ 22,313	\$ 22,313
Resorts International, Inc.	Management fee	\$ 2,400	\$ 2,400
Resorts International, Inc.	Insurance	\$ 981	\$ 981
	Property Rental	175	
	Other	1,004	198
		<u>1,179</u>	<u>1,179</u>
International Intelligence, Inc.	Security fees	54	14
ANTL, Inc.	Aircraft rentals	135	- 2,204
PIVI	Flights	136	
Resorts of New York, Inc.	Sales office expenses	30	80
Steeplechase Transport and Parking, Inc.	Parking fees	1,118	1,490
Trams Atlantic, Inc	Limo Services	376	
Chalk's Airline	Aircraft rentals	49	
Others	Property rentals		
	Other		<u>1,129</u>
		<u>\$3,077</u>	<u>\$ 6,096</u>

NOTE 10 - NONOPERATING INCOME(EXPENSE), NET
(In Thousands of Dollars)

	SIX MONTHS ENDED	
	JUNE 30,	
	1990	1989
Interest income	\$ 616	\$2,829
Interest income from affiliates	3,299	3,375
Corporate office expense	(315)	(122)
Restructuring/ refinancing costs	(3,088)	(103)
Non-operating rent/taxes	(560)	
Other	(107)	(766)
	<u>(\$ 155)</u>	<u>\$5,213</u>

NOTE 11 - 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 June 30, 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 12 - INCOME TAXES

As discussed in Note 1, RIH adopted SFAS 96, and entered into a new Tax Sharing Agreement, effective November 15, 1988. With the application of push-down accounting, the effects of adopting SFAS 96 were included in determining the new basis of RIH's assets and liabilities at November 15, 1988. Previous periods were not restated.

For federal tax purposes, the Company has net operating loss carryforwards for regular tax and alternative minimum tax ("AMT") of approximately \$77,100,000 and \$76,500,000 respectively, at December 31, 1989, these amounts expire in 2003.

NOTE 13 - 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 authorized 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.

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>1984-1989</u>	<u>SUB-TOTAL</u>	<u>1990</u>	<u>TOTAL</u>
Investment obligations	(\$21,637)	(\$17,940)	(\$39,577)	(\$769)	(\$40,346)
Means of settlement:					
Housing related investments under audit	13,104		13,104		13,104
Housing related investments previously approved	1,000		1,000		1,000
CRDA deposits/bond purchases	<u>7,533</u>	<u>17,940</u>	<u>25,473</u>	<u>-0-</u>	<u>25,473</u>
Remaining investment obligation at June 30, 1990 of which \$570 was deposited in April 1990 and \$199 was deposited in July 1990	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>(\$769)</u>	<u>(\$ 769)</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. However, no assurance can be given on the issue.

If the CRDA's interpretation as to the periods of time during which qualifying expenditures can be made is found to be correct, or if the Treasury's issue is determined adversely, RIH could be required to pay the relevant amount in cash to the CRDA.

As reflected in the table above, through June 30, 1990, RIH had made CRDA deposits/bond purchases totalling \$25,473,000. However, in August 1989 RIH sought and received approval of the CRDA to make a donation of \$12,048,000 in exchange for which RIH would be relieved of its obligation to purchase CRDA bonds of \$18,193,000. Because RIH already had the \$18,193,000 for bond purchases on deposit with the CRDA, the difference between this amount and the amount of the donation, or \$6,145,000 was refunded to RIH in August 1989. Thus, at June 30, 1990, RIH had a remaining balance of \$4,318,000 face value of bonds issued by the CRDA and had \$4,150,000 on deposit with the CRDA. These bonds and deposits, net of an estimated discount charged to expense to reflect the below-market interest rate payable on the bonds, were recorded as Investments, Advances and Receivables in the Company's Balance Sheet.

RIH records charges to expense to reflect the below-market interest rate payable on the bonds it may have to purchase to fulfill its investment obligation at the date the obligation arises. The charge for the six months ended June 30, 1990 for discounts on obligations arising in 1990 was \$700,000. The charge for 1989 for discounts on obligations arising for the six months ended June 30 was \$711,000.

NOTE 14 - BANKRUPTCY PROCEEDINGS

As a result of the acquisition of RII by Griffin Co. as of November 15, 1988 (see Note 1), RII Consolidated's long-term debt obligations increased to \$927,000,000. Since that time RII Consolidated has experienced serious shortfalls between its debt service and other cash needs and obligations, and its cash flow from operations before interest and income taxes. On August 28, 1989, due to these shortfalls, RII announced a moratorium on the payment of interest on its debentures and the notes and debentures issued by its subsidiaries, GRI and RIFI. On September 19, 1989, RII and GRI filed with the Securities and Exchange Commission an offer to exchange existing long-term debt obligations for new debt and common stock. This exchange, as described below, was superseded by the bankruptcy proceedings.

On November 12, 1989, certain creditors of RII and one of its subsidiaries, RIFI, filed involuntary petitions for relief under Chapter 11 of Title 11 of the United States Bankruptcy Code ("Chapter 11"). On December 22, 1989, RII and RIFI filed consents to the involuntary petitions and two other subsidiaries of RII, GRH and GRI, filed voluntary petitions for relief under Chapter 11. Also on December 22, 1989, RII, RIFI and GRI (hereinafter referred to as the "Debtors") filed a joint plan of reorganization which provides, among other things, for the issuance of certain new debt and equity securities of RII in exchange for the existing debt securities issued by RII, GRI and RIFI. On April 16, 1990, the Debtors filed a First Amended Joint Plan of Reorganization (the "Plan"), which also proposed an exchange of securities as described above. The Debtors have continued to operate their respective businesses as debtors-in-possession subject to the jurisdiction of the Bankruptcy Court. There can be no assurance that the plan will be approved.

NOTE 14 - BANKRUPTCY PROCEEDINGS (continued)

It is not possible to predict the length of time the Debtors will operate under the protection of Chapter 11, the outcome of Chapter 11 proceedings in general, or the effect of the proceedings on the business of RII or RII's subsidiaries, including RIH.

The accompanying consolidated financial statements have been prepared in conformity with principles of accounting applicable to a going concern. No adjustments have been made to reflect the possible future effects on the recoverability and classification of assets or the amounts and classification of liabilities that may result if RIH is unable to continue as a going concern.

NOTE 15 OTHER CURRENT LIABILITIES
(In Thousands of Dollars)

	SIX MONTHS ENDED	
	JUNE 30,	
	1990	1989
Customer Deposit Liability	\$ 226	\$ 378
Chip Liability	938	1,303
Deferred Revenue	305	366
Tenant Deposits	341	332
Slot Token Liability	253	359
CRDA Bond Discount	1,289	1,289
CRDA Bond Obligation	619	730
Unclaimed Wage Liability	80	45
Other	167	245
Total other current liabilities	\$4,218	\$5,047

UNDEPOSITED PATRON'S CHECKS

DESCRIPTION	AMOUNT
(a)	(b)
Balance (January 1)	\$ 5,028
Checks issued (excluding counter checks issued through branches relating to consolidations, partial consolidations, and patron's cash deposits)	73,978
Checks returned prior to deposit (including the amount of counter checks returned through partial consolidations, consolidations, substitutions, and patron's cash deposits)	(50,433)
Checks collected through detentions	(10,423)
Checks transferred to related checks	(4,320)
Other adjustments	1,520
End of period	\$ 1,470

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, 1990
(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	\$ 5,632		
2	Returned patrons' checks	7,177		
3	Total patrons' checks	12,809	4,834	\$ 7,975
4	Hotel Receivables	1,323	71	1,252
	Other Receivables:			
5	Receivables due from officers and employees	1		
6	Receivables due from affiliates	116,782		-
7	Other accounts and notes receivables ..			
8	Total other receivables	116,783		116,783
9	Totals (Form 205)	130,915	4,905	\$126,010

UNDEPOSITED PATRONS' CHECKS ACTIVITY

LINE (f)	DESCRIPTION (g)	AMOUNT (h)
10	Beginning Balance (January 1)	\$ 5,029
11	Counter checks issued (excluding counter checks issued through transactions relating to consolidations, partial redemptions, substitutions, and patrons' cash deposits)	71,979
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) ...	(50,433)
13	Checks collected through deposits	(16,422)
14	Checks transferred to returned checks	(4,521)
15	Other adjustments	
16	Ending balance	\$ 5,632
17	"Hold" Checks Included In Balance On Line 16	\$ -0-
18	Provision For Uncollectible Patrons' Checks	\$ 865
19	Provision As A Percent of Counter Checks Issued	1.2

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 Annual Report is accurate to the best of my knowledge and belief.


Signature

Corporate Vice President
Title

02507-11
License Number

Subscribed and sworn to
before me this 10th day
of August 1990.
MARGARET M. BRADLEY
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Nov. 21, 1994

Margaret M Bradley
Signature

On Behalf Of:

RESORTS INTERNATIONAL HOTEL, INC.
Casino Licensee

Basis of Authority to Take Oaths

HOTEL STATISTICS

FOR THE 6 MONTHS ENDED June 30, 1990

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	681	19,456	13,602	\$ 92.85	69.9%	26,819	\$ 47.09
FEBRUARY	681	17,420	13,545	\$ 88.38	77.8%	27,344	\$ 43.78
MARCH	681	19,330	14,615	\$ 86.27	75.6%	30,258	\$ 41.67
1ST QUARTER TOTALS		56,206	41,762	\$ 89.10	74.3%	84,421	\$ 44.08
APRIL	671	18,889	14,644	\$ 86.39	77.5%	27,728	\$ 45.62
MAY	671	18,960	15,080	\$ 86.31	79.5%	29,499	\$ 44.12
JUNE	671	18,183	16,509	\$ 91.30	90.8%	33,046	\$ 45.61
2ND QUARTER TOTALS		56,032	46,233	\$ 88.11	82.5%	90,273	\$ 45.13
JULY				\$	%		\$
AUGUST				\$	%		\$
SEPTEMBER				\$	%		\$
3RD QUARTER TOTALS				\$	%		\$
OCTOBER				\$	%		\$
NOVEMBER				\$	%		\$
DECEMBER				\$	%		\$
4TH QUARTER TOTALS				\$	%		\$
ANNUAL TOTALS				\$	%		\$

NEW JERSEY STATE LIBRARY
3 3009 00033 0078

QUARTERLY REPORT

974.901
C193

PROPERTY OF
NEW JERSEY STATE LIBRARY
185 W. STATE ST.
TRENTON, NJ 08646
AUG 27 1990

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

ADDRESS Brighton and the Boardwalk
Atlantic City, New Jersey 08401

FOR THE QUARTER ENDED June 30, **19**90

TO THE
CASINO CONTROL COMMISSION
OF THE
STATE OF NEW JERSEY



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

Lester Brzozowski

OFFICIAL TITLE

Vice President of Finance

ADDRESS

Brighton 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, 1990

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

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

BALANCE SHEETS

June 30, 19 90 AND 89

(UNAUDITED)

(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1990	(d) 1989
ASSETS			
Current Assets:			
1	Cash.....	\$ 5,951	\$ 5,866
2	Marketable Securities.....	-0-	-0-
3	Receivables and patrons' checks (net of allowance for doubtful accounts 1990 \$11,275 ; 1989, \$9,141).....	20,845	16,970
4	Inventories.....	2,051	2,003
5	Prepaid expenses and other current assets.....	4,100	4,021
6	Total current assets.....	32,947	28,860
7	Investments, Advances, and Receivables.....(Note II-7, III-1).....	68,665	26,663
8	Property and Equipment - Net .....(Note II-1).....	249,426	252,670
9	Other Assets.....	930	4,084
10	Total Assets.....	\$ 351,968	\$ 312,277
LIABILITIES AND EQUITY			
Current Liabilities:			
11	Accounts payable.....	\$ 3,226	\$ 3,863
12	Notes payable.....	-0-	-0-
Current portion of long-term debt:			
13	Due to affiliates.....	-0-	-0-
14	Other.....(Note II-2).....	2,839	13,628
15	Income taxes payable and accrued.....	(662)	(3,608)
16	Other accrued expenses.....(Note III-2).....	24,196	17,409
17	Other current liabilities.....(Note III-3).....	2,856	4,428
18	Total current liabilities.....	32,455	35,720
Long-Term Debt:			
19	Due to affiliates.....(Note II-2).....	140,000	-0-
20	Other.....(Note II-2).....	8,061	108,808
21	Deferred Credits.....(Note II-3).....	2,144	3,447
22	Other Liabilities.....(Note II-7, III-4).....	29,488	43,502
23	Commitments and Contingencies (Note II-4)		
24	Total Liabilities.....	212,148	191,477
25	Stockholders', Partners', Or Proprietor's Equity.....	139,820	120,800
26	Total Liabilities and Equity.....	\$ 351,968	\$ 312,277

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, 1990 AND 1989

(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1990	(d) 1989
	Revenue:	\$	\$
1	Casino.....	134,552	134,181
2	Rooms.....	12,114	11,741
3	Food and beverage.....	18,690	21,260
4	Other.....	5,012	4,750
5	Total revenue.....	170,368	171,932
6	Less: Promotional allowances.....(Note II-5, II-6)....	18,106	17,632
7	Net revenue.....	152,262	154,300
	Costs And Expenses:		
8	Cost of goods and services.....(Note II-6, II-7)....	78,217	86,436
9	Selling, general, and administrative.....(Note II-7).....	40,542	47,915
10	Provision for doubtful accounts.....	1,261	1,682
11	Depreciation and amortization.....	7,848	13,385
	Charges from affiliates other than interest:		
12	Management fees.....(Note II-7).....	305	354
13	Other.....(Note II-7).....	28,166	24,840
14	Total costs and expenses.....	156,339	173,612
15	Income (Loss) From Operations.....	(4,077)	(19,312)
	Other Income (Expenses):		
16	Interest (expense) - affiliates.....	(9,272)	-0-
17	Interest (expense) - external.....	(1,632)	(7,806)
18	Investment alternative tax and related income (expense) - net.(II-4)	(527)	(524)
19	Nonoperating income (expense) - net.....(Note III-5).....	11,544	9,784
20	Total other income (expenses).....	113	1,454
21	Income (Loss) Before Income Taxes And Extraordinary Items.....	(3,964)	(17,858)
22	Provision (credit) for income taxes.....(Note II-8).....	-0-	(7,895)
23	Income (Loss) Before Extraordinary Items.....	(3,964)	(9,963)
24	Extraordinary items (net of income taxes - 1990, \$ -0- ; 1989, \$ -0-).....	-0-	-0-
25	Net Income (Loss).....	\$ (3,964)	\$ (9,963)

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

TRADING NAME OF LICENSEE TropWorld Casino and Entertainment Resort

STATEMENTS OF INCOME

FOR THE THREE MONTHS ENDED June 30, 1990 AND 1989

(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1990	(d) 1989
	Revenue:		
1	Casino.....	\$ 69,469	\$ 74,371
2	Rooms.....	6,513	6,333
3	Food and beverage.....	9,212	11,196
4	Other.....	2,755	2,352
5	Total revenue.....	87,949	94,252
6	Less: Promotional allowances.....(Note II-5, II-6)....	9,360	9,387
7	Net revenue.....	78,589	84,865
	Costs And Expenses:		
8	Cost of goods and services.....(Note II-6, II-7)....	39,661	44,476
9	Selling, general, and administrative.....(Note II-7).....	21,289	26,031
10	Provision for doubtful accounts.....	430	792
11	Depreciation and amortization.....	3,978	8,064
	Charges from affiliates other than interest:		
12	Management fees.....(Note II-7).....	152	162
13	Other.....(Note II-7).....	14,054	12,422
14	Total costs and expenses.....	79,564	91,947
15	Income (Loss) From Operations.....	(975)	(7,082)
	Other Income (Expenses):		
16	Interest (expense) - affiliates.....	(4,636)	-0-
17	Interest (expense) - external.....	(825)	(4,016)
18	Investment alternative tax and related income (expense) - net(II-4).....	(259)	(291)
19	Nonoperating income (expense) - net.....(Note III-5).....	5,906	5,210
20	Total other income (expenses).....	186	903
21	Income (Loss) Before Income Taxes And Extraordinary Items.....	(789)	(6,179)
22	Provision (credit) for income taxes.....(Note II-8).....	1,373	(3,112)
23	Income (Loss) Before Extraordinary Items.....	(2,162)	(3,067)
24	Extraordinary items (net of income taxes - 1990, \$ -0- ; 1989, \$ -0-).....	-0-	-0-
25	Net Income (Loss).....	\$ (2,162)	\$ (3,067)

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

000-215

STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY

FOR THE six MONTHS ENDED June 30, , 1990 AND 1989

(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	1990		1989	
		(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		29,565
10	.....			
11	.....			
12	Ending balance		53,883		29,565
	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)		10,998		22,295
26	Prior period adjustments		(3,964)		(9,963)
27	Net income (loss)		()		()
28	Dividends				
29	.....			
30	.....		7,034		12,332
31	Ending balance				
32	Ending Stockholders' Equity		\$ 139,820		\$ 120,800

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 90 AND 19 89

(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, 1990 AND 1989

(UNAUDITED)

(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1990	(d) 1989
1	Net Cash Provided (Used) By Operating Activities.....	\$ 21,949	\$ 259
	Cash Flows From Investing Activities:		
2	Purchase of short-term investment securities.....		
3	Proceeds from the sale of short-term investment securities.....		
4	Purchase outflows for property and equipment.....	(5,191)	(9,073)
5	Proceeds from disposition of property and equipment.....	7	14
6	Purchase of casino reinvestment obligations.....	(1,682)	(1,664)
7	Purchase of other investments and loans/advances made.....	(3,565)	(2,977)
8	Proceeds from disposal of investments and collection of advances and long-term receivables.....	(12,083)	8,184
9	Cash outflows to acquire business entities.....		
10	.....	
11	.....	
12	Net Cash Provided (Used) By Investing Activities.....	(22,514)	(5,516)
	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.....	-0-	11,458
16	Costs of issuing debt.....		
17	Payments to settle long-term debt.....	(1,405)	(4,219)
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.....	(1,405)	7,239
24	Net Increase (Decrease) In Cash And Cash Equivalents.....	(1,970)	1,982
25	Cash And Cash Equivalents At Beginning Of Period.....	7,921	3,884
26	Cash And Cash Equivalents At End Of Period.....	\$ 5,951	\$ 5,866

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

27	Cash Paid During Period For:		
	Interest (net of amount capitalized).....	\$ 10,953	\$ 6,150
28	Income Taxes.....	\$ -0-	\$ -0-

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

STATEMENTS OF CASH FLOW

FOR THE SIX MONTHS ENDED June 30, 1990 AND 1989
(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1990	(d) 1989
	Net Cash Flows From Operating Activities:		
29	Net income (loss).....	\$ (3,964)	\$ (9,963)
	Noncash items included in income and cash items excluded from income:		
30	Depreciation and amortization of property and equipment.....	7,719	9,423
31	Amortization of other assets.....	129	3,962
32	Amortization of debt discount or premium.....		
33	Deferred income taxes - current.....		
34	Deferred income taxes - noncurrent.....	-0-	925
35	(Gain) loss on disposition of property and equipment.....	(7)	24
36	(Gain) loss on casino reinvestment obligations.....	527	524
37	(Gain) loss from other investment activities.....		
38	Net (increase) decrease in receivables and patrons' checks.....	529	(2,646)
39	Net (increase) decrease in inventories.....	(50)	127
40	Net (increase) decrease in other current assets.....	130	56
41	Net (increase) decrease in other assets.....	157	(535)
42	Net increase (decrease) in accounts payables.....	(1,423)	(111)
43	Net increase (decrease) in other current liabilities excluding debt.....	7,609	(5,300)
44	Net increase (decrease) in other noncurrent liabilities excluding debt.....	10,593	3,773
45			
46			
47	Net Cash Provided (Used) By Operating Activities.....	\$ 21,949	\$ 259

SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING AND FINANCING ACTIVITIES

	Acquisition Of Property And Equipment:		
48	Additions to property and equipment.....	\$ (8,487)	\$ (10,518)
49	Less: Capital lease obligations incurred.....	* (3,296)	* (1,445)
50	Cash Outflows For Property And Equipment.....	\$ (5,191)	\$ (9,073)
	Acquisition Of Business Entities:		
51	Property and equipment acquired.....	\$	\$
52	Goodwill acquired.....		
53	Net assets acquired other than cash, goodwill, and property and equipment.....		
54	Long-term debt assumed.....		
55	Issuance of stock or capital invested.....		
56	Cash Outflows To Acquire Business Entities.....	\$	\$
	Stock Issued Or Capital Contributions:		
57	Total issuances of stock or capital contributions.....	\$	\$
58	Less: Issuances to settle long-term debt.....		
59	Consideration in acquisition of business entities.....		
60	Cash Proceeds From Issuing Stock Or Capital Contributions.....	\$	\$

* CAPITAL LEASE OBLIGATIONS OF \$3,348 AND \$1,478 WERE INCURRED FOR 1990 AND 1989 RESPECTIVELY,
WHEN ADAMAR ENTERED INTO NEW PROPERTY AND EQUIPMENT LEASES. CAPITAL LEASE OBLIGATION
RETIREMENTS OF \$52 AND \$33 WERE INCURRED FOR 1990 AND 1989.

NOTE 2. LONG-TERM DEBT

At June 30, 1990 and 1989, long-term debt consisted of:

Notes payable; prime minus 1%	\$ 434,000
Mortgage payable	318,000
Contractual obligations	109,451,000

ADAMAR OF NEW JERSEY, INC.

DBA TROPWORLD CASINO AND ENTERTAINMENT RESORT
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
 FOR THE SIX MONTHS ENDED JUNE 30, 1990 AND 1989

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, 1989.

The specific footnotes not presented are the summary of significant accounting policies and lease obligations. The footnotes contained in the December 31, 1989 Annual Report should be read in conjunction with these financial statements.

II. SIGNIFICANT INFORMATION

NOTE 1. PROPERTY AND EQUIPMENT

At June 30, 1990 and 1989, the components of property and equipment consisted of:

	<u>1990</u>	<u>1989</u>
Land	\$ 36,308,000	\$ 35,708,000
Building, furniture and fixtures	280,056,000	269,917,000
Less accumulated depreciation	(71,643,000)	(57,205,000)
Construction in progress	<u>4,705,000</u>	<u>4,250,000</u>
Total Property and Equipment	<u>\$249,426,000</u>	<u>\$252,670,000</u>

NOTE 2. DEFERRED CREDITS

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

NOTE 3. 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, expiring November 26, 1991, for a period of two years. Management has received no indication that future renewals will not be granted.

NOTE 2. LONG-TERM DEBT

At June 30, 1990 and 1989, long-term debt consisted of:

	<u>1990</u>	<u>1989</u>
Note payable; prime minus 1%;	\$ -0-	\$ 434,000
Mortgage payable; 10%;	-0-	318,000
Construction and term loan; various interest rate options ranging from prime plus 3/4% to LIBOR plus 1 3/4%;	-0-	109,951,000
Note payable to Aztar Mortgage Funding, Inc.; 13.5%; due 1996;	140,000,000	-0-
Obligations under capital leases	<u>10,900,000</u>	<u>11,733,000</u>
	150,900,000	122,436,000
Less current portion	<u>(2,839,000)</u>	<u>(13,628,000)</u>
Long-term portion	<u>\$148,061,000</u>	<u>\$108,808,000</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:

1990	\$ 1,541,000
1991	2,700,000
1992	2,539,000
1993	2,245,000
1994	1,744,000
Thereafter	<u>140,131,000</u>
TOTAL	<u>\$150,900,000</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.

On August 3, 1988, a former employee filed an action against Adamar for alleged wrongful discharge. On July 5, 1990, a judgment was entered against Adamar which included an amount of \$587,853 for future loss of earnings. Adamar has not provided for this amount and intends to appeal the verdict.

Adamar is a party to various other 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 affect 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, 1990 and 1989, respectively, was \$1,682,000 and \$1,664,000 for the purchase of CRDA bonds and, accordingly, the Company recorded a loss provision of of \$527,000 and \$524,000 to recognize the effect of the below market interest rate the bonds would have borne had they been issued on June 30, 1990 and 1989.

	27,506		27,506	\$ 4,000
	339,402		339,402	240,000
	1,236,211		1,236,211	700,000
	-0-		-0-	0
	-0-		-0-	412,000
	13,303		13,303	87,000
	-0-		-0-	7,054,000
	26,212		26,212	122,000
	1,772,334		1,772,334	\$ 7,969,000

NOTE 8. DEFERRED PAYMENTS

Deferred payments for the six months ending June 30, 1990 were:

	Number of Vehicles	Value	Number of Trucks	Value
Motor Vehicles	1	1,100,000	1	1,100,000
Total	1	1,100,000	1	1,100,000

NOTE 5. COMPLIMENTARY SERVICES

The amount of promotional allowances and promotional expenses for the six months ended June 30, 1990 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	50,681	\$ 5,960,000	107	\$ 4,000
Food	675,358	6,671,000	49,832	488,000
Beverage	2,706,343	3,169,000	-0-	-0-
Travel	-0-	-0-	2,494	873,000
Tivoli Pier/Showroom/Boxing	23,872	377,000	9,553	191,000
Coin Payouts	-0-	-0-	894,254	13,136,000
Other	<u>193,015</u>	<u>1,929,000</u>	<u>25,669</u>	<u>257,000</u>
Total	<u>3,649,269</u>	<u>\$18,106,000</u>	<u>981,909</u>	<u>\$14,949,000</u>

The amount of promotional allowances and promotional expenses for the quarter ended June 30, 1990 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	27,506	\$ 3,110,000	107	\$ 4,000
Food	339,402	3,379,000	25,444	249,000
Beverage	1,296,211	1,676,000	-0-	-0-
Travel	-0-	-0-	1,185	415,000
Tivoli Pier/Showroom/Boxing	13,203	234,000	4,366	87,000
Coin Payouts	-0-	-0-	484,904	7,094,000
Other	<u>96,217</u>	<u>961,000</u>	<u>12,008</u>	<u>120,000</u>
Total	<u>1,772,539</u>	<u>\$ 9,360,000</u>	<u>528,014</u>	<u>\$ 7,969,000</u>

NOTE 6. JACKPOT PAYOUTS

Jackpot payouts for the six months ending June 30, 1990 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>2</u>	<u>\$ 74,708</u>
Total	<u>-0-</u>	<u>\$ -0-</u>	<u>2</u>	<u>\$ 74,708</u>

Jackpot payouts for the quarter ending June 30, 1990 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>1</u>	<u>\$50,850</u>
Total	<u>-0-</u>	<u>\$ -0-</u>	<u>1</u>	<u>\$50,850</u>

NOTE 7. RELATED PARTIES

Due to affiliates is reflected in Other Liabilities. The identity of the affiliates and corresponding balances are:

	<u>1990</u>	<u>1989</u>
Due to Ramada Inc.	\$ 8,807,000	\$ 1,963,000
Due to Atlantic-Deaurville, Inc.	120,000	22,191,000
Due to Tropicana West	-0-	233,000
Due to Ramada New Jersey, Inc.	371,000	2,380,000
Due to Adamar Garage Corporation	2,230,000	-0-
Due to Aztar Mortgage Funding, Inc.	5,229,000	-0-
Total	<u>\$16,757,000</u>	<u>\$26,767,000</u>

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

	<u>1990</u>	<u>1989</u>
Advances to Tropicana West	\$21,436,000	\$ -0-
	21,436,000	-0-
Note receivable - Adamar Garage Corporation	17,052,000	-0-
Total	<u>\$38,488,000</u>	<u>\$ -0-</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, 1990 and 1989 the Company incurred management fees from Aztar Corporation of \$305,000 and \$354,000, respectively.

The nature of "Charges from affiliates - other" for the six months ended June 30, 1990 and 1989 are as follows:

	<u>1990</u>	<u>1989</u>
Basic rent - AGP	\$24,585,000	\$ 24,493,000
Rent	476,000	347,000
Rent - Adamar Garage Corporation	3,105,000	-0-
Total	<u>\$28,166,000</u>	<u>\$ 24,840,000</u>

For the six months ended June 30, 1990 and 1989 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>1990</u>	<u>1989</u>
Executive Deferred Compensation Plan	\$ 2,000	\$ 2,000
Property Insurance	228,000	434,000
Executive Employee Relocation	-0-	4,000
Workman's Compensation	484,000	444,000
Total	<u>\$ 714,000</u>	<u>\$ 884,000</u>

SELLING, GENERAL AND ADMINISTRATIVE

	<u>1990</u>	<u>1989</u>
Insurance (1)	\$ 699,000	\$ 928,000
Executive Deferred Compensation Plan	31,000	26,000
Legal & Professional Fees	-0-	97,000
Workman's Compensation	136,000	86,000
Corporate Allocation	255,000	-0-
Long-term Incentive	450,000	-0-
Restricted Stock	85,000	-0-
	<u>1,656,000</u>	<u>1,137,000</u>
Total	<u>\$ 2,370,000</u>	<u>\$ 2,021,000</u>

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

NOTE 8. INCOME TAXES/BENEFITS

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

	<u>1990</u>	<u>1989</u>
State Deferred	\$ -0-	\$ 796,000
Federal Deferred	-0-	129,000
Total Deferred	<u>-0-</u>	<u>925,000</u>
State Current	-0-	(2,575,000)
Federal Current	-0-	(6,245,000)
Total Current	<u>-0-</u>	<u>(8,820,000)</u>
TOTAL	<u>\$ -0-</u>	<u>\$ (7,895,000)</u>

NOTE The following table provides a reconciliation between the provision/(benefit) for income taxes on continuing operations and the federal statutory rate (1990-0%, 1989-34%) when both are expressed as a percentage of pretax income/(loss):

	<u>1990</u>	<u>1989</u>
Computed expected tax expense	0%	34.0%
Increase		
in tax resulting from:		
State taxes, net	0%	6.6%
Permanent tax difference	<u>0%</u>	<u>3.6%</u>
Total	<u>0%</u>	<u>44.2%</u>

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

At January 1, 1990, operating losses of \$4,200,000 are available to offset future income for financial reporting purposes. This carryforward will expire in the year 2004 unless the net operating losses are offset against income.

III. SUPPORTING SCHEDULES FOR MATERIAL ITEMS

NOTE 1. INVESTMENTS, ADVANCES, AND RECEIVABLES

At June 30, 1990 and 1989, Investments, Advances, and Receivables consisted of the following:

	<u>1990</u>	<u>1989</u>
Due from Affiliates	\$ 21,436,000	\$ -0-
CRDA investment	12,763,000	10,328,000
Mortgage receivable	17,076,000	16,104,000
Note receivable - Adamar Garage Corporation	17,052,000	-0-
Long-term note receivable	<u>338,000</u>	<u>231,000</u>
Total	<u>\$ 68,665,000</u>	<u>\$ 26,663,000</u>

NOTE 2. OTHER ACCRUED EXPENSES

At June 30, 1990 and 1989, Other accrued expenses consisted of the following:

	<u>1990</u>	<u>1989</u>
Accrued payroll taxes and benefits	\$ 6,896,000	\$ 6,548,000
Accrued advertising	1,085,000	1,109,000
Accrued rent	303,000	424,000
Accrued taxes	1,119,000	1,381,000
Accrued progressive slot win	5,686,000	3,822,000
Accrued CCC & DGE	888,000	684,000
Accrued miscellaneous	2,242,000	1,512,000
Other	<u>5,977,000</u>	<u>1,929,000</u>
Total	<u>\$ 24,196,000</u>	<u>\$ 17,409,000</u>

NOTE 3. OTHER CURRENT LIABILITIES

At June 30, 1990 and 1989, Other current liabilities consisted of the following:

	<u>1990</u>	<u>1989</u>
Reinvestment Obligation	\$ 872,000	\$ 924,000
Accrued construction payables	136,000	1,577,000
Gaming chips	810,000	886,000
Casino and RCC payment deposit	315,000	348,000
Unclaimed wages	411,000	308,000
Other	312,000	385,000
	<u> </u>	<u> </u>
Total	<u>\$ 2,856,000</u>	<u>\$ 4,428,000</u>

NOTE 4. OTHER LIABILITIES

At June 30, 1990 and 1989, Other liabilities consisted of the following:

	<u>1990</u>	<u>1989</u>
Due to affiliates	\$ 16,757,000	\$ 26,767,000
Deferred rent	<u>12,731,000</u>	<u>16,735,000</u>
	<u> </u>	<u> </u>
TOTAL	<u>\$ 29,488,000</u>	<u>\$ 43,502,000</u>

NOTE 5. NON-OPERATING INCOME/(EXPENSE)

For the period ending June 30, 1990 and 1989, Non-operating income/(expense) consisted of the following:

	<u>1990</u>	<u>1989</u>
Interest income	\$ 3,393,000	\$ 1,603,000
Administrative fee	50,000	50,000
Leased land rental	2,771,000	2,771,000
Maintenance reimbursement	5,323,000	5,384,000
Gain/(Loss) on disposition	<u>7,000</u>	<u>(24,000)</u>
	<u> </u>	<u> </u>
Total	<u>\$ 11,544,000</u>	<u>\$ 9,784,000</u>

SCHEDULE OF RECEIVABLES AND PATRONS' CHECKS

STATEMENT OF CONFORMITY AND ACCURACY

June 30, 1990

STATE OF ILLINOIS

(UNAUDITED)

COUNTY OF JEFFERSON

(\$ 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.....	5,610		
2	Returned patrons' checks.....	14,821		
3	Total patrons' checks.....	20,431	\$ (10,856)	\$ 9,575
4	Hotel Receivables.....	2,277	(419)	1,858
	Other Receivables:			
5	Receivables due from officers and employees..	11		
6	Receivables due from affiliates.....	-0-		
7	Other accounts and notes receivables.....	9,401		
8	Total other receivables.....	9,412		9,412
9	Totals (Form 206).....	\$ 32,120	\$ (11,275)	\$ 20,845

UNDEPOSITED PATRONS' CHECKS ACTIVITY		
LINE (f)	DESCRIPTION (g)	AMOUNT (h)
10	Beginning Balance (January 1).....	\$ 6,794
11	Counter checks issued (excluding counter checks issued through transactions relating to consolidations, partial redemptions, substitutions, and patrons' cash deposits).....	93,978
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).....	(57,965)
13	Checks collected through deposits.....	(22,634)
14	Checks transferred to returned checks.....	(4,563)
15	Other adjustments.....	-0-
16	Ending Balance.....	\$ 5,610
17	"Hold" Checks Included in Balance On Line 16.....	\$ -0-
18	Provision For Uncollectible Patrons' Checks.....	\$ 1,130
19	Provision As A Percent Of Counter Checks Issued.....	1.2 %

STATEMENT OF CONFORMITY AND ACCURACY

STATE OF New Jersey

:

COUNTY OF Atlantic

: ss.

:

Lester Brzozowski, 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.

Lester Brzozowski
Signature

Vice-President/Finance
Title

03032-11
License Number

On Behalf Of:

Subscribed and sworn to
before me this 14th day
of AUGUST, 19 90

Dolores Ourfor
Signature

TropWorld Casino & Entertainment Resort
Casino Licensee

DOLORS OURFOR
NOTARY PUBLIC OF NEW JERSEY
By Commission Expires Aug. 22, 1993

Basis of Authority
to Take Oaths

HOTEL STATISTICS

FOR THE 6 MONTHS ENDED June 30, 1990

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	21,283	\$ 74.98	67.7%	41,646	\$ 38.32
FEBRUARY	1,014	28,392	24,614	\$ 75.40	86.7%	49,215	\$ 37.71
MARCH	1,014	31,434	28,569	\$ 55.75	90.9%	55,517	\$ 28.69
1ST QUARTER TOTALS		91,260	74,466	\$ 67.74	81.6%	146,378	\$ 34.46
APRIL	1,014	30,420	28,467	\$ 81.75	93.6%	58,059	\$ 40.08
MAY	1,014	31,434	29,471	\$ 73.04	93.8%	57,922	\$ 37.16
JUNE	1,014	30,420	29,673	\$ 75.37	97.5%	57,873	\$ 38.64
2ND QUARTER TOTALS		92,274	87,611	\$ 76.66	94.9%	173,854	\$ 38.63
JULY				\$	%		\$
AUGUST				\$	%		\$
SEPTEMBER				\$	%		\$
3RD QUARTER TOTALS				\$	%		\$
OCTOBER				\$	%		\$
NOVEMBER				\$	%		\$
DECEMBER				\$	%		\$
4TH QUARTER TOTALS				\$	%		\$
ANNUAL TOTALS				\$	%		\$

QUARTERLY REPORT

974-901
0193

OF
LIBRARY
AUG 27 1990
185 W. STATE ST.
TRENTON, N.J.

LICENSEE TRUMP'S CASTLE ASSOCIATES
ADDRESS HURON AVENUE & BRIGANTINE BOULEVARD
ATLANTIC CITY, NJ 08401

FOR THE QUARTER ENDED JUNE 30, 1990

TO THE
CASINO CONTROL COMMISSION
OF THE
STATE OF NEW JERSEY



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

Tom 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, 1990

TITLE	FORM NO.
Balance Sheets	CCC-205
Statements of Income (Year-to-Date)	CCC-210
Statements of Income (Three Months)	CCC-215
Statements of Changes in Stockholders' Equity	CCC-220
Statements of Changes in Partners' or Proprietor's Equity	CCC-225
Statements of Cash Flows	CCC-235
Notes of Financial Statements	
Schedule of Receivables and Patrons' Checks	CCC-240
Statement of Conformity and Accuracy	CCC-250
7/87	CCC-201

The accompanying notes are an integral part of the financial statements. These statements should be read in conjunction with the notes thereto.

TRADING NAME OF LICENSEE TRUMP CASTLE HOTEL & CASINO

BALANCE SHEETS

JUNE, 1990 and 1989

(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1990	(d) 1989
	ASSETS		
	Current Assets:		
1	Cash.....	\$ 9,953	\$ 13,446
2	Marketable Securities.....	0	0
3	Receivables and patrons' checks (net of allowance for doubtful accounts - 1990, \$3,242 ; 1989, \$1,766).....	19,204	16,290
4	Inventories.....	3,121	3,150
5	Prepaid expenses and other current assets.....	6,233	4,173
6	Total current assets.....	38,511	37,059
7	Investments, Advances, And Receivables.....	2,139	6,086
8	Property And Equipment - Net.....(NOTE 2).....	373,618	357,999
9	Other Assets.....(NOTE 5).....	11,626	12,269
10	Total Assets.....	\$425,894	\$413,413
	LIABILITIES AND EQUITY		
	Current Liabilities:		
11	Accounts payable.....(NOTE 6).....	\$ 7,657	\$ 7,270
12	Notes payable.....(NOTE 5).....	41,265	0
	Current portion of long-term debt:		
13	Due to affiliates.....	22,680	0
14	Other.....	0	0
15	Income taxes payable and accrued.....	0	0
16	Other accrued expenses.....(NOTE 7).....	13,836	13,312
17	Other current liabilities.....(NOTE 8).....	13,029	12,818
18	Total current liabilities.....	98,467	33,400
	Long-Term Debt:		
19	Due to affiliates.....(NOTE 3).....	263,667	306,724
20	Other.....(NOTE 4).....	50,000	41,260
21	Deferred Credits.....	0	0
22	Other Liabilities.....	18	20
23	Commitments And Contingencies (NOTE 11)		
24	Total Liabilities.....	412,152	381,404
25	Stockholders', Partners', Or Proprietor's Equity.....	13,742	32,009
26	Total Liabilities And Equity.....	\$425,894	\$413,413

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, 1990 and 1989

(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1990	(d) 1989
	Revenue:		
1	Casino.....	\$121,892	\$121,855
2	Rooms.....	10,286	9,097
3	Food and beverage.....	20,545	20,809
4	Other.....	5,947	5,249
5	Total revenue.....	158,670	157,010
6	Less: Promotional allowances.....(NOTE 13).....	21,230	21,064
7	Net revenue.....	137,440	135,946
	Costs And Expenses:		
8	Cost of goods and services.....	77,446	73,197
9	Selling, general, and administrative.....	41,662	38,309
10	Provision for doubtful accounts.....	1,522	1,008
11	Depreciation and amortization.....	10,145	8,346
	Charges from affiliates other than interest:		
12	Management fees.....	0	0
13	Other.....	0	0
14	Total costs and expenses.....	130,775	120,860
15	Income (Loss) From Operations.....	6,665	15,086
	Other Income (Expenses):		
16	Interest (expense) - affiliates.....(NOTE 3,5).....	(20,551)	(20,970)
17	Interest (expense) - external.....(NOTE 4).....	(3,481)	0
18	Investment alternative tax and related income (expense) - net..(NOTE 11)..	(2,653)	(495)
19	Non-operating income (expense) - net.....(NOTE 10).....	374	993
20	Total other income (expenses).....	(26,311)	(20,472)
21	Income (Loss) Before Income Taxes And Extraordinary Items.....	(19,646)	(5,386)
22	Provision (credit) for income taxes.....(NOTE 1).....	0	(445)
23	Income (Loss) Before Extraordinary Items.....	(19,646)	(4,941)
24	Extraordinary items (net of income taxes - 1990 \$3,136; 1989 \$ -0-).....(NOTE 3).....	3,136	0
25	Net Income (Loss).....	\$(16,510)	\$(4,941)

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

REVISED
8/17/90

TRADING NAME OF LICENSEE TRUMP CASTLE HOTEL & CASINO

REVISED
8/17/90

STATEMENTS OF INCOME

FOR THE THREE MONTHS ENDED JUNE, 1990 and 1989

(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1990	(d) 1989
	Revenue:		
1	Casino.....	\$ 55,556	\$ 62,340
2	Rooms.....	5,555	4,844
3	Food and beverage.....	10,241	11,310
4	Other.....	3,247	3,199
5	Total revenue.....	74,599	81,693
6	Less: Promotional allowances.....(NOTE 13).....	11,219	11,707
7	Net revenue.....	63,380	69,986
	Costs And Expenses:		
8	Cost of goods and services.....	37,683	38,245
9	Selling, general, and administrative.....	18,498	19,734
10	Provision for doubtful accounts.....	832	442
11	Depreciation and amortization.....	5,169	4,175
	Charges from affiliates other than interest:		
12	Management fees.....	0	0
13	Other.....	0	0
14	Total costs and expenses.....	62,182	62,596
15	Income (Loss) From Operations.....	1,198	7,390
	Other Income (Expenses)		
16	Interest (expense) - affiliates.....(NOTE 3,5).....	(10,256)	(10,486)
17	Interest (expense) - external.....(NOTE 4).....	(1,760)	0
18	Investment alternative tax and related income (expense) - net.....(NOTE 11)...	(613)	(254)
19	Non-operating income (expense) - net.....(NOTE 10).....	152	511
20	Total other income (expenses).....	(12,477)	(10,229)
21	Income (Loss) Before Income Taxes And Extraordinary Items.....	(11,279)	(2,839)
22	Provision (credit) for income taxes.....(NOTE 1).....	0	(190)
23	Income (Loss) Before Extraordinary Items.....	(11,279)	(2,649)
24	Extraordinary items (net of income taxes - 1990, \$3,136; 1989 \$ -0-).....(NOTE 3).....	3,136	0
25	Net Income (Loss).....	\$ (8,143)	\$ (2,649)

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

TRADING NAME OF LICENSEE TRUMP CASTLE HOTEL & CASINO

STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY

FOR THE SIX MONTHS ENDED JUNE , 1990 and 1989

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, 1990 and 1989

(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1990	(d) 1989
	Invested Capital:		
1	Beginning balance (January 1).....	\$ 71,196	\$ 66,196
2	Additional capital invested.....	0	5,000
3	.....	0	0
4	Ending balance.....	71,196	71,196
	Accumulated Income (Loss):		
5	Beginning balance (January 1).....	(2,494)	4,204
6	Prior period adjustments.....		0
7	Net income (loss).....	(16,510)	(4,941)
8	.....	
9	Ending balance.....	(19,004)	(737)
	Capital Withdrawals:		
10	Beginning balance (January 1).....	(38,450)	(42,197)
11	Additional capital withdrawals.....	(0)	(0)
12	Repayment of withdrawals.....		3,747
13	Ending balance.....	(38,450)	(38,450)
	Net Unrealized Loss On Noncurrent Marketable Equity Securities:		
14	Beginning balance (January 1).....	(0)	(0)
15	.....		0
16	.....		0
17	Ending balance.....	(0)	(0)
18	Ending Partners' Or Proprietor's Equity.....	\$ 13,742	\$ 32,009

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

TRADING NAME OF LICENSEE TRUMP CASTLE HOTEL & CASINO

STATEMENTS OF CASH FLOWS

FOR THE SIX MONTHS ENDED JUNE 30, 1990 and 1989

(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1990	(d) 1989
1	Net Cash Provided (Used) By Operating Activities.....	\$ (8,633)	\$(11,098)
	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.....	(9,729)	(25,667)
5	Proceeds from disposition of property and equipment.....	0	0
6	Purchase of casino reinvestment obligations.....	(110)	(1,528)
7	Purchase of other investments and loans/advances made.....		
8	Proceeds from disposal of investments and collection of advances and long-term receivables CRDA.....	2,587	
9	Cash outflows to acquire business entities.....		
10	Redemption of Series A-1 Bonds held for Investment.....	9,655	
11	.....	
12	Net Cash Provided (Used) By Investing Activities.....	2,403	(27,195)
	Cash Flows From Financing Activities:		
13	Cash proceeds from issuance of short-term debt.....		
14	Payments to settle short-term debt.....	(2,000)	
15	Cash proceeds from issuance of long-term debt.....	26,265	23,279
16	Costs of issuing debt.....		
17	Payments to settle long-term debt.....	(22,680)	
18	Cash proceeds from issuing stock or capital contributions.....		8,747
19	Purchases of treasury stock.....		
20	Payments of dividends or capital withdrawals.....		0
21	.....	
22	.....	
23	Net Cash Provided (Used) By Financing Activities.....	1,585	32,026
24	Net Increase (Decrease) In Cash And Cash Equivalents.....	(4,645)	(6,267)
25	Cash And Cash Equivalents At Beginning Of Period.....	14,598	19,713
26	Cash And Cash Equivalents At End Of Period.....	\$ 9,953	\$ 13,446

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

27	Cash Paid During Period For:		
	Interest (net of amount capitalized).....	\$ 21,670	\$ 19,967
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, 1990 and 1989

(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1990	(d) 1989
	Net Cash Flows From Operating Activities		
29	Net income (loss).....	\$ (16,510)	\$ (4,941)
	Noncash items included in income and cash items excluded from income:		
31	Depreciation and amortization of property and equipment.....	9,758	8,042
31	Amortization of other assets.....	386	304
32	Amortization of debt discount or premium.....	1,203	1,002
33	Deferred income taxes - current.....	0	0
34	Deferred income taxes - noncurrent.....	0	(445)
35	(Gain) loss on disposition of property and equipment.....	133	0
36	(Gain) loss on casino reinvestment obligations.....	2,653	495
37	(Gain) loss from other investment activities.....	0	0
38	Net (increase) decrease in receivables and patrons' checks.....	(2,897)	(2,432)
39	Net (increase) decrease in inventories.....	370	(112)
40	Net (increase) decrease in other current assets.....	(3,503)	(1,873)
41	Net (increase) decrease in other assets.....	(78)	(22)
42	Net increase (decrease) in accounts payable.....	(813)	(15,368)
43	Net increase (decrease) in other current liabilities excluding debt....	666	4,251
44	Net increase (decrease) in other noncurrent liabilities excluding debt..	(1)	1
45	.....	
46	.....	
47	Net Cash Provided (Used) By Operating Activities.....	\$ (8,633)	\$ (11,098)

SUPPLEMENTAL SCHEDULE OF NON-CASH INVESTING AND FINANCING ACTIVITIES

48	Acquisition Of Property And Equipment:		
49	Additions to property and equipment.....	\$ (9,729)	\$ (25,667)
50	Less: Capital lease obligations incurred.....	0	0
	Cash Outflows For Property And Equipment.....	\$ (9,729)	\$ (25,667)
	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	\$ 8,747
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	\$ 8,747

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. Accordingly, a credit for state income taxes has been reflected in the accompanying financial statements. Deferred state income taxes result primarily from differences in the timing of reporting depreciation for tax and financial statement purposes.

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 \$3,242,000 through June 30, 1990.

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>1990</u>	<u>1989</u>
Land	\$ 31,792	\$ 31,767
Buildings	236,728	236,748
Furniture, Fixtures and Equipment	87,365	72,000
Construction in Progress	2,948	82,294
Building Improvements	107,488	10,213
	-----	-----
TOTAL	\$466,321	\$433,022
Less Accumulated Depreciation	(92,703)	(75,023)
	-----	-----
Net Property and Equipment	\$373,618	\$357,999
	=====	=====

NOTE 3 - LONG TERM DEBT:

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

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

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

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

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

NOTE 4 - LINE OF CREDIT:

In February 1988, the Partnership obtained a line of credit from a bank for \$50,000,000. This line of credit has been used to partially finance an expansion of Trump Castle Hotel & Casino. Interest is payable monthly at 1% above the bank's prime rate. Principal is payable beginning four years from loan origination, and repayment is based on a ten year payout with the balance due in 1998. Security for this loan is identical to that of the first mortgage bonds (Note 3). As of June 30, 1990, the Company had borrowed \$50,000,000 against this line of credit for construction costs, legal fees, and other closing costs. Legal fees and closing costs are included in other assets and the borrowings are included in long term debt - other. As of June 30, 1990, Trump Castle has capitalized \$3,223,000 of interest associated with this borrowing.

NOTE 5 - NOTES PAYABLE

As of June 30, 1990, the Partnership had drawn \$13,000,000 against a revolving credit line issued by a bank. The line is intended to fund short term working capital requirements, and is a demand note due and payable within twelve months of issuance, bearing interest at the bank's prime rate.

In December 1989 the Partnership received a \$2,000,000 loan from Donald J. Trump which was used to purchase Trump Castle Funding, Inc. Series A-1 Bonds in anticipation of the sinking fund requirement of June 15, 1990. The loan bears interest at current prime rate and is due at the call of the issuer.

In June 1990, the Partnership received a \$26,265,000 loan from Donald J. Trump, which was used to purchase Trump Castle Funding, Inc. Series A-1 Bonds to satisfy the balance of the sinking fund requirement of June 15, 1990, as well as the interest payment due on the outstanding Series A-1 Bonds, due June 15, 1990. The loan bears interest at the current prime rate and is due at the call of the issuer.

NOTE 6 - OTHER ASSETS - (Net):

(In Thousands of Dollars)

Other Assets consist of:	<u>1990</u>	<u>1989</u>
Deferred Loan Cost	\$ 451	\$ 514
Deferred Bond Costs (Net)	10,848	11,535
Other Non-Current Assets	327	220
	-----	-----
TOTAL OTHER ASSETS	<u>\$11,626</u>	<u>\$12,269</u>
	=====	=====

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

	<u>1990</u>	<u>1989</u>
Accounts Payable Trade	\$ 6,573	\$ 6,381
Marina Slip Advance Deposits	835	687
Other	249	202
TOTAL ACCOUNTS PAYABLE	<u>\$ 7,657</u>	<u>\$ 7,270</u>

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

Other accrued expenses consist of:	<u>1990</u>	<u>1989</u>
Accrued Payroll	\$4,066	\$2,787
Accrued Interest	2,081	1,775
Accrued Advertising/Promotions	837	1,913
Accrued Progressive Jackpots	1,980	2,177
Accrued Sick/Vacation	4,119	3,380
Other	753	1,280
	-----	-----
TOTAL OTHER ACCRUED EXPENSES	<u>\$13,836</u>	<u>\$13,312</u>

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

Other current liabilities consist of:	<u>1990</u>	<u>1989</u>
Outstanding Chip Liability	\$1,010	\$1,244
Outstanding Token Liability	160	138
Patron Deposits	243	177
Accrued Utilities	1,235	419
Accrued Group Health insurance	1,398	1,398
Accrued Insurance	2,362	2,468
A/P Other	4,074	1,963
Accrued Legal	707	295
Accrued CCC/DGE	817	346
Construction Retainage	550	2,786
Accrued Inventories	386	799
Accrued CRDA	87	785
	-----	-----
TOTAL OTHER CURRENT LIABILITIES	<u>\$13,029</u>	<u>\$12,818</u>

Commencing 12 months after the date of opening (June 17, 1985) and continuing for a period of 24 months thereafter, the Partnership must either advance to the State the credits, as defined, in an amount equivalent to 1.5% of its gross casino revenues or pay an alternative tax equal to 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 the investment obligations.

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

Non-operating income for quarter ended June 30, 1990:

	<u>Three Months</u>	
	<u>1990</u>	<u>1989</u>
Discount Earned	\$ 24	\$ 65
Interest Income	261	446
Gain/(Loss) Disposition of Equipment	(133)	----
TOTAL NON-OPERATING INCOME	\$152	\$511
	====	====

Non-operating income for quarter ended June 30, 1990:

	<u>Six Months</u>	
	<u>1990</u>	<u>1989</u>
Discount Earned	\$ 82	\$114
Interest Income	425	879
Gain/(Loss) Disposition of Equipment	(133)	-0-
TOTAL NON-OPERATING INCOME	\$374	\$993

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.

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 \$9,288,688 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 \$4,890,230, which credits are to be utilized to satisfy substantial portions of the Partnership's investment alternative tax obligations over approximately the next four to six quarters.

As a result of this agreement, the Partnership has charged \$1,365,000 for the six months ending June 30, 1990 to operations, which represents application of portion of the tax credits, as well as effect to below market interest rates associated with the first and second quarter bond purchase commitment.

Additionally, the Partnership charged \$1,288,000 against its first quarter 1990, results to give effect to the CRDA donation. This charge represents the write down of the net 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 1990, the Partnership had made contributions totaling \$2,668,000.

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 \$291,000 for matching contributions for the six months ended June 30, 1990

NOTE 12 - 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 six months ended June 30, 1990 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	76,761	5,807,000	107	\$ 134,000
Food	641,480	9,975,000	---	---
Beverage	913,846	2,970,000	---	---
Travel	6,077	706,000	15,645	3,309,000
Cash Coupons	---	---	1,319,572	13,740,000
Admissions	73,871	1,145,000	522	85,000
Other	4,376	327,000	97,682	2,149,000
	-----	-----	-----	-----
TOTALS	1,716,411	\$20,930,000	1,433,528	\$19,417,000
	=====	=====	=====	=====

Promotional Allowances and Expenses and number of recipients for three months ended June 30, 1990 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	35,137	\$ 3,113,000	56	\$ 78,000
Food	286,500	5,449,000	---	---
Beverage	435,385	1,415,000	---	---
Travel	3,054	383,000	6,499	1,411,000
Cash Coupons	---	---	615,324	6,159,000
Admissions	18,011	361,000	122	30,000
Other	1,616	198,000	10,229	540,000
	-----	-----	-----	-----
TOTALS	779,703	\$10,919,000	632,230	\$ 8,218,000
	=====	=====	=====	=====

NOTE 14 - JACKPOT PAYOUTS

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

DESCRIPTION	For the Three Months Ended 6-30-90		For the Six Months Ended 6-30-90	
	Number of Recipients	Amount	Number of Recipients	Amount
Motor Vehicles	7	\$ 87,229	17	\$219,079
	--	-----	--	-----
TOTALS	7	\$ 87,229	17	\$219,079
	==	=====	==	=====

NOTE 15 - EXTRAORDINARY ITEM

The Partnership elected to satisfy its sinking fund requirement for the Series A-1 Bonds (Note 3) through open market purchases of said bonds. Several bond purchases were made during the period of December 1989 through June 1990, at varying degrees of discount from the original face value of the bond issue. The gain generated by these discounted purchases is presented as an extraordinary item for these financial statements.

SCHEDULE OF RECEIVABLES AND PATRONS' CHECKS

JUNE 30, 1990

(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.....	\$ 10,286		
2	Returned patrons' checks.....	6,583		
3	Total patrons' checks.....	16,869	\$ 2,882	\$ 13,987
4	Hotel Receivables.....	1,556	360	1,196
	Other Receivables:			
5	Receivables due from officers and employees.....	10		
6	Receivables due from affiliates.....	2,173		
7	Other accounts and notes receivables.....	1,838		
8	Total other receivables.....	4,021	0	4,021
9	Totals (Form 205).....	\$ 22,446	\$ 3,242	\$ 19,204

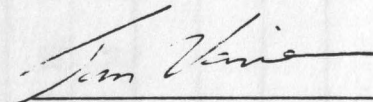
UNDEPOSITED PATRONS' CHECKS ACTIVITY		
LINE (f)	DESCRIPTION (g)	AMOUNT (h)
10	Beginning Balance (January 1).....	\$ 8,064
11	Counter checks issued (excluding counter checks issued through transactions relating to consolidations, partial redemptions, substitutions, and patrons' cash deposits).....	140,305
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).....	(101,991)
13	Checks collected through deposits.....	(31,545)
14	Checks transferred to returned checks.....	(4,547)
15	Other adjustments.....	0
16	Ending Balance.....	\$ 10,286
17	"Hold" Checks Included In Balance On Line 16.....	\$ 0
18	Provision For Uncollectible Patrons' Checks.....	\$ 1,503
19	Provision As A Percent Of Counter Checks Issued.....	1.1 %

STATEMENT OF CONFORMITY AND ACCURACY

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

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 15th day

of August, 1990

Trump Castle Hotel, & Casino

Casino Licensee



Signature

SHARON J. MILLER

NOTARY PUBLIC OF NEW JERSEY

My Commission Expires JUNE 18, 1991

Basis of Authority to Take Oaths

HOTEL STATISTICS

MONTH	NUMBER OF AVAILABLE ROOMS	NUMBER OF OCCUPIED ROOMS	AVERAGE RATE PER OCCUPIED ROOM
JANUARY	13,703	15,520	\$ 93.83
FEBRUARY	9,684	16,173	\$ 97.14
MARCH	7,295	17,096	\$ 98.42
APRIL	10,100	18,100	\$ 97.24
MAY	10,100	18,100	\$ 97.24
JUNE	10,100	18,100	\$ 97.24
JULY	10,100	18,100	\$ 97.24
AUGUST	10,100	18,100	\$ 97.24
SEPT	10,100	18,100	\$ 97.24
OCT	10,100	18,100	\$ 97.24
NOVEMBER	10,100	18,100	\$ 97.24
DECEMBER	10,100	18,100	\$ 97.24
4TH QUARTER TOTALS			
ANNUAL TOTALS			

HOTEL STATISTICS

FOR THE 6 MONTHS ENDED June 30, 1990

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	21,703	15,520	\$ 93.83	71.5%	29,050	\$ 50.13
FEBRUARY	703	19,684	16,173	\$ 97.18	82.2%	32,248	\$ 48.74
MARCH	703	21,793	17,906	\$ 103.42	82.2%	36,430	\$ 50.83
1ST QUARTER TOTALS		63,180	49,599	\$ 98.38	78.5%	97,728	\$ 49.93
APRIL	703	21,090	18,623	\$ 97.94	88.3%	39,935	\$ 45.67
MAY	703	21,793	17,541	\$ 99.87	80.5%	35,960	\$ 48.72
JUNE	703	21,090	18,266	\$ 109.18	86.6%	36,024	\$ 55.36
2ND QUARTER TOTALS		63,973	54,430	\$ 102.34	85.1%	111,919	\$ 49.77
JULY				\$	%		\$
AUGUST				\$	%		\$
SEPTEMBER				\$	%		\$
3RD QUARTER TOTALS				\$	%		\$
OCTOBER				\$	%		\$
NOVEMBER				\$	%		\$
DECEMBER				\$	%		\$
4TH QUARTER TOTALS				\$	%		\$
ANNUAL TOTALS				\$	%		\$

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QUARTERLY REPORT

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

FOR THE QUARTER ENDED JUNE 30, **19**90

TO THE
CASINO CONTROL COMMISSION
OF THE
STATE OF NEW JERSEY



NAME OF OFFICER IN CHARGE
OF CORRESPONDENCE REGARDING
THIS QUARTERLY REPORT . . . TIM MALAND
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, 1990

LINE NO.	TITLE	FORM NO.
1	Balance Sheets	CCC-205
2	Statements of Income (Year-to-Date)	CCC-210
3	Statements of Income (Three Months)	CCC-215
4	Statements of Changes in Partners' or Proprietor's Equity	CCC-225
5	Statements of Cash Flows	CCC-235
6	Notes to Financial Statements	
7	Schedule of Receivables and Patron's Checks	CCC-240
8	Statement of Conformity and Accuracy	CCC-250
9	Accounts payable	
10	Accounts payable	
11	Portion of long-term debt	
12	Due to affiliates	
13	Due to affiliates	
14	Due to affiliates	
15	Due to affiliates	
16	Due to affiliates	
17	Due to affiliates	
18	Due to affiliates	
19	Due to affiliates	
20	Due to affiliates	
21	Due to affiliates	
22	Due to affiliates	
23	Due to affiliates	
24	Due to affiliates	
25	Due to affiliates	
26	Due to affiliates	

The accompanying notes are an integral part of the financial statements. These statements should be read without using information contained in the notes.

TRADING NAME OF LICENSEE TRUMP PLAZA HOTEL & CASINO

BALANCE SHEETS

JUNE 30, 1990 AND 1989

(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1990	(d) 1989
ASSETS			
	Current Assets:	\$	\$
1	Cash.....	9,174	13,801
2	Marketable securities.....	-	-
3	Receivables and patrons' checks (net of allowance for doubtful accounts - 1990, \$15,540; 1989, \$12,073).....	18,209	12,724
4	Inventories.....	4,378	4,024
5	Prepaid expenses and other current assets....(Note 2)...	7,236	4,140
6	Total current assets.....	38,997	34,689
7	Investments, Advances, and Receivables.....(Note 3)...	7,394	11,144
8	Property and Equipment - Net.....(Note 4)...	322,064	315,537
9	Other Assets.....(Note 5)...	39,432	39,985
10	Total Assets.....	<u>\$407,887</u>	<u>\$401,355</u>
LIABILITIES AND EQUITY			
	Current Liabilities:	\$	\$
11	Accounts payable.....	10,361	5,887
12	Notes payable.....	747	870
	Current portion of long-term debt:		
13	Due to affiliates.....(Note 8)...	25,000	-
14	Other.....(Note 9)...	4,564	4,068
15	Income taxes payable and accrued.....	-	-
16	Other accrued expenses.....(Note 6)...	19,235	16,823
17	Other current liabilities.....(Note 7)...	6,905	14,329
18	Total current liabilities.....	66,812	41,977
	Long-Term Debt:		
19	Due to affiliates.....(Note 8)...	225,000	250,000
20	Other.....(Note 9)...	20,642	23,559
21	Deferred Credits.....(Note 10)...	4,367	4,686
22	Other Liabilities.....	-	-
23	Commitments and Contingencies (Note 14)		
24	Total Liabilities.....	316,821	320,222
25	Stockholders', Partners', or Proprietor's Equity.....	91,066	81,133
26	Total Liabilities and Equity.....	<u>\$407,887</u>	<u>\$401,355</u>

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

TRADING NAME OF LICENSEE TRUMP PLAZA HOTEL & CASINO

STATEMENTS OF INCOME

FOR THE SIX MONTHS ENDED JUNE 30, 1990 AND 1989

(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1990	(d) 1989
	Revenue:	\$	\$
1	Casino.....	144,853	148,750
2	Rooms.....	10,744	10,786
3	Food and beverage.....	22,956	22,974
4	Other.....	9,321	5,255
5	Total revenue.....	187,874	187,765
6	Less: Promotional allowances.....(Note 11)..	23,434	20,709
7	Net revenue.....	164,440	167,056
	Costs and Expenses:		
8	Costs of goods and services.....	88,079	79,370
9	Selling, general, and administrative.....	47,168	49,670
10	Provision for doubtful accounts.....	2,599	1,662
11	Depreciation and amortization.....	8,683	8,263
	Charges from affiliates other than interest:		
12	Management fees.....	-	-
13	Other.....(Note 14)....	1,030	688
14	Total costs and expenses.....	147,559	139,653
15	Income (Loss) from Operations.....	16,881	27,403
	Other Income (Expenses):		
16	Interest (expense) - affiliates.....(Note 12)....	(16,094)	(16,094)
17	Interest (expense) - external.....	(1,083)	(1,189)
18	Investment alternative tax and related income (expense) - net.....(Note 14)....	(3,524)	(613)
19	Nonoperating income (expense) - net.....(Note 13)....	754	1,078
20	Total other income (expenses).....	(19,947)	(16,818)
21	Income (Loss) before Income Taxes and Extraordinary Items.	(3,066)	10,585
22	Provision (credit) for income taxes.....(Note 15)....	(268)	1,013
23	Income (Loss) before Extraordinary Items.....	(2,798)	9,572
24	Extraordinary items (net of income taxes - 1990, \$ - ; 1989, \$ -).....	-	-
25	Net Income (Loss).....	<u>\$ (2,798)</u>	<u>\$ 9,572</u>

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

TRADING NAME OF LICENSEE TRUMP PLAZA HOTEL & CASINO

STATEMENTS OF INCOME

FOR THE THREE MONTHS ENDED JUNE 30, 1990 AND 1989

(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1990	(d) 1989
	Revenue:	\$	\$
1	Casino.....	74,450	75,030
2	Rooms.....	5,982	6,108
3	Food and beverage.....	11,011	11,986
4	Other.....	3,701	2,921
5	Total revenue.....	95,144	96,045
6	Less: Promotional allowances.....(Note 11)..	11,778	11,042
7	Net revenue.....	83,366	85,003
	Costs and Expenses:		
8	Costs of goods and services.....	43,572	41,394
9	Selling, general, and administrative.....	23,336	24,355
10	Provision for doubtful accounts.....	1,752	500
11	Depreciation and amortization.....	4,177	4,358
	Charges from affiliates other than interest:		
12	Management fees.....	-	-
13	Other.....(Note 14)....	515	344
14	Total costs and expenses.....	73,352	70,951
15	Income (Loss) from Operations.....	10,014	14,052
	Other Income (Expenses):		
16	Interest (expense) - affiliates.....(Note 12)....	(8,047)	(8,047)
17	Interest (expense) - external.....	(535)	(601)
18	Investment alternative tax and related income (expense) - net.....(Note 14)....	(851)	(312)
19	Nonoperating income (expense) - net.....(Note 13)....	381	580
20	Total other income (expenses).....	(9,052)	(8,380)
21	Income (Loss) before Income Taxes and Extraordinary Items.....	962	5,672
22	Provision (credit) for income taxes.....(Note 15)....	86	540
23	Income (Loss) before Extraordinary Items.....	876	5,132
24	Extraordinary items (net of income taxes - 1990, \$ - ; 1989, \$ -).....	-	-
25	Net Income (Loss).....	\$ 876	\$ 5,132

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

TRADING NAME OF LICENSEE TRUMP PLAZA HOTEL & CASINO

STATEMENTS OF CHANGES IN PARTNERS'
OR PROPRIETOR'S EQUITY

FOR THE SIX MONTHS ENDED JUNE 30, 1990 AND 1989

(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1990	(d) 1989
	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).....	90,332	65,768
6	Prior period adjustments.....	-	-
7	Net income (loss).....	(2,798)	9,572
8	.....	-	-
9	Ending balance.....	87,534	75,340
	Capital Withdrawals:		
10	Beginning balance (January 1).....	(52,558)	(49,180)
11	Additional capital withdrawals.....	5,383	4,266
12	.....	-	-
13	Ending balance.....	(47,175)	(44,914)
	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>\$ 91,066</u>	<u>\$ 81,133</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, 1990 AND 1989

(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1990	(d) 1989
1	Net Cash Provided (Used) by Operating Activities	\$ (1,991)	\$ 15,226
	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.....	(8,858)	(20,530)
5	Proceeds from disposition of property and equipment.....	102	186
6	Purchase of casino reinvestment obligations.....	(947)	(1,840)
7	Purchase of other investments and loans/advances made...	(6,694)	(1,818)
8	Proceeds from disposal of investments and collection of advances and long-term receivables.....	-	685
9	Cash outflows to acquire business entities.....	-	-
10	Casino Reinvestment Obligation Donation	11,971	-
11	.....	-	-
12	Net Cash Provided (Used) by Investing Activities.....	(4,426)	(23,317)
	Cash Flows from Financing Activities:		
13	Cash proceeds from issuance of short-term debt.....	872	870
14	Payments to settle short-term debt.....	(347)	(338)
15	Cash proceeds from issuance of long-term debt.....	-	1,550
16	Costs of issuing debt.....	-	-
17	Payments to settle long-term debt.....	(1,944)	(1,222)
18	Cash proceeds from issuing stock or capital contribution	-	-
19	Purchases of treasury stock.....	-	-
20	Payments of dividends or capital withdrawals.....	5,383	4,266
21	.....	-	-
22	.....	-	-
23	Net Cash Provided (Used) by Financing Activities.....	3,964	5,126
24	Net Increase (Decrease) in Cash and Cash Equivalents.....	(2,453)	(2,965)
25	Cash and Cash Equivalents at Beginning of Period.....	11,627	16,766
26	Cash and Cash Equivalents at End of Period.....	<u>\$ 9,174</u>	<u>\$ 13,801</u>

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

27	Cash Paid During Period For:		
	Interest (net of amount capitalized).....	\$ 17,250	\$ 17,237
28	Income taxes.....	\$ 1,900	\$ 3,808

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, 1990 AND 1989

(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1990	(d) 1989
	Net Cash Flows from Operating Activities:		
29	Net income (loss).....	\$ (2,798)	\$ 9,572
	Noncash items included in income and cash items excluded from income:		
30	Depreciation and amortization of property & equipment.	8,180	7,787
31	Amortization of other assets.....	503	476
32	Amortization of debt discount or premium.....	-	-
33	Deferred income taxes - current.....	-	-
34	Deferred income taxes - noncurrent.....	146	(1,196)
35	(Gain) loss on disposition of property and equipment..	(23)	151
36	(Gain) loss on casino reinvestment obligation.....	3,524	613
37	(Gain) loss from other investment activities.....	-	-
38	Net (increase) decrease in receivables and patrons'... checks.....	(5,723)	460
39	Net (increase) decrease in inventories.....	(162)	(32)
40	Net (increase) decrease in other current assets.....	(5,000)	(1,427)
41	Net (increase) decrease in other assets.....	(190)	806
42	Net (increase) decrease in accounts payables.....	6,169	1,378
43	Net (increase) decrease in other current liabilities.. excluding debt.....	(6,617)	(3,362)
44	Net increase (decrease) in other noncurrent liabilities excluding debt.....	-	-
45	Deferred Loss on Disposition of Property & Equipment..	-	-
46		-	-
47	Net Cash Provided (Used) by Operating Activities.....	<u>\$ (1,991)</u>	<u>\$ 15,226</u>

SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING AND FINANCING ACTIVITIES

48	Acquisition of Property and Equipment:		
49	Additions to property and equipment.....	\$ (8,932)	\$ (20,530)
50	Less: Capital lease obligations incurred.....	74	-
50	Cash Outflows for Property and Equipment.....	<u>\$ (8,858)</u>	<u>\$ (20,530)</u>
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.....	-	-
56	Cash Outflows to Acquire Business Entities.....	<u>\$ -</u>	<u>\$ -</u>
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	-	-
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 (formerly Harrah's 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, 1989. 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>1990</u>	<u>1989</u>
Prepaid taxes	\$1,803,000	\$1,183,000
Prepaid insurance	1,065,000	1,080,000
Prepaid air transportation costs	474,000	506,000
Prepaid rent	107,000	191,000
Prepaid advertising costs	4,000	122,000
Prepaid special event costs	186,000	984,000
Prepaid CRDA expense	3,322,000	-
Other	275,000	74,000
	<u>\$7,236,000</u>	<u>\$4,140,000</u>

NOTE 3: INVESTMENTS, ADVANCES AND RECEIVABLES

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

	<u>1990</u>	<u>1989</u>
Advances due from -		
Seashore Four Associates	\$ 170,000	\$ 607,000
Trump Seashore Associates	1,484,000	1,388,000
Trump Taj Mahal Associates	1,142,000	107,000
Helicopter Air Services, Inc.	118,000	45,000
Trump Sports & Entertainment	59,000	-
Trump Penthouse Parcel	2,290,000	354,000
Trump Crystal Tower Associates	-	32,000
Other Affiliated Companies	22,000	7,000
Casino reinvestment bonds and escrow deposit, net of valuation adjustment - (1990) \$1,051,000; (1989) \$4,298,000	<u>2,109,000</u>	<u>8,604,000</u>
	<u>\$ 7,394,000</u>	<u>\$11,144,000</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>1990</u>	<u>1989</u>
Land and land improvements	\$ 34,747,000	\$ 35,247,000
Buildings	291,157,000	271,983,000
Furniture, fixtures and equipment	64,026,000	55,284,000
Leasehold improvements	2,330,000	2,115,000
Construction in progress	<u>2,601,000</u>	<u>8,095,000</u>
	394,861,000	372,724,000
Less - Accumulated depreciation & amortization	<u>(72,797,000)</u>	<u>(57,187,000)</u>
Net property and equipment	<u><u>\$322,064,000</u></u>	<u><u>\$315,537,000</u></u>

NOTE 5: OTHER ASSETS

Other assets as of June 30 consisted of the following:

	<u>1990</u>	<u>1989</u>
Land rights, net	\$ 31,351,000	\$ 31,721,000
Deferred preopening costs, net	-	189,000
Debt issuance costs, net	6,333,000	6,768,000
Deposits	133,000	48,000
Other deferred charges	<u>1,615,000</u>	<u>1,259,000</u>
	<u>\$ 39,432,000</u>	<u>\$ 39,985,000</u>

NOTE 6: OTHER ACCRUED EXPENSES

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

	<u>1990</u>	<u>1989</u>
Accrued payroll	\$ 7,608,000	\$ 7,558,000
Accrued progressive jackpot liabilities	4,559,000	3,898,000
Accrued interest	1,515,000	1,523,000
Accrued gaming taxes payable	415,000	410,000
Accrued Casino Control Commission & Division of Gaming Enforcement fees	748,000	295,000
Accrued utilities	393,000	336,000
Accrued union benefits	261,000	192,000
Accrued health insurance benefits	832,000	274,000
Accrued sales, use & luxury tax	219,000	253,000
Accrued transportation costs	384,000	421,000
Accrued legal costs	100,000	275,000
Accrued special event costs	884,000	687,000
Accrued uniform cost	127,000	84,000
Accrued repairs & maintenance cost	163,000	129,000
Accrued bank service charges	73,000	59,000
Other	<u>954,000</u>	<u>429,000</u>
	<u><u>\$ 19,235,000</u></u>	<u><u>\$ 16,823,000</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>1990</u>	<u>1989</u>
Unredeemed chip/token liability	\$ 2,766,000	\$ 1,155,000
Patron deposits	375,000	646,000
Casino reinvestment liability	171,000	933,000
Reserve for insurance claims	2,318,000	1,913,000
Due to partners	-	8,819,000
Advance room/theatre deposits	112,000	218,000
Advances due to Trump's Castle Associates	381,000	565,000
Advances due to Trump Crystal Tower Associates	469,000	-
Unclaimed wages	244,000	-
Other	69,000	80,000
	<u>\$ 6,905,000</u>	<u>\$ 14,329,000</u>

NOTE 8: LONG-TERM DEBT-DUE TO AFFILIATES

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

	<u>1990</u>	<u>1989</u>
12 7/8% promissory note, interest payable semi-annually, sinking fund payments to retire \$25,000,000 principal amount annually commence June 15, 1991 are calculated to retire 70% of the promissory note prior to maturity in 1998.	\$250,000,000	\$250,000,000
Less current maturities	<u>25,000,000</u>	<u>-</u>
	<u>\$225,000,000</u>	<u>\$250,000,000</u>

NOTE 9: LONG-TERM DEBT - OTHER

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

	<u>1990</u>	<u>1989</u>
10% note payable to Harrah's Atlantic City, Inc., interest payable monthly, maturing in 1993 (A)	\$ 14,401,000	\$ 16,095,000
Mortgage notes payable in monthly installments, including interest, with interest rates ranging from 9.5% to 12.5%. The notes are due at various dates between 1990 and 1998 and are secured by certain real property.	10,708,000	11,416,000
Other notes with interest rates ranging from 11.02% to 12.5%, principal and interest payable monthly, secured by automobile equipment	<u>97,000</u>	<u>116,000</u>
	25,206,000	27,627,000
Less current maturities	<u>4,564,000</u>	<u>4,068,000</u>
	<u>\$ 20,642,000</u>	<u>\$ 23,559,000</u>

TRUMP PLAZA ASSOCIATES
NOTES TO FINANCIAL STATEMENTS, continued

NOTE 9: LONG-TERM DEBT - OTHER, continued

(A) 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:

15% due, May 16, 1991
20% due, May 16, 1992
Balance due on maturity date - May 16, 1993

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

1991	\$ 4,564,000
1992	9,515,000
1993	8,787,000
1994	350,000
1995	386,000
Thereafter	<u>1,604,000</u>
	<u>\$25,206,000</u>

NOTE 10: DEFERRED CREDITS

Deferred credits as of June 30, 1990 and 1989 consisted of deferred state income taxes.

NOTE 11: PROMOTIONAL ALLOWANCES AND EXPENSES

Promotional allowances and expenses for the three and six months ended June 30, 1990 and 1989 consisted of the following:

Three 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	23,152	\$ 3,952,000	4,878	\$ 512,000
Food	334,194	3,998,000	-	-
Beverage	761,933	2,282,000	-	-
Travel	-	-	17,620	2,643,000
Theatre	52,811	1,460,000	517	21,000
Coin Bonus	-	-	806,435	7,469,000
Tips	-	-	2,485	100,000
Other	3,432	86,000	3,611	279,000
TOTAL	<u>1,175,522</u>	<u>\$11,778,000</u>	<u>835,546</u>	<u>\$11,024,000</u>

TRUMP PLAZA ASSOCIATES
NOTES TO FINANCIAL STATEMENTS, continued

Six months ended:

	Promotional Allowances		Promotional Expenses	
	Number of Recipients	Dollar Amount	Number of Recipients	Dollar Amount
Rooms	45,633	\$ 7,184,000	8,383	\$ 880,000
Food	701,718	8,408,000	-	-
Beverage	1,600,563	4,798,000	-	-
Travel	-	-	37,594	5,639,000
Theatre	101,201	2,879,000	1,515	61,000
Coin Bonus	-	-	1,269,714	13,591,000
Tips	-	-	5,723	229,000
Other	6,582	165,000	14,403	1,187,000
TOTAL	<u>2,455,697</u>	<u>\$23,434,000</u>	<u>1,337,332</u>	<u>\$21,587,000</u>

NOTE 12: INTEREST (EXPENSE) - AFFILIATES

Interest (Expense) - Affiliates for the three and six months ended June 30, 1990 and 1989 consisted of the 12-7/8% promissory note due in the principal amount of \$250,000,000 to Trump Plaza Funding, Inc.

NOTE 13: NONOPERATING INCOME (EXPENSE) - NET

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

	Three months ended		Six months ended	
	1990	1989	1990	1989
Interest income	\$316,000	\$668,000	\$695,000	\$1,229,000
Gain/(loss) on disposal of property and equipment	29,000	(88,000)	23,000	(151,000)
Other nonoperating income	<u>36,000</u>	<u>-</u>	<u>36,000</u>	<u>-</u>
	<u>\$381,000</u>	<u>\$580,000</u>	<u>\$754,000</u>	<u>\$1,078,000</u>

NOTE 14: COMMITMENTS AND CONTINGENCIES

A. Leases

The Company leases property (primarily land), certain parking space, and various equipment under operating leases. The Company also leases certain automobiles which have been classified as capital leases in the financial statements. Rent expense was \$1,485,000 and \$2,806,000 for the three and six months ended June 30, 1990 and \$1,096,000 and \$2,082,000 for the three and six months ended June 30, 1989, respectively.

Future minimum lease payments under the noncancellable leases are as follows:

1991	\$ 3,300,000
1992	3,100,000
1993	3,100,000
1994	3,100,000
1995	3,100,000
Thereafter through 2078	<u>510,597,000</u>
	<u>\$526,297,000</u>

TRUMP PLAZA ASSOCIATES
NOTES TO FINANCIAL STATEMENTS, continued

NOTE 14: COMMITMENTS AND CONTINGENCIES (Cont.)

Included above are future minimum lease payments under noncancellable leases with Seashore Four Associates and Trump Seashore Associates, affiliates of the Company, which are as follows:

1991	\$ 2,100,000
1992	1,900,000
1993	1,900,000
1994	1,900,000
1995	1,900,000
Thereafter through 2078	<u>426,314,000</u>
	<u>\$436,014,000</u>

Rent expense charged by the affiliates was \$515,000 and \$1,030,000 for the three and six months ended June 30, 1990 and \$344,000 and \$688,000 for the six months ended June 30, 1989, respectively.

Certain of these leases contain options to purchase the leased properties at various prices and times throughout the lease terms. At June 30, 1990, the aggregate option prices for these leases were \$28,500,000.

B. Investment obligation:

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

Effective April 15, 1990, the Company has been granted approval from the Casino Reinvestment Development Authority (CRDA) to receive investment credits for qualified investments in Atlantic City from deposited funds previously designated for the purchase of below market interest rate bonds. For the six months ended June 30, 1990, the financial statements reflect a nonoperating charge included as investment alternative tax and related income (expense)-net, of approximately \$1,875,000 to give effect to a write-down in deposits paid towards the purchase of below market rate bonds as of December 31, 1989. As of June 30, 1990 approximately \$3,322,000 and \$22,000 are included as prepaid expenses and other current assets and other assets, respectively in the accompanying financial statements. These amounts are net of a charge of approximately \$794,000 and \$1,553,000 for the three and six months ended June 30, 1990, respectively, which represent the remaining tax credits received from the CRDA and will be charged to operations in lieu of the Company's requirement to make quarterly deposits with the CRDA.

C. Casino License

In May, 1989, the New Jersey Casino Control Commission ("CCC") issued the Company a license to operate Trump Plaza. The 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 Company is subject to its retaining its operating license.

TRUMP PLAZA ASSOCIATES
 NOTES TO FINANCIAL STATEMENTS, continued

SCHEDULE OF RECEIVABLES

NOTE 15: PROVISION (CREDIT) FOR INCOME TAXES

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

LINE NO.	DESCRIPTION	Three months ended		Six months ended	
		1990	1989	1990	1989
1	Current				
	Patrons' Checks Deposited	\$ 75,000	\$ 594,000	\$(413,000)	\$1,013,000
2	Deferred				
	Patrons' Checks	11,000	(54,000)	145,000	-
3	Total	\$ <u>86,000</u>	\$ <u>540,000</u>	\$ <u>(268,000)</u>	\$ <u>1,013,000</u>

4	Receivables				
5	Receivables				
6	Receivables due from affiliates				
7	Receivables due from other parties				
8	Accounts and notes receivable				
9	Other receivables				
10	Income (Form 105)				

LINE NO.	DESCRIPTION	AMOUNT
11	Beginning Balance (January 1)	\$ 1,117
12	Counter checks issued including counter checks issued through transactions relating to consolidations, substitutions, and patrons' check deposits	12,221
13	Checks redeemed prior to date of issuance and uncollected portion of counter checks issued through partial redemptions and excluding checks redeemed through transactions relating to consolidations, substitutions, and patrons' check deposits	(11,171)
14	Checks collected through deposits	1,117
15	Checks transferred to returned checks	(1,117)
16	Other adjustments	
17	Ending Balance	\$ 1,117
18	Patrons' Checks Included in Balance on Line 11	\$ 1,117
19	Provision for Uncollectible Patrons' Checks	1,117
20	Provision as a Percent of Counter Checks Issued	1.0%

TRADING NAME OF LICENSEE TRUMP PLAZA HOTEL & CASINO

SCHEDULE OF RECEIVABLES AND PATRONS' CHECKS

JUNE 30, 1990

(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.....	\$ 8,808		
2	Returned patrons' checks.....	22,767		
3	Total patrons' checks.....	31,575	\$15,325	\$16,250
4	Hotel Receivables.....	1,516	215	1,301
	Other Receivables			
5	Receivables due from officers & emps.	66		
6	Receivables due from affiliates.....	-		
7	Other accounts and notes receivables.....	592		
8	Total other receivables.....	658		658
9	Totals (Form 205).....	\$33,749	\$15,540	\$18,209

UNDEPOSITED PATRONS' CHECKS ACTIVITY

LINE (f)	DESCRIPTION (g)	AMOUNT (h)
10	Beginning Balance (January 1).....	\$ 7,537
11	Counter checks issued (excluding counter checks issued through transactions relating to consolidations, partial redemptions, substitutions, and patrons' cash deposits).....	139,895
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).....	(108,177)
13	Checks collected through deposits.....	(25,142)
14	Checks transferred to returned checks.....	(5,305)
15	Other adjustments.....	
16	Ending Balance.....	\$ 8,808
17	"Hold Checks included in Balance on Line 16.....	\$ 0
18	Provision for Uncollectible Patrons' Checks.....	\$ 2,582
19	Provision as a Percent of Counter Checks Issued.....	1.8%

STATEMENT OF CONFORMITY AND ACCURACY

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

TIM MALAND, 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.

Tim Maland
Signature

SR. VP OF FINANCE & ADMIN.
Title

004804-11
License Number

On Behalf Of:

Subscribed and sworn to
before me this 15th day
of August, 1990

Jodi B. Mucharsky
Signature

TRUMP PLAZA ASSOCIATES
Casino Licensee

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

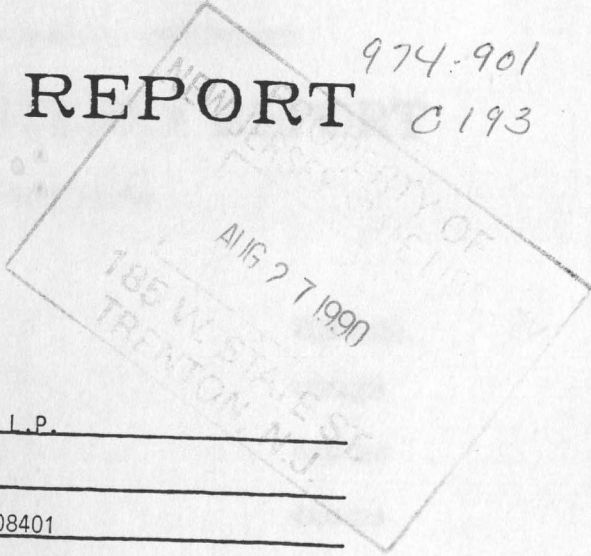
Basis of Authority
to Take Oaths

HOTEL STATISTICSFOR THE 6 MONTHS ENDED June 30, 1990

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	562	16,497	14,599	\$ 103.68	88.5%	29,198	\$ 51.84
FEBRUARY	556	14,786	13,636	\$ 106.15	92.2%	27,272	\$ 53.07
MARCH	556	16,434	14,854	\$ 121.32	90.4%	29,708	\$ 60.66
1ST QUARTER TOTALS		47,717	43,089	\$ 110.54	90.3%	86,178	\$ 55.27
APRIL	556	15,954	13,971	\$ 132.64	87.6%	27,942	\$ 66.32
MAY	556	16,503	14,162	\$ 134.25	85.8%	28,324	\$ 67.13
JUNE	556	16,555	15,169	\$ 147.96	91.6%	30,338	\$ 73.98
2ND QUARTER TOTALS		49,012	43,302	\$ 138.53	88.3%	86,604	\$ 69.27
JULY				\$	%		\$
AUGUST				\$	%		\$
SEPTEMBER				\$	%		\$
3RD QUARTER TOTALS				\$	%		\$
OCTOBER				\$	%		\$
NOVEMBER				\$	%		\$
DECEMBER				\$	%		\$
4TH QUARTER TOTALS				\$	%		\$
ANNUAL TOTALS				\$	%		\$

QUARTERLY REPORT

974-901
0193



LICENSEE TRUMP TAJ MAHAL ASSOCIATES, I.P.

ADDRESS 1000 BOARDWALK

ATLANTIC CITY, NEW JERSEY 08401

FOR THE QUARTER ENDED JUNE 30, 1990

TO THE
CASINO CONTROL COMMISSION
OF THE
STATE OF NEW JERSEY



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

HENRY HORNPOSTEL

OFFICIAL TITLE

SENIOR VICE PRESIDENT - FINANCE

ADDRESS

1000 BOARDWALK

ATLANTIC CITY, NEW JERSEY 08401

TRADING NAME OF LICENSEE: TRUMP TAJ MAHAL CASINO RESORT

LIST OF FORMS – QUARTERLY REPORT

FOR THE QUARTER ENDED JUNE 30, 1990.

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

TRADING NAME OF LICENSEE: TRUMP TAJ MAHAL CASINO RESORT

BALANCE SHEETS

JUNE 30, 1990 and APRIL 2, 1990

(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	JUNE (c) 1990	APRIL 2, (d) 1990
	ASSETS		
	Current Assets:		
1	Cash.....	\$ 20,569	\$ 61,202
2	Marketable securities.....	-	-
3	Receivables and patrons' checks (net of allowance for doubtful accounts - 1990, \$1,436)....	18,877	1,401
4	Inventories.....	6,273	8,580
5	Prepaid expenses and other current assets.....	7,300	13,166
6	Total current assets.....	53,019	84,349
7	Investment, Advances, and Receivables.....	-	-
8	Property and Equipment - Net..... NOTE 2.....	805,062	749,074
9	Other Assets..... NOTE 3.....	61,870	70,051
10	Total Assets.....	\$ 919,951	\$ 903,474
	LIABILITIES AND EQUITY		
	Current Liabilities:	\$	\$
11	Accounts Payable.....	91,076	67,631
12	Notes Payable.....	-	-
	Current portion of long-term debt:		
13	Due to affiliates.....	-	-
14	Other..... NOTE 4.....	11,043	11,027
15	Income taxes payable and accrued.....	-	-
16	Other accrued expenses..... NOTE 5.....	32,459	44,545
17	Other current liabilities..... NOTE 6.....	11,024	3,534
18	Total current liabilities.....	145,602	126,737
	Long-Term Debt:		
19	Due to affiliates..... NOTE 7.....	700,000	675,000
20	Other..... NOTE 8.....	37,928	40,771
21	Deferred Credits.....	-	-
22	Other Liabilities.....	-	10,129
23	Commitments and Contingencies..... NOTE 9.....		
24	Total Liabilities.....	883,530	852,637
25	Stockholders', Partners', or Proprietor's Equity.....	36,421	50,837
26	Total Liabilities and Equity.....	\$ 919,951	\$ 903,474

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

TRADING NAME OF LICENSEE: TRUMP TAJ MAHAL CASINO RESORT

STATEMENTS OF INCOME

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

(UNAUDITED)

(\$ IN THOUSANDS)

NOT APPLICABLE

LINE (a)	DESCRIPTION (b)	(c) 19	(d) 19
	Revenue:		
1	Casino.....	\$	\$
2	Room.....		
3	Food and Beverage.....		
4	Other.....		
5	Total Revenue.....		
6	Less: Promotional allowances.....		
7	Net Revenue.....		
	Costs and Expenses:		
8	Cost of Goods and Services.....		
9	Selling, General and Administrative.....		
10	Provision for Doubtful Accounts.....		
11	Depreciation and Amortization.....		
	Charges from Affiliates Other Than Interest:		
12	Management Fees.....		
13	Other.....		
14	Total Costs and Expenses.....		
15	Income (Loss) From Operations.....		
	Other Income (Expenses):		
16	Interest (Expense) - Affiliates.....		
17	Interest (Expense) - External.....		
18	Investment Alternative Tax and Related Income (Expense) - Net.....		
19	Nonoperating Income (Expense) - Net.....		
20	Total Other Income (Expenses).....		
21	Income (Loss) Before Income Taxes and Extraordinary Items.....		
22	Provision (Credit) for Income Taxes.....		
23	Income (Loss) Before Extraordinary Items.....		
24	Extraordinary Items (Net of Incomes Taxes - 19____, \$ _____ ; 19____, \$ _____)		
25	Net Income (Loss).....	\$	\$

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

TRADING NAME OF LICENSEE: TRUMP TAJ MAHAL CASINO RESORT

STATEMENTS OF INCOME

FOR THE THREE MONTHS ENDED JUNE, 1990.

(UNAUDITED)

(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1990	(d) 19
	REVENUE:		
1	Casino.....	\$ 104,454	\$ N/A
2	Rooms.....	12,078	
3	Food and Beverage.....	21,294	
4	Other.....	4,760	
5	Total Revenue.....	142,586	
6	Less: Promotional allowances..... NOTE 10.....	16,561	
7	Net Revenue.....	126,025	
	COSTS AND EXPENSES:		
8	Cost of Goods and Services.....	63,944	
9	Selling, General and Administrative.....	33,716	
10	Provision for Doubtful Accounts.....	1,436	
11	Depreciation and Amortization.....	13,485	
12	Charges from Affiliates other than Interest:		
12	Management Fees..... NOTE 11.....	2,486	
13	Other.....	-	
14	Total Costs and Expenses.....	115,067	
15	Income (Loss) From Operations.....	10,958	
	Other Income (Expenses):		
16	Interest (Expenses) - Affiliates..... NOTE 12.....	24,042	
17	Interest (Expenses) - External..... NOTE 13.....	1,332	
18	Investment Alternative Tax and Related Income (Expense) - Net.....		
19	Nonoperating Income (Expense) - Net.....		
20	Total other Income (Expenses).....	25,374	
21	Income (Loss) Before Income Taxes and Extraordinary Items.....	(14,416)	
22	Provision (Credit) for Income Taxes.....		
23	Income (Loss) Before Extraordinary Items.....	(14,416)	
24	Extraordinary Items (Net of Incomes Taxes - 19____, \$; 19____, \$)	-	
25	Net Income (Loss).....	\$ (14,416)	\$

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

TRADING NAME OF LICENSEE: TRUMP TAJ MAHAL CASINO RESORT

STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY

FOR THE THREE MONTHS ENDED 19 , AND 19 .

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.

CCC-220

TRADING NAME OF LICENSEE: TRUMP TAJ MAHAL CASINO RESORT

STATEMENTS OF CHANGES IN PARTNERS' OR PROPRIETOR'S EQUITY

FOR THE THREE MONTHS ENDED JUNE, 1990.

(UNAUDITED)

(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1990	(d) 19
	Invested Capital:		
1	Beginning Balance (April 2).....	\$ 75,001	\$ N/A
2	Additional Capital Invested.....	0	
3	.....	0	
4	Ending Balance.....	75,001	
	Accumulated Income (Loss):		
5	Beginning Balance (April 2).....	(24,164)	
6	Prior Period Adjustments.....	0	
7	Net Income (Loss).....	(14,416)	
8	.....	0	
9	Ending Balance.....	(38,580)	
	Capital Withdrawals:		
10	Beginning Balance (April 2).....	-	
11	Additional Capital Withdrawals.....	-	
12	.....	-
13	Ending Balance.....	0	
	Net Unrealized Loss On Noncurrent Marketable Equity Securities:		
14	Beginning Balance (April 2).....	-	
15	.....	-
16	.....	-
17	Ending Balance.....	0	
18	Ending Partners' or Proprietor's Equity.....	\$ 36,421	\$

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

TRADING NAME OF LICENSEE: TRUMP TAJ MAHAL CASINO RESORT

STATEMENT OF CASH FLOWS

FOR THE THREE MONTHS ENDED JUNE, 1990

(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1990	(d) 19
1	Net Cash Provided (Used) by Operating Activities.....	\$ 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.....	(64,640)	
5	Proceeds from Disposition of Property and Equipment.....		
6	Purchase of Casino Reinvestment Obligations.....		
7	Purchase of Other Investments and Loans/Advances Made.....		
8	Proceeds from Disposal of Investments and Collection of Advances and Long-Term Receivables.....		
9	Cash Outflows to Acquire Business Entities.....		
10			
11			
12	Net Cash Provided (Used) by Investing Activities.....	(62,806)	
	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.....	(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.....	22,173	
24	Net Increase (Decrease) in Cash and Cash Equivalents.....	(40,633)	
25	Cash and Cash Equivalents at Beginning of Period.....	61,202	
26	Cash and Cash Equivalents at End of Period.....	\$ 20,569	\$

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

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

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

TRADING NAME OF LICENSEE: TRUMP TAJ MAHAL CASINO RESORT

STATEMENT OF CASH FLOWS

FOR THE THREE MONTHS ENDED JUNE 30, 1990

(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1990	(d) 19
	Net Cash Flows from Operating Activities:		
29	Net Income (Loss).....	\$ (14,416)	\$
	Noncash Items Included in Income and Cash Items Excluded from Income:		
30	Depreciation and Amortization of Property and Equipment.....	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.....		
37	(Gain) Loss from Other Investment Activities.....		
38	Net (Increase) Decrease in Receivables and Patrons' Checks.....	(17,476)	
39	Net (Increase) Decrease in Inventories.....	2,307	
40	Net (Increase) Decrease in Other Current Assets.....	5,866	
41	Net (Increase) Decrease in Other Assets.....	3,348	
42	Net Increase (Decrease) in Accounts Payables.....	23,445	
43	Net Increase (Decrease) in Other Current Liabilities Excluding Debt.....	(4,596)	
44	Net Increase (Decrease) in Other Noncurrent Liabilities Excluding Debt.....	(10,129)	
45			
46			
47	Net Cash Provided (Used) by Operating Activities.....	\$ 1,834	\$

SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING AND FINANCING ACTIVITIES

48	Acquisition of Property and Equipment:		
	Additions to Property and Equipment.....	\$ 64,640	\$
49	Less: Capital Lease Obligations Incurred.....	-	
50	Cash Outflows for Property and Equipment.....	\$ 64,640	\$
	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	\$
	Stock Issued or Capital Contributions:		
57	Total Issuances of Stock or Capital Contributions.....	\$ -	\$
58	Less: Issuances to Settle Long-Term Debt.....	-	
59	Consideration in Acquisition of Business Entities.....	-	
60	Cash Proceeds from Issuing Stock or Capital Contributions.....	\$ 0	\$

TRUMP TAJ MAHAL CASINO RESORT

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and Operation

Trump Taj Mahal Associates Limited Partnership (the limited "Partnership") was organized on June 23, 1988, as a limited partnership. Donald J. Trump and Trump Taj Mahal, 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.

Deferred Preopening

Costs of opening the Taj Mahal are being amortized over a three year period. Such costs include salaries, temporary office rent, supplies, and recruiting costs.

Deferred Loan Offering Costs

Underwriters commissions and other costs incurred in connection with the financing of the first Mortgage Bonds are being amortized over the life of the Bonds using the effective interest method.

NOTE 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 \$1,436,000 through June 30, 1990.

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 seven years and 40 years for buildings.

NOTE Employee Benefit Plan

Effective January 1, 1989, the Partnership established the Taj Mahal Retirement Savings Plan ("the Plan") for its employees over 21 years of age who are not covered by a collective bargaining agreement. The Plan is structured to qualify for favorable tax treatment under Section 401(k) of the Internal Revenue Code and allows eligible participants to contribute up to 15% of their salary (certain limits apply, as defined) to the Plan with a matching partnership contribution of 50% of such salary contribution up to 4%. The funds are administered and invested by a Plan trustee.

NOTE 2 - PROPERTY AND EQUIPMENT

	June 30, 1990 (In Thousands)
Land	\$ 36,763
Buildings	623,848
Furniture, fixtures and equipment	143,153
Leasehold improvements	<u>9,950</u>
Total	813,714
Less Accumulated Depreciation	<u>(8,652)</u>
Net Property and Equipment	<u>\$805,062</u>

NOTE 3 - OTHER ASSETS

	June 30, 1990 (In Thousands)
Deferred Preopening, net	\$43,183
Deferred Financing, net	16,687
Other	<u>2,000</u>
Total	<u>\$61,870</u>

NOTE 4 - CURRENT PORTION OF LT DEBT-OTHER

	June 30, 1990 (In Thousands)
National Westminster, FF&E Loan	\$10,526
Other	<u>517</u>
Total	<u>\$11,043</u>

NOTE 5 - OTHER ACCRUED EXPENSES

	June 30, 1990 (In Thousands)
Accrued Interest	\$13,615
Accrued Payroll & Related	11,669
Progressive Jackpot	2,477
Gaming Tax	768
Insurance	789
Other	<u>3,141</u>
Total	<u>\$32,459</u>

NOTE 6 - OTHER CURRENT LIABILITIES

Trump Air	\$ 285
Trump Castle	634
Trump Plaza	646
Trump Realty	(5,376)
Trump Management Corp.	12,386
Trump Regency	<u>425</u>
Total	\$9,000
Other	<u>2,024</u>
Total	<u>\$11,024</u>

NOTE 7 - LONG TERM DEBT:

	June 30, 1990
Affiliates	(In Thousands)
Trump Taj Mahal Funding, Inc.	675,000
Trump line of credit	<u>25,000</u>
Total	<u>\$700,000</u>

On November 22, 1988, Trump Taj Mahal Funding, Inc. issued its Series A First Mortgage Bonds (the "Bonds") at their face value of \$675,000,000. The Bonds bear interest at 14%, payable semiannually, beginning May 15, 1989, and the principal is due in full on November 15, 1998. The bonds are redeemable at any time on or after November 15, 1993 at the option of the company, in whole or in part, at a premium scaling down to par at November 15, 1997. The proceeds of the Bonds are loaned by the Funding to the Partnership under terms which conform with the terms of the Indenture.

On April 30, 1990, Donald J. Trump loaned Trump Taj Mahal Associates \$25,000,000, a demand note at prime (10% at June 30, 1990).

NOTE 8 - OTHER

	June 30, 1990
National Westminster, FF&E loan	36,774
Other	<u>1,154</u>
Total	<u>\$37,928</u>

(a) On November 3, 1989, the Partnership entered into a loan agreement with a bank to provide financing of up to \$50,000,000 for 80% of the cost of certain items of furniture, fixtures and equipment to be installed in the Taj Mahal. This loan bears interest, which is payable monthly, at the bank's prime rate plus 1/2% or LIBOR plus 2% at the Company's option (10.50% at June 30, 1990). Principal repayments are to be made quarterly over a five year period beginning in May 1990. The loans are secured by a first priority lien on the related furniture, fixtures and equipment.

(b) Comprised of obligations under capitalized equipment leases and vehicle loans from a bank bearing interest at rates between 10% and 11.3% payable monthly. Principal repayments are due in varying amounts through 1994. The loans and lease are secured by a first priority lien on the related equipment.

NOTE 9 - COMMITMENTS

The Partnership has entered into employment agreements with certain key employees and lease agreements for office and warehouse space under noncancellable operating leases expiring at various dates through 1994. At June 30, 1990, minimum commitments under these arrangements are as follows:

1990	\$3,636,000
1991	5,391,000
1992	2,862,000
1993	1,337,000
1994	1,056,000

Aggregate maturities of long term debt are as follows:

1990	\$5,461,000
1991	11,053,000
1992	11,133,000
1993	10,786,000
1994	10,538,000
Thereafter	700,000,000

NOTE 10 - PROMOTIONAL ALLOWANCE AND PROMOTIONAL EXPENSE

	<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			100	97
Total	<u>1,168,444</u>	<u>\$16,561</u>	<u>121,467</u>	<u>\$4,003</u>

NOTE 11 - CHARGES FROM AFFILIATES-MANAGEMENT FEE

June 30,
1990
(In Thousands)

Trump Hotel Management Corp. \$2,486

The Partnership will pay a management fee ("Management Fee") to Trump Hotel Management Corp., a New Jersey corporation owned and controlled by Donald J. Trump ("THMC"), pursuant to the Management Agreement between the Partnership and THMC, date November 22, 1988 (the "Management Agreement"). The Management Fee, payable semi-annually, is equal to 1 3/4% of the gross revenues (as defined in the Management Agreement) for each fiscal year or part thereof within the term of the Management Agreement.

NOTE 12 - INTEREST EXPENSE AFFILIATES (See Footnote #6)

June 30,
1990
(In Thousands)

Trump Taj Mahal Funding, Inc. \$23,625
Trump line of credit 417
Total \$24,042

NOTE 13 - INTEREST EXPENSE EXTERNAL (See Footnote #7)

June 30,
1990
(In Thousands)

National Westminster Bank, FF&E loan \$1,294
Other 38
Total \$1,332

TRADING NAME OF LICENSEE: TRUMP TAJ MAHAL CASINO RESORT

SCHEDULE OF RECEIVABLES AND PATRONS' CHECK

JUNE 30, 1990

(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.....	\$ 13,883		
2	Returned Patrons' Checks.....	1,015		
3	Total Patrons' Checks.....	14,898	\$ 1,336	\$ 13,562
4	Hotel Receivables.....	4,192	100	4,092
	Other Receivables:			
5	Receivables Due From Officers and Employees.....	249		
6	Receivables Due From Affiliates.....	0		
7	Other Accounts and Notes Receivables.....	974		
8	Total Other Receivables.....	1,223	0	1,223
9	Totals (Form 205).....	\$ 20,313	\$ 1,436	\$ 18,877

UNDEPOSITED PATRONS' CHECKS ACTIVITY		
LINE (f)	DESCRIPTION (g)	AMOUNT (h)
10	Beginning Balance (January 1).....	\$ 0
11	Counter Checks Issued (excluding counter checks issued through transactions relating to consolidations, partial redemptions, substitutions, and patrons' cash deposits).....	95,419
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).....	(66,617)
13	Checks Collected Through Deposits.....	(13,904)
14	Checks Transferred to Returned Checks.....	(1,015)
15	Other Adjustments.....	0
16	Ending Balance.....	\$ 13,883
17	"Hold" Checks Included in Balance on Line 16.....	\$ 0
18	Provision for Uncollectible Patrons' Checks.....	\$ 1,336
19	Provisions as a Percent of Counter Checks Issued.....	1.4%

STATEMENT OF CONFORMITY AND ACCURACY

STATE OF NEW JERSEY :
COUNTY OF ATLANTIC : ss.

Henry Hornbostel, 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

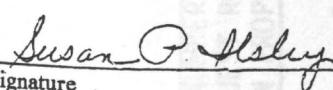
Senior Vice President - Finance
TITLE

01174-11
LICENSE NUMBER

On Behalf Of:

Trump Taj Mahal Associates, L.P.
Casino Licensee

Subscribed and Sworn to
before me this 14th day
of August, 19 90


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, 1990

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	-	-	-	\$ -	-%	-	\$ -
FEBRUARY	-	-	-	\$ -	-%	-	\$ -
MARCH	-	-	-	\$ -	-%	-	\$ -
1ST QUARTER TOTALS		-	-	\$ -	-%	-	\$ -
APRIL	1,250	32,161	26,274	\$ 154.13	81.7%	50,347	\$ 80.44
MAY	1,250	37,121	29,167	\$ 134.91	78.6%	58,246	\$ 67.56
JUNE	1,250	37,500	31,878	\$ 135.05	85.0%	63,542	\$ 67.75
2ND QUARTER TOTALS		106,782	87,319	\$ 140.74	81.8%	172,135	\$ 71.40
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.