

BALANCE SHEET

SEPTEMBER 30, 1992 AND 1991

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QUARTERLY REPORT

PROPERTY OF
NEW JERSEY STATE LIBRARY

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185 W. STATE ST.

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

FOR THE QUARTER ENDED SEPTEMBER 30, 1992

TO THE
CASINO CONTROL COMMISSION
OF THE
STATE OF NEW JERSEY

NOV 17 Rec'd
1992

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

MARK MILLER
VICE PRESIDENT FINANCE
P.O. BOX 840
ATLANTIC CITY, NEW JERSEY

BALANCE SHEET

SEPTEMBER 30, 1992 AND 1991

(UNAUDITED)

(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 19 92	(d) 19 91
	ASSETS		
	Current Assets:	\$	\$
1	Cash	33,965	36,548
2	Marketable securities	0	0
3	Receivables and patrons' checks (net of allowances for doubtful accounts - 19_92_, \$ 3,064 ; 19_91_ \$ 4,554 ) .....NOTE 3..	5,211	5,084
4	Inventories	1,981	1,887
5	Prepaid expenses and other current assets.....	2,800	3,067
6	Total current assets	43,957	46,586
7	Investments, Advances, And Receivables .....NOTE 2,8 &11	16,243	16,819
8	Property And Equipment - Gross NOTE 4	293,389	278,030
9	(Accumulated Depreciation/Amortization)	(88,562)	(72,068)
10	Other Assets	8,996	9,650
11	Total Assets	\$ 274,023	\$ 279,017
	LIABILITIES AND EQUITY		
	Current Liabilities:	\$	\$
12	Accounts payable	4,789	4,565
13	Notes payable	0	0
	Current portion of long-term debt:		
14	Due to affiliates	0	0
15	Other NOTE 7	2,194	3,277
16	Income taxes payable and accrued.....	2,983	2,020
17	Other accrued expenses NOTE 5	14,828	14,423
18	Other current liabilities NOTE 6	8,330	3,196
19	Total current liabilities	33,124	27,481
	Long-Term Debt:		
20	Due to affiliates NOTE 2	149,444	161,540
21	Other NOTE 7	4,795	6,987
22	Deferred Credits	10,431	7,068
23	Other Liabilities NOTE 2	9,680	23,182
24	Commitments And Contingencies NOTE 12		
25	Total Liabilities	207,474	226,258
26	Stockholders', Partners', Or Proprietor's Equity	66,549	52,759
27	Total Liabilities And Equity	\$ 274,023	\$ 279,017

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

TRADING NAME OF LICENSEE ATLANTIC CITY SHOWBOAT, INC.

STATEMENTS OF INCOME

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 1992 AND 1991

(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 19 92	(d) 19 91
	Revenue:		
1	Casino	\$ 200,865	\$ 185,199
2	Rooms	8,844	7,951
3	Food and beverage	23,258	25,743
4	Other	3,711	3,115
5	Total revenue	236,678	222,008
6	Less: Promotional allowances	18,335	18,189
7	Net revenues.....	218,343	203,819
	Costs And Expenses:		
8	Costs of goods and services	123,595	119,853
9	Selling, general, and administrative	44,327	37,209
10	Provision for doubtful accounts	769	1,914
11	Total costs and expenses	168,691	158,976
12	Gross Operating Profit	49,652	44,843
13	Depreciation and amortization	13,441	15,466
	Charges from affiliates other than interest:		
14	Management fees.....	0	0
15	Other	0	0
16	Income (Loss) From Operations	36,211	29,377
	Other Income (Expenses):		
17	Interest (expense) - affiliates	(12,749)	(13,787)
18	Interest (expense) - external	(1,051)	(1,329)
19	Investment alternative tax and related income (expense) - net	(830)	(837)
20	Nonoperating income (expense) - net	860	1,014
21	Total other income (expenses)	(13,770)	(14,939)
22	Income (Loss) Before Income Taxes And Extraordinary Items	22,441	14,438
23	Provision (credit) for income taxes NOTE 9	7,886	5,840
24	Income (Loss) Before Extraordinary Items	14,555	8,598
25	Extraordinary items (net of income taxes - 19 92, \$ _____ ; 19 91, \$ _____)	0	0
26	Net Income (Loss)	\$ 14,555	\$ 8,598

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

TRADING NAME OF LICENSEE ATLANTIC CITY SHOWBOAT, INC.

STATEMENTS OF INCOME

FOR THE THREE MONTHS ENDED SEPTEMBER 30, 1992 AND 1991

(UNAUDITED)

(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 19 92	(d) 19 91
	Revenue:		
1	Casino	\$ 74,088	\$ 71,165
2	Rooms	3,369	3,048
3	Food and beverage	8,756	10,136
4	Other	1,528	1,182
5	Total revenue	87,741	85,531
6	Less: Promotional allowances	7,016	7,236
7	Net revenues.....	80,725	78,295
	Costs And Expenses:		
8	Costs of goods and services	43,702	43,083
9	Selling, general, and administrative	14,937	13,485
10	Provision for doubtful accounts	438	549
11	Total costs and expenses	59,077	57,117
12	Gross Operating Profit	21,648	21,178
13	Depreciation and amortization	4,028	5,263
	Charges from affiliates other than interest:		
14	Management fees.....	0	0
15	Other	0	0
16	Income (Loss) From Operations	17,620	15,915
	Other Income (Expenses):		
17	Interest (expense) - affiliates	(4,249)	(4,594)
18	Interest (expense) - external	(324)	(422)
19	Investment alternative tax and related income (expense) - net	(307)	(286)
20	Nonoperating income (expense) - net	226	474
21	Total other income (expenses)	(4,654)	(4,828)
22	Income (Loss) Before Income Taxes And Extraordinary Items	12,966	11,087
23	Provision (credit) for income taxes	4,544	4,373
24	Income (Loss) Before Extraordinary Items	8,422	6,714
25	Extraordinary items (net of income taxes - 19 92, \$ _____ ; 19 91, \$ _____)	0	0
26	Net Income (Loss)	\$ 8,422	\$ 6,714

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

TRADING NAME OF LICENSEE ATLANTIC CITY SHOWBOAT, INC.
STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 1992 AND 1991
 (UNAUDITED)
 (\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	1992		1991	
		(c) SHARES	(d) DOLLARS	(e) SHARES	(f) DOLLARS
	Common Stock: 2500 SHARES AUTHORIZED				
1	Beginning balance (January 1)	1,500	\$ 76,909	1,500	\$ 76,909
2	Sale of stock				
3	.....			
4	Ending balance	1,500	76,909	1,500	76,909
	Preferred Stock:				
5	Beginning balance (January 1)				
6	Sale of stock				
7	.....			
8	Ending balance				
	Additional Paid-in Capital:				
9	Beginning balance (January 1)				
10	.....			
11	.....			
12	Ending balance				
	Treasury Stock:				
13	Beginning balance (January 1)		()		()
14	Purchase of additional stock		()		()
15	Sale or retirement of stock				
16	Ending balance		()		()
	Subscriptions Receivable For				
	Capital Stock:				
17	Beginning balance (January 1)		()		()
18	.....			
19	.....			
20	Ending balance		()		()
	Net Unrealized Loss On Noncurrent				
	Marketable Equity Securities:				
21	Beginning balance (January 1)		()		()
22	.....			
23	.....			
24	Ending balance		()		()
	Retained Earnings:				
25	Beginning balance (January 1)		(24,915)		(32,748)
26	Prior period adjustments				
27	Net income (loss)		14,555		8,598
28	Dividends				
29	.....			
30	.....			
31	Ending balance		(10,360)		(24,150)
32	Ending Stockholder's Equity		\$ 66,549		\$ 52,759

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

STATEMENTS OF CASH FLOWS

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 1992 AND 1991
(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 19 92	(d) 19 91
1	Net Cash Provided(Used) By Operating Activities	\$ 21,904	\$ 11,555
	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	(13,725)	(8,291)
5	Proceeds from disposition of property and equipment	69	131
6	Purchase of casino reinvestment obligations	(2,242)	(2,020)
7	Purchase of other investments and loans/advances made	0	
8	Proceeds from disposal of investments and collection of advances and long-term receivables	2,680	5,041
9	Cash outflows to acquire business entities		
10	.....	
11	.....	
12	Net Cash Provided (Used) By Investing Activities	(13,218)	(5,139)
	Cash Flows From Financing Activities:		
13	Cash proceeds from issuance of short-term debt		
14	Payments to settle short-term debt		
15	Cash proceeds from issuance of long-term debt		
16	Cost of issuing debt		
17	Payments to settle long-term debt	(2,547)	(2,168)
18	Cash proceeds from issuing stock or capital contributions		
19	Purchases of treasury stock		
20	Payments of dividends or capital withdrawals	0	
21	.....	0	
22	.....	
23	Net Cash Provided (Used) By Financing Activities	(2,547)	(2,168)
24	Net Increase (Decrease) In Cash And Cash Equivalents	6,139	4,248
25	Cash And Cash Equivalents At Beginning Of Years	27,826	32,300
26	Cash And Cash Equivalents At End Of Years	\$ 33,965	\$ 36,548

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

27	Cash Paid During Period For: Interest (net of amount capitalized)	\$ 17,698	\$ 9,331
28	Income taxes	\$ 2,700	\$ 650

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

TRADING NAME OF LICENSEE ATLANTIC CITY SHOWBOAT, INC.

STATEMENTS OF CASH FLOWS

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 1992 AND 1991
(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 19 92	(d) 19 91
	Net Cash Flows From Operating Activities:		
29	Net income (loss)	\$ 14,555	\$ 8,598
	Noncash items included in income and cash items excluded from income:		
30	Depreciation and amortization of property and equipment	13,441	15,466
31	Amortization of other assets	352	367
32	Amortization of debt discount or premium		
33	Deferred income taxes - current		
34	Deferred income taxes - noncurrent	2,049	3,095
35	(Gain) loss on disposition of property and equipment	(20)	402
36	(Gain) loss on casino reinvestment obligations	830	837
37	(Gain) loss from other investment activities	10	
38	Net (increase) decrease in receivables and patrons' checks	(385)	1,600
39	Net (increase) decrease in inventories	(256)	323
40	Net (increase) decrease in other current assets	(761)	(754)
41	Net (increase) decrease in other assets	1,149	(139)
42	Net increase (decrease) in accounts payables	(849)	(666)
43	Net increase (decrease) in other current liabilities excluding debt	1,952	(7,851)
44	Net increase (decrease) in other noncurrent liabilities excluding debt		(9,814)
45	Decrease in noncurrent mgmtnt fee payable	(10,163)	
46	Write-off non-cash current asset	0	91
47	Net Cash Provided (Used) By Operating Activities	\$ 21,904	\$ 11,555

SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING AND FINANCING ACTIVITIES

48	Acquisition Of Property And Equipment:		
	Additions to property and equipment	\$ 13,725	\$ 8,291
49	Less: Capital lease obligations incurred		
50	Cash Outflows For Property And Equipment	\$ 13,725	\$ 8,291
	Acquisition Of Business Entries:		
51	Property and equipment acquired	\$	\$
52	Goodwill acquired		
53	Net assets acquired other than cash, goodwill, and property and equipment		
54	Long-term debt assumed		
55	Issuance of stock or capital invested		
56	Cash Outflows To Acquire Business Entries	\$	\$
	Stock Issued Or Capital Contributions:		
57	Total issuances of stock or capital contributions	\$	\$
58	Less: Issuances to settle long-term debt		
59	Consideration in acquisition of business entities		
60	Cash Proceeds From Issuing Stock Or Capital Contributions	\$	\$

TRADING NAME OF LICENSEE ATLANTIC CITY SHOWBOAT, INC.
SCHEDULE OF RECEIVABLES AND PATRONS' CHECKS

SEPTEMBER 30, 1992

(UNAUDITED)
(\$ IN THOUSANDS)

ACCOUNTS RECEIVABLE BALANCES				
LINE (a)	DESCRIPTION (b)	ACCOUNT BALANCE (c)	ALLOWANCE (d)	ACCOUNTS RECEIVABLE (e) NET OF ALLOWANCE
	Patrons' Checks:	\$		
1	Undeposited patrons' checks.....	3,388		
2	Returned patrons' checks.....	3,904		
3	Total patrons' checks.....	7,292	\$ 2,919	\$ 4,373
4	Hotel Receivables.....	483	145	338
	Other Receivables:			
5	Receivables due from officers and employees.....	0		
6	Receivables due from affiliates.....	0		
7	Other accounts and notes receivables.....	500		
8	Total other receivables.....	500	0	500
9	Totals (Form 205).....	\$ 8,275	\$ 3,064	\$ 5,211

UNDEPOSITED PATRONS' CHECKS ACTIVITY		
LINE (f)	DESCRIPTION (g)	AMOUNT (h)
10	Beginning Balance (January 1).....	\$ 3,143
11	Counter checks issued (excluding counter checks issued through transactions relating to consolidations, partial redemptions, substitutions, and patrons' cash deposits).....	89,137
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).....	(60,020)
13	Checks collected through deposits.....	(25,171)
14	Checks transferred to return checks.....	(3,701)
15	Other adjustments.....	0
16	Ending Balance.....	\$ 3,388
17	"Hold" Checks Included in Balance On Line 16.....	\$ 0
18	Provision For Uncollectible Patrons' Checks.....	\$ 696
19	Provision As A Percent Of Counter Checks Issued.....	0.8%

ATLANTIC CITY SHOWBOAT, INC.
TRADING NAME OF LICENSEE ATLANTIC CITY SHOWBOAT

PROMOTIONAL EXPENSES AND ALLOWANCES

(\$ in Thousands)

For The Nine Months Ended September 30, 1992

	Promotional Allowances		Promotional Expenses	
	Number of Recipients	Dollar Amount	Number of Recipients	Dollar Amount
Rooms	65	\$ 5,141		\$
Food	923	8,641		
Beverage	4,128	3,252		
Travel			11	1,860
Coin			1,658	19,575
Coupon				
Entertainment	127	1,267		
Retail & Gifts				
Other	2	34		9
Total	5,245	\$ 18,335	1,669	\$ 21,444

 For The Three Months Ended September 30, 1992

	Promotional Allowances		Promotional Expenses	
	Number of Recipients	Dollar Amount	Number of Recipients	Dollar Amount
Rooms	27	\$ 1,889		\$
Food	365	3,363		
Beverage	1,466	1,172		
Travel			5	822
Coin			529	6,121
Coupon				
Entertainment	58	578		
Retail & Gifts				
Other	2	14		
Total	1,918	\$ 7,016	534	\$ 6,943

ATLANTIC CITY SHOWBOAT, INC.

Notes to Financial Statements

September 30, 1992 and 1991

1. Summary of Significant Accounting Policies

Nature of Operations

Atlantic City Showboat, Inc. (the Company), is a wholly-owned subsidiary of Ocean Showboat, Inc. (OSI), which is a wholly-owned subsidiary of Showboat, Inc. (SBO). OSI was incorporated in 1983 and is a holding company with its principal assets being investments in the Company and Ocean Showboat Finance Corporation (OSFC). OSFC was organized in December 1986 in connection with the sale of \$180,000,000 of 11.375% Mortgage-Backed Bonds Due 2002 (the Bonds). The Company conducts casino gaming operations and operates full supportive services of hotel, restaurant, bar, bowling, and convention facilities at the Showboat Hotel and Casino in Atlantic City, New Jersey (Atlantic City Showboat).

Disclosure

In accordance with the Quarterly Report Instructions, the Company has not submitted updated information for the summary of significant accounting policies, aggregate maturities of long term debt, future lease obligations and the reconciliation of the provision for income taxes to the statutory rate. There has been no significant changes to the information submitted in our December 31, 1991 Annual Report.

Cash and Cash Equivalents

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

2. Related Party Transactions

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

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

(Continued)

ATLANTIC CITY SHOWBOAT, INC.
Notes to Financial Statements

2 . Continued

Related Party Transactions

In December 1990, SBO and the Company agreed effective January 1, 1990 to cancel and terminate the Company's obligation to pay management fees to SBO during the period from January 1, 1990 until the fees accrued prior to January 1, 1990 (approximately \$24,678,000 net of intercompany tax obligations) are paid in full to SBO and that upon payment in full the obligation to pay fees will recommence for periods beginning after payment of the accrued fees. Under the terms of the Indenture, accrued management fees can be paid once earnings before interest expense and income taxes on a rolling twelve-month basis is 1.5 times the interest expense for the next twelve months (Threshold). The multiple increased to 1.6 times effective July 1, 1992, and increases on each succeeding July 1, by .1 until July 1, 1996, when the multiple becomes and remains 2.0 for the remaining life of the issue. On March 22, 1991, the New Jersey Casino Control Commission (the Commission) ruled that all payments of management fees pursuant to the Parent Services Agreement must receive the prior approval of the Commission. During the nine months ended September 30, 1992, the Company met the Threshold and with the approval of the Commission paid to SBO management fees, net of intercompany tax obligations, \$5,399,000. At September 30, 1992, the Company owed \$11,008,000 in accrued fees, net of intercompany tax obligations, to SBO for SBO's services rendered to the Company in accordance with the Parent Services Agreement and capitalized interest related to the original construction of Atlantic City Showboat.

On March 18, 1987, OSFC issued \$180,000,000 of Bonds, with interest payable semi-annually at the annual rate of 11.375%. The proceeds and related issuance costs of the Bonds were subsequently transferred to the Company in exchange for a promissory note containing the same terms and conditions to which OSFC is subject. OSFC is required to redeem, on March 15 in each year, commencing in 1994 and ending in 2001, \$18,000,000 of Bonds at a redemption price equal to 100% of the principal amount thereof. During the years ended December 31, 1991 and 1990, the Company purchased \$12,096,000 and \$18,460,000 face value, respectively, of the Bonds. The Company can apply these purchased Bonds toward the required redemptions which, if applied, would satisfy the requirement fully for March 15, 1994 and \$12,556,000 of the March 15, 1995 required redemption. However, the Company does not currently plan to apply the purchased Bonds.

The Bonds are secured by a leasehold mortgage on the Company's ground lease on the site of the Atlantic City Showboat, the Atlantic City Showboat complex, and certain personal property. The Bonds are unconditionally guaranteed by OSI. The Indenture places significant restrictions on the payment of dividends, the making of loans and advances by the Company to SBO and its Las Vegas subsidiaries, the payment of management fees to SBO, the incurrence of additional indebtedness by the Company (except for up to \$15,000,000 of short-term borrowings), and the Company's investment activities. At September 30, 1992, the restrictions in the Indenture did not permit OSI to pay dividends to SBO.

(Continued)

ATLANTIC CITY SHOWBOAT, INC.
Notes to Financial Statements

2. Continued

Related Party Transactions

At September 30, 1992, the Company had available an unsecured line of credit totaling \$15,000,000. The line has an interest rate of the bank's prime rate plus 1/2% and expires in August, 1993. The line of credit, which is available for general working capital needs is guaranteed by OSI and OSFC. At June 30, 1992, no funds had been drawn on this line of credit.

The Company also has available a \$5,000,000 line of credit for equipment financing over a 3 to 5 year term with an interest rate of the bank's prime plus 1%. The line of credit is also guaranteed by OSI and OSFC and expires in August 1993.

3. **Receivables**

As of September 30, 1992 and 1991, receivables consisted of the following (dollars in thousands):

	1992	1991
Casino	\$ 7,292	8,861
Hotel	483	354
Other	500	423
	8,275	9,638
Less allowance for doubtful accounts	3,064	4,554
	\$ 5,211	5,084

4. **Property and Equipment**

As of September 30, 1992 and 1991, Property and equipment consisted of the following (dollars in thousands):

	1992	1991
Building and improvements	\$ 199,685	196,944
Furniture, fixtures & equipment	70,940	57,871
Properties under capital lease;		
Building	2,050	2,050
Furniture, Fixtures & Equipment	18,380	19,686
Construction in progress	2,334	1,479
	293,389	278,030
Less accumulated depreciation and amortization	88,562	72,068
	\$ 204,827	205,962

ATLANTIC CITY SHOWBOAT, INC.
Notes to Financial Statements

5. Other Accrued Expenses

As of September 30, 1992 and 1991, other accrued expenses consisted of the following (dollars in thousands) :

	1992	1991
Salaries and wages	\$ 6,497	4,841
Taxes, other than taxes on income	1,660	1,540
Medical claims	1,299	1,395
Settlement Claims	919	649
Progressive slot liability	820	2,275
Accrued CCC/DGE fees and assessments	582	842
Accrued Officers Club Coin	2,165	1,572
Other	886	1,309
	\$ 14,828	14,423

6. Other Current Liabilities

As of September 30, 1992 and 1991, other current liabilities consisted of the following (dollars in thousands) :

	1992	1991
Due to affiliates - interest	\$ 708	766
Management fee payable - current	7,000	1,661
Other	622	769
	8,330	3,196

7. Leases

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

The Company is leasing 10 1/2 acres of Boardwalk property in Atlantic City, New Jersey for a term of 99 years commencing October 1983. Annual rent payments, which are payable monthly, commenced upon opening of the Atlantic City Showboat. The rent will be adjusted annually based upon increases or decreases in the Consumer Price Index, not to exceed 10% per year during the second through the sixth lease years. In April 1992, the annual rent increased \$244,000 to \$7,875,000. Under the lease, the Company is responsible for taxes, assessments, insurance and utilities.

Rent expense for all operating leases (except those with terms of a month or less that were not renewed) was \$6,394,000 and \$6,206,000 for the nine months ended September 30, 1992 and 1991, respectively.

ATLANTIC CITY SHOWBOAT, INC.

Notes to Financial Statements

8. Stock Plans

On May 17, 1990, the shareholders of SBO approved a long-term incentive plan in which officers and key employees of the Company participate. Up to 600,000 shares of SBO common stock may be awarded to plan participants as either restricted shares or stock options. Restricted shares and options vest over a five-year period. The options are exercisable, subject to vesting, over ten years at option prices determined by the Compensation Committee and subject to the approval of the Board of Directors provided that the option price is not less than 75% of the fair market value of SBO's common stock determined on the date of grant of the options. As of September 30, 1992, 225,970 stock options have been granted at fair market value and 100,200 restricted shares have been issued from SBO shares purchased by the Company to its officers and key employees. The cost of the issued shares included in Investment, Advances and Receivables on the balance sheet is \$408,000 and \$435,000 at September 30, 1992 and 1991, respectively.

Unearned compensation representing restricted stock issued for future services was recorded on the date of grant at the market value of SBO's common stock of \$7.625 and is being amortized ratably from the date of grant over the five-year vesting period as it is earned. Compensation expense of \$96,000 and \$111,000 was recognized for the nine months ended September 30, 1992 and 1991, respectively. Unearned compensation at September 30, 1992 and 1991 is \$157,000 and \$284,000, respectively, and is included on the balance sheets in Deposits and Other Assets.

In April, 1992, the Board of Directors of the Company adopted the Showboat, Inc. 1992 Employee Stock Option Plan (the Plan) for all full-time and part-time employees. Showboat, Inc. reserved an aggregate of 1,000,000 shares of Showboat, Inc. Common stock for issuance under the Plan. The exercise price of an option shall not be less than the fair market value of Showboat, Inc.'s common stock on the date of grant. Options, all of which expire 10 years from the date of grant, are subject to a vesting schedule and continued affiliation with the Company.

9. Income Taxes

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

	<u>1992</u>	<u>1991</u>
Federal:		
Current	\$ 5,837	2,745
Deferred	<u>2,049</u>	<u>3,095</u>
	7,886	5,840
State taxes	<u>-</u>	<u>-</u>
	<u>\$ 7,886</u>	<u>5,840</u>

The income tax expense (benefit) for the nine months ended September 30, reflects an estimate of the effective annual tax rate applicable to the filing periods ending June 30 of the following quarter.

ATLANTIC CITY SHOWBOAT, INC.
Notes to Financial Statements

10. Employee Benefit Plans

Effective November 1, 1989, the Company amended its retirement and savings plan for eligible employees not covered by a collective bargaining agreement. Under the terms of the amended plan, eligible employees may defer up to 3% of their compensation, as defined, of which 100% of the deferred is matched by the Company. Eligible employees may contribute an additional 12% of their compensation which will not be matched by the Company. Amounts contributed by the Company vest over a five-year period. The Company contributed \$803,000, and \$524,000 to this plan for the nine months ended September 30, 1992 and 1991, respectively.

The Company's union employees are covered by union-sponsored, collectively-bargained, multi-employer pension plans. Contributions are determined in accordance with the provisions of negotiated labor contracts and generally are based on the number of man-hours worked. Contributions to the plans were \$2,836,000 and \$2,186,000 during the nine months ended September 30, 1992 and 1991, respectively.

11. New Jersey Investment Obligation

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

Deposits with the CRDA bear interest at two-thirds of market rates resulting in a current value lower than cost. At September 30, 1992 and 1991, investments, advances and receivables include \$8,956,000 and \$6,856,000, respectively, representing the Company's deposits with the CRDA of \$13,408,000 at September 30, 1992 and \$10,258,000 at September 30, 1991, net of a valuation allowance of \$4,452,000 and \$3,402,000, respectively.

As of September 30, 1992 the Company has pledged \$10,000,000 of funds on deposit with the CRDA to various programs which will be administered by the City of Atlantic City. These funds continue to be reported in investments, advances and receivables on the balance sheet, however, effective July, 1992 the Company has ceased to earn interest on these funds. It is expected that these funds will begin to be utilized before the end of 1992.

ATLANTIC CITY SHOWBOAT, INC.
Notes to Financial Statements

STATEMENT OF CONFORMITY AND ACCURACY

12. Commitment and Contingencies

The Company is involved in various claims and legal actions arising in the ordinary course of business. Additionally, the Company is presently protesting an Internal Revenue Service (IRS) assessment based on audits of the Company for the tax years ending September 30, 1988, 1987 and 1986. Although the IRS assessment could result in a reduction of general business credit carryforwards, in the opinion of management, the ultimate disposition of these matters will not have a material adverse effect on the Company's financial position or results of operations.

Witness my hand and seal:

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.



THE PRESIDENT/DANCE
Title

Date

In Witness Whereof

Subscribed and sworn to
before me this ____ day
of _____, 1988


Signature


Notary Public

BRENDA SUE WALLACE
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires on 12/31/88
State of Authority
In Testimony Whereof

STATEMENT OF CONFORMITY AND ACCURACY

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

MARK 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]
Signature

VICE PRESIDENT/FINANCE
Title

License Number

Subscribed and sworn to
before me this 5th day
of Nov, 1992

On Behalf Of: RC ShowBART, inc.
Casino Licensee

Brenda Sue Wallace
Signature

NAME OF OFFICER IN CHARGE
OF BRENDASUE WALLACE
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Jan. 30, 1995.
Basis of Authority
to Take Oaths

QUARTERLY REPORT

974.901
C193

LICENSEE GNOC, CORP. (Bally's Grand)
ADDRESS P.O. Box 1737, Boston and Pacific Avenues
Atlantic City, New Jersey 08401

FOR THE QUARTER ENDED SEPTEMBER 30, 1992

TO THE
CASINO CONTROL COMMISSION
OF THE
STATE OF NEW JERSEY



NOV 18 Rec'd
C-193

NAME OF OFFICER IN CHARGE
OF CORRESPONDENCE REGARDING
THIS QUARTERLY REPORT . . . Donna Graham
OFFICIAL TITLE Corporate Controller/Treasurer
ADDRESS P.O. Box 1737, Boston and Pacific Avenues
Atlantic City, New Jersey 08401

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

LIST OF FORMS - QUARTERLY REPORT

FOR THE QUARTER ENDED SEPTEMBER 30, 1992

<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
Schedule of Promotional Expenses and Allowances	CCC-245
Statement of Conformity and Accuracy	CCC-250

CCC-201

BALANCE SHEETS

SEPTEMBER 30, 1992 AND 1991

(UNAUDITED)

(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1992	(d) 1991
ASSETS			
	Current Assets:	\$	\$
1	Cash	4,404	6,415
2	Marketable securities NOTE 2 . .	5,600	2,175
3	Receivables and patrons' checks (net of allowance for doubtful accounts - 1992, \$11,567 ; 1991, \$14,425)	3,341	4,834 *
4	Inventories	1,570	1,195
5	Prepaid expenses and other current assets NOTE 3 . .	39,843	40,407 *
6	Total current assets	54,758	55,026
7	Investments, Advances, and Receivables NOTE 4 . .	1,774	3,153 *
8	Property And Equipment - Gross NOTE 5 . .	310,999	302,360
9	(Accumulated Depreciation/Amortization) NOTE 5 . .	(70,590)	(57,547)
10	Other Assets NOTE 6 . .	109,467	115,205
11	Total Assets	\$ 406,408	\$ 418,197
LIABILITIES AND EQUITY			
	Current Liabilities:	\$	\$
12	Accounts payable	1,316	2,509 *
13	Notes payable NOTE 7 . .	-	2,700
	Current portion of long-term debt		
14	Due to affiliates NOTE 10 . .	4,850	-
15	Other	-	-
16	Income taxes payable and accrued	5,222	4,743
17	Other accrued expenses NOTE 8 . .	27,310	30,944 *
18	Other current liabilities NOTE 9 . .	2,349	2,101 *
19	Total current liabilities	41,047	42,997
	Long-Term Debt:		
20	Due to affiliates NOTE 10 . .	259,807	266,368
21	Other	-	-
22	Deferred Credits NOTE 11 . .	9,070	9,348
23	Other Liabilities NOTE 12 . .	30,868	30,100
24	Commitments And Contingencies NOTE 18 . .	-	-
25	Total Liabilities	340,792	348,813
26	Stockholders', Partners', Or Proprietor's Equity NOTE 13 . .	65,616	69,384
27	Total Liabilities And Equity	\$ 406,408	\$ 418,197

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 NINE MONTHS ENDED SEPTEMBER 30, 1992 and 1991
(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1992	(d) 1991
	Revenue:	\$	\$
1	Casino	155,468	148,226
2	Rooms	14,741	13,365
3	Food and beverage	21,141	20,566
4	Other	5,816	4,705
5	Total revenue	197,166	186,862
6	Less: Promotional allowances	24,915	21,606
7	Net revenue	172,251	165,256
	Costs And Expenses:		
8	Cost of goods and services	74,515	72,514 *
9	Selling, general, and administrative	52,315	48,673 *
10	Provision for doubtful accounts	717	1,241 *
11	Total costs and expenses	127,547	122,428
12	Gross Operating Profit	44,704	42,828
13	Depreciation and amortization	13,772	13,334
	Charges from affiliates other than interest:		
14	Management fees	-	-
15	Other	4,675	3,360 *
16	Income (Loss) From Operations	26,257	26,134
	Other Income (Expenses):		
17	Interest (expense)-affiliates	(24,483)	(24,766)
18	Interest (expense)-external	-	(900)
19	Investment alternative tax and related income (expense) - net ..	(190)	(179)
20	Nonoperating income (expense) - net	1,300	1,070
21	Total other income (expenses)	(23,373)	(24,775)
22	Income (Loss) Before Income Taxes And Extraordinary Items	2,884	1,359
23	Provision (credit) for income taxes	2,085	1,396
24	Income (Loss) Before Extraordinary Items	799	(37)
25	Extraordinary items (net of income taxes - 1992, \$ - ; 1991, \$ -)	-	-
26	Net Income (Loss)	\$ 799	\$ (37)

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

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

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

STATEMENTS OF INCOME

FOR THE THREE MONTHS ENDED SEPTEMBER 30, 1992 and 1991
(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1992	(d) 1991
	Revenue:	\$	\$
1	Casino	57,424	56,461
2	Rooms	5,875	5,559
3	Food and beverage	8,205	7,712
4	Other	2,457	1,753
5	Total revenue	73,961	71,485
6	Less: Promotional allowances	9,621	8,111
7	Net revenue	64,340	63,374
	Costs And Expenses:		
8	Cost of goods and services	27,883	26,898 *
9	Selling, general, and administrative	17,610	16,878 *
10	Provision for doubtful accounts	175	511 *
11	Total costs and expenses	45,668	44,287
12	Gross Operating Profit	18,672	19,087
13	Depreciation and amortization	4,671	4,576
	Charges from affiliates other than interest:		
14	Management fees	-	-
15	Other	1,545	1,144 *
16	Income (Loss) From Operations	12,456	13,367
	Other Income (Expenses):		
17	Interest (expense)-affiliates	(8,137)	(8,254)
18	Interest (expense)-external	-	(300)
19	Investment alternative tax and related income (expense) - net ..	(71)	(66)
20	Nonoperating income (expense) - net	382	557
21	Total other income (expenses)	(7,826)	(8,063)
22	Income (Loss) Before Income Taxes And Extraordinary Items	4,630	5,304
23	Provision (credit) for income taxes	1,850	2,265
24	Income (Loss) Before Extraordinary Items	2,780	3,039
25	Extraordinary items (net of income taxes - 1992, \$ - ; 1991, \$ -)	-	-
26	Net Income (Loss)	\$ 2,780	\$ 3,039

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

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

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

STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 1992 and 1991

(UNAUDITED)

(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	1992		1991	
		(c) SHARES	(d) DOLLARS	(e) SHARES	(f) DOLLARS
	Common Stock:		\$		\$
1	Beginning balance (January 1)	3,002,500	30	3,002,500	30
2	Sale of stock				
3	_____				
4	Ending balance	3,002,500	30	3,002,500	30
	Preferred Stock:				
5	Beginning balance (January 1)				
6	Sale of stock				
7	_____				
8	Ending balance				
	Additional Paid-In Capital:				
9	Beginning balance (January 1)		65,712		65,712
10	Capital contribution				
11	_____				
12	Ending balance		65,712		65,712
	Treasury Stock:				
13	Beginning balance (January 1)		()		()
14	Purchase of additional stock		()		()
15	Sale or retirement of stock				
16	Ending balance		()		()
	Subscriptions Receivable For Capital Stock:				
17	Beginning balance (January 1)		()		()
18	_____				
19	_____				
20	Ending balance		()		()
	Net Unrealized Loss On Noncurrent Marketable Equity Securities:				
21	Beginning balance (January 1)		()		()
22	_____				
23	_____				
24	Ending balance		()		()
	Retained Earnings:				
25	Beginning balance (January 1)		(925)		3,679
26	Prior period adjustments				
27	Net income (loss)		799		(37)
28	Dividends		()		()
29	_____				
30	_____				
31	Ending balance		(126)		3,642
32	Ending Stockholders' Equity		\$ 65,616		\$ 69,384

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

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

STATEMENT OF CHANGES IN PARTNERS' OR PROPRIETOR'S EQUITY

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 1992 and 1991

(UNAUDITED)
(\$ IN THOUSANDS)

- NOT APPLICABLE -

LINE (a)	DESCRIPTION (b)	(c) 1992	(d) 1991
	Invested Capital:	\$	\$
1	Beginning balance (January 1)		
2	Additional capital invested.		
3	.....	
4	Ending balance.		
	Accumulated Income (Loss):		
5	Beginning balance (January 1)		
6	Prior period adjustments.		
7	Net income (loss).		
8	.....	
9	Ending balance.		
	Capital Withdrawals:		
10	Beginning balance (January 1)		
11	Additional capital withdrawals.		
12	.....	
13	Ending balance.		
	Net Unrealized Loss On Noncurrent Marketable Equity Securities:		
14	Beginning balance (January 1)		
15	.....	
16	.....	
17	Ending balance.		
18	Ending Partners' Or Proprietor's Equity.	\$	\$

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

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

STATEMENTS OF CASH FLOWS

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 1992 AND 1991

(UNAUDITED)

(\$ IN THOUSANDS)

Line (a)	Description (b)	(c) 1992	(d) 1991
1	Net Cash Provided (Used) By Operating Activities	\$ 20,139	\$ 21,397 *
	Cash Flows From Investing Activities:		
2	Purchase of short-term investment securities	(750)	-
3	Proceeds from the sale of short-term investment securities . . .	-	5,100
4	Cash outflows for property and equipment	(7,918)	(1,101) *
5	Proceeds from disposition of property and equipment	-	- *
6	Purchase of casino reinvestment obligations	(380)	(358)
7	Purchase of other investments and loans/advances made	-	- *
8	Proceeds from disposal of investment and collection of advances and long-term receivables	869	1,818
9	Cash outflows to acquire business entities	-	-
10	Short-term advance to Bally's Park Place, Inc.	(11,000)	(28,000)
11			
12	Net Cash Provided (Used) By Investing Activities	(19,179)	(22,541) *
	Cash Flows From Financing Activities:		
13	Cash proceeds from issuance of short-term debt	-	-
14	Payments to settle short-term debt	(2,700)	-
15	Cash proceeds from issuance of long-term debt	-	-
16	Costs of issuing debt	-	-
17	Payments to settle long-term debt	-	-
18	Cash proceeds from issuing stock or capital contribution	-	-
19	Purchases of treasury stock	-	-
20	Payments of dividends or capital withdrawals	-	-
21			
22			
23	Net Cash Provided (Used) By Financing Activities	(2,700)	-
24	Net Increase (Decrease) In Cash And Cash Equivalents	(1,740)	(1,144)
25	Cash And Cash Equivalents At Beginning Of Year	6,144	7,559
26	Cash And Cash Equivalents At End Of Year	\$ 4,404	\$ 6,415

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

	Cash Paid During Year For:		
27	Interest (net of amount capitalized)	\$ 17,232	\$ 17,336
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: GNOC, CORP. (BALLY'S GRAND)

STATEMENTS OF CASH FLOWS

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 1992 AND 1991

(UNAUDITED)

(\$ IN THOUSANDS)

Line (a)	Description (b)	(c) 1992	(d) 1991
	Net Cash Flows From Operating Activities:		
29	Net income (loss)	\$ 799	\$ (37)
	Noncash items included in income and cash items excluded from income:		
30	Depreciation and amortization of property and equipment.	9,835	9,497
31	Amortization of other assets.	3,937	3,837
32	Amortization of debt discount or premium.	(1,328)	(1,149)
33	Deferred income taxes - current.	286	(999)
34	Deferred income taxes - noncurrent.	(962)	(100)
35	(Gain) loss on disposition of property and equipment.	-	-
36	(Gain) loss on casino reinvestment obligations.	190	179
37	(Gain) loss from other investment activities.	-	-
38	Net (increase) decrease in receivables and patrons' checks.	747	964
39	Net (increase) decrease in inventories.	(230)	864
40	Net (increase) decrease in other current assets.	(629)	1,721
41	Net (increase) decrease in other assets.	-	(575)
42	Net increase (decrease) in accounts payables.	(826)	23
43	Net increase (decrease) in other current liabilities excluding debt.	7,760	6,555
44	Net increase (decrease) in other noncurrent liabilities excluding debt.	560	617
45	_____	-	-
46	_____	-	-
47	Net Cash Provided (Used) By Operating Activities.	\$ 20,139	\$ 21,397

SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING AND FINANCING ACTIVITIES

	Acquisition Of Property And Equipment:		
48	Additions to property and equipment.	\$ 7,918	\$ 1,101
49	Less: Capital lease obligations incurred.	-	-
50	Cash Outflows For Property And Equipment.	\$ 7,918	\$ 1,101
	Acquisition Of Business Entities:		
51	Property and equipment acquired.	\$ -	\$ -
52	Goodwill acquired.	-	-
53	Net assets acquired other than cash, goodwill, and property and equipment.	-	-
54	Long-term debt assumed.	-	-
55	Issuance of stock or capital invested.	-	-
56	Cash Outflows To Acquire Business Entities.	\$ -	\$ -
	Stock Issued Or Capital Contributions:		
57	Total issuances of stock or capital contributions.	\$ -	\$ -
58	Less: Issuances to settle long-term debt.	-	-
59	Consideration in acquisition of business entities.	-	-
60	Cash Proceeds From Issuing Stock Or Capital Contributions.	\$ -	\$ -

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.

Certain reclassifications have been made to the prior period financial statements to conform with the 1992 presentation.

(1) Casino Revenue and Promotional Allowances

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

(2) Marketable Securities

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

(3) Cost in Excess of Acquired Assets

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

(4) Property and Equipment

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

(5) Debt Premium

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

(6) Income Taxes

Taxable income or loss of the Company is included in the consolidated federal income tax return of Bally.

GNOC, CORP.
NOTES TO FINANCIAL STATEMENTS
(Unaudited)

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

(6) Income Taxes (cont.)

The Company's Annual Report for the year ended December 31, 1991 disclosed certain significant income tax issues relating to tax accounting methods used by Bally's fitness center subsidiaries which resulted in a substantial Internal Revenue Service ("IRS") assessment. In July 1992, Bally and the IRS reached a settlement (subject to the IRS' Joint Committee review) with respect to certain of the issues. The remaining assessment including interest (estimated as of September 30, 1992) is approximately \$84 million if the IRS were to prevail on these issues. Bally intends to vigorously oppose the IRS assertions and has filed petitions in the United States Tax Court contesting the IRS' proposed tax deficiencies with respect to these issues. Bally estimates that if the issues are fully litigated, the ultimate resolution of these issues is not likely to occur for approximately three years (although a resolution may occur sooner if Bally and the IRS resolve all or some of these issues by stipulation or otherwise).

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, 1991. The notes excluded are Pension Costs, Lease and Other Commitments.

NOTE 2 - MARKETABLE SECURITIES

Marketable securities as of September 30, 1992 and 1991 consisted of repurchase agreements, at cost which approximates market.

GNOC, CORP.
NOTES TO FINANCIAL STATEMENTS
(Unaudited)

NOTE 3 - PREPAID EXPENSES AND OTHER CURRENT ASSETS

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

	<u>1992</u>	<u>1991</u>
Advances to Bally's Park Place, Inc.	\$28,000,000	\$28,000,000
Deferred federal and state income tax	10,096,000	10,854,000
Prepaid state gaming taxes and licenses	739,000	836,000
Prepaid Bally expenses (see Note 15)	450,000	-
Prepaid operating expenses	230,000	297,000
Prepaid insurance expenses	140,000	338,000
Other	188,000	82,000
	<u>\$39,843,000</u>	<u>\$40,407,000</u>
	=====	=====

Funds were advanced to Bally's Park Place in 1992 and 1991. The advances are payable on demand by the Company. The interest rate on such advances is the prime rate of a major bank with such interest payable at the end of each month. Intercompany interest income earned on funds advanced was \$947,000 and \$362,000 for the nine months ended September 30, 1992 and 1991, respectively.

NOTE 4 - INVESTMENTS, ADVANCES AND RECEIVABLES

Investments, advances and receivables as of September 30, 1992 and 1991 consisted of New Jersey Casino Reinvestment related assets (net of discount) of \$1,774,000 and \$3,153,000, respectively.

The Company donated \$23,000 for the nine months ended September 30, 1991 to the Casino Reinvestment Development Authority ("CRDA"), reducing the Company's obligations on deposit at the CRDA by such amount. The Company received \$12,000 for the nine months ended September 30, 1991 in credits to be applied against future CRDA obligations.

Such CRDA credits receivable as of September 30, 1992 and 1991 have been reclassified to Other Assets (see Note 6).

GNOC, CORP.
 NOTES TO FINANCIAL STATEMENTS
 (Unaudited)

NOTE 5 - PROPERTY AND EQUIPMENT

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

	<u>1992</u>	<u>1991</u>
Buildings and leasehold improvements	\$187,704,000	\$187,399,000
Furniture, fixtures and equipment	65,172,000	62,801,000
Land and improvements	51,867,000	51,776,000
Construction in progress	6,256,000	384,000
	<u>310,999,000</u>	<u>302,360,000</u>
Less accumulated depreciation and amortization	(70,590,000)	(57,547,000)
	<u>\$240,409,000</u>	<u>\$244,813,000</u>
	=====	=====

NOTE 6 - OTHER ASSETS

Other assets as of September 30 consisted of the following:

	<u>1992</u>	<u>1991</u>
Cost in excess of acquired assets, net	\$109,314,000	\$112,491,000
CRDA credits receivable	153,000	2,714,000
	<u>\$109,467,000</u>	<u>\$115,205,000</u>
	=====	=====

See Note 1 for discussion of cost in excess of acquired assets.

For the nine months ended September 30, 1992 and 1991, the Company expensed \$1,555,000 and \$1,472,000 respectively, representing amortization of CRDA credits.

NOTE 7 - NOTES PAYABLE

The Company received an advance of \$2,700,000 from Bally's Park Place in December 1990. The advance was repaid in full in June 1992. Intercompany interest paid on this advance was \$73,000 and \$177,000 for the nine months ended September 30, 1992 and 1991, respectively.

GNOC, CORP.
 NOTES TO FINANCIAL STATEMENTS
 (Unaudited)

NOTE 8 - OTHER ACCRUED EXPENSES

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

	<u>1992</u>	<u>1991</u>
Accrued interest	\$13,439,000	\$13,139,000
Accrued payroll	8,262,000	9,092,000
Accrued progressive jackpot liability	1,531,000	3,176,000
Accrued self insurance claims	1,096,000	1,058,000
Accrued sales, use and luxury taxes	392,000	391,000
Accrued legal fees	349,000	426,000
Accrued Casino Control Commission and Division of Gaming Enforcement fees	327,000	499,000
Accrued casino license fee	275,000	432,000
Accrued casino win tax	230,000	163,000
Accrued audit fees	146,000	205,000
Accrued New Jersey casino reinvestment liability	145,000	704,000
Other	1,118,000	1,659,000
	<u>\$27,310,000</u>	<u>\$30,944,000</u>
	=====	=====

NOTE 9 - OTHER CURRENT LIABILITIES

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

	<u>1992</u>	<u>1991</u>
Unredeemed gaming chips and tokens	\$1,176,000	\$1,008,000
Estimated liability - deferred bus coupons	223,000	274,000
Advance room deposits	107,000	98,000
Customer deposits	92,000	94,000
Advance deposits	91,000	-
Due to Bally's Park Place	646,000	376,000
Due to Bally's Health and Tennis	8,000	-
Due to Bally	6,000	251,000
	<u>\$2,349,000</u>	<u>\$2,101,000</u>
	=====	=====

GNOC, CORP.
 NOTES TO FINANCIAL STATEMENTS
 (Unaudited)

NOTE 10 - LONG TERM DEBT-DUE TO AFFILIATES

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

	<u>1992</u>	<u>1991</u>
13-1/4% (effective rate of 13.3%) Mortgage-Backed Notes of \$259,000,000 principal amount, interest payable semiannually, maturing in 1995 (including unamortized premium of \$5,657,000 at September 30, 1992 and \$7,368,000 at September 30, 1991).	\$264,657,000	\$266,368,000
Less current maturities	<u>4,850,000</u>	-
	<u>\$259,807,000</u>	<u>\$266,368,000</u>
	=====	=====

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 mortgage lien and security interest on property and equipment at the Company's casino hotel.

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

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

NOTE 11 - DEFERRED CREDITS

Deferred credits as of September 30, 1992 and 1991 consisted of deferred federal and state income taxes.

NOTE 12 - OTHER LIABILITIES

Other liabilities consisted of \$30,868,000 and \$30,100,000 due to GNAC as of September 30, 1992 and 1991, respectively.

NOTE 13 - STOCKHOLDER'S EQUITY

At September 30, 1992 and 1991, the Company had 5,000,000 shares of common stock authorized; of such shares 3,002,500 were issued and outstanding.

GNOC, CORP.
 NOTES TO FINANCIAL STATEMENTS
 (Unaudited)

NOTE 14 - JACKPOT PAYOUTS IN MERCHANDISE

Jackpot payouts in merchandise which were charged to operations for the nine months ended September 30, 1992 consisted of the following:

	<u>Number of Recipients</u>	<u>Dollar Amount</u>
Motor Vehicles	4	\$140,000
	===	=====

Jackpot payouts in merchandise which were charged to operations for the three months ended September 30, 1992 consisted of the following:

	<u>Number of Recipients</u>	<u>Dollar Amount</u>
Motor Vehicles	3	\$97,000
	===	=====

NOTE 15 - CHARGES FROM AFFILIATES - OTHER

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

<u>Affiliate</u>	<u>Nature of Charge</u>	<u>1992</u>	<u>1991</u>
GNAC	Rent	\$ 897,000	\$ 963,000
Bally	Allocated costs and expenses (a)	1,368,000	-
Bally's Park Place	Rent	522,000	522,000
	Allocated costs and expenses (b)	1,888,000	1,875,000
		<u>\$4,675,000</u>	<u>\$3,360,000</u>
		=====	=====

(a) Costs and expenses allocated from Bally include certain insurance, executive and other corporate overhead costs. In May 1992, Bally received approval from the Commission to authorize payment by the Company of its 1992 portion of these costs (see Note 3).

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

GNOC, CORP.
 NOTES TO FINANCIAL STATEMENTS
 (Unaudited)

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

Non-operating income for the nine months ended September 30 consisted of the following:

	<u>1992</u>	<u>1991</u>
Interest and dividend income	\$1,298,000	\$ 972,000
Rental income	-	94,000
Other non-operating income	2,000	4,000
	<u>\$1,300,000</u>	<u>\$1,070,000</u>
	=====	=====

NOTE 17 - INCOME TAXES

The income tax provision for the nine months ended September 30 consisted of the following:

	<u>1992</u>	<u>1991</u>
Current:		
Federal	\$2,760,000	\$2,496,000
State	-	-
	<u>2,760,000</u>	<u>2,496,000</u>
Deferred:		
Federal	(675,000)	(1,100,000)
State	-	-
	<u>(675,000)</u>	<u>(1,100,000)</u>
	<u>\$2,085,000</u>	<u>\$1,396,000</u>
	=====	=====

For the nine months ended September 30, 1992 and 1991, the effective income tax rates varied from the U.S. statutory tax rate (34%) due principally to the non-deductible amortization of cost in excess of acquired assets and other permanent differences resulting from purchase accounting.

GNOC, CORP.
 NOTES TO FINANCIAL STATEMENTS
 (Unaudited)

NOTE 18 - CONTINGENCIES

The Company participates in four multi-casino progressive slot machine systems. The primary obligation for payment of these progressive jackpots resides with a trust established by the participating casinos to pay the winners. Winners are paid one-twentieth of the jackpot at the time of winning and the remainder in equal installments over the next nineteen years. The trusts are responsible to fund these liabilities through the purchase of annuities or certain United States obligations. In the event the trusts are unable to meet their obligations, each participating casino, including the Company, is jointly and severally liable for the payment. At September 30, 1992, the total funded amount of jackpots won is estimated to be \$16,348,000, which approximates the present value of these future payments. The present value of jackpots outstanding and not won at September 30, 1992 is estimated to be \$2,464,000. At September 30, 1992, the trusts had cash and cash equivalents on hand estimated to be \$7,415,000. Management believes that a final outcome of this matter will not have a material adverse effect on the Company's financial position or its liquidity.

NOTE 19 - CHARGES FROM AFFILIATES - MIRA

	1991	1992
The charges		
September 30, 1991	\$1,100,000	\$1,100,000
Balance	\$1,100,000	\$1,100,000
GNOC		
July	(1,100,000)	(1,100,000)
July's balance	\$0	\$0

(a) Costs and expenses allocated to Mira's Park Place relate to certain administrative and support services provided to Mira's Park Place which are not material.

SCHEDULE OF RECEIVABLES AND PATRONS' CHECKS

SEPTEMBER 30, 1992

(UNAUDITED)

(\$ IN THOUSANDS)

ACCOUNTS RECEIVABLE BALANCES				
LINE (a)	DESCRIPTION (b)	ACCOUNT BALANCE (c)	ALLOWANCE (d)	ACCOUNTS RECEIVABLE (e) NET OF ALLOWANCE
	Patrons' Checks:			
1	Undeposited patrons' checks	\$ 2,975		
2	Returned patrons' checks	11,248		
3	Total patrons' checks	14,223	\$ 11,486	\$ 2,737
4	Hotel Receivables	477	81	396
	Other Receivables:			
5	Receivables due from officers and employees	-		
6	Receivables due from affiliates	-		
7	Other accounts and notes receivables	208		
8	Total other receivables	208	-	208
9	Totals (Form 205)	\$ 14,908	\$ 11,567	\$ 3,341

UNDEPOSITED PATRONS' CHECKS ACTIVITY		
LINE (f)	DESCRIPTION (g)	AMOUNT (h)
10	Beginning Balance (January 1)	\$ 2,898
11	Counter checks issued (excluding counter checks issued through transactions relating to consolidations, partial redemptions, substitutions, and patrons' cash deposits)	76,903
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)	(52,982)
13	Checks collected through deposits	(21,538)
14	Checks transferred to returned checks	(2,306)
15	Other adjustments	-
16	Ending Balance	\$ 2,975
17	"Hold" Checks Included In Balance On Line 16	\$ -
18	Provision For Uncollectible Patrons' Checks	\$ 647
19	Provision As A Percent Of Counter Checks Issued	0.84 %

PROMOTIONAL EXPENSES AND ALLOWANCES

(\$ in Thousands)

For The Nine Months Ended September 30, 1992

	Promotional Allowances		Promotional Expenses	
	Number of Recipients	Dollar Amount	Number of Recipients	Dollar Amount
Rooms	138,121	\$ 9,422	-	\$ -
Food	867,555	9,303	-	-
Beverage	2,093,263	4,082	-	-
Travel	-	-	36,163	1,928
Coin	-	-	1,191,523	14,365
Coupon	-	-	-	-
Entertainment	23,027	610	971	119
Retail & Gifts	27,556	1,378	128,575	1,041
Other	6,643	120	74,805	456
Total	3,156,165	\$ 24,915	1,432,037	\$ 17,909

For The Three Months Ended September 30, 1992

	Promotional Allowances		Promotional Expenses	
	Number of Recipients	Dollar Amount	Number of Recipients	Dollar Amount
Rooms	54,924	\$ 3,653	-	\$ -
Food	322,898	3,616	-	-
Beverage	765,738	1,493	-	-
Travel	-	-	7,294	659
Coin	-	-	412,416	4,615
Coupon	-	-	-	-
Entertainment	7,560	318	428	52
Retail & Gifts	9,852	493	42,397	231
Other	3,051	48	30,718	172
Total	1,164,023	\$ 9,621	493,253	\$ 5,729

STATEMENT OF CONFORMITY AND ACCURACY

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

Donna Graham, being duly sworn according to law upon my oath
Name

deposes and says:

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

Donna Graham
Signature

Corporate Controller/Treasurer
Title

03723-11
License Number

Subscribed and sworn to
before me this 13th day
of November, 1992

On Behalf Of:

Mary K. Chamberlin
Signature

GNOG, CORP.
Casino Licensee

MARY K. CHAMBERLIN
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Aug. 31, 1997

Basis of Authority
to Take Oaths

974.901
C193

QUARTERLY REPORT

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

FOR THE QUARTER ENDED SEPTEMBER 30, 1992

TO THE
CASINO CONTROL COMMISSION
OF THE
STATE OF NEW JERSEY

NOV 1992

NAME OF OFFICER IN CHARGE
OF CORRESPONDENCE REGARDING
THIS QUARTERLY REPORT Vicki Lynn Guveiyian
OFFICIAL TITLE Controller
ADDRESS Park Place and the Boardwalk
Atlantic City, NJ 08401

BALANCE SHEETS

SEPTEMBER 30, 1992 AND 1991

(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	1992 (c)	1991 (d)
ASSETS			
	Current Assets:		
1	Cash	\$ 8,244	\$ 9,109
2	Marketable securities	---	---
3	Receivables and patrons' checks (net of allowance for doubtful accounts - 1992, \$4,810 ; 1991, \$7,433)	3,754	5,113
4	Inventories	2,095	2,409
5	Prepaid expenses and other current assets NOTE 2 . .	8,305	7,943
6	Total current assets	22,398	24,574
7	Investments, Advances, and Receivables NOTE 9 . .	34,189	86,764
8	Property and Equipment - Gross NOTE 3 . .	744,109	733,883
9	(Accumulated Depreciation/Amortization) NOTE 3 . .	(258,877)	(234,992)
10	Other Assets	14,700	14,899
11	Total Assets	\$ 556,519	\$ 625,128
LIABILITIES AND EQUITY			
	Current Liabilities:		
12	Accounts payable	\$ 7,386	\$ 7,297
13	Notes payable	---	---
	Current portion of long-term debt:		
14	Due to affiliates NOTE 1 . .	28,000	28,000
15	Other	41	38
16	Income taxes payable and accrued NOTE 1 . .	3,108	6,680
17	Other accrued expenses NOTE 10 . .	29,339	26,390
18	Other current liabilities	6,226	1,598
19	Total current liabilities	74,100	70,003
	Long Term Debt:		
20	Due to affiliates NOTE 4 . .	350,000	350,000
21	Other NOTE 4 . .	5,788	24,834
22	Deferred Credits NOTE 5 . .	15,404	12,596
23	Other Liabilities NOTE 6 . .	20,122	27,750
24	Commitments And Contingencies NOTE 13		
25	Total Liabilities	465,414	485,183
26	Stockholders', Partners', or Proprietors' Equity	91,105	139,945
27	Total Liabilities and Equity	\$ 556,519	\$ 625,128

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

STATEMENTS OF INCOME

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 1992 AND 1991

(UNAUDITED)
(\$ IN THOUSANDS)

LI (a)	DESCRIPTION (b)	1992 (c)	1991 (d)
	REVENUE:		
1	Casino	\$ 212,596	\$ 206,888
2	Rooms	30,618	27,205
3	Food and Beverage	30,097	28,659
4	Other	6,069	10,106
5	Total Revenue	279,380	272,858
6	Less: Promotional allowances	(28,209)	(28,366)
7	Net Revenue	251,171	244,492
	COSTS AND EXPENSES:		
8	Costs of Goods and Services	131,410	125,899
9	Selling, General, and Administrative	46,248	48,564
10	Provision for Doubtful Accounts	563	1,269
11	Total cost and expenses	178,221	175,732
12	Gross Operating Profit	72,950	68,760
13	Depreciation and amortization	21,959	22,080
	Charges from affiliates other than interest:		
14	Management fees	---	---
15	Other	2,852	---
	NOTE 1.		
16	Income (Loss) from Operations	48,139	46,680
	Other Income (Expenses):		
17	Interest (expense) - affiliates	(31,119)	(31,069)
	NOTE 7.		
18	Interest (expense) - external	(3,780)	(4,751)
	NOTE 7.		
19	Investment alternative tax and related income (expense) - net	(1,018)	(1,018)
	NOTE 11.		
20	Nonoperating income (expense) - net	1,990	4,760
	NOTE 12.		
21	Total other income (expenses)	(33,927)	(32,078)
22	Income (Loss) Before Income Taxes and Extraordinary Items	14,212	14,602
23	Provision (credit) for income taxes	6,935	6,719
	NOTE 8.		
24	Income (Loss) Before Extraordinary Items	7,277	7,883
25	Extraordinary items (net of income taxes - 19__, \$; 19__, \$)	---	---
26	Net Income (Loss)	\$ 7,277	\$ 7,883

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

STATEMENTS OF INCOME

FOR THE THREE MONTHS ENDED SEPTEMBER 30, 1992 AND 1991

(UNAUDITED)
(\$ IN THOUSANDS)

LI (a)	DESCRIPTION (b)	1992 (c)	1991 (d)
	REVENUE:		
1	Casino	\$ 80,921	\$ 77,352
2	Rooms	13,357	11,284
3	Food and Beverage	11,085	10,760
4	Other	1,849	3,610
5	Total Revenue	107,212	103,006
6	Less: Promotional allowances	(10,883)	(10,517)
7	Net Revenue	96,329	92,489
	COSTS AND EXPENSES:		
8	Costs of Goods and Services	46,587	45,161
9	Selling, General, and Administrative	16,363	17,164
10	Provision for Doubtful Accounts	200	222
11	Total cost and expenses	63,150	62,547
12	Gross Operating Profit	33,179	29,942
13	Depreciation and amortization	7,003	7,314
	Charges from affiliates other than interest:		
14	Management fees	---	---
15	Other	1,050	---
	NOTE 1.		
16	Income (Loss) from Operations	25,126	22,628
	Other Income (Expenses):		
17	Interest (expense) - affiliates	(10,376)	(10,379)
	NOTE 7.		
18	Interest (expense) - external	(1,097)	(1,294)
	NOTE 7.		
19	Investment alternative tax and related income (expense) - net	(556)	(540)
	NOTE 11.		
20	Nonoperating income (expense) - net	(476)	1,504
	NOTE 12.		
21	Total other income (expenses)	(12,505)	(10,709)
22	Income (Loss) Before Income Taxes and Extraordinary Items	12,621	11,919
23	Provision (credit) for income taxes	6,186	5,423
	NOTE 8.		
24	Income (Loss) Before Extraordinary Items	6,435	6,496
25	Extraordinary items (net of income taxes - 19__, \$; 19__, \$)	---	---
26	Net Income (Loss)	\$ 6,435	\$ 6,496

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

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

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

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 1992 AND 1991

(UNAUDITED)
 (\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	1992		1991	
		SHARES (c)	DOLLARS (d)	SHARES (e)	DOLLARS (f)
	<i>Common Stock:</i>				
1	Beginning balance (January 1)	100	\$ 93,987	100	\$ 93,987
2	Sale of stock				
3	_____				
4	Ending balance	100	93,987	100	93,987
	<i>Preferred Stock:</i>				
5	Beginning balance (January 1)	---	---	---	---
6	Sale of stock				
7	_____				
8	Ending balance	---	---	---	---
	<i>Additional Paid-in Capital:</i>				
9	Beginning balance (January 1)		34,652		34,652
10	_____				
11	_____				
12	Ending balance		34,652		34,652
	<i>Treasury Stock:</i>				
13	Beginning balance (January 1)	---	---	---	---
14	Purchase of additional stock				
15	Sale or retirement of stock				
16	Ending balance	---	---	---	---
	<i>Other</i>				
17	_____	---	0	---	---
18	Receivable from Bally		(50,000)		
19	_____				
20	_____	---	(50,000)	---	---
	<i>Net Unrealized Loss On Noncurrent Marketable Equity Securities:</i>				
21	Beginning balance (January 1)		---		---
22	_____				
23	_____				
24	Ending balance		---		---
	<i>Retained Earnings:</i>				
25	Beginning balance (January 1)		5,189		3,423
26	Prior period adjustments				
27	Net income (loss)		7,277		7,883
28	Dividends				
29	_____				
30	_____				
31	Ending balance		12,466		11,306
32	Ending Stockholders' Equity		\$ 91,105		\$ 139,945

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

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

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

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

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 1992 AND 1991

(UNAUDITED)
(\$ IN THOUSANDS)

NOT APPLICABLE

LINE (a)	DESCRIPTION (b)	1992 (c)	1991 (d)
	Invested Capital:		
1	Beginning Balance (January 1)	\$	\$
2	Additional capital invested		
3	_____		
4	Ending balance		
	Accumulated Income (Loss):		
5	Beginning Balance (January 1)		
6	Prior period adjustments		
7	Net income (loss)		
8	_____		
9	Ending balance		
	Capital Withdrawals:		
10	Beginning Balance (January 1)	()	()
11	Additional capital withdrawals	()	()
12	_____		
13	Ending balance	()	()
	Net Unrealized Loss On Noncurrent Marketable Equity Securities:		
14	Beginning Balance (January 1)	()	()
15	_____		
16	_____		
17	Ending balance	()	()
18	Ending Partners' Or Proprietor's Equity	\$	\$

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

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

SCHEDULE OF RECEIVABLES AND PATRONS' CHECKS

SEPTEMBER 30, 1992

(UNAUDITED)
(\$ IN THOUSANDS)

ACCOUNTS RECEIVABLE BALANCES				
LINE (a)	DESCRIPTION (b)	ACCOUNT BALANCE (c)	ALLOWANCE (d)	ACCOUNTS RECEIVABLE (e) NET OF ALLOWANCE
	Patrons' Checks:			
1	Undeposited patrons' checks	\$ 1,153		
2	Returned patrons' checks	4,557		
3	Total patrons' checks	5,710	\$ 4,550	\$ 1,160
4	Hotel Receivables	1,120	260	860
	Other Receivables:			
5	Receivables due from officers and employees	5		
6	Receivables due to affiliates	727		
7	Other accounts and notes receivables	1,002		
8	Total other receivables	1,734	---	1,734
9	Totals (Form 205)	\$ 8,564	\$ 4,810	\$ 3,754

UNDEPOSITED PATRONS' CHECKS ACTIVITY		
LINE (f)	DESCRIPTION (g)	AMOUNT (h)
10	Beginning Balance (January 1)	\$ 1,502
11	Counter checks issued (excluding counter checks issued through transactions relating to consolidations, partial redemptions, substitutions, and patrons' cash deposits)	53,523
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)	(43,253)
13	Checks collected through deposits	(9,085)
14	Checks transferred to returned checks	(1,534)
15	Other adjustments	0
16	Ending Balance	\$ 1,153
17	"Hold" Checks Included In Balance On Line 16	\$ 0
18	Provision For Uncollectible Patrons' Checks	\$ 423
19	Provision As A Percent Of Counter Checks Issued	0.8%

PROMOTIONAL EXPENSES AND ALLOWANCES

(\$ in Thousands)

For the nine months ended September 30, 1992

	<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	108,151	\$ 12,617		\$
Food	878,451	9,276		
Beverage	2,496,590	4,993		
Travel			110,077	2,202
Coin				
Coupon			952,391	13,248
Entertainment	10,401	177		
Retail & Gifts				
Other	150,127	1,146	35,134	1,757
Total	3,643,720	\$ 28,209	1,097,602	\$ 17,207

For the three months ended September 30, 1992

	<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	43,571	\$ 5,623		\$
Food	327,376	3,242		
Beverage	939,474	1,879		
Travel			31,406	629
Coin				
Coupon			333,599	4,374
Entertainment	3,748	64		
Retail & Gifts				
Other	2,496	75	27,805	1,391
Total	1,316,665	\$ 10,883	392,810	\$ 6,394

STATEMENT OF CONFORMITY AND ACCURACY

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

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

deposes and says:

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

[Signature]
Signature

Controller
Title

#000558-11
License Number

Subscribed and sworn to
before me this 16th day
of November, 1992

On Behalf Of:

[Signature]
Signature

Bally's Park Place, Inc. NJ
Casino Licensee

CHERYL ANN RUGGLES
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Feb. 19, 1994

Basis of Authority
to Take Oaths

STATEMENTS OF CASH FLOWS

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 1992 AND 1991

(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	Description (b)	1992 (c)	1991 (d)
1	Net Cash Provided (Used) By Operating Activities	\$ 19,780	\$ 35,227
	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	(9,132)	(7,178)
5	Proceeds from disposition of property and equipment		---
6	Purchase of casino reinvestment obligations	(3,398)	(1,753)
7	Purchase of other investments and loans/advances made	(2,240)	(1,583)
8	Proceeds from disposal of investments and collection of advances and long-term receivables	61	30
9	Cash outflows to acquire business entities	---	---
10	_____	---	---
11	_____	---	---
12	Net Cash Provided (Used) By Investing Activities	(14,709)	(10,484)
	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	81,000	46,500
16	Costs of issuing debt	---	---
17	Payments to settle long-term debt	(104,033)	(100,528)
18	Cash proceeds from issuing stock or capital contributions	---	---
19	Purchases of treasury stock	---	---
20	Payments of dividends or capital withdrawals	---	---
21	Advance to Bally and affiliates.	13,700	28,000
22	_____	---	---
23	Net Cash Provided (Used) By Financing Activities	(9,333)	(26,028)
24	Net Increase (Decrease) In Cash And Cash Equivalents	(4,262)	(1,285)
25	Cash And Cash Equivalents At Beginning Of Period	12,506	10,394
26	Cash And Cash Equivalents At End Of Period	\$ 8,244	\$ 9,109

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

Cash Paid During Period For:			
27	Interest (net of amount capitalized)	\$ 44,392	\$ 45,816
28	Income taxes	\$ 3,620	\$ 2,743

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

STATEMENTS OF CASH FLOWS

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 1992 AND 1991

(UNAUDITED)

(\$ IN THOUSANDS)

LINE (a)	Description (b)	1992 (c)	1991 (d)
	Net Cash Flows From Operating Activities:		
29	Net income (loss)	\$ 7,277	\$ 7,883
	Noncash items included in income and cash items excluded from income:		
30	Depreciation and amortization of property and equipment	19,786	19,511
31	Amortization of other assets	1,383	1,278
32	Amortization of debt discount or premium	---	---
33	Deferred income taxes - current	(1)	(2,300)
34	Deferred income taxes - noncurrent	2,625	670
35	(Gain) loss on disposition of property and equipment	---	---
36	(Gain) loss on casino reinvestment obligations	993	1,018
37	(Gain) loss from other investment activities	256	191
38	Net (increase) decrease in receivables and patrons' checks	835	4,494
39	Net (increase) decrease in inventories	28	2,519
40	Net (increase) decrease in other current assets	(1,264)	(971)
41	Net (increase) decrease in other assets	(888)	92
42	Net increase (decrease) in accounts payables	(2,928)	(2,639)
43	Net increase (decrease) in other current liabilities excluding debt	(8,575)	(276)
44	Net increase (decrease) in other noncurrent liabilities excluding debt	(807)	2,250
45	Net book value of disposals	270	216
46	CRDA obligation amortization	790	1,291
47	Net Cash Provided (Used) By Operating Activities	\$ 19,780	\$ 35,227

SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING AND FINANCING ACTIVITIES

	Acquisition Of Property And Equipment:		
48	Additions to property and equipment	\$ 9,132	\$ 7,178
49	Less: Capital lease obligations incurred	---	---
50	Cash Outflows For Property And Equipment	\$ 9,132	\$ 7,178
	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	\$ ---	\$ ---

BALLY'S PARK PLACE CASINO HOTEL & TOWER
Note 1 - Notes to Financial Statements
For the Nine Months Ended September 30, 1992 and 1991
(Unaudited)

The accompanying financial statements of Bally's Park Place Casino Hotel and Tower (the "Company") should be read in conjunction with the consolidated financial statements in the Casino Control Commission Annual Report for the year ended December 31, 1991.

Please refer to the Annual Report for the following:

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

Certain reclassifications have been made to the 1991 statements to conform to the 1992 presentation.

Investments in Subsidiaries

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

Transactions with related parties

Various management personnel of the Company are involved in the direction and operation of other casino hotels owned or operated by Bally Manufacturing Corporation ("Bally"). Certain management personnel of the Company are, at times, active in the management of Bally.

In May 1992, Bally received approval from the Casino Control Commission to authorize payment by the Company of its 1992 and 1991 portion of stockholder costs and its 1992 portion of insurance, executive and other Bally corporate overhead costs. The accompanying condensed consolidated financial statements reflect an allocation of these costs and expenses from Bally of \$1,050,000 and \$2,852,000 for the three and nine months ended September 30, 1992 respectively. No such costs were allocated for the three and nine months ended September 30, 1991.

In May 1991, the Company's common stock was pledged to Bally's bank lenders as collateral in connection with Bally's restructuring. The pledge was released in July 1992.

In April 1990, the Company advanced Bally \$50,000,000 secured by a promissory note allowing for payment on demand by the Company. In October 1992,

BALLY'S PARK PLACE CASINO HOTEL & TOWER
Note 1 - Notes to Financial Statements
For the Nine Months Ended September 30, 1992 and 1991
(Unaudited)

Bally petitioned the Commission to allow the Company to declare the receivable due from Bally as a dividend. The Commission's consent to this event is a requirement of both the Company's and Bally's casino relicensing. A ruling on this petition is expected from the Commission by the end of the year. Due to Bally's petition, the Company, as of September 30, 1992, classified the receivable as a reduction of stockholder's equity in the accompanying balance sheet. As a result of Bally's petition, no interest will be paid to the Company commencing April 1, 1992 and accordingly, no interest will be recognized by the Company subsequent to such date. Consequently, in the quarter ended September 30, 1992, the Company reversed \$808,000 of interest income accrued on the receivable for the quarter ended June 30, 1992. Through March 31, 1992, the Company earned 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 recorded related to this advance for the three months ended September 30, 1992 and 1991 was \$(808,000) and \$1,049,000, respectively, and \$808,000 and \$3,692,000 for the nine months ended September 30, 1992 and 1991, respectively.

In December 1990, the Company advanced GNOC Corp. ("Bally's Grand"), another wholly owned subsidiary of Bally, \$2,700,000. This advance, which was payable on demand by the Company, was paid in June 1992. Intercompany interest earned on this advance for the three months ended September 30, 1991 was \$57,000 and for the nine months ended September 30, 1992 and 1991 was \$73,000 and \$177,000 respectively.

As of September 30, 1992, the Company owed Bally's Grand \$28,000,000 for advances used by the Company to reduce the outstanding balance under its revolving credit agreement. The Company pays interest on the outstanding balance at the prime rate of its agent bank (6.0% at September 30, 1992) with such interest payable at the end of each month. The principal balance is due upon demand by Bally's Grand. Intercompany interest expense on the advance from Bally's Grand was \$296,000 and \$348,000 for the three months ended September 30, 1992 and 1991, respectively, and \$947,000 and \$362,000 for the nine months ended September 30, 1992 and 1991 respectively.

The Company purchased slot machines and related services from Bally affiliates for aggregate amounts of \$577,000 and \$486,000 for the three months ended September 30, 1992 and 1991, respectively and \$2,627,000 and \$829,000 for the nine months ended September 30, 1992 and 1991, respectively.

The Company leases surface area parking lots and an administrative facility to Bally's Grand. Rental income was \$174,000 for each of the three month periods ended September 30, 1992 and 1991 and \$552,000 for each of the nine month periods ended September 30, 1992 and 1991. Certain administrative and support operations of the Company and Bally's Grand are consolidated. The Company allocated direct costs to Bally's Grand of \$673,000 and \$649,000 for the three months ended September 30, 1992 and 1991, respectively and \$1,888,000 and \$1,875,000 for the nine months ended September 30, 1992 and 1991 respectively, related to these consolidated operations.

BALLY'S PARK PLACE CASINO HOTEL & TOWER
Note 1 - Notes to Financial Statements
For the Nine Months Ended September 30, 1992 and 1991
(Unaudited)

Income taxes

For the nine months ended September 30, 1992 and 1991, the income tax rates varied from the U.S. statutory tax rate of 34% due principally to state income taxes, net of the related federal income tax benefit and certain nondeductible items.

The Company files a consolidated federal income tax return with Bally. As previously disclosed in the Company's Annual Report on Form 10-K for the year ended December 31, 1991, the Internal Revenue Service ("IRS") has completed an audit of Bally's consolidated federal income tax returns for the calendar years 1983 and 1984. During the audit, the IRS raised certain significant issues principally related to the tax accounting method used by Bally's fitness center subsidiaries to report income from membership contracts which resulted in a substantial assessment. In July 1992, Bally and the IRS reached a settlement (subject to the IRS' Joint Committee review) with respect to the tax accounting method used to report income from membership contracts. The settlement of this issue significantly reduces, but does not fully eliminate, previously disclosed concerns regarding a material adverse effect on Bally's liquidity with respect to the tax accounting method used to report income from membership contracts. In addition, as Bally adequately provided deferred and current taxes related to this matter, the settlement will not have a material effect on Bally's consolidated financial position or results of operations.

Also as disclosed in the Company's Annual Report on Form 10-K for the year ended December 31, 1991, the IRS has completed an audit of the federal income tax returns of certain of Bally's fitness center subsidiaries for periods ending on the day these subsidiaries were acquired. The IRS is asserting that these subsidiaries owe approximately \$84.0 million, including interest (estimated as of September 30, 1992) with respect to issues arising pursuant to Bally's election to treat the purchases of stock of these subsidiaries as if they were purchases of assets. Bally intends to vigorously oppose the IRS assertions and has filed petitions in the United States Tax Court contesting the IRS' proposed deficiencies with respect to these issues. In April 1992, the IRS filed a Stipulation of Partial Settlement with the United States Tax Court which dismissed the IRS' claims against Bally for the penalties and related penalty interest. The filing of the Stipulation of Partial Settlement by the IRS should not be viewed as an indication of whether or not Bally will prevail on the resolution of the issues underlying the IRS' assertion that Bally owes \$84.0 million in taxes and interest. Bally estimates that if the issues are fully litigated, the ultimate resolution of these issues is not likely to occur for approximately three years (although a resolution may occur sooner if the Company and the IRS resolve all or some of these issues by stipulation or otherwise).

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

	<u>1992</u>	<u>1991</u>
Deferred Income Taxes	\$ 5,858,000	\$5,843,000
Prepaid Insurance	1,073,000	675,000
Other *	<u>1,374,000</u>	<u>1,425,000</u>
	<u>\$ 8,305,000</u>	<u>7,943,000</u>

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

The Indenture relating to the \$100,000,000 First Mortgage Notes (the "Notes") and the revolving credit agreement contain covenants restricting the Company's investment policies, total indebtedness, maintenance of property and equipment securing the mortgage note and the revolving credit agreement, sale, transfer or lease of assets, the incurrence of additional debt which may be incurred, and minimum coverage of fixed charges. Payments of dividends are restricted in amount, and at September 30, 1992, approximately \$5,500,000 was available to pay dividends, in addition to the approximately \$50,000,000 receivable due from Bally.

In June 1992, the Company and the banks participating in its \$100,000,000 revolving credit agreement, which was due to expire on June 30, 1992, entered into an agreement to extend the credit facility for two years. The new expiration date is June 30, 1994 at which time the Company has the option to pay the outstanding balance or convert the outstanding balance to a term loan payable in four semiannual installments beginning December 31, 1994. The extended revolving credit agreement provides for a maximum borrowing up to \$75,000,000. The rate of interest on the borrowings (6.0% at September 30, 1992) remains at the Company's option, based upon the spot rate's prime rate or certain other short-term rates. The annual fee on the unused commitment was increased from 1/8 of 1 percent to 1/2 of 1 percent. In addition, at the signing of the agreement the Company paid to the banks a fee of 1/2 of 1 percent (\$375,000) of the total permitted borrowings, which will be amortized over the two year extension period. The additional covenants, providing for minimum coverage of current liabilities of long-term debt and fixed charges, were included in the extension agreement. The unused amount of the credit line at September 30, 1992 is \$74,500,000. In June 1991, the Company granted to the banks a mortgage on and security interest in all the property and equipment securing the Notes. The banks took possession in right of payment with the holders of the Notes.

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

	<u>1992</u>	<u>1991</u>
Land	\$ 64,169,000	\$ 64,164,000
Buildings, Leasehold Improvements	539,739,000	535,926,000
Furniture, Fixtures and Equipment	139,210,000	131,153,000
Construction in Progress	<u>991,000</u>	<u>2,640,000</u>
	744,109,000	733,883,000
Less Accumulated Depreciation and Amortization	<u>(258,877,000)</u>	<u>(234,992,000)</u>
Property and Equipment, Net	<u>\$485,232,000</u>	<u>\$498,891,000</u>

Also as disclosed in the Company's Annual Report for the year ended December 31, 1991, the IRS has completed an audit of the federal income tax returns of certain of Bally's direct or indirect subsidiaries for periods ending on the day these subsidiaries were acquired. The IRS is asserting that these subsidiaries owe approximately \$64.0 million, including interest, estimated as of September 30, 1992 with respect to issues arising primarily in Bally's election to treat the purchase of stock of these subsidiaries as if they were purchases of assets. Bally intends to vigorously oppose the IRS assertions and has filed petitions in the United States Tax Court opposing the IRS' proposed deficiencies with respect to these issues. In April 1992, the IRS filed a Stipulation of Federal Deficiency with the United States Tax Court which discussed the IRS' claims against Bally for the purchase and related penalty interest. The filing of the stipulation of federal deficiency by the IRS should not be taken to an indication of whether or not Bally will prevail on the resolution of the issues with the IRS regarding the Bally own \$64.0 million in issue of interest. Bally believes that if the issues are fully litigated, the likelihood of success of these issues being likely to occur for approximately these same subsidiaries is significant. We cannot assure if the Company and the IRS agree to any way to these issues by stipulation or otherwise.

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

Long-Term Debt

	<u>1992</u>	<u>1991</u>
	(In thousands)	
Due to affiliates:		
11 7/8% First Mortgage Notes due 1999	\$350,000	\$350,000
Other:		
Revolving credit agreement	\$ 2,000	\$ 21,000
Other secured and unsecured debt	3,788	3,834
	<u>\$ 5,788</u>	<u>\$ 24,834</u>

The Indentures relating to the 11 7/8% First Mortgage Notes (the "Notes") and the revolving credit agreement contain covenants restricting the Company's investment policies, total indebtedness, encumbrances on property and equipment securing the mortgage note and the revolving credit agreement, sale, transfer or lease of assets, the amounts of additional debt which may be incurred, and minimum coverage of fixed charges. Payments of dividends are restricted in amount, and at September 30, 1992, approximately \$5,700,000 was available to pay dividends, in addition to the aforementioned \$50,000,000 receivable due from Bally.

In June 1992, the Company and the banks participating in its \$100,000,000 revolving credit agreement, which was due to expire on June 30, 1992, entered into an agreement to extend the credit facility for two years. The new expiration date is June 30, 1994 at which time the Company has the option to pay the outstanding balance or convert the outstanding balance to a term loan payable in four semiannual installments beginning December 31, 1994. The extended revolving credit agreement provides for maximum borrowings up to \$75,000,000. The rate of interest on the borrowings (6.0% at September 30, 1992) remains at the Company's option, based upon the agent bank's prime rate or certain other short-term rates. The annual fee on the unused commitment was increased from 3/8 of 1 percent to 1/2 of 1 percent. In addition, at the signing of the agreement the Company paid to the banks a fee of 1/2 of 1 percent (\$375,000) of the total permitted borrowings, which will be amortized over the two year extension period. Two additional covenants, providing for minimum coverage of current maturities of long-term debt and fixed charges, were included in the extension agreement. The unused amount of the credit line at September 30, 1992 is \$73,000,000. In June 1991, the Company granted to the banks a mortgage on and security interest in all the property and equipment securing the Notes. The banks rank pari passu in right of payment with the holders of the Notes.

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

	<u>1992</u>	<u>1991</u>
Deferred Federal Income Taxes	<u>\$15,404,000</u>	<u>\$12,596,000</u>
Buildings		
Construction in Progress		
Leasehold Improvements and		
Property and Equipment, Net		

The indentures relating to the 11 7/8% First Mortgage Notes (the "Notes") and the revolving credit agreement contain covenants restricting the Company's investment policies, debt, indebtedness, encumbrances of property and equipment securing the mortgage and the revolving credit agreement, sale, transfer or lease of assets, the incurrence of additional debt which may be incurred, and minimum coverage of listed charges. Payments of dividends are restricted in amount, and as of September 30, 1992, approximately \$2,700,000 was available to pay dividends, in addition to the aforementioned \$50,000,000 available due from Bally.

In June 1992, the Company and the bank participating in the \$100,000,000 revolving credit agreement, which was due to expire on June 30, 1993, entered into an agreement to extend the credit facility for two years. The new expiration date is June 30, 1994. At that time the Company had the option to pay the outstanding balance or convert the outstanding balance to a term loan payable in four semi-annual installments beginning January 31, 1994. The extended revolving credit agreement provides for various covenants up to 775,000,000. The rate of interest on the loan is 10% as of September 30, 1992. The rate of the Company's debt, based upon the spot rate price rate on certain other short-term rates. The spread fee on the loan is 1% of the amount increased from 1/2 of 1 percent to 1/2 of 1 percent. In addition, as of the signing of the agreement the Company had to the bank a fee of 1/2 of 1 percent (2375,000) of the total guaranteed borrowings, which will be repaid over the two year extension period. Two additional covenants, provided for certain coverage of current liabilities of the Company and other charges, were included in the extension agreement. The unpaid amount of the credit line as of September 30, 1992 is \$75,000,000. In June 1992, the Company granted to the bank a mortgage on and security interest in all the property and equipment securing the Notes. The bank has been in right of payment with the holders of the Notes.

BALLY'S PARK PLACE CASINO HOTEL & TOWER
Note 6 - Other Liabilities
September 30,
(Unaudited)

	<u>1992</u>	<u>1991</u>
Accrued S.E.R.P.	\$ 5,899,000	\$27,750,000
Deferred Long-Term Compensation (net of unamortized discount of \$2,905,000 in 1992)	12,695,000	—
1983 Reinvestment Obligation (net of unamortized discount of \$347,000 in 1992)	<u>1,528,000</u>	<u>—</u>
	<u>\$20,122,000</u>	<u>\$27,750,000</u>

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

In January 1992, the Company and the New Jersey Department of the Treasury entered into an agreement settling a dispute regarding 1983 qualified investments. The Company is obligated to make payments totalling \$2,250,000 between 1992 and 1996 and to participate in certain approved low income mortgage guarantee programs.

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

	<u>1992</u>	<u>1991</u>
<u>Charges From Affiliates</u>		
Bally's Park Place Funding, Inc.	\$10,391,000	\$10,391,000
Capitalized interest	<u>(15,000)</u>	<u>(12,000)</u>
	<u>\$10,376,000</u>	<u>\$10,379,000</u>
 <u>External Sources</u>		
Interest on various loans	\$ 1,101,000	\$ 1,297,000
Capitalized interest	<u>(4,000)</u>	<u>(3,000)</u>
	<u>\$ 1,097,000</u>	<u>\$ 1,294,000</u>

For the Nine Months Ended September 30,

	<u>1992</u>	<u>1991</u>
<u>Charges From Affiliates</u>		
Bally's Park Place Funding, Inc.	\$31,172,000	\$31,172,000
Capitalized interest	<u>(53,000)</u>	<u>103,000)</u>
	<u>\$31,119,000</u>	<u>\$31,069,000</u>
 <u>External Sources</u>		
Interest on various loans	\$ 3,794,000	\$ 4,778,000
Capitalized interest	<u>(14,000)</u>	<u>(27,000)</u>
	<u>\$ 3,780,000</u>	<u>\$ 4,751,000</u>

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

	<u>1992</u>	<u>1991</u>
Current:		
Federal	\$ 4,248,000	\$ 5,172,000
State	<u>971,000</u>	<u>1,433,000</u>
	5,219,000	6,605,000
Deferred:		
Federal	741,000	(907,000)
State	<u>226,000</u>	<u>(275,000)</u>
	<u>967,000</u>	<u>(1,182,000)</u>
Total Income Taxes	<u>\$ 6,186,000</u>	<u>\$ 5,423,000</u>

For the Nine Months Ended September 30,

	<u>1992</u>	<u>1991</u>
Current:		
Federal	\$ 3,492,000	\$ 6,462,000
State	<u>808,000</u>	<u>1,887,000</u>
	4,300,000	8,349,000
Deferred:		
Federal	2,020,000	(1,250,000)
State	<u>615,000</u>	<u>(380,000)</u>
	<u>2,635,000</u>	<u>(1,630,000)</u>
Total Income Taxes	<u>\$ 6,935,000</u>	<u>\$ 6,719,000</u>

Reconciliation of Deferred Income Taxes
For the Nine Months Ended September 30,

	<u>1992</u>	<u>1991</u>
Short-term	\$ 84,000	\$(2,300,000)
Long-term	<u>2,551,000</u>	<u>670,000</u>
	<u>2,635,000</u>	<u>\$(1,630,000)</u>

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

	<u>1992</u>	<u>1991</u>
<u>Other long-term investments and receivables:</u>		
Receivable from sale of retail merchandise	\$ —	\$ 1,045,000
Total long-term receivables	\$ —	\$ 1,045,000
Investment in subsidiaries - equity:		
Bally Warwick, Inc. - 100% owned	4,304,000	4,376,000
B.W. Realty, Inc. - 100% owned	<u>4,778,000</u>	<u>6,288,000</u>
Total investments in subsidiaries - equity	9,082,000	10,664,000
Casino Reinvestment Development Authority funds (less discount of \$6,909,000 in 1992 and \$4,986,000 in 1991)	6,886,000	4,064,000
Jacobs Family Terrace Mortgage Receivable (less reserve of \$200,000 in 1992 and \$175,000 in 1991)	2,634,000	2,701,000
Bally's Park Place Realty Company	15,630,000	15,630,000
Bally Manufacturing Corporation	—	50,000,000
Bally's Grand	—	2,700,000
Less current portion	<u>(43,000)</u>	<u>(40,000)</u>
Total Investments, Advances and Receivables	<u>\$34,189,000</u>	<u>\$86,764,000</u>

BALLY'S PARK PLACE CASINO HOTEL & TOWER
Note 10 - Other Accrued Expenses
September 30,
(Unaudited)

	1992	1991
Payroll	\$ 9,050,000	\$ 9,042,000
Progressive Jackpots	2,577,000	2,899,000
Interest	5,222,000	5,676,000
*Miscellaneous	12,490,000	8,773,000
Total	\$29,339,000	\$26,390,000

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

Interest income	\$ 1,339,000	\$ 1,370,000
Equity in income or (loss) of unconsolidated subsidiaries:		
B. W. Realty, Inc.	(204,000)	(242,000)
Bally Warwick, Inc.	(52,000)	(30,000)
Other	372,000	578,000
Total	\$ 1,055,000	\$ 1,676,000

BALLY'S PARK PLACE CASINO HOTEL & TOWER
Note 11 - Reinvestment Obligation
September 30, 1992
(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 September 30, 1992 and 1991, the Company had \$12,669,000 and \$8,251,000 respectively, in remaining bond purchase commitments on deposit with the CRDA. The Company has purchased \$1,126,000 and \$799,000 in bonds from the CRDA as of September 30, 1992 and 1991, respectively.

Since deposits held by and bonds issued by the CRDA earn interest at rates below market and may be issued for terms up to 50 years, the Company provides on a current basis for the estimated diminution in value due to the below market rates and possible realizable value. For the nine months ended September 30, 1992 and 1991, \$993,000 and \$1,018,000, respectively were charged to operations and \$531,000 and \$540,000 were charged to operations for the three months ended September 30, 1992 and 1991.

James Family Trust Mortgage Receivable	4,324,000	4,324,000
Class reserve of \$200,000 in 1992 and \$175,000 in 1991	2,334,000	2,701,000
Bally's Park Place Realty Company	15,830,000	15,830,000
Bally Manufacturing Corporation	—	50,000,000
Bally's Group	—	2,700,000
Less current portion	(81,000)	(150,000)
Total Investments, Advances and Reservations	29,357,000	82,554,000

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

QUARTERLY REPORT

	<u>1992</u>	<u>1991</u>
Interest income	\$ (561,000)	\$ 1,340,000
Equity in income or (loss) of unconsolidated subsidiaries:		
B. W. Realty, Inc.	(118,000)	29,000
Bally Warwick, Inc.	(17,000)	(18,000)
Other	<u>220,000</u>	<u>153,000</u>
Total	<u>\$ (476,000)</u>	<u>\$ 1,504,000</u>

For the Nine Months Ended September 30,

	<u>1992</u>	<u>1991</u>
Interest income	\$ 1,639,000	\$ 4,373,000
Equity in income or (loss) of unconsolidated subsidiaries:		
B. W. Realty, Inc.	(204,000)	(142,000)
Bally Warwick, Inc.	(52,000)	(50,000)
Other	<u>607,000</u>	<u>579,000</u>
Total	<u>\$ 1,990,000</u>	<u>\$ 4,760,000</u>

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

Michael J. Walsh

OFFICIAL TITLE

Vice President of Finance

ADDRESS

2100 Pacific Avenue

Atlantic City, New Jersey 08401

BALLY'S PARK PLACE CASINO HOTEL & TOWER
Note 13 - Commitments and Contingencies
September 30, 1992
(Unaudited)

The Company participates in four multi-casino progressive slot systems. The primary obligation for payment of these progressive jackpots resides with a trust established by the participating casinos to pay the winners. Winners are paid one-twentieth of the jackpot amount at the time of winning, and the remainder in equal installments over the next nineteen years. The trusts are responsible to fund this liability through the purchase of an annuity or certain United States obligations. In the event the trusts are unable to meet their obligations, each participating casino, including the Company, is jointly and severally liable for the payment. At September 30, 1992, the total funded amount of jackpots won is estimated to be \$16,348,000, which approximates the present value of these future payments. The present value of jackpots outstanding and not won at September 30, 1992 is estimated to be \$2,464,000. At September 30, 1992, the trusts had cash and cash equivalents on hand estimated to be \$7,415,000.

The Company has guaranteed, in the event of nonpayment by Bally, the payment of all compensation and benefits pursuant to an employment agreement between Bally and Bally's Chairman and Chief Executive Officer. If Bally is unable to make payments according to the terms of the employment agreement, the Company would be required, pursuant to current resolutions of the Commission, to obtain Commission approval prior to making such payment.

Management believes that a final outcome of these matters will not have a material effect on the Company's financial position or its liquidity.

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TRADING NAME OF LICENSEE CAESARS ATLANTIC CITY

QUARTERLY REPORT

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

ADDRESS 2100 Pacific Avenue
Atlantic City, New Jersey 08401

Balance Sheets

Statements of Income (Year To Date)

FOR THE QUARTER ENDED SEPTEMBER 30, 1992

Statements of Changes in Stockholders' Equity

Statements of Changes in Partners' or Proprietors' Equity

TO THE CASINO CONTROL COMMISSION

Statements of Cash Flows

OF THE

Notes to Financial Statements

STATE OF NEW JERSEY

Schedule of Receivables and Payables

Provision Expenses and Allowances

Statement of Contingency and Guaranty



RECEIVED
 NOV 16 1992
 CASINO CONTROL COMMISSION

NAME OF OFFICER IN CHARGE OF CORRESPONDENCE REGARDING THIS QUARTERLY REPORT Michael J. Walsh

OFFICIAL TITLE Vice President of Finance

ADDRESS 2100 Pacific Avenue
Atlantic City, New Jersey 08401

TRADING NAME OF LICENSEE CAESARS ATLANTIC CITY

TRADING NAME OF LICENSEE CAESARS ATLANTIC CITY

LIST OF FORMS - QUARTERLY REPORT

FOR THE QUARTER ENDED SEPTEMBER 30, 1992

(UNAUDITED)
\$ IN THOUSANDS

TITLE	FORM NO.
Balance Sheets	CCC-205
Statements of Income (Year To Date)	CCC-210
Statements of Income (Three Months)	CCC-215
Statements of Changes in 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
Promotion Expenses and Allowances	CCC-245
Statement of Conformity and Accuracy	CCC-250

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

TRADING NAME OF LICENSEE: CAESARS ATLANTIC CITY

BALANCE SHEETS

SEPTEMBER 30, 1992 AND 1991

(UNAUDITED)

(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1992	(d) 1991
	ASSETS		
	Current Assets:		
1	Cash	\$ 9,934	\$ 7,431
2	Marketable securities	-	-
3	Receivables and patrons' checks(net of allowance for doubtful accounts - 1992, \$10,340 ; 1991, \$11,318)	10,536	14,172
4	Inventories NOTE 1	3,806	3,911
5	Prepaid expenses and other current assets NOTE 2	14,642	14,578
6	Total current assets	38,918	40,092
7	Investments, Advances, and Receivables NOTES 3 & 14	2,939	1,663
8	Property And Equipment - Gross NOTES 1, 4, 10, & 14	407,521	392,269
9	(Accumulated Depreciation/Amortization)	(130,727)	(112,507)
10	Other Assets NOTE 12	14,679	14,213
11	Total Assets	\$ 333,330	\$ 335,730
	LIABILITIES AND EQUITY		
	Current Liabilities:		
12	Accounts payable	\$ 4,453	\$ 5,544
13	Notes payable NOTE 5	5,591	1,155
	Current portion of long-term debt :		
14	Due to affiliates	-	-
15	Other NOTE 10	282	4,999
16	Income taxes payable and accrued NOTES 1 & 6	4,344	7,025
17	Other accrued expenses NOTE 7	13,484	15,801
18	Other current liabilities NOTE 8	6,295	4,583
19	Total current liabilities	34,449	39,107
	Long-Term Debt:		
20	Due to affiliates NOTE 9	68,300	74,900
21	Other NOTE 10	11,119	11,355
22	Deferred Credits NOTE 6	6,311	6,962
23	Other Liabilities NOTE 11	6,886	7,913
24	Commitments And Contingencies NOTE 14	-	-
25	Total Liabilities	127,065	140,237
26	Stockholders', Partners', Or Proprietor's Equity	206,265	195,493
27	Total Liabilities And Equity	\$ 333,330	\$ 335,730

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

TRADING NAME OF LICENSEE: CAESARS ATLANTIC CITY

STATEMENTS OF INCOME

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 1992 AND 1991

(UNAUDITED)

(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1992	(d) 1991
	Revenue:		
1	Casino NOTE 1	\$ 258,762	\$ 237,427
2	Rooms	12,915	12,679
3	Food and beverage	28,694	26,715
4	Other	8,984	10,353
5	Total revenue	309,355	287,174
6	Less: Promotional allowances NOTE 1	33,368	29,442
7	Net revenue	275,987	257,732
	Costs And Expenses:		
8	Cost of goods and services	138,320	126,601
9	Selling, general and administrative	58,998	52,845
10	Provision for doubtful accounts	3,016	4,683
11	Total costs and expenses	200,334	184,129
12	Gross Operating Profit	75,653	73,603
13	Depreciation and amortization NOTE 1	15,201	14,697
	Charges from affiliates other than interest:		
14	Management fees NOTE 13	8,172	1,998
15	Other NOTE 13	10,531	7,679
16	Income (Loss) From Operations	41,749	49,229
	Other Income (Expenses):		
17	Interest (expense) - affiliates NOTES 5 & 9	(6,282)	(10,165)
18	Interest (expense) - external	(885)	(1,928)
19	Investment alternative tax and related income (expense) - net NOTE 14	(820)	(27)
20	Nonoperating income (expense) - net	145	228
21	Total other income (expenses)	(7,842)	(11,892)
22	Income (Loss) Before Income Taxes And Extraordinary Items	33,907	37,337
23	Provision (credit) for income taxes NOTE 6	14,445	15,215
24	Income (Loss) Before Extraordinary Items	19,462	22,122
25	Extraordinary Items (net of income taxes - 1992, \$; 1991, \$)	-	-
26	Net Income (Loss)	\$ 19,462	\$ 22,122

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 INCOME

FOR THE THREE MONTHS ENDED SEPTEMBER 30, 1992 AND 1991

(UNAUDITED)

(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1992	(d) 1991
	Revenue:		
1	Casino NOTE 1	\$ 91,357	\$ 93,157
2	Rooms	4,686	4,811
3	Food and beverage	10,525	10,390
4	Other	4,126	4,333
5	Total revenue	110,694	112,691
6	Less: Promotional allowances NOTE 1	12,451	11,612
7	Net revenue	98,243	101,079
	Costs And Expenses :		
8	Cost of goods and services	49,395	45,226
9	Selling, general and administrative	20,634	19,259
10	Provision for doubtful accounts	722	2,696
11	Total costs and expenses	70,751	67,181
12	Gross Operating Profit	27,492	33,898
13	Depreciation and amortization NOTE 1	4,824	4,957
	Charges from affiliates other than interest:		
14	Management fees NOTE 13	2,922	1,998
15	Other NOTE 13	3,611	3,264
16	Income (Loss) From Operations	16,135	23,679
	Other Income (Expenses) :		
17	Interest (expense) - affiliates NOTES 5 & 9	(2,094)	(4,594)
18	Interest (expense) - external	(293)	(988)
19	Investment alternative tax and related income (expense) - net NOTE 14	(292)	(8)
20	Nonoperating income (expense) - net	52	64
21	Total other income (expenses)	(2,627)	(5,526)
22	Income (Loss) Before Income Taxes And Extraordinary Items	13,508	18,153
23	Provision (credit) for income taxes NOTE 6	6,263	7,519
24	Income (Loss) Before Extraordinary Items	7,245	10,634
25	Extraordinary Items (net of income taxes - 1992, \$; 1991, \$)	-	-
26	Net Income (Loss)	\$ 7,245	\$ 10,634

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 STOCKHOLDERS' EQUITY

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 1992 AND 1991

(UNAUDITED)

(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	1992		1991	
		(c) SHARES	(d) DOLLARS	(e) SHARES	(f) DOLLARS
	Common Stock: No Par Value, 1,000 Shares Authorized				
1	Beginning balance (January 1)	100	\$ 1,370	100	\$ 1,370
2	Sale of stock	-	-	-	-
3	_____	-	-	-	-
4	Ending balance	100	1,370	100	1,370
	Preferred Stock:				
5	Beginning balance (January 1)	-	-	-	-
6	Sale of stock	-	-	-	-
7	_____	-	-	-	-
8	Ending balance	-	-	-	-
	Additional Paid-in Capital:				
9	Beginning balance (January 1)		46,065		46,333
10	CWI Buyout		-		(268)
11	_____		-		-
12	Ending balance		46,065		46,065
	Treasury Stock:				
13	Beginning balance (January 1)	-	(-)	-	(-)
14	Purchase of additional stock	-	(-)	-	(-)
15	Sale or retirement of stock	-	-	-	-
16	Ending balance	-	(-)	-	(-)
	Subscriptions Receivable For Capital Stock:				
17	Beginning balance (January 1)	-	(-)	-	(-)
18	_____	-	-	-	-
19	_____	-	-	-	-
20	Ending balance	-	(-)	-	(-)
	Net Unrealized Loss On Noncurrent Marketable Equity Securities:				
21	Beginning balance (January 1)		(-)		(-)
22	_____		-		-
23	_____		-		-
24	Ending balance		(-)		(-)
	Retained Earnings:				
25	Beginning balance (January 1)		151,368		125,936
26	Prior period adjustments		-		-
27	Net Income (loss)		19,462		22,122
28	Dividends (Note 8)		(12,000)		(-)
29	_____		-		-
30	_____		-		-
31	Ending balance		158,830		148,058
32	Ending Stockholders' Equity		\$ 206,265		\$ 195,493

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 NINE MONTHS ENDED SEPTEMBER 30, 1992 AND 1991
(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1992	(d) 1991
	Invested Capital:		
1	Beginning balance (January 1)	\$	\$
2	Additional capital invested		
3	_____		
4	Ending balance		
	Accumulated Income (Loss):		
5	Beginning balance (January 1)		
6	Prior period adjustments		
7	Net income (loss)		
8	_____		
9	Ending balance		
	Capital Withdrawals:		
10	Beginning balance (January 1)	()	()
11	Additional capital withdrawals	()	()
12	_____		
13	Ending balance	()	()
	Net Unrealized Loss On Noncurrent		
	Marketable Equity Securities:		
14	Beginning balance (January 1)	()	()
15	_____		
16	_____		
17	Ending balance	()	()
	Ending Partners' Or		
18	Proprietor's Equity		

This Statement Is Not Applicable

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

TRADING NAME OF LICENSEE: CAESARS ATLANTIC CITY

STATEMENTS OF CASH FLOWS

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 1992 AND 1991

(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1992	(d) 1991
1	Net Cash Provided (Used) By Operating Activities	\$ 31,672	\$ 36,649
	Cash Flows From Investing Activities :		
2	Purchase of short-term investment securities	-	-
3	Proceeds from the sale of short-term investment securities	-	-
4	Cash outflows for property and equipment	(11,463)	(6,313)
5	Proceeds from disposition of property and equipment	-	74
6	Purchase of casino reinvestment obligations	(2,619)	(572)
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	(14,082)	(6,811)
	Cash Flows From Financing Activities :		
13	Cash proceeds from issuance of short-term debt	60,435	36,111
14	Payments to settle short-term debt	(56,038)	(60,779)
15	Cash proceeds from issuance of long-term debt	-	3,771
16	Costs of issuing debt	-	-
17	Payments to settle long-term debt	(8,606)	(11,806)
18	Cash proceeds from issuing stock or capital contributions	-	-
19	Purchases of treasury stock	-	-
20	Payments of dividends or capital withdrawals	(12,000)	-
21	_____	-	-
22	_____	-	-
23	Net Cash Provided (Used) by Financing Activities	(16,209)	(32,703)
24	Net Increase (Decrease) In Cash And Cash Equivalents	1,381	(2,865)
25	Cash And Cash Equivalents At Beginning Of Period	8,553	10,296
26	Cash And Cash Equivalents At End Of Period	<u>\$ 9,934</u>	<u>\$ 7,431</u>

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

Cash Paid During Period For:			
27	Interest (net of amount capitalized)	\$ 5,247	\$ 12,139
28	Income taxes	<u>\$ 16,300</u>	<u>\$ 14,298</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: CAESARS ATLANTIC CITY

STATEMENTS OF CASH FLOWS

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 1992 AND 1991
(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1992	(d) 1991
	Net Cash Flows From Operating Activities:		
29	Net income (loss)	\$ 19,462	\$ 22,122
	Noncash items included in income and cash items excluded from income:		
30	Depreciation and amortization of property and equipment	14,341	13,906
31	Amortization of other assets	860	791
32	Amortization of debt discount or premium	-	-
33	Deferred income taxes - current	(133)	(5,021)
34	Deferred income taxes - noncurrent	40	2,517
35	(Gain) loss on disposition of property and equipment	-	(70)
36	(Gain) loss on casino reinvestment obligations	820	27
37	(Gain) loss from other investment activities	-	-
38	Net (increase) decrease in receivables and patrons' checks	2,144	2,215
39	Net (increase) decrease in inventories	172	(780)
40	Net (increase) decrease in other current assets	(70)	(1,052)
41	Net (increase) decrease in other assets	(1,088)	(1,429)
42	Net increase (decrease) in accounts payable	(2,381)	(3,095)
43	Net increase (decrease) in other current liabilities excluding debt	(1,469)	6,685
44	Net increase (decrease) in other noncurrent liabilities excluding debt	(1,026)	(167)
45		-	-
46		-	-
47	Net Cash Provided (Used) By Operating Activities	\$ 31,672	\$ 36,649

SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING AND FINANCING ACTIVITIES

	Acquisition Of Property And Equipment:		
48	Additions to property and equipment	\$ 11,463	\$ 6,313
49	Less: Capital lease obligations incurred	-	-
50	Cash Outflows For Property And Equipment	\$ 11,463	\$ 6,313
	Acquisition Of Business Entities:		
51	Property and equipment acquired	\$ -	\$ -
52	Goodwill acquired	-	(268)
53	Net assets acquired other than cash, goodwill, and property and equipment	-	-
54	Long-term debt assumed	-	-
55	Issuance of stock or capital invested	-	268
56	Cash Outflows To Acquire Business Entities	\$ -	\$ -
	Stock Issued Or Capital Contributions :		
57	Total issuances of stock or capital contributions	\$ -	\$ (268)
58	Less: Issuances to settle long-term debt	-	-
59	Consideration in acquisition of business entities	-	(268)
60	Cash Proceeds From Issuing Stock Or Capital Contributions	\$ -	\$ -

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

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

DESCRIPTION OF BUSINESS

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

Revenue and Promotional Allowances

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

Inventories

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

Property and Equipment

Property and equipment is recorded at cost, including interest on funds borrowed to finance construction. There was no capitalized interest recorded for the nine months ended September 30, 1992 and 1991. Depreciation and amortization are provided for on the straight-line method over the following estimated useful lives:

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

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

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

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

Income Taxes

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

In February 1992, the Financial Accounting Standards Board issued a Statement of Financial Accounting Standards Number 109 (SFAS 109) on accounting for income taxes. BRC is required to adopt the accounting and disclosure rules prescribed by SFAS 109 no later than its fiscal year ending July 31, 1994, although earlier adoption is permitted. Implementation of SFAS 109 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 109 will depend principally on enacted tax rates at the date of adoption. BRC has not yet decided the date or method of adoption. Assuming no changes to the current tax rates, BRC's preliminary review indicates that the adoption of SFAS 109 is not expected to have a material effect on BRC's financial position.

Disclosures

Certain disclosures have been omitted in conformance with the Casino Control Commission's quarterly instruction 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, 1991.

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

NOTE 2. PREPAID EXPENSES AND OTHER CURRENT ASSETS:

	<u>1992</u>	<u>1991</u>
	(In Thousands)	
Deferred income taxes.....	\$12,126	\$11,779
Other.....	<u>2,516</u>	<u>2,799</u>
	<u>\$14,642</u>	<u>\$14,578</u>

NOTE 3. INVESTMENTS, ADVANCES, AND RECEIVABLES:

	<u>1992</u>	<u>1991</u>
	(In Thousands)	
CRDA deposits.....	\$4,177	\$2,022
CRDA bonds receivable.....	<u>521</u>	<u>482</u>
	4,698	2,504
Less: valuation allowance on CRDA investments.....	<u>1,759</u>	<u>841</u>
	<u>\$2,939</u>	<u>\$1,663</u>

NOTE 4. PROPERTY AND EQUIPMENT:

	<u>1992</u>	<u>1991</u>
	(In Thousands)	
Land.....	\$ 51,503	\$ 46,895
Buildings and improvements.....	253,336	248,061
Furniture, fixtures and equipment	84,634	78,734
Construction in progress.....	5,708	3,401
Properties under capital leases.	<u>12,340</u>	<u>15,178</u>
	407,521	392,269
Less: accumulated depreciation and amortization.....	<u>130,727</u>	<u>112,507</u>
	<u>\$276,794</u>	<u>\$279,762</u>

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

Note 5. NOTES PAYABLE:

In August 1992, CWI entered into a new unsecured facility with a syndicate of banks, consisting of a \$125,000,000 term loan and a \$150,000,000 revolving credit facility available to be used by CWI and its affiliates, including BRC, for working capital needs and general corporate purposes. The new bank agreement provides that advances under the term loan portion of the facility must be made by March 30, 1993. The balance outstanding at March 31, 1993, amortizes in nine equal installments on March 31 and September 30 each year beginning in 1993 until final payment is made on March 31, 1997, and interest is payable quarterly or earlier. The first drawdown of the term loan was \$115,000,000 on September 30, 1992, by CWI. CWI incurs commitment fees of 5/16 percent to 1/2 percent on the unused portion of the credit facilities and the interest rate fluctuates depending upon CWI's financial leverage and the selection of one of the borrowing rate alternatives available at the option of CWI, one of which approximates the bank's prime rate.

In August 1992 CWI issued \$150,000,000 of 8 7/8 percent Senior Subordinated Notes due August 15, 2002. The proceeds together with bank borrowings were used by CWI on October 1, 1992 to retire the \$241,000,000 of principal outstanding on the 13 1/2 percent Subordinated Notes, accrued interest and costs. The new Senior Subordinated Notes contain covenants similar to the 13 1/2 percent Subordinated Notes including restrictions on subsidiaries including BRC.

The new bank loan agreement and 8 7/8 Senior Subordinated Notes, as well as the previous loan agreements covering 1992, 1991 and 1990, contain covenants, among others, that require the maintenance of certain financial ratios and include restrictions on CWI and its subsidiaries with respect to additional debt, dividends, stock repurchases, sales of certain assets, investments and capital expenditures, mergers, consolidations and similar transactions, liens, acquisitions, disposition of property, and repayment of other debt. Cross default clauses provide that the default of either the Senior Subordinated Notes or the bank loan agreement may result in the acceleration of the other. The loss of a gaming license which has a potential \$15,000,000 charge to operations of CWI and is determined by the banks to be materially adverse to them would be a default under the bank loan agreement. Also, the bank agreement requires guarantees by specified subsidiaries of CWI, including BRC.

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

Note 5. NOTES PAYABLE (cont'd):

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 commenced on May 31, 1989, and has a term of five years. In 1992 and 1991, the maximum amount outstanding at any month-end was \$9,960,000 and \$21,864,000, respectively, the average of the month-end amounts outstanding was \$6,913,000 and \$10,896,000, respectively, and the weighted average interest rate was 6.3% and 8.7%, respectively.

At September 30, 1992 and 1991, the outstanding balance on the revolving line of credit was \$5,591,000 and \$1,155,000, respectively.

NOTE 6. INCOME TAXES:

The provision for income taxes for the nine months ended September 30, 1992 and 1991 is comprised of the following:

	<u>1992</u>	<u>1991</u>
	(In Thousands)	
Current:		
Federal.....	\$10,676	\$13,831
State.....	3,862	3,888
Deferred:		
Federal.....	(193)	(2,342)
State.....	<u>100</u>	<u>(162)</u>
	<u>\$14,445</u>	<u>\$15,215</u>

Deferred credits of \$6,311,000 and \$6,962,000 at September 30, 1992 and 1991, 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 allowances for CRDA investments required by the Casino Control Act.

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

NOTE 6. INCOME TAXES (cont'd):

The provision for income taxes for the nine months ended September 30, 1992 and 1991 differs from the amount computed at the statutory rate as follows:

	<u>1992</u>	<u>1991</u>
	(In Thousands)	
Federal income tax at statutory rate.	\$11,528	\$12,695
State income taxes, net of federal benefit.....	2,014	2,218
Other, net.....	<u>903</u>	<u>302</u>
	<u>\$14,445</u>	<u>\$15,215</u>

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

NOTE 7. OTHER ACCRUED EXPENSES:

	<u>1992</u>	<u>1991</u>
	(In Thousands)	
Salaries, wages and vacation pay....	\$ 3,560	\$ 3,050
Insurance.....	3,821	2,890
Taxes, other than income taxes.....	1,503	2,139
Emperors Club Scrip.....	1,230	948
Progressive slots.....	422	1,765
Other.....	<u>2,948</u>	<u>5,009</u>
	<u>\$13,484</u>	<u>\$15,801</u>

NOTE 8. OTHER CURRENT LIABILITIES:

	<u>1992</u>	<u>1991</u>
	(In Thousands)	
Due to CWI.....	\$2,137	\$1,998
Due to DPI.....	2,618	705
Other.....	<u>1,540</u>	<u>1,880</u>
	<u>\$6,295</u>	<u>\$4,583</u>

In June 1992, BRC declared a \$12,000,000 dividend, payable to CNJ. At August 31, 1992 this dividend was paid in full.

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

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

	<u>1992</u>	<u>1991</u>
	(In Thousands)	
DPI term note due June 1, 1996, interest at 11.45%.....	<u>\$68,300</u>	<u>\$74,900</u>

In June 1991, BRC executed an \$81,862,000 term note due June 1, 1996 that replaced the term note due June 1, 1992. Interest is accrued monthly and paid quarterly at the annual rate of 11.45 percent on the unpaid principal balance. The term note is unsecured and may be prepaid at any time without penalty.

NOTE 10. LONG-TERM DEBT, OTHER:

	<u>1992</u>	<u>1991</u>
	(In Thousands)	
(a) Mortgage payable.....	\$ 1,882	\$ 2,164
(b) Capitalized lease obligation, net of amounts representing interest..	<u>9,237</u>	<u>9,191</u>
	<u>\$11,119</u>	<u>\$11,355</u>

	<u>1992</u>	<u>1991</u>
	(In Thousands)	
(a) Mortgage payable, interest at 8.0% maturing January 1999, secured by property.....	\$2,164	\$2,424
Less current maturities.....	<u>282</u>	<u>260</u>
	<u>\$1,882</u>	<u>\$2,164</u>

BRC leased land upon which a portion of the casino is located under a noncancellable lease. On January 31, 1992, BRC exercised a \$6,500,000 purchase option for the leased land.

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

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

NOTE 10. LONG-TERM DEBT, OTHER (cont'd):

BRC also owns approximately 1.2 acres and leases approximately 6 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 lease payments of \$875,000 and may be purchased for \$13,000,000. The purchase option price will increase by \$500,000 in August 1997 and another \$500,000 every 10 years thereafter.

	<u>1992</u>	<u>1991</u>
	(In Thousands)	
(b) Capital lease obligations, net amounts representing interest...	\$9,237	\$13,930
Less current maturities.....	-	4,739
	<u>\$9,237</u>	<u>\$ 9,191</u>

Rent expense for the nine months ended September 30, 1992 and 1991 was \$1,953,000 and \$2,345,000, respectively.

NOTE 11. OTHER LIABILITIES:

	<u>1992</u>	<u>1991</u>
	(In Thousands)	
Insurance claims.....	\$4,481	\$5,855
Other.....	2,405	2,058
	<u>\$6,886</u>	<u>\$7,913</u>

TRADING NAME OF LICENSEE: CAESARS ATLANTIC CITY
BOARDWALK REGENCY CORPORATION
(d/b/a CAESARS ATLANTIC CITY)
(unaudited)

NOTE 12. PENSION PLANS:

BRC participates in CWI's defined benefit pension plans (the Plans) covering any officer or other employee designated as a key executive of CWI or its subsidiaries. The benefits are based on years of service (not to exceed 30) and the employee's highest five years of compensation during the last ten years of employment. BRC has funded the vested benefits of certain current employees by making contributions to a revocable trust. Income earned by the trusts accrue to the benefit of BRC. At September 30, 1992, the amount in these revocable trusts was \$1,327,000 and was recorded as "Other Assets". Such trusts shall become irrevocable in the event of a change of control of CWI (as defined). Pension expense was \$291,000 and \$271,000 for the nine months ended September 30, 1992 and 1991, respectively. The actuarially computed present value of the accumulated benefit obligation relating to participants employed by BRC was \$1,622,000 at July 31, 1992. The liability accrued with respect to the Plan at July 31, 1992 was \$2,306,000.

BRC also has an Individual Retirement Account Plan which is generally available to all full-time, non-union employees who have at least one year of service and are not covered under any qualified retirement plan. The expense of this plan was \$541,000 and \$520,000 for the nine months ended September 30, 1992 and 1991, respectively.

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

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

NOTE 13. RELATED TRANSACTIONS:

BRC has recorded expenses for the nine months ended September 30, 1992 and 1991 from CWI and affiliates as follows:

<u>Affiliate</u>	<u>Transaction</u>	<u>1992</u>	<u>1991</u>
		(In Thousands)	
Caesars World, Inc.	Management Fee	<u>\$8,172</u>	<u>\$1,998</u>
Caesars World Marketing Corp.	Reservation Offices	\$4,552	\$3,292
Caesars Palace Corp	Tradename Fee	3,600	2,000
Caesars World, Inc.	Insurance, Allocated		
	Wages & Benefits	<u>2,379</u>	<u>2,387</u>
		<u>\$10,531</u>	<u>\$7,679</u>

NOTE 14. COMMITMENTS AND CONTINGENCIES:

New Jersey Investment Obligation

The New Jersey Casino Control Act provides, among other things, for an investment obligation on licensees based upon their gross casino revenues. This obligation may be satisfied by investing in qualified eligible direct investments, by purchasing bonds issued by the Casino Reinvestment Development Authority (CRDA), and/or by making qualified contributions. As of September 30, 1992, all BRC investment obligations had been satisfied or prepaid.

Litigation

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

TRADING NAME OF LICENSEE: CAESARS ATLANTIC CITY

SCHEDULE OF RECEIVABLES AND PATRONS' CHECKS

SEPTEMBER 30, 1992
(UNAUDITED)
(\$ IN THOUSANDS)

ACCOUNTS RECEIVABLE BALANCES				
LINE (a)	DESCRIPTION (b)	ACCOUNT BALANCE (c)	ALLOWANCE (d)	ACCOUNTS RECEIVABLE-- (e) NET OF ALLOWANCE
	Patron Checks:			
1	Undeposited patrons' checks	\$ 5,900	-	
2	Returned patrons' checks	13,413	-	
3	Total patrons' checks	19,313	\$ 10,233	\$ 9,080
4	Hotel Receivables	973	107	866
	Other Receivables:			
5	Receivables due from officers and employees	5	-	
6	Receivables due from affiliates	49	-	
7	Other accounts and notes receivables	536	-	
8	Total other receivables	590	-	590
9	Totals (Form 205)	\$ 20,876	\$ 10,340	\$ 10,536

UNDEPOSITED PATRONS' CHECKS ACTIVITY		
LINE (f)	DESCRIPTION (g)	AMOUNT (h)
10	Beginning Balance (January 1)	\$ 5,923
11	Counter checks issued (excluding counter checks issued through transactions relating to consolidations, partial redemptions, substitutions, and patrons' cash deposits)	211,976
12	Checks redeemed prior to deposit (excluding the unredeemed portion of counter checks redeemed through partial redemptions, and excluding checks redeemed through transactions relating to consolidation, substitutions, and patrons' cash deposits)	(149,548)
13	Checks collected through deposits	(60,972)
14	Checks transferred to returned checks	(1,479)
15	Other adjustments	-
16	Ending Balance	\$ 5,900
17	*Hold* Checks Included Balance on Line 16	\$ -
18	Provision For Uncollectible Patrons' Checks	\$ 3,015
19	Provision As A Percent Of Counter Checks Issued	1.4%

TRADING NAME OF LICENSEE: CAESARS ATLANTIC CITY

PROMOTIONAL EXPENSES AND ALLOWANCES

(\$ IN THOUSANDS)

(UNAUDITED)

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 1992

	Promotional Allowances		Promotional Expenses	
	Number of Recipients	Dollar Amount	Number of Recipients	Dollar Amount
Rooms	160,272	\$ 9,194		\$
Food	724,343	14,511		
Beverage	1,379,936	7,312		
Travel			34,622	10,116
Coin			1,720,632	13,280
Coupon			230,979	6,709
Entertainment	66,690	1,904	9,149	1,501
Retail & gifts			2,555	2,338
Other	12,017	447	134,050	2,402
Total	2,343,258	\$ 33,368	2,131,987	\$ 36,346

FOR THE THREE MONTHS ENDED SEPTEMBER 30, 1992

	Promotional Allowances		Promotional Expenses	
	Number of Recipients	Dollar Amount	Number of Recipients	Dollar Amount
Rooms	57,770	\$ 3,268		\$
Food	267,205	5,318		
Beverage	497,561	2,686		
Travel			12,840	3,375
Coin			644,548	4,922
Coupon			83,800	2,453
Entertainment	42,412	1,023	1,886	64
Retail & gifts			806	1,135
Other	4,858	156	37,109	636
Total	869,806	\$ 12,451	780,989	\$ 12,585

STATEMENT OF CONFORMITY AND ACCURACY

STATE OF NEW JERSEY :
COUNTY OF ATLANTIC : ss.

MICHAEL J. WALSH, being duly sworn according to law upon my oath
Name

deposes and says:

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

M Walsh

Signature

VICE PRESIDENT OF FINANCE

Title

1482-11

License Number

Subscribed and sworn to before me this 13th day of NOVEMBER, 1992

On Behalf Of:

Kathryn J. Robinson
Signature

KATHRYN J. ROBINSON
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Feb. 28, 1997

Basis of Authority
to Take Oaths

BOARDWALK REGENCY CORPORATION
Casino License

974.901
C193

QUARTERLY REPORT

THE CLARIDGE AT PARK PLACE, INC.

INDIANA AVENUE AT THE BOARDWALK

ATLANTIC CITY, NEW JERSEY 08401

FOR THE QUARTER ENDED SEPTEMBER 30, 1992

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:

**SR. VICE PRESIDENT OF FINANCE
& CORP. DEVELOPMENT**

ADDRESS:

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

TRADING NAME OF LICENSEE: THE CLARIDGE CASINO HOTEL

LIST OF FORMS - QUARTERLY REPORT

FOR THE QUARTER ENDED SEPTEMBER 30, 1992

	1992	1991
ASSETS		
CURRENT ASSETS:		
CASH		
MARKETABLE SECURITIES		
RECEIVABLES - PATRONS' CHECKS LIST OF ALLOW. FOR DOUBTFUL ACCOUNTS - 1992, \$1,343, 1991, \$1,200		
BALANCE SHEETS	CCC - 205	
OTHER CURRENT ASSETS		
TOTAL CURRENT ASSETS		
STATEMENTS OF INCOME (NINE MONTHS)	CCC - 210	
PROPERTY & EQUIPMENT - GROSS		
ACCUMULATED DEPRECIATION/AMORTIZATION		
STATEMENTS OF INCOME (THREE MONTHS)	CCC - 215	
TOTAL ASSETS		
STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY	CCC - 220	
CURRENT LIABILITIES:		
DEBTORS PAYABLE		
STATEMENTS OF CHANGES IN PARTNERS' OR PROPRIETORS' EQUITY	CCC - 225	
OTHER		
INCOME TAXES PAYABLE & DEFERRED		
STATEMENTS OF CASH FLOWS	CCC - 235	
TOTAL CURRENT LIABILITIES		
NOTES TO FINANCIAL STATEMENTS		
DEFERRED EXPENSES		
SCHEDULE OF RECEIVABLES & PATRONS' CHECKS	CCC - 240	
TOTAL LIABILITIES		
PROMOTIONAL EXPENSES & ALLOWANCES	CCC - 245	
TOTAL LIABILITIES & EQUITY		
STATEMENT OF CONFORMITY & ACCURACY	CCC - 250	

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THE FINANCIAL STATEMENTS. THESE DISCLOSURES CANNOT BE MADE WITHOUT THESE DISCLOSURES CONTAINED IN THE NOTES.

TRADING NAME OF LICENSEE: THE CLARIDGE CASINO HOTEL

BALANCE SHEETS
 SEPTEMBER 30, 1992 AND 1991
 (UNAUDITED)
 (\$ IN THOUSANDS)

LINE (A)	DESCRIPTION (B)	(C) 1992	(D) 1991
	ASSETS		
	CURRENT ASSETS:		
1	CASH.....	\$ 6,523	\$ 5,136
2	MARKETABLE SECURITIES.....	-0-	-0-
3	RECEIVABLES & PATRONS CHECKS (NET OF ALLOW. FOR DOUBTFUL ACCOUNTS - 1992, \$1,343; 1991, \$2,200.....	17,303	16,676
4	INVENTORIES.....	2,378	2,239
5	PREPAID EXPENSES & OTHER CURRENT ASSETS.....	1,359	2,738
6	TOTAL CURRENT ASSETS.....	27,563	26,789
7	INVESTMENTS, ADVANCES & RECEIVABLES... (NOTE 3).....	124,872	130,397
8	PROPERTY & EQUIPMENT - GROSS.....	13,908	14,235
9	(ACCUMULATED DEPRECIATION/AMORTIZATION).....	(10,350)	(10,480)
10	OTHER ASSETS..... (NOTE 4).....	513	335
11	TOTAL ASSETS.....	\$156,506	\$161,276
	LIABILITIES & EQUITY		
	CURRENT LIABILITIES:		
12	ACCOUNTS PAYABLE.....	\$ 2,731	\$ 2,818
13	NOTES PAYABLE.....	-0-	-0-
	CURRENT PORTION OF LONG-TERM DEBT:		
14	DUE TO AFFILIATES.....	-0-	-0-
15	OTHER..... (NOTE 7).....	2,766	2,181
16	INCOME TAXES PAYABLE & ACCRUED.....	1,629	1,451
17	OTHER ACCRUED EXPENSES..... (NOTE 5).....	7,926	9,791
18	OTHER CURRENT LIABILITIES..... (NOTE 6).....	21,510	21,482
19	TOTAL CURRENT LIABILITIES.....	36,562	37,723
	LONG TERM DEBT:		
20	DUE TO AFFILIATES.....	-0-	-0-
21	OTHER..... (NOTE 7).....	40,605	51,309
22	DEFERRED CREDITS.....	4,664	2,580
23	OTHER LIABILITIES..... (NOTE 8).....	60,368	62,588
24	COMMITMENTS & CONTINGENCIES (NOTE 1)		
25	TOTAL LIABILITIES.....	142,199	154,200
26	STOCKHOLDERS', PARTNERS, OR PROPRIETOR'S EQUITY.....	14,307	7,076
27	TOTAL LIABILITIES & EQUITY.....	156,506	\$161,276

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

TRADING NAME OF LICENSEE: THE CLARIDGE CASINO HOTEL

STATEMENTS OF INCOME
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 1992 AND 1991
(UNAUDITED)
(\$ IN THOUSANDS)

LINE (A)	DESCRIPTION (B)	(C) 1992	(D) 1991
	REVENUE:		
1	CASINO.....	\$116,081	\$102,645
2	ROOMS.....	8,720	8,382
3	FOOD & BEVERAGE.....	14,987	15,588
4	OTHER.....	2,327	1,770
5	TOTAL REVENUE.....	142,115	128,385
6	LESS: PROMOTIONAL ALLOWANCES.....	13,318	12,405
7	NET REVENUE.....	128,797	115,980
	COSTS & EXPENSES:		
8	COST OF GOODS & SERVICES.....	68,724	64,330
9	SELLING, GENERAL & ADMINISTRATIVE.....	32,329	28,122
10	PROVISION FOR DOUBTFUL ACCOUNTS.....	417	423
11	TOTAL COSTS & EXPENSES.....	101,470	92,875
12	GROSS OPERATING PROFIT.....	27,327	23,105
13	DEPRECIATION & AMORTIZATION.....	957	919
	CHARGES FROM AFFILIATES OTHER THAN INTEREST:		
14	MANAGEMENT FEES.....	-0-	-0-
15	OTHER.....	78	96
16	INCOME (LOSS) FROM OPERATIONS.....	26,292	22,090
	OTHER INCOME (EXPENSES):		
17	INTEREST (EXPENSES) - AFFILIATES.....(NOTE 12).....	(324)	(324)
18	INTEREST (EXPENSES) - EXTERNAL.....	(2,982)	(4,660)
19	INVESTMENT ALT. TAX & RELATED INCOME (EXPENSE) - NET...	(835)	(1,108)
20	NONOPERATING INCOME (EXPENSE) - NET...(NOTES 9 & 11)..	(11,206)	(12,612)
21	TOTAL OTHER INCOME (EXPENSE).....	(15,347)	(18,704)
22	INCOME (LOSS) BEFORE INCOME TAXES & EXTRAORDINARY ITEMS	10,945	3,386
23	PROVISION (CREDIT) FOR INCOME TAXES..(NOTE 11).....	4,185	1,354
24	INCOME (LOSS) BEFORE EXTRAORDINARY ITEMS.....	6,760	2,032
25	EXTRAORDINARY ITEMS (NET OF INCOME TAXES - 1992, \$ -0-; 1991, \$-0-).....	-0-	-0-
26	NET INCOME (LOSS).....	\$ 6,760	\$ 2,032

* Certain reclassifications have been made to the 1991 Income Statement to conform to the 1992 presentation.

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

TRADING NAME OF LICENSEE: THE CLARIDGE CASINO HOTEL

STATEMENTS OF INCOME
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 1992 AND 1991
(UNAUDITED)
(\$ IN THOUSANDS)

LINE (A)	DESCRIPTION (B)	(C) 1992	(D) 1991
	REVENUE:		
1	CASINO.....	\$ 44,051	\$ 39,004
2	ROOMS.....	3,706	3,558
3	FOOD & BEVERAGE.....	5,228	5,830
4	OTHER.....	746	611
5	TOTAL REVENUE.....	53,731	49,003
6	LESS: PROMOTIONAL ALLOWANCES.....	5,064	5,123
7	NET REVENUE.....	48,667	43,880
	COSTS & EXPENSES:		
8	COST OF GOODS & SERVICES.....	24,012	22,949
9	SELLING, GENERAL & ADMINISTRATIVE.....	11,797	9,677
10	PROVISION FOR DOUBTFUL ACCOUNTS.....	148	144
11	TOTAL COSTS & EXPENSES.....	35,957	32,770
12	GROSS OPERATING PROFIT.....	12,710	11,110
	DEPRECIATION & AMORTIZATION.....	331	325
	CHARGES FROM AFFILIATES OTHER THAN INTEREST:		
14	MANAGEMENT FEES.....	-0-	-0-
15	OTHER.....	24	36
16	INCOME (LOSS) FROM OPERATIONS.....	12,355	10,749
	OTHER INCOME (EXPENSES):		
17	INTEREST (EXPENSES) - AFFILIATES.....	(108)	(108)
18	INTEREST (EXPENSES) - EXTERNAL.....	(886)	(1,472)
19	INVESTMENT ALT. TAX & RELATED INCOME (EXPENSE) - NET....	(177)	(421)
20	NONOPERATING INCOME (EXPENSE) - NET.....	(3,725)	(3,817)
21	TOTAL OTHER INCOME (EXPENSE).....	(4,896)	(5,818)
22	INCOME (LOSS) BEFORE INCOME TAXES & EXTRAORDINARY ITEMS	7,459	4,931
23	PROVISION (CREDIT) FOR INCOME TAXES.....	2,917	1,879
24	INCOME (LOSS) BEFORE EXTRAORDINARY ITEMS.....	4,542	3,052
25	EXTRAORDINARY ITEMS (NET OF INCOME TAXES)		
	1992, \$, 1991, \$	-0-	-0-
26	NET INCOME (LOSS).....	4,542	\$ 3,052

* Certain reclassifications have been made to the 1991 Income Statement to conform to the 1992 presentation.

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

TRADING NAME OF LICENSEE: THE CLARIDGE CASINO HOTEL

STATEMENTS OF CHANGES IN STOCKHOLDERS EQUITY
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 1992 AND 1991
 (UNAUDITED)
 (\$ IN THOUSANDS)

LINE (A)	DESCRIPTION (B)	1992		1991	
		(C) SHARES	(D) DOLLARS	(E) SHARES	(F) DOLLARS
	COMMON STOCK: (PAR VALUE \$0.10, AUTHORIZED & OUTSTANDING 1,000 SHARES)				
1	BEGINNING BALANCE (JANUARY 1).....	1,000	\$ 1	1,000	\$ 1
2	SALE OF STOCK.....				
3					
4	ENDING BALANCE.....	1,000	\$ 1	1,000	\$ 1
	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).....		\$2,547		\$ 44
26	PRIOR PERIOD ADJUSTMENTS.....				
27	NET INCOME (LOSS).....		6,760		2,032
28	DIVIDENDS.....				
29					
30					
31	ENDING BALANCE.....		9,307		2,076
32	ENDING STOCKHOLDERS' EQUITY.....		\$14,307		\$ 7,076

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

TRADING NAME OF LICENSEE: THE CLARIDGE CASINO HOTEL
STATEMENT OF CHANGES IN PARTNERS' OR PROPRIETORS' EQUITY
 FOR THE NINE MONTHS ENDED SEPTEMBER 30, 1992 AND 1991
 (UNAUDITED)
 (\$ IN THOUSANDS)

LINE (A)	DESCRIPTION (B)	(C) 1992	(D) 1991
	INVESTED CAPITAL:		
1	BEGINNING BALANCE (JANUARY 1).....		
2	ADDITIONAL CAPITAL INVESTED.....		
3			
4	ENDING BALANCE.....		
	ACCUMULATED INCOME (LOSS):		
5	BEGINNING BALANCE.....		
6	PRIOR PERIOD ADJUSTMENTS.....		
7	NET INCOME (LOSS).....		
8			
9	ENDING BALANCE.....		
	CAPITAL WITHDRAWALS:		
10	BEGINNING BALANCE.....		
11	ADDITIONAL CAPITAL WITHDRAWALS.....		
12			
13	ENDING BALANCE.....		
	NET UNREALIZED LOSS ON NONCURRENT MARKETABLE EQUITY SECURITIES:		
14	BEGINNING BALANCE.....		
15			
16			
17	ENDING BALANCE.....		
18	ENDING PARTNERS' OR PROPRIETOR'S EQUITY.....		

NOT APPLICABLE

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

TRADING NAME OF LICENSEE: THE CLARIDGE CASINO HOTEL

STATEMENTS OF CASH FLOWS
 FOR THE NINE MONTHS ENDED SEPTEMBER 30, 1992 AND 1991
 (UNAUDITED)
 (\$ IN THOUSANDS)

LINE (A)	DESCRIPTION (B)	(C) 1992	(D) 1991
1	NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES.....	\$ 7,086	\$ 3,258
	CASH FLOWS FROM INVESTING ACTIVITIES:		
2	PURCHASE OF SHORT-TERM INVESTMENT SECURITIES.....		
3	PROCEEDS FROM THE SALE OF SHORT-TERM INV. SECURITIES...		
4	CASH OUTFLOWS FOR PROPERTY & EQUIPMENT.....	(508)	(769)
5	PROCEEDS FROM DISPOSITION OF PROPERTY & EQUIPMENT.....	24	22
6	PURCHASE OF CASINO REINVESTMENT OBLIGATION.....	(860)	(247)
7	PURCHASE OF OTHER INVESTMENTS & LOANS/ADVANCES MADE....	(1,763)	(938)
8	PROCEEDS FROM DISPOSAL OF INVESTMENTS & COLLECTION OF ADVANCES & LONG TERM RECEIVABLES.....	6,603	6,620
9	CASH OUTFLOWS TO ACQUIRE BUSINESS ENTITIES.....		
10			
11			
12	NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES.....	3,496	4,688
	CASH FLOWS FROM FINANCING ACTIVITIES:		
13	CASH PROCEEDS FROM ISSUANCE OF SHORT-TERM DEBT.....		
14	PAYMENTS TO SETTLE SHORT-TERM DEBT.....	-0-	(900)
15	CASH PROCEEDS FROM ISSUANCE OF LONG-TERM DEBT.....		
16	COSTS OF ISSUING DEBT.....		
17	PAYMENTS TO SETTLE LONG-TERM DEBT.....	(8,696)	(6,981)
18	CASH PROCEEDS FROM ISSUING STOCK OR CAPITAL CONTRIB....		
19	PURCHASES OF TREASURY STOCK.....		
20	PAYMENTS OF DIVIDENDS OR CAPITAL WITHDRAWALS.....		
21			
22			
23	NET CASH PROVIDED (USED) BY FINANCING ACTIVITIES.....	(8,696)	(7,881)
24	NET INCREASE (DECREASE) IN CASH & CASH EQUIVALENTS.....	1,886	65
25	CASH & CASH EQUIVALENTS AT BEGINNING OF PERIOD.....	4,637	5,071
26	CASH & CASH EQUIVALENTS AT END OF PERIOD.....	\$ 6,523	\$ 5,136

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

	CASH PAID DURING YEAR FOR:		
27	INTEREST (NET OF AMOUNT CAPITALIZED).....	\$ 2,982	\$ 4,660
28	INCOME TAXES.....	\$ 2,101	\$ -0-

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

TRADING NAME OF LICENSEE: THE CLARIDGE CASINO HOTEL

STATEMENTS OF CASH FLOWS
 FOR THE NINE MONTHS ENDED SEPTMEBER 30, 1992 AND 1991
 (UNAUDITED)
 (\$ IN THOUSANDS)

LINE (A)	DESCRIPTION (B)	(C) 1992	(D) 1991
	NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
29	NET INCOME (LOSS).....	\$ 6,760	\$ 2,032
	NON-CASH ITEMS INCLUDED INCOME & CASH ITEMS		
	EXCLUDED FROM INCOME:		
30	DEPRECIATION & AMORTIZATION OF PROPERTY & EQUIPMENT...	812	853
31	AMORTIZATION OF OTHER ASSETS.....	145	66
32	AMORTIZATION OF DEBT DISCOUNT OR PREMIUM.....		
33	DEFERRED INCOME TAXES - CURRENT.....		
34	DEFERRED INCOME TAXES - NONCURRENT.....	1,054	-0-
35	(GAIN) LOSS ON DISPOSITION OF PROPERTY & EQUIPMENT....	(13)	(22)
36	(GAIN) LOSS ON CASINO REINVESTMENT OBLIGATIONS.....	835	1,108
37	(GAIN) LOSS FROM OTHER INVESTMENT ACTIVITIES.....		
38	NET (INCREASE) DECREASE IN RECEIVABLES AND PATRONS' CHECKS EXCLUDING RECLASS FROM LONG TERM OF \$489 and \$59.....	(46)	(213)
39	NET (INCREASE) DECREASE IN INVENTORIES.....	(337)	(242)
40	NET (INCREASE) DECREASE IN OTHER CURRENT ASSETS * ...	70	(723)
41	NET (INCREASE) DECREASE IN OTHER ASSETS.....	(272)	(220)
42	NET INCREASE (DECREASE) IN ACCOUNTS PAYABLE.....	1,078	172
43	NET INCREASE (DECREASE) IN OTHER CURRENT LIABILITIES EXCLUDING DEBT.....	(316)	5,110
44	NET INCREASE (DECREASE) IN OTHER NONCURRENT LIABILITIES EXCLUDING DEBT.....	(2,041)	(4,103)
45	DISCOUNT ON WRAPAROUND MORTGAGE RECEIVABLE.....	(643)	(560)
46			
47	NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES.....	\$ 7,086	\$ 3,258

* EXCLUDING DECREASE IN CURRENT PORTION OF CRDA CREDIT OF \$515 AND \$493

SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING AND FINANCING ACTIVITIES

	ACQUISITION OF PROPERTY & EQUIPMENT:		
48	ADDITIONS TO PROPERTY & EQUIPMENT.....	\$ 508	\$ 769
49	LESS: CAPITAL LEASE OBLIGATIONS ACQUIRED.....		
50	CASH OUTFLOWS FOR PROPERTY & EQUIPMENT.....	\$ 508	\$ 769
	ACQUISITION OF BUSINESS ENTITIES:		
51	PROPERTY & EQUIPMENT ACQUIRED.....	\$	\$
52	GOODWILL ACQUIRED.....		
53	NET ASSETS ACQUIRED OTHER THAN CASH, GOODWILL & PROPERTY & EQUIPMENT.....		
54	LONG TERM DEBT ASSUMED.....		
55	ISSUANCE OF STOCK OR CAPITAL INVESTED.....		
56	CASH OUTFLOWS TO ACQUIRE BUSINESS ENTITIES.....	\$ -0-	\$ -0-
	STOCK ISSUED OR CAPITAL CONTRIBUTIONS:		
57	TOTAL ISSUANCES OF STOCK OR CAPITAL CONTRIBUTIONS.....	\$	\$ -0-
58	LESS: ISSUANCES TO SETTLE LONG TERM DEBT.....		
59	CONSIDERATION IN ACQUISITION OF BUSINESS ENTITIES		
60	CASH PROCEEDS FROM ISSUING STOCK OR CAPITAL CONTRIB.....	\$ -0-	\$ -0-

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

THE CLARIDGE CASINO HOTEL
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 1992 AND 1991

(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 theater 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 then current First Mortgage by an amount sufficient to finance the cost of the expansion. As a result of the expansion project and the increase in the First Mortgage certain new agreements were entered into and certain existing agreements and certain Webb commitments were amended on March 17, 1986.

(c) Restructuring

On October 27, 1988, the parties with an economic interest in the Corporation and New Claridge executed an agreement (the "Restructuring Agreement") with respect to the restructuring (the "Restructuring") of the Claridge. On June 16, 1989 the Restructuring was concluded pursuant to the terms of the Restructuring Agreement, and resulted in New Claridge's first mortgage balance being reduced from \$89,015,000 to \$74,557,000. The implementation of this agreement resulted 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 termination of the obligations and commitments of Webb and DEWNJ, and modifications of the lease agreements between New Claridge and the Partnership.

THE CLARIDGE CASINO HOTEL

NOTES TO FINANCIAL STATEMENTS - CONTINUED

Had the parties not executed the Restructuring Agreement, New Claridge would probably have exhausted its working capital resources by December 1988, would not have been relicensed for the license period beginning October 31, 1988 through October 31, 1989, and would have had to consider filing for protection in bankruptcy.

(d) Other Significant Events

Claridge License Renewal

On October 7, 1991, New Claridge was issued a two year license by the New Jersey Casino Control Commission (the "Commission") for the period commencing October 31, 1991. New Claridge is required to submit to the Commission by April 30, 1993 a plan to satisfy the balloon payment due on the term loan on January 1, 1994, pursuant to the terms of the first mortgage loan agreement ("Loan Agreement"), with implementation of the plan by June 30, 1993.

(2) Summary of Significant Accounting Policies

(a) Basis of Presentation

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

(b) Cash

Cash includes investments in interest-bearing repurchase agreements in government securities. 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 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 (five years) of the respective assets using the straight-line method.

(3) Investments, Advances, and Receivables

Investments, Advances, and Receivables at September 30, 1992 and 1991 are summarized as follows:

	<u>1992</u>	<u>1991</u>
	(in thousands)	
\$127,000,000 Expandable Wraparound Mortgage 14%, maturities through September 30, 2000 (net of \$13,529,000 discount and \$14,372,000 discount at September 30, 1992 and 1991, respectively)	\$ 94,971	99,878
Deferred interest receivable, due September 30, 2000	20,000	20,000
FF&E promissory note, 14%	6,023	5,409
FF&E promissory note - expansion, 14%	11,460	12,581
Reinvestment Obligations	1,444	809
Reinvestment Obligation Credit	<u>88</u>	<u>978</u>
	133,983	139,655
Less Current Installments:		
Receivable	9,114	8,426
Reinvestment Obligation Credit	<u>-0-</u>	<u>832</u>
	<u>\$124,872</u>	<u>130,397</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 was to service the First Mortgage and the Partnership's debt under the Purchase Money Second Mortgage indebtedness. The discounted portion of the Expandable Wraparound Mortgage is due to the deferral of \$20,000,000 in interest between 1983 and 1988 until maturity. Principal payments required under the Expandable Wraparound Mortgage commenced in 1988. During the nine months ended September 30, 1992, \$4,500,000 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 nine months ended September 30, 1992, \$1,248,000 in FF & E Promissory Note principal payments were made.

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

The Casino Control Act as amended in December 1984 provides for the imposition of an investment obligation pursuant to criteria set forth in the Act or the payment of an alternative tax. The investment obligation is calculated as 1.25% of the total gaming revenues each calendar year. Gaming revenues are the total revenues derived from gaming operations less the provision for bad debt. If the casino licensee opts not to make an investment as required it is assessed an additional tax of 2.5% of total gaming revenues less the provision for bad debt. The licensee has two options in satisfying its investment obligation: it can make a direct investment in a project which must be approved by the Casino Reinvestment Development Authority ("CRDA") which is the agency responsible for administering this portion of the Casino Control Act, or it can buy bonds issued by the CRDA which shall, if tax exempt, bear interest at the rate of 66 2/3% of the average rate of Bond Buyer Weekly 25 Revenue Bond Index for the 26 weeks proceeding the issue of the bonds. If the bonds are not tax exempt they shall bear interest at the rate of 66 2/3% of the average rate of Moody's A Rated Utility Index for the 26 weeks preceding the issue of the CRDA bonds. The investment obligation must be paid on the 15th day of the first, fourth, seventh, and tenth months of each year based on the estimated gaming revenues for the three month period preceding the first day of those months. The alternative tax must be paid not later than April 30 of the following year. New Claridge has deposited its reinvestment funds with the State Treasurer. Year to date through September 30, 1992, \$434,000 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 September 30, 1992 have totalled \$371,000. All purchases were made from funds already deposited. These funds deposited are earning

THE CLARIDGE CASINO HOTEL

NOTES TO FINANCIAL STATEMENTS - CONTINUED

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 records a valuation allowance of approximately one-third; during the nine months ended September 30, 1992, the valuation allowance recorded totalled \$278,000. 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 September 30, 1992 and 1991 is \$505,000 and \$94,000 respectively.

On December 1, 1989, New Claridge made a donation to the CRDA in the amount of \$6,659,000. The amount donated represented amounts previously paid to the CRDA and included all of New Claridge's obligations (a) incurred from January 1, 1984 through September 30, 1989; and (b) incurred prior to January 1, 1984 allocable to Atlantic City which had not, as of November 30, 1989, been applied to the purchase of bonds. In exchange for the donation, New Claridge received a credit equal to \$3,396,000, (fifty-one percent of its donation), to be applied to its obligation commencing after September 30, 1989. During the fourth quarter of 1989 New Claridge recorded an expense of \$1,102,000 to write-down the book value of the donated amount to \$3,396,000. A second donation was made to the CRDA, effective July 1, 1990, of funds previously paid to the CRDA which were allocable to the purchase of obligations of the New Jersey Development Authority for Small Businesses, Minorities and Women's Enterprises ("SBMWE"). In exchange for this donation, which was in the amount of \$429,000, New Claridge received a credit equal to \$219,000 (fifty-one percent of the donation), to be applied to obligations commencing after June 30, 1990. During the third quarter of 1990, New Claridge recorded an expense of \$71,000 to write-down the book value of the donated amount to \$219,000. For the nine months ended September 30, 1992, New Claridge has recorded expense of \$557,000, representing the amount of the credits applied to the first, second and third quarters of 1992 obligations. As of September 30, 1992, the credit received from the first donation had been used in its entirety.

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

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

THE CLARIDGE CASINO HOTEL
NOTES TO FINANCIAL STATEMENTS

(4) Other Assets

Other assets at September 30, 1992 and 1991 consist of the following:

	<u>1992</u>	<u>1991</u>
	(in thousands)	
Intangible assets (net of accumulated amortization of \$285 and \$111 at September 30, 1992 and 1991, respectively)	\$350	213
Refundable deposits, non-current	118	122
Other	<u>45</u>	<u>-0-</u>
	<u>\$513</u>	<u>335</u>

(5) Other Accrued Expenses

Other accrued expenses at September 30, 1992 and 1991 consist of the following:

	<u>1992</u>	<u>1991</u>
	(in thousands)	
Progressive jackpot liability	\$ 446	2,901
Accrued payroll and related benefits	4,314	3,947
Accrued interest payable	1,422	990
Other	<u>1,744</u>	<u>1,953</u>
	<u>\$ 7,926</u>	<u>9,791</u>

In September 1992, certain progressive slot machines were removed from the casino, resulting in the reversal of \$2.4 million of progressive jackpot liability. The removal of these units was subject to Casino Control Commission approval.

(6) Other Current Liabilities

Other current liabilities at September 30, 1992 and 1991 consist of the following:

	<u>1992</u>	<u>1991</u>
	(in thousands)	
Due to affiliates	\$ 3,600	3,600
Deferred rent, current	15,078	15,078
Auto/general claims liability	1,580	1,911
Other	<u>1,252</u>	<u>893</u>
	<u>\$21,510</u>	<u>21,482</u>

THE CLARIDGE CASINO HOTEL

NOTES TO FINANCIAL STATEMENTS - CONTINUED

As of September 30, 1992 and 1991, 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. This loan is evidenced by an unsecured promissory note and is not due and payable until such time as the full or partial satisfaction of the Wraparound Mortgage and the First Mortgage has been made in connection with a refinancing or sale of all or a partial interest in the Claridge. Interest, which accrues at 12% per annum, is payable in full upon maturity.

As of September 30, 1992; the amount of deferred rent of \$15,078,000 represents the maximum deferral allowed in accordance with the terms of the Operating Lease Agreement and Expansion Operating Lease Agreement, as amended. Payment of the deferred rent is contingent upon the realization of profits or distributions from a sale or further refinancing.

(7) Long-term Debt

Long-term debt at September 30, 1992 and 1991 consists of the following:

	<u>1992</u>	<u>1991</u>
	(in thousands)	
First Mortgage Note (a)	\$ 43,371	53,490
Revolving line of credit (b)	<u>-0-</u>	<u>-0-</u>
	43,371	53,490
Less current installments	<u>2,766</u>	<u>2,181</u>
	<u>\$ 40,605</u>	<u>51,309</u>

(a) On June 16, 1989, the First Mortgage balance was reduced in accordance with the Restructuring Agreement from \$89,015,000 to \$74,557,000. The Loan Agreement, which constitutes an amendment to New Claridge's First Mortgage Agreement, was amended subsequent to the Restructuring, on September 29, 1989, and again on April 23, 1991. The current terms of the Loan Agreement require principal payments on the term loan of \$1.2 million annually (payable in equal monthly installments), for 1992 and 1993, with a balloon payment due on January 1, 1994. Interest on the term loan, which is payable monthly in arrears, accrues at a rate equal to the "prime rate" of Marine Midland Bank, N.A., plus one and one-half (1 1/2%) percent on a per annum basis.

THE CLARIDGE CASINO HOTEL

NOTES TO FINANCIAL STATEMENTS - CONTINUED

New Claridge is also required to pay, quarterly, to the First Mortgage Lenders, for permanent application to the outstanding principal balance of the term loan, any excess cash flow as defined in the Loan Agreement. Year to date through September 30, 1992, New Claridge has made principal payments totalling \$7,502,000 of its excess cash flow, as calculated per the terms of the Loan Agreement, including \$3.0 million of partial prepayments of anticipated excess cash flow for the third quarter 1992. The balance of its excess cash flow for the third quarter, in the amount of \$1,566,000, was paid in October, 1992; this amount is classified as current installments of long term debt at September 30, 1992.

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

On December 1, 1989, the First Mortgage Lenders agreed to the donation of certain funds, already deposited with the CRDA, to the CRDA. The First Mortgage Lenders required New Claridge to make quarterly principal payments as a permanent reduction to the term loan 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 is available to New Claridge. During the nine months ended September 30, 1992, New Claridge made principal payments totalling \$294,000 under this agreement.

The terms of the Loan Agreement also limit the amount New Claridge can expend for capital expenditures to \$3.5 million per annum. New Claridge is permitted to carry over to the first quarter of the succeeding year up to \$350,000 not expended during any year. In addition, the terms of the Loan Agreement restrict the amount of any "delayed payments" (payments made in a succeeding year for items delivered in any subject year) to a maximum amount of \$1 million.

- b) Pursuant to the terms of the Loan Agreement as amended on the closing of the Restructuring, the First Mortgage Lenders established a revolving working capital facility in the amount of \$5.4 million subject to increase to up to \$7.5 million to the extent that during 1989 New Claridge made payments of principal other than scheduled payments of principal on the first mortgage loan. On September 29, 1989, the Loan Agreement was amended further to provide for increases in the revolving working capital facility to up to \$11 million to the extent New Claridge made principal payments other than scheduled principal payments after September 30, 1989.

THE CLARIDGE CASINO HOTEL

NOTES TO FINANCIAL STATEMENTS - CONTINUED

Effective April 23, 1991, the Loan Agreement was again amended to decrease the revolving working capital facility from \$11 million to \$7.5 million. In addition, the interest on the working capital facility borrowings, which is payable monthly in arrears, was increased from the prime rate plus 1% to the prime rate plus 1.5%.

At September 30, 1992 and 1991, there were no outstanding borrowings on the revolving working capital facility.

(8) Other Liabilities

Other liabilities at September 30, 1992 and 1991 consist of the following:

	<u>1992</u>	<u>1991</u>
	(in thousands)	
Deferred rent	\$ 40,368	42,588
Other non-current liabilities	<u>20,000</u>	<u>20,000</u>
Total	<u>\$ 60,368</u>	<u>62,588</u>

Pursuant to the Restructuring Agreement, Webb retained an interest, which was assigned to the United Way of Arizona on April 2, 1991, as a creditor, equal to \$20 million plus interest at a rate of 15% per annum, compounded quarterly, commencing December 1, 1988, in any proceeds ultimately recovered from operations and/or the sale or refinancing of the Claridge facility in excess of the first mortgage loan ("Contingent Payment"), which amount is payable under certain circumstances. Consequently, New Claridge deferred the recognition of \$20 million of forgiveness income with respect to the Contingent Payment obligation. Interest on the Contingent Payment obligation has not been recorded in the accompanying financial statements since the likelihood of paying such amount is not considered probable at this time. As of September 30, 1992, accrued interest would have amounted to approximately \$15.2 million.

(9) Other Nonoperating Income (Expense) - Net

Other nonoperating income (expense) - net for the nine months ended September 30, 1992 and 1991 consists of the following:

	<u>1992</u>	<u>1991</u>
	(in thousands)	
Interest income - Wraparound Mortgage	\$ 14,156	14,744
Interest income - other	119	158
Other nonoperating income/(expense)	252	(119)
Facilities/maintenance fee	398	398
Gain on disposal of assets	13	22
Partnership rent expense	<u>(26,144)</u>	<u>(27,815)</u>
Total	<u>\$ (11,206)</u>	<u>(12,612)</u>

THE CLARIDGE CASINO HOTEL

NOTES TO FINANCIAL STATEMENTS - CONTINUED

(10) Operating Lease

New Claridge leases the Hotel Assets and the land on which the Claridge is located from the Partnership under an Operating Lease. 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 September 30, 1992 are as follows:

10/01/92-09/30/93	\$ 30,323
10/01/93-09/30/94	30,604
10/01/94-09/30/95	30,772
10/01/95-09/30/96	31,481
10/01/96-09/30/97	39,257
10/01/97-09/30/98	<u>42,975</u>
Total Minimum	<u>\$ 205,412</u>

Also, additional rent payments are required based upon fixed assets purchased by the Partnership (the FF&E Replacements, note 3) and then leased to New Claridge. For the nine months ended September 30, 1992 and 1991 rental expense for all operating leases amounted to \$27,936,000 and \$29,192,000 respectively, of which \$(6,432,000) and \$(4,103,000) 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 1992 is \$4,358,000. If the term of the Expansion Operating Lease is extended, basic annual rent will be calculated pursuant to a formula, with such rent not to be more than \$3,000,000 or 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.

THE CLARIDGE CASINO HOTEL

NOTES TO FINANCIAL STATEMENTS - CONTINUED

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

Statement of Financial Accounting Standards ("SFAS") #13 requires that rental payment be recorded on a level basis throughout the lease term for those operating leases which include provisions for escalating payments. The Operating Lease requires basic rental payments to be made in equal monthly installments escalating yearly up to \$43,375,000 (annualized) in 1998. Under SFAS #13, basic rent expense prior to the closing of the Restructuring was recognized on a leveled basis each year. Therefore, in the early years of the lease term, required cash payments were significantly lower than the related expense recognized for financial reporting purposes. In conjunction with the closing of the Restructuring, the Operating Lease Agreement and the Expansion Operating Lease Agreement were amended to provide for the deferral of \$15,078,000 of rental payments during the period July 1, 1988 through the beginning of 1992, and to provide for the abatement of basic rent thereafter. During the third quarter of 1991, the maximum deferral of basic rent allowable under the Operating Lease of \$15,078,000 was reached. On August 1, 1991, the Operating Lease Agreement and Expansion Operating Lease Agreement were amended to revise the abatement as follows: commencing January 1, 1991, for each calendar year through 1998, the lease abatements shall not exceed \$10 million in any one calendar year, and \$38,820,000 in the aggregate.

Effective with the closing of the Restructuring on June 16, 1989, lease expense recognized on a level basis is reduced prospectively, from the use of a revised schedule of rent levelling relative to the abatement of certain rental payments beginning in 1992.

THE CLARIDGE CASINO HOTEL

NOTES TO FINANCIAL STATEMENTS - CONTINUED

(11) Income Taxes

The provision for income taxes as of September 30, 1992 and 1991 is comprised of the following:

	<u>1992</u>	<u>1991</u>
	(in thousands)	
Current	\$3,131	1,354
Deferred	<u>1,054</u>	<u>-0-</u>
	<u>\$4,185</u>	<u>1,354</u>

The deferred income tax provision reflects the results of income and expense items that are reported in different years for financial purposes and income tax purposes, including bad debt expense, rent leveling, Wrap Mortgage discount expense and income related to debt forgiveness.

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

	<u>1992</u>	<u>1991</u>
	(in thousands)	
Federal income tax at statutory rates	\$ 3,557	1,151
State income tax less federal benefit	<u>628</u>	<u>203</u>
	<u>\$ 4,185</u>	<u>1,354</u>

New Claridge is included in the consolidated income tax return of its parent, the Corporation. At September 30, 1992 and 1991 there are no available net operating loss carryforwards for financial statement purposes. As a result of the Second Mortgage forgiveness in 1990, the remaining financial statement net operating losses were utilized which resulted in the recording of net deferred taxes of approximately \$2,580,000. As a result of the restructuring in 1989, the amount of debt forgiven resulted in the loss or reduction of various tax attributes including tax operating loss carryforward of \$37,592,000, unused tax credits of \$1,041,000, and reduction in tax basis of assets by \$81,251,000. This also resulted in the reduction of net operating loss carryforwards for financial statement purposes in the amount of \$98,000,000 and the loss of all tax credit carryforwards for financial statement purposes. As a result of the reduction in tax basis of assets, future cash payments for income taxes will significantly exceed income tax expense for financial statement purposes in future years.

THE CLARIDGE CASINO HOTEL

NOTES TO FINANCIAL STATEMENTS - CONTINUED

(12) Related Party Transactions

- (a) At the closing of the Restructuring on June 16, 1989, the Partnership loaned to New Claridge all cash and cash equivalents remaining in the Partnership other than funds needed to pay expenses incurred through or at the closing of the Restructuring. Interest on this loan accrues at 12% per year. For the nine months ended September 30, 1992 and 1991 interest expense due to affiliates was \$324,000 and \$324,000 respectively.
- (b) In conjunction with the Restructuring, the Maintenance Services Contract was assigned by DEWNJ to New Claridge; consequently, certain charges are paid directly to the Partnership. The costs of these services for the nine months ended September 30, 1992 and 1991 amounted to \$78,000 and \$96,000, respectively.
- (c) The Partnership has a direct material interest in the Expandable Wraparound Mortgage Loan Agreement and the Operating Lease as described in the preceding notes. Under the terms of the above agreements, for the nine months ended September 30, 1992 and 1991 New Claridge has earned interest income of \$14,156,000 and \$14,744,000 respectively, and incurred lease expense of \$26,144,000 and \$27,815,000, respectively.
- (d) In February 1992, the Corporation's Board of Directors adopted a Long-Term Incentive Plan ("Plan") in which certain key employees of the Corporation and/or New Claridge participate. The Plan provides for the grant of the 273,938 shares of the Corporation's Class A stock, which were held as treasury shares of the Corporation, and for the issuance of 100 Equity Units. The aggregate value of the 100 Equity Units is equal to 5.41 percent of certain amounts as further defined in the Plan. Specified portions of the awarded treasury shares and Equity Units held by participants shall vest upon the attainment of specific goals as described in the Plan. The treasury shares and Equity Units fully vest upon a further restructuring or a change in control as defined. Payment with respect to the Equity Units will only be made (a) upon the occurrence of a transaction in which substantially all of the assets and business operations of the Claridge entities are transferred to one or more entities in a merger, sale of assets or other acquisition-type transaction, or (b) if any change of control of the Corporation occurs, as defined in the Plan.

On April 15, 1992, the Casino Control Commission approved the Plan, and the treasury shares were delivered to the participants. A participant is entitled to vote all awarded treasury shares whether or not vested in such shares.

SCHEDULE OF RECEIVABLES & PATRONS' CHECKS

SEPTEMBER 30, 1992

(UNAUDITED)

(\$ IN THOUSANDS)

ACCOUNTS RECEIVABLE BALANCES

LINE (A)	DESCRIPTION (B)	ACCT. BAL. (C)	ALLOWANCE (D)	A/R NET OF ALLOW. (E)
1	PATRONS' CHECKS: UNDEPOSITED PATRONS' CHECKS.....	\$ 816		
2	RETURNED PATRONS' CHECKS.....	1,367		
3	TOTAL PATRONS' CHECKS.....	2,183	\$ 1,323	\$ 860
4	HOTEL RECEIVABLES.....	396	7	389
5	OTHER RECEIVABLES: RECEIVABLES DUE FROM OFFICERS & EMPLOYEES....	6		
6	RECEIVABLES DUE FROM AFFILIATES.....	15,683		
7	OTHER ACCOUNTS & NOTES RECEIVABLES.....	378		
8	TOTAL OTHER RECEIVABLES.....	16,067	13	16,054
9	TOTALS (FORM 305).....	\$ 18,646	\$ 1,343	\$ 17,303

UNDEPOSITED PATRONS' CHECKS ACTIVITY

LINE (F)	DESCRIPTION (G)	(H) AMOUNT
10	BEGINNING BALANCE (JANUARY 1).....	\$ 1,138
11	COUNTER CHECKS ISSUED (EXCLUDING COUNTER CHECKS ISSUED THROUGH TRANSACTIONS RELATING TO CONSOLIDATION, PARTIAL REDEMPTIONS, SUBSTITUTIONS, & PATRONS CASH DEPOSITS).....	37,271
12	CHECKS REDEEMED PRIOR TO DEPOSIT (EXCLUDING THE UNREDEEMED PORTION OF COUNTER CHECKS REDEEMED THROUGH PARTIAL REDEMPTIONS, & EXCLUDING CHECKS REDEEMED THROUGH TRANSACTIONS RELATING TO CONSOLIDATION, SUBSTITUTIONS, & PATRONS CASH DEPOSITS).....	(29,047)
13	CHECKS COLLECTED THROUGH DEPOSITS.....	(7,577)
14	CHECKS TRANSFERRED TO RETURNED CHECKS.....	(969)
15	OTHER ADJUSTMENTS.....	
16	ENDING BALANCE.....	\$ 816
17	"HOLD" CHECKS INCLUDED IN BALANCE ON LINE 16.....	
18	PROVISION FOR UNCOLLECTIBLE PATRONS' CHECKS.....	\$ 373
19	PROVISION AS A PERCENT OF COUNTER CHECKS ISSUED.....	1.0%

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

TRADING NAME OF LICENSEE: THE CLARIDGE CASINO HOTEL

PROMOTIONAL EXPENSES & ALLOWANCES
(\$ IN THOUSANDS)

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 1992

	PROMOTIONAL ALLOWANCES		PROMOTIONAL EXPENSES	
	NUMBER OF RECIPIENTS	DOLLAR AMOUNT	NUMBER OF RECIPIENTS	DOLLAR AMOUNT
ROOMS	63,566	\$ 3,625,587	-0-	\$ -0-
FOOD	446,844	5,306,138	-0-	-0-
BEVERAGE	748,909	3,884,908	-0-	-0-
TRAVEL	-0-	-0-	2,573	236,785
COIN	-0-	-0-	1,307,877	12,281,794
COUPON	-0-	-0-	-0-	-0-
ENTERTAINMENT	72,222	501,307	-0-	-0-
RETAIL & GIFTS	-0-	-0-	140,381	538,026
PARKING	-0-	-0-	88,272	684,386
OTHER	-0-	-0-	6,938	244,050
TOTAL	<u>1,331,541</u>	<u>\$13,317,940</u>	<u>1,546,041</u>	<u>\$13,985,041</u>

FOR THE THREE MONTHS ENDED SEPTEMBER 30, 1992

	PROMOTIONAL ALLOWANCES		PROMOTIONAL EXPENSES	
	NUMBER OF RECIPIENTS	DOLLAR AMOUNT	NUMBER OF RECIPIENTS	DOLLAR AMOUNT
ROOMS	25,906	\$ 1,671,025	-0-	\$ -0-
FOOD	176,438	1,808,282	-0-	-0-
BEVERAGE	282,056	1,451,568	-0-	-0-
TRAVEL	-0-	-0-	963	88,680
COIN	-0-	-0-	468,564	4,177,900
COUPON	-0-	-0-	-0-	-0-
ENTERTAINMENT	21,110	133,060	-0-	-0-
RETAIL & GIFTS	-0-	-0-	67,722	229,106
PARKING	-0-	-0-	37,635	320,762
OTHER	-0-	-0-	2,508	83,360
TOTAL	<u>505,510</u>	<u>\$ 5,063,935</u>	<u>577,392</u>	<u>\$ 4,899,808</u>

STATEMENT OF CONFORMITY AND ACCURACY

STATE OF NEW JERSEY

COUNTY OF ATLANTIC

RAYMOND A. SPERA, 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.

Raymond A. Spera
 RAYMOND A. SPERA

SR. VICE PRESIDENT OF FINANCE & CORPORATE DEVELOPMENT

LISC. #: 002369-11

ON BEHALF OF THE CLARIDGE AT PARK PLACE, INC. (CASINO LICENSEE)

SUBSCRIBED AND SWORN TO BEFORE ME ON THIS 4th DAY OF November 1992.

Eleanor A. Bryan
 SIGNATURE

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

BASIS OF AUTHORITY TO TAKE OATHS

NAME OF OFFICER IN CHARGE OF JURISDICTION REGARDING THIS QUARTERLY REPORT

OFFICIAL TITLE

ADDRESS

974.901
C193

QUARTERLY REPORT

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

FOR THE QUARTER ENDED September 30, 19 92

TO THE
CASINO CONTROL COMMISSION
OF THE
STATE OF NEW JERSEY



NOV 17 Rec'd
1992

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

TRADING NAME OF LICENSEE Sands Hotel & Casino

BALANCE SHEETS

September 30, 1992 and 1991

(DOLLARS)

(IN THOUSANDS)

TRADING NAME OF LICENSEE Sands Hotel & Casino

LIST OF FORMS - QUARTERLY REPORT

FOR THE QUARTER ENDED September 30, 1992

		1992	1991
1	Current Assets		
2	Cash	2,147	18,378
3	Marketable securities		
4	Receivables and patrons' checks (net of allowance for doubtful accounts - 1992, \$ 18,972; 1991, \$ 78,517)	16,728	37,334
5	Inventories	3,189	7,374
6	Prepaid expenses and other current assets	4,324	2,125
7	Total Current Assets	26,388	66,211
8	Property, Plant, and Equipment	15,441	9,282
9	Total Assets	41,829	75,493
10	Liabilities and Equity		
11	Liabilities	11,569	11,428
12	Equity	30,260	64,065
13	Total Liabilities and Equity	41,829	75,493
14	Balance Sheets	CCC-205	
15	Statements of Income (Year-to-Date)	CCC-210	
16	Statements of Income (Three Months)	CCC-215	
17	Statements of Changes in Stockholders' Equity	CCC-220	
18	Statements of Changes in Partners' or Proprietor's Equity	CCC-225	
19	Statements of Cash Flows	CCC-235	
20	Notes to Financial Statements		
21	Schedule of Receivables and Patrons' Checks	CCC-240	
22	Promotional Expenses and Allowances	CCC-245	
23	Statement of Conformity and Accuracy	CCC-250	
24	Long-Term Debt		
25	Due to affiliates	19,375	28,024
26	Other	214	2,350
27	Total Long-Term Debt	19,589	30,374
28	Deferred Credits		
29	Other liabilities	2,200	2,380
30	Commitments and Contingencies		
31	Total liabilities	21,789	33,034
32	Stockholders', Partners', or Proprietors' Equity	20,040	42,459
33	Total Liabilities and Equity	41,829	75,493

CCC-201

TRADING NAME OF LICENSEE Sands Hotel & Casino

BALANCE SHEETS

September 30, 1992 and 1991

(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1992	(d) 1991
ASSETS			
	Current Assets:	\$	\$
1	Cash.....	21,157	20,374
2	Marketable securities.....		
3	Receivables and patrons' checks (net of allowance for doubtful accounts - 1992, \$ 18,912 ; 1991, \$ 18,531).....Note 5...	14,778	37,254
4	Inventories.....	3,130	2,974
5	Prepaid expenses and other current assets.....Note 11..	4,026	3,124
6	Total current assets.....	43,091	63,726
7	Investments, Advances, And Receivables.....Note 5, 8.	15,441	16,237
8	Property And Equipment - Gross.....Note 11...	302,159	299,954
9	(Accumulated Depreciation/Amortization).....	(135,382)	(121,546)
10	Other Assets.....Note 12...	13,014	11,276
11	Total Assets.....	\$ 238,323	\$ 269,647
LIABILITIES AND EQUITY			
	Current Liabilities:	\$	\$
12	Accounts payable.....	6,193	5,331
13	Notes payable.....Note 3, 5.	3,000	8,000
	Current portion of long-term debt:		
14	Due to affiliates.....Note 2....	14,299	4,537
15	Other.....Note 2....	8,908	8,906
16	Income taxes payable and accrued.....	10,233	8,812
17	Other accrued expenses.....Note 9....	16,390	18,787
18	Other current liabilities.....Note 5, 10	4,491	10,763
19	Total current liabilities.....	63,514	65,136
	Long-Term Debt:		
20	Due to affiliates.....Note 2....	162,377	178,316
21	Other.....Note 2....	849	1,756
22	Deferred Credits.....		
23	Other Liabilities.....Note 5....	2,200	2,565
24	Commitments And Contingencies		
25	Total Liabilities.....	228,940	247,773
26	Stockholders', Partners', Or Proprietor's Equity.....	9,383	21,874
27	Total Liabilities And Equity.....	\$ 238,323	\$ 269,647

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

TRADING NAME OF LICENSEE Sands Hotel & Casino

STATEMENTS OF INCOME

FOR THE NINE MONTHS ENDED September 30, 1992 and 1991

(UNAUDITED)

(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1992	(d) 1991
	Revenue:	\$	\$
1	Casino.....	191,265	183,626
2	Rooms.....	7,723	7,896
3	Food and beverage.....	24,749	22,600
4	Other.....	3,490	3,131
5	Total revenue.....	227,227	217,251
6	Less: Promotional allowances.....	21,580	19,654
7	Net revenue.....	205,647	197,597
	Costs And Expenses:		
8	Cost of goods and services.....	91,503	84,792
9	Selling, general, and administrative.....Note 5.....	72,617	69,429
10	Provision for doubtful accounts.....	2,621	3,210
11	Total costs and expenses.....	166,741	157,431
12	Gross Operating Profit.....	38,906	40,166
13	Depreciation and amortization.....	12,667	13,212
	Charges from affiliates other than interest:		
14	Management fees.....Note 5.....	5,317	5,243
15	Other.....		
16	Income (Loss) From Operations.....	20,922	21,711
	Other Income (Expenses):		
17	Interest (expense) - affiliates.....Note 5.....	<17,337>	<17,966>
18	Interest (expense) - external.....	<418>	<1,135>
19	Investment alternative tax and related income (expense) - net.....	<1,206>	<2,160>
20	Nonoperating income (expense) - net.....Note 6.....	3,068	3,796
21	Total other income (expenses).....	<15,893>	<17,465>
22	Income (Loss) Before Income Taxes And Extraordinary Items.....	5,029	4,246
23	Provision (credit) for income taxes.....Note 4.....	2,995	2,800
24	Income (Loss) Before Extraordinary Items.....	2,034	1,446
25	Extraordinary items (net of income taxes - 19__, \$; 19__, \$;.....		
26	Net Income (Loss).....	\$ 2,034	\$ 1,446

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

TRADING NAME OF LICENSEE Sands Hotel & Casino

STATEMENTS OF INCOME

FOR THE THREE MONTHS ENDED September 30, 1992 and 1991
(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1992	(d) 1991
	Revenue:		
1	Casino.....	\$ 71,897	\$ 71,661
2	Rooms.....	2,844	2,821
3	Food and beverage.....	9,211	8,783
4	Other.....	1,617	1,869
5	Total revenue.....	85,569	85,134
6	Less: Promotional allowances.....	7,981	7,857
7	Net revenue.....	77,588	77,277
	Costs And Expenses:		
8	Cost of goods and services.....	33,032	32,259
9	Selling, general, and administrative.....	26,985	25,618
10	Provision for doubtful accounts.....	1,119	1,294
11	Total costs and expenses.....	61,136	59,171
12	Gross Operating Profit.....	16,452	18,106
13	Depreciation and amortization.....	4,053	4,201
	Charges from affiliates other than interest:		
14	Management fees.....	2,253	2,397
15	Other.....		
16	Income (Loss) From Operations.....	10,146	11,508
	Other Income (Expenses):		
17	Interest (expense) - affiliates.....	<5,733>	<5,934>
18	Interest (expense) - external.....	<44>	<469>
19	Investment alternative tax and related income (expense) - net.....	<437>	<848>
20	Nonoperating income (expense) - net.....	752	2,287
21	Total other income (expenses).....	<5,462>	<4,964>
22	Income (Loss) Before Income Taxes And Extraordinary Items.....	4,684	6,544
23	Provision (credit) for income taxes.....	2,214	2,984
24	Income (Loss) Before Extraordinary Items.....	2,470	3,560
25	Extraordinary items (net of income taxes - 19____, \$; 19____, \$).....		
26	Net Income (Loss).....	\$ \$ 2,470	\$ 3,560

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 9 MONTHS ENDED September 30, 1992 and 1991

(UNAUDITED)

(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1992		(d) 1991	
		(c) SHARES	(d) DOLLARS	(e) SHARES	(f) DOLLARS
	No par value, authorized				
	Common Stock: 2,500 shares		\$		\$
1	Beginning balance (January 1).....	100	3,500	100	3,500
2	Sale of stock.....				
3	Ending balance.....	100	3,500	100	3,500
	Preferred Stock:				
5	Beginning balance (January 1).....				
6	Sale of stock.....				
7	Ending balance.....				
	Additional Paid-in Capital:	+++++		+++++	
9	Beginning balance (January 1).....	+++++	6,538	+++++	19,738
10	Dividends.....	+++++	<6,538>	+++++	<6,600>
11	Ending balance.....	+++++	0	+++++	13,138
	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	Ending balance.....		()		()
20	Ending balance.....		()		()
	Net Unrealized Loss On Noncurrent	+++++		+++++	
	Marketable Equity Securities:	+++++		+++++	
21	Beginning balance (January 1).....	+++++	()	+++++	()
22	Ending balance.....	+++++		+++++	
23	Ending balance.....	+++++		+++++	
24	Ending balance.....	+++++		+++++	
	Retained Earnings:	+++++		+++++	
25	Beginning balance (January 1).....	+++++	3,911	+++++	3,790
26	Prior period adjustments.....	+++++		+++++	
27	Net income (loss).....	+++++	2,034	+++++	1,446
28	Dividends.....	+++++	<62>	+++++	
29	Ending balance.....	+++++		+++++	
30	Ending balance.....	+++++		+++++	
31	Ending balance.....	+++++	5,883	+++++	5,236
	Ending Stockholders'	+++++	\$	+++++	\$
32	Equity.....	+++++	9,383	+++++	21,874

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 9 MONTHS ENDED September 30, 1992 and 1991
(UNAUDITED)
(\$ IN THOUSANDS)

NOT APPLICABLE

LINE (a)	DESCRIPTION (b)	(c) 1992	(d) 1991
	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 NINE MONTHS ENDED SEPTEMBER 30, 1992 and 1991

(UNAUDITED)

(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1992	(d) 1991
1	Net Cash Provided (Used) By Operating Activities.....	\$ 29,725	\$ 13,825
	Cash Flows From Investing Activities:		
2	Purchase of short-term investment securities.....		
3	Proceeds from the sale of short-term investment securities.....		
4	Purchase outflows for property and equipment.....	<2,463>	<3,088>
5	Proceeds from disposition of property and equipment.....	91	387
6	Purchase of casino reinvestment obligations.....	<1,400>	<302>
7	Purchase of other investments and loans/advances made.....		
8	Proceeds from disposal of investments and collection of advances and long-term receivables.....		
9	Cash outflows to acquire business entities.....		
10			
11			
12	Net Cash Provided (Used) By Investing Activities.....	<3,772>	<3,003>
	Cash Flows From Financing Activities:		
13	Cash proceeds from issuance of short-term debt.....	3,996	7,000
14	Payments to settle short-term debt.....	<11,996>	<4,000>
15	Cash proceeds from issuance of long-term debt.....		
16	Costs of issuing debt.....	<233>	
17	Payments to settle long-term debt.....	<6,207>	<1,035>
18	Cash proceeds from issuing stock or capital contributions.....		
19	Purchases of treasury stock.....		
20	Payments of dividends or capital withdrawals.....	<6,600>	<6,600>
21	Net borrowings from (advances to) Affiliates.....	3,231	1,794
22			
23	Net Cash Provided (Used) By Financing Activities.....	<17,809>	<2,841>
24	Net Increase (Decrease) In Cash And Cash Equivalents.....	8,144	7,981
25	Cash And Cash Equivalents At Beginning Of Period.....	13,013	12,393
26	Cash And Cash Equivalents At End Of Period.....	\$ 21,157	\$ 20,374

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

	Cash Paid During Period For:		
27	Interest (net of amount capitalized).....	\$ 17,562	\$ 19,034
28	Income taxes.....	\$ 706	\$ 3,039

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 NINE MONTHS ENDED SEPTEMBER 30, 1992 and 1991

(UNAUDITED)

(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1992	(d) 1991
	Net Cash Flows From Operating Activities:	\$	\$
29	Net income (loss).....	2,034	1,446
	Noncash items included in income and cash items excluded from income:		
30	Depreciation and amortization of property and equipment.....	11,251	11,902
31	Amortization of other assets.....	1,416	1,310
32	Amortization of debt discount or premium.....	271	271
33	Deferred income taxes - current.....		
34	Deferred income taxes - noncurrent.....	<1,092>	<631>
35	(Gain) loss on disposition of property and equipment.....		
36	(Gain) loss on casino reinvestment obligations.....	1,206	2,160
37	(Gain) loss from other investment activities.....		
38	Net (increase) decrease in receivables and patrons' checks.....	19,808	<2,766>
39	Net (increase) decrease in inventories.....	<60>	113
40	Net (increase) decrease in other current assets.....	<1,329>	<1,148>
41	Net (increase) decrease in other assets.....	<1,314>	886
42	Net increase (decrease) in accounts payables.....	<128>	<2,599>
43	Net increase (decrease) in other current liabilities excluding debt.....	<23>	2,690
44	Net increase (decrease) in other noncurrent liabilities excluding debt.....		
45	Net (decrease) increase in progressive jackpot accrual.....	<2,315>	191
46			
47	Net Cash Provided (Used) By Operating Activities.....	\$ 29,725	\$ 13,825

SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING AND FINANCING ACTIVITIES

	Acquisition Of Property and Equipment:	\$	\$
48	Additions to property and equipment.....	2,463	3,088
49	Less: Capital lease obligations incurred.....		
50	Cash Outflows For Property And Equipment.....	\$ 2,463	\$ 3,088
	Acquisition Of Business Entities:		
51	Property and equipment acquired.....	\$	\$
52	Goodwill acquired.....		
53	Net assets acquired other than cash, goodwill, and property and equipment.....		
54	Long-term debt assumed.....		
55	Issuance of stock or capital invested.....		
56	Cash Outflows To Acquire Business Entities.....	\$	\$
	Stock Issued Or Capital Contributions:		
57	Total issuances of stock or capital contributions.....	\$	\$
58	Less: Issuances to settle long-term debt.....		
59	Consideration in acquisition of business entities.....		
60	Cash Proceeds From Issuing Stock Or Capital Contributions.....	\$	\$

TRADING NAME OF LICENSEE Sands Hotel & Casino

SCHEDULE OF RECEIVABLES AND PATRONS' CHECKS

SEPTEMBER 30, 1992

(UNAUDITED)
(\$ IN THOUSANDS)

ACCOUNTS RECEIVABLE BALANCES				
LINE (a)	DESCRIPTION (b)	ACCOUNT BALANCE (c)	ALLOWANCE (d)	ACCOUNTS RECEIVABLE- (e) NET OF ALLOWANCE
	Patrons' Checks:	\$		
1	Undeposited patrons' checks.....	5,558		
2	Returned patrons' checks.....	23,907		
3	Total patrons' checks.....	29,465	\$ 18,804	\$ 10,661
4	Hotel Receivables.....	832	108	724
	Other Receivables:			
5	Receivables due from officers and employees.....	-		
6	Receivables due from affiliates.....	2,381		
7	Other accounts and notes receivables.....	1,012		
8	Total other receivables.....	3,393		3,393
9	Totals (Form 205).....	\$ 33,690	\$ 18,912	\$ 14,778

UNDEPOSITED PATRONS' CHECKS ACTIVITY		
LINE (f)	DESCRIPTION (g)	AMOUNT (h)
10	Beginning Balance (January 1).....	\$ 6,249
11	Counter checks issued (excluding counter checks issued through transactions relating to consolidations, partial redemptions, substitutions, and patrons' cash deposits).....	155,973
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).....	(119,318)
13	Checks collected through deposits.....	(28,936)
14	Checks transferred to returned checks.....	(8,410)
15	Other adjustments.....	-
16	Ending Balance.....	\$ 5,558
17	"Hold" Checks Included in Balance On Line 16.....	\$ -
18	Provision For Uncollectible Patrons' Checks.....	\$ 2,320
19	Provision As A Percent Of Counter Checks Issued.....	1.49 %

STATEMENT OF COMPLETION
 STATE OF NEW YORK
 COUNTY OF ALBANY

TRADING NAME OF LICENSEE Sands Hotel & Casino

PROMOTIONAL EXPENSES AND ALLOWANCES
 (\$ in Thousands)

FOR THE Nine MONTHS ENDED SEPTEMBER 30, 1992

	Promotional Allowances		Promotional Expenses	
	Number of Recipients	Dollar Amount	Number of Recipients	Dollar Amount
Rooms	103,150	\$ 4,234,000	-	\$ -
Food	686,789	7,897,000	-	-
Beverage	1,315,436	7,893,000	-	-
Travel	-	-	20,606	5,346,000
Coin	-	-	614,609	8,646,000
Coupon	-	-	117,680	824,000
Entertainment	23,248	982,000	-	-
Retail & Gifts	71,735	574,000	110,578	3,331,000
Other	-	-	180,801	6,063,000
Total	2,200,358	\$ 21,580,000	1,044,274	\$ 24,210,000

For The Three Months Ended September 30, 1992

	Promotional Allowances		Promotional Expenses	
	Number of Recipients	Dollar Amount	Number of Recipients	Dollar Amount
Rooms	28,128	\$ 1,481,000	-	\$ -
Food	245,233	2,819,000	-	-
Beverage	503,411	3,020,000	-	-
Travel	-	-	7,597	1,971,000
Coin	-	-	254,477	3,108,000
Coupon	-	-	40,872	286,000
Entertainment	12,978	433,000	-	-
Retail & Gifts	28,474	228,000	41,281	1,244,000
Other	-	-	83,579	1,992,000
Total	818,224	\$ 7,981,000	427,806	\$ 8,601,000

STATEMENT OF CONFORMITY AND ACCURACY

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

John R. Rauen, being duly sworn according to law upon my oath
NAME
deposes and says:

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


Signature

John R. Rauen
Vice President, Finance

Title

866-11
License Number

On Behalf Of:

Greate Bay Hotel & Casino, Inc.
Casino Licensee

Subscribed and sworn to
before me this 13th day
of November 1992

Robin L. Lieb
Signature

ROBIN L. LIEB
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Oct. 18, 1995

Basis of Authority
to Take Oaths

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

Note 1 - Organization and Business

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

During the nine month period ended September 30, 1992, 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, 1991 to the Casino Control Commission.

Note 2 - Long-term Debt

Long-term debt as of September 30, 1992 and 1991 is as follows:

	<u>1992</u>	<u>1991</u>
11.75% first mortgage notes, due 1994, net of discounts of \$661,000 and \$1,022,000 respectively (A)	\$167,476,000	\$171,654,000
16.5% promissory note due 1998 (B)	9,200,000	11,200,000
Term loan due 1993 (C)	8,000,000	8,000,000
Note payable to bank (D)	1,275,000	2,175,000
Other	<u>482,000</u>	<u>486,000</u>
	186,433,000	193,515,000
Less: Current maturities	<u><23,207,000></u>	<u><13,443,000></u>
	<u>\$163,226,000</u>	<u>\$180,072,000</u>

(A) On August 6, 1987, GBH&C borrowed from an affiliate \$173,030,000 of seven-year nonrecourse first mortgage notes (the "Notes"). The Notes bear interest at 11.75% per annum, payable monthly; interest only was payable during the first four years. Commencing in August 1991, principal and interest became payable in monthly installments of \$2,049,000 based on a 15-year amortization schedule with the unpaid balance of \$158,310,000 due during August 1994.

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

Note 2 - Long-term Debt - (continued)

The mortgage indenture contains various provisions that, among other things, restrict the ability of GBH&C to incur additional secured indebtedness, 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 and the Notes are guaranteed to the extent of \$10,000,000 by Pratt.

- (B) The note is payable to an affiliate, bears interest at 16.5% per annum, payable semi-annually in March and September, and matures in March 1998. GBH&C repaid \$2,000,000 of the outstanding loan balance during August 1992. An additional \$6,600,000 of the remaining principal balance was paid during October and GBH&C anticipates retiring the remaining balance prior to maturity. Accordingly, the outstanding balance of \$9,200,000 has been included in current maturities of long-term debt in the accompanying balance sheet at September 30, 1992.
- (C) The note bears interest at the London Interbank Offered Rate ("LIBOR") plus 2.625% per annum through September 1992, and at LIBOR plus 3.625% per annum through maturity. Interest on the note is payable quarterly and at maturity in March 1993. The note requires, among other things, that GBH&C maintain certain financial ratios and places restrictions on the amount of new borrowings or increases in existing debt. The loan is collateralized by a first mortgage on the land and improvements which comprise the Sands Hotel & Casino administrative offices complex and is guaranteed by Pratt and Pratt Casino Properties.
- (D) The note bears interest at 1.25 percentage points above the bank's prime lending rate (one percentage point prior to June 1, 1992), provides for equal monthly principal payments of \$75,000 is guaranteed by Pratt Casino Properties and matures in March 1994.

Scheduled payments of long-term debt at September 30, 1992 amounted to:

1992 (3 months)	\$ 8,646,000
1993	16,158,000
1994	161,828,000
1995	9,000
1996	10,000
Thereafter	<u>443,000</u>
Total Payments	\$187,094,000 =====

The \$8,000,000 term loan of GBH&C and indebtedness amounting to \$8,647,000 of Pratt, in addition to GBH&C's \$9,000,000 of non-affiliated credit facilities (of which no amounts were outstanding at September 30, 1992) will become subject to renewal or refinancing in 1993. GBH&C and Pratt anticipate that they will be able to refinance the debt maturing in 1993 and renew or pay down the credit facilities not refinanced; however, there can be no assurance that such refinancing or renewal will occur or that replacement financing can be obtained, if required.

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

Note 2 - Long-term Debt - (continued)

Substantially all of GBH&C's assets are pledged in connection with its long-term indebtedness. Additionally, these agreements contain certain cross-default provisions, including default on indebtedness by its affiliates.

Note 3 - Short-term credit facilities

As of September 30, 1992, GBH&C had no borrowings outstanding on its \$5,000,000 secured bank line of credit, which remains available until April 30, 1993. Borrowings under the secured line of credit require the delivery of collateral in the form of cash or cash equivalents in an amount equal to the borrowing and are guaranteed by Pratt Casino Properties. Interest on borrowings is calculated at one percentage point above the prime lending rate of the bank. GBH&C is currently in negotiations with the bank regarding the terms of a new credit facility.

Additionally, GBH&C has a \$4,000,000 revolving line of credit. As of September 30, 1992, no borrowings were outstanding on this line of credit. During April 1992, the line of credit was extended to March 29, 1993. The revolving credit agreement requires a 30-day repayment period during each consecutive twelve-month period. Pursuant to such repayment provision, the outstanding balance of \$4,000,000 was repaid on June 29, 1992. Interest on borrowings under the line of credit is at LIBOR plus 2.625% through September 1992 and LIBOR plus 3.625% to maturity. The line of credit agreement contains numerous restrictive covenants, including the maintenance of certain financial ratios and limitations on additional borrowings. GBH&C is currently in negotiations with the lender, as well as with other prospective lenders, seeking to extend or refinance this credit facility.

In April 1992, Pratt Casino Properties arranged a \$3,000,000 secured bridge loan, the proceeds of which were to be made available to GBH&C for the maintenance of certain required minimum cash balances and, in certain circumstances, for liquidity or other working capital purposes. During August 1992, GBH&C repaid the outstanding secured bridge loan balance of \$2,000,000. Additionally, the credit facility expired in connection with the collection of the Arbitration Award (See Note 13).

During 1992, GBH&C borrowed \$6,000,000 from its parent, Greate Bay Casino Corporation ("Casino Corp."), which borrowings are due on demand, or if no demand is made, on April 1, 1998 and bear interest at the greater of (a) one percentage point above the bank prime interest rate or (b) LIBOR plus 2.625% per annum through September 30, 1992 (LIBOR plus 3.625% per annum from October 1992 through March 1993). As of September 30, 1992, the outstanding balance on such borrowings was \$3,000,000 and it is anticipated that GBH&C may, from time to time, obtain additional loans from Casino Corp. under similar terms. It is presently contemplated that the maximum principal amount outstanding on such loans will not exceed \$6,000,000 through December 31, 1993. Casino Corp.'s source of funds for the loans to GBH&C was borrowings from Hollywood Casino Corporation ("HCC"), parent of Pratt.

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

Note 4 - Income Taxes

GBH&C is included in Pratt's consolidated federal income tax return. Pursuant to agreements between GBH&C, Pratt Casino Properties and Pratt, GBH&C's provision for federal income taxes is based on the amount of tax which would be provided if a separate federal income tax return were filed. Both federal and state income tax provisions or benefits are based upon estimates of the results of operations for the current annual period and reflect the nondeductibility for income tax purposes of certain items, including certain depreciation and amortization expenses. Quarterly income tax provisions or benefits are determined by applying the resulting effective income tax rates to the results of operations for the quarter.

GBH&C paid income taxes of \$583,000 and \$706,000, respectively, during the three and nine month periods ended September 30, 1992 and \$477,000 and \$3,039,000, respectively, during the three and nine month periods ended September 30, 1991. As of September 30, 1992, current taxes payable pursuant to the aforementioned tax allocation agreements amounting to \$8,282,000, including approximately \$5,400,000 attributable to the arbitration award collected during August 1992 (See Note 13), are included in income taxes payable and accrued in the accompanying balance sheets. The payment of taxes in accordance with the tax allocation agreement is subject to the approval of the New Jersey Casino Control Commission (the "Commission"). GBH&C has made application to the Commission for the approval of tax allocation payments and, although GBH&C has requested that consideration of this application be continued without date, GBH&C expects approval of this application during 1993.

The Financial Accounting Standards Board has issued a new standard on accounting for income taxes. GBH&C anticipates adoption of the new accounting standard and disclosure rules no later than its fiscal year ended December 31, 1993. Adoption of the new accounting standard is not expected to have a material effect on GBH&C's reported financial position or results of operations.

The components of the provision for income taxes for the nine months ended September 30, 1992 and 1991 are as follows:

	1992	1991
Federal Income Tax Provision		
(Benefit)		
Current	\$ 3,074,000	\$ 2,654,000
Deferred	<836,000>	<484,000>
State Income Tax Provision		
(Benefit)		
Current	1,011,000	777,000
Deferred	<254,000>	<147,000>
Total Provision (Benefit)		
for Income Taxes:	\$ 2,995,000	\$ 2,800,000

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

Note 5 - Related Party Transactions

GBH&C has a management agreement with Pratt Casino Management, Inc., ("PCMI"), a subsidiary of Pratt. Pursuant to the management agreement, PCMI is responsible for the supervision, direction and control of the day-to-day operation of the hotel/casino. In accordance with the provisions of this management agreement, PCMI is entitled to receive annually a basic consulting fee of 1.5% of "adjusted gross revenues", as defined, and, if annual "gross operating profits" as defined, exceed \$5,000,000, incentive compensation of between 5% and 7.5% of gross operating profits in excess of certain stated amounts. Total charges to operations for the nine months ended September 30, 1992 and 1991 were \$5,317,000 and \$5,243,000 respectively and are included in management fees charged from affiliates in the accompanying financial statements. Consultant and incentive fees of \$525,000 and \$4,217,000 were due to PCMI at September 30, 1992 and 1991 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 an unrelated third party. The license agreement provides for a license fee equal to the greater of (i) 3% of room charges, as defined, or (ii) \$100,000 for each property using the name. Such charges amounted to \$231,000 and \$236,000 for the nine months ended September 30, 1992 and 1991, respectively. Such amounts are included in selling, general, and administrative expenses in the accompanying financial statements.

For the nine months ended September 30, 1992 and 1991 the Company recognized the following amounts in interest charges to affiliates:

	1992	1991
11.75% First Mortgage Notes	\$15,244,000	\$15,460,000
16.5% Promissory Note	1,349,000	1,386,000
Cash Advances from Affiliates	744,000	1,120,000
Totals	\$17,337,000	\$17,966,000

At September 30, 1992 GBH&C had cash advances receivable from affiliates including interest totalling \$11,140,000. In addition, GBH&C had cash advances payable to affiliates including interest totalling \$3,961,000. These amounts are included in receivables and patrons' checks, investments, advances, and receivables, other current liabilities and other non-current liabilities, respectively, in the accompanying financial statements. Advances to affiliates and from affiliates bear interest at 16.5% per annum. Additionally, at September 30, 1992 GBH&C had lines of credit outstanding to affiliates of \$3,000,000 (see Note 3). These amounts are included in Notes Payable in the accompanying financial statements.

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

Note 6 - Non-Operating Income (Expenses)

For the nine months ended September 30, 1992 and 1991, interest income of \$3,068,000 and \$3,658,000 was earned on temporary investments, on deposits made with the Casino Reinvestment Development Authority, and other sources.

Note 7 - Property and Equipment

Property and equipment as of September 30, 1992 and 1991 consisted of the following:

	<u>1992</u>	<u>1991</u>
Land	\$ 37,554,000	\$ 37,554,000
Buildings	169,461,000	169,583,000
Furniture, fixtures and equipment	93,831,000	92,272,000
Construction in progress	<u>1,313,000</u>	<u>545,000</u>
	302,159,000	299,954,000
Less: accumulated depreciation and amortization	<u><135,382,000></u>	<u><121,546,000></u>
Total property and equipment	<u>\$166,777,000</u> =====	<u>\$178,408,000</u> =====

Note 8 - Investments, Advances and Receivables

At September 30, 1992 and 1991, the line item Investments, Advances and Receivables is comprised of the following:

	<u>1992</u>	<u>1991</u>
Investments with the Casino Reinvestment Development Authority (net of allowance of \$5,135,000 and \$4,785,000 at September 30, 1992 and 1991, respectively)	\$ 6,600,000	\$ 6,188,000
Cash advances to affiliate - Noncurrent	8,790,000	10,011,000
Other items	<u>51,000</u>	<u>38,000</u>
Total Investments, Advances and Receivables	<u>\$15,441,000</u> =====	<u>\$16,237,000</u> =====

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

Note 9 - Other Accrued Expenses

As of September 30, 1992 and 1991, the line item Other Accrued Expenses is comprised of the following:

	<u>1992</u>	<u>1991</u>
Accrued jackpot liability	1,824,000	3,901,000
Accrued interest	2,381,000	1,996,000
Accrued insurance	2,468,000	2,426,000
Accrued salaries and wages	4,428,000	3,591,000
Other accrued expenses	<u>5,289,000</u>	<u>6,873,000</u>
	<u>\$ 16,390,000</u>	<u>\$ 18,787,000</u>

Note 10 - Other Current Liabilities

As of September 30, 1992 and 1991, the line item Other Current Liabilities is comprised of the following:

	<u>1992</u>	<u>1991</u>
Due to affiliates	\$ 2,289,000	\$ 9,326,000
Other	<u>2,202,000</u>	<u>1,437,000</u>
	<u>\$ 4,491,000</u>	<u>\$ 10,763,000</u>

Note 11 - Prepaid Expenses and Other Current Assets

At September 30, 1992 and 1991, the line item Prepaid Assets and Other Current Assets is comprised of the following:

	<u>1992</u>	<u>1991</u>
Prepaid expenses	\$ 3,103,000	\$ 2,153,000
Deposits	848,000	213,000
Current portion of deferred credits on deposit with the Casino Reinvestment Development Authority	<u>75,000</u>	<u>758,000</u>
	<u>\$ 4,026,000</u>	<u>\$ 3,124,000</u>

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

Note 12 - Other Assets

At September 30, 1992 and 1991, the line item Other Assets is comprised of the following:

	1992	1991
Deferred Taxes	\$ 9,488,000	\$ 7,003,000
Deferred portion of credits on deposit with the Casino Reinvestment Development Authority	802,000	124,000
Other non-current assets	<u>2,724,000</u>	<u>4,149,000</u>
	<u>\$13,014,000</u>	<u>\$11,276,000</u>
	=====	=====

Note 13 - Arbitration Award

In January 1989, the American Arbitration Association issued a determination in favor of GBH&C on its claim against a construction management company for damages due to improper performance in the completion of the renovation of the Sands Hotel & Casino during 1983 and 1984. The arbitration award, including interest through January 31, 1989, totalled \$14,524,000 and, on July 28, 1989, the Superior Court of New Jersey confirmed this arbitration award into a judgment. The construction management company sought reconsideration of the Superior Court's confirmation of the arbitration award, filed an appeal of the determination of the Superior court confirming the arbitration award into a judgment and was granted reconsideration as to three (3) specified issues by the Supreme Court of New Jersey. On August 6, 1992, the Supreme Court of New Jersey affirmed the judgment in favor of GBH&C and against the construction management company. On August 10, 1992, GBH&C collected \$17,510,000, which included the award and post-judgment interest less certain amounts due the construction management company and other related costs.

Note 14 - Progressive Jackpot Liability

Recent regulations approved by the Commission allow casino licensees to establish time limits for offering progressive slot machine jackpots to customers. Upon the expiration of the stated time limits, and upon providing proper notice to casino customers, casino licensees are afforded certain relief including the reduction or removal of the progressive jackpot from the gaming floor. Accordingly, during 1992, GBH&C removed certain progressive jackpots from the gaming floor, resulting in the reversal of approximately \$2.9 million of progressive jackpot liabilities and the corresponding recognition of an equal amount of slot machine revenues.

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

QUARTERLY REPORT

Note 15 - Reclassifications

Certain reclassifications have been made to the 1991 financial statements to conform to the 1992 financial statement presentation.

LICENSE _____
ADDRESS _____

FOR THE QUARTER ENDED _____ 1992

CASINO CONTROL COMMISSION

STATE OF NEW JERSEY

NAME OF OFFICER IN CHARGE _____
BY _____
DATE _____
TITLE _____
ADDRESS _____

974-901
C193

QUARTERLY REPORT

For the Quarter Ending September 30, 1992

TITLE	FORM NO.
Balance Sheets	CSC-265
Statements of Licensee	CSC-210
Statements of Income	CSC-215
Statements of Changes in Stockholders' Equity	CSC-220
Statements of Changes in Partners' or Proprietor's Equity	CSC-225

LICENSEE MARINA ASSOCIATES

ADDRESS 1725 BRIGANTINE BOULEVARD
ATLANTIC CITY, NJ 08401

FOR THE QUARTER ENDED September 30, 1992

Notes to Financial Statements	CSC-230
Schedule of Receivables and Payables' Checks	CSC-240
Provisional Expenses and Allowances	CSC-245
Statement of	CSC-250

TO THE

CASINO CONTROL COMMISSION

OF THE

STATE OF NEW JERSEY



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

OFFICIAL TITLE VICE PRESIDENT OF FINANCE

ADDRESS 1725 BRIGANTINE BOULEVARD
ATLANTIC CITY, NJ 08401

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

LIST OF FORMS - QUARTERLY REPORT

For the Quarter Ended: September 30, 1992

LINE	TITLE	FORM NO.
	Balance Sheets	CCC-205
	Statements of Income (Year-to-Date)	CCC-210
	Statements of Income (Three Months)	CCC-215
	Statements of Changes in Stockholders' Equity	CCC-220
	Statements of Changes in Partners' or Proprietor's Equity	CCC-225
	Statements of Cash Flows	CCC-235
	Notes to Financial Statements	
	Schedule of Receivables and Patrons' Checks	CCC-240
	Promotional Expenses and Allowances	CCC-245
	Statement of Conformity and Accuracy	CCC-250
12	Accounts payable	
13	Notes payable	
	Current portion of long-term debt:	
14	Due to affiliates	
15	Other	
16	Income taxes payable and accrued	
17	Other accrued expenses	
18	Other current liabilities	
19	Total current liabilities	
	Long-Term Debt:	
20	Due to affiliates	
21	Other	
22	Deferred Credits	
23	Other Liabilities	
24	Dispositions and Contingencies	
25	Total Liabilities	
26	Stockholders', Partners', or Proprietor's Equity	
27	Total Liabilities and Equity	

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

BALANCE SHEETS

September 30, 1992 and 1991

(Unaudited)
(\$ in Thousands)

LINE (a)	DESCRIPTION (b)	(c) 1992	(d) 1991
	ASSETS		
	Current Assets:		
1	Cash	\$ 9,449	\$ 2,783
2	Marketable Securities	0	0
3	Receivables and patrons' checks (net of allowance for doubtful accounts - 1992 \$3,773; 1991 \$4,909	8,516	8,978
4	Inventories	2,022	2,216
5	Prepaid expenses and other current assets (Note 5)	2,563	2,393
6	Total current assets	22,550	16,370
7	Investments, Advances and Receivables .(Note 6)	29,791	398,896
8	Property and Equipment - Gross(Note 2)	362,349	338,102
9	(Accumulated Depreciation/Amortization)	(102,341)	(90,949)
10	Other Assets	2,384	1,973
11	Total Assets	314,733	664,392
	LIABILITIES AND EQUITY		
	Current Liabilities		
12	Accounts payable	\$ 2,448	\$ 3,068
13	Notes payable	0	0
	Current portion of long-term debt:		
14	Due to affiliates	0	0
15	Other(Note 4)	114	120
16	Income taxes payable and accrued	1,652	1,616
17	Other accrued expenses(Note 9)	15,194	13,236
18	Other current liabilities	356	247
19	Total current liabilities	19,764	18,287
	Long-Term Debt:		
20	Due to affiliates	0	0
21	Other(Notes 3 & 4)	307,303	91
22	Deferred Credits	0	0
23	Other Liabilities(Note 10)	33,745	28,245
24	Commitments and Contingencies(Note 7)		
25	Total Liabilities	360,812	46,623
26	Stockholders', Partners', or Proprietor's Equity	(46,079)	617,769
27	Total Liabilities and Equity	\$314,733	\$ 664,392

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

STATEMENTS OF INCOME

For the Nine Months Ended September 30, 1992 and 1991

(Unaudited)
(\$ in Thousands)

LINE (a)	DESCRIPTION (b)	(c) 1992	(d) 1991
	Revenue:		
1	Casino	\$221,568	\$ 220,201
2	Rooms	16,553	13,914
3	Food and Beverage	29,374	29,313
4	Other	7,183	6,838
5	Total revenue	274,678	270,266
6	Less: Promotional Allowance	32,050	27,401
7	Net revenue	242,628	242,865
	Costs and Expenses:		
8	Cost of goods and services	134,216	127,869
9	Selling, general, and administrative	45,676	51,782
10	Provision for doubtful accounts	1,377	1,862
11	Total costs and expenses	181,269	181,513
12	Gross Operating Profit	61,359	61,352
13	Depreciation and amortization	9,318	9,669
	Charges from affiliates other than interest:		
14	Management Fees	0	0
15	Other	0	0
16	Income (Loss) from Operations	52,041	51,683
	Other Income (Expenses):		
17	Interest (expense) - affiliates	0	0
18	Interest (expense) - external (Note 4) . .	(2,897)	(172)
19	Investment alternative tax and related income . . . (expense) - net	(291)	(1,050)
20	Nonoperating income (expense) - net	407	593
21	Total other income (expenses)	(2,781)	(629)
22	Income (Loss) Before Income Taxes and Extraord. Items	49,260	51,054
23	Provision (credit) for income taxes (Note 11) . .	4,620	4,712
24	Income (Loss) Before Extraordinary Items	44,640	46,342
25	Extraordinary items (net of income taxes - 1992, \$0; 1991, \$0)	0	0
26	Net Income (Loss)	\$ 44,640	\$ 46,342

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

STATEMENTS OF INCOME

For the Three Months Ended September 30, 1992 and 1991

(Unaudited)
(\$ in Thousands)

LINE (a)	DESCRIPTION (b)	(c) 1992	(d) 1991
	Revenue:		
1	Casino	\$ 82,363	\$ 82,804
2	Rooms	6,801	6,131
3	Food and beverage	11,337	11,104
4	Other	2,846	2,814
5	Total revenue	103,347	102,853
6	Less: Promotional allowance	12,538	10,630
7	Net revenue	90,809	92,223
	Costs and Expenses:		
8	Cost of goods and services	48,206	44,441
9	Selling, general, and administrative	16,684	18,820
10	Provision for doubtful accounts	348	753
11	Total costs and expenses	65,238	64,014
12	Gross Operating Profit	25,571	28,209
13	Depreciation and amortization	3,177	3,276
	Charges from affiliates other than interest:		
14	Management fees	0	0
15	Other	0	0
16	Income (Loss) from Operations	22,394	24,933
	Other Income (Expenses):		
17	Interest (expense) - affiliates	0	0
18	Interest (expense) - external (Note 4) . .	(2,885)	(6)
19	Investment alternative tax and related income . . . (expense) - net	(69)	(367)
20	Nonoperating income (expense) - net	129	182
21	Total other income (expenses)	(2,825)	(191)
22	Income (loss) before income taxes and extraord. items	19,569	24,742
23	Provision (credit) for income taxes (Note 11) . .	1,846	2,336
24	Income (loss) before extraordinary items	17,723	22,406
25	Extraordinary items (net of income taxes - 1992, \$0; 1991, \$0)	0	0
26	Net Income (Loss)	\$ 17,723	\$ 22,406

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 Nine Months Ended September 30, 1992 and 1991

(Unaudited)
(\$ in Thousands)

LINE (a)	DESCRIPTION (b)	1992		1991	
		(c) Shares	(d) Dollars	(e) Shares	(f) Dollars
	Common Stock:				
1	Beginning balance (January 1)		\$		\$
2	Sale of stock				
3					
4	Ending balance				
	Preferred Stock:				
5	Beginning balance (January 1)				
6	Sale of stock				
7					
8	Ending balance				
	Additional Paid-in Capital:				
9	Beginning balance (January 1)	+++++		+++++	
10		+++++		+++++	
11		+++++		+++++	
12	Ending balance	+++++		+++++	
	Treasury Stock:				
13	Beginning balance (January 1)		()		()
14	Purchase of additional stock		()		()
15	Sale or retirement of stock				
16	Ending balance		()		()
	Subscriptions Receivable For Capital Stock:				
17	Beginning balance (January 1)		()		()
18					
19					
20	Ending balance		()		()
	Net Unrealized Loss on Noncurrent Marketable equity securities:				
21	Beginning balance (January 1)	+++++	()	+++++	()
22		+++++		+++++	
23		+++++		+++++	
24	Ending balance	+++++	()	+++++	()
	Retained Earnings:				
25	Beginning balance	+++++		+++++	
26	Prior period adjustments	+++++		+++++	
27	Net income (loss)	+++++		+++++	
28	Dividends	+++++	()	+++++	()
29		+++++		+++++	
30		+++++		+++++	
31	Ending balance	+++++		+++++	
32	Ending Stockholders' Equity	+++++	\$	+++++	\$

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

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

For the Nine Months Ended September 30, 1992 and 1991

(Unaudited)
(\$ in Thousands)

LINE (a)	DESCRIPTION (b)	(c) 1992	(d) 1991
	Invested Capital:		
1	Beginning balance (January 1)	\$141,594	\$ 141,594
2	Additional capital invested		
3			
4	Ending balance	141,594	141,594
	Additional Income (Loss):		
5	Beginning balance (January 1)	596,211	536,571
6	Prior period adjustments		0
7	Net income (loss)	44,640	46,342
8			0
9	Ending balance	640,851	582,913
	Capital Withdrawals:		
10	Beginning balance (January 1)	(481,557)	(106,738)
11	Additional capital withdrawals	(346,967)	
12			
13	Ending balance	(828,524)	(106,738)
	Net Unrealized Loss on Noncurrent Marketable equity securities:		
14	Beginning balance (January 1)	0	0
15			
16			
17	Ending balance	0	0
18	Ending Partner's or Proprietor's Equity	\$(46,079)	\$ 617,769

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

STATEMENTS OF CASH FLOWS

For the Nine Months Ended September 30, 1992 and 1991
(Unaudited)
(\$ in Thousands)

LINE (a)	DESCRIPTION (b)	(c) 1992	(d) 1991
1	Net Cash Provided (Used) by Operating Activities . . .	\$ 60,069	\$ 63,105
	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	(18,212)	(14,625)
5	Proceeds from disposition of property and equipment .	497	4,546
6	Purchase of casino reinvestment obligations	(2,193)	(2,203)
7	Purchase of other investments and loan/advances made	0	(60,982)
8	Proceeds from disposal of investments and collection of advances and long-term receivables	2,152	1,924
9	Cash outflows to acquire business entities		
10	_____		
11	_____		
12	Net Cash Provided (Used) by Investing Activities . . .	(17,756)	(71,340)
	Cash Flows from Financing Activities:		
13	Cash proceeds from issuance of short-term debt		
14	Payments to settle short-term debt		
15	Cash proceeds from issuance of long-term debt		
16	Costs of issuing debt		
17	Payments to settle long-term debt	(67)	(68)
18	Cash proceeds from issuing stock or capital contrib.		
19	Purchases of treasury stock		
20	Payments of dividends or capital withdrawals	(40,944)	
21	_____		
22	_____		
23	Net Cash Provided (Used) by Financing activities . . .	(41,011)	(68)
24	Net Increase (Decrease) in Cash and Cash Equivalents .	1,302	(8,303)
25	Cash and Cash Equivalents at Beginning of Period . . .	8,147	11,086
26	Cash and Cash Equivalents at End of Period	\$ 9,449	\$ 2,783

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

	Cash Paid During Period for:		
27	Interest (net of amount capitalized)	\$ 1,854	\$ 21
28	Income Taxes	\$ 4,525	\$ 4,275

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

STATEMENTS OF CASH FLOWS

For the Nine Months Ended September 30, 1992 and 1991
(Unaudited)
(\$ in Thousands)

LINE (a)	DESCRIPTION (b)	(c) 1992	(d) 1991
	Net Cash Flows From Operating Activities:		
29	Net income (loss)	\$ 44,640	\$ 46,342
	Noncash items included in income and cash items excluded from income:		
30	Depreciation and amortization of property & equip.	9,289	9,650
31	Amortization of other assets	28	19
32	Amortization of debt discount or premium		
33	Deferred income taxes - current		
34	Deferred income taxes - noncurrent		
35	(Gain) loss on disposition of property & equipment	8	(58)
36	(Gain) loss on casino reinvestment obligations . .	291	1,050
37	(Gain) loss from other investment activities . . .		
38	Net (increase) Decrease in receivables and patrons' checks	582	1,424
39	Net (increase) decrease in inventories	145	12
40	Net (increase) decrease in other current assets . .	(525)	(1,248)
41	Net (increase) decrease in other assets	(1,402)	(229)
42	Net increase (decrease) in accounts payables . . .	(260)	41
43	Net increase (decrease) in other current liabilities excluding debt	2,202	2,388
44	Net increase (decrease) in other noncurrent liabilities excluding debt	5,078	3,714
45	Interest Income Capitalized	(7)	0
46			
47	Net Cash Provided (Used) by Operating Activities . . .	\$ 60,069	\$ 63,105

SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING AND FINANCING ACTIVITIES

	Acquisition of Property and Equipment:		
48	Additions to property and equipment	\$ 18,212	\$ 14,723
49	Less: capital lease obligations incurred	0	98
50	Cash Outflows for Property and Equipment	\$ 18,212	\$ 14,625
	Acquisition of Business Entities:		
51	Property and equipment acquired	\$	\$
52	Goodwill acquired		
53	Net assets acquired other than cash, goodwill, and property and equipment		
54	Long-term debt assumed		
55	Issuance of stock or capital invested		
56	Cash Outflows To Acquire Business Entities	\$	\$
	Stock Issued or Capital Contributions		
57	Total issuances of stock or capital contributions . .	\$	\$
58	Less: issuances to settle long-term debt, and. . . .		
59	Consideration in acquisition of business entities . .		
60	Cash Proceeds from Issuing Stock Or Capital Contrib . .	\$	\$

TRADING NAME OF LICENSEE: HARRAH'S CASINO HOTEL, ATLANTIC CITY
 SUPPLEMENTAL DISCLOSURE OF NON-CASH ACTIVITY
 BY BALANCE SHEET LINE ITEM NOT RECORDED ON STATEMENT OF CASH FLOWS

For the Quarter Ended September 30, 1992

(Unaudited)
 (\$ in Thousands)

Non-Cash Transactions:

<u>3</u>	Reclass Interest Receivable to Long-Term	\$ 48	
	Total Line 3		\$ 48
<u>5</u>	Donation Credit from CRDA Funds Expensed from Other Assets	\$ 162	
	Total Line 5		\$ 162
<u>7</u>	Reclass of Investment Previously Reported as a Construction Cost	\$(23)	
	Reclass Interest Receivable to Long-Term Current Receivables	(48)	
	Donation Credit from CRDA Funds Expensed from Other Current Assets	(162)	
	Reclass of Donation Credit from Investments, Advances and Receivables	(78)	
	Total Line 7		\$(311)
<u>8</u>	Reclass Items Previously Reported as Deferred Charges	\$(126)	
	Excess of Construction Retainage Released over Construction Retainage Withheld	(25)	
	Capitalized Interest Passed through from Parent	(1,197)	
	Reclass of Investment Previously Reported as a Construction Cost	23	
	Reclass Grant Money to PP&E	140	
	Total Line 8		\$(1,185)
<u>9</u>	Reclass Items Previously Reported as Deferred Charges	\$ 126	
	Reclass Donation from Deferred	78	
	Total Line 9		\$ 204
<u>11</u>	Construction Retainage Released	\$ 25	
	Total Line 11		\$ 25
<u>20</u>	Note Payable Issued to Sumitoma Bank in Consideration for Note Receivable from Embassy Suites, Inc.	\$ 307,220	
	Total Line 20		\$ 307,220
<u>22</u>	Reclass Grant Money to PP&E	\$(140)	
	Total Line 22		\$(140)
<u>25</u>	Capitalized Interest Passed through from Parent Applied Against Capital Withdrawal	\$ 1,197	
	Note Receivable from Embassy Suites, Inc.	(307,220)	
	Total Line 25		\$(306,023)
	Grand Total		<u>\$ 0</u>

HARRAH'S CASINO HOTEL, ATLANTIC CITY

NOTES TO FINANCIAL STATEMENTS

NOTE 1: Summary of Significant Accounting Policies:

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

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

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

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

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

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

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

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

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

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

Income Taxes - The accompanying financial statements do not include a provision for Federal income taxes, since any income or losses allocated to the partners are reportable for Federal income tax purposes by the individual partners.

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

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

NOTE 2: Property and Equipment:

Property and equipment consist of the following:

	SEPTEMBER 30	
	1992	(000's) 1991
Land and land improvements	\$ 30,422	\$ 28,326
Buildings, leaseholds and improvements	250,939	225,630
Furniture, fixtures and equipment	68,404	63,768
Construction in progress	9,303	4,607
Equipment held under capital leases	345	279
C-I-P NE Inlet Redevelopment Project	2,936	15,492
	\$362,349	\$338,102
Less accumulated depreciation	(102,341)	(90,949)
Property and equipment, net	\$260,008	\$247,153

The Northeast Inlet Redevelopment Project is an approved CRDA project sponsored by Harrah's. The project includes 130 townhomes, a retail strip center and a mid-rise apartment building. Seventy-six of the townhomes are to be sold and the balance are to be rented. Rental operations began in February 1992 for the townhomes and August of 1992 for the mid-rise building. Currently contained in the C-I-P account is the retail strip center.

NOTE 3: Supplemental Cash Flow Information

Supplemental disclosure of non-cash financing activities:

In August 1992, after receiving Casino Control Commission approval, a transaction was initiated pursuant to an amendment to an existing Master Facility Agreement. Marina Associates issued a note payable in the amount of \$307,220,000 to a bank syndicate that held a note receivable from Embassy Suites, Inc., of the same amount. Embassy Suites is Marina Associates' great-great-grandparent. Marina Associates, in exchange for issuing the note payable, received the Embassy note receivable from the banks. Marina then transferred the note receivable to its great-grandparent, Harrah's. This transfer of the note receivable from Embassy Suites, Inc., was accounted for on Marina Associates' books as a Capital Withdrawal.

This non-cash transaction has been excluded from the Statement of Cash Flows.

NOTE 4: Long-Term Debt:

The Company is an obligee on a \$307,220,000 Term Loan Borrowing which resulted from the transaction described in Note 3.

Interest accrues at the rate of LIBOR plus 2.5%. At September 30, 1992, rates ranged from 5.875% to 6.000% per annum.

As required by the Facility Agreement, the Company has obtained \$140,000,000 in interest rate protection as a hedge against future changes in interest rates. The interest rate protection is in the form of a rate collar transaction. The arrangement fixes the Company's rate in a range between 10.3% and 13.5%. This rate collar expires in 1995.

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

NOTE 4: Long-Term Debt (Cont.):

The term loan is expected to be repaid according to the following schedule:

<u>Date</u>	<u>Amount Due</u>
6/30/94	\$ 55,200,000
12/31/94	55,200,000
5/30/96	100,000,000
2/21/97	96,820,000

Total Long-Term Debt consists of:

	<u>SEPTEMBER 30</u>	
	<u>1992</u>	<u>(000's) 1991</u>
Long-term debt - Term Loan	\$307,220	\$ 0
Long-term debt - Capital Leases	197	211
Capital Lease Obligation Due withing 1 year	(114)	(120)
Total Long-Term Debt	<u>\$307,303</u>	<u>\$ 91</u>

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

Future minimum lease payments consist of:

<u>Year</u>	<u>Amount</u>
1992	\$ 47,401
1993	111,528
1994	58,716
	<u>\$217,645</u>
Less amounts representing interest	(20,461)
Present value of net minimum lease payments	<u>\$197,184</u>

NOTE 5: Prepaid Expenses and Other Current Assets:

	<u>SEPTEMBER 30</u>	
	<u>1992</u>	<u>(000's) 1991</u>
Prepaid Slot Tax	\$ 750	\$ 703
Prepaid Insurance	202	84
Prepaid Air Charters	584	593
Prepaid Marketing	490	629
Prepaid - Other	432	384
Future Credit against CRDA Obligations	105	0
	<u>\$ 2,563</u>	<u>\$ 2,393</u>

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

NOTE 6: Investments, Advances and Receivables:

	SEPTEMBER 30	
	1992	(000's) 1991
Notes Receivable	\$ 2,349	\$ 2,377
Investment in CRDA Bonds - Net of Valuation Adj.	2,222	2,021
Reinvestment Obligation Deposits - Net of Val. Adj.	1,247	1,226
Due from Affiliates	22,015	391,494
Funds Advanced to Northeast Inlet Redevelopment Project to be reimbursed by a UDAG Grant	743	743
Investment in Developer's Component of CRDA Project	1,067	1,035
Interest Receivable	148	0
	\$ 29,791	\$398,896

Due from Affiliates consists of the following unsecured, non-interest bearing inter-company amounts at September 30, 1992 and 1991.

	SEPTEMBER 30	
	1992	(000's) 1991
Harrah's New Jersey, Inc.	\$ 18,962	\$ 18,962
Harrah's Lake Tahoe	157	155
Embassy Suites, Inc.	2,248	372,138
Harrah's Del Rio	138	128
Harrah's Reno	399	-0-
Bill's Casino	111	111
Total Due from Affiliates	\$ 22,015	\$391,494

NOTE 7: Commitments and Contingencies:

Leases - The Company has several operating leases relating to a storage warehouse, parking areas, computer and communication equipment, transportation equipment and shoreline land. These leases have various expiration dates through 2003. Rental expenses for the nine months ended September 30, 1992 and 1991, were approximately \$2,177,494 and \$1,994,668 respectively.

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

1993	\$ 2,718,314
1994	2,177,083
1995	1,287,619
1996	663,184
1997	357,021
Thereafter	1,224,000
	\$ 8,427,221

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

NOTE 7: Commitments and Contingencies (Cont.):

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

1993	\$ 2,159,349
1994	2,146,839
1995	1,896,839
1996	1,747,044
1997	1,747,044
Thereafter	<u>3,494,088</u>
	<u>\$ 13,191,203</u>
	=====

NOTE 8: Investment Obligation:

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

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

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. At August 31, 1992, the Company has established a valuation allowance of \$298,611 to provide for the charge against operations which would be incurred at the time that these bonds were issued. The charge against operations would reflect the below market rate interest paid by the bonds.

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

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

NOTE 9: Other Accrued Expenses:

Other accrued expenses consist of the following:

	SEPTEMBER 30	
	1992	(000's) 1991
Accrued salaries, wages and benefits	\$ 8,593	\$ 6,713
Taxes payable	597	524
Other accrued expenses	3,791	3,784
Accrued progressive slot liability	771	1,532
Accrued CCC/DGE/Casino License fees	273	570
Accrued Megabucks Handle Fees	126	96
Accrued Interest L-T-D	1,043	17
	\$ 15,194	\$ 13,236

NOTE 10: Other Liabilities:

Other liabilities consist of the following:

	SEPTEMBER 30	
	1992	(000's) 1991
Long Term due to Affiliates	\$ 30,518	\$ 26,212
Other Liabilities	1,016	922
Deferred Income - ACIA Grant	744	942
Deferred Income - CRDA Grant	134	169
Deferred Income - NJHMFA Grant	474	0
Deferred Income - DCA Grant	859	0
	\$ 33,745	\$ 28,245

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

	SEPTEMBER 30	
	1992	(000's) 1991
Due to Affiliates -		
Harrah's Holdings, Inc.	\$ 617	\$ 604
Harrah's Atlantic City, Inc.	29,561	25,186
Harrah's Reno	0	78
Harrah's Holiday Inns of NJ, Inc.	293	293
Holiday Casino, Inc.	47	51
	\$ 30,518	\$ 26,212

NOTE 11: Provision for State Income Taxes:

The Company, in accordance with regulations prescribed by the New Jersey Casino Control Act, has provided for New Jersey State tax at the statutory rate (9.375%).

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

NOTE 12: 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 nine months ended September 30, 1992, was \$2,184,453.

2	Total patron's checks	2,627	2,743	3,862
3	Hotel receivables		38	928
4	Other receivables:			
5	Receivables due from officers and employees			
6	Receivables due from affiliates			
7	Other accounts and notes receivables	179		
8	Total other receivables	179	0	1,728
9	Totals (Form 1099)	\$ 2,806	\$ 2,781	\$ 6,518

UNDEPOSITED PATRON'S CHECKS

10	DESCRIPTION	1992	1991
10	Beginning Balance (January 1)		2,182
11	Counter checks issued (including counter checks issued through transactions relating to consolidations, partial redemptions, substitutions, and patrons' cash deposits)		108,431
12	Checks redeemed prior to deposit (including the unredeemed portion of counter checks redeemed through partial redemptions, and excluding checks redeemed through transactions relating to consolidations, substitutions, and patrons' cash deposits)		7,812
13	Checks collected through deposits		27,621
14	Checks transferred to returned checks		2,897
15	Other adjustments		
16	Ending balance		4,143
17	"Hold" checks included in Balance on Line 16		4
18	Provision for Uncollectible Patron's Checks		1,237
19	Provision as a Percent of Counter Checks Issued		1,132

SCHEDULE OF RECEIVABLES AND PATRONS' CHECKS

September 30, 1992

(Unaudited)

(\$ in Thousands)

Accounts Receivable Balances				
LINE (a)	DESCRIPTION (b)	ACCOUNT BALANCE (c)	ALLOWANCE (d)	ACCOUNTS RECEIVABLE- NET OF ALLOWANCE (e)
	Patron's Checks			
1	Undeposited patrons' checks	\$ 3,489		
2	Returned patrons' checks . .	6,118		
3	Total patron's checks . .	9,607	\$ 3,745	\$ 5,862
4	Hotel Receivables	954	28	926
	Other Receivables:			
5	Receivables due from officers and employees . .	12		
6	Receivables due from affiliates	0		
7	Other accounts and notes receivables	1,716		
8	Total other receivables .	1,728	0	1,728
9	Totals (Form 205)	\$ 12,289	\$ 3,773	\$ 8,516

UNDEPOSITED PATRON'S CHECKS ACTIVITY

LINE (f)	DESCRIPTION (g)	AMOUNT (h)
10	Beginning Balance (January 1)	\$ 3,187
11	Counter checks issued (excluding counter checks issued through transactions relating to consolidations, partial redemptions, substitutions, and patrons' cash deposits) .	108,423
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)	(71,815)
13	Checks collected through deposits	(32,664)
14	Checks transferred to returned checks	(3,642)
15	Other adjustments	
16	Ending Balance	\$ 3,489
17	"Hold" Checks Included in Balance on Line 16	\$ 0
18	Provision for Uncollectible Patrons' Checks	\$ 1,312
19	Provision as a Percent of Counter Checks Issued	1.2 %

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

PROMOTIONAL EXPENSES AND ALLOWANCES

(\$ in Thousands)

For the Nine Months Ended September 30, 1992

	Promotional Allowances		Promotional Expenses	
	Number of Recipients	Dollar Amount	Number of Recipients	Dollar Amount
Rooms	117	\$ 10,186		\$ 0
Food	1,389	\$ 13,891		\$ 0
Beverage	2,087	\$ 5,218		\$ 0
Travel		\$ 0	60	\$ 5,957
Coin		\$ 0	1,002	\$ 12,524
Coupon		\$ 0		\$ 0
Entertainment	138	\$ 2,755		\$ 0
Retail & Gifts		\$ 0	306	\$ 1,532
Other		\$ 0	N/A	\$ 28
Total	3,731	\$ 32,050	1,368	\$ 20,041

For the Three Months Ended September 30, 1992

	Promotional Allowances		Promotional Expenses	
	Number of Recipients	Dollar Amount	Number of Recipients	Dollar Amount
Rooms	47	\$ 4,103		\$
Food	552	\$ 5,519		\$
Beverage	795	\$ 1,987		\$
Travel		\$	20	\$ 1,954
Coin		\$	396	\$ 4,951
Coupon		\$		\$
Entertainment	47	\$ 929		\$
Retail & Gifts		\$	146	\$ 734
Other		\$	N/A	\$ 5
Total	1,441	\$ 12,538	562	\$ 7,644

LIST OF FORMS - CASINO CONTROL COMMISSION

FOR THE QUARTER ENDED SEPTEMBER 30, 1992

QUARTERLY REPORT

BALANCE SHEETS	FORM NO.
Statements of Income (Year to Date)	COC-205
	COC-210
	COC-215
	COC-220
Statements of Cash Flows	COC-225
Notes to Financial Statements	COC-230
Schedule of Receivables and Payables	COC-240
Professional Expenses and Allowances	COC-245
Statement of Compliance	COC-250

LICENSEE RESORTS INTERNATIONAL HOTEL, INC

ADDRESS 1133 BOARDWALK

ATLANTIC CITY, NEW JERSEY 08401

FOR THE QUARTER ENDED SEPTEMBER 30, 1992

TO THE

CASINO CONTROL COMMISSION

OF THE

STATE OF NEW JERSEY

NAME OF OFFICER IN CHARGE
OF CORRESPONDENCE REGARDING

THIS QUARTERLY REPORT..... LUCY McLAUGHLIN

OFFICIAL TITLE..... DIRECTOR-FINANCIAL ACCOUNTING

ADDRESS..... 1133 BOARDWALK

ATLANTIC CITY, NEW JERSEY 08401

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

LIST OF FORMS – QUARTERLY REPORT
FOR THE QUARTER ENDED SEPTEMBER 30, 1992

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' Deficit	CCC-220
Statements of Changes in Partners' or Proprietor's Equity	CCC-225
Statements of Cash Flows	CCC-235
Notes to Financial Statements	
Schedule of Receivables and Patrons' Checks	CCC-240
Promotional Expenses and Allowances	CCC-245
Statement of Conformity and Accuracy	CCC-250
Current portion of long-term debt	
Due to affiliates	
Other	
Income taxes payable and accrued	
Other accrued liabilities	
Other current liabilities	
Total current liabilities	
Long-Term Debt	
Due to affiliates	
Other	
Deferred Credits	
Other Liabilities	
Commitments and Contingencies	
Total Liabilities	
Stockholders' Deficit	CCC-201
Total Liabilities and Stockholders' Deficit	

The accompanying notes are an integral part of these financial statements. Your attention is directed to the fact that these financial statements are unaudited and should be read in conjunction with the audited financial statements for the year ended September 30, 1991.

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

BALANCE SHEETS

SEPTEMBER 30, 1992 AND 1991

(UNAUDITED)

(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	1992 (c)	1991 (d)
	ASSETS		
	Current Assets:		
1	Cash.....	\$ 9,480	\$ 11,850
2	Marketable securities (Short-term Money Market At Cost).....	13,443	5,001
3	Receivables and patrons' checks (net of allowance for doubtful accounts - 1992, \$5329 ; 1991, \$6967 ;...NOTE 2...	55,901	60,455
4	Inventories.....	1,640	1,412
5	Prepaid expenses and other current assets.....	2,410	2,343
6	Total current assets.....	82,874	81,061
7	Investments, Advances, and Receivables.....	7,118	5,796
8	Property and Equipment - Gross.....NOTE 3...	177,574	156,217
9	Accumulated Depreciation/Amortization.....NOTE 3...	(19,652)	(8,759)
10	Other Assets.....	1,379	188
11	Total Assets.....	\$ 249,293	\$ 234,503
	LIABILITIES AND STOCKHOLDERS' DEFICIT		
	Current Liabilities:		
12	Accounts payable.....	\$ 2,680	\$ 2,169
13	Notes payable.....		
	Current portion of long-term debt:.....NOTE 6...		
14	Due to affiliates.....		
15	Other.....	546	1,345
16	Income taxes payable and accrued.....		
17	Other accrued liabilities.....NOTE 4...	16,253	17,887
18	Other current liabilities.....NOTE 5...	69,570	67,647
19	Total current liabilities.....	89,049	89,048
	Long-Term Debt:.....NOTE 6...		
20	Due to affiliates.....	325,000	325,000
21	Other.....	1,063	1,456
22	Deferred Credits.....NOTE 7...	525	568
23	Other Liabilities.....		
24	Commitments and Contingencies.....NOTE 13...		
25	Total Liabilities.....	415,637	416,072
26	Stockholders' Deficit.....NOTE 12...	(166,344)	(181,569)
27	Total Liabilities and Stockholders' Deficit.....	\$ 249,293	\$ 234,503

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.)
INCOME STATEMENT
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 1992 AND 1991
(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	1992 (c)	1991 (d)
	<i>REVENUE:</i>		
1	Casino.....	\$ 182,381	\$ 171,081
2	Rooms.....	12,253	11,533
3	Food and beverage.....	24,410	24,019
4	Other.....	4,988	5,046
5	Total revenue.....	224,032	211,679
6	Less: promotional allowances.....	19,080	18,664
7	Net revenue.....	204,952	193,015
	<i>COSTS AND EXPENSES:</i>		
8	Cost of goods and services.....	125,056	119,677
9	Selling, general, and administrative.....	41,093	38,475
10	Provision for doubtful accounts.....	839	2,696
11	Total costs and expenses.....	166,988	160,848
12	Gross Operating Profit.....	37,964	32,167
13	Depreciation and amortization.....	8,626	6,819
	Charges from affiliates other than interest:.....NOTE 9..		
14	Management fees.....	6,665	6,311
15	Other.....	2,002	2,066
16	Income (Loss) From Operations.....	20,671	16,971
	<i>Other Income (Expenses):</i>		
17	Interest (expense) - affiliates.....		
18	Interest (expense) - external.....	(310)	(438)
19	Investment alternative tax and related inc.(exp).....NOTE 13..	(1,118)	(1,244)
20	Nonoperating income - net.....NOTE 10..	4,805	5,145
21	Total other income.....	3,377	3,463
22	Income Before Income Taxes And Extraordinary Items.....	24,048	20,434
23	Provision for income taxes.....NOTE 1,11	9,620	8,174
24	Income Before Extraordinary Items.....	14,428	12,260
25	Extraordinary items (net of income taxes - 1992, \$ 0 ; 1991, \$ 0).....		
26	Net Income	\$ 14,428	\$ 12,260

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

CCC-210

TRADING NAME OF LICENSEE: MERV GRIFFIN'S RESORTS CASINO HOTEL
(a wholly owned subsidiary of RESORTS INTERNATIONAL, INC.)
INCOME STATEMENT
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 1992 AND 1991
(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	1992 (c)	1991 (d)
	<i>REVENUE:</i>		
1	Casino.....	\$ 67,703	\$ 65,348
2	Rooms.....	4,806	4,680
3	Food and beverage.....	8,924	9,131
4	Other.....	1,892	1,911
5	Total revenue.....	83,325	81,070
6	Less: promotional allowances.....	7,014	7,253
7	Net revenue.....	76,311	73,817
	<i>COSTS AND EXPENSES:</i>		
8	Cost of goods and services.....	43,973	41,762
9	Selling, general, and administrative.....	13,795	12,327
10	Provision for doubtful accounts.....	(50)	648
11	Total costs and expenses.....	57,718	54,737
12	Gross Operating Profit.....	18,593	19,080
13	Depreciation and amortization.....	2,850	2,271
	Charges from affiliates other than interest:.....NOTE 9..		
14	Management fees.....	2,478	2,415
15	Other.....	865	1,815
16	Income (Loss) From Operations.....	12,400	12,579
	Other Income (Expenses):		
17	Interest (expense) - affiliates.....		
18	Interest (expense) - external.....	(91)	(144)
19	Investment alternative tax and related inc.(exp).....NOTE 13..	(411)	(449)
20	Nonoperating income - net.....NOTE 10..	1,625	1,816
21	Total other income	1,123	1,223
22	Income Before Income Taxes And Extraordinary Items.....	13,523	13,802
23	Provision for income taxes.....NOTE 1,11	5,410	5,521
24	Income Before Extraordinary Items.....	8,113	8,281
25	Extraordinary items (net of income taxes - 1992, \$ 0 ; 1991, \$ 0).....		
26	Net Income	\$ 8,113	\$ 8,281

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

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

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

STATEMENTS OF CHANGES IN STOCKHOLDERS' DEFICIT
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 1992 AND 1991

(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	1992		1991	
		(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.....				
	Excess of Liabilities over Assets at Reorganization				
9	Beginning balance (January 1).....NOTE 13..		(198,829)		(198,829)
10					
11					
12	Ending balance.....		(198,829)		(198,829)
	Treasury Stock:				
13	Beginning balance (January 1).....				
14	Purchase of additional stock.....				
15	Sale or retirement of stock.....				
16	Ending balance.....				
	Subscription Receivable for Capital Stock:				
17	Beginning balance (January 1).....				
18					
19					
20	Ending balance.....				
	Net Unrealized Loss on Noncurrent Marketable Equity Securities:				
21	Beginning balance (January 1).....				
22					
23					
24	Ending balance.....				
	Retained Earnings:				
25	Beginning balance (January 1).....		18,057		5,000
26	Prior period adjustments.....				
27	Net income.....		14,428		12,260
28	Dividends.....				
29					
30					
31	Ending balance.....		32,485		17,260
32	Ending Stockholders' Deficit.....		\$ (166,344)		\$ (181,569)

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

TRADING NAME OF LICENSEE: 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 NINE MONTHS ENDED SEPTEMBER 30, 1992 AND 1991
(UNAUDITED)
(\$ IN THOUSANDS)

NOT APPLICABLE

LINE (a)	DESCRIPTION (b)	1992 (c)	1991 (d)
	<i>Invested Capital:</i>		
1	Beginning Balance (January 1).....	\$	\$
2	Additional capital invested.....		
3	Ending Balance.....		
	<i>Accumulated Income (Loss):</i>		
4	Beginning Balance (January 1).....		
5	Prior period adjustments.....		
6	Net income (loss).....		
7	Ending Balance.....		
	<i>Capital Withdrawals:</i>		
8	Beginning Balance (January 1).....	()	()
9	Additional capital invested.....	()	()
10	Ending Balance.....	()	()
	<i>Net Unrealized Loss On Noncurrent Marketable Equity Securities:</i>		
11	Beginning Balance (January 1).....		
12	Ending Balance.....		
13	<i>Ending Partners' Or Proprietor's Equity</i>	\$	\$

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
(a wholly owned subsidiary of RESORTS INTERNATIONAL, INC.)
STATEMENTS OF CASH FLOWS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 1992 AND 1991
(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	1992 (c)	1991 (d)
1	Net Cash Provided by Operating Activities.....	\$ 21,184	\$ 19,413
	Cash Flows From Investing Activities:		
2	Purchase of short-term investment securities.....		
3	Proceeds from the sale of short-term investments securities.....		
4	Cash outflows for property and equipment.....	(15,004)	(15,293)
5	Proceeds from disposition of property and equipment.....		68
6	Purchase of casino reinvestment obligations.....	(2,024)	(2,095)
7	Purchase of other investments and loans/advances made.....		
8	Proceeds from disposal of investments and collections of advances and long-term receivables.....		
9	Cash outflows to acquire business entities.....		
10	Investment in Subsidiary		5
11			
12	Net Cash Used In Investing Activities.....	(17,028)	(17,315)
	Cash Flows From Financing Activities:		
13	Cash proceeds from issuance of short-term debt.....		
14	Payments to settle short-term debt.....	(888)	(1,107)
15	Cash proceeds from issuance of long-term debt.....		
16	Costs of issuing debt.....		
17	Payments to settle long-term debt.....		
18	Cash proceeds from issuing stock or capital contributions.....		
19	Purchases of treasury stock.....		
20	Payments of dividends or capital withdrawals.....		
21	Payments for recapitalization cost.....		
22	Advances from parent company and affiliates	2,769	1763
23	Net Cash Provided By Financing Activities.....	1,881	656
24	Net Increase in Cash And Cash Equivalents.....	6,037	2,754
25	Cash And Cash Equivalents At Beginning Of Year.....	16,886	14,097
26	Cash And Cash Equivalents At End Of Year.....	\$ 22,923	\$ 16,851

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

Cash Paid During Year For:			
27	Interest (net of amount capitalized).....	\$ 317	\$ 0
28	Income taxes.....	\$	\$

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

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

STATEMENTS OF CASH FLOWS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 1992 AND 1991

(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	1992 (c)	1991 (d)
	Net Cash Provided by Operating Activities:		
29	Net income	\$ 14,428	\$ 12,260
	Noncash items included in income and cash items excluded from income:		
30	Depreciation and amortization for property and equipment.....	8,626	6,816
31	Amortization of other assets.....		3
32	Amortization of debt discount or premium.....		
33	Deferred income taxes - current.....		
34	Deferred income taxes - noncurrent.....		
35	Loss on disposition of property and equipment.....	7	265
36	Loss on casino reinvestment obligations.....	1,118	1,244
37	(Gain) loss from other investment activities.....		
38	Net (increase) decrease in receivables and patrons' checks.....	573	(1,575)
39	Net (increase) decrease in inventories.....	(172)	337
40	Net (increase) decrease in other current assets.....	(883)	628
41	Net (increase) decrease in other assets.....	(1,145)	118
42	Net increase (decrease) in accounts payable.....	341	(1,897)
43	Net increase (decrease) in other current liabilities excluding debt.....	(1,660)	1,187
44	Net increase (decrease) in other noncurrent liabilities excluding debt.....	(49)	27
45	Other.....		
46			
47	Net Cash Provided By Operating Activities.....	\$ 21,184	\$ 19,413

SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING AND FINANCING ACTIVITIES

	Acquisition Of Property And Equipment:		
48	Additions to property and equipment.....	\$ (15,004)	\$ (16,370)
49	Less: Capital lease obligations incurred.....		1,077
50	Cash Outflows For Property And Equipment.....	\$ (15,004)	\$ (15,293)
	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.....	\$	\$

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 1992

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Resorts International Hotel, Inc. ("RIH"), a wholly-owned subsidiary of Resorts International, Inc. ("RII"), owns and operates Merv Griffin's Resorts Casino Hotel ("Resorts Casino Hotel"), a casino/hotel complex located in Atlantic City, New Jersey.

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

Principles of Consolidation

The consolidated financial statements include the accounts of RIH and its subsidiaries except for one insignificant wholly owned subsidiary which is accounted for on the equity basis of accounting. All significant intercompany balances and transactions have been eliminated in consolidation.

Revenue Recognition

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

Promotional Allowances

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

Cash Equivalents

RIH considers all of its short-term money market securities purchased with 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 useful lives using the straight-line method for financial reporting purposes.

Casino Reinvestment Development Authority ("CRDA") Obligations

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

Income Taxes

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

RIH has agreed with RII that it will provide for federal and state income taxes using a combined rate of 40%. Material transactions which would be subject to combined tax rates that are significantly different from the 40% rate will be separately tax effected. The resulting liability is settled on a current basis.

NOTE 2 - RECEIVABLES AND PATRONS' CHECKS

Components of receivables at September 30, 1992, were as follows:

(In Thousand of Dollars)

	<u>1992</u>	<u>1991</u>
Gaming	\$10,264	\$13,549
Less allowance for doubtful accounts	<u>(5,309)</u>	<u>(6,600)</u>
	4,955	6,949
Non-gaming		
Hotel and related	559	642
Other	<u>407</u>	<u>418</u>
	966	1,060
Less allowance for doubtful accounts	<u>(20)</u>	<u>(367)</u>
	946	693
Receivable due from affiliate	<u>50,000</u>	<u>52,813</u>
	<u>\$55,901</u>	<u>\$60,455</u>

In 1988, RIH loaned \$50,000,000 pursuant to a pre-arranged back-to-back loan to Resorts International (Bahamas) 1984 Limited ("RIB"), an indirect wholly-owned subsidiary of RII, in exchange for a promissory note. Such note is payable on demand and bears interest at 13 1/2% per annum, with interest payments due each May 1 and November 1. The note is guaranteed by certain of RIB's subsidiaries. The guarantees are secured by mortgages on the Paradise Island Resort & Casino, the Ocean Club Golf & Tennis Resort, and the Paradise Beach Resort on Paradise Island in The Bahamas, and all furniture, machinery and equipment used in connection therewith. The RIB promissory note and the mortgages securing payment thereof have been assigned as part of the collateral for new debt securities issued by RII pursuant to the Second Amended Joint Plan of Reorganization dated as of May 31, 1990 (the "Plan") (see Note 6).

NOTE 3 - PROPERTY AND EQUIPMENT - NET

Property and equipment at September 30, 1992, are summarized as follows:

(In Thousands of Dollars)

	<u>1992</u>	<u>1991</u>
Land and land rights	\$ 53,250	\$ 53,250
Land improvements	131	82
Hotel and other buildings	92,971	77,980
Furniture, machinery and equipment	30,968	22,462
Construction in progress	<u>254</u>	<u>2,444</u>
	177,574	156,218
Less accumulated depreciation	<u>(19,652)</u>	<u>(8,760)</u>
	<u>\$157,922</u>	<u>\$147,458</u>

Substantially all of RIH's property and equipment has been pledged as collateral for new debt securities issued by RII pursuant to the Plan. See Note 6.

NOTE 4 - OTHER ACCRUED LIABILITIES

Components of other accrued expenses at September 30, 1992, were as follows:

(In Thousands of Dollars)

	<u>1992</u>	<u>1991</u>
Advertising		\$ 350
Accrued payroll and related taxes and benefits	\$10,871	9,364
Progressive slot liability	747	3,340
Litigation reserve	2,492	2,546
Accrued gaming taxes, fees and related assessments	615	580
Professional fees	193	605
Utilities	186	570
Various taxes	280	237
Other	869	295
	<u>\$16,253</u>	<u>\$17,887</u>

NOTE 5 - OTHER CURRENT LIABILITIES

Components of other current liabilities at September 30, 1992, were as follows:

(In Thousands of Dollars)

	<u>1992</u>	<u>1991</u>
Inter-Company R.I.I.	\$62,436	\$60,355
CRDA Bond Disc.	5,000	5,000
CRDA Bond Obligation	849	805
Customer Deposit Liability	163	250
Deferred Revenue	41	52
Tenant Deposits	32	39
Unclaimed Wage Liability	6	41
Chip Liability	0	820
Slot Token Liability	0	224
Other	1,043	61
	<u>\$69,570</u>	<u>\$67,647</u>

NOTE 6 - LONG-TERM DEBT

Components of long-term debt at September 30, 1992, were as follows:

(In Thousands of Dollars)

	<u>1992</u>	<u>1991</u>
Due to affiliates:		
13 7/8% note payable to affiliate	\$200,000	\$200,000
13 1/2% note payable to affiliate	<u>125,000</u>	<u>125,000</u>
	<u>\$325,000</u>	<u>\$325,000</u>
Other:		
Capitalized lease obligations	\$ 1,609	\$ 2,800
Less - current portion	<u>546</u>	<u>1,345</u>
	<u>\$ 1,063</u>	<u>\$ 1,456</u>

Long-Term Debt: Due to Affiliate

In 1988, Griffin Resorts Inc. ("GRI"), a subsidiary of RII, issued \$325,000,000 principal amount of notes (the "Securities"). GRI loaned the proceeds of the Securities to RIH in exchange for (i) two promissory notes payable to GRI, which GRI, in turn, pledged to the Trustees for the Securities; (ii) a first mortgage on the Resorts Casino Hotel and the other properties owned by RIH, and a first priority security interest in the personal property of RIH granted to the Collateral Agent for the Securities; and (iii) the assignment of RIB's promissory note for \$50,000,000 and mortgage securing such note (see Note 2).

RIH paid the issuance costs of the Securities which amounted to \$20,300,000. The promissory notes issued by RIH were written to mirror the terms of GRI's publicly held notes with the intent that RIH pay interest to GRI on GRI's interest payment dates so that GRI would have cash available to make its interest payments to the public on those dates.

Pursuant to the Plan, the Securities were cancelled. RIH's notes payable to GRI were not cancelled; their terms were modified and such amended notes were pledged as collateral for certain new debt securities ("New Debt Securities") issued by RII. Subsequently, the notes were further amended (the "Second Amended Notes"); their sole purpose remains to collateralize RII's New Debt Securities. The Second Amended Notes are payable on demand after April 15, 1994 and are non-interest bearing, but the principal due upon demand by GRI accretes according to a schedule. As of April 15, 1994, the principal amount of the notes would accrete to \$446,150,000. However, GRI and RIH have entered into an intercompany agreement whereby GRI will not require payment of the amount in excess of the original \$325,000,000 principal amount of the notes unless GRI is instructed to do so by the Indenture Trustee or other collateral pledgee of the New Debt Securities. At September 30, 1992 the accretion in principal amount of these notes in excess of \$325,000,000 amounted to \$64,345,000.

In accordance with "fresh start" accounting as of August 31, 1990 RIH's assets were restated to their estimated fair values. See Note 3 for a summary of RIH's property and equipment balances.

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

Long-Term Debt: Other

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

Property debt under capital leases at September 30, 1992, are summarized as follows:

(In Thousands of Dollars)

Computer equipment	\$1,358
Slot machines	96
Printing equipment	141
Lighting equipment	13
Accum Depreciation	(990)
Capital Leases, Net	<u>\$ 618</u>

Interest rates on capital leases vary from 13.7% to 33.3%. Minimum principal payments of Long-Term Debt: Other outstanding at September 30, 1992 are as follows:

(In Thousands of Dollars)

1992	\$ 113
1993	631
1994	729
1995	98
1996	<u>38</u>
Total	<u>\$1,609</u>

NOTE 7 - DEFERRED CREDITS

Deferred credits represent the unrecognized portion of a lump-sum payment made by a tenant at the inception, July 1983, of a fifteen year lease. As of June 1, 1990 management extended the life of the lease by ten years to end June 30, 2008. This payment is being recognized and recorded, in earnings, in equal monthly installments over the life of the lease. The recognized portions were \$483,000 and \$516,000 for the nine months ended September 30, 1992 and 1991, respectively.

NOTE 8 - SAVINGS AND PENSION PLANS

RIH has a defined contribution plan (the "Savings Plan"), in which substantially all non-union employees are eligible to participate. Employees of certain other affiliated companies are also eligible to participate in the Savings Plan. Under the Savings Plan, eligible participating employees may contribute up to a total of 4% of their annual cash compensation as a basic contribution and may also elect to contribute up to an additional 10% as a voluntary contribution. RIH and other subsidiaries of RII contribute an amount equal to 50% of their employees' basic contributions and, on a discretionary basis, may make additional contributions. RIH's contributions under the Savings Plan were approximately \$502,000 and \$488,000 for the nine months ended September 30, 1992 and 1991, respectively.

Union employees are covered by various multi-employer pension plans to which contributions are made by RIH and other unrelated employers. Contributions by RIH were approximately \$633,000 and \$544,000 for the nine months ended September 30, 1992 and 1991, respectively.

NOTE 9 - CHARGES FROM AFFILIATES

RIH recorded the following expenses for the nine months ended September 30, 1992 from RII and other affiliates:

(In Thousands of Dollars)

<u>AFFILIATED COMPANY</u>	<u>TRANSACTION</u>	<u>1992</u>	<u>1991</u>
Resorts International, Inc.	Management fee	<u>\$6,665</u>	<u>\$6,311</u>
Resorts International, Inc.	Insurance	\$1,569	\$1,911
	Property Rental	<u>244</u>	<u> </u>
		1,813	1,911
PIVI	Flights	122	130
RII	Transportation	55	
Parking, Inc.	Parking Fees	0	11
Chalks Airlines, Inc.	Flights	0	14
Other		<u>12</u>	<u> </u>
		<u>\$2,002</u>	<u>\$2,066</u>

NOTE 10 - NONOPERATING INCOME, NET

Components of nonoperating income, net for the nine months ended September 30, 1992 were as follows:

(In Thousands of Dollars)

	<u>1992</u>	<u>1991</u>
Interest income from affiliates	\$ 5,063	\$ 5,063
Interest income	584	592
Corporate office expense	(134)	(167)
Restructuring/refinancing costs	(704)	
Gain (loss) on fixed assets	(7)	(265)
Other	<u>3</u>	<u>(78)</u>
	<u>\$4,805</u>	<u>\$5,145</u>

NOTE 11 - INCOME TAXES

For federal tax purposes RIH has net operating loss carryforwards of approximately \$188,000,000 at September 30, 1992, which expire in 2003 through 2005. The reorganization resulted in a change in ownership of the consolidated group of which RIH is a part. Therefore all of these loss carryforwards are limited in their availability to offset future taxable income.

For state tax purposes RIH has net operating loss carryforwards of approximately \$189,000,000 at September 30, 1992, which expire in 1995 through 1997.

NOTE 12 - STOCKHOLDERS' DEFICIT

At August 31, 1990, in conjunction with accounting for RII's reorganization, RIH's accumulated deficit was eliminated. This deficit was first reclassified to offset the balance of capital in excess of par, with the remainder recorded as excess of liabilities over assets at reorganization.

NOTE 13 - COMMITMENTS AND CONTINGENCIES

CRDA

The Casino Control Act, as originally adopted, required a licensee to make investments equal to 2% of the licensee's 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>1984-1992</u>	<u>TOTAL</u>
Investment obligations	\$(21,637)	\$(25,456)	\$(47,093)
Means of settlement:			
Housing related			
investments under audit	13,104		13,104
Housing related investments			
previously approved	1,000		1,000
CRDA deposits/bond			
purchases	<u>7,533</u>	<u>24,607</u>	<u>32,140</u>
Remaining investment			
obligation at September 30,			
1992 which was deposited			
in October 1992	<u>\$ -0-</u>	<u>\$ (849)</u>	<u>\$ (849)</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. There was no communication between RIH and the Treasury on this matter during 1992.

If the CRDA's interpretation as to the periods of time during which qualifying expenditures can be made is found to be correct, or if the Treasury's issue is determined adversely, RIH could be required to pay the relevant amount in cash to the CRDA. In the opinion of management, based upon advice of counsel, the aggregate liability, if any, arising from these issues will not have a material adverse effect on the accompanying financial statements.

As reflected in the table above, through September 30, 1992, RIH had made CRDA deposits/bond purchases totaling \$32,140,000. 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 September 30, 1992, RIH had a remaining balance of \$4,873,000 face value of bonds issued by the CRDA and had \$9,073,000 on deposit with the CRDA. These bonds and deposits, net of an estimated discount charged to expense to reflect the below-market interest rate payable on the bonds, were recorded as other assets in RIH's Balance Sheets.

RIH records charges to expense to reflect the below-market interest rate payable on the bonds it may have to purchase to fulfill its investment obligation at the date the obligation arises. The charges for discounts on obligations were \$1,118,000 and \$1,244,000, for the nine months ended September 30, 1992 and 1991, respectively.

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

SEPTEMBER 30, 1992

(UNAUDITED)

(\$ IN THOUSANDS)

ACCOUNTS RECEIVABLE BALANCES

LINE (a)	DESCRIPTION (b)	ACCOUNT BALANCE (c)	ALLOWANCE (d)	ACCOUNTS RECEIVABLE (e) NET OF ALLOWANCE
	Patrons' Checks:			
1	Undeposited patrons' checks.....	\$ 3,031		
2	Returned patrons' checks.....	7,233		
3	Total Patrons' Checks.....	10,264	5,309	4,955
4	Hotel Receivables.....	559	\$ 20	\$ 539
	Other Receivables:			
5	Receivables due from officers and employees.....	4		
6	Receivables due from affiliates.....	50,000		
7	Other accounts and notes receivables.....	403		
8	Total Other Receivables.....	50,407		50,407
9	Total (Form 205).....	\$ 61,230	\$ 5,329	\$ 55,901

UNDEPOSITED PATRONS' CHECKS ACTIVITY

LINE (f)	DESCRIPTION (g)	AMOUNT (h)
10	Beginning Balance (January 1).....	\$ 3,727
11	Counter checks issued (excluding counter checks issued through transactions relating to consolidations, partial redemptions, substitutions, and patrons' cash deposits).....	99,149
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).....	(82,502)
13	Checks collected through deposits.....	(13,048)
14	Checks transferred to returned checks.....	(4,295)
15	Other adjustments.....	
16	Ending Balance.....	\$ 3,031
17	"Hold" Checks Included In Balance On Line 16.....	\$
18	Provision For Uncollectible Patrons' Checks.....	\$ 792
19	Provision As A Percent Of Counter Checks Issued.....	0.8 %

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

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 1992

	PROMOTIONAL ALLOWANCES		PROMOTIONAL EXPENSES	
	NUMBER OF RECIPIENTS	DOLLAR AMOUNT	NUMBER OF RECIPIENTS	DOLLAR AMOUNT
ROOMS	81	\$ 5,639		\$
FOOD	844	8,436		
BEVERAGE	385	1,539		
TRAVEL			16	1,650
COIN			1500	14,807
COUPON	207	1,626		
ENTERTAINMENT	133	1,593		
RETAIL & GIFTS	5	227		
OTHER	23	20	218	2,631
TOTAL	1678	\$ 19,080	1734	\$ 19,088

FOR THE THREE MONTHS ENDED SEPTEMBER 30, 1992

	PROMOTIONAL ALLOWANCES		PROMOTIONAL EXPENSES	
	NUMBER OF RECIPIENTS	DOLLAR AMOUNT	NUMBER OF RECIPIENTS	DOLLAR AMOUNT
ROOMS	29	\$ 2,029		\$
FOOD	301	3,003		
BEVERAGE	127	506		
TRAVEL			6	577
COIN			493	4,735
COUPON	83	667		
ENTERTAINMENT	56	670		
RETAIL & GIFTS	2	75		
OTHER	13	64	91	1,168
TOTAL	611	\$ 7,014	590	\$ 6,480

STATEMENT OF CONFORMITY AND ACCURACY

STATE OF NEW JERSEY

COUNTY OF ATLANTIC

:
:ss.
:

LUCY MCLAUGHLIN

Name

, being duly sworn according to law

upon my oath deposes and says:

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

Lucy McLaughlin
Signature

DIRECTOR - FINANCIAL ACCOUNTING
Title

003703-11

License Number

Subscribed and sworn to
before me this 12 day
of November, 1992.

On Behalf Of:

Naomi Harris
Signature

MERV GRIFFIN'S RESORTS CASINO HOTEL

NAOMI HARRIS
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires June 12, 1995

Basis of Authority to Take Oaths

974.901
C193

QUARTERLY REPORT

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

ADDRESS Brighton and the Boardwalk
Atlantic City, New Jersey 08401

FOR THE QUARTER ENDED September 30, 1992

TO THE
CASINO CONTROL COMMISSION
OF THE
STATE OF NEW JERSEY



RECEIVED
 NOV 16 Rec'd
 1992
 CASINO CONTROL
 COMMISSION

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

OFFICIAL TITLE. Senior Vice President/Finance and Administration

ADDRESS Brighton Avenue and the Boardwalk
Atlantic City, New Jersey 08401

BALANCE SHEETS

TRADING NAME OF LICENSEE: TROPWORLD CASINO & ENTERTAINMENT RESORT

LIST OF FORMS - QUARTERLY REPORT

*Revised
11/15/92

FOR THE QUARTER ENDED SEPTEMBER 30, 1992

LINE NO.	TITLE	FORM NO.	1992	1991
ASSETS				
1	Current Assets:			
2	Cash		87,301	9
3	Marketable Securities		0	0
4	Receivables (net of allowance for doubtful accounts)	CCC-205	0	0
5	Inventories	CCC-210	18,043	0
6	Prepaid Expenses (Note 4, 10, 8)	CCC-215	1,079	0
7	Total		106,423	9
8	Statements of Changes in Stockholders' Equity	CCC-220	0	23,079
9	Statements of Changes in Partners' or Proprietor's Equity (Note 7, 11)	CCC-225	0	0
10	Property and Equipment (Note 2)	CCC-235	0	0
11	Accounts Payable (Note 2)	CCC-235	0	0
12	Other Accounts Payable (Note 4, 8)		0	0
13	Notes to Financial Statements		0	0
14	Schedule of Receivables and Patrons' Checks	CCC-240	0	0
15	Promotional Expenses and Allowances	CCC-245	0	0
16	Statement of Conformity and Accuracy	CCC-250	0	0
17	Current Liabilities:			
18	Accounts Payable		0	0
19	Notes Payable		0	0
20	Current portion of long-term debt		0	0
21	Due to affiliates		0	0
22	Other (Note 3)		0	0
23	Income taxes payable and accrued		0	0
24	Other accrued expenses (Note 1, 2)		0	0
25	Other current liabilities		0	0
26	Total current liabilities		0	0
27	Long-Term Debt:			
28	Due to affiliates (Note 3)		0	0
29	Other (Note 3)		0	0
30	Deferred Credits (Note 4)		0	0
31	Other Liabilities (Note 7, 13)		0	0
32	Commitments And Contingencies (Note 5)		0	0
33	Total Liabilities		0	0
34	Stockholders', Partners', Or Proprietor's Equity		0	0
35	Total Liabilities and Equity	CCC-201	106,423	23,079

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

BALANCE SHEETS

SEPTEMBER 30, 1992 and 1991

(UNAUDITED)
(\$ in Thousands)

* Restated
11/15/92

LINE (a)	DESCRIPTION (b)	1992 (c)	1991* (d)
ASSETS			
Current Assets:			
1	Cash.....	\$9,612	\$7,301
2	Marketable securities.....	0	0
3	Receivables and patrons' checks (net of allowance for doubtful accounts - 1992, \$8,915; 1991, \$9,641).....	17,544	15,943
4	Inventories.....	2,544	2,747
5	Prepaid expenses and other current assets..... (Note 4, 10, 8).....	13,972	7,087
6	Total current assets.....	43,672	33,078
7	Investments, Advances, And Receivables..... (Note 7, 11).....	69,960	72,066
8	Property And Equipment - Gross..... (Note 2).....	324,867	322,069
9	(Accumulated Depreciation/Amortization)..... (Note 2).....	(93,176)	(83,041)
10	Other Assets..... (Note 4, 8).....	11,843	576
11	Total Assets.....	\$357,166	\$344,748
LIABILITIES AND EQUITY			
Current Liabilities:			
12	Accounts payable.....	\$3,829	\$2,870
13	Notes payable.....	0	0
Current portion of long-term debt:			
14	Due to affiliates.....	0	0
15	Other..... (Note 3).....	2,999	2,699
16	Income taxes payable and accrued.....	0	(662)
17	Other accrued expenses..... (Note 12).....	22,387	24,891
18	Other current liabilities.....	2,245	2,671
19	Total current liabilities.....	31,460	32,469
Long-Term Debt:			
20	Due to affiliates..... (Note 3).....	140,000	140,000
21	Other..... (Note 3).....	7,098	5,985
22	Deferred Credits..... (Note 4).....	0	0
23	Other Liabilities..... (Note 7, 13).....	19,552	28,123
24	Commitments And Contingencies (Note 5)		
25	Total Liabilities.....	198,110	206,577
26	Stockholders', Partners', Or Proprietor's Equity.....	159,056	138,171
27	Total Liabilities And Equity.....	\$357,166	\$344,748

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

STATEMENTS OF INCOME

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 1992 AND 1991

* Restated
11/15/92

(UNAUDITED)
(\$ in Thousands)

LINE (a)	DESCRIPTION (b)	1992 (c)	1991* (d)
	Revenue:		
1	Casino.....	\$242,466	\$217,581
2	Rooms.....	15,404	15,151
3	Food and beverage.....	26,235	25,301
4	Other.....	9,417	8,420
5	Total revenue.....	293,522	266,453
6	Less: Promotional allowances.....	32,058	28,388
7	Net revenue.....	261,464	238,065
	Costs and Expenses:		
8	Cost of goods and services..... (Note 6, 7).....	129,783	118,981
9	Selling, general, and administrative..... (Note 7).....	65,374	61,192
10	Provision for doubtful accounts.....	731	1,582
11	Total costs and expenses.....	195,888	181,755
12	Gross Operating Profit.....	65,576	56,310
13	Depreciation and amortization.....	11,850	11,951
	Charges from affiliates other than interest:		
14	Management fees.....	0	0
15	Other.....	0	0
16	Income (loss) from operations.....	53,726	44,359
	Other Income (Expenses):		
17	Interest (expense) - affiliates..... (Note 3)	(14,175)	(14,175)
18	Interest (expense) - external..... (Note 3)	(2,058)	(2,188)
19	Investment alternative tax & related income (exp)-net.... (Note 5)	(869)	(856)
20	Nonoperating income (expense) - net..... (Note 14)	(27,702)	(29,032)
21	Total other income (expenses).....	(44,804)	(46,251)
22	Income(Loss) Before Income Tax & Extraordinary Items.....	8,922	(1,892)
23	Provision (credit) for income taxes..... (Note 8).....	3,869	0
24	Income (Loss) Before Extraordinary Items.....	5,053	(1,892)
	Extraordinary items (net of income taxes -		
25	1992, \$ 23,400 ; 1991, \$ -0-)..... (Note 8, 9).....	(23,400)	0
26	Net Income (Loss).....	\$28,453	(\$1,892)

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

STATEMENTS OF INCOME

FOR THE THREE MONTHS ENDING SEPTEMBER 30, 1992 AND 1991

(UNAUDITED)
(\$ in Thousands)

*Restated
11/15/92

LINE (a)	DESCRIPTION (b)	1992 (c)	1991* (d)
	Revenue:		
1	Casino.....	\$91,457	\$83,127
2	Rooms.....	5,589	5,200
3	Food and beverage.....	9,566	9,259
4	Other.....	4,141	3,405
5	Total revenue	110,753	100,991
6	Less: Promotional allowances.....	11,910	10,369
7	Net revenue	98,843	90,622
	Costs and Expenses:		
8	Cost of goods and services..... (Note 6, 7)	47,006	42,898
9	Selling, general, and administrative..... (Note 7)	23,353	21,100
10	Provision for doubtful accounts.....	106	734
11	Total costs and expenses	70,465	64,732
12	Gross Operating Profit	28,378	25,890
13	Depreciation and amortization.....	3,780	4,038
	Charges from affiliates other than interest:		
14	Management fees.....	0	0
15	Other.....	0	0
16	Income (loss) from operations	24,598	21,852
	Other Income (Expenses):		
17	Interest (expense) - affiliates..... (Note 3)	(4,725)	(4,725)
18	Interest (expense) - external..... (Note 3)	(809)	(652)
19	Investment alternative tax & related income (exp)-net.... (Note 5)	(296)	(352)
20	Nonoperating income (expense) - net..... (Note 14)	(8,901)	(9,542)
21	Total other income (expenses)	(14,731)	(15,271)
22	Income(Loss) Before Income Tax & Extraordinary Items	9,867	6,581
23	Provision (credit) for income taxes..... (Note 8)	4,222	0
24	Income (Loss) Before Extraordinary Items	5,645	6,581
	Extraordinary items (net of income taxes -		
25	1992, \$ -0- ; 1991, \$ -0-..... (Note 8, 9)	0	0
26	Net Income (Loss)	\$5,645	\$6,581

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 STOCKHOLDERS' EQUITY

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 1992 AND 1991

(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	1992		1991	
		(c) SHARES	(d) DOLLARS	(e) SHARES	(f) DOLLARS
	Common Stock:				
1	Beginning balance (January 1).....	100	\$1	100	\$1
2	Sale of stock.....				
3	_____				
4	Ending balance.....	100	1	100	1
	Preferred Stock:				
5	Beginning balance (January 1).....	70,609	78,902	70,609	78,902
6	Sale of stock.....				
7	_____				
8	Ending balance.....	70,609	78,902	70,609	78,902
	Additional Paid-in Capital:				
9	Beginning balance (January 1).....		53,883		53,883
10	_____				
11	_____				
12	Ending balance.....		53,883		53,883
	Treasury Stock:				
13	Beginning balance (January 1).....				
14	Purchase of additional stock.....				
15	Sale or retirement of stock.....				
16	Ending balance.....				
	Subscriptions Receivable For Capital Stock:				
17	Beginning balance (January 1).....				
18	_____				
19	_____				
20	Ending balance.....				
	Net Unrealized Loss On Noncurrent Marketable Equity Securities:				
21	Beginning balance (January 1).....				
22	_____				
23	_____				
24	Ending balance.....				
	Retained Earnings:				
25	Beginning balance (January 1).....		(2,183)		7,277
26	Prior period adjustments.....				
27	Net income (loss).....		5,053		(1,892)
28	Dividends.....				
29	Extraordinary item.....				
30	Change in acct method.....(Note 8, 9)....		23,400		0
31	Ending balance.....		26,270		5,385
32	Ending Stockholders' Equity.....		\$159,056		\$138,171

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 Nine MONTHS ENDED September 30, 1992 AND 1991

(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.

STATEMENTS OF CASH FLOWS

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 1992 AND 1991

(UNAUDITED)
(\$ in Thousands)

LINE (a)	DESCRIPTION (b)	1992 (c)	1991 (d)
1	Net Cash Provided (Used) By Operating Activities.....	\$2,999	\$12,161
	Cash Flows From Investing Activities:		
2	Purchase of short-term investment securities.....		
3	Proceeds from the sale of short-term investment securities.....		
4	Cash outflows for property and equipment.....	(4,238)	(5,669)
5	Proceeds from disposition of property and equipment.....	123	654
6	Purchase of casino reinvestment obligations.....	(2,975)	(2,709)
7	Purchase of other investments and loans/advances made.....	(3,367)	(2,562)
8	Proceeds from disposal of investments and collection of advances and long-term receivables.....	5,752	1,832
9	Cash outflows to acquire business entities.....		
10	.....	
11	.....	
12	Net Cash Provided (Used) By Investing Activities.....	(4,705)	(8,454)
	Cash Flows From Financing Activities:		
13	Cash proceeds from issuance of short-term debt.....		
14	Payments to settle short-term debt.....		
15	Cash proceeds from issuance of long-term debt.....		
16	Costs of issuing debt.....		
17	Payments to settle long-term debt.....	(1,967)	(2,037)
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.....	(1,967)	(2,037)
24	Net Increase (Decrease) In Cash And Cash Equivalents.....	(3,673)	1,670
25	Cash And Cash Equivalents At Beginning Of Period.....	13,285	5,631
26	Cash And Cash Equivalents At End Of Period.....	\$9,612	\$7,301

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

Cash Paid During Period For:			
27	Interest (net of amount capitalized).....	\$20,911	\$20,946
28	Income taxes.....	\$0	\$0

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

STATEMENTS OF CASH FLOWS

FOR THE NINE MONTHS ENDING SEPTEMBER 30, 1992 AND 1991

(UNAUDITED)
(\$ in Thousands)

LINE (a)	DESCRIPTION (b)	1992 (c)	1991 (d)
	Net Cash Flows From Operating Activities:		
29	Net income (loss).....	\$28,453	(\$1,892)
	Noncash items included in income and cash items excluded from income:		
30	Depreciation and amortization of property and equipment.....	11,844	11,758
31	Amortization of other assets.....	6	193
32	Amortization of debt discount or premium.....		
33	Deferred income taxes - current.....	(8,329)	0
34	Deferred income taxes - noncurrent.....	(11,201)	0
35	(Gain) loss on disposition of property and equipment.....	(253)	941
36	(Gain) loss on casino reinvestment obligations.....	869	856
37	(Gain) loss from other investment activities.....		
38	Net (increase) decrease in receivables and patrons' checks.....	1,247	1,327
39	Net (increase) decrease in inventories.....	(45)	(13)
40	Net (increase) decrease in other current assets.....	(1,690)	(2,605)
41	Net (increase) decrease in other assets.....	67	73
42	Net increase (decrease) in accounts payables.....	(309)	(1,447)
43	Net increase (decrease) in other current liabilities excluding debt.....	(1,200)	2,137
44	Net increase (decrease) in other noncurrent liabilities excluding debt.....	(15,082)	1,429
45	Net (increase) decrease in accrued interest income.....	(1,378)	(596)
46			
47	Net Cash Provided (Used) By Operating Activities.....	\$2,999	\$12,161

SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING AND FINANCING ACTIVITIES

	Acquisition Of Property And Equipment:		
48	Additions to property and equipment.....	(\$7,500)	(\$7,026)
49	* Less: Capital lease obligations incurred.....	(3,262)	(1,357)
50	Cash Outflows For Property And Equipment.....	(\$4,238)	(\$5,669)
	Acquisition Of Business Entities:		
51	Property and equipment acquired.....		
52	Goodwill acquired.....		
53	Net assets acquired other than cash, goodwill, and property & equipment.....		
54	Long-term debt assumed.....		
55	Issuance of stock or capital invested.....		
56	Cash Outflows To Acquire Business Entities.....		
	Stock Issued Or Capital Contributions:		
57	Total issuance of stock or capital contributions.....		
58	Less: Issuances to settle long-term debt.....		
59	Consideration in acquisition of business entities.....		
60	Cash Proceeds From Issuing Stock Or Capital Contributions.....		

* Capital lease obligations of \$3,383 and \$2,492 were incurred for 1992 and 1991, respectively when Adamar entered into new property and equipment leases. Capital lease obligation retirements of \$121 and \$1,135 were incurred for 1992 and 1991, respectively. A note receivable in the amount of \$225 was issued for the sale of fixed assets of which \$25 has been received.

ADAMAR OF NEW JERSEY, INC.
 DBA TROPWORLD CASINO AND ENTERTAINMENT RESORT
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
 FOR THE NINE MONTHS ENDED SEPTEMBER 30, 1992 AND 1991

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 1991.

The specific footnotes not presented are the summary of significant accounting policies and lease obligations. The footnotes contained in the December 31, 1991 Annual Report should be read in conjunction with these financial statements.

NOTE 2. PROPERTY AND EQUIPMENT

At September 30, 1992 and 1991, the components of Property and Equipment consisted of:

	<u>1992</u>	<u>1991</u>
Land	\$ 39,217,000	\$ 38,258,000
Building, furniture and fixtures	283,676,000	280,971,000
Construction in progress	<u>1,974,000</u>	<u>2,840,000</u>
Total property and equipment - gross	324,867,000	322,069,000
Accumulated depreciation	<u>(93,176,000)</u>	<u>(83,041,000)</u>
Total property and equipment	<u>\$ 231,691,000</u>	<u>\$ 239,028,000</u>

NOTE 3. LONG-TERM DEBT

At September 30, 1992 and 1991, Long-Term Debt consisted of:

	<u>1992</u>	<u>1991</u>
Note payable to Aztar Mortgage Funding, Inc.; 13.5%; due 1996;	\$ 140,000,000	\$ 140,000,000
Obligations under capital leases	<u>10,097,000</u>	<u>8,684,000</u>
	150,097,000	148,684,000
Less current portion	<u>(2,999,000)</u>	<u>(2,699,000)</u>
Long-term portion	<u>\$ 147,098,000</u>	<u>\$ 145,985,000</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:

1992	\$ 709,000
1993	2,901,000
1994	2,633,000
1995	1,768,000
1996	141,423,000
Thereafter	<u>663,000</u>
Total	<u>\$ 150,097,000</u>

NOTE 4. DEFERRED CREDITS

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

NOTE 5. COMMITMENTS AND CONTINGENCIES

Licensing

On November 26, 1982, the Company was granted a permanent gaming license by the New Jersey Casino Control Commission. The license is renewable on a biennial basis. The license was renewed on October 28, 1991, effective November 26, 1991, for a period of two years. Management has received no indication that future renewals will not be granted.

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

Management believes that its defenses are substantial in each of these matters and that the Company's legal posture can be successfully defended without material adverse effect on its consolidated financial position.

The New Jersey Casino Control Commission imposes an annual tax of eight percent on gross revenue. Pursuant to legislation adopted in 1984, casino licensees are required to invest an additional one and one-quarter percent of gross casino revenue for the purchase of bonds to be issued by the Casino Reinvestment Development Authority ("CRDA") or make other approved investments equal to that amount; in the event the investment requirement is not met, the casino licensee is subject to a tax of two and one-half percent of gross casino revenue. As mandated by the legislation, the interest rate of the CRDA bonds purchased by the licensee will be two-thirds of the average market rate for bonds available for purchase and published by a national bond index at the time of the CRDA bond issuance. The Company's reinvestment obligation for 1992 and 1991, respectively, was \$2,975,000 and \$2,709,000 for the purchase of CRDA bonds and, accordingly, the Company recorded a loss provision of \$869,000 and \$856,000 to recognize the effect of the below market interest rate the bonds would have borne had they been issued on September 30, 1992 and 1991.

NOTE 6. JACKPOT PAYOUTS

Jackpot Payouts for the nine months ending September 30, 1992 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>22*</u>	<u>\$ 470,000</u>
Total	<u>-0-</u>	<u>\$ -0-</u>	<u>22</u>	<u>\$ 470,000</u>

Jackpot payouts for the quarter ending September 30, 1992 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>10</u>	<u>\$ 290,000</u>
Total	<u>-0-</u>	<u>\$ -0-</u>	<u>10</u>	<u>\$ 290,000</u>

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

NOTE 7. RELATED PARTIES

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

	<u>1992</u>	<u>1991</u>
Due to Aztar Corporation	\$ -0-	\$ 7,495,000
Due to Atlantic-Deauville, Inc.	322,000	82,000
Due to Ramada New Jersey, Inc.	2,094,000	1,314,000
Due to Adamar Garage Corporation	12,316,000	10,592,000
Due to Aztar Mortgage Funding, Inc.	<u>683,000</u>	<u>682,000</u>
	<u>\$ 15,415,000</u>	<u>\$ 20,165,000</u>

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

	<u>1992</u>	<u>1991</u>
Advances to Aztar Corporation	\$ 5,981,000	\$ -0-
Advances to Tropicana West	<u>10,743,000</u>	<u>21,406,000</u>
	16,724,000	21,406,000
Note receivable - Adamar Garage Corporation	<u>17,052,000</u>	<u>17,052,000</u>
	<u>\$ 33,776,000</u>	<u>\$ 38,458,000</u>

A note payable to Aztar Mortgage Funding, Inc. in the amount of \$140,000,000 is included in Long-term debt to affiliates (see Note 3).

For the nine months ended September 30, 1992 and 1991 the Company incurred charges from affiliates which are indicated in the accompanying Statements of Income as Cost of Goods and Services and Selling, General, and Administrative. The nature of the charges and dollar amounts are as follows:

	<u>1992</u>	<u>1991</u>
<u>Cost of Goods and Services</u>		
Executive Deferred Compensation Plan	\$ 6,000	\$ 3,000
Property insurance	350,000	343,000
Workman's compensation	790,000	796,000
Other	<u>1,000</u>	<u>-0-</u>
	<u>\$1,147,000</u>	<u>\$1,142,000</u>

	<u>1992</u>	<u>1991</u>
<u>Selling, General and Administrative</u>		
Insurance (1)	\$ 698,000	\$ 864,000
Executive deferred compensation plan	27,000	15,000
Workman's compensation	161,000	206,000
Long-term incentive	625,000	642,000
Restricted Stock	96,000	119,000
Other	<u>21,000</u>	<u>-0-</u>
	<u>1,628,000</u>	<u>1,846,000</u>
Total	<u>\$2,775,000</u>	<u>\$2,988,000</u>

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

NOTE 8. INCOME TAXES

The provision/(benefit) for income taxes recorded in the third quarter of 1992 is entirely a deferred provision. Increases from the statutory rate for 1992 are primarily related to state taxes and the non-deductible nature of certain business expenses.

There was no benefit for income taxes recorded in the 1991 third quarter primarily because the Company was in an operating loss carryforward position.

During the first quarter of 1992 the Company adopted the provisions of Statement of Accounting Standards No. 109, "Accounting for Income Taxes" ("SFAS 109"). For a discussion of SFAS 109 see "Note 9: Cumulative Effect of Accounting Change".

At January 1, 1992, the following tax benefits are available to offset future income:

	<u>Financial</u>		<u>Tax Basis</u>	
	<u>Federal</u>	<u>State</u>	<u>Federal</u>	<u>State</u>
Net operating losses	\$16,600,000	\$102,800,000	\$60,400,000	\$79,300,000
AMT net operation losses	16,800,000	-0-	62,400,000	-0-
Charitable contributions	500,000	500,000	500,000	500,000
General business credits	1,100,000	-0-	1,100,000	-0-

These tax benefits for income tax purposes will expire in the years 2001 through 2005 unless first offset against taxable income.

For income tax purposes Adamar is included in the Aztar consolidated Federal income tax return. Aztar allocates the current and deferred tax expense using a modified separate return method.

The Internal Revenue Service is examining the consolidated income tax returns for 1986 through 1989. The State of New Jersey is examining the Adamar separate income tax returns for 1983 through 1986. Management believes that adequate provision for income taxes and interest has been made in the financial statements.

NOTE 9. CUMULATIVE EFFECT OF ACCOUNTING CHANGE

In February 1992, the Financial Accounting Standards Board ("FASB") issued Statement of Financial Accounting Standards No. 109, "Accounting for Income Taxes" ("SFAS 109"), which supersedes Statement of Financial Accounting Standards No. 96 with the same title ("SFAS 96"). SFAS 96 was never adopted by the Company. The Company adopted the provisions of SFAS 109 in the first quarter of 1992 and elected not to restate prior year financial statements. The effect from prior years of adopting SFAS 109 as of the beginning of 1992 is a net tax benefit of \$23,400,000 and is reflected in the Statement of Income as the Cumulative effect of accounting change.

The income tax effects of temporary differences between financial and income tax reporting that give rise to a significant portion of the deferred income tax assets and liabilities at January 1, 1992, under the provisions of SFAS 109, are as follows:

	<u>Deferred Income Taxes</u>	
	<u>Assets</u>	<u>Liabilities</u>
Net operating loss carryforward	\$ 28,112	
Accrued rent expense	4,653	
Accrued bad debt expense	4,257	
Accrued liabilities	1,781	
Accrued compensation	1,021	
Other	799	
Depreciation and amortization:	-0-	\$ (8,878)
	<u>\$ 40,623</u>	<u>\$ (8,878)</u>

The Company has provided a valuation allowance of \$8,345,000 against the deferred income tax assets.

NOTE 10. PREPAID EXPENSES AND OTHER CURRENT ASSETS

At September 30, 1992 and 1991, Prepaid Expenses and Other Current Assets consisted of the following:

	<u>1992</u>	<u>1991</u>
Current deferred federal taxes	\$ 6,550,000	\$ -0-
Current deferred state taxes	1,779,000	-0-
Other	<u>5,643,000</u>	<u>7,087,000</u>
	<u>\$ 13,972,000</u>	<u>\$ 7,087,000</u>

SCHEDULE OF RECEIVABLES AND PATRONS' CHECKS

NOTE 11. INVESTMENTS, ADVANCES, AND RECEIVABLES

At September 30, 1992 and 1991, Investments, Advances, and Receivables consisted of the following:

	<u>1992</u>	<u>1991</u>
Due from affiliates	\$ 16,724,000	\$ 21,406,000
CRDA investment	18,587,000	15,830,000
Mortgage receivable	17,200,000	17,381,000
Note receivable -		
Adamar Garage Corporation	17,052,000	17,052,000
Long-term note receivable	<u>397,000</u>	<u>397,000</u>
Total	<u><u>\$ 69,960,000</u></u>	<u><u>\$ 72,066,000</u></u>

NOTE 12. OTHER ACCRUED EXPENSES

At September 30, 1992 and 1991, Other Accrued Expenses consisted of the following:

	<u>1992</u>	<u>1991</u>
Accrued payroll taxes and benefits	\$ 7,464,000	\$ 6,535,000
Accrued progressive slot win	3,290,000	7,100,000
Accrued miscellaneous	2,619,000	1,819,000
Deferred rent	3,819,000	3,819,000
Other	<u>5,195,000</u>	<u>5,618,000</u>
Total	<u><u>\$ 22,387,000</u></u>	<u><u>\$ 24,891,000</u></u>

NOTE 13. OTHER LIABILITIES

At September 30, 1992 and 1991, Other Liabilities consisted of the following:

	<u>1992</u>	<u>1991</u>
Due to affiliates	\$ 15,415,000	\$ 20,165,000
Deferred rent	<u>4,137,000</u>	<u>7,958,000</u>
Total	<u><u>\$ 19,552,000</u></u>	<u><u>\$ 28,123,000</u></u>

NOTE 14. NON-OPERATING INCOME/(EXPENSE)

For the period ending September 30, 1992 and 1991, Non-operating income/(expense) consisted of the following:

	1992	1991
Interest income	\$ 4,911,000	\$ 5,169,000
Administrative fee	75,000	75,000
Leased land rental	4,157,000	4,156,000
Maintenance reimbursement	9,667,000	9,253,000
Gain/(Loss) on disposition	253,000	(941,000)
Rent expense	<u>(46,765,000)</u>	<u>(46,744,000)</u>
Total	<u>\$ (27,702,000)</u>	<u>\$ (29,032,000)</u>

SCHEDULE OF RECEIVABLES AND PATRONS' CHECKS

SEPTEMBER 30, 1992

(UNAUDITED)

(\$ IN THOUSANDS)

ACCOUNTS RECEIVABLE BALANCES				
LINE (a)	DESCRIPTION (b)	ACCOUNT BALANCE (c)	ALLOWANCE (d)	ACCOUNTS RECEIVABLE- (e) NET OF ALLOWANCE
	Patrons' Checks:			
1	Undeposited patrons' checks.....	\$3,128		
2	Returned patrons' checks.....	12,560		
3	Total patrons' checks.....	15,688	(\$8,653)	\$7,035
4	Hotel Receivables.....	859	(262)	597
	Other Receivables:			
5	Receivables due from officers and employees....	14		
6	Receivables due from affiliates.....	0		
7	Other accounts and notes receivables.....	9,898		
8	Total other receivables.....	9,912		9,912
9	Totals (Form 205).....	\$26,459	(\$8,915)	\$17,544

UNDEPOSITED PATRONS' CHECKS ACTIVITY		
LINE (f)	DESCRIPTION (g)	AMOUNT (h)
10	Beginning Balance (January 1).....	\$3,773
11	Counter checks issued (excluding counter checks issued through transactions relating to consolidations, partial redemptions, substitutions, and patrons' cash deposits).....	94,651
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).....	(65,681)
13	Checks collected through deposits.....	(26,237)
14	Checks transferred to returned checks.....	(3,378)
15	Other adjustments.....	0
16	Ending Balance.....	\$3,128
17	"Hold" Checks Included In Balance On Line 16.....	\$0
18	Provision For Uncollectable Patrons' Checks.....	\$725
19	Provision As A Percent Of Counter Checks Issued.....	1.0%

STATEMENT OF CONFORMITY AND ACCURACY
 TRADING NAME OF LICENSEE: TROPWORLD CASINO AND ENTERTAINMENT RESORT

PROMOTIONAL EXPENSES AND ALLOWANCES
 (in Thousands)

For The Nine Months Ended September 30, 1992

	<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>
Rooms	158,436	\$ 9,956,000	-0-	\$ -0-
Food	1,156,865	11,337,000	87,654	859,000
Beverage	4,208,093	5,131,000	-0-	-0-
Travel	-0-	-0-	2,896	1,014,000
Coin	-0-	-0-	1,940,195	25,214,000
Coupon	-0-	-0-	-0-	-0-
Entertainment	198,277	1,634,000	13,257	265,000
Retail & Gifts	285,786	2,858,000	-0-	-0-
Other	114,181	1,142,000	38,771	388,000
Total	6,121,638	\$ 32,058,000	2,082,773	\$ 27,740,000

 For the Three Months Ended September 30, 1992

	<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>
Rooms	48,204	\$ 3,383,000	-0-	\$ -0-
Food	438,722	4,299,000	34,638	339,000
Beverage	1,634,195	1,812,000	-0-	-0-
Travel	-0-	-0-	764	268,000
Coin	-0-	-0-	728,825	9,544,000
Coupon	-0-	-0-	-0-	-0-
Entertainment	112,134	910,000	3,158	63,000
Retail & Gifts	112,233	1,122,000	-0-	-0-
Other	38,305	384,000	14,629	147,000
Total	2,383,793	\$ 11,910,000	782,014	\$ 10,361,000

STATEMENT OF CONFORMITY AND ACCURACY

STATE OF NEW JERSEY

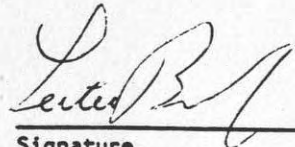
COUNTY OF ATLANTIC

:
:ss.
:

Lester Brzozowski, being duly sworn according to law upon my oath
Name

deposes and says:

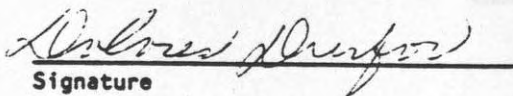
1. I have examined this Quarterly Report.
2. All the information contained in this Report has been prepared in conformity with Casino Control Commission's Quarterly Report Instructions and Uniform Chart of Accounts.
3. The information contained in this Quarterly Report is accurate to the best of my knowledge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



Signature
Senior Vice President of
Finance and Administration
Title

03032-11
License Number

Subscribed and sworn to
before me this 11th day
of November, 1992


Signature

COLLEEN BURTON
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Aug. 22, 1993

On Behalf Of:

TropWorld Casino &
Entertainment Resort
Casino Licensee

Basis of Authority
to Take Oaths

974.901
C.193

QUARTERLY REPORT

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

FOR THE QUARTER ENDED September 30, **1992**

TO THE
CASINO CONTROL COMMISSION
OF THE
STATE OF NEW JERSEY



NOV 16 Rec'd
1992

NAME OF OFFICER IN CHARGE
OF CORRESPONDENCE REGARDING
THIS QUARTERLY REPORT . . . Thomas P. Venier
OFFICIAL TITLE. Sr. Vice President of Finance
ADDRESS Huron Avenue & Brigantine Boulevard
Atlantic City, N. J. 08401

TRADING NAME OF LICENSEE TRUMP'S CASTLE HOTEL & CASINO

LIST OF FORMS – QUARTERLY REPORT

FOR THE QUARTER ENDED SEPTEMBER 30, 1992

TITLE	FORM NO.
Balance Sheets	CCC-205
Statements of Income (Nine Months)	CCC-210
Statements of Income (Three Months)	CCC-215
Statements of Changes in Stockholders' Equity	CCC-220
Statements of Changes in Partners' or Proprietor's Equity	CCC-225
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BALANCE SHEETS

SEPTEMBER 30, 1992 and 1991

(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1992	(d) 1991
ASSETS			
	Current Assets:		
1	Cash	\$19,718	\$15,476
2	Marketable securities	0	0
3	Receivables and patrons' checks (net of allowance for doubtful accounts - 1992, \$2,757; 1991, \$3,065)	7,248	7,614
4	Inventories	2,237	1,914
5	Prepaid expenses and other current assets.....	5,213	4,891
6	Total current assets	34,416	29,895
7	Investments, Advances, And Receivables	1,797	723
8	Property And Equipment - Gross	480,780	470,597
9	(Accumulated Depreciation/Amortization)	(138,090)	(118,218)
10	Other Assets	762	10,959
11	Total Assets	\$379,665	\$393,956
LIABILITIES AND EQUITY			
	Current Liabilities:		
12	Accounts payable	\$3,122	\$3,847
13	Notes payable	0	13,000
	Current portion of long-term debt:		
14	Due to affiliates	0	318,066
15	Other	0	50,000
16	Income taxes payable and accrued	0	0
17	Other accrued expenses	13,125	44,353
18	Other current liabilities	15,266	13,330
19	Total current liabilities.....	31,513	442,596
	Long-Term Debt:		
20	Due to affiliates	232,115	0
21	Other	45,000	0
22	Deferred Credits	0	0
23	Other Liabilities	7	8
24	Commitments And Contingencies		
25	Total Liabilities	308,635	442,604
26	Stockholders', Partners', Or Proprietor's Equity	71,030	(48,648)
27	Total Liabilities and Equity	\$379,665	\$393,956

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

TRADING NAME OF LICENSEE TRUMP'S CASTLE HOTEL & CASINO

STATEMENTS OF INCOME

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 1992 and 1991

(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1992	(d) 1991
	Revenue:		
1	Casino.....	\$184,409	\$146,756
2	Rooms	13,654	12,520
3	Food and beverage	26,720	24,968
4	Other	6,372	8,447
5	Total revenue	231,155	192,691
6	Less: Promotional allowances	26,334	24,280
7	Net revenue	204,821	168,411
	Costs And Expenses:		
8	Cost of goods and services	113,624	99,850
9	Selling, general, and administrative	57,772	45,032
10	Provision for doubtful accounts	1,927	2,197
11	Total costs and expenses	173,323	147,079
12	Gross Operating Profit	31,498	21,332
13	Depreciation and amortization	15,218	16,083
	Charges from affiliates other than interest:		
14	Management fees	603	0
15	Other	0	0
16	Income (Loss) From Operations	15,677	5,249
	Other Income (Expenses):		
17	Interest (expense) – affiliates.....	(30,889)	(31,785)
18	Interest (expense) – external	(3,350)	(4,589)
19	Investment alternative tax and related income (expense) – net.....	(1,189)	(1,885)
20	Nonoperating income (expense) – net	(5,672)	(2,429)
21	Total other income (expenses)	(41,100)	(40,688)
22	Income (Loss) Before Income Taxes And Extraordinary Items	(25,423)	(35,439)
23	Provision (credit) for income taxes	0	0
24	Income (Loss) Before Extraordinary Items	(25,423)	(35,439)
25	Extraordinary items (net of income taxes – 1992, \$ 126,837,000; 1991, \$0)	126,837	0
26	Net Income (Loss)	\$101,414	(\$35,439)

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

STATEMENTS OF INCOME

FOR THE THREE MONTHS ENDED SEPTEMBER 30, 1992 and 1991

(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1992	(d) 1991
	Revenue:		
1	Casino.....	\$71,062	\$56,178
2	Rooms	5,578	4,974
3	Food and beverage	10,112	9,462
4	Other	2,699	2,595
5	Total revenue	89,451	73,209
6	Less: Promotional allowances	10,127	9,376
7	Net revenue	79,324	63,833
	Costs And Expenses:		
8	Cost of goods and services	41,133	35,242
9	Selling, general, and administrative	22,031	14,994
10	Provision for doubtful accounts	643	661
11	Total costs and expenses	63,807	50,897
12	Gross Operating Profit	15,517	12,936
13	Depreciation and amortization	4,557	5,274
	Charges from affiliates other than interest:		
14	Management fees .....(NOTE 15).....	433	0
15	Other	0	0
16	Income (Loss) From Operations	10,527	7,662
	Other Income (Expenses):		
17	Interest (expense) – affiliates.....(NOTE 3,5).....	(9,953)	(10,619)
18	Interest (expense) – external .....(NOTE 4).....	(1,029)	(1,495)
19	Investment alternative tax and related income (expense) – net.....(NOTE 11).....	(370)	(617)
20	Nonoperating income (expense) – net .....(NOTE 10).....	174	(2,117)
21	Total other income (expenses)	(11,178)	(14,848)
22	Income (Loss) Before Income Taxes And Extraordinary Items	(651)	(7,186)
23	Provision (credit) for income taxes .....(NOTE 1).....	0	0
24	Income (Loss) Before Extraordinary Items	(651)	(7,186)
25	Extraordinary items (net of income taxes – 1992, \$0; 1991, \$0) .....(NOTE 14).....	0	0
26	Net Income (Loss)	(\$651)	(\$7,186)

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 NINE MONTHS ENDED SEPTEMBER 30, 1992 and 1991

NOT APPLICABLE

(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	1992		1991	
		(c) SHARES	(d) DOLLARS	(e) SHARES	(f) DOLLARS
	Common Stock:		\$		\$
1	Beginning balance (January 1)				
2	Sale of stock				
3	_____				
4	Ending balance				
	Preferred Stock				
5	Beginning balance (January 1)				
6	Sale of stock				
7	_____				
8	Ending balance				
	Additional Paid-in Capital:				
9	Beginning balance (January 1)				
10	_____				
11	_____				
12	Ending balance				
	Treasury Stock:				
13	Beginning balance (January 1)		()		()
14	Purchase of additional stock		()		()
15	Sale or retirement of stock				
16	Ending balance		()		()
	Subscriptions Receivable For Capital Stock:				
17	Beginning balance (January 1)		()		()
18	_____				
19	_____				
20	Ending balance		()		()
	Net Unrealized Loss on Noncurrent Marketable Equity Securities:				
21	Beginning balance (January 1)		()		()
22	_____				
23	_____				
24	Ending balance		()		()
	Retained Earnings:				
25	Beginning balance (January 1)				
26	Prior period adjustments				
27	Net income (loss)				
28	Dividends		()		()
29	_____				
30	_____				
31	Ending balance				
32	Ending Stockholders' Equity		\$ N/A		\$ N/A

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

TRADING NAME OF LICENSEE TRUMP'S CASTLE HOTEL & CASINO

STATEMENTS OF CASH FLOWS

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 1992 and 1991

(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1992	(d) 1991
1	Net Cash Provided (Used) By Operating Activities	(\$23,793)	\$8,851
	Cash Flows From Investing Activities:		
2	Purchase of short-term investment securities.....	0	0
3	Proceeds from the sale of short-term investment securities.....	0	0
4	Cash outflows for property and equipment.....	(6,295)	(3,021)
5	Proceeds from disposition of property and equipment.....	0	1,841
6	Purchase of casino reinvestment obligations.....	(1,258)	(239)
7	Purchase of other investments and loans/advances made.....	0	0
8	Proceeds from disposal of investments and collection of advances and long-term receivables.....	0	0
9	Cash outflows to acquire business entities.....	0	0
10	Redemption of A-1 Bonds.....	0	0
11	.....	0	0
12	Net Cash Provided (Used) By Investing Activities.....	(7,553)	(1,419)
	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.....	3,070	0
16	Costs of issuing debt.....	0	0
17	Payments to settle long-term debt.....	0	0
18	Cash proceeds from issuing stock or capital contributions.....	0	0
19	Purchases of treasury stock.....	0	0
20	Payments of dividends or capital withdrawals.....	0	0
21	.....	33,024	0
22	.....	0	0
23	Net Cash Provided (Used) By Financing Activities.....	36,094	0
24	Net Increase (Decrease) In Cash And Cash Equivalents.....	4,748	7,432
25	Cash And Cash Equivalents At Beginning Of Period.....	14,970	8,044
26	Cash And Cash Equivalents At End Of Period.....	\$19,718	\$15,476

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

27	Cash Paid During Period For: Interest (net of amount capitalized).....	\$2,711	\$6,393
28	Income taxes.....	0	0

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

STATEMENTS OF CASH FLOWS

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 1992 and 1991

(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1992	(d) 1991
	Net Cash Flows From Operating Activities:		
29	Net income (loss).....	\$101,414	(\$35,439)
	Noncash items included in income and cash items excluded from income:		
30	Depreciation and amortization of property and equipment.....	14,783	15,392
31	Amortization of other assets.....	435	691
32	Amortization of debt discount or premium.....	4,287	2,152
33	Deferred income taxes – current.....	0	0
34	Deferred income taxes – noncurrent.....	0	0
35	(Gain) loss on disposition of property and equipment.....	0	(51)
36	(Gain) loss on casino reinvestment obligations.....	1,189	1,885
37	(Gain) loss from other investment activities.....	0	0
38	Net (increase) decrease in receivables and patrons' checks.....	548	6,872
39	Net (increase) decrease in inventories.....	(386)	859
40	Net (increase) decrease in other current assets.....	(1,464)	(2,084)
41	Net (increase) decrease in other assets.....	(681)	(395)
42	Net increase (decrease) in accounts payables.....	(3,206)	(7,291)
43	Net increase (decrease) in other current liabilities excluding debt.....	(12,525)	26,260
44	Net increase (decrease) in other noncurrent liabilities excluding debt.....	0	0
45	.....	(128,187)	0
46	.....	0	0
47	Net Cash Provided (Used) By Operating Activities.....	(\$23,793)	\$8,851

SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING AND FINANCING ACTIVITIES

	Acquisition Of Property And Equipment:		
48	Additions to property and equipment.....	\$6,295	(\$3,021)
49	Less: Capital lease obligations incurred.....	0	0
50	Cash Outflows For Property And Equipment.....	\$6,295	(\$3,021)
	Acquisition Of Business Entities:		
51	Property and equipment acquired.....	\$0	\$0
52	Goodwill acquired.....	0	0
53	Net assets acquired other than cash, goodwill, and property and equipment.....	0	0
54	Long-term debt assumed.....	0	0
55	Issuance of stock or capital invested.....	0	0
56	Cash Outflows To Acquire Business Entities.....	\$0	\$0
	Stock Issued Or Capital Contributions:		
57	Total issuances of stock or capital contributions.....	\$0	\$0
58	Less: Issuances to settle long-term debt.....	0	0
59	Consideration in acquisition of business entities.....	0	0
60	Cash Proceeds From Issuing Stock Or Capital Contributions.....	\$0	\$0

TRUMP'S CASTLE HOTEL & CASINO

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Organization and Operation:

Trump's Castle Associates Limited Partnership (the "Partnership") was formed as a limited partnership in 1985 for the sole purpose of acquiring and operating Trump's Castle Casino Resort by the Bay ("Trump's Castle"). The Partnership converted to a general partnership in February 1992. The current partners and their respective ownership interests are Donald J. Trump, 49.995%, the Managing General Partner, Trump's Castle Hotel and Casino, Inc. ("TCHC"), .01% and TC/GP, Inc. ("TC/GP"), 49.995%.

Revenue Recognition:

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

Promotional Allowances:

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

Income Taxes/Deferred Credits:

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

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

Allowance for Doubtful Accounts:

The allowance for doubtful accounts is maintained at a level considered adequate to provide for possible future losses. The Partnership has provided \$2,757,000 through September 30, 1992.

STATEMENTS OF CASH FLOWS
 PERIOD ENDED SEPTEMBER 30, 1992
 STATEMENTS OF CASH FLOWS

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.

NOTE 2 - PROPERTY AND EQUIPMENT:

Property and equipment as of September 30.

	<u>1992</u>	<u>1991</u>
	(In thousands)	
Land	\$ 34,568	\$ 31,557
Buildings	235,170	235,170
Furniture, Fixtures and Equipment	97,070	93,494
Construction in Progress	1,969	840
Building/Leasehold Improvements	112,003	109,536
	-----	-----
TOTAL	\$480,780	\$470,597
Less Accumulated Depreciation	(138,090)	(118,218)
	-----	-----
Net Property and Equipment	\$342,690	\$352,379
	=====	=====

NOTE 3 - LONG TERM DEBT:

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

Bonds and with similar payment terms. In addition, the Partnership directly guaranteed the payment of the principal of, premium, if any, and interest on the Old Bonds (the "Old Guaranty"). On the Effective Date, the Old Partnership Note and Old Guaranty were discharged, the Partnership issued a new promissory note (the "Partnership Note") and a new guaranty (the "Guaranty") and the Old Bonds were exchanged for the Company's 9.50% Mortgage Bonds, due 1998 (the "New Bonds") and shares of common stock of TC/GP (the "Common Stock").

On March 9, 1992, the Company, the Partnership, and its general partners filed a voluntary petition for relief under Chapter 11 of title 11, United States Code (the "Bankruptcy Code") and filed a Plan of Reorganization (the "Plan"). The Plan was confirmed by the Bankruptcy Court on May 5, 1992 and the Plan was consummated on May 29, 1992 (the "Effective Date"). Pursuant to the terms of the Plan, the Old Bonds were exchanged for the New Bonds and Common Stock (Note 3) and certain modifications were made to the terms of the bank borrowings (Note 4), and amounts owed to Donald J. Trump (Note 5). The issuance of the Common Stock resulted in approximately 50% of the beneficial ownership interest in the Partnership being transferred to the holders of Old Bonds.

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

On the Effective Date, TC/GP received a 50% beneficial interest in Trump's Castle Hotel & Casino, Inc., a partner in the Partnership, and was admitted as a partner in the Partnership, giving TC/GP a 50% beneficial interest in the Partnership. On the Effective Date, the partners executed the Amended and Restated Partnership Agreement (the "Partnership Agreement"), which provides, among other things, for a Board of Partners Representatives (the "Board") to oversee the business and operations of the Partnership. Pursuant to the terms of the Partnership Agreement, Donald J. Trump was appointed the Managing General Partner of the Partnership responsible for its day-to-day operations, and has the right to appoint four of the seven members of the Board; the remaining members of the Board are appointed by TC/GP through the holders of its Common Stock. Upon the occurrence of certain events, TC/GP has the right to appoint four members to the Board, and Donald J. Trump has the right to appoint three.

The Plan resulted in an extraordinary gain totaling approximately \$128,187,000, including the \$96,896,000 discussed above, \$18,000,000 representing the forgiveness of the bank debt (Note 3), and \$23,805,000 representing a discharge of accrued interest and accretion on indebtedness, less the write-off of unamortized loan issuance costs of \$9,514,000. On the Effective Date, 35,447 of additional units

(Note 3) were issued in lieu of the Bond Carryforward Amount and the Effective Date Amount, as defined. Additionally, the Plan resulted in a discharge of related party indebtedness in the approximate amount of \$33,325,000 which has been accounted for as a contribution to capital (Note 5).

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

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

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

The New Bonds are secured by an assignment to First Bank National Association, the trustee under the indenture pursuant to which the New Bonds were issued (the "Indenture"), of a promissory note of the Partnership to the Company (the "Partnership Note") in an amount and with payment terms necessary to service the New Bonds. The Partnership Note is secured by a mortgage on Trump Castle and substantially all of the other assets of the Partnership (the "Mortgage"). The New Bonds are guaranteed as to payment of principal and interest, on a nonrecourse basis by the Partnership and are secured by a mortgage on the Partnership's real property.

The New Bonds are subject to redemption at any time, in whole, but not in part, at specified prices. Upon the redemption of the New Bonds, the Common Stock will cease to trade as a Unit with the New Bonds, and will trade separately.

NOTE 4 - BANK BORROWINGS:

On February 16, 1988, the Company and the Partnership entered into a \$50,000,000 revolving credit facility with Midlantic National Bank ("Midlantic"), later converted to a term loan in August 1990 ("Term Loan") to finance a portion of the cost of constructing a helipad on the roof of Trump's Castle's parking garage and a new hotel tower, including a ballroom. In June 1990, the Partnership borrowed \$13,000,000 from Midlantic under an unsecured line of credit pursuant to a grid note (the "Grid Note"). Pursuant to the Plan, the terms of both of these loans were modified. The restructured Term Loan bears interest at 9% per annum over the first three years and will adjust to a market rate if the maturity thereof is extended in accordance with its terms. Additionally, the principal amount of the Term Loan was reduced to \$38,000,000. The amended Term Loan will mature three years from the Effective Date and is secured by a mortgage lien on Trump's Castle that is prior to the lien securing the New Bonds. The restructured Grid Note bears interest at 8.5% per annum for the first three years and will be adjusted to a market rate if the maturing thereof is extended in accordance with its terms. The outstanding principal amount of the Grid Note has been reduced to \$7,000,000 and the Grid Note has been converted into a demand note, although Midlantic has agreed not to demand payment for a period of three years from the Effective Date so long as no Event of Default has occurred thereunder.

NOTE 5 - OTHER BORROWINGS:

The Partnership borrowed \$28,264,878 from Donald J. Trump, one of its general partners which included \$9,889,000 of Series A-1 Bonds (face value \$12,480,000) the proceeds of which were used to partially satisfy the June 1990 interest and sinking fund requirements of the Old Bonds. Pursuant to the Plan the above obligations were canceled and contributed to capital and Donald J. Trump received in exchange thereof a priority interest in the Partnership (the "Trump Priority Interest"). The Trump Priority Interest will initially be \$15,000,000 and the Partnership will be required to pay a priority return thereon semi-annually at a rate per annum of up to 9.50%. The priority return on capital will be paid currently out of certain cash in excess of the First Tier Sweep Amount, as defined, or under certain circumstances, the Third Tier Sweep Amount, as defined. To the extent not paid in full, the Trump Priority Interest will be entitled to a priority distribution upon dissolution of the Partnership.

In December 1990, Fred Trump, the father of Donald J. Trump, placed \$3,500,000 in cash on deposit with the Partnership's casino cage, which was recorded by the Partnership as a gaming patron deposit. Counter checks totaling \$3,500,000 were issued against the deposit, for which Fred Trump received gaming chips valued at \$3,500,000. These gaming chips were included in the outstanding chip liability on the Partnership's books at March 31, 1992. To date, Fred Trump has not redeemed the gaming chips for cash. Any redemption of such gaming chips must be done in accordance with the Indenture.

NOTE 6 - OTHER ASSETS - (NET):

	<u>1992</u>	<u>1991</u>
	(In thousands)	
Deferred Loan Cost	\$ 0	\$ 377
Deferred Bond Costs (Net)	0	9,814
Other Non-Current Assets	762	768
Deferred Marina Improvement	0	0
	-----	-----
TOTAL OTHER ASSETS	\$ 762	\$10,959
	=====	=====

NOTE 7 - ACCOUNTS PAYABLE:

	<u>1992</u>	<u>1991</u>
	(In thousands)	
Accounts Payable Trade	\$ 2,586	\$3,235
Patron Deposits	465	432
Other	71	180
	-----	-----
TOTAL ACCOUNTS PAYABLE	\$ 3,122	\$ 3,847
	=====	=====

NOTE 8 - OTHER ACCRUED EXPENSES:

	<u>1992</u>	<u>1991</u>
	(In thousands)	
Accrued Payroll & Taxes	\$ 3,591	\$ 3,726
Accrued Interest	3,969	33,481
Accrued Advertising/Promotions	179	668
Accrued Progressive Jackpots	363	2,085
Accrued Sick/Vacation	4,499	4,043
Other	524	350
	-----	-----
TOTAL OTHER ACCRUED EXPENSES	\$13,125	\$44,353
	=====	=====

NOTE 9 - OTHER CURRENT LIABILITIES:

	<u>1992</u>	<u>1991</u>
	(In thousands)	
Outstanding Chip Liability	\$ 4,295	\$ 4,272
Outstanding Token Liability	368	628
Patron Deposits	35	97
Accrued Utilities	124	111
Accrued Group Health insurance	1,921	2,086
Accrued Insurance	1,912	1,553
A/P Other	4,878	2,906
Accrued Legal	522	694
Accrued CCC/DGE	217	415
Construction Retainage	2	204
Accrued Inventories	246	263
Accrued CRDA	746	101
	-----	-----
TOTAL OTHER CURRENT LIABILITIES	\$15,266	\$13,330
	=====	=====

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

Non-operating income for quarter ended September 30:

Three Months

1992 1991
(In thousands)

Discount Earned	\$ 0	\$ 0
Interest Income	158	119
Gain/(Loss) Disp. of Equipment	0	(7)
Debt Restructuring	16	(2,229)
	-----	-----
	\$ 174	\$(2,117)
	=====	=====

Non-operating income for nine months ended September 30:

Nine Months

1992 1991
(In thousands)

Discount Earned	\$ 0	\$ 0
Interest Income	310	373
Gain/(Loss) Disp. of Equipment	0	51
Debt Restructuring	(5,982)	(2,853)
	-----	-----
	\$ (5,672)	\$(2,429)
	=====	=====

NOTE 11 - COMMITMENTS AND CONTINGENCIES:

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

On May 8, 1991, the CCC renewed the casino license of the Partnership through May 16, 1993, subject to the conditions that both the Partnership and Donald J. Trump demonstrate their financial stability through May 16, 1993 at a subsequent CCC proceeding. On June 20, 1991, the CCC determined that Donald J. Trump, as a natural person qualifier, had by clear and convincing evidence established his financial stability, integrity, and responsibility through May 16, 1993 but required that by July 31, 1991 Donald J. Trump file with the CCC and the Division final

executed contracts effectuating agreements with certain lender banks to which Donald J. Trump and certain of his Affiliates are a party. On June 26, 1991, the CCC required that the Partnership (a) by July 31, 1991 agree upon definitive documentation reflecting a previously agreed upon outline of principal terms; (b) by July 31, 1991 file with the SEC the Registration Statement outlining a Plan of Reorganization; and (c) within forty-five days of the registration Statement being declared effective by the SEC, file a Petition with the United States Bankruptcy Court for approval of the Plan. On March 9, 1992, the Company, the Partnership, and its general partners filed a voluntary petition for relief under Chapter 11 of title 11, United States Code (the "Bankruptcy Code") and filed a Plan of Reorganization (the "Plan"). The Plan was confirmed by the Bankruptcy Court on May 5, 1992 and the Plan was consummated on May 29, 1992 (the "Effective Date"). Pursuant to the terms of the Plan, the Old Bonds were exchanged for the New Bonds and Common Stock (Note 3) and certain modifications were made to the terms of the bank borrowings (Note 4), and amounts owed to Donald J. Trump (Note 5). The issuance of the Common Stock resulted in approximately 50% of the beneficial ownership interest in the Partnership being transferred to the holders of Old Bonds.

CASINO REINVESTMENT DEVELOPMENT AUTHORITY OBLIGATIONS

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

Commencing 12 months after the date of opening (June 17, 1985) and continuing for a period of 25 years thereafter, the Partnership must either obtain investment tax credits, as defined, in an amount equivalent to 1.25% of its gross casino revenues or pay an alternative tax of 2.5% of its gross casino revenues. Investment tax credits may be obtained by the purchase of bonds at below market interest rates from the Casino Reinvestment Development Authority (CRDA) or by making qualified investments which must be approved by the CRDA. The Partnership is required to make quarterly deposits with the CRDA to satisfy its investment obligation.

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

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

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

As a result of this agreement, the Partnership has charged \$902,000 for the nine months ending September 30, 1992 to operations, which represents application of a portion of the tax credits, as well as the effect of below market interest rates associated with the bond purchase commitment.

Additionally, the Partnership has charged \$278,000 and \$257,000 respectively to its second quarter of 1992 and 1991 results to give effect to the CRDA donations. These charges represent the write down of the asset value of the CRDA deposits to the value of the tax credits issued to the Partnership by the CRDA.

ROADWAY IMPROVEMENTS

The Partnership, along with another Atlantic City casino, has entered into a joint venture agreement with the New Jersey Department of Transportation to fund the construction of certain roadway improvements in the Atlantic City Marina District. The agreement requires that the Partnership make cash contributions totaling \$8,000,000. As of September 30, 1992, the Partnership had made contributions totaling approximately \$6,802,000.

NOTE 12 - EMPLOYEE BENEFIT PLANS:

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

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

The Partnership recorded charges of approximately \$539,000 for matching contributions for the nine months ended September 30, 1992.

The Partnership made payments to various trusted pension plans under industry-wide union agreements. The payments are based on the hours worked by or gross wages paid to covered employees. It is not practical to determine the

amount of payments ultimately used to fund pension benefit plans or the current financial condition of these plans. Under the Employee Retirement Income Security Act, the Partnership may be liable for its share of the plans unfunded liability, if any, if the plans are terminated.

NOTE 13 - JACKPOT PAYOUTS:

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

For The Three Months
Ended 9/30/92

	<u>Number of Recipients</u>	<u>Amount</u>
Motor Vehicles	0	\$ 0
	--	-----
TOTALS	0	\$ 0
	==	=====

For The Nine Months
Ended 9/30/92

	<u>Number of Recipients</u>	<u>Amount</u>
Motor Vehicles	0	\$ 0
	--	-----
TOTALS	0	\$ 0
	==	=====

NOTE 14 - EXTRAORDINARY ITEM:

Since June 1990, various purported class actions have been commenced on behalf of the holders of Trump's Castle Bonds and the publicly traded bonds of the Other Trump Casinos. Pursuant to an Order of the New Jersey District Court, on or about March 1, 1991, plaintiffs in the class actions filed an amended and consolidated complaint that superseded the complaints originally filed in those three actions. On July 30, 1991, counsel for the parties in the above litigation reached an agreement in principal pursuant to which Trump's Castle Associates created a settlement fund in the amount of \$1,350,000 in cash. This settlement fund is presented as an extraordinary item for these financial statements.

The Plan resulted in an extraordinary gain totaling approximately \$128,187,000, including the \$96,896,000 discussed above, \$18,000,000 representing the forgiveness of the bank debt (Note 3), and \$23,805,000 representing a discharge of accrued interest and accretion

on indebtedness, less the write-off of unamortized loan issuance costs of \$9,514,000. On the Effective Date, 35,447 of additional units (Note 3) were issued in lieu of the Bond Carryforward Amount and the Effective Date Amount, as defined. Additionally, the Plan resulted in a discharge of related party indebtedness in the approximate amount of \$33,325,000 which has been accounted for as a contribution to capital (Note 5).

NOTE 15 - RELATED PARTY TRANSACTIONS

The Partnership has recorded expenses for the three months and nine months ended September 30, 1992 and 1991 from Trump's Castle Management Corp. ("TCM") as follows:

		<u>Three Months</u>	
<u>Affiliate</u>	<u>Transaction</u>	<u>1992</u>	<u>1991</u>
		(In Thousands)	
Trump's Castle Management Corp.	Management Fee	\$ 433	\$ 0
		=====	=====
Ending balance			
		<u>Nine Months</u>	
<u>Affiliate</u>	<u>Transaction</u>	<u>1992</u>	<u>1991</u>
		(In Thousands)	
Trump's Castle Management Corp.	Management Fee	\$ 603	\$ 0
		=====	=====
Ending balance			

STATEMENTS OF CHANGES IN PARTNERS' OR PROPRIETOR'S EQUITY

FOR THE NINE MONTHS ENDED SETEMBER 30, 1992 and 1991

(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1992	(d) 1991
	Invested Capital:		
1	Beginning balance (January 1)	\$71,196	\$71,196
2	Additional capital invested	33,024	0
3	.....	0	0
4	Ending balance	104,220	71,196
	Accumulated Income (Loss):		
5	Beginning balance (January 1)	(96,154)	(45,955)
6	Prior period adjustments	0	0
7	Net income (loss)	101,414	(35,439)
8	.....	0	0
9	Ending balance	5,260	(81,394)
	Capital Withdrawals:		
10	Beginning balance (January 1)	(38,450)	(38,450)
11	Additional capital withdrawals	0	0
12	.....	0	0
13	Ending balance	(38,450)	(38,450)
	Net Unrealized Loss On Noncurrent Marketable Equity Securities:		
14	Beginning balance (January 1)	0	0
15	.....	0	0
16	.....	0	0
17	Ending balance	0	0
18	Ending Partners' Or Proprietor's Equity	\$71,030	(\$48,648)

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

SCHEDULE OF RECEIVABLES AND PATRONS' CHECKS

SEPTEMBER 30, 1992

(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	\$4,724		
2	Returned patrons' checks	3,156		
3	Total patrons' checks	7,880	\$2,626	\$5,254
4	Hotel Receivables	433	131	302
5	Other Receivables: Receivables due from officers and employees	19		
6	Receivables due from affiliates	669		
7	Other accounts and notes receivables	1,004		
8	Total other receivables	1,692	0	1,692
9	Totals (Form 305)	\$10,005	\$2,757	\$7,248

UNDEPOSITED PATRONS' CHECKS ACTIVITY		
LINE (f)	DESCRIPTION (g)	AMOUNT (h)
10	Beginning Balance (January 1)	\$4,204
11	Counter checks issued (excluding counter checks issued through transactions relating to consolidations, partial redemptions, substitutions, and patrons' cash deposits)	121,260
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)	(94,350)
13	Checks collected through deposits	(23,268)
14	Checks transferred to returned checks	(3,122)
15	Other adjustments	0
16	Ending Balance	\$4,724
17	"Hold" Checks Included In Balance On Line 16	\$0
18	Provision For Uncollectible Patrons' Checks	1,739
19	Provision As A Percent Of Counter Checks Issued	1.4%

TRADING NAME OF LICENSEE TRUMP'S CASTLE HOTEL & CASINO

PROMOTIONAL EXPENSES AND ALLOWANCES

STATE OF NEW JERSEY

(\$ IN THOUSANDS)

COUNTY OF

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 1992

	PROMOTIONAL ALLOWANCES		PROMOTIONAL EXPENSES	
	Number of Recipients	Dollar Amount	Number of Recipients	Dollar Amount
ROOMS	114,333	\$8,575,000	0	\$0
FOOD	891,800	13,376,000	0	0
BEVERAGE	793,882	3,374,000	0	0
TRAVEL	0	0	28,714	5,025,000
COIN	0	0	0	0
COUPON	0	0	2,158,915	19,380,000
ENTERTAINMENT	32,240	806,000	256	8,966
RETAIL & GIFTS	0	0	0	0
OTHER	40,600	203,000	21,700	1,085,000
TOTAL	1,872,855	\$26,334,000	2,209,585	\$25,498,966

FOR THE THREE MONTHS ENDED SEPTEMBER 30, 1992

	PROMOTIONAL ALLOWANCES		PROMOTIONAL EXPENSES	
	Number of Recipients	Dollar Amount	Number of Recipients	Dollar Amount
ROOMS	49,173	\$3,688,000	0	\$0
FOOD	316,000	4,739,000	0	0
BEVERAGE	299,382	1,272,000	0	0
TRAVEL	0	0	10,320	1,806,000
COIN	0	0	0	0
COUPON	0	0	860,059	7,833,000
ENTERTAINMENT	12,960	324,000	158	4,291
RETAIL & GIFTS	0	0	0	0
OTHER	20,800	104,000	10,060	503,000
TOTAL	698,315	\$10,127,000	880,597	\$10,146,291

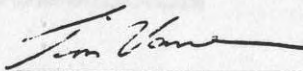
STATEMENT OF CONFORMITY AND ACCURACY

STATE OF NEW JERSEY :
COUNTY OF ATLANTIC :ss.

Thomas P. Venier, being duly sworn according to law upon my oath

deposes and says:

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



Signature

Sr. Vice President Finance


Title

00711-11

License Number

Subscribed and sworn to
before me this 13th day
of November, 1992

On behalf Of:


Signature

Trump's Castle Hotel & Casino
Casino Licensee

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

Basis of Authority
to Take Oaths

QUARTERLY REPORT

974.901

C193

TRADING NAME OF LICENSEE: TRUMP PLAZA HOTEL & CASINO

LIST OF FORMS - QUARTERLY REPORT

LICENSEE: TRUMP PLAZA HOTEL & CASINO SEP 30, 1992

ADDRESS: MISSISSIPPI AVENUE & BOARDWALK
ATLANTIC CITY, NJ 08401

TITLE

FORM NO

FOR THE QUARTER ENDED SEPTEMBER 30, 1992

Statements of Income (Year-to-Date)

CCC-210

Statements of Income (Three Months)

CCC-215

TO THE

CASINO CONTROL COMMISSION

CCC-225

Statements of Cash Flows

CCC-235

OF THE

Notes to Financial Statements

STATE OF NEW JERSEY

Schedule of Receivables and Patron Checks

CCC-240

Promotional Expenses and Allowances

CCC-245

Statement of Conformity and Accuracy

CCC-250

NOV 12 Rec'd

**NAME OF OFFICER IN CHARGE
OF CORRESPONDENCE REGARDING**

THIS QUARTERLY REPORT.....FRANCIS X. MCCARTHY, JR

OFFICIAL TITLE.....SENIOR VICE PRESIDENT OF FINANCE & ADMINISTRATION

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

TRADING NAME OF LICENSEE: TRUMP PLAZA HOTEL & CASINO

FOR THE QUARTER ENDED SEPTEMBER 30, 1992

FOR THE QUARTER ENDED SEPTEMBER 30, 1992

LINE (A)	DESCRIPTION (B)	(C) 1992	(D) 1991	
ASSETS				
Current Assets:				
1	Cash.....	\$ 14,952	\$ 19,760	
2	Marketable securities.....	-	-	
3	Receivables and patrons' checks (net of allowance for doubtful accounts - 1992, \$18,173; 1991, \$19,948).....	8,940	15,370	
4	Inventories.....	2,720	2,390	
5	Prepaid expenses and other current assets..... NOTE 2.....	4,160	4,370	
6	Total Current Assets	30,813	42,100	
7	Investments..... NOTE 3.....	4,947	6,285	
8	Other Assets..... NOTE 4.....	406,169	399,090	
9	Other Assets..... NOTE 4.....	(105,851)	81,230	
10	Other Assets..... NOTE 4.....	39,781	15,245	
11	Total Assets	\$ 305,349	\$ 305,000	
LIABILITIES AND EQUITY				
Current Liabilities:				
12	Accounts payable.....	\$ 5,892	\$ 5,257	
13	Accounts payable and accrued expenses.....	404	220	
14	Current portion of long-term debt.....	-	-	
15	Income taxes payable and accrued..... NOTE 5.....	1,537	3,496	
16	Other current liabilities..... NOTE 6.....	20,265	27,918	
17	Total current liabilities NOTE 7.....	8,511	11,247	
18	Other current liabilities.....	43,479	80,218	
19	Long-Term Debt:			
20	Due to affiliates..... NOTE 8.....	225,000	260,000	
21	Other..... NOTE 9.....	24,095	37,539	
22	Deferred Credits..... NOTE 10.....	736	2,751	
23	Other Liabilities..... NOTE 11.....	58,056	-	
24	Commitments and Contingencies..... NOTE 12.....	-	-	
25	Total Liabilities	351,310	300,608	
26	Stockholders', Partners', or Proprietor's Equity.....	17,039	14,392	
27	Total Liabilities and Equity	\$ 305,349	\$ 305,000	

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

TRADING NAME OF LICENSEE: TRUMP PLAZA HOTEL & CASINO

BALANCE SHEETS

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 1992 AND 1991

(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1992	(d) 1991
ASSETS			
	Current Assets:		
1	Cash.....	\$ 14,452	\$ 19,769
2	Marketable securities.....	—	—
3	Receivables and patrons' checks (net of allowance for doubtful accounts - 1992, \$16,173; 1991, \$19,946).....	8,842	15,276
4	Inventories.....	2,729	2,832
5	Prepaid expenses and other current assets..... NOTE 2.....	4,190	4,223
6	Total current assets.....	30,213	42,100
7	Investments, Advances, and Receivables..... NOTE 3.....	4,987	6,282
8	Property and Equipment - Gross..... NOTE 4.....	406,189	399,600
9	(Accumulated Depreciation/Amortization)..... NOTE 4.....	(105,831)	(91,223)
10	Other Assets..... NOTE 5.....	32,791	38,844
11	Total Assets.....	\$ 368,349	\$ 395,603
LIABILITIES AND EQUITY			
	Current Liabilities:		
12	Accounts Payable.....	\$ 6,662	\$ 5,657
13	Notes Payable.....	484	897
	Current portion of long-term debt:		
14	Due to affiliates..... NOTE 8.....	—	25,000
15	Other..... NOTE 9.....	9,537	9,498
16	Income taxes payable and accrued.....	—	—
17	Other accrued expenses..... NOTE 6.....	20,285	27,919
18	Other current liabilities..... NOTE 7.....	6,511	11,247
19	Total current liabilities.....	43,479	80,218
	Long-Term Debt:		
20	Due to affiliates..... NOTE 8.....	225,000	200,000
21	Other..... NOTE 9.....	24,086	37,639
22	Deferred Credits..... NOTE 10.....	736	2,751
23	Other Liabilities..... NOTE 13.....	58,009	—
24	Commitments and Contingencies..... NOTE 14.....	—	—
25	Total Liabilities.....	351,310	320,608
26	Stockholders', Partners', or Proprietor's Equity.....	17,039	74,995
27	Total Liabilities and Equity.....	\$ 368,349	\$ 395,603

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 NINE MONTHS ENDED SEPTEMBER 30, 1992 AND 1991

(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1992	(d) 1991
	Revenue:		
1	Casino.....	\$ 208,782	\$ 180,616
2	Rooms.....	21,825	20,685
3	Food and beverage.....	35,272	32,438
4	Other.....	9,119	6,035
5	Total revenue.....	274,998	239,774
6	Less: Promotional allowances.....	30,957	27,520
7	Net revenue.....	244,041	212,254
	Costs and Expenses:		
8	Costs of goods and services.....	126,949	112,193
9	Selling, general, and administrative.....	61,728	59,334
10	Provision for doubtful accounts.....	5,067	4,223
11	Total costs and expenses.....	193,744	175,750
12	Gross Operating Profit.....	50,297	36,504
13	Depreciation and amortization.....	11,931	12,084
	Charges from affiliates other than interest:		
14	Management fees.....	458	-
15	Other.....	1,592	6,446
16	Income (Loss) from Operations.....	36,316	17,974
	Other Income (Expenses):		
17	Interest (expense) - affiliates.....NOTE 11..	(20,970)	(23,203)
18	Interest (expense) - external.....	(3,291)	(2,677)
19	Investment alternative tax and related income (expense) - net.....	(1,773)	(1,870)
20	Nonoperating income (expense) - net.....NOTE 12..	(5,147)	656
21	Total other income (expense).....	(31,181)	(27,094)
22	Income (Loss) before Income Taxes and Extraordinary Items..	5,135	(9,120)
23	Provision (credit) for income taxes.....NOTE 15..	7	(842)
24	Income (Loss) before Extraordinary Items.....	5,128	(8,278)
25	Extraordinary items (net of income taxes - 1992, \$38,205; 1991, \$ -).....NOTE 14..	(38,205)	-
26	Net Income (Loss).....	\$ (33,077)	\$ (8,278)

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 SEPTEMBER 30, 1992 AND 1991

(UNAUDITED)
(\$ IN THOUSANDS)

LINE	DESCRIPTION	(c) 1992	(d) 1991
(a)	(b)		
	Revenue:		
1	Casino.....	\$ 75,363	\$ 69,179
2	Rooms.....	8,859	8,384
3	Food and beverage.....	13,053	11,674
4	Other.....	5,027	2,426
5	Total revenue.....	102,302	91,663
6	Less: Promotional allowances.....	11,466	9,784
7	Net revenue.....	90,836	81,879
	Costs and Expenses:		
8	Costs of goods and services.....	45,063	38,425
9	Selling, general, and administrative.....	20,647	18,959
10	Provision for doubtful accounts.....	2,992	1,362
11	Total costs and expenses.....	68,702	58,746
12	Gross Operating Profit.....	22,134	23,133
13	Depreciation and amortization.....	3,790	4,046
	Charges from affiliates other than interest:		
14	Management fees.....	250	-
15	Other.....	535	2,131
16	Income (Loss) from Operations.....	17,559	16,956
	Other Income (Expenses):		
17	Interest (expense) - affiliates.....NOTE 11...	(6,750)	(7,243)
18	Interest (expense) - external.....	(922)	(1,327)
19	Investment alternative tax and related income (expense) - net.....	(363)	(725)
20	Nonoperating income (expense) - net.....NOTE 12...	(498)	89
21	Total other income (expense).....	(8,533)	(9,206)
22	Income (Loss) before Income Taxes and Extraordinary Items..	9,026	7,750
23	Provision (credit) for income taxes.....NOTE 15...	387	697
24	Income (Loss) before Extraordinary Items.....	8,639	7,053
25	Extraordinary items (net of income taxes - 1992, \$ - ; 1991, \$ -).....	-	-
26	Net Income (Loss).....	\$ 8,639	\$ 7,053

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 NINE MONTHS ENDED SEPTEMBER 30, 1992 AND 1991

(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1992	(d) 1991
	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).....	50,511	79,741
6	Prior period adjustments.....	-	-
7	Net income (loss).....	(33,077)	(8,278)
8	.....	-	-
9	Ending balance.....	17,434	71,463
	Capital Withdrawals:		
10	Beginning balance (January 1).....	(47,175)	(47,175)
11	Additional capital withdrawals.....	-	-
12	Preferred Partnership Interest Distribution.....	(3,927)	-
13	Ending balance.....	(51,102)	(47,175)
	Net Unrealized Loss on Noncurrent Marketable Equity Securities:		
14	Beginning balance (January 1).....	-	-
15	.....	-	-
16	.....	-	-
17	Ending balance.....	-	-
18	Ending Partners' or Proprietor's Equity.....	\$ 17,039	\$ 74,995

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

TRADING NAME OF LICENSEE: TRUMP PLAZA HOTEL & CASINO

STATEMENTS OF CASH FLOWS

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 1992 AND 1991

(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1992	(d) 1991
1	Net Cash Provided (Used) by Operating Activities.....	\$ 19,324	\$ 16,573
	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.....	(4,918)	(3,424)
5	Proceeds from disposition of property and equipment.....	34	149
6	Purchase of casino reinvestment obligations.....	(1,100)	(477)
7	Purchase of other investments and loans/advances made.....	(1,460)	(922)
8	Proceeds from disposal of investments and collection of advances and long-term receivables.....	-	-
9	Cash outflows to acquire business entities.....	-	-
10	Casino Reinvestment Obligation Donation.....	312	-
11	.....	-	-
12	Net Cash Provided (Used) by Investing Activities.....	(7,132)	(4,674)
	Cash Flows from Financing Activities:		
13	Cash proceeds from issuance of short-term debt.....	1,523	1,351
14	Payments to settle short-term debt.....	(1,435)	(507)
15	Cash proceeds from issuance of long-term debt.....	250,237	25,000
16	Costs of issuing debt.....	-	-
17	Payments to settle long-term debt.....	(256,360)	(27,979)
18	Cash proceeds from issuing stock or capital contribution.....	-	-
19	Purchases of treasury stock.....	-	-
20	Payments of dividends or capital withdrawals.....	(2,180)	-
21	.....	-	-
22	.....	-	-
23	Net Cash Provided (Used) by Financing Activities.....	(8,215)	(2,135)
24	Net Increase (Decrease) in Cash and Cash Equivalents.....	3,977	9,764
25	Cash and Cash Equivalents at Beginning of Period.....	10,475	10,005
26	Cash and Cash Equivalents at End of Period.....	\$ 14,452	\$ 19,769

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

	Cash Paid During Period For:		
27	Interest (net of amount capitalized).....	\$ 24,091	\$ 17,938
28	Income taxes.....	\$ -	\$ -

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

TRADING NAME OF LICENSEE: TRUMP PLAZA HOTEL & CASINO

STATEMENTS OF CASH FLOWS

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 1992 AND 1991

(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1992	(d) 1991
	Net Cash Flows from Operating Activities:		
29	Net income (loss).....	\$ (33,077)	\$ (8,278)
	Noncash items included in income and cash items excluded from income:		
30	Depreciation and amortization of property & equipment.....	11,394	11,398
31	Amortization of other assets.....	537	686
32	Amortization of debt discount or premium.....	-	-
33	Deferred income taxes - current.....	-	-
34	Deferred income taxes - noncurrent.....	7	(779)
35	(Gain) loss on disposition of property and equipment.....	(34)	95
36	(Gain) loss on casino reinvestment obligation.....	1,773	1,870
37	(Gain) loss from other investment activities.....	-	-
38	Net (increase) decrease in receivables and patrons' checks.....	3,802	2,503
39	Net (increase) decrease in inventories.....	172	269
40	Net (increase) decrease in other current assets.....	(910)	427
41	Net (increase) decrease in other assets.....	229	(1,298)
42	Net increase (decrease) in accounts payable.....	(601)	(2,247)
43	Net increase (decrease) in other current liabilities excluding debt.....	(2,173)	11,927
44		-	-
45	Extraordinary Loss.....	38,205	-
46		-	-
47	Net Cash Provided (Used) by Operating Activities.....	\$ 19,324	\$ 16,573

SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING AND FINANCING ACTIVITIES

	Acquisition of Property and Equipment:		
48	Additions to property and equipment.....	\$ (4,918)	\$ (3,424)
49	Less: Capital lease obligations incurred.....	-	-
50	Cash Outflows for Property and Equipment.....	\$ (4,918)	\$ (3,424)
	Acquisition of Business Entities:		
51	Property and equipment acquired.....	\$ -	\$ -
52	Goodwill acquired.....	-	-
53	Net assets acquired other than cash, goodwill, and property and equipment.....	-	-
54	Long-term debt assumed.....	-	-
55	Issuance of stock or capital invested.....	-	-
56	Cash Outflows to Acquire Business Entities.....	\$ -	\$ -
	Stock Issued or Capital Contributions:		
57	Total issuances of stock or capital contribution.....	\$ -	\$ -
58	Less: Issuances to settle long-term debt.....	-	-
59	Consideration in acquisition of business entities.....	-	-
60	Cash Proceeds from Issuing Stock or Capital Contributions....	\$ -	\$ -

TRUMP PLAZA ASSOCIATES
NOTES TO FINANCIAL STATEMENTS

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Organization

Trump Plaza Associates, (the "Company"), doing business as Trump Plaza Hotel and Casino ("Trump Plaza") was organized in June 1982 as a general partnership under the laws of the State of New Jersey for the purpose of acquiring, completing the construction of and operating Trump Plaza. In return for the proceeds of the 12 7/8% First Mortgage Bonds (the "Old Bonds"), the Company issued a promissory note (the "Old Partnership Note") to Trump Plaza Funding, Inc. ("TPF") in a principal amount equal to the aggregate principal amount of the Old Bonds and with similar payment terms. In addition, the Company directly guaranteed the payment of the principal of, premium, if any, and interest on the Old Bonds (the "Old Guaranty"). As part of a prepackaged plan of reorganization under Chapter 11 of the United States Bankruptcy Code (the "Plan") consummated on May 29, 1992 (the "Effective Date") the Old Partnership Note and the Old Guaranty were discharged, and the Company issued a new promissory note (the "Partnership Note") and a new guaranty (the "Guaranty") to reflect the terms of the 12% Mortgage Notes (the "New Bonds"). See Note 1B - Plan of Reorganization.

B. Plan of Reorganization

On March 9, 1992, the Company filed the Plan under Chapter 11 of the United States Bankruptcy Code of 1978, as amended. The Plan was confirmed by order of the United States Bankruptcy Court for the District of New Jersey on April 30, 1992, and consummated on May 29, 1992.

On May 29, 1992, each \$1,000 principal amount of the Old Bonds and 11% Notes ("Notes") was exchanged for \$900 principal amount of New Bonds, twelve shares of 9.34% Participating Cumulative Redeemable Preferred Stock, with a liquidation value of \$25.00 per share (the "Preferred Stock") and twelve shares of Common Stock, par value \$.00001 per share (the "Common Stock"). Each share of Preferred Stock trades as a unit with one share of Common Stock, such shares are transferable only as a unit. See Note 13 - Other Liabilities. The New Bonds mature on September 15, 2002 and are not subject to any sinking fund requirement. The Company is required to redeem all outstanding shares of the Preferred Stock on September 15, 2004 at \$25 per share, plus accrued and unpaid dividends.

The Plan resulted in the exchange of \$250,000,000 of Old Bonds and Notes for \$225,000,000 of New Bonds and \$75,000,000 liquidation preference of Preferred Stock. In accordance with AICPA Statement of Position 90-7, "Financial Reporting by Entities in Reorganization under the Bankruptcy Code", the New Bonds and Preferred Stock have been stated at the present value of amounts to be paid, determined at current interest rates (effective rate of approximately 12% and 13%, respectively). The effective interest rate of the New Bonds and Preferred Stock was determined based on the trading price for a specified period subsequent to issuance. Stating the New Bonds and Preferred Stock at their approximate present value of \$225,000,000 and \$57,750,000, respectively, resulted in an extraordinary loss of approximately \$32,750,000. See Note 14B - Extraordinary Loss.

On the Effective Date, the Company entered into a services agreement with Trump Plaza Management Corp. ("TPM"), a corporation beneficially owned by Donald J. Trump (the "Services Agreement"). The Services Agreement provides that TPM will provide to the Company, from time to time when reasonably requested, consulting and other

TRUMP PLAZA ASSOCIATES
NOTES TO FINANCIAL STATEMENTS

B. Plan of Reorganization, cont.

services on a non-exclusive basis, relating to marketing, advertising, promotional and other similar and related services (the "Services") with respect to the business and operations of the Company. TPM is not required to devote any prescribed amount of time to the performance of its duties. In consideration for the Services, the Company pays TPM each year an annual fee of \$1,000,000 in equal monthly installments, and reimburses TPM on a monthly basis for all reasonable out-of-pocket expenses incurred by TPM in performing its obligations under the Services Agreement.

NOTE 2: PREPAID EXPENSES AND OTHER CURRENT ASSETS

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

	<u>1992</u>	<u>1991</u>
Prepaid taxes	\$ 652,000	\$ 627,000
Prepaid insurance	1,062,000	1,265,000
Prepaid air transportation costs	12,000	62,000
Prepaid rent	188,000	10,000
Prepaid advertising costs	426,000	141,000
Prepaid CRDA expense	1,208,000	1,669,000
Prepaid service contracts	119,000	125,000
Prepaid sewerage costs	171,000	199,000
Prepaid Professional Fees	167,000	-
Other	185,000	125,000
	<u>\$4,190,000</u>	<u>\$4,223,000</u>

NOTE 3: INVESTMENTS, ADVANCES AND RECEIVABLES

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

	<u>1992</u>	<u>1991</u>
Advances due from -		
Trump Seashore Associates	\$1,165,000	\$1,365,000
The Trump Organization	2,000	14,000
Trump Crystal Tower Associates	403,000	-
Helicopter Air Services, Inc.	-	365,000
Other Affiliated Companies	5,000	9,000
Due from Partners	-	1,842,000
Casino reinvestment bonds and escrow deposit, net of valuation adjustment - (1992) \$1,706,000; (1991) \$1,340,000	<u>3,412,000</u>	<u>2,687,000</u>
	<u>\$4,987,000</u>	<u>\$6,282,000</u>

TRUMP PLAZA ASSOCIATES
NOTES TO FINANCIAL STATEMENTS, continued

NOTE 4: PROPERTY AND EQUIPMENT - NET

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

	<u>1992</u>	<u>1991</u>
Land and land improvements	\$ 34,904,000	\$ 34,747,000
Buildings	293,744,000	292,206,000
Furniture, fixtures and equipment	72,892,000	68,387,000
Leasehold improvements	2,378,000	2,378,000
Construction in progress	<u>2,271,000</u>	<u>1,882,000</u>
	406,189,000	399,600,000
Less - Accumulated depreciation & amortization	(105,831,000)	(91,223,000)
Net property and equipment	<u>\$300,358,000</u>	<u>\$308,377,000</u>

NOTE 5: OTHER ASSETS

Other assets as of September 30 consisted of the following:

	<u>1992</u>	<u>1991</u>
Land rights, net	\$ 30,520,000	\$ 30,890,000
Debt issuance costs, net	-	5,704,000
Deposits	740,000	613,000
Other deferred charges	<u>1,531,000</u>	<u>1,637,000</u>
	<u>\$ 32,791,000</u>	<u>\$ 38,844,000</u>

NOTE 6: OTHER ACCRUED EXPENSES

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

	<u>1992</u>	<u>1991</u>
Accrued payroll	\$ 8,160,000	\$ 6,881,000
Accrued progressive jackpot liabilities	959,000	4,912,000
Accrued interest	1,665,000	8,737,000
Accrued gaming taxes payable	123,000	293,000
Accrued Casino Control Commission & Division of Gaming Enforcement fees	684,000	494,000
Accrued utilities	532,000	263,000
Accrued union benefits	321,000	182,000
Accrued health insurance benefits	1,183,000	203,000
Accrued sales, use & luxury tax	392,000	1,291,000
Accrued professional costs	1,876,000	196,000
Accrued special event costs	694,000	535,000
Accrued rent	-	1,943,000
Accrued repairs & maintenance cost	85,000	133,000
Accrued property taxes	195,000	-
Accrued bank service charges	63,000	46,000
Accrued restructuring expense	567,000	-
Accrued Preferred Stock dividends	274,000	-
Distribution payable on Preferred Stock to Trump Plaza Funding, Inc.	1,216,000	-
Accrued uniforms	52,000	60,000
Other	<u>1,244,000</u>	<u>1,750,000</u>
	<u>\$ 20,285,000</u>	<u>\$ 27,919,000</u>

TRUMP PLAZA ASSOCIATES
NOTES TO FINANCIAL STATEMENTS, continued

NOTE 7: OTHER CURRENT LIABILITIES

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

	<u>1992</u>	<u>1991</u>
Unredeemed chip/token liability	\$ 1,204,000	\$ 3,185,000
Patron deposits	198,000	242,000
Casino reinvestment liability	888,000	189,000
Reserve for insurance claims	2,514,000	1,952,000
Advance room/theatre deposits	157,000	1,029,000
Advances due to Trump's Castle Associates	124,000	384,000
Advances due to Trump Penthouse Parcel	89,000	43,000
Advances due to Seashore Four Associates	603,000	549,000
Advances due to Taj Mahal Associates	380,000	192,000
Advances due to Trump Crystal Tower Associates	-	2,939,000
Unclaimed wages	329,000	311,000
Other	25,000	232,000
	<u>\$ 6,511,000</u>	<u>\$ 11,247,000</u>

NOTE 8: LONG-TERM DEBT-DUE TO AFFILIATES

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

	<u>1992</u>	<u>1991</u>
12% Partnership note, interest payable semi-annually, maturing in 2002.	\$225,000,000	\$ -
12 7/8% Partnership note, interest payable semi-annually, maturing in 1998.	-	225,000,000
Less current maturities	-	25,000,000
	<u>\$225,000,000</u>	<u>\$200,000,000</u>

On May 29, 1992 TPF issued \$900 principal amount of New Bonds, among other securities, in exchange for each \$1,000 principal amount of the outstanding Old Bonds and the Company's Notes to Belmont Fund L.P., a Bermuda Limited Partnership ("Belmont") and Fidelity Capital, an investment Fund ("Fidelity"), a mutual fund business trust. This resulted in an exchange of \$250,000,000 of Old Bonds and Notes for \$225,000,000 of New Bonds, the Preferred Stock and the Common Stock. In exchange for the New Bonds, the Company issued a Partnership Note to TPF.

The New Bonds mature on September 15, 2002, and are not subject to any sinking fund requirement. The New Bonds bear interest at the rate of 12% per annum from the date of issuance, payable semi-annually on each March 15 and September 15, commencing September 15, 1992. The New Bonds are secured by a mortgage (the "Amended Mortgage") on the assets constituting the real property owned and leased by the Company and substantially all of the Company's other fixed assets, all of which

TRUMP PLAZA ASSOCIATES
NOTES TO FINANCIAL STATEMENTS, continued

NOTE 8: LONG-TERM DEBT-DUE TO AFFILIATES, cont.

constitute the casino/hotel known as the Trump Plaza. The lien of the Amended Mortgage ranks senior to the liens securing other indebtedness of the Company other than certain existing mortgages, a working capital facility and certain other indebtedness permitted by the New Indenture. In addition, the Company issued its non-recourse Guaranty of the payment of principal of, premium, if any, and interest on the New Bonds. The Guaranty is secured by a mortgage on the assets of the Company described above on a parity with the lien of the Amended Mortgage (the "Guaranty Mortgage").

NOTE 9: LONG-TERM DEBT - OTHER

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

	1992	1991
Promissory notes payable, interest payable monthly, maturing in 1996	\$ -	\$25,000,000
10% note payable to Harrah's Atlantic City, Inc., interest payable monthly, maturing in 1993 (A)	8,471,000	11,859,000
Mortgage notes payable in monthly installments, including interest, with interest rates ranging from 10.0% to 11.0%. The notes are due at various dates between 1992 and 1998 and are secured by certain real property.	7,371,000	10,259,000
Regency Hotel Obligations (B)	17,500,000	-
Other notes, secured by automobile equipment	281,000	19,000
	33,623,000	47,137,000
Less current maturities	9,537,000	9,498,000
	\$ 24,086,000	\$ 37,639,000

- (A) Interest on the note accrues at the rate of 10% per annum and is payable monthly. The entire principal amount is due May 16, 1993.
- (B) On the Effective Date, the Company rejected its lease of the Trump Regency Hotel (the "Regency Lease") and issued on that date a promissory note in the principal amount of approximately \$17,500,000 (the "Regency Note") in settlement of its obligations under the Regency lease.

TRUMP PLAZA ASSOCIATES
NOTES TO FINANCIAL STATEMENTS, continued

NOTE 9: LONG-TERM DEBT - OTHER, cont.

(B) The Regency Note matures on March 15, 2003. The original principal amount of the Regency Note will be reduced by the amount, if any, of recovery in respect of a disputed property tax claim, which claim has been assigned by the owner of the Trump Regency Hotel to the holder of the Regency Note. The Regency Note bears interest payable semi-annually on unpaid principal at the rate of 9.14% per annum. Payments of principal in the amount of \$1,000,000 are due and payable annually from the Partnership commencing December 15, 1995 until maturity. In addition, Donald J. Trump has assigned a portion of his interest in Excess Available Cash (as defined in the amended Partnership Agreement) from the Partnership to be applied to further payments of principal with respect to the Regency Note in each of 1996, 1997, 1998 and 1999 in the amounts of \$2,000,000, \$3,000,000, \$4,000,000 and the remaining amount due, respectively, with, and to the extent of, a portion of his share of Excess Available Cash. Any such payments would reduce the principal balance of the Regency Note. In addition, the Company had agreed and continued to operate the Trump Regency Hotel at its expense until September 30, 1992.

The aggregate maturities of long-term debt - other in each of the years subsequent to 1992 are:

1993	\$ 9,536,000
1994	955,000
1995	2,544,000
1996	1,530,000
1997	1,468,000
Thereafter	<u>17,590,000</u>
	<u>\$33,623,000</u>

NOTE 10: DEFERRED CREDITS

Deferred credits as of September 30, 1992 and 1991 consisted of deferred state income taxes.

NOTE 11: INTEREST (EXPENSE) - AFFILIATES

Interest (Expense) - Affiliates for the nine months ended September 30, 1992 and 1991 consisted of the 12-7/8% Partnership Note and the applicable interest on the 12% Partnership Note which was exchanged for the 12 7/8% Partnership Note on May 29, 1992, the Effective Date of the Plan.

NOTE 12: NONOPERATING INCOME (EXPENSE) - NET

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

	Three months ended		Nine months ended	
	<u>1992</u>	<u>1991</u>	<u>1992</u>	<u>1991</u>
Interest income	\$ 110,000	\$ 139,000	\$ 351,000	\$404,000
Gain (Loss) on disposal of property and equipment	-	(94,000)	34,000	(95,000)
Litigation expense	(64,000)	-	(1,142,000)	-
Restructuring cost	(684,000)	-	(4,611,000)	-
Other nonoperating income	<u>140,000</u>	<u>44,000</u>	<u>221,000</u>	<u>347,000</u>
	<u>\$ (498,000)</u>	<u>\$ 89,000</u>	<u>\$ (5,147,000)</u>	<u>\$656,000</u>

TRUMP PLAZA ASSOCIATES
NOTES TO FINANCIAL STATEMENTS, continued

NOTE 13: OTHER LIABILITIES

Other liabilities as of September 30 consisted of the following:

	1992	1991
Preferred Partnership Interest (A)	\$57,943,000	\$ -
Deferred Income Taxes relating to accretion of Preferred Partnership Interest	66,000	-
	\$58,009,000	\$ -

- (A) On May 29, 1992, TPF issued its 9.34% Preferred Stock and its Common Stock, together with New Bonds, of which both are non-recourse obligations of the Company, in exchange for each \$1,000 Old Bonds and Notes Payable to Belmont and Fidelity (as more fully described in Note 8 - Long-term debt due to Affiliates).

The Preferred Stock has a liquidation preference of \$25 per share. Regular semi-annual dividends on each share of Preferred Stock of \$2.335 per annum accrue from the date of issuance, whether or not declared. Dividends on the Preferred Stock, together with any tax liabilities, are payable by TPF in cash to the extent of certain required priority cash distribution to TPF by the Company (the "Preferred Distribution"). Under certain circumstances, all or a portion of dividend payment on the Preferred Stock may be paid in additional shares of Preferred Stock. The Preferred Stock (including the related Common Stock) is subject to optional redemption, in whole or in part, at the Company's discretion at any time and to mandatory redemption on September 15, 2004, in each case at a redemption price of \$25 per share, plus accrued and unpaid dividends to the date of redemption. The Company has the right to acquire Preferred Stock units in the open market from time to time with Excess Available Cash (as defined in the amended Partnership Agreement) and any Preferred Stock so acquired will be retired. The Preferred Stock will be accreted over the respective periods to its face value at maturity.

NOTE 14: COMMITMENTS AND CONTINGENCIES

A. Casino License Renewal

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

In May 1991, the New Jersey Casino Control Commission ("CCC") renewed the Company's 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. The continued operations of the Company are subject to its retaining its operating license.

This license must be renewed in May, 1993, is not transferable and will include a review of the financial stability of the Company. Upon revocation, suspension for more than 120 days, or failure to renew the casino license, the Act provides for the appointment of a conservator to take possession of the hotel and casino's business and property, subject to all valid liens, claims and encumbrances.

TRUMP PLAZA ASSOCIATES
NOTES TO FINANCIAL STATEMENTS, continued

NOTE 14: COMMITMENTS AND CONTINGENCIES, cont.

B. Extraordinary Loss

The extraordinary loss consists of the effect of stating the New Bonds and Preferred Stock at current fair value (\$32,750,000 - See Note 1B Plan of Reorganization) and the write-off of \$5,455,000 of unamortized loan costs relating to the Old Bonds and Note.

C. Casino Reinvestment Development Authority Obligations

On June 30, 1992, Trump Plaza Associates submitted a formal application before the Casino Reinvestment Development Authority ("CRDA") to make a donation to purchase bonds under the Securities Purchase Contract in the amount of \$312,000.

For the nine months ended September 30, 1992, the Company charged \$159,000 to operations to give effect to the utilization of tax credits received in connection with the above mentioned donation. As a result of this agreement, the Company had for the nine months ended September 30, 1992, charged \$49,000 as an investment alternative tax expense to reduce deposits previously made to the amount of the future tax credits received.

Investments, advances and receivables also include \$2,999,000 of below market interest rate bonds issued by the CRDA and \$2,119,000 of deposits paid towards the purchase of below market interest rate bonds.

NOTE 15: PROVISION (CREDIT) FOR INCOME TAXES

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

	Three months ended		Nine months ended	
	<u>1992</u>	<u>1991</u>	<u>1992</u>	<u>1991</u>
Current	\$ -	\$ 1,000	\$ -	\$ (63,000)
Deferred	<u>387,000</u>	<u>696,000</u>	<u>7,000</u>	<u>(779,000)</u>
Total	<u>\$ 387,000</u>	<u>\$ 697,000</u>	<u>\$ 7,000</u>	<u>\$ (842,000)</u>

TRADING NAME OF LICENSEE: TRUMP PLAZA HOTEL & CASINO

SCHEDULE OF RECEIVABLES AND PATRONS' CHECKS

SEPTEMBER 30, 1992

(UNAUDITED)
(\$ IN THOUSANDS)

ACCOUNTS RECEIVABLE BALANCES				
LINE (a)	DESCRIPTION (b)	ACCOUNT BALANCE (c)	ALLOWANCE (d)	ACCOUNTS RECEIVABLE- NET OF ALLOWANCE (e)
1	Patrons' Checks: Undeposited patrons' checks.....	\$ 4,209		
2	Returned patrons' checks.....	18,371		
3	Total patrons' checks.....	22,580	\$ 15,896	\$ 6,684
4	Hotel Receivables.....	2,136	277	1,859
5	Other Receivables: Receivables due from officers and employees.....	19		
6	Receivables due from affiliates.....	-		
7	Other accounts and notes receivables.....	280		
8	Total other receivables.....	299	-	299
9	Totals (Form 205).....	\$ 25,015	\$ 16,173	\$ 8,842

UNDEPOSITED PATRONS' CHECKS ACTIVITY		
LINE (f)	DESCRIPTION (g)	AMOUNT (h)
10	Beginning Balance (January 1).....	\$ 5,432
11	Counter checks issued (excluding counter checks issued through transactions relating to consolidations, partial redemptions, substitutions, and patrons' cash deposits).....	161,160
12	Checks redeemed prior to deposit (excluding the unredeemed portion of counter checks redeemed through partial redemptions, and excluding checks, redeemed through transactions relating to consolidations, substitutions, and patrons' cash deposits).....	(48,274)
13	Checks collected through deposits.....	(111,645)
14	Checks transferred to returned checks.....	(2,464)
15	Other adjustments.....	-
16	Ending Balance.....	\$ 4,209
17	"Hold Checks" included in Balance on Line 16.....	\$ -
18	Provision for Uncollectible Patrons' Checks.....	\$ 5,445
19	Provision as a percent of Counter Checks Issued.....	3.4%

TRADING NAME OF LICENSEE: TRUMP PLAZA HOTEL AND CASINO

PROMOTIONAL EXPENSES AND ALLOWANCES

(\$ in Thousands)

For the Three Months Ended September 30, 1992

	Promotional Allowances		Promotional Expenses	
	Number of Recipients	Dollar Amount	Number of Recipients	Dollar Amount
Rooms	24,093	3,682,000	339	25,000
Food	253,155	3,291,000	-	-
Beverage	823,244	2,470,000	-	-
Travel	-	-	6,359	954,000
Coin	-	-	816,210	5,204,673
Coupon	56,024	1,317,000	-	-
Entertainment	24,050	486,000	1,369	55,000
Retail & Gifts	-	-	105	329,000
Other	21,949	220,000	6,101	152,000
Total	1,202,515	\$11,466,000	830,483	\$6,719,673

For the Nine Months Ended September 30, 1992

	Promotional Allowances		Promotional Expenses	
	Number of Recipients	Dollar Amount	Number of Recipients	Dollar Amount
Rooms	77,973	9,408,000	1,220	91,000
Food	713,966	9,282,000	-	-
Beverage	2,240,742	6,722,000	-	-
Travel	-	-	17,953	2,693,000
Coin	-	-	2,129,256	14,594,742
Coupon	247,504	3,854,000	-	-
Entertainment	57,165	1,143,000	6,590	264,000
Retail & Gifts	-	-	275	1,353,000
Other	54,776	548,000	22,175	554,000
Total	3,392,126	\$30,957,000	2,177,469	\$19,549,742

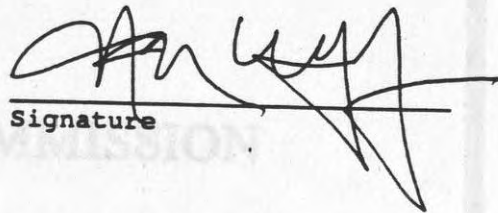
STATEMENT OF CONFORMITY AND ACCURACY

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

FRANCIS X. MCCARTHY, JR., being duly sworn according to law upon my oath
Name

deposes and says:

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

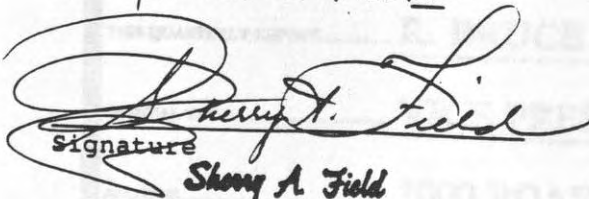

Signature

SR. VP OF FINANCE & ADMIN.
Title

001015-11
License Number

Subscribed and sworn to
before me this 13 day
of November, 1992

On Behalf Of:


Signature

TRUMP PLAZA ASSOCIATES
Casino Licensee

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

Basis of Authority
to Take Oaths

974.901
C193

LIST OF FINANCIAL STATEMENTS REPORT
QUARTERLY REPORT
FOR THE QUARTER ENDED SEPTEMBER 30, 1992

LICENSEE TRUMP TAJ MAHAL CASINO RESORT

ADDRESS 1000 BOARDWALK

ATLANTIC CITY, NEW JERSEY 08401

FOR THE QUARTER ENDED SEPTEMBER 30, 1992

TO THE

CASINO CONTROL COMMISSION

OF THE

STATE OF NEW JERSEY

**NAME OF OFFICER IN CHARGE
OF CORRESPONDENCE REGARDING**

THIS QUARTERLY REPORT..... R. BRUCE MCKEE

OFFICIAL TITLE..... VICE PRESIDENT - FINANCE

ADDRESS..... 1000 BOARDWALK

ATLANTIC CITY, NEW JERSEY 08401

TRADING NAME OF LICENSEE: TRUMP TAJ MAHAL CASINO RESORT

LIST OF FORMS – QUARTERLY REPORT

FOR THE QUARTER ENDED SEPTEMBER 30, 1992.

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The accompanying notes are an integral part of the financial statements.
 All figures are in thousands of dollars, unless otherwise indicated in the notes.

BALANCE SHEETS

SEPTEMBER 30, 1992 AND 1991

(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	SEPTEMBER (c) 1992	SEPTEMBER (d) 1991
	ASSETS		
	Current Assets:		
1	Cash and cash investments.....	\$ 56,868	\$ 27,930
2	Marketable securities.....	-	-
3	Receivables and patrons' checks (net of allowance for doubtful accounts - 1992, \$6,161; 1991, \$9,664).....	12,742	17,410
4	Inventories.....	3,032	3,275
5	Prepaid expenses and other current assets.....	5,167	3,300
6	Total current assets.....	77,809	51,915
7	Investment, Advances, and Receivables - CRDA.....	3,752	1,259
8	Property and Equipment - Gross..... NOTE 2	841,002	832,484
9	(Accumulated Depreciation/Amortization)..... NOTE 2	(95,713)	(59,624)
10	Other Assets.....	938	936
11	Total Assets.....	\$ 827,788	\$ 826,970
	LIABILITIES AND EQUITY		
	Current Liabilities:		
12	Accounts Payable.....	\$ 5,816	\$ 10,216
13	Notes Payable.....	-	-
	Current portion of long-term debt:		
14	Due to affiliates..... NOTES 1 & 3	-	-
15	Other..... NOTES 1 & 3	466	690
16	Income taxes payable and accrued.....	-	-
17	Other accrued expenses..... NOTE 4	53,997	38,662
18	Other current liabilities..... NOTE 5	5,153	6,216
19	Total current liabilities.....	65,432	55,784
	Long-Term Debt:		
20	Due to affiliates..... NOTES 1 & 3	546,624	525,182
21	Other..... NOTES 1 & 3	45,496	45,963
22	Deferred Credits.....	-	-
23	Other Liabilities..... NOTE 6	27,923	16,258
24	Commitments and Contingencies..... NOTE 10		
25	Total Liabilities.....	685,475	643,187
26	Stockholders', Partners', or Proprietor's Equity.....	142,313	183,783
27	Total Liabilities and Equity.....	\$ 827,788	\$ 826,970

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

TRADING NAME OF LICENSEE: TRUMP TAJ MAHAL CASINO RESORT

STATEMENTS OF INCOME

NINE MONTHS ENDED SEPTEMBER 30, 1992 AND 1991

(UNAUDITED)

(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1992	(d) 1991
	REVENUE:		
1	Casino.....	\$ 318,973	\$ 293,785
2	Rooms.....	31,775	31,860
3	Food and Beverage.....	46,764	44,981
4	Other.....	12,303	8,751
5	Total Revenue	409,815	379,377
6	Less: Promotional allowances.....	49,148	42,134
7	Net Revenue	360,667	337,243
	COSTS AND EXPENSES:		
8	Cost of Goods and Services.....	173,235	157,046
9	Selling, General and Administrative.....	96,858	92,804
10	Provision for Doubtful Accounts.....	5,756	6,386
11	Total Costs and Expenses	275,849	256,236
12	Gross Operating Profit.....	84,818	81,007
13	Depreciation and Amortization.....	27,250	27,071
	Charges from Affiliates other than Interest:		
14	Management Fees.....	-	-
15	Other..... NOTE 8.....	3,456	4,179
16	Income (Loss) From Operations.....	\$4,112	47,841
	Other Income (Expenses):		
17	Interest (Expenses) - Affiliates..... NOTE 3.....	(73,205)	(72,585)
18	Interest (Expenses) - External..... NOTE 3.....	(3,797)	(3,283)
19	Investment Alternative Tax and Related Income (Expense) - Net.....	(1,946)	(1,259)
20	Nonoperating Income (Expense) - Net..... NOTE 7.....	695	(25,853)
21	Total Other Income (Expenses)	(78,253)	(102,980)
22	Income (Loss) Before Income Taxes and Extraordinary Items.....	(24,141)	(55,139)
23	Provision (Credit) for Income Taxes.....	-	-
24	Income (Loss) Before Extraordinary Items.....	(24,141)	(55,139)
25	Extraordinary Items (Net of Incomes Taxes - 1991, \$7,155).....	-	259,618
26	Net Income (Loss)	\$ (24,141)	\$ 204,479

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

TRADING NAME OF LICENSEE: TRUMP TAJ MAHAL CASINO RESORT

STATEMENTS OF INCOME

THREE MONTHS ENDED SEPTEMBER 30, 1992 AND 1991

(UNAUDITED)

(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1992	(d) 1991
	REVENUE:		
1	Casino.....	\$ 121,438	\$ 108,175
2	Rooms.....	12,330	12,017
3	Food and Beverage.....	17,471	15,622
4	Other.....	4,397	3,328
5	Total Revenue.....	155,636	139,142
6	Less: Promotional allowances.....	19,172	13,248
7	Net Revenue.....	136,464	125,894
	COSTS AND EXPENSES:		
8	Cost of Goods and Services.....	62,110	55,960
9	Selling, General and Administrative.....	35,433	28,414
10	Provision for Doubtful Accounts.....	1,962	2,539
11	Total Costs and Expenses.....	99,505	86,913
12	Gross Operating Profit.....	36,959	38,981
13	Depreciation and Amortization.....	9,118	9,083
14	Charges from Affiliates other than Interest:		
14	Management Fees.....	-	-
15	Other..... NOTE 8.....	1,294	961
17	Income (Loss) From Operations.....	26,547	28,937
	Other Income (Expenses):		
18	Interest (Expenses) - Affiliates..... NOTE 3.....	(24,658)	(24,200)
19	Interest (Expenses) - External..... NOTE 3.....	(1,169)	366
20	Investment Alternative Tax and Related Income (Expense) - Net.....	(745)	(639)
21	Nonoperating Income (Expense) - Net..... NOTE 7.....	184	(16,954)
22	Total other Income (Expenses).....	(26,388)	(41,427)
23	Income (Loss) Before Income Taxes and Extraordinary Items.....	159	(12,490)
24	Provision (Credit) for Income Taxes.....	-	-
25	Income (Loss) Before Extraordinary Items.....	159	(12,490)
26	Extraordinary Items (Net of Incomes Taxes - 1991, \$7,155).....	-	259,618
27	Net Income (Loss).....	\$ 159	\$ 247,128

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 NINE MONTHS ENDED SEPTEMBER 30, 1992

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.

TRADING NAME OF LICENSEE: TRUMP TAJ MAHAL CASINO RESORT

STATEMENTS OF CHANGES IN PARTNERS' OR PROPRIETOR'S EQUITY

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 1992 AND 1991

(UNAUDITED)

(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1992	(d) 1991
	Invested Capital:		
1	Beginning Balance.....	\$ 123,745	\$ 75,001
2	Capital Contributions.....	0	48,744
3	.....	0	0
4	Ending Balance.....	123,745	123,745
	Accumulated Income (Loss):		
5	Beginning Balance.....	44,072	(144,441)
6	Prior Period Adjustments.....	0	0
7	Net Income (Loss).....	(24,141)	204,479
8	.....	0	0
9	Ending Balance.....	19,931	60,038
	Capital Withdrawals:		
10	Beginning Balance.....	-	-
11	Additional Capital Withdrawals.....	-	-
12	Partnership Distribution..... NOTE 10.....	(1,363)	-
13	Ending Balance.....	(1,363)	0
	Net Unrealized Loss On Noncurrent Marketable Equity Securities:		
14	Beginning Balance.....	-	-
15	.....	-	-
16	.....	-	-
17	Ending Balance.....	0	0
18	Ending Partners' or Proprietor's Equity.....	\$ 142,313	\$ 183,783

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

STATEMENT OF CASH FLOWS

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 1992 AND 1991

(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1992	(d) 1991
1	Net Cash Provided (Used) by Operating Activities.....	\$ 36,355	\$ 135,611
	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.....	(6,489)	(2,110)
5	Proceeds from Disposition of Property and Equipment.....	-	-
6	Purchase of Casino Reinvestment Obligations.....	(2,497)	(2,518)
7	Purchase of Other Investments and Loans/Advances Made.....	-	-
8	Proceeds from Disposal of Investments and Collection of Advances and Long-Term Receivables.....	-	-
9	Cash Outflows to Acquire Business Entities.....	-	-
10		-	-
11		-	-
12	Net Cash Provided (Used) by Investing Activities.....	(8,986)	(4,628)
	Cash Flows from Financing Activities:		
13	Cash Proceeds from Issuance of Short-Term Debt.....	-	-
14	Payments to Settle Short-Term Debt.....	-	-
15	Cash Proceeds from Issuance of Long-Term Debt.....	8,000	0
16	Costs of Issuing Debt.....	-	-
17	Payments to Settle Long-Term Debt.....	(8,497)	(515)
18	Cash Proceeds from Issuing Stock or Capital Contributions.....	-	-
19	Reduction in Debt Due To Restructuring.....	-	(173,742)
20	Increase in Partners' Capital Due To Restructuring.....	-	48,744
21	Issuance of Additional Bonds.....	8,844	-
22	Partnership Distribution.....	(1,363)	0
23	Net Cash Provided (Used) by Financing Activities.....	6,984	(125,513)
24	Net Increase (Decrease) in Cash and Cash Equivalents.....	34,353	5,470
25	Cash and Cash Equivalents at Beginning of Period.....	22,515	22,460
26	Cash and Cash Equivalents at End of Period.....	\$ 56,868	\$ 27,930

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

Cash Paid During Period for:			
27	Interest (Net of Amount Capitalized).....	\$ 37,991	\$ 23,856
28	Income Taxes.....	\$ -	\$ -

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

STATEMENT OF CASH FLOWS

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 1992 AND 1991

(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1992	(d) 1991
	Net Cash Flows from Operating Activities:		
29	Net Income (Loss).....	\$ (24,141)	\$ 204,479
	Noncash Items Included in Income and Cash Items Excluded from Income:		
30	Depreciation and Amortization of Property and Equipment.....	27,250	27,071
31	Amortization of Other Assets.....	-	-
32	Amortization of Debt Discount or Premium.....	9,656	0
33	Deferred Income Taxes - Current.....	-	-
34	Deferred Income Taxes - Noncurrent.....	-	7,155
35	(Gain) Loss on Disposition of Property and Equipment.....	-	-
36	(Gain) Loss on Casino Reinvestment Obligations.....	551	1,259
37	(Gain) Loss from Other Investment Activities.....	-	-
38	Net (Increase) Decrease in Receivables and Patrons' Checks.....	4,331	914
39	Net (Increase) Decrease in Inventories.....	120	1,290
40	Net (Increase) Decrease in Other Current Assets.....	(2,534)	(1,452)
41	Net (Increase) Decrease in Other Assets.....	(136)	(170)
42	Net Increase (Decrease) in Accounts Payables.....	1,297	(13,821)
43	Net Increase (Decrease) in Other Current Liabilities Excluding Debt.....	17,997	(64,694)
44	Net Increase (Decrease) in Other Noncurrent Liabilities Excluding Debt.....	846	0
45	Net Increase in Notes Payable.....	-	(35,523)
46	Costs related to lease guarantee.....	1,118	9,103
47	Net Cash Provided (Used) by Operating Activities.....	\$ 36,355	\$ 135,611

SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING AND FINANCING ACTIVITIES

	Acquisition of Property and Equipment:		
48	Additions to Property and Equipment.....	\$ (6,489)	\$ (2,110)
49	Less: Capital Lease Obligations Incurred.....	-	-
50	Cash Outflows for Property and Equipment.....	\$ (6,489)	\$ (2,110)
	Acquisition of Business Entities:		
51	Property and Equipment Acquired.....	\$ N/A	\$ N/A
52	Goodwill Acquired.....	-	-
53	Net Assets Acquired Other than Cash, Goodwill, and Property and Equipment.....	-	-
54	Long-Term Debt Assumed.....	-	-
55	Issuance of Stock or Capital Invested.....	-	-
56	Cash Outflows to Acquire Business Entities.....	\$ -	\$ -
	Stock Issued or Capital Contributions:		
57	Total Issuances of Stock or Capital Contributions.....	\$ N/A	\$ N/A
58	Less: Issuances to Settle Long-Term Debt.....	-	-
59	Consideration in Acquisition of Business Entities.....	-	-
60	Cash Proceeds from Issuing Stock or Capital Contributions.....	\$ -	\$ -

TRUMP TAJ MAHAL CASINO RESORT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 1992
(Unaudited)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and Operation:

Trump Taj Mahal Associates was formed on June 23, 1988, as a New Jersey limited partnership. As part of the Plan of Reorganization, the Partnership was converted to a general partnership in December, 1990. The current partners and their respective ownership interests are Trump Taj Mahal, Inc. ("TTMI"), 49.995%, the Trump Taj Mahal Corporation ("Trump Corp."), .01%, and TM/GP Corporation ("TMGP"), the managing general partner, a wholly owned subsidiary of Taj Mahal Holding Corp. ("Holding") 49.995%.

Trump Taj Mahal Funding, Inc., (the "Company") is a wholly owned subsidiary of the Partnership and was incorporated on June 3, 1988 for the purpose of raising funds through the issuance of its 14% First Mortgage Bonds, Series A, due 1998 (the "Old Bonds"), the proceeds of which were loaned to the Partnership for construction of the Taj Mahal. The Old Bonds were subsequently exchanged for the Company's 11.35% Mortgage Bonds, Series A, due 1999 (the "New Bonds"), as more fully described in Note 3. Since the Company has no business operations, its ability to repay the principal and interest on the New Bonds is completely dependent on the operations of the Partnership.

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

The casino industry in Atlantic City is seasonal in nature, therefore, results of operations for the three and nine months ended September 30, 1992 are not necessarily indicative of the operating results for a full year.

Plan of Reorganization:

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

STATEMENT OF CASH FLOWS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Pursuant to the terms of the Plan, the Company's 14% First Mortgage Bonds, Series A due 1998 (the "Old Bonds") were exchanged for the Company's 11.35% Mortgage Bonds, due 1999, (the "New Bonds") and certain modifications were made to the terms of bank borrowings, and amounts owed to both Donald J. Trump and his affiliates. In addition, approximately 50% of the ownership interest in the Partnership was transferred to the holders of the Old Bonds. Since the Company has no business operations, its ability to repay the principal and interest on the New Bonds is completely dependent on the operations of the Partnership.

In accordance with AICPA Statement of Position 90-7, "Financial Reporting By Entities in Reorganization Under the Bankruptcy Code", the New Bonds when issued were stated at the present value of amounts to be paid. The effective interest rate of the New Bonds was determined based on the trading price of the New Bonds for a specific period. Stating the debt at its approximate present value resulted in a reduction of approximately \$204,276,000 in the carrying amount of the New Bonds. The gain is being offset by increased interest costs over the period of the New Bonds to accrete such bonds to their face value at maturity. At September 30, 1992 the unaccreted balance of this discount approximated \$191,678,000. The current interest rates of other borrowings approximated their stated interest rates as of the Effective Date.

NOTE 2 - PROPERTY AND EQUIPMENT

	<u>1992</u>	<u>September 30,</u> <u>1991</u>
	(in thousands)	
Land	\$ 37,291	\$ 37,291
Buildings	638,095	632,548
Furniture, fixtures and equipment	140,340	138,369
Leasehold improvements	<u>24,276</u>	<u>24,276</u>
Total	841,002	832,484
Less Accumulated Depreciation	<u>(95,713)</u>	<u>(59,624)</u>
Net Property and Equipment	<u>\$745,289</u>	<u>\$772,860</u>

NOTE 3 - LONG TERM DEBT

Long term debt consisted of the following at September 30:

	<u>1992</u>	<u>1991</u>
	(in thousands)	
<u>Long-term Portion</u>		
Due to affiliates:		
Trump Taj Mahal Funding, Inc.	\$738,302	\$525,182
Unamortized discount	<u>(191,678)</u>	<u>-</u>
Net	<u>\$546,624</u>	<u>\$525,182</u>
Other:		
Bank term loan	\$ 45,347	\$ 45,442
Other	<u>149</u>	<u>521</u>
Total other	<u>\$ 45,496</u>	<u>\$ 45,963</u>

Current Portion

Other:		
Bank term loan	\$ 157	\$ 203
Other	<u>309</u>	<u>487</u>
Total other	<u>\$ 466</u>	<u>\$ 690</u>

Nine months ended September 30,
1992 1991
(in thousands)

Interest Expense Affiliates

Trump Taj Mahal Funding, Inc.	\$ 62,432	\$ 70,875
Accretion - bond discount	9,656	-
Trump line of credit	-	1,710
Accretion - lease guarantee	<u>1,117</u>	<u>-</u>
Total	<u>\$ 73,205</u>	<u>\$ 72,585</u>

Interest Expense External

Bank term loan	\$ 3,251	\$ 3,134
Other	84	149
Working Capital line of credit	<u>462</u>	<u>-</u>
Total	<u>\$ 3,797</u>	<u>\$ 3,283</u>

NOTE 3 - LONG TERM DEBT (continued)

Three months ended September 30,
1992 1991
(in thousands)

Interest Expense Affiliates

Trump Taj Mahal Funding, Inc.	\$ 20,950	\$ 23,625
Accretion - bond discount	3,322	-
Trump line of credit	-	575
Accretion - lease guarantee	386	-
Total	<u>\$ 24,658</u>	<u>\$ 24,200</u>

Interest (Income) Expense External

Bank term loan	\$ 1,091	\$ 1,016
Other	22	(1,382)
Working Capital line of credit	56	-
Total	<u>\$ 1,169</u>	<u>\$ (366)</u>

Borrowings:

The New Bonds bear interest at 11.35% per annum payable semi-annually on May 15 and November 15. Interest on the New Bonds must be paid in cash on each interest payment date at the rate of 9.375% per annum (the "Mandatory Cash Interest Amount"). In addition to the Mandatory Cash Interest Amount, on each May 15, an additional amount of interest (the "Additional Amount") in cash or additional New Bonds, or a combination thereof, is payable equal to the difference between 11.35% of the outstanding principal amount of the New Bonds and the Mandatory Cash Interest Amount paid on that date and the immediately preceding November 15. To the extent that there is Excess Available Cash Flow ("EACF") of the Partnership, as defined, for the immediately preceding calendar year, the Company will pay the Additional Amount in cash up to 10.28% and the balance thereof may be paid at the option of the Company in cash or additional New Bonds provided that an equivalent amount of cash is used to purchase or redeem New Bonds. For the period from the Effective Date through December 31, 1991, there was no EACF. Accordingly, the Company has satisfied the Additional Amount on May 15, 1992 through the issuance of approximately \$8,844,000 in additional New Bonds.

In November 1991, the Partnership obtained a working capital line of credit in the amount of \$25,000,000 with a maturity of five years. Interest on borrowings under the line is at prime plus 4% with a minimum of 9% per annum. The Agreement provides for a 1% annual fee and a 3/4% unused line fee and contains various covenants during the term of the facility. During 1992, the Partnership borrowed and repaid \$8,000,000 against the line.

NOTE 4 - OTHER ACCRUED EXPENSES

	<u>September 30,</u>	
	<u>1992</u>	<u>1991</u>
	(in thousands)	
Accrued CRDA obligation	\$ 3,151	\$ -
Accrued interest	25,972	7,689
Accrued payroll & related	11,399	9,743
Progressive jackpot	2,278	3,958
Real estate taxes	2,653	-
Restructuring	-	6,346
Other	** 8,544	** 10,926
Total	<u>\$ 53,997</u>	<u>\$ 38,662</u>

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

NOTE 5 - OTHER CURRENT LIABILITIES

	<u>September 30,</u>	
	<u>1992</u>	<u>1991</u>
	(in thousands)	
Advanced deposits	\$ 568	\$ 449
Unredeemed chip liability	1,431	990
Insurance reserves	2,367	3,349
Other	<u>672</u>	<u>877</u>
	5,038	5,665
Affiliates:		
Trump Taj Mahal Realty Corp.	-	368
Trump's Castle Associates	219	125
Trump Plaza Associates	(383)	(195)
Helicopter Air Service	(43)	(43)
Donald J. Trump	<u>322</u>	<u>296</u>
	115	551
Total	<u>\$ 5,153</u>	<u>\$ 6,216</u>

NOTE 6 - OTHER LIABILITIES

Other liabilities at September 30, consisted of the following (in thousands):

	<u>1992</u>	<u>1991</u>
Deferred taxes	\$ 7,155	\$ 7,155
Insurance reserves	1,837	-
Accrued interest - Long Term	5,468	-
Accounts payable - Long Term	1,450	-
Lease guarantee	10,567	9,103
Other	1,446	-
	<u>\$27,923</u>	<u>\$ 16,258</u>

NOTE 7 - NON-OPERATING INCOME (EXPENSE)

Nine months ended September 30,
1992 1991
(in thousands)

Litigation expense	\$ -	\$ (1,750)
Restructuring costs	-	(24,788)
Interest Income	<u>695</u>	<u>685</u>
	<u>\$ 695</u>	<u>\$(25,853)</u>

Three months ended September 30,
1992 1991
(in thousands)

Litigation expense	\$ -	\$ -
Restructuring costs	-	(17,115)
Interest Income	<u>184</u>	<u>161</u>
	<u>\$ 184</u>	<u>\$(16,954)</u>

NOTE 8 - CHARGES FROM AFFILIATES

	Nine months ended September 30,	
	<u>1992</u>	<u>1991</u>
	(in thousands)	
Trump Hotel Management Corp.	<u>\$ 0</u>	<u>\$ 4,179</u>
Other:		
Rent	\$ 2,044	\$ 1,279
Allocated salaries	293	203
Trump Services Agreement	<u>1,119</u>	<u>434</u>
	<u>\$ 3,456</u>	<u>\$ 1,916</u>

	Three months ended September 30,	
	<u>1992</u>	<u>1991</u>
	(in thousands)	
Other:		
Rent	\$ 681	\$ 381
Allocated salaries	109	146
Trump Services Agreement	<u>504</u>	<u>434</u>
	<u>\$ 1,294</u>	<u>\$ 961</u>

NOTE 9 - JACKPOT PAYOUTS IN MERCHANDISE

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

	Nine months ended September 30,	
	<u>1992</u>	<u>1991</u>
Merchandise - jackpot payouts	<u>\$174,794</u>	<u>\$28,467</u>
	Three months ended September 30,	
	<u>1992</u>	<u>1991</u>
Merchandise - jackpot payouts	<u>\$ 86,964</u>	<u>\$28,467</u>

NOTE 10 - COMMITMENTS AND CONTINGENCIES

Casino License Renewal:

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

On April 6, 1992, the CCC renewed the casino license of the Partnership through April 26, 1993 subject to certain continuing reporting and compliance conditions.

Legal Proceedings

The Partnership, its Partners, certain of its employees and the Company are involved in various legal proceedings incurred in the normal course of business, including certain claims initiated in the Bankruptcy Court. In the opinion of the Partnership and its counsel, the expected disposition of these proceedings would not have a material effect on the Partnership's or the Company's financial condition.

Partnership Distribution:

The Partnership is obligated to reimburse Holding for its operating expenses which consist of directors and officers liability insurance, board of director fees and expenses, and administrative expenses. Total expenses for the three and nine months ended September 30, 1992 approximated \$449,000 and \$1,363,000 respectively.

TRADING NAME OF LICENSEE: TRUMP TAJ MAHAL CASINO RESORT
**SCHEDULE OF RECEIVABLES AND
 PATRONS' CHECKS**

SEPTEMBER 30, 1992

(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.....	\$ 8,530		
2	Returned Patrons' Checks.....	8,241		
3	Total Patrons' Checks.....	16,771	\$ (5,745)	\$ 11,026
4	Hotel Receivables.....	1,823	(416)	1,407
Other Receivables:				
5	Receivables Due From Officers and Employees.....	0		
6	Receivables Due From Affiliates.....	0		
7	Other Accounts and Notes Receivables.....	309		
8	Total Other Receivables.....	309	0	309
9	Totals (Form 205).....	\$ 18,903	\$ (6,161)	\$ 12,742

UNDEPOSITED PATRONS' CHECKS ACTIVITY		
LINE (f)	DESCRIPTION (g)	AMOUNT (h)
10	Beginning Balance (January 1).....	\$ 8,945
11	Counter Checks Issued (excluding counter checks issued through transactions relating to consolidations, partial redemptions, substitutions, and patrons' cash deposits).....	222,767
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).....	(166,721)
13	Checks Collected Through Deposits.....	(45,099)
14	Checks Transferred to Returned Checks.....	(11,362)
15	Other Adjustments.....	0
16	Ending Balance.....	\$ 8,530
17	"Hold" Checks Included in Balance on Line 16.....	\$ 0
18	Provision for Uncollectible Patrons' Checks.....	\$ 5,652
19	Provision as a Percent of Counter Checks Issued.....	2.5%

TRADING NAME OF LICENSEE: TRUMP TAJ MAHAL CASINO RESORT

PROMOTIONAL EXPENSES AND ALLOWANCES
(\$ IN THOUSANDS)

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 1992

	<u>PROMOTIONAL ALLOWANCES</u>		<u>PROMOTIONAL EXPENSE</u>	
	# OF RECIPIENTS	DOLLAR AMOUNTS	# OF RECIPIENTS	DOLLAR AMOUNTS
Rooms	142,412	\$19,014		\$
Food	1,013,919	13,286		
Beverage	3,661,109	6,920		
Travel			23,847	3,232
Coin			2,418,678	28,596
Coupon	726,766	7,414		
Entertainment	86,684	1,820		
Retail & Gifts			4,119	115 *
Other	<u>40,872</u>	<u>694</u>	** 203,050	<u>5,659</u>
Total	<u>5,671,762</u>	<u>\$49,148</u>	<u>2,649,694</u>	<u>\$37,602</u>

FOR THE THREE MONTHS ENDED SEPTEMBER 30, 1992

	<u>PROMOTIONAL ALLOWANCES</u>		<u>PROMOTIONAL EXPENSE</u>	
	# OF RECIPIENTS	DOLLAR AMOUNTS	# OF RECIPIENTS	DOLLAR AMOUNTS
Rooms	56,733	\$ 7,846		\$
Food	406,017	5,059		
Beverage	1,417,027	2,635		
Travel			9,128	1,211
Coin			1,087,569	11,168
Coupon	304,739	2,958		
Entertainment	21,760	447		
Retail & Gifts			1,487	84
Other	<u>11,174</u>	<u>227</u>	<u>96,296</u>	<u>2,293</u>
Total	<u>2,217,450</u>	<u>\$19,172</u>	<u>1,194,480</u>	<u>\$14,651</u>

* Decreased by year-to-date adjustment of \$105,000 to correct prior quarterly reports.

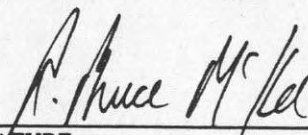
** Increased by year-to-date adjustment of \$59,229 to correct prior quarterly reports.

STATEMENT OF CONFORMITY AND ACCURACY

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

R. BRUCE MCKEE , being duly sworn according to law upon my oath deposes and says:
NAME

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

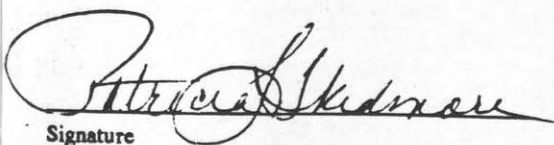

SIGNATURE

Vice President - Finance
TITLE

0548-11
LICENSE NUMBER

Subscribed and Sworn to before me
this 12th day of November, 1992.

On Behalf Of:


Signature

Trump Taj Mahal Associates
Casino Licensee

PATRICIA L. SKIDMORE
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires August 23, 1996

Basis of Authority
to Take Oaths