QUARTERLY REPORT

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

FOR THE QUARTER ENDED JUNE 30, 1996

TO THE
CASINO CONTROL COMMISSION
OF THE
STATE OF NEW JERSEY

NAME OF OFFICER IN CHARGE
OF CORRESPONDENCE REGARDING
THIS QUARTERLY REPORT .... Vicki Lynn Guveiyian

OFFICIAL TITLE .... Assistant Vice President/Controller

ADDRESS .... Park Place and the Boardwalk
Atlantic City, NJ 08401

TRADING NAME OF LICENSEE: BALLY'S PARK PLACE CASINO • RESORT

LIST OF FORMS - QUARTERLY REPORT

FOR THE QUARTER ENDED JUNE 30, 1996

TRADING NAME OF LICENSEE: BALLY'S PARK PLACE CASINO RESORT

BALANCE SHEETS

JUNE 30, 1996 AND 1995

(UNAUDITED)

($ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)		1996 (c)	1995 (d)
	ASSETS			
	Current Assets:			
1	Cash and Cash Equivalents		$ 38,935	$ 33,733
2	Short - Term Investments		—	—
3	Receivables and patrons' checks (net of allowances for doubtful accounts - 1996 $1,505; 1995 $1,490)		8,594	5,653
4	Inventories		2,259	2,390
5	Prepaid expenses and other current assets	NOTE 1 & 2	15,680	14,092
6	Total current assets		65,468	55,868
7	Investments, Advances, and Receivables	NOTE 9	37,575	37,031
8	Property and Equipment - Gross	NOTE 3	790,902	776,597
9	Less: Accumulated Depreciation/Amortization	NOTE 3	(349,434)	(322,487)
10	Other Assets		20,437	14,834
11	Total Assets		$ 564,948	$ 561,843
	LIABILITIES AND EQUITY			
	Current Liabilities:			
12	Accounts payable		$ 7,517	$ 7,782
13	Notes payable		—	—
	Current portion of long-term debt:			
14	Due to affiliates		—	—
15	Other		51	48
16	Income taxes payable and accrued		2,260	2,717
17	Other accrued expenses	NOTE 10	36,032	35,594
18	Other current liabilities		3,380	2,866
19	Total current liabilities		49,240	49,007
	Long Term Debt:			
20	Due to affiliates	NOTE 4	425,000	425,000
21	Other	NOTE 4	2,495	2,614
22	Deferred Credits	NOTE 5	38,614	38,781
23	Other Liabilities	NOTE 6	9,880	8,909
24	Commitments And Contingencies			
25	Total Liabilities		525,229	524,311
26	Stockholders', Partners', or Proprietors' Equity		39,719	37,532
27	Total Liabilities and Equity		$ 564,948	$ 561,843

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 • RESORT

STATEMENTS OF INCOME

FOR THE SIX MONTHS ENDED JUNE 30, 1996 AND 1995

(UNAUDITED)

($ IN THOUSANDS)

LINE (A)	DESCRIPTION (b)		1996 (c)	1995 (d)
	REVENUE:			
1	Casino		$ 173,182	$ 170,708
2	Rooms		17,442	17,717
3	Food and Beverage		23,193	21,400
4	Other		5,063	4,506
5	Total Revenue		218,880	214,331
6	Less: Promotional allowances		22,287	19,504
7	Net Revenue		196,593	194,827
	COSTS AND EXPENSES:			
8	Costs of Goods and Services		97,721	98,908
9	Selling, General, and Administrative		31,431	26,807
10	Provision for Doubtful Accounts		183	503
11	Total costs and expenses		129,335	126,218
12	Gross Operating Profit		67,258	68,609
13	Depreciation and amortization		14,706	14,698
	Charges from affiliates other than interest:			
14	Management fees		—	—
15	Other	NOTE 1	2,198	2,442
16	Income (Loss) from Operations		50,354	51,469
	Other Income (Expenses):			
17	Interest (expense) - affiliates	NOTE 7	(19,516)	(19,638)
18	Interest (expense) - external	NOTE 7	(395)	(353)
19	Investment alternative tax and related income (expense) - net	NOTE 11	495	(1,127)
20	Non-operating income (expense) - net	NOTE 12	1,192	1,390
21	Total other income (expenses)		(18,224)	(19,728)
22	Income (Loss) Before Income Taxes and Extraordinary Items		32,130	31,741
23	Provision (credit) for income taxes	NOTE 8	13,585	13,620
24	Income (Loss) Before Extraordinary Items		18,545	18,121
25	Extraordinary items (net of income taxes)		—	—
	Cumulative effect on prior years of change in accounting for income taxes		—	—
26	Net Income (Loss)		$ 18,545	$ 18,121

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

STATEMENTS OF INCOME

FOR THE THREE MONTHS ENDED JUNE 30, 1996 AND 1995

(UNAUDITED)
($ IN THOUSANDS)

LINE (A)	DESCRIPTION (b)	1996 (c)	1995 (d)
	REVENUE:		
1	Casino	$ 90,909	$ 90,068
2	Rooms	9,518	9,818
3	Food and Beverage	12,075	11,346
4	Other	2,245	2,298
5	Total Revenue	114,747	113,530
6	Less: Promotional allowances	11,662	10,271
7	Net Revenue	103,085	103,259
	COSTS AND EXPENSES:		
8	Costs of Goods and Services	47,798	50,057
9	Selling, General, and Administrative	16,909	14,832
10	Provision for Doubtful Accounts	20	289
11	Total costs and expenses	64,727	65,178
12	Gross Operating Profit	38,358	38,081
13	Depreciation and amortization	7,432	7,652
	Charges from affiliates other than interest:		
14	Management fees	—	—
15	Other NOTE 1.	1,211	957
16	Income (Loss) from Operations	29,715	29,472
	Other Income (Expenses):		
17	Interest (expense) - affiliates NOTE 7.	(9,776)	(9,820)
18	Interest (expense) - external NOTE 7.	(206)	(175)
19	Investment alternative tax and related income (expense) - net NOTE 11.	(531)	(631)
20	Non-operating income (expense) - net NOTE 12	613	702
21	Total other income (expenses)	(9,900)	(9,924)
22	Income (Loss) Before Income Taxes and Extraordinary Items	19,815	19,548
23	Provision (credit) for income taxes NOTE 8.	8,283	8,619
24	Income (Loss) Before Extraordinary Items	11,532	10,929
25	Extraordinary items (net of income taxes)	—	—
	Cumulative effect on prior years of change in accounting for income taxes	—	—
26	Net Income (Loss)	$ 11,532	$ 10,929

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 STOCKHOLDER'S EQUITY

FOR THE TWELVE MONTHS ENDED DECEMBER 31, 1995 AND THE SIX MONTHS ENDED JUNE 30, 1996

(UNAUDITED)

($ IN THOUSANDS)

Line (a)	Description (b)	Common Stock Shares (c)	Common Stock Amount (d)	Preferred Stock Shares (e)	Preferred Stock Amount (f)	Additional Paid - In Capital (g)	------- ------- ------- (h)	Retained Earnings (Accumulated) (Deficit) (i)	Total Stockholder's Equity (Deficit) (j)
1	Balance, December 31, 1994	100	$ 1			$ 24,910		$ 0	$ 24,911
2	Net Income (Loss) - 1995							40,463	40,463
3	Contribution to Paid - In Capital								
4	Dividends					(3,737)		(40,463)	(44,200)
5	Prior Period Adjustments								
6									
7									
8									
9									
10	Balance, December 31, 1995	100	1			21,173		0	21,174
11	Net Income (Loss) - 1996							18,545	18,545
12	Contribution to Paid - In Capital								
13	Dividends								
14	Prior Period Adjustments								
15									
16									
17									
18									
19	Balance, June 30, 1996	100	$ 1			$ 21,173		$ 18,545	$ 39,719

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 • RESORT

STATEMENT OF CHANGES IN PARTNERS' OR PROPRIETOR'S EQUITY

FOR THE TWELVE MONTHS ENDED DECEMBER 31, 1996 AND 1995

(UNAUDITED)
($ IN THOUSANDS)

NOT APPLICABLE

Line (a)	Description (b)	Contributed Capital (c)	Accumulated Earnings (Defect) (d)	(e)	Total Equity (Deficit) (f)
1	Balance, December 31, 1994......				
2	Net Income (Loss) - 1995.........				
3	Capital Contributions.........				
4	Capital Withdrawals...........				
5	Partnership Distributions.........				
6	Prior Period Adjustments........;				
7					
8					
9					
10	Balance, December 31, 1995.......				
11	Net Income (Loss) - 1996.........				
12	Capital Contributions...........				
13	Capital Withdrawals............				
14	Partnership Distributions.........				
15	Prior Period Adjustments.........				
16					
17					
18					
19	Balance, December 31, 1996.......				

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 • RESORT

STATEMENTS OF CASH FLOWS
FOR THE SIX MONTHS ENDED JUNE 30, 1996 AND 1995

(UNAUDITED)
($ IN THOUSANDS)

LINE (a)	Description (b)	1996 (c)	1995 (d)
1	Net Cash Provided (Used) By Operating Activities	$ 15,762	$ 31,803
	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	(8,277)	(4,377)
5	Proceeds from disposition of property and equipment	—	—
6	Purchase of casino reinvestment obligations	(272)	(2,140)
7	Purchase of other investments and loans/advances made	—	—
8	Proceeds from disposal of investments and collection of advances and long-term receivables	56	26
9	Cash outflows to acquire business entities	—	—
10	Payment to affiliate for CRDA credits	—	—
11	Net book value of disposals	223	8
12	Net Cash Provided (Used) By Investing Activities	(8,270)	(6,483)
	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	2,000
16	Costs of issuing debt	—	—
17	Payments to settle long-term debt	(8,056)	(2,027)
18	Cash proceeds from issuing stock or capital contributions	—	—
19	Purchases of treasury stock	—	—
20	Payments of dividends or capital withdrawals	—	(5,500)
21	Advance (to) from Bally and affiliates	—	—
22		—	—
23	Net Cash Provided (Used) By Financing Activities	(56)	(5,527)
24	Net Increase (Decrease) In Cash And Cash Equivalents	7,436	19,793
25	Cash And Cash Equivalents At Beginning Of Period	31,499	13,940
26	Cash And Cash Equivalents At End Of Period	$ 38,935	$ 33,733

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

LINE	Description	1996	1995
	Cash Paid During Period For:		
27	Interest (net of amount capitalized)	$ 19,783	$ 20,239
28	Income taxes	$ 20,637	$ 14,189

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 • RESORT
STATEMENTS OF CASH FLOWS

FOR THE SIX MONTHS ENDED JUNE 30, 1996 AND 1995
(UNAUDITED)
($ IN THOUSANDS)

LINE (a)	Description (b)	1996 (c)	1995 (d)
	Net Cash Flows From Operating Activities:		
29	Net income (loss)	$ 18,545	$ 18,121
	Noncash items included in income and cash items excluded from income:		
30	Depreciation and amortization of property and equipment	13,923	13,868
31	Amortization of other assets	783	800
32	Amortization of Debt Discount or Premium	—	—
33	Deferred Income taxes - current	(85)	(1,044)
34	Deferred income taxes - noncurrent	(3,298)	(2,524)
35	(Gain) loss on disposition of property and equipment	—	
36	(Gain) loss on casino reinvestment obligations	(495)	1,127
37	(Gain) loss from other investment activities	(26)	2
38	Net (increase) decrease in receivables and patrons' checks	(2,197)	186
39	Net (increase) decrease in inventories	(130)	(162)
40	Net (increase) decrease in other current assets	(5,609)	816
41	Net (increase) decrease in other assets	(508)	(174)
42	Net increase (decrease) in accounts payables	14	561
43	Net increase (decrease) in other current liabjlities excluding debt	(5,364)	2,012
44	Net increase (decrease) in other noncurrent liabilities excluding debt	209	(1,816)
45	(Gain)/Loss from financing activities	—	—
46	Amortization of CRDA credits	—	30
47	**Net Cash Provided (Used) By Operating Activities**	$ 15,762	$ 31,803

SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING AND FINANCING ACTIVITIES

LINE (a)	Description (b)	1996 (c)	1995 (d)
	Acquisition Of Property And Equipment:		
48	Additions to property and equipment	$ (8,277)	$ (4,377)
49	Less: Capital lease obligations incurred	—	—
50	**Cash Outflows For Property And Equipment**	$ (8,277)	$ (4,377)
	Acquisition Of Business Entities:		
51	Property and equipment acquired	$ —	$ —
52	Goodwill acquired	—	—
53	Net assets acquired other than cash, goodwill, and property and equipment	—	—
54	Long-term debt assumed	—	—
55	Issuance of stock or capital invested	—	—
56	**Cash Outflows To Acquire Business Entities**	$ —	$ —
	Stock Issued Or Capital Contributions:		
57	Total issuances of stock or capital contributions	$ —	$ —
58	Less: Issuances to settle long-term debt	—	—
59	Consideration in acquisition of business entities	—	—
60	**Cash Proceeds From Issuing Stock Or Capital Contributions**	$ —	$ —

TRADING NAME OF LICENSEE: BALLY'S PARK PLACE CASINO • RESORT

PROMOTIONAL EXPENSES AND ALLOWANCES

($ in Thousands)

For the three months ended June 30, 1996

Line (a)	(b)	Promotional Allowances Number of Recipients (c)	Promotional Allowances Dollar Amount (d)	Promotional Expenses Number of Recipients (e)	Promotional Expenses Dollar Amount (f)
1	Rooms	54,293	$ 4,155		
2	Food	462,958	4,556		
3	Beverage	1,344,520	2,689		
4	Travel			20,668	$ 414
5	Coin				
6	Coupon			422,856	6,282
7	Entertainment	13,280	220		
8	Retail & Gifts	453	14		
9	Parking				
10	Other	276	28	13,081	654
11	Total	1,875,780	$ 11,662	456,605	$ 7,350

For the six months ended June 30, 1996

Line (a)	(b)	Promotional Allowances Number of Recipients (c)	Promotional Allowances Dollar Amount (d)	Promotional Expenses Number of Recipients (e)	Promotional Expenses Dollar Amount (f)
1	Rooms	101,054	$ 7,728		
2	Food	816,382	8,752		
3	Beverage	2,646,007	5,292		
4	Travel			34,630	$ 693
5	Coin				
6	Coupon			776,435	12,332
7	Entertainment	25,135	422		
8	Retail & Gifts	453	14		
9	Parking				
10	Other	2,651	79	24,069	1,203
11	Total	3,591,682	$ 22,287	835,134	$ 14,228

STATEMENT OF CONFORMITY, ACCURACY AND COMPLIANCE

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 Quarterly Report has been prepared in conformity with the Casino Control Commission's Quarterly Report Instructions and Uniform Chart of Accounts.

3. To the best of my knowledge and belief, the information contained in this report is accurate.

4. To the best of my knowledge and belief, except for the deficiencies noted below, the licensee submitting this Quarterly Report has remained in compliance with the financial stability regulations contained in N.J.A.C. 19:43-4.2(b)1-5 during the quarter.

Signature

Subscribed and sworn to before me this 12th day of August, 1996

Signature
Dale Allen-Eastburn
Notary Public of New Jersey
My Commission Expires 01/25/98

Assistant Vice President / Controller
Title

#000558-11
License Number

Notary Public
Basis of Authority to Take Oaths

On Behalf Of:
Bally's Park Place, Inc. NJ
Casino Licensee

BALLY'S PARK PLACE CASINO•RESORT
Note 1 - Notes to Financial Statements
For the Three Months Ended June 30, 1996 and 1995
(Unaudited)
(In thousands)

Basis of presentation

The accompanying financial statements include the accounts of Bally's Park Place, a New Jersey corporation, (the "Company"). The Company is a wholly owned subsidiary of Bally's Park Place, Inc., a Delaware corporation which is a wholly owned subsidiary of Bally's Casino Holdings, Inc. ("Casino Holdings"). Casino Holdings is an indirect wholly owned subsidiary of Bally Entertainment Corporation ("BEC"), an operator of casinos and casino hotel resorts. The accompanying financial statements should be read in conjunction with the Company's Annual Report to the Casino Control Commission (the "CCC") for the year ended December 31, 1995.

Please refer to the Annual Report for the following:

1. Summary of Significant Accounting Policies
2. Provision for Income Taxes, Reconciliation to Statutory Rate
3. Pension Plans
4. Reinvestment Obligations
5. Capital Stock - Description of Features
6. Contingent Liabilities
7. Guarantee

All adjustments have been recorded which are, in the opinion of management, necessary for a fair presentation of the balance sheet of the Company at June 30, 1996 and 1995, its statements of income for the three and six months ended June 30, 1996 and 1995, its statement of changes in stockholder's equity for the six months ended June 30, 1996 and the year ended December 31, 1995, and its statements of cash flows for the six months ended June 30, 1996 and 1995. All such adjustments were of a normal recurring nature.

The Company operates in one industry segment and all significant revenues arise from its casino and supporting hotel operations.

The accompanying condensed consolidated financial statements have been prepared in conformity with generally accepted accounting principles which require the Company's management to make estimates and assumptions that affect the amounts reported therein. Actual results could vary from such estimates. In addition, certain reclassifications have been made to prior period financial statements to conform with the 1996 presentation.

Acquisition of BEC by Hilton Hotels Corporation

In June 1996, BEC and Hilton Hotels Corporation ("Hilton") entered into an agreement pursuant to which BEC will merge with and into Hilton. The transaction which has been approved by the board of directors of BEC and Hilton, is subject to approval by the companies' shareholders and gaming regulations of several states, and is expected to close by year-end 1996.

BALLY'S PARK PLACE CASINO•RESORT
Note 1 - Notes to Financial Statements
For the Three Months Ended June 30, 1996 and 1995
(Unaudited)

Investments in subsidiaries

The Company owns three subsidiaries, B.W. Realty, Inc. and Bally's Park Place Realty Company (which both own land in Atlantic City) and Bally Warwick, Inc. The investments in these subsidiaries are reflected in the accompanying financial statements using the equity method.

Allocations from BEC and transactions with related parties

BEC allocates costs to the Company consisting of the Company's allocable share of BEC's corporate overhead including executive salaries and benefits, public company reporting costs and other corporate headquarter's costs. While the Company does not obtain a measurable direct benefit from these allocated costs, management believes that the Company receives an indirect benefit from BEC's oversight. BEC's method for allocating costs is designed to apportion the majority of its operating costs to its subsidiaries and is generally based upon many subjective factors including various measures of operational size and extent of BEC's oversight requirements. Management of BEC believes that the methods used to allocate these costs are reasonable and expects similar allocations in future years. Because of BEC's controlling relationship with the Company and the allocation of certain BEC costs, the operating results of the Company could be significantly different if the Company operated autonomously. In addition, certain of the Company's insurance coverage is obtained by BEC pursuant to corporate-wide programs. In these circumstances, BEC charges the Company its proportionate share of the respective insurance premiums. The accompanying financial statements reflect an allocation of costs and expenses incurred by BEC of $1,211 and $957 for the three months ended June 30, 1996 and 1995, respectively and $2,198 and $2,442 for the six months ended June 30, 1996 and 1995, respectively.

Certain executive officers of the Company function in a similar capacity for certain other BEC subsidiaries and exercise decision-making and operational authority over these entities. No allocation of cost is made from the Company to these BEC subsidiaries for the executive officers as management deems the direct allocable cost to be immaterial. In addition, certain administrative and support operations of the Company and GNOC, CORP. (a wholly owned subsidiary of BEC which owns and operates the casino hotel resort in Atlantic City known as "The Grand"), are consolidated, including limousine services, legal services and purchasing. Costs of these operations are allocated to or from the Company either directly or using various formulas based on estimates of utilization of such services. On a net basis, allocations to The Grand were $107 and $76 for the three months ended June 30, 1996 and 1995, and $215 and $137 respectively, which management believes were reasonable. The Company also leases surface area parking lots to The Grand, and rental income was $174 for each of the three month periods ended June 30, 1996 and 1995, respectively, and $348 for each of the six month periods ended June 30, 1996 and 1995, respectively.

BALLY'S PARK PLACE CASINO•RESORT
Note 1 - Notes to Financial Statements
For the Three Months Ended June 30, 1996 and 1995
(Unaudited)

Income taxes

Taxable income or loss of the Company is included in the consolidated federal income tax return of BEC. Under agreements between the Company, BEC and Casino Holdings, income taxes are allocated to the Company based on amounts the Company would pay or receive if it filed a separate consolidated federal income tax return, except that the Company receives credit from BEC for the tax benefit of the Company's net operating losses and tax credits, if any, that can be utilized in BEC's consolidated federal income tax return, regardless of whether these losses or credits could be utilized by the Company on a separate consolidated federal income tax return basis. Payments to BEC for tax liabilities are due at such time and in such amounts as payments are required to be made to the Internal Revenue Service. Payments from BEC for tax benefits are due at the time BEC files the applicable consolidated federal income tax return.

For the six months ended June 30, 1996 and 1995, the effective rates of the income tax provision varied from the U.S. statutory rate of 35% (41.8% and 44.1% for the three months ended June 30, 1996 and 1995, and 42.3% and 42.9% for the six months ended June 30, 1996 and 1995, respectively,) due principally to state income taxes.

BALLY'S PARK PLACE CASINO•RESORT
Note 2 Prepaid Expenses and
Other Current Assets
June 30,
(Unaudited)
(In thousands)

	1996	1995 **
Federal Income Tax Receivable	$ -----	$ 3,936
Deferred Income Tax	8,741	8,016
Other*	6,939	2,140
	$15,680	$14,092

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

** Restated to conform to the 1996 presentation.

BALLY'S PARK PLACE CASINO•RESORT
Note 3 - Property and Equipment
June 30,
(Unaudited)
(In thousands)

	1996	1995
Land	$ 74,446	$ 71,089
Buildings, Leasehold Improvements	555,311	550,406
Furniture, Fixtures and Equipment	159,590	154,269
Construction in Progress	1,555	833
	790,902	776,597
Less Accumulated Depreciation and Amortization	(349,434)	(322,487)
Property and Equipment, Net	$441,468	$454,110

BALLY'S PARK PLACE CASINO•RESORT
Note 4 - Long-Term Debt, Affiliates and Other
June 30,
(Unaudited)
(In thousands)

Long-Term Debt	1996	1995
Due to affiliates:		
9 1/4% First Mortgage Notes due 2004	$425,000	$425,000
Other:		
Other secured and unsecured debt	$ 2,495	$ 2,614

In 1994, the Company issued $425,000 principal amount of 9 1/4% First Mortgage Notes due 2004 (the "Notes"). The Notes are secured by a first mortgage on and security interest in substantially all property and equipment of the Company.

In February 1996, the Company amended its revolving credit facility to increase the available credit line from $50,000 to $65,000 and extend the expiration date to December 31, 1998. The revolving credit facility provides for interest on borrowings payable, at the Company's option, at the agent bank's prime rate or the LIBOR rate plus 2%, each of which increases as the balance outstanding increases. The credit facility is secured by a pari passu lien on the collateral securing the 9 1/4% Notes. The Company pays a fee of 1/2% on the unused commitment and the entire amount was unused at June 30, 1996.

The indentures for the Notes and the revolving credit facility impose restrictions on the Company's ability to incur debt and issue preferred stock, make acquisitions and certain restricted payments, create liens, sell assets or enter into transactions with affiliates. The revolving credit facility is, in certain circumstances, more restrictive than the indenture for the Notes. The indenture for the Notes and the revolving credit facility also limit dividends paid by the Company which are not paid pursuant to a net income test (generally limited to 50% of aggregate consolidated net income, as defined, earned since April 1, 1994). At June 30, 1996, $12,363 was available to be paid as dividends pursuant to the net income test.

The Company has no significant maturities of long-term debt before March 2004.

BALLY'S PARK PLACE CASINO•RESORT
Note 5 - Deferred Credits
June 30,
(Unaudited)
(In thousands)

	1996	1995
Deferred Federal Income Taxes	$38,614	$38,781

BALLY'S PARK PLACE CASINO•RESORT
Note 6 - Other Liabilities
June 30,
(Unaudited)
(In thousands)

	1996	1995
Retirement Plans Liabilities	$ 9,655	$ 8,005
Reinvestment Obligation (Net of unamortized discount of $0 in 1996 and $71 in 1995)	225	904
	$ 9,880	$ 8,909

During June 1995, the Company terminated its noncontributory supplemental executive retirement plan for certain key executives whereby the Company generally settled its obligations with respect thereto by making a payment to a defined contribution plan. As a result of this settlement, the Company recognized a gain of $1,800 in 1995.

BALLY'S PARK PLACE CASINO•RESORT
Note 7 - Interest Expense
For the Three Months Ended June 30,
(Unaudited)
(In thousands)

Charges From Affiliates	1996	1995
Bally's Park Place Funding, Inc.	$ 9,828	$ 9,828
Capitalized interest	(52)	(8)
	$ 9,776	$ 9,820
External Sources		
Interest on various loans	$ 213	$ 176
Capitalized interest	(7)	(1)
	$ 206	$ 175

For the Six Months Ended June 30,
(Unaudited)
(In thousands)

Charges From Affiliates	1996	1995
Bally's Park Place Funding, Inc.	$19,656	$19,656
Capitalized interest	(140)	(18)
	$19,516	$19,638
External Sources		
Interest on various loans	$ 412	$ 355
Capitalized interest	(17)	(2)
	$ 395	$ 353

BALLY'S PARK PLACE CASINO•RESORT
Note 8 - Provision for Income Taxes
For the Three Months Ended June 30,
(Unaudited)
(In thousands)

	1996	1995
Current:		
Federal	$ 6,281	$ 9,486
State	2,177	3,652
	8,458	13,138
Deferred:		
Federal	177	(2,765)
State	(352)	(1,754)
	(175)	(4,519)
Provision for Income Taxes	$ 8,283	$ 8,619

For the Six Months Ended June 30,
(Unaudited)
(In thousands)

	1996	1995
Current:		
Federal	$12,995	$13,493
State	3,973	3,695
	16,968	17,188
Deferred:		
Federal	(2,403)	(2,873)
State	(980)	(695)
	(3,383)	(3,568)
Provision for Income Taxes	$13,585	$13,620

BALLY'S PARK PLACE CASINO•RESORT
Note 9 - Investments, Advances and Receivables
June 30,
(Unaudited)
(In thousands)

	1996	1995
Other long-term investments and receivables:		
Investment in subsidiaries - equity:		
Bally Warwick, Inc. - 100% owned	$ 4,223	$ 4,245
B.W. Realty, Inc. - 100% owned	4,901	4,833
Bally's Park Place Realty Company - 100% owned	15,630	15,630
Total investments in subsidiaries - equity	24,754	24,708
Casino Reinvestment Development Authority Investment Obligations (less discount of $9,664 in 1996 and $10,028 in 1995)	10,569	9,953
Jacobs Family Terrace Mortgage Receivable (less reserve of $250 in 1996 and 1995)	2,305	2,418
Less current portion	(53)	(48)
Total Jacobs Family Terrace Receivable	2,252	2,370
Total Investments, Advances and Receivables	$37,575	$37,031

BALLY'S PARK PLACE CASINO•RESORT
Note 10 - Other Accrued Expenses
June 30,
(Unaudited)
(In thousands)

	1996	1995 **
Payroll	$ 8,168	$ 6,707
Progressive Jackpots	1,251	1,896
Interest	11,745	11,684
Group Insurance	1,550	3,050
Workers' Compensation	2,934	955
Insurance Related Obligations	3,193	3,188
Miscellaneous*	7,191	8,114
Total	$36,032	$35,594

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

** Restated to conform to the 1996 presentation.

BALLY'S PARK PLACE CASINO•RESORT
Note 11 - Investment Obligations
June 30, 1996
(Unaudited)
(In thousands)

The New Jersey Casino Control Act (the "Act") provides, among other things, for an assessment of licensees equal to 1 1/4% of their casino revenues as defined. This assessment may be satisfied by the Company investing in qualified eligible direct investments, by making qualified contributions or by depositing funds with the New Jersey Casino Reinvestment Development Authority ("CRDA"). These funds may be used to purchase bonds designated by the CRDA or, under certain circumstances, they may be donated to the CRDA in exchange for credits against future CRDA investment obligations. CRDA designated bonds have terms up to fifty years and bear interest at below market rates. The Company records a charge to operations when it deposits funds with the CRDA to reflect the estimated realizable value of its CRDA investments. If the investment obligation is not satisfied, then the licensee is subject to an investment alternative tax of 2 1/2% of gross casino revenues. The Company's investment obligation at June 30, 1996 was satisfied.

At June 30, 1996 and 1995, the Company had $18,416 and $18,619 respectively, in remaining bond purchase commitments on deposit with the CRDA. The Company has purchased $1,817 and $1,361 in bonds from the CRDA as of June 30, 1996 and 1995, respectively.

The Company charged to operations $531 and $631 for the three months ended June 30, 1996 and 1995, respectively and $1,127 for the six months ended June 30, 1995 to reflect the estimated realizable value of its CRDA investment obligations. For the six months ended June 30, 1996 the Company recognized a $495 credit due to an increase in the estimated realizable value of funds on deposit with the CRDA associated with the construction of additional hotel rooms.

The Company utilized CRDA credits to offset its assessment on gross revenues by the CRDA of $0 and $30 for the six months ended June 30, 1996 and 1995, respectively. No CRDA credits were utilized for the three months ended June 30, 1996 and 1995. These credits are charged to depreciation and amortization as they are used.

BALLY'S PARK PLACE CASINO•RESORT
Note 12 - Non-Operating Income
For the Three Months Ended June 30,
(Unaudited)
(In thousands)

	1996	1995
Interest Income	$ 436	$ 499
Equity in income (loss) of unconsolidated subsidiaries:		
B. W. Realty, Inc.	31	13
Bally Warwick, Inc.	(14)	(13)
Other	160	203
Total Non-operating Income	$ 613	$ 702

For the Six Months Ended June 30,
(Unaudited)
(In thousands)

	1996	1995
Interest Income	$1,041	$1,015
Equity in income (loss) of unconsolidated subsidiaries:		
B. W. Realty, Inc.	43	25
Bally Warwick, Inc.	(16)	(27)
Other	124	377
Total Non-operating Income	$1,192	$1,390

QUARTERLY REPORT

LICENSEE: THE CLARIDGE AT PARK PLACE, INC.

FOR THE QUARTER ENDED JUNE 30, 1996

TO THE

CASINO CONTROL COMMISSION

OF THE

STATE OF NEW JERSEY

TRADING NAME OF LICENSEE: THE CLARIDGE CASINO HOTEL

LIST OF FORMS - QUARTERLY REPORT

FOR THE QUARTER ENDED JUNE 30, 1996

TRADING NAME OF LICENSEE: THE CLARIDGE CASINO HOTEL

BALANCE SHEETS

AS OF JUNE 30, 1996 AND 1995

(UNAUDITED)
($ IN THOUSANDS)

LINE (a)	Description (b)		1996 (c)	1995 (d)
	ASSETS			
	Current Assets:			
1	Cash and cash Equivalents		$6,849	$11,258
2	Short-Term Investments (at cost which approx. market)		11,636	25,819
3	Receivables and Patrons' Checks (Net of Allowance for Doubtful Accounts - 1996, $1,008; 1995, $1,353)		24,282	20,040
4	Inventories		2,290	2,344
5	Prepaid Expenses and Other Current Assets		2,137	2,017
6	Total Current Assets		47,194	61,478
7	Investments, Advances, and Receivables	(NOTE 3)	99,578	110,300
8	Property and Equipment - Gross	(NOTE 4)	47,578	31,194
9	Less: Accumulated Depreciation and Amortization		(12,509)	(12,293)
10	Other Assets	(NOTE 5)	576	612
11	Total Assets		$182,417	$191,291
	LIABILITIES AND EQUITY			
	Current Liabilities:			
12	Accounts Payable		$6,861	$3,540
13	Notes Payable		0	0
	Current Portion of Long-Term Debt:			
14	Due to Affiliates		0	0
15	Other		0	0
16	Income Taxes Payable and Accrued		1,418	1,393
17	Other Accrued Expenses	(NOTE 6)	12,147	10,864
18	Other Current Liabilities	(NOTE 7)	21,000	20,792
19	Total Current Liabilities		41,426	36,589
	Long-Term Debt:			
20	Due to Affiliates		0	0
21	Other		0	0
22	Deferred Credits	(NOTE 12)	8,552	8,252
23	Other Liabilities	(NOTE 9)	48,767	52,148
24	Commitments and Contingencies	(NOTE 1)		
25	Total Liabilities		98,745	96,989
26	Stockholders', Partners', or Proprietor's Equity		83,672	94,302
27	Total Liabilities and Equity		$182,417	$191,291

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

TRADING NAME OF LICENSEE: THE CLARIDGE CASINO HOTEL

STATEMENTS OF INCOME

FOR THE SIX MONTHS ENDED JUNE 30, 1996 AND 1995

(UNAUDITED)
($ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	1996 (c)	1995 (d)
	Revenue:		
1	Casino	$82,592	$81,287
2	Rooms	4,061	4,268
3	Food and Beverage	9,967	9,523
4	Other	908	698
5	Total Revenue	97,528	95,776
6	Less: Promotional Allowances	8,869	7,591
7	Net Revenue	88,659	88,185
	Costs and Expenses:		
8	Cost of Goods and Services	48,788	46,341
9	Selling, General, and Administrative	32,603	27,168
10	Provision for Doubtful Accounts	103	115
11	Total Costs and Expenses	81,494	73,624
12	Gross Operating Profit	7,165	14,561
13	Depreciation and Amortization	1,207	1,176
	Charges from Affiliates Other than Interest:		
14	Management Fees	0	0
15	Other (NOTE 13b)	85	61
16	Income (Loss) from Operations	5,873	13,324
	Other Income (Expenses):		
17	Interest (Expense) - Affiliates (NOTE 13a)	(216)	(216)
18	Interest (Expense) - External	0	0
19	Investment Alternative Tax and Related Income (Expense) - Net	(424)	(1,001)
20	Nonoperating Income (Expense) - Net (NOTE 10)	(10,625)	(9,002)
21	Total Other Income (Expenses)	(11,265)	(10,219)
22	Income (Loss) Before Income Taxes and Extraordinary Items	(5,392)	3,105
23	Provision (Credit) for Income Taxes (NOTE 12)	(1,990)	1,548
24	Income (Loss) Before Extraordinary Items	(3,402)	1,557
	Extraordinary Items (Net of Income Taxes -		
25	19__, $; 19__, $)	0	0
26	Net Income (Loss)	($3,402)	$1,557

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

TRADING NAME OF LICENSEE: THE CLARIDGE CASINO HOTEL

STATEMENTS OF INCOME

FOR THE THREE MONTHS ENDED JUNE 30, 1996 AND 1995

(UNAUDITED)
($ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	1996 (c)	1995 (d)
	Revenue:		
1	Casino	$43,531	$42,743 *
2	Rooms	2,310	2,294
3	Food and Beverage	5,368	5,093
4	Other	556	342
5	Total Revenue	51,765	50,472 *
6	Less: Promotional Allowances	4,858	4,067
7	Net Revenue	46,907	46,405 *
	Costs and Expenses:		
8	Cost of Goods and Services	25,093	23,670 *
9	Selling, General, and Administrative	17,965	14,291
10	Provision for Doubtful Accounts	57	58
11	Total Costs and Expenses	43,115	38,019 *
12	Gross Operating Profit	3,792	8,386
13	Depreciation and Amortization	625	610
	Charges from Affiliates Other than Interest:		
14	Management Fees	0	0
15	Other	56	28
16	Income (Loss) from Operations	3,111	7,748
	Other Income (Expenses):		
17	Interest (Expense) - Affiliates	(108)	(108)
18	Interest (Expense) - External	0	0
19	Investment Alternative Tax and Related Income (Expense) - Net	(253)	(479)
20	Nonoperating Income (Expense) - Net	(5,436)	(4,437)
21	Total Other Income (Expense)	(5,797)	(5,024)
	Income (Loss) Before Income Taxes and		
22	Extraordinary Items	(2,686)	2,724
23	Provision (Credit) for Income Taxes	(906)	1,220
24	Income (Loss) Before Extraordinary Items	(1,780)	1,504
	Extraordinary Items (Net of Income Taxes -		
25	19__, $; 19__, $)	0	0
26	Net Income (Loss)	($1,780)	$1,504

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

*Certain reclassifications have been made to 1995 in order to conform with the 1996 presentation.

STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY

FOR THE SIX MONTHS ENDED JUNE 30, 1996 and 1995

(UNAUDITED)
($ IN THOUSANDS)

Line (a)	Description (b)	Common Stock Shares (c)	Common Stock Amount (d)	Preferred Stock Shares (e)	Preferred Stock Amount (f)	Additional Paid-In Capital (g)		Retained Earnings (Accumulated) (Deficit) (i)	Total Stockholders' Equity (Deficit) (j)
1	Balance December 31,1994	1,000	$ 1		$	$87,205	$	$15,554	$102,760
2	Net Income (Loss) - 1995							4,317	4,317
3	Contribution to Paid-in-Capital								
4	Dividends							(15,009)	(15,009)
	Prior Period Adjustments								
6	______								
7	______								
8	______								
9	______								
10	Balance December 31, 1995	1,000	1			87,205		4,862	92,068
11	Net Income (Loss) - 1996							(3,402)	(3,402)
12	Contribution to Paid-in-Capital								
13	Dividends							(4,994)	(4,994)
14	Prior Period Adjustments								
15	______								
16	______								
17	______								
18	______								
19	Balance June 30,1996	1,000	$ 1		$	$87,205		(3,534)	$83,672

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 SIX MONTHS ENDED JUNE 30, 1996 AND 1995

(UNAUDITED)
($ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	1996 (c)	1995 (d)
1	NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	($4,438)	$17,324 *
	CASH FLOWS FROM INVESTING ACTIVITIES:		
2	Purchase of Short-Term Investment Securities	0	(3,377)
3	Proceeds from the Sale of Short-Term Investment Securities	16,382	0
4	Cash Outflows for Property and Equipment	(12,951)	(11,852) *
5	Proceeds from Disposition of Property and Equipment	130	0
6	Purchase of Casino Reinvestment Obligations	(944)	(94)
7	Purchase of Other Investments and Loans/Advances made	(1,073)	(1,566)
8	Proceeds from Disposal of Investments and Collection of Advances and Long-Term Receivables	7,008	6,037
9	Cash Outflows to Acquire Business Entities		
10	Proceeds from Sale of Long Term Investment		
11			
12	Net Cash Provided (Used) By Investing Activities	8,552	(10,852) *
	CASH FLOWS FROM FINANCING ACTIVITIES:		
	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		
16	Cost of Issuing Debt		
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		
20	Payments of Dividends or Capital Withdrawals	(4,994)	(10,015)
21			
22			
23	Net Cash Provided (Used) By Financing Activities	(4,994)	(10,015)
24	Net increase (Decrease) in Cash and Cash Equivalents	(880)	(3,543)
25	Cash and Cash Equivalents at Beginning of Period	7,729	14,801
26	Cash and Cash Equivalents at End of Period	$6,849	$11,258

LINE	DESCRIPTION	1996	1995
	CASH PAID DURING YEAR FOR:		
27	Interest (Net of Amount Capitalized)	$0	$0
28	Income Taxes	$0	$677

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

***Certain reclassifications have been made to 1995 in order to conform with the 1996 presentation.**

STATEMENTS OF CASH FLOWS

FOR THE SIX MONTHS ENDED JUNE 30, 1996 AND 1995

(UNAUDITED)
($ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	1996 (c)	1995 (d)
	NET CASH FLOWS FROM OPERATING ACTIVITIES		
29	Net Income (Loss)	($3,402)	$1,557
	Noncash Items Included in Income and Cash Items Excluded from Income:		
30	Depreciation and Amortization of Property and Equipment	1,176	1,103
31	Amortization of Other Assets	31	73
32	Amortization of Debt Discount or Premium		
33	Deferred Income Taxes - Current	327	53
34	Deferred Income Taxes - Noncurrent	(95)	0
35	(Gain) Loss on Disposition of Property and Equipment	424	1,001
36	(Gain) Loss on Casino Reinvestment Obligations		
37	(Gain) Loss from Other Investment Activities		
38	Net (Increase) Decrease in Receivables and Patrons' Checks Excluding Reclass From Long Term of $1,428 and $969	(588)	8,558 *
39	Net (Increase) Decrease in Inventories	7	285
40	Net (Increase) Decrease in Other Current Assets*	(793)	(595)
41	Net (Increase) Decrease in Other Assets	(72)	3,670 *
42	Net Increase (Decrease) in Accounts Payable	2,941	720
43	Net Increase (Decrease) in Other Current Liabilities Excluding Debt	(1,449)	2,524
44	Net Increase (Decrease) in Other Noncurrent Liabilities Excluding Debt	(2,209)	(985)
45	Discount on Wraparound Mortgage Receivable	(736)	(640)
46			
47	Net Cash Provided (Used) By Operating Activities	($4,438)	$17,324 *

* Excluding decrease in current portion of CRDA credit of $0 and $768.

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

LINE	DESCRIPTION	1996	1995
	ACQUISITION OF PROPERTY AND EQUIPMENT:		
48	Additions to Property and Equipment	$12,951	$11,852 *
49	Less: Capital Lease Obligations Incurred		
50	Cash Outflows for Property and Equipment	$12,951	$11,852 *
	ACQUISITION OF BUSINESS ENTITIES:		
51	Property and Equipment Acquired	$0	$0
52	Goodwill Acquired		
53	Net Assets Acquired Other than Cash, Goodwill, and Property and Equipment		
54	Long-Term Debt Assumed		
55	Issuance of Stock or Capital Invested		
56	Cash Outflows to Acquire Business Entities	$0	$0
	STOCK ISSUED OR CAPITAL CONTRIBUTIONS:		
57	Total Issuances of Stock or Capital Contributions	$0	$0
58	Less: Issuances to Settle Long-Term Debt		
59	Consideration in Acquisition of Business Entities		
60	Cash Proceeds from Issuing Stock or Capital Contributions	$0	$0

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

*Certain reclassifications have been made to 1995 in order to conform with the 1996 presentation.

TRADING NAME OF LICENSEE: THE CLARIDGE CASINO HOTEL

SCHEDULE OF PROMOTIONAL EXPENSES AND ALLOWANCES

($ IN THOUSANDS)

FOR THE SIX MONTHS ENDED JUNE 30, 1996

		Promotional Allowances		Promotional Expenses	
Line (a)	(b)	Number of Recipients (c)	Dollar Amount (d)	Number of Recipients (e)	Dollar Amount (f)
1	Rooms	76,943	$ 2,238		$
2	Food	356,956	3,313		
3	Beverage	555,876	3,072		
4	Travel			1,927	202
5	Coin			854,837	15,852
6	Coupon			49,231	839
7	Entertainment	14,775	246		
8	Retail & Gifts			106,857	538
9	Parking			23,072	198
10	Other			7,117	219
11	Total	1,004,550	$ 8,869	1,043,041	$ 17,848

FOR THE THREE MONTHS ENDED JUNE 30, 1996

		Promotional Allowances		Promotional Expenses	
Line (a)	(b)	Number of Recipients (c)	Dollar Amount (d)	Number of Recipients (e)	Dollar Amount (f)
1	Rooms	39,797	$ 1,270		$
2	Food	195,040	1,850		
3	Beverage	272,517	1,555		
4	Travel			1,149	110
5	Coin			446,544	8,595
6	Coupon			19,276	372
7	Entertainment	11,868	183		
8	Retail & Gifts			60,542	309
9	Parking			11,515	104
10	Other			3,778	122
11	Total	519,222	$ 4,858	542,804	$ 9,612

(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 The 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.

In October 1988, the Corporation and New Claridge entered into an agreement to restructure the financial obligations of the Corporation and New Claridge (the "Restructuring Agreement"). The restructuring, which was consummated in June 1989, resulted in (i) a reorganization of the ownership interests in the Claridge; (ii) modifications of the rights and obligations of certain lenders; (iii) satisfaction and termination of the obligations and commitments of Webb and DEWNJ under the original structure; (iv) modifications of the lease agreements between New Claridge and the Partnership; and (v) the forgiveness by Webb of substantial indebtedness.

On January 31, 1994, the Corporation completed an offering of $85 million of First Mortgage Notes (the "Notes") due 2002, bearing interest at 11 3/4%. The Notes are secured by (i) a non-recourse mortgage granted by the Partnership representing a first lien on the Hotel Assets, (ii) a pledge granted by the Corporation of all outstanding shares of capital stock of New Claridge, and (iii) a guarantee by New Claridge. New Claridge's guarantee of the Notes is secured by a collateral assignment of the second lien Expandable Wraparound Mortgage, and by a lien on the Claridge's gaming and other assets, which lien will be subordinated to liens that may be placed on those gaming and other assets to secure any future revolving credit line arrangement. Interest on the Notes is payable semiannually on February 1 and August 1 of each year, commencing August 1, 1994. (See Note 8, "Long-Term Debt".)

A portion of the net proceeds of the Notes, totaling $82.2 million net of fees and expenses, was used as follows: (i) to repay in full on January 31, 1994, the Corporation's outstanding debt under the Revolving Credit and Term Loan Agreement (the "Loan Agreement"), including the outstanding balance of the Corporation's revolving credit line, which was secured by the First Mortgage; (ii) to expand New Claridge's casino capacity by 12,000 square feet in 1994, including the addition of approximately 500 slot machines and the relocation of two restaurants and their related kitchens at a total cost of approximately $12.7 million; (iii) the acquisition of land adjacent to the Claridge's existing valet-parking garage, and construction on that land of a self-parking facility, which opened on June 28, 1996, and in total is expected to cost approximately $27 million; and (iv) the possible purchase of the Contingent Payment (see Note 9, "Other Liabilities") granted in 1989 and now held in a trust for the Valley of the Sun United Way.

(b) Claridge License Renewal

On September 22, 1995, New Claridge was issued a four-year casino license by the Casino Control Commission (the "Commission") for the period commencing September 30, 1995.

(2) Summary of Significant Accounting Policies

(a) Basis of Presentation

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

Certain reclassifications have been made to the 1995 financial statements to conform to the 1996 presentation.

(b) Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

(c) Cash

Cash includes investments in interest-bearing repurchase agreements in government securities, with maturities of three months or less when purchased. Interest income is recorded as earned.

(d) 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.

(e) Promotional Allowances

Promotional allowances are presented at retail value. The cost of providing these complimentaries is included in the statement of earnings as operating costs.

(f) Inventories

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

(g) Property and Equipment

Property and equipment are recorded at cost, and are depreciated using the straight-line method over the following estimated useful lives:

Buildings and improvements	39 years
Gaming equipment	5 years

(h) Income Taxes

New Claridge is included in the consolidated income tax return of its parent, the Corporation. Deferred income taxes are provided for the temporary differences between financial statement reporting and income tax reporting for rent leveling provisions, asset basis differences, and various other expenses recorded for financial statement purposes.

(3) Investments, Advances, and Receivables

Investments, Advances, and Receivables at June 30, 1996 and 1995 are summarized as follows:

	1996	1995
	(in thousands)	
$127,000,000 Expandable Wraparound Mortgage 14%, maturities through September 30, 2000 (net of $9,079,000 discount and $10,501,000 discount at June 30, 1996 and 1995, respectively)	$ 68,921	76,999
Deferred interest receivable, due September 30, 2000	20,000	20,000
FF&E promissory note, 14%	18,388	17,994
FF&E promissory note - expansion, 14%	5,544	7,434
Reinvestment Obligations	1,999	856
	114,852	123,283
Less Current Installments	15,274	12,983
	$ 99,578	110,300

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 is obligated to make payments required under any senior mortgage indebtedness, so long as the Partnership is not in default on its obligations under the Expandable Wraparound Mortgage. $20 million in interest was deferred between 1983 and 1988 and will be due upon maturity. Principal payments required under the Expandable Wraparound Mortgage commenced in 1988 During the six months ended June 30, 1996, $5,000,000 in principal payments were made.

The Expandable Wraparound Mortgage also includes a provision whereby New Claridge will loan the Partnership up to $25 million in the form of FF&E promissory notes, secured under the Expandable Wraparound Mortgage, for the purchase of property and equipment. One half of the principal is due in 48 months and the remaining balance is due 60 months from the date of the respective FF&E promissory note. During the six months ended June 30, 1996, $1,030,000 in FF&E promissory note principal payments were made. In connection with the offering of $85 million of Notes on January 31, 1994, the Corporation agreed to use not less than $8 million from the net proceeds of the offering to finance internal improvements to the Claridge, which were funded through additional FF&E promissory notes. In connection therewith, the Expandable Wraparound Mortgage Loan agreement as well as the Operating Lease, and the Expansion Operating Lease were amended to provide that the principal on these additional FF&E promissory notes will be payable at final maturity of the Expandable Wraparound Mortgage.

In 1986, the Expandable Wraparound Mortgage was increased up to $17 million to provide the Partnership with funding for the construction of an 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 increase in the Expandable Wraparound Mortgage. The Expandable Wraparound Mortgage was amended to require, in addition to the above, principal payments (in equal monthly installments) due during the years 1988 through 1998 in escalating amounts totalling $80 million and on September 30, 2000 a balloon payment of $67 million, which includes $20 million of deferred interest.

The Casino Control Act (the "Act") provides for the imposition of an investment obligation, calculated as 1.25% of the total revenues from gaming operations less the provision for uncollectible accounts. If a casino licensee opts not to make an investment as required, it is assessed an alternative tax of 2.5% of total gaming revenues less the provision for uncollectible accounts. The licensee can satisfy its investment obligation by making a direct investment in a project approved by the Casino Reinvestment Development Authority ("CRDA"), the agency responsible for administering this portion of the Act, or it can buy bonds issued by the CRDA. These bonds bear interest at two-thirds of market rates, as set forth in the Act.

New Claridge has opted to deposit its reinvestment obligation funds with the State Treasurer. Through June 30, 1996, New Claridge has deposited $15,089,000, of which $2,498,000 has been used to purchase bonds issued by the CRDA. Since interest on these bonds and funds deposited is paid at a discounted rate, New Claridge records a valuation allowance of approximately one-third of the reinvestment obligation. In addition, in January 1990, it was determined that certain bonds issued by the CRDA had become impaired, and that the payment of principal and interest on these bonds was uncertain. As a result, New Claridge has recorded a valuation allowance for the full amount of its investment in these bonds, totalling $1,654,000.

From time to time, New Claridge has made donations to the CRDA of funds, which had previously been deposited with the State Treasurer. In exchange for these donations, New Claridge received credits which are to be applied to satisfy portions of the reinvestment obligations commencing after the dates of the donations. At the time of the donations, New Claridge records expense to write-down the book value of the donations to the amount of the credits received. As of June 30, 1996, all of these credits had been used.

(4) Property and Equipment

Property and equipment at June 30, 1996 and 1995 consist of the following:

	1996	1995
	(in thousands)	
Gaming Equipment	$19,532	19,676
Land and land improvements	8,100	8,100
Building	18,525	0
Construction in progress	0	1,706
Other ff&e - garage	63	0
Leasehold improvements	745	745
Capital lease asset	613	967
	47,578	31,194
Less accumulated depreciation	12,509	12,293
Net property and equipment	35,069	18,901

(5) Other Assets

Other assets at June 30, 1996 and 1995 consist of the following:

	1996	1995
	(in thousands)	
Intangible assets (net of accumulated amortization of $845 and $737 at June 30, 1996 and 1995, respectively)	$ 250	125
Refundable deposits, non-current	52	81
Other non-current assets	274	406
	576	612

(6) Other Accrued Expenses

Other accrued expenses at June 30, 1996 and 1995 consist of the following:

	1996	1995
	(in thousands)	
Accrued payroll and related benefits	$ 8,064	7,577
Accrued interest due to the Partnership	3,042	2,610
Other	1,041	677
	$12,147	10,864

(7) Other Current Liabilities

Other current liabilities at June 30, 1996 and 1995 consist of the following:

	1996	1995
	(in thousands)	
Due to affiliates	$ 3,600	3,600
Deferred rent due to Partnership	15,078	15,078
Auto/general claims liability	920	1,135
Other	1,402	979
	$21,000	20,792

As of June 30, 1996 and 1995, Due to Affiliates includes $3.6 million due to the Partnership. On June 16, 1989 pursuant to the terms of the Restructuring Agreement, the Partnership loaned to New Claridge $3.6 million which represented substantially all cash and cash equivalents remaining in the Partnership other than funds needed to pay expenses incurred through the closing of the restructuring. This loan is evidenced by an unsecured promissory note and is not due and payable until such time as the full or partial satisfaction of the Wraparound Mortgage and the first mortgage has been made in connection with a refinancing or sale of all or a partial interest in New Claridge. Interest, which accrues at 12% per annum, is payable in full upon maturity. As of June 30, 1996, such interest, which is included in Accrued Expenses, amounted to $3,042,000.

As of June 30, 1996, 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 (see Note 11, "Operating Lease"). The deferred rent liability will become payable (i) upon a sale or refinancing of the Claridge; (ii) upon full or partial satisfaction of the Wraparound Mortgage; and (iii) upon full satisfaction of any first mortgage then in place.

(8) Long-Term Debt

On January 31, 1994, the Corporation completed an offering of $85 million of Notes due 2002, bearing interest at 11 3/4%. The Notes are secured by (i) a non-recourse mortgage granted by the Partnership representing a first lien on the Hotel Assets, (ii) a pledge granted by the Corporation of all outstanding shares of capital stock of New Claridge, and (iii) a guarantee by New Claridge. New Claridge's guarantee of the Notes is secured by a collateral assignment of the second lien Expandable Wraparound Mortgage, and by a lien on the Claridge's gaming and other assets, which lien will be subordinated to liens that may be placed on those gaming and other assets to secure any future revolving credit line arrangement. Interest on the Notes is payable semiannually on February 1 and August 1 of each year, commencing August 1, 1994. The Corporation applied the net proceeds from the sale of the Notes of $82.2 million as a contribution to the equity capital of New Claridge. A portion of the net proceeds was used to repay in full New Claridge's outstanding debt under the Loan Agreement, including the outstanding balance of New Claridge's revolving credit line. In conjunction with the full satisfaction of the Loan Agreement, New Claridge's $7.5 million revolving credit line arrangement was terminated.

(9) Other Liabilities

Other liabilities at June 30, 1996 and 1995 consist of the following:

	1996	1995
	(in thousands)	
Deferred rent	$29,464	32,034
Contingent Payment	19,000	20,000
Other noncurrent liabilities	303	114
Total	$48,767	52,148

Pursuant to the Restructuring Agreement, Webb retained an interest, which was assigned to the Valley of the Sun United Way on April 2, 1990, equal to $20 million plus interest at a rate of 15% per annum, compounded quarterly, commencing December 1, 1988, in any proceeds ultimately recovered from operations and/or the sale or refinancing of the Claridge facility in excess of the first mortgage loan and other liabilities ("Contingent Payment"). Consequently, New Claridge has deferred the recognition of $20 million of forgiveness income with respect to the Contingent Payment obligation. Interest on the Contingent Payment has not been recorded in the accompanying financial statements since the likelihood of paying such amount is not considered probable at this time. As of June 30, 1996, accrued interest would have amounted to approximately $41.1 million.

In connection with the restructuring, Webb agreed to grant those investors in the Corporation and the Partnership ("Releasing Investors"), from whom Webb had received written releases from all liabilities, rights ("Contingent Payment Rights") to receive certain amounts to the extent available for application to the Contingent Payment. Approximately 84% in interest of the investors provided releases and became Releasing Investors. Payments to Releasing Investors are to be made in accordance with a schedule of priorities, as defined in the Restructuring Agreement.

On February 23, 1996, the Corporation acquired an option to purchase, at a discount from the carrying value, the Contingent Payment. The purchase price of the option of $1 million was recorded as an offset to the Contingent Payment liability which is included in other liabilities on New Claridge's balance sheet. The option may be exercised any time prior to December 31, 1997. Upon exercise of the option, the purchase price of the Contingent Payment would be $10 million, plus interest at 10% per annum for the period from January 1, 1997 to the date of payment of the purchase price if the purchase occurs after December 31, 1996. As a result, if the option is exercised, any obligation to pay the accrued interest, as discussed above, would be eliminated, except in respect of the obligation to the Releasing Investors. The purchase price may also increase in an amount not to exceed $10 million if future distributions to Releasing Investors exceed $20 million.

Upon exercise of the option, it is anticipated that the Contingent Payment will be canceled so that neither the Corporation nor the Partnership will have any obligation to make any payment in respect of the Contingent Payment before making a distribution to shareholders or limited partners. Upon the purchase and cancellation, however, the Corporation and the Partnership will remain obligated to make payments to the Releasing Investors, in respect of the Contingent Payment Rights, before any distribution may be made to shareholders or limited partners. These payments would be required to be in the same amounts as if the Contingent Payment had not been purchased and cancelled. As a result, it is not likely that shareholders or limited partners who are not Releasing Investors will receive any distribution from the Corporation or the Partnership. In the aggregate, Releasing Investors are entitled to receive up to an amount equal to approximately 72% of the Contingent Payment.

Under the terms of the option, upon purchase of the Contingent Payment, the Corporation and/or the Partnership are required to make distributions in excess of $7 million to the Releasing Investors. The Corporation and the Partnership have agreed to cooperate in the purchase of the option and the Contingent Payment, with each contributing one-half of the purchase price of the option and each anticipated to contribute one-half of the purchase price of the Contingent Payment. A portion of the Partnership's contribution will be contributed through additional abatements of basic rent payments due under the Operating Lease and Expansion Operating Lease.

(10) Other Nonoperating Income (Expense) - Net

Other nonoperating income (expense) - net for the six months ended June 30, 1996 and 1995 consists of the following:

	1996	1995
	(in thousands)	
Interest income - Wraparound Mortgage	$ 8,119	8,729
Interest income - other	531	854
Other nonoperating income/(expense)	(260)	29
Facilities/maintenance fee	265	265
Gain/(loss) on disposal of assets	95	-0-
Partnership rent expense	(19,375)	(18,879)
Total	$ (10,625)	(9,002)

(11) Operating Lease

New Claridge leases the Hotel Assets and the land on which the Claridge is located from the Partnership under an Operating Lease, for an initial lease term of 15 years with three ten-year renewal options. If New Claridge exercises its option to extend the term of the Operating Lease, basic rent during the renewal term will be calculated pursuant to a formula, with such rent not to be more than $29,500,000 nor less than $24,000,000 for the lease year commencing October 1, 1998 through September 30, 1999 and, subsequently, not to be greater than 10% more than the basic rent for the immediately preceding lease year in each lease year thereafter. New Claridge is also required to pay as additional rent amounts including certain taxes, insurance and other charges relating to the occupancy of the land and Hotel Assets, certain expenses and debt service relating to furniture, fixture and equipment replacements and building improvements and the general and administrative costs of the Partnership. Under the terms of the Operating Lease, New Claridge has an option to purchase, on September 30, 1998 and, if it renews the Operating Lease, on September 30, 2003, the Hotel Assets and the underlying land for their fair market value at the time the option is exercised.

Minimum future basic lease payments under the initial term of the Operating Lease as amended, as of June 30, 1996 (net of expected abatements, as discussed below) are as follows (in thousands):

7/01/96 - 6/30/97	$ 35,592
7/01/97 - 6/30/98	41,438
7/01/98 - 9/30/98	10,844
Total Minimum	$ 87,874

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 six months ended June 30, 1996 and 1995 expense for the Operating Lease amounted to $19,375,000 and $18,879,000 respectively, of which ($2,209,000) and ($1,099,000) of rental expense is attributable to the requirement under Statement of Financial Accounting Statements #13 to provide a level rent expense for those leases with escalating payments. Under the terms of the Operating Lease, the Partnership is responsible for taxes, assessments, insurance, maintenance and repairs and other costs related to use and occupancy of the Hotel Assets.

New Claridge entered into an Expansion Operating Lease Agreement with the Partnership whereby New Claridge leased the 1986 expansion facility for an initial term beginning March 17, 1986 and ending on September 30, 1998 with three 10-year renewal options. Basic annual rent payable during the initial term of the Expansion Operating Lease is $3,870,000 in 1986 (prorated based on the day that the 1986 expansion improvements opened to the public), and determined based on the cost of the construction of the expansion improvements. Annually thereafter the rental amount is adjusted based on the Consumer Price Index but any increase may not exceed two percent per annum. The total Expansion Operating Lease paid for the six months ended June 30, 1996 was $2,359,000. If the term of the Expansion Operating Lease is extended, basic annual rent will be calculated pursuant to a formula, with such rent not to be more than $3,000,000 nor less than $2,500,000 for the lease year commencing October 1, 1998 through September 30, 1999 and not to be greater than 10% more than the basic annual rent for the immediately preceding lease year in each lease year thereafter.

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

Effective with the consummation of the restructuring in June 1989, the Operating Lease Agreement and the Expansion Operating Lease Agreement were amended to provide for the deferral of $15,078,000 of rental payments during the period July 1, 1988 through the beginning of 1992, and to provide for the abatement of $38.8 million of basic rent payable through 1998, thereby reducing the Partnership's cash flow to an amount estimated to be necessary to meet the Partnership's cash requirements. During the third quarter of 1991, the maximum deferral of basic rent allowable under the Operating Lease of $15,078,000 was reached. On August 1, 1991, the Operating Lease Agreement and Expansion Operating Lease Agreement were further amended to revise the abatement provisions so that, commencing January 1, 1991, for each calendar year through 1998, the lease abatements may not exceed $10 million in any one calendar year, and $38,820,000 in the aggregate. As of June 30, 1996, $33.1 million of basic rent had been abated. The remaining $5.7 million of available abatement is expected to be fully utilized by the first quarter of 1997. Additional abatements of rent totaling $500,000 are available as a result of the acquisition of the option to purchase the Contingent Payment, and further abatements will become available upon exercising the Contingent Payment option (see Note 9, "Other Liabilities").

Effective with the closing of the 1989 restructuring, lease expense recognized on a level basis is reduced prospectively, based on a revised schedule of rent levelling relative to the abatement of certain rents beginning in 1992.

If the Partnership should fail to make any payment due under the Expandable Wraparound Mortgage, New Claridge may exercise a right of offset against rent or other payments due under the Operating Lease and Expansion Operating Lease to the extent of any such deficiency.

(12) Income Taxes

New Claridge is included in the consolidated income tax return of its parent, the Corporation. The Corporation accounts for income taxes in accordance with Statement of Financial Accounting Standard No. 109, "Accounting for Income Taxes". Under the asset and liability method of Statement No. 109, deferred tax assets and liabilities are recognized for the estimated future tax consequences attributable to temporary differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax basis. Effective January 1, 1993, the Corporation adopted Statement No. 109 on a prospective basis. There was no effect on the Corporation's statement of operations for the year ended December 31, 1993 as a result of the adoption of Statement No. 109.

The provision for income taxes is comprised of the following:

	1996	1995
	(in thousands)	
Current:		
Federal	$(1,969)	695
State	(348)	123
Deferred	327	730
	$(1,990)	1,548

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

	1996	1995
	(in thousands)	
Computed "expected" tax expense	$ (1,833)	1,056
Increase (reduction) in income taxes resulting from:		
State income tax, net of federal income tax benefit	(324)	186
Meals and entertainment	288	259
Other	(121)	47
	$(1,990)	1,548

(13) Related Party Transactions

(a) At the closing of the restructuring on June 16, 1989, the Partnership loaned to New Claridge all cash and cash equivalents remaining in the Partnership other than funds needed to pay expenses incurred through or at the closing of the restructuring. Interest on this loan accrues at 12% per year. For the six months ended June 30, 1996 and 1995 interest expense due to affiliates was $216,000 and $216,000 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 six months ended June 30, 1996 and 1995 amounted to $85,000 and $61,000 respectively.

(c) The Partnership has a direct material interest in the Expandable Wraparound Mortgage Loan Agreement and the Operating Lease as described in the preceding notes. Under the terms of the above agreements, for the six months ended June 30, 1996 and 1995 New Claridge has earned interest income of $8,119,000 and $8,729,000 respectively, and incurred lease expense of $19,375,000 and $18,879,000, respectively.

(14) Subsequent Events

On June 28, 1996, the Corporation opened its new $27 million, 1,200-space self-parking garage. On July 10, 1996, the facility was closed as a result of a fatal accident which occurred in the garage. The self-parking garage will not be reopened until certain structural enhancements are completed and all necessary approvals of the enhancements are obtained, which is expected to be in mid-September 1996.

STATEMENT OF CONFORMITY, ACCURACY AND COMPLIANCE

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

Laura Palazzo, 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. To the best of my knowledge and belief, the information contained in this report is accurate.

4. To the best of my knowledge and belief, except for the deficiencies noted below, the licensee submitting this Quarterly Report has remained in compliance with the financial stability regulations contained in N.J.A.C. 19:43-4.2(b)1-5 during the quarter.

Subscribed and sworn to before me this 14th day of August, 19 96

Laura Palazzo
Signature

Anna Pappas
Signature

Vice President Controller
Title

02461-11
License Number

Basis of authority to take oaths

On Behalf Of:

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

The Claridge at Park Place, Inc.
Casino Licensee

QUARTERLY REPORT

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

FOR THE QUARTER ENDED JUNE 30, 1996
TO THE
CASINO CONTROL COMMISSION
OF THE
STATE OF NEW JERSEY

NAME OF OFFICER IN CHARGE
OF CORRESPONDENCE REGARDING

THIS ANNUAL REPORT.................... ANTHONY RODIO
OFFICIAL TITLE.................................. VICE PRESIDENT FINANCE
ADDRESS... 1133 BOARDWALK
ATLANTIC CITY, NEW JERSEY 08401

TRADING NAME OF LICENSEE: MERV GRIFFIN'S RESORTS CASINO HOTEL
(a wholly owned subsidiary of GRIFFIN GAMING & ENTERTAINMENT, INC.)
LIST OF FORMS - QUARTERLY REPORT

FOR THE QUARTER ENDED JUNE 30, 1996

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
Schedule of Promotional Expenses and Allowances	CCC-245
Notes to Financial Statements	-
Statement of Conformity, Accuracy, and Compliance	CCC-249

TRADING NAME OF LICENSEE: MERV GRIFFIN'S RESORTS CASINO HOTEL
(a wholly owned subsidiary of GRIFFIN GAMING & ENTERTAINMENT, INC.)
BALANCE SHEETS
AS OF JUNE 30, 1996 AND 1995
(UNAUDITED)
($ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	1996 (c)	1995 (d)
	ASSETS		
	Current Assets:		
1	Cash	$ 15,128	$ 14,779
2	Marketable securities (Short Tm. money market at cost NOTE 2.	24,803	17,769
3	Receivables and patrons' checks (net of allowance for doubtful accounts - 1996, $3,306; 1995, $4,010)	6,830	7,343
4	Inventories	2,109	2,463
5	Prepaid expenses and other current assets	6,458	8,388
6	Total current assets	55,328	50,742
7	Investments, advances, and receivables	12,908	11,349
8	Property and equipment - gross	221,487	214,963
9	Less: Accumulated depreciation and amortization	(66,858)	(55,836)
10	Other assets	763	797
11	**Total Assets**	$ 223,628	$ 222,015
	LIABILITIES AND STOCKHOLDER'S EQUITY		
	Current Liabilities:		
12	Accounts payable	$ 4,710	$ 6,831
13	Notes payable		
	Current portion of long-term debt:		
14	Notes Payable to affiliate		
15	Other		
16	Income taxes payable	613	560
17	Other accrued liabilities	21,091	19,832
18	Other current liabilities NOTE 3.	7,108	10,400
19	Total current liabilities	33,522	37,623
	Long-Term Debt:		
20	Notes Payable to affiliate NOTE 4.	127,474	126,074
21	Other NOTE 4.	609	1,221
22	Deferred credits	19,028	19,627
23	Other liabilities		
24	Commitments and contingencies NOTE 6.		
25	**Total Liabilities**	180,633	184,545
26	**Stockholder's Equity**	42,995	37,470
27	**Total Liabilities and Stockholder's Equity**	$ 223,628	$ 222,015

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 GRIFFIN GAMING & ENTERTAINMENT, INC.)
STATEMENTS OF INCOME
FOR THE SIX MONTHS ENDED JUNE 30, 1996 AND 1995
(UNAUDITED)
($ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	1996 (c)	1995 (d)
	REVENUE:		
1	Casino	$ 127,247	$ 130,700
2	Rooms	7,014	6,814
3	Food and beverage	12,839	13,217
4	Other	4,248	5,857
5	Total revenue	151,348	156,588
6	Less: Promotional allowances	12,783	12,638
7	Net revenue	138,565	143,950
	COSTS AND EXPENSES:		
8	Cost of goods and services	85,827	90,364
9	Selling, general, and administrative	35,213	30,380
10	Provision for doubtful accounts	255	500
11	Total costs and expenses	121,295	121,244
12	**Gross Operating Profit**	17,270	22,706
13	Depreciation and amortization	6,184	6,944
	Charges from affiliates other than interest NOTE 5		
14	Management fees	4,540	4,646
15	Other	650	188
16	**Income From Operations**	5,896	10,928
	Other Income (Expenses):		
17	Interest (expense) - affiliates NOTE 5	(8,935)	(9,071)
18	Interest (expense) - external	(83)	(30)
19	Investment alternative tax and related expense, net of amortization	(723)	(654)
20	Nonoperating income - net	1,164	1,161
21	Total other income (expenses)	(8,577)	(8,594)
22	**Income (Loss) Before Income Taxes And Extraordinary Items**	(2,681)	2,334
23	Provision for income taxes		
24	**Income (Loss) Before Extraordinary Items**	(2,681)	2,334
25	Extraordinary items (net of income taxes - 1996, $0 ; 1995, $0)		
26	**Net Income (Loss)**	$ (2,681)	$ 2,334

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 GRIFFIN GAMING & ENTERTAINMENT, INC.)
STATEMENTS OF INCOME
FOR THE THREE MONTHS ENDED JUNE 30, 1996 AND 1995
(UNAUDITED)
($ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	1996 (c)	1995 (d)
	REVENUE:		
1	Casino	$ 68,386	$ 68,582
2	Rooms	4,044	4,018
3	Food and beverage	6,955	6,654
4	Other	2,315	3,206
5	Total revenue	81,700	82,460
6	Less: Promotional allowances	7,144	6,968
7	Net revenue	74,556	75,492
	COSTS AND EXPENSES:		
8	Cost of goods and services	43,510	45,720
9	Selling, general, and administrative	18,987	15,447
10	Provision for doubtful accounts	90	282
11	Total costs and expenses	62,587	61,449
12	**Gross Operating Profit**	11,969	14,043
13	Depreciation and amortization	3,229	3,765
	Charges from affiliates other than interest NOTE 5		
14	Management fees	2,450	2,446
15	Other	325	94
16	**Income From Operations**	5,965	7,738
	Other Income (Expenses):		
17	Interest (expense) - affiliates NOTE 5	(4,460)	(4,408)
18	Interest (expense) - external	(43)	(29)
19	Investment alternative tax and related expense, net of amortization	(375)	(286)
20	Nonoperating income - net	580	498
21	Total other income (expenses)	(4,298)	(4,225)
22	**Income Before Income Taxes And Extraordinary Items**	1,667	3,513
23	Provision for income taxes		
24	**Income Before Extraordinary Items**	1,667	3,513
25	Extraordinary items (net of income taxes - 1996, $0 ; 1995, $0)		
26	**Net Income**	$ 1,667	$ 3,513

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 GRIFFIN GAMING & ENTERTAINMENT, INC.)
STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY

FOR THE TWELVE MONTHS ENDED DECEMBER 31, 1995
AND THE SIX MONTHS ENDED JUNE 30, 1996
(UNAUDITED)
($ IN THOUSANDS)

Line (a)	Description (b)	Common Stock Shares (c)	Common Stock Amount (d)	Preferred Stock Shares (e)	Preferred Stock Amount (f)	Additional Paid-in Capital (Excess liabilities over assets at Aug 1990 Reorg.) (g)	(h)	Retained Earnings (Accumulated) Deficit (i)	Total Stockholders' Equity (j)
1	**Balance, December 31, 1994**	1,000,000	$ 1,000		$	$ 21,366	$	$ 12,770	$ 35,136
2	Net Income (Loss)-1995							10,540	10,540
3	Contribution to Paid-in-Capital								
4	Dividends								
5	Prior Period Adjustments								
6									0
7									0
8									0
9									0
10	**Balance, December 31, 1995**	1,000,000	1,000			21,366		23,310	45,676
11	Net Income (Loss)-1996							(2,681)	(2,681)
12	Contribution to Paid-in-Capital								
13	Dividends								
14	Prior Period Adjustments								
15									
16									
17									
18									
19	**Balance, June 30, 1996**	1,000,000	$ 1,000		$	$ 21,366	$ 0	$ 20,629	$ 42,995

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 GRIFFIN GAMING & ENTERTAINMENT, INC.)

STATEMENTS OF CHANGES IN PARTNERS' OR PROPRIETOR'S EQUITY

FOR THE TWELVE MONTHS ENDED DECEMBER 31, 1995 AND THE SIX MONTHS ENDED JUNE 30, 1996

(UNAUDITED)
($ IN THOUSANDS)

NOT APPLICABLE

Line (a)	Description (b)	Contributed Capital (c)	Accumulated Earnings (Deficit) (d)	(e)	Total Equity (Deficit) (f)
1	**Balance, December 31, 1994..........**	$	$	$	$
2	Net Income (Loss)-1995................				
3	Capital Contributions....................				
4	Capital Withdrawals.......................				
5	Partnership Distributions...............				
6	Prior Period Adjustments...............				
7					
8	....				
9	....				
10	**Balance, December 31, 1995.........**				
11	Net Income (Loss)-1996................				
12	Capital Contributions....................				
13	Capital Withdrawals.......................				
14	Partnership Distributions...............				
15	Prior Period Adjustments...............				
16	....				
17	....				
18	....				
19	**Balance, June, 30, 1996.............**	$	$	$	$

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 GRIFFIN GAMING & ENTERTAINMENT, INC.)
STATEMENTS OF CASH FLOWS
FOR THE SIX MONTHS ENDED JUNE 30, 1996 AND 1995
(UNAUDITED)
($ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	1996 (c)	1995 (d)
1	**Net Cash Provided by Operating Activities**	$ 7,260	$ 15,832
	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	(3,473)	(8,582)
5	Proceeds from disposition of property and equipment		
6	Purchase of casino reinvestment obligations	(1,455)	(1,420)
7	Purchase of other investments and loans/advances made		
8	Proceeds from disposal of investments and collections of advances and long-term receivables		
9	Cash outflows to acquire business entities		
10	Investment in Subsidiary		
11			
12	**Net Cash Used By Investing Activities**	(4,928)	(10,002)
	Cash Flows From Financing Activities:		
13	Cash proceeds from issuance of short-term debt		
14	Payments to settle short-term debt	(286)	(47)
15	Cash proceeds from issuance of long-term debt		1,815
16	Costs of issuing debt		
17	Payments to settle long-term debt purchase of units		
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 (repayment to) parent company and affiliates	(892)	(1,926)
23	**Net Cash Used By Financing Activities**	(1,178)	(158)
24	**Net Increase in Cash And Cash Equivalents**	1,154	5,672
25	**Cash And Cash Equivalents At Beginning Of Period**	38,777	26,876
26	**Cash And Cash Equivalents At End Of Period**	$ 39,931	$ 32,548

	Cash Paid During Year For:		
27	Interest (net of amount capitalized)	$ 8,312	$ 8,212
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 GRIFFIN GAMING & ENTERTAINMENT, INC.)
STATEMENTS OF CASH FLOWS
FOR THE SIX MONTHS ENDED JUNE 30, 1996 AND 1995
(UNAUDITED)
($ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	1996 (c)	1995 (d)
	Net Cash Provided by Operating Activities		
29	Net income (loss)	$ (2,681)	$ 2,334
	Noncash items included in income and cash items excluded from income:		
30	Depreciation and amortization for property and equipment	6,184	6,944
31	Amortization of other assets		
32	Amortization of debt discount or premium	713	765
33	Deferred income taxes - current		
34	Deferred income taxes - noncurrent	(75)	
35	(Gain) loss on disposition of property and equipment		12
36	(Gain) loss on casino reinvestment obligations, net of amortization	723	654
37	(Gain) loss from other investment activities		
38	Net (increase) decrease in receivables and patrons' checks	103	(1,111)
39	Net (increase) decrease in inventories	338	(670)
40	Net (increase) decrease in other current assets	(380)	178
41	Net (increase) decrease in other assets	(29)	467
42	Net increase (decrease) in accounts payable	3,130	5,795
43	Net increase (decrease) in other current liabilities excluding debt	(729)	500
44	Net increase (decrease) in other noncurrent liabilities excluding debt	(37)	(36)
45	Recapitalization costs		
46	Write-off of Goodwill		
47	**Net Cash Provided By Operating Activities**	$ 7,260	$ 15,832

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

LINE	DESCRIPTION	1996	1995
	Acquisition Of Property And Equipment:		
48	Additions to property and equipment	$ (3,473)	$ (8,582)
49	Less: Capital lease obligations incurred		
50	**Cash Outflow For Property And Equipment**	$ (3,473)	$ (8,582)
	Acquisition Of Business Entities:		
51	Property and equipment acquired	$	$
52	Goodwill acquired		
53	Net assets acquired other than cash, goodwill, and property and equipment		
54	Long-term debt assumed		
55	Issuance of stock or capital invested		
56	**Cash Outflow To Acquire Business Entities**	$	$
	Stock Issued Or Capital Contributions:		
57	Total issuances of stock or capital contributions	$	$
58	Less: Issuance to settle long-term debt		
59	Consideration in acquisition of business entities		
60	**Cash Proceeds From Issuing Stock Or Capital Contributions**	$	$

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 GRIFFIN GAMING & ENTERTAINMENT, INC.)

SCHEDULE OF PROMOTIONAL EXPENSES AND ALLOWANCES

($ IN THOUSANDS)

FOR THE SIX MONTHS ENDED JUNE 30, 1996

		Promotional Allowances		Promotional Expenses	
Line (a)	(b)	Number of Recipients (c)	Dollar Amount (d)	Number of Recipients (e)	Dollar Amount (f)
1	Rooms	53,846	$ 3,791		$
2	Food	341,344	5,299		
3	Beverage	347,583	1,403		
4	Travel			27,085	2,835
5	Coin			583,926	19,016
6	Coupon				
7	Entertainment	137,420	1,727		
8	Retail & Gifts	775	39		
9	Parking				
10	Other	89,878	524	26,878	731
11	Total	970,846	$ 12,783	637,889	$ 22,582

FOR THE THREE MONTHS ENDED JUNE 30, 1996

		Promotional Allowances		Promotional Expenses	
Line (a)	(b)	Number of Recipients (c)	Dollar Amount (d)	Number of Recipients (e)	Dollar Amount (f)
1	Rooms	32,215	$ 2,255		$
2	Food	112,814	2,821		
3	Beverage	178,700	714		
4	Travel			16,065	1,639
5	Coin			338,171	10,598
6	Coupon				
7	Entertainment	84,269	1,011		
8	Retail & Gifts	392	20		
9	Parking				
10	Other	64,570	323	18,866	472
11	Total	472,960	$ 7,144	373,102	$ 12,709

MERV GRIFFIN'S RESORTS CASINO HOTEL
(An indirect wholly owned subsidiary of
Griffin Gaming & Entertainment, Inc.)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 - GENERAL

The accompanying consolidated interim financial statements, which are unaudited, include the operations of Resorts International Hotel, Inc. ("RIH") and its subsidiaries. RIH owns and operates Merv Griffin's Resorts Casino Hotel (the "Resorts Casino Hotel"), a casino/hotel complex located in Atlantic City, New Jersey. RIH is a wholly owned subsidiary of GGRI, Inc., which is a wholly owned subsidiary of Griffin Gaming & Entertainment, Inc. ("GGE"). GGE was known as Resorts International, Inc. until its name change, which was effective June 30, 1995. "GGE" is used herein to refer to RIH's ultimate parent corporation both before and after its name change.

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

The notes presented herein are intended to provide supplemental disclosure of items of significance occurring subsequent to December 31, 1995 and should be read in conjunction with the Notes to Consolidated Financial Statements contained in RIH's Quarterly Report for the year ended December 31, 1995 to the Casino Control Commission.

NOTE 2 - REVERSE REPURCHASE AGREEMENTS

Cash equivalents at June 30, 1996 included reverse repurchase agreements (federal government securities purchased under agreements to resell those securities) with the institutions listed in the following table under which RIH had not taken delivery of the underlying securities. These agreements matured during the first week of July 1996.

(In Thousands of Dollars)	
Prudential Securities, Inc.	$16,132
National Westminster Bank NJ	$ 7,921

NOTE 3 - OTHER CURRENT LIABILITIES

Components of other current liabilities at June 30 were as follows:

(In Thousands of Dollars)	1996	1995
Intercompany payable to GGE	$ 323	$2,485
Affiliated interest payable to Resorts International Hotel Financing, Inc. ("RIHF")	4,237	4,237
Casino Reinvestment Development Authority ("CRDA") bond obligation	856	853
Other	1,692	2,825
	$7,108	$10,400

NOTE 4 - LONG-TERM DEBT

Notes Payable to Affiliate

In connection with a plan of reorganization effected by GGE in 1994 RIH issued a $125,000,000 promissory note (the "RIH Promissory Note") and a $35,000,000 promissory note (the "RIH Junior Promissory Note") to RIHF, a subsidiary of GGE. RIHF issued $125,000,000 principal amount of 11% Mortgage Notes due 2003 (the "Mortgage Notes") and $35,000,000 principal amount of 11.375% Junior Mortgage Notes due 2004 (the "Junior Mortgage Notes").

The Mortgage Notes are secured by the $125,000,000 RIH Promissory Note, the terms of which mirror the terms of the Mortgage Notes. The RIH Promissory Note and RIH's guaranty of the Mortgage Notes are secured by liens on the Resorts Casino Hotel, consisting of RIH's fee and leasehold interests in the Resorts Casino Hotel, the contiguous parking garage and property, and related personal property.

The Junior Mortgage Notes are secured by the $35,000,000 RIH Junior Promissory Note, the terms of which mirror the terms of the Junior Mortgage Notes. The RIH Junior Promissory Note and RIH's guaranty of the Junior Mortgage Notes are also secured by liens on the Resorts Casino Hotel property as described above. The liens securing the Junior Mortgage Notes are subordinated to the liens securing the Mortgage Notes.

The indentures pursuant to which the Mortgage Notes and the Junior Mortgage Notes were issued (collectively, the "Indentures") prohibit RIH and its subsidiaries from paying dividends, from making other distributions in respect of their capital stock, and from purchasing or redeeming their capital stock, with certain exceptions, unless certain interest coverage ratios are attained.

The Indentures also contain certain other restrictive covenants on the part of RIH and its subsidiaries, including (i) limitations on incurring additional indebtedness, with certain exceptions; (ii) restrictions on making loans to an affiliate or other person other than (x) intercompany advances to GGE not in excess of $1,000,000 in the aggregate at any time outstanding and (y) loans to GGE from the proceeds of a senior working capital facility, provided, however, that RIH can make certain loans or engage in certain credit transactions in the operation of Resorts Casino Hotel, if such loans or credit transactions are in the ordinary course of business of operating a casino/hotel and (iii) restrictions from entering into certain transactions with affiliates on terms less favorable to RIH or its subsidiaries than an arm's length transaction.

In November 1994 RIH purchased $12,899,000 principal amount of Junior Mortgage Notes through the purchase of 12,899 Units (each $1,000 principal amount of Junior Mortgage Notes is traded as a "Unit" along with one share of GGE's Class B redeemable common stock).

The carrying value by component of notes payable to affiliate at June 30 was as follows:

(In Thousands of Dollars)	1996	1995
RIH Promissory Note	$125,000	$125,000
Less unamortized discount	(16,255)	(17,468)
	108,745	107,532
RIH Junior Promissory Note	35,000	35,000
Less principal amount of Junior Mortgage Notes held by RIH	(12,899)	(12,899)
	22,101	22,101
Less unamortized discount	(3,372)	(3,559)
	18,729	18,542
	$127,474	$126,074

Interest on the RIH Promissory Note is payable semi-annually on March 15 and September 15 in each year. Interest on the RIH Junior Promissory Note is payable semi-annually on June 15 and December 15 in each year. In certain circumstances, interest payable on the Junior Mortgage Notes may be satisfied by the issuance of additional Junior Mortgage Notes, in which case the balance of the RIH Junior Promissory Note would increase accordingly.

The effective interest rates on the RIH Promissory Note and the RIH Junior Promissory Note are 14.1% and 14.8%, respectively.

Other Long-term Debt

In May 1995, RIH obtained a bank loan in the amount of $1,815,000 in order to finance the purchase of new slot machines and related equipment. The loan bears interest at 9.2% per year.

Working Capital Facility

The Indentures permit a $20,000,000 working capital facility to be senior to the Mortgage Notes and the Junior Mortgage Notes. GGE, RIH and RIHF had previously negotiated a senior credit facility (the "Senior Facility") of approximately $20,000,000 which was available up to May 2, 1996. GGE, RIH and RIHF allowed the Senior Facility to expire unutilized as the companies did not have immediate needs for the funds, and, in light of current market conditions, management believes that alternative sources of a comparable working capital facility would be available at terms no less favorable than those of the Senior Facility.

NOTE 5 - RELATED PARTY TRANSACTIONS

RIH recorded the following expenses for the six months ended June 30 from GGE and other affiliates:

(In Thousands of Dollars)	1996	1995
Interest and amortization of discounts on notes payable to RIHF	$8,935	$9,071
Parent services fee to GGE	4,540	4,646
Property rentals to GGE	624	162
Billboard rental to New Pier Operating Company, Inc.	26	26
	$14,125	$13,905

GGE charges RIH the parent services fee of three percent of gross revenues for administrative and other services.

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

License and Services Agreement

In April 1993, GGE, RIH and The Griffin Group, Inc. (the "Griffin Group"), a corporation controlled by Merv Griffin, Chairman of the Board of GGE, entered into a license and services agreement (the "Griffin Services Agreement") effective as of

September 17, 1992. Pursuant to the Griffin Services Agreement, Griffin Group granted GGE and RIH a non-exclusive license to use the name and likeness of Merv Griffin to advertise and promote facilities and operations of GGE and its subsidiaries. Also pursuant to the Griffin Services Agreement, Mr. Griffin is to provide certain services to GGE and RIH, including serving as Chairman of the Board of GGE and as a host, producer and featured performer in various shows to be presented in Resorts Casino Hotel, and furnishing marketing and consulting services.

The Griffin Services Agreement is to continue until September 17, 1997 and provides for earlier termination under certain circumstances including, among others, a change of control (as defined) of GGE and RIH and Mr. Griffin ceasing to serve as Chairman of the Board of GGE.

The Griffin Services Agreement provides for compensation to Griffin Group in the amount of $2,000,000 for the year ended September 16, 1993, and in specified amounts for each of the following years, which increase at approximately 5% per year. In accordance with the Griffin Services Agreement, upon signing, RIH paid Griffin Group $4,100,000, representing compensation for the first two years. Thereafter, the Griffin Services Agreement called for annual payments on September 17, each representing a prepayment for the year ending two years hence. In the event of an early termination of the Griffin Services Agreement, and depending on the circumstances of such early termination, all or a portion of the compensation paid to Griffin Group in respect of the period subsequent to the date of termination may be required to be repaid to GGE and RIH.

In the Griffin Services Agreement GGE and RIH agreed to indemnify, defend and hold harmless Griffin Group and Mr. Griffin against certain claims, losses and costs, and to maintain certain insurance coverage with Mr. Griffin and Griffin Group as named insureds.

As part of GGE's 1994 restructuring, the payment due Griffin Group on September 17, 1994 was settled by applying $2,310,000 as a reduction of the balance of a note payable to GGE by Griffin Group. On August 1, 1994, following review and approval by the independent members of GGE's Board of Directors, GGE agreed to issue 388,000 shares of common stock of GGE to an affiliate of Griffin Group in satisfaction of the final payment obligation of RIH and GGE under the Griffin Services Agreement. This payment of $2,425,000 would have been due on September 17, 1995. The closing price of GGE's common stock on the date of the agreement was $5.3125 per share. (The number of shares and closing price stated herein were adjusted to reflect a one-for-five reverse stock split of GGE's common stock which occurred on June 30, 1995.) The shares are not registered under the Securities Act of 1933 and are restricted securities.

Other

RIH reimbursed Griffin Group $84,000 and $104,000 for charter air services related to RIH business rendered in the first six months of 1996 and 1995, respectively.

NOTE 6 - COMMITMENTS AND CONTINGENCIES

CRDA

Certain issues have been raised by the CRDA and the State of New Jersey Department of the Treasury (the "Treasury") concerning the satisfaction of RIH's investment obligations for the years 1979 through 1983. These matters were dormant for an extensive period of time until late 1995, when RIH was contacted by the CRDA. CRDA legal representatives have recently indicated that Treasury may take a position that RIH owes additional investment alternative taxes including interest and possibly penalties. If these issues are determined adversely, RIH could be required to pay the relevant amount in cash. Management of RIH intends to contest these issues and believes a negotiated settlement with an insignificant monetary cost to RIH is possible.

Litigation

RIH is a defendant in certain litigation. In the opinion of management, based upon the advice of counsel, the aggregate liability, if any, arising from such litigation will not have a material adverse effect on the accompanying consolidated financial statements.

STATEMENT OF CONFORMITY, ACCURACY, AND COMPLIANCE

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

ANTHONY RODIO ,being duly sworn according
NAME

to law upon my oath deposes and says:

1. I have examined this Quarterly Report.

2. All the information contained in this Quarterly Report has been prepared in conformity with the Casino Control Commission's Quarterly Report Instructions and Uniform Chart of Accounts.

3. To the best of my knowledge and belief, the information contained in this report is accurate.

4. To the best of my knowledge and belief, except for the deficiencies noted below, the licensee submitting this Quarterly Report has remained in compliance with the financial stability regulations contained in N.J.A.C. 19:43-4.2(b)1-5 during the quarter.

Subscribed and sworn to
before me this 14th day
of August , 1996

Theresa C. Lutz
Signature

THERESA C. LUTZ
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires April 28, 2000
Basis of Authority
to Take Oaths

Signature

Vice President-Finance
Title

002895-11
License Number

On Behalf Of:
Merv Griffin's Resorts Casino Hotel

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

SCHEDULE OF PROMOTIONAL EXPENSES AND ALLOWANCES

($ IN THOUSANDS)

AMENDED

FOR THE THREE MONTHS ENDED MARCH 31, 1996

		Promotional Allowances		Promotional Expenses	
Line (a)	(b)	Number of Recipients (c)	Dollar Amount (d)	Number of Recipients (e)	Dollar Amount (f)
1	Rooms	21,631	$ 1,536		$
2	Food	228,530	2,478		
3	Beverage	168,883	689		
4	Travel			11,020	1,196
5	Coin			245,755	8,418
6	Coupon				
7	Entertainment	53,151	716		
8	Retail & Gifts	383	19		
9	Parking				
10	Other	25,308	201	8,012	259
11	Total	497,886	$ 5,639	264,787	$ 9,873

FOR THE THREE MONTHS ENDED MARCH 31, 1996

		Promotional Allowances		Promotional Expenses	
Line (a)	(b)	Number of Recipients (c)	Dollar Amount (d)	Number of Recipients (e)	Dollar Amount (f)
1	Rooms	21,631	$ 1,536		$
2	Food	228,530	2,478		
3	Beverage	168,883	689		
4	Travel			11,020	1,196
5	Coin			245,755	8,418
6	Coupon				
7	Entertainment	53,151	716		
8	Retail & Gifts	383	19		
9	Parking				
10	Other	25,308	201	8,012	259
11	Total	497,886	$ 5,639	264,787	$ 9,873

QUARTERLY REPORT

LICENSEE TRUMP'S CASTLE ASSOCIATES
ADDRESS One Castle Boulevard
Atlantic City, NJ 08401

FOR THE QUARTER ENDED JUNE 30, 1996

TO THE

CASINO CONTROL COMMISSION

OF THE

STATE OF NEW JERSEY

NAME OF OFFICER IN CHARGE
OF CORRESPONSENCE REGARDING
THIS QUARTERLY REPORT........................ Stephen S. Oskiera

OFFICIAL TITLE.. Executive Director Financial Accounting

ADDRESS.. One Castle Boulevard
Atlantic City, NJ 08401

TRADING NAME OF LICENSEE TRUMP'S CASTLE HOTEL & CASINO

LIST OF FORMS - QUARTERLY REPORT

FOR THE QUARTER ENDED JUNE 30, 1996

TRADING NAME OF LICENSEE TRUMP'S CASTLE HOTEL & CASINO

BALANCE SHEETS

JUNE 30, 1996 and 1995

(UNAUDITED)
($ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	1996 (c)	1995 (d)
	ASSETS		
	Current Assets:		
1	Cash and Cash Equivalents	$17,767	$15,624
2	Short-Term Investments	--	--
3	Receivables and patrons' checks (net of allowance for doubtful accounts - 1996, $2,192; 1995, $2,838)	8,732	7,608
4	Inventories	1,456	1,579
5	Prepaid expenses and other current assets	2,424	8,722
6	Total current assets	30,381	33,533
7	Investments, Advances, And Receivables	4,118	2,088
8	Property And Equipment - Gross	513,653	506,913
9	(Accumulated Depreciation/Amortization)	(194,373)	(180,637)
10	Other Assets	5,391	3,923
11	Total Assets	$359,170	$365,820
	LIABILITIES AND EQUITY		
	Current Liabilities:		
12	Accounts payable	$10,791	$9,886
13	Notes payable	--	--
	Current portion of long-term debt:		
14	Due to affiliates	--	--
15	Other (Note 2)	3,271	2,313
16	Income taxes payable and accrued		
17	Other accrued expenses	16,541	16,451
18	Other current liabilities	9,261	4,790
19	Total current liabilities	39,864	33,440
	Long-Term Debt:		
20	Due to affiliates (Notes 2, 3, 5)	293,287	285,736
21	Other (Note 2)	35,410	36,214
22	Deferred Credits	--	--
23	Other Liabilities	3,728	3,300
24	Commitments And Contingencies		
25	Total Liabilities	372,289	358,690
26	Stockholders', Partners', Or Proprietor's Equity	(13,119)	7,130
27	Total Liabilities and Equity	$359,170	$365,820

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

TRADING NAME OF LICENSEE TRUMP'S CASTLE HOTEL & CASINO

STATEMENTS OF INCOME

FOR THE SIX MONTHS ENDED JUNE 30, 1996 and 1995

(UNAUDITED)
($ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	1996 (c)	1995 (d)
	Revenue:		
1	Casino	$127,173	$124,511
2	Rooms	9,005	9,194
3	Food and beverage	15,590	14,481
4	Other	3,917	3,834
5	Total revenue	155,685	152,020
6	Less: Promotional allowances	18,943	15,864
7	Net revenue	136,742	136,156
	Costs And Expenses:		
8	Cost of goods and services	78,217	74,529
9	Selling, general, and administrative	42,491	38,366
10	Provision for doubtful accounts	640	524
11	Total costs and expenses	121,348	113,419
12	Gross Operating Profit	15,394	22,737
13	Depreciation and amortization	7,677	7,113
	Charges from affiliates other than interest:		
14	Management fees (NOTE 6)	750	1,123
15	Other (NOTE 6)	1,222	780
16	Income (Loss) From Operations	5,745	13,721
	Other Income (Expenses):		
17	Interest (expense) – affiliates (NOTES 2, 3, 5)	(21,395)	(20,691)
18	Interest (expense) – external (NOTE 2)	(2,201)	(1,898)
19	Investment alternative tax and related income (expense) – net	(600)	(768)
20	Nonoperating income (expense) – net	(481)	(199)
21	Total other income (expenses)	(24,677)	(23,556)
22	Income (Loss) Before Income Taxes And Extraordinary Items	(18,932)	(9,835)
23	Provision (credit) for income taxes	--	--
24	Income (Loss) Before Extraordinary Items	(18,932)	(9,835)
25	Extraordinary items (net of income taxes – 1996, $ –; 1995, $ –)	--	--
26	Net Income (Loss)	($18,932)	($9,835)

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

TRADING NAME OF LICENSEE TRUMP'S CASTLE HOTEL & CASINO

STATEMENTS OF INCOME

FOR THE THREE MONTHS ENDED JUNE 30, 1996 and 1995

(UNAUDITED)
($ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	1996 (c)	1995 (d)
	Revenue:		
1	Casino	$62,984	$64,291
2	Rooms	4,839	5,196
3	Food and Beverage	8,310	7,652
4	Other	2,565	2,234
5	Total Revenue	78,698	79,373
6	Less: Promotional Allowances	9,847	8,658
7	Net Revenue	68,851	70,715
	Costs and Expenses:		
8	Cost of Goods and Services	40,143	38,380
9	Selling, General, and Administrative	20,815	19,229
10	Provision for Doubtful Accounts	328	278
11	Total Costs and Expenses	61,286	57,887
12	Gross Operating Profit	7,565	12,828
13	Depreciation and Amortization	3,839	3,577
	Charges from Affiliates Other than Interest:		
14	Management Fees (NOTE 6)	375	309
15	Other (NOTE 6)	750	332
16	Income (Loss) from Operations	2,601	8,610
	Other Income (Expenses):		
17	Interest (expense) – affiliates (NOTES 2, 3, 5)	(10,747)	(10,399)
18	Interest (expense) – external (NOTE 2)	(1,089)	(1,024)
19	Investment Alternative Tax and Related Income (Expense) – Net	(313)	(418)
20	Nonoperating Income (Expense) – Net	(574)	(353)
21	Total Other Income (Expenses)	(12,723)	(12,194)
22	Income (Loss) Before Income Taxes And Extraordinary Items	(10,122)	(3,584)
23	Provision (Credit) for Income Taxes	--	--
24	Income (Loss) Before Extraordinary Items	(10,122)	(3,584)
	Extraordinary Items (Net of Income Taxes –		
25	1996, $ –; 1995, $ –)	--	--
26	Net Income (Loss)	($10,122)	($3,584)

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

TRADING NAME OF LICENSEE TRUMP'S CASTLE HOTEL & CASINO

STATEMENTS OF CHANGES IN PARTNERS' OR PROPRIETOR'S EQUITY

FOR THE TWELVE MONTHS ENDED DECEMBER 31, 1995
AND THE SIX MONTHS ENDED JUNE 30, 1996

(UNAUDITED)
($ IN THOUSANDS)

LINE (a)	Description (b)	Contributed Capital (c)	Accumulated Earnings (Deficit) (d)	(e)	Total Equity (Deficit) (f)
1	**Balance, December 31, 1994.......**	$73,395	($56,430)		$16,965
2	Net Income (Loss) – 1995.............		(11,152)		(11,152)
3	Capital Contributions.......................				
4	Capital Withdrawals.........................				
5	Partnership Distributions.................				
6	Prior Period Adjustments..................				
7	....				
8	....				
9	....				
10	**Balance, December 31, 1995.......**	73,395	(67,582)		5,813
11	Net Income (Loss) – 1996.............		(18,932)		(18,932)
12	Capital Contributions.......................				
13	Capital Withdrawals.........................				
14	Prior Period Adjustments..................				
15	....				
16	....				
17	....				
18					
19	**Balance, June 30, 1996.............**	$73,395	($86,514)		($13,119)

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 SIX MONTHS ENDED JUNE 30, 1996 and 1995

(UNAUDITED)
($ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	1996 (c)	1995 (d)
1	NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	$2,080	($1,382)
	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	(4,305)	(4,341)
5	Proceeds from Disposition of Property and Equipment	--	--
6	Purchase of Casino Reinvestment Obligations	(1,365)	(1,179)
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	(5,670)	(5,520)
	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	1,738	3,753
16	Costs of Issuing Debt	--	--
17	Payments to Settle Long-Term Debt	(1,419)	(349)
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	319	3,404
24	Net Increase (Decrease) in Cash and Cash Equivalents	(3,271)	(3,498)
25	Cash and Cash Equivalents at Beginning of Period	21,038	19,122
26	Cash and Cash Equivalents at End of Period	$17,767	$15,624

	CASH PAID DURING PERIOD FOR:		
27	Interest (Net of Amount Capitalized)	$17,974	$17,676
28	Income Taxes	--	--

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

TRADING NAME OF LICENSEE TRUMP'S CASTLE HOTEL & CASINO

STATEMENTS OF CASH FLOWS

FOR THE SIX MONTHS ENDED JUNE 30, 1996 and 1995

(UNAUDITED)
($ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	1996 (c)	1995 (d)
	NET CASH FLOWS FROM OPERATING ACTIVITIES:		
29	Net Income (Loss)	($18,932)	($9,835)
	Noncash Items Included in Income and Cash Items Excluded from Income:		
30	Depreciation and Amortization of Property and Equipment	7,677	7,114
31	Amortization of Other Assets	--	--
32	Amortization of Debt Discount or Premium	1,318	1,151
33	Deferred Income Taxes – Current	--	--
34	Deferred Income Taxes – Noncurrent	--	--
35	(Gain) Loss on Disposition of Property and Equipment	--	--
36	(Gain) Loss on Casino Reinvestment Obligations	650	768
37	(Gain) Loss from Other Investment Activities	--	--
38	Net (Increase) Decrease in Receivables and Patrons' Checks	2,033	1,160
39	Net (Increase) Decrease in Inventories	109	211
40	Net (Increase) Decrease in Other Current Assets	2,427	(3,892)
41	Net (Increase) Decrease in Other Assets	934	(11)
42	Net Increase (Decrease) in Accounts Payable	1,378	3,441
43	Net Increase (Decrease) in Other Current Liabilities Excluding Debt	(454)	(1,998)
44	Net Increase (Decrease) in Other Noncurrent Liabilities Excluding Debt	4,300	(15)
45	Provision for Losses on Receivables	640	524
46		--	--
47	Net Cash Provided (Used) By Operating Activities	$2,080	($1,382)

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

LINE	DESCRIPTION	1996	1995
	ACQUISITION OF PROPERTY AND EQUIPMENT:		
48	Additions to Property and Equipment	$6,166	$5,216
49	Less: Capital Lease Obligations Incurred	(1,861)	(875)
50	Cash Outflows for Property and Equipment	$4,305	$4,341
	ACQUISITION OF BUSINESS ENTITIES:		
51	Property and Equipment Acquired	--	--
52	Goodwill Acquired	--	--
53	Net Assets Acquired Other than Cash, Goodwill, and Property and Equipment	--	--
54	Long-Term Debt Assumed	--	--
55	Issuance of Stock or Capital Invested	--	--
56	Cash Outflows To Acquire Business Entities	--	--
	STOCK ISSUED OR CAPITAL CONTRIBUTIONS:		
57	Total Issuances of Stock or Capital Contributions	--	--
58	Less: Issuances to Settle Long-Term Debt	--	--
59	Consideration in Acquisition of Business Entities	--	--
60	Cash Proceeds From Issuing Stock Or Capital Contributions	--	--

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

TRADING NAME OF LICENSEE TRUMP'S CASTLE HOTEL & CASINO

SCHEDULE OF PROMOTIONAL EXPENSES AND ALLOWANCES

($ IN THOUSANDS)

FOR THE THREE MONTHS ENDED JUNE 30, 1996

		PROMOTIONAL ALLOWANCES		PROMOTIONAL EXPENSES	
Line (a)	(b)	Number of Recipients (c)	Dollar Amount (d)	Number of Recipients (e)	Dollar Amount (f)
1	ROOMS	87,003	$3,738	--	--
2	FOOD	325,000	4,875	--	--
3	BEVERAGE	193,882	824	--	--
4	TRAVEL	--	--	13,994	$2,449
5	COIN	--	--	--	--
6	COUPON	--	--	509,280	7,426
7	ENTERTAINMENT	7,560	189	433	13
8	RETAIL & GIFTS	4,240	106	--	--
9	PARKING	--	--	--	--
10	OTHER	4,600	115	45,920	2,296
11	TOTAL	622,285	$9,847	569,627	$12,184

FOR THE SIX MONTHS ENDED JUNE 30, 1996

		PROMOTIONAL ALLOWANCES		PROMOTIONAL EXPENSES	
Line (a)	(b)	Number of Recipients (c)	Dollar Amount (d)	Number of Recipients (e)	Dollar Amount (f)
1	ROOMS	169,072	$7,204	--	--
2	FOOD	640,667	9,610	--	--
3	BEVERAGE	343,294	1,459	--	--
4	TRAVEL	--	--	26,240	$4,592
5	COIN	--	--	--	--
6	COUPON	--	--	995,600	14,989
7	ENTERTAINMENT	11,040	276	633	19
8	RETAIL & GIFTS	8,640	216	--	--
9	PARKING	--	--	--	--
10	OTHER	7,120	178	90,220	4,511
11	TOTAL	1,179,833	$18,943	1,112,693	$24,111

TRUMP'S CASTLE ASSOCIATES AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(unaudited)

NOTE 1 - ORGANIZATION AND OPERATIONS:

The accompanying consolidated financial statements included those of Trump's Castle Associates, a New Jersey general partnership (the "Partnership") and its wholly owned subsidiary, Trump's Castle Funding, Inc., a New Jersey corporation ("Funding").

The Partnership owns and operates Trump's Castle Casino Resort, a luxury casino hotel located in the Marina District of Atlantic City, New Jersey.

The accompanying consolidated 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 cash flows for the periods presented have been made. All significant intercompany balances and transactions have been eliminated in the consolidated financial statements.

The accompanying consolidated financial statements have been prepared by the Partnership pursuant to the rules and regulations of both the Securities and Exchange Commission and the Casino Control Commission of the State of New Jersey (the "Commission"). Accordingly, certain information and note disclosures normally included in the financial statements prepared in conformity with generally accepted accounting principles have been omitted.

These financial statements should be read in conjunction with the consolidated financial statements and notes thereto included in the annual report for the year ended December 31, 1995, as filed with the Commission. Certain reclassifications have been made to conform prior year financial information with the current year presentation.

The results of operations for the three and six month periods ending June 30, 1996, are not necessarily indicative of the operating results to be attained for any other period.

NOTE 2 - DEBT OBLIGATIONS:

Funding was incorporated on May 28, 1985 solely to serve as a financing company to raise funds through the issuance of bonds to the public. At June 30, 1996, the following debt was outstanding: 11-1/2% Senior Secured Notes due 2000 (the "Senior Notes"), 11-3/4% Mortgage Notes due 2003 (the "Mortgage Notes"), and its Increasing Rate Subordinated Pay-in-Kind Notes due 2005 (the "PIK Notes"). In addition, the Partnership has outstanding a term loan with Midlantic National Bank (the "Term Loan").

The debt associated with the Senior Notes, the Mortgage Notes, and the PIK Notes have been classified as due to affiliates in the accompanying consolidated balance sheets.

NOTE 3 - PIK NOTES:

On June 23, 1995, the Partnership entered into an Option Agreement with Hamilton Partners, L.P. ("Hamilton") which granted the Partnership an option (the "Option") to acquire the PIK Notes owned by Hamilton. The Option was granted to the Partnership in consideration of $1.9 million of aggregate payments to Hamilton. The Option was exercisable at a price equal to 60% of the aggregate principal amount of the PIK Notes delivered by Hamilton, with accrued but unpaid interest, plus 100% of the PIK Notes issued to Hamilton as interest subsequent to June 23, 1995. Pursuant to the terms of the Option Agreement, upon the occurrence of certain events within 18 months of the time the Option is exercised, the Partnership is required to make an additional payment to Hamilton of up to 40% of the principal amount of the PIK Notes. On May 21, 1996, the Partnership assigned the Option to Trump Hotels & Casino Resorts Holdings, L.P. ("THCR Holdings") a Delaware limited partnership and a subsidiary of Trump Hotels & Casino Resorts, Inc. ("THCR"), which, on that same date, exercised the Option and acquired approximately 90% of the PIK Notes for approximately $38.7 million (the "Purchase Price"), in exchange for which THCR Holdings received an aggregate of approximately $59.3 million of PIK Notes. Concurrently with the exercise of the Option, THCR Holdings entered into an agreement with the Partnership and Donald J. Trump ("Trump"), which grants THCR Holdings a six-month exclusive right to negotiate with Trump and the Partnership with respect to the acquisition of the Partnership (the "Transaction") (see Note 3). If an agreement with respect to the Transaction does not occur within six months, the Partnership has the right to repurchase from THCR Holdings, for a period of 90 days (the "Castle Repurchase Date"), the acquired PIK Notes for an amount in cash equal to the Purchase Price plus 16% interest thereon (the "Repurchase Price"). In the event that the Partnership does not repurchase the acquired PIK Notes, Trump has the right to purchase from THCR Holdings, for a period of 90 days following the Castle Repurchase Date, the acquired PIK Notes for an amount in cash equal to the Repurchase Price calculated to the date of such purchase.

On May 15, 1996, the semi-annual interest payment of $4,292,000 was paid by issuance of additional PIK Notes.

NOTE 4 - ACQUISITION OF THE PARTNERSHIP:

In consideration for the Partnership's assignment of the PIK Note Option to THCR Holdings, an agreement was reached which gives THCR Holdings exclusive rights to negotiate the acquisition of the Partnership (See Note 2).

Pursuant to an Agreement (the "Agreement"), dated as of June 24, 1996, by and among THCR, THCR Holdings, TC/GP, Inc. ("TC/GP"), a Delaware corporation wholly owned by Trump, Trump's Castle Hotel & Casino, Inc. ("TCHI"), a New Jersey corporation wholly owned by Trump, and Trump, THCR Holdings agreed to acquire all of the outstanding equity interests of the Partnership for an aggregate consideration of $176.9 million. The Agreement contemplates the following transactions will take place at the closing date:

Trump will contribute to THCR Holdings his 61.5% equity interest in the Partnership, in consideration of which he will receive a 9.52854% limited partnership interest in THCR Holdings, exchangeable into 3,626,450 shares of THCR common stock valuing each share at $30.00 (the "THCR Stock Contribution Value").

TC/GP will contribute to THCR Holdings its 37.5% equity interest in the Partnership, in consideration of which it will receive a 5.81009% limited partnership in THCR Holdings, exchangeable into 2,211,250 shares of THCR common stock valuing each share at the THCR Stock Contribution Value.

THCR-TCHI Merger Corp., a Delaware corporation and wholly owned subsidiary of THCR Holdings ("Merger Sub"), will merge (the "TCHI Merger") with and into TCHI (holder of a 1.0% equity interest in the Partnership), whereupon each share of common stock of TCHI ("TCHI Common Stock"), outstanding immediately prior to the TCHI Merger will be converted into the right to receive one share of common stock of the surviving corporation of the TCHI Merger and each holder of the outstanding warrants ("Castle Warrants") issued under the Warrant Agreement, dated as of December 30, 1993, will be entitled to receive for each former share of TCHI Common Stock for which each Castle Warrant was exercisable an amount in cash equal to the TCHI Consideration.

The acquisition will be accounted for as a purchase.

The acquisition is subject to satisfaction of a number of conditions, including the affirmative vote of a majority of the outstanding shares of THCR common stock (excluding the shares held by Trump and the other officers and directors of THCR and their affiliates) and the receipt of various third party approvals and consents.

NOTE 5 - FINANCIAL INFORMATION OF FUNDING:

Financial information relating to Funding is as follows (in thousands):

	June 30, 1996	June 30, 1995
Total Assets (including Mortgage Notes Receivable $242,141, net of unamortized discount of $34,368 and $36,691 at June 30, 1996 and 1995, PIK Notes Receivable of $66,151, net of unamortized discount of $7,637 at June 30, 1996 and $57,846, net unamortized discount of $7,850 at June 30, 1995, and Senior Notes Receivable of $27,000 at June 30, 1996 and 1995.)	$293,287	$282,446
Total Liabilities and Capital (including Mortgage Notes Payable of $242,141, net of unamortized discount of $34,368 and $36,691 at June 30, 1996 and 1995, PIK Notes Payable of $66,151, net of unamortized discount of $7,637, at June 30, 1996 and $57,846, net of unamortized discount of $7,850 at June 30, 1995 and Senior Notes Payable of $27,000 at June 30, 1996 and 1995.)	$293,287	$282,446

	For the Six Months Ended June 30, 1996	For the Six Months Ended June 30, 1995
Interest Income	$21,395	$20,692
Interest Expense	21,395	20,692
Net Income	$ --	$ --

NOTE 6 - RELATED PARTY TRANSACTIONS:

Services Agreement

The Partnership has a services agreement (the "Services Agreement") with TC/GP. Pursuant to the terms of the Services Agreement, TC/GP is obligated to provide the Partnership, from time to time, when reasonably requested, consulting services on a non-exclusive basis, relating to marketing, advertising, promotional, and other similar and related services with respect to business and operations of the Partnership, including such other services as the Managing Partner (as defined in the Services Agreement) may reasonably request.

Pursuant to the Services Agreement, the Partnership is required to pay an annual fee in the amount of $1,500,000 to TC/GP for each year in which Earnings Before Interest, Taxes, Depreciation, and Amortization ("EBITDA"), as defined, exceeds certain levels. In addition, TC/GP receives an incentive fee equal to 10% of the excess EBITDA over $45,000,000 for such fiscal year. For the six month periods ended June 30, 1996 and 1995, the Partnership incurred fees and expenses of $750,000 and $1,123,000, respectively, under the Services Agreement. The Services Agreement expires on December 31, 2005.

Due from Affiliates

Amounts due from affiliates were $197,000 and $1,146,000 as of June 30, 1996 and 1995, respectively. The Partnership has engaged in limited intercompany transactions with Trump Plaza Associates, Trump Taj Mahal Associates, and the Trump Organization, which are affiliates of Trump. These transactions include certain shared payroll costs as well as complimentary services offered to customers, for which the Partnership makes initial payments and is then reimbursed by the affiliates.

For the six months ended June 30, 1996 and 1995, the Partnership incurred expenses of approximately $1,313,000 and $1,116,000, respectively, in corporate salaries and other transactions on behalf of these related entities. In addition, for the six months ended June 30, 1996 and 1995 the Partnership received payments totaling $1,392,000 and $601,000, respectively, form these related entities.

Partnership Agreement

Under the terms of a partnership agreement, the Partnership is required to pay all costs incurred by TC/GP. For the six months ended June 30, 1996 and 1995, the Partnership paid $1,222,000 and $780,000, respectively, of expenses on behalf of TC/GP.

STATEMENT OF CONFORMITY AND ACCURACY

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

Stephen S. Oskiera, 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 Quarterly Report has been prepared in conformity with Casino Control Commission's Quarterly Report Instructions and Uniform Chart of Accounts.

3. To the best of my knowledge and belief, the information contained in this Report is accurate.

4. To the best of my knowledge and belief, except for the deficiencies noted below, the licensee submitting this Quarterly Report has remained in compliance with the financial stability regulations contained in N.J.A.C. 19:43-4.2(b)1-5 during the quarter.

Subscribed and sworn to before me this 14TH day of AUGUST, 1996

Norma J. Hines
Signature

NORMA J. HINES
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Nov. 12, 1998
Basis of Authority to Take Oaths

Stephen Oskiera
Signature

Executive Director Financial Accounting
Title

004074-11
License Number

On behalf Of:

Trump's Castle Associates
Casino Licensee

QUARTERLY REPORT

LICENSEE TRUMP TAJ MAHAL CASINO RESORT

ADDRESS 1000 BOARDWALK

ATLANTIC CITY, NEW JERSEY 08401

FOR THE QUARTER ENDED JUNE 30, 1996

TO THE

CASINO CONTROL COMMISSION

OF THE

STATE OF NEW JERSEY

NAME OF OFFICER IN CHARGE OF CORRESPONDENCE REGARDING THIS QUARTERLY REPORT........... JAMES L. WRIGHT

OFFICIAL TITLE.......................... VICE PRESIDENT, FINANCE AND CONTROLLER

ADDRESS................................ 1000 BOARDWALK

ATLANTIC CITY, NEW JERSEY 08401

TRADING NAME OF LICENSEE: TRUMP TAJ MAHAL CASINO RESORT

LIST OF FORMS - QUARTERLY REPORT

FOR THE QUARTER ENDED JUNE 30, 1996.

TRADING NAME OF LICENSEE: TRUMP TAJ MAHAL CASINO RESORT

BALANCE SHEETS

JUNE 30, 1996 AND 1995

(UNAUDITED)
($ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)		JUNE (c) 1996	JUNE (d) 1995
	ASSETS			
	Current Assets:			
1	Cash and cash investments		$ 30,926	$ 66,089
2	Marketable securities		-	-
3	Receivables and patrons' checks (net of allowance for doubtful accounts - 1996, $7,831; 1995, $4,902)		34,647	18,244
4	Inventories		6,734	7,059
5	Prepaid expenses and other current assets		4,281	5,359
6	Total current assets		76,588	96,751
7	Investment, Advances, and Receivables - CRDA		9,078	5,924
8	Property and Equipment - Gross	NOTES 1 & 2	1,170,814	897,797
9	(Accumulated Depreciation/Amortization)	NOTES 1 & 2	(238,016)	(198,677)
10	Other Assets	NOTE 3	34,735	5,498
11	Total Assets		$ 1,053,199	$ 807,293
	LIABILITIES AND EQUITY			
	Current Liabilites:			
12	Accounts Payable		$ 6,904	$ 6,013
13	Short Term Notes Payable	NOTE 4	3,642	-
	Current portion of long-term debt:			
14	Due to affiliates		-	-
15	Other	NOTE 5	740	652
16	Income taxes payable and accrued		-	-
17	Other accrued expenses	NOTE 6	32,250	35,796
18	Other current liabilities	NOTE 7	7,294	9,511
19	Total current liabilities		50,830	51,972
	Long-Term Debt:			
20	Due to affiliates	NOTES 1 & 5	800,000	637,391
21	Other	NOTES 1 & 5	936	45,469
22	Deferred Credits		-	-
23	Other Liabilities	NOTES 1 & 8	5,640	25,637
24	Commitments and Contingencies	NOTE 12		
25	Total Liabilities		857,406	760,469
26	Stockholders', Partners', or Proprietor's Equity		195,793	46,824
27	Total Liabilities and Equity		$ 1,053,199	$ 807,293

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

SIX MONTHS ENDED JUNE 30, 1996 AND 1995

($ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)		(c) 1996	(d) 1995
	REVENUE:			
1	Casino		$ 242,554	$ 233,554
2	Rooms		20,552	20,337
3	Food and Beverage		27,115	27,652
4	Other		7,556	7,357
5	Total Revenue		297,777	288,900
6	Less: Promotional allowances	NOTE 1	31,635	29,412
7	Net Revenue		266,142	259,488
	COSTS AND EXPENSES:			
8	Cost of Goods and Services		126,882	121,921
9	Selling, General and Administrative		83,973	72,882
10	Provision for Doubtful Accounts		4,355	2,129
11	Total Costs and Expenses		215,210	196,932
12	Gross Operating Profit		50,932	62,556
13	Depreciation and Amortization		24,403	21,194
	Charges from Affiliates other than Interest:		-	-
14	Management Fees		-	-
15	Other	NOTE 9	1,933	2,579
16	Income (Loss) From Operations		24,596	38,783
	Other Income (Expenses):			
17	Interest (Expenses) - Affiliates	NOTE 5	(54,032)	(55,525)
18	Interest (Expenses) - External	NOTE 5	(2,399)	(3,639)
19	Investment Alternative Tax and Related Income(Expense) - Net		(1,509)	(1,499)
20	Nonoperating Income (Expense) - Net	NOTE 10	11,298	1,727
21	Total Other Income (Expenses)		(46,642)	(58,936)
22	Income (Loss) Before Income Taxes and Extraordinary Items		(22,046)	(20,153)
23	Provision (Credit) for Income Taxes		-	-
24	Income (Loss) Before Extraordinary Items		(22,046)	(20,153)
25	Extraordinary Items	NOTES 1 & 11	(116,375)	-
26	Net Income (Loss)		$ (138,421)	$ (20,153)

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 INCOME

THREE MONTHS ENDED JUNE 30, 1996 AND 1995

($ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)		(c) 1996	(d) 1995
	REVENUE:			
1	Casino		$ 128,159	$ 128,248
2	Rooms		11,150	11,075
3	Food and Beverage		14,162	14,230
4	Other		3,970	4,051
5	Total Revenue		157,441	157,604
6	Less: Promotional allowances		16,669	15,711
7	Net Revenue		140,772	141,893
	COSTS AND EXPENSES:			
8	Cost of Goods and Services		64,515	62,559
9	Selling, General and Administrative		44,716	38,010
10	Provision for Doubtful Accounts		3,498	1,415
11	Total Costs and Expenses		112,729	101,984
12	Gross Operating Profit		28,043	39,909
13	Depreciation and Amortization		12,852	10,719
	Charges from Affiliates other than Interest:		-	-
14	Management Fees		-	-
15	Other	NOTE 9	812	1,416
16	Income (Loss) From Operations		14,379	27,774
	Other Income (Expenses):			
17	Interest (Expenses) - Affiliates	NOTE 5	(24,962)	(28,000)
18	Interest (Expenses) - External	NOTE 5	(1,221)	(1,474)
19	Investment Alternative Tax and Related Income(Expense) - Net		(592)	(789)
20	Nonoperating Income (Expense) - Net	NOTE 10	10,375	847
21	Total Other Income (Expenses)		(16,400)	(29,416)
22	Income (Loss) Before Income Taxes and Extraordinary Items		(2,021)	(1,642)
23	Provision (Credit) for Income Taxes		-	-
24	Income (Loss) Before Extraordinary Items		(2,021)	(1,642)
25	Extraordinary Items	NOTES 1 & 11	(116,375)	-
26	Net Income (Loss)		$ (118,396)	$ (1,642)

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 SIX MONTHS ENDED JUNE 30, 1996 AND 1995

(UNAUDITED)
($ IN THOUSANDS)

NOT APPLICABLE

LINE (a)	DESCRIPTION	COMMON STOCK SHARES (c)	COMMON STOCK AMOUNT (d)	PREFERRED STOCK SHARES (e)	PREFERRED STOCK AMOUNT (f)	ADDITIONAL PAID-IN CAPITAL (g)	________ (h)	RETAINED EARNINGS ACCUMULATED (DEFICIT) (i)	TOTAL STOCKHOLDERS' EQUITY (DEFICIT) (j)
1	Balance, December 31, 19__		$		$	$	$	$	$
2	Net Income (Loss) - 19__								
3	Contribution to Paid-in- Capital								
4	Dividends								
5	Prior Period Adjustments								
6	________								
7	________								
8	________								
9	________								
10	Balance, December 31, 19__								
11	Net Income (Loss) - 19__								
12	Contribution to Paid-in- Capital								
13	Dividends								
14	Prior Period Adjustments								
15	________								
16	________								
17	________								
18	________								
19	Balance, ________, 19__		$		$	$	$	$	$

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 SIX MONTHS ENDED JUNE 30, 1996

(UNAUDITED)

($ IN THOUSANDS)

LINE (a)	DESCRIPTION	CONTRIBUTED CAPITAL (c)	ACCUMULATED EARNINGS (DEFICIT) (d)	(e)	TOTAL EQUITY (DEFICIT) (f)
1	Balance, December 31, 1994	$123,745	($55,953)	$	$67,792
2	Net Income (Loss) - 1995	-	(26,623)		(26,623)
3	Capital Contributions	-	-		-
4	Capital Withdrawls	-	-		-
5	Partnership Distributions	-	(1,554)		(1,554)
6	Prior Period Adjustments	-	-		
7					
8					
9					
10	Balance, December 31, 1995	123,745	(84,130)		39,615
11	Net Income (Loss) - 1996	-	(138,421)		(138,421)
12	Capital Contributions..(NOTE 1)	187,242	-		187,242
13	Capital Withdrawls	-	-		-
14	Partnership Distributions..(NOTE 13)	-	(1,217)		(1,217)
15	Prior Period Adjustments	-	-		-
16	Purchase Accounting Adjustment..(NOTE 1)	(123,745)	232,319		108,574
17					
18					
19	Balance, June 30, 1996	$187,242	$8,551	$0	$195,793

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

TRADING NAME OF LICENSEE: TRUMP TAJ MAHAL CASINO RESORT

STATEMENT OF CASH FLOWS

FOR THE SIX MONTHS ENDED JUNE 30, 1996 AND 1995

(UNAUDITED)
($ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1996	(d) 1995
1	Net Cash Provided (Used) by Operating Activities	$ (23,511)	$ 6,593
	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	(56,630)	(12,782)
5	Proceeds from Disposition of Property and Equipment	-	-
6	Purchase of Casino Reinvestment Obligations	(2,970)	(2,659)
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	(90,900)	-
10		-	-
11		-	-
12	Net Cash Provided (Used) by Investing Activities	(150,500)	(15,441)
	Cash Flows from Financing Activites:		
13	Cash Proceeds from Issuance of Short-Term Debt	-	-
14	Payments to Settle Short-Term Debt	-	-
15	Cash Proceeds from Issuance of Long-Term Debt	800,000	-
16	Costs of Issuing Debt	(29,467)	-
17	Payments to Settle Long-Term Debt	(822,618)	(536)
18	Cash Proceeds from Issuing Stock or Capital Contributions	179,318	-
19	Reduction in Debt Due To Restructuring	-	-
20	Capital Distributions	(10,000)	-
21	Issuance of Additional Bonds	-	15,112
22	Partnership Distributions	(1,217)	(815)
23	Net Cash Provided (Used) by Financing Activites	116,016	13,761
24	Net Increase (Decrease) in Cash and Cash Equivalents	(57,995)	4,913
25	Cash and Cash Equivalents at Beginning of Period	88,921	61,176
26	Cash and Cash Equivalents at End of Period	$ 30,926	$ 66,089

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

	Cash Paid During Period for:		
27	Interest (Net of Amount Capitalized)	$ 60,508	$ 39,504
28	Income Taxes	$ -	$ -

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

TRADING NAME OF LICENSEE: TRUMP TAJ MAHAL CASINO RESORT

STATEMENT OF CASH FLOWS

FOR THE SIX MONTHS ENDED JUNE 30, 1996 AND 1995

(UNAUDITED)
($ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1996	(d) 1995
	Net Cash Flows from Operating Activities:		
29	Net Income (Loss)	$ (138,421)	$ (20,153)
	Noncash Items Included in Income and Cash Items Excluded from Income:		
30	Depreciation and Amortization of Property and Equipment	24,403	21,194
31	Amortization of Other Assets	1,009	-
32	Amortization of Debt Discount or Premium	7,429	10,746
33	Extraordinary (Gain) Loss	115,283	-
34	Deferred Income Taxes – Noncurrent	-	-
35	(Gain) Loss on Disposition of Property and Equipment	-	-
36	(Gain) Loss on Casino Reinvestment Obligations	1,474	1,249
37	(Gain Loss from Other Investment Activities	-	-
38	Net (Increase) Decrease in Receivables and Patrons' Checks	(17,432)	(2,801)
39	Net (Increase) Decrease in Inventories	427	(628)
40	Net (Increase) Decrease in Other Current Assets	(1,685)	2,447
41	Net (Increase) Decrease in Other Assets	(257)	(61)
42	Net Increase (Decrease) in Accounts Payables	(1,431)	2,757
43	Net Increase (Decrease) in Other Current Liabilities Excluding Debt	(4,500)	(881)
44	Net Increase (Decrease) in Other Noncurrent Liabilities Excluding Debt	(10,580)	(8,420)
45	Net Increase in Notes Payable	-	-
46	Costs related to lease guarantee	770	1,144
47	Net Cash Provided (Used) by Operating Activites	$ (23,511)	$ 6,593

SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING AND FINANCING ACTIVITIES

LINE	DESCRIPTION	1996	1995
	Acquisition of Property and Equipment:		
48	Additions to Property and Equipment	$ 66,739	$ 13,529
49	Less: Captial Lease Obligations Incurred	(10,109)	(747)
50	Cash Outflows for Property and Equipment	$ 56,630	$ 12,782
	Acquisition of Business Entities:		
51	Property and Equipment Acquired	$ 90,900	$ 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	$ 90,900	$ -
	Stock Issued or Capital Contributions:		
57	Total Issuances of Stock or Capital Contributions	$ 979,318	$ N/A
58	Less: Issuances to Settle Long-Term Debt	(800,000)	-
59	Consideration in Acquisition of Business Entities	-	-
60	Cash Proceeds from Issuing Stock or Capital Contributions	$ 179,318	$ -

TRUMP TAJ MAHAL CASINO RESORT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1996
(Unaudited)

NOTE 1 - ORGANIZATION, OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and Operation:

The accompanying consolidated financial statements include those of Trump Taj Mahal Associates ("Taj Associates"), and its now dissolved wholly owned subsidiary, Trump Taj Mahal Funding, Inc. ("Taj Funding"). All significant intercompany balances and transactions have been eliminated in the consolidated financial statements.

Taj Associates was formed on June 23, 1988, as a New Jersey limited partnership and was converted to a general partnership in December 1990. On April 17, 1996, Taj Associates was acquired by Trump Hotels & Casino Resorts Holdings, L.P., a Delaware limited partnership ("THCR Holdings"), a subsidiary of Trump Hotels & Casino Resorts, Inc. ("THCR"), in a business combination accounted for as a purchase. The current partners of, and their respective ownership interests in Taj Associates are, Trump Atlantic City Associates, ("TACA") a New Jersey general partnership formerly known as Trump Plaza Holding Associates, which owns a 99% general partnership interest in Taj Associates and is its managing general partner, and Trump Atlantic City Corporation ("TAC"), a Delaware corporation formerly known as the Trump Taj Mahal Corporation, which owns a 1% general partnership interest in Taj Associates and is a wholly owned subsidiary of TACA. THCR Holdings, through its beneficial ownership of 100% of TACA, beneficially owns 100% of Taj Associates. THCR is the sole general partner of THCR Holdings and Mr. Donald J. Trump, Trump Casinos, Inc., a New Jersey corporation wholly owned by Mr. Trump ("Trump Casinos"), and THCR/LP Corporation, a New Jersey corporation indirectly wholly owned by THCR ("THCR/LP"), are the limited partners of THCR Holdings. In addition, THCR Holdings beneficially wholly owns Trump Plaza Associates, a New Jersey general partnership ("Plaza Associates"), that owns and operates the Trump Plaza Hotel and Casino in Atlantic City, New Jersey ("Trump Plaza").

Taj Associates was formed for the purpose of acquiring, constructing and operating the Trump Taj Mahal Casino Resort (the "Taj Mahal"), an Atlantic City casino hotel and convention center complex. On April 2, 1990, Taj Associates opened the Taj Mahal to the public. The industry in which the Taj Mahal operates is subject to intense competition and regulatory review (see Note 12).

Taj Funding was incorporated under the laws of the state of New Jersey 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 Taj Associates for construction of the Taj Mahal. During 1991, as a result of a plan of reorganization (the "1991 Taj Restructuring"), the Old Bonds were subsequently exchanged for Taj Funding's 11.35% Mortgage Bonds, Series A, due 1999 (the "Bonds"). On April 17, 1996 Taj Funding redeemed the Bonds in full and immediately thereafter Taj Funding was dissolved.

The accompanying financial statements have been prepared by Taj Associates without audit. In the opinion of Taj Associates, 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. Accordingly, certain information and note disclosures normally included in financial statements prepared in conformity with generally accepted accounting principles have been condensed or omitted. These financial statements should be read in conjunction with the financial statements and notes thereto included in Taj Associates' December 31, 1995 Annual Report.

The casino industry in Atlantic City is seasonal in nature, therefore, results of operations for the three and six months ended June 30, 1996 and 1995 are not necessarily indicative of the operating results for a full year.

Merger and Recapitalization

On January 8, 1996, THCR, THCR Merger Corp. ("Merger Sub"), a Delaware corporation and a wholly owned subsidiary of THCR, and Taj Holding Corp. (now known as THCR Holding Corp.) entered into an Agreement and Plan of Merger, (as amended by Amendment to Agreement and Plan of Merger dated as of January 31, 1996, the "Merger Agreement"), relating to the merger (the "Merger") of Merger Sub with and into Taj Holding. The Merger was part of a comprehensive plan (the "Merger Transaction") relating to the acquisition of Taj Associates by THCR Holdings.

The Merger Agreement provided that at the effective time of the Merger (the "Effective Time"), each share of Class A Common Stock of Taj Holding ("Taj Holding Class A Common Stock") (which in the aggregate represented 50% of the economic interest in Taj Associates) would be converted into the right to receive at each holder's election (i) $30.00 in cash ("Cash Consideration") or (ii) that number of shares of THCR's Common Stock (the "Common Stock") as shall have a market value equal to $30.00 ("Stock Consideration"). Donald J. Trump, THCR's Chairman of the Board (and the beneficial owner prior to the consummation of the Merger Transaction of approximately 40% of THCR), held the other 50% interest in Taj Associates and contributed such interest in Taj Associates to TACA in exchange for limited partnership interests in THCR Holdings. In addition, the outstanding shares of Taj Holding Class C Common Stock, all of which were held by Mr. Trump, were canceled at the Effective Time.

On April 11, 1996, at special meetings of the stockholders of THCR and Taj Holding, the Merger, and in the case of THCR's stockholders, certain aspects of the Merger Transaction, received the requisite stockholder approvals. On April 17, 1996, THCR and its subsidiaries consummated the Merger Transaction. The Merger Transaction was financed with the proceeds from the Stock Offering and the Mortgage Note Offering (each as defined below), and with shares of common stock of THCR and partnership interests in THCR Holdings.

The Merger Transaction included:

(a) the Merger and the payment of an aggregate of $31,181,240 in cash and the issuance of 323,423 shares of the THCR's Common Stock to the holders of Taj Holding Class A Common Stock pursuant to the Merger Agreement;

(b) the contribution by Mr. Trump to TACA of all of his direct and indirect ownership interests in Taj Associates, and the contribution by THCR to TACA of all of its indirect ownership interests in Taj Associates acquired in the Merger:

(c) the public offerings by (i) THCR of 12,500,000 shares of its common stock (plus 750,000 shares of common stock issued in connection with the partial exercise of the underwriters' over allotment option (together, the "Stock Offering"), and (ii) TACA and Trump Atlantic City Funding, Inc., a Delaware corporation ("TAC Funding") of $1,200,000,000 aggregate principal amount of First Mortgage Notes (the "First Mortgage Notes") (the "Mortgage Note Offering"):

(d) the redemption of the outstanding shares of the Taj Holding Class B Common Stock immediately prior to the Effective Time in accordance with its terms:

(e) the redemption of the outstanding Bonds:

(f) the retirement of the outstanding 10 7/8% Mortgage Notes due 2001 of Trump Plaza Funding, Inc. (the "Plaza Notes"):

(g) the satisfaction of the indebtedness of Taj Associates under its loan agreement with National Westminster Bank, USA (the "NatWest Loan"):

(h) the purchase of certain real property used in the operation of the Taj Mahal that was leased from Trump Taj Mahal Realty Corp. ("Realty Corp."), a corporation wholly owned by Mr. Trump:

(i) the purchase of certain real property used in the operation of Trump Plaza that was leased from an unaffiliated third party:

(j) the payment to Bankers Trust Company ("Bankers Trust") to obtain releases of liens and guarantees that Bankers Trust had in connection with indebtedness owed by Mr. Trump to Bankers Trust: and

(k) the issuance to Mr. Trump of warrants (the "Trump Warrants") to purchase an aggregate of 1.8 million shares of THCR common stock, (i) 600,000 shares of which may be purchased on or prior to April 17, 1999, at $30.00 per share (ii) 600,000 shares of which may be purchased on or prior to April 17, 2000, at $35.00 per share, and (iii) 600,000 shares of which may be purchased on or prior to April 17, 2001, at $40.00 per share.

The proceeds from the Stock Offering and the Mortgage Note Offering, together with available cash, have been and will be used, in addition to the uses referred to above, to pay related fees and expenses and provide for working capital and other general corporate purposes.

As a result of the contribution by Mr. Trump to TACA (on behalf, and at the direction, of THCR Holdings) of his direct and indirect ownership interests in Taj Associates and the contribution by THCR to TACA (on behalf, and at the direction, of THCR Holdings) of its indirect ownership interests in Taj Associates acquired in the Merger, together with THCR's contribution to THCR Holdings of the proceeds from the Stock Offering, Mr. Trump's aggregate beneficial equity interest in THCR Holdings decreased from approximately 40% to approximately 25%, and THCR's aggregate beneficial equity interest in THCR Holdings increased from approximately 60% to approximately 75%. Mr. Trump beneficially owns an aggregate of 9,881,548 shares of THCR common stock (including, among other things, the shares underlying the Trump Warrant and limited partnership interests in THCR Holdings), representing an approximately 29% beneficial ownership interest in THCR.

Summary of Significant Accounting Policies

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Revenue Recognition

Casino revenues consist of the net win from gaming activities, which is the difference between gaming wins and losses. Revenues from hotel and other services are recognized at the time the related service is performed. Taj Associates provides an allowance for doubtful accounts arising from casino, hotel and other services. The allowance is based upon a specific review of outstanding receivables as well as historical collection information. In providing this allowance, management is required to make certain estimates and assumptions regarding the timing and amount of account collections. Actual results could differ from those estimates.

Promotional Allowances

Gross revenues include the retail value of complimentary rooms, food, beverages and other services furnished to patrons. The retail value of these promotional allowances is deducted from gross revenues to arrive at net revenues. The cost of promotional allowances is charged to operations. Promotional allowances consisted of the following:

	Six Months Ended June 30, 1996	Six Months Ended June 30, 1995
	(in thousands)	
Rooms	$ 13,658	$ 12,783
Food & Beverage	16,036	15,183
Other	1,941	1,446
	$ 31,635	$ 29,412

Income Taxes

The accompanying financial statements do not include a provision for Federal income taxes of Taj Associates, 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 Act (the "Casino Control Act"), Taj Associates is required to file a New Jersey corporation business tax return.

Inventories

Inventories are carried at cost on a weighted average 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 range from three to seven years for furniture, fixtures and equipment and 40 years for buildings and building improvements. Leasehold improvements are amortized over the term of the related lease commencing in the period these assets are placed in service.

The interest expense associated with borrowings used to fund the purchase and construction of the Taj Mahal has been capitalized and is being amortized over the estimated useful life of the facility.

On April 17, 1996 Taj Associates was acquired by THCR Holdings in a business combination accounted for as a purchase. Accordingly, the excess of the purchase price over the net assets acquired ($200,782,000) was allocated to land and buildings and is being depreciated over their remaining lives. Depreciation expense charged to operations from April 17, 1996 through June 30, 1996 and for the six months ended June 30, 1996 approximated $1,144,000.

Long-Lived Assets

During 1995, Taj Associates adopted the provisions of Statement of Financial Accounting Standard No. 121, "Accounting for the Impairment of Long-Lived Assets ("SFAS No. 121"). SFAS No. 121 requires, among other things, that an entity review its long-lived assets and certain related intangibles for impairment whenever changes in circumstance indicate that the carrying amount of an asset may not be fully recoverable. Impairment of long-lived assets exists, if, at a minimum, the future expected cash flows (undiscounted and without interest charges), from an entity's operations are less than the carrying value of these assets. As a result of its review, Taj Associates does not believe that any impairment exists in the recoverability of its long-lived assets as of June 30, 1996.

Cash and Cash Investments

Cash and cash investments include hotel and casino funds, funds on deposit with banks and temporary investments having a maturity of three months or less.

NOTE 2 - PROPERTY AND EQUIPMENT

	June 30, 1996	1995
	(in thousands)	
Land	$ 74,332	$ 37,843
Buildings	910,790	661,747
Furniture, fixtures and equipment	185,692	166,954
Leasehold improvements	-	31,253
Total	1,170,814	897,797
Less Accumulated Depreciation	(238,016)	(198,677)
Net Property and Equipment	$ 932,798	$699,120

NOTE 3 - OTHER ASSETS

	June 30, 1996	1995
	(in thousands)	
Deferred financing costs (net of accumulated amortization of $1,009)	$ 28,458	$ -
Deferred neighborhood improvements	3,250	3,250
Deposits	2,312	2,238
Other	715	10
Total	$ 34,735	$ 5,498

NOTE 4 - NOTES PAYABLE

During the first six months of 1996 Taj Associates entered into a variety of capitalized lease agreements for the purchases of slot machines and related equipment from their respective manufacturer's. Payments are scheduled to be made monthly, with interest rates on these agreements varying from 10.0% to 14.0% per annum. The agreements have varying maturity dates from September 1996 through January 1997.

NOTE 5 - LONG TERM DEBT

Long term debt consisted of the following at June 30:

	1996	1995
	(in thousands)	
Long-term Portion		
Due to affiliates:		
Trump Atlantic City Associates (A)	$800,000	$ -
Trump Taj Mahal Funding, Inc. (B)	-	780,242
Unamortized discount (B)	-	(142,851)
Net	$800,000	$637,391
Other:		
Bank term loan (C)	$ -	$ 44,835
Other	936	634
Total other	$ 936	$ 45,469
Current Portion		
Other:		
Bank term loan (C)	$ -	$ 191
Other	740	461
Total other	$ 740	$ 652

	Six months ended June 30,	
	1996	1995
	(in thousands)	
Interest Expense - Affiliates		
Trump Atlantic City Associates (A)	$ 18,500	$ -
Trump Taj Mahal Funding, Inc. (B)	26,324	43,635
Accretion - bond discount (B)	7,429	10,746
Accretion - lease guarantee	770	1,144
Amortization - deferred loan costs (A)	1,009	-
Total	$ 54,032	$ 55,525
Interest Expense - External		
Bank term loan (C)	$ 1,263	$ 2,125
Working Capital line of credit (D)	886	157
Refinancing costs	-	1,321
Other	250	36
Total	$ 2,399	$ 3,639

NOTE 5 - LONG TERM DEBT (continued)

	Three months ended June 30, 1996	1995
	(in thousands)	
Interest Expense - Affiliates		
Trump Atlantic City Associates (A)	$ 18,500	$ -
Trump Taj Mahal Funding, Inc. (B)	4,185	21,924
Accretion - bond discount (B)	1,149	5,493
Accretion - lease guarantee	119	583
Amortization - deferred loan costs (A)	1,009	-
Total	$ 24,962	$ 28,000
Interest Expense - External		
Bank term loan (C)	$ 198	$ 1,068
Working Capital line of credit (D)	807	79
Refinancing Costs	-	301
Other	216	26
Total	$ 1,221	$ 1,474

Borrowings:

(A) On April 17, 1996 TACA, together with TAC Funding, a wholly owned subsidiary of TACA, issued the First Mortgage Notes in the aggregate principal amount of $1,200,000,000 which bear interest at 11.25% and are due May 1, 2006. Interest on the First Mortgage Notes is due semi-annually on each May 1 and November 1, commencing on November 1, 1996. The First Mortgage Notes are guaranteed as to payment of principal and interest jointly and severally by Taj Associates, Plaza Associates, TAC and all future subsidiaries of TACA (other than TAC Funding). The First Mortgage Notes are jointly and severally secured by mortgages representing a first lien and security interest on substantially all the assets of Taj Associates and Plaza Associates.

From the proceeds of the issuance of the Mortgage Notes, TACA issued a note payable in the amount of $800,000,000 to Taj Associates with interest at 11.25%, due May 1, 2006 with the same terms as the First Mortgage Notes. Interest on the note is due periodically prior to each May 1 and November 1.

Underwriting costs, legal and accounting fees, printing costs and other expenses associated with the issuance of the First Mortgage Notes are being amortized using the effective interest method over the term of the First Mortgage Notes. Amortization is included in interest expense on the accompanying income statements and totaled $1,009,000 for the period from April 17, 1996 through June 30, 1996 and for the three and six months ended June 30, 1996.

(B) The proceeds from the issuance of the First Mortgage Notes were used to, among other things, redeem at face value the Bonds amounting to $780,245,000. The Bonds had borne interest of 11.35% and were redeemed, at face value in the principal amount of $780,245,000, on April 17, 1996 prior to their maturity date of November 15, 1999. Each Bond, together with one share of the Class B Redeemable Common Stock, par value $.01 per share (the "Taj Holding Class B Stock") of Taj Mahal Holding Corp., a Delaware corporation ("Taj Holding") traded together as a unit (a "Unit") with which it was issued and could not be transferred separately. Interest on the Bonds was due semi-annually on each November 15 and May 15. Interest on the Bonds had to 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, effective May 15, 1992 and annually thereafter, an additional amount of interest (the "Additional Amount") in cash or additional Bonds or a combination thereof, was payable equal to the difference between 11.35% of the outstanding principal amount of the Bonds and the Mandatory Cash Interest Amount previously paid. To the extent that there was excess available cash flow ("EACF") of Taj Associates, as defined in the Indenture, for the immediately preceding calendar year, Taj Funding was to pay the Additional Amount in cash up to 10.28% and the balance thereof was to be paid at the option of Taj Funding in cash or additional Units, provided that an equivalent amount of cash was used to purchase or redeem Units. Additional Bonds issued on the October 4, 1991 amounted to approximately $7,208,000. For the period from the issuance of the Bonds, October 4, 1991, through December 31, 1992, there was no EACF. Accordingly, Taj Funding paid the Additional Amounts on May 15, 1993 and May 15, 1992 through the issuance of approximately $14,579,000 and $8,844,000, respectively, in additional Bonds. Of the $14,870,000 Additional Amount due May 15, 1994, $2,621,000 was paid in cash and the $12,249,000 balance in Bonds. Of the $15,112,000 Additional Amount due May 15, 1995, Taj Funding satisfied the entire obligation through the issuance of Bonds. Pursuant to the redemption of the Bonds, the Additional Amounts due up to the date of redemption, April 17, 1996, was paid entirely in cash in the amount of $14,211,000.

In accordance with AICPA Statement of Position 90-7, "Financial Reporting By Entities in Reorganization Under the Bankruptcy Code", the Bonds when issued were stated at the present value of amounts to be paid, determined at current interest rates (effective rate of approximately 18%). The effective interest rate of the Bonds was determined based on the trading price of the 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 Bonds. This gain was being offset by increased interest costs over the period of the Bonds to accrete such bonds to their face value at maturity. At April 17, 1996, the early redemption date of the Bonds, the unaccreted balance of this discount ($123,673,000) was written off as an extraordinary loss. The accretion amounted to approximately $7,429,000 for the period of January 1, 1996 through April 16, 1996 and for the six months ended June 30, 1996. In addition, accretion for the six months ended June 30, 1995 approximated $10,746,000. These amounts are included in interest expense on the accompanying income statements.

The Bonds were guaranteed as to payment of principal and interest by Taj Associates and were secured by substantially all Taj Associates' property.

(C) On November 3, 1989, Taj Associates entered into the NatWest loan, which provided financing up to $50,000,000 for certain items of furniture, fixtures and equipment installed in the Taj Mahal. The NatWest Loan had borne interest at 9 3/8% per annum. Principal and interest was payable monthly in the fixed amount of $373,000 to be applied first to accrued interest and the balance to the extent available, to principal, through maturity, November 15, 1999. Additionally, on May 15 of each year (May 15, 1992 through May 15, 1999), to the extent principal was still outstanding, NatWest was to receive 16.5% of the EACF of the preceding calendar year in excess of the Additional Amount, to be applied first to accrued but unpaid interest, and then to principal.

The NatWest Loan was secured by a first priority lien on the furniture, fixtures and equipment acquired with the proceeds of the NatWest Loan plus any after acquired furniture, fixtures and equipment that replaces such property, or of the same type, provided however, that the NatWest Loan was to be subordinated to a lien to secure purchase money financing of such after acquired property up to 50% of the value of such after acquired property.

On April 17, 1996 pursuant to an agreement, the NatWest Loan (having an outstanding balance of approximately $44,890,000) was satisfied in full in exchange for a cash payment in the amount of $36,500,000. In connection with this transaction, Taj Associates recognized an extraordinary gain of approximately $8,390,000.

(D) In November 1991, Taj Associates obtained a working capital line of credit in the amount of $25,000,000 with a maturity of five years. In September 1994, Taj Associates extended the maturity to November 1999, in consideration for modifications of the terms of the facility. Interest on advances under the line were at prime plus 3% with a minimum of 7% per annum. The agreement relating to the line of credit provided for a 3/4% annual fee and a 1/2% unused line fee and contained various covenants. On April 17, 1996 the line of credit was terminated in conjunction with the Merger Transaction which required the payment of an early termination fee of approximately $675,000 which is included in interest expense. During 1996 and 1995, no amounts were outstanding under the line.

NOTE 6 - OTHER ACCRUED EXPENSES

	June 30 1996	June 30 1995
	(in thousands)	
Accrued interest	$ 5,500	$ 9,154
Accrued advertising/marketing	1,566	2,531
Accrued payroll & related	16,856	15,774
Other	** 8,328	** 8,337
Total	$ 32,250	$ 35,796

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

NOTE 7 - OTHER CURRENT LIABILITIES

		June 30,	
	1996		1995
		(in thousands)	
Affiliates:			
Donald J. Trump	$ -		$ 141
Trump's Castle Associates	(75)		6
Trump Plaza Associates	60		(7)
	(15)		140
Advance deposits	675		1,110
Unredeemed chip liability	1,643		2,479
Insurance reserves	3,857		4,563
Other	** 1,134		** 1,219
	7,309		9,371
Total	$ 7,294		$ 9,511

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

NOTE 8 - OTHER LIABILITIES

Other liabilities at June 30, consisted of the following (in thousands):

	1996	1995
Deferred taxes	$ 3,559	$ 5,358
Insurance reserves	2,013	2,314
Accrued interest - long term	-	1,926
Lease guarantee		15,921
Other	68	118
	$ 5,640	$ 25,637

NOTE 9 - CHARGES FROM AFFILIATES

	Six months ended June 30,	
	1996	1995
	(in thousands)	
Other:		
Intercompany rent	$ 908	$ 1,363
Allocated salaries	395	412
Trump Services Agreement	630	804
	$ 1,933	$ 2,579

NOTE 9 - CHARGES FROM AFFILIATES (continued)

	Three months ended June 30, 1996	1995
	(in thousands)	
Other:		
Intercompany rent	$ 227	$ 682
Allocated salaries	207	206
Trump Services Agreement	378	528
	$ 812	$ 1,416

NOTE 10 - NON-OPERATING INCOME (EXPENSE)

	Six months ended June 30, 1996	1995
	(in thousands)	
Licensing fee	$ 10,000	$ -
Interest income	1,298	1,727
	$ 11,298	$ 1,727

	Three months ended June 30, 1996	1995
	(in thousands)	
Licensing fee	$ 10,000	$ -
Interest income	375	847
	$ 10,375	$ 847

On June 30, 1996, Taj Associates and Atlantic Jersey Thermal Systems, Inc. ("Atlantic Thermal") entered into a Thermal Energy Service Agreement, pursuant to which Atlantic Thermal will obtain the exclusive right to use the steam and chilled water production facilities located at the Taj Mahal in order to sell to Taj Associates all of Taj Associates' heating and cooling energy requirements for the Taj Mahal at a cost savings to Taj Associates and to offer for sale to third parties such thermal energy requirements as they may require, all on the terms and conditions set forth therein.

NOTE 11 - EXTRAORDINARY ITEMS - GAIN (LOSS)

	Three and six months ended June 30, 1996	1995
	(in thousands)	
Loss on write-off of unamortized bond discount	$ (123,673)	$ -
Gain on retirement of Natwest loan	8,390	-
Other losses on refinancing	(1,092)	-
	$ (116,375)	$ -

NOTE 12 - COMMITMENTS AND CONTINGENCIES

Casino License Renewal:

Taj Funding and Taj Associates are subject to regulation and licensing by the CCC. Taj Associates' casino license must be renewed periodically, is not transferable, is dependent upon the financial stability of Taj Associates and can be revoked at anytime. Upon revocation, suspension for more than 120 days, or failure to renew the casino license due to Taj Associates' financial condition or for any other reason, the New Jersey Casino Control Act (the "Act") provides that the CCC may appoint a conservator to take possession of and title to the hotel and casino's business and property, subject to all valid liens, claims and encumbrances. On June 22, 1995, the CCC renewed Taj Associates' casino license for four years, through March 31, 1999.

Legal Proceedings:

Taj Associates, its partners, certain of its employees and Taj Funding are involved in various legal proceedings incurred in the normal course of business. In the opinion of management of Taj Associates, the expected disposition of these proceedings would not have a material adverse effect on Taj Associates or Taj Funding's financial condition or results of operations.

NOTE 13 - TAJ ASSOCIATES DISTRIBUTION

Taj Associates was obligated to reimburse Taj Holding Corp. 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 year to date ending April 17, 1996 and for the six months ended June 30, 1996 approximated $1,217,000. In addition, total expenses for the six months ended June 30, 1995 approximated $815,000.

SCHEDULE OF PROMOTIONAL EXPENSES AND ALLOWANCES

($ IN THOUSANDS)

FOR THE SIX MONTHS ENDED JUNE 30, 1996

		Promotional Allowances		Promotional Expenses	
Line (a)	(b)	Number of Recipients (c)	Dollar Amount (d)	Number of Recipients (e)	Dollar Amount (f)
1	Rooms	104,733	$13,658		$
2	Food	857,537	10,472		
3	Beverage	2,905,718	4,886		
4	Travel			51,900	6,462
5	Coin			1,695,429	28,374
6	Coupon	104,135	678		
7	Entertainment	88,166	1,550	15,935	685
8	Retail & Gifts			3,308	596
9	Parking				
10	Other	18,542	391	52,717	7,962
11	Total	4,078,831	$31,635	1,819,289	$44,079

FOR THE THREE MONTHS ENDED JUNE 30, 1996

		Promotional Allowances		Promotional Expenses	
Line (a)	(b)	Number of Recipients (c)	Dollar Amount (d)	Number of Recipients (e)	Dollar Amount (f)
1	Rooms	54,407	$7,342		$
2	Food	436,939	5,340		
3	Beverage	1,520,170	2,518		
4	Travel			27,015	3,634
5	Coin			918,995	14,916
6	Coupon	59,348	402		
7	Entertainment	36,300	857	9,595	475
8	Retail & Gifts			1,644	427
9	Parking				
10	Other	9,700	210	28,067	4,185
11	Total	2,116,864	$16,669	985,316	$23,637

STATEMENT OF CONFORMITY AND ACCURACY

STATE OF NEW JERSEY :

:SS.

COUNTY OF ATLANTIC :

JAMES L. WRIGHT, being duly sworn according to law upon my oath deposes and says:
NAME

1. I have examined this Quarterly Report for the quarter ended June 30, 1996.

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. To the best of my knowledge and belief, the information contained in this report is accurate.

4. To the best of my knowledge and belief, except for the deficiences noted below, the licensee submitting this Quarterly Report has remained in compliance with the financial stabliity regulations contained in N.J.A.C. 19:43-4.2(b)1-5 during the quarter.

James L. Wright
SIGNATURE

Vice President, Finance and Controller
TITLE

3507-11
LICENSE NUMBER

On Behalf Of:

Trump Taj Mahal Casino Resort
Casino Licensee

Subscribed and Sworn to before me
this 13th day of August, 1996

Linda M. Petta
Signature

LINDA M. PETTA
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires March 24, [illegible]

Basis of Authority
to Take Oaths

8/95

CCC-249

QUARTERLY REPORT

LICENSEE HARRAH'S CASINO HOTEL, ATLANTIC CITY

ADDRESS 1725 BRIGANTINE BOULEVARD

ATLANTIC CITY, NJ 08401

FOR THE QUARTER ENDED JUNE 30, 19 96

TO THE

CASINO CONTROL COMMISSION

OF THE

STATE OF NEW JERSEY

NAME OF OFFICER IN CHARGE OF CORRESPONDENCE REGARDING THIS QUARTERLY REPORT . . . JOHN D. MAYEWSKI

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

ADDRESS . . . . 1725 BRIGANTINE BOULEVARD

ATLANTIC CITY, NJ 08401

Trading Name of Licensee Harrah's Casino Hotel, Atlantic City

LIST OF FORMS - QUARTERLY REPORT

FOR THE QUARTER ENDED JUNE 30, 1996

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

BALANCE SHEETS

JUNE 30, 1996 AND 1995

(UNAUDITED)
($ IN THOUSANDS)

(a) LINE	(b) DESCRIPTION	(c) 1996	(d) 1995
	ASSETS		
	Current Assets:		
1	Cash and Cash Equivalents (Note 1)	$ 15,331	$ 16,670
2	Short-Term Investments	0	0
3	Receivables and patrons' checks (net of allowance for doubtful accounts - 1996 $ 3,646....;1995 $ 3,647.....	7,035	6,417
4	Inventories	1,004	1,050
5	Prepaid expenses and other current assets (Note 4)	3,623	4,184
6	**Total Current Assets**	26,993	28,321
7	Investments, Advances and Receivables (Note 5)	27,769	26,854
8	Property and Equipment - Gross (Notes 1 and 2)	407,987	385,684
9	(Accumulated Depreciation/Amortization)	(147,582)	(133,211)
10	Other Assets	22,531	25,552
11	**Total Assets**	337,698	333,200
	LIABILITIES AND EQUITY		
	Current Liabilities:		
12	Accounts Payable	$ 2,907	$ 2,056
13	Notes Payable	0	0
	Current portion of long-term debt:		
14	Due to affiliates	0	0
15	Other	0	0
16	Income taxes payable and accrued	490	894
17	Other accrued expenses . . .(Note 8)	16,900	15,991
18	Other current liabilities	543	1,370
19	**Total current liabilities**	20,840	20,311
	Long-Term Debt:		
20	Due to affiliates	15,262	0
21	Other . . . . . .(Notes 3)	380,000	305,000
22	Deferred Credits (Note 1)	1,550	2,887
23	Other Liabilities . . . . .(Note 9)	42,297	42,305
24	Commitments and Contingencies . . .(Note 6)	0	0
25	**Total Liabilities**	459,949.	370,503
26	**Stockholders', Partners', or Proprietor's Equity**	(122,251)	(37,303)
27	**Total Liabilities and Equity**	$ 337,698	$ 333,200

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

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

STATEMENTS OF INCOME

For Six Months Ended June 30, 1996 and 1995

(UNAUDITED)
($ IN THOUSANDS)

(a) LINE	(b) DESCRIPTION	(c) 1996	(d) 1995
	Revenue:		
1	Casino	$ 148,861	$ 152,036
2	Rooms	9,649	9,175
3	Food and Beverage	17,662	17,070
4	Other	4,453	4,000
5	Total revenue	180,625	182,281
6	Less: Promotional Allowance	19,690	18,426
7	Net revenue	160,935	163,855
	Costs and Expenses:		
8	Cost of goods and services	87,595	85,979
9	Selling, general, and administrative	31,681	29,565
10	Provision for doubtful accounts	537	866
11	Total costs and expenses	119,813	116,410
12	Gross Operating Profit	41,122	47,445
13	Depreciation and amortization	7,926	9,081
	Charges from affiliates other than interest:		
14	Management Fees	0	0
15	Other	10,618	858
16	Income (Loss) from Operations	22,578	37,506
	Other Income (Expenses):		
17	Interest (expense) - affiliates - Royalty Fee	0	0
18	Interest (expense) - external .... (Note 3)	(13,104)	(16,566)
19	Investment alternative tax and related income (expense) - net	(11)	(10)
20	Nonoperating Income (expense) - net	180	366
21	Total other income (expenses)	(12,935)	(16,210)
22	Income (Loss) Before Income Taxes and Extraord. Items	9,643	21,296
23	Provision (credit) for income taxes	834	2,131
24	Income (Loss) Before Extraordinary Items	8,809	19,165
25	Extraordinary items (net of income taxes - 1996, $0; 1995, $0)	0	0
26	**Net Income (Loss)**	$ 8,809	$ 19,165

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

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

STATEMENTS OF INCOME

For Three Months Ended June 30, 1996 and 1995

(UNAUDITED)
($ IN THOUSANDS)

(a) LINE	(b) DESCRIPTION	(c) 1996	(d) 1995
	Revenue:		
1	Casino	$ 75,392	$ 79,243
2	Rooms	5,193	4,898
3	Food and Beverage	8,998	8,905
4	Other	2,438	2,250
5	Total revenue	92,021	95,296
6	Less: Promotional Allowance	10,118	9,595
7	Net revenue	81,903	85,701
	Costs and Expenses:		
8	Cost of goods and services	44,092	43,873
9	Selling, general, and administrative	15,607	14,716
10	Provision for doubtful accounts	191	410
11	Total costs and expenses	59,890	58,999
12	Gross Operating Profit	22,013	26,702
13	Depreciation and amortization	3,940	4,577
	Charges from affiliates other than interest:		
14	Management Fees	0	0
15	Other	5,333	448
16	Income (Loss) from Operations	12,740	21,677
	Other Income (Expenses):		
17	Interest (expense) - affiliates - Royalty Fee	0	0
18	Interest (expense) - external .... (Note 3)	(6,552)	(8,071)
19	Investment alternative tax and related income	14	10
	(expense) - net		
20	Nonoperating Income (expense) - net	124	346
21	Total other income (expenses)	(6,414)	(7,715)
22	Income (Loss) Before Income Taxes and Extraord. Items	6,326	13,962
23	Provision (credit) for income taxes	569	1,309
24	Income (Loss) Before Extraordinary Items	5,757	12,653
25	Extraordinary items (net of income taxes - 1996, $0; 1995, $0)	0	0
26	**Net Income (Loss)**	$ 5,757	$ 12,653

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

TRADING NAME OF LICENSEE Harrah's Casino Hotel, Atlantic City

STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY

FOR THE SIX MONTHS ENDED JUNE 30, 1996 AND THE SIX MONTHS ENDED JUNE 30, 1995

(UNAUDITED)
($ IN THOUSANDS)

Line (a)	Description (b)	Common Stock Shares (c)	Common Stock Amount (d)	Preferred Stock Shares (c)	Preferred Stock Amount (d)	Additional Paid-In Capital (g)	(h)	Retained Earnings (Accumulated) (Deficit) (i)	Total Stockholders' Equity (Deficit) (j)
1	**Balance, December 31, 19__.................**		$		$	$	$	$	$
2	Net Income (Loss) - 19__.....................								
3	Contribution to Paid - in - Capital..........								
4	Dividends..								
5	Prior Period Adjustments.....................								
6	____________............								
7	____________............								
8	____________............								
9	____________............								
10	**Balance, December 31, 19__.................**								
11	Net Income (Loss) - 19__.....................								
12	Contribution to Paid - in - Capital..........								
13	Dividends..								
14	Prior Period Adjustments.....................								
15	____________............								
16	____________............								
17	____________............								
18	____________............								
19	**Balance, December 31, 19__.................**		$		$	$	$	$	$

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

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

STATEMENTS OF CHANGES IN PARTNERS' OR PROPRIETOR'S EQUITY

For the Twelve Months Ended December 31, 1995
And The Six Months Ended June 30, 1996
(UNAUDITED)
($ IN THOUSANDS)

LINE (a)	Description (b)	Contributed Capital (c)	Accumulated Earnings (Deficit) (d)	________ (e)	Total Equity (Deficit) (f)
1	Balance , December 31, 1994	$141,594	($290,518)	$0	($148,924)
2	Net Income (Loss) - 1995		43,569		$43,569
3	Capital Contributions......	24,360	0		$24,360
4	Capital Withdrawals.........		(34,540)		($34,540)
5	Partnership Distributions......				$0
6	Prior Period Adjustments......				
7	____________..........				
8	____________..........				
9	____________..........				
10	Balance , December 31, 1995	165,954	(281,489)	0	(115,535)
11	Net Income 1996		8,809		$8,809
12	Capital Contributions........				$0
13	Capital Withdrawals.........		(15,525)		($15,525)
14	Partnership Distributions......				
15	Prior Period Adjustments.....				
16	____________..........				
17	____________..........				
18	____________..........				
19	Balance, June 30,1996	$165,954	($288,205)	$0	($122,251)

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

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

STATEMENTS OF CASH FLOWS

For the Quarter Ended June 30, 1996 and 1995

(UNAUDITED)
($ IN THOUSANDS)

(a) LINE	(b) DESCRIPTION	(c) 1996	(d) 1995
1	**Net Cash Provided (Used) by Operating Activities ....**	$ 13,924	$ 19,330
	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	(14,065)	(5,746)
5	Proceeds from disposition of property and equipment	159	81
6	Purchase of casino reinvestment obligations	(1,861)	(1,657)
7	Purchase of other investments and loan advances made	(48)	163
8	Proceeds from disposal of investments and collection of advances and long-term receivables	1,109	1,238
9	Cash outflows to acquire business entities	0	0
10	W/O of Prior Year Construction Project	0	1,440
11	Transfer Cash from sale of Land from Embassy.	0	5,856
12	**Net Cash Provided (Used) by Investing Activities ..**	(14,706)	1,375
	Cash Flows from Financing Activities:		
13	Cash proceeds from issuance of short-term debt		
14	Payments to settle short-term debt	(30,000)	
15	Cash proceeds from issuance of long-term debt	129,000	384,300
16	Costs of issuing debt		
17	Payments to settle long-term debt	(85,589)	(474,650)
18	Cash proceeds from issuing stock or capital contributions		
19	Purchases of treasury stock		
20	Payments of dividends or capital withdrawals ...	(15,525)	68,096
21			
22			
23	**Net Cash Provided (Used) by Financing Activities ..**	(2,114)	(22,254)
24	**Net Increase (Decrease) in Cash and Cash Equivalents**	(2,896)	(1,549)
25	**Cash and Cash Equivalents at Beginning of Period ..**	18,227	18,219
26	**Cash and Cash Equivalents at End of Period .....**	$ 15,331	$ 16,670
	SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
	Cash Paid During Period for:		
27	Interest (net of amount capitalized)	$ 13,104	$ 16,566
28	Income Taxes	$ 1,821	$ 2,615

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

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

STATEMENTS OF CASH FLOWS

For the Quarter Ended June 30, 1996 and 1995

(UNAUDITED)
($ IN THOUSANDS)

(a) LINE	(b) DESCRIPTION	(c) 1996	(d) 1995
	Net Cash Flows From Operating Activities:		
29	Net Income (loss)	$ 8,809	$ 19,165
	Noncash items included in income and cash items excluded from income:		
30	Depreciation and amortization of property & equipment	7,926	7,873
31	Amortization of other assets	670	954
32	Amortization of debt discount or premium	0	24
33	Deferred income taxes - current	0	0
34	Deferred income taxes - noncurrent	0	0
35	Loss in dispostion of property & equipment	24	9
36	(Gain) loss on casino reinvestment obligation	0	0
37	Loss from other investment activities	0	0
38	Net (increase)decrease in receivables and patrons checks	(83)	840
39	Net decrease in inventories	154	308
40	Net (increase) in other current assets	(219)	(773)
41	Net decrease in other assets	134	720
42	Net increase(decrease) in accounts payables	898	(1,149)
43	Net (decrease) in other current liabilities excluding debt . . .	(4,183)	(1,430)
44	Net (decrease) in other noncurrent liabilities excluding debt . . .	(594)	(7,341)
45	Net increase in other receivables or advances	388	130
46			
47	**Net Cash Provided (Used) by Operating Activities . . . .**	$ 13,924	$ 19,330
	SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING AND FINANCIAL ACTIVITES		
	Aquisition of Property and Equipment:		
48	Additions to property and equipment . .	$ 14,065	$ 5,746
49	Less: capital lease obligations incurred . . .	0	0
50	**Cash Outflows for Property and Equipment . . . .**	$ 14,065	$ 5,746
	Acquisition of Business Entities:		
51	Property and equipment acquired	$	$
52	Goodwill Acquired		
53	Net assets acquired other than cash, goodwill, and property and equipment		
54	Long-term debt assumed		
55	Issuance of stock or capital invested		
56	Cash Outflows To Acquire Business Entities	$	$
	Stock Issued or Capital Contributions:		
57	Total issuance of stock or capital contributions	$	$
58	Less: issuances to settle long-term debt, and		
59	Consideration in acquistion of business entities		
60	Cash Proceeds from Issuing Stock or Capital Contributions	$	$

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

HARRAH'S CASINO HOTEL ATLANTIC CITY
NOTES TO FINANCIAL STATEMENTS
(DOLLARS IN THOUSANDS)

Note 1: Summary of Significant Accounting Policies

Organization - On June 30, 1995, the Company, formally known as The Promus Companies Incorporated (Promus), completed a spin-off ("Spin-off") that split Promus into two independent public corporations, one for conducting its casino entertainment business and one for conducting its hotel business. Promus was renamed Harrah's Entertainment, Inc. and retained ownership of the casino entertainment business. Promus' hotel operations were transferred to a new entity, Promus Hotel Corporation (PHC).

Marina Associates (the Partnership) operates as a general partnership, owns a casino hotel located in the Marina District of Atlantic City, New Jersey. Harrah's Operating Company (HOC), a wholly owned subsidiary of Harrah's through its subsidiaries, is the sole owner of the Partnership. A substantial portion of the Partnership's revenues are derived from gaming operations. Competition in the Atlantic City gaming market is intense and the Partnership believes that the competition will continue as new entrants to the gaming industry are contemplated and become operational.

Pervasiveness of Estimates - The preparation of these financial statements in conformity with generally accepted accounting principals requires the Partnership to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from these estimates.

Revenue Recognition - Casino revenues consist of the net win from gaming activities, which is the difference between gaming wins and losses. Revenues from hotel and other services are recognized at the time the related services are performed.

The Partnership provides an allowance for doubtful accounts arising from casino, hotel, and other services, which is based upon a specific review of certain outstanding receivables and historical collection performance. In determining the amount of the allowance, the Partnership is required to make certain estimates and assumptions and actual results may differ from these estimates and assumptions.

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

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

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

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

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

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

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

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

Income Taxes - The accompanying financial statements do not include a provision for Federal Income Tax purposes by the individual partners.
In accordance with regulations prescribed by the New Jersey Casino Control Act, the Company files a State Income Tax return on behalf of the partners.

Deferred tax assets and liabilities represent for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of a change in existing tax rates is recognized as an increase or decrease to the tax provision in the period that includes the enactment date.

(DOLLARS IN THOUSANDS)

NOTE 2: Property and Equipment

Property and Equipment consists of the following:

	JUNE 30 1996	JUNE 30 1995
Land and Land Improvements	$ 51,344	$ 50,626
Buildings, Leaseholds and Improvements	248,267	246,921
Furniture, Fixtures and Equipment	88,409	82,639
Construction in Progress	1,309	1,096
C-I-P Casino/Hotel Expansion	17,423	--
Equipment held under Capital Leases	345	345
C-I-P NE Inlet Redevelopment Project	890	4,057
	407,987	365,684
Less Accumulated Depreciation	(147,582)	(133,211)
Property and Equipment, Net	$ 260,405	$ 252,473

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. Ninety of the townhomes are sold and the balance are rented. Rental operations began in February 1992 for the townhomes and August of 1992 for the mid-rise building.

NOTE 3: Long-term debt:

Long-term debt consisted of the following;

	JUNE 30 1996	JUNE 30 1995
(a) Revolving Credit and Letter of Credit Facility, 6.062% - 8.5% at June 30, 1996, maturing in 2000, with interest payable monthly.	$380,000	$305,000
(b) Note Payable with parent, 11% at June 30, 1996, with interest payable annually.	15,262	--
Discount on 9% Notes	--	--
	$395,262	$305,000

(a) In July 1993, Promus and certain of its subsidiaries entered into a new secured bank facility which is a $650 million reducing revolving letter of credit facility (the Facility).

(DOLLARS IN THOUSANDS)

Harrah's negotiated changes to its reducing revolving and letter of credit facility (the New Facility) which became effective June 30,1995. Among the modifications was an increase in total capacity from $650 million to $750 million, extension of the maturity, and reduced borrowing costs. As of June 30, 1996, the Partnership is the primary obligor on $380 million of the New Facility. All the assets of the Partnership are pledged as collateral to secure certain debt incurred by HOC.

The Revolver provides for borrowing at either the Eurodollar plus 1 1/2% or the prime rate.

(b) In connection with the PHC spin-off, Embassy loaned the Partnership $95 million to fund a pay down of the (Facility) referenced above. The loan is evidenced by an 11% Note, which obligates the Partnership to make principal and interest payments as funds are generated by operations in excess of the Partnership cash flow needs. Payments of principal and are expressly conditioned upon the Partnership's compliance with the financial stability tests set forth in N.J.A.C. 19:43-4.1 et seq. and other requirements of the Casino Control Act, N.J.S.A. 5:12-1 et seq. As of June 30, 1996, the partnership made interest payments totaling $1,661 and principal payments totaling $31,089.

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

NOTE 4: Prepaid Expenses and Other Current Assets

	JUNE 30	
	1996	1995
Prepaid Slot Tax	$ 922	$ 1,013
Prepaid Insurance	187	194
Prepaid Air Charters	707	702
Prepaid Marketing	163	244
Prepaid Other	1,644	1,903
Future Credit against CRDA Obligations	--	128
	$3,623	$4,184

(DOLLARS IN THOUSANDS)

NOTE 5: Investments, Advances and Receivables

	JUNE 30	
	1996	1995
Notes Receivable	$ 2,222	$ 2,262
Investment in CRDA Bonds - Net of Valuation Adjustment	2,724	2,724
Reinvestment Obligation Deposits - Net of Valuation Adjustment	992	(20)
Due from Affiliates	23,831	21,888
	$27,769	$26,854

Due from Affiliates consists of the following unsecured, non-interest bearing inter-company amounts at June 30, 1996 and 1995.

	June 30	
	1996	1995
Harrah's New Jersey, Inc.	$18,962	$18,962
Harrah's Lake Tahoe	160	170
Embassy Suites, Inc.	1,939	1,902
Harrah's Del Rio	148	149
Harrah's Reno	345	345
Bill's Casino	111	111
Harrah's Vicksburg	23	22
Harrah's Joliet	94	80
Harrah's New Orleans	--	89
Harrah's Tunica	--	10
Harrah's Shreveport	19	19
Harrah's St.Louis	2	2
Harrah's North Kansas City	28	27
Total Due from Affiliates	$21,831	$21,888

Royalty Fee - The Partnership entered into a license agreement effective as of August 25, 1995 with Harrah's Las Vegas, Inc., for the use of certain licensed trademarks. Under the agreement, the Partnership is required to pay a license fee of $19,355 per year through 2000. The license agreement may be renewed for additional five-year periods thereafter. The Partnership's prorated license fee for the quarter ended June 30, 1996, totaled $9,678.

NOTE 6: 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 1999. Rental expenses for the year ended June 30, 1996 and 1995, were approximately $1,591 and $1,528, respectively.

(DOLLARS IN THOUSANDS)

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

Year	Amount
1997	1,108
1998	123
1999	59
2000	--
2001	--
Thereafter	--
	$1,290

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

Year	Amount
1997	2,163
1998	2,154
1999	2,154
2000	--
2001	--
Thereafter	--
	$6,471

NOTE 7: Investment Obligations

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

For the 30 years after 1984, 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 on 2.5% of its gross casino revenues. Investment tax credits may be obtained by making qualified direct investments or by the purchase of bonds from the CRDA which pay interest at below market rates. In addition, deposits to the CRDA for the Partnership's obligation must be made quarterly.

Through 1996, the Partnership was required to make deposits with the CRDA of approximately $51,253 towards its obligations through that date, of which $50,308 was deposited. The Partnership's obligation for the first quarter of 1996 of approximately $945 was deposited in July, 1996. The funds on deposit with the CRDA are to be used for subsequent purchases of bonds from the CRDA or for reimbursement of qualified direct investment expenditures as discussed below.

(DOLLARS IN THOUSANDS)

To satisfy current Atlantic City obligations as well as those projected beyond the year 2000, the Partnership received approval from the CRDA for a qualified direct investment project to construct various townhomes, an apartment building and a retail store outlet in the northeast section of Atlantic City at an estimated cost to the Partnership of approximately $54,500. As of June 30, 1996, approximately $54,410 has been expended by the Partnership of which approximately $4,123 was reimbursed to the Partnership from certain government grants and $18,742 represents a prepayment position of the Partnership's future obligations. The prepaid asset is being amortized over thirteen years.

The CRDA completely redeemed North Jersey Bonds-NEDC Riverfront Corporation Project, Series A, totaling $121. The CRDA partially redeemed North Jersey Bonds-City of Passaic Children's Day Nursery Project, Series B, totaling $31. The CRDA investment bonds are included in investments and totaled $3,851 and $3,963 at June 30, 1996 and 1995, respectively.

The CRDA withdrew from funds on deposit totaling $2,550 to satisfy the Partnership's donation for the Marina District Beautification Project. The project is estimated to be completed by the second quarter of 1996. The donation is included in deferred charges and other assets and upon completion will be capitalized as land improvements.

As of June 30, 1996, approximately $1,245 remains on deposit with the CRDA which is included in deferred charges and other noncurrent assets. The Partnership anticipates that it will utilize these funds to fulfill its non-Atlantic City obligations.

In February 1996, the Partnership began construction on a 412-room hotel expansion. The CRDA has committed a minimum of $4,143 of Atlantic City Economic Development Funds to this project. The estimated cost to the Partnership is $58,867 of which $3,640 has been expended as of June 30, 1996. The project is estimated to be completed by July 1997.

NOTE 8: Other Accrued Expenses

Other Accrued Expenses consists of the following:

	JUNE 30 1996	JUNE 30 1995
Accrued Salaries, Wages and Benefits	$ 8,022	$10,249
Taxes Payable	1,172	935
Other Accrued Expenses	4,375	4,174
Accrued Progressive Slot Liability	191	342
Accrued CCC/DGE/Casino License Fees	702	162
Accrued Megabucks Handle Fees	113	71
Accrued Interest L-T-D	2,325	58
	$16,900	$15,991

(DOLLARS IN THOUSANDS)

NOTE 9: Other Liabilities

Other Liabilities consists of the following:

	JUNE 30	
	1996	1995
Long Term Due to Affiliates	$38,903	$38,764
Other Liabilities -		
Insurance Loss Reserves	1,635	1,533
Deferred Income - ACIA Grant	551	636
Deferred Income - CRDA Grant	99	114
Deferred Income - NJHMFA Grant	360	415
Deferred Income - DCA Grant	749	843
	$42,297	$42,305

For the quarters ended June 1996 and 1995, the Partnership had an allowance for incurred but not yet recorded claims (IBNR). The IBNR consists of a reserve for possible insurance claims that have been incurred but not yet reported totaling $1,250 and $800, respectively. The IBNR also includes $100 for estimated legal expenses for both years. The IBNR covers any increase that may occur in the amount of the claim over the possible years of litigation. The Partnership is self-insured for various level of general liability and employee medical coverage. Insurance claims and reserves includes the accrual of estimated settlements for known and reported claims. The accompanying balance sheet includes insurance allowances of $2,564 and $4,393 for 1996 and 1995, respectively. Actual results may differ from these reserve amounts.

Due to Affiliates consists of the following unsecured, non-interest bearing inter-company accounts:

	JUNE 30	
	1996	1995
Harrah's Holdings, Inc,	$ 603	$ 603
Harrah's Atlantic City, Inc.	37,740	37,713
Harrah's Holiday Inns of N.J., Inc.	293	292
Harrah's Tunica	33	--
Harrah's Las Vegas	234	156
	$38,903	$38,764

NOTE 10: Savings and Retirements Plan

An employee Savings and Retirement Plan was established on October 1, 1985. This plan covers all non-union employees who have been employed at least one year with a minimum of one thousand hours worked. The Company will match employee contributions up to 6% of gross pay. A participating employee is vested in Company contributions according to their years of service. The Company's contribution through the six months ended June, 1996 and 1995, was $1,496 and $1,435, respectively.

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

PROMOTIONAL EXPENSES AND ALLOWANCES

($ in Thousands)

For the Six Months Ended June 30,1996

	Promotional Allowances		Promotional Expenses	
	Number of Recipients	Dollar Amount	Number of Recipients	Dollar Amount
Rooms	67,773	$ 5,903	-	$ -
Food	957,700	$ 9,577	-	$ -
Beverage	1,148,800	$ 2,872	-	$ -
Travel	-	$ -	36,051	$ 3,569
Coin	-	$ -	897,440	$ 11,218
Coupon	-	$ -	-	$ -
Entertainment	66,900	$ 1,338	-	$ -
Retail & Gifts	-	$ -	159,600	$ 798
Parking		$	40,000	$ 60
Other			3,118	$ 53
Total	2,241,173	$ 19,690	1,136,208	$ 15,698

For the Three Months Ended June 30,1996

	Promotional Allowances		Promotional Expenses	
	Number of Recipients	Dollar Amount	Number of Recipients	Dollar Amount
Rooms	35,660	$ 3,106	-	$ -
Food	484,500	$ 4,845	-	$ -
Beverage	565,600	$ 1,414	-	$ -
Travel	-	$ -	19,263	$ 1,907
Coin	-	$ -	454,800	$ 5,685
Coupon	-	$ -	-	$ -
Entertainment	37,650	$ 753	-	$ -
Retail & Gifts	-	$ -	81,600	$ 408
Parking		$	40,000	$ 60
Other	-	$ -	1,412	$ 24
Total	1,123,410	$ 10,118	597,075	$ 8,084

STATEMENTS OF CONFORMITY AND ACCURACY

State of NEW JERSEY :
: ss
County of ATLANTIC :

John Mayewski, being duly sworn according to law upon my oath disposes and says:

1. I have examined this Quarterly Report.

2. All the information contained in this Report has been prepared in conformity with Casino Control Commission's Quarterly Report Instructions and Uniform Chart of Accounts.

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

4. To the best of my knowledge and belief, except for the deficiencies noted below, the licensee submitting this Quarterly Report has remained in compliance with the financial stability regulations contained in N.J.A.C. 19:43-4.2(b)1-5 during this year.

John Mayewski
Signature

VP of Finance
Title

06494-11
License Number

Subscribed and sworn to before me this 14th day of August 1996.

Patricia Shaffor
Signature

PATRICIA SHAFFOR
NOTARY PUBLIC OF NEW JERSEY
MY COMMISSION EXPIRES NOV. 22, 1998
Basis of Authority to Take Oaths

On Behalf of:

Marina Associates
Casino Licensee

CCC-249

QUARTERLY REPORT

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

FOR THE QUARTER ENDED June 30, 1996

TO THE

CASINO CONTROL COMMISSION

OF THE

STATE OF NEW JERSEY

TRADING NAME OF LICENSEE: TROPWORLD CASINO & ENTERTAINMENT RESORT

LIST OF FORMS - QUARTERLY REPORT

FOR THE QUARTER ENDED JUNE 30, 1996

TITLE	FORM NO.
Balance Sheets	CCC-205
Statements of Income (Year-to-Date)	CCC-210
Statements of Changes in Stockholder's Equity	CCC-220
Statements of Cash Flows	CCC-235
Schedule of Promotional Expenses and Allowances	CCC-245
Notes to Financial Statements	-
Statement of Conformity, Accuracy, and Compliance	CCC-249

TRADING NAME OF LICENSEE **TROPWORLD CASINO AND ENTERTAINMENT RESORT**

BALANCE SHEETS

AS OF JUNE 30, 1996 AND 1995

(UNAUDITED)
($ in Thousands)

LINE (a)	DESCRIPTION (b)		1996 (c)	1995 (d)
	ASSETS			
	Current Assets:			
1	Cash and Cash Equivalents		$10,928	$14,047
2	Short-Term Investments		0	0
3	Receivables and Patrons' Checks (Net of Allowance for Doubtful Accounts - 1996, $3,876; 1995, $4,272)	(Note 5)	28,191	9,742
4	Inventories		3,081	2,541
5	Prepaid Expenses and Other Current Assets		11,717	9,652
6	Total Current Assets		53,917	35,982
7	Investments, Advances, and Receivables	(Note 4,5)	63,892	114,055
8	Property and Equipment - Gross	(Note 2)	667,964	608,752
9	Less: Accumulated Depreciation and Amortization	(Note 2)	(109,644)	(105,487)
10	Other Assets		35,846	34,541
11	Total Assets		$711,975	$687,843
	LIABILITIES AND EQUITY			
	Current Liabilities:			
12	Accounts Payable		$11,214	$3,309
13	Notes Payable		0	0
	Current Portion of Long-Term Debt:			
14	Due to Affiliates		0	0
15	Other	(Note 3)	13	29
16	Income Taxes Payable and Accrued		0	0
17	Other Accrued Expenses		21,718	17,486
18	Other Current Liabilities		2,657	2,631
19	Total Current Liabilities		35,602	23,455
	Long-Term Debt:			
20	Due to Affiliates	(Note 3,5)	114,041	213,041
21	Other	(Note 3)	169,006	70,065
22	Deferred Credits		0	0
23	Other Liabilities	(Note 5)	23,998	21,880
24	Commitments and Contingencies		0	0
25	Total Liabilities		342,647	328,441
26	Stockholder's, Partners', Or Proprietor's Equity		369,328	359,402
27	Total Liabilities and Equity		$711,975	$687,843

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

TRADING NAME OF LICENSEE **TROPWORLD CASINO AND ENTERTAINMENT RESORT**

STATEMENTS OF INCOME

FOR THE SIX MONTHS ENDED JUNE 30, 1996 AND 1995

(UNAUDITED)
($ in Thousands)

LINE (a)	DESCRIPTION (b)	1996 (c)	Restated 07/12/96 1995 (d)
	Revenue:		
1	Casino	$161,811	$151,484
2	Rooms	13,805	11,131
3	Food and Beverage	18,655	18,217
4	Other	4,121	5,515
5	Total Revenue	198,392	186,347
6	Less: Promotional Allowances	23,137	22,734
7	Net Revenue	175,255	163,613
	Costs and Expenses:		
8	Cost of Goods and Services (Note 5)	96,275	84,364
9	Selling, General, and Administrative (Note 5)	53,897	40,985
10	Provision for Doubtful Accounts	698	77
11	Total Costs and Expenses	150,870	125,426
12	Gross Operating Profit	24,385	38,187
13	Depreciation and Amortization	9,746	10,324
	Charges from Affiliates Other than Interest:		
14	Management Fees	0	0
15	Other	0	0
16	Income (Loss) from Operations	14,639	27,863
	Other Income (Expenses):		
17	Interest (Expense) - Affiliates (Note 3)	(7,353)	(13,874)
18	Interest (Expense) - External (Note 3)	(5,797)	(3,082)
19	Investment Alternative Tax and Related Income (Expense)-Net...(Note 4)	(277)	1,422
20	Nonoperating Income (Expense) - Net	(1,908)	(1,433)
21	Total Other Income (Expenses)	(15,335)	(16,967)
22	Income(Loss) Before Income Taxes and Extraordinary Items	(696)	10,896
23	Provision (Credit) for Income Taxes	(213)	3,287
24	Income (Loss) Before Extraordinary Items	(483)	7,609
25	Extraordinary Items (Net of Income Taxes)	0	0
26	Net Income (Loss)	($483)	$7,609

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

TRADING NAME OF LICENSEE <u>TROPWORLD CASINO AND ENTERTAINMENT RESORT</u>

STATEMENTS OF INCOME

FOR THE QUARTER ENDED JUNE 30, 1996 AND 1995

(UNAUDITED)
($ in Thousands)

Restated 07/12/96

LINE (a)	DESCRIPTION (b)	1996 (c)	1995 (d)
	Revenue:		
1	Casino	$85,382	$78,839
2	Rooms	8,126	5,787
3	Food and Beverage	10,079	9,592
4	Other	1,876	3,074
5	Total Revenue	105,463	97,292
6	Less: Promotional Allowances	12,959	11,648
7	Net Revenue	92,504	85,644
	Costs and Expenses:		
8	Cost of Goods and Services (Note 5)	49,880	43,611
9	Selling, General, and Administrative (Note 5)	29,042	21,211
10	Provision for Doubtful Accounts	281	(17)
11	Total Costs and Expenses	79,203	64,805
12	Gross Operating Profit	13,301	20,839
13	Depreciation and Amortization	5,144	5,192
	Charges from Affiliates Other than Interest:		
14	Management Fees	0	0
15	Other	0	0
16	Income (Loss) from Operations	8,157	15,647
	Other Income (Expenses):		
17	Interest (Expense) - Affiliates (Note 3)	(3,179)	(6,596)
18	Interest (Expense) - External (Note 3)	(3,550)	(1,735)
19	Investment Alternative Tax and Related Income (Expense)-Net....(Note 4)	(183)	572
20	Nonoperating Income (Expense) - Net	(1,191)	(703)
21	Total Other Income (Expenses)	(8,103)	(8,462)
22	Income(Loss) Before Income Taxes and Extraordinary Items	54	7,185
23	Provision (Credit) for Income Taxes	45	2,202
24	Income (Loss) Before Extraordinary Items	9	4,983
25	Extraordinary Items (Net of Income Taxes)	0	0
26	Net Income (Loss)	$9	$4,983

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

TRADING NAME OF LICENSEE TROPWORLD CASINO AND ENTERTAINMENT RESORT

STATEMENTS OF CHANGES IN STOCKHOLDER'S EQUITY

FOR THE TWELVE MONTHS ENDED DECEMBER 31, 1995 AND THE SIX MONTHS ENDED JUNE 30, 1996

(UNAUDITED)
($ IN THOUSANDS)

Line	Description	Common Stock Shares	Common Stock Amount	Preferred Stock Shares	Preferred Stock Amount	Additional Paid - In Capital		Retained Earnings (Accumulated) Earnings	Total Stockholder's Equity (Deficit)
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)
1	**Balance, December 31, 1994**	100	$1	0	$0	$325,390	$0	$26,402	$351,793
2	Net Income (Loss) - 1995							18,018	$18,018
3	Contributions to Paid-In-Capital								
4	Dividends								
5	Prior Period Adjustments								
6									
7									
8									
9									
10	**Balance, December 31, 1995**	100	$1	0	$0	$325,390	$0	$44,420	$369,811
11	Net Income (Loss) - 1996							(483)	($483)
12	Contributions to Paid-In-Capital								
13	Dividends								
14	Prior Period Adjustments								
15									
16									
17									
18									
19	**Balance, June 30, 1996**	100	$1	0	$0	$325,390	$0	$43,937	$369,328

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

STATEMENTS OF CASH FLOWS

FOR THE SIX MONTHS ENDED JUNE 30, 1996 AND 1995

(UNAUDITED)
($ in Thousands)

LINE (a)	DESCRIPTION (b)	1996 (c)	1995 (d)
1	NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	$18,948	$25,473
	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	(40,401)	(8,905)
5	Proceeds from Disposition of Property and Equipment	387	44
6	Purchase of Casino Reinvestment Obligations	(2,033)	(1,804)
7	Purchase of Other Investments and Loans/Advances made		
8	Proceeds from Disposal of Investments and Collection of Advances and Long-Term Receivables	25,665	(13,111)
9	Cash Outflows to Acquire Business Entities		
10			
11			
12	Net Cash Provided (Used) By Investing Activities	(16,382)	(23,776)
	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	52,400	20,000
16	Costs of Issuing Debt	0	0
17	Payments to Settle Long-Term Debt	(52,407)	(20,013)
18	Cash Proceeds from Issuing Stock or Capital Contributions		
19	Purchases of Treasury Stock		
20	Payments of Dividends or Capital Withdrawals		
21			
22			
23	Net Cash Provided (Used) By Financing Activities	(7)	(13)
24	Net Increase (Decrease) in Cash And Cash Equivalents	2,559	1,684
25	Cash And Cash Equivalents at Beginning of Period	8,369	12,363
26	Cash And Cash Equivalents at End of Period	$10,928	$14,047

	CASH PAID DURING PERIOD FOR:		
27	Interest (Net of Amount Capitalized)	$6,812	$2,486
28	Income Taxes	$0	$0

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

STATEMENTS OF CASH FLOWS

FOR THE SIX MONTHS ENDED JUNE 30, 1996 AND 1995

(UNAUDITED)

($ in Thousands)

LINE (a)	DESCRIPTION (b)	1996 (c)	1995 (d)
	NET CASH FLOWS FROM OPERATING ACTIVITIES:		
29	Net Income (Loss)	($483)	$7,609
	Noncash Items Included in Income and Cash Items Excluded from Income:		
30	Depreciation and Amortization of Property and Equipment	9,725	10,320
31	Amortization of Other Assets	21	4
32	Amortization of Debt Discount or Premium	0	0
33	Deferred Income Taxes - Current	0	0
34	Deferred Income Taxes - Noncurrent	(213)	3,287
35	(Gain) Loss on Disposition of Property and Equipment	265	(1)
36	(Gain) Loss on Casino Reinvestment Obligations	277	(1,422)
37	(Gain) Loss from Other Investment Activities		0
38	Net (Increase) Decrease in Receivables and Patrons' Checks	(706)	(1,050)
39	(Increase) in Inventories	(468)	10
40	Net (Increase) Decrease in Other Current Assets	(1,214)	968
41	Net (Increase) Decrease in Other Assets	219	242
42	Net Increase (Decrease) in Accounts Payable	6,145	240
43	Net Increase (Decrease) in Other Current Liabilities Excluding Debt	4,318	3,699
44	Net Increase (Decrease) in Other Noncurrent Liabilities Excluding Debt	1,062	1,567
45			
46			
47	Net Cash Provided (Used) By Operating Activities	$18,948	$25,473

SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING AND FINANCING ACTIVITIES

LINE	DESCRIPTION	1996	1995
	ACQUISTION OF PROPERTY AND EQUIPMENT:		
48	Additions to Property and Equipment	($40,401)	($8,946)
49	Less: Capital Lease Obligations Incurred	$0	($41)
50	Cash Outflows For Property and Equipment	($40,401)	($8,905)
	ACQUISTION 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 Issuance of Stock or Capital Contributions	$0	$0
58	Less: Issuances to Settle Long-Term Debt	0	0
59	Consideration in Acquisition of Business Entities		
60	Cash Proceeds From Issuing Stock Or Capital Contributions	$0	$0

Capital lease obligations of $0 and $41 were incurred for 1996 and 1995, respectively, when Adamar entered into new property and equipment leases.

TRADING NAME OF LICENSEE TROPWORLD CASINO & ENTERTAINMENT RESORT

SCHEDULE OF PROMOTIONAL EXPENSES AND ALLOWANCES

($ IN THOUSANDS)

FOR THE SIX MONTHS ENDED JUNE 30, 19 96

REVISED 8/15/96

Line (a)	(b)	Promotional Allowances Number of Recipients (c)	Promotional Allowances Dollar Amount (d)	Promotional Expenses Number Recipients (e)	Promotional Expenses Dollar Amount f)
1	Rooms	161,458	$ 10,542	-0-	$ -0-
2	Food	706,589	6,924	62,825	616
3	Beverage	2,774,345	3,335	-0-	-0-
4	Travel	-0-	-0-	5,983	2,094
5	Coin	-0-	-0-	1,488,868	25,810
6	Coupon	-0-	-0-	-0-	-0-
7	Entertainment	51,762	105	30,330	606
8	Retail & Gifts	124,752	1,248	-0-	-0-
9	Parking	-0-	-0-	-0-	-0-
10	Other	98,278	983	64,706	1,371
11	Total	3,917,184	$ 23,137	1,652,712	$ 30,497

FOR THE THREE MONTHS ENDED JUNE 30, 19 96

Line (a)	(b)	Promotional Allowances Number of Recipients (c)	Promotional Allowances Dollar Amount (d)	Promotional Expenses Number Recipients (e)	Promotional Expenses Dollar Amount (f)
1	Rooms	93,505	$ 5,949	-0-	$ -0-
2	Food	397,802	3,898	30,671	301
3	Beverage	1,448,218	1,800	-0-	-0-
4	Travel	-0-	-0-	3,995	1,398
5	Coin	-0-	-0-	775,242	13,629
6	Coupon	-0-	-0-	-0-	-0-
7	Entertainment	17,993	43	26,592	532
8	Retail & Gifts	75,481	755	-0-	-0-
9	Parking	-0-	-0-	-0-	-0-
10	Other*	51,395	514	30,732	1,031
11	Total	2,084,394	$ 12,959	867,194	$ 16,891

* For the three months, the components of Other-Promotional Expenses consisted of:

Complimentary Cash	214	$ 726
Other	30,518	305
	30,732	$ 1,031
	======	=======

ADAMAR OF NEW JERSEY, INC.
DBA TROPWORLD CASINO AND ENTERTAINMENT RESORT
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED JUNE 30, 1996 AND 1995

NOTE 1. DISCLOSURES NOT PRESENTED

Certain footnotes have not been presented in these Notes to Consolidated Financial Statements. These footnotes would be a duplicate of items contained in the Casino Control Commission Annual Report for the year ended December 31, 1995.

The specific footnotes not presented are the summary of significant accounting policies and lease obligations. The footnotes contained in the December 31, 1995 Annual Report should be read in conjunction with these financial statements.

Due to a classification change regarding Multi-link progressive contra-revenue accounts, the 1995 Statement of Income has been restated to be comparable with the 1996 presentation.

NOTE 2. PROPERTY AND EQUIPMENT

At June 30, 1996 and 1995, the components of Property and Equipment consisted of:

	1996	1995
Land	$ 39,347,000	$ 39,218,000
Building and improvements	526,850,000	473,918,000
Furniture, fixtures and equipment	91,262,000	85,113,000
Construction in progress	10,505,000	10,503,000
Total property and equipment-gross	667,964,000	608,752,000
Accumulated depreciation	(109,644,000)	(105,487,000)
Total property and equipment	$558,320,000	$503,265,000

NOTE 3. LONG-TERM DEBT

At June 30, 1996 and 1995, Long-Term Debt consisted of:

Due to Affiliates:	1996	1995
Note Payable - Aztar Corporation; 12.0% due 2004	$ 114,041,000	$ 213,041,000
Long-term debt due to affiliates	114,041,000	213,041,000
Reducing Revolving Credit Facility; Floating Rate, 8.13% at June 30, 1996 Matures December 31, 1999	169,000,000	70,000,000
Obligations under capital leases	19,000	94,000
Total Affiliates and Other	283,060,000	283,135,000
Less: current portion	(13,000)	(29,000)
Total long-term debt	$ 283,047,000	$ 283,106,000

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

NOTE 4. COMMITMENTS AND CONTINGENCIES

Licensing

On November 26, 1982, the Company was granted a plenary gaming license by the New Jersey Casino Control Commission. The license is renewable every four years. The license renewal period is effective through November 30, 1999. Management has received no indication that future renewals will not be granted.

The Company is a party to various claims, legal actions and complaints arising in the ordinary course of business or asserted by way of defense or counter-claim in actions filed by the Company. Management believes that its defenses are substantial in each of these matters, and the Company's legal posture can be successfully defended or satisfactorily settled without material adverse effect on its consolidated financial position.

The New Jersey Casino Control Commission imposes an annual tax of eight percent on gross revenue. Pursuant to legislation adopted in 1984, casino licensees are required to invest an additional one and one-quarter percent of gross casino revenue for the purchase of bonds to be issued by the Casino Reinvestment Development Authority ("CRDA") or make other approved investments equal to that amount; in the event the investment requirement is not met, the casino licensee is subject to a tax of two and one-half percent on gross casino revenue. As mandated by the legislation, the interest rate of the CRDA bonds purchased by the licensee will be two-thirds of the average market rate for bonds available for purchase and published by a national bond index at the time of the CRDA bond issuance. The CRDA bonds have various contractual maturities that range from 29 to 50 years. Actual maturities may differ from contractual maturities because of prepayment rights. The Company's reinvestment obligation for 1996 and 1995, respectively, was $2,033,000 and $1,804,000 for the purchase of CRDA bonds. The Company recorded for 1996 and 1995 a loss/(gain) provision of $277,000 and ($1,422,000), respectively. The loss provision is to recognize the effect of the below market interest rate the bonds would have borne had they been issued on June 30, 1996, and the gain reflects the reversal of prior loss provisions based on receipts of funds from the CRDA under the credit agreement which is being used to partially fund an expansion project.

In February 1995, the Company commenced construction on an expansion project. The expansion will consist primarily of a new 604-room hotel tower, with additional restaurant and support facilities in the existing operation. The Company has executed a credit agreement with the CRDA for approximately $24,500,000 in funding for this project. The Company receives funds from the CRDA based on expenditures made for the project to the extent the Company has available funds on deposit with the CRDA that qualify for this funding. During 1995, the company received approximately $11,900,000 in funding from the CRDA under this agreement. At June 30, 1996, the Company had approximately $1,700,000 in available deposits with the CRDA that qualify. The balance of funding will result from portions of future CRDA deposits.

At June 30, 1996, the Company had commitments of approximately $7,000,000 for the purchase of property and equipment.

NOTE 5. RELATED PARTIES

Due to affiliates is reflected in Other Liabilities. The identity of the affiliate and corresponding balances at June 30, 1996 and 1995 are:

	1996	1995
Due to Ramada New Jersey, Inc.	$ 3,546,000	$ 3,338,000
Due to Adamar Garage Corporation	19,230,000	17,560,000
Due to Atlantic Deauville, Inc.	1,222,000	982,000
	$ 23,998,000	$ 21,880,000

Advances to affiliates are reflected in Investments, Advances and Receivables. The identity of the affiliate and corresponding balances at June 30, 1996 and 1995 are:

	1996	1995
Due from Aztar Corporation	$ 11,660,000	$ 37,468,000
Advances to Tropicana West	30,953,000	36,561,000
Advances to Laughlin	3,000	3,000
Note Receivable-Adamar Garage Corporation	-	17,052,000
	$ 42,616,000	$ 91,084,000

Current receivables due from affiliates are reflected in Receivables and Patrons' Checks. The identity of the affiliate and corresponding balances at June 30, 1996 and 1995 are:

	1996	1995
Note Receivable-Adamar Garage Corporation (due September 1996)	$ 17,052,000	$ -

Notes payable to related parties are included in Long-term debt to affiliates (See Note 3). The identity of the affiliate and corresponding balances at June 30, 1996 and 1995 are:

PAYEE	1996	1995
Aztar Corporation	$114,041,000	$213,041,000

For the six months ended June 30, 1996 and 1995 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:

	1996	1995
COST OF GOODS AND SERVICES		
Executive Deferred compensation plan	$ 4,000	$ 5,000
Property Insurance	290,000	256,000
Workmen's Compensation	543,000	452,000
	$ 837,000	$ 713,000
SELLING, GENERAL AND ADMINISTRATIVE		
Insurance	$ 354,000	$ 484,000
Executive Deferred Compensation Plan	16,000	15,000
Workmen's Compensation	88,000	88,000
Long-term Incentive	266,000	320,000
Restricted Stock	19,000	-
Other	-	17,000
	743,000	924,000
Total	$1,580,000	$1,637,000

STATEMENT OF CONFORMITY, ACCURACY, AND COMPLIANCE

STATE OF :
:ss.
COUNTY OF :

DEBORAH MARCHESE, being duly sworn according
Name

to law upon my oath deposes and says:

1. I have examined this Quarterly Report.

2. All the information contained in this Quarterly Report has been prepared in conformity with the Casino Control Commission's Quarterly Report Instructions and Uniform Chart of Accounts.

3. To the best of my knowledge and belief, the information contained in this report is accurate.

4. To the best of my knowledge and belief, except for the deficiencies noted below, the licensee submitting this Quarterly Report has remained in compliance with the financial stability regulations contained in N.J.A.C. 19:43-4.2(b)1-5 during the quarter.

Subscribed and sworn to before me this 15th day of August, 1996

Tracey A Harris
Signature

TRACEY A. HARRIS
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires April 11, 1999

Basis of Authority to Take Oaths

Deborah Marchese
Signature

CONTROLLER
Title

367611
License Number

On Behalf Of:

TROPWORLD CASINO & ENTERTAINMENT RESORT
Casino Licensee

8/95 CCC-249