

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934

Release No. 45287 / January 16, 2002

ACCOUNTING AND AUDITING ENFORCEMENT

Release No. 1499 / January 16, 2002

ADMINISTRATIVE PROCEEDING

File No. 3-10680

-----X
In the Matter of :
: ORDER INSTITUTING
: CEASE-AND-DESIST
TRUMP HOTELS & :
: PROCEEDINGS
CASINO RESORTS, INC., :
: PURSUANT TO SECTION
: 21C OF THE SECURITIES
: EXCHANGE ACT OF 1934,
Respondent. :
: MAKING FINDINGS, AND
: ISSUING CEASE-AND-
-----X DESIST ORDER

I.

The Securities and Exchange Commission ("Commission") deems it appropriate that cease-and-desist proceedings pursuant to Section 21C of the Securities Exchange Act of 1934 ("Exchange Act") against Respondent Trump Hotels & Casino Resorts, Inc. ("THCR" or "the Company") be, and hereby are, instituted.

II.

In anticipation of the institution of these cease-and-desist proceedings, THCR has submitted an Offer of Settlement ("Offer"), which the Commission has determined to accept. Solely for the purpose of these proceedings and any other proceedings brought by or on behalf of the Commission, or in which the Commission is a party, and without admitting or denying the findings set forth herein, except that THCR admits the jurisdiction of the Commission over it and over the subject matter of these proceedings, THCR, by its Offer of Settlement, consents to the entry of this Order Instituting Cease-and-Desist Proceedings Pursuant to Section 21C of the Securities Exchange Act of 1934, Making Findings, and Issuing Cease-and-Desist Order ("Order").

III.

On the basis of this Order and the Offer, the Commission makes the following findings:

SUMMARY

A. On October 25, 1999, THCR issued a press release announcing its results for the third quarter of 1999 (the "Earnings Release" or the "Release"). To announce those results, the Release used a net income figure that differed from net income calculated in conformity with generally accepted accounting principles ("GAAP"). Using that non-GAAP figure, the Release touted THCR's purportedly positive operating results for the quarter and stated that the Company had beaten analysts' earnings expectations.

B. The Earnings Release was materially misleading because it created the false and misleading impression that the Company had exceeded earnings expectations primarily through operational improvements, when in fact it had not. The Release expressly stated that the net income figure excluded a one-time charge. The statement that this one-time charge was excluded implied that no other significant one-time items were included in THCR's stated net income. Contrary to that implication, however, the stated net income included an undisclosed one-time gain of \$17.2 million.

C. The misleading impression created by the reference to the single one-time charge and the undisclosed inclusion of the one-time gain was reinforced by the comparison of the stated earnings-per-share figure with analysts' earnings estimates and by statements in the Release that the Company had been successful in improving its operating performance. In fact, without the one-time gain, the Company's revenues and net income would have decreased from the prior year and the Company would have failed to meet analysts' expectations. The undisclosed one-time gain was thus material, because it represented the difference between positive trends in revenues and earnings and negative trends in revenues and earnings, and the difference between exceeding analysts' expectations and falling short of them.

D. By knowingly or recklessly issuing a materially misleading press release, THCR violated Section 10(b) of the Exchange Act and Rule 10b-5 thereunder.

SETTLING RESPONDENT

E. THCR is a publicly-held Delaware corporation. Through various subsidiaries, it owns and operates the Trump Taj Mahal Casino Resort (the "Taj Mahal") located in Atlantic City, New Jersey, as well as other casino resorts. THCR and its subsidiaries file reports, including their financial statements, on a consolidated basis. The Company's common stock is registered with the Commission pursuant to Section 12(b) of the Exchange Act and is traded on the New York Stock Exchange. The Company's executive offices are in New York City, and its business and financial operations are centered in Atlantic City.

FACTS

The All Star Gain

F. In September 1999, Taj Mahal Associates ("Taj Associates"), a THCR subsidiary, took over the All Star Café located in the Taj Mahal Casino from Planet Hollywood International, Inc. On September 15, 1999, Taj Associates, Planet Hollywood, and the All Star Café, Inc. reached an agreement pursuant to which, effective September 24, 1999, the All Star Café's lease of space at the Taj Mahal would be terminated and All Star would be relieved of its rental obligations to THCR. In return, Taj Associates would receive the All Star Café's leasehold improvements, alterations, and certain personal property. Because the Taj Mahal was going to continue to use the space as a restaurant, the Company's outside auditor advised that Taj Associates should record as operating income the fair market value of the leasehold improvements, alterations and personal property reverting to Taj Associates. Based on this advice and on an independent appraisal, and in conformity with GAAP, Taj Associates (and, on a consolidated basis, THCR) recorded \$17.2 million, the estimated fair market value of these assets, as a component of operating income for the third quarter of 1999.

The Earnings Release

G. On October 25, 1999, THCR issued the Earnings Release, publicly announcing its results for the third quarter of 1999. The Release, and the accompanying financial data, defined net income, or net profit, for the quarter as income before a one-time Trump World's Fair closing charge of \$81.4 million. Using this "pro forma" net income,¹ the Release announced that the Company's quarterly earnings exceeded analysts' expectations, stating:

Net income increased to \$14.0 million, or \$0.63 per share, before a one-time Trump World's Fair charge, compared to \$5.3 million or \$ 0.24 per share in 1998. THCR's earnings per share of \$0.63 exceeded First Call estimates of \$0.54.²

¹ Although neither the text of the Release nor the accompanying financial data used the term "pro forma," the net income figure was pro forma in that it differed from net income calculated in conformity with GAAP by excluding the one-time charge. (Accordingly, the net income figure is hereafter referred to as "pro forma net income" and the earnings-per-share figure derived from the pro forma net income is referred to as "pro forma EPS.") The Release also used another pro forma figure, EBITDA, which it defined as earnings before interest, taxes, depreciation, amortization, corporate expenses and the \$81.4 million Trump World's Fair closing charge.

² The financial data contained in the Release also included figures for net income (loss) and earnings per share for the quarter that, in compliance with GAAP, included the World's Fair charge. Those figures were, respectively, a loss of \$67.4 million and earnings per share of -\$3.04.

H. The Release fostered the false and misleading impression that the positive results and improvement from third-quarter 1998 announced by the Company were primarily the result of operational improvements. In the Release, THCR's chief executive officer ("CEO") was quoted as saying:

Our focus in 1999 was three-fold: first, to increase our operating margins at each operating entity; second, to decrease our marketing costs; and third, to increase our cash sales from our non-casino operations. We have succeeded in achieving positive results in each of the three categories. The third quarter and nine month results for the company indicate that we have successfully instituted the programs that we focused on during 1999.

I. The Release failed to disclose, however, that the Company's pro forma net income for the quarter included the one-time gain resulting from the All Star Café lease termination. Accordingly, it failed to disclose the impact of that \$17.2 million one-time gain upon the Company's \$14 million pro forma net income or upon any of the other figures cited in the Release. Not only was there no mention of the one-time gain in the text of the Release, but the financial data included in the Release gave no indication of it, because, as discussed below, all revenue items were reflected in a single line item.

J. In fact, quarterly pro forma results that excluded the one-time gain as well as the one-time charge would have reflected a decline in revenues and net income and would have failed to meet analysts' expectations. The table below illustrates the impact of the one-time gain on the trends reported in the Earnings Release:

	<u>3rd Q 1998</u>	<u>3rd Q 1999 Per Release</u>	<u>3rd Q 1999 Excluding One-Time Gain</u>
(In thousands)			
Revenues	\$397,387	\$403,072	\$385,872
Net Income	\$ 5,312	\$ 13,958	\$ 3,048
EPS	\$ 0.24	\$ 0.63	\$ 0.14

K. The Earnings Release was misleading. The Release used pro forma numbers that implied that all significant one-time items had been excluded, when they had not. The Release compared the pro forma EPS to analysts' expectations for quarterly EPS, which are generally and were in this case calculated on the basis of continuing business operations, thus reinforcing the false implication that all one-time items had been excluded. Moreover, the Release highlighted improvements in the Company's operations, i.e., the Company's increased operating margins, decreased marketing costs, and increased

cash sales from non-casino operations.³ By making these representations about THCR's quarterly performance, without disclosing the existence or impact of the one-time gain, the Release created the false and misleading impression that the Company's third-quarter results had improved over the results for third-quarter 1998 and had exceeded analysts' expectations primarily because management had been effective in improving the Company's operating performance.⁴

Preparation of the Earnings Release

L. Historically, THCR announced its quarterly results in an earnings release that included financial data presented in a format similar to that of a Form 10-Q or Form 10-K financial statement. Among other things, financial data in these earlier earnings releases itemized revenues (on a Company-wide basis and also by property) by "Casino," "Rooms," "Food & Beverage," and "Other." In the third quarter of 1999, however, at the direction of the Company's CEO, and following similar models used by some of THCR's competitors, the Company adopted a less detailed, or "streamlined," format for the financial data contained in its earnings releases. Unlike the more detailed format used in earlier quarters, the new, streamlined format did not break out revenue items, but instead disclosed revenue as a single line item for each casino. Thus, the streamlined format did not break out "other revenue," the line-item classification in which the \$17 million one-time All Star Café gain would have been reported under the old format.

M. The Earnings Release was prepared by the Company's corporate treasurer ("Treasurer") and its chief financial officer ("CFO"), under the supervision of the CEO, who approved the contents of the Release and made the decision to issue it. The contract of the CEO expired in June 2000 and was not renewed; he is no longer associated with the Company.⁵

N. When the Release was issued, THCR knew that the estimated fair market value of the All Star Café lease termination would be recorded as part of operating income for third-quarter 1999

³ Although the statements about increased operating margins, decreased marketing costs, and increased cash sales from non-casino operations were nominally true, in the context of the Earnings Release they were misleading, because, without the \$17.2 million one-time gain, the increases in margins and cash from non-casino operations were negligible. Excluding the one-time gain, THCR's operating margins increased by 0.4% from third-quarter 1998 and its non-gaming revenue increased by \$1.8 million, or approximately 2.25%. The Company's marketing costs (as represented by promotional allowances) decreased by approximately \$549,000, or approximately 1%.

⁴ See note 7, *infra* (noting that the first research report by Deutsche Banc after the issuance of the Earnings Release had reported that the Company's \$0.63 third-quarter EPS was driven by margin gains).

⁵ In addition, after the events at issue, the Company established a procedure by which earnings releases are reviewed by the Audit Committee before they are issued.

and that the estimated fair market value of the transaction was \$17.2 million. The Company also knew that the Earnings Release used a pro forma net income figure that expressly excluded the \$81.4 million one-time charge but did not disclose the existence or impact of the \$17.2 million one-time gain.

Publication of the Earnings Release and the Aftermath

O. At 10:00 a.m. on October 25, 1999, the day the Earnings Release was issued, THCR held a conference call with analysts. During the call, the CEO told the analysts that increasing non-casino sales at the Taj Mahal had been a priority over the past year, and cited the Taj Mahal's third-quarter revenues as evidence that the emphasis had paid off. The CEO did not say that the Taj Mahal's non-casino revenue had increased primarily because of the All Star Café transaction.⁶

P. Immediately after the issuance of the Earnings Release and the conference call, analysts began asking questions about the details of the Company's increase in revenues. Within hours of the conference call, THCR's CFO spoke to several analysts who called with questions about specific aspects of Company's third-quarter results, and he provided them with information about the All Star Café gain. Over the next few days, additional analysts raised questions about the quarterly results, and the lack of detail in the Earnings Release. As a result, the Company's CFO and Treasurer attempted to speak to every analyst who had been on the conference call to explain the All Star Café transaction. In addition, the Company decided to accelerate the filing of its 10-Q for the quarter, which would contain a description of the one-time gain.

Q. After learning about the one-time gain, certain analysts informed their clients of its impact. One analyst at Bear, Stearns & Co. notified his clients on October 27, 1999 that the increased third-quarter EPS resulted from the inclusion in revenue of the one-time All Star Café gain. On October 28th, analysts at Deutsche Banc Alex Brown issued a report on the effect of the one-time gain, which was disseminated to subscribers to Deutsche Banc research over the First Call Research Network. The Deutsche Banc analysts reported that Company management had disclosed that day that roughly \$0.47 of the \$0.63 third-quarter pro forma EPS the Company had previously reported "were not operating EPS but were actually the result of an accounting gain." The analysts determined that after backing out the one-time \$17 million gain, THCR's net revenues would have fallen 2.7 %, rather than rising 1.5 % as they did when the one-time gain was included. The Deutsche Banc report also explained that, without the one-time gain, the Company experienced negative trends in Company-wide cash flows and margins, as well as in Taj Associates' revenues from operations, rather than the positive trends indicated by the Earnings Release. Adjusting for the impact of the one-time gain, the Deutsche Banc analysts lowered

⁶ Without the \$17.2 million one-time gain, non-casino sales at the Taj Mahal increased by only \$300,000, or less than one percent, from third-quarter 1998 to third-quarter 1999.

their 1999 EPS estimate from -\$1.17, contained in their initial report on THCR's third-quarter results, to -\$1.64.⁷

R. On October 25th, the day the Earnings Release was issued, the price of the Company's stock rose 7.8 % (from \$ 4 to \$ 4.3125), on volume approximately five times the previous day's volume. On October 28th, the day of the second Deutsche Banc analysts' report, the stock price fell approximately 6%, on volume approximately four times the previous day's volume.⁸

S. On November 4, 1999, THCR filed its quarterly report on Form 10-Q. The 10-Q disclosed the existence and amount of the one-time gain in a footnote to the financial statements.

THCR Violated Section 10(b) of the Exchange Act and Rule 10b-5 Thereunder

T. Section 10(b) of the Exchange Act and Rule 10b-5 thereunder make it unlawful, in connection with the purchase or sale of securities, "to make any untrue statement of a material fact or to omit to state a material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading."

U. To violate Section 10(b) of the Exchange Act and Rule 10b-5 thereunder, a misrepresentation or omission must be material, meaning that a reasonable investor would have considered the misrepresented or omitted fact important when deciding whether to buy, sell or hold the securities in question. See Basic Inc. v. Levinson, 485 U.S. 224, 231-32, 108 S. Ct. 978, 983 (1988). To constitute a violation, the material misstatement or omission must be made with scienter. Aaron v. SEC, 446 U.S. 680, 701-02, 100 S. Ct. 1945, 1958 (1980). Scienter can be shown by knowledge of the misrepresentation and, in the Second Circuit, by reckless disregard for the truth or falsity of a representation. Sirota v. Solitron Devices, Inc., 673 F.2d 566, 575 (2d Cir. 1982), cert. denied, 459 U.S. 838 (1982). Recklessness is defined as "conduct which is highly unreasonable and which represents an extreme departure from the standards of ordinary care . . . to the extent that the danger was either known to the defendant or so obvious that the defendant must have been aware of it." Rolf v.

⁷ The Deutsche Banc analysts first issued a report on THCR's third-quarter performance (also disseminated via First Call) on October 26th. The earlier report's headline announced that Trump Hotels had reported third-quarter operating EPS of \$0.63, driven by margin gains. The analysts had also reported that net revenues were up 1.5%, despite a 1.3 % decline in gaming revenues at the Company's three Atlantic City properties. In the initial report, the analysts had said that the net revenue increase was the result of an increase in cash flow and profitability at the Atlantic City properties (including the Taj Mahal) and concluded that the increase in cash flow indicated that the Company's emphasis on cost reduction had been effective. As a result of the reported quarterly performance, in the initial report, the Deutsche Banc analysts had raised their 1999 EPS estimate.

⁸ October 28th was also the date on which an article discussing the impact of the one-time gain and the Company's failure to disclose it in the Earnings Release appeared in the Atlantic City Press.

Blyth, Eastman Dillon & Co., 570 F.2d 38, 47 (2d Cir.), cert. denied, 439 U.S. 1039 (1978); see also SEC v. McNulty, 137 F.3d 732, 741 (2d Cir. 1998) (applying Rolf recklessness standard).

V. Thus, an issuer that knowingly or recklessly makes false or misleading statements in public announcements to investors, including press releases and other public statements, violates Section 10(b) and Rule 10b-5. See SEC v. Koenig, 469 F.2d 198 (2d Cir. 1972); SEC v. Great American Industries, Inc., 407 F.2d 453 (2d Cir. 1967), cert. denied, 395 U.S. 920 (1969). See also SEC v. Texas Gulf Sulphur Co., 401 F.2d 833, 861-63 (2d Cir. 1968) (en banc), cert. denied, 394 U.S. 976 (1969). In Public Statements by Corporate Representatives, Securities Act Rel. No. 6504 (January 1984), the Commission reminded registrants that Section 10(b) and Rule 10b-5 apply to all public statements by persons speaking on behalf of a public company. The Commission also made clear that public announcements and press releases constitute public statements. Id. See also In re Carter-Wallace, Inc. Sec. Litig., 150 F.3d 153 (2d Cir. 1998) (advertisements by issuer can be "in connection with" the purchase or sale of securities); Sunbeam Corporation, Exchange Act Rel. No. 44305 (May 15, 2001)(issuer violated Section 10(b) and Rule 10b-5 when it disseminated materially false and misleading press releases).

W. The omission from the Earnings Release of the information that THCR's pro forma net income included a \$17.2 million one-time gain was misleading, for several reasons.⁹ Absent disclosure to the contrary, the use of pro forma numbers in an earnings release reasonably implies that any adjustments to GAAP numbers were made on a consistent basis and do not obscure a significant result or a trend reflected in the GAAP numbers. Here, THCR's express exclusion of a one-time charge reasonably implied that no other significant one-time item was included in the pro forma net income figure. This implication was reinforced by the Company's assertions in the Release that its quarterly results had exceeded analysts' EPS expectations, which are generally, and were in this case, a measure of expected operating performance. Moreover, the misleading impression created by the use of the pro forma net income figure without disclosing the inclusion of the one-time gain was reinforced by the statements in the Release about improvements in the Company's operating performance, specifically, improvements in operating margins, marketing costs, and sales from non-casino operations.

X. In the context of the express exclusion from pro forma net income of the one-time charge, the comparison to analysts' earnings expectations, and the statements about the Company's operational improvements, the omission of information about the one-time gain was material, because the undisclosed one-time gain represented the difference between positive trends in revenues and earnings and negative trends in revenues and earnings, and the difference between exceeding analysts'

⁹ As explained in note 1 above, the Earnings Release did not use the term pro forma but the figures in the Release were pro forma numbers in that they differed from numbers calculated in conformity with GAAP. Even if the Release had identified the numbers as pro formas, however, the Release would still have been misleading for the reasons discussed above. The presence or absence of the term pro forma is not, in and of itself, dispositive of the question of whether an earnings release or financial statement is misleading.

expectations and falling short of them. Thus, the omission of information about the one-time gain obscured a negative trend and a failure to meet analysts' expectations, and therefore could reasonably have led analysts and investors to draw false conclusions about THCR's quarterly results.

Y. THCR, through the THCR officers involved in the drafting and issuance of the Earnings Release, knew that the estimated fair market value of the All Star Café lease termination was recorded as part of operating income for third-quarter 1999 and that the estimated fair market value of the transaction was \$17.2 million. THCR knew that the Earnings Release used a pro forma net income figure that expressly excluded the one-time charge but did not disclose the existence or impact of the one-time gain. Accordingly, THCR knew or recklessly disregarded that the Earnings Release was materially misleading.

Z. While engaged in the conduct described above, THCR, directly and indirectly, used the means or instrumentalities of interstate commerce or the mails.

AA. Based on the foregoing, THCR violated Section 10(b) of the Exchange Act and Rule 10b-5 thereunder by knowingly or recklessly issuing the Earnings Release.

IV.

In view of the foregoing, the Commission deems it appropriate to accept the Offer submitted by THCR and impose the cease-and-desist order specified in the Offer. In determining to accept the Offer, the Commission considered remedial acts promptly undertaken by THCR, and the limited duration of the violations.

V.

Accordingly, IT IS ORDERED, pursuant to Section 21C of the Exchange Act, that THCR cease and desist from committing or causing any violation, and any future violation, of Section 10(b) of the Exchange Act and Rule 10b-5 thereunder.

By the Commission.

Jonathan G. Katz
Secretary

Jill M. Peterson
By: Jill M. Peterson
Assistant Secretary

SERVICE LIST

Rule 141 of the Commission's Rules of Practice provides that the Secretary, or another duly authorized officer of the Commission, shall serve a copy of the Order Instituting Cease-and-Desist Proceedings Pursuant to Section 21C of the Securities Exchange Act of 1934, Making Findings, and Issuing Cease-and-Desist ("Order") on each person named as a party in the Order and their legal agent.

The attached Order has been sent to the following parties and other persons entitled to notice:

Honorable Brenda P. Murray
Chief Administrative Law Judge
U.S. Securities and Exchange Commission
450 5th Street, N.W.
Washington, DC 20549-1106

(b)(6), (b)(7)(C)

U.S. Securities and Exchange Commission
Division of Enforcement
450 5th Street, N.W.
Washington, DC 20549-0809

(b)(6), (b)(7)(C)

U.S. Securities and Exchange Commission
Northeast Regional Office
233 Broadway, 16th Floor
New York, NY 10279

Jay Goldberg, Esq.
Law Offices of Jay Goldberg, P.C
250 Park Avenue, 20th Floor
New York, NY 10177

Trump Hotels & Casino Resorts, Inc.
Attn: Robert M. Pickus, Esq., General Counsel
725 Fifth Avenue, 24th Floor
New York, NY 10022



UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
NORTHEAST REGIONAL OFFICE
233 Broadway
New York, N.Y. 10279

WRITER'S DIRECT DIAL

(b)(6), (b)(7)(C)

December 28, 2001

VIA FAX and FEDERAL EXPRESS

Jay Goldberg, Esq.
Jay Goldberg, P.C.
250 Park Avenue
New York, N.Y. 10177

Re: Trump Hotels & Casino Resorts, Inc. (NY-6625)

Dear Mr. Goldberg:

As we discussed, enclosed is a revised proposed Order against your client, Trump Hotels & Casino Resorts, Inc, and Offer of Settlement reflecting the changes the staff is prepared to make in response to your comments, and the comments of Wilkie Farr that you communicated to me.

The staff is providing these drafts for settlement purposes only. The contents of the Order and Offer are neither binding on the Commission nor admissible against the Commission in any judicial or administrative proceeding whatsoever. Any settlement negotiated by the staff must be approved by the Commission for the settlement to become effective.

Please call me at (b)(6), (b)(7)(C) if you have any questions, and please call me by close of business January 3, 2002 to let me know if you expect the settlement to be recommended to THCR's board.

Very truly yours
(b)(6), (b)(7)(C)

Enc.: as indicated
copy faxed to addressee at 305-604-3999 as well

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934

Release No.

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CASINO RESORTS, INC., : PURSUANT TO SECTION
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B. The Earnings Release was materially misleading because it created the false and misleading impression that the Company had exceeded earnings expectations primarily through operational improvements, when in fact it had not. The Release expressly stated that the net income figure excluded a one-time charge. The statement that this one-time charge was excluded implied that no other significant one-time items were included in THCR's stated net income. Contrary to that implication, however, the stated net income included an undisclosed one-time gain of \$17.2 million.

C. The misleading impression created by the reference to the single one-time charge and the undisclosed inclusion of the one-time gain was reinforced by the comparison of the stated earnings-per-share figure with analysts' earnings estimates and by statements in the Release that the Company had been successful in improving its operating performance. In fact, without the one-time gain, the Company's revenues and net income would have decreased from the prior year and the Company would have failed to meet analysts' expectations. The undisclosed one-time gain was thus material, because it represented the difference between positive trends in revenues and earnings and negative trends in revenues and earnings, and the difference between exceeding analysts' expectations and falling short of them.

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² The financial data contained in the Release also included figures for net income (loss) and earnings per share for the quarter that, in compliance with GAAP, included the World's Fair charge. Those figures were, respectively, a loss of \$67.4 million and earnings per share of -\$3.04.

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I. The Release failed to disclose, however, that the Company's pro forma net income for the quarter included the one-time gain resulting from the All Star Café lease termination. Accordingly, it failed to disclose the impact of that \$17.2 million one-time gain upon the Company's \$14 million pro forma net income or upon any of the other figures cited in the Release. Not only was there no mention of the one-time gain in the text of the Release, but the financial data included in the Release gave no indication of it, because, as discussed below, all revenue items were reflected in a single line item.

J. In fact, quarterly pro forma results that excluded the one-time gain as well as the one-time charge would have reflected a decline in revenues and net income and would have failed to meet analysts' expectations. The table below illustrates the impact of the one-time gain on the trends reported in the Earnings Release:

	<u>3rd Q 1998</u>	<u>3rd Q 1999 Per Release</u>	<u>3rd Q 1999 Excluding One-Time Gain</u>
(In thousands)			
Revenues	\$397,387	\$403,072	\$385,872
Net Income	\$ 5,312	\$ 13,958	\$ 3,048
EPS	\$ 0.24	\$ 0.63	\$ 0.14

K. The Earnings Release was misleading. The Release used pro forma numbers that implied that all significant one-time items had been excluded, when they had not. The Release compared the pro forma EPS to analysts' expectations for quarterly EPS, which are generally and were in this case calculated on the basis of continuing business operations, thus reinforcing the false implication that all one-time items had been excluded. Moreover, the Release highlighted improvements in the Company's operations, i.e., the Company's increased operating margins, decreased marketing costs, and increased cash sales from non-casino operations.³ By making

³ Although the statements about increased operating margins, decreased marketing costs, and increased cash sales from non-casino operations were nominally true, in the context of

these representations about THCR's quarterly performance, without disclosing the existence or impact of the one-time gain, the Release created the false and misleading impression that the Company's third-quarter results had improved over the results for third-quarter 1998 and had exceeded analysts' expectations primarily because management had been effective in improving the Company's operating performance.⁴

Preparation of the Earnings Release

L. Historically, THCR announced its quarterly results in an earnings release that included financial data presented in a format similar to that of a Form 10-Q or Form 10-K financial statement. Among other things, financial data in these earlier earnings releases itemized revenues (on a Company-wide basis and also by property) by "Casino," "Rooms," "Food & Beverage," and "Other." In the third quarter of 1999, however, at the direction of the Company's CEO, and following similar models used by some of THCR's competitors, the Company adopted a less detailed, or "streamlined," format for the financial data contained in its earnings releases. Unlike the more detailed format used in earlier quarters, the new, streamlined format did not break out revenue items, but instead disclosed revenue as a single line item for each casino. Thus, the streamlined format did not break out "other revenue," the line-item classification in which the \$17 million one-time All Star Café gain would have been reported under the old format.

M. The Earnings Release was prepared by the Company's corporate treasurer ("Treasurer") and its chief financial officer ("CFO"), under the supervision of the CEO, who approved the contents of the Release and made the decision to issue it. The contract of the CEO expired in June 2000 and was not renewed; he is no longer associated with the Company.⁵

N. When the Release was issued, THCR knew that the estimated fair market value of the All Star Café lease termination would be recorded as part of operating income for third-quarter 1999 and that the estimated fair market value of the transaction was \$17.2 million. The Company also knew that the Earnings Release used a pro forma net income figure that expressly

the Earnings Release they were misleading, because, without the \$17.2 million one-time gain, the increases in margins and cash from non-casino operations were negligible. Excluding the one-time gain, THCR's operating margins increased by 0.4% from third-quarter 1998 and its non-gaming revenue increased by \$1.8 million, or approximately 2.25%. The Company's marketing costs (as represented by promotional allowances) decreased by approximately \$549,000, or approximately 1%.

⁴ See note 7, infra (noting that the first research report by Deutsche Banc after the issuance of the Earnings Release had reported that the Company's \$0.63 third-quarter EPS was driven by margin gains).

⁵ In addition, after the events at issue, the Company established a procedure by which earnings releases are reviewed by the Audit Committee before they are issued.

excluded the \$81.4 million one-time charge but did not disclose the existence or impact of the \$17.2 million one-time gain.

Publication of the Earnings Release and the Aftermath

O. At 10:00 a.m. on October 25, 1999, the day the Earnings Release was issued, THCR held a conference call with analysts. During the call, the CEO told the analysts that increasing non-casino sales at the Taj Mahal had been a priority over the past year, and cited the Taj Mahal's third-quarter revenues as evidence that the emphasis had paid off. The CEO did not say that the Taj Mahal's non-casino revenue had increased primarily because of the All Star Café transaction.⁶

P. Immediately after the issuance of the Earnings Release and the conference call, analysts began asking questions about the details of the Company's increase in revenues. Within hours of the conference call, THCR's CFO spoke to several analysts who called with questions about specific aspects of Company's third-quarter results, and he provided them with information about the All Star Café gain. Over the next few days, additional analysts raised questions about the quarterly results, and the lack of detail in the Earnings Release. As a result, the Company's CFO and Treasurer attempted to speak to every analyst who had been on the conference call to explain the All Star Café transaction. In addition, the Company decided to accelerate the filing of its 10-Q for the quarter, which would contain a description of the one-time gain.

Q. After learning about the one-time gain, certain analysts informed their clients of its impact. One analyst at Bear, Stearns & Co. notified his clients on October 27, 1999 that the increased third-quarter EPS resulted from the inclusion in revenue of the one-time All Star Café gain. On October 28th, analysts at Deutsche Banc Alex Brown issued a report on the effect of the one-time gain, which was disseminated to subscribers to Deutsche Banc research over the First Call Research Network. The Deutsche Banc analysts reported that Company management had disclosed that day that roughly \$0.47 of the \$0.63 third-quarter *pro forma* EPS the Company had previously reported "were not operating EPS but were actually the result of an accounting gain." The analysts determined that after backing out the one-time \$17 million gain, THCR's net revenues would have fallen 2.7 %, rather than rising 1.5 % as they did when the one-time gain was included. The Deutsche Banc report also explained that, without the one-time gain, the Company experienced negative trends in Company-wide cash flows and margins, as well as in Taj Associates' revenues from operations, rather than the positive trends indicated by the Earnings Release. Adjusting for the impact of the one-time gain, the Deutsche Banc analysts lowered their 1999 EPS estimate from -\$1.17, contained in their initial report on THCR's third-quarter results, to -\$1.64.⁷

⁶ Without the \$ 17.2 million one-time gain, non-casino sales at the Taj Mahal increased by only \$300,000, or less than one percent, from third-quarter 1998 to third-quarter 1999.

⁷ The Deutsche Banc analysts first issued a report on THCR's third-quarter performance (also disseminated via First Call) on October 26th. The earlier report's headline announced

R. On October 25th, the day the Earnings Release was issued, the price of the Company's stock rose 7.8 % (from \$ 4 to \$ 4.3125), on volume approximately five times the previous day's volume. On October 28th, the day of the second Deutsche Banc analysts' report, the stock price fell approximately 6%, on volume approximately four times the previous day's volume.⁸

S. On November 4, 1999, THCR filed its quarterly report on Form 10-Q. The 10-Q disclosed the existence and amount of the one-time gain in a footnote to the financial statements.

THCR Violated Section 10(b) of the Exchange Act and Rule 10b-5 Thereunder

T. Section 10(b) of the Exchange Act and Rule 10b-5 thereunder make it unlawful, in connection with the purchase or sale of securities, "to make any untrue statement of a material fact or to omit to state a material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading."

U. To violate Section 10(b) of the Exchange Act and Rule 10b-5 thereunder, a misrepresentation or omission must be material, meaning that a reasonable investor would have considered the misrepresented or omitted fact important when deciding whether to buy, sell or hold the securities in question. See Basic Inc. v. Levinson, 485 U.S. 224, 231-32, 108 S. Ct. 978, 983 (1988). To constitute a violation, the material misstatement or omission must be made with scienter. Aaron v. SEC, 446 U.S. 680, 701-02, 100 S. Ct. 1945, 1958 (1980). Scienter can be shown by knowledge of the misrepresentation and, in the Second Circuit, by reckless disregard for the truth or falsity of a representation. Sirota v. Solitron Devices, Inc., 673 F.2d 566, 575 (2d Cir. 1982), cert. denied, 459 U.S. 838 (1982). Recklessness is defined as "conduct which is highly unreasonable and which represents an extreme departure from the standards of ordinary care . . . to the extent that the danger was either known to the defendant or so obvious that the defendant must have been aware of it." Rolf v. Blyth, Eastman Dillon & Co., 570 F.2d 38, 47 (2d Cir.), cert. denied, 439 U.S. 1039 (1978); see also SEC v. McNulty, 137 F.3d 732, 741 (2d Cir. 1998) (applying Rolf recklessness standard).

that Trump Hotels had reported third-quarter operating EPS of \$0.63, driven by margin gains. The analysts had also reported that net revenues were up 1.5%, despite a 1.3 % decline in gaming revenues at the Company's three Atlantic City properties. In the initial report, the analysts had said that the net revenue increase was the result of an increase in cash flow and profitability at the Atlantic City properties (including the Taj Mahal) and concluded that the increase in cash flow indicated that the Company's emphasis on cost reduction had been effective. As a result of the reported quarterly performance, in the initial report, the Deutsche Banc analysts had raised their 1999 EPS estimate.

⁸ October 28th was also the date on which an article discussing the impact of the one-time gain and the Company's failure to disclose it in the Earnings Release appeared in the Atlantic City Press.

V. Thus, an issuer that knowingly or recklessly makes false or misleading statements in public announcements to investors, including press releases and other public statements, violates Section 10(b) and Rule 10b-5. See SEC v. Koenig, 469 F.2d 198 (2d Cir. 1972); SEC v. Great American Industries, Inc., 407 F.2d 453 (2d Cir. 1967), cert. denied, 395 U.S. 920 (1969). See also SEC v. Texas Gulf Sulphur Co., 401 F.2d 833, 861-63 (2d Cir. 1968) (en banc), cert. denied, 394 U.S. 976 (1969). In Public Statements by Corporate Representatives, Securities Act Rel. No. 6504 (January 1984), the Commission reminded registrants that Section 10(b) and Rule 10b-5 apply to all public statements by persons speaking on behalf of a public company. The Commission also made clear that public announcements and press releases constitute public statements. *Id.* See also In re Carter-Wallace, Inc. Sec. Litig., 150 F.3d 153 (2d Cir. 1998) (advertisements by issuer can be "in connection with" the purchase or sale of securities); Sunbeam Corporation, Exchange Act Rel. No. 44305 (May 15, 2001)(issuer violated Section 10(b) and Rule 10b-5 when it disseminated materially false and misleading press releases).

W. The omission from the Earnings Release of the information that THCR's pro forma net income included a \$17.2 million one-time gain was misleading, for several reasons.⁹ Absent disclosure to the contrary, the use of pro forma numbers in an earnings release reasonably implies that any adjustments to GAAP numbers were made on a consistent basis and do not obscure a significant result or a trend reflected in the GAAP numbers. Here, THCR's express exclusion of a one-time charge reasonably implied that no other significant one-time item was included in the pro forma net income figure. This implication was reinforced by the Company's assertions in the Release that its quarterly results had exceeded analysts' EPS expectations, which are generally, and were in this case, a measure of expected operating performance. Moreover, the misleading impression created by the use of the pro forma net income figure without disclosing the inclusion of the one-time gain was reinforced by the statements in the Release about improvements in the Company's operating performance, specifically, improvements in operating margins, marketing costs, and sales from non-casino operations.

X. In the context of the express exclusion from pro forma net income of the one-time charge, the comparison to analysts' earnings expectations, and the statements about the Company's operational improvements, the omission of information about the one-time gain was material, because the undisclosed one-time gain represented the difference between positive trends in revenues and earnings and negative trends in revenues and earnings, and the difference between exceeding analysts' expectations and falling short of them. Thus, the omission of information about the one-time gain obscured a negative trend and a failure to meet analysts'

⁹ As explained in note 1 above, the Earnings Release did not use the term pro forma but the figures in the Release were pro forma numbers in that they differed from numbers calculated in accordance with GAAP. Even if the Release had identified the numbers as pro formas, however, the Release would still have been misleading for the reasons discussed above. The presence or absence of the term pro forma is not, in and of itself, dispositive of the question of whether an earnings release or financial statement is misleading.

expectations, and therefore could reasonably have led analysts and investors to draw false conclusions about THCR's quarterly results.

Y. THCR, through the THCR officers involved in the drafting and issuance of the Earnings Release, knew that the estimated fair market value of the All Star Café lease termination was recorded as part of operating income for third-quarter 1999 and that the estimated fair market value of the transaction was \$17.2 million. THCR knew that the Earnings Release used a pro forma net income figure that expressly excluded the one-time charge but did not disclose the existence or impact of the one-time gain. Accordingly, THCR knew or recklessly disregarded that the Earnings Release was materially misleading.

Z. While engaged in the conduct described above, THCR, directly and indirectly, used the means or instrumentalities of interstate commerce or the mails.

AA. THCR committed or caused violations of Section 10(b) of the Exchange Act and Rule 10b-5 thereunder by knowingly or recklessly issuing the Earnings Release.

IV.

In view of the foregoing, the Commission deems it appropriate to accept the Offer submitted by THCR and impose the cease-and-desist order specified in the Offer. In determining to accept the Offer, the Commission considered remedial acts promptly undertaken by THCR, and the limited duration of the violations.

V.

Accordingly, IT IS ORDERED, pursuant to Section 21C of the Exchange Act, that THCR cease and desist from committing or causing any violation, and any future violation, of Section 10(b) of the Exchange Act and Rule 10b-5 thereunder.

By the Commission.

Jonathan G. Katz
Secretary

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

ADMINISTRATIVE PROCEEDING

File No.

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In the Matter of	:	
	:	
TRUMP HOTELS &	:	
CASINO RESORTS, INC.,	:	OFFER OF SETTLEMENT
	:	OF TRUMP HOTELS &
	:	<u>CASINO RESORTS, INC.</u>
Respondent.	:	
	:	
-----	x	

I.

Trump Hotels & Casino Resorts, Inc. ("THCR" or "Respondent"), pursuant to Rule 240(a) of the Commission's Rules of Practice [17 C.F.R. §201.240(a)], hereby submits this Offer of Settlement ("Offer") in anticipation of the institution by the Commission of cease-and-desist proceedings against it pursuant to 21C of the Securities Exchange Act of 1934 ("Exchange Act").

II.

This Offer is submitted solely for the purpose of settling these proceedings and with the express understanding that it will not be used in any way in these or any other proceedings unless the Offer is accepted by the Commission. If the Offer is not accepted by the Commission, the Offer is withdrawn and shall not become a part of the record in these or any other proceedings, except for the waiver expressed in Section IV, with respect to Rule 240(c)(5) of the Commission's Rules of Practice. [17 C.F.R. § 201-240(c)(5)]

III.

On the basis of the foregoing, THCR hereby:

A. Admits the jurisdiction of the Commission over it and over the matters set forth in the Order Instituting Cease-and-Desist Proceedings Pursuant to Section 21C of the Securities Exchange Act of 1934, Making Findings, Issuing Cease-and-Desist Order ("Order").

B. Solely for the purpose of these proceedings and any other proceedings brought by or on behalf of the Commission or in which the Commission is a party, and without admitting or denying the findings contained in the Order, consents to the entry of the Order:

1. Making findings that:

SUMMARY

A. On October 25, 1999, THCR issued a press release announcing its results for the third quarter of 1999 (the "Earnings Release" or the "Release"). To announce those results, the Release used a net income figure that differed from net income calculated in accordance with generally accepted accounting principles ("GAAP"). Using that non-GAAP figure, the Release touted THCR's purportedly positive operating results for the quarter and stated that the Company had beaten analysts' earnings expectations.

B. The Earnings Release was materially misleading because it created the false and misleading impression that the Company had exceeded earnings expectations primarily through operational improvements, when in fact it had not. The Release expressly stated that the net income figure excluded a one-time charge. The statement that this one-time charge was excluded implied that no other significant one-time items were included in THCR's stated net income. Contrary to that implication, however, the stated net income included an undisclosed one-time gain of \$17.2 million.

C. The misleading impression created by the reference to the single one-time charge and the undisclosed inclusion of the one-time gain was reinforced by the comparison of the stated earnings-per-share figure with analysts' earnings estimates and by statements in the Release that the Company had been successful in improving its operating performance. In fact, without the one-time gain, the Company's revenues and net income would have decreased from the prior year and the Company would have failed to meet analysts' expectations. The undisclosed one-time gain was thus material, because it represented the difference between positive trends in revenues and earnings and negative trends in revenues and earnings, and the difference between exceeding analysts' expectations and falling short of them.

D. By knowingly or recklessly issuing a materially misleading press release, THCR violated Section 10(b) of the Exchange Act and Rule 10b-5 thereunder.

SETTLING RESPONDENT

E. THCR is a publicly-held Delaware corporation. Through various subsidiaries, it owns and operates the Trump Taj Mahal Casino Resort (the "Taj Mahal") located in Atlantic City, New Jersey, as well as other casino resorts. THCR and its subsidiaries file reports, including their financial statements, on a consolidated basis. The Company's common stock is registered with the Commission pursuant to Section 12(b) of the Exchange Act and is traded on

the New York Stock Exchange. The Company's executive offices are in New York City, and its business and financial operations are centered in Atlantic City.

FACTS

The All Star Gain

F. In September 1999, Taj Mahal Associates ("Taj Associates"), a THCR subsidiary, took over the All Star Café located in the Taj Mahal Casino from Planet Hollywood International, Inc. On September 15, 1999, Taj Associates, Planet Hollywood, and the All Star Café, Inc. reached an agreement pursuant to which, effective September 24, 1999, the All Star Café's lease of space at the Taj Mahal would be terminated and All Star would be relieved of its rental obligations to THCR. In return, Taj Associates would receive the All Star Café's leasehold improvements, alterations, and certain personal property. Because the Taj Mahal was going to continue to use the space as a restaurant, the Company's outside auditor advised that Taj Associates should record as operating income the fair market value of the leasehold improvements, alterations and personal property reverting to Taj Associates. Based on this advice and on an independent appraisal, and in accordance with GAAP, Taj Associates (and, on a consolidated basis, THCR) recorded \$17.2 million, the estimated fair market value of these assets, as a component of operating income for the third quarter of 1999.

The Earnings Release

G. On October 25, 1999 THCR issued the Earnings Release, publicly announcing its results for the third quarter of 1999. The Release, and the accompanying financial data, defined net income, or net profit, for the quarter as income before a one-time Trump World's Fair closing charge of \$81.4 million. Using this "pro forma" net income,¹ the Release announced that the Company's quarterly earnings exceeded analysts' expectations, stating:

¹ Although neither the text of the Release nor the accompanying financial data used the term "pro forma," the net income figure was pro forma in that it differed from net income calculated in accordance with GAAP by excluding the one-time charge. (Accordingly, the net income figure is hereafter referred to as "pro forma net income" and the earnings-per-share figure derived from the pro forma net income is referred to as "pro forma EPS.") The Release also used another pro forma figure, EBITDA, which it defined as earnings before interest, taxes, depreciation, amortization, corporate expenses and the \$81.4 million Trump World's Fair closing charge.

Net income increased to \$14.0 million, or \$0.63 per share, before a one-time Trump World's Fair charge, compared to \$5.3 million or \$0.24 per share in 1998. THCR's earnings per share of \$0.63 exceeded First Call estimates of \$0.54.²

H. The Release fostered the false and misleading impression that the positive results and improvement from third-quarter 1998 announced by the Company were primarily the result of operational improvements. In the Release, THCR's chief executive officer ("CEO") was quoted as saying:

Our focus in 1999 was three-fold: first, to increase our operating margins at each operating entity; second, to decrease our marketing costs; and third, to increase our cash sales from our non-casino operations. We have succeeded in achieving positive results in each of the three categories. The third quarter and nine month results for the company indicate that we have successfully instituted the programs that we focused on during 1999.

I. The Release failed to disclose, however, that the Company's pro forma net income for the quarter included the one-time gain resulting from the All Star Café lease termination. Accordingly, it failed to disclose the impact of that \$17.2 million one-time gain upon the Company's \$14 million pro forma net income or upon any of the other figures cited in the Release. Not only was there no mention of the one-time gain in the text of the Release, but the financial data included in the Release gave no indication of it, because, as discussed below, all revenue items were reflected in a single line item.

J. In fact, quarterly pro forma results that excluded the one-time gain as well as the one-time charge would have reflected a decline in revenues and net income and would have failed to meet analysts' expectations. The table below illustrates the impact of the one-time gain on the trends reported in the Earnings Release:

	<u>3rd Q 1998</u>	<u>3rd Q 1999 Per Release</u>	<u>3rd Q 1999 Excluding One-Time Gain</u>
(In thousands)			
Revenues	\$397,387	\$403,072	\$385,872
Net Income	\$ 5,312	\$ 13,958	\$ 3,048

² The financial data contained in the Release also included figures for net income (loss) and earnings per share for the quarter that, in compliance with GAAP, included the World's Fair charge. Those figures were, respectively, a loss of \$67.4 million and earnings per share of -\$3.04.

EPS \$ 0.24 \$ 0.63 \$ 0.14

K. The Earnings Release was misleading. The Release used pro forma numbers that implied that all significant one-time items had been excluded, when they had not. The Release compared the pro forma EPS to analysts' expectations for quarterly EPS, which are generally and were in this case calculated on the basis of continuing business operations, thus reinforcing the false implication that all one-time items had been excluded. Moreover, the Release highlighted improvements in the Company's operations, i.e., the Company's increased operating margins, decreased marketing costs, and increased cash sales from non-casino operations.³ By making these representations about THCR's quarterly performance, without disclosing the existence or impact of the one-time gain, the Release created the false and misleading impression that the Company's third-quarter results had improved over the results for third-quarter 1998 and had exceeded analysts' expectations primarily because management had been effective in improving the Company's operating performance.⁴

Preparation of the Earnings Release

L. Historically, THCR announced its quarterly results in an earnings release that included financial data presented in a format similar to that of a Form 10-Q or Form 10-K financial statement. Among other things, financial data in these earlier earnings releases itemized revenues (on a Company-wide basis and also by property) by "Casino," "Rooms," "Food & Beverage," and "Other." In the third quarter of 1999, however, at the direction of the Company's CEO, and following similar models used by some of THCR's competitors, the Company adopted a less detailed, or "streamlined," format for the financial data contained in its earnings releases. Unlike the more detailed format used in earlier quarters, the new, streamlined format did not break out revenue items, but instead disclosed revenue as a single line item for each casino. Thus, the streamlined format did not break out "other revenue," the line-item classification in which the \$17 million one-time All Star Café gain would have been reported under the old format.

³ Although the statements about increased operating margins, decreased marketing costs, and increased cash sales from non-casino operations were nominally true, in the context of the Earnings Release they were misleading, because, without the \$17.2 million one-time gain, the increases in margins and cash from non-casino operations were negligible. Excluding the one-time gain, THCR's operating margins increased by 0.4% from third-quarter 1998 and its non-gaming revenue increased by \$1.8 million, or approximately 2.25%. The Company's marketing costs (as represented by promotional allowances) decreased by approximately \$549,000, or approximately 1%.

⁴ See note 7, infra (noting that the first research report by Deutsche Banc after the issuance of the Earnings Release had reported that the Company's \$0.63 third-quarter EPS was driven by margin gains).

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N. When the Release was issued, THCR knew that the estimated fair market value of the All Star Café lease termination would be recorded as part of operating income for third-quarter 1999 and that the estimated fair market value of the transaction was \$17.2 million. The Company also knew that the Earnings Release used a pro forma net income figure that expressly excluded the \$81.4 million one-time charge but did not disclose the existence or impact of the \$17.2 million one-time gain.

Publication of the Earnings Release and the Aftermath

O. At 10:00 a.m. on October 25, 1999, the day the Earnings Release was issued, THCR held a conference call with analysts. During the call, the CEO told the analysts that increasing non-casino sales at the Taj Mahal had been a priority over the past year, and cited the Taj Mahal's third-quarter revenues as evidence that the emphasis had paid off. The CEO did not say that the Taj Mahal's non-casino revenue had increased primarily because of the All Star Café transaction.⁶

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fact or to omit to state a material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading."

U. To violate Section 10(b) of the Exchange Act and Rule 10b-5 thereunder, a misrepresentation or omission must be material, meaning that a reasonable investor would have considered the misrepresented or omitted fact important when deciding whether to buy, sell or hold the securities in question. See Basic Inc. v. Levinson, 485 U.S. 224, 231-32, 108 S. Ct. 978, 983 (1988). To constitute a violation, the material misstatement or omission must be made with scienter. Aaron v. SEC, 446 U.S. 680, 701-02, 100 S. Ct. 1945, 1958 (1980). Scienter can be shown by knowledge of the misrepresentation and, in the Second Circuit, by reckless disregard for the truth or falsity of a representation. Sirota v. Solitron Devices, Inc., 673 F.2d 566, 575 (2d Cir. 1982), cert. denied, 459 U.S. 838 (1982). Recklessness is defined as "conduct which is highly unreasonable and which represents an extreme departure from the standards of ordinary care . . . to the extent that the danger was either known to the defendant or so obvious that the defendant must have been aware of it." Rolf v. Blyth, Eastman Dillon & Co., 570 F.2d 38, 47 (2d Cir.), cert. denied, 439 U.S. 1039 (1978); see also SEC v. McNulty, 137 F.3d 732, 741 (2d Cir. 1998) (applying Rolf recklessness standard).

V. Thus, an issuer that knowingly or recklessly makes false or misleading statements in public announcements to investors, including press releases and other public statements, violates Section 10(b) and Rule 10b-5. See SEC v. Koenig, 469 F.2d 198 (2d Cir. 1972); SEC v. Great American Industries, Inc., 407 F.2d 453 (2d Cir. 1967), cert. denied, 395 U.S. 920 (1969). See also SEC v. Texas Gulf Sulphur Co., 401 F.2d 833, 861-63 (2d Cir. 1968) (en banc), cert. denied, 394 U.S. 976 (1969). In Public Statements by Corporate Representatives, Securities Act Rel. No. 6504 (January 1984), the Commission reminded registrants that Section 10(b) and Rule 10b-5 apply to all public statements by persons speaking on behalf of a public company. The Commission also made clear that public announcements and press releases constitute public statements. Id. See also In re Carter-Wallace, Inc. Sec. Litig., 150 F.3d 153 (2d Cir. 1998) (advertisements by issuer can be "in connection with" the purchase or sale of securities); Sunbeam Corporation, Exchange Act Rel. No. 44305 (May 15, 2001)(issuer violated Section 10(b) and Rule 10b-5 when it disseminated materially false and misleading press releases).

W. The omission from the Earnings Release of the information that THCR's pro forma net income included a \$17.2 million one-time gain was misleading, for several reasons.⁹ Absent disclosure to the contrary, the use of pro forma numbers in an earnings release reasonably

⁹ As explained in note 1 above, the Earnings Release did not use the term pro forma but the figures in the Release were pro forma numbers in that they differed from numbers calculated in accordance with GAAP. Even if the Release had identified the numbers as pro formas, however, the Release would still have been misleading for the reasons discussed above. The presence or absence of the term pro forma is not, in and of itself, dispositive of the question of whether an earnings release or financial statement is misleading.

implies that any adjustments to GAAP numbers were made on a consistent basis and do not obscure a significant result or a trend reflected in the GAAP numbers. Here, THCR's express exclusion of a one-time charge reasonably implied that no other significant one-time item was included in the pro forma net income figure. This implication was reinforced by the Company's assertions in the Release that its quarterly results had exceeded analysts' EPS expectations, which are generally, and were in this case, a measure of expected operating performance. Moreover, the misleading impression created by the use of the pro forma net income figure without disclosing the inclusion of the one-time gain was reinforced by the statements in the Release about improvements in the Company's operating performance, specifically, improvements in operating margins, marketing costs, and sales from non-casino operations.

X. In the context of the express exclusion from pro forma net income of the one-time charge, the comparison to analysts' earnings expectations, and the statements about the Company's operational improvements, the omission of information about the one-time gain was material, because the undisclosed one-time gain represented the difference between positive trends in revenues and earnings and negative trends in revenues and earnings, and the difference between exceeding analysts' expectations and falling short of them. Thus, the omission of information about the one-time gain obscured a negative trend and a failure to meet analysts' expectations, and therefore could reasonably have led analysts and investors to draw false conclusions about THCR's quarterly results.

Y. THCR, through the THCR officers involved in the drafting and issuance of the Earnings Release, knew that the estimated fair market value of the All Star Café lease termination was recorded as part of operating income for third-quarter 1999 and that the estimated fair market value of the transaction was \$17.2 million. THCR knew that the Earnings Release used a pro forma net income figure that expressly excluded the one-time charge but did not disclose the existence or impact of the one-time gain. Accordingly, THCR knew or recklessly disregarded that the Earnings Release was materially misleading.

Z. While engaged in the conduct described above, THCR, directly and indirectly, used the means or instrumentalities of interstate commerce or the mails.

AA. THCR committed or caused violations of Section 10(b) of the Exchange Act and Rule 10b-5 thereunder by knowingly or recklessly issuing the Earnings Release.

2. Ordering that:

THCR cease and desist from committing or causing any violation, and any future violation, of Section 10(b) of the Exchange Act and Rule 10b-5 thereunder.

IV.

By submitting this Offer, THCR hereby acknowledges its waiver of those rights specified in Rule 240(c)(4) and (5) of the Commission's Rules of Practice [17 C.F.R. §201.240(c)(4) and (5)].

V.

THCR represents that it has read and understands the foregoing Offer; THCR understands that final acceptance by the Commission of this Offer will be only by its Findings and Order and Opinion, if any, issued in this proceeding; and THCR avers that this Offer is made voluntarily, and that no promises, offers, threats, or inducements of any kind or nature have been made by the Commission or any member, officer, employee, agent, or representative of the Commission in consideration of this Offer or otherwise to induce THCR to submit this Offer.

VI.

THCR acknowledges that it has been informed that the Commission, in its sole or exclusive discretion, may refer or grant access to this matter, or to any information or evidence gathered in connection therewith or derived therefrom, to any person or entity having appropriate civil, administrative, or criminal jurisdiction.

VII.

THCR understands and agrees to comply with the Commission's policy "not to permit a defendant or respondent to consent to a judgment or order that imposes a sanction while denying the allegations in the complaint or order for proceedings" (17 C.F.R. §202.5(e)). In compliance with this policy, THCR agrees not to take any action or to make or permit to be made any public statement denying, directly or indirectly, any allegation in the Order or creating the impression that the Order is without factual basis. If THCR breaches this agreement, the Division of Enforcement may petition the Commission to vacate the Order and restore this proceeding to its active docket. Nothing in this provision affects THCR's (i) testimonial obligations; or (2) right to take legal positions in litigation or regulatory proceedings in which the Commission is not a party.

VIII.

Consistent with the provisions of 17 C.F.R. §202.5(f), THCR waives any claim of Double Jeopardy based upon the settlement of this proceeding, including the imposition of any remedy or civil penalty herein.

Dated: _____, 200_

TRUMP HOTELS & CASINO RESORTS,
INC.

By _____

STATE OF _____)
) ss.:
COUNTY OF _____)

On this _____ day of _____ 200_, before me personally appeared _____, to me known to be the person who executed the foregoing Offer of Settlement on behalf of Trump Hotels & Casino Resorts, Inc..

Notary Public
My Commission expires: _____

CERTIFICATE OF INCUMBENCY

The undersigned, _____, Secretary of Trump Hotels & Casino Resorts, Inc., a Delaware corporation, hereby certifies that the following named person is an officer of Trump Hotels & Casino Resorts, Inc. in the capacities hereinafter set forth and that the signature of said officer appearing below opposite his name and offices is the true and correct signature.

Name and Title

Signature

The undersigned further certifies that the above-named officer was duly elected and has qualified, and is acting in the offices set forth and is incumbent therein on the date hereof.

Dated: _____, 200__

Secretary of Trump Hotels & Casino Resorts, Inc.

TRUMP HOTELS & CASINO RESORTS, INC.

CERTIFICATE OF CORPORATE RESOLUTION

I, _____, do hereby certify that I am the duly elected, qualified and acting Secretary of Trump Hotels & Casino Resorts, Inc., a Delaware corporation, and that the following is a complete and accurate copy of a resolution adopted by the Board of Directors of Trump Hotels & Casino Resorts, Inc. by unanimous written consent executed as of _____, 200_:

VOTED: That _____, the _____ of Trump Hotels & Casino Resorts, Inc. (the "Corporation"), be and hereby is authorized, for and on behalf of the Corporation; to approve and execute the "Offer of Settlement of Trump Hotels & Casino Resorts, Inc.," attached hereto as Appendix A, and the aforementioned officer be and hereby is authorized to undertake such actions for and on behalf of the Corporation as he may deem necessary and advisable, including the execution of such documents as may be required by the Securities and Exchange Commission, in order to effectuate the foregoing.

I further certify that the aforesaid resolution has not been amended or revoked in any respect and is still in full force and effect.

IN WITNESS WHEREOF, I have executed this Certificate as a sealed instrument as the duly elected, qualified, and acting Secretary of Trump Hotels & Casino Resorts, Inc., hereunto duly authorized this ____ day of _____, 200_.

FAX

Date:

Dec 28, 2001

Number of pages including cover
sheet:

24

To:

Jay Goldberg, Esq.

Jay Goldberg, P.C.

257 PARK AVENUE

New York, N.Y. 10177

Phone:

Fax

phone: 212-983-6008

CC:

From:

(b)(6),(b)(7)(C)

Phone:

Fax

phone:

REMARKS:

Urgent

For your review

Reply ASAP

Please comment

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 Number of pages including cover sheet: 24

To: Jay Goldberg, Esq.
Jay Goldberg, P.C.
250 PARK AVENUE
NEW YORK, N.Y. 10177

Phone: _____
 Fax phone: 212-983-6008
 CC: _____

From: _____
 (b)(6), (b)(7)(C)

Phone: _____
 Fax phone: _____

REMARKS: Urgent For your review Reply ASAP Please comment

Page 0036 of 1240

Withheld pursuant to exemption

(b)(5)

of the Freedom of Information and Privacy Act

Page 0037 of 1240

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Page 0038 of 1240

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Page 0039 of 1240

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Page 0040 of 1240

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Page 0041 of 1240

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*** TX REPORT ***

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
NORTHEAST REGIONAL OFFICE
233 Broadway
New York, N.Y. 10279

WRITER'S DIRECT DIAL

(b)(6),(b)(7)
(C)

NORTHEAST REGIONAL OFFICE FAX FORM

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Firm/Division: Loews' Miami Beach

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Telephone: (b)(6),(b)(7)(C) Fax: (b)(6)

Date: December 28, 2001



UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
NORTHEAST REGIONAL OFFICE
233 Broadway
New York, N.Y. 10279

WRITER'S DIRECT DIAL

(b)(6), (b)(7)(C)

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(b)(6), (b)(7)(C)

Fax:

(b)(6)

Date:

December 28, 2001

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LAW OFFICES OF
JAY GOLDBERG, P.C.

250 PARK AVENUE
TWENTIETH FLOOR
NEW YORK, NY 10177-0077

TELEPHONE (212) 983-6000
FACSIMILE (212) 983-6008

Facsimile Cover Sheet

Date: **December 26, 2001**

Re:

To:

(b)(6);(b)(7)(C)

At (Name of organization): **SEC**

Fax number:

(b)(6);(b)(7)(C)

Telephone number:

(b)(6);(b)(7)(C)

Number of pages (Including cover sheet): **3**

Message:

Sent by: **Jay Goldberg**

Fax operator: **sc**

THIS MESSAGE IS INTENDED ONLY FOR THE USE OF THE ADDRESSEE AND MAY CONTAIN INFORMATION THAT IS PRIVILEGED AND CONFIDENTIAL. IF YOU ARE NOT THE INTENDED RECIPIENT, YOU ARE HEREBY NOTIFIED THAT ANY USE, COPYING OR DISSEMINATION OF THIS COMMUNICATION IS STRICTLY PROHIBITED. IF YOU HAVE RECEIVED THIS COMMUNICATION IN ERROR, PLEASE NOTIFY US IMMEDIATELY. THANK YOU.

(b)(5)

(b)(5)

MEMORANDUM

DICTATED BUT NOT PROOFREAD

CORRECTED VERSION

TO: (b)(6),(b)(7)(C)

FROM: Jay Goldberg

DATE: December 26, 2001

RE: SEC Matter

This is without prejudice to my discussing this with (b)(6),(b)(7)(C) to THCR and to (b)(5) who handled the matter with the NY office.

I would remind (b)(5) of (b)(5) specific remark that the Commission has no intention of tarring Mr. Trump.

On page 2 of the Order Instituting Cease and Desist Proceedings (I have not gone over the Offer of Settlement which I just received this morning by federal express) under III, I would have a new A (with letters dropping down one) that would read "The action complained of below was a one time occurrence not reflective of THCR's policy; rather, it was primarily the action of a senior, but since dismissed official of the Company.

(b)(5)

The paragraph marked B (which I would have as a new C), I would have "the Earnings Release contained a material omission because it created the misleading impression ...".

Under Summary I would have a new E that would state "There is no evidence that what occurred was within the knowledge or consent of the company president, Donald J.



UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
NORTHEAST REGIONAL OFFICE
233 Broadway
New York, N.Y. 10279

WRITER'S DIRECT DIAL
(b)(6),(b)(7)(C)

November 6, 2001

VIA FEDERAL EXPRESS

Richard Posen, Esq.
Willkie Farr & Gallagher
787 Seventh Avenue
New York, NY 10019

Andrew J. Levander, Esq.
Swidler Berlin Shereff Friedman, LLP
405 Lexington Avenue
New York, N.Y. 10174

Re: Trump Hotels & Casino Resorts, Inc. (NY-6625)

Dear Counsel:

Enclosed is a revised proposed Section 21(a) report. Also enclosed is a computer redlined version of the draft I previously sent you, which you may find helpful in identifying the changes from the staff's last draft. As you will see, many of the changes address issues other than those that were the subject of your proposed changes. Once you have had a chance to review the new version I will be happy to discuss the staff's changes, and the changes you proposed in the draft you sent over on September 28th.

The staff is providing this draft 21(a) Report order for settlement purposes only. The contents of this Report is neither binding on the Commission nor admissible against the Commission in any judicial or administrative proceeding whatsoever. Any settlement negotiated by the staff must be approved by the Commission for the settlement to become effective.

If you have any questions or wish to discuss this, you can reach me at (b)(6),(b)(7)(C)
Please note my new fax number is (b)(6),(b)(7)(C)

Very truly yours,

(b)(6),(b)(7)(C)

Enc.: as indicated

Because of issues relating to the use of press releases and pro forma numbers to disclose financial results, the Commission deems it appropriate to issue this Report of Investigation ("Report") pursuant to Section 21(a) of the Securities Exchange Act of 1934 ("Exchange Act") in order to discuss its concern about misleading statements in earnings press releases and to provide guidance both to companies that issue such releases and investors who rely on them.^{1/}

II. FACTS

Background

THCR is a publicly-held Delaware corporation. Through various subsidiaries, it owns and operates the Trump Taj Mahal Casino Resort (the "Taj Mahal") located in Atlantic City, New Jersey, as well as other casino resorts. THCR and its subsidiaries file reports, including their financial statements, on a consolidated basis. The Company's common stock is registered with the Commission pursuant to Section 12(b) of the Exchange Act and is traded on the New York Stock Exchange. The Company's executive offices are in New York City, and its business and financial operations are centered in Atlantic City. Nicholas L. Ribis, 56, was, from June 1995 until June 2000, President, Chief Executive Officer, and a director of THCR.^{2/}

The All Star Gain

In September 1999, Taj Mahal Associates ("Taj Associates"), a THCR subsidiary, took over the All Star Café located in the Taj Mahal Casino from Planet Hollywood International, Inc. On September 15, 1999, Taj Associates, Planet Hollywood, and the All Star Café, Inc. reached an agreement, pursuant to which, effective September 24, 1999, the All Star Café's lease of space at the Taj Mahal would be terminated and All Star would be relieved of its rental obligations to THCR. In return, Taj Associates would receive the All Star Café's leasehold improvements, alterations, and certain personal property. Based on an independent appraisal and consistent with the advice of its outside auditor, and with generally accepted accounting principles ("GAAP"),

^{1/} Section 21(a) of the Exchange Act authorizes the Commission to investigate violations of the federal securities laws, including violations which have not yet occurred, and to "publish information concerning any such violations." The Commission has periodically exercised its discretion under Section 21(a) to issue a report where a question of public importance is involved and the financial community should be informed about the issue and the Commission's response to it. See Spartek, Inc. and John A. Cable, Exchange Act Release No. 15567 (February 14, 1979) (Loomis, C., concurring); The Commission's Practice Relating to Reports of Investigations and Statements Submitted to the Commission Pursuant to Section 21(a) of the Securities Exchange Act of 1934, Exchange Act Release No. 15664 (March 21, 1979). This Report pursuant to Section 21(a) does not constitute an adjudication of any fact or issue addressed herein.

^{2/} Ribis's contract with THCR expired in June 2000 and was not renewed. Ribis is no longer associated with the Company.

THCR recorded \$17.2 million, the estimated fair market value of these assets, as a component of operating income for third-quarter 1999.

The Earnings Release

On October 25, 1999 THCR issued the Earnings Release, publicly announcing its results for the third quarter of 1999. The Release characterized results of certain of the Company's efforts as "positive" and noted the Company's success in exceeding certain analysts' estimates for the quarter. One of the Release's headings declared "net profit increased to 63 cents per share vs. 24 cents per share in 1998." The Release, and the accompanying financial data, defined net income, or net profit, for the quarter as income before the World's Fair closing charge of \$81.4 million.^{3/} Using this pro forma net income, the Release announced that the Company's quarterly earnings exceeded analysts' expectations:

Net income increased to \$ 14.0 million, or \$ 0.63 per share, before a one-time Trump World's Fair charge, compared to \$ 5.3 million or \$ 0.24 per share in 1998. THCR's earnings per share of \$ 0.63 exceeded First Call estimates of \$ 0.54.^{4/}

The Release also suggested that the Company's increase in net income was the result of increased operating margins, decreased marketing costs, and increased cash sales from non-casino operations. In the Release, Ribis was quoted as saying:

Our focus in 1999 was three-fold: first, to increase our operating margins at each operating entity; second, to decrease our marketing costs; and third, to increase our cash sales from our non-casino operations. We have succeeded in achieving positive results in each of the three categories. The third quarter and nine month results for the company indicate that we have successfully instituted the programs that we focused on during 1999.

The Release did not disclose, however, that the Company's net income for the quarter included the one-time gain resulting from the All Star Café lease termination.^{5/} The Company's \$14 million pro forma net income was based in part on the \$17.2 million one-time gain.

^{3/} The Release also used a pro forma EBITDA figure, defining EBITDA as earnings before interest, taxes, depreciation, amortization, corporate expenses and the \$81.4 million Trump World's Fair closing charge.

^{4/} The accompanying financial data also included figures for net income (loss) and earnings per share for the quarter that, consistent with GAAP, included the World's Fair charge. Those figures were, respectively, a loss of \$67.4 million and earnings per share of -\$3.04.

^{5/} Not only was there no mention of the one-time gain in the text of the Earnings Release, but the financial data included in the Release gave no indication of it, because, as discussed below, all revenue items were reflected in a single line item.

While many of the Company's statements in the Release were literally true, the Release taken as a whole was misleading. The Release used pro forma numbers that expressly excluded the one-time charge and it highlighted the Company's increased operating margins, decreased marketing costs, and increased cash sales from non-casino operations, while failing to disclose the impact of the one-time gain.^{6/} Thus, the Release created the inaccurate impression that THCR's third-quarter results had exceed analysts' expectations solely because management had been effective in improving the Company's performance.^{7/}

The table below illustrates the impact of the one-time gain on the trends reported in the Earnings Release:

	<u>3rd Q 1998</u>	<u>3rd Q 1999 Per Release</u>	<u>3rd Q 1999 excluding All Star Café Gain</u>
(In thousands)			
Revenues	\$397,387	\$403,072	\$385,872
Net Income	\$ 5,312	\$ 13,958	\$ 3,075
EPS	\$ 0.24	\$ 0.63	\$ 0.14

Preparation of the Earnings Release

Historically, THCR announced its quarterly results through an earnings release that provided a detailed account of the Company's financial performance. These earlier earnings releases itemized revenues (on a Company-wide basis and also by property) by "Casino," "Rooms," "Food & Beverage," and "Other." In addition, they provided detailed information regarding each casino's performance in terms of slot machine play, table game play, and poker, keno, and race wagers, as well as information regarding each casino's number of hotel rooms sold, average room rates, and occupancy rates. In the third quarter of 1999, however, Ribis, following similar models used by THCR's competitors, decided to adopt a more concise, or "streamlined," format for the earnings release. Unlike the more detailed earnings releases of

^{6/} Although the statements about increased operating margins, decreased marketing costs, and increased cash sales from non-casino operations were literally true, in the context of the Earnings Release they were misleading, because, without the \$17.2 million one-time gain, the increases in margins and cash from non-casino operations were negligible. Excluding the one-time gain, THCR's operating margins increased by 0.4% from third-quarter 1998 and its non-gaming revenue increased by \$1.8 million, or approximately 2.25%. The Company's marketing costs (as represented by promotional allowances) decreased by approximately \$549,000, or approximately 1%.

^{7/} See note 10, infra (noting that the first research report by Deutsche Banc after the issuance of the Earnings Release had reported that the Company's \$0.63 third-quarter EPS was driven by margin gains).

earlier quarters, the new, streamlined format did not break out revenue items, but instead disclosed revenue as a single line item for each casino. Thus, the streamlined format did not break out "other revenue," the line-item classification in which the \$17 million one-time All Star Café gain would have been reported under the old format.

The Earnings Release was prepared by THCR's Chief Financial Officer ("CFO") and its Executive Vice-President and Corporate Treasurer ("Executive VP") and approved by Ribis.^{8/} Although the Release used the pro forma net income figure, which expressly excluded the one-time World's Fair charge and thus reasonably implied that such pro forma net income reflected solely the results of on-going operations, neither the text of the Release nor the accompanying financial data disclosed the existence or impact of the one-time gain.

Publication of the Earnings Release and the Fallout

At 10:00 a.m. on October 25, 1999, the day the Earnings Release was issued, THCR held a conference call with analysts. During the call, Ribis told the analysts that increasing non-casino sales at the Taj Mahal had been a priority over the past year, and cited the Taj Mahal's third-quarter revenues as evidence that the emphasis had paid off. Ribis did not say that the Taj Mahal's non-casino revenue had increased principally because of the All Star Café transaction.^{9/} During the call, one analyst who had misunderstood Ribis' statement about the amount of the increase in non-gaming revenue at the Taj Mahal from third-quarter 1998 asked Ribis how the Taj Mahal had achieved an overall gain of \$5 million despite an \$11 million decrease in gaming revenues. Ribis responded that he was not familiar with the details of THCR's quarterly results and suggested that the analyst speak directly with the Company's CFO.

Immediately after the issuance of the Earnings Release and the conference call, analysts began asking questions about the details of THCR's increase in revenues. Within hours of the conference call, the CFO spoke to several analysts who called with questions about specific aspects of Company's third-quarter results, and he provided them with information about the All Star Café gain. Over the next few days, additional analysts raised questions about THCR's quarterly results, and the lack of detail in the Earnings Release. When Ribis was informed of analysts' reactions, he directed THCR's CFO and Executive Vice President to speak to every analyst who had been on the conference call to explain the All Star Café transaction. In addition, the Company decided to accelerate the filing of its 10-Q for the quarter, which would contain a description of the one-time gain.

After receiving clarification from THCR, analysts informed their clients of the impact of the one-time gain. One analyst at Bear, Stearns & Co. notified his clients on October 27, 1999

^{8/} After the third-quarter 1999 Earnings Release was issued, the Company established a procedure by which earnings releases are reviewed by the Audit Committee before they are issued.

^{9/} Without the \$ 17.2 million one-time gain, non-casino sales at the Taj Mahal increased by only \$300,000, or less than one percent, from third-quarter 1998 to third-quarter 1999.

that the increased third-quarter EPS resulted from the inclusion in revenue of the one-time All Star Café gain. On October 28th, analysts at Deutsche Banc Alex Brown issued a report on the effect of the one-time gain, which was disseminated to subscribers to Deutsche Banc research over the First Call Research Network. The Deutsche Banc analysts reported that Company management had disclosed that day that roughly \$0.47 of the \$0.63 third-quarter pro forma EPS the Company had previously reported "were not operating EPS but were actually the result of an accounting gain." The analysts determined that after backing out the one-time \$17 million gain, THCR's net revenues would have fallen 2.7 %, rather than rising 1.5 % as they did when the one-time gain was included. The Deutsche Banc report also explained that, without the one-time gain, the Company experienced negative trends in Company-wide cash flows and margins, as well as in Taj Associates' revenues from operations, rather than the positive trends indicated by the Earnings Release. The analysts lowered their 1999 EPS estimate from -\$1.17, contained in their initial report on THCR's third-quarter results, to -\$1.64.^{10/}

The impact of the one-time gain was also reported in The Atlantic City Press on October 28th, Barrons on November 1st, and The New York Post on November 2nd.

On October 25th, the day the Earnings Release was issued, the price of the Company's stock rose 7.8 % (from \$ 4 to \$ 4.3135), on volume approximately five times the previous day's volume. On October 28th, the day of the second Deutsche Banc analysts' report and the Atlantic City Press article, the stock price fell approximately 6%, on volume approximately four times the previous day's volume.

III. LEGAL ANALYSIS

Section 10(b) of the Exchange Act and Rule 10b-5 thereunder prohibit fraudulent statements in connection with the purchase or sale of securities. Under Rule 10b-5, a statement is fraudulent if it is made with scienter and it "omit[s] to state a material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading."

To violate the antifraud provisions, a misrepresentation or omission must be material, meaning that a reasonable investor would have considered the misrepresented or omitted fact

^{10/} The Deutsche Banc analysts first issued a report on THCR's third-quarter performance (also disseminated via First Call) on October 26th. The earlier report's headline announced that THCR had reported third-quarter operating EPS of \$0.63, driven by margin gains. The analysts had also reported that net revenues were up 1.5%, despite a 1.3 % decline in gaming revenues at the Company's three Atlantic City properties. In the initial report, the analysts had said that the net revenue increase was the result of an increase in cash flow and profitability at the Atlantic City properties (including the Taj Mahal) and concluded that the increase in cash flow indicated that the Company's emphasis on cost reduction had been effective. As a result of the reported quarterly performance, in the initial report, the Deutsche Banc analysts had raised their 1999 EPS estimate.

important when deciding whether to buy, sell or hold the securities in question. See Basic Inc. v. Levinson, 485 U.S. 224, 231-32, 108 S. Ct. 978, 983 (1988). To constitute a violation, the material misstatement or omission must be made with scienter. Aaron v. SEC, 446 U.S. 680, 701-02, 100 S. Ct. 1945, 1958 (1980). Scienter is defined as "a mental state embracing intent to deceive, manipulate, or defraud." Ernst & Ernst v. Hochfelder, 425 U.S. 185, 193-94 n.12, 96 S. Ct. 1375, 1381 n.12 (1976).

(b)(5)

(b)(5)

The omission from the Earnings Release of the information that THCR's pro forma net income included a \$17.2 million one-time gain was material. That omission was material to the assertions in the Earnings Release that pro forma net income for the quarter had improved compared to the prior year, that pro forma net income had exceeded analysts' expectations, and that the quarterly results showed that management had been effective in improving the Company's operating performance. THCR's assertions about its positive and improving performance for the quarter were based upon its pro forma net income – income before Trump World's Fair closing costs of \$81.4 million. The use of this pro forma number, and the presentation of the pro forma net income as a measure of the Company's operating results, made the undisclosed inclusion of a \$17.2 million one-time gain in the Company's pro forma net income materially misleading. The one-time gain represented the difference between positive trends in revenues and earnings and negative trends in revenues and earnings, and the difference between exceeding analysts' expectations and falling short of them. Thus, the omission of information about the one-time gain obscured a negative trend and a failure to meet analysts' expectations, and therefore could reasonably have led analysts and investors to draw inaccurate conclusions about THCR's quarterly results.

11/ Similarly, an officer of an issuer who makes such misrepresentations or omissions with scienter violates the antifraud provisions. See SEC v. Savoy Indus., 665 F.2d 1310, 1315 (D.C. Cir. 1981); Elkind v. Liggett & Myers, Inc., 635 F.2d 156, 163-64 (2d Cir. 1980). Cf. David C. Fannin, Securities Act of 1933 Release No. 7977(May 15, 2001)(corporate officer who participated in the drafting of misleading earnings releases violated Section 17(a)(3) of the Securities Act).

IV. CONCLUSION

In this case, THCR's Earnings Release created the false and misleading impression that the Company had exceeded earnings expectations through operational improvements, when in fact it had not. Under the federal securities laws, even where earnings statements are literally true, they may be materially misleading. The touchstone of accurate disclosure under the securities laws is not literal truth. Thus, even if particular statements, taken separately, are literally true, they will be fraudulent if, taken together and in context, they would mislead a reasonable investor about a material fact (and if the requisite scienter exists). The materiality of omitted information must be determined in light of the statements taken together and the context in which they are made. Thus, an issuer's announcement of an improvement in revenues, net income, and operating trends without disclosure that the improvement was the result of a non-recurring gain is materially misleading.^{12/} If such a material omission is made with scienter, it violates Section 10(b) of the Exchange Act and Rule 10b-5 thereunder.

^{12/} This is true whether the figures are calculated in conformity with GAAP or, as in this case, are pro forma numbers.

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES AND EXCHANGE ACT OF 1934

Release No. / , 2001

~~ACCOUNTING AND AUDITING ENFORCEMENT~~

Release No. / , 2001

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:
Report of Investigation in the Matter of :
:
TRUMP HOTELS & :
CASINO RESORTS, INC. and :
NICHOLAS L. RIBIS :
:
:
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:
:
----- X

I. INTRODUCTION

The Commission staff has conducted an investigation into the issuance of an earnings announcement by Trump Hotels and Casino Resorts, Inc. ("THCR" or "the Company"). On October 25, 1999, THCR issued a press release concerning announcing its results for the third quarter of 1999 results (the "Earnings Release" or the "Release"). The Earnings Release announced that "[i]n the Company's net income had increased to \$14.0 million or \$0.63 per share, before a one-time Trump World's Fair charge, compared to \$5.3 million or \$0.24 per share in 1998." The net income figure used in the Release was a pro forma number because it expressly adjusted income for the quarter to exclude the one-time Trump World's Fair charge of \$81.4 million. (Accordingly, the net income figure is hereafter referred to as "pro forma net income" and the EPS figure derived from the pro forma net income is referred to as "pro forma EPS.") In addition to using the pro forma net income and EPS figures, the Release stated million and that the Company had beaten analysts' earnings expectations and that the Company had been successful in improving its by achieving earnings per share ("EPS") of \$0.63 compared to analysts' consensus estimate of \$0.54. The Release presented the income and EPS figures as pro forma numbers reflecting the results of ongoing operations, because it expressly adjusted income and earnings figures to exclude a one-time loss and because it highlighted improvements in the Company's operating performance. The Release failed to disclose, however, that the pro forma Company's \$14 million quarterly net income included a one-time gain of \$17.2 million. In the context of the pro forma net income, and the statements about improvements in the Company's operations, the omission of information about the one-time

~~gain. This omission created the false and misleading impression that the Company's quarterly results were attributable to operational improvements, ongoing operations were profitable and improving. In fact, without the one-time gain, the Company's Company's revenues and pro forma net income would have decreased from the prior year and the Company would have failed to meet analysts' expectations. Over the next few days, and in response to analysts' confusion about the Release, THCR disclosed to analysts the impact of the one-time gain.~~

Because of issues relating to the use of press releases and ~~pro forma~~ numbers to disclose financial results, the Commission deems it appropriate to issue this Report of Investigation ("Report") pursuant to Section 21(a) of the Securities Exchange Act of 1934 ("Exchange Act") in order to discuss its concern about misleading statements ~~disclosure~~ in earnings press releases and to provide guidance ~~to~~ both to companies that issue such releases and investors who rely on them.^{1/}

II. **FACTS**

Background

THCR is a publicly-held Delaware corporation. Through various subsidiaries, it owns and operates the Trump Taj Mahal Casino Resort (the "Taj Mahal") located in Atlantic City, New Jersey, as well as other casino resorts. THCR and its subsidiaries file reports, including their financial statements, on a consolidated basis. The Company's common stock is registered with the Commission pursuant to Section 12(b) of the Exchange Act and is traded on the New York Stock Exchange. The Company's executive offices are in New York City, and its business and financial operations are centered in Atlantic City. Nicholas L. Ribis, 56, was, from June 1995 until June 2000, President, Chief Executive Officer, and a director of THCR.^{2/}

~~**The All Star Gain**~~

^{1/} Section 21(a) of the Exchange Act authorizes the Commission to investigate violations of the federal securities laws, including violations which have not yet occurred, and to "publish information concerning any such violations." The Commission has periodically exercised its discretion under Section 21(a) to issue a report where a question of public importance is involved and the financial community should be informed about the issue and the Commission's response to it. See Spartek, Inc. and John A. Cable, Exchange Act Release No. 15567 (February 14, 1979) (Loomis, C., concurring); The Commission's Practice Relating to Reports of Investigations and Statements Submitted to the Commission Pursuant to Section 21(a) of the Securities Exchange Act of 1934, Exchange Act Release No. 15664 (March 21, 1979). This Report pursuant to Section 21(a) does not constitute an adjudication of any fact or issue addressed herein.

^{2/} Ribis's contract with THCR expired in June 2000 and was not renewed. Ribis is no longer associated with the Company.

In September 1999, Taj Mahal Associates ("Taj Associates"), a THCR subsidiary, took over the All Star Café located in the Taj Mahal Casino from Planet Hollywood International, Inc. On September 15, 1999, Taj Associates, Planet Hollywood, and the All Star Café, Inc. reached an agreement, pursuant to which, effective September 24, 1999, the All Star Café's lease of space at the Taj Mahal would be terminated and All Star would be relieved of its rental obligations to THCR. In return, Taj Associates would receive the All Star Café's leasehold improvements, alterations, and certain personal property. Based on an independent appraisal and consistent with the advice of its outside auditor, and with generally accepted accounting principles ("GAAP"), THCR recorded \$17.2 million, the estimated fair market value of these assets, as a component of operating income for third-quarter 1999.

The Earnings Release

On October 25, 1999 THCR issued the Earnings Release, publicly announcing its results for the third quarter of 1999. The Release characterized results of certain of the Company's efforts as "positive" and noted highlighted the Company's positive trends and its success in exceeding certain beating analysts' estimates for the quarter. One of the Release's headings declared EBITDA increased to \$106.7 million vs. \$90.6 million in 1998" and "net profit increased to 63 cents per share vs. 24 cents per share in 1998." The Release, and the accompanying financial data, defined EBITDA as earnings before interest, taxes, depreciation, amortization, corporate expenses and a one-time charge of \$ 81.4 million resulting from the closing of the Trump World's Fair Casino Hotel. The Release, and the accompanying financial data, defined net income, or net profit, for the quarter as income before the World's Fair closing charge of \$81.4 million.^{3/} Using this costs and the cumulative effect of a change in accounting principle. Using these pro forma net income numbers, the Release announced emphasized that the Company's quarterly earnings exceeded analysts' expectations:

Net income increased to \$ 14.0 million, or \$ 0.63 per share, before a one-time Trump World's Fair charge, compared to \$ 5.3 million or \$ 0.24 per share in 1998. THCR's earnings per share of \$ 0.63 exceeded First Call estimates of \$ 0.54.^{3/}

The Release also suggested that the Company's increase in net income earnings was the result of increased operating margins, decreased marketing costs, and increased cash sales from non-casino operations. In the Release, Ribis was quoted as saying:

Our focus in 1999 was three-fold: first, to increase our operating margins at each operating entity; second, to decrease our marketing costs; and third, to increase our cash sales from our non-casino operations. We have succeeded in achieving positive results in each of the three categories. The third quarter and nine month results for the company

^{3/} The accompanying financial data also included figures for net income (loss) and earnings per share for the quarter that, consistent in accordance with generally accepted accounting principles ("GAAP"), included the World's Fair charge. Those figures were, respectively, a loss of \$67.4 million and earnings per share of -\$3.04.

indicate that we have successfully instituted the programs that we focused on during 1999.

The Release did not failed to disclose, however, that the Company's reported \$14 million net income for the quarter included the an unusual one-time gain of \$17.2 million resulting from the termination of the All Star Café's lease termination.^{5/} The Company's \$14 million pro forma net income was based in part on the \$17.2 million one-time gain.

While many Taj Mahal casino.^{4/}

While each of the Company's statements in the Release were may have been literally true, the Release taken as a whole was misleading. The Release used touted pro forma numbers that expressly excluded the one-time charge and it highlighted the Company's increased operating margins, decreased marketing costs, and increased cash sales from non-casino operations, while failing to failed to disclose the impact of the one-time gain.^{6/} Thus, the Release created the inaccurate false and misleading impression that THCR's third-quarter third-quarter results had exceeded analysts' expectations solely because management had been effective in improving the Company's operating performance.^{5/}

The table below illustrates the impact of the one-time gain on the trends reported in the Earnings Release:

Release	3 rd Q 1998	3 rd Q 1999 per Release	3 rd Q 1999 Per
	3 rd Q 1999 excluding	net of	All Star Café Gain

(In thousands)

^{4/} In September 1999, Taj Mahal Associates ("Taj Associates"), a THCR subsidiary, took over the All Star Café located in the Taj Mahal Casino from Planet Hollywood International, Inc. On September 15, 1999, Taj Associates, Planet Hollywood, and the All Star Café, Inc. reached an agreement, pursuant to which, effective September 24, 1999, the All Star Café's lease of space at the Taj Mahal would be terminated and All Star would be relieved of its rental obligations to THCR. In return, Taj Associates would receive the All Star Café's leasehold improvements, alterations, and certain personal property. Based on an independent appraisal and the advice of its outside auditor, THCR recorded \$17.2 million, the estimated fair market value of these assets, as operating income for the third quarter 1999.

^{5/} See note 109, infra (noting that the first research report by Deutsche Banc after the issuance of the Earnings Release had reported that the Company's \$0.63 third-quarter EPS was driven by margin gains). Not only was there no mention of the one-time gain in the text of the Earnings Release, but the financial data included in the Release gave no indication of it, because, as discussed below, all revenue items were reflected in a single line item.

Revenues	\$397,387	\$403,072	\$385,872
Net Income	\$ 5,312	\$ 13,958	\$ 3,075
EPS	\$385,872		
EBITDA	\$ 90,589	\$106,666	\$ 89,466
Income before World's Fair Closing Cost & Cumulative Effect of Change in Accounting Principles	\$ 8,375	\$ 22,006 ^{6/}	\$ 4,806
Basic & Diluted EPS before World's Fair Closing Cost & Cumulative Effect of Change in Accounting Principles	\$ 0.24	\$ 0.63	\$ 0.14

Preparation of the Earnings Release

Historically, THCR announced its quarterly results through an earnings release that provided a detailed account of the Company's financial performance. These earlier earnings releases itemized revenues (on a Company-wide basis and also by property) by "Casino," "Rooms," "Food & Beverage," and "Other." In addition, they provided detailed information regarding each casino's performance in terms of slot machine play, table game play, and poker, keno, and race wagers, as well as information regarding each casino's number of hotel rooms sold, average room rates, and occupancy rates. In the third quarter of 1999, however, Ribis, following similar models used by THCR's competitors, decided to adopt a more concise, or "streamlined," format model for their earnings releases. Unlike the more detailed earnings releases of earlier quarters, the new, streamlined format did not break out revenue items, but instead disclosed revenue as a single line item for each casino. Thus, the streamlined format did not break out "other revenue," the line-item classification in which the \$17 million one-time All-Star Café gain would have been reported under the old format.

The Earnings Release was prepared by THCR's Chief Financial Officer ("CFO") and its Executive Vice-President and Corporate Treasurer ("Executive VP") and approved by Ribis. The Chief Financial Officer compiled the financial information from each of the individual properties, using the streamlined format selected by Ribis, while the Executive VP, under Ribis's

6/ The \$14 million net-income-before-World's-Fair-closing-costs figure touted in the text of the Release is the result of a 36% reduction to the \$22 million income figure to account for the minority interest held by a limited partner.

supervision, prepared the text. 7/ Although the text of the Release used the pro forma net income figure, which expressly excluded the one-time World's Fair charge and thus reasonably implied that such pro forma net represented income before the one-time charge, thus creating the impression that such income reflected solely the results of on-going operations, neither the text of the Release nor the accompanying financial data disclosed the existence or impact of the one-time gain from the All-Star Café transaction.

Publication of the Earnings Release and the Fallout

At 10:00 a.m. on October 25, 1999, the day the Earnings Release was issued, THCR held a conference call with analysts. During the call, Ribis told the analysts that increasing non-casino sales at the Taj Mahal had been a priority over the past year, and cited the Taj Mahal's third-quarter revenues as evidence proof that the emphasis had paid off. Ribis did not say tell the analysts that the Taj Mahal's Mahal had increased non-casino revenue had increased principally solely because of the All-Star Café transaction. 8/ During the call, When one analyst who had misunderstood Ribis' statement about the amount of the increase in non-gaming revenue at the Taj Mahal from third-quarter 1998 specifically asked Ribis how the Taj Mahal had achieved such a large overall gain of \$5 million despite an \$11 million decrease in gaming revenues. Ribis responded that he was not familiar with the details of THCR's quarterly results and suggested that the analyst speak directly with the Company's CFO.

Immediately after the issuance of the Earnings Release and the conference call, analysts began asking questions about questioning the details of THCR's reported increase in revenues. Within hours of the conference call, the CFO spoke to several analysts who called with questions about specific aspects of Company's third-quarter third quarter results, and he provided them with information about the All-Star Café gain. Over the next few days, additional analysts raised questions about THCR's quarterly the reported results, and the lack of detail in the Earnings Release. When Ribis was informed of analysts' reactions, he directed THCR's the CFO and Executive Vice President VP to speak to every analyst who had been on the conference call to explain the All-Star Café transaction. In addition, the Company decided to accelerate the filing of its 10-Q for the quarter, which would contain a description of the one-time gain:

After receiving clarification from THCR, analysts informed their clients of the impact of

7/ After Since the third-quarter 1999 Earnings Release was issued, the Company has established a procedure by which earnings releases are reviewed by the Audit Committee before they are issued.

8/ Without the \$17.2 million one-time gain, non-casino sales at the Taj Mahal increased by only \$300,000, or less than one percent, from third-quarter 1998 to third quarter non-gaming revenue for the Taj Mahal was approximately \$33 million. Third-quarter 1999 non-gaming revenue for the Taj Mahal was approximately \$49 million. Backing out the \$17.2 million All-Star Café gain, the Taj Mahal's non-gaming revenue actually decreased slightly and its total revenue decreased by \$1.9 million.

Within a few days, analysts transmitted information about the one-time gain to their clients. One analyst at Bear, Stearns & Co. notified his clients on October 27, 1999 that the increased third-quarter EPS resulted from the inclusion in revenue of the one-time All-Star Café gain. On October 28th, analysts at Deutsche Banc Alex Brown issued a report on the effect of the one-time gain, which was disseminated to subscribers to Deutsche Banc research over the First Call Research Network. The Deutsche Banc analysts reported that Company management had disclosed that day that roughly \$0.47 of the \$0.63 third-quarter pro forma EPS the Company had previously reported “were not operating EPS but were actually the result of an accounting gain.” The analysts determined that after backing out the one-time \$17 million gain, THCR's net revenues would have fallen fell 2.7 %, rather than rising 1.5 % as they did when had appeared from the one-time gain was included Earnings Release. The Deutsche Banc report also explained that, without the one-time gain, the Company experienced negative trends in Company-wide cash flows and margins, as well as in Taj Associates' revenues from operations, rather than the positive trends indicated by the Earnings Release. The analysts lowered their 1999 EPS estimate from -\$1.17, contained in their initial report on THCR's third-quarter results, to -\$1.64^{9/}

~~The impact of the one-time gain was also reported in The Atlantic City Press on October 28th, Barrons on November 1st, and The New York Post on November 2nd.~~

On ~~October 25th~~, the day the Earnings Release was issued, the price of the Company's stock rose 7.8 % (from \$ 4 to \$ 4.3135), on volume approximately five times the previous day's volume. On ~~October 28th~~, the day of the second Deutsche Banc analysts' report and the Atlantic City Press article, the stock price fell approximately 6%, on volume approximately four times the previous day's volume.

10/

9/ The Deutsche Banc analysts first issued a report on THCR's third-quarter performance (also disseminated via First Call) on October 26th. The earlier report's headline announced that THCR had reported third-quarter operating EPS of \$0.63, driven by margin gains. The analysts had also reported that net revenues were up 1.5%, despite a 1.3 % decline in gaming revenues at the Company's three Atlantic City properties. In the initial report, the analysts had said that the net revenue increase was the result of an increase in cash flow and profitability at the Atlantic City properties (including the Taj Mahal) and concluded that the increase in cash flow indicated that the Company's emphasis on cost reduction had been effective. As a result of the reported quarterly performance, in the initial report, the Deutsche Banc analysts had raised increased their 1999 EPS estimate to a loss of \$1.17.

10/ The impact of the one-time gain was also reported in the general media, specifically in articles in The Atlantic City Press, The New York Post, and Barrons. The first of those articles was published October 28, 1999 – three business days after the Earnings Release was issued.

III. LEGAL ANALYSIS

Section 10(b) of the Exchange Act and Rule 10b-5 thereunder prohibit fraudulent statements in connection with the purchase or sale of securities. Under Rule 10b-5, a statement is fraudulent if it is made with scienter and it Rule 10b-5 defines as fraudulent, a statement that "omit[s] to state a material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading."

To violate the antifraud provisions, a misrepresentation or omission must be material, meaning that a reasonable investor would have considered the misrepresented or omitted fact important when deciding whether to buy, sell or hold the securities in question. See Basic Inc. v. Levinson, 485 U.S. 224, 231-32, 108 S. Ct. 978, 983 (1988). To constitute a violation, the material misstatement or omission must be made with scienter. Aaron v. SEC, 446 U.S. 680, 701-02, 100 S. Ct. 1945, 1958 (1980). Scienter is defined as "a mental state embracing intent to deceive, manipulate, or defraud." Ernst & Ernst v. Hochfelder, 425 U.S. 185, 193-94 n.12, 96 S. Ct. 1375, 1381 n.12 (1976).

Thus, a An issuer violates Section 10(b) and Rule 10b-5 if it makes fraudulent statements in public reports to investors, including press releases and other public statements. See SEC v. Koenig, 469 F.2d 198 (2d Cir. 1972); SEC v. Great American Industries, Inc., 407 F.2d 453 (2d Cir. 1967), cert. denied, 395 U.S. 920 (1969). See also SEC v. Texas Gulf Sulphur Co., 401 F.2d 833 (2d Cir. 1968) (en banc), cert. denied, 394 U.S. 976 (1969). In Public Statements by Corporate Representatives, Securities Act Rel. No. 6504 (January 1984), the Commission reminded registrants that "[t]he antifraud provisions of the federal securities laws apply to all public statements by persons speaking on behalf of the registrant." The Commission also made clear that public announcements and press releases constitute public statements. Id. The court in SEC v. Texas Gulf Sulphur Co., which involved a press release, similarly stated:

Rule 10b-5 is violated whenever assertions are made . . . in a manner reasonably calculated to influence the investing public, e.g., by means of the financial media . . . if such assertions are false or misleading or are so incomplete as to mislead irrespective of whether the issuance of the release was motivated by corporate officials for ulterior purposes.

401 F.2d at 861-863 (emphasis added). See also Carter-Wallace, Inc. Sec. Litig., 150 F.3d 153 (2d Cir. 1998) (advertisements by issuer can be "in connection with" the purchase or sale of securities); Sunbeam Corporation, Exchange Act Release No. 44305 (May 15, 2001) (issuer violated Section 10(b) and Rule 10b-5 when it disseminated materially false and misleading press releases).^{11/}

^{11/} Similarly, an officer of an issuer who makes such misrepresentations or omissions with scienter violates the antifraud provisions. See SEC v. Savoy Indus., 665 F.2d 1310, 1315 (D.C. Cir. 1981); Elkind v. Liggett & Myers, Inc., 635 F.2d 156, 163-64 (2d Cir. 1980). Cf. David C. Fannin, Securities Act of 1933 Release No. 7977 (May 15, 2001) (corporate

(continued...)

To violate the antifraud provisions, a misrepresentation or omission must be material, meaning that a reasonable investor would have considered the misrepresented or omitted fact important when deciding whether to buy, sell or hold the securities in question. See Basic Inc. v. Levinson, 485 U.S. 224, 231-32, 108 S. Ct. 978, 983 (1988). 12/

The omission from the Earnings Release of the information that THCR's pro forma net income included a \$17.2 million one-time gain was material. That omission was material to the assertions in the Earnings Release that pro forma net income for the quarter had improved compared to the prior year, that pro forma net income/quarterly earnings had exceeded analysts' expectations, that quarterly earnings had improved over the prior year, and that the quarterly results/results for the quarter showed that management had been effective in improving the Company's operating performance.

THCR's assertions about its positive and improving performance for the quarter were based upon its pro forma net income — numbers — earnings before interest, taxes, depreciation, amortization, corporate expenses, and Trump World's Fair closing costs (\$106.7 million); and income before Trump World's Fair closing costs of \$81.4 million. The use of this and cumulative effect of change in accounting principle (\$14 million). The use of pro forma number numbers that presented earnings and income before a one-time charge, and the presentation of those pro forma net income numbers as a measure of the Company's operating results, made the undisclosed inclusion of a \$17.2 million one-time gain in the Company's pro forma net income results materially misleading. The one-time gain was material to the Earnings Release because it represented the difference between positive trends in revenues and earnings and negative trends in revenues and earnings, being able to report a \$14 million profit for the quarter rather than a loss and the difference between exceeding analysts' expectations and falling short of them. Thus, the omission of information about a positive trend in earnings rather than a negative one. Because the failure to disclose the one-time gain obscured/masked a negative trend and a failure to meet analysts' expectations, and therefore could reasonably have led analysts and investors to draw inaccurate conclusions about THCR's quarterly results it was materially misleading. See Ganino v. Citizens Utilities Company, 228 F.3d 154, 163-66 (2nd Cir. 2000) (misreporting of income to conceal issuer's failure to meet earnings expectations and to sustain earnings trend may be material). See also Staff Accounting Bulletin No. 99, 17 CFR Part 211 Subpart B (Aug. 19, 1999) (factors that may render material a quantitatively small misstatement in a financial statement include whether the misstatement masks a trend or hides a failure to meet analysts' expectations).

11/ (...continued)

officer who participated in the drafting of misleading earnings releases violated Section 17(a)(3) of the Securities Act).

12/ To violate Section 10(b) and Rule 10b-5, a material misstatement or omission must be made with scienter. Aaron v. SEC, 446 U.S. 680, 701-02, 100 S. Ct. 1945, 1958 (1980). Scienter is defined as "a mental state embracing intent to deceive, manipulate, or defraud." Ernst & Ernst v. Hochfelder, 425 U.S. 185, 193-94 n.12, 96 S. Ct. 1375, 1381 n.12 (1976).

IV. CONCLUSION

In this case, THCR's Earnings Release created the false and misleading impression that the Company had exceeded earnings expectations through operational improvements, when in fact it had not. Under the federal securities laws, ~~even~~ where earnings statements are literally true, they may be materially misleading. The touchstone of accurate disclosure under the securities laws is not literal truth. Thus, even if particular statements, taken separately, are literally true, they will be fraudulent if, taken together and in context, they would mislead a reasonable investor about a material fact (and if And the requisite scienter exists). The materiality of omitted information must be determined in light of the statements taken together and the context in which they are made. —Thus, an issuer's announcement of an improvement in revenues, net income, and operating trends without disclosure that the improvement was the result of a non-recurring gain is or earnings figure, whether calculated in accordance with GAAP or, as in this case, a pro forma number, may be materially misleading. ~~12/~~ If such a material omission is made with scienter, it where the figure is presented as a measure of ongoing operations but fails to disclose that the number has been achieved solely by including income attributable to a one-time gain.

In this case, THCR failed to disclose that it met analysts' expectations due to a one-time gain, even as it purported to present income and earnings from ongoing operations, and thus created the false and misleading impression that the Company had exceeded earnings expectations through operational improvements. Where an issuer (and an individual corporate official) acts with scienter to create a false impression as to a material issue, while withholding information necessary to understand that the impression is misleading, the issuer (and the official) violates Section 10(b) of the Exchange Act and Rule 10b-5 thereunder.



United States
SECURITIES AND EXCHANGE COMMISSION
Washington D.C. 20549

FACSIMILE COVER SHEET

OFFICE OF THE SECRETARY

Date: December 27, 2001

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Before the
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	:	ORDER INSTITUTING
	:	CEASE-AND-DESIST
TRUMP HOTELS &	:	PROCEEDINGS
CASINO RESORTS, INC.,	:	PURSUANT TO SECTION
	:	21C OF THE SECURITIES
	:	EXCHANGE ACT OF 1934,
Respondent.	:	MAKING FINDINGS, AND
	:	ISSUING CEASE-AND-
-----X	:	<u>DESIST ORDER</u>

I.

The Securities and Exchange Commission ("Commission") deems it appropriate that cease-and-desist proceedings pursuant to Section 21C of the Securities Exchange Act of 1934 ("Exchange Act") against Respondent Trump Hotels & Casino Resorts, Inc. ("Trump Hotels" or "the Company") be, and hereby are, instituted.

II.

In anticipation of the institution of these cease-and-desist proceedings, Trump Hotels has submitted an Offer of Settlement ("Offer"), which the Commission has determined to accept. Solely for the purpose of these proceedings and any other proceedings brought by or on behalf of the Commission, or in which the Commission is a party, and without admitting or denying the findings set forth herein, except that Trump Hotels admits the jurisdiction of the Commission over it and over the subject matter of these proceedings, Trump Hotels, by its Offer of Settlement, consents to the entry of this Order Instituting Cease-and-Desist Proceedings Pursuant to Section 21C of the Securities Exchange Act of 1934, Making Findings, and Issuing Cease-and-Desist Order ("Order").

Page 0067 of 1240

Withheld pursuant to exemption

(b)(5)

of the Freedom of Information and Privacy Act

III.

On the basis of this Order and the Offer, the Commission makes the following findings:

SUMMARY

A. On October 25, 1999, Trump Hotels issued a press release announcing its results for the third quarter of 1999 (the "Earnings Release" or the "Release"). To announce those results, the Release used a net income figure that differed from net income calculated in accordance with generally accepted accounting principles ("GAAP"). Using that non-GAAP figure, the Release touted Trump Hotels' purportedly positive operating results for the quarter and stated that the Company had beaten analysts' earnings expectations.

B. The Earnings Release was materially misleading because it created the false and misleading impression that the Company had exceeded earnings expectations primarily through operational improvements, when in fact it had not. The Release expressly stated that the net income figure excluded a one-time charge. By stating that this one-time charge was excluded, the Company implied that no other significant one-time items were included in its stated net income. Contrary to that implication, however, the stated net income included an undisclosed one-time gain of \$17.2 million.

C. The misleading impression created by the reference to the single one-time charge and the undisclosed inclusion of the one-time gain was reinforced by the comparison of the stated earnings per share figure with analysts' earnings estimates and by statements in the Release that the Company been successful in improving its operating performance. In fact, without the one-time gain, the Company's revenues and net income would have decreased from the prior year and the Company would have failed to meet analysts' expectations. The undisclosed one-time gain was thus material, because it represented the difference between positive trends in revenues and earnings and negative trends in revenues and earnings, and the difference between exceeding analysts' expectations and falling short of them.

D. By knowingly or recklessly issuing a materially misleading press release, Trump Hotels violated Section 10(b) of the Exchange Act and Rule 10b-5 thereunder.

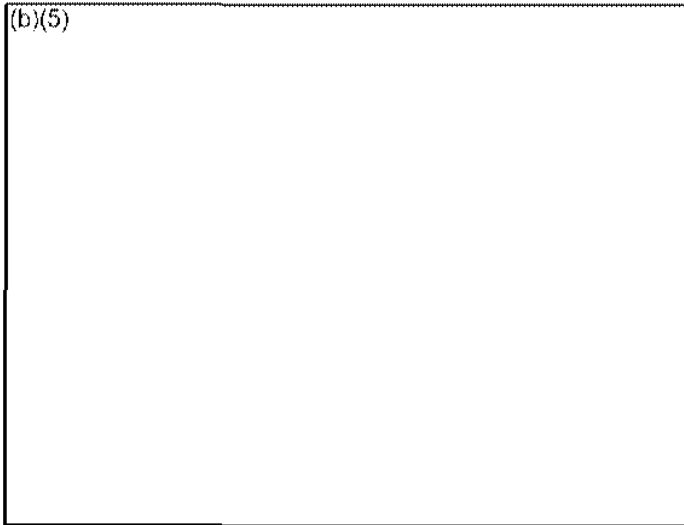
SETTLING RESPONDENT

E. Trump Hotels is a publicly-held Delaware corporation. Through various subsidiaries, it owns and operates the Trump Taj Mahal Casino Resort (the "Taj Mahal") located in Atlantic City, New Jersey, as well as other casino resorts. Trump Hotels and its subsidiaries file reports, including their financial statements, on a consolidated basis. The Company's common stock is registered with the Commission pursuant to Section 12(b) of the Exchange Act and is traded on the New York Stock

(b)(5)

Exchange. The Company's executive offices are in New York City, and its business and financial operations are centered in Atlantic City.

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FACTS

The All Star Gain

F. In September 1999, Taj Mahal Associates ("Taj Associates"), a Trump Hotels subsidiary, took over the All Star Café located in the Taj Mahal Casino from Planet Hollywood International, Inc. On September 15, 1999, Taj Associates, Planet Hollywood, and the All Star Café, Inc. reached an agreement pursuant to which, effective September 24, 1999, the All Star Café's lease of space at the Taj Mahal would be terminated and All Star would be relieved of its rental obligations to Trump Hotels. In return, Taj Associates would receive the All Star Café's leasehold improvements, alterations, and certain personal property. Because the Taj Mahal was going to continue to use the space as a restaurant, the Company's outside auditor advised, in accordance with GAAP, that Taj Associates should record as operating income the fair market value of the leasehold improvements, alterations and personal property reverting to Taj Associates. Based on this advice and on an independent appraisal, Taj Associates (and, on a consolidated basis, Trump Hotels) recorded \$17.2 million, the estimated fair market value of these assets, as a component of operating income for third-quarter 1999.

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The Earnings Release

G. On October 25, 1999 Trump Hotels issued the Earnings Release, publicly announcing its results for the third quarter of 1999. The Release, and the accompanying financial data, defined net income, or net profit, for the quarter as income before a one-time Trump World's Fair closing charge of \$81.4 million. Using this "pro forma" net income,¹ the Release announced that the Company's quarterly earnings exceeded analysts' expectations, stating:

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Although neither the text of the Release nor the accompanying financial data used the term "pro forma," the net income figure was pro forma in that it differed from net income calculated in accordance with GAAP by excluding the one-time charge. (Accordingly, the net income figure is hereafter referred to as "pro forma net income" and the earnings-per-share figure derived from the pro forma net income is referred to as "pro forma EPS.") The Release also used another pro forma figure, EBITDA, which it defined as earnings before interest, taxes, depreciation, amortization, corporate expenses and the \$81.4 million Trump World's Fair closing charge.

The financial data contained in the Release also included figures for net income (loss) and earnings per share for the quarter that, in compliance with GAAP, included the World's Fair charge. Those figures were, respectively, a loss of \$67.4 million and earnings per share of -

H. The Release fostered the false and misleading impression that the positive results and improvement from third-quarter 1998 announced by the Company were primarily the result of operational improvements. In the Release, Trump Hotels' chief executive officer ("CEO") was quoted as saying:

Our focus in 1999 was three-fold: first, to increase our operating margins at each operating entity; second, to decrease our marketing costs; and third, to increase our cash sales from our non-casino operations. We have succeeded in achieving positive results in each of the three categories. The third quarter and nine month results for the company indicate that we have successfully instituted the programs that we focused on during 1999.

I. The Release failed to disclose, however, that the Company's pro forma net income for the quarter included the one-time gain resulting from the All Star Café lease termination. Accordingly, it failed to disclose the impact of that \$17.2 million one-time gain upon the Company's \$14 million pro forma net income or upon any of the other figures cited in the Release. Not only was there no mention of the one-time gain in the text of the Release, but the financial data included in the Release gave no indication of it, because, as discussed below, all revenue items were reflected in a single line item.

J. In fact, without the one-time gain, Trump Hotels' quarterly results would have reflected a decline in revenues and net income and would have failed to meet analysts' expectations. The table below illustrates the impact of the one-time gain on the trends reported in the Earnings Release:

	<u>3rd Q 1998</u>	<u>3rd Q 1999 Per Release</u>	<u>3rd Q 1999 Excluding One-Time Gain</u>
(In thousands)			
Revenues	\$397,387	\$403,072	\$385,872
Net Income	\$ 5,312	\$ 13,958	\$ 3,048
EPS	\$ 0.24	\$ 0.63	\$ 0.14

K. The Earnings Release was misleading. The Release used pro forma numbers that implied that all significant one-time items had been excluded, when they had not. The Release compared the pro forma EPS to analysts' expectations for quarterly EPS, which are generally and were in this case calculated on the basis of continuing business operations, thus reinforcing the false implication that all one-time items had been excluded. Moreover, the Release highlighted improvements in the Company's operations, i.e., the Company's increased operating margins, decreased marketing costs, and increased

\$3.04.

cash sales from non-casino operations.³ By making these representations about Trump Hotels' quarterly performance, without disclosing the existence or impact of the one-time gain, the Release created the false and misleading impression that the Company's third-quarter results had improved over the results for third-quarter 1998 and had exceeded analysts' expectations primarily because management had been effective in improving the Company's operating performance.⁴

Preparation of the Earnings Release

L. Historically, Trump Hotels announced its quarterly results in an earnings release that included financial data presented in a format similar to that of a Form 10-Q or Form 10-K financial statement. Among other things, financial data in these earlier earnings releases itemized revenues (on a Company-wide basis and also by property) by "Casino," "Rooms," "Food & Beverage," and "Other." In the third quarter of 1999, however, at the direction of the Company's CEO, the Company adopted a less detailed, or "streamlined," format for the financial data contained in its earnings releases. Unlike the more detailed format used in earlier quarters, the new, streamlined format did not break out revenue items, but instead disclosed revenue as a single line item for each casino. Thus, the streamlined format did not break out "other revenue," the line-item classification in which the \$17 million one-time All Star Café gain would have been reported under the old format.

M. The Earnings Release was prepared by the Company's corporate treasurer ("Treasurer") and its chief financial officer ("CFO"), under the supervision of the CEO, who had final authority over the contents of the Release.⁵ When the Release was issued, Trump Hotels knew that the estimated fair market value of the All Star Café lease termination would be recorded as part of operating income for third-quarter 1999 and that the estimated fair market value of the transaction was \$17.2

³ Although the statements about increased operating margins, decreased marketing costs, and increased cash sales from non-casino operations were nominally true, in the context of the Earnings Release they were misleading, because, without the \$17.2 million one-time gain, the increases in margins and cash from non-casino operations were negligible. Excluding the one-time gain, Trump Hotels' operating margins increased by 0.4% from third-quarter 1998 and its non-gaming revenue increased by \$1.8 million, or approximately 2.25%. The Company's marketing costs (as represented by promotional allowances) decreased by approximately \$549,000, or approximately 1%.

⁴ See note 7, *infra* (noting that the first research report by Deutsche Banc after the issuance of the Earnings Release had reported that the Company's \$0.63 third-quarter EPS was driven by margin gains).

⁵ The contract of the CEO expired in June 2000 and was not renewed; he is no longer associated with the Company. After the events at issue, the Company established a procedure by which earnings releases are reviewed by the Audit Committee before they are issued.

million. The Company also knew that the Earnings Release used a pro forma net income figure that expressly excluded the \$81.4 million one-time charge but did not disclose the existence or impact of the \$17.2 million one-time gain.

Publication of the Earnings Release and the Aftermath

N. At 10:00 a.m. on October 25, 1999, the day the Earnings Release was issued, Trump Hotels held a conference call with analysts. During the call, the CEO told the analysts that increasing non-casino sales at the Taj Mahal had been a priority over the past year, and cited the Taj Mahal's third-quarter revenues as evidence that the emphasis had paid off. The CEO did not say that the Taj Mahal's non-casino revenue had increased primarily because of the All Star Café transaction.⁶

O. Immediately after the issuance of the Earnings Release and the conference call, analysts began asking questions about the details of the Company's increase in revenues. Within hours of the conference call, Trump Hotels' CFO spoke to several analysts who called with questions about specific aspects of Company's third-quarter results, and he provided them with information about the All Star Café gain. Over the next few days, additional analysts raised questions about the quarterly results, and the lack of detail in the Earnings Release. As a result, the Company's CFO and Treasurer attempted to speak to every analyst who had been on the conference call to explain the All Star Café transaction. In addition, the Company decided to accelerate the filing of its 10-Q for the quarter, which would contain a description of the one-time gain.

P. After learning about the one-time gain, certain analysts informed their clients of its impact. One analyst at Bear, Stearns & Co. notified his clients on October 27, 1999 that the increased third-quarter EPS resulted from the inclusion in revenue of the one-time All Star Café gain. On October 28th, analysts at Deutsche Banc Alex Brown issued a report on the effect of the one-time gain, which was disseminated to subscribers to Deutsche Banc research over the First Call Research Network. The Deutsche Banc analysts reported that Company management had disclosed that day that roughly \$0.47 of the \$0.63 third-quarter pro forma EPS the Company had previously reported "were not operating EPS but were actually the result of an accounting gain." The analysts determined that after backing out the one-time \$17 million gain, Trump Hotels' net revenues would have fallen 2.7 %, rather than rising 1.5 % as they did when the one-time gain was included. The Deutsche Banc report also explained that, without the one-time gain, the Company experienced negative trends in Company-wide cash flows and margins, as well as in Taj Associates' revenues from operations, rather than the positive trends indicated by the Earnings Release. Adjusting for the impact of the one-time gain, the Deutsche Banc analysts

⁶ Without the \$ 17.2 million one-time gain, non-casino sales at the Taj Mahal increased by only \$300,000, or less than one percent, from third-quarter 1998 to third-quarter 1999.

(b)(5)

lowered their 1999 EPS estimate from -\$1.17, contained in their initial report on Trump Hotels' third-quarter results, to -\$1.64.⁷

Q. On October 25th, the day the Earnings Release was issued, the price of the Company's stock rose 7.8 % (from \$ 4 to \$ 4.3125), on volume approximately five times the previous day's volume. On October 28th, the day of the second Deutsche Banc analysts' report, the stock price fell approximately 6%, on volume approximately four times the previous day's volume.⁸

R. On November 4, 1999, Trump Hotels filed its quarterly report on Form 10-Q. The 10-Q disclosed the existence and amount of the one-time gain in a footnote to the financial statements.

Trump Hotels Violated Section 10(b) of the Exchange Act and Rule 10b-5 Thereunder

S. Section 10(b) of the Exchange Act and Rule 10b-5 thereunder make it unlawful, in connection with the purchase or sale of securities, "to make any untrue statement of a material fact or to omit to state a material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading."

T. To violate Section 10(b) of the Exchange Act and Rule 10b-5 thereunder, a misrepresentation or omission must be material, meaning that a reasonable investor would have considered the misrepresented or omitted fact important when deciding whether to buy, sell or hold the securities in question. See Basic Inc. v. Levinson, 485 U.S. 224, 231-32, 108 S. Ct. 978, 983 (1988). To constitute a violation, the material misstatement or omission must be made with scienter. Aaron v. SEC, 446 U.S. 680, 701-02, 100 S. Ct. 1945, 1958 (1980). Scienter can be shown by knowledge of the misrepresentation and, in the Second Circuit, by reckless disregard for the truth or falsity of a representation. Sirota v. Solitron Devices, Inc., 673 F.2d 566, 575 (2d Cir. 1982), cert. denied, 459

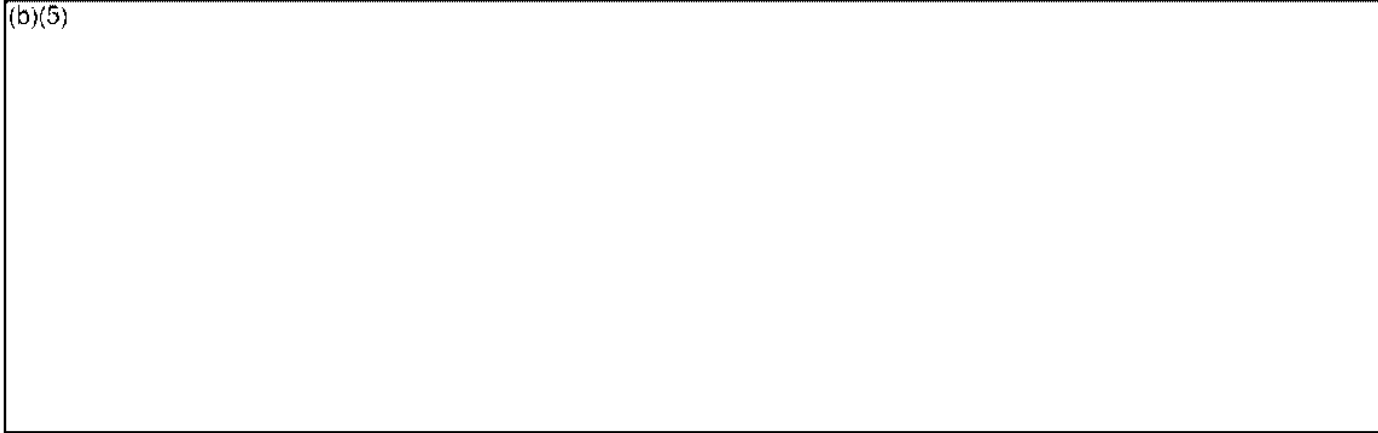
(b)(5)

⁷ The Deutsche Banc analysts first issued a report on Trump Hotels' third-quarter performance (also disseminated via First Call) on October 26th. The earlier report's headline announced that Trump Hotels had reported third-quarter operating EPS of \$0.63, driven by margin gains. The analysts had also reported that net revenues were up 1.5%, despite a 1.3 % decline in gaming revenues at the Company's three Atlantic City properties. In the initial report, the analysts had said that the net revenue increase was the result of an increase in cash flow and profitability at the Atlantic City properties (including the Taj Mahal) and concluded that the increase in cash flow indicated that the Company's emphasis on cost reduction had been effective. As a result of the reported quarterly performance, in the initial report, the Deutsche Banc analysts had raised their 1999 EPS estimate.

⁸ October 28th was also the date on which an article discussing the impact of the one-time gain and the Company's failure to disclose it in the Earnings Release appeared in the Atlantic City Press.

U.S. 838 (1982). Recklessness is defined as "conduct which is highly unreasonable and which represents an extreme departure from the standards of ordinary care . . . to the extent that the danger was either known to the defendant or so obvious that the defendant must have been aware of it." Rolf v. Blyth, Eastman Dillon & Co., 570 F.2d 38, 47 (2d Cir.), cert. denied, 439 U.S. 1039 (1978); see also SEC v. McNulty, 137 F.3d 732, 741 (2d Cir. 1998) (applying Rolf recklessness standard).

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Rule 10b-5 is violated whenever assertions are made . . . in a manner reasonably calculated to influence the investing public, e.g., by means of the financial media . . . , if such assertions are false or misleading or are so incomplete as to mislead irrespective of whether the issuance of the release was motivated by corporate officials for ulterior purposes.

401 F.2d at 861-863 (emphasis added). See also In re Carter-Wallace, Inc. Sec. Litig., 150 F.3d 153 (2d Cir. 1998) (advertisements by issuer can be "in connection with" the purchase or sale of securities); Sunbeam Corporation, Exchange Act Release No. 44305 (May 15, 2001) (issuer violated Section 10(b) and Rule 10b-5 when it disseminated materially false and misleading press releases).

V. The omission from the Earnings Release of the information that Trump Hotels' pro forma net income included a \$17.2 million one-time gain was misleading, for several reasons.⁹ Absent disclosure to the contrary, the use of pro forma numbers in an earnings release reasonably implies that any adjustments to GAAP numbers were made on a consistent basis and do not obscure a significant result or a trend reflected in the GAAP numbers. Here, Trump Hotels' express exclusion of a one-time charge reasonably implied that no other significant one-time item was included in the pro forma net income figure. This implication was reinforced by the Company's assertions in the Release that its

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quarterly results had exceeded analysts' EPS expectations, which are generally, and were in this case, a measure of expected operating performance. Moreover, the misleading impression created by the use of the pro forma net income figure without disclosing the inclusion of the one-time gain was reinforced by the statements in the Release about improvements in the Company's operating performance, specifically, improvements in operating margins, marketing costs, and sales from non-casino operations.

W. In the context of the express exclusion from pro forma net income of the one-time charge, the comparison to analysts' earnings expectations, and the statements about the Company's operational improvements, the omission of information about the one-time gain was material, because the undisclosed one-time gain represented the difference between positive trends in revenues and earnings and negative trends in revenues and earnings, and the difference between exceeding analysts' expectations and falling short of them. Thus, the omission of information about the one-time gain obscured a negative trend and a failure to meet analysts' expectations, and therefore could reasonably have led analysts and investors to draw false conclusions about Trump Hotels' quarterly results.

X. Trump Hotels, through the Trump Hotels officers involved in the drafting and issuance of the Earnings Release, knew that the estimated fair market value of the All Star Café lease termination was recorded as part of operating income for third-quarter 1999 and that the estimated fair market value of the transaction was \$17.2 million. Trump Hotels knew that the Earnings Release used a pro forma net income figure that expressly excluded the one-time charge but did not disclose the existence or impact of the one-time gain. Accordingly, Trump Hotels knew or recklessly disregarded that the Earnings Release was materially misleading.

Y. While engaged in the conduct described above, Trump Hotels, directly and indirectly, used the means or instrumentalities of interstate commerce or the mails.

Z. Trump Hotels committed or caused violations of Section 10(b) of the Exchange Act and Rule 10b-5 thereunder by knowingly or recklessly issuing the Earnings Release.

In view of the foregoing, the Commission deems it appropriate to accept the Offer of Settlement submitted by Trump Hotels and impose the cease-and-desist order specified in the Offer of Settlement.

(b)(6), (b)(7)(C)

Accordingly, IT IS ORDERED, pursuant to Section 21C of the Exchange Act, that Trump Hotels cease and desist from committing or causing any violation, and any future violation, of Section 10(b) of the Exchange Act and Rule 10b-5 thereunder.

By the Commission.

Jonathan G. Katz
Secretary

(b)(6),(b)(7)(C)

NERO

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

ADMINISTRATIVE PROCEEDING
File No.

(b)(5)

----- x
In the Matter of

TRUMP HOTELS &
CASINO RESORTS, INC.,

OFFER OF SETTLEMENT
OF TRUMP HOTELS &
CASINO RESORTS, INC.

Respondent.
----- x

I.

Trump Hotels & Casino Resorts, Inc. ("Trump Hotels" or "Respondent"), pursuant to Rule 240(a) of the Commission's Rules of Practice [17 C.F.R. §201.240(a)], hereby submits this Offer of Settlement ("Offer") in anticipation of the institution by the Commission of cease-and-desist proceedings against it pursuant to 21C of the Securities Exchange Act of 1934 ("Exchange Act").

II.

This Offer is submitted solely for the purpose of settling these proceedings and with the express understanding that it will not be used in any way in these or any other proceedings unless the Offer is accepted by the Commission. If the Offer is not accepted by the Commission, the Offer is withdrawn and shall not become a part of the record in these or any other proceedings, except for the waiver expressed in Section IV. with respect to Rule 240(c)(5) of the Commission's Rules of Practice. [17 C.F.R. § 201-240(c)(5)]

III.

On the basis of the foregoing, Trump Hotels hereby:

A. Admits the jurisdiction of the Commission over it and over the matters set forth in the Order Instituting Cease-and-Desist Proceedings Pursuant to Section 21C of the Securities Exchange Act of 1934, Making Findings, Issuing Cease-and-Desist Order ("Order").

B. Solely for the purpose of these proceedings and any other proceedings brought by or on behalf of the Commission or in which the Commission is a party, and without admitting or denying the findings contained in the Order, except Paragraph III. E. of the Order, which is admitted, consents to the entry of the Order:

1. Making findings that:

SUMMARY

A. On October 25, 1999, Trump Hotels issued a press release announcing its results for the third quarter of 1999 (the "Earnings Release" or the "Release"). To announce those results, the Release used a net income figure that differed from net income calculated in accordance with generally accepted accounting principles ("GAAP"). Using that non-GAAP figure, the Release touted Trump Hotels' purportedly positive operating results for the quarter and stated that the Company had beaten analysts' earnings expectations.

B. The Earnings Release was materially misleading because it created the false and misleading impression that the Company had exceeded earnings expectations primarily through operational improvements, when in fact it had not. The Release expressly stated that the net income figure excluded a one-time charge. By stating that this one-time charge was excluded, the Company implied that no other significant one-time items were included in its stated net income. Contrary to that implication, however, the stated net income included an undisclosed one-time gain of \$17.2 million.

C. The misleading impression created by the reference to the single one-time charge and the undisclosed inclusion of the one-time gain was reinforced by the comparison of the stated earnings per-share figure with analysts' earnings estimates and by statements in the Release that the Company had been successful in improving its operating performance. In fact, without the one-time gain, the Company's revenues and net income would have decreased from the prior year and the Company would have failed to meet analysts' expectations. The undisclosed one-time gain was thus material, because it represented the difference between positive trends in revenues and earnings and negative trends in revenues and earnings, and the difference between exceeding analysts' expectations and falling short of them.

D. By knowingly or recklessly issuing a materially misleading press release, Trump Hotels violated Section 10(b) of the Exchange Act and Rule 10b-5 thereunder.

SETTLING RESPONDENT

E. Trump Hotels is a publicly-held Delaware corporation. Through various subsidiaries, it owns and operates the Trump Taj Mahal Casino Resort (the "Taj Mahal") located in Atlantic City, New Jersey, as well as other casino resorts. Trump Hotels and its subsidiaries file reports, including their financial statements, on a consolidated basis. The Company's common stock is registered with the Commission pursuant to Section 12(b) of the Exchange Act and is traded on the New York Stock Exchange. The Company's executive offices are in New York City, and its business and financial operations are centered in Atlantic City.

FACTS

The All Star Gain

F. In September 1999, Taj Mahal Associates ("Taj Associates"), a Trump Hotels subsidiary, took over the All Star Café located in the Taj Mahal Casino from Planet Hollywood International, Inc. On September 15, 1999, Taj Associates, Planet Hollywood, and the All Star Café, Inc. reached an agreement pursuant to which, effective September 24, 1999, the All Star Café's lease of space at the Taj Mahal would be terminated and All Star would be relieved of its rental obligations to Trump Hotels. In return, Taj Associates would receive the All Star Café's leasehold improvements, alterations, and certain personal property. Because the Taj Mahal was going to continue to use the space as a restaurant, the Company's outside auditor advised, in accordance with GAAP, that Taj Associates should record as operating income the fair market value of the leasehold improvements, alterations and personal property reverting to Taj Associates. Based on this advice and on an independent appraisal, Taj Associates (and, on a consolidated basis, Trump Hotels) recorded \$17.2 million, the estimated fair market value of these assets, as a component of operating income for third-quarter 1999.

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(b)(5)

The Earnings Release

G. On October 25, 1999 Trump Hotels issued the Earnings Release, publicly announcing its results for the third quarter of 1999. The Release, and the accompanying financial data, defined net income, or net profit, for the quarter as income before a one-time Trump World's Fair closing charge

of \$81.4 million. Using this "pro forma" net income, the Release announced that the Company's quarterly earnings exceeded analysts' expectations, stating:

(b)(5)

H. The Release fostered the false and misleading impression that the positive results and improvement from third-quarter 1998 announced by the Company were primarily the result of operational improvements. In the Release, Trump Hotels' chief executive officer ("CEO") was quoted as saying:

Our focus in 1999 was three-fold: first, to increase our operating margins at each operating entity; second, to decrease our marketing costs; and third, to increase our cash sales from our non-casino operations. We have succeeded in achieving positive results in each of the three categories. The third quarter and nine month results for the company indicate that we have successfully instituted the programs that we focused on during 1999.

I. The Release failed to disclose, however, that the Company's pro forma net income for the quarter included the one-time gain resulting from the All Star Café lease termination. Accordingly, it failed to disclose the impact of that \$17.2 million one-time gain upon the Company's \$14 million pro forma net income or upon any of the other figures cited in the Release. Not only was there no mention of the one-time gain in the text of the Release, but the financial data included in the Release gave no indication of it, because, as discussed below, all revenue items were reflected in a single line item.

¹ Although neither the text of the Release nor the accompanying financial data used the term "pro forma," the net income figure was pro forma in that it differed from net income calculated in accordance with GAAP by excluding the one-time charge. (Accordingly, the net income figure is hereafter referred to as "pro forma net income" and the earnings-per-share figure derived from the pro forma net income is referred to as "pro forma EPS.") The Release also used another pro forma figure, EBITDA, which is defined as earnings before interest, taxes, depreciation, amortization, corporate expenses and the \$81.4 million Trump World's Fair closing charge.

² The financial data contained in the Release also included figures for net income (loss) and earnings per share for the quarter that, in compliance with GAAP, included the World's Fair charge. Those figures were, respectively, a loss of \$67.4 million and earnings per share of -\$3.04.

J. In fact, without the one-time gain, Trump Hotels' quarterly results would have reflected a decline in revenues and net income and would have failed to meet analysts' expectations. The table below illustrates the impact of the one-time gain on the trends reported in the Earnings Release:

	<u>3rd Q 1998</u>	<u>3rd Q 1999 Per-Release</u>	<u>3rd Q 1999 Excluding One-Time Gain</u>
(In thousands)			
Revenues	\$397,387	\$403,072	\$385,872
Net Income	\$ 5,312	\$ 13,958	\$ 3,048
EPS	\$ 0.24	\$ 0.63	\$ 0.14

K. The Earnings Release was misleading. The Release used pro forma numbers that implied that all significant one-time items had been excluded, when they had not. The Release compared the pro forma EPS to analysts' expectations for quarterly EPS, which are generally and were in this case calculated on the basis of continuing business operations, thus reinforcing the false implication that all one-time items had been excluded. Moreover, the Release highlighted improvements in the Company's operations, i.e., the Company's increased operating margins, decreased marketing costs, and increased cash sales from non-casino operations.³ By making these representations about Trump Hotels' quarterly performance, without disclosing the existence or impact of the one-time gain, the Release created the false and misleading impression that the Company's third-quarter results had improved over the results for third-quarter 1998 and had exceeded analysts' expectations primarily because management had been effective in improving the Company's operating performance.⁴

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Preparation of the Earnings Release

³ Although the statements about increased operating margins, decreased marketing costs, and increased cash sales from non-casino operations were nominally true, in the context of the Earnings Release they were misleading. Because, without the \$17.2 million one-time gain, the increases in margins and cash from non-casino operations were negligible. Excluding the one-time gain, Trump Hotels' operating margins increased by 0.4% from third-quarter 1998 and its non-gaming revenue increased by \$1.8 million, or approximately 2.25%. The Company's marketing costs (as represented by promotional allowances) decreased by approximately \$549,000, or approximately 1%.

⁴ See note 7, infra (noting that the first research report by Deutsche Banc after the issuance of the Earnings Release had reported that the Company's \$0.63 third-quarter EPS was driven by margin gains).

L. Historically, Trump Hotels announced its quarterly results in an earnings release that included financial data presented in a format similar to that of a Form 10-Q or Form 10-K financial statement. Among other things, financial data in these earlier earnings releases itemized revenues (on a Company-wide basis and also by property) by "Casino," "Rooms," "Food & Beverage," and "Other." In the third quarter of 1999, however, at the direction of the Company's CEO, the Company adopted a less detailed, or "streamlined," format for the financial data contained in its earnings releases. Unlike the more detailed format used in earlier quarters, the new, streamlined format did not break out revenue items, but instead disclosed revenue as a single line item for each casino. Thus, the streamlined format did not break out "other revenue," the line-item classification in which the \$17 million one-time All Star Café gain would have been reported under the old format.

M. The Earnings Release was prepared by the Company's corporate treasurer ("Treasurer") and its chief financial officer ("CFO"), under the supervision of the CEO, who had final authority over the contents of the Release.⁵ When the Release was issued, Trump Hotels knew that the estimated fair market value of the All Star Café lease termination would be recorded as part of operating income for third-quarter 1999 and that the estimated fair market value of the transaction was \$17.2 million. The Company also knew that the Earnings Release used a pro forma net income figure that expressly excluded the \$81.4 million one-time charge but did not disclose the existence or impact of the \$17.2 million one-time gain.

Publication of the Earnings Release and the Aftermath

N. At 10:00 a.m. on October 25, 1999, the day the Earnings Release was issued, Trump Hotels held a conference call with analysts. During the call, the CEO told the analysts that increasing non-casino sales at the Taj Mahal had been a priority over the past year, and cited the Taj Mahal's third-quarter revenues as evidence that the emphasis had paid off. The CEO did not say that the Taj Mahal's non-casino revenue had increased primarily because of the All Star Café transaction.⁶

O. Immediately after the issuance of the Earnings Release and the conference call, analysts began asking questions about the details of the Company's increase in revenues. Within hours of the conference call, Trump Hotels' CFO spoke to several analysts who called with questions about specific aspects of Company's third-quarter results, and he provided them with information about the All Star Café gain. Over the next few days, additional analysts raised questions about the quarterly results, and

⁵ The contract of the CEO expired in June 2000 and was not renewed; he is no longer associated with the Company. After the events at issue, the Company established a procedure by which earnings releases are reviewed by the Audit Committee before they are issued.

⁶ Without the \$ 17.2 million one-time gain, non-casino sales at the Taj Mahal increased by only \$300,000, or less than one percent, from third-quarter 1998 to third-quarter 1999.

the lack of detail in the Earnings Release. As a result, the Company's CFO and Treasurer attempted to speak to every analyst who had been on the conference call to explain the All Star Café transaction. In addition, the Company decided to accelerate the filing of its 10-Q for the quarter, which would contain a description of the one-time gain.

P. After learning about the one-time gain, certain analysts informed their clients of its impact. One analyst at Bear, Stearns & Co. notified his clients on October 27, 1999 that the increased third-quarter EPS resulted from the inclusion in revenue of the one-time All Star Café gain. On October 28th, analysts at Deutsche Banc Alex Brown issued a report on the effect of the one-time gain, which was disseminated to subscribers to Deutsche Banc research over the First Call Research Network. The Deutsche Banc analysts reported that Company management had disclosed that day that roughly \$0.47 of the \$0.63 third-quarter *pro forma* EPS the Company had previously reported "were not operating EPS but were actually the result of an accounting gain." The analysts determined that after backing out the one-time \$17 million gain, Trump Hotels' net revenues would have fallen 2.7 %, rather than rising 1.5 % as they did when the one-time gain was included. The Deutsche Banc report also explained that, without the one-time gain, the Company experienced negative trends in Company-wide cash flows and margins, as well as in Taj Associates' revenues from operations, rather than the positive trends indicated by the Earnings Release. Adjusting for the impact of the one-time gain, the Deutsche Banc analysts lowered their 1999 EPS estimate from -\$1.17, contained in their initial report on Trump Hotels' third-quarter results, to -\$1.64.⁷

Q. On October 25th, the day the Earnings Release was issued, the price of the Company's stock rose 7.8 % (from \$ 4 to \$ 4.3125), on volume approximately five times the previous day's volume. On October 28th, the day of the second Deutsche Banc analysts' report, the stock price fell approximately 6%, on volume approximately four times the previous day's volume.⁸

⁷ The Deutsche Banc analysts first issued a report on Trump Hotels' third-quarter performance (also disseminated via First Call) on October 26th. The earlier report's headline announced that Trump Hotels had reported third-quarter operating EPS of \$0.63, driven by margin gains. The analysts had also reported that net revenues were up 1.5%, despite a 1.3 % decline in gaming revenues at the Company's three Atlantic City properties. In the initial report, the analysts had said that the net revenue increase was the result of an increase in cash flow and profitability at the Atlantic City properties (including the Taj Mahal) and concluded that the increase in cash flow indicated that the Company's emphasis on cost reduction had been effective. As a result of the reported quarterly performance, in the initial report, the Deutsche Banc analysts had raised their 1999 EPS estimate.

⁸ October 28th was also the date on which an article discussing the impact of the one-time gain and the Company's failure to disclose it in the Earnings Release appeared in the Atlantic City Press.

R. On November 4, 1999, Trump Hotels filed its quarterly report on Form 10-Q. The 10-Q disclosed the existence and amount of the one-time gain in a footnote to the financial statements.

Trump Hotels Violated Section 10(b) of the Exchange Act and Rule 10b-5 Thereunder

S. Section 10(b) of the Exchange Act and Rule 10b-5 thereunder make it unlawful, in connection with the purchase or sale of securities, "to make any untrue statement of a material fact or to omit to state a material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading."

T. To violate Section 10(b) of the Exchange Act and Rule 10b-5 thereunder, a misrepresentation or omission must be material, meaning that a reasonable investor would have considered the misrepresented or omitted fact important when deciding whether to buy, sell or hold the securities in question. See Basic Inc. v. Levinson, 485 U.S. 224, 231-32, 108 S. Ct. 978, 983 (1988). To constitute a violation, the material misstatement or omission must be made with scienter. Aaron v. SEC, 446 U.S. 680, 701-02, 100 S. Ct. 1945, 1958 (1980). Scienter can be shown by knowledge of the misrepresentation and, in the Second Circuit, by reckless disregard for the truth or falsity of a representation. Sirota v. Solitron Devices Inc., 673 F.2d 566, 575 (2d Cir. 1982), cert. denied, 459 U.S. 838 (1982). Recklessness is defined as "conduct which is highly unreasonable and which represents an extreme departure from the standards of ordinary care . . . to the extent that the danger was either known to the defendant or so obvious that the defendant must have been aware of it." Rolf v. Blyth, Eastman Dillon & Co., 570 F.2d 38, 47 (2d Cir.), cert. denied, 439 U.S. 1039 (1978); see also SEC v. McNulty, 137 F.3d 732, 741 (2d Cir. 1998) (applying Rolf recklessness standard).

(b)(5)

U. Thus, an issuer that knowingly or recklessly makes false or misleading statements in public announcements to investors, including press releases and other public statements, violates Section 10(b) and Rule 10b-5. See SEC v. Koenig, 459 F.2d 198 (2d Cir. 1972); SEC v. Great American Industries, Inc., 407 F.2d 453 (2d Cir. 1967), cert. denied, 395 U.S. 920 (1969). See also SEC v. Texas Gulf Sulphur Co., 401 F.2d 833 (2d Cir. 1968) (en banc), cert. denied, 394 U.S. 976 (1969). In Public Statements by Corporate Representatives, Securities Act Rel. No. 6504 (January 1984), the Commission reminded registrants that "[t]he antifraud provisions of the federal securities laws apply to all public statements by persons speaking on behalf of the registrant." The Commission also made clear that public announcements and press releases constitute public statements. Id. The court in SEC v. Texas Gulf Sulphur Co., which involved a press release, similarly stated:

Rule 10b-5 is violated whenever assertions are made . . . in a manner reasonably calculated to influence the investing public, e.g., by means of the financial media . . . , if such assertions are false or misleading or are so incomplete as to mislead irrespective of whether the issuance of the release was motivated by corporate officials for ulterior purposes.

401 F.2d at 861-863 (emphasis added). See also Carter-Wallace, Inc. Sec. Litig., 150 F.3d 153 (2d Cir. 1998) (advertisements by issuer cannot be "in connection with" the purchase or sale of securities); Sunbeam Corporation, Exchange Act Release No. 44305 (May 15, 2001) (issuer violated Section 10(b) and Rule 10b-5 when it disseminated materially false and misleading press releases).

V. The omission from the Earnings Release of the information that Trump Hotels' pro forma net income included a \$17.2 million one-time gain was misleading, for several reasons.⁹ Absent disclosure to the contrary, the use of pro forma numbers in an earnings release reasonably implies that any adjustments to GAAP numbers were made on a consistent basis and do not obscure a significant result or a trend reflected in the GAAP numbers. Here, Trump Hotels' express exclusion of a one-time charge reasonably implied that no other significant one-time item was included in the pro forma net income figure. This implication was reinforced by the Company's assertions in the Release that its quarterly results had exceeded analysts' EPS expectations, which are generally, and were in this case, a measure of expected operating performance. Moreover, the misleading impression created by the use of the pro forma net income figure without disclosing the inclusion of the one-time gain was reinforced by the statements in the Release about improvements in the Company's operating performance, specifically, improvements in operating margins, marketing costs, and sales from non-casino operations.

W. In the context of the express exclusion from pro forma net income of the one-time charge, the comparison to analysts' earnings expectations, and the statements about the Company's operational improvements, the omission of information about the one-time gain was material, because the undisclosed one-time gain represented the difference between positive trends in revenues and earnings and negative trends in revenues and earnings, and the difference between exceeding analysts' expectations and falling short of them. Thus, the omission of information about the one-time gain obscured a negative trend and a failure to meet analysts' expectations, and therefore could reasonably have led analysts and investors to draw false conclusions about Trump Hotels' quarterly results.

X. Trump Hotels, through the Trump Hotels officers involved in the drafting and issuance of the Earnings Release, knew that the estimated fair market value of the All Star Café lease termination was recorded as part of operating income for third-quarter 1999 and that the estimated fair market value of the transaction was \$17.2 million. Trump Hotels knew that the Earnings Release used a pro forma net income figure that expressly excluded the one-time charge but did not disclose the existence

⁹

(b)(5)

or impact of the one-time gain. Accordingly, Trump Hotels knew or recklessly disregarded that the Earnings Release was materially misleading.

Y. While engaged in the conduct described above, Trump Hotels, directly and indirectly, used the means or instrumentalities of interstate commerce or the mails.

Z. Trump Hotels committed or caused violations of Section 10(b) of the Exchange Act and Rule 10b-5 thereunder by knowingly or recklessly issuing the Earnings Release.

2. Ordering that:

Trump Hotels cease and desist from committing or causing any violation, and any future violation, of Section 10(b) of the Exchange Act and Rule 10b-5 thereunder.

By submitting this Offer, Trump Hotels hereby acknowledges its waiver of those rights specified in Rule 240(c)(4) and (5) of the Commission's Rules of Practice [17 C.F.R. §201.240(c)(4) and (5)].

Trump Hotels represents that it has read and understands the foregoing Offer; Trump Hotels understands that final acceptance by the Commission of this Offer will be only by its Findings and Order and Opinion, if any, issued in this proceeding, and Trump Hotels avers that this Offer is made voluntarily, and that no promises, offers, threats, or inducements of any kind or nature have been made by the Commission or any member, officer, employee, agent, or representative of the Commission in consideration of this Offer or otherwise to induce Trump Hotels to submit this Offer.

Trump Hotels acknowledges that it has been informed that the Commission, in its sole or exclusive discretion, may refer or grant access to this matter, or to any information or evidence gathered in connection therewith or derived therefrom, to any person or entity having appropriate civil, administrative, or criminal jurisdiction.

Trump Hotels understands and agrees to comply with the Commission's policy "not to permit a defendant or respondent to consent to a judgment or order that imposes a sanction while denying the allegations in the complaint or order for proceedings" (17 C.F.R. §202.5(e)). In compliance with this

policy, Trump Hotels agrees not to take any action or to make or permit to be made any public statement denying, directly or indirectly, any allegation in the Order or creating the impression that the Order is without factual basis. If Trump Hotels breaches this agreement, the Division of Enforcement may petition the Commission to vacate the Order and restore this proceeding to its active docket. Nothing in this provision affects Trump Hotels' (1) testimonial obligations; or (2) right to take legal positions in litigation in which the Commission is not a party.

VIII.

Consistent with the provisions of 17 C.F.R. §202.5(f), Trump Hotels waives any claim of Double Jeopardy based upon the settlement of this proceeding, including the imposition of any remedy or civil penalty herein.

Dated: , 2001

TRUMP HOTELS & CASINO RESORTS, INC.

By _____

STATE OF)
) ss.:
COUNTY OF)

On this ____ day of December 2001, before me personally appeared _____, to me known to be the person who executed the foregoing Offer of Settlement on behalf of Trump Hotels & Casino Resorts.

Notary Public

My Commission expires: _____

CERTIFICATE OF INCUMBENCY

The undersigned, _____, Secretary of Trump Hotels & Casino Resorts, Inc., a Delaware corporation, hereby certifies that the following named person is an officer of Trump Hotels & Casino Resorts, Inc. in the capacities hereinafter set forth and that the signature of said officer appearing below opposite his name and offices is the true and correct signature.

Name and Title

Signature

The undersigned further certifies that the above-named officer was duly elected and has qualified, and is acting in the offices set forth and is incumbent therein on the date hereof.

Dated: _____, 2001

Secretary of Trump Hotels & Casino Resorts, Inc.

TRUMP HOTELS & CASINO RESORTS, INC.

CERTIFICATE OF CORPORATE RESOLUTION

I, _____, do hereby certify that I am the duly elected, qualified and acting Secretary of Trump Hotels & Casino Resorts, Inc., a Delaware corporation, and that the following is a complete and accurate copy of a resolution adopted by the Board of Directors of Trump Hotels & Casino Resorts, Inc. by unanimous written consent executed as of _____, 2000:

VOTED: That _____ the _____ of Trump Hotels & Casino Resorts, Inc. (the "Corporation"), be and hereby is authorized, for and on behalf of the Corporation, to approve and execute the "Offer of Settlement of Trump Hotels & Casino Resorts, Inc.," attached hereto as Appendix A, and the aforementioned officer be and hereby is authorized to undertake such actions for and on behalf of the Corporation as he may deem necessary and advisable, including the execution of such documents as may be required by the Securities and Exchange Commission, in order to effectuate the foregoing.

I further certify that the aforesaid resolution has not been amended or revoked in any respect and is still in full force and effect.

IN WITNESS WHEREOF, I have executed this Certificate as a sealed instrument as the duly elected, qualified, and acting Secretary of Trump Hotels & Casino Resorts, Inc., hereunto duly authorized this _____ day of _____, 2001.



UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
NORTHEAST REGIONAL OFFICE
233 Broadway
New York, N.Y. 10279

WRITER'S DIRECT DIAL
(b)(6),(b)(7)(C)

December 21, 2001

VIA FEDERAL EXPRESS

Jay Goldberg, Esq.
Jay Goldberg, P.C.
250 Park Avenue
New York, N.Y. 10177

Re: Trump Hotels & Casino Resorts, Inc. (NY-6625)

Dear Mr. Goldberg:

Enclosed is a proposed Offer of Settlement, along with a copy of the proposed Order to which your client would consent, without admitting or denying the findings therein. This version of the Order differs very slightly from the version I previously faxed to you. See new Paragraph III.Z., and the slightly revised ordering language on the last page of the Order. The Offer reflects these changes.

The staff is providing these drafts for settlement purposes only. The contents of the Order and Offer is neither binding on the Commission nor admissible against the Commission in any judicial or administrative proceeding whatsoever. Any settlement negotiated by the staff must be approved by the Commission for the settlement to become effective.

If you have any questions or wish to discuss the contents of these papers, or to arrange for delivery of executed settlement papers, please call me at (b)(6),(b)(7)(C)

Very truly yours
(b)(6),(b)(7)(C)

Enc.: as indicated

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

(b)(5)

SECURITIES AND EXCHANGE ACT OF 1934
Release No. / , 2002

ACCOUNTING AND AUDITING ENFORCEMENT
Release No. / , 2002

ADMINISTRATIVE PROCEEDING
File No. 3- / , 2002

(b)(5)

-----X

TRUMP HOTELS &
CASINO RESORTS, INC.,

Respondent.

:
:
: ORDER INSTITUTING
: CEASE-AND-DESIST
: PROCEEDINGS
: PURSUANT TO SECTION
: 21C OF THE SECURITIES
: EXCHANGE ACT OF 1934,
: MAKING FINDINGS, AND
: ISSUING CEASE-AND-
: DESIST ORDER
-----X

(b)(5)

I.

The Securities and Exchange Commission ("Commission") deems it appropriate that
cease-and-desist proceedings pursuant to Section 21C of the Securities Exchange Act of 1934
("Exchange Act") against Respondent Trump Hotels & Casino Resorts, Inc.
("the Company") be, and hereby are, instituted.

(b)(5)

(b)(5)

II.

In anticipation of the institution of these cease-and-desist proceedings, Trump Hotels has submitted an Offer of Settlement ("Offer"), which the Commission has determined to accept. Solely for the purpose of these proceedings and any other proceedings brought by or on behalf of the Commission, or in which the Commission is a party, and without admitting or denying the findings set forth herein, except that Trump Hotels admits the jurisdiction of the Commission over it and over the subject matter of these proceedings, Trump Hotels, by its Offer of Settlement, consents to the entry of this Order Instituting Cease-and-Desist Proceedings Pursuant to Section 21C of the Securities Exchange Act of 1934, Making Findings, and Issuing Cease-and-Desist Order ("Order").

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Withheld pursuant to exemption

(b)(6)

of the Freedom of Information and Privacy Act

FACTS

The All Star Gain

(b)(5)

The Earnings Release

(b)(5)

G. On October 25, 1999 Trump Hotels issued the Earnings Release, publicly announcing its results for the third quarter of 1999. The Release, and the accompanying financial data, defined net income, or net profit, for the quarter as income before a one-time Trump World's Fair closing charge of \$81.4 million. Using this "pro forma" net income,¹ the Release announced that the Company's quarterly earnings exceeded analysts' expectations, stating:

Net income increased to \$ 14.0 million, or \$ 0.63 per share, before a one-time Trump World's Fair charge, compared to \$ 5.3 million or \$ 0.24 per share in 1998. [Trump Hotels'] earnings per share of \$ 0.63 exceeded First Call estimates of \$ 0.54.²

¹ Although neither the text of the Release nor the accompanying financial data used the term "pro forma," the net income figure was pro forma in that it differed from net income calculated in accordance with GAAP by excluding the one-time charge. (Accordingly, the net income figure is hereafter referred to as "pro forma net income" and the earnings-per-share figure derived from the pro forma net income is referred to as "pro forma EPS.") The Release also used another pro forma figure, EBITDA, which it defined as earnings before interest, taxes, depreciation, amortization, corporate expenses and the \$81.4 million Trump World's Fair closing charge.

² The financial data contained in the Release also included figures for net income (loss) and earnings per share for the quarter that, in compliance with GAAP, included the World's Fair charge. Those figures were, respectively, a loss of \$67.4 million and earnings per share of -\$3.04.

Page 0086 of 1240

Withheld pursuant to exemption

(b)(5)

of the Freedom of Information and Privacy Act

Page 0096 of 1240

Withheld pursuant to exemption

(b)(5)

of the Freedom of Information and Privacy Act

Page 0097 of 1240

Withheld pursuant to exemption

(b)(5)

of the Freedom of Information and Privacy Act

Q. On October 25th, the day the Earnings Release was issued, the price of the Company's stock rose 7.8 % (from \$ 4 to \$ 4.3125), on volume approximately five times the previous day's volume. On October 28th, the day of the second Deutsche Banc analysts' report, the stock price fell approximately 6%, on volume approximately four times the previous day's volume.⁸

R. On November 4, 1999, Trump Hotels filed its quarterly report on Form 10-Q. The 10-Q disclosed the existence and amount of the one-time gain in a footnote to the financial statements.

Trump Hotels Violated Section 10(b) of the Exchange Act and Rule 10b-5 Thereunder

S. Section 10(b) of the Exchange Act and Rule 10b-5 thereunder make it unlawful, in connection with the purchase or sale of securities, "to make any untrue statement of a material fact or to omit to state a material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading."

T. To violate Section 10(b) of the Exchange Act and Rule 10b-5 thereunder, a misrepresentation or omission must be material, meaning that a reasonable investor would have considered the misrepresented or omitted fact important when deciding whether to buy, sell or hold the securities in question. See Basic Inc. v. Levinson, 485 U.S. 224, 231-32, 108 S. Ct. 978, 983 (1988). To constitute a violation, the material misstatement or omission must be made with scienter. Aaron v. SEC, 446 U.S. 680, 701-02, 100 S. Ct. 1945, 1958 (1980). Scienter can be shown by knowledge of the misrepresentation and, in the Second Circuit, by reckless disregard for the truth or falsity of a representation. Sirota v. Solitron Devices, Inc., 673 F.2d 566, 575 (2d Cir. 1982), cert. denied, 459 U.S. 838 (1982). Recklessness is defined as "conduct which is highly unreasonable and which represents an extreme departure from the standards of ordinary care . . . to the extent that the danger was either known to the defendant or so obvious that the defendant must have been aware of it." Rolf v. Blyth, Eastman Dillon & Co., 570 F.2d 38, 47 (2d

driven by margin gains. The analysts had also reported that net revenues were up 1.5%, despite a 1.3 % decline in gaming revenues at the Company's three Atlantic City properties. In the initial report, the analysts had said that the net revenue increase was the result of an increase in cash flow and profitability at the Atlantic City properties (including the Taj Mahal) and concluded that the increase in cash flow indicated that the Company's emphasis on cost reduction had been effective. As a result of the reported quarterly performance, in the initial report, the Deutsche Banc analysts had raised their 1999 EPS estimate.

⁸ October 28th was also the date on which an article discussing the impact of the one-time gain and the Company's failure to disclose it in the Earnings Release appeared in the Atlantic City Press.

V. The omission from the Earnings Release of the information that Trump Hotels' pro forma net income included a \$17.2 million one-time gain was misleading, for several reasons.⁹ Absent disclosure to the contrary, the use of pro forma numbers in an earnings release reasonably implies that any adjustments to GAAP numbers were made on a consistent basis and do not obscure a significant result or a trend reflected in the GAAP numbers. Here, Trump Hotels' express exclusion of a one-time charge reasonably implied that no other significant one-time item was included in the pro forma net income figure. This implication was reinforced by the Company's assertions in the Release that its quarterly results had exceeded analysts' EPS expectations, which are generally, and were in this case, a measure of expected operating

⁹ As explained in note 1 above, the Earnings Release did not use the term pro forma but the figures in the Release were pro forma numbers in that they differed from numbers calculated in accordance with GAAP. Even if the Release had identified the numbers as pro formas, however, the Release would still have been misleading for the reasons discussed above. The presence or absence of the term pro forma in and of itself is not dispositive of the question of whether an earnings release or financial statement is misleading.

performance. Moreover, the misleading impression created by the use of the pro forma net income figure without disclosing the inclusion of the one-time gain was reinforced by the statements in the Release about improvements in the Company's operating performance, specifically, improvements in operating margins, marketing costs, and sales from non-casino operations.

W. In the context of the express exclusion from pro forma net income of the one-time charge, the comparison to analysts' earnings expectations, and the statements about the Company's operational improvements, the omission of information about the one-time gain was material, because the undisclosed one-time gain represented the difference between positive trends in revenues and earnings and negative trends in revenues and earnings, and the difference between exceeding analysts' expectations and falling short of them. Thus, the omission of information about the one-time gain obscured a negative trend and a failure to meet analysts' expectations, and therefore could reasonably have led analysts and investors to draw false conclusions about Trump Hotels' quarterly results.

X. Trump Hotels, through the Trump Hotels officers involved in the drafting and issuance of the Earnings Release, knew that the estimated fair market value of the All Star Café lease termination was recorded as part of operating income for third-quarter 1999 and that the estimated fair market value of the transaction was \$17.2 million. Trump Hotels knew that the Earnings Release used a pro forma net income figure that expressly excluded the one-time charge but did not disclose the existence or impact of the one-time gain. Accordingly, Trump Hotels knew or recklessly disregarded that the Earnings Release was materially misleading.

Y. While engaged in the conduct described above, Trump Hotels, directly and indirectly, used the means or instrumentalities of interstate commerce or the mails.

Z. Trump Hotels committed or caused violations of Section 10(b) of the Exchange Act and Rule 10b-5 thereunder by knowingly or recklessly issuing the Earnings Release.

(b)(5)

Accordingly, IT IS ORDERED, pursuant to Section 21C of the Exchange Act, that Trump Hotels cease and desist from committing or causing any violation, and any future violation, of Section 10(b) of the Exchange Act and Rule 10b-5 thereunder.

By the Commission.

Jonathan G. Katz
Secretary

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

ADMINISTRATIVE PROCEEDING
File No.

----- x
In the Matter of :
 :
 :
TRUMP HOTELS & :
CASINO RESORTS, INC., : OFFER OF SETTLEMENT
 : OF TRUMP HOTELS &
 : CASINO RESORTS, INC.
Respondent. :
 :
 :
----- x

I.

Trump Hotels & Casino Resorts, Inc. ("Trump Hotels" or "Respondent"), pursuant to Rule 240(a) of the Commission's Rules of Practice [17 C.F.R. §201.240(a)], hereby submits this Offer of Settlement ("Offer") in anticipation of the institution by the Commission of cease-and-desist proceedings against it pursuant to 21C of the Securities Exchange Act of 1934 ("Exchange Act").

II.

This Offer is submitted solely for the purpose of settling these proceedings and with the express understanding that it will not be used in any way in these or any other proceedings unless the Offer is accepted by the Commission. If the Offer is not accepted by the Commission, the Offer is withdrawn and shall not become a part of the record in these or any other proceedings, except for the waiver expressed in Section IV. with respect to Rule 240(c)(5) of the Commission's Rules of Practice. [17 C.F.R. § 201-240(c)(5)]

III.

On the basis of the foregoing, Trump Hotels hereby:

A. Admits the jurisdiction of the Commission over it and over the matters set forth in the Order Instituting Cease-and-Desist Proceedings Pursuant to Section 21C of the Securities Exchange Act of 1934, Making Findings, Issuing Cease-and-Desist Order ("Order").

B. Solely for the purpose of these proceedings and any other proceedings brought by or on behalf of the Commission or in which the Commission is a party, and without admitting or denying the findings contained in the Order, except Paragraph III. E. of the Order, which is admitted, consents to the entry of the Order:

1. Making findings that:

SUMMARY

A. On October 25, 1999, Trump Hotels issued a press release announcing its results for the third quarter of 1999 (the "Earnings Release" or the "Release"). To announce those results, the Release used a net income figure that differed from net income calculated in accordance with generally accepted accounting principles ("GAAP"). Using that non-GAAP figure, the Release touted Trump Hotels' purportedly positive operating results for the quarter and stated that the Company had beaten analysts' earnings expectations.

B. The Earnings Release was materially misleading because it created the false and misleading impression that the Company had exceeded earnings expectations primarily through operational improvements, when in fact it had not. The Release expressly stated that the net income figure excluded a one-time charge. By stating that this one-time charge was excluded, the Company implied that no other significant one-time items were included in its stated net income. Contrary to that implication, however, the stated net income included an undisclosed one-time gain of \$17.2 million.

C. The misleading impression created by the reference to the single one-time charge and the undisclosed inclusion of the one-time gain was reinforced by the comparison of the stated earnings-per-share figure with analysts' earnings estimates and by statements in the Release that the Company been successful in improving its operating performance. In fact, without the one-time gain, the Company's revenues and net income would have decreased from the prior year and the Company would have failed to meet analysts' expectations. The undisclosed one-time gain was thus material, because it represented the difference between positive trends in revenues and earnings and negative trends in revenues and earnings, and the difference between exceeding analysts' expectations and falling short of them.

D. By knowingly or recklessly issuing a materially misleading press release, Trump Hotels violated Section 10(b) of the Exchange Act and Rule 10b-5 thereunder.

SETTLING RESPONDENT

E. Trump Hotels is a publicly-held Delaware corporation. Through various subsidiaries, it owns and operates the Trump Taj Mahal Casino Resort (the "Taj Mahal") located in Atlantic City, New Jersey, as well as other casino resorts. Trump Hotels and its subsidiaries file reports, including their financial statements, on a consolidated basis. The Company's

common stock is registered with the Commission pursuant to Section 12(b) of the Exchange Act and is traded on the New York Stock Exchange. The Company's executive offices are in New York City, and its business and financial operations are centered in Atlantic City.

FACTS

The All Star Gain

F. In September 1999, Taj Mahal Associates ("Taj Associates"), a Trump Hotels subsidiary, took over the All Star Café located in the Taj Mahal Casino from Planet Hollywood International, Inc. On September 15, 1999, Taj Associates, Planet Hollywood, and the All Star Café, Inc. reached an agreement pursuant to which, effective September 24, 1999, the All Star Café's lease of space at the Taj Mahal would be terminated and All Star would be relieved of its rental obligations to Trump Hotels. In return, Taj Associates would receive the All Star Café's leasehold improvements, alterations, and certain personal property. Because the Taj Mahal was going to continue to use the space as a restaurant, the Company's outside auditor advised, in accordance with GAAP, that Taj Associates should record as operating income the fair market value of the leasehold improvements, alterations and personal property reverting to Taj Associates. Based on this advice and on an independent appraisal, Taj Associates (and, on a consolidated basis, Trump Hotels) recorded \$17.2 million, the estimated fair market value of these assets, as a component of operating income for third-quarter 1999.

The Earnings Release

G. On October 25, 1999 Trump Hotels issued the Earnings Release, publicly announcing its results for the third quarter of 1999. The Release, and the accompanying financial data, defined net income, or net profit, for the quarter as income before a one-time Trump World's Fair closing charge of \$81.4 million. Using this "pro forma" net income,¹ the Release announced that the Company's quarterly earnings exceeded analysts' expectations, stating:

¹ Although neither the text of the Release nor the accompanying financial data used the term "pro forma," the net income figure was pro forma in that it differed from net income calculated in accordance with GAAP by excluding the one-time charge. (Accordingly, the net income figure is hereafter referred to as "pro forma net income" and the earnings-per-share figure derived from the pro forma net income is referred to as "pro forma EPS.") The Release also used another pro forma figure, EBITDA, which it defined as earnings before interest, taxes, depreciation, amortization, corporate expenses and the \$81.4 million Trump World's Fair closing charge.

Net income increased to \$ 14.0 million, or \$ 0.63 per share, before a one-time Trump World's Fair charge, compared to \$ 5.3 million or \$ 0.24 per share in 1998. [Trump Hotels'] earnings per share of \$ 0.63 exceeded First Call estimates of \$ 0.54.²

H. The Release fostered the false and misleading impression that the positive results and improvement from third-quarter 1998 announced by the Company were primarily the result of operational improvements. In the Release, Trump Hotels' chief executive officer ("CEO") was quoted as saying:

Our focus in 1999 was three-fold: first, to increase our operating margins at each operating entity; second, to decrease our marketing costs; and third, to increase our cash sales from our non-casino operations. We have succeeded in achieving positive results in each of the three categories. The third quarter and nine month results for the company indicate that we have successfully instituted the programs that we focused on during 1999.

I. The Release failed to disclose, however, that the Company's pro forma net income for the quarter included the one-time gain resulting from the All Star Café lease termination. Accordingly, it failed to disclose the impact of that \$17.2 million one-time gain upon the Company's \$14 million pro forma net income or upon any of the other figures cited in the Release. Not only was there no mention of the one-time gain in the text of the Release, but the financial data included in the Release gave no indication of it, because, as discussed below, all revenue items were reflected in a single line item.

J. In fact, without the one-time gain, Trump Hotels' quarterly results would have reflected a decline in revenues and net income and would have failed to meet analysts' expectations. The table below illustrates the impact of the one-time gain on the trends reported in the Earnings Release:

	<u>3rd Q 1998</u>	<u>3rd Q 1999 Per Release</u>	<u>3rd Q 1999 Excluding One-Time Gain</u>
(In thousands)			
Revenues	\$397,387	\$403,072	\$385,872
Net Income	\$ 5,312	\$ 13,958	\$ 3,048

² The financial data contained in the Release also included figures for net income (loss) and earnings per share for the quarter that, in compliance with GAAP, included the World's Fair charge. Those figures were, respectively, a loss of \$67.4 million and earnings per share of -\$3.04.

EPS

\$ 0.24

\$ 0.63

\$ 0.14

K. The Earnings Release was misleading. The Release used pro forma numbers that implied that all significant one-time items had been excluded, when they had not. The Release compared the pro forma EPS to analysts' expectations for quarterly EPS, which are generally and were in this case calculated on the basis of continuing business operations, thus reinforcing the false implication that all one-time items had been excluded. Moreover, the Release highlighted improvements in the Company's operations, i.e., the Company's increased operating margins, decreased marketing costs, and increased cash sales from non-casino operations.³ By making these representations about Trump Hotels' quarterly performance, without disclosing the existence or impact of the one-time gain, the Release created the false and misleading impression that the Company's third-quarter results had improved over the results for third-quarter 1998 and had exceeded analysts' expectations primarily because management had been effective in improving the Company's operating performance.⁴

Preparation of the Earnings Release

L. Historically, Trump Hotels announced its quarterly results in an earnings release that included financial data presented in a format similar to that of a Form 10-Q or Form 10-K financial statement. Among other things, financial data in these earlier earnings releases itemized revenues (on a Company-wide basis and also by property) by "Casino," "Rooms," "Food & Beverage," and "Other." In the third quarter of 1999, however, at the direction of the Company's CEO, the Company adopted a less detailed, or "streamlined," format for the financial data contained in its earnings releases. Unlike the more detailed format used in earlier quarters, the new, streamlined format did not break out revenue items, but instead disclosed revenue as a single line item for each casino. Thus, the streamlined format did not break out "other revenue," the line-item classification in which the \$17 million one-time All Star Café gain would have been reported under the old format.

³ Although the statements about increased operating margins, decreased marketing costs, and increased cash sales from non-casino operations were nominally true, in the context of the Earnings Release they were misleading, because, without the \$17.2 million one-time gain, the increases in margins and cash from non-casino operations were negligible. Excluding the one-time gain, Trump Hotels' operating margins increased by 0.4% from third-quarter 1998 and its non-gaming revenue increased by \$1.8 million, or approximately 2.25%. The Company's marketing costs (as represented by promotional allowances) decreased by approximately \$549,000, or approximately 1%.

⁴ See note 7, infra (noting that the first research report by Deutsche Banc after the issuance of the Earnings Release had reported that the Company's \$0.63 third-quarter EPS was driven by margin gains).

M. The Earnings Release was prepared by the Company's corporate treasurer ("Treasurer") and its chief financial officer ("CFO"), under the supervision of the CEO, who had final authority over the contents of the Release.⁵ When the Release was issued, Trump Hotels knew that the estimated fair market value of the All Star Café lease termination would be recorded as part of operating income for third-quarter 1999 and that the estimated fair market value of the transaction was \$17.2 million. The Company also knew that the Earnings Release used a pro forma net income figure that expressly excluded the \$81.4 million one-time charge but did not disclose the existence or impact of the \$17.2 million one-time gain.

Publication of the Earnings Release and the Aftermath

N. At 10:00 a.m. on October 25, 1999, the day the Earnings Release was issued, Trump Hotels held a conference call with analysts. During the call, the CEO told the analysts that increasing non-casino sales at the Taj Mahal had been a priority over the past year, and cited the Taj Mahal's third-quarter revenues as evidence that the emphasis had paid off. The CEO did not say that the Taj Mahal's non-casino revenue had increased primarily because of the All Star Café transaction.⁶

O. Immediately after the issuance of the Earnings Release and the conference call, analysts began asking questions about the details of the Company's increase in revenues. Within hours of the conference call, Trump Hotels' CFO spoke to several analysts who called with questions about specific aspects of Company's third-quarter results, and he provided them with information about the All Star Café gain. Over the next few days, additional analysts raised questions about the quarterly results, and the lack of detail in the Earnings Release. As a result, the Company's CFO and Treasurer attempted to speak to every analyst who had been on the conference call to explain the All Star Café transaction. In addition, the Company decided to accelerate the filing of its 10-Q for the quarter, which would contain a description of the one-time gain.

P. After learning about the one-time gain, certain analysts informed their clients of its impact. One analyst at Bear, Stearns & Co. notified his clients on October 27, 1999 that the increased third-quarter EPS resulted from the inclusion in revenue of the one-time All Star Café gain. On October 28th, analysts at Deutsche Banc Alex Brown issued a report on the effect of the one-time gain, which was disseminated to subscribers to Deutsche Banc research over the First Call Research Network. The Deutsche Banc analysts reported that Company management

⁵ The contract of the CEO expired in June 2000 and was not renewed; he is no longer associated with the Company. After the events at issue, the Company established a procedure by which earnings releases are reviewed by the Audit Committee before they are issued.

⁶ Without the \$ 17.2 million one-time gain, non-casino sales at the Taj Mahal increased by only \$300,000, or less than one percent, from third-quarter 1998 to third-quarter 1999.

had disclosed that day that roughly \$0.47 of the \$0.63 third-quarter pro forma EPS the Company had previously reported "were not operating EPS but were actually the result of an accounting gain." The analysts determined that after backing out the one-time \$17 million gain, Trump Hotels' net revenues would have fallen 2.7 %, rather than rising 1.5 % as they did when the one-time gain was included. The Deutsche Banc report also explained that, without the one-time gain, the Company experienced negative trends in Company-wide cash flows and margins, as well as in Taj Associates' revenues from operations, rather than the positive trends indicated by the Earnings Release. Adjusting for the impact of the one-time gain, the Deutsche Banc analysts lowered their 1999 EPS estimate from -\$1.17, contained in their initial report on Trump Hotels' third-quarter results, to -\$1.64.⁷

Q. On October 25th, the day the Earnings Release was issued, the price of the Company's stock rose 7.8 % (from \$ 4 to \$ 4.3125), on volume approximately five times the previous day's volume. On October 28th, the day of the second Deutsche Banc analysts' report, the stock price fell approximately 6%, on volume approximately four times the previous day's volume.⁸

R. On November 4, 1999, Trump Hotels filed its quarterly report on Form 10-Q. The 10-Q disclosed the existence and amount of the one-time gain in a footnote to the financial statements.

Trump Hotels Violated Section 10(b) of the Exchange Act and Rule 10b-5 Thereunder

S. Section 10(b) of the Exchange Act and Rule 10b-5 thereunder make it unlawful, in connection with the purchase or sale of securities, "to make any untrue statement of a material

⁷ The Deutsche Banc analysts first issued a report on Trump Hotels' third-quarter performance (also disseminated via First Call) on October 26th. The earlier report's headline announced that Trump Hotels had reported third-quarter operating EPS of \$0.63, driven by margin gains. The analysts had also reported that net revenues were up 1.5%, despite a 1.3 % decline in gaming revenues at the Company's three Atlantic City properties. In the initial report, the analysts had said that the net revenue increase was the result of an increase in cash flow and profitability at the Atlantic City properties (including the Taj Mahal) and concluded that the increase in cash flow indicated that the Company's emphasis on cost reduction had been effective. As a result of the reported quarterly performance, in the initial report, the Deutsche Banc analysts had raised their 1999 EPS estimate.

⁸ October 28th was also the date on which an article discussing the impact of the one-time gain and the Company's failure to disclose it in the Earnings Release appeared in the Atlantic City Press.

fact or to omit to state a material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading."

T. To violate Section 10(b) of the Exchange Act and Rule 10b-5 thereunder, a misrepresentation or omission must be material, meaning that a reasonable investor would have considered the misrepresented or omitted fact important when deciding whether to buy, sell or hold the securities in question. See Basic Inc. v. Levinson, 485 U.S. 224, 231-32, 108 S. Ct. 978, 983 (1988). To constitute a violation, the material misstatement or omission must be made with scienter. Aaron v. SEC, 446 U.S. 680, 701-02, 100 S. Ct. 1945, 1958 (1980). Scienter can be shown by knowledge of the misrepresentation and, in the Second Circuit, by reckless disregard for the truth or falsity of a representation. Sirota v. Solitron Devices, Inc., 673 F.2d 566, 575 (2d Cir. 1982), cert. denied, 459 U.S. 838 (1982). Recklessness is defined as "conduct which is highly unreasonable and which represents an extreme departure from the standards of ordinary care . . . to the extent that the danger was either known to the defendant or so obvious that the defendant must have been aware of it." Rolf v. Blyth, Eastman Dillon & Co., 570 F.2d 38, 47 (2d Cir.), cert. denied, 439 U.S. 1039 (1978); see also SEC v. McNulty, 137 F.3d 732, 741 (2d Cir. 1998) (applying Rolf recklessness standard).

U. Thus, an issuer that knowingly or recklessly makes false or misleading statements in public announcements to investors, including press releases and other public statements, violates Section 10(b) and Rule 10b-5. See SEC v. Koenig, 469 F.2d 198 (2d Cir. 1972); SEC v. Great American Industries, Inc., 407 F.2d 453 (2d Cir. 1967), cert. denied, 395 U.S. 920 (1969). See also SEC v. Texas Gulf Sulphur Co., 401 F.2d 833 (2d Cir. 1968) (en banc), cert. denied, 394 U.S. 976 (1969). In Public Statements by Corporate Representatives, Securities Act Rel. No. 6504 (January 1984), the Commission reminded registrants that "[t]he antifraud provisions of the federal securities laws apply to all public statements by persons speaking on behalf of the registrant." The Commission also made clear that public announcements and press releases constitute public statements. Id. The court in SEC v. Texas Gulf Sulphur Co., which involved a press release, similarly stated:

Rule 10b-5 is violated whenever assertions are made . . . in a manner reasonably calculated to influence the investing public, e.g., by means of the financial media . . ., if such assertions are false or misleading or are so incomplete as to mislead irrespective of whether the issuance of the release was motivated by corporate officials for ulterior purposes.

401 F.2d at 861-863 (emphasis added). See also In re Carter-Wallace, Inc. Sec. Litig., 150 F.3d 153 (2d Cir. 1998) (advertisements by issuer can be "in connection with" the purchase or sale of securities); Sunbeam Corporation, Exchange Act Release No. 44305 (May 15, 2001) (issuer violated Section 10(b) and Rule 10b-5 when it disseminated materially false and misleading press releases).

V. The omission from the Earnings Release of the information that Trump Hotels' pro forma net income included a \$17.2 million one-time gain was misleading, for several reasons.⁹ Absent disclosure to the contrary, the use of pro forma numbers in an earnings release reasonably implies that any adjustments to GAAP numbers were made on a consistent basis and do not obscure a significant result or a trend reflected in the GAAP numbers. Here, Trump Hotels' express exclusion of a one-time charge reasonably implied that no other significant one-time item was included in the pro forma net income figure. This implication was reinforced by the Company's assertions in the Release that its quarterly results had exceeded analysts' EPS expectations, which are generally, and were in this case, a measure of expected operating performance. Moreover, the misleading impression created by the use of the pro forma net income figure without disclosing the inclusion of the one-time gain was reinforced by the statements in the Release about improvements in the Company's operating performance, specifically, improvements in operating margins, marketing costs, and sales from non-casino operations.

W. In the context of the express exclusion from pro forma net income of the one-time charge, the comparison to analysts' earnings expectations, and the statements about the Company's operational improvements, the omission of information about the one-time gain was material, because the undisclosed one-time gain represented the difference between positive trends in revenues and earnings and negative trends in revenues and earnings, and the difference between exceeding analysts' expectations and falling short of them. Thus, the omission of information about the one-time gain obscured a negative trend and a failure to meet analysts' expectations, and therefore could reasonably have led analysts and investors to draw false conclusions about Trump Hotels' quarterly results.

X. Trump Hotels, through the Trump Hotels officers involved in the drafting and issuance of the Earnings Release, knew that the estimated fair market value of the All Star Café lease termination was recorded as part of operating income for third-quarter 1999 and that the estimated fair market value of the transaction was \$17.2 million. Trump Hotels knew that the Earnings Release used a pro forma net income figure that expressly excluded the one-time charge but did not disclose the existence or impact of the one-time gain. Accordingly, Trump Hotels knew or recklessly disregarded that the Earnings Release was materially misleading.

Y. While engaged in the conduct described above, Trump Hotels, directly and indirectly, used the means or instrumentalities of interstate commerce or the mails.

⁹ As explained in note 1 above, the Earnings Release did not use the term pro forma but the figures in the Release were pro forma numbers in that they differed from numbers calculated in accordance with GAAP. Even if the Release had identified the numbers as pro formas, however, the Release would still have been misleading for the reasons discussed above. The presence or absence of the term pro forma in and of itself is not dispositive of the question of whether an earnings release or financial statement is misleading.

Z. Trump Hotels committed or caused violations of Section 10(b) of the Exchange Act and Rule 10b-5 thereunder by knowingly or recklessly issuing the Earnings Release.

2. Ordering that:

Trump Hotels cease and desist from committing or causing any violation, and any future violation, of Section 10(b) of the Exchange Act and Rule 10b-5 thereunder.

IV.

By submitting this Offer, Trump Hotels hereby acknowledges its waiver of those rights specified in Rule 240(c)(4) and (5) of the Commission's Rules of Practice [17 C.F.R. §201.240(c)(4) and (5)].

V.

Trump Hotels represents that it has read and understands the foregoing Offer; Trump Hotels understands that final acceptance by the Commission of this Offer will be only by its Findings and Order and Opinion, if any, issued in this proceeding; and Trump Hotels avers that this Offer is made voluntarily, and that no promises, offers, threats, or inducements of any kind or nature have been made by the Commission or any member, officer, employee, agent, or representative of the Commission in consideration of this Offer or otherwise to induce Trump Hotels to submit this Offer.

VI.

Trump Hotels acknowledges that it has been informed that the Commission, in its sole or exclusive discretion, may refer or grant access to this matter, or to any information or evidence gathered in connection therewith or derived therefrom, to any person or entity having appropriate civil, administrative, or criminal jurisdiction.

VII.

Trump Hotels understands and agrees to comply with the Commission's policy "not to permit a defendant or respondent to consent to a judgment or order that imposes a sanction while denying the allegations in the complaint or order for proceedings" (17 C.F.R. §202.5(e)). In compliance with this policy, Trump Hotels agrees not to take any action or to make or permit to be made any public statement denying, directly or indirectly, any allegation in the Order or creating the impression that the Order is without factual basis. If Trump Hotels breaches this agreement, the Division of Enforcement may petition the Commission to vacate the Order and restore this proceeding to its active docket. Nothing in this provision affects Trump Hotels' (i)

testimonial obligations; or (2) right to take legal positions in litigation in which the Commission is not a party.

VIII.

Consistent with the provisions of 17 C.F.R. §202.5(f), Trump Hotels waives any claim of Double Jeopardy based upon the settlement of this proceeding, including the imposition of any remedy or civil penalty herein.

Dated: _____, 2001

TRUMP HOTELS & CASINO RESORTS,
INC.

By _____

STATE OF _____)
) ss.:
COUNTY OF _____)

On this _____ day of December 2001, before me personally appeared _____, to me known to be the person who executed the foregoing Offer of Settlement on behalf of Trump Hotels & Casino Resorts.

Notary Public

My Commission expires: _____

CERTIFICATE OF INCUMBENCY

The undersigned, _____, Secretary of Trump Hotels & Casino Resorts, Inc., a Delaware corporation, hereby certifies that the following named person is an officer of Trump Hotels & Casino Resorts, Inc. in the capacities hereinafter set forth and that the signature of said officer appearing below opposite his name and offices is the true and correct signature.

Name and Title

Signature

The undersigned further certifies that the above-named officer was duly elected and has qualified, and is acting in the offices set forth and is incumbent therein on the date hereof.

Dated: _____, 2001

Secretary of Trump Hotels & Casino Resorts, Inc.

TRUMP HOTELS & CASINO RESORTS, INC.

CERTIFICATE OF CORPORATE RESOLUTION

I, _____, do hereby certify that I am the duly elected, qualified and acting Secretary of Trump Hotels & Casino Resorts, Inc., a Delaware corporation, and that the following is a complete and accurate copy of a resolution adopted by the Board of Directors of Trump Hotels & Casino Resorts, Inc. by unanimous written consent executed as of _____, 2000:

VOTED: That _____, the _____ of Trump Hotels & Casino Resorts, Inc. (the "Corporation"), be and hereby is authorized, for and on behalf of the Corporation; to approve and execute the "Offer of Settlement of Trump Hotels & Casino Resorts, Inc.," attached hereto as Appendix A, and the aforementioned officer be and hereby is authorized to undertake such actions for and on behalf of the Corporation as he may deem necessary and advisable, including the execution of such documents as may be required by the Securities and Exchange Commission, in order to effectuate the foregoing.

I further certify that the aforesaid resolution has not been amended or revoked in any respect and is still in full force and effect.

IN WITNESS WHEREOF, I have executed this Certificate as a sealed instrument as the duly elected, qualified, and acting Secretary of Trump Hotels & Casino Resorts, Inc., hereunto duly authorized this ____ day of _____, 2001.

LAW OFFICES OF
JAY GOLDBERG, P.C.

250 PARK AVENUE
TWENTIETH FLOOR
NEW YORK, NY 10177-0077

TELEPHONE (212) 983-6000
FACSIMILE (212) 983-6000

Facsimile Cover Sheet

Date: **December 26, 2001**

Re:

To: (b)(6),(b)(7)(C)

At (Name of organization): SEC

Fax number: (b)(6),(b)(7)(C)

Telephone number: (b)(6),(b)(7)(C)

Number of pages (Including cover sheet): 3

Message:

Sent by: **Jay Goldberg**

Fax operator: **sc**

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MEMORANDUM

DICTATED BUT NOT PROOFREAD

TO: (b)(6);(b)(7)(C)

FROM: Jay Goldberg

DATE: December 26, 2001

RE: SEC Matter

This is without prejudice to my discussing this with (b)(6);(b)(7)(C) to THCR and to (b)(6);(b)(7)(C) who handled the matter with the NY office.

I would remind (b)(6);(b)(7)(C) of (b)(6);(b)(7)(C) specific remark that the Commission has no intention of parring Mr. Trump.

On page 2 of the Order Instituting Cease and Desist Proceedings (I have not gone over the Offer of Settlement which I just received this morning by federal express) under III I would have a new A (with letters dropping down one) that would read "The action complained of below was a one time occurrence not reflective of THCR's policy; rather, it was primarily the action of a senior but since dismissed official of the Company.

The paragraph marked B (which I would have as a new C), I would have "the Earnings Release contained a material omission because it created the misleading impression

Under summary I would have a new E that would state "There is no evidence that what occurred was within the knowledge or consent of the company president, Donald J. Trump."

On page 4 at H on the first line, I would take out "false and." Right before the quote I would have it read "In the Release Trump Hotels since dismissed chief executive officer."

On page 5 I would take out footnote 5 and under M I would have "the Earning Release was prepared by officials of the Company under the supervision of the CEO."

On page 6, under O I would have "within hours of the conference call, Trump Hotels CFO took corrective action by speaking to At the end of O I would say "there is no evidence that what occurred here represented the policy of the Company or had been done on any other occasion within the knowledge of the SEC."

On page 7 under R I would have "On November 4, 1999, before the required date for filing The 10-Q accurately disclosed...."

On page 8 under U there is language that would clearly tar THCR and run counter to what (b)(6),(b)(7)(C) said would be the approach taken, namely to fix liability for the omission.... With that in mind, I would take out the antifraud word in the citation to Public Statements by Corporate Representatives, starting the quote with "Provisions with the word "the" preceding it and with respect to the indent quote, I would take out are false or misleading or are.

That ends my suggestions.

H(b) SEC\Memos\changes(b) 2.wpd

PRESS LIST
as of 11/01/2001

<u>PUBLICATION</u>	<u>POINT OF CONTACT</u>	<u>PHONE #</u>	<u>NOTES</u>
AP	Marcy Gordon	202-776-9506 202-776-9507 (fax)	SEND ALL CASES TO HER mgordon@ap.org
<i>Business Editor</i>	Brad Skilman	212-621-1680 212-621-1587 (fax)	
Bloomberg	David Glovin	212-732-9245	SEND ALL CASES TO SOMEONE
<i>SDNY courthouse</i>	Andrew Galvin	212-566-3427 (fax)	AT BLOOMBERG
	David Evans	310-910-8811 415-733-7667 (fax)	DAVIDEVANS@bloomberg.net
	Dan Goldstein	202-624-1863	
	Judy Mathewson	202-624-1915 202-624-1363 (fax)	
	Neil Roland	202-624-1868	
	Vicki Stamas	202-624-1958 202-624-1300 (fax)	vstamas@bloomberg.net
Dow Jones	Judy Burns	202-862-6692 202-862-6621(fax)	SEND ALL CASES TO HER Judith.Burns@dowjones.com
	Colleen DeBaise	212-227-2017	Colleen.debaise@dowjones.com
NY Times	General Number	212-556-1234	SEND ALL CASES TO SOMEONE AT
<i>Elec Dir of Reporters</i>	Jeff Cane	212-556-1448(fax)	TIMES -if no specific contact-send to
<i>Assignmt Editor</i>	Alex Berenson	212-556-7208	Jeff Cane cane@nytimes.com
	Leslie Eaton	212-556-1603	
	Barnaby Feder	212-556-7728	
	Ken Gilpin	212-556-3508	gilpin@nytimes.com
	Diana Henriquez	212-556-4397	
	Gretchen Morgenson	212-556-1421 212-556-1448(fax)	
<i>(late coverage)</i>	Seth Schiesel	212-556-4189(fax) 212-556-7135	
	Joyce Wadler	212-556-4238 212-556-5990(fax)	Metro--not a business reporter jowadl@nytimes.com

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	Ed Wyatt	212-556-7251 212-556-1448(fax)	
Wall St Journal			
<i>internet stories</i>	Susan Pulliam	212-416-2761 212-416-2350(fax)	SEND ALL CASES TO SOMEONE AT WSJ
<i>moved to Editorial</i>	Terzah Ewing	212-416-2237 212-416-2350(fax)	
<i>small cap stories</i>	Bill Power	212-416-3183 212-416-2350(fax)	
	Kathryn Kranhold	212-416-3243 212-416-2653(fax)	kathryn.kranhold@news.wsj.com
<i>SDNY courthouse</i>	Jerry Markon	212-416-4935 212-416-4253(fax)	Jerry.markon@wsj.com
	Susan Pulliam	212-16-2137	
	Michael Schroeder	202-862-6693 202-862-6648(fax)	
<i>WSJ- Atlanta</i>	Chris Oster	404-865-4324	chris.oster@wsj.com (covered (b)(6),(b)(7) (C))
<i>WSJ- LA</i>	John Emshwiller	323-658-3822 323-658-3859(fax)	

ABC News

Producer Chris Vlasto 212-456-4035
212-456-3732

Bergen Record Kathleen Lynn 201-646-4231
201-646-4164(fax)

Boston Herald Tom Walsh 617-619-6637

Bridge News AnnMarie Kelley 202-220-3757
202-220-3710(fax)

Business Week Emily Thornton 212-512-3707 *Investment Banking Editor*
212-512-2276/6112

Bus Week Online David Shook 212-512-2480
212-512-0170(fax)

CBS Marketwatch Stephanie O'Brien 212-975-4217 sobrien@marketwatch.com
212-975-7256(fax)

CNN Allan Frank 212-714-7905
212-714-5548(fax)

PUBLICATION **POINT OF CONTACT** **PHONE #** **NOTES**

CNN**Prod: Your Money** Eva DiLallo 212-714-3691 eva.dilallo@turner.com**CNN FN.com** Luisa Beltram 212-714-5738
212-714-7907(fax)**Compliance Reporter**Mark Malyszko 212-224-3281
212-224-3686(fax)**Daily Deal** Donna Block 212-313-9217
Fran McMorris 212-313-9024
212-313-9293(fax)**Daily News** Monique Alfazi 212-210-1675
212-643-7826(fax)
Eric Herman 212-210-2174(2347?)
212-210-2921**SDNY courthouse** Greg Smith 212-210-2211
212-949-3399(fax)**Financial Times** John Labate 212-641-6512 *SEC his beat-has early deadline*
212-641-6515(fax) John.labate@ft.com**Financial Times (London)** 011 440 207-643-2575**Forbes** Kelly Barron 310-394-6617
310-394-8671(fax)**Investors Business Daily**Marilyn Much 212-626-7692
212-626-7699(fax)**LA Times** Jim Bates 213-237-4985
213-237-2686(fax)
213-237-4712(general fax)**National Post (Canada)** Paul Waldie 416-386-2701**NY Magazine** Johanna Berkman (b)(6);(b)(7)(C) interested in (b)(6);(b)(7)(C)
(#may be her home)**Newark Star Ledger** Dave Allen 973-877-4229**PUBLICATION** **POINT OF CONTACT** **PHONE #** **NOTES**

<u>Newsday</u>	Susan Harrigan	212-251-6632 212-696-0396(fax)	
<u>LI stories</u>	Jim Bernstein	516-843-2732 516-843-5459(fax)	
<u>SDNY courthouse</u>	Pat Hurtado	212-267-2294(fax)	
<u>Newsweek (LA)</u>	Tara Weingarten	818-990-2293	
<u>NY Observer</u>	Andrew Goldman	755-2400x233 212-688-4889	
<u>NY Post</u>	Chris Francescani Evelyn Nussenbaum Jessica Sommer	718-624-8608 212-930-8646 212-930-8280(fax) 212-930-8592	Business reporter
<u>SDNY courthouse</u>	Devlin Barrett	212-930-5844 212-930-5842(fax)	
<u>EDNY courthouse</u>	Maggie Haberman	718-624-8913	
<u>NY Times Online</u>	Justin Dini	212-321-5310 212-321-5003(fax)	
<u>Philadelphia Inq</u>	Joe DiStefano	215-854-5957 215-854-5553(fax)	interested in (b)(6),(b)(7)(C)
<u>Reuters</u>	Greg Cresci Kevin Drawbaugh Niala Boodhoo John Poirier Peter Ramjug	212-859-1710 212-898-8313 202-898-8399 202-347-3853(fax) 202-898-8399 202-898-8399 202-347-3853(fax)	
<u>Russian TV</u>	Eugene Piskounov	718-601-1557 917-847-5390(cell)	
<u>Stockwatch</u>	Brent Mudry	604-728-0916 604-687-2304(fax)	
<u>thestreet.com</u>	Bob Kowalsky Mark Martinez	212-321-5002 619-293-3399	works for Herb Greenberg
<u>Time</u>	Ellen Martens	212-522-3293 212-522-0991(fax)	
<u>Trenton Times</u>	Larry Hanover	609-989-5726	

<u>PUBLICATION</u>	<u>POINT OF CONTACT</u>	<u>PHONE #</u>	<u>NOTES</u>
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USA Today

Christine Dugas 212-715-5413
212-715-5435(fax)
Greg Farrell 212-715-5337
Noelle Knox 212-715-5544
212-715-5435(fax)
Kevin McCoy 212-715-2084

gfarrell@usatoday.com
nknox@usatoday.com

Variety

Mike Flemming 631-226-6371
general NY 212-645-0067
212-337-6977(fax)
general LA 323-857-6600
323-857-0494(fax)

Page 0123 of 1240

Withheld pursuant to exemption

(b)(5)

of the Freedom of Information and Privacy Act

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Withheld pursuant to exemption

(b)(6)

of the Freedom of Information and Privacy Act

Page 0125 of 1240

Withheld pursuant to exemption

(b)(6)

of the Freedom of Information and Privacy Act

LAW OFFICES OF
JAY GOLDBERG, P.C.

250 PARK AVENUE
TWENTIETH FLOOR
NEW YORK, NY 10177-0077

TELEPHONE (212) 983-6000
FACSIMILE (212) 983-6008

Facsimile Cover Sheet

Date: January 9, 2002

Re:

To: (b)(6);(b)(7)(C)

At (Name of organization): SEC

Fax number: (b)(6);(b)(7)(C)

Telephone number: (b)(6);(b)(7)(C)

Number of pages (Including cover sheet): 2

Message:

Sent by: Jay Goldberg

Fax operator: sc

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FINAL AND ONLY VERSION**TRUMP HOTELS & CASINO RESORTS, INC. AND THE SECURITIES AND EXCHANGE COMMISSION RESOLVE THREE YEAR DISPUTE**

The Securities and Exchange Commission ("SEC") and Trump Hotels and Casino Resorts, Inc., (THCR) today agreed to settle a dispute going back to 1999, when the then Chief Executive Officer, who is no longer with the company, issued a press release which failed to "break out" operating income to include a one time non-recurring item. Though promptly corrected, the Company agreed to the administrative penalty of a cease and desist order for the questioned 1999 one time event.

No monetary penalty was imposed on the Company. Furthermore, procedures in place since 1999 insure that such an action by an officer of the company can not take place in the future.

The company neither admitted nor denied the allegations, but chose instead to end the three-year-old dispute by way of this settlement.

The Chairman of the Board and now President of THCR, Donald J. Trump had no knowledge and there was no finding that he knew of the Company's action taken in 1999 which resulted in the order issued by the Commission.

In the last quarter of 1999, the then Chief Executive Officer of THCR, whose contract was not renewed at the end of June 2000, issued a press release which failed to disclose that operating income for the quarter included a one-time non-recurring gain which had resulted from the termination of a leasehold interest of a tenant of THCR. While the Commission noted that competitors of THCR use the same format for reporting earnings, which also do not break out revenue items, the Commission nonetheless determined that the Release in question was misleading in omitting the one time nature of the gain.

The Commission, in determining to accept the Offer to consent to this administrative remedy, considered remedial acts promptly undertaken by THCR, and the limited duration of the violations.

TRUMP HOTELS & CASINO RESORTS, INC.

725 Fifth Avenue
New York, New York 10022
Telephone: (212) 891-1500
Facsimile: (212) 688-0397

PRIORITY:	_____
SEND IMMEDIATELY	_____
SEND WITHIN 1 HR.	_____
SEND BY END OF DAY	_____

FACSIMILE COVER LETTER

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PRIVILEGED AND CONFIDENTIAL

Date: January 9, 2002

5 Pages (includ. this sheet)

Time: 1:48 pm

SEND TO:

Name:

(b)(6), (b)(7)(C)

Company:

U.S. Securities and Exchange Commission

Facsimile No.:

(b)(6), (b)(7)(C)

FROM:

Name:

(b)(6), (b)(7)(C)

NOTE:



January 9, 2002

VIA FACSIMILE (b)(6),(b)(7)(C)
AND DHL

(b)(6),(b)(7)(C)

U.S. Securities and Exchange Commission
Northeast Regional Office
233 Broadway
New York, NY 10279

Re: Trump Hotels & Casino Resorts, Inc. (NY-6625)

Dear (b)(6),(b)(7)(C)

Being faxed herewith are fully-executed copies of the signature pages of the following documents:

1. Offer of Settlement (the "Offer") of Trump Hotels & Casino Resorts, Inc. (the "Corporation");
2. Certificate of Incumbency regarding the execution of the Offer by a duly authorized officer of the Corporation; and
3. Certificate of Corporate Resolution of the Board of Directors of the Corporation authorizing and directing the execution and delivery of the Offer and all documents related thereto.

Please note that originally executed copies of the entire above-referenced documents are being sent to you today via DHL under separate cover. Please contact the undersigned at (b)(6),(b)(7) (b)(6), if you have any questions regarding this matter.

Very truly yours,

(b)(6),(b)(7)(C)

Enclosures

VIII.

Consistent with the provisions of 17 C.F.R. §202.5(f), THCR waives any claim of Double Jeopardy based upon the settlement of this proceeding, including the imposition of any remedy or civil penalty herein.

Dated: January 9, 2002

TRUMP HOTELS & CASINO RESORTS, INC.

By

(b)(6),(b)(7)(C)

STATE OF New York)
COUNTY OF New York) ss.:

On this 9th day of January 2002, before me personally appeared (b)(6),(b)(7)(C), to me known to be the person who executed the foregoing Offer of Settlement on behalf of Trump Hotels & Casino Resorts, Inc..

(b)(6),(b)(7)(C)

My Commission expires: 9/23/02

(b)(6),(b)(7)(C)
Notary Public, State of New York
No. (b)(6),(b)(7)(C)
Qualified in (b)(6),(b)(7)(C)
Commission Expires September 23, 2002

CERTIFICATE OF INCUMBENCY

The undersigned, (b)(6),(b)(7)(C) of Trump Hotels &

Casino Resorts, Inc., a Delaware corporation, hereby certifies that the following named person is an officer of Trump Hotels & Casino Resorts, Inc. in the capacities hereinafter set forth and that the signature of said officer appearing below opposite his name and offices is the true and correct signature.

Name and Title

(b)(6),(b)(7)(C)

Signature

(b)(6),(b)(7)(C)

(b)(6),(b)(7)(C)

The undersigned further certifies that the above-named officer was duly elected and has qualified, and is acting in the offices set forth and is incumbent therein on the date hereof.

Dated: Jan 7, 2002

(b)(6),(b)(7)(C)

(b)(6),(b)(7)(C)

TRUMP HOTELS & CASINO RESORTS, INC.

CERTIFICATE OF CORPORATE RESOLUTION

I, (b)(6),(b)(7)(C), do hereby certify that I am the duly elected, qualified and acting Secretary of Trump Hotels & Casino Resorts, Inc., a Delaware corporation, and that the following is a complete and accurate copy of a resolution adopted by the Board of Directors of Trump Hotels & Casino Resorts, Inc. by unanimous written consent executed as of

January 9, 2002:

VOTED: That (b)(6),(b)(7)(C), the (b)(6),(b)(7)(C) of Trump Hotels & Casino Resorts, Inc. (the "Corporation"), be and hereby is authorized, for and on behalf of the Corporation; to approve and execute the "Offer of Settlement of Trump Hotels & Casino Resorts, Inc.," attached hereto as Appendix A, and the aforementioned officer be and hereby is authorized to undertake such actions for and on behalf of the Corporation as he may deem necessary and advisable, including the execution of such documents as may be required by the Securities and Exchange Commission, in order to effectuate the foregoing.

I further certify that the aforesaid resolution has not been amended or revoked in any respect and is still in full force and effect.

IN WITNESS WHEREOF, I have executed this Certificate as a sealed instrument as the duly elected, qualified, and acting Secretary of Trump Hotels & Casino Resorts, Inc., hereunto duly authorized this 9th day of January, 2002

(b)(6),(b)(7)(C)
(b)(6),(b)(7)(C)



UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
 NORTHEAST REGIONAL OFFICE
 233 BROADWAY
 NEW YORK, N.Y. 10279

WRITER'S DIRECT DIAL NUMBER

**NORTHEAST REGIONAL OFFICE
 FACSIMILE TRANSMISSION FORM**

Please deliver this document to:

Name: (b)(6),(b)(7)(C)

Firm/Division: *DCC / enforcement*

Fax: (b)(6),(b)(7)(C)

Total Pages: *5*
 (with cover sheet)

Sent By: (b)(6),(b)(7)(C)

Date: *1/9/02*

Transmitted By: (b)(6),(b)(7)(C)

NERO FAX #: (b)(6),(b)(7)(C)

Please call the sender at (b)(6),(b)(7)(C) (b)(6),(b)(7)(C) if there are any problems.

THANK YOU!

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Page 0134 of 1240

Withheld pursuant to exemption

(b)(6)

of the Freedom of Information and Privacy Act

LAW OFFICES OF
JAY GOLDBERG, P.C.

250 PARK AVENUE
TWENTIETH FLOOR
NEW YORK, NY 10177-0077

TELEPHONE (212) 983-6000
FACSIMILE (212) 983-6008

Facsimile Cover Sheet

Date: **January 7, 2002**

Re:

To: [REDACTED]

At (Name of organization): **SEC**

Fax number: [REDACTED]

Telephone number: [REDACTED]

Number of pages (Including cover sheet): **2**

Message:

Sent by: **Jay Goldberg**

Fax operator: **sc**

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Page 0136 of 1240

Withheld pursuant to exemption

(b)(5)

of the Freedom of Information and Privacy Act



UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
NORTHEAST REGIONAL OFFICE
233 Broadway
New York, N.Y. 10279

WRITER'S DIRECT DIAL
(b)(6), (b)(7)(C)

December 21, 2001

VIA FAX and FEDERAL EXPRESS

Jay Goldberg, Esq.
Jay Goldberg, P.C.
250 Park Avenue
New York, N.Y. 10177

Re: Trump Hotels & Casino Resorts, Inc. (NY-6625)

Dear Mr. Goldberg:

As we discussed, I am forwarding herewith for your review a proposed order reflecting the contemplated settlement of this matter. I will shortly forward another document, an Offer of Settlement, which your client will need to execute before the settlement can be submitted to the Commission for its approval. (The Offer of Settlement repeats the findings and relief set forth in the Order, and includes various waivers and acknowledgements.)

The staff is providing this draft order for settlement purposes only. The contents of this Report is neither binding on the Commission nor admissible against the Commission in any judicial or administrative proceeding whatsoever. Any settlement negotiated by the staff must be approved by the Commission for the settlement to become effective.

If you have any questions or wish to discuss this, you can reach me at (b)(6), (b)(7)(C)

Very truly yours,

(b)(6), (b)(7)(C)

Enc.: as indicated

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES AND EXCHANGE ACT OF 1934

Release No. / , 2002

ACCOUNTING AND AUDITING ENFORCEMENT

Release No. / , 2002

ADMINISTRATIVE PROCEEDING

File No. 3- / , 2002

-----X
:
:
:
TRUMP HOTELS & :
CASINO RESORTS, INC., :
:
Respondent. :
:
-----X

ORDER INSTITUTING
CEASE-AND-DESIST
PROCEEDINGS
PURSUANT TO SECTION
21C OF THE SECURITIES
EXCHANGE ACT OF 1934,
MAKING FINDINGS, AND
ISSUING CEASE-AND-
DESIST ORDER

I.

The Securities and Exchange Commission ("Commission") deems it appropriate that cease-and-desist proceedings pursuant to Section 21C of the Securities Exchange Act of 1934 ("Exchange Act") against Respondent Trump Hotels & Casino Resorts, Inc. ("Trump Hotels" or "the Company") be, and hereby are, instituted.

II.

In anticipation of the institution of these cease-and-desist proceedings, Trump Hotels has submitted an Offer of Settlement ("Offer"), which the Commission has determined to accept. Solely for the purpose of these proceedings and any other proceedings brought by or on behalf of the Commission, or in which the Commission is a party, and without admitting or denying the findings set forth herein, except that Trump Hotels admits the jurisdiction of the Commission over it and over the subject matter of these proceedings, Trump Hotels, by its Offer of Settlement, consents to the entry of this Order Instituting Cease-and-Desist Proceedings Pursuant to Section 21C of the Securities Exchange Act of 1934, Making Findings, and Issuing Cease-and-Desist Order ("Order").

III.

On the basis of this Order and the Offer, the Commission makes the following findings:

SUMMARY

A. On October 25, 1999, Trump Hotels issued a press release announcing its results for the third quarter of 1999 (the "Earnings Release" or the "Release"). To announce those results, the Release used a net income figure that differed from net income calculated in accordance with generally accepted accounting principles ("GAAP"). Using that non-GAAP figure, the Release touted Trump Hotels' purportedly positive operating results for the quarter and stated that the Company had beaten analysts' earnings expectations.

B. The Earnings Release was materially misleading because it created the false and misleading impression that the Company had exceeded earnings expectations primarily through operational improvements, when in fact it had not. The Release expressly stated that the net income figure excluded a one-time charge. By stating that this one-time charge was excluded, the Company implied that no other significant one-time items were included in its stated net income. Contrary to that implication, however, the stated net income included an undisclosed one-time gain of \$17.2 million.

C. The misleading impression created by the reference to the single one-time charge and the undisclosed inclusion of the one-time gain was reinforced by the comparison of the stated earnings-per-share figure with analysts' earnings estimates and by statements in the Release that the Company been successful in improving its operating performance. In fact, without the one-time gain, the Company's revenues and net income would have decreased from the prior year and the Company would have failed to meet analysts' expectations. The undisclosed one-time gain was thus material, because it represented the difference between positive trends in revenues and earnings and negative trends in revenues and earnings, and the difference between exceeding analysts' expectations and falling short of them.

D. By knowingly or recklessly issuing a materially misleading press release, Trump Hotels violated Section 10(b) of the Exchange Act and Rule 10b-5 thereunder.

SETTLING RESPONDENT

E. Trump Hotels is a publicly-held Delaware corporation. Through various subsidiaries, it owns and operates the Trump Taj Mahal Casino Resort (the "Taj Mahal") located in Atlantic City, New Jersey, as well as other casino resorts. Trump Hotels and its subsidiaries file reports, including their financial statements, on a consolidated basis. The Company's common stock is registered with the Commission pursuant to Section 12(b) of the Exchange Act and is traded on the New York Stock Exchange. The Company's executive offices are in New York City, and its business and financial operations are centered in Atlantic City.

FACTS

The All Star Gain

F. In September 1999, Taj Mahal Associates ("Taj Associates"), a Trump Hotels subsidiary, took over the All Star Café located in the Taj Mahal Casino from Planet Hollywood International, Inc. On September 15, 1999, Taj Associates, Planet Hollywood, and the All Star Café, Inc. reached an agreement pursuant to which, effective September 24, 1999, the All Star Café's lease of space at the Taj Mahal would be terminated and All Star would be relieved of its rental obligations to Trump Hotels. In return, Taj Associates would receive the All Star Café's leasehold improvements, alterations, and certain personal property. Because the Taj Mahal was going to continue to use the space as a restaurant, the Company's outside auditor advised, in accordance with GAAP, that Taj Associates should record as operating income the fair market value of the leasehold improvements, alterations and personal property reverting to Taj Associates. Based on this advice and on an independent appraisal, Taj Associates (and, on a consolidated basis, Trump Hotels) recorded \$17.2 million, the estimated fair market value of these assets, as a component of operating income for third-quarter 1999.

The Earnings Release

G. On October 25, 1999 Trump Hotels issued the Earnings Release, publicly announcing its results for the third quarter of 1999. The Release, and the accompanying financial data, defined net income, or net profit, for the quarter as income before a one-time Trump World's Fair closing charge of \$81.4 million. Using this "pro forma" net income,¹ the Release announced that the Company's quarterly earnings exceeded analysts' expectations, stating:

Net income increased to \$ 14.0 million, or \$ 0.63 per share, before a one-time Trump World's Fair charge, compared to \$ 5.3 million or \$ 0.24 per share in 1998. [Trump Hotels'] earnings per share of \$ 0.63 exceeded First Call estimates of \$ 0.54.²

¹ Although neither the text of the Release nor the accompanying financial data used the term "pro forma," the net income figure was pro forma in that it differed from net income calculated in accordance with GAAP by excluding the one-time charge. (Accordingly, the net income figure is hereafter referred to as "pro forma net income" and the earnings-per-share figure derived from the pro forma net income is referred to as "pro forma EPS.") The Release also used another pro forma figure, EBITDA, which it defined as earnings before interest, taxes, depreciation, amortization, corporate expenses and the \$81.4 million Trump World's Fair closing charge.

² The financial data contained in the Release also included figures for net income (loss) and earnings per share for the quarter that, in compliance with GAAP, included the World's Fair charge. Those figures were, respectively, a loss of \$67.4 million and earnings per share of -\$3.04.

H. The Release fostered the false and misleading impression that the positive results and improvement from third-quarter 1998 announced by the Company were primarily the result of operational improvements. In the Release, Trump Hotels' chief executive officer ("CEO") was quoted as saying:

Our focus in 1999 was three-fold: first, to increase our operating margins at each operating entity; second, to decrease our marketing costs; and third, to increase our cash sales from our non-casino operations. We have succeeded in achieving positive results in each of the three categories. The third quarter and nine month results for the company indicate that we have successfully instituted the programs that we focused on during 1999.

I. The Release failed to disclose, however, that the Company's pro forma net income for the quarter included the one-time gain resulting from the All Star Café lease termination. Accordingly, it failed to disclose the impact of that \$17.2 million one-time gain upon the Company's \$14 million pro forma net income or upon any of the other figures cited in the Release. Not only was there no mention of the one-time gain in the text of the Release, but the financial data included in the Release gave no indication of it, because, as discussed below, all revenue items were reflected in a single line item.

J. In fact, without the one-time gain, Trump Hotels' quarterly results would have reflected a decline in revenues and net income and would have failed to meet analysts' expectations. The table below illustrates the impact of the one-time gain on the trends reported in the Earnings Release:

	<u>3rd Q 1998</u>	<u>3rd Q 1999 Per Release</u>	<u>3rd Q 1999 Excluding One-Time Gain</u>
(In thousands)			
Revenues	\$397,387	\$403,072	\$385,872
Net Income	\$ 5,312	\$ 13,958	\$ 3,048
EPS	\$ 0.24	\$ 0.63	\$ 0.14

K. The Earnings Release was misleading. The Release used pro forma numbers that implied that all significant one-time items had been excluded, when they had not. The Release compared the pro forma EPS to analysts' expectations for quarterly EPS, which are generally and were in this case calculated on the basis of continuing business operations, thus reinforcing the false implication that all one-time items had been excluded. Moreover, the Release highlighted improvements in the Company's operations, i.e., the Company's increased operating margins, decreased marketing costs, and increased cash sales from non-casino operations.³ By making

³ Although the statements about increased operating margins, decreased marketing costs, and increased cash sales from non-casino operations were nominally true, in the context of

these representations about Trump Hotels' quarterly performance, without disclosing the existence or impact of the one-time gain, the Release created the false and misleading impression that the Company's third-quarter results had improved over the results for third-quarter 1998 and had exceeded analysts' expectations primarily because management had been effective in improving the Company's operating performance.⁴

Preparation of the Earnings Release

L. Historically, Trump Hotels announced its quarterly results in an earnings release that included financial data presented in a format similar to that of a Form 10-Q or Form 10-K financial statement. Among other things, financial data in these earlier earnings releases itemized revenues (on a Company-wide basis and also by property) by "Casino," "Rooms," "Food & Beverage," and "Other." In the third quarter of 1999, however, at the direction of the Company's CEO, the Company adopted a less detailed, or "streamlined," format for the financial data contained in its earnings releases. Unlike the more detailed format used in earlier quarters, the new, streamlined format did not break out revenue items, but instead disclosed revenue as a single line item for each casino. Thus, the streamlined format did not break out "other revenue," the line-item classification in which the \$17 million one-time All Star Café gain would have been reported under the old format.

M. The Earnings Release was prepared by the Company's corporate treasurer ("Treasurer") and its chief financial officer ("CFO"), under the supervision of the CEO, who had final authority over the contents of the Release.⁵ When the Release was issued, Trump Hotels knew that the estimated fair market value of the All Star Café lease termination would be recorded as part of operating income for third-quarter 1999 and that the estimated fair market value of the transaction was \$17.2 million. The Company also knew that the Earnings Release used a pro forma net income figure that expressly excluded the \$81.4 million one-time charge but did not disclose the existence or impact of the \$17.2 million one-time gain.

the Earnings Release they were misleading, because, without the \$17.2 million one-time gain, the increases in margins and cash from non-casino operations were negligible. Excluding the one-time gain, Trump Hotels' operating margins increased by 0.4% from third-quarter 1998 and its non-gaming revenue increased by \$1.8 million, or approximately 2.25%. The Company's marketing costs (as represented by promotional allowances) decreased by approximately \$549,000, or approximately 1%.

⁴ See note 7, infra (noting that the first research report by Deutsche Banc after the issuance of the Earnings Release had reported that the Company's \$0.63 third-quarter EPS was driven by margin gains).

⁵ The contract of the CEO expired in June 2000 and was not renewed; he is no longer associated with the Company. After the events at issue, the Company established a procedure by which earnings releases are reviewed by the Audit Committee before they are issued.

Publication of the Earnings Release and the Aftermath

N. At 10:00 a.m. on October 25, 1999, the day the Earnings Release was issued, Trump Hotels held a conference call with analysts. During the call, the CEO told the analysts that increasing non-casino sales at the Taj Mahal had been a priority over the past year, and cited the Taj Mahal's third-quarter revenues as evidence that the emphasis had paid off. The CEO did not say that the Taj Mahal's non-casino revenue had increased primarily because of the All Star Café transaction.⁶

O. Immediately after the issuance of the Earnings Release and the conference call, analysts began asking questions about the details of the Company's increase in revenues. Within hours of the conference call, Trump Hotels' CFO spoke to several analysts who called with questions about specific aspects of Company's third-quarter results, and he provided them with information about the All Star Café gain. Over the next few days, additional analysts raised questions about the quarterly results, and the lack of detail in the Earnings Release. As a result, the Company's CFO and Treasurer attempted to speak to every analyst who had been on the conference call to explain the All Star Café transaction. In addition, the Company decided to accelerate the filing of its 10-Q for the quarter, which would contain a description of the one-time gain.

P. After learning about the one-time gain, certain analysts informed their clients of its impact. One analyst at Bear, Stearns & Co. notified his clients on October 27, 1999 that the increased third-quarter EPS resulted from the inclusion in revenue of the one-time All Star Café gain. On October 28th, analysts at Deutsche Banc Alex Brown issued a report on the effect of the one-time gain, which was disseminated to subscribers to Deutsche Banc research over the First Call Research Network. The Deutsche Banc analysts reported that Company management had disclosed that day that roughly \$0.47 of the \$0.63 third-quarter pro forma EPS the Company had previously reported "were not operating EPS but were actually the result of an accounting gain." The analysts determined that after backing out the one-time \$17 million gain, Trump Hotels' net revenues would have fallen 2.7 %, rather than rising 1.5 % as they did when the one-time gain was included. The Deutsche Banc report also explained that, without the one-time gain, the Company experienced negative trends in Company-wide cash flows and margins, as well as in Taj Associates' revenues from operations, rather than the positive trends indicated by the Earnings Release. Adjusting for the impact of the one-time gain, the Deutsche Banc analysts lowered their 1999 EPS estimate from -\$1.17, contained in their initial report on Trump Hotels' third-quarter results, to -\$1.64.⁷

⁶ Without the \$ 17.2 million one-time gain, non-casino sales at the Taj Mahal increased by only \$300,000, or less than one percent, from third-quarter 1998 to third-quarter 1999.

⁷ The Deutsche Banc analysts first issued a report on Trump Hotels' third-quarter performance (also disseminated via First Call) on October 26th. The earlier report's headline announced that Trump Hotels had reported third-quarter operating EPS of \$0.63,

Q. On October 25th, the day the Earnings Release was issued, the price of the Company's stock rose 7.8 % (from \$ 4 to \$ 4.3125), on volume approximately five times the previous day's volume. On October 28th, the day of the second Deutsche Banc analysts' report, the stock price fell approximately 6%, on volume approximately four times the previous day's volume.⁸

R. On November 4, 1999, Trump Hotels filed its quarterly report on Form 10-Q. The 10-Q disclosed the existence and amount of the one-time gain in a footnote to the financial statements.

Trump Hotels Violated Section 10(b) of the Exchange Act and Rule 10b-5 Thereunder

S. Section 10(b) of the Exchange Act and Rule 10b-5 thereunder make it unlawful, in connection with the purchase or sale of securities, "to make any untrue statement of a material fact or to omit to state a material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading."

T. To violate Section 10(b) of the Exchange Act and Rule 10b-5 thereunder, a misrepresentation or omission must be material, meaning that a reasonable investor would have considered the misrepresented or omitted fact important when deciding whether to buy, sell or hold the securities in question. See *Basic Inc. v. Levinson*, 485 U.S. 224, 231-32, 108 S. Ct. 978, 983 (1988). To constitute a violation, the material misstatement or omission must be made with scienter. *Aaron v. SEC*, 446 U.S. 680, 701-02, 100 S. Ct. 1945, 1958 (1980). Scienter can be shown by knowledge of the misrepresentation and, in the Second Circuit, by reckless disregard for the truth or falsity of a representation. *Sirota v. Solitron Devices, Inc.*, 673 F.2d 566, 575 (2d Cir. 1982), *cert. denied*, 459 U.S. 838 (1982). Recklessness is defined as "conduct which is highly unreasonable and which represents an extreme departure from the standards of ordinary care . . . to the extent that the danger was either known to the defendant or so obvious that the defendant must have been aware of it." *Rolf v. Blyth, Eastman Dillon & Co.*, 570 F.2d 38, 47 (2d

driven by margin gains. The analysts had also reported that net revenues were up 1.5%, despite a 1.3 % decline in gaming revenues at the Company's three Atlantic City properties. In the initial report, the analysts had said that the net revenue increase was the result of an increase in cash flow and profitability at the Atlantic City properties (including the Taj Mahal) and concluded that the increase in cash flow indicated that the Company's emphasis on cost reduction had been effective. As a result of the reported quarterly performance, in the initial report, the Deutsche Banc analysts had raised their 1999 EPS estimate.

* October 28th was also the date on which an article discussing the impact of the one-time gain and the Company's failure to disclose it in the Earnings Release appeared in the Atlantic City Press.

Cir.), cert. denied, 439 U.S. 1039 (1978); see also SEC v. McNulty, 137 F.3d 732, 741 (2d Cir. 1998) (applying Rolf recklessness standard).

U. Thus, an issuer that knowingly or recklessly makes false or misleading statements in public announcements to investors, including press releases and other public statements, violates Section 10(b) and Rule 10b-5. See SEC v. Koenig, 469 F.2d 198 (2d Cir. 1972); SEC v. Great American Industries, Inc., 407 F.2d 453 (2d Cir. 1967), cert. denied, 395 U.S. 920 (1969). See also SEC v. Texas Gulf Sulphur Co., 401 F.2d 833 (2d Cir. 1968) (en banc), cert. denied, 394 U.S. 976 (1969). In Public Statements by Corporate Representatives, Securities Act Rel. No. 6504 (January 1984), the Commission reminded registrants that "[t]he antifraud provisions of the federal securities laws apply to all public statements by persons speaking on behalf of the registrant." The Commission also made clear that public announcements and press releases constitute public statements. Id. The court in SEC v. Texas Gulf Sulphur Co., which involved a press release, similarly stated:

Rule 10b-5 is violated whenever assertions are made . . . in a manner reasonably calculated to influence the investing public, e.g., by means of the financial media . . . , if such assertions are false or misleading or are so incomplete as to mislead irrespective of whether the issuance of the release was motivated by corporate officials for ulterior purposes.

401 F.2d at 861-863 (emphasis added). See also In re Carter-Wallace, Inc. Sec. Litig., 150 F.3d 153 (2d Cir. 1998) (advertisements by issuer can be "in connection with" the purchase or sale of securities); Sunbeam Corporation, Exchange Act Release No. 44305 (May 15, 2001)(issuer violated Section 10(b) and Rule 10b-5 when it disseminated materially false and misleading press releases).

V. The omission from the Earnings Release of the information that Trump Hotels' pro forma net income included a \$17.2 million one-time gain was misleading, for several reasons.⁹ Absent disclosure to the contrary, the use of pro forma numbers in an earnings release reasonably implies that any adjustments to GAAP numbers were made on a consistent basis and do not obscure a significant result or a trend reflected in the GAAP numbers. Here, Trump Hotels' express exclusion of a one-time charge reasonably implied that no other significant one-time item was included in the pro forma net income figure. This implication was reinforced by the Company's assertions in the Release that its quarterly results had exceeded analysts' EPS expectations, which are generally, and were in this case, a measure of expected operating

⁹ As explained in note 1 above, the Earnings Release did not use the term pro forma but the figures in the Release were pro forma numbers in that they differed from numbers calculated in accordance with GAAP. Even if the Release had identified the numbers as pro formas, however, the Release would still have been misleading for the reasons discussed above. The presence or absence of the term pro forma in and of itself is not dispositive of the question of whether an earnings release or financial statement is misleading.

performance. Moreover, the misleading impression created by the use of the pro forma net income figure without disclosing the inclusion of the one-time gain was reinforced by the statements in the Release about improvements in the Company's operating performance, specifically, improvements in operating margins, marketing costs, and sales from non-casino operations.

W. In the context of the express exclusion from pro forma net income of the one-time charge, the comparison to analysts' earnings expectations, and the statements about the Company's operational improvements, the omission of information about the one-time gain was material, because the undisclosed one-time gain represented the difference between positive trends in revenues and earnings and negative trends in revenues and earnings, and the difference between exceeding analysts' expectations and falling short of them. Thus, the omission of information about the one-time gain obscured a negative trend and a failure to meet analysts' expectations, and therefore could reasonably have led analysts and investors to draw false conclusions about Trump Hotels' quarterly results.

X. Trump Hotels, through the Trump Hotels officers involved in the drafting and issuance of the Earnings Release, knew that the estimated fair market value of the All Star Café lease termination was recorded as part of operating income for third-quarter 1999 and that the estimated fair market value of the transaction was \$17.2 million. Trump Hotels knew that the Earnings Release used a pro forma net income figure that expressly excluded the one-time charge but did not disclose the existence or impact of the one-time gain. Accordingly, Trump Hotels knew or recklessly disregarded that the Earnings Release was materially misleading.

Y. While engaged in the conduct described above, Trump Hotels, directly and indirectly, used the means or instrumentalities of interstate commerce or the mails.

IV.

Based on the foregoing, Trump Hotels violated Section 10(b) of the Exchange Act and Rule 10b-5 thereunder.

V.

In view of the foregoing, the Commission deems it appropriate to accept the Offer of Settlement submitted by Trump Hotels and impose the cease-and-desist order specified in the Offer of Settlement.

Accordingly, IT IS HEREBY ORDERED that:

Trump Hotels cease and desist from committing or causing any violation, and any future violation, of Section 10(b) of the Exchange Act and Rule 10b-5 thereunder.

By the Commission.

Jonathan G. Katz
Secretary

*** TX REPORT ***

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
NORTHEAST REGIONAL OFFICE
233 BROADWAY
NEW YORK, N.Y. 10279

WRITERS DIRECT DIAL NUMBER

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NORTHEAST REGIONAL OFFICE
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NORTHEAST REGIONAL OFFICE FAX FORM

Please deliver this document to:

Name:

(b)(6),(b)(7)(C)

Attention: (b)(6),(b)(7)(C)

Firm/Division: Trump Hotels & Casino Resorts

Telephone:

(b)(6),(b)(7)(C)

Fax:

(b)(6),(b)(7)(C)

Total pages (including cover): 15

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Date:

January 10, 2002

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
NORTHEAST REGIONAL OFFICE
233 Broadway
New York, N.Y. 10279

WRITER'S DIRECT DIAL
(b)(6),(b)(7)(C)

January 10, 2002

VIA FAX (212-688-0397)

(b)(6),(b)(7)(C)

Trump Hotels & Casino Resorts, Inc.
725 Fifth Avenue, 24th Floor
New York, NY 10022

Re: Trump Hotels & Casino Resorts, Inc. (NY-6625)

Dear (b)(6),(b)(7)(C)

As I explained to Jay Goldberg and to (b)(6),(b)(7)(C) the wrong version of the Offer of Settlement was submitted to the Board. The revised Offer, a copy of which is attached, differs from the one executed yesterday in two respects: (1) Paragraph B.1.AA reads "Based on the foregoing, THCR violated Section 10(b) of the Exchange Act and Rule 10b-5 thereunder by knowingly or recklessly issuing the Earnings Release," instead of "THCR committed or caused . . . ;" and (2) The phrase "in accordance with GAAP" has been changed to "in conformity with GAAP" throughout. I had discussed the first change with Jay Goldberg, and it is consistent with the rest of the Offer (see, e.g., Paragraph B.1.D. and the heading on page 7).

Please (1) have (b)(6),(b)(7) the officer empowered by the corporate resolution to execute any additional documents required, execute the attached Offer; (2) please execute the attached certificate of incumbency; and (3) have the both executed documents faxed back to my attention as soon as possible. Please also arrange to get me the hard copy via overnight mail or by hand-delivery.

(b)(6),(b)(7)(C)

January 10, 2002

Page 2

In addition, would you, (b)(6),(b)(7)(C) please sign below acknowledging and accepting these changes, and return the signed letter to me by fax and via overnight mail or hand-delivery.

Please call me at (b)(6),(b)(7)(C) if you have any questions, and to let me know that a fax is coming. Faxes should be sent to me at (b)(6),(b)(7)(C)

Very truly yours

(b)(6),(b)(7)(C)

Enc.: Offer of Settlement

cc: Jay Goldberg, Esq.

Changes acknowledged and accepted:

(b)(6),(b)(7)(C)

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

ADMINISTRATIVE PROCEEDING

File No.

-----	X	
In the Matter of	:	
	:	
TRUMP HOTELS &	:	
CASINO RESORTS, INC.,	:	OFFER OF SETTLEMENT
	:	OF TRUMP HOTELS &
	:	<u>CASINO RESORTS, INC.</u>
Respondent.	:	
	:	
	:	
-----	X	

I.

Trump Hotels & Casino Resorts, Inc. ("THCR" or "Respondent"), pursuant to Rule 240(a) of the Commission's Rules of Practice [17 C.F.R. §201.240(a)], hereby submits this Offer of Settlement ("Offer") in anticipation of the institution by the Commission of cease-and-desist proceedings against it pursuant to 21C of the Securities Exchange Act of 1934 ("Exchange Act").

II.

This Offer is submitted solely for the purpose of settling these proceedings and with the express understanding that it will not be used in any way in these or any other proceedings unless the Offer is accepted by the Commission. If the Offer is not accepted by the Commission, the Offer is withdrawn and shall not become a part of the record in these or any other proceedings, except for the waiver expressed in Section IV. with respect to Rule 240(c)(5) of the Commission's Rules of Practice. [17 C.F.R. § 201-240(c)(5)]

III.

On the basis of the foregoing, THCR hereby:

A. Admits the jurisdiction of the Commission over it and over the matters set forth in the Order Instituting Cease-and-Desist Proceedings Pursuant to Section 21C of the Securities Exchange Act of 1934, Making Findings, Issuing Cease-and-Desist Order ("Order").

B. Solely for the purpose of these proceedings and any other proceedings brought by or on behalf of the Commission or in which the Commission is a party, and without admitting or denying the findings contained in the Order, consents to the entry of the Order:

1. Making findings that:

SUMMARY

A. On October 25, 1999, THCR issued a press release announcing its results for the third quarter of 1999 (the "Earnings Release" or the "Release"). To announce those results, the Release used a net income figure that differed from net income calculated in conformity with generally accepted accounting principles ("GAAP"). Using that non-GAAP figure, the Release touted THCR's purportedly positive operating results for the quarter and stated that the Company had beaten analysts' earnings expectations.

B. The Earnings Release was materially misleading because it created the false and misleading impression that the Company had exceeded earnings expectations primarily through operational improvements, when in fact it had not. The Release expressly stated that the net income figure excluded a one-time charge. The statement that this one-time charge was excluded implied that no other significant one-time items were included in THCR's stated net income. Contrary to that implication, however, the stated net income included an undisclosed one-time gain of \$17.2 million.

C. The misleading impression created by the reference to the single one-time charge and the undisclosed inclusion of the one-time gain was reinforced by the comparison of the stated earnings-per-share figure with analysts' earnings estimates and by statements in the Release that the Company had been successful in improving its operating performance. In fact, without the one-time gain, the Company's revenues and net income would have decreased from the prior year and the Company would have failed to meet analysts' expectations. The undisclosed one-time gain was thus material, because it represented the difference between positive trends in revenues and earnings and negative trends in revenues and earnings, and the difference between exceeding analysts' expectations and falling short of them.

D. By knowingly or recklessly issuing a materially misleading press release, THCR violated Section 10(b) of the Exchange Act and Rule 10b-5 thereunder.

SETTLING RESPONDENT

E. THCR is a publicly-held Delaware corporation. Through various subsidiaries, it owns and operates the Trump Taj Mahal Casino Resort (the "Taj Mahal") located in Atlantic City, New Jersey, as well as other casino resorts. THCR and its subsidiaries file reports, including their financial statements, on a consolidated basis. The Company's common stock is registered with the Commission pursuant to Section 12(b) of the Exchange Act and is traded on

the New York Stock Exchange. The Company's executive offices are in New York City, and its business and financial operations are centered in Atlantic City.

FACTS

The All Star Gain

F. In September 1999, Taj Mahal Associates ("Taj Associates"), a THCR subsidiary, took over the All Star Café located in the Taj Mahal Casino from Planet Hollywood International, Inc. On September 15, 1999, Taj Associates, Planet Hollywood, and the All Star Café, Inc. reached an agreement pursuant to which, effective September 24, 1999, the All Star Café's lease of space at the Taj Mahal would be terminated and All Star would be relieved of its rental obligations to THCR. In return, Taj Associates would receive the All Star Café's leasehold improvements, alterations, and certain personal property. Because the Taj Mahal was going to continue to use the space as a restaurant, the Company's outside auditor advised that Taj Associates should record as operating income the fair market value of the leasehold improvements, alterations and personal property reverting to Taj Associates. Based on this advice and on an independent appraisal, and in conformity with GAAP, Taj Associates (and, on a consolidated basis, THCR) recorded \$17.2 million, the estimated fair market value of these assets, as a component of operating income for the third quarter of 1999.

The Earnings Release

G. On October 25, 1999 THCR issued the Earnings Release, publicly announcing its results for the third quarter of 1999. The Release, and the accompanying financial data, defined net income, or net profit, for the quarter as income before a one-time Trump World's Fair closing charge of \$81.4 million. Using this "pro forma" net income,¹ the Release announced that the Company's quarterly earnings exceeded analysts' expectations, stating:

¹ Although neither the text of the Release nor the accompanying financial data used the term "pro forma," the net income figure was pro forma in that it differed from net income calculated in conformity with GAAP by excluding the one-time charge. (Accordingly, the net income figure is hereafter referred to as "pro forma net income" and the earnings-per-share figure derived from the pro forma net income is referred to as "pro forma EPS.") The Release also used another pro forma figure, EBITDA, which it defined as earnings before interest, taxes, depreciation, amortization, corporate expenses and the \$81.4 million Trump World's Fair closing charge.

Net income increased to \$14.0 million, or \$0.63 per share, before a one-time Trump World's Fair charge, compared to \$5.3 million or \$0.24 per share in 1998. THCR's earnings per share of \$0.63 exceeded First Call estimates of \$0.54.²

H. The Release fostered the false and misleading impression that the positive results and improvement from third-quarter 1998 announced by the Company were primarily the result of operational improvements. In the Release, THCR's chief executive officer ("CEO") was quoted as saying:

Our focus in 1999 was three-fold: first, to increase our operating margins at each operating entity; second, to decrease our marketing costs; and third, to increase our cash sales from our non-casino operations. We have succeeded in achieving positive results in each of the three categories. The third quarter and nine month results for the company indicate that we have successfully instituted the programs that we focused on during 1999.

I. The Release failed to disclose, however, that the Company's pro forma net income for the quarter included the one-time gain resulting from the All Star Café lease termination. Accordingly, it failed to disclose the impact of that \$17.2 million one-time gain upon the Company's \$14 million pro forma net income or upon any of the other figures cited in the Release. Not only was there no mention of the one-time gain in the text of the Release, but the financial data included in the Release gave no indication of it, because, as discussed below, all revenue items were reflected in a single line item.

J. In fact, quarterly pro forma results that excluded the one-time gain as well as the one-time charge would have reflected a decline in revenues and net income and would have failed to meet analysts' expectations. The table below illustrates the impact of the one-time gain on the trends reported in the Earnings Release:

	<u>3rd Q 1998</u>	<u>3rd Q 1999 Per Release</u>	<u>3rd Q 1999 Excluding One-Time Gain</u>
(In thousands)			
Revenues	\$397,387	\$403,072	\$385,872
Net Income	\$ 5,312	\$ 13,958	\$ 3,048

² The financial data contained in the Release also included figures for net income (loss) and earnings per share for the quarter that, in compliance with GAAP, included the World's Fair charge. Those figures were, respectively, a loss of \$67.4 million and earnings per share of -\$3.04.

EPS \$ 0.24 \$ 0.63 \$ 0.14

K. The Earnings Release was misleading. The Release used pro forma numbers that implied that all significant one-time items had been excluded, when they had not. The Release compared the pro forma EPS to analysts' expectations for quarterly EPS, which are generally and were in this case calculated on the basis of continuing business operations, thus reinforcing the false implication that all one-time items had been excluded. Moreover, the Release highlighted improvements in the Company's operations, i.e., the Company's increased operating margins, decreased marketing costs, and increased cash sales from non-casino operations.³ By making these representations about THCR's quarterly performance, without disclosing the existence or impact of the one-time gain, the Release created the false and misleading impression that the Company's third-quarter results had improved over the results for third-quarter 1998 and had exceeded analysts' expectations primarily because management had been effective in improving the Company's operating performance.⁴

Preparation of the Earnings Release

L. Historically, THCR announced its quarterly results in an earnings release that included financial data presented in a format similar to that of a Form 10-Q or Form 10-K financial statement. Among other things, financial data in these earlier earnings releases itemized revenues (on a Company-wide basis and also by property) by "Casino," "Rooms," "Food & Beverage," and "Other." In the third quarter of 1999, however, at the direction of the Company's CEO, and following similar models used by some of THCR's competitors, the Company adopted a less detailed, or "streamlined," format for the financial data contained in its earnings releases. Unlike the more detailed format used in earlier quarters, the new, streamlined format did not break out revenue items, but instead disclosed revenue as a single line item for each casino. Thus, the streamlined format did not break out "other revenue," the line-item classification in which the \$17 million one-time All Star Café gain would have been reported under the old format.

³ Although the statements about increased operating margins, decreased marketing costs, and increased cash sales from non-casino operations were nominally true, in the context of the Earnings Release they were misleading, because, without the \$17.2 million one-time gain, the increases in margins and cash from non-casino operations were negligible. Excluding the one-time gain, THCR's operating margins increased by 0.4% from third-quarter 1998 and its non-gaming revenue increased by \$1.8 million, or approximately 2.25%. The Company's marketing costs (as represented by promotional allowances) decreased by approximately \$549,000, or approximately 1%.

⁴ See note 7, infra (noting that the first research report by Deutsche Banc after the issuance of the Earnings Release had reported that the Company's \$0.63 third-quarter EPS was driven by margin gains).

M. The Earnings Release was prepared by the Company's corporate treasurer ("Treasurer") and its chief financial officer ("CFO"), under the supervision of the CEO, who approved the contents of the Release and made the decision to issue it. The contract of the CEO expired in June 2000 and was not renewed; he is no longer associated with the Company.⁵

N. When the Release was issued, THCR knew that the estimated fair market value of the All Star Café lease termination would be recorded as part of operating income for third-quarter 1999 and that the estimated fair market value of the transaction was \$17.2 million. The Company also knew that the Earnings Release used a pro forma net income figure that expressly excluded the \$81.4 million one-time charge but did not disclose the existence or impact of the \$17.2 million one-time gain.

Publication of the Earnings Release and the Aftermath

O. At 10:00 a.m. on October 25, 1999, the day the Earnings Release was issued, THCR held a conference call with analysts. During the call, the CEO told the analysts that increasing non-casino sales at the Taj Mahal had been a priority over the past year, and cited the Taj Mahal's third-quarter revenues as evidence that the emphasis had paid off. The CEO did not say that the Taj Mahal's non-casino revenue had increased primarily because of the All Star Café transaction.⁶

P. Immediately after the issuance of the Earnings Release and the conference call, analysts began asking questions about the details of the Company's increase in revenues. Within hours of the conference call, THCR's CFO spoke to several analysts who called with questions about specific aspects of Company's third-quarter results, and he provided them with information about the All Star Café gain. Over the next few days, additional analysts raised questions about the quarterly results, and the lack of detail in the Earnings Release. As a result, the Company's CFO and Treasurer attempted to speak to every analyst who had been on the conference call to explain the All Star Café transaction. In addition, the Company decided to accelerate the filing of its 10-Q for the quarter, which would contain a description of the one-time gain.

Q. After learning about the one-time gain, certain analysts informed their clients of its impact. One analyst at Bear, Stearns & Co. notified his clients on October 27, 1999 that the increased third-quarter EPS resulted from the inclusion in revenue of the one-time All Star Café gain. On October 28th, analysts at Deutsche Banc Alex Brown issued a report on the effect of the one-time gain, which was disseminated to subscribers to Deutsche Banc research over the

⁵ In addition, after the events at issue, the Company established a procedure by which earnings releases are reviewed by the Audit Committee before they are issued.

⁶ Without the \$ 17.2 million one-time gain, non-casino sales at the Taj Mahal increased by only \$300,000, or less than one percent, from third-quarter 1998 to third-quarter 1999.

First Call Research Network. The Deutsche Banc analysts reported that Company management had disclosed that day that roughly \$0.47 of the \$0.63 third-quarter *pro forma* EPS the Company had previously reported "were not operating EPS but were actually the result of an accounting gain." The analysts determined that after backing out the one-time \$17 million gain, THCR's net revenues would have fallen 2.7 %, rather than rising 1.5 % as they did when the one-time gain was included. The Deutsche Banc report also explained that, without the one-time gain, the Company experienced negative trends in Company-wide cash flows and margins, as well as in Taj Associates' revenues from operations, rather than the positive trends indicated by the Earnings Release. Adjusting for the impact of the one-time gain, the Deutsche Banc analysts lowered their 1999 EPS estimate from -\$1.17, contained in their initial report on THCR's third-quarter results, to -\$1.64.⁷

R. On October 25th, the day the Earnings Release was issued, the price of the Company's stock rose 7.8 % (from \$ 4 to \$ 4.3125), on volume approximately five times the previous day's volume. On October 28th, the day of the second Deutsche Banc analysts' report, the stock price fell approximately 6%, on volume approximately four times the previous day's volume.⁸

S. On November 4, 1999, THCR filed its quarterly report on Form 10-Q. The 10-Q disclosed the existence and amount of the one-time gain in a footnote to the financial statements.

THCR Violated Section 10(b) of the Exchange Act and Rule 10b-5 Thereunder

T. Section 10(b) of the Exchange Act and Rule 10b-5 thereunder make it unlawful, in connection with the purchase or sale of securities, "to make any untrue statement of a material

⁷ The Deutsche Banc analysts first issued a report on THCR's third-quarter performance (also disseminated via First Call) on October 26th. The earlier report's headline announced that THCR had reported third-quarter operating EPS of \$0.63, driven by margin gains. The analysts had also reported that net revenues were up 1.5%, despite a 1.3 % decline in gaming revenues at the Company's three Atlantic City properties. In the initial report, the analysts had said that the net revenue increase was the result of an increase in cash flow and profitability at the Atlantic City properties (including the Taj Mahal) and concluded that the increase in cash flow indicated that the Company's emphasis on cost reduction had been effective. As a result of the reported quarterly performance, in the initial report, the Deutsche Banc analysts had raised their 1999 EPS estimate.

⁸ October 28th was also the date on which an article discussing the impact of the one-time gain and the Company's failure to disclose it in the Earnings Release appeared in the Atlantic City Press.

fact or to omit to state a material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading."

U. To violate Section 10(b) of the Exchange Act and Rule 10b-5 thereunder, a misrepresentation or omission must be material, meaning that a reasonable investor would have considered the misrepresented or omitted fact important when deciding whether to buy, sell or hold the securities in question. See Basic Inc. v. Levinson, 485 U.S. 224, 231-32, 108 S. Ct. 978, 983 (1988). To constitute a violation, the material misstatement or omission must be made with scienter. Aaron v. SEC, 446 U.S. 680, 701-02, 100 S. Ct. 1945, 1958 (1980). Scienter can be shown by knowledge of the misrepresentation and, in the Second Circuit, by reckless disregard for the truth or falsity of a representation. Sirota v. Solitron Devices, Inc., 673 F.2d 566, 575 (2d Cir. 1982), cert. denied, 459 U.S. 838 (1982). Recklessness is defined as "conduct which is highly unreasonable and which represents an extreme departure from the standards of ordinary care . . . to the extent that the danger was either known to the defendant or so obvious that the defendant must have been aware of it." Rolf v. Blyth, Eastman Dillon & Co., 570 F.2d 38, 47 (2d Cir.), cert. denied, 439 U.S. 1039 (1978); see also SEC v. McNulty, 137 F.3d 732, 741 (2d Cir. 1998) (applying Rolf recklessness standard).

V. Thus, an issuer that knowingly or recklessly makes false or misleading statements in public announcements to investors, including press releases and other public statements, violates Section 10(b) and Rule 10b-5. See SEC v. Koenig, 469 F.2d 198 (2d Cir. 1972); SEC v. Great American Industries, Inc., 407 F.2d 453 (2d Cir. 1967), cert. denied, 395 U.S. 920 (1969). See also SEC v. Texas Gulf Sulphur Co., 401 F.2d 833, 861-63 (2d Cir. 1968) (en banc), cert. denied, 394 U.S. 976 (1969). In Public Statements by Corporate Representatives, Securities Act Rel. No. 6504 (January 1984), the Commission reminded registrants that Section 10(b) and Rule 10b-5 apply to all public statements by persons speaking on behalf of a public company. The Commission also made clear that public announcements and press releases constitute public statements. Id. See also In re Carter-Wallace, Inc. Sec. Litig., 150 F.3d 153 (2d Cir. 1998) (advertisements by issuer can be "in connection with" the purchase or sale of securities); Sunbeam Corporation, Exchange Act Rel. No. 44305 (May 15, 2001) (issuer violated Section 10(b) and Rule 10b-5 when it disseminated materially false and misleading press releases).

W. The omission from the Earnings Release of the information that THCR's pro forma net income included a \$17.2 million one-time gain was misleading, for several reasons.⁹ Absent disclosure to the contrary, the use of pro forma numbers in an earnings release reasonably

⁹ As explained in note 1 above, the Earnings Release did not use the term pro forma but the figures in the Release were pro forma numbers in that they differed from numbers calculated in conformity with GAAP. Even if the Release had identified the numbers as pro formas, however, the Release would still have been misleading for the reasons discussed above. The presence or absence of the term pro forma is not, in and of itself, dispositive of the question of whether an earnings release or financial statement is misleading.

implies that any adjustments to GAAP numbers were made on a consistent basis and do not obscure a significant result or a trend reflected in the GAAP numbers. Here, THCR's express exclusion of a one-time charge reasonably implied that no other significant one-time item was included in the pro forma net income figure. This implication was reinforced by the Company's assertions in the Release that its quarterly results had exceeded analysts' EPS expectations, which are generally, and were in this case, a measure of expected operating performance. Moreover, the misleading impression created by the use of the pro forma net income figure without disclosing the inclusion of the one-time gain was reinforced by the statements in the Release about improvements in the Company's operating performance, specifically, improvements in operating margins, marketing costs, and sales from non-casino operations.

X. In the context of the express exclusion from pro forma net income of the one-time charge, the comparison to analysts' earnings expectations, and the statements about the Company's operational improvements, the omission of information about the one-time gain was material, because the undisclosed one-time gain represented the difference between positive trends in revenues and earnings and negative trends in revenues and earnings, and the difference between exceeding analysts' expectations and falling short of them. Thus, the omission of information about the one-time gain obscured a negative trend and a failure to meet analysts' expectations, and therefore could reasonably have led analysts and investors to draw false conclusions about THCR's quarterly results.

Y. THCR, through the THCR officers involved in the drafting and issuance of the Earnings Release, knew that the estimated fair market value of the All Star Café lease termination was recorded as part of operating income for third-quarter 1999 and that the estimated fair market value of the transaction was \$17.2 million. THCR knew that the Earnings Release used a pro forma net income figure that expressly excluded the one-time charge but did not disclose the existence or impact of the one-time gain. Accordingly, THCR knew or recklessly disregarded that the Earnings Release was materially misleading.

Z. While engaged in the conduct described above, THCR, directly and indirectly, used the means or instrumentalities of interstate commerce or the mails.

AA. Based on the foregoing, THCR violated Section 10(b) of the Exchange Act and Rule 10b-5 thereunder by knowingly or recklessly issuing the Earnings Release.

2. Ordering that:

THCR cease and desist from committing or causing any violation, and any future violation, of Section 10(b) of the Exchange Act and Rule 10b-5 thereunder.

IV.

By submitting this Offer, THCR hereby acknowledges its waiver of those rights specified in Rule 240(c)(4) and (5) of the Commission's Rules of Practice [17 C.F.R. §201.240(c)(4) and (5)].

V.

THCR represents that it has read and understands the foregoing Offer; THCR understands that final acceptance by the Commission of this Offer will be only by its Findings and Order and Opinion, if any, issued in this proceeding; and THCR avers that this Offer is made voluntarily, and that no promises, offers, threats, or inducements of any kind or nature have been made by the Commission or any member, officer, employee, agent, or representative of the Commission in consideration of this Offer or otherwise to induce THCR to submit this Offer.

VI.

THCR acknowledges that it has been informed that the Commission, in its sole or exclusive discretion, may refer or grant access to this matter, or to any information or evidence gathered in connection therewith or derived therefrom, to any person or entity having appropriate civil, administrative, or criminal jurisdiction.

VII.

THCR understands and agrees to comply with the Commission's policy "not to permit a defendant or respondent to consent to a judgment or order that imposes a sanction while denying the allegations in the complaint or order for proceedings" (17 C.F.R. §202.5(e)). In compliance with this policy, THCR agrees not to take any action or to make or permit to be made any public statement denying, directly or indirectly, any allegation in the Order or creating the impression that the Order is without factual basis. If THCR breaches this agreement, the Division of Enforcement may petition the Commission to vacate the Order and restore this proceeding to its active docket. Nothing in this provision affects THCR's (i) testimonial obligations; or (2) right to take legal positions in litigation or regulatory proceedings in which the Commission is not a party.

VIII.

Consistent with the provisions of 17 C.F.R. §202.5(f), THCR waives any claim of Double Jeopardy based upon the settlement of this proceeding, including the imposition of any remedy or civil penalty herein.

Dated: _____, 200_

TRUMP HOTELS & CASINO RESORTS,
INC.

By _____

STATE OF _____)
) ss.:
COUNTY OF _____)

On this _____ day of _____ 200_, before me personally appeared _____, to me known to be the person who executed the foregoing Offer of Settlement on behalf of Trump Hotels & Casino Resorts, Inc..

Notary Public

My Commission expires: _____

CERTIFICATE OF INCUMBENCY

The undersigned, _____, Secretary of Trump Hotels & Casino Resorts, Inc., a Delaware corporation, hereby certifies that the following named person is an officer of Trump Hotels & Casino Resorts, Inc. in the capacities hereinafter set forth and that the signature of said officer appearing below opposite his name and offices is the true and correct signature.

Name and Title

Signature

The undersigned further certifies that the above-named officer was duly elected and has qualified, and is acting in the offices set forth and is incumbent therein on the date hereof.

Dated: _____, 200__

Secretary of Trump Hotels & Casino Resorts, Inc.

TRUMP HOTELS & CASINO RESORTS INC - 10-Q

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended: September 30, 1998
OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE
ACT OF 1934

For the transition period from _____ to _____

Commission file number: 1-13794

TRUMP HOTELS & CASINO RESORTS, INC.

(Exact name of registrant as specified in its charter)

DELAWARE
(State or other jurisdiction of
incorporation or organization)

13-3818402
(I.R.S. Employer
Identification No.)

2500 Boardwalk
Atlantic City, New Jersey
(Address of principal executive offices)

08401
(Zip Code)

(609) 441-6060
(Registrant's telephone number, including area code)
Not Applicable
(Former name, former address and former fiscal year,
if changed since last report)

Commission file number: 33-90786
TRUMP HOTELS & CASINO RESORTS HOLDINGS, L.P.
(Exact name of registrant as specified in its charter)

DELAWARE
(State or other jurisdiction of
incorporation or organization)

13-3818407
(I.R.S. Employer
Identification No.)

2500 Boardwalk
Atlantic City, New Jersey
(Address of principal executive offices)

08401
(Zip Code)

(609) 441-6060
(Registrant's telephone number, including area code)
Not Applicable
(Former name, former address and former fiscal year,
if changed since last report)

Commission file number: 33-90786
TRUMP HOTELS & CASINO RESORTS FUNDING, INC.
(Exact name of registrant as specified in its charter)

DELAWARE
(State or other jurisdiction of
incorporation or organization)

13-3818405
(I.R.S. Employer
Identification No.)

2500 Boardwalk
Atlantic City, New Jersey
(Address of principal executive offices)

08401
(Zip Code)

(609) 441-6060
(Registrant's telephone number, including area code)
Not Applicable
(Former name, former address and former fiscal year,
if changed since last report)

Indicate by check mark whether the registrants (1) have filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrants were required to file such reports), and (2) have been subject to such filing requirements for the past 90 days. Yes No

The number of outstanding shares of Common Stock, par value \$.01 per share, of Trump Hotels & Casino Resorts, Inc. as of November 13, 1998 was 22,195,256.

The number of outstanding shares of Class B Common Stock, par value \$.01

per share, of Trump Hotels & Casino Resorts, Inc. as of November 13, 1998 was 1,000.

The number of outstanding shares of Common Stock, par value \$.01 per share, of Trump Hotels & Casino Resorts Funding, Inc. as of November 13, 1998 was 100.

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TRUMP HOTELS & CASINO RESORTS, INC.,

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TRUMP HOTELS & CASINO RESORTS HOLDINGS, L.P.
AND
TRUMP HOTELS & CASINO RESORTS FUNDING, INC.

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TRUMP HOTELS & CASINO RESORTS, INC.
TRUMP HOTELS & CASINO RESORTS HOLDINGS, L.P.
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TRUMP HOTELS & CASINO RESORTS, INC.
 CONDENSED CONSOLIDATED BALANCE SHEETS
 (IN THOUSANDS, EXCEPT SHARE DATA)

ASSETS

	SEPTEMBER 30, 1998	DECEMBER 31, 1997
	-----	-----
	(UNAUDITED)	
CURRENT ASSETS:		
Cash and cash equivalents.....	\$ 187,990	\$ 140,328
Receivables, net.....	71,589	68,075
Inventories.....	13,463	13,011
Due from affiliates, net.....	12,307	13,173
Prepaid expenses and other current assets.....	20,184	13,897
	-----	-----
Total Current Assets.....	305,111	248,479
INVESTMENT IN BUFFINGTON HARBOR, L.L.C.....	41,222	43,535
INVESTMENT IN TRUMP'S CASTLE PIK NOTES.....	51,190	53,361
PROPERTY AND EQUIPMENT, NET.....	1,973,095	2,004,751
CASH RESTRICTED FOR FUTURE CONSTRUCTION.....	6,987	13,000
DEFERRED BOND AND LOAN ISSUANCE COSTS, NET.....	39,701	45,071
DUE FROM AFFILIATES.....	3,772	3,493
OTHER ASSETS.....	73,397	80,659
	-----	-----
Total Assets.....	\$2,504,475	\$2,472,369
	*****	*****

LIABILITIES AND STOCKHOLDERS' EQUITY

CURRENT LIABILITIES:		
Current maturities of long-term debt.....	\$ 13,088	\$ 21,890
Accounts payable and accrued expenses.....	119,801	109,489
Accrued interest payable.....	81,661	25,030
	-----	-----
Total Current Liabilities.....	214,550	160,417
LONG-TERM DEBT, net of current maturities.....	1,831,543	1,817,869
OTHER LONG-TERM LIABILITIES.....	20,110	17,080
	-----	-----
Total Liabilities.....	2,066,203	1,995,066
	-----	-----

MINORITY INTEREST.....	134,984	148,410
STOCKHOLDERS' EQUITY:		
Common Stock, \$0.01 par value, 75,000,000 shares authorized, 24,206,756 issued and outstanding	242	242
Class B Common Stock, \$0.01 par value, 1,000 shares authorized, issued and outstanding.....	--	--
Additional Paid in Capital.....	455,645	455,645
Accumulated Deficit.....	(133,064)	(109,726)
Less treasury stock, 2,011,500 and 1,706,500 shares of TRCR Common Stock, respectively, at cost.....	(19,535)	(17,276)
Total Stockholders' Equity.....	303,288	328,885
Total Liabilities and Stockholders' Equity.....	\$2,504,475	62,472,369

The accompanying notes are an integral part of these condensed consolidated financial statements.

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TRUMP HOTELS & CASINO RESORTS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 1998 AND 1997
(UNAUDITED)
(DOLLARS IN THOUSANDS, EXCEPT SHARE DATA)

	THREE MONTHS ENDED SEPTEMBER 30,		NINE MONTHS ENDED SEPTEMBER 30,	
	1998	1997	1998	1997
REVENUES:				
Gaming	\$ 364,077	\$ 341,080	\$ 971,606	\$ 994,653
Rooms	26,841	29,346	70,930	77,149
Food and Beverage	40,925	41,997	110,441	115,836
Other	13,121	14,890	33,545	36,132
Gross Revenues	444,964	426,613	1,186,522	1,223,772
Less -- Promotional allowances	47,685	51,017	128,578	137,910
Net Revenues	397,279	375,596	1,057,944	1,085,862
COSTS AND EXPENSES:				
Gaming	221,181	209,766	608,853	621,141
Rooms	8,373	8,174	23,642	23,304
Food and Beverage	13,777	13,299	37,987	37,519
General and Administrative	70,464	66,895	200,362	203,299
Depreciation and Amortization	20,786	20,379	61,848	66,654
Income from operations	334,791	318,513	932,692	951,917
NON-OPERATING INCOME AND (EXPENSES):				
Interest income	2,019	1,290	7,166	4,492
Interest expense	(55,390)	(52,565)	(166,679)	(157,835)
Other non-operating expense	--	--	(286)	--
Income (Loss) before equity in loss of Buffington Harbor, L.L.C. and minority interest	(53,371)	(51,275)	(169,799)	(153,343)
Equity in loss of Buffington Harbor, L.L.C.	9,117	5,808	(34,547)	(19,398)
Loss before minority interest	(742)	(1,025)	(2,225)	(2,755)
Minority interest	8,375	4,783	(34,772)	(22,153)
Minority interest	(3,063)	(1,749)	13,434	8,436
NET INCOME (LOSS)	\$ 5,312	\$ 3,034	\$ (23,338)	\$ (14,117)
Basic earnings (loss) per share	\$.24	\$.13	\$ (1.05)	\$ (.62)
Weighted average shares	22,195,256	22,500,256	22,206,428	22,894,222
Dilutive earnings (loss) per share	\$.24	\$.13	\$ (1.05)	\$ (.62)
Weighted average shares	22,195,256	22,500,256	22,206,428	22,894,222

The accompanying notes are an integral part of these condensed consolidated financial statements.

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TRUMP HOTELS & CASINO RESORTS, INC.
CONDENSED CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 1998
(UNAUDITED)
(DOLLARS IN THOUSANDS)

	NUMBER OF SHARES		COMMON STOCK AMOUNT	ADDITIONAL PAID IN CAPITAL	ACCUMULATED DEFICIT	TREASURY STOCK	TOTAL
	COMMON	CLASS B COMMON					
Balance, December 31, 1997.....	24,206,756	1,000	\$242	\$455,645	\$(109,726)	\$(17,278)	\$328,885
Purchase of treasury stock, 305,000 shares of TRCR Common Stock, at cost.....						(2,259)	(2,259)
Net Loss.....					(23,338)		(23,338)
Balance, September 30, 1998.....	24,206,756	1,000	\$242	\$455,645	\$(133,064)	\$(19,535)	\$303,288

The accompanying notes are an integral part of this condensed consolidated financial statement.

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TRUMP HOTELS & CASINO RESORTS, INC.
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CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR
THE NINE MONTHS ENDED SEPTEMBER 30, 1998 AND 1997
(UNAUDITED)
(DOLLARS IN THOUSANDS)

	1998	1997
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net Loss.....	\$(23,338)	\$ (14,117)
Adjustments to reconcile net loss to net cash flows from operating activities:		
Equity in loss of Buffington Harbor, L.L.C.....	2,225	2,755
Depreciation and amortization.....	61,848	66,654
Payment-In-Kind interest in Castle FIR Notes.....	(7,009)	(6,757)
Minority interest in net loss.....	(13,434)	(8,036)
Accretion of discounts on mortgage notes.....	3,343	2,361
Amortization of deferred loan costs.....	5,397	5,861
Provision for losses on receivables.....	10,510	6,393
Valuation allowance of CRDA investments and amortization of Indiana gaming costs.....	7,456	7,587
Accretion of phantom stock units.....	--	194
Increase in receivables.....	(14,022)	(19,369)
Increase in inventories.....	(453)	(1,623)
Increase in other current assets.....	(5,601)	(15,799)
Decrease (increase) in due from affiliates.....	552	(1,437)
Increase in other assets.....	(10,181)	(5,277)
Increase in accounts payable and accrued expenses.....	9,967	10,355
Increase in accrued interest payable.....	52,622	47,255

Increase in other long-term liabilities.....	5,246	7,615
Net cash flows provided by operating activities	84,928	84,615
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property and equipment, net.....	(25,772)	(71,575)
Investment in Buffington Harbor, L.L.C.	88	(1,867)
CRDA Investments.....	(10,272)	(10,572)
Restricted cash	8,013	--
Net cash flows used in investing activities.....	(28,943)	(84,014)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Purchase of treasury stock.....	(2,259)	(17,276)
Issuance of long-term debt.....	60,164	2,177
Payment of long-term debt.....	(72,992)	(14,947)
Cost of issuing debt.....	(628)	--
Net cash flows used in financing activities.....	(7,715)	(30,046)
Net increase (decrease) in cash and cash equivalents.....	47,270	(29,445)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD.....	140,328	175,745
CASH AND CASH EQUIVALENTS AT END OF PERIOD.....	\$187,598	\$ 146,300
CASH INTEREST PAID.....	\$104,710	\$ 101,566
Supplemental Disclosure of Non-Cash Activities:		
Purchase of property and equipment under capital lease obligations.....	\$ 2,192	\$ 4,095

The accompanying notes are an integral part of these condensed consolidated financial statements.

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TRUMP HOTELS & CASINO RESORTS HOLDINGS, L.P.
CONDENSED CONSOLIDATED BALANCE SHEETS
(DOLLARS IN THOUSANDS)
ASSETS

	SEPTEMBER 30, 1998	DECEMBER 31, 1997
	----- (UNAUDITED)	-----
CURRENT ASSETS:		
Cash and cash equivalents	\$ 187,594	\$ 140,324
Receivables, net	71,589	68,075
Inventories	13,463	13,011
Due from affiliates, net	12,307	13,173
Prepaid expenses and other current assets	20,154	13,892
Total Current Assets	305,107	248,475
INVESTMENT IN BUFFINGTON HARBOR, L.L.C.	41,222	43,535
INVESTMENT IN TRUMP'S CASTLE PIK NOTES	61,190	53,381
PROPERTY AND EQUIPMENT, NET	1,973,095	2,004,753
CASH RESTRICTED FOR FUTURE CONSTRUCTION ...	6,987	13,000
DEFERRED BOND AND LOAN ISSUANCE COSTS, NET	39,701	45,071
DUE FROM AFFILIATES	3,772	3,493
OTHER ASSETS	73,397	60,659
Total Assets	\$ 2,504,471	\$ 2,472,365

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LIABILITIES AND STOCKHOLDERS' EQUITY

CURRENT LIABILITIES:			
Current maturities of long-term debt	\$	13,088	\$ 21,890
Accounts payable and accrued expenses ...		119,801	109,489
Accrued interest payable		81,661	29,038
		-----	-----
Total Current Liabilities		214,550	160,417
LONG-TERM DEBT, net of current maturities .		1,831,543	1,817,569
OTHER LONG-TERM LIABILITIES		20,110	17,080
		-----	-----
Total Liabilities		2,066,203	1,995,066
		-----	-----
PARTNERS' CAPITAL:			
Partners' Capital		652,503	652,503
Accumulated Deficit		(194,700)	(157,928)
Less treasury stock		(19,535)	(17,276)
		-----	-----
Total Partners' Capital		438,268	477,299
		-----	-----
Total Liabilities and Partners' Capital ...	\$	2,504,471	\$ 2,472,365
		=====	=====

The accompanying notes are an integral part of these
condensed consolidated financial statements.

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TRUMP HOTELS & CASINO RESORTS HOLDINGS L.P.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 1998 AND 1997
(UNAUDITED)
(DOLLARS IN THOUSANDS)

	THREE MONTHS ENDED SEPTEMBER 30,		NINE MONTHS ENDED SEPTEMBER 30,	
	1998	1997	1998	1997
	-----	-----	-----	-----
REVENUES:				
Gaming	\$368,077	\$341,080	\$ 971,606	\$ 994,655
Rooms	26,841	29,346	70,930	77,149
Food and Beverage	40,925	41,997	110,441	118,836
Other	13,121	14,190	33,545	36,132
	-----	-----	-----	-----
Gross Revenues	448,964	426,613	1,186,522	1,223,772
Less -- Promotional allowances	47,685	51,017	128,578	137,930
	-----	-----	-----	-----
Net Revenues	397,279	375,596	1,057,944	1,085,842
	-----	-----	-----	-----
COSTS AND EXPENSES:				
Gaming	221,381	209,766	608,853	621,141
Rooms	8,373	8,174	23,642	23,304
Food and Beverage	13,777	13,299	37,987	37,519
General and Administrative	70,454	68,895	200,362	203,195
Depreciation and Amortization	20,796	20,379	61,848	66,694
	-----	-----	-----	-----
	334,791	318,513	932,692	951,723
	-----	-----	-----	-----
Income from operations	62,488	57,083	125,252	134,139
	-----	-----	-----	-----

NON-OPERATING INCOME AND (EXPENSES):				
Interest income	2,019	1,290	7,166	4,492
Interest expense	(55,390)	(52,565)	(166,679)	(157,835)
Other non-operating expense	--	--	(286)	--
	(53,371)	(51,275)	(159,799)	(152,343)
Income (loss) before equity in loss of Buffington Harbor, L.L.C. and Minority Interest				
Equity in loss of Buffington Harbor, L.L.C.	9,117	5,808	(34,547)	(19,204)
Equity in loss of Buffington Harbor, L.L.C.	(742)	(1,025)	(2,225)	(2,755)
NET INCOME (LOSS)	\$ 8,375	\$ 4,783	\$ (36,772)	\$ (21,959)

The accompanying notes are an integral part of these condensed consolidated financial statements.

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TRUMP HOTELS & CASINO RESORTS HOLDINGS, L.P.
CONDENSED CONSOLIDATED STATEMENT OF PARTNERS' CAPITAL
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 1998
(UNAUDITED)
(DOLLARS IN THOUSANDS)

	Partners' Capital	Accumulated Deficit	THCR Common Stock	Total
Balance, December 31, 1997.....	\$652,503	\$(157,928)	\$(17,276)	\$477,299
Purchase of 305,000 shares of THCR Common Stock.....			(2,259)	(2,259)
Net Loss.....		(36,772)		(36,772)
Balance, September 30, 1998.....	\$652,503	\$(194,700)	\$(19,535)	\$438,268

The accompanying notes are an integral part of this condensed consolidated financial statement.

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TRUMP HOTELS & CASINO RESORTS HOLDINGS, L.P.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR
THE NINE MONTHS ENDED SEPTEMBER 30, 1998 AND 1997
(UNAUDITED)
(DOLLARS IN THOUSANDS)

	1998	1997
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net Loss	\$ (36,772)	\$ (21,959)
Adjustments to reconcile net loss to net cash flows from operating activities:		
Equity in loss of Buffington Harbor, L.L.C.	2,225	2,755
Depreciation and amortization	51,848	56,654
Payment-in-kind interest in Castle PIK Notes	(7,805)	(6,757)
Accretion of discounts on mortgage notes	3,343	2,361
Amortization of deferred loan costs	5,997	5,061
Provision for losses on receivables	10,510	6,393
Valuation allowance of CRDA investments and amortization of Indiana gaming costs	7,456	7,587
Increase in receivables	(14,022)	(19,369)
Increase in inventories	(453)	(1,623)

Increase in other current assets	(5,601)	(15,799)
Decrease (increase) in due from affiliates	552	(1,437)
Increase in other assets	(10,181)	(5,277)
Increase in accounts payable and accrued expenses	9,967	10,355
Increase in accrued interest payable	52,622	47,255
Increase in other long-term liabilities	5,246	7,615
Net cash flows provided by operating activities	84,928	84,615
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property and equipment, net	(29,772)	(71,575)
Investment in Sullington Harbor, L.L.C.	88	(1,867)
CRDA Investments	(10,272)	(10,572)
Restricted cash	6,013	--
Net cash flows used in investing activities	(29,943)	(84,014)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Purchase of treasury stock	(2,259)	(17,276)
Issuance of long-term debt	69,164	2,177
Payment of long-term debt	(72,982)	(14,947)
Cost of issuing debt	(628)	--
Net cash flows used in financing activities	(7,715)	(30,046)
Net increase (decrease) in cash and cash equivalents	47,270	(29,445)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	140,324	175,745
CASH AND CASH EQUIVALENTS AT END OF PERIOD	\$187,594	\$146,300
CASH INTEREST PAID	\$106,710	\$101,566
Supplemental Disclosure of Non-Cash Activities:		
Purchase of property and equipment under capital lease obligations	\$2,192	\$4,095

The accompanying notes are an integral part of these condensed consolidated financial statements.

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TRUMP HOTELS & CASINO RESORTS, INC.,

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TRUMP HOTELS & CASINO RESORTS HOLDINGS, L.P.
AND

TRUMP HOTELS & CASINO RESORTS FUNDING, INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)

(1) ORGANIZATION AND OPERATIONS

The accompanying condensed consolidated financial statements include those of Trump Hotels & Casino Resorts, Inc., a Delaware corporation ("THCR"), Trump Hotels & Casino Resorts Holdings, L.P., a Delaware limited partnership ("THCR Holdings"), and subsidiaries, including Trump Hotels & Casino Resorts Funding, Inc. ("THCR Funding"). THCR Holdings is currently owned approximately 63.4% by THCR, as both a general and limited partner, and approximately 36.6% by Donald J. Trump ("Trump"), as a limited partner. Trump's limited partnership interest in THCR Holdings represents his economic interests in the assets and operations of THCR Holdings. Accordingly, such limited partnership interest is convertible at Trump's option into 13,918,723 shares of THCR's common stock, par value \$.01 per share (the "THCR Common Stock"). Trump's voting interest in THCR is represented by the Class B Common Stock of THCR. The Class B Common Stock votes

together with the THCR Common Stock as a single class. The number of votes represented by the THCR Class B Common Stock is equal to the number of shares of THCR Common Stock issuable upon conversion of Trump's partnership interest in THCR Holdings into THCR Common Stock. Upon conversion, the corresponding voting power of shares of THCR Common Stock provides Trump with a voting interest in THCR equal to his equity interest in THCR Holdings' assets represented by his limited partnership interest. The accompanying consolidated financial statements include those of (i) THCR and its 63.4% owned subsidiary, THCR Holdings, and (ii) THCR Holdings and its wholly owned subsidiaries:

Trump Atlantic City Associates ("Trump AC") and its subsidiaries, Trump Plaza Associates ("Plaza Associates") and Trump Taj Mahal Associates ("Taj Associates"). Plaza Associates owns and operates the Trump Plaza Hotel and Casino ("Trump Plaza") located in Atlantic City, New Jersey. Taj Associates owns and operates the Trump Taj Mahal Casino Resort (the "Taj Mahal") located in Atlantic City, New Jersey. Taj Associates was acquired on April 17, 1996.

Trump Indiana, Inc. ("Trump Indiana"), which commenced operations on June 8, 1996, owns and operates a riverboat gaming facility at Buffington Harbor, on Lake Michigan, Indiana (the "Indiana Riverboat").

Trump's Castle Associates, L.P. ("Castle Associates"), which was acquired on October 7, 1996. Castle Associates owns and operates Trump Marina Hotel Casino ("Trump Marina") located in Atlantic City, New Jersey.

THCR Funding, the co-issuer of \$145,000,000 15 1/2% Senior Secured Notes, due 2005 (the "Senior Notes").

All significant intercompany balances and transactions have been eliminated in the accompanying condensed consolidated financial statements.

The accompanying condensed consolidated financial statements have been prepared without audit. In the opinion of management, all adjustments, consisting of only normal recurring adjustments necessary to present fairly the financial position, the results of operations and cash flows for the periods presented, have been made.

The accompanying condensed consolidated financial statements have been prepared pursuant to the rules and regulations of the Securities and Exchange Commission ("SEC"). 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 condensed consolidated financial statements should be read in conjunction with the consolidated financial statements and notes thereto included in the annual report on Form 10-K for the year ended December 31, 1997 filed with the SEC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)

The casino industry in Atlantic City is seasonal in nature; accordingly, results of operations for the period ended September 30, 1998 are not necessarily indicative of the operating results for a full year.

THCR, THCR Holdings and THCR Funding have no operations and their ability to service their debt is dependent on the successful operations of Trump AC, Trump Indiana and Castle Associates. THCR, through THCR Holdings and its subsidiaries, is the exclusive vehicle through which Trump engages in new gaming activities in emerging or established gaming jurisdictions.

Basic Loss Per Share

In the fourth quarter of 1997, THCR adopted Statement of Financial Accounting Standards Board, Statement No. 128 "Earnings per Share" ("SFAS No. 128"). SFAS No. 128 requires the presentation in the consolidated statement of operations for all years presented of both basic and dilutive earnings per share. Basic and dilutive loss per share calculated under this Statement does not differ from earnings per share reported in prior periods.

Basic loss per share is based on the weighted average number of shares of THCR Common Stock outstanding. Dilutive earnings per share are the same as basic earnings per share as common stock equivalents have not been included as they would be anti-dilutive. The shares of THCR's Class B Common Stock, par value \$.01 per share ("the THCR Class B Common Stock") owned by Trump have no economic interest and therefore are not considered in the calculation of weighted average shares outstanding.

Reclassifications

Certain reclassifications have been made to prior year financial statements to conform to the current year presentation.

(2) PROPERTY AND EQUIPMENT

During the second quarter of 1997, Plaza Associates, Taj Associates and Castle Associates revised their estimates of the useful lives of buildings, building improvements, furniture and fixtures which were acquired in 1996. Building and building improvements were reevaluated to have a forty year life and furniture and fixtures were determined to have a seven year life. During the third quarter of 1997, Trump Indiana revised its estimates of the useful life of the riverboat and its improvements from fifteen to thirty years. THCR believes these changes more appropriately reflect the timing of the economic benefits to be received from these assets during their estimated useful lives. For the nine months ended September 30, 1998, the net effect of applying these new lives was to decrease net loss by \$2,300,000 and decrease loss per share by \$.07.

(3) LONG-TERM DEBT

On April 17, 1998, Trump's Castle Funding, Inc. ("Castle Funding") refinanced its 11 1/2% Senior Secured Notes due 2000 (the "Old Castle Senior Notes") and its term loan with a bank (the "Term Loan") by issuing 10 1/4% Senior Secured Notes due 2003 (the "New Castle Senior Notes"). The proceeds from the issuance of the New Castle Senior Notes were used to redeem all of the issued and outstanding Old Castle Senior Notes at 100% of their principal amount and to repay the Term Loan in full. In conjunction with this refinancing, Trump's Castle Hotel & Casino, Inc. ("TCHI"), a New Jersey corporation and the general partner of Castle Associates, obtained a working capital credit facility

(the "Working Capital Loan"). Both the New Castle Senior Notes and the Working Capital Loan are guaranteed by Castle Associates.

The New Castle Senior Notes have an outstanding principal amount of \$62,000,000 and bear interest at the rate of 10 1/4% per annum, payable semi-annually each April and October. The New Castle Senior Notes mature on April 17, 2003.

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TRUMP HOTELS & CASINO RESORTS, INC.,
TRUMP HOTELS & CASINO RESORTS HOLDINGS, L.P.
AND
TRUMP HOTELS & CASINO RESORTS FUNDING, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)

The Working Capital Loan has an outstanding principal amount of \$5,000,000 and bears interest at the rate of 10 1/4% per annum, payable semi-annually each April and October. The entire principal balance of the Working Capital Loan matures on April 17, 2003.

A tender offer was made to existing holders of Castle Associates' 11 3/4% Mortgage Notes due 2003 (the "Mortgage Notes") on July 9, 1998, offering \$940 per \$1,000 of principal amount, plus accrued interest. On August 19, 1998, the tender offer was amended to increase the consideration to be paid to tendering Mortgage Note holders to \$975 per \$1,000 of principal amount, plus accrued interest. Consummation of the tender offer was conditioned upon, among other things a minimum tender of 98% of the principal amount of the Mortgage Notes. Since the minimum tender requirement of 98% was not satisfied, the tender offer expired at 5:00 p.m. on September 17, 1998, in accordance with its terms.

(4) FINANCIAL INFORMATION

Financial information relating to TECR Funding is as follows:

	SEPTEMBER 30, 1998 ----	DECEMBER 31, 1997 ----
Total Assets (including Notes receivable of \$145,000,000 at September 30, 1998 and December 31, 1997).....	\$151,555,000 *****	\$145,936,000 *****
Total Liabilities and Capital (including \$145,000,000 of Senior Notes)	\$151,555,000 *****	\$145,936,000 *****
	NINE MONTHS ENDED SEPTEMBER 30, -----	
	1998 ----	1997 ----
Interest Income from TECR Holdings.....	\$16,856,000	\$16,856,000
Interest Expense.....	\$16,856,000 -----	\$16,856,000 -----
Net Income	\$ -- *****	\$ -- *****

(5) ACCOUNTS RECEIVABLE

Plaza Associates is appealing a real estate tax assessment by the City of Atlantic City. Included in accounts receivable is \$5,191,000 which Plaza Associates estimates will be recoverable on the settlement of the appeal.

(6) CHANGE IN ACCOUNTING POLICY

On April 9, 1998, the American Institute of Certified Public Accountants ("AICPA") issued Statement of Position ("SOP") 98-5 "Reporting on the Costs of Start-Up Activities". The new standard amends previous guidance from the AICPA that permitted capitalization of start-up costs in certain industries and requires that all nongovernmental entities expense the costs of start-up activities as those costs are incurred. Under the SOP, the term "start-up" has been broadly defined to include pre-operating, pre-opening and organization activities. Companies must adopt the new standard in fiscal years beginning after December 15, 1998. At adoption, a company must record a cumulative effect of a change in accounting principle to write off any unamortized start-up costs that existed as of the beginning of the fiscal year in which the SOP is adopted and an operating expense for those costs which were incurred and capitalized since the beginning of the fiscal year and adoption of the SOP.

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TRUMP HOTELS & CASINO RESORTS, INC.,
TRUMP HOTELS & CASINO RESORTS HOLDINGS, L.P.
AND
TRUMP HOTELS & CASINO RESORTS FUNDING, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)

THCR has decided to adopt the new standard in the first quarter of 1999. Had THCR adopted the new standard as of September 30, 1998, the net loss of \$23,338,000 for the nine months ended September 30, 1998 would have increased by \$1,091,000 for the effect of the write-off of capitalized costs incurred through the third quarter of 1998 and \$1,872,000 for costs incurred through December 31, 1997, to an adjusted net loss of \$26,301,000. The corresponding earnings per share effect would increase the net loss per share as reported of \$1.05 for the nine months ended September 30, 1998 by \$.05 for the write-off of capitalized costs through the third quarter of 1998 and \$.08 for costs incurred through December 31, 1997, to an adjusted loss per share of \$1.18.

ITEM 2--MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AN

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RESULTS OF OPERATIONS**CAPITAL RESOURCES AND LIQUIDITY**

Cash flows from operating activities are THCR's principal source of liquidity and were \$84,928,000 for the nine months ended September 30, 1998 compared to \$84,615,000 for the comparable period in 1997.

Capital expenditures for Trump AC were \$14,708,000 and \$63,449,000 for the nine months ended September 30, 1998 and 1997, respectively. Capital expenditures for improvements to Trump Plaza's existing facilities were \$8,338,000 and \$24,798,000 for the nine months ended September 30, 1998 and 1997, respectively. In addition, in 1997, Plaza Associates exercised its option to purchase from Seashore Four Associates, an entity beneficially owned by Trump, one of the parcels of land underlying Trump Plaza's main tower, pursuant to the terms of a lease, the payments under which were terminated upon the exercise of such option. The purchase price and associated closing costs were \$10,144,000.

Capital expenditures attributable to the Taj Mahal were \$5,849,000 and \$37,948,000 for the nine months ended September 30, 1998 and 1997, respectively. Capital expenditures for improvements to existing facilities were approximately \$5,849,000 and \$7,596,000 for the nine months ended September 30, 1998 and 1997, respectively. Capital expenditures attributable to the expansion of the facility were approximately \$30,352,000 for the nine months ended September 30, 1997.

The expansion at the Taj Mahal (the "Taj Mahal Expansion") consisted of the construction of a new 14-bay bus terminal which was completed in December 1996, a 2,400 space expansion of the existing self parking facilities, which was completed in May 1997, and an approximate 7,000 square-foot casino expansion with 260 slot machines, which was completed in July 1997. The total costs of the Taj Mahal Expansion including amounts expended in 1996 and 1997 were approximately \$43,500,000 and have been funded principally out of cash from operations.

Capital expenditures attributable to Castle Associates were \$1,950,000 and \$5,453,000 for the nine months ended September 30, 1998 and 1997, respectively. Capital expenditures attributable to Trump Indiana were \$8,994,000 and \$2,616,000 for the nine months ended September 30, 1998 and 1997, respectively. Approximately \$15,000,000 costs of hotel construction and other infrastructure improvements will be applied towards satisfying the economic development commitment required in connection with the Indiana licensing process. TCHR is currently negotiating with the Majestic Star Casino, L.L.C. ("Barden"), the other riverboat licensee and joint owner with Trump Indiana of Buffington Harbor Riverboats, L.L.C. ("BHR") for the development of a 1,500 space parking garage by BHR which would cost approximately \$15,000,000.

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On April 17, 1998 Castle Funding refinanced its Old Castle Senior Notes and its Term Loan by issuing the New Castle Senior Notes. The proceeds from the issuance of the New Castle Senior Notes were used to redeem all of the issued and outstanding Old Castle Senior Notes and 100% of their principal amount and to repay the Term Loan in full. In conjunction with this refinancing, TCHI, a New Jersey corporation and the general partner of Castle Associates, obtained a Working Capital Loan. Both the New Castle Senior Notes and the Working Capital Loan are guaranteed by Castle Associates.

The New Castle Senior Notes have an outstanding principal amount of \$62,000,000 and bear interest at the rate of 10 1/4% per annum, payable semi-annually each April and October. The New Castle Senior Notes mature on April 17, 2003.

The Working Capital Loan has an outstanding principal amount of \$5,000,000 and bears interest at the rate of 10 1/4% per annum, payable semi-annually each April and October. The entire principal balance of the Working Capital Loan matures on April 17, 2003.

A tender offer was made to existing Castle Associates' Mortgage Note holders on July 9, 1998, offering \$940 per \$1,000 of principal amount, plus accrued interest. On August 19, 1998, the tender offer was amended to increase the consideration to be paid to tendering Mortgage Note holders to \$975 per \$1,000 of principal amount, plus accrued interest. Consummation of the tender offer was conditioned upon, among other things a minimum tender of 98% of the principal amount of the Mortgage Notes. Since the minimum tender requirement of 98% was not satisfied, the tender offer expired at 5:00 p.m. on September 17, 1998, in accordance with its terms.

Castle Associates has the authority to obtain a working capital facility of up to \$10,000,000 (of which approximately \$5,440,000 is outstanding) although there can be no assurance that such financing will be available or on terms acceptable to Castle Associates.

During the quarter ended September 30, 1998, THCR Holdings advanced a loan to Trump in the amount of \$11,000,000 and prepaid 1999 fees and expenses in the amount of \$1,500,000 to Trump in accordance with the Executive Agreement. Such loan is secured by a pledge of certain receivables due to Trump. On October 19, 1998, THCR Holdings loaned Trump \$13,500,000. Such loan was offset in its entirety when Trump advanced \$13,500,000 to THCR Enterprises, L.L.C. ("THCR Enterprises"), which then purchased Trump's indebtedness to Donaldson Lufkin & Jenrette Securities Corporation. In connection with such purchase, THCR Enterprises was assigned a pledge of Trump's and Trump Casinos, Inc.'s ("TCI") equity interests in THCR and THCR Holdings.

THCR has assessed the year 2000 issue and has begun implementing a plan to insure its systems are year 2000 compliant. Analysis has been made of THCR's various customer support and internal administration systems with appropriate modifications having been made or underway. Testing the modifications will be ongoing during 1998 and is expected to be completed during early 1999. THCR is approximately 50% complete in its modifications.

THCR believes that the issues of concern are predominantly software related versus hardware related. Further, THCR relies upon third party suppliers for support of their individual systems provided to THCR. These are primarily support of property, plant and equipment, such as telephones, elevators and fire safety systems. Contact has been made with all significant system suppliers and THCR is at various stages of assessment, negotiation and implementation. When necessary, contracts have been issued to update these systems so as to insure year 2000 compliance. The cost of addressing the year 2000 issue is not expected to be material, and will be funded out of operations.

If THCR did not assess the year 2000 issue and provide for its compliance, it would be forced to convert to manual systems to carry on its business. Since THCR expects to be fully year 2000 compliant, it does not feel that a contingency plan is necessary at this time.

The indenture governing the Senior Notes (the "Senior Note Indenture") as well as indentures of the subsidiaries restrict the ability of THCR Holdings and its subsidiaries to make distributions to partners or pay dividends, as the case may be, unless certain financial ratios are achieved. Further, THCR's future operating results are conditional and could fluctuate, given the rapidly changing competitive environment.

In addition, the ability of Plaza Associates, Taj Associates and Castle Associates to make payments of dividends or distributions to THCR Holdings may be restricted by the New Jersey Casino Control Commission ("CCC"). Similarly, the ability of Trump Indiana to make payments of dividends or distributions to THCR Holdings may be restricted by the Indiana Gaming Commission.

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RESULTS OF OPERATIONS: OPERATING REVENUES AND EXPENSES

All business activities of THCR and THCR Holdings are conducted by Plaza Associates, Taj Associates, Trump Marina and Trump Indiana.

Comparison of Three-Month Periods Ended September 30, 1998 and 1997. The following tables include selected data of Plaza Associates, Taj Associates, Trump Indiana and Trump Marina.

	THREE MONTHS ENDED SEPTEMBER 30, 1998				
	PLAZA ASSOCIATES	TAJ ASSOCIATES	TRUMP INDIANA	TRUMP MARINA	THCR CONSOLIDATED*
	(DOLLARS IN MILLIONS)				
REVENUES:					
Gaming	\$ 103.7	\$ 146.0	\$ 38.2	\$ 74.2	\$ 364.1
Other	28.6	32.1	0.0	19.2	80.9
GROSS REVENUES	132.5	180.1	39.0	93.4	445.0
Less: Promotional Allowances	17.8	18.0	0.2	11.7	47.7
NET REVENUES	114.7	162.1	38.8	81.7	397.3
COSTS AND EXPENSES:					
Gaming	62.0	80.6	27.8	47.0	221.4
General & Administrative	19.9	23.3	8.4	16.2	70.5
Depreciation & Amortization	6.5	8.9	1.1	4.2	20.8
Other	8.9	8.8	0.9	3.5	22.1
TOTAL COSTS AND EXPENSES	97.3	125.6	38.2	70.9	334.8
INCOME FROM OPERATIONS	17.4	36.5	0.6	10.8	62.5
Non-operating Income (Expense)	0.1	0.2	0.3	0.2	2.0
Interest Expense	(11.8)	(23.5)	(2.2)	(12.9)	(55.4)
TOTAL NON-OPERATING EXPENSE, NET	(11.7)	(23.3)	(1.9)	(12.7)	(53.4)
Loss in Joint Venture	--	--	(0.7)	--	(0.7)
INCOME (LOSS) BEFORE MINORITY INTEREST	\$ 5.7	\$ 13.2	\$(2.0)	\$ (1.9)	8.4
Minority Interest					(3.1)
NET INCOME					\$ 5.3

* Intercompany eliminations and expenses of THCR and THCR Holdings are not separately shown.

	THREE MONTHS ENDED SEPTEMBER 30, 1997				
	PLAZA	TAJ	TRUMP	TRUMP	THCR

	ASSOCIATES	ASSOCIATES	INDIANA	MARINA	CONSOLIDATED*
(DOLLARS IN MILLIONS)					
REVENUES:					
Gaming	\$ 100.8	\$ 137.8	\$ 29.9	\$ 72.6	\$ 341.1
Other	30.8	35.3	0.7	18.7	85.5
GROSS REVENUES	131.6	173.1	30.6	91.3	426.6
Less: Promotional Allowances	18.4	20.8	0.2	11.6	51.0
NET REVENUES	113.2	152.3	30.4	79.7	375.6
COSTS AND EXPENSES:					
Gaming	82.3	82.5	20.4	44.6	209.8
General & Administrative	17.5	21.6	7.3	16.6	66.9
Depreciation & Amortization	6.1	9.0	1.1	4.2	20.4
Other	8.8	8.7	0.2	3.7	21.4
TOTAL COSTS AND EXPENSES	94.7	121.8	29.0	69.1	318.6
INCOME FROM OPERATIONS	18.5	30.5	1.4	10.6	57.1
Non-operating Income	0.1	0.3	0.0	0.1	1.1
Interest Expense	(12.2)	(23.7)	(2.3)	(12.8)	(52.0)
TOTAL NON-OPERATING EXPENSE, NET	(12.1)	(23.4)	(2.3)	(12.7)	(51.3)
Loss in Joint Venture	--	--	(1.0)	--	(1.0)
INCOME (LOSS) BEFORE MINORITY INTEREST	\$ 6.4	\$ 7.1	\$ (1.9)	\$ (2.1)	4.8
Minority Interest					(1.8)
NET INCOME					\$ 3.0

* Intercompany eliminations and expenses of THCR and THCR Holdings are not separately shown.

THREE MONTHS ENDED SEPTEMBER 30, 1998					
	PLAZA ASSOCIATES	T&J ASSOCIATES	TRUMP INDIANA	TRUMP MARINA	THCR CONSOLIDATED
(DOLLARS IN MILLIONS)					
TABLE GAME REVENUES	\$ 27.9	\$ 60.1	\$ 9.5	\$ 20.8	\$ 117.3
Incr (Decr) over prior period	\$ 2.3	\$ 11.3	\$ 0.1	\$ (2.3)	\$ 11.4
Table Game Drop	\$ 177.9	\$ 328.5	\$ 54.9	\$ 132.7	\$ 694.0
Incr (Decr) over prior period	\$ 5.2	\$ (18.0)	\$ 7.5	\$ (9.2)	\$ (8.5)
Table Win Percentage	15.7%	18.2%	15.4%	15.7%	16.9%
Incr (Decr) over prior period	0.9pts.	4.1pts.	(2.3)pts.	(1.3)pts.	1.8pts.
Number of Table Games	101	156	60	91	408
Incr (Decr) over prior period	(9)	1	(7)	(3)	(18)
Slot Revenues	\$ 75.8	\$ 82.5	\$ 29.7	\$ 52.4	\$ 240.4
Incr (Decr) over prior period	\$ 0.6	\$ (1.6)	\$ 8.2	\$ 3.8	\$ 11.0
Slot Handle	\$ 829.4	\$ 1,011.6	\$ 457.3	\$ 650.0	\$ 3,048.3
Incr (Decr) over prior period	\$ (3.1)	\$ 15.1	\$ 136.1	\$ 42.1	\$ 191.2
Slot Win Percentage	8.2%	8.2%	6.5%	8.1%	7.9%
Incr (Decr) over prior period	0.1 pts.	(0.2)pts.	(0.2)pts.	0.1pts.	(0.1)pts.
Number of Slot Machines	4,204	4,136	1,375	2,170	11,885
Incr (Decr) over prior period	174	0	(61)	28	101
Other Gaming Revenues	N/A	\$ 5.4	N/A	\$ 1.0	\$ 6.4
Incr (Decr) over prior period	N/A	\$ 0.5	N/A	\$ 0.1	\$ 0.6
TOTAL GAMING REVENUES	\$ 103.7	\$ 148.0	\$ 39.2	\$ 74.2	\$ 364.1
INCR (DECR) OVER PRIOR PERIOD	\$ 2.9	\$ 10.2	\$ 8.3	\$ 1.8	\$ 23.0

THREE MONTHS ENDED SEPTEMBER 30, 1997					
	PLAZA	T&J	TRUMP	TRUMP	THCR

	ASSOCIATES	ASSOCIATES	INDIANA	MARINA	CONSOLIDATED
	(DOLLARS IN MILLIONS)				
Table Game Revenues	\$ 25.6	\$ 49.9	\$ 9.4	\$ 23.1	\$ 105.9
Table Game Drop	\$ 172.7	\$ 346.5	\$ 47.4	\$ 135.9	\$ 702.5
Table Win Percentage	14.8%	14.1%	17.7%	17.0%	15.1%
Number of Table Games	110	155	67	94	426
Slot Revenues	\$ 75.2	\$ 84.1	\$ 21.5	\$ 48.6	\$ 229.4
Slot Handle	\$ 982.5	\$ 896.5	\$ 321.2	\$ 606.9	\$ 2,807.1
Slot Win Percentage	8.1%	8.4%	6.7%	8.0%	8.0%
Number of Slot Machines	4,090	4,135	1,416	2,142	11,784
Other Gaming Revenues	N/A	\$ 4.9	N/A	\$ 0.9	\$ 5.8
TOTAL GAMING REVENUES	\$ 100.8	137.8	\$ 29.9	\$ 72.6	\$ 341.1

Gaming revenues are the primary source of THCR's revenues. The year over year increase in table game revenues was due primarily to the increased table win percentages at Trump Plaza and the Taj Mahal. Table games revenues represent the amount retained by THCR from amounts wagered at table games. The table win percentage tends to be fairly constant over the long term, but may vary significantly in the short term, due to large wagers by "high rollers". The Atlantic City industry table win percentages were 15.5% and 14.6% for the quarters ended September 30, 1998 and 1997, respectively. The increase in slot revenues is primarily attributed to higher slot handles at Trump Indiana and Trump Marina in 1998.

Gaming costs and expenses were \$221,381,000 for the three months ended September 30, 1998, an increase of \$11,615,000 or 5.5% from \$209,766,000 for the comparable period in 1997. Trump Indiana incurred an increase of \$7,364,000 or 36.1% to \$27,786,000 for the three months ended September 30, 1998 as a result of increases in costs related to player promotions and special events caused by the expansion of gaming in Indiana. Gaming costs and expenses for Trump Marina were \$46,941,000 for the three months ended September 30, 1998, an increase of \$2,336,000 or 5.2% from \$44,605,000 for the comparable period in 1997. This increase is primarily the result of an increase in promotional and complimentary expenses as well as increased entertainment expenses.

General and administrative expenses were \$70,464,000 for the three months ended September 30, 1998, an increase of \$3,569,000 or 5.3% from general and administrative expenses of \$66,895,000 for the comparable period in 1997.

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Comparison of Nine-Month Periods Ended September 30, 1998 and 1997. The following tables include selected data of Plaza Associates, Taj Associates, Trump Indiana and Trump Marina.

	NINE MONTHS ENDED SEPTEMBER 30, 1998				
	PLAZA ASSOCIATES	TAJ ASSOCIATES	TRUMP INDIANA	TRUMP MARINA	THCR CONSOLIDATED*
	(DOLLARS IN MILLIONS)				
REVENUES:					
Gaming	\$283.9	\$389.4	\$101.3	\$198.0	\$ 971.6
Other	77.1	88.9	2.1	46.8	214.9
GROSS REVENUES	361.0	477.3	103.4	244.8	1,186.5
Less: Promotional Allowances	47.8	50.6	0.5	29.7	128.6
NET REVENUES	313.2	426.7	102.9	215.1	1,057.9
COSTS AND EXPENSES:					

Gaming.....	172.5	237.0	73.9	125.5	608.9
General & Administrative.....	58.7	65.0	22.0	44.8	200.4
Depreciation & Amortization.....	18.7	27.2	3.2	12.4	61.8
Other.....	24.2	25.4	2.4	9.5	61.5
TOTAL COSTS AND EXPENSES.....	274.1	355.4	101.5	192.2	932.6
INCOME FROM OPERATIONS.....	39.1	71.3	1.4	22.9	125.3
Non-operating Income.....	0.9	1.6	0.6	0.5	6.9
Interest Expense.....	(35.8)	(70.6)	(7.0)	(38.3)	(156.7)
TOTAL NON-OPERATING EXPENSE, NET.....	(34.9)	(69.0)	(6.4)	(37.8)	(159.8)
Loss in Joint Ventures.....	--	--	(2.2)	--	(2.2)
INCOME (LOSS) BEFORE MINORITY INTEREST.....	\$ 4.2	\$ 2.3	\$ (7.2)	\$ (14.9)	(36.7)
Minority Interest.....					13.4
NET LOSS.....					\$ (23.3)

* Intercompany eliminations and expenses of THCR and THCR Holdings are not separately shown.

NINE MONTHS ENDED SEPTEMBER 30, 1997

	PLAZA ASSOCIATES	TAG ASSOCIATES	TRUMP INDIANA	TRUMP MARINA	THCR CONSOLIDATED*
	(DOLLARS IN MILLIONS)				
REVENUES:					
Gaming.....	\$285.5	\$400.7	\$103.3	\$205.1	\$ 994.6
Other.....	83.7	93.3	2.7	49.4	229.2
GROSS REVENUES.....	369.2	494.0	106.0	254.5	1,223.8
Less: Promotional Allowances.....	49.7	56.3	0.5	31.3	137.9
NET REVENUES.....	319.5	437.7	105.5	223.2	1,085.9
COSTS AND EXPENSES:					
Gaming.....	178.7	245.7	66.6	130.1	621.2
General & Administrative.....	59.4	64.6	21.8	48.9	203.3
Depreciation & Amortization.....	18.1	21.9	3.6	12.9	66.7
Other.....	24.6	24.9	1.7	9.6	60.8
TOTAL COSTS AND EXPENSES.....	280.8	367.1	93.7	201.5	951.9
INCOME FROM OPERATIONS.....	38.7	70.6	11.8	21.7	134.0
Non-operating Income.....	0.4	0.9	0.5	0.3	4.9
Interest Expense.....	(35.5)	(71.1)	(7.8)	(37.3)	(157.8)
TOTAL NON-OPERATING EXPENSE, NET.....	(35.2)	(70.2)	(7.3)	(37.0)	(153.3)
Loss in Joint Ventures.....	--	--	(2.8)	--	(2.8)
INCOME (LOSS) BEFORE MINORITY INTEREST.....	\$ 2.5	\$ 0.4	\$ 1.7	\$ (15.3)	(22.1)
Minority Interest.....					8.0
NET LOSS.....					\$ (14.1)

* Intercompany eliminations and expenses of THCR and THCR Holdings are not separately shown.

NINE MONTHS ENDED SEPTEMBER 30, 1996					
	PLAZA ASSOCIATES	TAJ ASSOCIATES	TRUMP INDIANA	TRUMP MARINA	THCR CONSOLIDATED
(DOLLARS IN MILLIONS, EXCEPT STATISTICAL DATA)					
TABLE GAME REVENUES.....	\$ 76.3	\$ 149.3	\$ 25.7	\$ 53.6	\$ 304.9
Incr (Decr) over prior period.....	\$ 5.2	\$ (7.3)	\$ (5.2)	\$ (6.8)	\$ (14.1)
Table Game Drop.....	\$ 485.6	\$ 903.0	\$ 181.9	\$ 346.3	\$ 1,895.8
Incr (Decr) over prior period.....	\$ (10.9)	\$ (88.2)	\$ (3.2)	\$ (35.6)	\$ (137.9)
Table Win Percentage.....	15.7%	16.5%	15.9%	12.5%	15.1%
Incr (Decr) over prior period.....	1.4pts.	0.7pts.	(2.8) pts.	(0.4) pts.	0.4 pts.
Number of Table Games.....	110	155	60	92	417
Incr (Decr) over prior period.....	(8)	(5)	(9)	2	(20)
SLOT REVENUES.....	\$ 207.6	\$ 224.5	\$ 75.6	\$ 142.6	\$ 650.3
Incr (Decr) over prior period.....	\$ (6.8)	\$ (5.5)	\$ 3.2	\$ (0.4)	\$ (9.5)
Slot Handle.....	\$ 2,562.3	\$ 2,742.6	\$ 1,186.1	\$ 1,769.5	\$ 8,254.5
Incr (Decr) over prior period.....	\$ (68.4)	\$ (8.8)	\$ 109.1	\$ 18.8	\$ 58.7
Slot Win Percentage.....	8.1%	8.2%	6.4%	8.1%	7.9%
Incr (Decr) over prior period.....	(0.1)pts.	(0.2)pts.	(0.3)pts.	(0.1)pts.	(0.1)pts.
Number of Slot Machines.....	4,124	4,137	1,375	2,163	11,799
Incr (Decr) over prior period.....	44	213	(93)	(31)	153
Other Gaming Revenues.....	N/A	\$ 14.6	N/A	\$ 1.8	\$ 16.4
Incr (Decr) over prior period.....	N/A	\$ 0.5	N/A	\$ 0.1	\$ 0.6
TOTAL GAMING REVENUES.....	\$ 283.9	\$ 388.4	\$ 101.3	\$ 198.0	\$ 971.6
INCR (DECR) OVER PRIOR PERIOD.....	\$ (1.6)	\$ (12.3)	\$ (2.0)	\$ (7.1)	\$ (23.0)

NINE MONTHS ENDED SEPTEMBER 31, 1997					
	PLAZA ASSOCIATES	TAJ ASSOCIATES	TRUMP INDIANA	TRUMP MARINA	THCR CONSOLIDATED
(DOLLARS IN MILLIONS)					
TABLE GAME REVENUES.....	\$ 71.1	\$ 156.6	\$ 30.9	\$ 60.4	\$ 319.0
Table Game Drop.....	\$ 496.5	\$ 991.2	\$ 165.1	\$ 380.9	\$ 2,033.7
Table Win Percentage.....	14.3%	15.8%	18.7%	15.9%	15.7%
Number of Table Games.....	118	160	69	90	437
SLOT REVENUES.....	\$ 214.4	\$ 230.0	\$ 72.4	\$ 143.0	\$ 659.8
Slot Handle.....	\$ 2,622.7	\$ 2,751.4	\$ 1,077.0	\$ 1,744.7	\$ 8,195.8
Slot Win Percentage.....	8.2%	8.4%	6.7%	8.2%	8.0%
Number of Slot Machines.....	4,080	3,924	1,428	2,214	11,646
Other Gaming Revenues.....	N/A	\$ 14.1	N/A	\$ 1.7	\$ 15.8
TOTAL GAMING REVENUES.....	\$ 285.5	\$ 400.7	\$ 103.3	\$ 205.1	\$ 994.6

Gaming revenues are the primary source of THCR's revenues. The year over year decrease in gaming revenues was primarily due to Taj Associates' first quarter results for last year which included an unusual, approximately \$8 million dollar, table game win from one premium player, a decline in high-end international table game players due to Asian economic conditions and the decline in slot revenues at both the Taj Mahal and Trump Plaza. Trump Marina's decrease in table game revenue is due to increased capacity in the Atlantic City Market as well as management's decision to reduce promotional gaming costs in an effort to eliminate less profitable programs. Table games revenues represent the amount retained by THCR from amounts wagered at table games. The table win percentage tends to be fairly constant over the long term, but may vary significantly in the short term, due to large wagers by "high rollers". The Atlantic City industry table win percentages were 15.3% and 14.9% for the nine months ended September 30, 1996 and 1997, respectively. Decreases in revenue at Trump Indiana are attributed to the new facilities and capacity added over the past year.

Substantially proportionate to the decrease in gaming revenues, gaming costs and expenses decreased \$12,288,000 or 2.0% from the comparable period in 1997. This decrease primarily represents marketing and promotional costs.

During the second quarter of 1997, Plaza Associates, Taj Associates and Castle Associates revised their estimates of the useful lives of buildings, building improvements, furniture and fixtures which were acquired in 1996. Building and building improvements were reevaluated to have a forty year life and furniture and fixtures were determined to have a seven year life. During the third quarter of 1997, Trump Indiana revised its estimates of the useful life of the riverboat and its improvements from fifteen to thirty years. THCR believes these changes more appropriately reflect the timing of the economic benefits to be received from these assets during their estimated useful lives. For the nine months ended September 30, 1998, the net effect of applying these new lives was to decrease net loss by \$2,300,000 and decrease loss per share by \$.07. Additionally, Taj Associates' depreciation decreased due to furniture and equipment classifications becoming fully depreciated.

Insurance reserves were reduced by \$2,820,000 as the result of an internal risk management review at Plaza Associates, Taj Associates and Castle Associates.

Interest expense increased due to the additional \$100,000,000 of TAC II Notes and TAC III Notes issued on December 10, 1997 of which \$75,000,000 are TAC II Notes issued by Trump AC together with Trump AC Funding II and of which \$25,000,000 are TAC III Notes issued by Trump AC together with Trump AC Funding III.

SEASONALITY

The casino industry in Atlantic City and Indiana is seasonal in nature; accordingly, the results of operations for the period ending September 30, 1998 are not necessarily indicative of the operating results for a full year.

IMPORTANT FACTORS RELATING TO FORWARD-LOOKING STATEMENTS

The Private Securities Litigation Reform Act of 1995 provides a "safe harbor" for forward-looking statements so long as those statements are identified as forward-looking and are accompanied by meaningful cautionary statements identifying important factors that could cause actual results to differ materially from those projected in such statements. In connection with certain forward-looking statements contained in this Quarterly Report on Form 10-Q and those that may be made in the future by or on behalf of the Registrants, the Registrants note that there are various factors that could cause actual results to differ materially from those set forth in any such forward-looking statements. The forward-looking statements contained in this Quarterly Report were prepared by management and are qualified by, and subject to, significant business, economic, competitive, regulatory and other uncertainties and contingencies, all of which are difficult or impossible to predict and many of which are beyond the control of the Registrants. Accordingly, there can be no assurance that the forward-looking statements contained in this Quarterly Report will be realized or that actual results will not be significantly higher or lower. The statements have not been audited by, examined by, compiled by or subjected to agreed-upon procedures by independent accountants, and no third-party has independently verified or reviewed such statements. Readers of this Quarterly Report should consider these facts in evaluating the information contained herein. In addition, the business and

operations of the Registrants are subject to substantial risks which increase the uncertainty inherent in the forward-looking statements contained in this Quarterly Report. The inclusion of the forward-looking statements contained in this Quarterly Report should not be regarded as a representation by the Registrant or any other person that the forward-looking statements contained in the Quarterly Report will be achieved. In light of the foregoing, readers of this Quarterly Report are cautioned not to place undue reliance on the forward-looking statements contained herein.

ITEM 3--QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Pursuant to the General Instructions to Rule 305 of Regulation S-K, the quantitative and qualitative disclosures called for by this Item 3 and by Rule 305 of Regulation S-K are inapplicable to the Registrants at this time.

PART II--OTHER INFORMATION

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ITEM 1--LEGAL PROCEEDINGS

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THCR and certain of its subsidiaries, affiliates and employees have been involved in various legal proceedings. In general, THCR has agreed to indemnify such persons against any and all losses, claims, damages, expenses (including reasonable costs, disbursements and counsel fees) and liabilities (including amounts paid or incurred in satisfaction of settlements, judgments, fines and penalties) incurred by them in said legal proceedings. Such persons and entities are vigorously defending the allegations against them and intend to vigorously contest any future proceedings.

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Plaza Associates. The Casino Reinvestment Development Authority ("CRDA"), as required, set aside funds for investment in hotel development projects in Atlantic City undertaken by casino licensees which result in the construction or rehabilitation of at least 200 hotel rooms. These investments are to fund up to 27% of the cost to casino licensees of such projects. In June 1993, Plaza Associates made application for such funding to the CRDA with respect to its proposed construction of the Trump Plaza East facilities, demolition of a certain structure adjacent thereto, development of an appurtenant public park, roadway and parking area and acquisition of the entire project site. The CRDA, in rulings through January 10, 1995, approved the hotel development project and, with respect to same and pursuant to a credit agreement between them, reserved to Plaza Associates the right to take investment tax credits up to approximately \$14.2 million. Plaza Associates has, except for three small parcels discussed below, acquired the site and constructed and presently operates and maintains the proposed hotel tower, public park, roadway and parking area.

As part of its approval and on the basis of its powers of eminent domain, the CRDA, during 1994, initiated certain condemnation proceedings in the Superior Court of New Jersey, Atlantic County, to acquire five small parcels of land within the project site. Plaza Associates has since acquired two of the parcels and proceedings with respect to those parcels have been concluded. The

court, in a July 20, 1998 opinion, directed entry of judgments dismissing the CRDA actions with respect to the remaining three parcels, which if acquired, would be included in the public park and parking area of the project, on the basis of its determination that the CRDA had failed to establish that a valid primarily public purpose justified acquisition of the parcels. Written orders of dismissal were entered by the court on July 28. The right of the CRDA to appeal these judgments expired on September 11, 1998. The judgements were not appealed.

Additionally, with respect to the two parcels to be included in the public park portion of the project, the CRDA, by a separate motion, sought an order that Plaza Associates' application and credit agreement be deemed amended to terminate the CRDA's obligation to acquire the two parcels and to enable the CRDA to abandon the condemnation proceedings with respect to these two parcels. This motion was opposed by Plaza Associates. By order dated April 1, 1998, the Court denied the motion but granted the CRDA leave to amend its pleadings by a filing within 14 days from the date thereof formally asserting a claim for specific performance of the alleged agreement. The CRDA did not file any such amended pleading within this permitted time period.

Also, the defendants in two of the condemnation proceedings filed a separate joint complaint in the New Jersey Superior Court alleging, among other claims, that the CRDA and Plaza Associates were wrongfully attempting to deprive them of property rights in violation of their constitutional and civil rights. *Coking, et al. v. Casino Reinvestment Development Authority, et al.*, Docket No. ATL-L-2555-97. The CRDA's motion for summary judgment on the complaint and Plaza Associates' motion to dismiss it for failure to state a claim were granted by the New Jersey Superior Court on October 24, 1997 and November 11, 1997.

Trump Indiana. Commencing in early 1994, Trump Indiana (which was then wholly owned by Trump), through its Indiana counsel, had discussions with eight Indiana residents regarding the potential purchase by such residents of non-voting stock of Trump Indiana, representing a total of 7.5% of the equity in Trump Indiana. The purchase price of the stock was to have been paid with a promissory note secured by the stock purchased, although the purchase price and other material terms of the proposed purchase were never agreed upon. Such discussions did not result in an agreement for, or the purchase of, any stock by the residents. It was subsequently determined to include Trump Indiana as a wholly owned subsidiary of THCR Holdings in connection with the June 1995 Offerings. The residents then asserted a right to purchase stock in Trump Indiana. Trump Indiana and THCR did not agree with the residents' assertions of any such rights with respect to the stock of Trump Indiana or otherwise, and so advised the residents. Although discussions had been ongoing with respect to the resolution of this matter, on March 29, 1996, in the matter entitled *Keshav D. Aggarwal, et. al. v. Donald J. Trump, Trump Hotels & Casino Resorts, Inc., Trump Hotels & Casino Resorts Holdings, L.P. and Trump Indiana, Inc.*, such residents filed a complaint with respect to this matter in the United States District Court, Southern District of Indiana, seeking, among other things, compensatory and punitive damages in an unspecified amount and that the court order the defendants to transfer ownership of 7.5% of Trump Indiana to the plaintiffs. Trump, THCR, THCR Holdings and Trump Indiana filed an answer to the complaint on May 31, 1996. Cross-motions for summary judgment have been filed by all parties and a decision regarding each motion is expected in the near future. Monetary settlements have been reached between all defendants and six of the plaintiffs. The remaining plaintiffs voluntarily dismissed their demands for the transfer of ownership in Trump Indiana. A trial date has been set for February 1999. THCR and the other defendants intend to vigorously contest the allegations against them. Further, management believes that the further resolution of these claims will not have a material adverse effect on THCR.

Various other legal proceedings are now pending against THCR. Except as set

forth herein and in THCR's Annual Report on Form 10-K for the year ended December 31, 1997, THCR considers all such proceedings to be ordinary litigation incident to the character of its business and not material to its business or financial condition. THCR believes that the resolution of these claims, to the extent not covered by insurance, will not, individually or in the aggregate,

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have a material adverse effect on its financial condition or results of operations of THCR.

ITEM 2--CHANGES IN SECURITIES AND USE OF PROCEEDS

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None.

ITEM 3--DEFAULTS UPON SENIOR SECURITIES

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None.

ITEM 4--SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

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At the 1998 Annual Meeting of shareholders on August 6, 1998, the stockholders of THCR voted on the following two proposals:

Proposal 1. The stockholders of THCR re-elected each of the Directors of THCR. The number of votes cast for each of the nominees were as follows:

	Common Stock	
	For	Withheld
Donald J. Trump.....	32,556,131	1,334,579
Nicholas L. Ribis.....	32,619,595	1,271,115
Wallace B. Askins.....	32,618,032	1,272,678
Don M. Thomas.....	32,618,723	1,271,987
Peter M. Ryan.....	32,629,523	1,261,187

All 1,000 shares of Class B Common Stock were voted in favor of Proposal 1.

Proposal 2. The appointment of Arthur Andersen LLP as the independent public accountants of THCR for the fiscal year ending December 31, 1998 was ratified by a vote of 33,724,460 shares of Common Stock for, and 104,959 shares against, with 61,291 shares abstaining. All 1,000 shares of Class B Common Stock were voted in favor of Proposal 2.

ITEM 5--OTHER INFORMATION

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None.

ITEM 6--EXHIBITS AND REPORTS ON FORM 8-K

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A. EXHIBITS:

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EXHIBIT NO.	DESCRIPTION OF EXHIBIT
27.1(1)	Financial Data Schedule of Trump Hotels & Casino Resorts, Inc.
27.2(2)	Financial Data Schedule of Trump Hotels & Casino Resorts Holdings, L.P.
27.3(2)	Financial Data Schedule of Trump Hotels & Casino Funding, Inc.
(1)	Filed only with the Quarterly Report on Form 10-Q of THCR for the quarter ended September 30, 1998.
(2)	Filed only with the Quarterly Report on Form 10-Q of THCR Holdings and THCR Funding for the quarter ended September 30, 1998.

B. CURRENT REPORTS ON FORM 8-K:

The Registrants did not file any Current Reports on Form 8-K during the period beginning July 1, 1998 and ending September 30, 1998.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

TRUMP HOTELS & CASINO RESORTS, INC.
(Registrant)

Date: November 13, 1998

By: FRANCIS X. MCCARTHY, JR.

FRANCIS X. MCCARTHY, JR.
Executive Vice President of Finance and
Chief Financial Officer
(DULY AUTHORIZED OFFICER AND PRINCIPAL
FINANCIAL OFFICER)

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the registrant has duly caused this report to be signed on its behalf by the

undersigned thereunto duly authorized.

TRUMP HOTELS & CASINO RESORTS HOLDINGS, L.P.
(Registrant)

Date: November 13, 1998

By: TRUMP HOTELS & CASINO RESORTS, INC.,
its general partner

By: /s/ FRANCIS X. MCCARTHY, JR.

FRANCIS X. MCCARTHY, JR.
Executive Vice President of Finance and
Chief Financial Officer
(DULY AUTHORIZED OFFICER AND
PRINCIPAL FINANCIAL OFFICER)

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended,
the registrant has duly caused this report to be signed on its behalf by the
undersigned thereunto duly authorized.

TRUMP HOTELS & CASINO RESORTS FUNDING, INC.
(Registrant)

Date: November 13, 1998

By: /s/ FRANCIS X. MCCARTHY, JR.

FRANCIS X. MCCARTHY, JR.
Executive Vice President of Finance and
Chief Financial Officer
(DULY AUTHORIZED OFFICER AND PRINCIPAL
FINANCIAL OFFICER)

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Includes gaming, lodging, food & beverage and other.
Includes general & administration, depreciation & amortization and development costs.

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LETTERS TO THE STOCKHOLDERS

THE FUTURE

CORPORATE AND STOCKHOLDER INFORMATION



Directors

Donald J. Trump
Chairman of the Board
 Trump Hotels & Casino Resorts, Inc.

Wallace B. Askins
Director
 EnviroSource, Inc.

Don M. Thomas
Senior Vice President of Corporate Affairs
 The Pepsi-Cola Bottling Co
 of New York

Peter M. Ryan
President
 The Marlin Group, LLC
 The Brookwood Carrington
 Fund, L.L.C.

Executive Officers

Donald J. Trump
Chairman of the Board, President and Chief Executive Officer

Mark A. Brown
Chief Operating Officer

Robert M. Pickus
Executive Vice President, General Counsel & Secretary

Joseph A. Fusco
Executive Vice President of Government & Regulatory Affairs

Francis X. McCarthy, Jr.
Executive Vice President of Corporate Finance & Chief Financial Officer

John P. Burke
Executive Vice President & Corporate Treasurer

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McCarthy, Jr., Francis X. (48)**Executive Vice President - Finance and Chief Financial Officer**

Mr. McCarthy has been serving as the Executive Vice President of Corporate Finance and Chief Financial Officer of THCR, THCR Holdings and THCR Funding since September 1998. Mr. McCarthy has also been serving as the Chief Financial Officer of Trump AC, Trump AC Funding, Funding II and Funding III since September 1998; the Chief Financial Officer, Chief Accounting Officer and Assistant Treasurer of Castle Funding since August 2000; and the Chief Financial Officer of Castle Associates since August 2000. Mr. McCarthy served as the Executive Vice President of Corporate Finance of TCS from October 1996 until its merger into Taj Associates on December 31, 2000; the Vice President of Finance and Accounting of Trump Plaza GP from October 1992 until June 1993; the Senior Vice President of Finance and Administration of Plaza Associates from August 1990 to June 1994; and the Executive Vice President of Finance and Administration of Plaza Associates from June 1994 to October 1996. Mr. McCarthy previously served in a variety of financial positions for Greate Bay Hotel and Casino, Inc. from June 1980 through August 1990.

Burke, John P., (53)**Executive Vice President and Treasurer**

Mr. Burke has been serving as an Executive Vice President of THCR, THCR Holdings, THCR Funding and Trump AC since January 1999. He has also been serving as the Corporate Treasurer of THCR, THCR Holdings, THCR Funding and Trump AC since their respective formations in 1995; the Corporate Treasurer of Plaza Associates and Taj Associates since October 1991; and the Treasurer of Trump Indiana, Inc. since its formation in December 1992. He has been serving as the Treasurer of Trump AC Funding since its formation in January 1996; the Treasurer of Funding II and Funding III since their respective formations in November 1997; and the Treasurer of TACC since February 1998. He has been serving as the Assistant Treasurer of THCR Holding Corp. and THCR/LP since February 1998; the Corporate Treasurer of Castle Associates since October 1991; the Vice President of Castle Associates, Castle Funding, TCI-II and TCHI since December 1993; the Assistant Treasurer of TCHI since April 1998; the Treasurer of Castle Funding since April 1998; a member of the Board of Partner Representatives of Castle Associates since March 1997; a Vice President and the Treasurer of THCR Enterprises since January 1997; and the Vice President of Finance of The Trump Organization since September 1990. He served as the Senior Vice President of Corporate Finance of THCR from January 1996 to June 1997; the Senior Vice President of THCR, THCR Holdings and THCR Funding from June 1997 to January 1996 to June 1997.

TRUMP HOTELS & CASINO RESORTS INC - 10-K

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

(Mark One)

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 (NO FEE REQUIRED) FOR THE FISCAL YEAR ENDED **DECEMBER 31, 1998**

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 (NO FEE REQUIRED) FOR THE TRANSITION PERIOD FROM _____ TO _____

COMMISSION FILE NUMBER 1-13794

TRUMP HOTELS & CASINO RESORTS, INC.

(Exact name of registrant as specified in its Charter)

DELAWARE
(State or other Jurisdiction of
Incorporation or Organization)

13-3818402
(I.R.S. Employer
Identification No.)

2500 BOARDWALK
ATLANTIC CITY, NEW JERSEY
(Address of principal executive office)

08401
(Zip Code)

REGISTRANT'S TELEPHONE NUMBER, INCLUDING AREA CODE: (609) 441-6060

COMMISSION FILE NO.: 33-90786

TRUMP HOTELS & CASINO RESORTS HOLDINGS, L.P.

(Exact name of registrant as specified in its Charter)

DELAWARE
(State or other Jurisdiction of
Incorporation or Organization)

13-3818407
(I.R.S. Employer
Identification No.)

2500 BOARDWALK
ATLANTIC CITY, NEW JERSEY
(Address of principal executive office)

08401
(Zip Code)

REGISTRANT'S TELEPHONE NUMBER, INCLUDING AREA CODE: (609) 441-6060

COMMISSION FILE NO.: 33-90786

TRUMP HOTELS & CASINO RESORTS FUNDING, INC.

(Exact name of registrant as specified in its Charter)

DELAWARE
(State or other Jurisdiction of
Incorporation or Organization)

13-3818405
(I.R.S. Employer
Identification No.)

2500 BOARDWALK
ATLANTIC CITY, NEW JERSEY
(Address of principal executive office)

08401
(Zip Code)

REGISTRANT'S TELEPHONE NUMBER, INCLUDING AREA CODE: (609) 441-6060

SECURITIES REGISTERED PURSUANT TO SECTION 12(B) OF THE ACT:

TITLE OF EACH CLASS	NAME OF EACH EXCHANGE ON WHICH REGISTERED
Common Stock of Trump Hotels & Casino Resorts, Inc., par value \$.01 per share	New York Stock Exchange

SECURITIES REGISTERED PURSUANT TO SECTION 12(G) OF THE ACT: NONE

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) have been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrants' knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

The aggregate market value of the voting stock of Trump Hotels & Casino Resorts, Inc. held by non-affiliates as of March 25, 1999 was approximately: \$88,942,937

As of March 25, 1999, there were 22,195,256 shares of Trump Hotels & Casino Resorts, Inc. Common Stock outstanding.

Documents Incorporated by Reference--Not applicable

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PART I

ITEM 1. BUSINESS.

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RECENT EVENTS

On January 13, 1999, Trump Hotels & Casino Resorts Holdings, L.P. ("THCR Holdings") entered into an agreement with Hilton Hotels Corporation and Flamingo Hilton Riverboat Casino, L.P. ("Flamingo-Kansas City") to acquire a riverboat casino facility located in Kansas City, Missouri and substantially all of the other assets, properties and rights of every kind and nature of

Flamingo-Kansas City. The aggregate consideration payable for the assets of Flamingo-Kansas City is \$15 million, subject to customary closing adjustments. Consummation of the acquisition is subject to various conditions, including obtaining certain approvals and licenses (including gaming licenses) from the Missouri Gaming Commission and the Port Authority of Kansas City, Missouri, and the expiration or termination of any applicable waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended.

GENERAL

THCR Holdings, Trump Hotels & Casino Resorts Funding, Inc. ("THCR Funding") and Trump Hotels & Casino Resorts, Inc. ("THCR") were organized under the laws of the State of Delaware in March 1995. The partnership agreement governing THCR Holdings provides that all business activities of THCR must be conducted through THCR Holdings or subsidiary partnerships or corporations. As the sole general partner of THCR Holdings, THCR generally has exclusive rights, responsibilities and discretion in the management and control of THCR Holdings. THCR, through THCR Holdings and its wholly owned subsidiaries, owns and operates the Trump Plaza Hotel and Casino ("Trump Plaza"), which also includes Trump World's Fair, and the Trump Taj Mahal Casino Resort (the "Taj Mahal"), each located on The Boardwalk in Atlantic City, New Jersey, the Trump Marina Hotel Casino ("Trump Marina"), located in the marina district of Atlantic City, New Jersey (the "Marina District"), as well as a riverboat casino located at Buffington Harbor on Lake Michigan in Indiana (the "Indiana Riverboat"), making THCR one of the largest casino entertainment companies in the United States. In addition, THCR continues to be the exclusive vehicle through which Donald J. Trump ("Trump") engages in new gaming activities in both emerging and established gaming jurisdictions.

- o TRUMP PLAZA. In May 1996, THCR completed an expansion program which further enhanced Trump Plaza's gaming space and hotel capacity (the "Trump Plaza Expansion") while maintaining its commitment to first class customer service. This strategy was designed to capitalize on Trump Plaza's reputation for excellence, as well as to meet both existing and anticipated demand for the increased number of rooms and infrastructure improvements that are currently being implemented to enhance further the "vacation destination appeal" of Atlantic City. As part of the Trump Plaza Expansion, THCR renovated and integrated into Trump Plaza a hotel adjacent to Trump Plaza's main tower ("Trump Plaza East") and renovated and integrated into Trump Plaza the former Trump Regency Hotel, located on The Boardwalk adjacent to the original Atlantic City Convention Center, which is next to Trump Plaza and is now known as Trump World's Fair. The renovations at Trump Plaza East were completed in February 1996 and at Trump World's Fair in May 1996. Trump Plaza has 138,295 square feet of gaming space, housing a total of approximately 4,162 slot machines and 103 table games, making Trump Plaza's casino the largest in Atlantic City (in terms of square footage). Trump Plaza's hotel capacity consists of 1,404 guest rooms, making Trump Plaza's guest room inventory one of the largest in Atlantic City.
- o TAJ MAHAL. Management believes that the acquisition of the Taj Mahal on April 17, 1996 (the "Taj Acquisition") has strengthened THCR's position as a leader in the casino entertainment industry through its ownership of two successful land-based casino hotels on The Boardwalk. Furthermore, the Taj Acquisition has enhanced THCR's presence in the growing Atlantic City gaming market (the

"Atlantic City Market"). After giving effect to the Taj Acquisition and the Trump Plaza Expansion, THCR had acquired approximately one-quarter of Atlantic City's casino square footage, slot machines, table games and hotel room inventory. The combination of the Taj Mahal with Trump Plaza's operations has provided opportunities for operational efficiencies, economies of scale and benefits from the talent, expertise and experience of management at the operating entities. In July 1997, THCR completed an expansion plan at the Taj Mahal (the "Taj Mahal Expansion"), which included construction of a new bus terminal, expansion of parking facilities and expansion of casino floor space.

- o TRUMP MARINA. The acquisition of Trump's Castle Casino Resort ("Trump's Castle") on October 7, 1996 (the "Castle Acquisition"), has further strengthened THCR's position as an industry leader. During the second quarter of 1997, Trump's Castle Associates, L.P. ("Castle Associates") rethemed the property with a nautical emphasis and renamed it Trump Marina Hotel Casino. The Castle Acquisition has provided THCR with a significant presence in the Marina District, the principal focus of expansion in the Atlantic City Market. In addition, the Castle Acquisition has provided further opportunities for operational efficiencies and economies of scale and eliminated the perceived conflict of interest caused by the differing ownership of Trump Marina and the other THCR properties in Atlantic City. Ownership of Trump Marina will enable THCR to retain patrons that may be drawn from The Boardwalk to the Marina District by new casino development in the Marina District. The Castle Acquisition has also enabled THCR to benefit from (i) the excellent condition of the current facilities at Trump Marina, which have been designed to accommodate additional development with minimal disruption to existing operations, and (ii) the proximity of Trump Marina to the "H-Tract," an approximately 150-acre parcel of land proposed to be Atlantic City's newest area of casino hotel development (the "H-Tract").

- o INDIANA RIVERBOAT. Trump Indiana, Inc. ("Trump Indiana"), which owns and operates the Indiana Riverboat and hotel at Buffington Harbor, on Lake Michigan, approximately 25 miles southeast of downtown Chicago, commenced operations on June 8, 1996. Trump Indiana is one of 11 riverboat gaming projects permitted under current Indiana law, and one of only five to be located in northern Indiana. Trump Indiana and The Majestic Star Casino, LLC ("Barden") are the two holders of riverboat owner's licenses to operate at Buffington Harbor. Trump Indiana and Barden entered into an agreement (the "BHR Agreement") relating to the formation of Buffington Harbor Riverboats, L.L.C. ("BHR") and the joint ownership, development and operation of all common land-based and waterside operations in support of each of Trump Indiana's and Barden's separate riverboat casinos at Buffington Harbor. The Indiana Riverboat has approximately 37,000 square feet of gaming space and features 1,320 slot machines and 51 table games, and is one of the largest riverboat casinos in the United States. The Indiana Riverboat's principal market is the approximately 6.8 million people residing within 50 miles of the Indiana Riverboat in the greater Chicago metropolitan area. Approximately 11.2 million and 24.2 million people live within a 100- and 200-mile radius of Buffington Harbor, respectively.

- o THE "TRUMP" NAME. THCR capitalizes on the widespread recognition of the "Trump" name and its association with high quality amenities and first class service. To this end, THCR provides a broadly diversified gaming and entertainment experience consistent with the "Trump" name and reputation for quality, tailored to the gaming patron in each market. THCR also benefits from the "Trump" name in connection with its efforts to expand and to procure new gaming opportunities in the United States and abroad. THCR explores opportunities to establish additional gaming operations, particularly in jurisdictions where the legalization of casino gaming is relatively new or anticipated.

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The following table profiles THCR's current casino and hotel capacity:

	TRUMP PLAZA	TAJ MAHAL	TRUMP MARINA	INDIANA RIVERBOAT	TOTAL
Gaming square footage.....	138,295	147,720	75,900	37,000	398,915
Slot machines.....	4,162	4,152	2,167	1,320	11,801
Table games (including poker).....	103	211	92	51	457
Hotel rooms.....	1,404	1,250	728	300	3,682

Trump Casino Services, L.L.C., a New Jersey limited liability company ("TCS"), was formed on June 27, 1996 for the purpose of realizing cost savings and operational synergies by consolidating certain administrative functions of, and providing certain services to, each of Trump Plaza Associates ("Plaza Associates") and Trump Taj Mahal Associates ("Taj Associates"), the owner and operator of Trump Plaza and the Taj Mahal, respectively. Trump Atlantic City Associates ("Trump AC") and Trump Atlantic City Corporation ("TACC"), a wholly owned subsidiary of Trump AC, own a 99% and 1% interest, respectively, in TCS. In June 1996, the New Jersey Casino Control Commission (the "CCC") granted TCS an initial casino license which, in July 1997, was renewed through July 1998 and in July 1998 was renewed through July 1999. On July 8, 1996, TCS, Plaza Associates and Taj Associates entered into an agreement (the "TCS Services Agreement") pursuant to which TCS provides to each of Taj Associates and Plaza Associates certain management, financial and other functions and services necessary and incidental to the respective operation of each of their casino hotels. On October 23, 1996, TCS, Plaza Associates, Taj Associates and Castle Associates entered into an Amended and Restated Services Agreement pursuant to which TCS also provides those same functions and services to Castle Associates in connection with the operation of Trump Marina. In 1998, TCS, Plaza Associates, Taj Associates, Castle Associates and Trump Indiana entered into a second Amended and Restated Services Agreement pursuant to which TCS also provides these same functions and services to Trump Indiana in connection with the operation of the Indiana Riverboat. Trump Communications, L.L.C. ("Trump Communications"), a New Jersey limited liability company and a subsidiary of TCS, was formed on January 31, 1997 for the purpose of realizing cost savings and operational synergies by consolidating advertising functions of, and providing certain services to, each of Plaza Associates, Taj Associates and Castle Associates.

THCR operates in only one industry segment. See "Financial Statements and Supplementary Data."

TRUMP PLAZA

Management believes that Trump Plaza's Five Star Diamond Award from the American Academy of Hospitality Sciences reflects the high quality amenities and services that Trump Plaza provides to its casino patrons and hotel guests. These amenities and services include a broad selection of dining choices, headline entertainment, deluxe accommodations, tennis courts and swimming and health spa facilities.

Management believes that as a result of the Trump Plaza Expansion and Trump Plaza's strategic location, Trump Plaza is one of the premier host properties in Atlantic City. The Trump Plaza Expansion was completed in May 1996 and increased Trump Plaza's prime central frontage on The Boardwalk to nearly a quarter of a mile. Management believes that the construction of the new convention center and the tourist corridor linking the new convention center with The Boardwalk enhances the desirability of Atlantic City generally and, as a result of Trump Plaza's central location, benefits Trump Plaza in particular. In addition, management has taken advantage of gaming regulatory changes that allow casino space to be directly visible and accessible from The Boardwalk.

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Trump Plaza's location on The Boardwalk at the end of the main highway into Atlantic City makes it highly accessible for both "drive-in" and "walk-in" patrons.

As part of the Trump Plaza Expansion, Trump Plaza opened the Ocean View Casino and Bar and a total of 349 rooms, including nine super suites, located at Trump Plaza East, which is fully integrated into Trump Plaza. Trump Plaza East has approximately 15,000 square feet of casino space. Trump Plaza also completed construction of a new entranceway to Trump Plaza to provide easier access by car to Trump Plaza.

In May 1996, THCR completed the renovations and integration of Trump World's Fair, located on The Boardwalk adjacent to the original Atlantic City Convention Center, into Trump Plaza. Trump World's Fair contains 49,211 square feet of gaming floor space, approximately 16,000 square feet of which is directly accessible from The Boardwalk, and 500 hotel rooms, connected to Trump Plaza's main tower by an enclosed walkway overlooking The Boardwalk.

Management believes the increased hotel capacity as a result of the Trump Plaza Expansion enables Trump Plaza to better meet demand and accommodate its casino guests, as well as to host additional and larger conventions and corporate meetings.

The following table details Trump Plaza's current casino and hotel capacity:

	TRUMP PLAZA MAIN FACILITY	TRUMP PLAZA EAST	TRUMP WORLD'S FAIR	TOTAL
Gaming square footage.....	74,198	14,886	49,211	138,295
Slot machines.....	2,124	402	1,634	4,160
Table games.....	103	0	0	103
Hotel rooms.....	555	349	500	1,404

Trump Plaza's management team has launched a variety of initiatives

designed to increase the level of casino gaming activity generally at Trump Plaza and to attract casino patrons who tend to wager more frequently than the typical Atlantic City patron. These initiatives include targeted marketing and advertising campaigns directed to select groups of customers in the Boston-New York-Washington, D.C. corridor and the introduction of new updated gaming products.

ATLANTIC CITY MARKETING STRATEGY

Trump Plaza. Trump Plaza East has been integrated into Trump Plaza and together the two are operated as a single casino hotel facility. Trump Plaza presently intends to continue the marketing strategies it has found successful in the past, including targeting lucrative high-end drive-in slot customers. Management believes the additional hotel rooms and gaming facilities at Trump Plaza East better enable Trump Plaza to accommodate the more profitable weekend drive-in patron, who tends to wager more per play and per visit than the typical walk-in or bus patron.

Trump World's Fair. Trump World's Fair is seeking to attract the "middle market" segment (primarily bus customers and Boardwalk pedestrian traffic) by offering high value food and entertainment attractions in a festive "World's Fair" atmosphere. The first floor of Trump World's Fair features a Boardwalk level casino offering walk-in customers direct access from The Boardwalk to 569 slot machines. In addition, Trump World's Fair contains a bus terminal that has a dedicated escalator leading directly to a separate casino entertainment area that

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contains a 500-seat buffet-style restaurant and a casino with 508 slot machines. The bus terminal and dedicated casino facilities allow Trump World's Fair to serve efficiently a high volume of bus customers. The second floor of Trump World's Fair has approximately 559 slot machines along with additional restaurants. Moreover, with its prime location adjoining the original Atlantic City Convention Center and near the new Atlantic City Convention Center, and its room base of 500 rooms and approximately 50,000 square feet of total gaming space, management believes that Trump World's Fair is ideally suited to attract convention visitor traffic.

TRUMP PLAZA BUSINESS STRATEGY

General. A primary element of Trump Plaza's business strategy is to seek to attract patrons who tend to wager more frequently and in larger denominations than the typical Atlantic City gaming customer. Such high-end players typically wager \$5 or more per play in slots and \$25 or more per play in table games. In the fall of 1992, Plaza Associates, the owner and operator of Trump Plaza, decided to de-emphasize marketing efforts directed at "high roller" patrons from the Far East, who tend to wager \$50,000 or more per play in table games. Plaza Associates determined that the potential benefit derived from these patrons did not outweigh the high costs associated with attracting such players and the resultant volatility in the results of operations of Trump Plaza. Revenues derived from high roller patrons have declined since 1992, although management believes that such revenue loss has not had a significant impact on profitability for the reasons discussed above. In addition, this shift in marketing strategy has allowed Plaza Associates to focus its efforts on attracting high-end players.

Trump Plaza and Trump World's Fair have separate marketing identities. Trump Plaza caters to the mid to high level segment while Trump World's Fair focuses on the "middle" market. Trump Plaza's concentration of special events, entertainment, suites and variety of gourmet restaurants define its presence and highly perceived image. Trump Plaza's suite product, high end slot clubs and fine dining restaurants indicate Plaza Associates' commitment to this segment of the market. While Trump Plaza strives to accommodate the more lucrative drive-in patron, Trump World's Fair offers a fun, relaxing experience which is extremely appealing to the bus rider. A combination of lower slot denominations, including Atlantic City's largest nickel lounge, lower table limits, sweepstakes, bus bingo programs, on-floor tournaments and a premier buffet make this possible.

"Comping" Strategy. In order to compete effectively with other Atlantic City casino hotels, Plaza Associates offers complimentary drinks, meals, room accommodations and/or travel arrangements to its patrons ("Complimentaries" or "Comps"). Management monitors Trump Plaza's policy so as to provide complimentaries primarily to patrons with a demonstrated propensity to wager at Trump Plaza. A patron's propensity to wager is determined by a review of the patron's prior gaming history at Trump Plaza as well as other gaming establishments in Atlantic City. Each patron is analyzed to ensure that the patron's gaming activity, net of any Complimentaries, is profitable to Plaza Associates.

Entertainment. Trump Plaza offers headline entertainment as part of its strategy to attract high-end and other patrons. Trump Plaza offers a variety of headline entertainment and revue shows throughout the year.

Player Development/Casino Hosts. Plaza Associates currently employs gaming representatives in New Jersey, Pennsylvania and other states, as well as several international representatives, to promote Trump Plaza to prospective gaming patrons. Player development personnel host special events, offer incentives and contact patrons directly in an effort to attract high-end table game patrons from the United States, Canada and South America. Trump Plaza's casino hosts assist patrons on the casino floor, make room and dinner reservations and provide general assistance. They also solicit Trump Card (the frequent player slot card) sign-ups in order to increase Plaza Associates' marketing base.

Promotional Activities. The Trump Card constitutes a key element in Trump Plaza's direct marketing program. Slot machine players are encouraged to register for and utilize their personalized Trump Card to earn various complimentaries based upon their level of play. The Trump Card is inserted during play into a card reader attached to the slot machine for use in computerized rating systems. Plaza Associates' computer systems record data about the cardholders, including playing preferences, frequency and denomination of play and the amount of gaming revenues produced.

Trump Plaza designs promotional offers, conveyed via direct mail and telemarketing, to patrons expected to provide revenues based upon their historical gaming patterns. Such information is gathered on slot wagering by the Trump Card and on table game wagering by the casino game supervisors. Promotional activities include the mailing of vouchers for complimentary slot play. Trump Plaza also utilizes a special events calendar (e.g., birthday parties, sweepstakes and special competitions) to promote its gaming operations.

Bus Program. Trump Plaza has a bus program, which transports approximately 1,700 gaming patrons per day during the week and 2,400 per day on the weekends. Trump Plaza's bus program offers incentives and discounts to certain scheduled and chartered bus customers. Trump Plaza's Transportation Facility (as defined) contains 13 bus bays and is connected by an enclosed pedestrian walkway to Trump Plaza. The Transportation Facility provides patrons with immediate access to the casino, and contains a comfortable lounge area for patrons waiting for return buses. Trump World's Fair's bus terminal has a dedicated escalator leading directly to a casino entertainment area complete with an international buffet. Trump World's Fair's bus terminal provides patrons with a spacious lounge area with a view of the Atlantic Ocean and The Boardwalk. Trump World's Fair's bus program transports approximately 1,200 gaming patrons per day during the week and 2,100 per day on weekends.

Credit Policy. Historically, Trump Plaza has extended credit on a discretionary basis to certain qualified patrons. For the years ended December 31, 1996, 1997 and 1998 credit play as a percentage of total dollars wagered was approximately 17.4%, 18.9% and 22.4%, respectively. Trump Plaza bases credit limits on each individual patron's creditworthiness, as determined by an examination of the following criteria: (i) checking each patron's personal checking account for current and average balances, (ii) performing a credit check on each domestic patron and (iii) checking each patron's credit limits and indebtedness at all casinos in the United States as well as many island casinos. The above determination of a patron's continued creditworthiness is performed for continuing patrons on a yearly basis or more frequently if Trump Plaza deems a re-determination of creditworthiness is necessary. In addition, depositing of markers is regulated by the State of New Jersey. Markers in increments of \$1,000 or less are deposited in a maximum of 7 days; markers of increments of \$1,001 to \$5,000 are deposited in a maximum of 14 days; and markers in increments of over \$5,001 are deposited in a maximum of 45 days. Markers may be deposited sooner at the request of patrons or at Trump Plaza's discretion.

FACILITIES AND AMENITIES

Trump Plaza. The casino in Trump Plaza's main tower currently offers 103 table games and 2,124 slot machines. In addition to the casino, Trump Plaza's main tower consists of a 31-story tower with 555 guest rooms, including 62 suites. Trump Plaza's main tower also offers 10 restaurants, a 750-seat cabaret theater, four cocktail lounges, 28,000 square feet of convention, ballroom and meeting room space, a swimming pool, tennis courts and a health spa.

The entry level of Trump Plaza's main tower includes a cocktail lounge, three gift shops, a deli, a coffee shop, an ice cream parlor and a buffet. The casino level houses the casino, a fast food restaurant, an exclusive slot lounge for high-end patrons and an ocean view high-end slot area. An enclosed walkway connects Trump Plaza at the casino level with the original Atlantic City Convention Center and with Trump World's Fair.

On February 16, 1996, Trump Plaza opened the approximately 15,000 square-foot Ocean View Casino and Bar and 249 of its 349 hotel rooms at Trump Plaza East. Management opened the remaining rooms and suites at Trump Plaza East in March 1996. The Ocean View Casino and Bar is the first gaming room in Atlantic City to combine a casino, bar and entertainment area, and features a 70-foot long bar with 27 bar-top slot machines, live entertainment and a 58 square-foot video wall, complemented by six additional television sets along the bar. With its high ceilings and windows overlooking the Atlantic Ocean and The Boardwalk, Trump Plaza has created a new and exciting entertainment environment for its casino patrons.

Trump Plaza's guest rooms are located in two towers which afford most guest rooms a view of the ocean. While rooms are of varying size, a typical guest room consists of approximately 400 square feet. Trump Plaza's main tower also features 16 one-bedroom suites, 28 two-bedroom suites and 18 "Super Suites." The Super Suites are located on the top two floors of Trump Plaza's main tower and offer luxurious accommodations and 24-hour

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butler and maid service. The Super Suites and certain other suites are located on the "Club Level" which requires guests to use a special elevator key for access, and contains a lounge area that offers food and bar facilities.

Trump Plaza's main tower is connected by an enclosed pedestrian walkway to a 10-story parking garage, which can accommodate approximately 2,650 cars, and contains 13 bus bays, a comfortable lounge, a gift shop and a waiting area (the "Transportation Facility"). The Transportation Facility provides patrons with immediate access to the casino, and is located directly off the Atlantic City Expressway, the main highway into Atlantic City.

In July 1994, Time Warner Entertainment Company, L.P. ("Time Warner") opened its second largest Warner Brothers Studio Store occupying the entire first floor of retail space on The Boardwalk at Trump Plaza East (approximately 17,000 square feet).

Trump World's Fair. Trump World's Fair is connected to Trump Plaza's main tower by an enclosed walkway overlooking The Boardwalk and adds an additional 500 hotel rooms to Trump Plaza. In addition, Trump World's Fair is outfitted with approximately 50,000 square feet of casino floor space housing 1,636-slot machines. In addition to the casino, Trump World's Fair features three restaurants, including a state-of-the-art buffet, a cocktail lounge, convention and ballroom and meeting room space. The enclosed walkway runs through a portion of the original Atlantic City Convention Center, which is located between Trump World's Fair and Trump Plaza's main tower. Plaza Associates has acquired an easement with regard to this walkway through the original Atlantic City Convention Center.

Trump Plaza and Trump World's Fair are physically connected to the original convention center. By the summer of 2001, the East Hall of this convention center will undergo a \$72 million renovation funded by the CRDA. These improvements will convert the East Hall into a modern special events venue, and will benefit both Trump Plaza and Trump World's Fair.

EMPLOYEES AND LABOR RELATIONS

Plaza Associates has approximately 4,800 employees of whom approximately 1,500 are covered by collective bargaining agreements. The collective bargaining agreement with Local No. 54 expires on September 15, 1999. Management believes that its relationships with its employees are satisfactory. Certain of Plaza Associates' employees must be licensed or registered under the New Jersey Casino Control Act (the "Casino Control Act").

HISTORICAL BACKGROUND

The 1995 and 1996 Events. In connection with the initial public offering (the "June 1995 Stock Offering") of 10 million shares of THCR Common Stock, THCR Holdings repurchased and redeemed the \$60 million aggregate

principal amount of 12 1/2% Pay-In-Kind Notes due 2003 (the "Plaza PIK Notes") and the warrants to acquire an aggregate of \$12 million in principal amount of additional Plaza PIK Notes (the "Plaza PIK Note Warrants"). In addition, in connection with the June 1995 Stock Offering and the offering by THCR Holdings and its wholly owned finance subsidiary THCR Funding, of \$155 million 15 1/2% Senior Secured Notes due 2005 (the "Senior Notes") (the "June 1995 Note Offerings" and, together with the June 1995 Stock Offering, the "June 1995 Offerings"), Trump transferred, pursuant to a contribution agreement, to THCR Holdings his ownership interests in Trump Plaza Funding, Inc. ("Plaza Funding") and Trump AC. Upon the consummation of the June 1995 Offerings, THCR Holdings owned Plaza Associates. In connection with the Taj Acquisition, THCR Holdings became the owner of both Plaza Associates and Taj Associates, the owner and operator of the Taj Mahal, through its ownership interest in Trump AC. As part of the 1996 Offerings (as defined), Trump AC and its wholly owned finance subsidiary, Trump Atlantic City Funding, Inc., a Delaware corporation ("Trump AC Funding"), issued the TAC I Notes (as defined).

The 1997 Events. In December 1997, Trump AC and Trump Atlantic City Funding II, Inc., a Delaware corporation ("Funding II"), issued the TAC II Notes (as defined) and Trump AC and Trump Atlantic City Funding III, Inc., a Delaware corporation ("Funding III"), issued the TAC III Notes (as defined).

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THE TAJ MAHAL

The Taj Mahal ranked first among all Atlantic City casinos in terms of total gaming revenues for the year ended December 31, 1998. The Taj Mahal capitalizes on the widespread recognition and marquee status of the "Trump" name and its association with high quality amenities and first-class service as evidenced by its Five Star Diamond Award from the American Academy of Hospitality Sciences. Management believes that the breadth and diversity of the Taj Mahal's casino, entertainment and convention facilities and its status as a "must see" attraction will enable the Taj Mahal to benefit from growth of the Atlantic City market.

In recent years, Taj Associates has completed construction of the Taj Entertainment Complex (as defined), reconfigured and expanded the casino floor to provide race simulcasting, poker wagering and keno, opened an Asian themed table game area, opened the Bengal Club for mid-level slot players and increased the number of poker tables and slot machines. The Taj Mahal's poker room is the largest in Atlantic City, which management believes adds to its customers' overall gaming experience. Taj Associates continually monitors operations to adapt to and anticipate industry trends. From 1994 to mid-1997, the Taj Mahal refurbished substantially all of its hotel guest rooms and corridors and replaced all of its existing slot machines with new, more efficient machines with bill acceptors. Moreover, to further attract high-end players, the Taj Mahal opened the Dragon Room, an Asian themed table gaming area with 16 table games, and the Sultan's Palace, a separate 5,900 square-foot high-end slot lounge. In connection with the Sultan's Palace, the Taj Mahal opened the relocated and expanded President's Club for high-end slot players.

The Taj Mahal Expansion consisted of the construction of a new 14-bay bus terminal, which was completed in December 1996, a 2,400 space expansion of the existing self parking facilities, which was completed in May 1997, and an approximately 7,000 square foot casino expansion with approximately 260 slot machines with frontage on The Boardwalk, which was completed in July 1997. In

addition, to increase entertainment opportunities for customers, the Hard Rock Cafe opened in November 1996, the All Star Cafe opened in March 1997 and the Stage Deli of New York opened in October 1997. A Warner Brothers Studio Store opened at the Taj Mahal in May 1997.

The Taj Mahal is currently in the process of expanding the retail shopping experience along the length of its parking garage promenade walkway which immediately adjoins the Taj Mahal's main retail shopping area. The first tenant, Starbucks, operated by Host International, Inc., opened in September 1996. Sbarro's, an Italian eatery, operated by Sbarro America Properties, Inc., opened in October 1998. Boardwalk Treats, Beka's Pastries and a Harley Davidson retail merchandise outlet are expected to open in the early spring of 1999. A Sunglass Hut, operated by Sunglass Hut International, opened in August 1998 in another location also adjoining the Taj Mahal's main retail shopping area.

In November 1998, the Taj Mahal entered into a development agreement with the New Jersey Casino Reinvestment Development Authority (the "CRDA") for the redevelopment of the road corridors and surrounding neighborhoods leading from Route 30, one of its major access routes, and the Taj Mahal. The project, which is expected to cost approximately \$20.8 million, is scheduled to be completed in phases through the summer of 2000 and will greatly enhance the Taj Mahal's customer's experience and ease in reaching the Taj Mahal. The project itself will greatly improve the road infrastructure and lighting, provide extensive landscaping, involve the acquisition and demolishing of deteriorated buildings and involve the completion of a new housing development.

THE TAJ MAHAL OPERATIONS

General. The Taj Mahal currently has approximately 147,720 square feet of gaming space, 211 table games and 4,152 slot machines, which includes an approximately 12,000 square-foot poker, keno and race simulcasting room with 64 poker tables, which was added in 1993 and expanded in 1994. The casino's offerings include blackjack, craps, roulette, baccarat, mini baccarat, sic-bo, pai gow, pai gow poker, Caribbean stud poker, big six, mini big six, mini dice and let it ride poker. In December 1995, the Taj Mahal opened an Asian themed table game area which offers 16 popular Asian table games catering to the Taj Mahal's growing Asian clientele. In May 1996, the Taj Mahal opened the Sultan's Palace, a high-end slot lounge. In August 1996, the Taj Mahal

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opened the relocated and expanded President's Club for high-end slot players in conjunction with the Sultan's Palace.

In December 1996, the Taj Mahal opened a new bus terminal with 14 bays. In November 1996, the Hard Rock Cafe opened at the Taj Mahal adjacent to the casino and The Boardwalk. In March 1997, the All Star Cafe opened at the Taj Mahal. A Warner Brothers Studio Store opened in May 1997. An additional simulcasting facility featuring horse racing was completed in June 1997. Construction of an approximately 7,000 square-foot casino expansion with 260 slot machines, with Boardwalk frontage, was completed in July 1997. In October 1997, the Stage Deli of New York opened at the Taj Mahal. In addition, as a special bonus to high-end players, the Taj Mahal offers three clubs for the exclusive use of select customers: the Maharajah Club for high-end table game players, the President's Club for high-end slot players and the Bengal Club for other preferred slot players.

The Taj Mahal currently consists of a 42-story hotel tower and contiguous low-rise structure sited on approximately 30 acres of land. The Taj Mahal has 1,250 guest rooms (including 242 suites), 19 dining and 12 beverage locations, parking for approximately 6,950 cars, a 14-bay bus terminal and approximately 65,000 square feet of ballroom, meeting room and pre-function area space. In addition, the Taj Mahal features a 20,000 square-foot multi-purpose entertainment complex known as the Xanadu Theater with seating capacity for approximately 1,200 people which can be used as a theater, concert hall, boxing arena or exhibition hall (the "Taj Entertainment Complex") and the Mark Etes Arena, which comprises an approximately 63,000 square-foot exhibition hall and entertainment facility. The Xanadu Theater and Mark Etes Arena have allowed the Taj Mahal to offer longer running, more established productions that cater to the tastes of the Taj Mahal's high-end international guests, and has afforded the Taj Mahal more flexibility in the use of its facilities for sporting and other headline programs. The Taj Mahal regularly engages well-known musicians and entertainment personalities and will continue to emphasize weekend marquee events such as Broadway revues, high visibility sporting events, international festivals and contemporary concerts to maximize casino traffic and to maintain the highest level of glamour and excitement at the Taj Mahal.

Gaming Environment. The Taj Mahal's management continues to capitalize on the Taj Mahal's status as one of the largest facilities in Atlantic City and a "must see" attraction, while maintaining the attractiveness of the property and providing a comfortable gaming experience. In 1994, the Taj Mahal completed a major redecoration of the hotel lobby, a casino floor expansion and a reconfiguration, as well as the addition of a new mid-level player slot club. The casino floor expansion and reconfiguration accommodated the addition of keno, poker tables and slot machines. In the period 1994 through 1996, the Taj Mahal substantially replaced all of its existing slot machines with new, more efficient machines with bill acceptors. In addition, in June 1993, the Taj Mahal completed a 10,000 square-foot poker and simulcast area (which was subsequently enlarged to 12,000 square feet), which features 64 poker tables in the largest poker room in Atlantic City. For the year ended December 31, 1998, the Taj Mahal captured approximately 51.8% of the total Atlantic City poker revenues. In 1996 and 1997 the Taj Mahal expanded its casino floor by approximately 6,200 and 8,600 square feet, respectively. The 1997 expansion accommodated casino space with Boardwalk frontage and a second horse race simulcasting location.

The Taj Mahal currently intends to reconfigure its casino floor, subject to approval by the CCC on an ongoing basis, to accommodate changes in patron demand. Management continuously monitors the configuration of the casino floor and the games it offers to patrons with a view towards making changes and improvements. For example, the Taj Mahal's casino floor has clear, large signs for the convenience of patrons. Additionally, as new games have been approved by the CCC, management has integrated such games to the extent it deems appropriate. In 1994, the Taj Mahal introduced the newly approved games of keno and Caribbean stud poker and, in 1995, introduced the games of pai gow, pai gow poker and let it ride poker. Progressive blackjack and mini dice were also added in 1996 and 1997, respectively.

"Comping" Strategy. In order to compete effectively with other casino hotels, the Taj Mahal offers Complimentaries. Currently, the policy at the Taj Mahal is to focus promotional activities, including Complimentaries, on middle and upper middle market "drive in" patrons with a propensity to wager who visit Atlantic City frequently and have proven to be the most profitable market segment. Comping policy is determined by a patron's propensity to wager. A patron's propensity to wager is determined by a review of the patron's prior

gaming history at the Taj Mahal as well as other gaming establishments in Atlantic City. Each patron is analyzed to ensure that the patron's gaming activity, net of any Complimentaries, is profitable to Taj Associates. Additionally, as a result of increased regulatory flexibility, the Taj Mahal has implemented a cash comping policy to high-end players in order to compete with similar practices in Las Vegas and to attract international business.

Entertainment. The Taj Mahal believes headline entertainment, as well as other entertainment and revue shows, is an effective means of attracting and retaining gaming patrons. The Xanadu Theater allows the Taj Mahal to offer longer running, more established productions that cater to the tastes of the Taj Mahal's high-end international guests. The Xanadu Theater, together with the Mark Etess Arena (an approximately 63,000 square-foot exhibition hall facility), afford the Taj Mahal more flexibility in the use of its larger entertainment arena for sporting and other headline programs. The Taj Mahal regularly engages well-known musicians and entertainment personalities and will continue to emphasize weekend "marquee" events such as Broadway revues, high visibility sporting events, festivals and contemporary concerts to maintain the highest level of glamour and excitement. Mid-week uses for the facilities include convention events and casino marketing sweepstakes.

Player Development. The Taj Mahal employs sales representatives as a means of attracting high-end slot and table gaming patrons to the property. The Taj Mahal currently employs numerous gaming representatives in New Jersey, New York and other states, as well as several international representatives, to host special events, offer incentives and contact patrons directly in the United States, Canada and South America. In addition, targeted marketing to international clientele will be continued and expanded through new sales representatives in Latin America, Mexico, Europe, the Far East and the Middle East.

The casino hosts assist patrons on the casino floor, make room and dinner reservations and provide general assistance. They also solicit Trump Card (a player identification card) sign-ups in order to increase the Taj Mahal's marketing base.

The Taj Mahal also plans to continue the development of its slot and coin programs through direct mail and targeted marketing campaigns emphasizing the high-end player. "Motorcoach Marketing," the Taj Mahal's customer bus-in program, has been an important component of player development and will continue to focus on tailoring its player base and maintaining a low-cost package.

Promotional Activities. The Trump Card, a player identification card, constitutes a key element in the Taj Mahal's direct marketing program. Both table and slot machine players are encouraged to register for and utilize their personalized Trump Card to earn various complimentaries and incentives based on their level of play. The Trump Card is inserted during play into a card reader attached to the table or slot machine for use in computerized rating systems. These computer systems record data about the cardholder, including playing preferences, frequency and denomination of play and the amount of gaming revenues produced. Sales and management personnel are able to monitor the identity and location of the cardholder and the frequency and denomination of such cardholder's play. They can also use this information to provide attentive service to the cardholder while the patron is on the casino floor.

The Taj Mahal designs promotional offers, conveyed via direct mail and telemarketing, to patrons expected to provide revenues based upon their

historical gaming patterns. Such information is gathered on slot wagering by the Trump Card and on table game wagering by the casino games supervisor. Promotional activities at the Taj Mahal include the mailing of vouchers for complimentary slot and table game play and utilization of a special events calendar (e.g., birthday parties, sweepstakes and special competitions) to promote its gaming operations.

The Taj Mahal conducts slot machine and table game tournaments in which cash prizes are offered to a select group of players invited to participate in the tournament based upon their tendency to play. Special events such as "Slot Sweepstakes" and "bingo" are designed to increase mid-week business. Players at these tournaments tend to play at their own expense during "off-hours" of the tournament. At times, tournament players are also offered special dining and entertainment privileges that encourage them to remain at the Taj Mahal.

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Credit Policy. Historically, the Taj Mahal has extended credit on a discretionary basis to certain qualified patrons. For the years ended December 31, 1996, 1997 and 1998, the Taj Mahal's credit play as a percentage of total dollars wagered was approximately 29.7%, 31.2% and 26.6%, respectively. The Taj Mahal bases credit limits on each individual patron's creditworthiness, as determined by an examination of the following criteria: (i) checking each patron's personal checking account for current and average balances, (ii) performing a credit check on each domestic patron and (iii) checking each patron's credit limits and indebtedness at all casinos in the United States as well as many island casinos. The above determination of a patron's continued creditworthiness is performed for continuing patrons on a yearly basis or more frequently if the Taj Mahal deems a re-determination of creditworthiness is necessary. In addition, depositing of markers is regulated by the State of New Jersey. Markers in increments of \$1,000 or less are deposited in a maximum of 7 days; markers of increments of \$1,001 to \$5,000 are deposited in a maximum of 14 days; and markers in increments of over \$5,001 are deposited in a maximum of 45 days. Markers may be deposited sooner at the request of patrons or at the Taj Mahal's discretion.

EMPLOYEES

Taj Associates has approximately 4,500 full time equivalent employees for the operation of the Taj Mahal, of whom approximately 1,900 employees are covered by collective bargaining agreements. The collective bargaining agreement with Local No. 54 expires on September 15, 1999. Management believes that its relationships with its employees are satisfactory and that its staffing levels are sufficient to provide superior service. Certain of Taj Associates' employees must be licensed or registered under the Casino Control Act.

TAJ ACQUISITION

On April 17, 1996, a subsidiary of THCR was merged (the "Taj Merger") with and into Taj Mahal Holding Corp., known after the Taj Acquisition as THCR Holding Corp. ("THCR Holding Corp."). As a result of the Taj Merger and the related transactions discussed below, THCR Holdings acquired Taj Associates. The Taj Acquisition included, among other things:

- (a) the payment of an aggregate of approximately \$31,181,000 in cash and the issuance of 323,423 shares of THCR Common Stock to the holders of THCR Holding Corp.'s Class A Common Stock, par value \$.01

per share ("THCR Holding Corp. Class A Common Stock");

(b) the contribution (i) by Trump to Trump AC of all of his direct and indirect ownership interests in Taj Associates, pursuant to the contribution agreement, dated as of April 17, 1996, among, Trump, Trump Casinos, Inc. ("TCI"), TM/GE Corporation, known after the Taj Acquisition as THCR/LP Corporation ("THCR/LP"), and THCR Holdings in exchange for a modification of Trump's limited partnership interest in THCR Holdings and (ii) by THCR to Trump AC of all of its direct ownership interests in Taj Associates acquired in the Taj Merger;

(c) the public offerings by (i) THCR of 12,500,000 shares of THCR Common Stock (plus 750,000 shares of THCR issued in connection with the partial exercise of the underwriters' over-allotment option (together, the "1996 Stock Offering")), and (ii) Trump AC and Trump AC Funding of the TAC I Notes (collectively with the 1996 Stock Offering, the "1996 Offerings");

(d) the redemption, immediately prior to the Taj Merger, of the outstanding shares of THCR Holding Corp.'s Class B Common Stock, par value \$.01 per share ("THCR Holding Corp. Class B Common Stock"), in accordance with its terms, for \$.50 per share;

(e) the redemption of the outstanding 11.35% Mortgage Bonds, Series A, due 1999 issued by Trump Taj Mahal Funding, Inc. (the "Taj Bonds");

(f) the retirement of the outstanding Plaza Funding's 10-7/8% First Mortgage Notes due 2001 (the "Plaza Notes");

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(g) the satisfaction of the indebtedness of Taj Associates under its loan agreement with National Westminster Bank USA ("Nat West");

(h) the purchase of certain real property used in the operation of the Taj Mahal (the "Specified Parcels") that was leased from Taj Mahal Realty Corp. ("Realty Corp.");

(i) the purchase of Trump Plaza East;

(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 Trump to Bankers Trust; and

(k) the issuance to Trump of warrants to purchase 1,800,000 shares of THCR Common Stock (the "Trump Warrants").

TRUMP MARINA

Castle Associates owns and operates Trump Marina, a luxury casino hotel located on 14.7 acres in the Marina District approximately two miles from The Boardwalk. Trump Marina is approximately one-quarter mile from the H-Tract. Trump Marina consists of a 27-story hotel tower with 728 rooms, including 153 suites, 97 of which are "Crystal Tower" luxury suites, and contains approximately 75,900 square feet of gaming space. Trump Marina offers 2,167 slot

machines, 92 table games, 8 restaurants, approximately 58,000 square feet of convention, ballroom and meeting space, a 9-story parking garage, which can accommodate approximately 3,000 cars, a 540-seat cabaret theater, two cocktail lounges, a swimming pool, tennis courts, a health club and a roof-top helipad. In addition, Trump Marina operates a 645-slip marina which is adjacent to the casino hotel. An elevated enclosed walkway connects Trump Marina to a two-story building which contains offices, a nautically themed retail store, a cocktail lounge and a 240-seat gourmet restaurant that overlooks the marina and the Atlantic City skyline. As a result of its high quality amenities, its exceptional customer service and its geographical location, Trump Marina distinguishes itself as a desirable alternative to the Atlantic City casinos located on The Boardwalk.

MARKETING STRATEGY

Management's recent retheming of Trump Marina is intended to build upon the casino's established customer base by attracting a younger crowd to the facility. In keeping with this initiative, management has aimed to differentiate Trump Marina from other Atlantic City casinos by offering contemporary entertainment attractions and introducing its current "Wild Side" marketing campaign. The "Wild Side" marketing program consists of a coordinated advertising, entertainment and marketing campaign that is geared toward a younger generation of patrons but will not exclude Trump Marina's established customer base. Management, which developed the "Wild Side" marketing program after careful study of the Atlantic City market, seeks to accomplish its goals via an advertising campaign with a fun and youthful appeal, as well as providing varied and extensive contemporary entertainment in the Grand Cayman Ballroom, "The Shell" (a cabaret style theater), "The Wave" (a night club), "The Deck" (for outdoor summertime entertainment) and large outdoor performances billed as "Rock the Dock" concerts.

Service. By providing and maintaining a first-class facility and exceptional service, Trump Marina has earned the Five Star Diamond Award from the American Academy of Hospitality Sciences, the American Automobile Association's "Four Diamond" and a "Four Star" Mobil Travel Guide rating. Trump Marina provides a broadly diversified gaming and entertainment experience consistent with the "Trump" name and reputation for quality amenities and first-class service.

Gaming Environment. To stay abreast of current gaming trends in Atlantic City, Trump Marina's management continuously monitors the configuration of the casino floor and the games it offers to patrons with a view towards making changes and improvements. A sophisticated computerized slot tracking and marketing system is employed to perform this analysis. This monitoring has confirmed a recent trend in the Atlantic City market towards fewer table games and more slot machines. For example, slot machine revenue for the Atlantic

City market increased from 54.6% of the industry gaming revenue in 1988 to 70.8% of industry gaming revenue in 1998. Trump Marina experienced a similar increase, with slot revenue increasing from 52.5% of gaming revenue in 1988 to 71.4% of gaming revenue in 1998. In response to this trend, management devoted more of its casino floor space to slot machines and between 1994 and 1998 and has replaced substantially all of its slot machines with newer machines. Trump Marina has also responded to this trend by introducing its Monte Carlo club for high-end slot players.

"Comping" Strategy. In order to compete effectively with other Atlantic City casino hotels, Trump Marina offers Complimentaries primarily to patrons with a demonstrated propensity to wager at Trump Marina. The policy at Trump Marina is to focus promotional activities, including Complimentaries, on middle and upper middle market "drive-in" patrons who visit Atlantic City frequently and have proven to be the most profitable market segment. A patron's propensity to wager is determined by a review of the patron's prior gaming history at Trump Marina as well as other gaming establishments in Atlantic City. Each patron is analyzed to ensure that the patron's gaming activity, net of any complimentaries, is profitable to Castle Associates.

Entertainment and Special Events. Trump Marina pursues a coordinated program of headline entertainment and special events. Trump Marina offers headline entertainment approximately twenty times a year in its main ballroom, complimented by contemporary acts each weekend in the cabaret theater. As a part of its marketing plan, Trump Marina offers special events aimed at its core, middle and upper-middle market segments. Trump Marina also hosts special events on an invitation-only basis in an effort to attract existing targeted gaming patrons and build loyalty among these patrons. These special events include golf tournaments, theme parties and gaming tournaments. Headline entertainment is scheduled so as not to overlap with any of these special events. In addition, as part of its "Wild Side" marketing campaign, Trump Marina features outdoor bands nightly (in season) as well as outdoor concerts promoted under the "Rock the Dock" theme. Recent performances have included The Beach Boys, the Atlantic City premiere of Van Halen, the artist formerly known as Prince, and comedian Chris Rock.

Player Development and Casino Hosts. Trump Marina has contracts with sales representatives in New Jersey, New York and other states to promote the casino hotel. Trump Marina has sought to attract more middle market slot patrons, as well as premium players, through its "junket" marketing operations, which involve attracting groups of patrons by providing airfare, gifts and room accommodations. Player development personnel host special events, offer incentives and contact patrons directly in an effort to attract high-limit table game patrons.

The casino hosts at Trump Marina assist table game patrons, and the slot sales representatives at Trump Marina assist slot patrons on the casino floor, make room and dinner reservations and provide general assistance. Slot sales representatives also solicit Marina Card (the frequent player identification slot card) sign-ups in order to increase Trump Marina's marketing base.

Promotional Activities. The Marina Card constitutes a key element in the direct marketing program of Trump Marina. Slot machine players are encouraged to register for and utilize their personalized Marina Card to earn various complimentaries based upon their level of play. The Marina Card is inserted during play into a card reader attached to the slot machine for use in computerized rating systems. These computer systems record data about the cardholder, including playing preferences, frequency and denomination of play and the amount of gaming revenues produced. Slot sales and management personnel are able to monitor the identity and location of the cardholder and the frequency and denomination of the cardholder's slot play. They also use this information to provide attentive service to the cardholder on the casino floor.

Trump Marina designs promotional offers, conveyed via direct mail and telemarketing, to patrons expected to provide revenues based upon their historical gaming patterns. Such information is gathered on slot wagering by the Marina Card and on table wagering by the casino games supervisor. Trump Marina

conducts slot machine and table game tournaments in which cash prizes are offered to a select group of players invited to

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participate in the tournament based upon their tendency to play. Such players tend to play at their own expense during "off-hours" of the tournament. At times, tournament players are also offered special dining and entertainment privileges that encourage them to remain at Trump Marina.

Credit Policy. Historically, Trump Marina has extended credit on a discretionary basis to certain qualified patrons. Credit play, as a percentage of total dollars wagered, was approximately 31.4%, 32.4% and 30.1% for 1996, 1997 and 1998, respectively. As part of Trump Marina's business strategy, Trump Marina has imposed stricter standards on applications for new or additional credit. Trump Marina bases credit limits on each individual patron's creditworthiness, as determined by an examination of the following criteria: (i) checking each patron's personal checking account for current and average balances, (ii) performing a credit check on each domestic patron and (iii) checking each patron's credit limits and indebtedness at all casinos in the United States as well as many island casinos. The above determination of a patron's continued creditworthiness is performed for continuing patrons on a yearly basis or more frequently if Trump Marina deems a re-determination of credit worthiness is necessary. In addition, depositing of markers is regulated by the State of New Jersey. Markers in increments of \$1,000 or less are deposited in a maximum of 7 days; markers of increments of \$1,001 to \$5,000 are deposited in a maximum of 14 days; and markers in increments of over \$5,001 are deposited in a maximum of 45 days. Markers may be deposited sooner at the request of patrons or at Trump Marina's discretion.

Bus Program. Trump Marina has a bus program which transports approximately 725 gaming patrons per day during the week and 750 per day on the weekends. Castle Associates' bus program offers incentives and discounts to certain scheduled and chartered bus customers. Based on historical surveys, management has determined that gaming patrons who arrive by special charters as opposed to scheduled bus lines or who travel distances greater than 60 miles are more likely to create higher gaming revenue. Accordingly, Trump Marina's marketing efforts are focused on such bus patrons.

TRUMP MARINA RETHEMING

In 1997, Trump Marina completed a project to retheme the casino hotel with a nautical emphasis, targeting younger customers by offering contemporary entertainment attractions and emphasizing Trump Marina's energetic, lively atmosphere.

EMPLOYEES AND LABOR RELATIONS

As of December 31, 1998, Castle Associates employed approximately 3,400 full and part-time employees, of whom approximately 1,200 were subject to collective bargaining agreements. Castle Associates' collective bargaining agreement with Local No. 54 expires on September 15, 1999. Such agreement extends to approximately 900 employees. In addition, four other collective bargaining agreements, which expire in the year 2000, cover approximately 300 maintenance employees. Castle Associates believes that its relationships with its employees are satisfactory. Trump's Castle Funding, Inc. ("Castle Funding") has no employees.

Certain employees of Castle Associates must be licensed by or registered with the CCC, depending on the nature of the position held. Casino employees are subject to more stringent licensing requirements than non-casino employees, and must meet applicable standards pertaining to such matters as financial responsibility, good character, ability, casino training, experience and New Jersey residency. Such regulations have resulted in significant competition for employees who meet these requirements.

HISTORICAL BACKGROUND

General. Castle Funding was incorporated under the laws of the State of New Jersey in May 1985 and is wholly owned by Castle Associates. Trump's Castle Hotel & Casino, Inc. ("TCHI") was incorporated under the laws of the state of New Jersey in 1985; it is wholly owned by THCR Holdings and is the general partner of Castle Associates. Castle Funding was formed to serve as a financing corporation to raise funds as an agent of Castle Associates. Since Castle Funding and TCHI have no business operations, their ability to service their indebtedness

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is completely dependent upon funds they receive from Castle Associates. Accordingly, the following discussion is related primarily to Castle Associates and its operations.

PIK Note Acquisition. On June 23, 1995, Castle Associates entered into an agreement with Hamilton Partners, L.P. ("Hamilton") which granted Castle Associates an option (the "Castle Option") to acquire the Increasing Rate Subordinated Pay-in-Kind Notes due 2005 of Castle Funding (the "Castle PIK Notes") (which are currently subordinated to the New Castle Senior Notes (as defined), the Working Capital Loan (as defined) and the Castle Mortgage Notes (as defined)) owned by Hamilton (the "Castle Option Agreement"). The Castle Option was granted to Castle Associates in consideration of \$1.9 million of aggregate payments to Hamilton. The Castle Option was exercisable at a price equal to 60% of the aggregate principal amount of the Castle PIK Notes delivered by Hamilton, with accrued but unpaid interest, plus 100% of the Castle PIK Notes issued to Hamilton as interest subsequent to June 23, 1995. Pursuant to the terms of the Castle Option Agreement, upon the occurrence of certain events within 18 months of the time the Castle Option is exercised, Castle Associates was required to make an additional payment to Hamilton of up to 40% of the principal amount of the Castle PIK Notes. On May 21, 1996, Castle Associates assigned the Castle Option to THCR Holdings, which, on that same date, exercised the Castle Option and acquired approximately 90% of the then outstanding Castle PIK Notes for approximately \$38.7 million, in exchange for which THCR Holdings received an aggregate of approximately \$59.3 million principal amount of Castle PIK Notes.

Castle Acquisition. On October 7, 1996, THCR Holdings acquired from Trump all of the outstanding equity of Castle Associates. The following transactions were effected in connection with the Castle Acquisition:

(i) Trump contributed to THCR Holdings his 61.5% equity interest in Castle Associates, in consideration of which he received a 9.52854% limited partnership interest in THCR Holdings, exchangeable into 3,626,450 shares of THCR Common Stock (valuing each such share at \$30.00 (the "THCR Stock Contribution Value"));

(ii) Trump Casinos II, Inc. ("TCI-II") contributed to THCR Holdings its 37.5% equity interest in Castle Associates in consideration of which it received a 5.81009% limited partnership interest in THCR Holdings, exchangeable into 2,211,250 shares of THCR Common Stock (valuing each such share at the THCR Stock Contribution Value); and

(iii) THCR-TCHI Merger Corp., a Delaware corporation and a wholly owned subsidiary of THCR Holdings ("Castle Merger Sub"), merged (the "TCHI Merger") with and into TCHI (holder of a 1% equity interest in Castle Associates) whereupon (x) each share of common stock of TCHI, par value \$.01 per share (the "TCHI Common Stock"), outstanding immediately prior to the TCHI Merger was converted into the right to receive \$.8845 in cash (the "TCHI Consideration") and each share of common stock of Castle Merger Sub was converted into the right to receive one share of common stock of the surviving corporation of the TCHI Merger and (y) each holder of the Castle Warrants issued under a warrant agreement, dated as of December 30, 1993, between TCHI and First Bank National Association, as warrant agent, became 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.

In the aggregate, Trump received (i) a limited partnership interest in THCR Holdings convertible into 5,837,700 shares of THCR Common Stock and (ii) \$884,550 in cash. On October 7, 1996, the closing sale price of the THCR Common Stock on the New York Stock Exchange was \$22.625 per share.

As a result of the Castle Acquisition, on October 7, 1996, THCR's and Trump's beneficial equity interest in THCR Holdings was approximately 63.4% and 36.6%, respectively, and Trump's beneficial equity interest in THCR Holdings was exchangeable into 13,918,723 shares of THCR Common Stock. The Castle Acquisition was approved by the stockholders of THCR on September 30, 1996.

April 1998 Refinancing. On April 17, 1998, Castle Funding refinanced a portion of its outstanding debt, on a consolidated basis, consisting of the \$38 million outstanding on a term loan with a bank (the "Castle Term

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Loan"), and its 11 1/2% Senior Secured Notes due 2000 (the "Old Castle Senior Notes") by issuing 10 1/4% Senior Secured Notes due 2003 (the "New Castle Senior Notes"). The proceeds from the issuance of the New Castle Senior Notes were used to redeem all of the issued and outstanding Old Castle Senior Notes at 100% of their principal amount and to repay the Castle Term Loan in full. In conjunction with this refinancing, TCHI obtained a working capital credit facility (the "Working Capital Loan"). Both the New Castle Senior Notes and the Working Capital Loan are guaranteed by Castle Associates. The New Castle Senior Notes have an outstanding principal amount of \$62,000,000 and bear interest at the rate of 10 1/4% per annum, payable semi-annually each April and October. The New Castle Senior Notes mature on April 30, 2003. The Working Capital Loan has an outstanding principal amount of \$5,000,000 and bears interest at the rate of 10-1/4% per annum, payable semi-annually each April and October. The entire principal balance of the Working Capital Loan matures on April 30, 2003.

INDIANA RIVERBOAT

The Indiana Riverboat features an approximately 280-foot luxury yacht containing approximately 37,000 square feet of gaming space with 1,320 slot machines, 51 table games and capacity for approximately 2,690 passengers and 300 employees. The site adjacent to the Indiana Riverboat includes surface parking for approximately 3,000 automobiles and certain other infrastructure improvements including a 300 room hotel. The cost to THCR for the development of the Indiana Riverboat, which includes the land, the vessel, gaming equipment, a pavilion for staging and ticketing and restaurant facilities, berthing and support facilities and parking facilities, is \$139 million through February 28, 1999. During the remainder of Trump Indiana's initial five-year license term, an additional \$14 million of funds will be required to be spent in connection with municipal commitments required in connection with the licensure process. The remaining \$14 million required to be spent over the remainder of the initial five-year license term is expected to be funded with cash from operations or other available financings.

Buffington Harbor is approximately 25 miles from downtown Chicago. In addition, the cities of Indianapolis, Fort Wayne, Toledo, Grand Rapids and Milwaukee are each within a 175-mile radius of Buffington Harbor. Management believes the Indiana Riverboat benefits from (i) its location and size, (ii) its strategy of developing, together with Barden, an array of entertainment, retail and restaurant attractions, and coordinated cruise schedules and (iii) the widespread recognition of the "Trump" name and what management believes to be its reputation for quality. Gaming facilities in Illinois are presently limited to 1,200 gaming positions under current regulations in Illinois, which management believes puts Illinois properties at a competitive disadvantage to larger facilities such as the Indiana Riverboat. THCR has drawn on these competitive advantages and capitalized on its experience in gaming activities in Atlantic City in order to create an outstanding gaming and entertainment experience.

THCR focuses its marketing efforts for the Indiana Riverboat on the middle market, which makes up the majority of the gaming population in the 200-mile radius of Buffington Harbor, encompassing portions of the states of Indiana, Illinois, Michigan, Ohio and Wisconsin (the "Great Lakes Market"). The middle market constitutes a broad segment of casino patrons who come to a casino for exciting recreation and entertainment and who typically wager less, on an individual basis, than high-end patrons. Through the use of the "Trump" name and systematic marketing programs, THCR has been attracting this middle market customer.

The operation of a gaming riverboat in Indiana is subject to Indiana's Riverboat Gambling Act (the "Riverboat Gambling Act") and the administrative rules promulgated thereunder. Under the Riverboat Gambling Act, all games typically available in Atlantic City casinos are permitted on the Indiana Riverboat. The riverboat casinos in Indiana are permitted to stay open 21 hours per day, 365 days per year and to extend credit and accept credit charge cards with no loss or wagering limits.

In June 1996, the Indiana Gaming Commission (the "IGC") granted Trump Indiana a riverboat owner's license for the ownership and operation of a gaming vessel at Buffington Harbor, which must be renewed by June 2001.

Sale with Lehigh Portland Cement Company ("Lehigh"), dated May 10, 1995 (the "Site Sale Agreement"), approximately 88 acres of land at Buffington Harbor (the "Buffington Harbor Site") for \$13.5 million. Pursuant to an agreement between Lehigh and Trump Indiana, Lehigh granted Trump Indiana a lease for a term of up to ten years for the use of the harbor and certain of Lehigh's property adjacent to the Buffington Harbor Site for the docking of the Indiana Riverboat Vessel. No lease payments were due to Lehigh during the first 30 months of the lease. Pursuant to the Harbor Lease Agreement, Lehigh is entitled to receive lease payments in the amount of \$125,000 per month for the use of the property during the remaining term of the lease, if the use continues beyond the initial 30 month period. The initial period has expired and the lease payments are currently being paid to Lehigh. Trump Indiana contributed the Buffington Harbor Site and its rights under the Harbor Lease Agreement to BHR in connection with the formation of BHR. Pursuant to the BHR Agreement, BHR will own, develop and operate all common land-based and waterside operations in support of Trump Indiana's and Barden's separate riverboat casinos at Buffington Harbor. Trump Indiana and Barden are each equally responsible for the development and the operating expenses of BHR.

Trump Indiana entered into a development agreement (as defined) with the City of Gary, Indiana, dated as of May 1, 1996, which memorialized the commitments made by Trump Indiana to the City during the licensing process (the "Development Agreement"). The Development Agreement sets forth the scope and timing of the capital expenditures committed to be made by Trump Indiana during the initial five-year term of its riverboat owner's license, Trump Indiana's agreement to pay to the City four (4%) percent of Trump Indiana's annual adjusted gross receipts and Trump Indiana's commitment regarding the employment of women and racial minorities and the utilization of union labor and local vendors. The Development Agreement also provides for certain monetary penalties in the event Trump Indiana elects to abandon the Buffington Harbor Site within the first four years of gaming operations. In addition, the Development Agreement includes provisions regarding the "Trump Indiana Foundation," a private foundation established by Trump Indiana for charitable purposes primarily within the City and Lake County, Indiana. As of December 31, 1996, Trump Indiana funded an initial \$1.0 million to the Trump Indiana Foundation. In addition, Trump Indiana is required to make annual contributions of \$100,000 to the Trump Indiana Foundation for the remaining four years of the Development Agreement. The 1997 and 1998 contributions were made as of December 31, 1997 and 1998, respectively.

THCR believes that competition in the gaming industry, particularly the riverboat and dockside gaming industry, is based on the quality and location of gaming facilities, the effectiveness of marketing efforts, and customer service and satisfaction. Although management believes that the location of the Indiana Riverboat allows THCR to compete effectively with other casinos in the geographic area surrounding its casino, THCR expects competition in the casino gaming industry to be intense as more casinos are opened and new entrants into the gaming industry become operational. See "--Competition."

TRADEMARK/LICENSING

Subject to certain restrictions, THCR has the exclusive right to use the "Trump" name and likeness in connection with gaming and related activities pursuant to a trademark license agreement between Trump and THCR (the "License Agreement"). Pursuant to the License Agreement, Trump granted to THCR the world-wide right and license to use the names "Trump," "Donald Trump" and "Donald J. Trump" (including variations thereon, the "Trump Names") and related intellectual property rights (collectively, the "Marks") in connection with casino and gaming activities and related services and products. The License Agreement does not restrict or restrain Trump from the right to use or further

license the Trump Names in connection with services and products other than casino services and products.

The license is for a term of the later of: (i) June 2015; (ii) such time as Trump and his affiliates no longer hold a 15% or greater voting interest in THCR; or (iii) such time as Trump ceases to be employed or retained pursuant to an employment, management, consulting or similar services agreement with THCR. Upon expiration of the term of the license, Trump will grant THCR a non-exclusive license for a reasonable period of transition on terms to be mutually agreed upon between Trump and THCR. Trump's obligations under the License Agreement are secured by a security agreement, pursuant to which Trump granted THCR a first priority security interest in the Marks for use in connection with casino services, as well as related hotel, bar and restaurant services.

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CERTAIN INDEBTEDNESS OF THCR

Senior Notes. THCR Holdings and THCR Funding (the "THCR Obligors") are the issuers of \$145 million aggregate principal amount of Senior Notes. The Senior Notes are the joint and several obligations of the THCR Obligors. Interest on the Senior Notes is payable semiannually in arrears.

The Senior Notes mature on June 15, 2005. The Senior Notes are not redeemable prior to June 15, 2000, except pursuant to a Required Regulatory Redemption (as defined in the indenture pursuant to which the Senior Notes were issued (the "Senior Note Indenture")). Thereafter, the Senior Notes may be redeemed at the option of the THCR Obligors, in whole or in part, at any time on or after June 15, 2000 at the redemption prices set forth in the Senior Note Indenture, together with accrued and unpaid interest to the date of redemption.

The obligations of the THCR Obligors under the Senior Note Indenture are secured by (1) an assignment and pledge to the Trustee under the Senior Note Indenture (the "Senior Note Trustee") of (a) 100% of the general partnership interests in Plaza Associates, (b) 100% of the capital stock of Plaza Funding, (c) 100% of the general partnership interests in Taj Associates, (d) 100% of the membership interests in Trump Communications, (e) 100% of the capital stock of TACC, which owns a 1% general partnership interest in Plaza Associates, a 1% general partnership interest in Taj Associates and a 1% membership interest in Trump Communications, (f) 100% of the membership interests in TCS, which owns a 99% membership interest in Trump Communications, (g) 100% of the capital stock of Trump AC Funding, (h) 100% of the general partnership interests in Trump AC, which owns 1% of the capital stock of TACC, 99% of the membership interests of TCS, a 99% general partnership interest in Taj Associates, a 99% general partnership interest in Plaza Associates and 100% of the capital stock of Trump AC Funding, (i) 100% of the capital stock of Trump AC Holding, a direct wholly owned subsidiary of THCR Holdings which owns a 1% general partnership interest in Trump AC, (j) 100% of the capital stock of Trump Indiana, (k) 100% of the capital stock of THCR Funding, (l) 100% of the partnership interests in Castle Associates, (m) 100% of the capital stock of TCHI, which owns a 1% general partnership interest in Castle Associates, (n) other equity interests issued from time to time by THCR Holdings or any of its Subsidiaries (as defined in the Senior Note Indenture), (o) the Castle PIK Notes held by THCR Holdings and (p) promissory notes issued by THCR Holdings or any of its subsidiaries, excluding Unrestricted Subsidiaries (as defined in the Senior Note Indenture), from time to time directly owned or acquired by THCR Holdings; and (2) certain proceeds

from time to time received, receivable or otherwise distributed in respect of the assets described in clause (1) above (collectively, the "Senior Note Collateral"). The security interests in the Senior Note Collateral are first priority security interests and are exclusive. Any equity interests in Subsidiaries of THCR Holdings which are acquired by THCR Holdings will be assigned and pledged to the Senior Note Trustee and the security interests granted in such equity interests will be exclusive, first priority security interests.

TAC I Notes. As a part of the Taj Acquisition, Trump AC and Trump AC Funding issued in an underwritten offering \$1,200,000,000 aggregate principal amount of Mortgage Notes which mature on May 1, 2006 (the "TAC I Notes"). The TAC I Notes include restrictive covenants prohibiting or limiting, among other things, the sale of assets, the making of acquisitions and other investments, capital expenditures, the incurrence of additional debt and liens and the payment of dividends and distributions. Non-compliance could result in the acceleration of such indebtedness.

TAC II Notes. In December 1997, Trump AC and Funding II issued \$75,000,000 principal amount of Mortgage Notes which mature on May 1, 2006 (the "TAC II Notes"). The TAC II Notes include restrictive covenants prohibiting or limiting, among other things, the sale of assets, the making of acquisitions and other investments, capital expenditures, the incurrence of additional debt and liens and the payment of dividends and distributions. Non-compliance could result in the acceleration of such indebtedness.

TAC III Notes. In December 1997, Trump AC and Funding III issued \$25,000,000 principal amount of the Mortgage Notes which mature on May 1, 2006 (the "TAC III Notes"). The TAC III Notes include restrictive covenants prohibiting or limiting, among other things, the sale of assets, the making of acquisitions and other investments, capital expenditures, the incurrence of additional debt and liens and the payment of dividends and distributions. Non-compliance could result in the acceleration of such indebtedness.

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Plaza Notes. The Plaza Notes were retired in connection with the Taj Acquisition. The Plaza Notes were issued by Plaza Funding, with Plaza Associates providing a full and unconditional guaranty thereof. The Plaza Notes were retired through repurchase and defeasance and Plaza Funding and Plaza Associates were released from their obligations under all financial and negative covenants and certain other provisions contained in the indenture under which the Plaza Notes were issued (the "Plaza Note Indenture"), and the Plaza Note Security (as defined in the Plaza Note Indenture) was released against the deposit of cash or U.S. government obligations in an amount sufficient to effect the redemption on June 15, 1998 of all of the Plaza Notes so defeased, at a redemption price of 105% of the principal amount thereof, together with accrued and unpaid interest to such date.

Castle Notes. Castle Funding's Mortgage Notes bear interest, payable semi-annually in cash, at 11 3/4% and mature on November 15, 2003 (the "Castle Mortgage Notes"). The Castle Mortgage Notes may be redeemed at Castle Funding's option at a specified percentage of the principal amount commencing in 1998.

The Castle Mortgage Notes are secured by a promissory note of Castle Associates to Castle Funding (the "Castle Partnership Note") in an amount and with payment terms necessary to service the Castle Mortgage Notes. The Castle

Partnership Note is secured by a mortgage on Trump Marina and substantially all of the other assets of Castle Associates. The Castle Partnership Note has been assigned by Castle Funding to the trustee of the indenture under which the Castle Mortgage Notes were issued to secure the repayment of the Castle Mortgage Notes. In addition, Castle Associates has guaranteed the payment of the Castle Mortgage Notes (the "Castle Guaranty"), which is secured by a mortgage on Trump Marina and substantially all of the assets of Castle Associates. The Castle Partnership Note and the Castle Guaranty are expressly subordinated to the indebtedness of the New Castle Senior Notes (as defined) and the Castle Term Loan described below (collectively, the "Senior Indebtedness") and the liens of the mortgages securing the Castle Partnership Note and the Castle Guaranty are subordinate to the liens securing the Senior Indebtedness.

The Castle PIK Notes bear interest payable, at Castle Funding's option in whole or in part in cash and through the issuance of additional Castle PIK Notes, semi-annually at the rate of 7% through September 30, 1994 and 13 7/8% through November 15, 2003. After November 15, 2003, interest on the Castle PIK Notes is payable in cash at the rate of 13 7/8%. The Castle PIK Notes mature on November 15, 2005. The Castle PIK Notes may be redeemed at Castle Funding's option at 100% of the principal amount under certain conditions, as described in the indenture governing the Castle PIK Notes, and are required to be redeemed from a specified percentage of any equity offering which includes Castle Associates. Interest has been accrued using the effective interest method. On May 15, 1998 and November 15, 1998, the semi-annual interest payments of \$5.6 million and \$6.0 million, respectively, were paid by the issuance of additional Castle PIK Notes.

The Castle PIK Notes are secured by a subordinated promissory note of Castle Associates to Castle Funding (the "Castle Subordinated Partnership Note"), which has been assigned to the Trustee for the Castle PIK Notes, and Castle Associates has issued a subordinated guaranty (the "Castle Subordinated Guaranty") of the Castle PIK Notes. The Castle Subordinated Partnership Note and the Castle Subordinated Guaranty are expressly subordinated to the Senior Indebtedness, the Castle Partnership Note and the Castle Guaranty. On May 21, 1996, THCR Holdings exercised an option and acquired approximately 90% of the then outstanding Castle PIK Notes outstanding for approximately \$38.7 million, in exchange for which THCR Holdings received an aggregate of approximately \$59.3 million principal amount of Castle PIK Notes.

On April 17, 1998, Castle Funding refinanced the Castle Term Loan and the Old Castle Senior Notes by issuing the New Castle Senior Notes. The proceeds from the issuance of the New Castle Senior Notes were used to redeem all of the issued and outstanding Old Castle Senior Notes at 100% of their principal amount and to repay the Castle Term Loan in full. In conjunction with this refinancing, TCHI obtained the Working Capital Loan. Both the New Castle Senior Notes and the Working Capital Loan are guaranteed by Castle Associates. The New Castle Senior Notes have an outstanding principal amount of \$62,000,000 and bear interest at the rate of 10 1/4% per annum, payable semi-annually each April and October. The New Castle Senior Notes mature on April 30, 2003. The Working Capital Loan has an outstanding principal amount of \$5,000,000 and bears interest at the rate of 10 1/4% per annum, payable semi-annually each April and October. The entire principal balance of the Working Capital Loan matures on April 30, 2003.

The terms of the Working Capital Loan, the Castle Mortgage Notes, the Castle PIK Notes and the New Castle Senior Notes include limitations on the

amount of additional indebtedness Castle Associates may incur, distributions of Castle Associates capital, investments and other business activities.

Other Indebtedness. In addition to the foregoing, THCR's consolidated long-term indebtedness includes approximately \$39.5 million of indebtedness as of December 31, 1998.

ATLANTIC CITY MARKET

The Atlantic City Market has demonstrated continued growth despite the recent proliferation of new gaming venues across the country. The 12 casino hotels in Atlantic City generated approximately \$4.05 billion in gaming revenues in 1998, an approximately 3.3% increase over 1997 gaming revenues of approximately \$3.91 billion. From 1992 to 1998, total gaming revenues in Atlantic City have increased approximately 25.8%, while hotel rooms increased by 34.0% during that period. Although total visitor volume to Atlantic City remained relatively constant in 1998, the volume of bus customers increased to 9.9 million in 1998, still representing a decline from 11.7 million in 1991. The volume of customers traveling to Atlantic City has grown from 20.4 million in 1992 to 24.4 million in 1998.

Casino revenue growth in Atlantic City has lagged behind that of other traditional gaming markets, principally Las Vegas, for the last five years. Management believes that this relatively slower growth is primarily attributable to two key factors. First, there were no significant additions to hotel capacity in Atlantic City until 1996. Las Vegas visitor volumes have increased, in part, due to the continued addition of new hotel capacity. Both markets have exhibited a strong correlation between hotel room inventory and total casino revenues. Secondly, the regulatory environment and infrastructure problems in Atlantic City have made it more difficult and costly to operate. Total regulatory costs and tax levies in New Jersey have exceeded those in Nevada since inception, and there is generally a higher level of regulatory oversight in New Jersey than in Nevada. The infrastructure problems, manifested by impaired accessibility of the casinos, downtown Atlantic City congestion and the condition of the areas surrounding the casinos have made Atlantic City less attractive to the gaming customer.

Total Atlantic City slot revenues increased 3.9% in 1998, continuing a trend of increases over the past six years. From 1992 through 1998, slot revenue growth in Atlantic City has averaged 5.6% per year. Total table game revenue increased 2.1% in 1998, while table game revenue from 1992 to 1998 has increased on average 1.0% per year. Management believes the slow growth in table revenue is primarily attributable to two factors. First, the slot product has been significantly improved over the last five years. Bill acceptors, new slot machines, video poker and blackjack and other improvements have increased the popularity of slot play among a wider universe of casino patrons. Casino operators in Atlantic City have added slot machines in favor of table games due to increased public acceptance of slot play and due to slot machines' comparatively higher profitability as a result of lower labor and support costs. Since 1992, the number of slot machines in Atlantic City has increased 58.8%, while the number of table games has increased by 6.4%. Slot revenues increased from 66% of total casino revenues in 1992 to 69.8% in 1998. The second reason for historic slow growth in table revenue is that table game players are typically higher end players and are more likely to be interested in overnight stays and other amenities. During peak season and weekends, room availability in Atlantic City is currently inadequate to meet demand, making it difficult for casino operators to aggressively promote table play.

The regulatory environment in Atlantic City has improved over the past several years. Most significantly, 24-hour gaming has been approved, poker and

keno have been added and regulatory burdens have been reduced. In particular, comprehensive amendments to New Jersey gaming laws were made in January 1995, which have eliminated duplicative regulatory oversight and channeled a certain portion of operator's funds through 2003 from regulatory support into uses of the CRDA. Administrative costs of regulation will be reduced while increasing funds will be available for new development in Atlantic City. In addition, in 1994, legislation was enacted which eliminated the requirement that a casino consist of a "single room" in a casino hotel. A casino may now consist of "one or more locations or rooms" approved by the CCC for casino gaming.

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Atlantic City's new convention center, with approximately 500,000 square feet of exhibit and pre-function space, 45 meeting rooms, food-service facilities and a 1,600-car underground parking garage, is the largest exhibition space between New York City and Washington, D.C. It is located at the base of the Atlantic City Expressway and opened in May 1997. Atlantic City's old convention center is located on The Boardwalk, physically connected to the Trump Plaza and owned by the New Jersey Sports and Exposition Authority (the "NJSEA"). Its East Hall, which was completed in 1929 and is listed on the National Register of Historic Places will, with funding approved by the CRDA in February 1999, undergo a \$72 million renovation to be completed by the summer of 2001. These improvements, while preserving the historic features of this landmark, will convert it into a modern special events venue and will include new seating for 10,000 to 14,000 in its main auditorium and new lighting, sound and television-ready wiring systems. Construction will halt in both September 1999 and September 2000 to avoid disrupting the Miss America Pageant presentations during those years.

In addition to the planned casino expansions, major infrastructure improvements have been completed. The CRDA oversaw the development of the \$88 million "Grand Boulevard" corridor that links the new convention center with The Boardwalk. The project was completed in early 1998. Furthermore, as set forth in a November 1998 agreement with the CRDA, a \$20.8 million beautification project is now in progress for the five block Virginia and Maryland Avenue corridors which connect the thirty acre Boardwalk site of the Taj Mahal to Absecon Boulevard (Route 30), one of Atlantic City's principal access roadways. This comprehensive project includes the repair, resurfacing and resignalizing of these roads and the installation of new roadside lighting, the acquisition and demolition of deteriorated structures on Virginia Avenue and, to a lesser extent, Maryland Avenue, and the installation and maintenance of roadside landscaping on those sites, the construction of a twenty-two unit subdivision of two-story, single unit and duplex residences which will front on opposing sides of Virginia Avenue, and the improvement of the exterior facades of selected Virginia Avenue and other structures, with consents of the owners, to achieve a harmony and continuity of design among closely proximate properties. Construction of the roadway and housing elements of this project is expected to commence during or about the summer of 1999.

Management believes that these gaming regulatory reforms will serve to permit future reductions in operating expenses of casinos in Atlantic City and to increase the funds available for additional infrastructure development through the CRDA. Due principally to an improved regulatory environment, general improvement of economic conditions and high occupancy rates, significant investment in the Atlantic City Market has been initiated and/or announced. Management believes that these increases in hotel capacity, together with infrastructure improvements, will be instrumental in stimulating future revenue

growth in the Atlantic City Market. See "--Competition."

COMPETITION

Atlantic City. Competition in the Atlantic City Market is intense. Trump Plaza, the Taj Mahal and Trump Marina (the "Atlantic City Properties") compete with other casino hotels located in Atlantic City and with each other. At present, there are 12 casino hotels located in Atlantic City, including the Atlantic City Properties, all of which compete for patrons. In addition, there are several sites on The Boardwalk and in the Marina District on which casino hotels could be built in the future and various applications for casino licenses have been filed and announcements with respect thereto made from time to time (including a casino resort joint venture (the "Mirage Joint Venture") between Mirage and the Boyd Gaming Corporation to be built in the Marina District which will contain 1,200 rooms and is scheduled to be completed in the spring of 2002, and a casino resort by MGM Grand, Inc. to be built on The Boardwalk after MGM Grand, Inc. purchases the land chosen as the site for the casino resort). Although management is not aware of any current construction on such sites by third parties, infrastructure improvements in the area have begun. Mirage intends to build a casino resort called LeJardin which will contain 3,500-4,000 rooms and will be linked to the resort created as a result of the Mirage Joint Venture. Substantial new expansion and development activity has recently been completed or has been announced in Atlantic City, including the expansion at Harrah's, Hilton, Caesar's, Resorts, Tropicana and Bally's Wild West Casino, which intensifies competitive pressures in the Atlantic City Market. While management believes that the addition of hotel capacity would be beneficial to the Atlantic City Market generally, there can be no assurance that such expansion would not be

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materially disadvantageous to the Atlantic City Properties. There also can be no assurance that the Atlantic City development projects which are planned or are underway will be completed.

Total Atlantic City gaming revenues have increased over the past five years, although at varying rates. In 1993, nine casinos experienced increased gaming revenues compared to 1992 (including the Taj Mahal), while three casinos (including Trump Plaza) experienced decreased revenues. In 1994, ten casinos experienced increased gaming revenues compared to 1993 (including the Taj Mahal), while two casinos (including Trump Plaza) experienced decreased revenues. During 1995, all 12 casinos experienced increased gaming revenues compared to 1994. During 1996, six casinos (including Trump Plaza and the Taj Mahal) experienced increased gaming revenues compared to 1995, while six casinos experienced decreased revenues. In 1997, eight casinos (including Trump Plaza, Trump Marina and the Taj Mahal) experienced increased gaming revenues compared to 1996, while four casinos experienced decreased revenues. In 1998, seven casinos experienced increased gaming revenues compared to 1997 (including Trump Plaza), while five casinos experienced decreased revenues (including the Taj Mahal and Trump Marina).

In 1992, the Atlantic City casino industry experienced an increase of 6.9% in gaming revenues per square foot from 1991. Gaming revenues per square foot increased by 1.4% for 1993 (excluding poker and race simulcast rooms, which were introduced for the first time in such year), compared to 1992. In 1994, gaming revenues per square foot decreased 2.5% (or 4.5% including square footage

devoted to poker, keno and race simulcasting). The 1994 decline was due, in part, to the increase in casino floor space in Atlantic City as a result of expansion of a number of casinos and to the severe weather conditions which affected the Northeast during the winter of 1994. Between April 30, 1993 and December 31, 1995, many operators in Atlantic City expanded their facilities in anticipation of and in connection with the June 1993 legalization of simulcasting and poker, increasing total gaming square footage by approximately 181,200 square feet (23.3%) of which approximately 136,200 square feet is currently devoted to poker, keno and race simulcasting. During this same period, 172 poker tables and 5,500 slot machines were added. During 1996, a total of approximately 65,870 square feet of casino floor space was added, an increase of 47.2%, including Trump World's Fair's 49,211 square feet. Slot machines increased by approximately 1,911 units during 1996 and table games increased by approximately 44 units during 1996, of which Trump World's Fair accounted for 1,518 units and 16 units, respectively. During 1997, a total of approximately 51,870 square feet of casino floor space was added. Slot machines increased by approximately 2,153 units and table games increased by approximately 82 units during 1997. During 1998, a total of approximately 38,350 square feet of casino floor space was added. Slot machines increased by approximately 822 units and table games decreased by approximately 71 units during 1998.

The Atlantic City Properties also compete, or will compete, with facilities in the northeastern and mid-Atlantic regions of the United States at which casino gaming or other forms of wagering are currently, or in the future may be, authorized. To a lesser extent, the Atlantic City Properties face competition from gaming facilities nationwide, including land-based, cruise line, riverboat and dockside casinos located in Colorado, Illinois, Indiana, Iowa, Louisiana, Mississippi, Missouri, Nevada, South Dakota, Ontario (Windsor and Niagara Falls), the Bahamas, Puerto Rico and other locations inside and outside the United States, and from other forms of legalized gaming in New Jersey and in its surrounding states such as lotteries, horse racing (including off-track betting), jai alai, bingo and dog racing, and from illegal wagering of various types. New or expanded operations by other persons can be expected to increase competition and could result in the saturation of certain gaming markets. In September 1995, New York introduced a keno lottery game, which is played on video terminals that have been set up in approximately 1,800 bars, restaurants and bowling alleys across the state. Bay Cruises is operating a gambling cruise ship where patrons are taken from a pier in Sheepshead Bay in Brooklyn, New York to international waters to gamble. In September 1997, another gambling cruise ship was launched off the coast of Montauk, New York. On April 24, 1998 Freeport Casino Cruises began operating a gambling ship in Long Island, New York. Manhattan Cruises, a company offering gambling cruises departing from Manhattan, New York City since January 28, 1998, suspended operations in early May 1998, but has announced plans to resume operations shortly. Other companies (including South Shore Cruise Lines and Circle Line) are currently seeking permission to operate similar cruises in the New York City area. On December 5, 1997, the mayor of New York City proposed the construction of a casino on Governors Island, located in the middle of New York Harbor; however, the proposal would require an amendment to the New York State Constitution and the sale of the island to New York by the

federal government. In Delaware, a total of approximately 2,600 slot machines were installed at three horse racetracks in 1996. Initial legislation allowed a maximum of 1,000 slot machines at each of the three racetracks. In 1998, the Delaware legislature approved a bill which would more than double the number of

slot machines allowed at the three racetracks. At the end of 1998, there was a total of approximately 3,000 slot machines installed and the additional approved machines have become operational during the first quarter of 1999. West Virginia also permits slot machines at racetracks, and track owners in several other states, including Maryland and Pennsylvania, are seeking to do the same. In December 1996, the temporary Casino Niagara opened in Niagara Falls, Ontario. Ontario officials expect that two-thirds of Casino Niagara's patrons will come from the United States, predominantly from western New York. In February 1998, the Ontario Casino Commission designated a consortium whose principal investor is Hyatt Hotels Corporation as the preferred developer of the permanent Casino Niagara. Moreover, the Atlantic City Properties may also face competition from various forms of internet gambling.

In addition to competing with other casino hotels in Atlantic City and elsewhere, by virtue of their proximity to each other and the common aspects of certain of their respective marketing efforts, including the common use of the "Trump" name, the Atlantic City Properties compete directly with each other for gaming patrons.

Indiana. The Indiana Riverboat competes primarily with riverboats and other casinos in the northern Indiana suburban and Chicago metropolitan area and throughout the Great Lakes Market. Although northern Indiana is part of the greater Chicago metropolitan market, which is one of the most successful new gaming markets in the United States, the Indiana Riverboat may be more dependent on patrons from northern Indiana than its Illinois competitors, and the propensity of these patrons to wager cannot be predicted with any degree of certainty. In addition to competing with Barden's riverboat at the Buffington Harbor Site, the Indiana Riverboat competes with a riverboat in Hammond, Indiana, owned and operated by Empress Riverboat Casino in Joliet, Illinois, a riverboat in East Chicago, Indiana, which is owned and operated by Harrah's Entertainment under the Showboat name, and with a riverboat in Michigan City, Indiana, which is owned and operated by Bluechip Casino. To a lesser degree, the Indiana Riverboat competes with four operating riverboats located in southern Indiana and one additional riverboat scheduled to be licensed and operating in 2000. At present there are four other riverboats in the Chicago area, with each operator limited to 1200 gaming positions.

Management believes that competition in the gaming industry, particularly the riverboat and dockside gaming industry, is based principally on the quality and location of gaming facilities, the effectiveness of marketing efforts, and customer service and satisfaction. Although THCR believes that the location of the Indiana Riverboat will allow THCR to compete effectively with other casinos in the geographic area surrounding its casino. Management expects competition in the casino gaming industry to continue to be intense in the Northwest Indiana marketplace.

The Indiana Riverboat is seeking a competitive advantage primarily based upon its superior location, including its proximity to and direct access from Chicago, extensive parking facilities, name recognition, a superior gaming vessel and gaming experience, and targeted marketing strategies. See "--Indiana Riverboat." In addition, a casino opened during 1994 in Windsor, Ontario, across the river from Detroit. In 1997, Detroit approved land-based casino gaming with a limit of four licenses for the metropolitan area, and selected the operators for the licenses. Although management believes that there is sufficient demand in the market to sustain the Indiana Riverboat, there can be no assurance to that effect. Legislation has also been introduced on numerous occasions in recent years to expand riverboat gaming in Illinois, including by authorizing new sites in the Chicago area with which the Indiana Riverboat would compete. THCR understands that there have been recent discussions in Illinois regarding possible legislation to permit dockside gaming and/or increase the gaming

position limitations. There can be no assurance that either Indiana or Illinois, or both, will not authorize additional gaming licenses, including for the Chicago metropolitan area.

Other Competition. In addition, the Atlantic City Properties and the Indiana Riverboat face competition from casino facilities in a number of states operated by federally recognized Native American tribes. Pursuant to the Indian Gaming Regulatory Act ("IGRA"), which was passed by Congress in 1988, any state which permits

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casino-style gaming (even if only for limited charity purposes) is required to negotiate gaming compacts with federally recognized Native American tribes. Under IGRA, Native American tribes enjoy comparative freedom from regulation and taxation of gaming operations, which provides them with an advantage over their competitors, including the Atlantic City Properties and the Indiana Riverboat. In March 1996, the United States Supreme Court struck down a provision of IGRA which allowed Native American tribes to sue states in federal court for failing to negotiate gaming compacts in good faith. Management cannot predict the impact of this decision on the ability of Native American tribes to negotiate compacts with states.

In 1991, the Mashantucket Pequot Nation opened Foxwoods, a casino facility in Ledyard, Connecticut, located in the far eastern portion of such state, an approximately three-hour drive from New York City and an approximately two and one-half hour drive from Boston, which currently offers 24-hour gaming and contains approximately 6,000 slot machines. An expansion at Foxwoods, completed in April 1998, includes additional hotel rooms, restaurants and retail stores. A high-speed ferry operates seasonally between New York City and Foxwoods. The Mashantucket Pequot Nation has also announced plans for a high-speed train linking Foxwoods to the interstate highway and an airport outside Providence, Rhode Island. In addition, in October 1996, the Mohegan Nation opened the Mohegan Sun Resort in Uncasville, Connecticut, located 10 miles from Foxwoods. Developed by Sun International Hotels, Ltd., the Mohegan Sun Resort has 3,000 slot machines. The Mohegan Nation has announced plans for an expansion of the casino facilities and the construction of a hotel, convention center and entertainment center to be completed in the fall of 2001. In addition, the Eastern Pequots are seeking formal recognition as a Native American tribe for the purpose of opening a casino in the North Stonington area. There can be no assurance that any continued expansion of gaming operations of the Mashantucket Pequot Nation, the gaming operations of the Mohegan Nation or the commencement of gaming operations by the Eastern Pequots would not have a materially adverse impact on the operations of the Atlantic City Properties.

A group in Cumberland County, New Jersey calling itself the "Nanticoke Lenni Lenape" tribe has filed a notice of intent with the Bureau of Indian Affairs seeking formal federal recognition as a Native American tribe. In March 1998, the Oklahoma-based Lenape/Delaware Indian Nation, which originated in New Jersey and already has federal recognition, filed a lawsuit against the city of Wildwood claiming that the city is built on ancestral land. The city of Wildwood, which has supported the plan to build a casino, has entered settlement negotiations, offering to deed municipal land to the tribe. The plan, which is opposed by the State of New Jersey, required state and federal approval. In early 1999, however, the Delaware Indian Nation's lawsuit was dismissed. In July 1993, the Oneida Nation opened a casino featuring 24-hour table gaming and electronic gaming systems, but without slot machines, near Syracuse, New York.

The Oneida Nation opened a hotel in October 1997 that included expanded gaming facilities, and has constructed a golf course and convention center. Representatives of the St. Regis Mohawk Nation signed a gaming compact with New York State officials for the opening of a casino, without slot machines, in the northern portion of the state close to the Canadian border. The St. Regis Mohawks have also announced their intent to open a casino at the Monticello Race Track in the Catskill Mountains region of New York; however, any Native American gaming operation in the Catskills is subject to the approval of the Governor of New York. The Seneca Nation plans to negotiate with New York State to open a casino in Western New York; however, the proposed casino would be subject to the purchase of additional property that is declared reservation territory by the federal government. The Narragansett Nation of Rhode Island, which has federal recognition, is seeking to open a casino in Rhode Island. The Aquinnah Wampanoag Tribe is seeking to open a casino in Massachusetts. Other Native American nations are seeking federal recognition, land and negotiation of gaming compacts in New York, Pennsylvania, Connecticut and other states near Atlantic City.

The Pokagon Band of Potawatomi Indians of southern Michigan and northern Indiana has been federally recognized as an Indian tribe. In September 1995, the Pokagon Band of Potawatomi Indians signed a gaming compact with the governor of Michigan to build a land-based casino in southwestern Michigan and also entered into an agreement with Harrah's Entertainment, Inc. ("Harrah's") to develop and manage the casino. However, as of October 12, 1998, the agreement with Harrah's was terminated.

State Legislation. Legislation permitting other forms of casino gaming has been proposed, from time to time, in various states, including those bordering New Jersey. Six states have presently legalized riverboat gambling while others are considering its approval, including New York and Pennsylvania. Several states are

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considering or have approved large scale land-based casinos. Additionally, since 1993, the gaming space in Las Vegas has expanded significantly, with additional capacity planned and currently under construction. The operations of the Atlantic City Properties could be adversely affected by such competition, particularly if casino gaming were permitted in jurisdictions near or elsewhere in New Jersey or in other states in the Northeast. In December 1993, the Rhode Island Lottery Commission approved the addition of slot machine games on video terminals at Lincoln Greyhound Park and Newport Jai Alai, where poker and blackjack have been offered for over two years. Currently, casino gaming, other than Native American gaming, is not allowed in other areas of New Jersey or in Connecticut, New York or Pennsylvania. On November 17, 1995, a proposal to allow casino gaming in Bridgeport, Connecticut was voted down by that state's Senate. On June 18, 1998, the New York State Senate and General Assembly failed to enact a constitutional amendment to legalize casino gambling in certain areas of New York State, effectively postponing any referendum to authorize such a constitutional amendment until not earlier than November 2001. To the extent that legalized gaming becomes more prevalent in New Jersey or other jurisdictions near Atlantic City, competition would intensify. In particular, proposals have been introduced to legalize gaming in other locations, including Philadelphia, Pennsylvania. In February 1999, the Pennsylvania State General Assembly approved a bill allowing in May 1999 a non-binding public referendum on a variety of legalized gaming issues including riverboats, video poker in taverns and slot machines at racetracks, but the Pennsylvania State Senate failed to enact the General Assembly Bill. In addition, legislation has from

time to time been introduced in the New Jersey State Legislature relating to types of statewide legalized gaming, such as video games with small wagers. To date, no such legislation, which may require a state constitutional amendment, has been enacted. Management is unable to predict whether any such legislation, in New Jersey, Indiana, Illinois or elsewhere, will be enacted or whether, if passed, it would have a material adverse impact on THCR.

GAMING AND OTHER LAWS AND REGULATIONS

The following is only a summary of the applicable provisions of the Casino Control Act, the Riverboat Gambling Act and certain other laws and regulations. It does not purport to be a full description thereof and is qualified in its entirety by reference to the Casino Control Act, the Riverboat Gambling Act and such other laws and regulations. Unless otherwise indicated, all references to "Trump Plaza" include (a) Trump Plaza's main tower, including Trump Plaza East (which operates pursuant to a casino license held by Plaza Associates) and (b) Trump World's Fair (which operates pursuant to a casino license held by Plaza Associates).

NEW JERSEY GAMING REGULATIONS

In general, the Casino Control Act and its implementing regulations contain detailed provisions concerning, among other things: the granting and renewal of casino licenses; the suitability of the approved hotel facility, and the amount of authorized casino space and gaming units permitted therein; the qualification of natural persons and entities related to the casino licensee; the licensing of certain employees and vendors of casino licensees; the rules of the games; the selling and redeeming of gaming chips; the granting and duration of credit and the enforceability of gaming debts; management control procedures, accounting and cash control methods and reports to gaming agencies; the security standards; the manufacture and distribution of gaming equipment; the simulcasting of horse races by casino licensees; equal employment opportunities for employees of casino operators, contractors of casino facilities and others; and advertising, entertainment and alcoholic beverages.

Casino Control Commission. The ownership and operation of casino/hotel facilities in Atlantic City are the subject of strict state regulation under the Casino Control Act. The CCC is empowered to regulate a wide spectrum of gaming and non-gaming related activities and to approve the form of ownership and financial structure of not only a casino licensee, but also its entity qualifiers and intermediary and holding companies and any other related entity required to be qualified ("CCC Regulations").

Operating Licenses. In June 1995, the CCC renewed Taj Associates' license to operate the Taj Mahal through March 1999, renewed Castle Associates' license to operate Trump Marina through May 1999, and renewed Plaza Associates' license to operate Trump Plaza through June 1999. In May 1996, the CCC granted Plaza Associates a license to operate Trump World's Fair through May 1997, and in December 1996, the CCC approved Plaza Associates' application to operate Trump Plaza and Trump World's Fair under one casino license

through May 1999. In June 1996, the CCC granted TCS a casino license through July 1997, which license has been renewed annually through July 1999. Timely applications have been filed for renewal of the Plaza Associates, Taj Associates, Castle Associates and TCS casino licenses, and a petition has been

filed with the CCC seeking consolidation of the hearings on the casino license renewals. It is anticipated that the CCC will act favorably on the petition seeking consolidation of the license renewal hearings, and extend the casino licenses allowing for a consolidated hearing on the license renewals to be conducted in June 1999.

Casino License. No casino hotel facility may operate unless the appropriate license and approvals are obtained from the CCC, which has broad discretion with regard to the issuance, renewal, revocation and suspension of such licenses and approvals, which are non-transferable. The qualification criteria with respect to the holder of a casino license include its financial stability, integrity and responsibility; the integrity and adequacy of its financial resources which bear any relation to the casino project; its good character, honesty and integrity; and the sufficiency of its business ability and casino experience to establish the likelihood of a successful, efficient casino operation. The casino licenses currently held by Plaza Associates, Taj Associates and Castle Associates are renewable for periods of up to four years. The CCC may reopen licensing hearings at any time, and must reopen a licensing hearing at the request of the Division of Gaming Enforcement (the "Division").

Each casino license entitles the holder to operate one casino. Further, no person may be the holder of a casino license if the holding of such license will result in undue economic concentration in Atlantic City casino operations by that person. On May 17, 1995, the CCC adopted a regulation defining the criteria for determining undue economic concentration which codifies the content of existing CCC precedent with respect to the subject. In April 1995, Plaza Associates petitioned the CCC for certain approvals. In its May 18, 1995 declaratory rulings with respect to such petition, the CCC, among other things, (i) determined that Trump World's Fair is an approved hotel permitted to contain a maximum of 60,000 square-feet of casino space, that the 40,000 square-feet of casino space therein is a "single room" and that its operation by Plaza Associates would not result in undue economic concentration in Atlantic City casino operations; (ii) approved the operation of Trump World's Fair by Plaza Associates under a separate casino license subject to an application for and the issuance of such license and approved the proposed easement agreements with respect to the proposed enclosed Atlantic City Convention Center walkway; (iii) approved in concept the proposed physical connection and integrated operation by Plaza Associates of Trump Plaza's main tower, Trump Plaza East and Trump World's Fair; and (iv) determined that the approved hotel comprised of the main tower and Trump Plaza East is permitted to contain a maximum of 100,000 square feet of casino space. In addition, on December 13, 1995, Plaza Associates received CCC authorization for 49,340 square-feet of casino space at Trump World's Fair. Plaza Associates' casino license with respect to Trump World's Fair has a renewable term of one year for each of its first three years and thereafter is renewable for periods of up to four years. Subsequently, in December 1996, the CCC approved Plaza Associates' license to operate Trump Plaza and Trump World's Fair under one casino license through May 1999.

To be considered financially stable, a licensee must demonstrate the following ability: to pay winning wagers when due; to achieve an annual gross operating profit; to pay all local, state and federal taxes when due; to make necessary capital and maintenance expenditures to insure that it has a superior first-class facility; and to pay, exchange, refinance or extend debts which will mature or become due and payable during the license term.

In the event a licensee fails to demonstrate financial stability, the CCC may take such action as it deems necessary to fulfill the purposes of the Casino Control Act and protect the public interest, including: issuing conditional licenses, approvals or determinations; establishing an appropriate cure period; imposing reporting requirements; placing restrictions on the

transfer of cash or the assumption of liabilities; requiring reasonable reserves or trust accounts; denying licensure; or appointing a conservator. See "--Conservatorship."

Management believes that it has adequate financial resources to meet the financial stability requirements of the CCC for the foreseeable future.

Pursuant to the Casino Control Act, CCC Regulations and precedent, no entity may hold a casino license unless each officer, director, principal employee, person who directly or indirectly holds any beneficial interest or ownership in the licensee, each person who in the opinion of the CCC has the ability to control or elect a majority

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of the board of directors of the licensee (other than a banking or other licensed lending institution which makes a loan or holds a mortgage or other lien acquired in the ordinary course of business) and any lender, underwriter, agent or employee of the licensee or other person whom the CCC may consider appropriate, obtains and maintains qualification approval from the CCC. Qualification approval means that such person must, but for residence, individually meet the qualification requirements as a casino key employee. Pursuant to a condition of its casino license, payments by Plaza Associates to or for the benefit of any related entity or partner, with certain exceptions, are subject to prior CCC approval; and, if Plaza Associates', Taj Associates' or Castle Associates' cash position falls below \$5.0 million for three consecutive business days, such entity must present to the CCC and the Division evidence as to why it should not obtain a working capital facility in an appropriate amount.

Control Persons. An entity qualifier or intermediary or holding company, such as Trump AC, Trump AC Holding, Plaza Funding, TACC, TCHI, THCR Holdings, THCR Funding or THCR is required to register with the CCC and meet the same basic standards for approval as a casino licensee; provided, however, that the CCC, with the concurrence of the Director of the Division, may waive compliance by a publicly-traded corporate holding company with the requirement that an officer, director, lender, underwriter, agent or employee thereof, or person directly or indirectly holding a beneficial interest or ownership of the securities thereof, individually qualify for approval under casino key employee standards so long as the CCC and the Director of the Division are, and remain, satisfied that such officer, director, lender, underwriter, agent or employee is not significantly involved in the activities of the casino licensee, or that such security holder does not have the ability to control the publicly-traded corporate holding company or elect one or more of its directors. Persons holding five percent or more of the equity securities of such holding company are presumed to have the ability to control the company or elect one or more of its directors and will, unless this presumption is rebutted, be required to individually qualify. Equity securities are defined as any voting stock or any security similar to or convertible into or carrying a right to acquire any security having a direct or indirect participation in the profits of the issuer.

Financial Sources. The CCC may require all financial backers, investors, mortgagees, bond holders and holders of notes or other evidence of indebtedness, either in effect or proposed, which bear any relation to any casino project, including holders of publicly-traded securities of an entity which holds a casino license or is an entity qualifier, subsidiary or holding

company of a casino licensee (a "Regulated Company"), to qualify as financial sources. In the past, the CCC has waived the qualification requirement for holders of less than 15% of a series of publicly-traded mortgage bonds so long as the bonds remained widely distributed and freely traded in the public market and the holder had no ability to control the casino licensee. The CCC may require holders of less than 15% of a series of debt to qualify as financial sources even if not active in the management of the issuer or casino licensee.

Institutional Investors. An institutional investor ("Institutional Investor") is defined by the Casino Control Act as any retirement fund administered by a public agency for the exclusive benefit of federal, state or local public employees; any investment company registered under the Investment Company Act of 1940, as amended; any collective investment trust organized by banks under Part Nine of the Rules of the Comptroller of the Currency; any closed end investment trust; any chartered or licensed life insurance company or property and casualty insurance company; any banking and other chartered or licensed lending institution; any investment advisor registered under the Investment Advisers Act of 1940, as amended; and such other persons as the CCC may determine for reasons consistent with the policies of the Casino Control Act.

An Institutional Investor may be granted a waiver by the CCC from financial source or other qualification requirements applicable to a holder of publicly-traded securities, in the absence of a prima facie showing by the Division that there is any cause to believe that the holder may be found unqualified, on the basis of CCC findings that: (i) its holdings were purchased for investment purposes only and, upon request by the CCC, it files a certified statement to the effect that it has no intention of influencing or affecting the affairs of the issuer, the casino licensee or its holding or intermediary companies; provided, however, that the Institutional Investor will be permitted to vote on matters put to the vote of the outstanding security holders; and (ii) if (x) the securities are debt securities of a casino licensee's holding or intermediary companies or another subsidiary company of the casino licensee's holding or intermediary companies which is related in any way to the financing of the casino licensee and represent either (A) 20% or less of the total outstanding debt of the company or (B) 50% or less of any issue of

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outstanding debt of the company, (y) the securities are equity securities and represent less than 10% of the equity securities of a casino licensee's holding or intermediary companies or (z) the securities so held exceed such percentages, upon a showing of good cause. There can be no assurance, however, that the CCC will make such findings or grant such waiver and, in any event, an Institutional Investor may be required to produce for the CCC or the Antitrust Division of the Department of Justice upon request, any document or information which bears any relation to such debt or equity securities.

Generally, the CCC requires each institutional holder seeking waiver of qualification to execute a certification to the effect that (i) the holder has reviewed the definition of Institutional Investor under the Casino Control Act and believes that it meets the definition of Institutional Investor; (ii) the holder purchased the securities for investment purposes only and holds them in the ordinary course of business; (iii) the holder has no involvement in the business activities of and no intention of influencing or affecting, the affairs of the issuer, the casino licensee or any affiliate; and (iv) if the holder subsequently determines to influence or affect the affairs of the issuer, the

casino licensee or any affiliate, it shall provide not less than 30 days' prior notice of such intent and shall file with the CCC an application for qualification before taking any such action. If an Institutional Investor changes its investment intent, or if the CCC finds reasonable cause to believe that it may be found unqualified, the Institutional Investor may take no action with respect to the security holdings, other than to divest itself of such holdings, until it has applied for interim casino authorization and has executed a trust agreement pursuant to such an application. See "--Interim Casino Authorization."

Ownership and Transfer of Securities. The Casino Control Act imposes certain restrictions upon the issuance, ownership and transfer of securities of a Regulated Company and defines the term "security" to include instruments which evidence a direct or indirect beneficial ownership or creditor interest in a Regulated Company including, but not limited to, mortgages, debentures, security agreements, notes and warrants. Currently, each of Plaza Funding, Trump AC, Trump AC Holding, Plaza Associates, Taj Associates, TCS, Castle Associates, TCHI, THCR Holdings, THCR Funding and THCR is deemed to be a Regulated Company, and instruments evidencing a beneficial ownership or creditor interest therein, including a partnership interest, are deemed to be the securities of a Regulated Company.

If the CCC finds that a holder of such securities is not qualified under the Casino Control Act, it has the right to take any remedial action it may deem appropriate, including the right to force divestiture by such disqualified holder of such securities. In the event that certain disqualified holders fail to divest themselves of such securities, the CCC has the power to revoke or suspend the casino license affiliated with the Regulated Company which issued the securities. If a holder is found unqualified, it is unlawful for the holder (i) to exercise, directly or through any trustee or nominee, any right conferred by such securities or (ii) to receive any dividends or interest upon such securities or any remuneration, in any form, from its affiliated casino licensee for services rendered or otherwise.

With respect to non-publicly-traded securities, the Casino Control Act and CCC Regulations require that the corporate charter or partnership agreement of a Regulated Company establish a right in the CCC of prior approval with regard to transfers of securities, shares and other interests and an absolute right in the Regulated Company to repurchase at the market price or the purchase price, whichever is the lesser, any such security, share or other interest in the event that the CCC disapproves a transfer. With respect to publicly-traded securities, such corporate charter or partnership agreement is required to establish that any such securities of the entity are held subject to the condition that, if a holder thereof is found to be disqualified by the CCC, such holder shall dispose of such securities.

Under the terms of the indentures pursuant to which the Senior Notes, the TAC I Notes (the "TAC I Note Indenture"), the TAC II Notes (the "TAC II Note Indenture"), the TAC III Notes (the "TAC III Note Indenture"), the New Castle Senior Notes, the Castle Mortgage Notes, and the Castle PIK Notes were issued, and the terms of the Working Capital Loan, if a holder of such securities does not qualify under the Casino Control Act when required to do so, such holder must dispose of its interest in such securities, and the respective issuer or issuers of such securities may redeem the securities at the lesser of the outstanding amount or fair market value. Similar provisions are set forth in THCR's Certificate of Incorporation with respect to the THCR Common Stock.

Interim Casino Authorization. Interim casino authorization is a process which permits a person who enters into a contract to obtain property relating to a casino operation or who obtains publicly-traded securities relating to a casino licensee to close on the contract or own the securities until plenary licensure or qualification. During the period of interim casino authorization, the property relating to the casino operation or the securities is held in trust.

Whenever any person enters into a contract to transfer any property which relates to an ongoing casino operation, including a security of the casino licensee or a holding or intermediary company or entity qualifier, under circumstances which would require that the transferee obtain licensure or be qualified under the Casino Control Act, and that person is not already licensed or qualified, the transferee is required to apply for interim casino authorization. Furthermore, except as set forth below with respect to publicly-traded securities, the closing or settlement date in the contract at issue may not be earlier than the 121st day after the submission of a complete application for licensure or qualification together with a fully executed trust agreement in a form approved by the CCC. If, after the report of the Division and a hearing by the CCC, the CCC grants interim authorization, the property will be subject to a trust. If the CCC denies interim authorization, the contract may not close or settle until the CCC makes a determination on the qualifications of the applicant. If the CCC denies qualification, the contract will be terminated for all purposes and there will be no liability on the part of the transferor.

If, as the result of a transfer of publicly-traded securities of a licensee, a holding or intermediary company or entity qualifier of a licensee, or a financing entity of a licensee, any person is required to qualify under the Casino Control Act, that person is required to file an application for licensure or qualification within 30 days after the CCC determines that qualification is required or declines to waive qualification. The application must include a fully executed trust agreement in a form approved by the CCC or, in the alternative, within 120 days after the CCC determines that qualification is required, the person whose qualification is required must divest such securities as the CCC may require in order to remove the need to qualify.

The CCC may grant interim casino authorization where it finds by clear and convincing evidence that: (i) statements of compliance have been issued pursuant to the Casino Control Act; (ii) the casino hotel is an approved hotel in accordance with the Casino Control Act; (iii) the trustee satisfies qualification criteria applicable to key casino employees, except for residency; and (iv) interim operation will best serve the interests of the public.

When the CCC finds the applicant qualified, the trust will terminate. If the CCC denies qualification to a person who has received interim casino authorization, the trustee is required to endeavor, and is authorized, to sell, assign, convey or otherwise dispose of the property subject to the trust to such persons who are licensed or qualified or shall themselves obtain interim casino authorization.

Where a holder of publicly-traded securities is required, in applying for qualification as a financial source or qualifier, to transfer such securities to a trust in application for interim casino authorization and the CCC thereafter orders that the trust become operative: (i) during the time the trust is operative, the holder may not participate in the earnings of the casino hotel or receive any return on its investment or debt security holdings; and (ii) after disposition, if any, of the securities by the trustee, proceeds

distributed to the unqualified holder may not exceed the lower of their actual cost to the unqualified holder or their value calculated as if the investment had been made on the date the trust became operative.

Approved Hotel Facilities. The CCC may permit an existing licensee, such as one of the Atlantic City Properties, to increase its casino space if the licensee agrees to add a prescribed number of qualifying sleeping units within two years after the commencement of gaming operations in the additional casino space. However, if the casino licensee does not fulfill such agreement due to conditions within its control, the licensee will be required to close the additional casino space, or any portion thereof that the CCC determines should be closed.

Persons who are parties to the lease for an approved hotel building or who have an agreement to lease a building which may in the judgment of the CCC become an approved hotel building are required to hold a casino license unless the CCC, with the concurrence of the Attorney General of the State of New Jersey, determines that

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such persons do not have the ability to exercise significant control over the building or the operation of the casino therein.

Unless otherwise determined by the CCC, agreements to lease an approved hotel building or the land under the building must be for a durational term exceeding 30 years, must concern 100% of the entire approved hotel building or the land upon which it is located and must include a buy-out provision conferring upon the lessee the absolute right to purchase the lessor's entire interest for a fixed sum in the event that the lessor is found by the CCC to be unsuitable.

Agreement for Management of Casino. Each party to an agreement for the management of a casino is required to hold a casino license, and the party who is to manage the casino must own at least 10% of all the outstanding equity securities of the casino licensee. Such an agreement shall: (i) provide for the complete management of the casino; (ii) provide for the unrestricted power to direct the casino operations; and (iii) provide for a term long enough to ensure the reasonable continuity, stability and independence and management of the casino.

License Fees. The CCC is authorized to establish annual fees for the renewal of casino licenses. The renewal fee is based upon the cost of maintaining control and regulatory activities prescribed by the Casino Control Act, and may not be less than \$200,000 for a four-year casino license. Additionally, casino licensees are subject to potential assessments to fund any annual operating deficits incurred by the CCC or the Division. There is also an annual license fee of \$500 for each slot machine maintained for use or in use in any casino.

Gross Revenue Tax. Each casino licensee is also required to pay an annual tax of 8% on its gross casino revenues. For the years ended December 31, 1996, 1997 and 1998, Plaza Associates' gross revenue tax was approximately \$29.8 million, \$30.1 million and \$30.2 million, respectively, and its license, investigation and other fees and assessments totaled approximately \$4.4 million, \$6.0 million and \$5.2 million, respectively. For the years ended December 31, 1996, 1997 and 1998, Taj Associates' gross revenue tax was approximately \$40.7

million, \$41.7 million and \$41.1 million, respectively, and its license, investigation and other fees and assessments totaled approximately \$5.0 million, \$3.9 million and \$4.4 million, respectively. For the years ended December 31, 1996, 1997 and 1998, Castle Associates' gross revenue tax was approximately \$19.9 million, \$21.1 million and \$21.1 million, respectively, and its license, investigation and other fees and assessments totaled approximately \$4.0 million, \$3.5 million and \$3.7 million, respectively.

Investment Alternative Tax Obligations. An investment alternative tax imposed on the gross casino revenues of each licensee in the amount of 2.5% is due and payable on the last day of April following the end of the calendar year. A licensee is obligated to pay the investment alternative tax for a period of 30 years. Estimated payments of the investment alternative tax obligation must be made quarterly in an amount equal to 1.25% of estimated gross revenues for the preceding three-month period. Investment tax credits may be obtained by making qualified investments or by the purchase of bonds issued by the CRDA ("CRDA Bonds"). CRDA Bonds may have terms as long as 50 years and bear interest at below market rates, resulting in a value lower than the face value of such CRDA Bonds.

For the first ten years of its tax obligation, the licensee is entitled to an investment tax credit against the investment alternative tax in an amount equal to twice the purchase price of the CRDA Bonds issued to the licensee. Thereafter, the licensee (i) is entitled to an investment tax credit in an amount equal to twice the purchase price of such CRDA Bonds or twice the amount of its investments authorized in lieu of such bond investments or made in projects designated as eligible by the CRDA and (ii) has the option of entering into a contract with the CRDA to have its tax credit comprised of direct investments in approved eligible projects which may not comprise more than 50% of its eligible tax credit in any one year.

From the monies made available to the CRDA, the CRDA is required to set aside \$175 million for investment in hotel development projects in Atlantic City undertaken by a licensee which result in the construction or rehabilitation of at least 200 hotel rooms. These monies will be held to fund up to 27% of the cost to casino

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licensees of expanding their hotel facilities to provide additional hotel rooms, a portion of which has been required to be available with respect to the new Atlantic City Convention Center.

Minimum Casino Parking Charges. As of July 1, 1993, each casino licensee was required to pay the New Jersey State Treasurer a \$1.50 charge for every use of a parking space for the purpose of parking motor vehicles in a parking facility owned or leased by a casino licensee or by any person on behalf of a casino licensee. This amount is paid into a special fund established and held by the New Jersey State Treasurer for the exclusive use of the CRDA. Plaza Associates, Taj Associates and Castle Associates currently charge their parking patrons \$2.00 in order to make their required payments to the New Jersey State Treasurer and cover related expenses. Amounts in the special fund will be expended by the CRDA for eligible projects in the corridor region of Atlantic City related to improving the highways, roads, infrastructure, traffic regulation and public safety of Atlantic City or otherwise necessary or useful to the economic development and redevelopment of Atlantic City in this regard.

Atlantic City Fund. On each October 31 during the years 1996 through 2003, each casino licensee shall pay into an account established in the CRDA and known as the Atlantic City Fund, its proportional share of an amount related to the amount by which annual operating expenses of the CCC and the Division are less than a certain fixed sum. Additionally, a portion of the investment alternative tax obligation of each casino licensee for the years 1994 through 1998 allocated for projects in northern New Jersey shall be paid into and credited to the Atlantic City Fund. Amounts in the Atlantic City Fund will be expended by the CRDA for economic development projects of a revenue-producing nature that foster the redevelopment of Atlantic City other than the construction and renovation of casino hotels.

Conservatorship. If, at any time, it is determined that Plaza Associates, Plaza Funding, Trump AC Holding, Trump AC, Trump AC Funding, Funding II, Funding III, Taj Associates, TCS, Castle Associates, TCHI, THCR, THCR Holdings, THCR Funding or any other entity qualifier has violated the Casino Control Act or that any of such entities cannot meet the qualification requirements of the Casino Control Act, such entity could be subject to fines or the suspension or revocation of its license or qualification. If a casino license is suspended for a period in excess of 120 days or is revoked, or if the CCC fails or refuses to renew such casino license, the CCC could appoint a conservator to operate and dispose of such licensee's casino hotel facilities. A conservator would be vested with title to all property of such licensee relating to the casino and the approved hotel subject to valid liens and/or encumbrances. The conservator would be required to act under the direct supervision of the CCC and would be charged with the duty of conserving, preserving and, if permitted, continuing the operation of the casino hotel. During the period of the conservatorship, a former or suspended casino licensee is entitled to a fair rate of return out of net earnings, if any, on the property retained by the conservator. The CCC may also discontinue any conservatorship action and direct the conservator to take such steps as are necessary to effect an orderly transfer of the property of a former or suspended casino licensee.

Qualification of Employees. Certain employees of Plaza Associates, Taj Associates and Castle Associates must be licensed by or registered with the CCC, depending on the nature of the position held. Casino employees are subject to more stringent requirements than non-casino employees and must meet applicable standards pertaining to financial stability, integrity and responsibility, good character, honesty and integrity, business ability and casino experience and New Jersey residency. These requirements have resulted in significant competition among Atlantic City casino operators for the services of qualified employees.

Gaming Credit. The casino games at the Atlantic City Properties are conducted on a credit as well as cash basis. Gaming debts arising in Atlantic City in accordance with applicable regulations are enforceable in the courts of the State of New Jersey. The extension of gaming credit is subject to regulations that detail procedures which casinos must follow when granting gaming credit and recording counter checks which have been exchanged, redeemed or consolidated.

Control Procedures. Gaming at the Atlantic City Properties is conducted by trained and supervised personnel. Plaza Associates, Taj Associates and Castle Associates employ extensive security and internal controls. Security checks are made to determine, among other matters, that job applicants for key positions have had no criminal history or associations. Security controls utilized by the surveillance department include closed circuit

video cameras to monitor the casino floor and money counting areas. The count of moneys from gaming also is observed daily by representatives of the CCC.

INDIANA GAMING REGULATIONS

Indiana Gaming Commission. The ownership and operation of riverboat gaming operations in Indiana are subject to strict state regulation under the Riverboat Gambling Act and the administrative rules promulgated thereunder. The IGC is empowered to administer, regulate and enforce the system of riverboat gaming established under the Riverboat Gambling Act and has jurisdiction and supervision over all riverboat gaming operations in Indiana, as well as all persons on riverboats where gaming operations are conducted. The IGC is empowered to regulate a wide variety of gaming and non-gaming related activities, including the licensing of suppliers to, and employees at, riverboat gaming operations and to approve the form of ownership and financial structure of not only riverboat owner and supplier licensees, but also their entity qualifiers and intermediary and holding companies. The IGC has adopted certain final rules and has published others in proposed or draft form which are proceeding through the review and final adoption process. The IGC also has indicated its intent to publish additional proposed rules in the future. The IGC has broad rulemaking power, and it is impossible to predict what effect, if any, the amendment of existing rules or the finalization of currently new rules might have on the operations of the Indiana Riverboat or THCR. The following reflects both adopted and proposed regulations. Further, the Indiana General Assembly has the power to promulgate new laws and implement amendments to the Riverboat Gambling Act, which could materially affect the operation or economic viability of the gaming industry in Indiana.

Riverboat Owner's License. The operation of a gaming riverboat in Indiana is subject to the Riverboat Gambling Act and the administrative rules promulgated thereunder. In June 1996, the IGC granted Trump Indiana a riverboat owner's license, which must be renewed by June 2001.

Interim Compliance Requirements. Interim compliance requires, among other things: obtaining a permit to develop the riverboat gaming operation from the United States Army Corps of Engineers, which permit was obtained on October 10, 1995; obtaining a valid certificate of inspection from the United States Coast Guard for the vessel on which the riverboat gaming operation will be conducted; applying for and receiving the appropriate permits or certificates from the Indiana Alcoholic Beverage Commission, Indiana Fire Marshall, and other appropriate local, state and federal agencies which issue permits including, but not limited to, health permits, building permits and zoning permits; closing the financing necessary to complete the development of the gaming operation; posting a bond in compliance with the applicable law; obtaining the insurance deemed necessary by the IGC; receiving licensure for electronic gaming devices and other gaming equipment under applicable law; submitting an emergency response plan in compliance with applicable laws; and taking any other action that the IGC deems necessary for compliance under Indiana gaming laws. Further, the IGC may place restrictions, conditions or requirements on the permanent riverboat owner's license. Trump Indiana satisfied all interim compliance requirements prior to receiving its riverboat owner's license from the IGC. An owner's initial license expires five years after the effective date of the license, and unless the owner's license is terminated, expires or is revoked, the owner's license may be renewed annually by the IGC upon satisfaction of certain conditions contained in the Riverboat Gambling Act.

Transfer of Riverboat Owner's License. Pursuant to IGC proposed rules, an ownership interest in a riverboat owner's license shall not be transferred

unless the transfer complies with applicable rules, and no riverboat gaming operation may operate unless the appropriate licenses and approvals are obtained from the IGC. Under current Indiana law, a maximum of 11 riverboat owner's licenses may be in effect at any time. No person or entity may simultaneously own an interest in more than two riverboat owner's licenses. A person or entity may simultaneously own up to 100% in one riverboat owner's license and no more than 10% in a second riverboat owner's license.

A riverboat owner's licensee must possess a level of skill, experience, or knowledge necessary to conduct a riverboat gaming operation that will have a positive economic impact on the host site, as well as the entire State of Indiana. Additional representative, but not exclusive, qualification criteria with respect to the holder of a riverboat owner's license include character, reputation, financial integrity, the facilities or proposed facilities for the conduct

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of riverboat gaming including related non-gaming projects such as hotel development, and the good faith affirmative action plan to recruit, train and upgrade minorities and women in all employment classifications. The IGC shall require persons holding riverboat owner's licenses to adopt policies concerning the preferential hiring of residents of the city in which the riverboat docks for riverboat jobs. The IGC has broad discretion in regard to the issuance, renewal, revocation and suspension of licenses and approvals, and the IGC is empowered to regulate a wide variety of gaming and non-gaming related activities, including the licensing of suppliers to, and employees at, riverboat gaming operations, and to approve the form of ownership and financial structure of not only riverboat owner and supplier licensees, but also their subsidiaries and affiliates.

A riverboat owner's licensee or any other person may not lease, hypothecate, borrow money against or loan money against a riverboat owner's license. An ownership interest in a riverboat owner's license may only be transferred in accordance with the regulations promulgated under the Riverboat Gambling Act. An applicant for the approval of a transfer of a riverboat owner's license must comply with application procedures prescribed by the IGC, present evidence that it meets or possesses the standards, qualifications and other criteria under Indiana gaming laws, that it meets all requirements for a riverboat owner's license, and that it pay an investigative fee in the amount of \$50,000 with the application. If the IGC denies the application to transfer an ownership interest, it shall issue notice of denial to the applicant, and, unless specifically stated to the contrary, a notice of denial of an application for transfer shall not constitute a finding that the applicant is not suitable for licensure. A person who is served with notice of denial under this rule may request an administrative hearing.

Control Persons and Operational Matters. The IGC has implemented strict regulations with respect to the suitability of riverboat owner's licensee, their key personnel and their employees similar to the CCC Regulations and precedent. The IGC utilizes a "class-based" licensing structure that subjects all individuals associated with Trump Indiana to varying degrees of background investigations. Likewise, comprehensive security measures, including video surveillance by both random and fixed cameras, are required in the casino and money counting areas. Additionally, the IGC has delineated procedures for the reconciliation of the daily revenues and tax remittance to the state as further detailed below.

Tax. Under Indiana gaming law, a tax is imposed on admissions to gaming excursions at a rate of three dollars for each person admitted to the gaming excursion. This admission tax is imposed upon the riverboat owner's licensee conducting the gaming excursion on a per-person basis without regard to the actual fee paid by the person using the ticket, with the exception that no tax shall be paid by admittees who are actual and necessary officials, employees of the licensee or other persons actually working on the riverboat. The IGC may suspend or revoke the license of a riverboat owner's licensee that does not submit the payment or the tax return form regarding admission tax within the required time established by the IGC.

A tax is imposed on the adjusted gross receipts received from gaming authorized under the Riverboat Gambling Act at a rate of 20% of the amount of the adjusted gross receipts. Adjusted gross receipts is defined as the total of all cash and property (including checks received by a licensee), whether collected or not, received by a licensee from gaming operations less the total of all cash paid out as winnings to patrons including a provision for uncollectible gaming receivables as is further set forth in the Riverboat Gambling Act. The IGC may, from time to time, impose other fees and assessments on riverboat owner's licensees. In addition, all use, excise and retail taxes apply to sales aboard riverboats.

In addition to the Indiana tax requirements, a similar tax on adjusted gross receipts is imposed by the City at a rate of 4%.

Restricted Contracts. Under proposed IGC rules, no riverboat owner's licensee or riverboat license applicant may enter into or perform any contract or transaction in which it transfers or receives consideration which is not commercially reasonable or which does not reflect the fair market value of the goods or services rendered or received as determined at the time the contract is executed. Any contract entered into by a riverboat licensee or riverboat license applicant that exceeds the total dollar amount of \$50,000 shall be a written contract. A riverboat license applicant means an applicant for a riverboat owner's license that has been issued a certificate of suitability.

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Pursuant to IGC proposed rules, riverboat licensees and riverboat license applicants must submit an internal control procedure regarding purchasing transactions which must contain provisions regarding ethical standards, compliance with state and federal laws, and prohibitions on the acceptance of gifts and gratuities by purchasing and contracting personnel from suppliers of goods or services. The proposed rules also require any riverboat licensee or applicant to submit any contract, transaction, or series of transactions greater than \$500,000 in any 12-month period to the IGC within 10 days of the execution, and to submit a summary of all contracts or transactions greater than \$50,000 in any 12-month period on a quarterly basis. The proposed rules provide that contracts submitted to the IGC are not submitted for approval by the IGC, but grant the IGC authority to cancel or terminate any contract not in compliance with Indiana law and the IGC rules.

Finance. Pursuant to IGC rules, any person (other than an institutional investor) acquiring 5% or more of any class of voting securities of a publicly traded corporation that owns a riverboat owner's license or 5% or more of the beneficial interest in a riverboat licensee, directly or indirectly, through any class of the voting securities of any holding or intermediary company of a

riverboat licensee shall apply to the IGC for a finding of suitability within 45 days after acquiring the securities. Each institutional investor who, individually or in association with others, acquires, directly or indirectly, 5% or more of any class of voting securities of a publicly-traded corporation that owns a riverboat owner's license or 5% or more of the beneficial interest in a riverboat licensee through any class of the voting securities of any holding or intermediary company of a riverboat licensee shall notify the IGC within 10 days after the institutional investor acquires the securities and shall provide additional information and may be subject to a finding of suitability as required by the IGC.

Under IGC rules, an institutional investor who would otherwise be subject to a suitability finding shall, within 45 days after acquiring the interests, submit the following information: a description of the institutional investor's business and a statement as to why the institutional investor satisfies the definitional requirements of an institutional investor under Indiana gaming rule requirements; a certification made under oath that the voting securities were acquired and are held for investment purposes only and were acquired and are held in the ordinary course of business as an institutional investor; the name, address, telephone number, social security number or federal tax identification number of each person who has the power to direct or control the institutional investor's exercise of its voting rights as a holder of voting securities of the riverboat licensee; the name of each person who beneficially owns 5% or more of the institutional investor's voting securities or equivalent; a list of the institutional investor's affiliates; a list of all securities of the riverboat licensee that are or were beneficially owned by the institutional investor or its affiliates within the preceding one year; a disclosure of all criminal and regulatory sanctions imposed during the preceding ten years; a copy of any filing made under 16 U.S.C. ss.18(a); and any other additional information the IGC may request to insure compliance with Indiana gaming laws.

Each institutional investor who, individually or in association with others, acquires, directly or indirectly, the beneficial ownership of 15% or more of any class of voting securities of a publicly-traded corporation that owns a riverboat owner's license or 15% or more of the beneficial interest in a riverboat licensee through any class of voting securities of any holding company or intermediary company of a riverboat licensee shall apply to the IGC for a finding of suitability within 45 days after acquiring the securities.

The Certificate of Incorporation of THCR provides that THCR may redeem any shares of THCR's capital stock held by any person or entity whose holding of shares may cause the loss or nonreinstatement of a governmental license held by THCR. As defined in THCR's Certificate of Incorporation, such redemption shall be at the lesser of the market price of the stock or the price at which the stock was purchased.

Under IGC rules, an institutional investor means any of the following: a retirement fund administered by a public agency for the exclusive benefit of federal, state, or local public employees; an investment company registered under the Investment Company Act of 1940; a collective investment trust organized by banks under Part 9 of the Rules of the Comptroller of the Currency; a closed end investment trust; a chartered or licensed life insurance company or property and casualty insurance company; a banking, chartered or licensed lending institution; an investment adviser registered under the Investment Advisers Act of 1940; and any other entity the IGC determines constitutes an institutional investor. The IGC may in the future promulgate regulations with

respect to the qualification of other financial backers, mortgagees, bond holders, holders of indentures, or other financial contributors.

Minority and Women Business Participation. Indiana gaming laws provide that the opportunity for full minority and women's business enterprise participation in the riverboat industry in Indiana is essential to social and economic parity for minority and women business persons. The IGC has the power to review compliance with the goals of participation by minority and women business persons and impose appropriate conditions on licensees to insure that goals for such business enterprises are met.

Under Indiana gaming laws, a riverboat licensee or a riverboat license applicant shall designate certain minimum percentages of the value of its contracts for goods and services to be expended with minority business enterprises and women's business enterprises such that 10% of the dollar value of the riverboat licensee's or the riverboat license applicant's contracts be expended with minority business enterprises and 5% of the dollar value of the riverboat licensee's or the riverboat license applicant's contracts be expended with women's business enterprises. Expenditures with minority and women's business enterprises are not mutually exclusive.

IGC Action. All licensees subject to the jurisdiction of the IGC have a continuing duty to maintain suitability for licensure. The IGC may initiate an investigation or disciplinary action or both against a licensee whom the commission has reason to believe is not maintaining suitability for licensure, is not complying with licensure conditions, and/or is not complying with Indiana gaming laws or regulations. The IGC may suspend, revoke, restrict, or place conditions on the license of a licensee; require the removal of a licensee or an employee of a licensee; impose a civil penalty or take any other action deemed necessary by the IGC to insure compliance with Indiana gaming laws.

CLEAN WATER REGULATIONS

Operation of the Indiana Riverboat must be in compliance with state and federal clean water requirements, including the Federal Water Pollution Control Act and the Oil Pollution Act of 1990 ("OPA"). OPA establishes an extensive regulatory and liability regime for the protection and cleanup of the environment from oil spills and affects all owners and operators whose vessels operate in United States waters, which include the Great Lakes. OPA requires vessel owners and operators to establish and maintain with the U.S. Coast Guard evidence of financial responsibility sufficient to meet their potential liabilities under OPA. U.S. Coast Guard regulations also implement the financial responsibility requirements of the Comprehensive Environmental Response, Compensation and Liability Act by requiring evidence of financial responsibility in an amount of \$300 per gross ton, in addition to any required under OPA. THCR and Trump Indiana have obtained insurance coverage and a Certificate of Financial Responsibility as required by OPA. However, in the case of a catastrophic spill or a spill in a sensitive environment, there can be no assurance that such occurrence would not result in liability in excess of the insurance coverage.

OTHER LAWS AND REGULATIONS

The United States Department of the Treasury (the "Treasury") has adopted regulations pursuant to which a casino is required to file a report of each deposit, withdrawal, exchange of currency, gambling tokens or chips, or other payments or transfers by, through or to such casino which involves a

transaction in currency of more than \$10,000 per patron, per gaming day (a "Currency Transaction Report"). Such reports are required to be made on forms prescribed by the Secretary of the Treasury and are filed with the Commissioner of the Internal Revenue Service (the "Service"). In addition, THCR is required to maintain detailed records (including the names, addresses, social security numbers and other information with respect to its gaming customers) dealing with, among other items, the deposit and withdrawal of funds and the maintenance of a line of credit.

In the past, the Service had taken the position that gaming winnings from table games by nonresident aliens were subject to a 30% withholding tax. The Service, however, subsequently adopted a practice of not collecting such tax. Recently enacted legislation exempts from withholding tax table game winnings by

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nonresident aliens, unless the Secretary of the Treasury determines by regulation that such collections have become administratively feasible.

From 1992 through 1995, the Service conducted an audit of Currency Transaction Reports filed by Taj Associates for the period from April 2, 1990 through December 31, 1991. The Treasury has received a report detailing the audit as well as the response of Taj Associates. As a result of Taj Associates' audit, the Treasury notified Taj Associates that it failed to timely file Currency Transaction Reports in connection with certain currency transactions. In December 1997, Taj Associates paid a fine of \$477,000 in connection with 106 of these violations.

Plaza Associates and Taj Associates, together with Castle Associates and Trump Indiana, have adopted the following internal control procedures to increase compliance with these Treasury regulations: (i) computer exception reporting; (ii) establishment of a committee to review Currency Transaction Report transactions and reporting which consists of executives from the Casino Operations, Marketing and Administration Departments; (iii) internal audit testing of compliance with the Treasury regulations; (iv) training for all new and existing employees in compliance with the Treasury regulations; and (v) a self-disciplinary program for employee violations of the policy.

The Indiana Riverboat site is located near or adjacent to and may include protected wetlands which may subject THCR to obligations or liabilities in connection with wetlands mitigation or protection.

THCR is subject to other federal, state and local regulations and, on a periodic basis, must obtain various licenses and permits, including those required to sell alcoholic beverages in the State of New Jersey as well as in other jurisdictions. Management believes all required licenses and permits necessary to conduct the business of THCR has been obtained for operations in New Jersey and Indiana.

THCR expects to be subject to similar rigorous regulatory standards in each other jurisdiction in which it seeks to conduct gaming operations. There can be no assurance that regulations adopted, permits required or taxes imposed by other jurisdictions will permit profitable operations by THCR in those jurisdictions.

In addition, the Federal Merchant Marine Act of 1936 and the Federal

Shipping Act of 1916 and the applicable regulations thereunder contain provisions designed to prevent persons who are not citizens of the United States, as defined therein, from beneficially owning more than 25% of the capital stock of any entity operating a vessel on the Great Lakes.

ITEM 2. PROPERTIES.

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THCR

THCR has entered into a ten year lease with The Trump-Equitable Fifth Avenue Company, a corporation wholly owned by Trump (the "Trump-Equitable Company"), dated as of July 1, 1995, for the lease of office space in The Trump Tower in New York City, which THCR may use for its general, executive and administrative offices. The fixed rent is \$115,500 per year, paid in equal monthly installments, for the period from July 1, 1995 to June 30, 2000 and will be \$129,250 per year, paid in equal monthly installments, for the period from July 1, 2000 to June 30, 2005. In addition, THCR will pay as additional rent, among other things, a portion of the property taxes due each year. THCR has the option to terminate this lease upon ninety days' written notice and payment of \$32,312.50.

TRUMP PLAZA

Plaza Associates owns and leases several parcels of land in and around Atlantic City, New Jersey, each of which is used in connection with the operation of Trump Plaza and each of which is subject to the liens of the mortgages associated with the TAC I Notes, the TAC II Notes and the TAC III Notes (collectively, the "Plaza Mortgages") and certain other liens.

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Plaza Casino Parcel. Trump Plaza's main tower is located on The Boardwalk in Atlantic City, New Jersey, next to the Atlantic City Convention Center. It occupies the entire city block (approximately 2.38 acres) bounded by The Boardwalk, Mississippi Avenue, Pacific Avenue and Columbia Place (the "Plaza Casino Parcel").

The Plaza Casino Parcel consists of four tracts of land, three of which are currently owned by Plaza Associates and one of which is leased by Plaza Hotel Management Company ("PHMC") to Plaza Associates pursuant to a non-renewable ground lease, which expires on December 31, 2078 (the "PHMC Lease"). The land which is subject to the PHMC Lease is referred to as the "Plaza Leasehold Tract." Seashore Four Associates ("Seashore Four") and Trump Seashore Associates ("Trump Seashore") had leased to Plaza Associates two of the tracts which are now owned by Plaza Associates. Trump Seashore and Seashore Four are 100% beneficially owned by Trump and are, therefore, affiliates of THCR. Plaza Associates purchased the tract from Seashore Four in January 1997 and the tract from Trump Seashore in September 1996 for \$10.1 million and \$14.5 million, respectively.

The PHMC Lease is a "net lease" pursuant to which Plaza Associates, in addition to the payment of fixed rent, is responsible for all costs and expenses with respect to the use, operation and ownership of the Plaza Leasehold Tract and the improvements now, or which may in the future be, located thereon, including, but not limited to, all maintenance and repair costs, insurance

premiums, real estate taxes, assessments and utility charges. The improvements located on the Plaza Leasehold Tract are owned by Plaza Associates during the term of the PHMC Lease, and upon the expiration of the term of the PHMC Lease (for any reason), ownership of such improvements will vest in PHMC. The PHMC Lease also contains an option pursuant to which Plaza Associates may purchase the Plaza Leasehold Tract at certain times during the term of such PHMC Lease under certain circumstances.

Trump Plaza East. In connection with the Taj Acquisition, Plaza Associates exercised its option to purchase certain of the fee and leasehold interests comprising Trump Plaza East for a purchase price of \$28.0 million. During the year ended December 31, 1996, Plaza Associates incurred approximately \$1.1 million in expenses associated with its lease of Trump Plaza East. Plaza Associates currently leases a portion of the land which comprises Trump Plaza East from an unrelated third party.

In September 1993, Trump (as predecessor in interest to Plaza Associates under the lease for Trump Plaza East) entered into a sublease with Time Warner (the "Time Warner Sublease") pursuant to which Time Warner subleased the entire first floor of retail space for a new Warner Brothers Studio Store which opened in July 1994. Time Warner renovated the premises in connection with the opening of the Warner Brothers Studio Store. The lease term is for ten years and gives Time Warner the option to renew for two additional 5-year terms. Time Warner is required to pay percentage rent monthly in an amount equal to (i) 7.5% of gross annual sales up to \$15.0 million and (ii) 10% of gross annual sales in excess of \$15 million. The terms of the Time Warner Sublease give Time Warner the right to terminate the sublease if (i) gross annual sales are less than \$5.0 million for year two or less than \$5.0 million as adjusted by CPI for years three through nine; and (ii) Trump Plaza ceases to operate as a first class hotel.

Trump World's Fair. Pursuant to the option to purchase Trump World's Fair, on June 12, 1995, using proceeds from the June 1995 Offerings, Plaza Associates acquired title to Trump World's Fair. Further, pursuant to an easement agreement with the NJSEA, Plaza Associates has an exclusive easement over, in and through the portions of the original Atlantic City Convention Center used as the pedestrian walkway connecting Trump Plaza's main tower and Trump World's Fair. The easement is for a 25-year term and may be renewed at the option of Plaza Associates for one additional 25-year period. In consideration of the granting of the easement, Plaza Associates must pay to NJSEA the sum of \$2.0 million annually, such annual payment to be adjusted every five years to reflect changes in the consumer price index. Plaza Associates has the right to terminate the easement agreement at any time upon six months' notice to NJSEA in consideration of a termination payment of \$1,000,000. See "Business--Gaming and Other Laws and Regulations--New Jersey Gaming Regulations--Approved Hotel Facilities."

Parking Parcels. Plaza Associates owns a parcel of land (the "Plaza Garage Parcel") located across the street from the Plaza Casino Parcel and along Pacific Avenue in a portion of the block bound by Pacific Avenue,

Mississippi Avenue, Atlantic Avenue and Missouri Avenue. Plaza Associates has constructed the Transportation Facility on the Plaza Garage Parcel. An enclosed pedestrian walkway from the parking garage accesses Trump Plaza at the casino level. Parking at the parking garage is available to Trump Plaza's guests, as

well as to the general public.

Plaza Associates leases, pursuant to the PHMC Lease, a parcel of land located on the northwest corner of the intersection of Mississippi and Pacific Avenues consisting of approximately 11,800 square feet ("Additional Parcel 1") and owns another parcel on Mississippi Avenue adjacent to Additional Parcel 1 consisting of approximately 5,750 square feet.

Plaza Associates also owns five parcels of land, aggregating approximately 43,300 square feet, and subleases one parcel consisting of approximately 3,125 square feet. All of such parcels are contiguous and are located along Atlantic Avenue, in the same block as the Plaza Garage Parcel. They are used for signage and surface parking and are not encumbered by any mortgage liens other than that of the Plaza Mortgages.

Warehouse Parcel. Plaza Associates owns a warehouse and office facility located in Egg Harbor Township, New Jersey, containing approximately 64,000 square feet of space (the "Egg Harbor Parcel"). The Egg Harbor Parcel is encumbered by a first mortgage having an outstanding principal balance, as of December 31, 1998, of approximately \$1.3 million and is encumbered by the Plaza Mortgages. This facility is currently being utilized by TCS.

Superior Mortgages. The liens securing the indebtedness on the Plaza Garage Parcel, the Egg Harbor Parcel and liens securing indebtedness on certain parking facilities are each senior to the liens of the Plaza Mortgages. The principal amount currently secured by such mortgages is, in the aggregate, approximately \$3.2 million.

Plaza Associates has financed or leased and from time to time will finance or lease its acquisition of furniture, fixtures and equipment. The lien in favor of any such lender or lessor may be superior to the liens of the Plaza Mortgages.

TAJ MAHAL

Taj Associates currently owns the parcels of land which are used in connection with the operation of the Taj Mahal. Each of these parcels is encumbered by the mortgages securing the TAC I Notes, the TAC II Notes and the TAC III Notes.

The Casino Parcel. The land comprising the Taj Mahal site consists of approximately 30 acres, bounded by The Boardwalk to the south, vacated former States Avenue to the east, Pennsylvania Avenue to the west and Pacific Avenue to the north. The Taj Mahal was opened to the public on April 2, 1990.

Taj Entertainment Complex. In connection with the Taj Acquisition, Taj Associates purchased the Taj Entertainment Complex from Realty Corp. The Taj Entertainment Complex is a 20,000-square-foot multipurpose entertainment complex known as the Xanadu Theater with seating capacity for approximately 1,200 people, which can be used as a theater, concert hall, boxing arena or exhibition hall.

Steel Pier. In connection with the Taj Acquisition, Taj Associates purchased the approximately 3.6 acre pier and related property located across The Boardwalk from the Taj Mahal (the "Steel Pier") from Realty Corp. Taj Associates initially proposed a concept to improve the Steel Pier, the estimated cost of which improvements was \$30 million. Such concept was approved by the New Jersey Department of Environment Protection ("NJDEP"), the agency which administers the Coastal Area Facilities Review Act ("CAFRA"). A condition imposed on Taj Associates' CAFRA permit initially required that Taj Associates

begin construction of certain improvements on the Steel Pier by October 1992, which improvements were to be completed within 18 months of commencement. In March 1993, Taj Associates obtained a modification of its CAFRA permit providing for the extensions of the required commencement and completion dates of the improvements to the Steel Pier for one year

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based upon an interim use of the Steel Pier for an amusement park. Taj Associates received additional one-year extensions of the required commencement and completion dates of the improvements of the Steel Pier based upon the same interim use of the Steel Pier as an amusement park pursuant to a sublease ("Pier Sublease") with an amusement park operator. The Pier Sublease terminates on December 31, 1999 unless extended.

Office and Warehouse Space. Taj Associates owns an office building located on South Pennsylvania Avenue adjacent to the Taj Mahal. In addition, Taj Associates, in April 1991, purchased for approximately \$1.7 million certain facilities of Castle Associates which are presently leased to commercial tenants and used for office space and vehicle maintenance facilities. In connection with the Taj Acquisition, Taj Associates purchased from Realty Corp. a warehouse complex of approximately 34,500 square feet. This warehouse complex is expected to be sold to the CRDA as part of the location of a new neighborhood housing development to be completed as part of the redevelopment of the road corridors and adjoining neighborhoods to the Taj Mahal.

Taj Associates has entered into a lease with Trump-Equitable Company for the lease of office space in Trump Tower in New York City, which Taj Associates uses as a marketing office. The monthly payments under the lease had been \$1,000, and the premises were leased at such rent for four months in 1992, the full twelve months in 1993 and 1994 and eight months in 1995. On September 1, 1995, the lease was renewed for a term of five years with an option for Taj Associates to cancel the lease on September 1 of each year, upon six months' notice and payment of six months' rent. Under the renewed lease, the monthly payments are \$2,285.

Parking. The Taj Mahal provides parking for approximately 6,950 cars of which 6,725 spaces are located in indoor parking garages and 225 surface spaces are located on land purchased from Realty Corp. in connection with the Taj Acquisition. In addition, Taj Associates entered into a lease agreement with South Jersey Transportation Authority for employee parking facilities.

Themed Restaurants and Retail Shopping. Hard Rock Cafe International (N.J.), Inc. ("Hard Rock") has entered into a fifteen-year lease (the "Hard Rock Cafe Lease") with Taj Associates for the lease of space at the Taj Mahal for a Hard Rock Cafe. The basic rent under the Hard Rock Cafe Lease is \$750,000 per year, paid in equal monthly installments, for the first 10 years of the lease term, and will be \$825,000 per year, paid in equal monthly installments, for the remaining 5 years of the lease term. In addition, Hard Rock will pay percentage rent in an amount equal to 10% of Hard Rock's annual gross sales in excess of \$10,000,000. Hard Rock has the right to terminate the Hard Rock Cafe Lease on the tenth anniversary thereof and also has the option to extend the term of the lease for an additional five-year period at an annual basic rent of \$907,500 during such renewal term. The Hard Rock Cafe opened in November 1996.

All Star Cafe, Inc. ("All Star") has entered into a twenty-year lease (the "All Star Cafe Lease") with Taj Associates for the lease of space at the

Taj Mahal for an All Star Cafe. The basic rent under the All Star Cafe Lease is \$1.0 million per year, paid in equal monthly installments. In addition, All Star will pay percentage rent in an amount equal to the difference, if any, between (i) 8% of All Star's gross sales made during each calendar month during the first lease year, 9% of All Star's gross sales made during each calendar month during the second lease year and 10% of All Star's gross sales made during each calendar month during the third through the twentieth lease years, and (ii) one-twelfth of the annual basic rent. The All Star Cafe opened in March 1997.

Stage Deli of Atlantic City, Inc. ("Stage Deli") has entered into a ten-year and five-month lease commencing July 7, 1997 (the "Stage Deli Lease") with Taj Associates for the lease of space at the Taj Mahal for a Stage Deli of New York restaurant. Stage Deli has an option to renew the Stage Deli Lease for an additional five-year term. Commencing September 1, 1998 the Stage Deli Lease was amended to eliminate the basic rent provisions and provide for monthly percentage rents of 8% or 10% of gross monthly sales based on actual average sales volumes as defined in the Stage Deli Lease.

Time Warner has entered into a ten-year lease (the "Time Warner Taj Lease") with Taj Associates for the lease of space at the Taj Mahal for a Warner Brothers Studio Store. Time Warner has an option to renew the Time Warner Taj Lease for two additional five-year terms. Time Warner pays percentage rent monthly in an amount equal to (i) 7.5% of gross annual sales up to \$5.0 million and (ii) 10% sales of gross annual sales in excess of \$5.0

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million. No minimum or "base" rent is payable under the Time Warner Taj Lease. The terms of the lease give Time Warner the right to terminate the lease if (i) gross annual sales are less than \$2.5 million for the second year of the lease or less than \$2.5 million as adjusted by CPI for the third through ninth years of the lease; and (ii) the Taj Mahal ceases to operate as a first class hotel. The Warner Brothers Studio Store opened in May 1997.

The Taj Mahal is currently in the process of expanding the retail shopping experience along the length of its parking garage promenade walkway which immediately adjoins the Taj Mahal's main retail shopping area. The first tenant, Starbucks, operated by Host International, Inc., opened in September 1996. Sbarro's, an Italian eatery, operated by Sbarro America Properties, Inc., opened in October 1998. Boardwalk Treats, Beka's Pastries and a Harley Davidson retail merchandise outlet are expected to open in the early spring of 1999. A Sunglass Hut, operated by Sunglass Hut International, opened in August 1998 in another location also adjoining the Taj Mahal's main retail shopping area.

TRUMP MARINA

The Casino Parcel. Trump Marina is located in the Marina District on an approximately 14.7 acre triangular-shaped parcel of land, which is owned by Castle Associates in fee, located at the intersection of Huron Avenue and Brigantine Boulevard directly across from the marina, approximately two miles from The Boardwalk.

Trump Marina has approximately 75,900 square-feet of gaming space which accommodates 92 table games, 2,167 slot machines and race simulcasting facilities. In addition to the casino, Trump Marina consists of a 27-story hotel with 728 guest rooms, including 153 suites, of which 97 are "Crystal Tower" luxury suites. Renovation of 210, 90 and 64 of the guest rooms was completed in

1996, 1997 and 1998, respectively. The facility also offers eight restaurants, a 540-seat cabaret theater, two cocktail lounges, 58,000 square-feet of convention, ballroom and meeting space, a swimming pool, tennis courts and a sports and health club facility. Trump Marina has been designed so that it can be enlarged in phases into a facility containing 2,000 rooms and a 1,600-seat cabaret theater. Trump Marina also has a nine-story garage providing on-site parking for approximately 3,000 vehicles and a helipad which is located atop the parking garage, making Trump Marina the only Atlantic City casino with access by land, sea and air.

Between 1994 and 1998, management replaced substantially all of its slot machines with newer, more popular models and upgraded its computerized slot tracking and slot marketing system. During 1997, the property was rethemed with a nautical emphasis and renamed the Trump Marina Hotel Casino. In 1994, management completed a 3,000 square-foot expansion to its casino which enabled Trump Marina to accommodate the addition of simulcast race track wagering and expended in excess of \$2 million on renovations to its hotel facility. The casino expansion also increased casino access and casino visibility for hotel patrons. In 1993, Trump Marina completed the construction of a Las Vegas-style marquee and reader board, the largest of its kind on the East Coast.

The Marina. Pursuant to an agreement with the New Jersey Division of Parks and Forestry (the "Marina Agreement"), Castle Associates in 1987 began operating and renovating the marina at Trump Marina, including docks containing approximately 645 slips. An elevated pedestrian walkway connecting Trump Marina to a two-story building at the marina was completed in 1989. Castle Associates constructed the two-story building, which contains a 240-seat restaurant and offices as well as a snack bar and a large nautical theme retail store. Pursuant to the Marina Agreement and a certain lease between the State of New Jersey, as landlord, and Castle Associates, as tenant, dated as of September 1, 1990 (the "Marina Lease"), Castle Associates commenced leasing the marina and the improvements thereon for an initial term of twenty-five years. The lease is a net lease pursuant to which Castle Associates, in addition to the payment of annual rent equal to the greater of (i) a certain percentage of gross revenues of Castle Associates from operation of the marina during the lease year and (ii) minimum base rent of \$300,000 annually (increasing every five years to \$500,000 in 2011), is responsible for all costs and expenses related to the premises, including but not limited to, all maintenance and repair costs, insurance premiums, real estate taxes, assessments and utility charges. Any improvements made to the marina (which is owned by the State of New Jersey), excluding the elevated pedestrian walkway, automatically become the property of the State of New Jersey upon their completion.

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The Parking Parcel. Castle Associates also owns an employee parking lot located on Route 30, approximately two miles from Trump Marina, which can accommodate approximately 1,000 cars.

INDIANA RIVERBOAT

See "Business--Indiana Riverboat."

ITEM 3. LEGAL PROCEEDINGS.

Refer to Navigational Table of Contents

General. THCR and certain of its employees have been involved in various legal proceedings. Such persons are vigorously defending the allegations against them and intend to contest vigorously any future proceedings. In general, THCR has agreed to indemnify such persons against any and all losses, claims, damages, expenses (including reasonable costs, disbursements and counsel fees) and liabilities (including amounts paid or incurred in satisfaction of settlements, judgments, fines and penalties) incurred by them in said legal proceedings.

Plaza Associates. The Casino Reinvestment Development Authority ("CRDA"), as required, set aside funds for investment in hotel development projects in Atlantic City undertaken by casino licensees which result in the construction or rehabilitation of at least 200 hotel rooms. These investments are to fund up to 27% of the cost to casino licensees of such projects. In June 1993, Plaza Associates made application for such funding to the CRDA with respect to its proposed construction of the Trump Plaza East facilities, demolition of a certain structure adjacent thereto, development of an appurtenant public park, roadway and parking area and acquisition of the entire project site. The CRDA, in rulings through January 10, 1995, approved the hotel development project and, with respect to same and pursuant to a credit agreement between them, reserved to Plaza Associates the right to take investment tax credits up to approximately \$14.2 million. Plaza Associates has, except for three small parcels discussed below, acquired the site and constructed and presently operates and maintains the proposed hotel tower, public park, roadway and parking area.

As part of its approval and on the basis of its powers of eminent domain, the CRDA, during 1994, initiated certain condemnation proceedings in the Superior Court of New Jersey, Atlantic County, to acquire five small parcels of land within the project site. Plaza Associates has since acquired two of the parcels and proceedings with respect to those parcels have been concluded. The court, in a July 20, 1998 opinion, directed entry of judgments dismissing the CRDA actions with respect to the remaining three parcels, which if acquired, would be included in the public park and parking area of the project, on the basis of its determination that the CRDA had failed to establish that a valid primarily public purpose justified acquisition of the parcels. Written orders of dismissal were entered by the court on July 28. The right of the CRDA to appeal these judgments expired on September 11, 1998. The judgments were not appealed.

Additionally, with respect to the two parcels to be included in the public park portion of the project, the CRDA, by a separate motion, sought an order that Plaza Associates' application and credit agreement be deemed amended to terminate the CRDA's obligation to acquire the two parcels and to enable the CRDA to abandon the condemnation proceedings with respect to these two parcels. This motion was opposed by Plaza Associates. By order dated April 1, 1998, the Court denied the motion but granted the CRDA leave to amend its pleadings by a filing within 14 days from date thereof formally asserting a claim for specific performance of the alleged agreement. The CRDA did not file any such amended pleading within this permitted time period.

Also, the defendants in two of the condemnation proceedings filed a separate joint complaint in the New Jersey Superior Court alleging, among other claims, that the CRDA and Plaza Associates were wrongfully attempting to deprive them of property rights in violation of their constitutional and civil rights. *Coking, et al. v. Casino Reinvestment Development Authority, et al.*, Docket No. ATL-L-2555-97. The CRDA's motion for summary judgment on the complaint and Plaza Associates' motion to dismiss it for failure to state a claim were granted by the New Jersey Superior Court on October 24, 1997 and November 11, 1997.

Trump Indiana. Commencing in early 1994 Trump Indiana, through its

Indiana legal counsel, had discussions with eight Indiana residents regarding (1) the potential purchase by such residents of nonvoting stock

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of Trump Indiana, representing a total of 7.5% of the value of Trump Indiana, and (2) the creation and funding of a charitable foundation for the benefit of residents of the Gary, Indiana area. Subsequent to those discussions, it was determined to include Trump Indiana as a wholly owned subsidiary of THCR Holdings in connection with the June, 1995 offerings. The residents then asserted a right to purchase stock in Trump Indiana equal to 7.5% of the value of Trump Indiana, and also asserted that Trump Indiana was required to contribute an additional 7.5% of its value, represented by shares of its stock, into the charitable foundation. Trump Indiana and THCR did not agree with the residents' assertions and so advised them. Such residents then caused a complaint to be filed in the United States District Court, Southern District of Indiana, against Trump Indiana, THCR, THCR Holdings, and Donald J. Trump ("the litigation"). Later, The Trump Organization, Inc. was added as a defendant. The claims sought (1) compensatory damages to the eight plaintiffs equal to 7.5% of the value of Trump Indiana, (2) funding of the charitable foundation in an amount equal to an additional 7.5% of the value of Trump Indiana, (3) transfer of Trump Indiana stock to the plaintiffs and to the charitable foundation, and (4) punitive damages in an unspecified amount. Monetary settlements later were reached between all defendants and six of the plaintiffs. Thereafter, the remaining two plaintiffs voluntarily dismissed their claims for the transfer of ownership of stock in Trump Indiana, and proceeded in the litigation only with their claims for consequential and punitive monetary damages against the defendants. In February, 1999, these two remaining plaintiffs voluntarily dismissed all claims against The Trump Organization, Inc., and the court entered summary judgment against the plaintiffs and in favor of THCR and THCR Holdings on all claims in the litigation. The case was then tried in United States District Court, Indianapolis. On March 3, 1999, the jury assessed consequential damages against Trump Indiana for breach of contract in the total amount of One Million Three Hundred Thirty-Four Thousand One Hundred Twenty-Four Dollars (\$1,334,124.00) and further determined that Trump Indiana had breached a contract to create and fund a charitable foundation. The jury assessed no consequential damages against Donald J. Trump personally. Punitive damages were not awarded against either Trump Indiana or Donald J. Trump. The United States District Court, sitting in equity, will determine whether, and to what extent, Trump Indiana will be required to provide additional funding to the charitable foundation. The court is aware, from evidence presented during trial, that Trump Indiana has already established and funded, prior to trial, a charitable foundation for the benefit of residents of the Gary, Indiana, area in accord with Trump Indiana's commitments to the Indiana Gaming Commission and pursuant to the Development Agreement between Trump Indiana and the City of Gary, Indiana. The court is also aware, from evidence presented during trial, that the foundation has fulfilled, and continues to fulfill, its charitable purposes in Gary, Indiana. The court heard argument concerning this matter on March 23, 1999. Trump Indiana intends to vigorously contest the claim by the plaintiffs that additional funding of the charitable foundation is required. Management believes that further resolution of this issue will not have a material adverse affect on THCR.

Castle Acquisition. On August 14, 1996, certain stockholders of THCR filed two derivative actions in the Court of Chancery in Delaware (Civil Action Nos. 15148 and 15160) (the "Delaware cases") against each of the members of the Board of Directors of THCR, THCR, THCR Holdings, Castle Associates and TCI-II.

The plaintiffs claim that the directors of THCR breached their fiduciary duties in connection with its acquisition of Castle Associates (the "Castle Acquisition") by purchasing these interests at an excessive price in a self-dealing transaction. The complaint sought to enjoin the transaction, and also sought damages and an accounting. The injunction was never pursued. These plaintiffs served a notice of dismissal in the Delaware cases on December 29, 1997. The Court of Chancery has not yet ordered the Delaware cases dismissed.

On October 16, 1996, a stockholder of THCR filed a derivative action in the United States District Court, Southern District of New York (96 Civ. 7820) against each member of the Board of Directors of THCR, THCR, THCR Holdings, Castle Associates, TCI, TCI-II, TCHI and Salomon Brothers, Inc ("Salomon"). The plaintiff claims that certain of the defendants breached their fiduciary duties and engaged in ultra vires acts in connection with the Castle Acquisition and that Salomon was negligent in the issuance of its fairness opinion with respect to the Castle Acquisition. The plaintiff also alleges violations of the federal securities laws for alleged omissions and misrepresentations in THCR's proxies, and that Trump, TCI-II and TCHI breached the acquisition agreement by supplying THCR with untrue information for inclusion in the proxy statement delivered to THCR's stockholders in connection with the Castle Acquisition. The plaintiff seeks removal of the directors of THCR, and an injunction, rescission and damages.

The Delaware cases were amended and refiled in the Southern District of New York and consolidated with the federal action for all purposes, including pretrial proceedings and trial. On or about January 17, 1997, the

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plaintiffs filed their Consolidated Amended Derivative Complaint (the "First Amended Complaint"), reflecting the consolidation. On or about March 24, 1997, the plaintiffs filed their Second Consolidated Amended Derivative Complaint (the "Second Amended Complaint"). In addition to the allegations made in the First Amended Complaint, the Second Amended Complaint claims that certain of the defendants breached their fiduciary duties and wasted corporate assets in connection with a previously contemplated transaction with Colony Capital, Inc. ("Colony Capital"). The Second Amended Complaint also includes claims against Colony Capital for aiding and abetting certain of those violations. In addition to the relief sought in the First Amended Complaint, the Second Amended Complaint sought to enjoin the previously contemplated transaction with Colony Capital or, if it was effectuated, to rescind it. On March 27, 1997, THCR and Colony Capital mutually agreed to end negotiations with respect to such transaction. On June 26, 1997, plaintiffs served their Third Consolidated Amended Derivative Complaint (the "Third Amended Complaint"), which omitted the claims against Colony Capital. THCR and the other defendants in the action moved to dismiss the Third Amended Complaint on August 5, 1997. The plaintiffs opposed the defendants' motions to dismiss the Third Amended Complaint by response dated October 24, 1997. The defendants' reply was served December 9, 1997.

Other Litigation. On March 13, 1997, THCR filed a lawsuit in the United States District Court, District of New Jersey, against Mirage, the State of New Jersey ("State"), the New Jersey Department of Transportation ("NJDOT"), the South Jersey Transportation Authority ("SJTA"), the CRDA, the New Jersey Transportation Trust Fund Authority and others. THCR was seeking declaratory and injunctive relief to recognize and prevent violations by the defendants of the casino clause of the New Jersey State Constitution and various federal securities and environmental laws relating to proposed infrastructure

improvements in the Atlantic City marina area. While this action was pending, defendants State and CRDA then filed an action in the New Jersey State Court seeking a declaratory judgment as to the claim relating to the casino clause of the New Jersey State Constitution. On May 1, 1997, the United States District Court dismissed the federal claims and ruled that the State constitutional claims should be pursued in State Court. On April 2, 1998, the United States Court of Appeals for the Third Circuit affirmed the dismissal and THCR's petition to the Third Circuit for a rehearing was denied. On May 14, 1997 the State Court granted judgment in favor of the State and CRDA. On March 20, 1998, the Appellate Division affirmed. THCR intends to seek review in the State Supreme Court, which heard argument on January 21, 1999.

On June 26, 1997, THCR filed an action against NJDOT, SJTA, Mirage and others, in the Superior Court of New Jersey, Chancery Division, Atlantic County (the "Chancery Division Action"). THCR is seeking to declare unlawful and enjoin certain actions and omissions of the defendants arising out of and relating to a certain Road Development Agreement dated as of January 10, 1997, by and among NJDOT, SJTA and Mirage (the "Road Development Agreement") and the public funding of a certain road and tunnel project to be constructed in Atlantic City, as further described in the Road Development Agreement. THCR moved to consolidate this action with other previously filed related actions. Defendants opposed THCR's motion to consolidate the Chancery Division Action, initially moved to dismiss this action on procedural grounds and subsequently moved to dismiss this action on substantive grounds. On October 20, 1997, the Chancery Court denied the defendants' motion to dismiss this action on procedural grounds, but entered summary judgment dismissing this action on substantive grounds. This decision is currently being appealed.

On June 26, 1997, THCR also filed an action, in lieu of prerogative writs, against the CRDA, in the Superior Court of New Jersey, Law Division, Atlantic County, seeking review of the CRDA's April 15, 1997 approval of funding (\$120 million principal amount plus interest) for the road and tunnel project discussed above, a declaratory judgment that the said project is not eligible for such CRDA funding, and an injunction prohibiting the CRDA from contributing such funding to the said project. Defendants moved to dismiss this action on procedural grounds and also sought to transfer this action to New Jersey's Appellate Division. On October 3, 1997, the New Jersey Superior Court transferred this action to the Appellate Division where it is currently pending.

On September 9, 1997, Mirage filed a complaint against Trump, THCR and Hilton Hotels Corporation, in the United States District Court for the Southern District of New York. The complaint seeks damages for alleged violations of antitrust laws, tortious interference with prospective economic advantage and tortious inducement of a breach of fiduciary duties arising out of activities purportedly engaged in by defendants in furtherance of an alleged conspiracy to impede Mirage's efforts to build a casino resort in the Marina district of Atlantic City, New Jersey.

Among other things, Mirage contends that the defendants filed several frivolous lawsuits and funded others that challenge the proposed state funding mechanisms for the construction of a proposed roadway and tunnel that would be paid for chiefly through government funds and which would link the Atlantic City Expressway with the site of Mirage's proposed new casino resort. On November 10, 1997, THCR and Trump moved to dismiss the complaint. On December 18, 1998 the Court denied the motion to dismiss brought by Trump and THCR.

Various other legal proceedings are now pending against THCR. Management considers all such proceedings to be ordinary litigation incident to the character of its business. Management believes that the resolution of these claims will not, individually or in the aggregate, have a material adverse effect on its financial condition or results of operations.

From time to time, Plaza Associates, Taj Associates, Castle Associates and Trump Indiana may be involved in routine administrative proceedings involving alleged violations of certain provisions of the Casino Control Act and the Riverboat Gambling Act, as the case may be. However, management believes that the final outcome of these proceedings will not, either individually or in the aggregate, have a material adverse effect on THCR or on the ability of Plaza Associates, Taj Associates, Castle Associates or Trump Indiana to otherwise retain or renew any casino or other licenses required under the Casino Control Act or the Indiana Riverboat Act, as the case may be, for the operation of Trump Plaza, the Taj Mahal, Trump Marina and the Indiana Riverboat, respectively.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS.

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No matters were submitted by THCR to its security holders for a vote during the fourth quarter of 1998.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY AND RELATED STOCKHOLDER

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THCR. The THCR Common Stock is listed on the New York Stock Exchange ("NYSE") under the symbol "DJT." The initial public offering price of the THCR Common Stock was \$14.00 per share on June 7, 1995. The following table reflects the high and low sales prices of the THCR Common Stock as reported by the NYSE.

	HIGH	LOW
	----	---
1996		

First quarter.....	\$29 1/4	\$18 7/8
Second quarter.....	\$35 1/2	\$25 1/2
Third quarter.....	\$28 3/4	\$21 7/8
Fourth quarter.....	\$24 7/8	\$11 3/8
1997		

First quarter.....	\$13 1/8	\$ 8 3/4
Second quarter.....	\$12 1/4	\$ 8 1/4
Third quarter.....	\$12 15/16	\$ 9 7/16
Fourth quarter.....	\$10 11/16	\$ 6 1/4
1998		

First quarter.....	\$12	\$ 6 3/4
Second quarter.....	\$ 9 7/16	\$ 7 1/16
Third quarter.....	\$ 8 7/16	\$ 2 3/4
Fourth quarter.....	\$ 6 1/8	\$ 2 3/4

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1999	HIGH	LOW
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First Quarter (through March 24, 1999)..	\$ 6	\$ 3 7/8

As of March 24, 1999 there were approximately 801 holders of record of THCR Common Stock.

Trump is the sole beneficial owner of all 1,000 outstanding shares of THCR's Class B Common Stock, par value \$.01 per share (the "THCR Class B Common Stock"). No established trading market exists for the THCR Class B Common Stock and Trump has been the beneficial owner of all THCR Class B Common Stock since its issuance. The THCR Class B Common Stock has no right to receive any dividend or other distribution (other than certain distributions upon liquidation) with respect to the equity of THCR.

THCR has never paid a dividend on the THCR Common Stock and does not anticipate paying one in the foreseeable future. The payment of any future dividends will be at the discretion of the THCR Board of Directors and will depend upon, among other things, THCR's financial condition and capital needs, legal restrictions on the payment of dividends, contractual restrictions in financing agreements and on other factors deemed pertinent by the THCR Board of Directors. It is the current policy of the THCR Board of Directors to retain earnings, if any, for use in THCR's subsidiaries' operations (except as set forth in the partnership agreement governing THCR Holdings) and THCR otherwise has no current intention of paying dividends to the holders of THCR Common Stock. In addition, the TAC I Note Indenture, the TAC II Note Indenture, the TAC III Note Indenture, the Senior Note Indenture, the indenture governing the Castle PIK Notes, the indenture governing the Castle Mortgage Notes and the indenture governing the Working Capital Loan contain certain covenants, including, without limitation, covenants with respect to limitations on the payment of dividends, which limitations would limit THCR's ability to obtain funds from THCR Holdings with which to pay dividends. Pursuant to these indentures, there are restrictions on the payment of dividends unless, among other things, (i) no default or event of default has occurred and is continuing under the indenture, (ii) certain entities meet certain consolidated financial ratios and (iii) the total amount of the dividends does not exceed certain amounts specified in the indentures.

The THCR Board of Directors has authorized the repurchase by THCR Holdings of up to 2,500,000 shares of THCR's Common Stock, from time to time in the open market or privately negotiated transactions. The repurchase program was effective until the end of 1998. As of December 31, 1998, THCR Holdings has repurchased 2,011,500 shares of THCR Common Stock. THCR Holdings may reinstitute a buyback program for 1999.

THCR Holdings. THCR Holdings is a limited partnership of which THCR is currently a 59.87743% general partner. Trump is currently a 27.06458% limited partner. THCR/LP is currently a 3.55096% limited partner. TCI is currently a 3.69695% limited partner and TCI-II is currently a 5.81009% limited partner.

THCR Funding. THCR Holdings owns 100% of the outstanding shares of THCR Funding's common stock. There is no established trading market for THCR Funding's common stock. The Senior Note Indenture restricts the ability of THCR Funding to declare or pay dividends.

ITEM 6. SELECTED FINANCIAL DATA.

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The following table sets forth certain historical consolidated financial information of Trump AC and Plaza Associates (predecessors of THCR) for the year ended December 31, 1994 and for the period January 1, 1995 through June 12, 1995 and certain historical consolidated financial information of THCR for the period from inception (June 12, 1995) through December 31, 1995 (see Note 1 below) and for the years ended December 31, 1996, 1997 and 1998 (see Note 2 below). All financial information should be read in conjunction with "Management's Discussion and Analysis of Financial Condition and Results of Operations of THCR," and the consolidated and condensed financial statements and the related notes thereto included elsewhere in this Form 10-K.

All financial information should be read in conjunction with "Management's Discussion and Analysis of Financial Condition and Results of Operations," and the consolidated and condensed financial statements and the related notes thereto included elsewhere in this Form 10-K.

	TRUMP AC AND PLAZA ASSOCIATES		THCR			
	YEAR ENDED DECEMBER 31, 1994	FROM JANUARY 1, 1995 THROUGH JUNE 12, 1995	FROM INCEPTION JUNE 12, 1995 THROUGH DECEMBER 31, 1995 (NOTE 1)	YEAR ENDED DECEMBER 31, 1996	YEAR ENDED DECEMBER 31, 1997	YEAR ENDED DECEMBER 31, 1998
(IN THOUSANDS, EXCEPT PER SHARE DATA)						
STATEMENT OF OPERATIONS DATA:						
Revenues:						
Gaming	\$261,461	\$122,865	\$ 175,208	\$ 883,441	\$ 1,280,245	\$ 1,287,925
Other	66,869	29,523	44,659	205,829	296,950	285,277
Gross revenues	328,320	152,388	219,867	1,089,270	1,579,195	1,573,202
Promotional allowances	33,257	14,540	24,394	122,326	178,822	169,581
Net revenues	295,063	137,848	195,473	966,944	1,399,373	1,403,621
Costs and expenses:						
Gaming	139,840	69,467	95,533	538,398	810,329	806,438
Other	23,380	9,463	12,483	58,971	81,033	82,971
General and administrative	73,075	30,081	44,792	192,082	271,110	274,369
Depreciation and amortization	15,653	6,999	5,219	65,035	89,094	84,133
Pre-opening	--	--	--	13,839	--	747
Development Costs	--	--	--	--	4,607	--
Total costs and expenses	251,848	116,030	162,027	872,325	1,256,173	1,248,648
Income from operations	43,215	21,818	33,446	94,619	143,200	154,973
Interest expense, net	(48,219)	(22,133)	(31,273)	(139,530)	(205,008)	(213,507)
Other non-operating (expense) income(e)	(4,931)	(1,649)	(4,094)	14,859	(1,028)	(1,093)
Loss in joint venture	--	--	--	(925)	13,478	(2,969)
Extraordinary (loss) gain(b)	--	(9,250)	--	(60,732)	--	--
Minority interest	--	--	--	26,022	24,186	22,878
(Provision) benefit for income taxes	865	161	--	--	--	--
Net income (loss)	\$ (9,870)	\$(11,033)	\$ (1,921)	\$ (65,677)	\$ (42,128)	\$ (39,718)
Net loss per common share(c)			\$ (.19)	\$ (3.27)	\$ (1.85)	\$ (1.79)
Average Shares Outstanding			10,133,333	20,081,122	22,794,921	22,203,612

BALANCE SHEET DATA (AT END OF PERIOD):							
Cash and cash equivalents	\$ 11,144	\$ 28,125	*	\$ 19,208	\$ 175,749	\$ 140,328	\$ 114,757
Property and equipment, net	298,354	301,316	*	408,231	2,009,261	2,004,761	1,977,609
Total assets	375,643	394,085	*	584,545	2,455,643	2,473,309	2,429,578
Total long-term debt, net of current ..	403,214	331,142	*	494,471	1,713,425	1,817,569	1,838,492
minorities			*				
Minority interest	--	--	*	--	172,604	148,418	125,540
Total capital (deficit)	(63,580)	(74,613)	*	50,591	388,095	328,865	286,908

Note 1: THCR was incorporated on March 28, 1995 and conducted no operations until the June 1995 Stock Offering and contributed the proceeds therefrom to THCR Holdings in exchange for an approximately 60% general partnership interest in THCR Holdings. At the consummation of the June 1995 Stock

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Offering, Trump contributed his 100% beneficial interest in Plaza Funding, Trump AC and Plaza Associates to THCR Holdings for an approximate 40% limited partnership interest in THCR Holdings. In addition, Trump contributed to THCR Holdings all of his existing interests and rights to new gaming activities in both emerging and established gaming jurisdictions, including Trump Indiana. The financial data as of December 31, 1995 and for the period ended December 31, 1995 reflect the operations of THCR from inception (June 12, 1995) to December 31, 1995.

Note 2: On April 17, 1996, a subsidiary of THCR was merged with and into THCR Holding Corp. which represented 50% of the economic interest in Taj Associates. Trump held the remaining 50% interest in Taj Associates and contributed such interest in Taj Associates to Trump AC in exchange for limited partnership interests in THCR Holdings. All of the outstanding shares of THCR Holding Corp. Class C Common Stock held by Trump were canceled and all of the outstanding shares of THCR Holding Corp. Class B Common Stock were redeemed in connection with the Taj Acquisition. In connection with the Taj Acquisition, Taj Associates became a wholly-owned subsidiary of Trump AC. On October 7, 1996, THCR Holdings acquired from Trump all of the outstanding equity of Castle Associates. Therefore, the financial data as of December 31, 1996 and for the year ended December 31, 1996 reflect the operations of THCR and Plaza Associates for the full year, Taj Associates for the period from April 17, 1996 to December 31, 1996, Castle Associates from October 7, 1996 to December 31, 1996, and Trump Indiana for the period June 8, 1996 (the opening date of the Indiana Riverboat) to December 31, 1996.

(a) Other non-operating expense for the year ended December 31, 1994, for the period January 1, 1995 through June 12, 1995 and for the period June 12, 1995 through December 31, 1995 includes \$4.9 million and \$2.1 million, respectively, of real estate taxes and leasing costs associated with Trump Plaza East. Other non-operating (income) expense for the year ended December 31, 1995 also includes \$2.0 million in costs associated with Trump World's Fair. Other non-operating income for the year ended December 31, 1996 includes \$1.0 million of costs associated with certain litigation.

- (b) The extraordinary loss of \$9,250,000 for the period from January 1, 1995 through June 12, 1995 relates to the redemption of the Plaza PIK Notes and Plaza PIK Note Warrants and the write off of related unamortized deferred financing costs. The extraordinary loss for the year ended December 31, 1996 of \$59.1 million relates to the redemption of the Plaza Notes and the Plaza PIK Note Warrants and the write-off of unamortized deferred financing costs of \$1.6 million for redemption of \$10.0 million of Senior Notes.
- (c) Basic loss per share has been calculated for all periods presented in accordance with Statement of Financial Accounting Standards Board No. 128 "Earnings per Share." Earnings per share is based upon average shares outstanding, shares and phantom stock units awarded to the Chief Executive officer of THCR under the 1995 Stock Plan (as defined) and common stock equivalents, if dilutive, represents net income (loss) divided by such amounts. The shares of THCR Class B Common Stock owned by Trump have no economic interest and, therefore, are not considered.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION

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AND RESULTS OF OPERATIONS

LIQUIDITY AND CAPITAL RESOURCES

Cash flows from operating activities are THCR's principal source of liquidity and increased from \$1.1 million in 1997 to \$28.5 million in 1998. THCR expects to have sufficient liquidity to meet its obligations over the next operating period. Any excess cash flow achieved from operations during peak periods is utilized to subsidize non-peak periods where necessary.

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The Senior Note Indenture restricts the ability of THCR Holdings and its subsidiaries to make distributions to partners or pay dividends, as the case may be, unless certain financial ratios are achieved. Further, given the rapidly changing competitive environment, THCR's future operating results are highly conditional and could fluctuate significantly.

In addition, the ability of (i) Plaza Associates and Taj Associates (through Trump AC) and (ii) Castle Associates to make payments of dividends or distributions to THCR Holdings may be restricted by the CCC. Similarly, the ability of Trump Indiana to make payments of dividends or distributions to THCR Holdings may be restricted by the Indiana Gaming Commission.

Capital expenditures for Trump AC were \$54.8 million and \$20.9 million for the years ended December 31, 1997 and 1998, respectively. Capital expenditures for improvements to Trump Plaza's existing facilities were \$13.3 million and \$12.0 million for the years ended December 31, 1997 and 1998, respectively. In addition, in 1997, Plaza Associates exercised its option to

purchase from Seashore Four Associates, an entity beneficially owned by Donald J. Trump, one of the parcels of land underlying Trump Plaza's main tower, pursuant to the terms of a lease, the payments under which were terminated upon the exercise of such option. The purchase price and associated closing costs were \$10.1 million.

Capital expenditures attributable to the Taj Mahal were \$40.8 million and \$8.5 million for the years ended December 31, 1997 and 1998, respectively. Capital expenditures for improvements to existing facilities were approximately \$7.6 million and \$8.5 million for the years ended December 31, 1997 and 1998, respectively. Capital expenditures attributable to the expansion of the facility were approximately \$33.2 million for the year ended December 31, 1997.

The Taj Mahal Expansion consisted of the construction of a new 14-bay bus terminal which was completed in December 1996, a 2,400 space expansion of the existing self parking facilities, which was completed in May 1997, and an approximate 7,000 square foot casino expansion with 260 slot machines which was completed in July 1997. The total costs of the Taj Mahal Expansion including amounts expended in 1996 and 1997 were approximately \$43.5 million and have been funded principally out of cash from operations.

Castle Associates' capital expenditures for 1997 and 1998 were \$1.8 million and \$2.8 million, respectively and principally consisted of hotel room renovations, as well as ongoing casino floor improvements, parking garage upgrades and Trump Marina leasehold improvements. In addition, during 1997, Castle Associates completed a \$4.2 million project to retheme the property with a nautical emphasis and rename it Trump Marina.

Capital expenditures attributable to Trump Indiana were \$5.9 million and \$14.5 million for the years ending December 31, 1997 and 1998, respectively. Approximately \$15.0 million costs of hotel construction and other infrastructure improvements will be applied towards satisfying the economic development commitment required in connection with the Indiana licensing process. THCR is currently negotiating with Majestic Star Casino, L.L.C. ("Barden"), the other riverboat licensee and joint owner with Trump Indiana of Buffington Harbor Riverboats, L.L.C. ("BHR") for the development of a 1,500 space parking garage by BHR which would cost approximately \$15 million.

On April 17, 1998 Castle Funding refinanced its Old Castle Senior Notes and its Term Loan by issuing the New Castle Senior Notes. The proceeds from the issuance of the New Castle Senior Notes were used to redeem all of the issued and outstanding Old Castle Senior Notes and 100% of their principal amount and to repay the Term Loan in full. In conjunction with this refinancing, TCHI, a New Jersey corporation and the general partner of Castle Associates, obtained a Working Capital Loan. Both the New Castle Senior Notes and the Working Capital Loan are guaranteed by Castle Associates.

The New Castle Senior Notes have an outstanding principal amount of \$62,000,000 and bear interest at the rate of 10 1/4% per annum, payable semi-annually each April and October. The New Castle Senior Notes mature on April 30, 2003.

The Working Capital Loan has an outstanding principal amount of \$5,000,000 and bears interest at the rate of 10 1/4% per annum, payable

semi-annually each April and October. The entire principal balance of the Working Capital Loan matures on April 30, 2003.

Castle Associates has the authority to obtain a working capital facility of up to \$10,000,000 (of which approximately \$5,440,000 is outstanding) although there can be no assurance that such financing will be available or on terms acceptable to Castle Associates.

The ability of THCR to repay its long-term debt when due will depend on the ability of Plaza Associates, Taj Associates, Castle Associates and Trump Indiana to generate cash from operations sufficient for such purposes or on the ability of THCR to refinance such indebtedness. Cash flow from operations may not be sufficient to repay a substantial portion of the principal amount of the indebtedness upon maturity. The future operating performance and the ability to refinance such indebtedness will be subject to the then prevailing economic conditions, industry conditions and numerous other financial, business and other factors, many of which are beyond the control of THCR. There can be no assurance that the future operating performance of Plaza Associates, Taj Associates, Castle Associates or Trump Indiana will be sufficient to meet these repayment obligations or that the general state of the economy, the status of the capital markets generally or the receptiveness of the capital markets to the gaming industry will be conducive to refinancing or other attempts to raise capital.

During the quarter ended September 30, 1998, THCR Holdings advanced a loan to Trump in the amount of \$11,000,000 and prepaid 1999 fees and expenses in the amount of \$1,500,000 to Trump in accordance with the Executive Agreement. Such loan is secured by a pledge of certain receivables due to Trump. On October 19, 1998, THCR Holdings loaned Trump \$13,500,000. Such loan was offset in its entirety when Trump advanced \$13,500,000 to THCR Enterprises, L.L.C. ("THCR Enterprises"), which then purchased Trump's indebtedness to Donaldson Lufkin & Jenrette Securities Corporation. In connection with such purchase, THCR Enterprises was assigned a pledge of Trump's and TCI's equity interests in THCR and THCR Holdings.

YEAR 2000

THCR has assessed the Year 2000 issue and has begun implementing a plan to insure its systems are year 2000 compliant. Analysis has been made of THCR's various customer support and internal administration system with appropriate modifications having been made or underway. Testing the modifications is expected to be completed during 1999. THCR is approximately 80% complete in its modifications.

THCR believes that the issues for concern are predominantly software related versus hardware related. Further, THCR relies upon third party suppliers for support of property, plant and equipment, such as communications equipment, elevators and fire safety systems. Contact has been made with all significant system suppliers and THCR is at various stages of assessment, negotiation and implementation. When necessary, contracts have been issued to update these systems so as to insure year 2000 compliance. The cost of addressing the year 2000 issue is not expected to be material as modifications are being made with existing systems personnel and no significant expectations for new hardware or software are expected. Any additional costs will be funded out of operations.

If THCR did not assess the year 2000 issue and provide for its compliance, it would be forced to convert to manual systems to carry on its business. Since THCR expects to be fully year 2000 compliant, it does not feel that a contingency plan is necessary at this time. However, THCR will continually be assessing the situation and considering whether a contingency plan is necessary as the millennium approaches.

This Year 2000 disclosure constitutes Year 2000 readiness disclosure within the meaning of the Year 2000 Information and Readiness Disclosure Act.

IMPACT OF NEW ACCOUNTING STANDARDS

THCR has assessed the impact of newly issued accounting standards expected to go into effect during

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1999 in accordance with Staff Accounting Bulletin No. 74 and, where applicable, disclosures have been provided in the financial statements. Additionally, THCR has also reviewed the impact of accounting standards which went into effect during 1998 and, where applicable, THCR has provided the required disclosures.

SEASONALITY

The gaming industry in Atlantic City and Indiana is seasonal, with the heaviest activity occurring during the period from May through September. Consequently, THCR's operating results during the two quarters ending in March and December would not likely be as profitable as the two quarters ending in June and September.

INFLATION

There was no significant impact on operations as a result of inflation during 1996, 1997 or 1998.

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The following tables include selected data of Plaza Associates, Taj Associates (since date of acquisition), Trump Indiana (since the opening of the Indiana Riverboat) and Castle Associates (since its date of acquisition), for the years ended December 31, 1996, 1997 and 1998, respectively.

	YEAR ENDED DECEMBER 31,					
	1996 PLAZA ASSOCIATES	1996 TAJ ASSOCIATES (a)	1996 TRUMP AC CONSOLIDATED	1996 TRUMP INDIANA (b)	1996 TRUMP MARINA (c)	1996 THCR INC. CONSOLIDATED*
	(IN MILLIONS)					
Revenues:						
Gaming	\$ 368.9	\$ 383.3	\$ 752.2	\$ 80.7	\$ 50.5	\$ 883.4
Other	105.7	85.3	191.0	2.3	12.5	205.9
Gross Revenue	474.5	468.6	943.2	83.0	63.0	1,089.3
Less: Promotional Allowance	65.6	48.1	113.7	0.3	8.2	122.3
Net Revenue	409.0	420.5	829.5	82.7	54.8	967.0
Costs and Expenses:						

Gaming	223.9	230.0	453.9	50.8	33.7	538.4
Pre Opening	4.1	--	4.1	9.7	--	13.8
General & Administrative	83.3	64.2	147.5	15.7	15.6	192.1
Depreciation & Amortization	33.0	37.8	50.9	2.8	4.8	59.0
Other	28.4	26.2	54.6	1.4	3.1	59.1
Total Costs and Expenses	352.7	358.2	721.0	80.4	57.2	872.4
Income from Operations	46.3	82.5	108.5	2.3	(2.4)	94.6
Non-Operating Income (Expense)	4.9	10.7	16.6	0.8	0.2	26.0
Interest Expense	(47.1)	(67.4)	(114.5)	(8.9)	(11.6)	(150.7)
Total Non-Operating Expense	(42.2)	(56.7)	(97.9)	(8.1)	(11.4)	(124.7)
Loss in Joint Venture	--	--	--	(0.9)	--	(0.9)
Extraordinary Loss	(58.1)	--	(58.1)	--	--	(60.7)
Net Income (Loss) Before Minority Interest	\$ (55.0)	\$ 5.6	\$ (48.5)	\$ (6.7)	\$ (13.8)	\$ (51.7)
Minority Interest						26.0
Net Loss						\$ (65.7)

* Intercompany eliminations and expenses of THCR and THCR Holdings are not separately shown.

- (a) Results from date of acquisition, April 17, 1996
- (b) Results from date of commencement of operations, June 8, 1996
- (c) Results from date of acquisition, October 7, 1996.

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	YEAR ENDED DECEMBER 31,					
	1997 PLAZA ASSOCIATES	1997 TAJ ASSOCIATES	1997 TRUMP AC CONSOLIDATED	1997 TRUMP INDIANA	1997 TRUMP MARIMA	1997 THCR CONSOLIDATED*
	(IN MILLIONS)					
Revenues:						
Gaming	\$370.7	\$518.4	\$ 889.1	\$129.7	\$261.4	\$1,280.2
Other	108.0	123.2	231.2	3.4	64.4	299.0
Gross Revenue	478.7	641.6	1,120.3	133.1	325.8	1,579.2
Less: Promotional Allowance	64.4	73.7	138.1	0.7	41.1	179.8
Net Revenue	414.3	567.9	982.2	132.4	284.7	1,399.4
Costs and Expenses:						
Gaming	233.8	321.6	555.5	84.2	170.6	810.9
General & Administrative	80.2	88.0	168.1	31.5	62.7	271.1
Depreciation & Amortization	24.4	41.4	65.0	5.9	17.1	89.1
Other	32.0	33.5	65.5	2.9	12.8	81.1
Development Costs	--	--	--	--	--	4.6
Total Costs and Expenses	370.4	484.5	855.1	124.5	263.2	1,256.2
Income from Operations	43.9	83.4	127.1	7.9	21.5	143.2
Non-Operating Income	0.6	1.1	2.8	--	0.5	5.5
Interest Expense	(48.6)	(94.7)	(144.1)	(10.5)	(49.9)	(211.9)
Total Non-Operating Expense	(48.0)	(93.6)	(141.2)	(10.5)	(49.4)	(206.0)
Loss in Joint Venture	--	--	--	(3.5)	--	(3.5)
Net Loss Before Minority Interest	\$ (4.1)	\$ (10.2)	\$ (14.1)	\$ (6.1)	\$ (27.9)	\$ (66.3)
Minority Interest						24.2
Net Loss						\$ (42.1)

* Intercompany eliminations and expenses of THCR and THCR Holdings are not separately shown.

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	YEAR ENDED DECEMBER 31,					
	1998 PLAZA ASSOCIATES	1998 TRUMP TAJ ASSOCIATES	1998 TRUMP AC CONSOLIDATED	1998 TRUMP INDIANA	1998 TRUMP MARINA	1998 TRCR CONSOLIDATED*
	(IN MILLIONS)					
Revenues:						
Gaming	\$374.5	\$514.0	\$ 888.9	\$137.8	\$261.6	\$1,287.9
Other	101.6	129.1	220.7	3.6	61.0	285.3
Gross Revenue	476.1	633.1	1,109.2	141.4	322.6	1,573.2
Less: Promotional Allowance	63.4	66.7	130.1	0.6	38.7	169.6
Net Revenue	412.7	566.4	979.1	140.8	283.9	1,403.6
Costs and Expenses:						
Gaming	228.8	316.4	545.2	94.7	166.5	806.4
Pre Opening	-	-	-	0.8	-	0.8
General & Administrative	79.1	89.2	168.2	33.8	60.1	274.4
Depreciation & Amortization	24.7	36.4	61.9	5.7	16.6	84.1
Other	32.4	33.8	66.2	3.9	12.9	82.9
Total Costs and Expenses	365.0	475.8	841.1	138.9	256.1	1,248.6
Income from Operations	47.7	90.6	138.0	1.7	27.8	155.0
Non-Operating Income	1.4	2.4	5.5	0.1	0.9	8.5
Interest Expense	(47.7)	(94.1)	(154.6)	(9.0)	(52.3)	(223.1)
Total Non-Operating Expense	(46.3)	(91.7)	(149.1)	(8.9)	(51.4)	(214.6)
Loss in Joint Ventures	-	-	-	(3.0)	-	(3.0)
Net Loss Before Minority Interest	\$ 1.4	\$ (1.1)	\$ (11.1)	\$ (10.2)	\$ (23.6)	\$ (62.6)
Minority Interest						22.9
Net Loss						\$ (39.7)

* Intercompany eliminations and expenses of TRCR and TRCR Holdings are not separately shown.

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TRUMP HOTELS & CASINO RESORTS, INC.
RESULTS OF OPERATIONS
COMPARISON OF YEARS ENDED DECEMBER 31, 1996, 1997 AND 1998
 (in millions, except statistical data)

	1996 PLAZA ASSOCIATES	(a) 1996 TAJ ASSOCIATES	1996 TRUMP AC CONSOLIDATED	(b) 1996 TRUMP INDIANA	(c) 1996 TRUMP MARINA	1996 TRCR CONSOLIDATED
Table Game Revenues	\$ 104.1	\$ 161.9	\$ 266.0	\$ 22.3	\$ 14.9	\$ 303.2
Table Game Drop	\$ 686.9	\$ 942.5	\$ 1,529.4	\$ 128.0	\$ 103.2	\$ 1,860.6
Table Win Percentage	15.2%	17.2%	16.3%	17.5%	14.4%	16.3%
Number of Table Games	127	167	298	71	87	452

Slot Revenues.....	\$ 264.8	\$ 206.2	\$ 471.0	\$ 58.4	\$ 35.6	\$ 565.0
Slot Handle.....	\$ 3,179.8	\$2,510.3	\$ 5,690.1	\$ 975.6	\$ 482.0	\$ 7,097.7
Slot Win Percentage.....	8.3%	8.2%	8.3%	6.3%	7.4%	8.0%
Number of Slot Machines.....	3,629	3,799	7,428	1,492	2,339	11,259
Other Gaming Revenues.....	N/A	\$ 15.2	\$ 15.2	N/A	N/A	\$ 15.2
Total Gaming Revenues.....	\$ 368.9	\$ 383.3	\$ 752.2	\$ 60.7	\$ 50.5	\$ 863.4

- (a) Results from date of acquisition, April 17, 1996.
- (b) Results from date of commencement of operations, June 6, 1996.
- (c) Results from date of acquisition, October 7, 1996.

	1997 PLAZA ASSOCIATES	1997 TAJ ASSOCIATES	1997 TRUMP AC CONSOLIDATED	1997 TRUMP INDIANA	1997 TRUMP MARINA	1997 TRUMP CONSOLIDATED
Table Game Revenues.....	\$ 96.4	\$ 202.7	\$ 299.1	\$ 38.6	\$ 76.1	\$ 413.8
Incr (Decr) over prior period....	\$ (7.7)	\$ 40.8	\$33.1	\$ 18.3	\$ 61.2	\$ 110.6
Table Game Drop.....	\$654.4	\$1,279.1	\$ 1,933.5	\$ 213.2	\$ 498.5	\$ 2,645.2
Incr (Decr) over prior period....	\$ (32.5)	\$336.6	\$304.1	\$ 85.2	\$ 395.3	\$ 784.6
Table Win Percentage.....	14.7%	15.9%	15.5%	18.1%	15.3%	15.6%
Incr (Decr) over prior period....	(0.5)pts.	(1.3)pts.	(0.8)pts.	0.6pts.	0.9pts.	(0.7)pts.
Number of Table Games.....	117	153	272	67	91	430
Incr (Decr) over prior period....	(10)	(12)	(22)	(4)	4	(22)
Slot Revenues.....	\$274.3	\$ 297.4	\$ 571.7	\$ 91.1	\$ 183.2	\$ 846.0
Incr (Decr) over prior period....	\$ 9.5	\$ 91.2	\$ 100.7	\$ 32.7	\$ 147.8	\$ 261.6
Slot Handle.....	\$3,381.1	\$3,583.7	\$ 6,964.8	\$1,361.1	\$2,267.0	\$10,592.9
Incr (Decr) over prior period....	\$ 201.3	\$1,073.4	\$ 1,274.7	\$ 435.5	\$1,785.0	\$ 3,495.2
Slot Win Percentage.....	8.1%	8.3%	8.2%	6.7%	8.1%	8.0%
Incr (Decr) over prior period....	(0.2)pts.	0.1pts.	(0.1)pts.	0.4pts.	0.7pts.	0.0pts.
Number of Slot Machines.....	4,083	4,136	8,219	1,430	2,199	11,847
Incr (Decr) over prior period....	454	337	791	(62)	(141)	588
Other Gaming Revenues.....	N/A	\$ 18.3	\$ 18.3	N/A	\$ 2.1	\$ 20.4
Incr (Decr) over prior period....	N/A	\$ 3.1	\$3.1	N/A	\$ 2.1	\$ 5.2
Total Gaming Revenues.....	\$370.7	\$ 518.4	\$ 889.1	\$ 129.7	\$ 261.4	\$ 1,280.2
Incr (Decr) over prior period....	\$ 1.8	\$ 135.1	\$ 136.9	\$ 49.0	\$ 210.9	\$ 396.8

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	1998 PLAZA ASSOCIATES	1998 TAJ ASSOCIATES	1998 TRUMP AC CONSOLIDATED	1998 TRUMP INDIANA	1998 TRUMP MARINA	1998 TRUMP CONSOLIDATED
Table Game Revenues.....	\$ 102.4	\$198.6	\$ 301.0	\$ 34.3	\$ 72.9	\$ 408.2
Incr (Decr) over prior period....	\$ 6.0	\$ (4.1)	\$ 1.9	\$ (4.3)	\$ (3.2)	\$ (5.6)
Table Game Drop.....	\$ 643.0	\$1,204.8	\$1,847.8	\$ 217.5	\$ 452.6	\$ 2,517.9
Incr (Decr) over prior period....	\$ (11.4)	\$ (74.3)	\$ (85.7)	\$ 6.3	\$ (45.9)	\$ (127.3)
Table Win Percentage.....	15.9%	16.5%	16.3%	15.8%	16.1%	16.2%
Incr (Decr) over prior period....	1.2pts.	0.6pts.	0.8pts.	(2.3)pts.	0.8pts.	0.6pts.
Number of Table Games.....	110	154	264	58	92	414
Incr (Decr) over prior period....	(7)	(1)	(8)	(9)	1	(16)
Slot Revenues.....	\$ 272.1	\$295.0	\$ 567.1	\$ 103.5	\$ 186.7	\$ 857.3
Incr (Decr) over prior period....	(\$2.2)	\$ (2.4)	\$ (4.6)	\$ 12.4	\$ 3.5	\$ 11.3
Slot Handle.....	\$3,366.8	\$3,623.7	\$4,990.5	\$1,620.8	\$2,321.9	\$10,943.2
Incr (Decr) over prior period....	\$ (14.3)	\$ 40.0	\$ 25.7	\$ 269.7	\$ 54.9	\$ 350.3
Slot Win Percentage.....	8.1%	8.1%	8.1%	6.3%	8.0%	7.8%
Incr (Decr) over prior period....	(0.0)pts.	(0.2)pts.	(0.1)pts.	(0.4)pts.	(0.1)pts.	(0.2)pts.
Number of Slot Machines.....	6,144	4,131	8,275	1,352	2,167	11,794
Incr (Decr) over prior period....	61	(5)	56	(78)	(31)	(53)
Other Gaming Revenues.....	N/A	\$ 20.4	\$ 20.4	N/A	\$ 2.0	\$ 22.4
Incr (Decr) over prior period....	N/A	\$ 2.1	\$ 2.1	N/A	\$ (0.1)	\$ 2.0
Total Gaming Revenues.....	\$ 374.5	\$514.0	\$ 888.5	\$ 137.8	\$ 261.6	\$ 1,287.9
Incr (Decr) over prior period....	\$ 3.8	\$ (4.4)	\$ (0.6)	\$ 8.1	\$ 0.2	\$ 7.7

RESULTS OF OPERATIONS FOR THE YEARS ENDED DECEMBER 31, 1996 AND 1997

In general, virtually all categories of revenue and expense are higher in 1997 compared to 1996 as a result of having a full year of operating activity as opposed to a partial year for the entities in 1996.

Gaming revenues are the primary source of THCR's revenues. The increase in gaming revenues is primarily attributable to the acquisitions of Taj Associates on April 17, 1996, Trump Marina on October 7, 1996, and the opening of the Indiana Riverboat on June 8, 1996.

Gaming costs and expenses were \$810.3 million for the year ended December 31, 1997, an increase of \$271.9 million or 50.5% from \$538.4 million for the comparable period in 1996. This increase is proportionate to the increase in gaming revenues from the comparable period in 1996.

General and administrative expenses were \$271.1 million for the year ended December 31, 1997, an increase of \$79.0 million or 41.1% from general and administrative expenses of \$192.1 million. The acquisition of Trump Marina on October 7, 1996 accounted for \$47.1 million of the increase and Trump Indiana, which commenced operations on June 8, 1996, accounted for \$15.8 million of the increase.

During the second quarter of 1997, THCR revised its estimates of the useful lives of buildings, building improvements, furniture and fixtures which were acquired in 1996. Building and building improvements were reevaluated to have a forty year life and furniture and fixtures were determined to have a seven year life. During the third quarter of 1997, Trump Indiana revised its estimates of the useful life of the riverboat and its improvements from fifteen to thirty years. THCR believes these changes more appropriately reflect the timing of the economic benefits to be received from these assets during their estimated useful lives. For the years ended December 31, 1997, the net effect of applying these new lives was to decrease THCR Holdings' and THCR's net loss by \$10.5 million and \$6.6 million, respectively, and decrease basic and diluted loss per share by \$.29.

Developments costs of \$4.6 million, relating to Detroit, Niagara Falls and other jurisdictions, were expensed in 1997.

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Non-operating income decreased in 1997 primarily due to non-recurring income in 1996. Non-operating income in 1996 included Taj Associates' one-time \$10 million and Plaza Associates' onetime \$5 million non-refundable licensing fees resulting from agreements with Atlantic Jersey Thermal Systems, Inc. to operate their heating and cooling facilities for a period of 20 years.

The extraordinary loss of \$60.7 million for the year ended December 31, 1996 includes \$59.1 million for the redemption of the Plaza Notes and the write-off of unamortized deferred financing costs on April 17, 1996, and \$1.6 million relating to the loss on retirement of \$10 million of Senior Notes on November 7, 1996 by THCR Funding and THCR Holdings.

RESULTS OF OPERATIONS FOR THE YEARS ENDED DECEMBER 31, 1997 AND 1998

Gaming revenues are the primary source of THCR's revenues. Table game revenues represent the amount retained by THCR from amounts wagered at table games. The table win percentage tends to be fairly constant over the long term, but may vary significantly in the short term, due to large wagers by "high rollers."

Gaming costs and expenses were \$806.4 million for the year ended December 31, 1998, a decrease of \$3.9 million or .5 % from \$810.3 million for the comparable period in 1997. Decreases in marketing and promotional costs at the Atlantic City casinos were partially offset by increases at Trump Indiana.

General and administrative expenses were \$274.4 million for the year ended December 31, 1998, an increase of \$3.3 million or 1.2% from general and administrative expenses of \$271.1 million in 1997.

During the second quarter of 1997, Taj Associates, Plaza Associates and Castle Associates revised their estimates for the useful lives of buildings, building improvements, furniture and fixtures which were acquired in 1996. Building and building improvements were re-evaluated to have a forty year life and furniture and fixtures were determined to have a seven year life. During the third quarter 1997, Trump Indiana revised its estimates of the useful life of the riverboat and its improvements from fifteen to thirty years. THCR believes these changes more appropriately reflect the timing of the economic benefits to be received from these assets during their estimated useful lives. For the year ended December 31, 1997, the net effect of applying these new lives was to decrease THCR Holdings' and THCR's net loss by \$10.5 million and \$6.6 million, respectively, and decrease basic and diluted loss per share by \$.29. For the year ended December 31, 1998, the net effect of applying these new lives was to decrease THCR Holdings' and THCR's net loss by \$13.4 million and \$8.5 million, respectively, and decrease basic and diluted loss per share by \$.38.

Insurance reserves were reduced by \$2.8 million as the result of an internal risk management review at Plaza Associates, Taj Associates and Castle Associates. During 1998, self insurance reserves decreased due to an internally focused aggressive policy where potential lawsuits are challenged immediately. Additionally, a more aggressive litigation policy was pursued to deter present and future frivolous lawsuits. THCR also retained an outside consultant to comprehensively review certain claims and to assist THCR in establishing the estimated revenues at December 31, 1998.

Development costs of \$4.6 million, relating to Detroit, Niagara Falls and other jurisdictions, were expensed in 1997; there was no comparable expense in 1998.

Interest expense increased due to the additional \$100,000,000 of TAC II Notes and TAC III Notes issued on December 10, 1997 of which \$75,000,000 are TAC II Notes issued by Trump AC together with Funding II and of which \$25,000,000 are TAC III Notes issued by Trump AC together with Funding III.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.

Management has reviewed the disclosure requirements for Item 7A and, based upon THCR, THCR Holdings and THCR Funding's current capital structure, scope of operations and financial statement structure, management believes that such disclosure is not warranted at this time. Since conditions may change, THCR,

THCR Holdings and THCR Funding will periodically review its compliance with this disclosure requirement to the extent applicable.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA.

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An index to financial statements and required financial statement schedules is set forth in Item 14.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS

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ON ACCOUNTING AND FINANCIAL DISCLOSURE.

None.

PART III

ITEM 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT.

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DIRECTORS, EXECUTIVE OFFICERS, PROMOTERS AND CONTROL PERSONS

MANAGEMENT OF THCR

The following table sets forth certain information concerning each of THCR's directors and executive officers:

<u>NAME</u>	<u>POSITION</u>
Donald J. Trump.....	Chairman of the Board of Directors
Nicholas L. Ribis.....	President, Chief Executive Officer and Director
Robert M. Pichus.....	Executive Vice President, General Counsel and Secretary
John P. Burke.....	Executive Vice President and Corporate Treasurer
Francis X. McCarthy, Jr.....	Executive Vice President of Corporate Finance and Chief Financial Officer
Joseph A. Pasco.....	Executive Vice President of Government and Regulatory Affairs
Wallace B. Askins.....	Director
Don M. Thomas.....	Director
Peter M. Ryan.....	Director

Donald J. Trump--Trump, 52 years old, has been Chairman of the Board of THCR and THCR Funding since their formation in 1995. Trump was a 50% shareholder, Chairman of the Board of Directors, President and Treasurer of

Trump Plaza GP and the managing general partner of Plaza Associates prior to June 1993. Trump was Chairman of the Executive Committee and President of Plaza Associates from May 1986 to May 1992 and was a general partner of Plaza Associates until June 1993. Trump has been a director of Trump AC Holding since February 1993 and was President of Trump AC Holding from February 1993 until December 1997. Trump was a partner in Trump AC from February 1993 until June 1995. Trump has been Chairman of the Board of Directors of Trump AC Funding since its formation in January 1996 and the Chairman of the Board of Directors of Funding II and Funding III since their formation in November 1997. Trump has been Chairman of the Board of Directors of THCR Holding Corp. and THCR/LP since October 1991; President and Treasurer of THCR Holding Corp. since March 4, 1991; Chairman of the Board of Directors, President and Treasurer of TCI since June 1988; Chairman of the Executive Committee of Taj Associates from June 1988 to October 1991; and President and sole Director of Realty Corp. since May 1986. Trump has been the sole director of TACC since March 1991. Trump was President and Treasurer of TACC from March 1991 until December 1997. Trump has been the sole director of Trump Indiana since its formation. Trump has been Chairman of the Board of Partner Representatives of Castle Associates, the partnership that owns Trump Marina, since May 1992; and was Chairman of the Executive Committee of Castle Associates from June 1985 to May 1992. Trump is the Chairman of the Board of Directors of Castle Funding, and served as President and Treasurer of Castle Funding until April 1998. Trump is the Chairman of the Board and Treasurer of TCHI. Trump is the President, Treasurer, sole director and sole shareholder of TCI-II. Trump has been a Director of THCR Enterprises since its formation in January 1997. Trump is also the President of The Trump Organization, which has been in the business, through its affiliates and subsidiaries, of acquiring, developing and managing real estate properties for more than the past five years. Trump was a member of the Board of Directors of Alexander's Inc. from 1987 to March 1992.

Nicholas L. Ribis--Mr. Ribis, 54 years old, has been President, Chief Executive Officer and a director of THCR and THCR Funding and Chief Executive Officer of THCR Holdings since their formation in 1995. Mr. Ribis has been the Chief Executive Officer of Plaza Associates since February 1991, was President from April 1994 to February 1995, was a member of the Executive Committee of Plaza Associates from April 1991 to

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May 29, 1992 and was a director and Vice President of Trump Plaza GP from May 1992 until June 1993. Mr. Ribis served as Vice President of Trump AC Holding from February 1995 until December 1997. Mr. Ribis has served as President of Trump AC Holding since December 1997. Mr. Ribis has served as a director of Trump AC Holding since June 1993. Mr. Ribis has been Chief Executive Officer, President and a director of Trump AC Funding since its formation in January 1996 and Chief Executive Officer, President and a director of Funding II and Funding III since their formation in November 1997. Mr. Ribis served as Vice President of TACC until December 1997. Mr. Ribis has served as the President of TACC since December 1997. Mr. Ribis has been the President and Chief Executive Officer of Trump Indiana since its formation. Mr. Ribis has been a Director of THCR/LP and THCR Holding Corp. since October 1991 and was Vice President of THCR/LP and THCR Holding Corp. until June 1995; Chief Executive Officer of Taj Associates since February 1991; Vice President of TCI since February 1991 and Secretary of TCI since September 1991; Director of Realty Corp. since October 1991; and a member of the Executive Committee of Taj Associates from April 1991 to October 1991. Mr. Ribis has served as Vice President of THCR/LP and THCR Holding Corp. since February 1998. He has also been Chief Executive Officer of Castle Associates

since March 1991 and President of Castle Associates until April 1998; member of the Executive Committee of Castle Associates from April 1991 to May 1992; member of the Board of Partner Representatives of Castle Associates since May 1992; and has served as the Vice President and Assistant Secretary of TCHI since December 1993 and January 1991, respectively, until April 1998. Mr. Ribis is now a director of TCHI. Since April 1998, Mr. Ribis has served as President and Chief Executive Officer of TCHI and Castle Funding. Mr. Ribis has served as Vice President of TCI-II since December 1993 and had served as Secretary of TCI-II from November 1991 to May 1992. Mr. Ribis has been Vice President of Trump Corp. since September 1991. Mr. Ribis has been the President and a director of THCR Enterprises since January 1997. From January 1993 to January 1995 Mr. Ribis served as the Chairman of the Casino Association of New Jersey and has been a member of the Board of Trustees of the CRDA since October 1993. From January 1980 to January 1991, Mr. Ribis was Senior Partner in, and from February 1991 to December 1995, was Counsel to the law firm of Ribis, Graham & Curtin (now practicing as Graham, Curtin & Sheridan, A Professional Association), which serves as New Jersey legal counsel to all of the above-named companies and certain of their affiliated entities.

Robert M. Pickus--Mr. Pickus, 44 years old, has been Executive Vice President, General Counsel and Secretary of THCR since its formation in 1995. He has also been the Executive Vice President of Corporate and Legal Affairs of Plaza Associates since February 1995. From December 1993 to February 1995, Mr. Pickus was the Senior Vice President and General Counsel of Plaza Associates. Mr. Pickus served as the Assistant Secretary of Trump AC Holding from April 1994 until February 1998. Since February 1998, Mr. Pickus has served as the Secretary of Trump AC Holding. Mr. Pickus has been Secretary and a director of Trump AC Funding since its formation in January 1996 and Secretary and a director of Funding II and Funding III since their formation in November 1997. Mr. Pickus has been the Executive Vice President and Secretary of Trump Indiana since its inception. Mr. Pickus has been the Executive Vice President of Corporate and Legal Affairs of Taj Associates since February 1995, and a Director of THCR Holding Corp. and THCR/LP since November 1995. He was the Senior Vice President and Secretary of Castle Funding from June 1988 to December 1993 and General Counsel of Castle Associates from June 1985 to December 1993. Mr. Pickus has served as the Secretary of Castle Funding since April 1998. Mr. Pickus served as the Assistant Secretary of TACC until February 1998. Since February 1998, Mr. Pickus has served as the Secretary of TACC. Mr. Pickus was also Secretary of TCHI from October 1991 until December 1993. Mr. Pickus is a director of TCHI, and has served as the Assistant Secretary of TCHI from February 1998 until April 1998. Since April 1998, Mr. Pickus has served as the Secretary of TCHI. Mr. Pickus has been the Executive Vice President of Corporate and Legal Affairs of Castle Associates since February 1995, Secretary of Castle Associates since February 1996 and a member of the Board of Partner Representatives of Castle Associates since October 1995. Mr. Pickus is currently the Secretary of THCR Holding Corp., has been the Vice President, Secretary and Director of THCR Enterprises since January 1997 and has been Executive Vice President of TCS since its inception and its President since November 1998. He has been admitted to practice law in the states of New York and New Jersey since 1980, and in the Commonwealth of Pennsylvania since 1981.

Francis X. McCarthy, Jr.--Mr. McCarthy, 46 years old, has served as Executive Vice President of Corporate Finance and Chief Financial Officer of THCR, THCR Holdings and THCR Funding since September 1998. Mr. McCarthy has been the Chief Financial Officer of Trump AC, Trump AC Funding, Funding II and Funding III since September 1998. Mr. McCarthy has been the Executive Vice President of Finance of TCS since

October 1996. Mr. McCarthy was Vice President of Finance and Accounting of Trump Plaza GP from October 1992 until June 1993, Senior Vice President of Finance and Administration of Plaza Associates from August 1990 to June 1994 and Executive Vice President of Finance and Administration of Plaza Associates from June 1994 to October 1996. Mr. McCarthy previously served in a variety of financial positions for Greate Bay Hotel and Casino, Inc. from June 1980 through August 1990.

John P. Burke--Mr. Burke, 51 years old, served as the Senior Vice President of Corporate Finance of THCR from January 1996 until June 1997. Mr. Burke served as the Senior Vice President of THCR, THCR Holdings and THCR Funding from June 1997 to January 1999. Mr. Burke has served as Executive Vice President of THCR, THCR Holdings and THCR Funding since January 1999. Mr. Burke has been the Corporate Treasurer of THCR, THCR Holdings and THCR Funding since their formation in 1995. He has also been Corporate Treasurer of Plaza Associates and Taj Associates since October 1991. Mr. Burke has been the Treasurer of Trump Indiana since its formation. Mr. Burke has been Treasurer of Trump AC Funding since its formation in January 1996 and Treasurer of Funding II and Funding III since their formation in November 1997. Mr. Burke has been Treasurer of TACC since February 1998. Mr. Burke was a Director of THCR/LP and THCR Holding Corp. from October 1991 to April 1996 and was Vice President of THCR/LP until June 1995. Mr. Burke has served as the Assistant Treasurer of THCR Holding Corp. and THCR/LP since February 1998. Mr. Burke has been the Corporate Treasurer of Castle Associates since October 1991, the Vice President of Castle Associates, Castle Funding, TCI-II and TCHI since December 1993, Assistant Treasurer of TCHI since April 1998, Treasurer of Castle Funding since April 1998, a member of the Board of Partner Representatives of Castle Associates since March 1997 and the Vice President--Finance of The Trump Organization since September 1990. Mr. Burke was an Executive Vice President and Chief Administrative Officer of Imperial Corporation of America from April 1989 through September 1990. Mr. Burke has been the Vice President and Treasurer of THCR Enterprises since January 1997.

Joseph A. Fusco--Mr. Fusco, 54 years old, has been Executive Vice President for Government Relations & Regulatory Affairs of THCR since June 1996 and of TCS since July 1996. From August 1985 to June 1996, he practiced law as a partner in various Atlantic City law firms specializing in New Jersey casino regulatory, commercial and administrative law matters, most recently from January 1994 to June 1996 as a partner in the law firm of Sterns & Weinroth. Mr. Fusco previously served as Atlantic County Prosecutor, a Gubernatorial appointment, from April 1981 to July 1985 and as Special Counsel for Licensing for the CCC from the inception of that agency in September 1977 to March 1981. He has been admitted to practice law in the State of New Jersey since 1969.

Wallace B. Askins--Mr. Askins, 68 years old, has been a director of THCR and THCR Funding since June 1995. He has also been a director of Trump AC Holding since April 11, 1994, and was a partner representative of the Board of Partner Representatives of Castle Associates from May 1992 to June 1995. Mr. Askins has been a director of Trump AC Funding since April 1996 and a director of Funding II and Funding III since December 1997. Mr. Askins served as a director of TCI-II from May 1992 to December 1993. From June 1984 to November 1992, Mr. Askins served as Executive Vice President, Chief Financial Officer and as a director of Armco Inc. Mr. Askins also serves as a director of EnviroSource, Inc.

Don M. Thomas--Mr. Thomas, 68 years old, has been a director of THCR and THCR Funding since June 1995. Mr. Thomas has been a director of Trump AC

Funding since April 1996 and a director of Funding II and Funding III since December 1997. He has also been the Senior Vice President of Corporate Affairs of the Pepsi-Cola Bottling Co. of New York since January 1985. Mr. Thomas was the acting Chairman, and a Commissioner, of the CRDA from 1985 through 1987, and a Commissioner of the CCC from 1980 through 1984 during a portion of which time Mr. Thomas served as acting Chairman of the CCC. Mr. Thomas was a director of Trump Plaza GP until June 1993 and has been a director of Trump AC Holding since June 1993. Mr. Thomas is an attorney licensed to practice law in the State of New York.

Peter M. Ryan--Mr. Ryan, 60 years old, has been a director of THCR and THCR Funding since June 1995. He has also been the President of each of The Marlin Group, LLC and The Brookwood Carrington Fund, LLC, real estate financial advisory groups, since January 1995. Prior to that, Mr. Ryan was the Senior Vice

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President of The Chase Manhattan Bank for more than five years. Mr. Ryan has been a director of the Children's Hospital FTD since October 1995.

The officers of THCR serve at the pleasure of the Board of Directors of THCR.

All of the persons listed above are citizens of the United States and have been qualified or licensed by the CCC.

THCR is the general partner of THCR Holdings. As the sole general partner of THCR Holdings, THCR generally has the exclusive rights, responsibilities and discretion in the management and control of THCR Holdings.

MANAGEMENT OF PLAZA ASSOCIATES

Trump AC is the managing general partner of Plaza Associates. Trump AC Holding is the managing general partner of Trump AC. The Board of Directors of Trump AC Holding consists of Messrs. Trump, Ribis, Wallace B. Askins and Don M. Thomas.

Set forth below are the names, ages, positions and offices held with Plaza Associates and a brief account of the business experience during the past five years of each of the executive officers of Plaza Associates other than those who are also directors or executive officers of THCR.

Barry J. Cregan--Mr. Cregan, 44 years old, had been Chief Operating Officer of Plaza Associates since September 19, 1994 and President since March 1995. Mr. Cregan's employment was terminated in September 1998. Mr. Cregan was Vice President of Trump AC Holding from February 1995 through September 1998. Prior to accepting these positions at Trump Plaza, Mr. Cregan was President of The Plaza Hotel in New York for approximately three years. Prior to joining The Plaza Hotel, he was Vice President of Hotel Operations at Trump's Castle. In addition, Mr. Cregan has worked for Hilton and Hyatt in executive capacities as well as working in Las Vegas and Atlantic City in executive capacities.

Fred A. Buro--Mr. Buro, 42 years old, has been the General Manager of Plaza Associates since September, 1998. Mr. Buro served as the Executive Vice President of Marketing of Plaza Associates since May 1994. Mr. Buro previously served as the President of Casino Resources, Inc., a casino marketing, management and development organization from 1991 through 1994. Prior to that, Mr. Buro served from 1984 through 1991 as the President of a professional

services consulting firm.

Robert Schaffhauser--Mr. Schaffhauser, 52 years old, is a Certified Public Accountant, and has been Executive Vice President of Finance for Trump Plaza since September 1998. Mr. Schaffhauser served in a similar capacity at Trump Marina from January of 1994 through October of 1996. From November of 1996 through August of 1998, Mr. Schaffhauser was associated with THCR as a consultant. Mr. Schaffhauser also served as the Senior Vice President of Finance and Administration for Greate Bay Hotel and Casino Corporation from 1989 through 1992.

James A. Rigot--Mr. Rigot, 47 years old, had been Executive Vice President of Casino Operations of Plaza Associates since November 1994. Mr. Rigot's employment was terminated in January 1999. Mr. Rigot served as Vice President of Casino Operations of Tropicana Casino and Entertainment Resort from July 1989 through November 1994. From January 1989 through July 1989, Mr. Rigot was Assistant Casino Manager of Resorts Casino Hotel.

All of the persons listed above are citizens of the United States and are licensed by the CCC.

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MANAGEMENT OF TAJ ASSOCIATES

Set forth below are the names, ages, positions and offices held with Taj Associates and a brief account of the business experience during the past five years of each of the executive officers and certain key employees of Taj Associates other than those who are also directors or executive officers of THCR.

Rodolfo E. Prieto--Mr. Prieto, 55 years old, has been Chief Operating Officer of Taj Associates since October 1996. Mr. Prieto has been Vice President of Trump AC Holding since February 1998. From December 1995 to October 1996, Mr. Prieto was the Executive Vice President, Operations of Taj Associates. Prior to joining the Taj Mahal, Mr. Prieto was Executive Vice President and Chief Operating Officer for Elsinore Corporation from May 1995 to November 1995; Executive Vice President in charge of the development of the Mojave Valley Resort for Elsinore Corporation from December 1994 to April 1995 and Executive Vice President and Assistant General Manager for the Tropicana Resort and Casino from September 1986 to November 1994.

Larry W. Clark--Mr. Clark, 54 years old, has been Executive Vice President, Casino Operations of Taj Associates since November 1991, Senior Vice President, Casino Operations of Taj Associates from May 1991 to November 1991, and Vice President, Casino Administration of Taj Associates from April 1991 to May 1991 and from January 1990 to November 1990. Prior to joining the Taj Mahal, Mr. Clark was Vice President, Casino Operations of the Dunes Hotel & Country Club from November 1990 to April 1991 and Director of Casino Marketing and Vice President, Casino Operations of the Showboat Hotel & Casino from November 1988 to January 1990.

Walter Kohlross--Mr. Kohlross, 57 years old, has been Senior Vice President, Food & Beverage of Taj Associates since June 1992, Vice President International Marketing of Taj Associates from June 1993 through October 1995, Vice President, Hotel Operations of Taj Associates from June 1991 to June 1992, and was Vice President, Food & Beverage of Taj Associates from 1988 to June 1991. Prior to joining Taj Associates Mr. Kohlross was food and beverage

director of Resorts International from 1985 to 1988.

Nicholas J. Niglio--Mr. Niglio, 52 years old, has been Executive Vice President, International Marketing of Taj Associates since May 1996. From November 1995 to May 1996, Mr. Niglio was Senior Vice President, Casino Marketing of Taj Associates. From February 1995 to October 1995, Mr. Niglio was Vice President, International Marketing of Taj Associates. Prior to joining Taj Associates, Mr. Niglio was Executive Vice President of International Marketing/Player Development for Castle Associates from 1993 until 1995. Prior to that, Mr. Niglio served as Senior Vice President, Marketing of Caesar's World Marketing Corporation from 1991 until 1993.

Patrick J. O'Malley--Mr. O'Malley, 44 years old, has been the Executive Vice President of Finance of Taj Associates since October 1996. Prior to joining the Taj Mahal, Mr. O'Malley was the Executive Vice President of Hotel Operations of Plaza Associates from September 1995 to October 1996. Prior to joining Trump Plaza, from September 1994 until September 1995, Mr. O'Malley was President of The Plaza Hotel in New York City. From December 1989 until September 1994, Mr. O'Malley was the Vice President of Finance of The Plaza Hotel in New York City. Prior to joining The Plaza Hotel in New York City, from 1986 to 1989, Mr. O'Malley was a Regional Financial Controller for the Four Seasons Hotel and Resorts, Ltd. From 1979 to 1986, Mr. O'Malley worked in the Middle East and Europe as Hotel Controller for Marriott International Hotels.

Loretta I. Viscount--Ms. Viscount, 39 years old, has been Assistant Secretary of Trump AC Holding since February 1998, Vice President of Legal Affairs of Taj Associates since January 1997, Executive Director of Legal Affairs for Taj Associates from May 1996 to January 1997; and Executive Director of Legal Affairs for Castle Associates from September 1987 to May 1996. Prior to that, Ms. Viscount served as in-house counsel to the Claridge Hotel and Casino and had been engaged in the private practice of law since 1982.

All of the persons listed above are citizens of the United States and are licensed by the CCC.

Rodolfo E. Prieto was an Executive Vice President and the Chief Operating Officer for Elsinore Corporation when it filed a petition for reorganization under Chapter 11 of the Bankruptcy Code on October 31,

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1995. Elsinore Corporation filed a plan of reorganization on February 28, 1996, which became effective on February 28, 1997.

MANAGEMENT OF TRUMP MARINA

All decisions affecting the business and affairs of Castle Associates, including the operation of Trump Marina, are decided by the general partners acting by and through a Board of Partner Representatives (the "Board of Partner Representatives"), which includes a minority of Representatives elected indirectly by the holders of the Castle Mortgage Notes and the Castle PIK Notes. As currently constituted, the Board of Partner Representatives consists of Donald J. Trump, Chairman, Nicholas L. Ribis, John P. Burke, Robert M. Pickus, Asher O. Pacholder, Thomas F. Leahy, and Arthur S. Bahr.

Set forth below are the names, ages, positions, and offices held with Castle Associates, and a brief account of the business experience during the past five years of each member of the Board of Partner Representatives and the

executive officers of Castle Associates other than those who are also directors or executive officers of THCR.

Mark A. Brown--Mr. Brown, 38 years old, joined Castle Associates as Executive Vice President of Operations in July 1995 and, effective November 1997, serves as President and Chief Operating Officer. Mr. Brown also serves as Vice President of TCHI. Previously, Mr. Brown served as Senior Vice President of Eastern Operations for Caesar's World Marketing Corporation, National and International Divisions from 1993 until 1995. Prior to that, Mr. Brown served as Vice President of Casino Operations at the Taj Mahal from 1989 until 1993. From 1979 until 1989, Mr. Brown worked for Resorts International Hotel Casino departing as Casino Shift Manager in December 1989.

Lawrence J. Mullin--Mr. Mullin, 36 years old, joined Castle Associates as Vice President of Slot Operations and Marketing in August 1995, and effective June 1998, serves as Senior Vice President of Marketing. Previously, Mr. Mullin served as Vice President of Slot and Casino Marketing from 1992 until 1995 at the Taj Mahal.

Stephen S. Oskiera--Mr. Oskiera, 40 years old, serves as Vice President of Finance of Castle Associates, as well as Chief Financial Officer, Chief Accounting Officer and Assistant Treasurer of Castle Funding and Assistant Treasurer and Chief Financial Officer of TCHI since October 1998. Mr. Oskiera served as Executive Director of Finance for both Castle Associates and TCS from October 1995 to October 1998. Previously, Mr. Oskiera served as Corporate Controller of American Gaming & Entertainment, Ltd., a casino development company, from December 1993 to October 1995 and, prior to that, served as Financial Controller for Greate Bay Hotel & Casino, Inc. d/b/a/ the Sands Hotel & Casino in Atlantic City, New Jersey from May 1987 to December 1993.

Asher O. Pacholder--Dr. Pacholder, 61 years old, has been a partner representative of the Board of Partner Representatives since May 1992. Dr. Pacholder served as a director and the President of TCI-II from May 1992 to December 1993. He has served as Chairman of the Board Directors and Chief Financial Officer of ICO, Inc., an oil field services and petrochemicals processing company, since February 1995 and Chief Operating Officer and a director of Wedco Technology, Inc. since May of 1996. Dr. Pacholder has served as Chairman of the Board and Managing Director of Pacholder Associates, Inc., an investment advisory firm, since 1983. In addition, Dr. Pacholder is Chairman of the Board of Directors of USF&G Pacholder Fund, Inc., a closed-end investment company, and he serves on the Board of Directors of Southland Corporation, which owns and operates convenience stores.

Thomas F. Leahy--Mr. Leahy, 61 years old, has been a partner representative on the Board of Partner Representatives since June 1993. Mr. Leahy served as a director and Treasurer of TCI-II from May 1992 to December 1993. From 1991 to July 1992, Mr. Leahy served as Executive Vice President of CBS Broadcast Group, a unit of CBS, Inc. Mr. Leahy retired from CBS, Inc. in 1992, having served in various executive capacities over a 30-year period. Since November 1992, Mr. Leahy has served as President of The Theater Development Fund, a

service organization for the performing arts. Since July 1992 Mr. Leahy has served as Chairman of VT Properties, Inc., a privately-held corporation which invests in literary, stage, and film properties.

Arthur S. Bahr--Mr. Bahr, 67 years old, has been a partner representative on the Board of Partner Representatives since June 1995 and previously served as a director of TCI-II from August 1993 to January 1994. Mr. Bahr retired in February 1994 after serving in various senior investment positions for General Electric Investment Corporation since 1970. Mr. Bahr serves on the Board of Directors of Renaissance Reinsurance and the Korean International Investment Fund.

Each member of the Board of Partner Representatives and all of the other persons listed above have been licensed or found qualified by the CCC.

The employees of Castle Associates serve at the pleasure of the Board of Partner Representatives subject to any contractual rights contained in any employment agreement.

MANAGEMENT OF TRUMP INDIANA

The sole director of Trump Indiana is Trump. Set forth below are the names, ages, positions and offices held with Trump Indiana and a brief account of the business experience during the past five years of each of the directors and executive officers of Trump Indiana other than those who are also directors or executive officers of THCR.

Joseph D'Amato--Mr. D'Amato, 51 years old, has been Chief Operating Officer of Trump Indiana since August 1997. Previously, Mr. D'Amato was Senior Vice President of Finance and Administration of Trump Indiana from April 1997 to August 1997. For the twelve years prior to working with THCR, Mr. D'Amato held various financial and administrative positions with Bally's (now Hilton) casino in Atlantic City.

Each person listed above is a citizen of the United States.

MANAGEMENT OF TRUMP KANSAS CITY

R. Bruce McKee--Mr. McKee, 53 years old, has served as general manager of Trump Kansas City LLC since January 1999, served as the Senior Vice President of Corporate Finance of THCR, Trump AC Funding and TACC from June 1997 until September 1998. Mr. McKee served as Chief Financial Officer of THCR from June 1997 until September 1998. Mr. McKee has served as the Senior Vice President of Corporate Finance of Funding II and Funding III since December 1997. Mr. McKee served as President and Chief Operating Officer of Castle Associates from October 1996 until June 1997. Mr. McKee was acting Chief Operating Officer of Taj Associates from October 1995 through October 1996, Senior Vice President, Finance of Taj Associates from July 1993 through October 1996 and Vice President, Finance of Taj Associates from September 1990 through June 1993. Mr. McKee has been the Assistant Treasurer of THCR/LP, Realty Corp. and TCI since September 1991. Mr. McKee served as the Assistant Treasurer of THCR Holding Corp. from September 1991 until February 1998. Previously, Mr. McKee was Vice President of Finance of Elsinore Shore Associates, the owner and operator of the Atlantis Casino Hotel Atlantic City, from April 1984 to September 1990 and Treasurer of Elsinore Finance Corp., Elsinore of Atlantic City and Elsub Corp. from June 1986 to September 1990. The Atlantis Casino Hotel now constitutes the portion of Trump Plaza known as Trump World's Fair.

MANAGEMENT OF TCS

Set forth below are the names, ages, positions and offices held with TCS and a brief account of the business experience during the past five years of each of the executive officers of TCS, other than those who are directors or

executive officers of THCR.

Kevin S. Smith--Mr. Smith, 42 years old, has been the Vice President of Corporate Litigation of TCS since October 1996. Mr. Smith was the Vice President, General Counsel of Plaza Associates from February 1995 to

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October 1996. Mr. Smith was previously associated with Cooper Perskie April Niedelman Wagenheim & Levenson, an Atlantic City law firm specializing in trial litigation. From 1989 until February 1992, Mr. Smith handled criminal trial litigation for the State of New Jersey, Department of Public Defender, assigned to the Cape May and Atlantic County Conflict Unit.

COMPLIANCE WITH SECTION 16(A) OF THE SECURITIES EXCHANGE ACT OF 1934

Section 16(a) of the Securities Exchange Act of 1934 requires THCR's directors and executive officers, and persons who own more than 10% of the THCR Common Stock, to file with the United States Securities and Exchange Commission (the "Commission") initial reports of ownership and reports of changes in ownership of THCR Common Stock. Officers, directors and greater than 10% stockholders are required by the Commission to furnish THCR with copies of all Section 16(a) forms they file.

To THCR's knowledge, based solely on review of the copies of such reports furnished to THCR, all Section 16(a) filing requirements applicable to its officers, directors and greater than 10% beneficial owners were complied with during the fiscal year ended December 31, 1998.

(b)(6),(b)(7)(C)

Northeast Regional Office
United States Securities and Exchange Commission
7 World Trade Center – 13th Floor
New York, N.Y. 10048

Re: Trump Hotels & Casino Resorts, Inc. (NY-6625)

Dear (b)(6),(b)(7)(C)

(b)(6),(b)(7)(C) is submitting this letter in anticipation of the issuance by the U.S. Securities and Exchange Commission (the "Commission") of a Report of Investigation (the "Report") pursuant to Section 21(a) of the Securities Exchange Act of 1934 in the above-captioned matter. The undersigned has read and understands the copy of the attached Report. Without admitting or denying any matter set forth in the Report, and solely for purposes of resolving this matter (b)(6),(b)(7)(C) consents to the Commission's issuance of the Report.

(b)(6),(b)(7)(C) agrees not to take any action or to make or permit to be made any public statement denying, directly or indirectly, any matter set forth in the Report. (b)(6),(b)(7)(C) further agrees not to take any action or make any public statement which creates, or tends to create, the impression that any matter set forth in the Report is without factual basis. Nothing in this provision affects the testimonial obligations of any person or (b)(6),(b)(7)(C) right to take legal or factual positions in litigation in which the Commission is not a party, nor does it prevent (b)(6) or his representatives from making public statements not inconsistent with the foregoing.

In giving consent (b)(6),(b)(7)(C) acknowledges his waiver of those rights specified in Rule 240(c)(4) and (5) of the Commission's Rules of Practice, 17 C.F.R. §201.240(c)(4) and (5).

(b)(6),(b)(7)(C)

Northeast Regional Office
United States Securities and Exchange Commission
7 World Trade Center – 13th Floor
New York, N.Y. 10048

Re: Trump Hotels & Casino Resorts, Inc. (NY-6625)

Dear

(b)(6),(b)(7)(C)

Trump Hotels & Casino Resorts, Inc. ("THCR") is submitting this letter in anticipation of the issuance by the U.S. Securities and Exchange Commission (the "Commission") of a Report of Investigation (the "Report") pursuant to Section 21(a) of the Securities Exchange Act of 1934 in the above-captioned matter. The undersigned has read and understands the copy of the attached Report. Without admitting or denying any matter set forth in the Report, and solely for purposes of resolving this matter, THCR consents to the Commission's issuance of the Report.

THCR agrees not to take any action or to make or permit to be made any public statement denying, directly or indirectly, any matter set forth in the Report. THCR further agrees not to take any action or make any public statement which creates, or tends to create, the impression that any matter set forth in the Report is without factual basis. Nothing in this provision affects the testimonial obligations of any person or THCR's right to take legal or factual positions in litigation in which the Commission is not a party, nor does it prevent THCR or its representatives from making public statements not inconsistent with the foregoing.

In giving consent, THCR acknowledges its waiver of those rights specified in Rule 240(c)(4) and (5) of the Commission's Rules of Practice, 17 C.F.R. §201.240(c)(4) and (5).

Consent of Trump Hotels & Casino Resorts, Inc.

Page 2

THCR also represents that it gives its consent voluntarily, and that no promises, offers, threats, or inducements of any kind or nature have been made by the Commission or any member, officer, employee, agent, or representative thereof to induce THCR to give its consent.

Respectfully submitted,

Trump Hotels & Casino Resorts, Inc.

By: _____

Title: _____

Dated: _____, 2001

State of _____)
) ss.:
County of _____)

On this ____ day of _____, 2001, before me personally came _____, to me known and known to me to be the person who executed the foregoing letter of consent.

Page 0282 of 1240

Withheld pursuant to exemption

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of the Freedom of Information and Privacy Act

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WILLKIE FARR & GALLAGHER

787 Seventh Avenue
New York, NY 10019-6099
212 728 8000

Direct: 212 728 8255
Fax: 212 728 8111
rposen@willkie.com

Richard L. Posen

July 20, 2001

BY HAND

(b)(6),(b)(7)(C)

Securities and Exchange Commission
Seven World Trade Center
13th Floor
New York, NY 10048

Re: In the Matter of Trump Hotels Casino Resorts, Inc.
Case No. MNY-6625

Dear (b)(6),(b)(7)(C)

Enclosed are twelve copies of a supplemental Wells Submission on behalf of THCR and (b)(6),(b)(7)(C) which we thought would be useful for you and (b)(6),(b)(7)(C) to see before our meeting on Tuesday. At the Staff's suggestion, we are sending an additional copy directly to (b)(6),(b)(7)(C) by Federal Express.

We are grateful to have another opportunity to discuss this matter with you and we look forward to seeing you next week.

(b)(6),(b)(7)(C)

Enclosures

cc: (b)(6),(b)(7)(C)
Andrew J. Levander, Esq.

New York
Washington, DC
Paris
London

UNITED STATES OF AMERICA
Before The
SECURITIES AND EXCHANGE COMMISSION
Northeast Regional Office

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In the Matter of :
Trump Hotels & Casino Resorts, Inc. : Case No. MNY-6625
:
:
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APPENDIX TO WELLS SUBMISSION
FILED ON BEHALF OF TRUMP
HOTELS & CASINO RESORTS, INC.

WILLKIE FARR & GALLAGHER
787 Seventh Avenue
New York, New York 10019
(212) 728-8000

Attorneys for Trump Hotels & Casino
Resorts

OF COUNSEL:

Richard L. Posen
Thomas H. Golden
Andrew M. Wasserman

CONFIDENTIAL TREATMENT REQUESTED

INDEX TO APPENDIX TO WELLS SUBMISSION FILED ON BEHALF OF TRUMP HOTELS & CASINO RESORTS, INC.	
	EXHIBIT
THCR's Report on Form 10-Q, November 3, 1999.	A
Mirage Resorts 1999 First Quarter Earnings Release, <u>PR Newswire</u> , May 10, 1999.	B
Park Place 1999 First Quarter Earnings Release, <u>Business Wire</u> , Apr. 28, 1999.	C
Harvey's Casino Resorts 1999 First Quarter Earnings Release, <u>PR Newswire</u> , Apr. 15, 1999; Hollywood Park, Inc. 1999 First Quarter Earnings Release, <u>PR Newswire</u> , May 11, 1999; Mandalay Resorts Group 1999 Second Quarter Earnings Release, <u>PR Newswire</u> , Aug. 24, 1999; and the Sands Regent 1999 Second Quarter Earnings Release <u>PR Newswire</u> , Feb. 16, 1999.	D
Joe Weinert, "Gaming/Analyst: All-Star Café Transfer Lifted Trump Results," <u>Atlantic City Press</u> , Oct. 28, 1999.	E
Jesse Angelo, "Trump Playing with a Stacked Deck? Revenue Value is Questioned," <u>The New York Post</u> , Nov. 2, 1999.	F

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM 10-Q

**QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended: September 30, 1999

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from ___ to ___

Commission file number: 1-13794

TRUMP HOTELS & CASINO RESORTS, INC.

(Exact name of registrant as specified in its charter)

DELAWARE
(State or other jurisdiction of
incorporation or organization)
2500 Boardwalk
Atlantic City, New Jersey
(Address of principal executive offices)

13-3818402
(I.R.S. Employer
Identification No.)

08401
(Zip Code)

(609) 441-6060

(Registrant's telephone number, including area code)

Not Applicable

(Former name, former address and former fiscal year, if changed since last report)

Commission file number: 33-90786

TRUMP HOTELS & CASINO RESORTS HOLDINGS, L.P.

(Exact name of registrant as specified in its charter)

DELAWARE
(State or other jurisdiction of
incorporation or organization)
2500 Boardwalk
Atlantic City, New Jersey
(Address of principal executive offices)

13-3818407
(I.R.S. Employer
Identification No.)

08401
(Zip Code)

(609) 441-6060

(Registrant's telephone number, including area code)

Not Applicable

(Former name, former address and former fiscal year, if changed since last report)

Commission file number: 33-90786

TRUMP HOTELS & CASINO RESORTS FUNDING, INC.

(Exact name of registrant as specified in its charter)

DELAWARE
(State or other jurisdiction of
incorporation or organization)
2500 Boardwalk
Atlantic City, New Jersey
(Address of principal executive offices)

13-3818405
(I.R.S. Employer
Identification No.)

08401
(Zip Code)

(609) 441-6060

(Registrant's telephone number, including area code)

Not Applicable

(Former name, former address and former fiscal year, if changed since last report)

Indicate by check mark whether the registrants (1) have filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrants were required to file such reports), and (2) have been subject to such filing requirements for the past 90 days. Yes No

The number of outstanding shares of Common Stock, par value \$0.01 per share, of Trump Hotels & Casino Resorts, Inc. as of November 4, 1999 was 22,195,256.

The number of outstanding shares of Class B Common Stock, par value \$0.01 per share, of Trump Hotels & Casino Resorts, Inc. as of November 4, 1999 was 1,000.

The number of outstanding shares of Common Stock, par value \$0.01 per share, of Trump Hotels & Casino Resorts Funding, Inc. as of November 4, 1999 was 100.

**TRUMP HOTELS & CASINO RESORTS, INC.,
TRUMP HOTELS & CASINO RESORTS HOLDINGS, L.P.
AND
TRUMP HOTELS & CASINO RESORTS FUNDING, INC.**

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**TRUMP HOTELS & CASINO RESORTS, INC.,
TRUMP HOTELS & CASINO RESORTS HOLDINGS, L.P.
AND
TRUMP HOTELS & CASINO RESORTS FUNDING, INC.**

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PART I - FINANCIAL INFORMATION

ITEM 1 - FINANCIAL STATEMENTS

**TRUMP HOTELS & CASINO RESORTS, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS**
(dollars in thousands, except share data)

ASSETS		
	<u>December 31, 1998</u>	<u>September 30, 1999</u> (unaudited)
CURRENT ASSETS:		
Cash and cash equivalents	\$ 114,757	\$ 179,611
Receivables, net	70,951	60,159
Inventories	12,804	12,848
Due from affiliates, net	12,774	24,230
Prepaid expenses and other current assets	<u>18,679</u>	<u>12,942</u>
Total Current Assets	229,965	289,790
INVESTMENT IN BUFFINGTON HARBOR, L.L.C.	40,765	38,854
INVESTMENT IN TRUMP'S CASTLE PIK NOTES	64,137	73,067
PROPERTY AND EQUIPMENT, NET	1,977,609	1,865,236
CASH RESTRICTED FOR FUTURE CONSTRUCTION	2,523	-
DEFERRED BOND AND LOAN ISSUANCE COSTS, NET	37,978	32,579
DUE FROM AFFILIATES	15,766	3,955
OTHER ASSETS	<u>59,721</u>	<u>62,822</u>
Total Assets	<u>\$ 2,428,464</u>	<u>\$ 2,366,303</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Current maturities of long-term debt	\$ 10,504	\$ 14,346
Accounts payable and accrued expenses	118,597	143,480
Accrued interest payable	<u>30,379</u>	<u>81,316</u>
Total Current Liabilities	159,480	239,142
LONG-TERM DEBT, net of current maturities	1,838,492	1,847,062
OTHER LONG-TERM LIABILITIES	<u>18,044</u>	<u>24,184</u>
Total Liabilities	<u>2,016,016</u>	<u>2,110,388</u>
MINORITY INTEREST	125,540	68,296
STOCKHOLDERS' EQUITY:		
Common Stock, \$.01 par value, 75,000,000 shares authorized, 24,206,756 issued and outstanding	242	242
Class B Common Stock, \$.01 par value, 1,000 shares authorized, issued and outstanding	-	-
Additional Paid in Capital	455,645	455,645
Accumulated Deficit	(149,444)	(248,733)
Less treasury stock, 2,011,500 shares of THCR Common Stock, at cost	<u>(19,535)</u>	<u>(19,535)</u>
Total Stockholders' Equity	<u>286,908</u>	<u>187,619</u>
Total Liabilities and Stockholders' Equity	<u>\$ 2,428,464</u>	<u>\$ 2,366,303</u>

The accompanying notes are an integral part of these condensed consolidated financial statements.

TRUMP HOTELS & CASINO RESORTS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 1998 AND 1999
(unaudited)

(dollars in thousands, except share data)

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	1998	1999	1998	1999
REVENUE:				
Gaming	\$ 364,172	\$ 350,308	\$ 971,945	\$ 972,529
Rooms	26,841	28,569	70,930	72,262
Food and Beverage	40,927	40,429	110,443	109,523
Other	<u>13,132</u>	<u>30,902</u>	<u>33,556</u>	<u>51,442</u>
Gross Revenues	445,072	450,208	1,186,874	1,205,756
Less - Promotional allowances	<u>47,685</u>	<u>47,136</u>	<u>128,578</u>	<u>125,522</u>
Net Revenues	<u>397,387</u>	<u>403,072</u>	<u>1,058,296</u>	<u>1,080,234</u>
COSTS AND EXPENSES:				
Gaming	220,846	210,945	607,901	598,238
Rooms	8,470	8,930	23,739	26,177
Food and Beverage	13,989	14,901	38,199	40,175
General and Administrative	70,536	70,213	200,548	209,212
Depreciation and Amortization	21,058	21,041	62,657	63,367
Trump World's Fair Closing Costs	-	<u>128,375</u>	-	<u>128,375</u>
	<u>334,899</u>	<u>454,405</u>	<u>933,044</u>	<u>1,065,544</u>
Income (loss) from operations	<u>62,488</u>	<u>(51,333)</u>	<u>125,252</u>	<u>14,690</u>
NON-OPERATING INCOME AND (EXPENSES):				
Interest income	2,019	1,833	7,166	5,143
Interest expense	(55,390)	(55,876)	(166,679)	(166,781)
Other non-operating expense	-	<u>(259)</u>	<u>(286)</u>	<u>(1,719)</u>
	<u>(53,371)</u>	<u>(54,302)</u>	<u>(159,799)</u>	<u>(163,357)</u>
Income (Loss) before equity in loss of Buffington Harbor, L.L.C., minority interest, and cumulative effect of change in accounting principle	9,117	(105,635)	(34,547)	(148,667)
Equity in loss of Buffington Harbor, L.L.C.	<u>(742)</u>	<u>(734)</u>	<u>(2,225)</u>	<u>(2,246)</u>
Income (Loss) before minority interest and cumulative effect of change in accounting principle	8,375	(106,369)	(36,772)	(150,913)
Minority Interest	<u>(3,063)</u>	<u>38,899</u>	<u>13,434</u>	<u>55,189</u>
Income (Loss) before cumulative effect of change in accounting principle	5,312	(67,470)	(23,338)	(95,724)
Cumulative effect of change in accounting principle (\$5,620), net of minority interest (\$2,055) ..	-	-	-	<u>(3,565)</u>
NET INCOME (LOSS)	<u>\$ 5,312</u>	<u>\$ (67,470)</u>	<u>\$ (23,338)</u>	<u>\$ (99,289)</u>
Basic and diluted earnings (loss) per share before cumulative effect of change in accounting principle	\$.24	\$ (3.04)	\$ (1.05)	\$ (4.31)
Cumulative effect of change in accounting principle	-	-	-	<u>(.16)</u>
Basic and diluted earnings (loss) per share ...	<u>\$.24</u>	<u>\$ (3.04)</u>	<u>\$ (1.05)</u>	<u>\$ (4.47)</u>
Average number of shares outstanding	<u>22,195,256</u>	<u>22,195,256</u>	<u>22,206,428</u>	<u>22,195,256</u>

The accompanying notes are an integral part of these condensed consolidated financial statements.

TRUMP HOTELS & CASINO RESORTS, INC.
CONDENSED CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 1999
(unaudited)
(dollars in thousands)

	<u>Number of Shares</u>		<u>Common</u>	<u>Additional</u>	<u>Accumulated</u>	<u>Treasury</u>	<u>Total</u>
	<u>Common</u>	<u>Class B</u>					
Balance, December 31, 1998 .	24,206,756	1,000	\$242	\$455,645	\$(149,444)	\$(19,535)	\$286,908
Net Loss	_____	_____	_____	_____	(99,289)	_____	(99,289)
Balance, September 30, 1999 .	<u>24,206,756</u>	<u>1,000</u>	<u>\$242</u>	<u>\$455,645</u>	<u>\$(248,733)</u>	<u>\$(19,535)</u>	<u>\$187,619</u>

The accompanying notes are an integral part of this condensed consolidated financial statement.

TRUMP HOTELS & CASINO RESORTS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 1998 AND 1999
(unaudited)
(dollars in thousands)

	1998	1999
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net Loss	\$(23,338)	\$ (99,289)
Adjustments to reconcile net loss to net cash flows from operating activities:		
Cumulative effect of change in accounting principle	-	3,565
Issuance of debt in exchange for accrued interest	5,612	6,418
Interest income - Castle PIK Notes	(7,809)	(8,930)
Equity in loss of Buffington Harbor, L.L.C.	2,225	2,246
Depreciation and amortization	62,657	63,367
Minority interest in net loss	(13,434)	(55,189)
Accretion of discounts on mortgage notes	3,343	3,738
Amortization of deferred loan costs	5,997	5,398
Provision for losses on receivables	10,510	10,581
Valuation allowance of CRDA investments and amortization of Indiana gaming costs	6,463	7,050
Gain on disposition of property	-	(385)
Gain on property received upon termination of lease	-	(17,200)
Write-off of net book value of Trump World's Fair assets	-	97,682
(Increase) decrease in receivables	(14,022)	211
Increase in inventories	(453)	(44)
(Increase) decrease in other current assets	(5,601)	663
Decrease in due from affiliates	552	355
Increase in other assets	(9,997)	(174)
Increase in accounts payable and accrued expenses	9,967	24,192
Increase in accrued interest payable	52,622	50,937
(Decrease) increase in other long-term liabilities	(366)	3,364
Net cash flows provided by operating activities	<u>84,928</u>	<u>98,556</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Acquisition of property and equipment, net of property received on lease termination	(25,772)	(18,669)
Proceeds from disposition of property	-	4,502
Investment in Buffington Harbor, L.L.C.	88	(335)
CRDA Investments	(10,272)	(10,524)
Restricted cash	6,013	2,523
Net cash flows used in investing activities	<u>(29,943)</u>	<u>(22,503)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Purchase of treasury stock	(2,259)	-
Issuance of long-term debt	68,164	-
Payment of long-term debt	(72,992)	(11,199)
Cost of issuing debt	(628)	-
Net cash flows used in financing activities	<u>(7,715)</u>	<u>(11,199)</u>
Net increase in cash and cash equivalents	47,270	64,854
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	<u>140,328</u>	<u>114,757</u>
CASH AND CASH EQUIVALENTS AT END OF PERIOD	<u>\$187,598</u>	<u>\$ 179,611</u>
CASH INTEREST PAID	<u>\$104,710</u>	<u>\$ 106,138</u>
Supplemental Disclosure of Non-Cash Activities:		
Purchase of property and equipment under capital lease obligations	<u>\$ 2,192</u>	<u>\$ 12,677</u>

The accompanying notes are an integral part of these condensed consolidated financial statements.

TRUMP HOTELS & CASINO RESORTS HOLDINGS, L. P.
CONDENSED CONSOLIDATED BALANCE SHEETS
(dollars in thousands)

ASSETS	December 31, 1998	September 30, 1999 (unaudited)
CURRENT ASSETS:		
Cash and cash equivalents	\$ 114,753	\$ 179,607
Receivables, net	70,951	60,159
Inventories	12,804	12,848
Due from affiliates, net	12,774	24,230
Prepaid expenses and other current assets	<u>18,679</u>	<u>12,942</u>
Total Current Assets	229,961	289,786
INVESTMENT IN BUFFINGTON HARBOR, L.L.C.	40,765	38,854
INVESTMENT IN TRUMP'S CASTLE PIK NOTES	64,137	73,067
PROPERTY AND EQUIPMENT, NET	1,977,609	1,865,236
CASH RESTRICTED FOR FUTURE CONSTRUCTION	2,523	-
DEFERRED BOND AND LOAN ISSUANCE COSTS, NET	37,978	32,579
DUE FROM AFFILIATES	15,766	3,955
OTHER ASSETS	<u>59,721</u>	<u>62,822</u>
Total Assets	<u>\$ 2,428,460</u>	<u>\$ 2,366,299</u>
LIABILITIES AND PARTNERS' CAPITAL		
CURRENT LIABILITIES:		
Current maturities of long-term debt	\$ 10,504	\$ 14,346
Accounts payable and accrued expenses	118,597	143,480
Accrued interest payable	<u>30,379</u>	<u>81,316</u>
Total Current Liabilities	159,480	239,142
LONG-TERM DEBT, net of current maturities	1,838,492	1,847,062
OTHER LONG-TERM LIABILITIES	<u>18,044</u>	<u>24,184</u>
Total Liabilities	<u>2,016,016</u>	<u>2,110,388</u>
PARTNERS' CAPITAL:		
Partners' capital	652,503	652,503
Accumulated deficit	(220,524)	(377,057)
Less cost of stock of THCR	<u>(19,535)</u>	<u>(19,535)</u>
Total Partners' Capital	<u>412,444</u>	<u>255,911</u>
Total Liabilities and Partners' Capital	<u>\$ 2,428,460</u>	<u>\$ 2,366,299</u>

The accompanying notes are an integral part of these condensed consolidated financial statements.

TRUMP HOTELS & CASINO RESORTS HOLDINGS, L.P.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 1998 AND 1999
(unaudited)
(dollars in thousands)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	1998	1999	1998	1999
REVENUES:				
Gaming	\$ 364,172	\$ 350,308	\$ 971,945	\$ 972,529
Rooms	26,841	28,569	70,930	72,262
Food and Beverage	40,927	40,429	110,443	109,523
Other	13,132	30,902	33,556	51,442
Gross Revenues	445,072	450,208	1,186,874	1,205,756
Less – Promotional allowances	47,685	47,136	128,578	125,522
Net Revenues	<u>397,387</u>	<u>403,072</u>	<u>1,058,296</u>	<u>1,080,234</u>
COSTS AND EXPENSES:				
Gaming	220,846	210,945	607,901	598,238
Rooms	8,470	8,930	23,739	26,177
Food and Beverage	13,989	14,901	38,199	40,175
General and Administrative	70,536	70,213	200,548	209,212
Depreciation and Amortization	21,058	21,041	62,657	63,367
Trump World's Fair Closing Costs	-	128,375	-	128,375
	<u>334,899</u>	<u>454,405</u>	<u>933,044</u>	<u>1,065,544</u>
Income (loss) from operations	<u>62,488</u>	<u>(51,333)</u>	<u>125,252</u>	<u>14,690</u>
NON-OPERATING INCOME AND (EXPENSES):				
Interest income	2,019	1,833	7,166	5,143
Interest expense	(55,390)	(55,876)	(166,679)	(166,781)
Other non-operating expense	-	(259)	(286)	(1,719)
	<u>(53,371)</u>	<u>(54,302)</u>	<u>(159,799)</u>	<u>(163,357)</u>
Income (Loss) before equity in loss of Buffington Harbor, L.L.C., and cumulative effect of change in accounting principle	9,117	(105,635)	(34,547)	(148,667)
Equity in loss of Buffington Harbor, L.L.C.	(742)	(734)	(2,225)	(2,246)
Income (Loss) before cumulative effect of change in accounting principle	8,375	(106,369)	(36,772)	(150,913)
Cumulative effect of change in accounting principle	-	-	-	(5,620)
NET INCOME (LOSS)	<u>\$ 8,375</u>	<u>\$ (106,369)</u>	<u>\$ (36,772)</u>	<u>\$ (156,533)</u>

The accompanying notes are an integral part of these condensed consolidated financial statements.

TRUMP HOTELS & CASINO RESORTS HOLDINGS, L.P.
CONDENSED CONSOLIDATED STATEMENT OF PARTNERS' CAPITAL
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 1999
(unaudited)
(dollars in thousands)

	<u>Partners'</u> <u>Capital</u>	<u>Accumulated</u> <u>Deficit</u>	<u>THCR</u> <u>Common Stock</u>	<u>Total</u>
Balance, December 31, 1998	\$652,503	\$(220,524)	\$(19,535)	\$412,444
Net Loss	_____	<u>(156,533)</u>	_____	<u>(156,533)</u>
Balance, September 30, 1999	<u>\$652,503</u>	<u>\$(377,057)</u>	<u>\$(19,535)</u>	<u>\$255,911</u>

The accompanying notes are an integral part of this condensed consolidated financial statement.

TRUMP HOTELS & CASINO RESORTS HOLDINGS, L.P.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 1998 AND 1999
(unaudited)
(dollars in thousands)

	<u>1998</u>	<u>1999</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net Loss	\$(36,772)	\$ (156,533)
Adjustments to reconcile net loss to net cash flows from operating activities:		
Cumulative effect of change in accounting principle	-	5,620
Issuance of debt in exchange for accrued interest	5,612	6,418
Interest income - Castle PIK Notes	(7,809)	(8,930)
Equity in loss of Buffington Harbor, L.L.C.	2,225	2,246
Depreciation and amortization	62,657	63,367
Accretion of discounts on mortgage notes	3,343	3,738
Amortization of deferred loan costs	5,997	5,398
Provision for losses on receivables	10,510	10,581
Valuation allowance of CRDA investments and amortization of Indiana gaming costs	6,463	7,050
Gain on disposition of property	-	(385)
Gain on property received upon termination of lease	-	(17,200)
Write-off of net book value of Trump World's Fair assets	-	97,682
(Increase) decrease in receivables	(14,022)	211
Increase in inventories	(453)	(44)
(Increase) decrease in other current assets	(5,601)	663
Decrease in due from affiliates	552	355
Increase in other assets	(9,997)	(174)
Increase in accounts payable and accrued expenses	9,967	24,192
Increase in accrued interest payable	52,622	50,937
(Decrease) increase in other long-term liabilities	(366)	3,364
Net cash flows provided by operating activities	<u>84,928</u>	<u>98,556</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Acquisition of property and equipment, net of property received on lease termination	(25,772)	(18,669)
Proceeds from disposition of property	-	4,502
Investment in Buffington Harbor, L.L.C.	88	(335)
CRDA Investments	(10,272)	(10,524)
Restricted cash	6,013	2,523
Net cash flows used in investing activities	<u>(29,943)</u>	<u>(22,503)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Purchase of treasury stock	(2,259)	-
Issuance of long-term debt	68,164	-
Payment of long-term debt	(72,992)	(11,199)
Cost of issuing debt	(628)	-
Net cash flows used in financing activities	<u>(7,715)</u>	<u>(11,199)</u>
Net increase in cash and cash equivalents	47,270	64,854
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	<u>140,324</u>	<u>114,753</u>
CASH AND CASH EQUIVALENTS AT END OF PERIOD	<u>\$187,594</u>	<u>\$ 179,607</u>
CASH INTEREST PAID	<u>\$104,710</u>	<u>\$ 106,138</u>
Supplemental Disclosure of Non-Cash Activities:		
Purchase of property and equipment under capital lease obligations	<u>\$ 2,192</u>	<u>\$ 12,677</u>

The accompanying notes are an integral part of these condensed consolidated financial statements.

TRUMP HOTELS & CASINO RESORTS, INC.,
TRUMP HOTELS & CASINO RESORTS HOLDINGS, L.P.
AND
TRUMP HOTELS & CASINO RESORTS FUNDING, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(unaudited)

(1) Organization and Operations

The accompanying condensed consolidated financial statements include those of Trump Hotels & Casino Resorts, Inc. ("THCR"), a Delaware corporation, and Trump Hotels & Casino Resorts Holdings, L.P. ("THCR Holdings"), a Delaware limited partnership, and its wholly owned subsidiaries. THCR Holdings is currently owned approximately 63.4% by THCR, as both a general and limited partner, and approximately 36.6% by Donald J. Trump ("Trump"), as a limited partner. Trump's limited partnership interest in THCR Holdings represents his economic interests in the assets and operations of THCR Holdings. Such limited partnership interest is convertible at Trump's option into 13,918,723 shares of THCR's common stock (the "THCR Common Stock") (subject to certain adjustments), representing approximately 38.5% of the outstanding shares of THCR Common Stock. Accordingly, the accompanying condensed consolidated financial statements include those of (i) THCR and its 63.4% owned subsidiary, THCR Holdings, and (ii) THCR Holdings and its wholly owned subsidiaries.

All significant intercompany balances and transactions have been eliminated in the accompanying condensed consolidated financial statements.

The accompanying condensed consolidated financial statements have been prepared without audit. In the opinion of management, all adjustments, consisting of only normal recurring adjustments necessary to present fairly the financial position, the results of operations and cash flows for the periods presented, have been made.

The accompanying condensed consolidated financial statements have been prepared pursuant to the rules and regulations of the Securities and Exchange Commission ("SEC"). 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 condensed consolidated financial statements should be read in conjunction with the consolidated financial statements and notes thereto included in the annual report on Form 10-K for the year ended December 31, 1998 filed with the SEC.

The casino industry in Atlantic City is seasonal in nature; accordingly, results of operations for the three and nine month periods ended September 30, 1999 are not necessarily indicative of the operating results for a full year.

THCR and THCR Holdings commenced operations on June 12, 1995. THCR, THCR Holdings and Trump Hotels & Casino Resorts Funding, Inc. ("THCR Funding") have no operations and their ability to service their debt is dependent on the successful operations of their wholly owned subsidiaries: Trump Atlantic City Associates ("Trump AC"), which owns Trump Taj Mahal Associates ("Taj Associates") and Trump Plaza Associates ("Plaza Associates"); Trump Indiana, Inc. ("Trump Indiana") and Trump's Castle Associates, L.P. ("Castle Associates"), which operates the Trump Marina Hotel Casino ("Trump Marina"). THCR, through THCR Holdings and its subsidiaries, is the exclusive vehicle through which Trump engages in new gaming activities in emerging or established gaming jurisdictions.

Basic and Diluted Earnings (Loss) Per Share

Basic earnings (loss) per share is based on the weighted average number of shares of THCR Common Stock outstanding. Diluted earnings (loss) per share are the same as basic earnings (loss) per share as common stock equivalents have not been included as they would be anti-dilutive. The shares of THCR's Class B Common Stock owned by Trump have no economic interest and therefore are not considered in the calculation of weighted average shares outstanding.

Reclassifications

Certain reclassifications have been made to prior year financial statements to conform to the current year presentation.

**TRUMP HOTELS & CASINO RESORTS, INC.,
TRUMP HOTELS & CASINO RESORTS HOLDINGS, L.P.
AND
TRUMP HOTELS & CASINO RESORTS FUNDING, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(unaudited)**

(2) Financial Information

Financial information relating to THCR Funding is as follows:

	<u>December 31, 1998</u>	<u>September 30, 1999</u> (unaudited)
Total Assets (including THCR Holdings' 15½% Senior Secured Notes due 2005 ("the Senior Notes") receivable of \$145,000,000 and accrued interest at December 31, 1998 and September 30, 1999)	<u>\$145,936,000</u>	<u>\$151,555,000</u>
Total Liabilities and Capital (including \$145,000,000 of Senior Notes and accrued interest payable)	<u>\$145,936,000</u>	<u>\$151,555,000</u>
	<u>Nine Months Ended September 30, 1998</u>	<u>1999</u>
Interest Income from THCR Holdings	\$ 16,856,000	\$16,856,000
Interest Expense	<u>\$ 16,856,000</u>	<u>\$16,856,000</u>
Net Income	<u>\$ -</u>	<u>\$ -</u>

(3) Other Assets

Plaza Associates is appealing a real estate tax assessment by the City of Atlantic City. Included in other assets is \$7,264,000 which Plaza Associates estimates will be recoverable on the settlement of the appeal.

(4) Change in Accounting Policy

On April 9, 1998, the American Institute of Certified Public Accountants ("AICPA") issued Statement of Position ("SOP") 98-5 "Reporting on the Costs of Start-Up Activities". The new standard amended previous guidance from the AICPA that permitted capitalization of start-up costs in certain industries and requires that all nongovernmental entities expense the costs of start-up activities as those costs are incurred. Under the SOP, the term "start-up" has been broadly defined to include pre-operating, pre-opening and organization activities. At adoption, a company must record a cumulative effect of a change in accounting principle to write off any unamortized start-up costs that existed as of the beginning of the fiscal year in which the SOP is adopted and an operating expense for those costs which were incurred since the beginning of the fiscal year and adoption of the SOP.

THCR adopted the new standard in the first quarter of 1999. Had THCR adopted the new standard as of September 30, 1998, the net loss of \$23,338,000 for the nine months ended September 30, 1998 would have increased by \$1,091,000 for the effect of the write-off of nine months capitalized costs. The corresponding earnings per share effect would increase the net loss per share as reported of \$1.05 by \$.05 for the write-off of nine months capitalized costs to an adjusted loss per share of \$1.10 for the nine months ended September 30, 1998.

TRUMP HOTELS & CASINO RESORTS, INC.,
TRUMP HOTELS & CASINO RESORTS HOLDINGS, L.P.
AND
TRUMP HOTELS & CASINO RESORTS FUNDING, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(unaudited)

(5) Flamingo Hilton Riverboat Casino, L.P. ("Flamingo - Kansas City")

The January 13, 1999 agreement entered into by THCR Holdings with Hilton Hotels Corporation and Flamingo-Kansas City to acquire a riverboat casino facility and related assets and rights located in Kansas City, Missouri expired in accordance with its terms on August 31, 1999.

(6) All Star Cafe Transaction

All Star Cafe, Inc. ("All Star") had entered into a twenty-year lease (the "All Star Cafe Lease") with Taj Associates for the lease of space at the Trump Taj Mahal Casino Resort ("the Taj Mahal") for an All Star Cafe. The basic rent under the All Star Cafe Lease was \$1.0 million per year, paid in equal monthly installments. In addition, All Star was to pay percentage rent in an amount equal to the difference, if any, between (i) 8% of All Star's gross sales made during each calendar month during the first lease year, 9% of All Star's gross sales made during each calendar month during the second lease year and 10% of All Star's gross sales made during each calendar month during the third through the twentieth lease years, and (ii) one-twelfth of the annual basic rent. The All Star Cafe opened in March 1997.

On September 15, 1999, an agreement was reached between Taj Associates, All Star and Planet Hollywood International, Inc. to terminate the All Star Cafe Lease effective September 24, 1999. Upon termination of the All Star Cafe Lease, all improvements, alterations and All Star's personal property with the exception of Specialty Trade Fixtures became the property of Taj Associates. Specialty Trade Fixtures, which included signs, emblems, logos, memorabilia and other material with logos of the Official All Star Cafe presently displayed at the premises, could be continued to be used by Taj Associates for a period of up to 120 days without charge. Taj Associates recorded the estimated fair market value of these assets in other revenue based on an independent appraisal in the amount of \$17,200,000.

Subsequent to the expiration of the 120 day period, Taj Associates intends to continue operating the facility as a theme restaurant tentatively to be named Trump City Cafe.

(7) Trump World's Fair Closing

On October 4, 1999, THCR closed Trump World's Fair. The estimated cost of closing Trump World's Fair is \$128,375,000 which includes \$97,682,000 for the writedown of the assets and \$30,693,000 of costs incurred and to be incurred in connection with the closing and demolition of the building.

(8) Sale of Assets

THCR is continuing its efforts to sell one or more of its properties with the intention of reducing THCR Holdings' indebtedness. Currently, THCR is in discussions with potential buyers. There can be no assurance that any transaction will be completed.

(9) Purchase of Treasury Stock

THCR has decided to extend its stock repurchase program until the end of 2000 when and to the extent permissible.

ITEM 2—MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Capital Resources and Liquidity

Cash flows from operating activities are THCR's principal source of liquidity. THCR expects to have sufficient liquidity to meet its obligations and intends to reduce debt by buying back bonds in the open market, when permissible. Cash flow is managed based upon the seasonality of the operations. Any excess cash flow achieved from operations during peak periods is utilized to subsidize non-peak periods where necessary.

THCR is continuing its efforts to sell one or more of its properties with the intention of reducing THCR Holdings' indebtedness. Currently, THCR is in discussions with potential buyers. There can be no assurance that any transaction will be completed.

THCR has decided to extend its stock repurchase program until the end of 2000 when and to the extent permissible.

The indenture governing the Senior Notes (the "Senior Note Indenture") as well as indentures of THCR Holdings' subsidiaries restrict the ability of THCR Holdings and its subsidiaries to make distributions to partners or pay dividends, as the case may be, unless certain financial ratios are achieved. Further, THCR's future operating results are conditional and could fluctuate, given the rapidly changing competitive environment.

In addition, the ability of Plaza Associates, Taj Associates and Castle Associates to make payments of dividends or distributions to THCR Holdings may be restricted by the New Jersey Casino Control Commission ("CCC"). Similarly, the ability of Trump Indiana to make payments of dividends or distributions to THCR Holdings may be restricted by the Indiana Gaming Commission.

Capital expenditures for THCR were \$25,772,000 and \$18,669,000 for the nine months ended September 30, 1998 and 1999, respectively.

Year 2000

THCR has assessed the Year 2000 issue and has implemented a plan to ensure its systems are Year 2000 compliant. Analysis has been made of THCR's various customer support and internal administration systems and appropriate modifications have been made or are underway. Testing the modifications is expected to be completed during 1999. THCR is approximately 98% complete in its modifications.

THCR believes that the issues of concern are predominantly software related as opposed to hardware related. Further, THCR relies upon third party suppliers for support of property, plant and equipment, such as communications equipment, elevators and fire safety systems. Contact has been made with all significant system suppliers and THCR is at various stages of implementation. When necessary, contracts have been issued to update these systems so as to ensure Year 2000 compliance. The cost of addressing the Year 2000 issue is not expected to be material as modifications are being made with existing systems personnel and no significant expenditures for new hardware or software are expected.

If THCR did not assess the Year 2000 issue and provide for its compliance, it would be forced to convert to manual systems to carry on its business. Since THCR expects to be fully Year 2000 compliant, it does not feel that a contingency plan is necessary at this time. However, THCR will continually assess the situation and evaluate whether a contingency plan is necessary as the millennium approaches.

This Year 2000 disclosure constitutes Year 2000 readiness disclosure within the meaning of the Year 2000 Information and Readiness Disclosure Act.

Results of Operations: Operating Revenues and Expenses

All business activities of THCR and THCR Holdings are conducted by Plaza Associates, Taj Associates, Trump Marina and Trump Indiana.

Comparison of Three-Month Periods Ended September 30, 1998 and 1999. The following tables include selected data of Plaza Associates, Taj Associates, Trump Indiana and Trump Marina.

	Three Months Ended September 30, 1998				
	Plaza Associates	Taj Associates	Trump Indiana	Trump Marina	THCR Consolidated
	(dollars in millions)				
Table Game Revenues	\$ 27.9	\$ 60.1	\$ 8.5	\$ 20.8	\$ 117.3
Table Game Drop	\$ 177.9	\$ 328.5	\$ 54.9	\$ 132.7	\$ 694.0
Table Win Percentage	15.7%	18.3%	15.4%	15.7%	16.9%
Number of Table Games	101	156	60	91	408
Slot Revenues	\$ 75.8	\$ 82.5	\$ 29.7	\$ 52.5	\$ 240.5
Slot Handle	\$ 929.4	\$ 1,011.6	\$ 457.3	\$ 650.0	\$ 3,048.3
Slot Win Percentage	8.2%	8.2%	6.5%	8.1%	7.9%
Number of Slot Machines	4,204	4,136	1,375	2,170	11,885
Other Gaming Revenues	N/A	\$ 5.4	N/A	\$ 1.0	\$ 6.4
Total Gaming Revenues	\$ 103.7	\$ 148.0	\$ 38.2	\$ 74.3	\$ 364.2

	Three Months Ended September 30, 1999				
	Plaza Associates	Taj Associates	Trump Indiana	Trump Marina	THCR Consolidated
	(dollars in millions)				
Table Game Revenues	\$ 31.2	\$ 40.8	\$ 6.9	\$ 20.4	\$ 99.3
Incr (Decr) over prior period	\$ 3.3	\$ (19.3)	\$ (1.6)	\$ (0.4)	\$ (18.0)
Table Game Drop	\$ 177.7	\$ 283.2	\$ 42.5	\$ 134.8	\$ 638.2
Incr (Decr) over prior period	\$ (0.2)	\$ (45.3)	\$ (12.4)	\$ 2.1	\$ (55.8)
Table Win Percentage	17.6%	14.4%	16.1%	15.1%	15.6%
Incr (Decr) over prior period	1.9 pts.	(3.9) pts.	0.7 pts.	(0.6) pts.	(1.3) pts.
Number of Table Games	94	149	50	85	378
Decrease over prior period	(7)	(7)	(10)	(6)	(30)
Slot Revenues	\$ 73.7	\$ 89.6	\$ 26.8	\$ 54.3	\$ 244.4
Incr (Decr) over prior period	\$ (2.1)	\$ 7.1	\$ (2.9)	\$ 1.8	\$ 3.9
Slot Handle	\$ 923.7	\$ 1,106.8	\$ 397.0	\$ 700.3	\$ 3,127.8
Incr (Decr) over prior period	\$ (5.7)	\$ 95.2	\$ (60.3)	\$ 50.3	\$ 79.5
Slot Win Percentage	8.0%	8.1%	6.7%	7.8%	7.8%
Incr (Decr) over prior period	(0.2) pts.	(0.1) pts.	0.2 pts.	(0.3) pts.	(0.1) pts.
Number of Slot Machines	4,186	4,419	1,300	2,123	12,028
Incr (Decr) over prior period	(18)	283	(75)	(47)	143
Other Gaming Revenues	N/A	\$ 6.0	N/A	\$ 0.6	\$ 6.6
Incr (Decr) over prior period	N/A	\$ 0.6	N/A	\$ (0.4)	\$ 0.2
Total Gaming Revenues	\$ 104.9	\$ 136.4	\$ 33.7	\$ 75.3	\$ 350.3
Incr (Decr) over prior period	\$ 1.2	\$ (11.6)	\$ (4.5)	\$ 1.0	\$ (13.9)

Gaming revenues are the primary source of THCR's revenues. The year over year decrease in gaming revenues was due primarily to a decrease in table game revenues at the Taj Mahal as a result of a decline in high-end international table game players due to economic conditions. Taj Associates' table game revenues declined \$19,252,000 or 32.0% from the comparable period in 1998 as a result of a decline in both the table game drop of \$45,302,000 or 13.8% and a decline in the table win percentage to 14.4% from 18.3% in the comparable period in 1998. The table win percentage decline resulted in a year over year reduction in table game revenues of approximately \$11,043,000 of the \$19,252,000 decline. Table games revenues represent the amount retained by THCR from amounts wagered at table games. The table win percentage tends to be fairly constant over the long term, but may vary significantly in the short term, due to large wagers by "high rollers". The Atlantic City industry table win percentages were 15.5% and 14.9% for the quarters ended September 30, 1998 and 1999, respectively.

All Star Cafe, Inc. ("All Star") had entered into a twenty-year lease with Taj Associates for the lease of space at the Taj Mahal for an All Star Cafe. The basic rent under the All Star Cafe Lease was \$1.0 million per year, paid in equal monthly installments. In addition, All Star was to pay percentage rent in an amount equal to the difference, if any, between (i) 8% of All Star's gross sales made during each calendar month during the first lease year, 9% of All Star's gross sales made during each calendar month during the second lease year and 10% of All Star's gross sales made during each calendar month during the third through the twentieth lease years, and (ii) one-twelfth of the annual basic rent. The All Star Cafe opened in March 1997.

On September 15, 1999, an agreement was reached between Taj Associates, All Star and Planet Hollywood International, Inc. to terminate the All Star Cafe Lease effective September 24, 1999. Upon termination of the All Star Cafe Lease all improvements, alterations and All Star's personal property with the exception of Specialty Trade Fixtures became the property of Taj Associates. Specialty Trade Fixtures, which included signs, emblems, logos, memorabilia and other material with logos of the Official All Star Cafe presently displayed at the premises, could be continued to be used by Taj Associates for a period of up to 120 days without charge. Taj Associates recorded the estimated fair market value of these assets in other revenue based on an independent appraisal in the amount of \$17,200,000.

Subsequent to the expiration of the 120 day period, Taj Associates intends to continue operating the facility as a theme restaurant tentatively to be named Trump City Cafe.

Gaming expenses were \$210,945,000 for the three months ended September 30, 1999, a decrease of \$9,901,000 or 4.5% from \$220,846,000 for the comparable period in 1998. This decrease is primarily the result of lower coin, promotional and regulatory costs.

On October 4, 1999, THCR closed Trump World's Fair. The estimated cost of closing Trump World's Fair is \$128,375,000 which includes \$97,682,000 for the writedown of the assets and \$30,693,000 of costs incurred and to be incurred in connection with the closing and demolition of the building.

Comparison of Nine-Month Periods Ended September 30, 1998 and 1999. The following tables include selected data of Plaza Associates, Taj Associates, Trump Indiana and Trump Marina.

	Nine Months Ended September 30, 1998				
	Plaza Associates	Taj Associates	Trump Indiana	Trump Marina	THCR Consolidated
	(dollars in millions)				
Table Game Revenues	\$ 76.3	\$ 149.3	\$ 25.7	\$ 53.6	\$ 304.9
Table Game Drop	\$ 485.6	\$ 903.0	\$ 161.9	\$ 345.3	\$ 1,895.8
Table Win Percentage	15.7%	16.5%	15.9%	15.5%	16.1%
Number of Table Games	110	155	60	92	417
Slot Revenues	\$ 207.6	\$ 224.5	\$ 75.6	\$ 142.9	\$ 650.6
Slot Handle	\$ 2,562.3	\$ 2,742.6	\$ 1,186.1	\$ 1,763.5	\$ 8,254.5
Slot Win Percentage	8.1%	8.2%	6.4%	8.1%	7.9%
Number of Slot Machines	4,124	4,137	1,375	2,163	11,799
Other Gaming Revenues	N/A	\$ 14.6	N/A	\$ 1.8	\$ 16.4
Total Gaming Revenues	\$ 283.9	\$ 388.4	\$ 101.3	\$ 198.3	\$ 971.9

	Nine Months Ended September 30, 1999				
	Plaza Associates	Taj Associates	Trump Indiana	Trump Marina	THCR Consolidated
	(dollars in millions)				
Table Game Revenues	\$ 76.0	\$ 124.4	\$ 23.3	\$ 55.4	\$ 279.1
Incr (Decr) over prior period	\$ (0.3)	\$ (24.9)	\$ (2.4)	\$ 1.8	\$ (25.8)
Table Game Drop	\$ 471.7	\$ 787.4	\$ 140.7	\$ 362.1	\$ 1,761.9
Incr (Decr) over prior period	\$ (13.9)	\$ (115.6)	\$ (21.2)	\$ 16.8	\$ (133.9)
Table Win Percentage	16.1%	15.8%	16.6%	15.3%	15.8%
Incr (Decr) over prior period	0.4 pts.	(0.7) pts.	0.7 pts.	(0.2) pts.	(0.3) pts.
Number of Table Games	99	148	50	87	384
Decrease over prior period	(11)	(7)	(10)	(5)	(33)
Slot Revenues	\$ 205.1	\$ 240.2	\$ 81.5	\$ 148.4	\$ 675.2
Incr (Decr) over prior period	\$ (2.5)	\$ 15.7	\$ 5.9	\$ 5.5	\$ 24.6
Slot Handle	\$ 2,579.1	\$ 3,004.7	\$ 1,256.6	\$ 1,878.9	\$ 8,719.3
Increase over prior period	\$ 16.8	\$ 262.1	\$ 70.5	\$ 115.4	\$ 464.8
Slot Win Percentage	8.0%	8.0%	6.5%	7.9%	7.7%
Incr (Decr) over prior period	(0.1) pts.	(0.2) pts.	0.1 pts.	(0.2) pts.	(0.2) pts.
Number of Slot Machines	4,202	4,278	1,300	2,145	11,925
Incr (Decr) over prior period	78	141	(75)	(18)	126
Other Gaming Revenues	N/A	\$ 16.5	N/A	\$ 1.7	\$ 18.2
Incr (Decr) over prior period	N/A	\$ 1.9	N/A	\$ (0.1)	\$ 1.8
Total Gaming Revenues	\$ 281.1	\$ 381.1	\$ 104.8	\$ 205.5	\$ 972.5
Incr (Decr) over prior period	\$ (2.8)	\$ (7.3)	\$ 3.5	\$ 7.2	\$ 0.6

Gaming revenues are the primary source of THCR's revenues. The year over year decrease in gaming revenues was due primarily to a decrease in table game revenues at the Taj Mahal as a result of a decline in high-end international table game players due to economic conditions and last year results which included an unusual \$8 million dollar table game win from one premium player. Taj Associates' table game revenue declined \$24,899,000 or 16.7% from the comparable period in 1998 as a result of a decline in both the table game drop of \$115,633,000 or 12.8% and a decline in the table win percentage to 15.8% from 16.5% in the comparable period in 1998. The table win percentage decline resulted in a year over year reduction in table game revenues of approximately \$5,512,000 of the \$24,899,000 decline. Table games revenues represent the amount retained by THCR from amounts wagered at table games. The table win percentage tends to be fairly constant over the long term, but may vary significantly in the short term, due to large wagers by "high rollers". The Atlantic City industry table win percentages were 15.3% and 15.4% for the nine months ended September 30, 1998 and 1999, respectively.

All Star Cafe, Inc. ("All Star") had entered into a twenty-year lease with Taj Associates for the lease of space at the Taj Mahal for an All Star Cafe. The basic rent under the All Star Cafe Lease was \$1.0 million per year, paid in equal monthly installments. In addition, All Star was to pay percentage rent in an amount equal to the difference, if any, between (i) 8% of All Star's gross sales made during each calendar month during the first lease year, 9% of All Star's gross sales made during each calendar month during the second lease year and 10% of All Star's gross sales made

during each calendar month during the third through the twentieth lease years, and (ii) one-twelfth of the annual basic rent. The All Star Cafe opened in March 1997.

On September 15, 1999, an agreement was reached between Taj Associates, All Star and Planet Hollywood International, Inc. to terminate the All Star Cafe Lease effective September 24, 1999. Upon termination of the All Star Cafe Lease, all improvements, alterations and All Star's personal property with the exception of Specialty Trade Fixtures became the property of Taj Associates. Specialty Trade Fixtures, which included signs, emblems, logos, memorabilia and other material with logos of the Official All Star Cafe presently displayed at the premises, could be continued to be used by Taj Associates for a period of up to 120 days without charge. Taj Associates recorded the estimated fair market value of these assets in other revenue based on an independent appraisal in the amount of \$17,200,000.

Subsequent to the expiration of the 120 day period, Taj Associates intends to continue operating the facility as a theme restaurant tentatively to be named Trump City Cafe.

Gaming expenses were \$598,238,000 for the nine months ended September 30, 1999, a decrease of \$9,663,000 or 1.6% from \$607,901,000 for the comparable period in 1998. This decrease is primarily due to lower promotional costs in 1999.

General and administrative expenses were \$209,212,000 for the nine months ended September 30, 1999, an increase of \$3,664,000 or 4.3% from \$200,548,000 for the comparable period in 1998. This increase is primarily the result of higher entertainment and insurance costs at the Atlantic City properties and increases in corporate development costs which were deferred prior to 1999.

On October 4, 1999, THCR closed Trump World's Fair. The estimated cost of closing Trump World's Fair is \$128,375,000 which includes \$97,682,000 for the writedown of the assets and \$30,693,000 of costs incurred and to be incurred in connection with the closing and demolition of the building.

Non-operating expense includes the \$1,334,000 jury settlement awarded on March 3, 1999 to residents of Indiana who had asserted claims to ownership of 7.5% of the value of Trump Indiana.

Seasonality

The casino industry in Atlantic City and Indiana is seasonal in nature; accordingly, the results of operations for the three and nine month periods ending September 30, 1999 are not necessarily indicative of the operating results for a full year.

Important Factors Relating to Forward-Looking Statements

The Private Securities Litigation Reform Act of 1995 provides a "safe harbor" for forward-looking statements so long as those statements are identified as forward-looking and are accompanied by meaningful cautionary statements identifying important factors that could cause actual results to differ materially from those projected in such statements. In connection with certain forward-looking statements contained in this Quarterly Report on Form 10-Q and those that may be made in the future by or on behalf of the Registrants, the Registrants note that there are various factors that could cause actual results to differ materially from those set forth in any such forward-looking statements. The forward-looking statements contained in this Quarterly Report were prepared by management and are qualified by, and subject to, significant business, economic, competitive, regulatory and other uncertainties and contingencies, all of which are difficult or impossible to predict and many of which are beyond the control of the Registrants. Accordingly, there can be no assurance that the forward-looking statements contained in this Quarterly Report will be realized or that actual results will not be significantly higher or lower. The statements have not been audited by, examined by, compiled by or subjected to agreed-upon procedures by independent accountants, and no third-party has independently verified or reviewed such statements. Readers of this Quarterly Report should consider these facts in evaluating the information contained herein. In addition, the business and operations of the Registrants are subject to substantial risks which increase the uncertainty inherent in the forward-looking statements contained in this Quarterly Report. The inclusion of the forward-looking statements contained in this Quarterly Report should not be regarded as a representation by the Registrant or any other person that the forward-looking statements contained in the Quarterly Report will be achieved. In light of the foregoing, readers of this Quarterly Report are cautioned not to place undue reliance on the forward-looking statements contained herein.

ITEM 3— QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Management has reviewed the disclosure requirements for Item 3 and, based upon THCR, THCR Funding and THCR Holdings' current capital structure, scope of operations and financial statement structure, management believes that such disclosure is not warranted at this time. Since conditions may change, THCR, THCR Funding and THCR Holdings will periodically review their compliance with this disclosure requirement to the extent applicable.

PART II — OTHER INFORMATION

ITEM 1 — LEGAL PROCEEDINGS

General. THCR and certain of its employees have been involved in various legal proceedings. Such persons are vigorously defending the allegations against them and intend to contest vigorously any future proceedings. In general, THCR has agreed to indemnify such persons against any and all losses, claims, damages, expenses (including reasonable costs, disbursements and counsel fees) and liabilities (including amounts paid or incurred in satisfaction of settlements, judgments, fines and penalties) incurred by them in said legal proceedings.

Steiner Action. On or about July 30, 1999, William K. Steiner, a stockholder of THCR, filed a derivative action in the Court of Chancery in Delaware (Civil Action No. 17336NC) against each member of the Board of Directors of THCR. The plaintiff claims that the directors breached their fiduciary duties by approving certain loans from THCR to Trump. The complaint seeks to rescind the loans, and also seeks an order requiring the defendants to account to THCR for losses and damages allegedly resulting from the loans. The defendants believe that the suit is without merit and on October 1, 1999, defendants moved to dismiss the complaint. The parties have not yet established a briefing schedule with respect to the motions.

Various other legal proceedings are now pending against THCR. Except as set forth herein and in THCR's Annual Report on Form 10-K for the year ended December 31, 1998, THCR considers all such proceedings to be ordinary litigation incident to the character of its business and not material to its business or financial condition. THCR believes that the resolution of these claims, to the extent not covered by insurance, will not, individually or in the aggregate, have a material adverse effect on its financial condition or results of operations of THCR.

From time to time, Plaza Associates, Taj Associates, Castle Associates and Trump Indiana may be involved in routine administrative proceedings involving alleged violations of certain provisions of the New Jersey Casino Control Act (the "Casino Control Act") and the Indiana Riverboat Gambling Act, as the case may be. However, management believes that the final outcome of these proceedings will not, either individually or in the aggregate, have a material adverse effect on THCR or on the ability of Plaza Associates, Taj Associates, Castle Associates or Trump Indiana to otherwise retain or renew any casino or other licenses required under the Casino Control Act or the Indiana Riverboat Gambling Act, as the case may be, for the operation of Trump Plaza, the Trump Taj Mahal, Trump Marina and the Trump Indiana Riverboat, respectively.

ITEM 2 — CHANGES IN SECURITIES AND USE OF PROCEEDS

None.

ITEM 3 — DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4 — SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

At the 1999 Annual Meeting of shareholders on August 27, 1999, the stockholders of THCR voted on the following two proposals:

Proposal 1. The stockholders of THCR re-elected each of the Directors of THCR. The number of votes cast for each of the nominees were as follows:

	Common Stock	
	For	Withheld
Donald J. Trump	33,914,960	715,157
Nicholas L. Ribis	34,129,283	500,834
Wallace B. Askins	34,193,801	436,316
Don M. Thomas	34,191,811	438,306
Peter M. Ryan	34,194,386	435,731

All 1,000 shares of Class B Common Stock were voted in favor of Proposal 1.

Proposal 2. The appointment of Arthur Andersen LLP as the independent public accountants of THCR for the fiscal year ending December 31, 1999 was ratified by a vote of 34,322,114 shares of Common Stock for, and 158,964 shares against, with 149,039 shares abstaining. All 1,000 shares of Class B Common Stock were voted in favor of Proposal 2.

ITEM 5 – OTHER INFORMATION

None.

ITEM 6 – EXHIBITS AND REPORTS ON FORM 8-K

a. Exhibits:

<u>Exhibit No.</u>	<u>Description of Exhibit</u>
27.1(1)	Financial Data Schedule of Trump Hotels & Casino Resorts, Inc.
27.2(2)	Financial Data Schedule of Trump Hotels & Casino Resorts Holdings, L.P.
27.3(2)	Financial Data Schedule of Trump Hotels & Casino Resorts Funding, Inc.

- (1) Filed only with the Quarterly Report on Form 10-Q of THCR for the quarter ended September 30, 1999.
- (2) Filed only with the Quarterly Report on Form 10-Q of THCR Holdings and THCR Funding for the quarter ended September 30, 1999.

b. Current Reports on Form 8-K:

The Registrants did not file any Current Reports on Form 8-K during the period beginning July 1, 1999 ending September 30, 1999.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

TRUMP HOTELS & CASINO RESORTS, INC.
(Registrant)

Date: November 4, 1999

By: /s/ FRANCIS X. MCCARTHY, JR.
Francis X. McCarthy, Jr.
Executive Vice President of Finance and
Chief Financial Officer
(Duly Authorized Officer and Principal
Financial Officer)

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

TRUMP HOTELS & CASINO RESORTS HOLDINGS, L.P.
(Registrant)

Date: November 4, 1999

By: **TRUMP HOTELS & CASINO RESORTS, INC.,**
its general partner

By: /s/ FRANCIS X. MCCARTHY, JR.
Francis X. McCarthy, Jr.
Executive Vice President of Finance and
Chief Financial Officer
(Duly Authorized Officer and
Principal Financial Officer)

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

TRUMP HOTELS & CASINO RESORTS FUNDING, INC.
(Registrant)

Date: November 4, 1999

By/s/ FRANCIS X. MCCARTHY, JR.
Francis X. McCarthy, Jr.
Executive Vice President of Finance and
Chief Financial Officer
(Duly Authorized Officer and Principal
Financial Officer)

36TH STORY of Level 1 printed in FULL format.

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May 10, 1999, Monday

SECTION: Financial News

DISTRIBUTION: TO BUSINESS EDITOR

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HEADLINE: Mirage Resorts Announces Strong Increases in First Quarter Revenues and Income Due to Success of New Resorts;
Bellagio Has Highest Quarterly Revenues in Nevada History

DATELINE: LAS VEGAS, May 10

BODY:

Mirage Resorts (NYSE: MIR) announced today first quarter earnings of \$0.28 per share before charges associated with preopening and related promotional costs, an increase of 27% over the \$0.22 per share earned before an extraordinary loss in the prior-year period. Total revenues rose 73%, while operating cash flow (EBDIT) increased 70%.

According to the latest statistics available from the Nevada State Gaming Control Board, gaming revenues on the Las Vegas Strip increased 21% in the first two months of the quarter. The company's casinos located on the Strip accounted for 58% of such growth. On an overall basis, the company's gaming revenues increased by 64% in the first quarter while its gross non-casino revenues increased 82%.

The growth in revenues and operating profit was attributable primarily to the company's Bellagio resort, which opened on October 15, 1998 and generated \$282 million of total revenues in the first quarter. Mirage Resorts believes this to be the highest quarterly revenues of any casino in Nevada history. Its non-casino revenues in the quarter of \$145 million are thought to be the highest such revenues of any resort in history. The company's Beau Rivage resort on the Mississippi Gulf Coast also opened successfully on March 16, 1999 and contributed to the increase in revenues for the quarter.

Results were also strong at the company's other resorts. The operating income of such resorts on a combined basis, excluding the new properties, increased by 2% in the face of the new competition and despite an ongoing room refurbishment program at the company's Treasure Island resort. Hotel occupancy of standard rooms at such resorts increased slightly, from 98.1% to 98.4%, and their average room rate increased by 4%.

On a company-wide basis, occupancy of standard guestrooms was 98.1% in both periods. The average rate for standard guestrooms increased from \$89 to \$110, with Bellagio's higher room rates accounting for most of this increase.

The company-wide table games win percentage was 20.2%, versus

expense	(0.11)	--
Extraordinary loss on early retirement of debt	--	(0.02)
Cumulative effect (to January 1, 1999) of change in method of accounting for preopening costs	(0.16)	--
Net income per share	\$0.01	\$0.20

Common and common equivalent shares (In thousands)

Weighted-average common shares outstanding (used in the calculation of basic earnings per share)	180,527	179,443
Potential dilution from the assumed exercise of common stock options	10,920	13,270
Weighted-average common and common equivalent shares (used in the calculation of diluted earnings per share)	191,447	192,713

SOURCE Mirage Resorts, Incorporated

CONTACT: Alan Feldman of Mirage Resorts, Incorporated, 702-693-7147

LANGUAGE: ENGLISH

LOAD-DATE: May 11, 1999

37TH STORY of Level 1 printed in FULL format.

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Business Wire

April 28, 1999, Wednesday

DISTRIBUTION: Business/Entertainment Editors & Gaming Industry Writers

LENGTH: 2804 words

HEADLINE: Park Place Entertainment Reports 14 Percent Increase in First-Quarter 1999 Net Income

DATELINE: LAS VEGAS

BODY:

April 28, 1999--Park Place Entertainment Corp. (NYSE:PPE) reported net income and diluted earnings per share before pre-opening charges of \$ 49 million and \$ 0.16 for the first quarter ended March 31, 1999, compared with pro forma net income of \$ 43 million and diluted earnings per share of \$ 0.14 for the first quarter of 1998.

Including the cumulative effect of a change in accounting principle of \$ 2 million net of tax required for pre-opening costs and \$ 3 million of additional pre-opening costs expensed in the first quarter of 1999, diluted earnings per share were \$ 0.15.

Earnings before interest, taxes, depreciation and amortization, pre-opening expense and noncash items (EBITDA) were \$ 193 million, up 10 percent from the pro forma first-quarter 1998 results of \$ 176 million.

The 1999 increase was driven by strong operating performance in the Western and Mid-South regions. In the Western region, EBITDA increased 28 percent and 59 percent at the Flamingo Hilton Las Vegas and the Las Vegas Hilton, respectively.

In the Mid-South region, EBITDA increased 27 percent due to strong performance at both Grand Biloxi and Grand Tunica, as well as significant reductions in regional overhead.

"We successfully demonstrated the power of our size and diversification," said Arthur Goldberg, president and chief executive officer. "As the largest and most diversified gaming company in the world, we believe we have created a more stable earnings stream and reduced our exposure to individual market volatility by having a major presence in each of the three largest U.S. gaming markets."

Western Region

The Flamingo Hilton Las Vegas reported an EBITDA increase of 28 percent in the first quarter of 1999, generating \$ 32 million, compared with \$ 25 million last year. A 10 percent increase in RevPAR and a 6 percent improvement in total gaming drop drove the higher EBITDA.

The Flamingo's outstanding performance demonstrates the importance of its

Business Wire, April 28, 1999

premier location, brand name and successful penetration of the market segment it targets.

The Las Vegas Hilton reported EBITDA of \$ 27 million in the first quarter of 1999, compared with last year's \$ 17 million. Continued success in marketing through international- and domestic-sales networks increased table game drop by 15 percent over last year. A 7- percentage-point increase in hold levels also contributed to the improvement in the quarter.

Bally's Las Vegas reported EBITDA of \$ 24 million for the first quarter of 1999, roughly flat with last year's \$ 25 million as higher slot handle offset an increase in operating expenses.

"Las Vegas is a deep market that has proven its resilience over the years, and we expect it to grow with the recent supply additions over the next 12-18 months," said Goldberg.

Eastern Region

Bally's Park Place reported EBITDA of \$ 33 million for the first quarter 1999, down from \$ 37 million in the prior year. The lower EBITDA reflects a lower hold percentage and higher marketing costs.

The Atlantic City Hilton generated \$ 6 million in EBITDA for the first quarter, up from \$ 4 million in the first quarter 1998. This property continues to focus on providing an upscale experience and attracting a higher-end customer base.

Mid-South Region

Grand Biloxi reported EBITDA of \$ 20 million for the first quarter, up 11 percent from the first quarter 1998. The improvement was fueled by double-digit increases in both table game drop and slot handle over the prior year's results due to the opening of the 500-room Bayview Hotel addition in late February 1998.

Grand Gulfport reported \$ 10 million in EBITDA for the first quarter 1999, in line with last year's results. Construction on the 600-room Oasis Hotel addition at Gulfport remains on budget and should open later in the summer.

Since the entrance of new competition to the market in mid-March, operating results on the Gulf Coast are strong. Visitor volume, slot handle and table game drop are above 1998 levels, demonstrating the strategic positioning of the Grand properties and the growth potential of the market.

Grand Tunica's first quarter EBITDA was \$ 13 million, an 18 percent increase over first quarter 1998 due primarily to a 10 percent improvement in slot handle. In late March 1999, the 600-room Terrace Hotel & Spa opened, bringing Grand Tunica's total room count to approximately 1,400 for this 140,000-square-foot casino.

Additionally, cost-reduction programs put in place in conjunction with the merger successfully reduced regional overhead by \$ 5 million in the quarter.

International

Business Wire, April 28, 1999

On a combined basis, first-quarter 1999 EBITDA from the Conrad properties in Uruguay and Australia decreased to \$ 15 million from \$ 22 million last year. The decrease came primarily from the casino resort in Punta del Este, Uruguay, which was impacted by the devaluation of the Brazilian real, resulting in lower levels of play from Brazilian customers.

Corporate Items

Paris-Las Vegas construction is on time and on budget and the company expects to open the property in September 1999, adjacent to Bally's Las Vegas on the Four Corners.

Paris contains 2,916 guest rooms; an 85,000-sq.-ft. casino; eight restaurants; five lounges; more than 130,000 sq. ft. of meeting and convention space; and its signature feature, a 50-story replica of the Eiffel Tower. The Paris employment office opened on April 5, and, to date, has filled approximately 40 percent of the 4,000 new positions.

Meanwhile, in the capital markets, Park Place bought back approximately 1.7 million of its shares in 1999 at an average price of \$ 7.50 and acquired approximately one-third of the outstanding Aladdin Gaming Holdings bonds at a steep discount to face value.

Yesterday, the company announced that it entered into a definitive agreement to acquire Caesars World Inc. and other gaming assets from Starwood Hotels & Resorts Worldwide Inc. for total consideration of \$ 3.0 billion. This purchase excludes the Desert Inn in Las Vegas.

The all-cash transaction has been approved by the boards of directors of both companies and is expected to close in the fourth quarter of 1999. Completion is subject to the satisfaction of various conditions contained in the purchase agreement, including obtaining certain regulatory approvals.

On Dec. 31, 1998, Park Place Entertainment was created through the tax-free distribution of Hilton Hotels Corp.'s gaming division to its shareholders and the subsequent merger with the Mississippi operations of Grand Casinos Inc.

The financial information for the 1998 period is presented on a pro forma basis as if the Dec. 31, 1998, distribution by Hilton and subsequent merger with the Grand Properties had occurred on Jan. 1, 1998. The company believes the pro forma information is a more meaningful presentation than the historical results for comparative reasons.

Park Place is the world's largest gaming company, as measured by casino square footage and revenues, and is the only casino-gaming company with a leading presence in Nevada, New Jersey and Mississippi -- the three largest gaming markets in the United States.

In 1999, the company will own or have an interest in 17 gaming properties located throughout the United States and in Australia and Uruguay, with a total of 1.4 million square feet of gaming space and approximately 23,000 hotel rooms.

This news release contains "forward-looking statements" within the meaning of federal securities law, including statements concerning business strategies

Business Wire, April 28, 1999

and their intended results, and similar statements concerning anticipated future events and expectations that are not historical facts. The forward-looking statements in this news release are subject to numerous risks and uncertainties, which could cause actual results to differ materially from those expressed in or implied by the statements herein. Additional information concerning potential factors that could affect the company's future financial results is included in the company's Annual Report on Form 10-K for the year ended Dec. 31, 1998. -0-

PARK PLACE ENTERTAINMENT
Summary Income Statement
(Dollars in millions, except per share amounts)

	Three Months Ended March 31,	
	Actual 1999	Pro Forma 1998
Net revenue	\$ 748	\$ 718
Operating costs and expenses	547	534
Depreciation and amortization	71	68
Pre-opening expense	3	--
Operating profit before corporate expense	127	116
Corporate expense	8	8
Operating income	119	108
Net interest expense	29	27
Income before taxes, minority interest and cumulative effect of accounting change	90	81
Income tax provision	42	37
Minority interest, net	1	1
Income before cumulative effect of accounting change	47	43
Cumulative effect of accounting change, net of tax	2	--
Net income	\$ 45	\$ 43
Net income per share		
Basic	\$ 0.15	\$ 0.14
Diluted	\$ 0.15	\$ 0.14
Net income per share, before pre-opening and cumulative effect of accounting change		
Basic	\$ 0.16	\$ 0.14
Diluted	\$ 0.16	\$ 0.14

Business Wire, April 28, 1999

Pro forma weighted average shares outstanding

Basic	303	304
Diluted	305	300

PARK PLACE ENTERTAINMENT

EBITDA(a)

(Dollars in millions)

	Three Months Ended March 31,	
	Actual 1999	Pro Forma 1998
WESTERN REGION		
Flamingo Las Vegas	\$ 32	\$ 25
Bally's Las Vegas	24	25
Las Vegas Hilton	27	17
Other	12	13
	95	80
EASTERN REGION		
Bally's Park Place	33	37
Atlantic City Hilton	6	4
	39	41
MID-SOUTH REGION		
Grand Biloxi	20	18
Grand Tunica	13	11
Grand Gulfport	10	10
Other	11	9
Regional Overhead	(2)	(7)
	52	41
INTERNATIONAL		
Uruguay and Australia	15	22
CORPORATE		
	(8)	(8)
TOTAL	\$ 193	\$ 176

(a) EBITDA is earnings before interest, taxes, depreciation, amortization and pre-opening expense.

PARK PLACE ENTERTAINMENT

Statistical Highlights

	Three Months Ended March 31,	
	Actual 1999	Pro Forma 1998
WESTERN REGION		
Average Daily Rate	\$ 82	\$ 79
Occupancy Percentage	88%	86%
EASTERN REGION		

Business Wire, April 28, 1999

Average Daily Rate	\$ 74	\$ 74
Occupancy Percentage	94%	94%
MID-SOUTH REGION		
Average Daily Rate	\$ 60	\$ 58
Occupancy Percentage	94%	90%
INTERNATIONAL		
Average Daily Rate	\$ 112	\$ 111
Occupancy Percentage	69%	63%

tjm/la* dda/la sjk/la

CONTACT: Park Place Entertainment Corp., Las Vegas
Geoffrey Davis, 702/699-5037

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with Hyperlinks to your home page.

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HEADLINE: Harveys Casino Resorts Reports Record First Quarter Results

DATELINE: LAKE TAHOE, Nev., April 15

BODY:

Chuck Scharer, president and chief executive officer of Harveys Casino Resorts announced today that for the first fiscal quarter ended February 28, 1999, the company posted net income, excluding merger related costs and non-recurring items, of \$1.9 million, on net revenues of \$75.6 million, a new first quarter record, compared to net income of \$1.5 million on net revenues of \$68.8 million for the same period a year ago. In addition, the company achieved a first quarter record EBITDA (operating income, excluding non-recurring items, plus depreciation and amortization) of \$14.7 million compared to last year's \$11.9 million for a 23.9% increase.

The first quarter results for 1999 have been adjusted to exclude the combined effects, net of tax, of \$13.8 million of merger related costs and non-recurring items and \$869,000 for the loss on the early retirement of debt.

Including the effects of these merger related costs and non-recurring items, net of tax, the company posted a first quarter net loss of \$12.7 million.

"The results for our first quarter of 1999 are very satisfying," said Scharer. "On February 2, 1999 we were elated to announce the completion of the merger between Harveys Casino Resorts and an affiliate of Colony Capital, Inc. In completing this merger, the company amended its bank facility and bond indenture and in so doing incurred costs that must be reflected in our operating results for this quarter. If we exclude these costs, the company once again achieved record quarterly results," Scharer added.

Founded in 1944, Harveys Casino Resorts operates Harveys Resort Hotel/Casino, a AAA Four-Diamond full-service resort at Lake Tahoe, Nevada; Harveys Wagon Wheel Hotel/Casino in Central City, Colorado; and Harveys Casino Hotel in Council Bluffs, Iowa.

Harveys Casino Resorts press releases are available through Company News On-Call by fax, 800-758-5804, extension 349787, or at [http://www.prnewswire.com/\(HVY\)](http://www.prnewswire.com/(HVY)).

HARVEYS CASINO RESORTS
CONSOLIDATED EARNINGS SUMMARY FOR THE PERIODS
ENDED FEBRUARY 28, 1999 AND 1998
(unaudited)

	Three Months Ended	
	2/28/99	2/28/98
	(dollars in thousands)	
Net revenues	\$75,649	\$68,772
Interest expense, net	\$4,918	\$4,011
Net Income excluding merger related costs and non-recurring items	\$1,926	\$1,531

Merger related costs and non-recurring items	(\$14,672)	\$0
Net income (loss)	(\$12,746)	\$1,531

**RESULTS OF OPERATIONS - PROPERTY BY PROPERTY
FOR THE PERIODS ENDED FEBRUARY 28, 1999 AND 1998
(unaudited, dollars in thousands)**

	Three Months Ended	
	2/28/99	2/28/98
Net Revenues		
Harveys Resort	\$31,149	\$27,674
Harveys Wagon Wheel	14,199	14,515
Harveys Casino Hotel	30,301	26,583
Total Net Revenues	\$75,649	\$68,772
Operating Income (Loss)		
Harveys Resort	\$3,413	\$2,046
Harveys Wagon Wheel	2,374	3,220
Harveys Casino Hotel	6,476	4,555
Corporate and Development	(3,030)	(3,238)
Consent Fee & Merger Costs	(19,879)	0
Total Operating Income	(\$10,646)	\$6,583
EBITDA (a)		
Harveys Resort	\$5,702	\$4,555
Harveys Wagon Wheel	3,324	4,126
Harveys Casino Hotel	8,417	6,294
Corporate and Development	(2,716)	(3,084)
Total EBITDA	\$14,727	\$11,891

(a) EBITDA is defined as operating income, excluding non-recurring items, plus depreciation and amortization.

SOURCE Harveys Casino Resorts

CONTACT: John McLaughlin, Chief Financial Officer, or John Hewitt, Corporate Controller, both of Harveys Casino Resorts, 775-588-2411

LANGUAGE: ENGLISH

LOAD-DATE: April 16, 1999

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May 11, 1999, Tuesday;

Correction Appended

SECTION: Financial News

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HEADLINE: Hollywood Park Reports Record 1st Quarter Revenue and Earnings;

Highlights:

* Earnings before interest, taxes, depreciation, amortization and non-recurring expenses increased to \$35.9 million from \$8.7 million in the first quarter of 1998. * Revenues for 1999's 1st quarter were \$172 million, an increase of 120% over the 1998 quarter. * Earnings Per Share increased to \$0.16 in 1999's first quarter from a loss of (\$0.05) in the 1998 quarter. * Churchill Downs signed a definitive agreement on May 5, 1999 to acquire the Hollywood Park race track for \$140 million in cash, with the closing expected in the third quarter of 1999.

DATELINE: INGLEWOOD, Calif., May 11

BODY:

Hollywood Park, Inc. (NYSE: HPK) today reported higher earnings before interest, taxes, depreciation, amortization and non-recurring expenses ("EBITDA"), revenues, and net income for the first quarter of fiscal year 1999, ended March 31, 1999 compared to the same period in 1998. These improved results reflect the acquisition of Casino Magic Corp. on October 15, 1998 (recorded under the purchase method of accounting), which showed significant improvements in revenue and EBITDA over its first quarter 1998 results. In addition, each of Hollywood Park's other casino and card club properties posted improvements over their prior year EBITDA performance.

For the first quarter, EBITDA for all operations was \$35.9 million, compared to \$8.7 million for the first quarter of 1998. Revenues for the first quarter were \$172 million, an increase of 120%. Net income increased in the quarter to \$4.1 million compared to a loss in 1998's first quarter of (\$1.2) million. Hollywood Park earned \$0.16 per basic and diluted share in the 1999 quarter over a loss of (\$0.05) per basic and diluted share in 1998's first quarter.

The strong performances at the Boomtown properties reflect various accomplishments, including the new hotel and expanded gaming floor at the Reno, Nev. location, a full quarter of earnings from the larger riverboat at the New Orleans property, and growth in the local market in Biloxi, Miss. (benefitting both the Boomtown and Casino Magic locations). The increase in interest expense in 1999 compared to the first quarter of 1998 is due to the assumption of Casino Magic debt and the new Senior Subordinated Notes issued in February, 1999.

"Our strong financial performance was the outcome of several factors, all of which reflect progress in accordance with our strategic plan," said R.D. Hubbard, Chairman and CEO of Hollywood Park. "This quarter includes the contribution from the properties we acquired last October in the Casino Magic acquisition and improved results at our other casinos and card clubs."

Churchill Downs Acquires Hollywood Park Racetrack

On May 5, 1999, Hollywood Park and Churchill Downs signed a definitive agreement for Churchill Downs to acquire the Hollywood Park race track in Inglewood, California, and a majority of the surrounding acreage.

The Hollywood Park assets will be sold to Churchill Downs for \$140 million in cash. The transaction is subject to certain closing conditions, including the approval of the California Horse Racing Board, and is expected to close in the third quarter of 1999. Churchill Downs will acquire 240 of Hollywood Park's 378 acres at the southern California landmark. Included in the

acquisition will be the Hollywood Park Race Track, real estate related to the racing operation, and the Hollywood Park casino. Churchill Downs will grant Hollywood Park a long-term lease with a renewal option at a lease rate of \$3 million per year for the casino.

"This transaction is a major step toward the attainment of our corporate objective of focusing on the growth of our gaming businesses. The Boomtown and Casino Magic acquisitions, the investments made in 1998 and early in 1999 for hotel construction and other improvements, and our strengthened financial position through our debt refinancing should produce continued growth for Hollywood Park in 1999 and beyond," remarked R.D. Hubbard, CEO of Hollywood Park.

Hollywood Park is a diversified gaming company that owns and/or operates eight casinos (four with hotels) and two card casinos at twelve locations in Nevada, Mississippi, Louisiana, California, Arizona, and Argentina, and two pari-mutuel horse racing facilities, one of which is the subject of a pending sale transaction. The Company has also been approved to receive a license to conduct riverboat gaming on the Ohio River in Indiana and has begun development of a hotel/casino and golf resort at a site in Switzerland County, Ind., 35 miles southwest of Cincinnati, Ohio. In addition to the Company's operating properties, Hollywood Park has significant excess land available for future sale or development at four of its properties.

(The Private Securities Litigation Reform Act of 1995 provides a "safe harbor" for forward-looking statements. Forward-looking information involves important risks and uncertainties that could significantly affect future results and, accordingly, such results may differ from those expressed in forward-looking statements made by or on behalf of the Company, including statements related to the ongoing performance of the Boomtown and Casino Magic properties or the sale of the Hollywood Park race track. For more information on the potential factors that could affect the Company's financial results, review the Company's filings with the Securities and Exchange Commission, including the Company's annual report on Form 10-K and the Company's other filings with the SEC.)

HOLLYWOOD PARK, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
(in thousands, except per share data)

Three Months Ended
March 31,
1999 1998
(unaudited)

Revenues:		
Hollywood Park, Inc. - Casino Division	\$14,025	\$13,211
Crystal Park and HP Yakama, Inc.	589	300
Boomtown Reno	14,142	13,436
Boomtown New Orleans	25,721	22,695
Boomtown Biloxi	17,799	15,873
Casino Magic Bay St. Louis	22,963	-
Casino Magic Biloxi	24,631	-
Casino Magic Bossier City	33,852	-
Casino Magic Argentina	5,327	-
Hollywood Park Race Track	5,465	5,478
Turf Paradise, Inc.	6,786	6,810
Hollywood Park, Inc. - Corporate	698	354
	171,998	78,157

Expenses:

Hollywood Park, Inc. - Casino Division	11,839	11,707
Crystal Park and HP Yakama, Inc.	26	46
Boomtown Reno	13,198	14,299
Boomtown New Orleans	17,269	15,796
Boomtown Biloxi	14,086	13,354
Casino Magic Bay St. Louis	16,753	-
Casino Magic Biloxi	17,587	-
Casino Magic Bossier City	25,477	-
Casino Magic Argentina	3,155	-
Hollywood Park Racetrack	7,184	7,242
Turf Paradise, Inc.	4,205	4,374
Hollywood Park, Inc. - Corporate	5,307	2,657
	136,086	69,475

Earnings before interest, taxes, depreciation,
amortization and non-recurring expenses:

Hollywood Park, Inc. - Casino Division	2,186	1,504
Crystal Park and HP Yakama, Inc.	563	254
Boomtown Reno	944	(863)
Boomtown New Orleans	8,452	6,899
Boomtown Biloxi	3,713	2,519
Casino Magic Bay St. Louis	6,210	-
Casino Magic Biloxi	7,044	-
Casino Magic Bossier City	8,375	-
Casino Magic Argentina	2,172	-
Hollywood Park Race Track	(1,719)	(1,764)
Turf Paradise, Inc.	2,581	2,436
Hollywood Park, Inc. - Corporate	(4,609)	(2,303)
	35,912	8,682

HOLLYWOOD PARK, INC.

CONSOLIDATED STATEMENTS OF OPERATIONS (continued)

(in thousands, except per share data)

Three Months Ended
March 31,
1999 1998
(unaudited)

Non-recurring expenses:

Pre-Opening costs - Indiana Riverboat Project	707	--
Real Estate Investment Trust restructuring	--	469
Depreciation and amortization:		
Hollywood Park, Inc. - Casino Division	665	698
Crystal Park and HP Yakama, Inc.	485	510
Boomtown Reno	1,659	1,469
Boomtown New Orleans	1,425	1,191
Boomtown Biloxi	993	882
Casino Magic Bay St. Louis	1,438	--
Casino Magic Biloxi	1,739	--
Casino Magic Bossier City	1,889	--
Casino Magic Argentina	372	--
Hollywood Park Race Track	1,090	1,065
Turf Paradise, Inc.	295	296
Hollywood Park, Inc., Corporate	1,317	444

	13,367	6,555
Operating income	21,838	1,658
Interest expense	14,491	3,661
Income (loss) before minority interests and income taxes	7,347	(2,003)
Minority interests - Casino Magic Argentina	458	--
Income tax expense (benefit)	2,756	(769)
Net income (loss)	\$4,133	(1,234)
Per common share:		
Net income - basic	\$0.16	(0.05)
Net income - diluted	\$0.16	(0.05)
Number of shares - basic	25,800	26,276
Number of shares - diluted	25,800	26,276

HOLLYWOOD PARK, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(in thousands)

Three Months Ended
March 31,
1999 1998
(unaudited)

Assets		
Cash and short-term investments	\$107,989	\$47,413
Other assets	251,727	241,014
Fixed assets	602,331	602,912
Total assets	\$962,047	\$891,339
Liabilities and Stockholders' Equity		
Other liabilities	\$106,565	\$117,428
Notes payable	616,709	539,183
Total liabilities	723,274	656,611
Minority interests	3,646	3,752
Stockholders' equity	235,127	230,976
Total liabilities and stockholders' equity	\$562,047	\$891,339

SOURCE Hollywood Park, Inc.

CONTACT: Paul Alanis, President and COO; Bruce Hinckley, Senior VP and CFO, both of Hollywood Park, Inc., 310-419-1501; or General Inquiries, Paul Goodson, 310-442-0599, Analyst Inquiries, Kathy Brunson, 312-266-7800, Analyst Inquiries, Sue Dooley, 415-986-1591, Media Inquiries, Michaelle Burstin 310-442-0599, all of The Financial Relations Board

CORRECTION-DATE: May 11, 1999, Tuesday

CORRECTION:

In CGTU036, Hollywood Park (NYSE: HPK) Reports Record 1st Quarter Revenue and Earnings, moved earlier today, we are advised by a representative of the company that in the tabular material titled HOLLYWOOD PARK, INC. CONDENSED CONSOLIDATED BALANCE SHEETS, the column heading should read "March 31, 1999 (unaudited)" and "December 31, 1998" rather than "Three Months Ended March 31, 1999 and 1998 (unaudited)" as originally issued.

Also, the line item for Total liabilities and stockholders' equity for March 31, 1999 should read "\$962,047" rather than "\$562,047" as incorrectly transmitted by PR Newswire. The corrected table follows:

HOLLYWOOD PARK, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(in thousands)

	March 31, 1999 (unaudited)	December 31, 1998
Assets		
Cash and short-term investments	\$107,989	\$47,413
Other assets	251,727	241,014
Fixed assets	602,331	602,912
Total assets	\$962,047	\$891,339
Liabilities and Stockholders' Equity		
Other liabilities	\$106,565	\$117,428
Notes payable	616,709	539,183
Total liabilities	723,274	656,611
Minority interests	3,646	3,752
Stockholders' equity	235,127	230,976
Total liabilities and stockholders' equity	\$962,047	\$891,339

-- May 11/
(HPK)

LANGUAGE: ENGLISH

LOAD-DATE: May 12, 1999

FOCUS - 14 OF 62 STORIES

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August 24, 1999, Tuesday

SECTION: Financial News

DISTRIBUTION: TO BUSINESS EDITOR

LENGTH: 981 words

HEADLINE: Mandalay Resort Group Reports Second Quarter Earnings

DATELINE: LAS VEGAS, Aug. 24

BODY:

Mandalay Resort Group (NYSE: MBG) today announced its results for the second quarter ended July 31, 1999. For the quarter, the company reported earnings per share on an operating basis of \$.29 against \$.27 in the same quarter last year. The quarter included write-offs of \$4.3 million for preopening expenses for the company's joint venture casino project in Detroit, slated for a fall debut, and its timeshare project in Las Vegas, which reduced per-share earnings to \$.26.

Every property or operating unit in the company generated positive comparisons in operating cash flow (EBITDA) against the prior year's results for the same quarter. In Las Vegas, Mandalay Bay, in its first full quarter, recorded nearly \$19 million in operating cash flow -- a performance that was negatively affected by a sub-par win percentage in its table games.

For its part, Luxor continued to produce operating cash flow at a record pace, \$26.8 million versus \$24.3 a year ago. Excalibur posted approximately \$20 million against \$18.7 million and Circus Circus-Las Vegas turned in \$18.3 million against \$16.6 million. At Monte Carlo, a 50/50 venture with Mirage Resorts, operating cash flow rose to \$20.4 million from \$18.6 million in the quarter last year. Improvements in cash flow at these properties were mostly attributable to strong visitor counts to Las Vegas, which drove occupancy rates and room rates.

In Reno, the company generated a total of \$17.1 million in operating cash flow (including its share of Silver Legacy) against \$14.8 million in the like quarter last year and, in Laughlin, the company's two properties posted an upturn in operating cash flow to \$7.6 million from \$7.4 million.

Among the company's strongest performers in the quarter were the Gold Strike in Tunica, which turned in a record \$9.6 million in operating cash flow (versus \$7.9 million) and the Grand Victoria (50% owned by Mandalay) in Elgin, Illinois, which posted \$23.2 million against \$19.4 million in the second quarter a year ago. The recent legislation in Illinois permitting dockside gaming has been a positive force for casino revenues at the Grand Victoria.

For the first half of this fiscal year, the company has produced approximately \$280 million in operating cash flow, a record pace set to

rise with the introduction of its temporary casino in Detroit as early as the current quarter.

Mandalay Resort Group owns and operates 11 properties in Nevada: Mandalay Bay, Luxor, Excalibur, Circus Circus, Slots-A-Fun in Las Vegas; Circus Circus-Reno; Colorado Belle and Edgewater in Laughlin; Gold Strike and Nevada Landing in Jean and Railroad Pass in Henderson. The company also operates Silver City in Las Vegas; owns a 50% interest in Silver Legacy in Reno and owns a 50% interest in and operates Monte Carlo in Las Vegas. The company also owns and operates Gold Strike, a hotel/casino in Tunica County, Mississippi, and owns a 50% interest in and operates Grand Victoria, a riverboat casino in Elgin, Illinois.

MANDALAY RESORT GROUP

Condensed Consolidated Statements of Income
(Dollars in thousands, except share data)
(UNAUDITED)

	Three Months Ended		Six Months Ended	
	July 31,		July 31,	
	1999	1998	1999	1998
Revenues	\$516,181	\$384,661	\$987,440	\$741,623
Costs and expenses	424,451	310,492	792,481	600,267
Operating profit before corporate and preopening expense	91,730	74,169	194,959	141,356
Corporate expense	8,330	8,064	15,450	14,192
Preopening expense	4,270	--	37,880	--
Income from operations	79,130	66,105	141,629	127,164
Interest expense	(46,013)	(37,359)	(90,010)	(71,478)
Capitalized interest	1,768	9,891	9,456	17,027
Net interest expense	(44,245)	(27,468)	(80,554)	(54,451)
Other income	1,376	1,406	2,613	3,124
Income before income tax	36,261	40,043	63,688	75,837
Income tax	12,630	14,758	22,918	28,945
Income before cumulative effect of a change in accounting principle	23,631	25,285	40,770	46,892
Cumulative effect of a change in accounting for preopening expenses, net of tax benefit of 1,843	--	--	(21,994)	--
Net income	\$23,631	\$25,285	\$18,776	\$46,892
Basic earnings per share	\$0.26	\$0.27	\$0.21	\$0.49
Diluted earnings per share	\$0.26	\$0.27	\$0.20	\$0.49
Average shares outstanding (basic)	90,862,117	95,129,383	90,703,869	95,126,110
Average shares outstanding (diluted)	92,368,423	95,135,119	91,999,602	95,136,667

SOURCE Mandalay Resort Group

CONTACT: Glenn Schaeffer of Mandalay Resort Group, 702-632-6710

LANGUAGE: ENGLISH

LOAD-DATE: August 25, 1999

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February 16, 1999, Tuesday

SECTION: Financial News

DISTRIBUTION: TO BUSINESS EDITOR

LENGTH: 1051 words

HEADLINE: The Sands Regent Announces Improved Fiscal 1999 Second Quarter Earnings

DATELINE: RENO, Nev., Feb. 16

BODY:

The Sands Regent (Nasdaq: SNDSC) today announced results for the fiscal 1999 second quarter ended December 31, 1998.

The Company reported a net loss of \$619,000, or \$.14 per share for the second quarter, which is an improvement over the prior year second quarter loss of \$1.3 million, or \$.28 per share. Net operating income also improved from a loss of \$1.4 million in the second quarter of fiscal 1998 to a net loss of \$315,000 in the second quarter of the current fiscal year. Revenues for the second quarter of fiscal 1999 were \$13.2 million, as compared to \$13.5 million for same quarter of the prior fiscal year.

Improvements in net earnings and income from operations are attributable to both the Sands Regency and the Copa Casino, which was sold by the Company on December 23, 1998. The Sands Regency reduced its net loss from \$810,000 in the second quarter of fiscal 1998 to \$659,000 in the second quarter of fiscal 1999. The Copa Casino improved its results from a \$445,000 net loss in the prior years' second quarter to a net profit of \$40,000 for the same period of the current year. Earnings improvements at the Sands Regency are directly attributed to improved methods of operations and increased efficiencies.

Ferenc B. Szony, President and CEO of The Sands Regent commented, "We are pleased with our improved operating results at the Sands Regency, particularly during this quarter which has traditionally been a very soft quarter in the Reno market. We believe that our efforts to improve the way we operate are paying off. Through effective cost controls we have improved operating margins on slightly lower revenues.

"We anticipate that the remainder of 1999 will be a challenging year with further pressures on our revenues. This is the one year out of three in which Reno will not be hosting a major long-term bowling event that has been very strong for our Reno property. Furthermore, there are several new mega-resorts opening in Las Vegas in next twelve months. Some of our visitors will likely take fewer trips to Reno this year in order to experience these 'must-see' facilities.

"Nonetheless, we remain optimistic about our future. We are continuing to improve our operating practices and implement further cost controls. Additionally, we are pursuing aggressive promotional strategies to attract both local patrons and new visitors from Northern California, a prime target market for Reno. This promotional campaign includes significant radio and print advertising as well as tailored value-added packages which reward guests for staying and gaming with us.

"As previously announced, we recently sold our Mississippi operation, the Copa Casino, for \$8.5 million. We are pleased that this sale has resulted in the successful settlement of costly and protracted litigation. It also allows us to concentrate our efforts on our Reno property and on exploring other opportunities to enhance shareholder value. In addition to improving our balance sheet, terms of the Copa sale will yield The Sands Regent a cash flow of approximately \$750,000 in this year and \$500,000 per year thereafter, until the full purchase price of \$8.5 million has been received.

The Sands Regent owns and operates the Sands Regency Hotel and Casino in downtown Reno, Nevada. The Sands Regency is a 1,000 room hotel and casino with 27,000 square feet of gaming space offering table games, keno and slot machines. In addition to complete amenities and on-site brand-name restaurants, the Company's property also includes a 12,000 square foot convention and meeting center which seats close to 1000 people.

Statements contained in this release, which are not historical facts, are "forward-looking" statements as contemplated by the Private Securities Litigation Reform Act of 1995. Such forward-looking statements are subject to risks and uncertainties, which could cause actual results to differ materially from those projected or implied in the forward-looking statements.

THE SANDS REGENT
FINANCIAL HIGHLIGHTS
(In thousands except per share data)

	Three Months Ended		Six Months Ended	
	December 31,		December 31,	
	1998	1997	1998	1997

Consolidated Financial Report

Revenues	\$13,208	\$13,510	\$27,350	\$28,852
Income (Loss) from Operation	(315)	(1,437)	(619)	(957)
Net Income	(619)	(1,255)	(1,102)	(1,226)
Nets Income (Loss) per Share	(.14)	(.28)	(.25)	(.27)
Weighted Number of Shares				
Outstanding	4,498,722	4,498,722	4,498,722	4,498,722

Comparative Property
Financial Highlights

Revenues				
The Sands Regency (Reno)	\$7,393	\$7,723	\$15,897	\$17,281
Copa Casino (Gulfport)	5,815	5,787	11,453	11,571
Income (Loss) from Operations				
The Sands Regency	(685)	(938)	(631)	(58)
Copa Casino	370	(499)	12	(899)
Net Income (Loss)				
The Sands Regency	(659)	(810)	(809)	(410)
Copa Casino	40	(445)	(293)	(816)
Operating Cash Flow (EBITDA) (a)				
The Sands Regent	70	(112)	915	1,589
Copa Casino	675	(192)	657	(292)

(a) Earnings before depreciation, interest and taxes

SOURCE Sands Regent

CONTACT: David R. Wood, Executive Vice President and Chief Financial Officer of The Sands Regent, 702-348-2298; or Dilek Mir, Vice President of Coffin Communications Group, 818-789-0100, for The Sands Regent

LANGUAGE: ENGLISH

LOAD-DATE: February 17, 1999

2ND STORY of Level 1 printed in FULL format.

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The New York Post

November 2, 1999, Tuesday

SECTION: All Editions; Pg. 041

LENGTH: 338 words

HEADLINE: TRUMP PLAYING WITH A STACKED DECK? REVENUE VALUE IS QUESTIONED

BYLINE: JESSE ANGELO

BODY:

While Donald Trump has the media buzzing about a possible presidential run, Wall Street is buzzing about a story that's a lot less flattering for The Donald.

Some analysts and investors in Trump Hotels & Casino Resorts Inc. think the company either pulled a fast one when reporting its third-quarter earnings, or its accountants have a very creative definition of revenue.

The company last week posted what looked like impressive earnings - 63 cents a share, excluding a one-time charge - but they were boosted significantly by \$17 million listed as "other revenue" in a press release.

When analysts discovered that the "other revenue" was actually a one-time gain - which may not be worth \$17 million anyway - there were some angry phone calls to Trump execs.

"It's confusing and I think it's misleading to have it as revenue," said Mark Levin, an analyst at Imperial Capital. "They created a lot of ill-will and now they have a lot to prove to the investment community."

The questionable accounting was first reported in Barron's.

The \$17 million in question is an All-Star Cafe in the Taj Mahal casino that was turned over to Trump when Planet Hollywood - which owns the chain - went bankrupt.

Levin said he did not know if it was a genuine mistake or a conscious deception, but it showed that "everyone is not on the same page over there."

But Daniel Davila - who covers the company for Southcoast Capital, and was with Trump CEO Nicholas Ribis when the exec found out about it - said he thought it was nothing more than an error.

"There was nothing disingenuous that occurred," he said. "I would characterize it as a mistake and a very honest one."



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The New York Post November 2, 1999, Tuesday

A spokesman for Trump Hotels & Casino Resorts did not return calls. Shares closed at 45/16 when the earnings were announced Oct. 25, but had slid to 33/4 yesterday, down 1/8 for the day.

GRAPHIC: THE DONALD: Analysts who examined Trump Hotels and Casinos' earnings report had doubts about the accounting methods used. New York Post: David Rentas

LANGUAGE: ENGLISH

LOAD-DATE: November 2, 1999



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UNITED STATES OF AMERICA
Before The
SECURITIES AND EXCHANGE COMMISSION
Northeast Regional Office

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In the Matter of :
Trump Hotels & Casino Resorts, Inc. : Case No. MNY-6625
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WELLS SUBMISSION FILED ON
BEHALF OF TRUMP HOTELS
& CASINO RESORTS, INC.

WILLKIE FARR & GALLAGHER
787 Seventh Avenue
New York, New York 10019
(212) 728-8000

Attorneys for Trump Hotels & Casino
Resorts

OF COUNSEL:

Richard L. Posen
Thomas H. Golden
Andrew M. Wasserman

CONFIDENTIAL TREATMENT REQUESTED

UNITED STATES OF AMERICA
Before The
SECURITIES AND EXCHANGE COMMISSION
Northeast Regional Office

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In the Matter of :
Trump Hotels & Casino Resorts, Inc. : Case No. MNY-6625
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WELLS SUBMISSION FILED ON
BEHALF OF TRUMP HOTELS
& CASINO RESORTS, INC. *

I.
INTRODUCTION

On October 25, 1999, Trump Hotels & Casino Resorts ("THCR" or the "Company") issued a press release (the "Earnings Release") concerning its third quarter results. The Earnings Release accurately reported \$403 million in net revenues, and a loss of \$67 million, for the quarter. In accordance with written advice from Arthur Andersen, THCR's

* As part of ongoing discussions to resolve the Staff's inquiries without enforcement action, THCR submits this memorandum pursuant to Section 202.5(c) of Title 17 of the Code of Federal Regulations. The existence and contents of this memorandum are entitled to confidential treatment pursuant to 17 C.F.R. §203.5 and are exempt from the disclosure requirements of the Freedom of Information Act pursuant to 17 C.F.R. §200.80(b)(7) and 17 C.F.R. §200.83.

reported net revenues included \$17.2 million of non-recurring operating income (the "All Star Gain") resulting from THCR's acquisition of certain assets in connection with the lease termination of the All Star Café at THCR's Taj Mahal Casino.

That the numbers in the Earnings Release are accurate and that the accounting of the \$17.2 million All Star Gain is correct are not in dispute. Nonetheless, the Staff seeks permission to commence an injunction action against THCR, (b)(6),(b)(7)(C)
(b)(6),(b)(7)(C) for violations of Section 10(b) and Rule 10b-5 arising out of statements made in the Earnings Release. The Staff's proposed action would be based on the fact that the Earnings Release, while accurate, did not include a separate statement that THCR's total net revenues included the non-recurring All Star Gain. The Staff also contends that THCR committed a separate 10b-5 violation when, in advance of the filing of its 10-Q (containing the details of the All Star transaction), it informed the market of the All Star Gain by contacting analysts directly rather than by issuing a subsequent press release.

THCR respectfully submits that proceeding under Rule 10b-5 would be inappropriate in this case and that a close review of the facts and the prevailing law, and the application of administrative discretion, should result in a determination that the conduct at issue here falls far short of what Section 10(b) and Rule 10b-5 were designed to address. The omission of a separate statement indicating the non-recurring nature of the All Star Gain was not a fraud; it was, at worst, a mistake or error in judgment. It was not intended to deceive and there is little if anything in the record to suggest that any investor was deceived. Indeed, in light of the fact that THCR reported a loss of \$67.5 million in the third quarter 1999, the failure to break out

the \$17.2 million All Star Gain did not mislead anyone as to the Company's profitability for that quarter.

As discussed more fully below, the following factors all militate against the application of Rule 10b-5 in this case:

- There was no intent to mislead investors; at the time of the Earnings Release, THCR officials intended to discuss the All Star Gain in the Company's 10-Q, which they knew would be filed just a few weeks later.
- None of the "badges" of fraud traditionally associated with 10b-5 enforcement action are present here. Thus, there was no insider trading by any THCR official, nor was there any other transaction by which THCR or any of its officials benefited based on a misimpression as to THCR's third quarter results.
- Nor were the "books cooked" as is common in many recent financial fraud cases. The accounting treatment of the \$17.2 million All Star Gain was appropriate.
- The Earnings Release was factually accurate and did not mislead investors as to the Company's earnings or trends, since the \$17.2 million gain at issue was overwhelmed by THCR's \$67.5 million loss that quarter.
- The Staff's suggestion that THCR committed a separate Rule 10b-5 violation by failing to issue a subsequent press release regarding the All Star transaction amounts to retroactive (and therefore impermissible) application of new Regulation FD. What is more, even under Regulation FD the mere disclosure to analysts only, without more, would not constitute a 10b-5 violation.
- There is no risk of repetition. Shortly after the Earnings Release was issued, THCR, on its own initiative, adopted safeguards requiring all quarterly earnings releases to be vetted by the audit committee of its board of directors. In addition, THCR is a good "public citizen" with no history of infractions of any provision of the securities laws.
- THCR is a highly regulated company in the gaming industry. Even the mere commencement of a fraud action could have far-reaching and unintended collateral consequences for the Company and its shareholders.

The failure to disclose the All Star transaction in the Earnings Release was the result of the confluence of several factors. First, the Company had recently decided, without

considering the All Star Gain, to adopt a more streamlined form of earnings release to be consistent with the practices of its competitors. In addition, Company officials were of the view that the Earnings Release did not need to mention the All Star Gain because the Earnings Release was accurate and because full disclosure would come shortly thereafter in the Company's 10-Q filing. [REDACTED] did not fully understand the accounting treatment of that transaction or its impact on the Company's third quarter earnings.

THCR had nothing to gain by misleading investors through not breaking out the All Star Gain in the Earnings Release. Neither THCR nor any of the officials involved in the Earnings Release sold THCR stock after the press release or stood in any other manner to gain from a momentary increase in the price of THCR stock. And such an increase was bound to be momentary, as THCR's officials surely would have understood had they considered the issue, because they knew the Earnings Release would be followed in short order by the Company's 10-Q. Thus, the fraudulent scheme that the Staff ascribes to [REDACTED] would not have accomplished anything for them or the Company, and simply would not have made sense.

The notion that THCR's officials acted with fraudulent intent is also belied by the fact that [REDACTED] candidly discussed the All Star Gain with analysts in response to their inquiries just a few hours after the Earnings Release was issued. And, once THCR officials realized that the Earnings Release caused the reaction it did in the investment community, they took prompt steps to ensure that the market was apprised of the one-time gain through a series of conversations with individual analysts. While these measures did not include the issuance of a second press release, the Company's response ensured that the market was informed of the fact and implications of that gain. In addition, THCR accelerated the filing of its Form 10-Q, in

which the details of the transaction were fully discussed. Despite the disagreement of the Staff, those corrective measures were appropriate and adequate.

Finally, there is no evidence to suggest that the problems regarding the Earnings Release are likely to recur. After the issuance of the Earnings Release and the investment community's reaction to it, the Company adopted significant changes regarding its issuance of earnings releases. Most significantly, earnings releases are now reviewed by the Audit Committee of the Company's board of directors before they are disseminated. An injunction would also have potentially serious ramifications for THCR's ability to maintain its gaming licenses. The injunctive relief the Staff seeks is not warranted and based on current law would not be granted by a district court.

II. BACKGROUND

A. The Relevant Parties.

1. THCR

THCR is a publicly-held Delaware corporation. Through various subsidiaries, it owns and operates the Trump Plaza Hotel & Casino (the "Plaza"), the Trump Taj Mahal Casino Resort (the "Taj Mahal") and the Trump Marina Hotel Casino (the "Marina"), each located in Atlantic City, New Jersey, as well as a riverboat casino located on Lake Michigan in Indiana ("Indiana"). The Company's executive offices are in New York City, but its business and financial operations are centered in Atlantic City.

2.

(b)(6),(b)(7)(C)

(b)(6),(b)(7)(C)

(b)(6),(b)(7)(C)

3.

(b)(6),(b)(7)(C)

(b)(6),(b)(7)(C)

(b)(6),(b)(7)(C)

(b)(6),(b)(7)(C)

(b)(6),(b)(7)(C)

B. THCR Acquires The Leasehold Improvements Of The All Star Cafe Restaurant, And Is Advised By Arthur Anderson To Record Their Fair Market Value As Operating Income.

In 1997, Taj Associates, a subsidiary of the Company and the direct owner of the Taj Mahal, entered into a twenty-year lease with All Star Cafe, Inc. ("All Star"), pursuant to which All Star leased space at the Taj Mahal in which to operate an All Star Cafe restaurant (the "All Star Cafe"). (See THCR's Report on Form 10-Q, November 3, 1999, submitted herewith as Exhibit A to the Appendix ("App. Ex. A"), at p.11.) The lease provided for All Star to pay Taj Associates \$1 million per year, payable in equal monthly installments. (Id.) The lease also recited that All Star would pay THCR additional amounts if the All Star Cafe met certain revenue targets, but those payment obligations were never triggered. (Id.)

At various points in 1998 and 1999, THCR had discussions with representatives of Planet Hollywood, Inc. ("Planet Hollywood"), All Star's parent, regarding an early

termination of the lease. [REDACTED] (b)(6),(b)(7)(C) Tr. at 24-25.) Those discussions were prompted by Planet Hollywood's severe financial difficulties and looming bankruptcy filing. The spectre of such a filing worried THCR because the All Star Cafe played an important role in the Taj Mahal's customer flow and overall business. [REDACTED] (b)(6),(b)(7)(C) Tr. at 30-32.) THCR feared that if a bankruptcy case were commenced with respect to Planet Hollywood, it would interrupt the All Star Cafe's business, which in turn would disrupt the Taj Mahal's ability to attract and service casino patrons. (*Id.*) Consequently, THCR officials engaged in negotiations with Planet Hollywood with a view towards ensuring that the All Star Cafe or an acceptable substitute continued operating at the Taj Mahal.

Eventually, those discussions turned to the possibility of THCR's acquiring the All Star Cafe's leasehold improvements from Planet Hollywood and operating the restaurant itself. [REDACTED] (b)(6),(b)(7)(C) Tr. at 17.) In the spring of 1998, when that possibility was first raised, THCR sought advice from Arthur Andersen, its regular outside accounting firm, as to the appropriate accounting treatment of such a transaction. (*See id.* at 18.) Arthur Andersen advised THCR that, as long as the company intended to continue to operate the space as a restaurant, it should recognize as operating income the fair market value of the leasehold improvements. This advice was reflected in a May 18, 1998, memo from [REDACTED] (b)(6),(b)(7)(C) of Arthur Andersen stating:

We were informed today by [REDACTED] (b)(6),(b)(7)(C) [REDACTED] (b)(6),(b)(7)(C) that the All Star Cafe has requested to have its lease terminated. In consideration for the termination, the All Star Cafe would be willing to confer title to approximately \$23 million worth of leasehold improvements to the Taj . . . We have been asked to advise the client on the appropriate accounting for the transaction.

To the extent that the Taj Mahal will continue to operate the space utilized by the All Star Cafe as a restaurant, then the Taj should recognize[] as operating income the fair market value of the leasehold improvement transferred.

(00010 (emphasis added.))¹

In September 1999, as THCR and Planet Hollywood neared completion of an agreement that would result in the transfer of the All Star Cafe to Taj Associates, THCR again asked Arthur Andersen for its opinion on the appropriate accounting treatment of such a transfer. Arthur Andersen responded by sending THCR a copy of (b)(6), (b)(7)(C) thereby reiterating its advice that THCR record as operating income the fair market value of the leasehold improvements. (See id.)

On September 15, 1999, Taj Associates, All Star Cafe and Planet Hollywood reached an agreement pursuant to which, effective September 24, 1999, the All Star's lease would be terminated and All Star would be relieved of its rental obligations to THCR. In return, THCR would receive the All Star Cafe's leasehold improvements, alterations, and certain personal property. (See App. Ex. A at p. 11.)

In light of Arthur Andersen's advice that THCR should record as operating income the fair-market value of the leasehold improvements it received, THCR retained Appraisal Group International ("AGI") to conduct an independent appraisal of those assets. AGI appraised the value of the leasehold improvements at \$17.2 million. (00001-00004.) Arthur Andersen reviewed the appraisal report, confirmed certain issues with AGI, and satisfied itself that the appraisal supported THCR's recording all \$17.2 million in third quarter operating income as a result of the All Star transaction. (b)(6), (b)(7)(C) Tr. at 30.) Based on Arthur Andersen's advice and AGI's appraisal, THCR recorded the entirety of the \$17.2 million All Star

¹ References are to the Bates numbers of documents produced by the Company to the Staff in connection with the informal phase of the Staff's investigation of this matter.

Gain as operating revenue in the third quarter of 1999. THCR's accounting treatment of the All Star Gain is not disputed by the Staff.

Certain THCR officials, including [REDACTED]

[REDACTED] understood that the All Star transaction resulted in THCR's recording \$17.2 million in operating revenue in the third quarter of 1999.

[REDACTED] however, did not. While [REDACTED] was aware that the transaction resulted in the Taj Mahal's acquiring the All Star Cafe's leasehold improvements and other assets, and that those assets were appraised at approximately \$17.2 million, he did not understand that the entire amount of the gain would be recorded as revenue in the third quarter. [REDACTED] Tr. at 41-42.)

C. Even With The All Star Gain, THCR's Loses \$67 Million In The Third Quarter.

For the third quarter 1999, THCR recorded total gross revenues of \$450.2 million. After deducting for promotional allowances, THCR recorded net revenues of \$403.1 million, which included the \$17.2 million All Star Gain. Thus, the All Star Gain constituted just 3.8 percent of THCR's total gross revenues, and less than 5 percent of its total net revenues. (00103-00107.)

For the third quarter 1999, THCR posted losses of \$67.5 million, or \$3.04 per share. That loss reflects \$128 million in costs associated with the Company's closing of the World's Fair Casino in Atlantic City. (See id.)

D. THCR Decides To Change The Format Of Its Earnings Release To Match Its Competitors, Without Considering The Impact Of The All Star Gain.

Historically, THCR announced its quarterly results to the public through an earnings release that provided a fairly detailed account of the Company's financial performance. THCR's earlier earnings releases would break out revenues (on a Company-wide basis and also

by casino) by "Casino," "Rooms," "Food & Beverage," and "Other." In addition, the Company would provide detailed information regarding each Casino's performance in terms of slot machine play, table game play, and poker, keno, and race wagers. It would also provide information regarding each casino's number of hotel rooms sold, average room rates, and occupancy rates. Thus, this format contained a significant amount of information from which THCR's competitors could glean important aspects of its business strategy.

By comparison, by the third quarter of 1999 most of THCR's competitors had come to release their earnings in a much more summary fashion. For instance, with its May 10, 1999 earnings release, Mirage Resorts, Inc. changed its format to one which provided less detail about its performance, and which omitted previously-provided information regarding table games win percentage, average room rates, and occupancy rate. (See Mirage Resorts 1999 First Quarter Earnings Release, PR Newswire, May 10, 1999, submitted herewith as Exhibit B to the Appendix.) The new Mirage format was considerably less detailed than the format THCR had historically used.

Similarly, Park Place Entertainment Corp. changed the format of its earnings release in early 1999, and as a general matter issued earnings releases that lacked the kind of details THCR historically provided. Thus, beginning with its April 28, 1999 earnings release, Park Place omitted disclosure of its table hold percentage rates. (See Park Place 1999 First Quarter Earnings Release, Business Wire, Apr. 28, 1999, submitted herewith as Exhibit C to the Appendix.) In addition, unlike the format THCR had been using, Park Place simply disclosed "net revenue" as a single line item, without breaking it down into its constituent components. (See id.)

In addition, other publicly-held casino companies, including Harvey's Casino Resorts, Hollywood Park, Inc., Mandalay Resorts Group, and the Sands Regent, all issued earnings releases in the first several months of 1999 that simply reported revenues as single line items for their various casinos. (See Harvey's Casino Resorts 1999 First Quarter Earnings Release, PR Newswire, Apr. 15, 1999; Hollywood Park, Inc. 1999 First Quarter Earnings Release, PR Newswire, May 11, 1999; Mandalay Resorts Group 1999 Second Quarter Earnings Release, PR Newswire, Aug. 24, 1999; and the Sands Regent 1999 Second Quarter Earnings Release PR Newswire, Feb. 16, 1999, all submitted herewith as Exhibit D to the Appendix.)

Over the several months that preceded THCR's October 25 Earnings Release, THCR officials, including [REDACTED] observed and discussed the fact that THCR's practice of issuing press releases that were generally more detailed than those of its competitors put it at a competitive disadvantage. [REDACTED] Tr. at 44-46; [REDACTED] Tr. at 36-38.)

During the week prior to the issuance of the Earnings Release, Harrah's issued an earnings release that, consistent with those of other industry leaders, provided a more streamlined presentation of its financial results than was provided historically by THCR. In particular, Harrah's simply disclosed, by region, lump-sum items for "Revenues," "Operating Profit," and "EBITDA." It did not break out its revenues along the lines of the categories THCR had used, and it did not disclose the kind of information THCR historically had put out regarding slot and table play and hotel occupancy figures. Upon reviewing the Harrah's release, [REDACTED] observed that the format would work well for THCR, given THCR's multiple casino properties, and decided to adopt it. (See [REDACTED] Tr. at 37; [REDACTED] Tr. at 44.) Consequently, on

October 20, 1999, (b)(6),(b)(7)(C) caused a fax to be sent to THCR's Atlantic City offices informing certain personnel there, including (b)(6),(b)(7)(C) of (b)(6),(b)(7)(C) decision. (00028-00035.)

(b)(6),(b)(7)(C) did not have in mind the All-Star Cafe Gain when he decided to change formats; indeed, (b)(6),(b)(7)(C) was not aware of the accounting treatment of the gain. (b)(6),(b)(7)(C) Tr. at 46, 48.) (b)(6),(b)(7)(C) testimony confirmed that the All Star Gain was not considered when the Company decided to change the format of its earnings release. (b)(6),(b)(7)(C) Tr. at 38, 42.)

E. (b)(6),(b)(7)(C) Discuss The Possibility Of Disclosing The All Star Gain In Advance Of The 10-Q, But (b)(6),(b)(7)(C) Decides Not To Do So, Unaware Of The Full Impact Of The Gain On THCR's Third Quarter Revenue.

In mid-October 1999, (b)(6),(b)(7)(C) discussed the possibility of disclosing, in advance of the filing of THCR's 10-Q, the All Star Cafe transaction and the fact that it resulted in a gain to THCR. (b)(6),(b)(7)(C) Tr. at 41-42.) (b)(6),(b)(7)(C) expressed the view that the Company should consider making such an announcement, because he saw it as a positive development for the Company. (b)(6),(b)(7)(C) Tr. at 43.) (b)(6),(b)(7)(C) (who, as noted above, did not understand that the transaction resulted in a \$17.2 million gain in the third quarter) was of the view that such disclosure was unnecessary. (See *id.*) Such disclosure would be inconsistent with the desire to streamline the format of the Company's earnings release. (b)(6)(b)(7)(C) (b)(6),(b)(7)(C) did not press the issue further because, while he believed disclosure was advisable, he did not consider it to be required in advance of the 10-Q filing. (*Id.*) Moreover, (b)(6),(b)(7)(C) understood and agreed with the Company's general desire to streamline its earnings releases. (See (b)(6),(b)(7)(C) Tr. at 36.) Thus, because (b)(6),(b)(7)(C) knew that the 10-Q would be filed shortly and that it would include a description of the All Star transaction, (b)(6),(b)(7)(C) believed it was appropriate to defer to his superior on the question of whether it was advisable, from a

business standpoint, to discuss separately the All Star Gain in advance of the 10-Q. (See *id.* at 44.)

F. The Earnings Release Is Drafted In New York Without Mention Of The All Star Gain.

Toward the end of October 1999, THCR prepared its quarterly Earnings Release. The preparation of the Earnings Release involved THCR's New York and Atlantic City offices, with the two groups focused on separate aspects of the Earnings Release. The Atlantic City office, [REDACTED] assembled the relevant quarterly financial information and provided it to the New York office. [REDACTED] Tr. at 51; [REDACTED] Tr. at 36.) The staff in the New York office then put the financial data in the appropriate format for inclusion in the Earnings Release. [REDACTED] Tr. at 20-21, 37, 44, 48; [REDACTED] Tr. at 35; [REDACTED] Tr. at 33.) Meanwhile, [REDACTED] and [REDACTED] [REDACTED] prepared the text of the Earnings Release, and appended to that text the financial information prepared from the data provided by the Atlantic City office. [REDACTED] Tr. at 35; [REDACTED] Tr. at 40.)

The text of the Earnings Release did not mention the All Star Gain. What is more, as a result of the format change [REDACTED] in which the company's various items of revenue were collapsed into a single line item, the All Star Gain was not apparent from the Earnings Release's presentation of the Company's financial information. (00103-00107.)

The Earnings Release was accurate. It accurately reported THCR's consolidated net revenues of \$403 million for the third quarter of 1999. (See *id.*) It also accurately reported that THCR's EBITDA (which the Earnings Release defined as earnings before interest, taxes, depreciation, amortization, a charge for the closing of the World's Fair casino, and unenumerated corporate expenses) was \$106.7 million, and that net income increased to \$14 million or 63 cents

per share, exceeding First Call estimates of 54 cents per share. (See id.) The Earnings Release did not purport to provide any information regarding the components of the Company's net revenues, nor did it characterize THCR's revenues in any manner.

The Earnings Release also quoted (b)(6),(b)(7)(C) as stating that THCR "succeeded in achieving positive results" in the following categories:

- increasing operating margins;
- decreasing marketing costs; and
- increasing cash sales from non-casino operations.

(00103.)

The Earnings Release's statements about the Company's achieving positive results in these categories were accurate. Even without the All Star Gain, operating margins on a Company-wide basis increased from 22.76 percent for the third quarter 1998 to 23.16 percent for the third quarter 1999.² (00108-00112.) Similarly, on a Company-wide basis, marketing costs (as represented by "promotional allowances") decreased from \$47.685 million in the third quarter 1998 to \$47.136 million in the third quarter 1999. (See id.) Finally, even excluding the All Star Gain, non-gaming revenue on a Company-wide basis increased from \$80.9 million in the third quarter 1998 to \$82.7 million in the third quarter 1999. (See id.)

The Earnings Release did not state that each goal was achieved at each of its various properties, nor did it purport to quantify the Company's success in achieving these goals.

With this in mind, (b)(6),(b)(7)(C) statement that the Company achieved success in implementing

² Calculated as follows: THCR's third quarter net revenues (minus the \$17.2 million All Star Gain) were \$385.9 million; the Company's EBITDA for that period (again, minus the All Star Gain) was \$89.4 million, or 23.16 percent of revenue. By comparison, the Company's total net revenues in the third quarter 1998 were \$397.5 million, and its EBITDA for that period was \$90.5 million, or 22.76 percent of revenue.

those goals is fair and accurate even when viewed on a property-by-property basis. In this regard, even without the All Star Gain, non-gaming revenue at the Taj increased from \$32.1 million in the third quarter 1998 to \$32.4 million in the third quarter 1999; it increased at the Plaza from \$28.8 million to \$29.1 million; and it increased at Indiana from \$0.8 million to \$2.5 million. Only at the Trump Marina was there a decrease in non-gaming revenue. (See id.)

Similarly, although operating margin would not have increased at the Taj without the All Star Gain, operating margin did increase at the Plaza from 21.3% for the third quarter 1998 to 26.5% for the third quarter 1999; it increased at the Marina from 18.7% to 23.5%; and it increased at Indiana from 12.4% to 14.3%. Finally, while marketing costs increased at the Taj Mahal and Indiana from the third quarter 1998 to the third quarter 1999, they decreased at the Plaza from \$17.8 million to \$17 million, and at the Marina from \$1.7 million to \$0.6 million. (See id.)

G. (b)(6),(b)(7)(C) Of Arthur Andersen Comments On The Draft Press Release, But Opines Only That The All Star Gain Be Disclosed In The Company's Upcoming 10-Q.

On Thursday and Friday, October 21 and 22, 1999, (b)(6),(b)(7)(C) of Arthur Andersen and certain of his colleagues were working at THCR's Atlantic City facilities to prepare for the issuance of THCR's quarterly financial statements. (b)(6),(b)(7)(C) Tr. at 13-17, 47.) During that time, (b)(6),(b)(7)(C) received a copy of the draft Earnings Release from THCR's New York office. Upon reviewing it, (b)(6),(b)(7)(C) noticed that it did not mention the All Star Cafe gain, and assumed that, consistent with (b)(6),(b)(7)(C) previously-expressed disinclination to announce the All Star transaction in advance of the 10-Q, and consistent with the desire to streamline the Company's earnings releases generally, THCR officials in New York had made the decision not to include the All Star transaction. (b)(6),(b)(7)(C) Tr. at 46.)

Upon receiving the draft press release, (b)(6),(b)(7)(C) also showed it to (b)(6),(b)(7)(C). (b)(6),(b)(7)(C) Tr. at 46.) (b)(6),(b)(7)(C) asked (b)(6),(b)(7)(C) why the draft did not mention the All Star Gain, and (b)(6),(b)(7)(C) responded that the Earnings Release would not include such a discussion. (b)(6),(b)(7)(C) Tr. at 47-48.) (b)(6),(b)(7)(C) then told (b)(6),(b)(7)(C) that disclosure of the gain would have to be included in the Company's upcoming 10-Q, and (b)(6),(b)(7)(C) assured him that it would be. (b)(6),(b)(7)(C) Tr. at 48.) (b)(6),(b)(7)(C) did not, however, understand (b)(6),(b)(7)(C) to be opining that the Earnings Release, as opposed to the 10-Q, had to include mention of the All Star Gain. (Id.) Indeed, in informing (b)(6),(b)(7)(C) of Arthur Andersen's advice on the subject, (b)(6),(b)(7)(C) stated that Arthur Andersen's view was that the All Star Gain had to be disclosed in the 10-Q. (b)(6),(b)(7)(C) Tr. at 27.)

We understand that the Staff is of the view that (b)(6),(b)(7)(C) testimony in this regard was contradicted by (b)(6),(b)(7)(C). We understand from discussions with the Staff that (b)(6),(b)(7)(C) testified that he thought the Earnings Release should have disclosed the All Star Gain, and that (b)(6),(b)(7)(C) initially suggested that (b)(6),(b)(7)(C) did not want to disclose the gain even in the 10-Q, but that (b)(6),(b)(7)(C) was able to prevail on the latter point. Based on our understanding of (b)(6),(b)(7)(C) testimony, we believe the Staff reads too much into it.

First, whatever (b)(6),(b)(7)(C) private thoughts might have been, his testimony suggests that the only thing he said to (b)(6),(b)(7)(C) on this subject was that he did not understand why the Earnings Release would not discuss the All Star Gain in view of the fact that the upcoming 10-Q certainly would. (b)(6),(b)(7)(C) was not privy to the discussions among THCR officials regarding the adoption of a more streamlined format for its earnings releases in keeping with the prevailing industry practice. In any event, it was reasonable for (b)(6),(b)(7)(C) to

understand that [REDACTED] was not opining on what the Earnings Release must include, but only on what the 10-Q must include.

Indeed, [REDACTED] testimony itself, as we understand it, supports the view that he was focusing only on the requirements of the upcoming 10-Q. [REDACTED] asserted that, had he believed the Company was not going to disclose the All Star Gain in the 10-Q, he would have taken strong action to cause such a decision to be reversed or overruled. Significantly, [REDACTED] took no action whatsoever in the three days prior to the issuance of the Earnings Release to try to convince the Company to include the All Star Café disclosure in it.

Finally, we believe that [REDACTED] was simply mistaken when he suggested that [REDACTED] may have told him that [REDACTED] was resisting the idea of disclosing the All Star Gain in the 10-Q. [REDACTED] and [REDACTED] all testified that there was never any doubt that the item would be disclosed in the 10-Q. [REDACTED] at 28, 29; [REDACTED] Tr. at 43, 44, 46, 54, 56; [REDACTED] Tr. at 49-50, 67, 85.) And, of course, the Company did disclose the All Star Gain in its third quarter 10-Q.

H. The Issuance Of The Earnings Release And The Subsequent Conference Call With Analysts.

THCR's public relations firm, The Marcus Group, caused the Earnings Release to be disseminated over Business Wire at around 8:30 a.m. on Monday, October 25, 2000. (00103-00107.) Later that morning [REDACTED] conducted a conference call for analysts, members of the press, and certain investors to discuss the Company's third quarter results. [REDACTED]

[REDACTED] present in New York with [REDACTED] during the call. (00100-00102.)

During the conference call [REDACTED] demonstrated his lack of understanding of the accounting treatment of the All Star transaction. Thus, [REDACTED] openly admitted that

gaming revenues for the third quarter were down significantly at the Taj Mahal, from \$148 million in 1998 to \$137 million in 1999. (00223.) (b)(6),(b)(7)(C) also stated that non-gaming revenues increased by approximately \$16 million from the third quarter 1998 to the third quarter 1999. (Id.) As noted above (b)(6),(b)(7)(C) did not realize that the increase in non-casino revenue was due largely to the All Star Gain. (See (b)(6),(b)(7)(C) Tr. at 41-42.)

Indeed, during the conference call (b)(6),(b)(7)(C) showed not only his lack of familiarity regarding the details of THCR's results, but also his comfort with allowing (b)(6),(b)(7)(C) to discuss those details directly with analysts. Thus, when asked to walk the analysts through expense reduction at the various properties, (b)(6),(b)(7)(C) replied "I'll be glad to have (b)(6),(b)(7)(C) do that with you directly." (00228.) Similarly, when asked about "the ADR at the Taj and the quarter and what percentage was cash versus comp," (b)(6),(b)(7)(C) replied:

I don't have that and I don't know if (b)(6),(b)(7)(C) has that. I don't think we have that . . . but you can call (b)(6),(b)(7)(C) directly but it was our cash sales [that] increased dramatically and (b)(6),(b)(7)(C) has all that.

(Id.)

Most significantly for present purposes, when (b)(6),(b)(7)(C) was asked to explain how it was that the Taj Mahal's net revenues increased \$5 million despite the \$11 million decrease in gaming revenues (b)(6),(b)(7)(C) said:

I don't know I worked off the numbers (b)(6),(b)(7)(C) gave me but he could reconcile [them], why don't you call him directly?

(00229.)

(b)(6),(b)(7)(C) then ended the call with a general invitation to the participants to call (b)(6),(b)(7)(C) directly with questions on specific aspects of THCR's results:

[O]f course if you have any questions you can call (b)(6),(b)(7)(C) directly and he'll try and help you with the information.

(00235.)

Almost immediately after the conference call, [REDACTED] began receiving telephone calls from individual analysts with questions regarding specific aspects of THCR's third quarter results. Thus, within an hour after the conference call, [REDACTED] [REDACTED] spoke by telephone to [REDACTED] of Lehman Brothers, and in their conversation [REDACTED] advised [REDACTED] that a portion of THCR's third quarter revenues resulted from the acquisition of the All Star Cafe. [REDACTED] Tr. at 55.)

The next morning, Tuesday, October 26, 1999, Goldman Sachs issued a research report which recognized that the Earnings Release should be viewed with caution because it did not purport to give a detailed presentation of THCR's results. The Goldman Sachs report cautioned that:

[THCR] reported 3Q:99 EBITDA of \$106.7 million compared with \$90.6 million in the prior year. Results were well above our estimate of \$91.0 million, thanks to strong numbers at all three Atlantic City properties. However, the large variance from our estimates combined with the lack of the usual detail that accompanies a Trump earnings release raises several questions.

Without the usual detailed revenue line items, our analysis of the increase in non-gaming revenues leads us to extraordinary assumptions about ADRs and promotional allowances. Therefore, we will not make significant changes in our 4Q:99 or 2000 estimates until we can get a better handle on these revenues.

(00254; emphasis added.)

Also during the morning of Tuesday, October 26, 1999, [REDACTED] having [REDACTED] from New York, received a message that [REDACTED] of Bear Stearns had called the previous day. [REDACTED] returned [REDACTED] call, and in that

conversation [REDACTED] informed [REDACTED] that \$17.2 million of THCR's third quarter revenues came from the All Star transaction.

The next morning, Wednesday, October 27, 1999, [REDACTED] issued a research report referring to the increase in the Taj Mahal's net revenues to \$167.7 million. (00278-00280.) Like the Goldman Sachs report from the previous day, [REDACTED] stated that the Earnings Release had raised questions in his mind:

These strong results puzzled us as casino revenues, as reported by the New Jersey Casino Control Commission, declined by \$12.1 million during the quarter from a decline in table games volumes and a difficult hold comparison.

(00280.)

[REDACTED] then reported the fact and implications of the All Star Gain:

We recently learned that the increase in net revenues and EBITDA at the Taj Mahal were the result of a non-recurring gain. . . . [O]ther revenue this year increased to \$23.4 million from \$5.7 million last year. The increase reflects a \$17 million gain that resulted from the abandonment of the All Star Cafe to the [C]ompany by Planet Hollywood International. . . . Adjusting for this one-time gain, EBITDA for Trump AC in the third quarter was \$65.0 million, down from \$70.4 million in the prior year and only slightly ahead of our \$63.1 million forecast.

(Id.)

The next morning, October 28, 1999, [REDACTED] of Deutsche Bank issued a research report which also discussed the All Star transaction. (00256-00260.) Notwithstanding this additional information about the All Star Gain, [REDACTED] then reiterated her "market perform" rating on THCR's stock, the same rating she gave the stock in a research report she issued immediately after the conference call but before learning of the All Star Gain. (Id.)

Also on October 29, 1999, the Atlantic City Press published an article regarding the All Star Gain. Significantly, the article confirmed that, in light of the Earnings Release's compressed format, analysts recognized that the numbers should be viewed cautiously: "How could net revenue at [the Taj] rise by \$5.6 million while casino revenue decreased by \$11 million?" Then, referring to [REDACTED] confused attempt to explain the discrepancy during the conference call, the article reported that "the analysts didn't buy it." (See Joe Weinert, "Gaming/Analyst: All-Star Café Transfer Lifted Trump Results," Atlantic City Press, Oct. 28, 1999, submitted herewith as Exhibit E to the Appendix.)

The Atlantic City Press article also confirms that [REDACTED] was not engaged in a fraudulent scheme and instead was simply confused about the numbers. A quote attributed to [REDACTED] in the Atlantic City Press article confirms that he simply did not understand the issue: "It's not \$17 million. If it's a gain, I've asked the accounting people to give it to me and they haven't given it to me yet." (Id.)

Indeed, according to a November 2, 1999, article in The New York Post, Daniel Davila, an analyst who covers THCR for Southwest Capital, was with [REDACTED] when [REDACTED] learned of the issue, and Mr. Davila concluded that [REDACTED] simply made a mistake: "There was nothing disingenuous that occurred. I would characterize it as a mistake and a very honest one." (See Jesse Angelo, "Trump Playing with a Stacked Deck? Revenue Value is Questioned," The New York Post, Nov. 2, 1999, submitted herewith as Exhibit F to the Appendix.)

I. The Company Moves Quickly And Successfully To Ensure Full Disclose Of The All Star Gain.

Given the level and tone of inquiries from the press and analysts, [REDACTED]

[REDACTED] determined that the Company should take immediate steps to ensure

that the investment community had full knowledge of the All Star transaction and its effect on the Company's third quarter results. Those THCR officials concluded that the most effective response would be to speak personally with the various analysts on the conference call. (b)(6),(b)(7)(C)

(b)(6),(b)(7) Tr. at 61; (b)(6),(b)(7)(C) Tr. at 61; (b)(6),(b)(7)(C) Tr. at 60-61; (b)(6),(b)(7)(C)

did just that, and over the course of the next several days personally contacted those analysts.

In addition, (b)(6),(b)(7)(C) decided to accelerate the filing of THCR's 10-Q, in which, as had been planned even before the Earnings Release was issued, the All Star Gain would be broken out and discussed. (b)(6),(b)(7)(C) Tr. at 67; (b)(6),(b)(7)(C) Tr. at 62-64; (b)(6),(b)(7)(C) Tr. at 60, 85.) Thus, while THCR historically had always filed its 10-Q on the last allowable day, this time it caused its 10-Q to be filed on November 4, 1999, 11 days before it was due. See App. Ex. A.

Following the All Star Café episode, THCR changed its internal procedures regarding the issuance of earnings releases, so that such releases are now reviewed by the Audit Committee of the Company's board of directors before they are released. (See (b)(6),(b)(7)(C) Tr. at 75.) The company also now asks its outside auditors to opine on earnings releases before they are issued. (See id.)

III. LEGAL ANALYSIS

The Staff has suggested that the Company committed three distinct Rule 10b-5 violations: first, by issuing the Earnings Release; second, due to certain statements (b)(6),(b)(7)(C) made during the conference call with analysts; and third, by contacting analysts directly rather than issuing a second press release to discuss the All Star Gain. We respectfully submit that none of those claims would survive a motion to dismiss in the district court, much less prevail at

trial. The Commission would be unable to prove that any THCR officer intended to mislead, that the omission of a separate statement regarding the All Star Gain was material, or that THCR had a legal obligation to issue a second press release discussing the All Star transaction.

In addition, there is no basis to support the issuance of an injunction. There is no evidence to suggest a recurrence of the All Star episode; indeed, the Company's change in its procedure for issuing earnings releases after the Earnings Release supports the opposite result. And, because an injunction could jeopardize THCR's gaming licenses, such relief could have far-reaching and unfair consequences for THCR and its shareholders. Indeed, even the commencement of a 10b-5 action could have such effects.

A. THCR's Actions With Respect To The Earnings Release Do Not Warrant 10b-5 Action.

A review of recent 10b-5 actions brought by the Commission in this region shows that this case does not resemble the kind of wrongdoing that prompts 10b-5 enforcement actions. Those cases, unlike this one, involved either insider trading, an issuer's making false factual statements regarding its financial performance and doing so in a manner that enabled it to profit directly from the misstatement, or both.

Indeed, a case filed just this week by the Commission alleging violations of Section 10(b) and Rule 10b-5 illustrates the wide gulf between the case at bar and those traditionally targeted by the Commission for injunctive relief. In SEC v. Alexander, et al., 00 Civ. 7290 (S.D.N.Y. filed Sept. 27, 2000), the Commission alleged that defendants engaged in an extensive insider trading scheme pursuant to which they reaped hundreds of thousands of dollars in profits based on their advance knowledge of an impending takeover. Specially, the Commission alleged that defendants, several of whom had been convicted of securities violations in connection with an earlier illegal insider trading ring, and several others who were registered

securities brokers, bought and sold securities of both U.S. Shoe Corporation and Luxottica, S.p.A., in advance of Luxottica's tender offer for U.S. Shoe. Defendants' transactions in Luxottica and U.S. Shoe securities were based on material non-public insider information obtained from another defendant, a senior Luxottica executive. (See Complaint, SEC v. Alexander, et al., 00 Civ. 7290, (S.D.N.Y. filed Sept. 27, 2000)).

In SEC v. DCI Telecomm., Case No. 00 Civ. 4664 (S.D.N.Y. filed June 23, 2000), the Commission alleged that defendant DCI "improperly accounted for seven acquisitions and grossly overvalued a purported \$15 million contract and a \$5 million promissory note." SEC Litigation Release No. 16609, 2000 WL 815669 (SEC), at *1 (June 26, 2000). That improper accounting caused the financial statements in five of DCI's Forms 10-K, and twelve of its Forms 10-Q, to be materially false and misleading. Id. It also allowed DCI to raise \$9 million in equity financing and to acquire a distribution contract that it subsequently sold for an additional \$9 million. Id. In addition, DCI insiders profited by selling DCI shares during the fraud. Here, by contrast, the accounting treatment of the All Star Gain was correct, the Earnings Release contained no misstatement, the fact and implication of the All Star Gain were disclosed within hours of the Earnings Release, and neither THCR nor its officers gained in any way from the omission of a separate statement in the Earnings Release regarding the All Star Gain.

In SEC v. Steinberg, Case No. 99 Civ. 6050 (E.D.N.Y. filed Sept. 28, 1999), the Commission alleged that defendants engaged in a scheme to falsify and inflate the financial condition of Power Phone Inc. and its successor, TMC Agroworld Corp., by filing fraudulent financial statements with the Commission and by issuing false press releases. SEC Litigation Release No. 16303, 1999 WL 766105 (SEC) (Sept. 28, 1999). Among other things, Power Phone's audited financial statements improperly included \$4 million in assets that Power Phone

did not own. Those assets accounted for 95% of Power Phone's total assets. In addition, Power Phone issued press releases falsely stating that Power Phone and TMC Agroworld owned a plant in Argentina worth \$74 million; in fact, neither Power Phone nor TMC Agroworld ever owned that asset. Finally, and without any reasonable basis for such a statement, TMC Agroworld claimed in press releases that it had entered into certain contracts that would yield a \$405 million profit to the company. Id. Here, there is no suggestion that the Company improperly claimed the \$17.2 million All Star Gain.

In SEC v. Banks, Case No. 99 Civ. 8855 (S.D.N.Y. filed Aug. 12, 1999), the Commission alleged that Jerald Banks engaged in a fraudulent scheme with the Senior Manager of Livent, Inc., to falsify revenues reported to the Commission by improperly recognizing revenue through "various 'revenue-generating' transactions having secret side agreements that required Livent to pay back amounts advanced by the counter-parties to the transaction." SEC Litigation Release No. 16251, 1999 WL 606717 (SEC), at *1 (Aug. 12, 1999). Banks and other former Livent managers were alleged to have concealed the side agreements from Livent's auditors "in order to improperly record revenue from the transaction and inflate the Company's revenues." Id. Here, by contrast, THCR properly recorded the All Star Gain as operating income based on advice from Arthur Andersen. In addition, far from concealing the Earnings Release from Arthur Andersen, THCR showed Arthur Anderson a draft of the Earnings Release before it was issued.³

³ Similarly, in SEC v. Enter. Solution, Inc., Case No. 00 Civ. 2685 (S.D.N.Y. filed Apr. 6, 2000), the Commission alleged that "defendant Enterprises Solution, Inc. ('ESI') and certain of its insiders made false and misleading claims about ESI's products and customers," and that an ESI insider sold hundreds of thousands of shares in the market, including sales "during a recent surge in the price and trading volume of the stock." SEC Litigation Release No. 16506, 2000 WL 354368 (SEC), at *1 (April 7, 2000). In SEC v. Sutton, et al., Case No. 99 Civ. 3889 (S.D.N.Y. filed May 27, 1999), the Commission alleged that former officers of Happiness Express, Inc. falsified the company's sales and net income figures, and repeated the

The contrast between these cases and the present one is dramatic; they are fraud cases and this one is not. In those cases, the financial statements of the issuers involved were themselves false, and corporate insiders sought direct pecuniary gain from publication of the falsehoods. Those factors are not present here. While hindsight prompted (b)(6),(b)(7)(C) to consider it a mistake not to have discussed the All Star transaction in the Earnings Release, there is nothing to indicate that the omission was designed to defraud investors. What is more, neither THCR nor any of its officers stood to gain from misleading investors regarding the Company's financial performance. And as noted above, the omission in the Earnings Release was an isolated incident which THCR promptly and voluntarily remedied. There was no omission in any subsequent press release or any SEC filing.

B. The Failure To Discuss The All Star Transaction In The Earnings Release Or During The Analyst Conference Call Did Not Constitute A 10b-5 Violation.

The Staff appears to be of the view that, while this case does not approach the pattern of misconduct seen in other Rule 10b-5 cases, 10b-5 action is nevertheless appropriate because, as a pleading matter, the elements of such a cause of action could be met. We respectfully disagree that a 10b-5 claim could be stated.

false figures in initial public offering documents and in several SEC filings. The SEC also alleged that one of the former insiders engaged in illegal insider trading and tipping. SEC Litigation Release No. 16164, 1999 WL 335409 (SEC) (May 27, 1999). As a group, the defendants allegedly received more than \$1 million in profits from their fraudulent schemes. *Id.* In SEC v. Chester Holdings, Ltd., 41 F. Supp. 2d 505 (D.N.J. 1999), defendants, officers and directors of a company, Aqua Buoy, engaged in five acquisitions involving cash and Aqua Buoy stock. In connection with each transaction defendants intentionally and knowingly overvalued Aqua Buoy's stock to enhance the value of the acquisitions. After each transaction, defendants reported the acquisition, including the overvaluations, in SEC filings and press releases. In connection with the transactions and SEC filings, defendants' independent auditors warned them that their valuation of Aqua Buoy's stock was vastly overstated, lacked foundation and required correction. On at least one occasion, Aqua Buoy's independent auditors informed defendants that Aqua Buoy was "materially misstating" the fair value of its stock. Not only did defendants ignore their independent auditors' warnings, but on two occasions, defendants fired their independent auditors after receiving such criticism. Here, Arthur Andersen's only insistence was that the All Star Gain be disclosed in the 10-Q, which it was.

1. None of The Parties Acted With Scienter.

We believe that the Commission would be unable to prove that any THCR official acted with the intent to defraud investors in issuing the Earnings Release or in the ensuing conference call with analysts. As the Commission is well aware, the scienter needed in connection with securities fraud is intent to deceive, manipulate or defraud, or knowing misconduct. In re Carter-Wallace, Inc. Sec. Litig., 220 F.3d 36 (2d Cir. 2000). Thus, scienter in the 10b-5 context means not just that defendants intended to omit the information at issue, but that they intended to mislead.⁴ See Reiss v. Pan Am. World Airways, 711 F.2d 11, 14 (2d Cir. 1983) (“[t]o prove scienter, more than a conscious failure to disclose must be shown. Rather, there must be proof that the non-disclosure was intended to mislead.”). Here, we believe the evidence belies the suggestion that there was an intent to mislead investors.

Even before issuing the Earnings Release, THCR knew that the All Star transaction would be discussed in the Company’s upcoming Form 10-Q. The decision not to disclose it in the Earnings Release reflected THCR’s decision to conform to industry practices by issuing a more streamlined, summary earnings release. In THCR’s view, the place for disclosure was not a bare-bones earnings release, but rather the more expansive, statutorily-required 10-Q that would be filed just a few weeks later.

That [REDACTED] showed [REDACTED] a copy of the draft Earnings Release the week before it was released shows that [REDACTED] did not expect the Earnings Release to be viewed as a document that presented a misleading picture of THCR’s financial performance.

⁴ Even when the plaintiff proceeds under a recklessness theory, the defendants’ actions must approximate an actual intent to aid in the fraud being perpetrated and must be established to such an extent that a “reasonable finder of fact could actually infer fraudulent intent from it.” Chil v. General Elec. Co., 101 F.3d 263, 269 (2d Cir. 1996); see also Novak v. Kasaks, 216 F.3d 300, 312 (2d Cir. 2000) (recklessness is “a state of mind approximating actual intent, and not merely a heightened form of negligence”).

(b)(6),(b)(7)(C) actions also show that he was not trying to hide the All Star Gain. During the conference call, (b)(6),(b)(7)(C) discussed the decrease in gaming revenue at the Taj, and that the increase in revenues resulted from significant increase in non-gaming revenue.

(b)(6),(b)(7)(C) also repeatedly invited the participants in the conference call to contact (b)(6),(b)(7)(C) directly with questions about the specific aspects of the Company's financial performance. Those invitations are inconsistent with an intent to mislead, as is (b)(6),(b)(7)(C) candor with analysts immediately after the conference call. Rather than try to prevent the analysts from learning of the transaction, (b)(6),(b)(7)(C) volunteered information about it when analysts asked for specifics on THCR's revenues.

Indeed, the claim that THCR was trying to mislead investors is belied by the absence of any logical motive on THCR's part to do so. This alone would make it highly unlikely that the Commission would be able to prove that THCR acted with scienter. See In re Burlington Coat Factory Sec. Litig., 114 F.3d 1410, 1418 (3d Cir. 1997) (“[p]laintiffs must accompany their legal theory with factual allegations that make their theoretically viable claim plausible.”); see also Coates v. Heartland Wireless Communications, Inc., 55 F. Supp. 2d 628, 643 (N.D. Tex. 1999) (dismissing 10b-5 complaint where, among other things, the “alleged motive to commit fraud is not plausible as pleaded”). Neither THCR nor its officials sold or intended to sell THCR stock at the time, and so they had nothing to gain by a temporary increase in THCR's stock price. See SEC v. Shattuck Denn Mining Corp., 297 F. Supp. 470, 476 (S.D.N.Y. 1968) (declining to award injunctive relief against corporate defendant where there was “no showing that [the corporation] derived any benefit from such nondisclosure, or that its purpose was to affect the market price of [the corporation's] stock to the advantage of [the corporation] or any of its insiders”).

Undoubtedly, at any given time THCR would like its stock to trade as high as possible, but that is not a sufficient motive for 10b-5 purposes. "Plaintiffs could not proceed on motives possessed by virtually all corporate insiders, including . . . the desire to maintain a high corporate credit rating . . . or otherwise sustain 'the appearance of corporate profitability . . .'" Novak v. Kasaks, 216 F.3d 300, 307 (2d Cir. 2000) (citation omitted). What is more, THCR officials would have known that the increase would be short-lived, since the details of the transaction would be disclosed in a matter of weeks when the 10-Q was filed. In that regard, a court will not find motive where alleged misstatements could provide no more than a "short respite from an inevitable day of reckoning." Shields v. Citytrust Bancorp, Inc., 25 F.3d 1124, 1130 (2d Cir. 1994).

2. The Earnings Release Did Not Contain Any Misstatement Or Material Omission.

The Earnings Release contained no misrepresentations. The Earnings Release accurately reported THCR's revenues, accurately reported the fact that those revenues exceeded certain expectations in the investment community, and accurately reported that the Company had success with respect to certain goals it had set for itself. Nor can there be any suggestion that THCR acted improperly in including the \$17.2 million All Star Gain in its third quarter revenue. Arthur Anderson unambiguously advised THCR that the fair market value of the leasehold improvements acquired by THCR should be included as operating income, and we are aware of no basis to suggest either that the advice was incorrect or that THCR did not reasonably rely on it. In addition, a fully-qualified, independent appraiser concluded that the fair market value of the assets in question were \$17.2 million. That appraisal was vetted by Arthur Anderson, and we are not aware of any basis to call it into question. Viewed against that

backdrop, we do not believe a court would find the omission of a separate statement in the Earnings Release regarding the All Star Gain to have been material.⁵

We are mindful, of course, of Staff Accounting Bulletin No. 99, which rejects the exclusive use of quantitative benchmarks to determine materiality. We expect the Staff to take the position that, consistent with SAB 99, a separate statement regarding the All Star Gain was required even though the gain was a quantitatively insignificant portion of THCR's total revenues. We do not believe, however, that SAB 99 speaks to this situation.

First, SAB 99 refers repeatedly to misstatements of items in a registrant's financial statements. There were no misstatements in THCR's Earnings Release. THCR appropriately included the \$17.2 million All Star Gain in operating income based on Arthur Andersen's written advice, and, taking into account the All Star Gain, THCR accurately reported that its consolidated net revenue for the third quarter 1999 was \$403.1 million.

⁵ What is more, in defining materiality courts have recognized that relaxed scrutiny is appropriate when viewing press releases as opposed to formal SEC filings. See Management Assistance, Inc. v. Edelman, 584 F. Supp. 1021, 1033 (S.D.N.Y. 1984) ("[A] less stringent standard of disclosure is applied to press releases than to proxy statements."). This relaxed scrutiny of press releases and other voluntary disclosures "is based soundly on a desire not to impair the flow of voluntarily released corporate information by imposing too strict a standard." Litig. and Prac. Under Rule 10b-5 § 61.01[b][i] at p. 3-13; see also In re Kidder Peabody Sec. Litig., 10 F. Supp. 2d 398, 411 (S.D.N.Y. 1998) (noting that the purpose of the securities laws in encouraging the accurate disclosure of relevant information to the market is undermined "where the threat of liability leads corporate managers to bury shareholders in an avalanche of trivial information") (internal quotations and citations omitted); SEC v. Texas Gulf Sulphur Co., 401 F. 2d 833, 882 (2d Cir. 1968) (recognizing that rule requiring detailed disclosure in press release "might well have the unfortunate result of deterring the dissemination of corporate news despite the strong policy underlying all securities legislation of encouraging disclosure of information useful to present and potential investors") (Moore, C.J., dissenting).

Stedman v. Storer, 308 F. Supp. 881 (S.D.N.Y. 1969), is instructive. There, the court declined to hold a company liable under Rule 10b-5 where a press release failed to disclose information that concededly would have been required in a proxy statement. Plaintiffs asserted that the failure to disclose that "merger negotiations were conducted solely by individuals in Northeast's management who do not own a single share of Northeast stock" in a joint press release announcing the agreement in principle of the merger of Northeast and Northwest airlines constituted an actionable omission in violation of Rule 10b-5. Id. at 886. In rejecting this contention, the court ruled that even if such facts would have to be disclosed in the proxy statement, "[t]he dispositive point in any event remains that there was no need to tell about this in the press releases." Id.

In addition, SAB 99 speaks primarily to instances in which a “quantitatively small (i.e., less than 5%) misstatement of a financial statement item may nevertheless be material where the misstatement represents an effort to ‘manage’ earnings.” Here, THCR cannot be said to have tried to “manage earnings” by reporting a net revenue figure that included the All Star Gain. The fact is that, with or without the All Star Gain, THCR posted a significant loss of \$67.5 million in the fiscal quarter 1999. Thus, inclusion of the All Star Gain in THCR’s quarterly income, in addition to being wholly appropriate from any accounting standpoint, did not “alter any trends,” “mask a failure to meet expectations,” “change a loss to income,” or serve any other similar purpose.

Finally, while the \$17.2 million item was indeed a one-time gain, the acquisition of such assets will provide substantial economic benefits to THCR in future quarters. Thus, the market would not necessarily have viewed the disclosure of the All Star transaction as detracting from an overall assessment of THCR’s future prospects.

C. Subsequent Disclosure To Analysts And Failure To Issue New Press Release Did Not Constitute Separate 10b-5 Violation.

The Staff also takes the view that THCR committed a separate Rule 10b-5 violation by disclosing the All Star transaction to analysts, but not to the public, in the days following issuance of the Earnings Release. We believe such a claim would be entirely without merit.

Like any other 10b-5 claim, one based on THCR’s disclosure to analysts would have to be premised on the notion that THCR intended to deceive investors by making such disclosures. There is no evidence whatsoever to support that conclusion. Indeed, the U.S. Supreme Court has stated that Rule 10b-5 prohibits a corporate insider from disclosing material

non-public information only if the disclosure was for an "improper purpose of exploiting the information for their personal gain." Dirks v. SEC, 463 U.S. 646, 659 (1983). "[T]he test is whether the insider personally will benefit, directly or indirectly, from his disclosure. Absent some personal gain, there has been no breach of duty to stockholders." Id. at 662. Here, there was no such personal gain in connection with the disclosure of the All Star transaction to analysts, and therefore no 10b-5 liability.

Despite Dirks and its progeny, the Staff apparently takes the position that THCR, (b)(6);(b)(7)(C) had a duty to correct alleged misstatements in the press release and conference call that could be discharged only by issuing a second press release. We believe that such a claim would be without legal or factual basis.

First, THCR took reasonable and adequate steps to correct any misimpressions that arose from the Earnings Release. It did so by contacting the various analysts who followed the Company and discussing with them the All Star transaction. THCR officials took the view that this was the most effective way to inform the market of the All Star Gain and its effect on the Company's third quarter earnings. The Staff takes the view that the issuance of a subsequent press release would have been the preferable approach. Nonetheless, THCR was under no legal duty in October 1999 to make its disclosure of the All Star Gain through a press release. By contacting analysts directly, THCR ensured that it was able immediately to offer each analyst the opportunity to ask the questions he or she deemed appropriate to gain a full understanding of the significance of the item. The analysts, in turn, were able to ensure that the market as a whole fully understood the implications of the All Star Gain. Thus, THCR's approach to the problems the Earnings Release had created was entirely reasonable and, at that time, permissible.

Because THCR's discussions with analysts succeeded in educating the market as a whole regarding the All Star Gain, those discussions extinguished any duty to correct the Earnings Release. See In re IBM. Corp. Sec. Litig., 163 F.3d 102, 110 (2d Cir. 1998) (there is no duty to correct a statement that "does not contain some factual representation that remains 'alive' in the minds of investors as a continuing representation."); see also Ross v. A. H. Robins Co., 465 F. Supp. 904, 908 (S.D.N.Y. 1979) (because duty to correct a prior misstatement exists only "so long as the prior statements remain 'alive' . . . time may render statements immaterial and end any duty to correct them"), rev'd on other grounds, 607 F.2d 545 (2d Cir. 1979).

We recognize, of course, that Regulation FD, once it goes into effect, will alter the obligation of issuers in disclosing to the public information that previously had been disclosed only to analysts. But the Commission must recognize that the Company's conduct in October 1999 cannot be viewed against the new requirements of Regulation FD. Indeed, the fact that the Commission had to use its rule-making power to prohibit selective disclosure to analysts confirms that, prior to Regulation FD, such disclosure was permitted. In announcing Regulation FD, the Commission acknowledged that, unlike "tipping" and insider trading, "the status of issuer selective disclosure has been considerably less clear," and concluded that issuance of a new rule, rather than reliance on existing law, was the appropriate response to concerns regarding selective disclosure. SEC Litigation Release Nos. 33-7801, 34-43154, IC-24599. In light of this, THCR cannot be said to have acted unreasonably in contacting analysts directly to discuss the All Star Gain. See Upton v. SEC, 75 F.3d 92, 98 (2d Cir. 1996) (finding no violation where the alleged wrongdoing was common practice in the industry and had not been explicitly prohibited by the Commission).

Indeed, even under Regulation FD, THCR's disclosing the All Star transaction to analysts but not to the general public would not constitute a 10b-5 violation. In this regard, Regulation FD explicitly states:

No failure to make a public disclosure required solely by § 243.100 shall be deemed a violation of Rule 10b-5.

243 C.F.R. § 102.

D. There Is No Basis For Injunctive Relief.

To warrant injunctive relief, the "SEC must demonstrate that there is a substantial likelihood of future violations of illegal securities conduct." SEC v. Cavanagh, 155 F.3d 129, 135 (2d Cir. 1998). Thus, the mere fact that the defendant committed a violation of the securities laws is an insufficient basis on which to impose injunctive relief. See, e.g., Aaron v. SEC, 446 U.S. 680 (1980); SEC v. Bausch & Lomb, Inc., 565 F.2d 8, 18 (2d Cir. 1977); Capital Real Estate v. Schwartzberg, 917 F. Supp 1050, 1064 (S.D.N.Y. 1996).

Among the factors considered relevant to whether an injunction should issue are: "the degree of scienter involved, the sincerity of defendant's assurances against future violations, the isolated or recurrent nature of the infraction, defendant's recognition of the wrongful nature of his conduct, and the likelihood, because of defendant's professional occupation, that future violations might occur." SEC v. Universal Major Indus. Corp., 546 F.2d 1044, 1048 (2d Cir. 1976); see also SEC v. Bonastia, 614 F.2d 908 (3d Cir. 1980); SEC v. Falbo, 14 F. Supp. 2d 508, 529 (S.D.N.Y. 1998). In light of these principles, we do not believe that the Commission would be able to obtain injunctive relief against THCR.

First, the omission in the Earnings Release was an isolated incident, and not a recurring problem. Once the THCR officials recognized the problems caused by the omission,

they moved swiftly and voluntarily to ensure full disclosure. In addition to remedying the specific problems caused by the Earnings Release, THCR adopted certain procedures to ensure that such problems would not recur. Most specifically, its board adopted a resolution that all future earnings releases would be vetted by the board's Audit Committee (and Arthur Andersen) before being issued. In light of these various steps, a district court would be extremely unlikely to conclude that THCR was likely to repeat the Earnings Release episode.

Finally, the Commission should remember that an order enjoining future securities laws violation is a sanction having "grave consequences" and "serious collateral effects." SEC v. Unifund SAL, 910 F.2d 1028, 1040 (2d Cir. 1990). What is more, an SEC enforcement action is "essentially equitable and prophylactic in nature; its primary purpose is to protect the public against harm, not to punish the offender." SEC v. Paro, 468 F. Supp. 635, 647-48 (N.D.N.Y. 1979); see SEC v. Parklane Hosiery Co., 422 F. Supp. 477, 486 (S.D.N.Y. 1976) aff'd, 558 F.2d 1083 (2d Cir. 1977). Thus, "in deciding whether to grant injunctive relief, a district court is called up to assess all those considerations of fairness that have been the traditional concerns of equity courts." SEC v. Manor Nursing Ctrs., Inc., 458 F.2d 1082, 1102 (2d Cir. 1972). Consequently, "the adverse effect of an injunction upon defendants is a factor to be considered by the district court in exercising its discretion." Id.; see SEC v. Geon Indus., Inc., 531 F.2d 39, 55 (2d Cir. 1976) (observing that the "consequences of an injunction against" the defendant, a brokerage firm "are potentially very great" including possible revocation or disqualification); SEC v. Elec. Warehouse, Inc., 689 F. Supp. 53, 69 (D. Conn. 1988) aff'd, 891 F.2d 457 (2d Cir. 1989); Louis Loss & Joel Seligman, Fundamentals of Securities Regulation, 1163 (3d ed. 1995) ("[c]ourts also consider the impact of an injunction on defendant's professional reputation and legitimate business activities"). A "lack of balance between the need

for an injunction and the hardship which it could create" militates against granting the injunction.

Geon, 531 F.2d at 55.

The issuance of a 10b-5 injunction against THCR would jeopardize THCR's ability to retain its gaming licenses in the jurisdictions in which it operates. Thus, such an injunction could effectively put the Company out of business. We do not believe that a district court would punish the Company and its shareholders in such a manner.

CONCLUSION

This is not a fraud case. Neither the underlying facts nor the applicable law evidence a violation of Section 10(b) or Rule 10b-5. The lessons of October 25, 1999 have been learned, and THCR respectfully urges that no enforcement action should be pursued.

Dated: New York, New York
September 29, 2000

Respectfully submitted,

WILLKIE FARR & GALLAGHER

By: 

Richard L. Posen

787 Seventh Avenue
New York, New York 10019
(212) 728-8000

Attorneys for Trump Hotels & Casino
Resorts

OF COUNSEL:

Thomas H. Golden
Andrew M. Wasserman

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WILLKIE FARR & GALLAGHER

THOMAS H. GOLDEN
212 728 8657
rgolden@willkie.com

787 Seventh Avenue
New York, NY 10019-6099
Tel: 212 728 8000
Fax: 212 728 8111

December 17, 2001

BY HAND

(b)(6),(b)(7)(C)

United States Securities and Exchange Commission
450 Fifth Street, N.W.
Washington, DC 20549

Re: Trump Hotels & Casino Resorts, MNY 6625

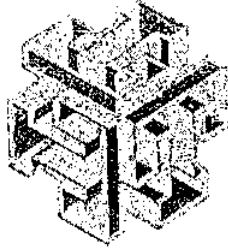
Dear (b)(6),(b)(7)(C)

At (b)(6),(b)(7)(C) suggestion, I am sending you seven copies of a supplemental Wells submission on behalf of Trump Hotels & Casino Resorts, Inc. in connection with the referenced matter. Please accord this submission confidential treatment pursuant to 17 C.F.R. § 200.83.

(b)(6),(b)(7)(C)

Enclosures

cc: (b)(6),(b)(7)(C) (w/enclosures)



December 14, 2001

The Honorable Harvey L. Pitt
The Honorable Isaac C. Hunt, Jr.
The Honorable Laura S. Unger
United States Securities and Exchange Commission
450 Fifth Street, N.W.
Washington, DC 20549

Dear Chairman Pitt, Commissioner Hunt and Commissioner Unger:

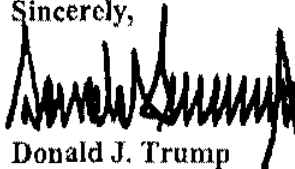
I would greatly appreciate your understanding with respect to the attached filing.

Over the last year, I have been working very diligently to bring this company back from a very difficult time, especially since the tragedy of September 11. I believe we have made very substantial progress toward this end but a 10b-5 proceeding will be a tremendous setback. Additionally, and as you are aware, the person responsible for this situation is no longer with the company.

I greatly appreciate your understanding of this matter.

Thank you.

Sincerely,



Donald J. Trump

THE TRUMP ORGANIZATION

725 FIFTH AVENUE · NEW YORK, N.Y. 10022 212 · 832 · 2000 FAX 212 · 935 · 0141

WILLKIE FARR & GALLAGHER

MICHAEL R. YOUNG
212 728 8280
myoung@willkie.com

787 Seventh Avenue
New York, NY 10012-6099
Tel: 212 728 8000
Fax: 212 728 8111

FOIA CONFIDENTIAL TREATMENT REQUESTED

December 14, 2001

The Honorable Harvey L. Pitt
The Honorable Isaac C. Hunt, Jr.
The Honorable Laura S. Unger
United States Securities and Exchange Commission
450 Fifth Street, N.W.
Washington, DC 20549

Re: Trump Hotels & Casino Resorts, MNY 6625

Dear Chairman Pitt, Commissioner Hunt and Commissioner Unger:

I write to urge the Commission not to approve the commencement of enforcement proceedings under Rule 10b-5 against Trump Hotels & Casino Resorts, Inc. ("THCR" or the "Company") in connection with THCR's issuance of its third quarter 1999 earnings release (the "Release"). This letter, which follows two previous Wells submissions, is the result of the Enforcement Staff's recent communication to us that its recommendation of a disposition of this matter under Exchange Act Section 21(a) has been overruled, and that it is compelled to pursue 10b-5 charges against the Company. This reversal was unexpected, and is seemingly inconsistent with the Staff's decision not to pursue any enforcement action at all against the individual responsible for the Release, (b)(6), (b)(7)(C) That decision, which would seem to further undermine any suggestion of fraud, supports the proposition that the Company's actions in issuing the Release do not warrant 10b-5 action, which would only exacerbate the current business challenges facing THCR. Thus, such an enforcement action would be a misuse of Rule 10b-5 and would serve only to punish THCR's innocent employees and shareholders.

The Supreme Court has observed that, while "Section 10(b) is aptly described as a catchall provision ... what it catches must be fraud," Central Bank of Denver, N.A. v. First Interstate Bank of Denver, N.A., 511 U.S. 164 (1994). Consistent with that cautionary note, the 10b-5 cases that the Commission has pursued in the past generally involved insider trading,

This document is submitted as CONFIDENTIAL. Exemption from disclosure to non-governmental parties of this document and any copies of it is claimed under the Freedom of Information Act (Section 200.83, 17 C.F.R. § 200.83) and all other applicable provisions of law and regulation. It is requested that before any disclosure is permitted of this document or any part or copies of it, timely prior notice be given to Thomas Golden, Willkie Farr & Gallagher, 787 Seventh Avenue, NY, NY 10019, 212-728-8000.

The Honorable Harvey L. Pitt
The Honorable Isaac C. Hunt, Jr.
The Honorable Laura S. Unger
December 14, 2001
Page 2

"cooked books" and the like. Rule 10b-5 violators have quite appropriately garnered public opprobrium precisely because the public understands the rule to be directed at cases of serious financial wrongdoing in which the misbehavior is manifest. THCR's conduct with respect to the Earnings Release does not even come close to that level of wrongdoing.

Viewed from any perspective, the Earnings Release was literally correct. And while THCR's accounting treatment of the All Star Café transaction may seem counter-intuitive, it was fully consistent with the advice of THCR's outside auditors at Arthur Anderson, and is conceded to be correct as an accounting matter. While we accept that the Staff may consider the Release to have been misleading nonetheless, that does not make it fraudulent. If the Staff is correct that Rule 10b-5 is the only enforcement mechanism theoretically available to it here, then no enforcement action would be more just than a strained effort to fit Rule 10b-5 to these facts.¹

While THCR is confident of its ability to defeat a 10b-5 claim, ultimate victory could prove hollow because the mere commencement of a 10b-5 action could have significant immediate and irreparable repercussions for THCR and its shareholders. In that regard, Commissioner Pitt recently expressed his view that the Commission "must always ask, first, whether a proposed action benefits (or harms) investors, and then whether it strengthens (or weakens) the ability of U.S. companies and markets to compete in a new, global, economy." Chairman Harvey L. Pitt, Remarks at the PLI 33rd Annual Institute on Securities Regulation. We believe this view should guide the Commission's consideration of this matter, and that the Commission should recognize that 10b-5 enforcement action would harm rather than benefit THCR's shareholders.

¹ In the spirit of compromise, we offered a number of proposals to resolve this matter short of 10b-5 enforcement proceedings, including an offer to consent to an order under the Books and Record provisions of the 1934 Act, Sections 13(b)(2)(A) and (B). The Staff, however, took the position that the Books and Records requirements do not apply when an issuer communicates with its shareholders and potential investors by a press release as opposed to a public filing, despite the Commission's recognition that press releases have largely supplanted periodic filings as the most meaningful form of corporate communication with the investing public. Thus, in light of its narrow reading of the Books and Records provisions, the Staff would abdicate any role in policing materially misleading earnings releases where there is no evidence of an intent to defraud. While we understand that most of the Commission's Books and Records cases have involved misleading filings or internal accounting irregularities that prevented effective audits, we firmly believe that the plain statutory language applies here. For example, Section 13(b)(2)(A) directs issuers to "make and keep books, records, and accounts, which, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the issuer." The Earnings Release was itself clearly a "record" within the meaning of the Exchange Act. See Exchange Act Section 3(a)(37) ("the term 'records' means accounts, correspondence, memorandum, tapes, discs, papers, books, and other documents or transcribed information of any type, whether expressed in ordinary or machine language"). Surely if the Staff is correct that earnings releases have become the most significant manner in which issuers communicate their results to investors, then earnings releases must be "records" within the meaning of Section 13.

The Honorable Harvey L. Pitt
The Honorable Isaac C. Hunt, Jr.
The Honorable Laura S. Unger
December 14, 2001
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THCR faces a number of business challenges which have become even more pressing by virtue of the impact of September 11 on the hotel industry. A 10b-5 action against the Company would be a severe setback to the Company's ongoing efforts to surmount these difficulties. For instance, THCR operates in the highly regulated gaming industry, and the mere commencement of a fraud action by the Commission could present significant regulatory problems for the Company which, regardless of their outcome, would likely raise investor concern and further depress THCR's value. On a more specific level, the commencement of 10b-5 proceedings would threaten to disrupt THCR's current efforts to restructure its debt. As the Staff is aware, THCR's substantial public debt is largely to blame for THCR's depressed stock price. Consequently, a successful renegotiation of the terms of THCR's debt would likely have significant benefits for THCR's existing shareholders. But the mere commencement of 10b-5 proceedings could derail these negotiations, causing immediate harm to THCR and its shareholders that would not be rectified by THCR's ultimate victory in this matter.

As Commissioner Pitt also noted in his recent PLI speech, the Commission seeks to encourage issuers to "self-correct" problems. Consistent with that view, the Commission recently set forth a number of factors to be considered in determining whether an issuer's self-corrective measures militate against enforcement action, including the nature of the misconduct involved (here, entirely correct accounting treatment and a literally accurate press release); whether the company's auditors were misled (here, they were not); whether the misconduct was merely a one-time event (here, it was); the speed with which the company developed a response after learning of the problem (here, THCR took corrective steps within hours of the issuance of the Release); the steps the company took after learning of the problem (here, THCR contacted virtually every analyst who followed it, accelerated the filing of its 10Q, and adopted new policies for the issuance of earnings releases); whether the persons responsible for the wrongdoing are still with the company (he is not); and the company's cooperation with its regulators (here, THCR gave the Staff its full cooperation). *Report of Investigation Pursuant to Section 21(a) of the Securities Exchange Act of 1934 and Commission Statement on the Relationship of Cooperation to Agency Enforcement Decisions*, Exchange Act Release No. 44969 (October 23, 2001).

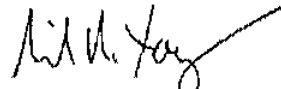
These factors all militate against a 10b-5 action against THCR, which took immediate significant steps to "self-correct" the problems raised by the Earnings Release, including the fact that the responsible officer is no longer with the Company. The All-Star Café episode was a one-time and immediately corrected event. The Earnings Release was literally correct. Not only did THCR not hide the All Star issue from its auditors, it sought and followed Arthur Andersen's advice on the correct accounting treatment for the gain, and it showed Arthur Andersen a draft of the Release before it went out. Significantly, Arthur Andersen did not instruct that the Release must include a description of the All Star transaction. As soon as questions were raised about the transaction and its impact on the Company's quarterly results, the Company took immediate steps to ensure that the market was fully informed of the transaction's details. It also accelerated the filing of its Form 10Q in which those details were once again disclosed. In addition, THCR voluntarily adopted changes to its internal policies and procedures, so that earnings releases are now reviewed by the Company's Audit Committee before being issued. It also cooperated fully with the Staff's investigation of the matter,

The Honorable Harvey L. Pitt
The Honorable Isaac C. Hunt, Jr.
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December 14, 2001
Page 4

including during the investigation's informal phase. Finally, (b)(6),(b)(7)(C)
(b)(6),(b)(7)(C) made the decision to issue the Release in the form it took (b)(6).
(b)(6),(b)(7)(C) The Commission's use of the most powerful weapon in its
regulatory arsenal would in effect ignore THCR's self-corrective efforts, would put THCR in the same
position it would have occupied had it made no effort whatsoever to correct the Release's deficiencies,
and would provide no incentives to other companies to take corrective measures when faced with
similar circumstances.

The ramifications and potential publicity surrounding the commencement of a 10b-5
action would be devastating to THCR's innocent shareholders and employees. For all the reasons
described above, we respectfully request that such proceedings not be commenced against THCR.

Respectfully submitted,



Michael R. Young

cc: Mr. Donald J. Trump

(b)(6),(b)(7)(C)

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Withheld pursuant to exemption

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of the Freedom of Information and Privacy Act

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

DIVISION OF
ENFORCEMENT

PLEASE DELIVER IMMEDIATELY

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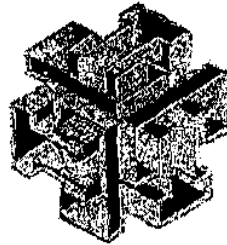
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February 25, 2002

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MESSAGE:



January 28, 2002

Mr. Harvey Pitt
Chairman
Securities & Exchange Commission
450 5th Street NW
Washington, D.C. 20549

Dear Harvey,

Thank you very much for the attention paid to the matter of Trump Hotels and Casino Resorts. I greatly appreciate the time you have taken to speak to me and also the professionalism and fairness shown by you and your representatives. We will work very hard to make sure that this situation does not occur again.

Sincerely,

Donald J. Trump

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OFFICE OF THE CHAIRMAN

THE TRUMP ORGANIZATION

725 FIFTH AVENUE · NEW YORK, N. Y. 10022 212 · 832 · 2000 FAX 212 · 936 · 0141



UNITED STATES
 SECURITIES AND EXCHANGE COMMISSION
 NORTHEAST REGIONAL OFFICE
 233 Broadway
 New York, N.Y. 10279

WRITER'S DIRECT DIAL
 (b)(6),(b)(7)(C)

November 6, 2001

VIA FEDERAL EXPRESS

Richard Posen, Esq.
 Willkie Farr & Gallagher
 787 Seventh Avenue
 New York, NY 10019

Andrew J. Levander, Esq.
 Swidler Berlin Shereff Friedman, LLP
 405 Lexington Avenue
 New York, N.Y. 10174

Re: Trump Hotels & Casino Resorts, Inc. (NY-6625)

Dear Counsel:

Enclosed is a revised proposed Section 21(a) report. Also enclosed is a computer redlined version of the draft I previously sent you, which you may find helpful in identifying the changes from the staff's last draft. As you will see, many of the changes address issues other than those that were the subject of your proposed changes. Once you have had a chance to review the new version I will be happy to discuss the staff's changes, and the changes you proposed in the draft you sent over on September 28th.

The staff is providing this draft 21(a) Report order for settlement purposes only. The contents of this Report is neither binding on the Commission nor admissible against the Commission in any judicial or administrative proceeding whatsoever. Any settlement negotiated by the staff must be approved by the Commission for the settlement to become effective.

If you have any questions or wish to discuss this, you can reach me at (b)(6),(b)(7)(C)
 Please note my new fax number is (b)(6),(b)(7)(C)

(b)(6),(b)(7)(C)

Enc.: as indicated

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES AND EXCHANGE ACT OF 1934
Release No. / , 2001

ACCOUNTING AND AUDITING ENFORCEMENT
Release No. / , 2001

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Report of Investigation in the Matter of :
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TRUMP HOTELS & :
CASINO RESORTS, INC. and :
NICHOLAS L. RIBIS :
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I. INTRODUCTION

The Commission staff has conducted an investigation into the issuance of an earnings announcement by Trump Hotels and Casino Resorts, Inc. ("THCR" or "the Company"). On October 25, 1999, THCR issued a press release concerning its results for the third quarter of 1999 (the "Earnings Release" or the "Release"). The Earnings Release announced that "[n]et income increased to \$14.0 million or \$0.63 per share, before a one-time Trump World's Fair charge, compared to \$5.3 million or \$0.24 per share in 1998." The net income figure used in the Release was a pro forma number because it expressly adjusted income for the quarter to exclude the one-time Trump World's Fair charge of \$81.4 million. (Accordingly, the net income figure is hereafter referred to as "pro forma net income" and the EPS figure derived from the pro forma net income is referred to as "pro forma EPS.") In addition to using the pro forma net income and EPS figures, the Release stated that the Company had beaten analysts' earnings expectations and that the Company had been successful in improving its operating performance. The Release failed to disclose, however, that the pro forma net income included a one-time gain of \$17.2 million. In the context of the pro forma net income, and the statements about improvements in the Company's operations, the omission of information about the one-time gain created the false and misleading impression that the Company's quarterly results were attributable to operational improvements. In fact, without the one-time gain, the Company's revenues and pro forma net income would have decreased from the prior year and the Company would have failed to meet analysts' expectations.

Because of issues relating to the use of press releases and pro forma numbers to disclose financial results, the Commission deems it appropriate to issue this Report of Investigation ("Report") pursuant to Section 21(a) of the Securities Exchange Act of 1934 ("Exchange Act") in order to discuss its concern about misleading statements in earnings press releases and to provide guidance both to companies that issue such releases and investors who rely on them.^{1/}

II. FACTS

Background

THCR is a publicly-held Delaware corporation. Through various subsidiaries, it owns and operates the Trump Taj Mahal Casino Resort (the "Taj Mahal") located in Atlantic City, New Jersey, as well as other casino resorts. THCR and its subsidiaries file reports, including their financial statements, on a consolidated basis. The Company's common stock is registered with the Commission pursuant to Section 12(b) of the Exchange Act and is traded on the New York Stock Exchange. The Company's executive offices are in New York City, and its business and financial operations are centered in Atlantic City. Nicholas L. Ribis, 56, was, from June 1995 until June 2000, President, Chief Executive Officer, and a director of THCR.^{2/}

The All Star Gain

In September 1999, Taj Mahal Associates ("Taj Associates"), a THCR subsidiary, took over the All Star Café located in the Taj Mahal Casino from Planet Hollywood International, Inc. On September 15, 1999, Taj Associates, Planet Hollywood, and the All Star Café, Inc. reached an agreement, pursuant to which, effective September 24, 1999, the All Star Café's lease of space at the Taj Mahal would be terminated and All Star would be relieved of its rental obligations to THCR. In return, Taj Associates would receive the All Star Café's leasehold improvements, alterations, and certain personal property. Based on an independent appraisal and consistent with the advice of its outside auditor, and with generally accepted accounting principles ("GAAP"),

^{1/} Section 21(a) of the Exchange Act authorizes the Commission to investigate violations of the federal securities laws, including violations which have not yet occurred, and to "publish information concerning any such violations." The Commission has periodically exercised its discretion under Section 21(a) to issue a report where a question of public importance is involved and the financial community should be informed about the issue and the Commission's response to it. See Spartek, Inc. and John A. Cable, Exchange Act Release No. 15567 (February 14, 1979) (Loomis, C., concurring); The Commission's Practice Relating to Reports of Investigations and Statements Submitted to the Commission Pursuant to Section 21(a) of the Securities Exchange Act of 1934, Exchange Act Release No. 15664 (March 21, 1979). This Report pursuant to Section 21(a) does not constitute an adjudication of any fact or issue addressed herein.

^{2/} Ribis's contract with THCR expired in June 2000 and was not renewed. Ribis is no longer associated with the Company.

THCR recorded \$17.2 million, the estimated fair market value of these assets, as a component of operating income for third-quarter 1999.

The Earnings Release

On October 25, 1999 THCR issued the Earnings Release, publicly announcing its results for the third quarter of 1999. The Release characterized results of certain of the Company's efforts as "positive" and noted the Company's success in exceeding certain analysts' estimates for the quarter. One of the Release's headings declared "net profit increased to 63 cents per share vs. 24 cents per share in 1998." The Release, and the accompanying financial data, defined net income, or net profit, for the quarter as income before the World's Fair closing charge of \$81.4 million.^{3/} Using this pro forma net income, the Release announced that the Company's quarterly earnings exceeded analysts' expectations:

Net income increased to \$ 14.0 million, or \$ 0.63 per share, before a one-time Trump World's Fair charge, compared to \$ 5.3 million or \$ 0.24 per share in 1998. THCR's earnings per share of \$ 0.63 exceeded First Call estimates of \$ 0.54.^{4/}

The Release also suggested that the Company's increase in net income was the result of increased operating margins, decreased marketing costs, and increased cash sales from non-casino operations. In the Release, Ribis was quoted as saying:

Our focus in 1999 was three-fold: first, to increase our operating margins at each operating entity; second, to decrease our marketing costs; and third, to increase our cash sales from our non-casino operations. We have succeeded in achieving positive results in each of the three categories. The third quarter and nine month results for the company indicate that we have successfully instituted the programs that we focused on during 1999.

The Release did not disclose, however, that the Company's net income for the quarter included the one-time gain resulting from the All Star Café lease termination.^{5/} The Company's \$14 million pro forma net income was based in part on the \$17.2 million one-time gain.

^{3/} The Release also used a pro forma EBITDA figure, defining EBITDA as earnings before interest, taxes, depreciation, amortization, corporate expenses and the \$81.4 million Trump World's Fair closing charge.

^{4/} The accompanying financial data also included figures for net income (loss) and earnings per share for the quarter that, consistent with GAAP, included the World's Fair charge. Those figures were, respectively, a loss of \$67.4 million and earnings per share of -\$3.04.

^{5/} Not only was there no mention of the one-time gain in the text of the Earnings Release, but the financial data included in the Release gave no indication of it, because, as discussed below, all revenue items were reflected in a single line item.

While many of the Company's statements in the Release were literally true, the Release taken as a whole was misleading. The Release used pro forma numbers that expressly excluded the one-time charge and it highlighted the Company's increased operating margins, decreased marketing costs, and increased cash sales from non-casino operations, while failing to disclose the impact of the one-time gain.^{6/} Thus, the Release created the inaccurate impression that THCR's third-quarter results had exceeded analysts' expectations solely because management had been effective in improving the Company's performance.^{7/}

The table below illustrates the impact of the one-time gain on the trends reported in the Earnings Release:

	<u>3rd Q 1998</u>	<u>3rd Q 1999 Per Release</u>	<u>3rd Q 1999 excluding All Star Café Gain</u>
(In thousands)			
Revenues	\$397,387	\$403,072	\$385,872
Net Income	\$ 5,312	\$ 13,958	\$ 3,075
EPS	\$ 0.24	\$ 0.63	\$ 0.14

Preparation of the Earnings Release

Historically, THCR announced its quarterly results through an earnings release that provided a detailed account of the Company's financial performance. These earlier earnings releases itemized revenues (on a Company-wide basis and also by property) by "Casino," "Rooms," "Food & Beverage," and "Other." In addition, they provided detailed information regarding each casino's performance in terms of slot machine play, table game play, and poker, keno, and race wagers, as well as information regarding each casino's number of hotel rooms sold, average room rates, and occupancy rates. In the third quarter of 1999, however, Ribis, following similar models used by THCR's competitors, decided to adopt a more concise, or "streamlined," format for the earnings release. Unlike the more detailed earnings releases of

^{6/} Although the statements about increased operating margins, decreased marketing costs, and increased cash sales from non-casino operations were literally true, in the context of the Earnings Release they were misleading, because, without the \$17.2 million one-time gain, the increases in margins and cash from non-casino operations were negligible. Excluding the one-time gain, THCR's operating margins increased by 0.4% from third-quarter 1998 and its non-gaming revenue increased by \$1.8 million, or approximately 2.25%. The Company's marketing costs (as represented by promotional allowances) decreased by approximately \$549,000, or approximately 1%.

^{7/} See note 10, infra (noting that the first research report by Deutsche Banc after the issuance of the Earnings Release had reported that the Company's \$0.63 third-quarter EPS was driven by margin gains).

earlier quarters, the new, streamlined format did not break out revenue items, but instead disclosed revenue as a single line item for each casino. Thus, the streamlined format did not break out "other revenue," the line-item classification in which the \$17 million one-time All Star Café gain would have been reported under the old format.

The Earnings Release was prepared by THCR's Chief Financial Officer ("CFO") and its Executive Vice-President and Corporate Treasurer ("Executive VP") and approved by Ribis.^{8/} Although the Release used the pro forma net income figure, which expressly excluded the one-time World's Fair charge and thus reasonably implied that such pro forma net income reflected solely the results of on-going operations, neither the text of the Release nor the accompanying financial data disclosed the existence or impact of the one-time gain.

Publication of the Earnings Release and the Fallout

At 10:00 a.m. on October 25, 1999, the day the Earnings Release was issued, THCR held a conference call with analysts. During the call, Ribis told the analysts that increasing non-casino sales at the Taj Mahal had been a priority over the past year, and cited the Taj Mahal's third-quarter revenues as evidence that the emphasis had paid off. Ribis did not say that the Taj Mahal's non-casino revenue had increased principally because of the All Star Café transaction.^{9/} During the call, one analyst who had misunderstood Ribis' statement about the amount of the increase in non-gaming revenue at the Taj Mahal from third-quarter 1998 asked Ribis how the Taj Mahal had achieved an overall gain of \$5 million despite an \$11 million decrease in gaming revenues. Ribis responded that he was not familiar with the details of THCR's quarterly results and suggested that the analyst speak directly with the Company's CFO.

Immediately after the issuance of the Earnings Release and the conference call, analysts began asking questions about the details of THCR's increase in revenues. Within hours of the conference call, the CFO spoke to several analysts who called with questions about specific aspects of Company's third-quarter results, and he provided them with information about the All Star Café gain. Over the next few days, additional analysts raised questions about THCR's quarterly results, and the lack of detail in the Earnings Release. When Ribis was informed of analysts' reactions, he directed THCR's CFO and Executive Vice President to speak to every analyst who had been on the conference call to explain the All Star Café transaction. In addition, the Company decided to accelerate the filing of its 10-Q for the quarter, which would contain a description of the one-time gain.

After receiving clarification from THCR, analysts informed their clients of the impact of the one-time gain. One analyst at Bear, Stearns & Co. notified his clients on October 27, 1999

^{8/} After the third-quarter 1999 Earnings Release was issued, the Company established a procedure by which earnings releases are reviewed by the Audit Committee before they are issued.

^{9/} Without the \$ 17.2 million one-time gain, non-casino sales at the Taj Mahal increased by only \$300,000, or less than one percent, from third-quarter 1998 to third-quarter 1999.

that the increased third-quarter EPS resulted from the inclusion in revenue of the one-time All Star Café gain. On October 28th, analysts at Deutsche Banc Alex Brown issued a report on the effect of the one-time gain, which was disseminated to subscribers to Deutsche Banc research over the First Call Research Network. The Deutsche Banc analysts reported that Company management had disclosed that day that roughly \$0.47 of the \$0.63 third-quarter pro forma EPS the Company had previously reported "were not operating EPS but were actually the result of an accounting gain." The analysts determined that after backing out the one-time \$17 million gain, THCR's net revenues would have fallen 2.7 %, rather than rising 1.5 % as they did when the one-time gain was included. The Deutsche Banc report also explained that, without the one-time gain, the Company experienced negative trends in Company-wide cash flows and margins, as well as in Taj Associates' revenues from operations, rather than the positive trends indicated by the Earnings Release. The analysts lowered their 1999 EPS estimate from -\$1.17, contained in their initial report on THCR's third-quarter results, to -\$1.64.^{10/}

The impact of the one-time gain was also reported in The Atlantic City Press on October 28th, Barrons on November 1st, and The New York Post on November 2nd.

On October 25th, the day the Earnings Release was issued, the price of the Company's stock rose 7.8 % (from \$ 4 to \$ 4.3135), on volume approximately five times the previous day's volume. On October 28th, the day of the second Deutsche Banc analysts' report and the Atlantic City Press article, the stock price fell approximately 6%, on volume approximately four times the previous day's volume.

III. LEGAL ANALYSIS

Section 10(b) of the Exchange Act and Rule 10b-5 thereunder prohibit fraudulent statements in connection with the purchase or sale of securities. Under Rule 10b-5, a statement is fraudulent if it is made with scienter and it "omit[s] to state a material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading."

To violate the antifraud provisions, a misrepresentation or omission must be material, meaning that a reasonable investor would have considered the misrepresented or omitted fact

^{10/} The Deutsche Banc analysts first issued a report on THCR's third-quarter performance (also disseminated via First Call) on October 26th. The earlier report's headline announced that THCR had reported third-quarter operating EPS of \$0.63, driven by margin gains. The analysts had also reported that net revenues were up 1.5%, despite a 1.3 % decline in gaming revenues at the Company's three Atlantic City properties. In the initial report, the analysts had said that the net revenue increase was the result of an increase in cash flow and profitability at the Atlantic City properties (including the Taj Mahal) and concluded that the increase in cash flow indicated that the Company's emphasis on cost reduction had been effective. As a result of the reported quarterly performance, in the initial report, the Deutsche Banc analysts had raised their 1999 EPS estimate.

important when deciding whether to buy, sell or hold the securities in question. See Basic Inc. v. Levinson, 485 U.S. 224, 231-32, 108 S. Ct. 978, 983 (1988). To constitute a violation, the material misstatement or omission must be made with scienter. Aaron v. SEC, 446 U.S. 680, 701-02, 100 S. Ct. 1945, 1958 (1980). Scienter is defined as "a mental state embracing intent to deceive, manipulate, or defraud." Ernst & Ernst v. Hochfelder, 425 U.S. 185, 193-94 n.12, 96 S. Ct. 1375, 1381 n.12 (1976).

Thus, an issuer violates Section 10(b) and Rule 10b-5 if it makes fraudulent statements in public reports to investors, including press releases and other public statements. See SEC v. Koenig, 469 F.2d 198 (2d Cir. 1972); SEC v. Great American Industries, Inc., 407 F.2d 453 (2d Cir. 1967), cert. denied, 395 U.S. 920 (1969). See also SEC v. Texas Gulf Sulphur Co., 401 F.2d 833 (2d Cir. 1968) (en banc), cert. denied, 394 U.S. 976 (1969). In Public Statements by Corporate Representatives, Securities Act Rel. No. 6504 (January 1984), the Commission reminded registrants that "[t]he antifraud provisions of the federal securities laws apply to all public statements by persons speaking on behalf of the registrant." The Commission also made clear that public announcements and press releases constitute public statements. Id. See also Carter-Wallace, Inc. Sec. Litig., 150 F.3d 153 (2d Cir. 1998) (advertisements by issuer can be "in connection with" the purchase or sale of securities); Sunbeam Corporation, Exchange Act Release No. 44305 (May 15, 2001)(issuer violated Section 10(b) and Rule 10b-5 when it disseminated materially false and misleading press releases).^{11/}

The omission from the Earnings Release of the information that THCR's pro forma net income included a \$17.2 million one-time gain was material. That omission was material to the assertions in the Earnings Release that pro forma net income for the quarter had improved compared to the prior year, that pro forma net income had exceeded analysts' expectations, and that the quarterly results showed that management had been effective in improving the Company's operating performance. THCR's assertions about its positive and improving performance for the quarter were based upon its pro forma net income – income before Trump World's Fair closing costs of \$81.4 million. The use of this pro forma number, and the presentation of the pro forma net income as a measure of the Company's operating results, made the undisclosed inclusion of a \$17.2 million one-time gain in the Company's pro forma net income materially misleading. The one-time gain represented the difference between positive trends in revenues and earnings and negative trends in revenues and earnings, and the difference between exceeding analysts' expectations and falling short of them. Thus, the omission of information about the one-time gain obscured a negative trend and a failure to meet analysts' expectations, and therefore could reasonably have led analysts and investors to draw inaccurate conclusions about THCR's quarterly results.

^{11/} Similarly, an officer of an issuer who makes such misrepresentations or omissions with scienter violates the antifraud provisions. See SEC v. Savoy Indus., 665 F.2d 1310, 1315 (D.C. Cir. 1981); Elkind v. Liggett & Myers, Inc., 635 F.2d 156, 163-64 (2d Cir. 1980). Cf. David C. Fannin, Securities Act of 1933 Release No. 7977(May 15, 2001)(corporate officer who participated in the drafting of misleading earnings releases violated Section 17(a)(3) of the Securities Act).

IV. CONCLUSION

In this case, THCR's Earnings Release created the false and misleading impression that the Company had exceeded earnings expectations through operational improvements, when in fact it had not. Under the federal securities laws, even where earnings statements are literally true, they may be materially misleading. The touchstone of accurate disclosure under the securities laws is not literal truth. Thus, even if particular statements, taken separately, are literally true, they will be fraudulent if, taken together and in context, they would mislead a reasonable investor about a material fact (and if the requisite scienter exists). The materiality of omitted information must be determined in light of the statements taken together and the context in which they are made. Thus, an issuer's announcement of an improvement in revenues, net income, and operating trends without disclosure that the improvement was the result of a non-recurring gain is materially misleading.^{12/} If such a material omission is made with scienter, it violates Section 10(b) of the Exchange Act and Rule 10b-5 thereunder.

^{12/} This is true whether the figures are calculated in conformity with GAAP or, as in this case, are pro forma numbers.

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES AND EXCHANGE ACT OF 1934

Release No. / , 2001

ACCOUNTING AND AUDITING ENFORCEMENT

Release No. / , 2001

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Report of Investigation in the Matter of :
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TRUMP HOTELS & :
CASINO RESORTS, INC. and :
NICHOLAS L. RIBIS :
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I. INTRODUCTION

The Commission staff has conducted an investigation into the issuance of an earnings announcement by Trump Hotels and Casino Resorts, Inc. ("THCR" or "the Company"). On October 25, 1999, THCR issued a press release concerning announcing its results for the third quarter of 1999 results (the "Earnings Release" or the "Release"). The Earnings Release announced that "in the Company's net income had increased to \$14.0 million or \$0.63 per share, before a one-time Trump World's Fair charge, compared to \$5.3 million or \$0.24 per share in 1998." The net income figure used in the Release was a pro forma number because it expressly adjusted income for the quarter to exclude the one-time Trump World's Fair charge of \$81.4 million. (Accordingly, the net income figure is hereafter referred to as "pro forma net income" and the EPS figure derived from the pro forma net income is referred to as "pro forma EPS.") In addition to using the pro forma net income and EPS figures, the Release stated million and that the Company had beaten analysts' earnings expectations and that the Company had been successful in improving its by achieving earnings per share ("EPS") of \$0.63 compared to analysts' consensus estimate of \$0.54. The Release presented the income and EPS figures as pro forma numbers reflecting the results of ongoing operations, because it expressly adjusted income and earnings figures to exclude a one-time loss and because it highlighted improvements in the Company's operating performance. The Release failed to disclose, however, that the pro forma Company's \$14 million quarterly net income included a one-time gain of \$17.2 million. In the context of the pro forma net income, and the statements about improvements in the Company's operations, the omission of information about the one-time

gain. This omission created the false and misleading impression that the Company's quarterly results were attributable to operational improvements on going operations were profitable and improving. In fact, without the one-time gain, the Company's revenues and pro forma net income would have decreased from the prior year and the Company would have failed to meet analysts' expectations. Over the next few days, and in response to analysts' confusion about the Release, THCR disclosed to analysts the impact of the one-time gain.

Because of issues relating to the use of press releases and pro forma numbers to disclose financial results, the Commission deems it appropriate to issue this Report of Investigation ("Report") pursuant to Section 21(a) of the Securities Exchange Act of 1934 ("Exchange Act") in order to discuss its concern about misleading statements disclosure in earnings press releases and to provide guidance to both to companies that issue such releases and investors who rely on them.^{1/}

II. FACTS

Background

THCR is a publicly-held Delaware corporation. Through various subsidiaries, it owns and operates the Trump Taj Mahal Casino Resort (the "Taj Mahal") located in Atlantic City, New Jersey, as well as other casino resorts. THCR and its subsidiaries file reports, including their financial statements, on a consolidated basis. The Company's common stock is registered with the Commission pursuant to Section 12(b) of the Exchange Act and is traded on the New York Stock Exchange. The Company's executive offices are in New York City, and its business and financial operations are centered in Atlantic City. Nicholas L. Ribis, 56, was, from June 1995 until June 2000, President, Chief Executive Officer, and a director of THCR.^{2/}

The All Star Gain

^{1/} Section 21(a) of the Exchange Act authorizes the Commission to investigate violations of the federal securities laws, including violations which have not yet occurred, and to "publish information concerning any such violations." The Commission has periodically exercised its discretion under Section 21(a) to issue a report where a question of public importance is involved and the financial community should be informed about the issue and the Commission's response to it. See Spartek, Inc. and John A. Cable, Exchange Act Release No. 15567 (February 14, 1979) (Loomis, C., concurring); The Commission's Practice Relating to Reports of Investigations and Statements Submitted to the Commission Pursuant to Section 21(a) of the Securities Exchange Act of 1934, Exchange Act Release No. 15664 (March 21, 1979). This Report pursuant to Section 21(a) does not constitute an adjudication of any fact or issue addressed herein.

^{2/} Ribis's contract with THCR expired in June 2000 and was not renewed. Ribis is no longer associated with the Company.

— In September 1999, Taj Mahal Associates ("Taj Associates"), a THCR subsidiary, took over the All Star Café located in the Taj Mahal Casino from Planet Hollywood International, Inc. On September 15, 1999, Taj Associates, Planet Hollywood, and the All Star Café, Inc. reached an agreement, pursuant to which, effective September 24, 1999, the All Star Café's lease of space at the Taj Mahal would be terminated and All Star would be relieved of its rental obligations to THCR. In return, Taj Associates would receive the All Star Café's leasehold improvements, alterations, and certain personal property. Based on an independent appraisal and consistent with the advice of its outside auditor, and with generally accepted accounting principles ("GAAP"), THCR recorded \$17.2 million, the estimated fair market value of these assets, as a component of operating income for third-quarter 1999.

The Earnings Release

On October 25, 1999 THCR issued the Earnings Release, publicly announcing its results for the third quarter of 1999. The Release characterized results of certain of the Company's efforts as "positive" and noted highlighted the Company's positive trends and its success in exceeding certain beating analysts' estimates for the quarter. One of the Release's headings declared "EBITDA increased to \$106.7 million vs. \$90.6 million in 1998" and "net profit increased to 63 cents per share vs. 24 cents per share in 1998." The Release, and the accompanying financial data, defined EBITDA as earnings before interest, taxes, depreciation, amortization, corporate expenses and a one-time charge of \$ 81.4 million resulting from the closing of the Trump World's Fair Casino Hotel. The Release, and the accompanying financial data, defined net income, or net profit, for the quarter as income before the World's Fair closing charge of \$81.4 million.^{3/} Using this costs and the cumulative effect of a change in accounting principle. Using these pro forma net income numbers, the Release announced emphasized that the Company's quarterly earnings exceeded analysts' expectations:

Net income increased to \$ 14.0 million, or \$ 0.63 per share, before a one-time Trump World's Fair charge, compared to \$ 5.3 million or \$ 0.24 per share in 1998. THCR's earnings per share of \$ 0.63 exceeded First Call estimates of \$ 0.54.^{3/}

The Release also suggested that the Company's increase in net income earnings was the result of increased operating margins, decreased marketing costs, and increased cash sales from non-casino operations. In the Release, Ribis was quoted as saying:

Our focus in 1999 was three-fold: first, to increase our operating margins at each operating entity; second, to decrease our marketing costs; and third, to increase our cash sales from our non-casino operations. We have succeeded in achieving positive results in each of the three categories. The third quarter and nine month results for the company

^{3/} The accompanying financial data also included figures for net income (loss) and earnings per share for the quarter that, consistent in accordance with generally accepted accounting principles ("GAAP"), included the World's Fair charge. Those figures were, respectively, a loss of \$67.4 million and earnings per share of -\$3.04.

indicate that we have successfully instituted the programs that we focused on during 1999.

The Release did not failed to disclose, however, that the Company's reported \$14 million net income for the quarter included the an unusual one-time gain of \$17.2 million resulting from the termination of the All Star Café's lease termination.^{5/} For the Company's \$14 million pro forma net income was based in part on the \$17.2 million one-time gain.

While many Taj Mahal casino.^{4/}

While each of the Company's statements in the Release were may have been literally true, the Release taken as a whole was misleading. The Release used omitted pro forma numbers that expressly excluded the one-time charge and it highlighted the Company's increased operating margins, decreased marketing costs, and increased cash sales from non-casino operations, while failing but failed to disclose the impact of the one-time gain.^{6/} Thus, the Release created the inaccurate false and misleading impression that THCR's third-quarter third quarter results had exceeded analysts' expectations solely because management had been effective in improving the Company's operating performance.^{5/}

The table below illustrates the impact of the one-time gain on the trends reported in the Earnings Release:

Release	3 rd Q 1998	3 rd Q 1999 per Release	3 rd Q 1999 Per
	3 rd Q 1999 excluding net of		All Star Café Gain

(In thousands)

^{4/} In September 1999, Taj Mahal Associates ("Taj Associates"), a THCR subsidiary, took over the All Star Café located in the Taj Mahal Casino from Planet Hollywood International, Inc. On September 15, 1999, Taj Associates, Planet Hollywood, and the All Star Café, Inc. reached an agreement, pursuant to which, effective September 24, 1999, the All Star Café's lease of space at the Taj Mahal would be terminated and All Star would be relieved of its rental obligations to THCR. In return, Taj Associates would receive the All Star Café's leasehold improvements, alterations, and certain personal property. Based on an independent appraisal and the advice of its outside auditor, THCR recorded \$17.2 million, the estimated fair market value of these assets, as operating income for the third quarter 1999.

^{5/} See note 10⁹, infra (noting that the first research report by Deutsche Banc after the issuance of the Earnings Release had reported that the Company's \$0.63 third-quarter EPS was driven by margin gains). Not only was there no mention of the one-time gain in the text of the Earnings Release, but the financial data included in the Release gave no indication of it, because, as discussed below, all revenue items were reflected in a single line item.

Revenues	\$397,387	\$403,072	\$385,872
Net Income	\$ 5,312	\$ 13,958	\$ 3,075
EPS	\$385,872		
EBITDA	\$ 90,589	\$106,666	\$ 89,466
Income before World's Fair Closing Cost & Cumulative Effect of Change in Accounting Principles	\$ 8,375	\$ 22,0066	\$ 4,806
Basic & Diluted EPS before World's Fair Closing Cost & Cumulative Effect of Change in Accounting Principles	\$ 0.24	\$ 0.63	\$ 0.14

Preparation of the Earnings Release

Historically, THCR announced its quarterly results through an earnings release that provided a detailed account of the Company's financial performance. These earlier earnings releases itemized revenues (on a Company-wide basis and also by property) by "Casino," "Rooms," "Food & Beverage," and "Other." In addition, they provided detailed information regarding each casino's performance in terms of slot machine play, table game play, and poker, keno, and race wagers, as well as information regarding each casino's number of hotel rooms sold, average room rates, and occupancy rates. In the third quarter of 1999, however, Ribis, following similar models used by THCR's competitors, decided to adopt a more concise, or "streamlined," format^{6/} for the its earnings releases. Unlike the more detailed earnings releases of earlier quarters, the new, streamlined format did not break out revenue items, but instead disclosed revenue as a single line item for each casino. Thus, the streamlined format did not break out "other revenue," the line-item classification in which the \$17 million one-time All-Star Café gain would have been reported under the old format.

The Earnings Release was prepared by THCR's Chief Financial Officer ("CFO") and its Executive Vice-President and Corporate Treasurer ("Executive VP") and approved by Ribis. The Chief Financial Officer compiled the financial information from each of the individual properties, using the streamlined format selected by Ribis, while the Executive VP, under Ribis's

^{6/} The \$14 million net-income-before-World's-Fair-closing-costs figure touted in the text of the Release is the result of a 36% reduction to the \$22 million income figure to account for the minority interest held by a limited partner.

supervision, prepared the text.^{7/} Although the text of the Release used the pro forma net income figure, which expressly excluded the one-time World's Fair charge and thus reasonably implied that such pro forma net represented income before the one-time charge, thus creating the impression that such income reflected solely the results of on-going operations, neither the text of the Release nor the accompanying financial data disclosed the existence or impact of the one-time gain from the All-Star Café transaction.

Publication of the Earnings Release and the Fallout

At 10:00 a.m. on October 25, 1999, the day the Earnings Release was issued, THCR held a conference call with analysts. During the call, Ribis told the analysts that increasing non-casino sales at the Taj Mahal had been a priority over the past year, and cited the Taj Mahal's third-quarter revenues as evidence that the emphasis had paid off. Ribis did not say to the analysts that the Taj Mahal's non-casino revenue had increased principally because of the All-Star Café transaction.^{8/} During the call, when one analyst who had misunderstood Ribis' statement about the amount of the increase in non-gaming revenue at the Taj Mahal from third-quarter 1998 specifically asked Ribis how the Taj Mahal had achieved such a large overall gain of \$5 million despite an \$11 million decrease in gaming revenues, Ribis responded that he was not familiar with the details of THCR's quarterly results and suggested that the analyst speak directly with the Company's CFO.

Immediately after the issuance of the Earnings Release and the conference call, analysts began asking questions about the details of THCR's reported increase in revenues. Within hours of the conference call, the CFO spoke to several analysts who called with questions about specific aspects of Company's third-quarter results, and he provided them with information about the All-Star Café gain. Over the next few days, additional analysts raised questions about THCR's quarterly results, and the lack of detail in the Earnings Release. When Ribis was informed of analysts' reactions, he directed THCR's CFO and Executive Vice President to speak to every analyst who had been on the conference call to explain the All-Star Café transaction. In addition, the Company decided to accelerate the filing of its 10-Q for the quarter, which would contain a description of the one-time gain.

After receiving clarification from THCR, analysts informed their clients of the impact of

^{7/} After the third-quarter 1999 Earnings Release was issued, the Company has established a procedure by which earnings releases are reviewed by the Audit Committee before they are issued.

^{8/} Without the \$17.2 million one-time gain, non-casino sales at the Taj Mahal increased by only \$300,000, or less than one percent, from third-quarter 1998 to third-quarter 1999. Third-quarter 1998 non-gaming revenue for the Taj Mahal was approximately \$33 million. Third-quarter 1999 non-gaming revenue for the Taj Mahal was approximately \$49 million. Backing out the \$17.2 million All-Star Café gain, the Taj Mahal's non-gaming revenue actually decreased slightly and its total revenue decreased by \$11.9 million.

Within a few days, analysts transmitted information about the one-time gain to their clients. One analyst at Bear, Stearns & Co. notified his clients on October 27, 1999 that the increased third-quarter EPS resulted from the inclusion in revenue of the one-time All-Star Café gain. On October 28th, analysts at Deutsche Banc Alex Brown issued a report on the effect of the one-time gain, which was disseminated to subscribers to Deutsche Banc research over the First Call Research Network. The Deutsche Banc analysts reported that Company management had disclosed that day that roughly \$0.47 of the \$0.63 third-quarter pro forma EPS the Company had previously reported, "were not operating EPS but were actually the result of an accounting gain." The analysts determined that after backing out the one-time \$17 million gain, THCR's net revenues would have fallen fell 2.7 %, rather than rising 1.5 % as they did when had appeared from the one-time gain was included Earnings Release. The Deutsche Banc report also explained that, without the one-time gain, the Company experienced negative trends in Company-wide cash flows and margins, as well as in Taj Associates' revenues from operations, rather than the positive trends indicated by the Earnings Release. The analysts lowered their 1999 EPS estimate from -\$1.17, contained in their initial report on THCR's third-quarter results, to -\$1.64.^{9/}

~~———— The impact of the one-time gain was also reported in The Atlantic City Press on October 28th, Barrons on November 1st, and The New York Post on November 2nd.~~

On October 25th, the day the Earnings Release was issued, the price of the Company's stock rose 7.8 % (from \$ 4 to \$ 4.3135), on volume approximately five times the previous day's volume. On October 28th, the day of the second Deutsche Banc analysts' report and the Atlantic City Press article, the stock price fell approximately 6%, on volume approximately four times the previous day's volume.

10/

9/ The Deutsche Banc analysts first issued a report on THCR's third-quarter performance (also disseminated via First Call) on October 26th. The earlier report's headline announced that THCR had reported third-quarter operating EPS of \$0.63, driven by margin gains. The analysts had also reported that net revenues were up 1.5%, despite a 1.3 % decline in gaming revenues at the Company's three Atlantic City properties. In the initial report, the analysts had said that the net revenue increase was the result of an increase in cash flow and profitability at the Atlantic City properties (including the Taj Mahal) and concluded that the increase in cash flow indicated that the Company's emphasis on cost reduction had been effective. As a result of the reported quarterly performance, in the initial report, the Deutsche Banc analysts had raised increased their 1999 EPS estimate to a loss of \$1.17.

10/ The impact of the one-time gain was also reported in the general media, specifically in articles in The Atlantic City Press, The New York Post, and Barrons. The first of those articles was published October 28, 1999 – three business days after the Earnings Release was issued.

III. LEGAL ANALYSIS

Section 10(b) of the Exchange Act and Rule 10b-5 thereunder prohibit fraudulent statements in connection with the purchase or sale of securities. Under Rule 10b-5, a statement is fraudulent if it is made with scienter and it Rule 10b-5 defines as fraudulent, a statement that "omit[s] to state a material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading."

To violate the antifraud provisions, a misrepresentation or omission must be material, meaning that a reasonable investor would have considered the misrepresented or omitted fact important when deciding whether to buy, sell or hold the securities in question. See Basic Inc. v. Levinson, 485 U.S. 224, 231-32, 108 S. Ct. 978, 983 (1988). To constitute a violation, the material misstatement or omission must be made with scienter. Aaron v. SEC, 446 U.S. 680, 701-02, 100 S. Ct. 1945, 1958 (1980). Scienter is defined as "a mental state embracing intent to deceive, manipulate, or defraud." Ernst & Ernst v. Hochfelder, 425 U.S. 185, 193-94 n.12, 96 S. Ct. 1375, 1381 n.12 (1976).

Thus, a An issuer violates Section 10(b) and Rule 10b-5 if it makes fraudulent statements in public reports to investors, including press releases and other public statements. See SEC v. Koenig, 469 F.2d 198 (2d Cir. 1972); SEC v. Great American Industries, Inc., 407 F.2d 453 (2d Cir. 1967), cert. denied, 395 U.S. 920 (1969). See also SEC v. Texas Gulf Sulphur Co., 401 F.2d 833 (2d Cir. 1968) (en banc), cert. denied, 394 U.S. 976 (1969). In Public Statements by Corporate Representatives, Securities Act Rel. No. 6504 (January 1984), the Commission reminded registrants that "[t]he antifraud provisions of the federal securities laws apply to all public statements by persons speaking on behalf of the registrant." The Commission also made clear that public announcements and press releases constitute public statements. Id. The court in SEC v. Texas Gulf Sulphur Co., which involved a press release, similarly stated:

Rule 10b-5 is violated whenever assertions are made . . . in a manner reasonably calculated to influence the investing public, e.g., by means of the financial media . . . if such assertions are false or misleading or are so incomplete as to mislead irrespective of whether the issuance of the release was motivated by corporate officials for ulterior purposes.

401 F.2d at 861-863 (emphasis added). See also Carter-Wallace, Inc. Sec. Litig., 150 F.3d 153 (2d Cir. 1998) (advertisements by issuer can be "in connection with" the purchase or sale of securities); Sunbeam Corporation, Exchange Act Release No. 44305 (May 15, 2001)(issuer violated Section 10(b) and Rule 10b-5 when it disseminated materially false and misleading press releases).^{11/}

^{11/} Similarly, an officer of an issuer who makes such misrepresentations or omissions with scienter violates the antifraud provisions. See SEC v. Savoy Indus., 665 F.2d 1310, 1315 (D.C. Cir. 1981); Elkind v. Liggett & Myers, Inc., 635 F.2d 156, 163-64 (2d Cir. 1980). Cf. David C. Fannin, Securities Act of 1933 Release No. 7977(May 15, 2001)(corporate (continued...))

To violate the antifraud provisions, a misrepresentation or omission must be material, meaning that a reasonable investor would have considered the misrepresented or omitted fact important when deciding whether to buy, sell or hold the securities in question. See *Basic Inc. v. Levinson*, 485 U.S. 224, 231-32, 108 S. Ct. 978, 983 (1988). 12/

The omission from the Earnings Release of the information that THCR's pro forma net stated income included a \$17.2 million one-time gain was material. That omission was material to the assertions in the Earnings Release that pro forma net income for the quarter had improved compared to the prior year, that pro forma net income quarterly earnings had exceeded analysts' expectations, that quarterly earnings had improved over the prior year, and that the quarterly results for the quarter showed that management had been effective in improving the Company's operating performance.

THCR's assertions about its positive and improving performance for the quarter were based upon its pro forma net income numbers—earnings before interest, taxes, depreciation, amortization, corporate expenses, and Trump World's Fair closing costs (\$106.7 million) and income before Trump World's Fair closing costs of \$81.4 million. The use of this and cumulative effect of change in accounting principle (\$1.4 million). The use of pro forma numbers that presented earnings and income before a one-time charge, and the presentation of those pro forma net income numbers as a measure of the Company's operating results, made the undisclosed inclusion of a \$17.2 million one-time gain in the Company's pro forma net income result materially misleading. The one-time gain was material to the Earnings Release because it represented the difference between positive trends in revenues and earnings and negative trends in revenues and earnings, being able to report a \$14 million profit for the quarter rather than a loss and the difference between exceeding analysts' expectations and falling short of them. Thus, the omission of information about a positive trend in earnings rather than a negative one. Because the failure to disclose the one-time gain obscured masked a negative trend and a failure to meet analysts' expectations, and therefore could reasonably have led analysts and investors to draw inaccurate conclusions about THCR's quarterly results it was materially misleading. (See *Ganino v. Citizens Utilities Company*, 228 F.3d 154, 163-66 (2nd Cir. 2000) (misreporting of income to conceal issuer's failure to meet earnings expectations and to sustain earnings trend may be material). See also Staff Accounting Bulletin No. 99, 17 CFR Part 211 Subpart B (Aug. 19, 1999) (factors that may render material a quantitatively small misstatement in a financial statement include whether the misstatement masks a trend or hides a failure to meet analysts' expectations).

11/(...continued)

officer who participated in the drafting of misleading earnings releases violated Section 17(a)(3) of the Securities Act).

12/ To violate Section 10(b) and Rule 10b-5, a material misstatement or omission must be made with scienter. *Aaron v. SEC*, 446 U.S. 680, 701-02, 100 S. Ct. 1945, 1958 (1980). Scienter is defined as "a mental state embracing intent to deceive, manipulate, or defraud." *Ernst & Ernst v. Hochfelder*, 425 U.S. 185, 193-94 n.12, 96 S. Ct. 1375, 1381 n.12 (1976).

IV. CONCLUSION

In this case, THCR's Earnings Release created the false and misleading impression that the Company had exceeded earnings expectations through operational improvements, when in fact it had not. Under the federal securities laws, ¹¹Even where earnings statements are literally true, they may be materially misleading. The touchstone of accurate disclosure under the securities laws is not literal truth. Thus, even if particular statements, taken separately, are literally true, they will be fraudulent if, taken together and in context, they would mislead a reasonable investor about a material fact (and if ¹²And the requisite scienter exists). The materiality of omitted information must be determined in light of the statements taken together and the context in which they are made. — Thus, an issuer's announcement of an improvement in revenues, net income, and operating trends without disclosure that the improvement was the result of a non-recurring gain is ¹³or earnings figure, whether calculated in accordance with GAAP or, as in this case, a pro forma number, may be materially misleading. ¹⁴If such a material omission is made with scienter, ¹⁵where the figure is presented as a measure of ongoing operations but fails to disclose that the number has been achieved solely by including income attributable to a one-time gain.

¹⁶In this case, THCR failed to disclose that it met analysts' expectations due to a one-time gain, even as it purported to present income and earnings from ongoing operations, and thus created the false and misleading impression that the Company had exceeded earnings expectations through operational improvements. Where an issuer (and an individual corporate official) acts with scienter to create a false impression as to a material issue, while withholding information necessary to understand that the impression is misleading, the issuer (and the official) violates Section 10(b) of the Exchange Act and Rule 10b-5 thereunder.

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TRUMP HOTELS & CASINO RESORTS INC
CONSOLIDATING INCOME STATEMENT
FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 1989
(IN THOUSANDS, EXCEPT EPS DATA)

	TRUMP TAJ MAHAL	TRUMP PLAZA	TCS	TAC	TACF	TACF II	TACF III	ELIMIN	TRUMP AC CONSOL	THCR FUND	THCR HOLDING	TRUMP TRUMP IND	TRUMP MARINA	THCR ENTER	ELIMIN	THCR HOLD CONSOL	THCR INC	ELIMIN	THCR INC CONSOL
REVENUES:																			
GAMING	\$381,120	\$281,120							\$682,243			\$104,836	\$205,450			\$972,529			\$972,529
ROOMS	29,015	28,735							57,750			2,246	12,266			72,262			72,262
FOOD AND BEVERAGE	40,962	39,578							80,540			2,588	26,395			109,523			109,523
OTHER	33,114	9,221							42,335		3,498	1,052	8,065		(3,498)	51,442			51,442
GROSS REVENUE	484,214	358,654	0	0	0	0	0	0	842,868	0	3,498	110,722	252,166	0	(3,498)	1,205,756	0	0	1,205,756
LESS: PROMOTIONAL ALLOW	48,320	46,545							94,865			2,182	28,475			125,522			125,522
NET REVENUE	435,894	312,109	0	0	0	0	0	0	748,003	0	3,498	108,540	223,691	0	(3,498)	1,080,234	0	0	1,080,234
COSTS AND EXPENSES:																			
GAMING	237,150	164,131							401,281			72,091	124,866			598,238			598,238
ROOMS	1,655	10,163							21,832			1,456	2,889			26,177			26,177
FOOD AND BEVERAGE	14,375	15,957							28,370			3,561	8,144			40,175			40,175
GENERAL & ADMIN	66,034	60,216		65					128,315		16,239	21,465	46,622	69	(3,498)	209,212			209,212
DEPRECIATION & AMORT	27,571	17,339							44,910		221	5,256	12,980			63,367			63,367
TRUMP WORLD'S FAIR CLOSING		128,375							128,375							128,375			128,375
TOTAL COSTS AND EXP	358,787	394,221	0	65	0	0	0	0	753,083	0	15,460	103,329	195,501	69	(3,498)	1,065,544	0	0	1,065,544
INCOME FROM OPERATIONS	77,097	(82,112)	0	(65)	0	0	0	0	(5,080)	0	(12,962)	4,511	28,190	(69)	0	14,690	0	0	14,690
NON-OPERATING INCOME (EXP):																			
INTEREST INCOME	856	422							2,369	16,856	14,136	452	585	1	(29,255)	5,143			5,143
INTEREST EXPENSE	(73,278)	(35,536)		102,341	101,250	6,326	2,109	(210,927)	(115,331)	(16,856)	(18,154)	(5,361)	(40,335)		29,255	(166,781)			(166,781)
OTHER NON-OPERATING INC/EXP:	335	50							385			(2,104)				(1,719)			(1,719)
TOTAL NON-OPER INC/EXP	(69,087)	(35,064)	0	(8,426)	0	0	0	0	(112,677)	0	(4,018)	(7,013)	(39,750)	1	0	(163,357)	0	0	(163,357)
INCOME (LOSS) BEFORE INCOME TAXES JOINT VENTURE AND MINORITY INTEREST	8,010	(117,176)	0	(6,491)	0	0	0	0	(117,657)	0	(16,980)	(2,402)	(11,560)	(68)	0	(148,667)	0	0	(148,667)
LOSS IN JOINT VENTURE									0			2,246				2,246			2,246
PROVISION FOR INCOME TAXES									0							0			0
INCOME (LOSS) BEFORE MINORITY INTEREST	8,010	(117,176)	0	(6,491)	0	0	0	0	(117,657)	0	(16,980)	(4,548)	(11,560)	(68)	0	(150,913)	0	0	(150,913)
MINORITY INTEREST	0	0		0	0	0	0	0	0	0	0	0	0		0	0	0	55,189	55,189
CUM EFFECT OF ACCTG CHANGE											(5,620)					(5,620)		2,055	(3,565)
NET INCOME (LOSS):	\$2,010	(\$117,176)	\$0	(\$8,491)	\$0	\$0	\$0	\$0	(\$117,657)	\$0	(\$22,600)	(\$4,648)	(\$11,560)	(\$68)	\$0	(\$156,533)	\$0	\$57,244	(\$99,289)
WT AVERAGE SHARES OUTSTANDING	T	T	T	T	T	T	T	T	T	T	T	T	T	T	T	T	T	T	22,195,256
EARNINGS PER SHARE																			(\$4.47)

AA 00011
CONFIDENTIAL

21-Oct-99
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TRUMP REPORTS INC
STATEMENT
PERIOD ENDED SEPTEMBER 30, 1998
(UNAUDITED)

	TRUMP TAJ MAHAL	TRUMP PLAZA	TCS	TAC	TACF	TACF II	TACF III	ELIMIN	TRUMP AC CONSOL	THCR FUND	THCR HOLDING	TRUMP TRUMP RD	TRUMP MARINA	THCR ENTER	ELIMIN	THCR HOLD CONSOL	THCR INC	ELIMIN	THCR INC CONSOL
	\$388,405	\$283,934							\$672,339			\$101,255	\$198,361			\$971,945			\$971,945
	31,604	26,875							58,479				12,451			70,930			70,930
	41,918	41,228							83,146			1,297	26,000			110,443			110,443
	16,368	8,945							24,303		3,375	939	8,314		(3,375)	39,556			33,556
	477,295	360,982	0	0	0	0	0	0	838,267	0	3,375	103,491	246,116	0	(3,375)	1,186,674	0	0	1,186,674
	50,555	47,822							98,378			528	29,672			128,578			128,578
	426,729	313,160	0	0	0	0	0	0	739,889	0	3,375	102,963	215,444	0	(3,375)	1,058,296	0	0	1,058,296
	206,957	172,504							409,461			72,863	125,577			607,901			607,901
	11,062	10,294							21,356				2,383			23,739			23,739
	14,366	10,934							28,300			2,473	7,426			38,199			38,199
	61,776	56,712		86					124,574		12,499	22,006	44,844		(3,375)	200,548			200,548
	27,204	16,697							45,901		195	4,203	12,358			62,657			62,657
									0							0			0
	355,365	274,141	0	86	0	0	0	0	629,592	0	12,694	101,545	192,588	0	(3,375)	933,044	0	0	933,044
	71,364	39,019	0	(86)	0	0	0	0	110,297	0	(9,319)	1,418	22,856	0	0	126,292	0	0	125,252
	1,606	947			103,177	101,250	6,305	2,102	(210,907)	4,482	16,856	13,776	895	554	(29,397)	7,166			7,166
	70,000	(36,772)			(110,835)	(101,250)	(6,305)	(2,102)	210,907	(115,994)	(16,856)	(17,982)	(6,961)	(38,263)	29,397	(166,679)			(166,679)
									0				(286)			(286)			(286)
	(69,023)	(34,831)	0	(7,658)	0	0	0	0	(111,512)	0	(4,206)	(6,372)	(37,709)	0	0	(159,799)	0	0	(159,799)
	2,341	4,186	0	(7,744)	0	0	0	0	(1,215)	0	(13,525)	(4,954)	(14,853)	0	0	(34,547)	0	0	(34,547)
									0			2,225				2,225			2,225
									0			0				0			0
	2,341	4,186	0	(7,744)	0	0	0	0	(1,215)	0	(13,525)	(7,179)	(14,853)	0	0	(36,772)	0	0	(36,772)
									0		0	0				0		0	0
									0		0	0				0		13,434	13,434
	\$2,341	\$4,186	\$0	(\$7,744)	\$0	\$0	\$0	\$0	(\$1,215)	\$0	(\$13,525)	(\$7,179)	(\$14,853)	\$0	\$0	(\$36,772)	\$0	\$13,434	(\$23,338)
	T	T							T			T	T						22,206,428
																			(\$1.05)

AA 00012
CONFIDENTIAL

TRUMP HOTELS & CASINO RESORTS INC
CONSOLIDATING INCOME STATEMENT
FOR THE QUARTER TO DATE PERIOD ENDED SEPTEMBER 30, 1999
(IN THOUSANDS, EXCEPT EPS DATA)

29-Oct-99
04:07 PM

	TRUMP TAJ MAHAL	TRUMP PLAZA	YCS	TAC	TACF	TACF II	TACF III	ELIMIN	TRUMP AC CONSOL	THCR FUND	THCR HOLDING	TRUMP IND	TRUMP MARINA	THCR ENTER	ELIMIN	THCR HOLD CONSOL	THCR INC ELIMIN	THCR INC CONSOL
REVENUES:																		
GAMING	\$136,424	\$104,900							\$241,324			\$33,638	\$75,346			\$350,308		\$350,308
ROOMS	11,064	11,393							22,457			1,065	5,047			28,569		28,569
FOOD AND BEVERAGE	15,157	14,013							29,170			1,030	10,229			40,429		40,429
OTHER	23,371	9,739							27,110		1,166	357	3,435	(1,166)		30,902		30,902
GROSS REVENUE	186,016	134,045	0	0	0	0	0	0	320,061	0	1,166	36,090	94,057	0	(1,166)	460,208	0	460,208
LESS PROMOTIONAL ALLOW	18,354	17,043							35,397			1,169	10,570			47,136		47,136
NET REVENUE	167,662	117,002	0	0	0	0	0	0	284,664	0	1,166	34,921	83,487	0	(1,166)	403,072	0	403,072
COSTS AND EXPENSES:																		
GAMING	85,351	58,142							143,493			23,903	43,549			210,945		210,945
ROOMS	3,732	3,544							7,276			612	1,042			8,930		8,930
FOOD AND BEVERAGE	5,316	4,719							10,037			1,323	3,541			14,901		14,901
GENERAL & ADMIN	22,800	20,227		16					43,043		6,039	6,167	16,130	(1,166)		70,213		70,213
DEPRECIATION & AMORT	9,012	8,662							14,704		77	1,806	4,454			21,041		21,041
TRUMP WORLD'S FAIR CLOSING COSTS		128,375							128,375							128,375		128,375
TOTAL COSTS AND EXP	126,213	220,699	0	16	0	0	0	0	346,928	0	6,116	33,811	68,716	0	(1,166)	454,405	0	454,405
INCOME FROM OPERATIONS	41,449	(103,697)	0	(16)	0	0	0	0	(62,264)	0	(4,950)	1,110	14,771	0	0	(51,333)	0	(51,333)
NON-OPERATING INCOME (EXP):																		
INTEREST INCOME	182	96		34,350	33,750	2,072	703	(70,275)	879	5,618	4,643	276	192	(9,776)	1,833			1,833
INTEREST EXPENSE	(23,406)	(12,326)		(36,508)	(33,750)	(2,072)	(703)	(70,275)	(38,592)	(5,618)	(6,065)	(1,773)	(13,604)	9,776	(55,876)			(55,876)
OTHER NON-OPERATING INC(EXP)	(23,225)	(11,880)	0	(2,558)	0	0	0	0	(37,663)	0	(1,422)	(1,806)	(13,411)	0	0	(54,302)	0	(54,302)
INCOME (LOSS) BEFORE TAXES, JOINT VENTURE & EXTRAORDINARY ITEMS	16,224	(115,577)	0	(2,574)	0	0	0	0	(99,927)	0	(6,372)	(696)	1,360	0	0	(106,635)	0	(106,635)
LOSS IN JOINT VENTURE									0			734				734		734
INCOME (LOSS) BEFORE MIN INTEREST & CUM EFFECT OF ACCTNG CHANGE	16,224	(115,577)	0	(2,574)	0	0	0	0	(99,927)	0	(6,372)	(1,430)	1,360	0	0	(106,369)	0	(106,369)
MINORITY INTEREST									0	0	0	0				0	38,899	38,899
CUM EFFECT OF ACCTNG CHANGE																0	0	0
NET INCOME (LOSS)	\$16,224	(\$115,577)	\$0	(\$2,574)	\$0	\$0	\$0	\$0	(\$99,927)	\$0	(\$6,372)	(\$1,430)	\$1,360	\$0	\$0	(\$106,369)	\$0	\$38,899
WT AVER SHARES OUTSTANDING																		22,195,256
EARNINGS PER SHARE																		(\$3.04)

AA 00013
CONFIDENTIAL

TRUMP HOTELS & CASINO RESORTS INC
CONSOLIDATING INCOME STATEMENT
FOR THE QUARTER TO DATE PERIOD ENDED SEPTEMBER 30, 1998
(IN THOUSANDS, EXCEPT EPS DATA)
RESTATE OCT 1999

21-Oct-99
03:45 PM
Revised 1999

	TRUMP TAJ MAHAL	TRUMP PLAZA	TCS	TRUMP AC	TACF	TAC II	TAC III	ELIMIN	TRUMP AC CONSOL	TRUMP MARINA	THCR ENTER	ELIMIN	THCR HOLD CONSOL	THCR INC ELIMIN	THCR INC CONSOL	
REVENUES:																
GAMING	\$148,011	\$103,869							\$251,680	74,331			\$364,172		\$364,172	
ROOMS	11,410	10,441						21,851	2,990				26,841		26,841	
FOOD AND BEVERAGE	15,034	15,013						30,047	70,469				40,927		40,927	
OTHER	5,667	3,395						9,062	3,716			(1,125)	13,132		13,132	
GROSS REVENUE	180,122	132,518	0	0	0	0	0	312,640	93,496	0		(1,125)	445,072	0	445,072	
LESS: PROMOTIONAL ALLOW	18,018	17,767						35,785	11,740				47,685		47,685	
NET REVENUE	162,104	114,751	0	0	0	0	0	276,855	81,756	0		(1,125)	397,387	0	397,387	
COSTS AND EXPENSES:																
GAMING	84,637	62,017						146,654	46,729				220,846		220,846	
ROOMS	3,868	3,818						7,686	784				8,470		8,470	
FOOD AND BEVERAGE	4,959	5,066						10,027	3,072				13,989		13,989	
GENERAL & ADMIN	23,255	19,889		18				43,162	16,153			(1,125)	70,536		70,536	
DEPRECIATION & AMORT	8,910	6,492						15,405	4,160				21,058		21,058	
TOTAL COSTS AND EXP	125,629	97,287	0	18	0	0	0	222,934	70,898	0		(1,125)	334,899	0	334,899	
INCOME FROM OPERATIONS	36,475	17,464	0	(18)	0	0	0	53,921	10,858	0		0	62,488	0	62,488	
NON-OPERATING INCOME (EXP):								0							0	
INTEREST INCOME	226	144		34,616	33,750	2,379	813	(70,692)	1,236	5,618			318	173	(9,861)	2,019
INTEREST EXPENSE	(23,502)	(11,883)		(36,840)	(33,750)	(2,379)	(813)	70,692	(38,475)	(5,618)			(12,212)	(12,886)	9,861	(55,390)
OTHER NON-OPERATING INC(EXP)	0	0						0	0				0	0	0	0
TOTAL NON-OPER INC(EXP)	(23,276)	(11,739)	0	(2,224)	0	0	0	(37,239)	0				(1,894)	(12,713)	0	(53,371)
INCOME (LOSS) BEFORE TAXES, AND JOINT VENTURE	13,199	5,725	0	(2,242)	0	0	0	16,682	0				(1,243)	(1,855)	0	0
LOSS IN JOINT VENTURE								0		742			742		742	
PROVISION FOR INCOME TAXES								0					0		0	
INCOME (LOSS) BEFORE MINORITY INTEREST	0	0						0	0				0	0	0	
MINORITY INTEREST	13,199	5,725	0	(2,242)	0	0	0	16,682	0	(4,467)			(1,985)	(1,855)	0	0
MINORITY INTEREST	0	0		0				0	0				0	0	(3,063)	(3,063)
NET INCOME (LOSS)	\$13,199	\$5,725	\$0	(\$2,242)	\$0	\$0	\$0	\$16,682	\$0	(\$4,467)			(\$1,985)	(\$1,855)	\$0	\$0
WT AVER SHARES OUTSTANDING																22,195,256
BASIC LOSS PER SHARE																\$0.24

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CF-10

TACE Consolidation
EPS Calculation
Q: 9/30/99

9/99

NOV-84-98 12:29 FROM: TRUMP PLAZA FINANCIAL DEP ID: 4417751

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TRUMP HOTELS AND CASINO RESORTS INC
CALCULATION OF EARNINGS PER SHARE
9/30/99

CALCULATION OF WEIGHTED AVERAGE SHARES OUTSTANDING:

	TRADE	TREASURY SHARES	# DAYS	O/S SHARES	
SHARES UNDER INTIAL IPO				10,000,000	
(b)(6), (b)(7)(C) STOCK BONUS AWARD				88,667	
PHANTOM STOCK AWARD				88,668	
SHARES UNDER 4/17/96 IPO				14,073,423	
TOTAL	12/31/98			8 24,206,756	145,240,536
	1/7	50,000		1 24,156,756	24,156,756
	1/8	100,000		1 24,056,756	24,056,756
	1/9	25,000		1 24,031,756	24,031,756
	1/10	50,000		3 23,981,756	71,945,268
	1/13	25,000		1 23,956,756	23,956,756
	1/14	56,000		31 23,900,756	740,823,436
	2/14	250,000		4 23,850,756	94,603,024
	2/18	180,000		2 23,470,756	48,941,512
	2/20	214,500		1 23,256,256	23,256,256
	2/21	60,000		3 23,196,256	69,588,768
	2/24	70,100		2 23,126,156	48,252,312
	2/26	50,000		1 23,076,156	23,076,156
	2/27	20,000		4 23,056,156	92,224,624
	3/3	30,500		1 23,025,656	23,025,656
	3/4	30,000		1 22,995,656	22,995,656
	3/5	20,000		6 22,975,656	137,853,936
	3/11	10,000		9 22,985,656	206,890,904
	3/20	8,900		36 22,956,756	826,443,216
	4/25	150,000		3 22,806,756	68,420,268
	4/28	25,000		1 22,781,756	22,781,756
	4/29	25,000		3 22,756,756	68,270,268
	5/2	21,500		3 22,735,256	68,205,768
	5/5	25,000		1 22,710,256	22,710,256
	5/8	50,000		1 22,660,256	22,660,256
	5/7	25,000		1 22,635,256	22,635,256
	5/8	12,000		1 22,623,256	22,623,256
	5/9	13,000		3 22,610,256	67,830,768
	5/12	10,000		1 22,600,256	22,600,256
	5/13	15,000		1 22,585,256	22,585,256
	5/14	10,000		6 22,575,256	135,451,696
	5/20	25,000		21 22,550,256	473,555,376
	6/10	50,000		205 22,500,256	4,612,552,480
		1,706,500		365	8,320,146,040
WEIGHTED AVERAGE SHARES YTYTD 12/31/97					22,794,921
TREASURY SHARES	01/01/98	1,706,500		4 22,500,256	90,001,024
	01/05/98	25,000		1 22,475,256	22,475,256
	01/06/98	25,000		1 22,450,256	22,450,256
	01/07/98	10,000		1 22,440,256	22,440,256
	01/08/98	15,000		1 22,425,256	22,425,256
	01/12/98	25,000		4 22,400,256	89,601,024
	01/14/98	205,000		353 22,195,256	7,834,925,368
WEIGHTED AVERAGE SHARES QTYTD 12/31/98		2,011,500		365	22,203,612
WEIGHTED AVERAGE SHARES QTD 9/30/99		2,011,500		92 22,195,256	22,195,256
NET LOSS (IN THOUSANDS)					(\$87,470)
BASIC LOSS PER SHARE					(\$43.04)
WEIGHTED AVERAGE SHARES YTD 9/30/99		2,011,500		273 22,195,256	22,195,256
NET LOSS (IN THOUSANDS)					(\$89,289)
BASIC LOSS PER SHARE					(\$4.47)

AA 00015
CONFIDENTIAL

F-3
HCO

TACR Holding
P&L
Q: 9/30/99

PM '99

COST CENTER STATEMENT
SEPTEMBER 1999 *Guarantee*

DESCRIPTION	CURRENT PERIOD		VARIANCE		YEAR-TO-DATE		PRIOR YEAR
	ACTUAL	BUDGET	FAY (UNFAV)	FAY (UNFAV)	ACTUAL	BUDGET	
REVENUES							
MANAGEMENT & MARKETING	3,497,985	3,790,000	(292,015)	(7)	3,497,985	3,790,000	3,375,000
INTEREST INCOME	14,136,106	14,967,315	(831,209)	(5)	14,136,106	14,967,315	13,775,553
GROSS REVENUES	17,634,091	18,757,315	(1,123,224)	(6)	17,634,091	18,757,315	17,150,553
COST AND EXPENSES							
PAYROLL COSTS	2,616,776	1,882,274	734,502	(56)	2,616,776	1,882,274	2,881,053
ADVERTISING	825,810	908,133	(82,323)	9	825,810	908,133	211,796
LICENSES & FEES	134,639	148,500	(13,861)	6	134,639	148,500	119,697
RENT EXPENSE	1,472,173	1,434,537	37,636	(3)	1,472,173	1,434,537	1,428,637
INSURANCE	474,294	569,774	(95,480)	16	474,294	569,774	421,955
UTILITIES	127,940	97,150	30,790	(3)	127,940	97,150	93,968
OTHER OPERATING EXPENSES	10,582,677	7,861,074	2,721,603	(25)	10,582,677	7,861,074	7,315,844
TOTAL COST & EXPENSE	16,239,309	12,690,442	3,548,867	(28)	16,239,309	12,690,442	17,498,990
GROSS OPERATING INCOME	1,394,782	5,996,873	(4,602,091)	(77)	1,394,782	5,996,873	4,651,563
INTEREST EXPENSE	28,154,057	18,183,552	9,970,505	0	28,154,057	18,183,552	17,983,535
DEPRECIATION	221,398	198,000	23,398	(12)	221,398	198,000	195,493
CUM. EFFECT-ACCTG. PRIN	5,819,688	0	5,819,688	0	5,819,688	0	0
NET LOSS	(27,608,293)	(12,384,679)	15,223,614	(82)	(27,608,293)	(12,384,679)	(13,525,465)

F-3
FNO.

THCR Funding
PaL
Q: 9/30/99

10/99

PBC

GENERAL LEDGER DETAIL
 SEPTEMBER THROUGH SEPTEMBER 1999
 TRUMP HOTEL & CAS RESORTS FUNDING

ACCOUNT NUMBER JOB NO. PER	DATE	REF NO	DESCRIPTION	OPENING BALANCE	DEBIT	CREDIT	NET CHANGE	CLOSING BALANCE
32-0-699-7950-01 INTEREST EXPENSE-SR SEC NOTES				14983,333.32				
FUND01 09 09/30/99 JER01			INT EXP		1872,916.66	0.00	1872,916.66	14856,249.98
TOTALS FOR SEPTEMBER								
TOTALS FOR ACCOUNT			7950	14983,333.32	1872,916.66	0.00	1872,916.66	14856,249.98
32-0-699-9210-01 INTEREST INCOME SR SEC NOTES				14983,333.32CR				
FUND01 09 09/30/99 JF#01			INT INC		0.00	1872,916.66	1872,916.66CR	14856,249.98CR
TOTALS FOR SEPTEMBER								
TOTALS FOR ACCOUNT			9210	14983,333.32CR	0.00	1872,916.66	1872,916.66CR	14856,249.98CR
TOTALS FOR LOCATION			699	0.00	1872,916.66	1872,916.66	0.00	0.00
TOTALS FOR COMPANY			37	0.00	3745,833.32	3745,833.32	0.00	0.00

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GENERAL LEDGER DETAIL
 SEPTEMBER THROUGH SEPTEMBER 1999
 TRUMP ATLANTIC CITY FUNDING

ACCOUNT NUMBER	DATE	REF NO	DESCRIPTION	DEBIT	CREDIT	NET CHANGE	CLOSING BALANCE
82-0-000-1000-01			OPENING BALANCE				100.00
CASH							100.00
TOTALS FOR ACCOUNT				0.00	0.00	0.00	100.00
82-0-000-1200-01			INTEREST RECEIVABLE				100.00
IAC01	09/30/99	S90200	ACCR INT - PLAZA	3750.000.00			
IAC01	09/30/99	S90200	ACCR INT - LAJ	7500.000.00			
TOTALS FOR ACCOUNT				11250.000.00	0.00	11250.000.00	56250.000.00
TOTALS FOR ACCOUNT				11250.000.00	0.00	11250.000.00	56250.000.00
82-0-000-1900-03			LONG-TERM MORTGAGE NOTE RECEIV				1200000.000.00
TOTALS FOR ACCOUNT				0.00	0.00	0.00	1200000.000.00
82-0-000-2400-20			ACCURED INTEREST-NOTES				100.000.000.00
IAC01	09/30/99	S90200	ACCR INT - PLAZA	3750.000.00			
IAC01	09/30/99	S90200	ACCR INT - LAJ	7500.000.00			
TOTALS FOR ACCOUNT				11250.000.00	0.00	11250.000.00	56250.000.000.00
TOTALS FOR ACCOUNT				11250.000.00	0.00	11250.000.00	56250.000.000.00
82-0-000-2600-20			LONG TERM DEBT-NOTES				1200000.000.000.00
TOTALS FOR ACCOUNT				0.00	0.00	0.00	1200000.000.000.00
82-0-000-2970-00			INVESTED CAPITAL				100.000.000.000.00
TOTALS FOR ACCOUNT				0.00	0.00	0.00	100.000.000.000.00
TOTALS FOR LOCATION				11250.000.00	11250.000.00	0.00	0.00

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ACCOUNT NUMBER ECHO. PER	DATE	REF NO	DESCRIPTION	DEBIT	CREDIT	NET CHANGT	CLOSING BALANCE
2-D-699-7950-07 INTEREST EXPENSE-NOTES							
09	09/30/99	S90200	ACCR INT - PLAZA	3750.000.00			
09	09/30/99	S90200	ACCR INT - TAJ	7500.000.00			
TOTALS FOR SEPTEMBER				11250.000.00	0.00	11250.000.00	101250.000.00
TOTALS FOR ACCOUNT				11250.000.00	0.00	11250.000.00	101250.000.00
0-499-9810-00 INTEREST INCOME							
09	09/30/99	S90200	ACCR INT - PLAZA		3750.000.00		
09	09/30/99	S90200	ACCR INT - TAJ		7500.000.00		
TOTALS FOR SEPTEMBER				0.00	11250.000.00	11250.000.00	101250.000.00
TOTALS FOR ACCOUNT				0.00	11250.000.00	11250.000.00	101250.000.00
TOTALS FOR LOCATION				11250.000.00	0.00	0.00	0.00
TOTALS FOR COMPANY				22500.000.00	22500.000.00	0.00	0.00

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GENERAL LEDGER DETAIL
 SEPTEMBER THROUGH SEPTEMBER 1999
 TRUMP ATLANTIC CITY FUNDING

CURRENT YEAR ACTUALS PAGE 1

ACCOUNT NUMBER JE NO. PER	DATE	REF NO	DESCRIPTION	OPENING BALANCE	DEBIT	CREDIT	NET CHANGE	CLOSING BALANCE
02-2-000-1030-02 CASH-FIRST UNION				10.00				10.00
TOTALS FOR ACCOUNT 1030				10.00	0.00	0.00	0.00	10.00
02-2-000-1280-00 MORTGAGE NOTES RECEIVABLE				72922,399.08				
TAC02 09 09/30/99 S90202			ACCR INT-SEPT		37,092.28			
TOTALS FOR SEPTEMBER				72922,399.08	37,092.28	0.00	37,092.28	72959,491.36
02-2-000-1280-01 INTEREST RECEIVABLE				2812,500.00				
TAC02 09 09/30/99 S90202			ACCR INT-SEPT		703,125.00			
TOTALS FOR SEPTEMBER				2812,500.00	703,125.00	0.00	703,125.00	3515,625.00
TOTALS FOR ACCOUNT 1280				75734,899.08	740,217.28	0.00	740,217.28	76475,116.36
02-2-000-2690-20 ACCURED INTEREST PAYABLE				2812,500.00CR				
TAC02 09 09/30/99 S90202			ACCR INT-SEPT		0.00	703,125.00		
TOTALS FOR SEPTEMBER				2812,500.00CR	0.00	703,125.00	703,125.00CR	3515,625.00CR
TOTALS FOR ACCOUNT 2690				2812,500.00CR	0.00	703,125.00	703,125.00CR	3515,625.00CR
02-2-000-2690-01 PIK NOTES PAYABLE - (L/T)				75000,000.00CR				75000,000.00CR
02-2-000-2690-10 D.I.D. - PIK NOTES (L/T)				2077,600.92				
TAC02 09 09/30/99 S90202			ACCR INT-SEPT		0.00	37,092.28		
TOTALS FOR SEPTEMBER				2077,600.92	0.00	37,092.28	37,092.28CR	2040,508.64
TOTALS FOR ACCOUNT 2690				72922,399.00CR	0.00	37,092.28	37,092.28CR	72959,491.36CR

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GENERAL LEDGER DETAIL
SEPTEMBER THROUGH SEPTEMBER 1999
TRUMP ATLANTIC CITY FUNDING

CURRENT YEAR ACTUALS

PAGE 2

ACCOUNT NUMBER JEIND. PER	DATE	REF NO	DESCRIPTION	OPENING BALANCE	DEBIT	CREDIT	NET CHANGE	CLOSING BALANCE
02-2-000-2910-00			CAPITAL STOCK - COMMON	1.00CR				1.00CR
TOTALS FOR ACCOUNT 2910				1.00CR	0.00	0.00	0.00	1.00CR
02-2-000-2970-01			CONTRIBUTED CAPITAL-TPA	9.00CR				9.00CR
TOTALS FOR ACCOUNT 2970				9.00CR	0.00	0.00	0.00	9.00CR
TOTALS FOR LOCATION 000				0.00	740,217.28	740,217.28	0.00	0.00

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FORM NO. 10-1-77

CURRENT YEAR ACTUALS

GENERAL LEDGER DETAIL
 SEPTEMBER THROUGH SEPTEMBER 1999
 TRUMP ATLANTIC CITY FUNDING

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02-2-899-9810-00					5625,000.00						
INTEREST EXPENSE											
TAC02 09 09/30/99	S99202	ACCR INT-SEPT			5625,000.00	0.00	703,125.00	703,125.00			6328,125.00
TOTALS FOR SEPTEMBER											6328,125.00

TOTALS FOR ACCOUNT					5625,000.00	0.00	703,125.00	703,125.00			6328,125.00
02-2-899-9810-00					5625,000.00						
INTEREST INCOME											

TAC02 09 09/30/99	S99202	ACCR INT-SEPT			5625,000.00	0.00	703,125.00	703,125.00			6328,125.00
TOTALS FOR SEPTEMBER											6328,125.00

TOTALS FOR ACCOUNT					5625,000.00	0.00	703,125.00	703,125.00			6328,125.00
TOTALS FOR LOCATION					0.00		703,125.00	703,125.00	0.00		0.00
TOTALS FOR COMPANY					0.00		1,443,362.28	1,443,362.28	0.00		0.00

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GENERAL LEDGER DETAIL
SEPTEMBER THROUGH SEPTEMBER 1999
TRUMP ATLANTIC CITY FUNDING

CURRENT YEAR ACTUALS

PAGE 1

ACCOUNT NUMBER JE NO. PER	DATE	REF NO	DESCRIPTION	OPENING BALANCE	DEBIT	CREDIT	NET CHANGE	CLOSING BALANCE

02-3-000-1030-02 CASH-FIRST UNION				10.00				10.00

TOTALS FOR ACCOUNT		1030		10.00	0.00	0.00	0.00	10.00

02-3-000-1280-00 MORTGAGE NOTES RECEIVABLE				23978,647.73				
TAC03 09 09/30/99 S90203			ACCR INT-SEPT		18,302.39			
TOTALS FOR SEPTEMBER				23978,647.73	18,302.39	0.00	18,302.39	23996,950.12

02-3-000-1280-01 INTEREST RECEIVABLE				937,500.00				
TAC03 09 09/30/99 S90203			ACCR INT-SEPT		234,375.00			
TOTALS FOR SEPTEMBER				937,500.00	234,375.00	0.00	234,375.00	1171,875.00

TOTALS FOR ACCOUNT		1280		24916,147.73	252,677.39	0.00	252,677.39	25148,825.12

02-3-000-2490-20 ACCRUED INTEREST PAYABLE				937,500.00CR				
TAC03 09 09/30/99 S90203			ACCR INT-SEPT			234,375.00		
TOTALS FOR SEPTEMBER				937,500.00CR	0.00	234,375.00	234,375.00CR	1171,875.00CR

TOTALS FOR ACCOUNT		2490		937,500.00CR	0.00	234,375.00	234,375.00CR	1171,875.00CR

02-3-000-2690-03 PIK NOTES PAYABLE - (L/T)				25000,000.00CR				25000,000.00CR

02-3-000-2690-10 O.F.D. - PIK NOTES (L/T)				1021,352.27				
TAC03 09 09/30/99 S90203			ACCR INT-SEPT			18,302.39		
TOTALS FOR SEPTEMBER				1021,352.27	0.00	18,302.39	18,302.39CR	1003,049.88

TOTALS FOR ACCOUNT		2690		23978,647.73CR	0.00	18,302.39	18,302.39CR	23996,950.12CR

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GENERAL LEDGER DETAIL
SEPTEMBER THROUGH SEPTEMBER 1999
TRUMP ATLANTIC CITY FUNDING

CURRENT YEAR ACTUALS

ACCOUNT NUMBER JE NO. PER	DATE	REF NO	DESCRIPTION	OPENING BALANCE	DEBIT	CREDIT	NET CHANGE	CLOSING BALANCE

02-3-000-2910-00 CAPITAL STOCK - COMMON				1.00CR				1.00CR

TOTALS FOR ACCOUNT		2910		1.00CR	0.00	0.00	0.00	1.00CR

02-3-000-2970-01 CONTRIBUTED CAPITAL - TPA				9.00CR				9.00CR

TOTALS FOR ACCOUNT		2970		9.00CR	0.00	0.00	0.00	9.00CR

TOTALS FOR LOCATION		000		0.00	252,677.39	252,677.39	0.00	0.00

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GENERAL LEDGER DETAIL
 SEPTEMBER THROUGH SEPTEMBER 1999
 TRUMP ATLANTIC CITY FUNDING

ACCOUNT NUMBER JE NO.	DATE	REF NO	DESCRIPTION	OPENING BALANCE	DEBIT	CREDIT	NET CHANGE	CLOSING BALANCE
02-3-699-7950-97 INTEREST EXPENSE - PIK NOTES				1875,000.00				
TAC03 09 02/30/99 S90203 TOTALS FOR SEPTEMBER			ACCR INT-SEPT	1875,000.00	234,375.00	0.00	234,375.00	2109,375.00 CF3
TOTALS FOR ACCOUNT			7950	1875,000.00	234,375.00	0.00	234,375.00	2109,375.00
02-3-699-9810-80 INTEREST INCOME				1875,000.00CR				
TAC03 09 09/30/99 S90203 TOTALS FOR SEPTEMBER			ACCR INT-SEPT	1875,000.00CR	0.00	234,375.00	234,375.00CR	2109,375.00CR CF3
TOTALS FOR ACCOUNT			9810	1875,000.00CR	0.00	234,375.00	234,375.00CR	2109,375.00CR
TOTALS FOR LOCATION			699	0.00	234,375.00	0.00	0.00	0.00
TOTALS FOR COMPANY			02	0.00	487,052.39	0.00	0.00	0.00

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GENERAL LEDGER DETAIL
SEPTEMBER THROUGH SEPTEMBER 1999
TRUMP ATLANTIC CITY ASSOCIATES

ACCOUNT NUMBER JE NO.	DATE	REF NO	DESCRIPTION	OPENING BALANCE	DEBIT	CREDIT	NET CHANGE	CLOSING BALANCE
03-0-699-7799-01			AMORTIZATION EXPENSE-LOAN COST	582,753.25				
TACA03 09	09/30/99	S90302	DEF FIN EXP-SEPT		58,605.69	0.00	58,605.69	561,358.94
TOTALS FOR SEPTEMBER				582,753.25	58,605.69	0.00	58,605.69	561,358.94
TOTALS FOR ACCOUNT				582,753.25	58,605.69	0.00	58,605.69	561,358.94
03-0-699-7900-29			FEES-CONSULTING	66,606.70				
TACA05 09	09/30/99	S90389	STANDARD & POOR'S		2,500.00		2,500.00	
TACA05 09	09/30/99	S90389	AMORT-US BANK		2,500.00		2,500.00	
TOTALS FOR SEPTEMBER				66,606.70	5,000.00	0.00	5,000.00	69,406.70
03-0-699-7900-50			MISCELLANEOUS	3,486.50				
03-0-699-7900-58			PRINTING & STATIONARY	18,176.96				
TACA06 09	09/30/99	S90380	R DONNELLY-T/C IPA	10,124.96	3,631.46	0.00	3,631.46	13,556.42
TOTALS FOR SEPTEMBER				10,124.96	3,631.46	0.00	3,631.46	13,556.42
TOTALS FOR ACCOUNT				56,018.56	3,631.46	0.00	3,631.46	64,449.00
03-0-699-7900-07			INTEREST EXPENSE-MTGE NOTES	97500,000.00				
TACA01 09	09/30/99	S90300	INT EXP-SEPT		11250,000.00		11250,000.00	
TACA02 09	09/30/99	S90301	INT EXP-FUNDS II		203,125.00		203,125.00	
TACA02 09	09/30/99	S90301	INT EXP-FUNDS III		239,375.00		239,375.00	
TOTALS FOR SEPTEMBER				97500,000.00	12187,500.00	0.00	12187,500.00	109687,500.00
03-0-699-7950-13			DISCOUNT EXPENSE	463,013.50				
TACA04 09	09/30/99	S90303	ACCR DISC FND III-SEPT		37,092.28		37,092.28	
TACA04 09	09/30/99	S90303	ACCR DISC FND III		18,302.39		18,302.39	
TOTALS FOR SEPTEMBER				463,013.50	55,394.67	0.00	55,394.67	518,408.25

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GENERAL LEDGER DETAIL
SEPTEMBER THROUGH SEPTEMBER 1999
TRUMP ATLANTIC CITY ASSOCIATES

CURRENT YEAR ACTUALS

PAGE

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ACCOUNT NUMBER DE NO. PER	DATE	REF NO	DESCRIPTION	OPENING BALANCE	DEBIT	CREDIT	NET CHANGE	CLOSING BALANCE
TOTALS FOR ACCOUNT			7950	97963,013.56	12242,896.67	0.00	12242,896.67	110205,908.29
03-0-699-9816-00				90786,036.82CR				
INTEREST INCOME								
TACAB1 09 09/30/99		S9030D	INT EXP-SEPT			11260,000.00		
TACAB2 09 09/30/99		S9030S	INT INC-DLJ			290,374.87		
TACAB3 09 09/30/99		S9030S	INT REC-HOME-SEP			14,181.97		
TOTALS FOR SEPTEMBER				90786,036.82CR	0.00	11554,476.84	11554,476.84CR	102340,533.66CR
TOTALS FOR ACCOUNT			9610	90786,036.82CR	0.00	11554,476.84	11554,476.84CR	102340,513.44CR
03-0-699-9999-99				7735,748.35CR				
PER 1 CLOSING ACCOUNT								
TACAB8 09 09/30/99		S90306	P & L-SEPT	7735,748.35CR	0.00	755,454.98	755,454.98CR	8491,203.33CR
TOTALS FOR SEPTEMBER								
TOTALS FOR ACCOUNT			9999	7735,748.35CR	0.00	755,454.98	755,454.98CR	8491,203.33CR
TOTALS FOR LOCATION			599	0.00	12309,931.82	12309,931.82	0.00	0.00
TOTALS FOR COMPANY			03	0.00	47008,984.82	47008,984.82	0.00	0.00

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GENERAL LEDGER DETAIL
 SEPTEMBER THROUGH SEPTEMBER 1999
 HUNTSVILLE FUNDING, INC.
 TAX EXEMPT INVESTMENTS

CURRENT YEAR ACTUALS PAGE 3

ACCOUNT NUMBER	DATE	REF NO	DESCRIPTION	DEBIT	CREDIT	NET CHANGE	CLOSING BALANCE
33-0-699-9810-01	10/12/99		INTEREST INCOME-BANKS				
				2,844.03CR			
THCR01 09 09/30/99		JE001	INT INC	0.00	205.14	205.14CR	2,249.17CR
			TOTALS FOR SEPTEMBER		205.14		
TOTALS FOR ACCOUNT				0.00	205.14	205.14CR	2,249.17CR
33-0-699-9999-99			P & L CLOSING ACCOUNT				
				205.14			
THCR01 09 09/30/99		JE001	CLOSE P & L	205.14	0.00	205.14	67,031.85CR
			TOTALS FOR SEPTEMBER		0.00		
TOTALS FOR ACCOUNT				205.14	0.00	205.14	67,031.85CR
TOTALS FOR LOCATION				205.14	205.14	0.00	67,281.02CR
TOTALS FOR COMPANY				410.28	410.28	0.00	0.00

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TRUMP TAJ MAHAL ASSOCIATES
STATEMENTS OF OPERATIONS
(Dollars in thousands)
(UNAUDITED)

For the three months ended September 30.

	1999	1998
REVENUES:		
Gaming	\$ 136,424	\$ 148,011
Rooms	11,064	11,410
Food and Beverage	15,157	15,034
Other	(23,371) A	5,667
Gross revenues	186,016	180,122
Less Promotional Allowances	18,354	18,018
Net Revenues	167,662	162,104
COSTS AND EXPENSES:		
Gaming	85,351	84,637
Rooms	3,732	3,868
Food and Beverage	5,318	4,959
General and administrative	22,800	23,255
Depreciation and amortization	9,012	8,910
Total Costs and Expenses	126,213	125,629
Income from operations	41,449	36,475
Other non-oper. income	0	0
Interest income	183	226
Interest expense	(23,408)	(23,502)
Net income/(loss)	\$ 18,224 55	\$ 13,199

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The image shows a grid of graph paper. At the top, there are several horizontal lines. Below these lines, there are several empty rectangular boxes of varying widths, which appear to be a header or a table structure. The main body of the page is a large grid of small squares, typical of graph paper. The grid is mostly empty, with some faint lines and a few small marks.

CE-3	46 545	Prom Allow Per Consolidation
①	44 144	Prom Allow Per Trump Plaza P&L
	<u>2 401</u>	

CE-2	394 221	Total Cost and Expenses Per Consolidation
②	396 520	Total Costs and Expenses
	<u>2 349</u>	

CE-3	35 064	Total Non-Operating Exp
CE-3	50	Total Non-Operating Income
④	2	Credit For Inc Tax
⑤	<u>35 116</u>	Total Non-Operating Income

Table 1

Per discussion with (b)(6), (b)(7)(C)

At Trump Plaza food coupons were reclassified out of Gaming Expenses and into Promotional Allowance. This entry was made in Consolidation to present the Trump Plaza P&L in SEC format.

(b)(6), (b)(7)(C)
 (b)(6), (b)(7)(C)

Trump Plaza
Rolling Quarters Analysis

Account	9/30/98	12/31/98	3/31/99	6/30/99	9/30/99	Annual Variance
REVENUES						
Gaming	283,933,571	374,515,337	82,922,385	176,219,599	281,119,893	(2,813,678)
Rooms	26,874,996	35,306,463	7,751,268	17,342,021	28,734,978	1,859,982
Food & Bev	41,228,623	34,859,526	11,972,918	75,565,094	39,577,722	(1,650,901)
Other	8,945,165	11,421,893	2,238,690	5,481,530	9,220,789	275,724
Gross Revenue	360,982,255	476,112,821	104,785,261	274,608,244	358,653,382	(2,328,873)
Less: Promo Allowances	46,072,733	60,460,078	13,338,167	27,743,576	44,143,694	(1,929,039)
Net Revenue	314,909,522	415,672,743	91,447,094	196,864,668	314,509,688	(399,834)
COSTS & EXPENSES						
Gaming	143,872,339	191,429,633	42,504,846	89,102,565	137,838,452	(6,033,887)
Rooms	10,310,201	13,674,897	3,237,775	6,875,291	10,448,452	138,249
Food & Bev	33,872,265	45,359,132	10,212,435	21,512,732	32,499,818	(1,372,847)
General & Admin	65,621,746	88,241,638	23,421,611	43,832,061	194,885,228	129,263,462
Depreciation & Amort.	18,697,216	20,711,618	5,949,255	11,646,934	17,339,348	(1,352,868)
Other	3,527,897	4,585,185	1,168,482	2,307,879	3,558,733	30,836
Total Costs & Expenses	275,901,666	368,002,067	86,494,404	175,276,662	396,569,631	120,667,965
Income from Operations	39,007,856	47,670,676	4,952,690	21,588,006	(82,059,943)	(121,067,799)
Interest Income	946,704	1,158,909	57,908	325,487	421,816	(524,888)
Interest Expense	(35,777,909)	(87,695,432)	(11,760,950)	(23,510,904)	(35,536,392)	241,517
Other Non-Operating Exp.						
Total Non-Op	(34,831,205)	(46,536,523)	(11,703,042)	(23,185,417)	(35,114,576)	(283,371)
Income Before prov. for state income taxes & extrord. items	4,176,651	1,134,153	(6,750,352)	(1,597,411)	(117,174,519)	(121,351,170)
Provision (Benefit) for Income Tax	(11,203)	(11,203)	(863)	(1,702)	(1,702)	9,501
Income Before Extrord. Items	4,187,854	1,145,356	(6,751,215)	(1,599,113)	(117,176,221)	(121,364,075)
Extraordinary Gain / Loss						
Net Income (Loss)	4,187,854	1,145,356	(6,751,215)	(1,599,113)	(117,176,221)	(121,364,075)

1.3
Sec 7

F-3
TM

TRUMP MARINA
Pal
Q: 9/30/99

TA 9/99

AA 00041
CONFIDENTIAL

Trump Marina Casino & Resort
Profit & Loss

September P&L

	September 30, 1997	September 30, 1998	September 30, 1999	PRJE CAJBE	Dr.	Cr.	P&L	Dr.	Cr.	Adjusted September 30, 1999	Quarter Ended September 30, 1999
Revenues:											
Casino	205,128	196,012	205,450							205,450	75,346
Rooms	34,642	17,451	12,266							12,266	5,007
Food and beverages	24,346	26,000	26,395							26,395	10,229
Other	8,997	8,314	8,085							8,085	3,455
Total Gross Revenues	254,913	244,777	252,166							252,166	94,037
Less: Promotional Expenses	(21,553)	(29,877)	(21,475)							(21,475)	(10,570)
Total Net Revenues	233,360	215,105	233,691							233,691	83,467
Expenses:											
Casino Games	130,088	125,545	124,864							124,864	43,549
Rooms	1,989	2,286	2,889							2,889	1,042
Food and Beverage	7,661	7,216	8,144							8,144	3,541
Selling, general, and administrative	48,852	44,844	46,622							46,622	14,134
Depreciation	12,886	12,958	12,984							12,980	4,454
Other	0	0	0							0	0
Total Expenses	202,466	192,269	196,301							195,507	64,734
Income (Loss) from operations	30,894	22,836	38,190							38,190	18,733
Other Income (Expense):											
Non-Operating Income	0	0	0							0	0
Interest Income	272	264	585							585	193
Interest expense	(37,204)	(38,262)	(40,335)							(40,335)	(13,604)
Total Other Income (Expense)	(37,032)	(38,098)	(39,750)							(39,750)	(13,411)
Net Income (Loss)	(6,138)	(15,262)	(1,561)							(1,561)	5,322

44-10000-000

Trump Indiana

PCL

Q3 9/30/99

7/99

OCT. 21. 1999 9:31AM TRUMP IND.

NO. 729 P. 2/2

TRUMP INDIANA, INC.
(UNAUDITED)
MONTH / COST CENTER RESULTS
SEP 1999

----- YEAR-TO-DATE -----

DESCRIPTION	ACTUAL	BUDGET	AMOUNT	VARIANCE %	PRIOY YEAR	AMOUNT	VARIANCE %
GAMING REVENUES							
PIT	23,304,188	34,139,000	(10,834,812)	(31.7)	25,709,086	(2,404,898)	(9.3)
SLOTS	81,832,486	89,363,000	(7,530,514)	(8.4)	78,850,022	3,082,464	(3.9)
GROSS GAMING REVENUES	105,136,674	123,502,000	(18,365,326)	(14.9)	104,559,108	5,577,566	(5.3)
OTHER REVENUES							
ROOM REVENUE	2,245,954	4,435,422	(2,189,468)	(49.4)	10,819	2,235,139	20,867.0)
FOOD REVENUE	1,513,445	1,850,000	(336,555)	(18.2)	102,797	1,350,668	(180.6)
BEVERAGE REVENUE	1,054,179	1,835,750	(781,571)	(42.6)	914,056	140,123	(15.3)
OTHER REVENUE	1,052,325	1,217,354	(165,029)	(13.5)	928,578	123,757	(13.3)
GROSS REVENUES	110,712,507	133,840,526	(23,128,019)	(17.3)	105,491,304	5,221,203	(5.0)
PROMOTIONAL ALLOWANCES	2,181,859	3,001,385	(819,526)	(27.3)	528,446	(1,472,827)	(118.9)
NET REVENUES	108,530,648	130,839,141	(22,308,493)	(17.0)	105,019,710	3,511,938	(3.3)
COST AND EXPENSES							
LABOR	22,377,289	24,245,475	(1,868,186)	(7.7)	21,470,142	(707,347)	(3.2)
COST OF GOODS SOLD	1,198,742	1,518,180	(319,438)	(20.9)	179,018	(1,019,164)	(182.5)
COIN/FOOD PROMOTIONS	17,699,274	18,176,315	(477,041)	(2.6)	16,841,966	(857,349)	(5.1)
SPECIAL EVENTS	219,202	696,447	(477,245)	(21.7)	192,398	25,844	(13.2)
LICENSES & FEES	37,318,859	35,910,064	1,408,795	3.9	32,787,140	4,531,719	(13.8)
INSURANCE	982,789	1,071,536	(88,747)	(8.3)	958,508	24,281	(2.5)
TRAVEL & PROMOTIONAL EXP.	1,263,599	1,137,076	126,523	(11.1)	2,059,573	(895,974)	(43.5)
RENT EXPENSE	166,383	117,541	48,842	(41.6)	86,480	80,903	(92.5)
ADVERTISING	1,410,456	1,669,748	(259,292)	(15.5)	1,096,446	314,010	(28.6)
BAD DEBTS	59,347	189,000	(129,653)	(68.6)	144,685	14,662	(10.8)
UTILITIES	502,063	1,332,135	(830,072)	(62.3)	457,107	44,956	(9.8)
PROPERTY TAXES	1,291,586	2,082,000	(790,414)	(37.9)	1,176,450	115,136	(9.8)
OTHER OPERATING EXPENSES	5,206,986	6,469,330	(1,262,344)	(19.5)	4,992,768	214,118	(4.3)
BERTHING FEES	1,800,000	1,800,000	0	0	1,800,000	0	0
LOSS IN AFFILIATE	1,740,488	1,800,000	(59,512)	(3.3)	3,839,780	(3,099,292)	(78.1)
TOTAL COST & EXPENSES	92,399,874	100,430,837	(8,030,963)	(8.0)	90,489,110	1,910,764	(2.1)
GROSS OPERATING INCOME	18,132,774	33,408,304	(15,275,530)	(45.7)	12,473,828	5,664,946	(45.5)
GROSS MARGIN	14.6	18.6			12.1		
DEPRECIATION & AMORTIZATION	4,264,124	3,284,400	979,724	(29.8)	3,209,837	1,054,287	(32.9)
JV DEPRECIATION & AMORT.	3,343,434	2,338,000	1,005,434	(29.7)	2,328,342	1,015,092	(30.7)
LICENSE COSTS-CITY OF CAR	3,767,554	3,788,000	(20,446)	(0.5)	3,767,554	0	0
OTHER NON-OP (INCOME) EXP	3,194,003	64,000	3,130,003	(4,966.3)	989,700	(2,140,303)	(216.4)
MANAGEMENT FEES	1,457,385	1,788,000	(330,615)	(18.5)	1,175,000	282,385	(24.0)
INTEREST (INCOME) EXP.	4,008,484	4,362,148	(353,664)	(8.1)	6,085,809	(2,077,325)	(34.2)
PROVISION FOR INCOME TAX	0	0	0	0	0	0	0
EXTRAORD ITM (GAIN) LOSS	0	0	0	0	0	0	0
NET INCOME	(4,640,380)	(2,023,844)	(2,616,536)	(129.3)	(7,179,419)	2,558,539	(35.3)

Σ 0 = 2,557,624

Σ 0 = 103,920,537

TRUAPTAS MAHAL

Pal

Q: 9/30/99

FA 10/99

DESCRIPTION	ACTUAL <i>Current period</i>	LAST YEAR
GAMING REVENUE		
TABLE GAMES	13,828,967	21,846,085
SLOTS	27,621,087	25,207,329
POKER	1,627,067	1,476,722
SIMULCASTING	93,084	101,282
KENO	77,254	110,006
TOTAL GAMING REVENUE	43,247,459	48,741,424
LODGING		
FOOD & BEVERAGE	3,270,738	3,539,557
ENTERTAINMENT	4,529,009	4,752,755
OTHER	226,156	447,187
TOTAL OTHER	18,677,318	1,693,571
TOTAL OTHER	26,703,221	10,433,070
GROSS REVENUE		
PROMOTIONAL ALLOWANCE	69,950,680	59,174,494
	(5,280,664)	(5,527,898)
NET REVENUE	64,670,016	53,646,596
EXPENSES		
PAYROLL & BENEFITS	15,166,168	14,840,101
COST OF GOODS SOLD	1,652,719	1,645,777
COIN/TABLE COUPONS	4,803,618	4,525,000
PROMO EXPENSE	3,455,841	3,544,897
ADVERTISING	185,397	442,957
MARKETING/ENTERTAINMENT	2,197,417	2,484,743
GAMING TAX & REGULATORY FEES	3,859,605	3,968,035
PROPERTY TAX, RENT & INSURANCE	2,191,668	1,741,402
UTILITIES	1,384,621	1,380,433
ALLOWANCE-DOUBTFUL ACCOUNTS	2,963,774	693,633
GENERAL & ADMINISTRATIVE	2,044,751	1,875,797
TOTAL COST & EXPENSES	39,905,579	37,142,775
GROSS OPERATING INCOME	24,764,437	16,503,821
WRITE-DOWN OF CRDA BONDS	177,365	198,823
EBITDA	24,587,072	16,304,998
DEPRECIATION & AMORTIZATION	2,991,278	2,999,926
INTEREST EXPENSE	7,799,253	7,834,070
INTEREST INCOME	(60,832)	(80,265)
INC(LOSS) BEF EXTRA ITEMS	13,857,373	5,551,267
NET INCOME (LOSS)	13,857,373	5,551,267

F-3
SEC

TAJ MAHAL
STATEMENTS OF OPERATIONS
Q: 9/30/99

YO 10/99

PBC

~~F-3~~
SEC

TRUMP TAJ MAHAL ASSOCIATES
STATEMENTS OF OPERATIONS
(Dollars in thousands)
(UNAUDITED)

For the three months ended September 30,

	1999	1998
REVENUES:		
Gaming	\$ 136,424	\$ 148,011
Rooms	11,064	11,410
Food and Beverage	15,157	15,034
Other	(23,371)	(5,667)
Gross revenues	<u>186,016</u>	<u>180,122</u>
Less Promotional Allowances	<u>18,354</u>	<u>18,018</u>
Net Revenues	<u>167,662</u>	<u>162,104</u>
COSTS AND EXPENSES:		
Gaming	85,351	84,637
Rooms	3,732	3,868
Food and Beverage	5,318	4,959
General and administrative	22,800	23,255
Depreciation and amortization	<u>9,012</u>	<u>8,910</u>
Total Costs and Expenses	<u>126,213</u>	<u>125,629</u>
Income from operations	41,449	36,475
Other non-oper. income	0	0
Interest income	183	226
Interest expense	<u>(23,408)</u>	<u>(23,502)</u>
Net income/(loss)	<u>\$ 18,224.55</u>	<u>\$ 13,199</u>

TRUMP TAJ MAHAL ASSOCIATES
 STATEMENTS OF OPERATIONS
 (Dollars in thousands)
 (UNAUDITED)

For the nine months ended September 30.

	<u>1999</u>	<u>1998</u>
REVENUES:		
Gaming	\$ 381,123	\$ 388,405
Rooms	29,015	31,604
Food and Beverage	40,962	41,918
Other	33,114	15,358
Gross revenues	<u>484,214</u>	<u>477,285</u>
Less Promotional Allowances	<u>48,320</u>	<u>50,556</u>
Net Revenues	<u>435,894</u>	<u>426,729</u>
COSTS AND EXPENSES:		
Gaming	237,150	236,957
Rooms	11,669	11,062
Food and Beverage	14,373	14,366
General and administrative	68,034	65,776
Depreciation and amortization	<u>27,571</u>	<u>27,204</u>
Total Costs and Expenses	<u>358,797</u>	<u>355,365</u>
Income from operations	77,097	71,364
Other non-oper. income	335	0
Interest income	856	1,608
Interest expense	<u>(70,278)</u>	<u>(70,631)</u>
Net income/(loss)	<u>\$ 8,010</u>	<u>\$ 2,341</u>

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10/15/95

AA 00045
 CONFIDENTIAL

① POW (b)(6), (b)(7)(C) AA notes that the gain on acquisition of the All Star Cafe is included in other revenue on the income statement. AA notes the following =

Other Amount per 10/6	023,371
Gain on Acquisition remaining	17,200 $\frac{1}{4}$ ✓
	<u>6,171</u> ②

② AA notes that based on the amount in p/4 5,667, ② this is a normal increase.

TAT Mahal
P+L Ratios
Q: 9/30/99

Ratios

Y/O 10/99

Casino Ratios- Taj Mahal -99

	12/31/98		YTD			
	09/30/98	12/31/98	12/31/98	03/31/99	06/30/99	09/30/99
EBITDA	45,885	28,447	127,014	21,224	33,318	59,451
NET INCOME/(LOSS)	13,699	(4,047)	(1,706)	(10,499)	285	18,224
COIN COST%						
Coin cost	33,417,921	32,157,344	47,271,236	10,868,066	12,168,860	14,144,312
Slot revenue	82,497,574	70,412,587	294,956,136	69,870,534	81,548,484	89,602,784
	17%	17%	16%	16%	16%	16%
COST OF GOODS SOLD BY FOOD & BEVERAGE:						
Cost of goods sold	5,354,338	5,090,657	20,153,201	4,253,891	4,880,856	5,413,241
F & B sales	15,064,883	14,122,862	56,071,458	12,254,772	13,247,854	15,197,205
	36%	36%	36%	35%	36%	36%
GAMING REVENUE TAX PREDICTIVE TEST:						
Gaming revenue (net of simulcast)	147,652,579	126,215,435	512,646,756	112,530,103	131,232,075	136,894,903
Less: provision	(2,314,828)	(4,605,483)	(12,232,471)	(2,721,308)	(3,041,900)	(3,837,588)
Casino progressive contra	4,975,586	3,491,209	13,625,143	1,079,421	3,132,177	3,426,831
	149,713,328	124,101,253	513,949,428	112,782,324	131,237,352	135,693,434
	8%	8%	8%	8%	8%	8%
Balance per test	11,976,986	9,928,100	41,115,954	9,022,586	10,530,188	10,855,475
Balance per schedule	11,979,496	9,921,558	41,114,214	9,026,370	10,530,676	10,852,329
Difference	(2,510)	6,542	1,740	(3,784)	(488)	3,246
PAYROLL TO PAYROLL BENEFITS:						
Payroll benefits	11,385,267	11,513,434	46,488,168	11,475,557	11,828,306	11,943,641
Payroll	34,615,385	32,560,310	133,209,445	32,019,536	32,814,758	34,599,111

TAJ MAHAL
P&L Ratios
Q: 9/30/99

Ratios
Y0 10/99

Casino Ratios- Taj Mahal -89

	33%	35%	35%	36%	36%	34%
COMPS PER GAMING REVENUE:						
COMPS (000's)	17,999	16,180	66,717	14,121	15,845	18,354
GAMING REVENUE (000's)	148,058	125,522	513,973	112,844	131,855	136,424
	12%	13%	13%	13%	12%	13%
OPERATING MARGIN PER GAMING REVENUE:						
OPERATING INCOME (000's)	46,513	28,970	129,147	21,694	33,885	51,027
GAMING REVENUE (000's)	148,058	125,522	513,973	112,844	131,855	136,424
	31%	23%	25%	19%	26%	37%
GAMING REVENUE PER SQUARE FOOTAGE:						
GAMING REVENUE (000's)	148,058	125,522	513,973	112,844	131,855	136,424
SQUARE FOOTAGE	147,000	147,000	147,000	147,000	147,000	147,000
	\$1,007.10	\$853.89	\$3,496.41	\$767.65	\$904.97	\$928.05
CASINO REVENUE PER EMPLOYEE:						
GAMING REVENUE (000's)	148,058	125,522	513,973	112,844	131,855	136,424
CASINO EMPLOYEES	5,612	5,394	5,529	5,254	5,504	5,508
	\$26,382.39	\$23,370.67	\$92,963.69	\$20,317.61	\$23,956.21	\$24,768.34
RESERVE PER TOTAL MARKERS:						
MARKER RESERVE	16,876,927	21,385,442	21,385,442	20,238,906	22,282,898	17,509,852
TOTAL MARKERS	57,743,363	62,981,152	62,981,152	55,216,197	56,595,344	43,288,679
	29%	34%	34%	37%	40%	41%

TAT MAHAL
P+1 Ratios
Q: 9/30/99

YD 10/99

Casino Ratios- Taj Mahal -99

PERCENTAGE PER RETURNED MARKERS:

BOOKER RESERVE	16,876,937	21,385,442	21,385,442	20,228,906	22,182,890	17,505,062
TOTAL RETURNED MARKERS	42,343,289	46,917,063	46,917,063	47,042,689	45,367,408	38,543,679
	40%	46%	46%	43%	49%	45%

RETURNED MARKERS TO TOTAL MARKERS

TOTAL RETURNED MARKERS	42,343,289	46,917,063	46,917,063	47,042,689	45,367,408	38,543,679
TOTAL MARKERS	57,742,363	62,981,182	62,981,182	55,216,197	55,595,344	42,208,679
	73%	74%	74%	85%	82%	92%

DUPLICATE HEALTH SELF INSURANCE RESERVE

DUPLICATE HEALTH SELF INSURANCE RESERVE	1,684,716	1,600,046	1,600,046	1,600,432	1,600,700	1,600,515
BOOKERS COMP. SELF INSURANCE RESERVE	1,708,586	1,686,674	1,585,871	1,588,096	1,784,794	1,839,407
GENERAL LIAB. SELF INSURANCE RESERVE	1,830,573	1,744,178	1,744,178	1,718,824	1,684,082	1,516,217
REDEEMED CHIP/TOKEN LIABILITY	1,082,274	2,484,002	2,484,002	914,008	1,017,278	1,267,407

ABLE WIN

ABLE WIN	59,797	49,692	198,598	35,650	44,833	48,923
ABLE DROP	328,457	301,783	1,284,795	234,539	257,683	283,154

ABLE HOLD

ABLE HOLD	18%	16%	16%	16%	17%	14%
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ST WIN

ST WIN	86,832	62,826	294,956	72,123	94,735	92,927
ST HANDLE	1,011,646	881,044	3,622,707	885,143	1,012,812	1,106,772

ST HOLD %

ST HOLD %	9%	7%	8%	8%	9%	8%
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DISCREPANCY % YTD

DISCREPANCY % YTD	91.3%	82.0%	92.0%	93.8%	84.8%	98.1%
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BARAGE ROOM RATE

BARAGE ROOM RATE	101.51	90.50	90.50	75.87	91.37	88.47
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2/

F-3
ratios

MAHAL
Mahal
10/99

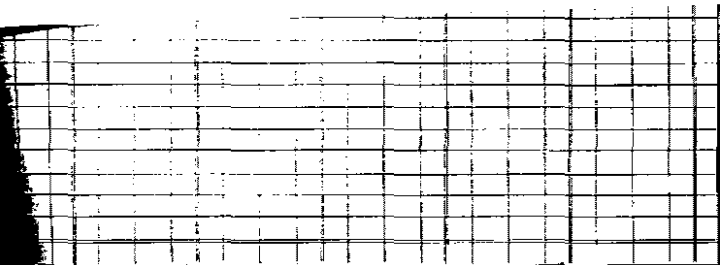
10/99

Casino Ratios - Taj Mahal - 99

Page 4

3/

V



(R) % increase due to the gain on the
all the like furniture.

TAS MAHAL
 PLANT, PROPERTY, EQUIPMENT LEAD
 Q: 9/30/99
 YO 1999

✓ Variance formula says = \$250,000 and 20%

Taj Mahal
 Plant, Property, Equipment
 Q 9/30/99

✓ 800/99 compared
 to 8/30/99
 Variance

DESCRIPTION	8/30/99	12/31/98	8/31/98	8/30/98	8/30/98	Variance
Property, Plant & Equipment:						
Land opening balance	36,783,000	36,783,000	36,783,000	36,783,000	36,783,000	
Land- 780 Dallah Rd.	827,786	827,786	827,786	827,786	827,786	
Land - Other	862,006	862,006	862,006	862,006	862,006	
Land-Ready	28,486,887	28,486,887	28,428,181	28,486,887	28,428,181	
Land ADJ-Refinancing	7,878,868	7,878,868	7,878,868	7,878,868	7,878,868	
Land-All Wars	704,082	704,082	704,082	704,082	704,082	
Land Improvements	13,887	13,887	13,887	13,887	13,887	
Subtotal-Total Land	78,038,496	78,038,496	74,887,943	78,038,496	78,038,496	
Building - Opening balance	222,584,856	222,584,856	222,884,846	222,584,856	222,584,856	
Building- All Star	-	-	-	-	14,984,008	14,984,008
Building- Dallah Rd.	1,177,188	1,177,188	1,177,188	1,177,188	1,177,188	
Building-Ready	14,880,111	14,880,111	14,818,887	14,818,887	14,818,887	
Building ADJ-Refinancing	182,802,827	182,802,827	182,802,827	182,802,827	182,802,827	
Building additions	488,828,379	488,104,144	488,443,574	488,740,818	482,228,318	
Building additions - Terrace	403,146	403,146	406,438	406,438	406,438	
Blg. Improvements - Tower	8,891,828	8,887,848	8,888,038	8,888,828	8,888,188	
Ref. Refinancing-Buildings	(102,434,140)	(102,434,140)	(102,434,140)	(102,434,140)	(102,434,140)	
Leasehold Improvements	2,048,881	2,048,881	2,048,881	2,048,881	2,048,881	
Leasehold Interest	31,253,228	34,802,828	34,802,828	34,802,828	34,802,828	
Subtotal-Total Buildings	887,408,848	881,808,441	882,288,820	882,518,788	878,378,914	
PP&E - Opening balance	28,848,830	28,848,830	28,848,830	28,848,830	28,848,830	
Furniture	-	28,000,478	28,225,804	28,225,804	28,000,478	
Equipment	-	28,716,888	28,828,887	28,828,887	28,188,838	
Computer Equipment	-	8,808,802	8,828,888	8,848,804	8,808,811	
Fixtures	-	28,817,187	28,882,888	28,718,804	28,123,328	
Carpet	-	10,777,873	11,081,881	11,024,842	11,238,807	
Computer Software	-	848,888	1,088,822	1,088,848	1,088,822	
PP&E- All Star	-	-	-	-	2,228,800	2,228,800
Gaming Equipment	-	38,818,881	38,737,848	37,848,880	38,308,838	
Kitchen Equipment	-	12,288,878	12,388,122	12,483,887	12,880,748	
Refinancing Refinancing- PP&E	-	(127,028,802)	(127,028,802)	(127,028,802)	(127,028,802)	
PP&E additions	34,882,888	-	-	-	7,878,807	7,878,807
Linen / Silver / China	7,878,807	7,878,807	7,878,807	7,878,807	7,878,807	
Transportation equipment	822,888	882,888	882,888	882,888	808,108	
Capital Lease- Ampicon	-	(133,224)	(133,224)	(133,224)	(133,224)	
Capital Lease- Slots	-	10,331,120	10,331,120	10,331,120	10,331,120	
Capital Lease- Limos	-	1,782,414	1,782,888	1,782,888	2,088,827	
Capital Lease- Printer Equipment	-	228,877	228,877	228,877	228,877	
Capital Lease- IBM Computer Equipment	-	1,227,884	1,227,884	1,227,884	1,227,884	
Leased property - Capital lease	14,448,817	877,148	877,148	877,148	877,148	
Subtotal- Total PP&E	78,608,817	88,782,848	82,838,138	82,828,877	88,888,784	

14,984,008
 17,200,000 ✓
 F-3
 Ser.

250,000

✓ ITAM Certified letter from approvers noting amount.
 The approval is in w/s of 8/21/99 file.

TAT MAHAL
 PLANT, PROPERTY, EQUIPMENT LEAD
 Q: 9/30/99

YO 1999

Variance formula scope = \$250,000 and 20%

Tat Mahal
 Plant, Property, Equipment
 Q 9/30/99

DESCRIPTION	+	+	+	+	✓	8/30/99 compared to 9/30/99 Variance
	8/30/98	12/31/98	3/31/99	6/30/99	9/30/99	
Construction in progress	1,469,774	8,648,724	8,308,196	2,228,838	1,608,132	(718,699) (1)
CR Tower	-	-	-	-	-	-
CR Garage	-	-	-	-	-	-
CR Hotel Infrastructure	-	-	-	7,274,169	7,224,288	-
CR-Princess Ave. St	-	-	-	-	1,358,128	1,368,132 (2)
CR-CRDA Convention Center	-	-	-	-	276	-
CR-CRDA Dry Care Center	-	-	-	-	-	-
CR-CRDA Expansion	-	-	-	-	-	-
CR-CRDA Total C/in	1,469,774	8,648,724	8,308,196	2,228,838	10,211,831	
Total Property, Plant & Equip.	1,013,618,608	1,026,196,238	1,027,870,342	1,020,610,829	1,062,748,843	
Accumulated Depreciation:						
Accumulated depr. - Buildings	(67,677,891)	(136,486,204)	(140,072,889)	(143,560,897)	(147,257,791)	
Accumulated depr. - Gailian Road	-	(248,622)	(281,788)	(258,014)	(264,260)	
Accumulated depr. - Biog (Ready Purch)	-	(1,070,376)	(1,145,278)	(1,238,806)	(1,330,738)	
Accumulated depr. - Biog Ad) (Ref)	-	(14,087,862)	(18,287,760)	(18,827,828)	(17,777,628)	
Accumulated depr. - Garage	-	(1,222,888)	(1,415,017)	(1,607,247)	(1,789,678)	
Accumulated depr. - Biog Add. Terrace	-	(234,488)	(248,887)	(259,460)	(272,378)	
Accumulated depr. - Biog Improv Tower	-	(4,875,260)	(5,119,162)	(5,272,444)	(5,483,040)	
Accumulated depr. - Buildings	102,434,140	102,434,140	102,434,140	102,434,140	102,434,140	
Accumulated Amort. Deleah Road	-	(834,166)	(834,166)	(834,166)	(834,166)	
Accumulated Amort. Commerce Drive	-	(22,989)	(22,989)	(22,989)	(22,989)	
Accumulated Amort. New York Office	-	(8,140)	(8,140)	(8,140)	(8,140)	
Accumulated Amort. - Intercept Piping	-	(1,309,049)	(1,309,049)	(1,309,049)	(1,309,049)	
Accumulated Amort. - R2 30 Inter. PRNG	-	(101,413)	(101,413)	(101,413)	(101,413)	
Accumulated Amort. Leasehold Interest	-	(6,100,329)	(6,275,846)	(6,440,891)	(6,624,117)	
Accumulated Amort. - CRDA	-	(1,828,000)	(1,787,000)	(1,730,323)	(1,707,340)	
Accumulated Amort. - TRAE	(8,818,513)	-	-	-	-	
Accumulated Amort. - TRAE	(28,302,441)	-	-	-	-	
Accumulated Amort. - TRAE/China/Uniforms	(5,686,785)	-	-	-	-	
Accumulated Amort. - Land & Buildings	(101,022,740)	(84,734,882)	(70,329,618)	(78,738,827)	(81,327,800)	

2/

Handwritten note: *Handwritten letter from appraisers noting amount... in file of 12/21/99 file.*

TAS MAHAL
 PLANT, PROPERTY, EQUIPMENT LEAD
 Q: 9/30/99

UL

YO 1049

Variance formula scope = \$250,000 and 20%

DESCRIPTION	Taj Mahal Plant, Property, Equipment Q: 9/30/99				✓ 8/30/98	8/30/98 compared to 9/30/99 Variance
	8/30/98	12/31/98	3/31/99	6/30/99		
Accumulated Amortization - Slot Leases	-	(6,101,680)	(6,688,987)	(7,078,424)	(7,565,891)	
Accumulated Amortization - Lease Leases	-	(1,448,778)	(1,259,872)	(1,318,960)	(1,469,791)	
Accumulated Amortization - Lease Printer	-	(48,810)	(48,188)	(48,408)	(54,978)	
Accumulated Amortization - Computer Equip.	-	(916,878)	(1,020,852)	(1,129,588)	(1,234,590)	
Accumulated Amortization - AS420 System	-	(648,928)	(648,928)	(648,928)	(648,928)	
Accumulated Depr. Other Trans Equip.	-	(484,483)	(489,908)	(515,154)	(531,844)	
Accumulated Depr. Furniture	-	(29,498,884)	(28,802,400)	(28,117,488)	(29,404,324)	
Accumulated Depr. Equipment	-	(26,256,882)	(26,806,962)	(28,781,364)	(26,682,774)	
Accumulated Depr. Computer Equip	-	(9,238,827)	(9,297,721)	(9,291,514)	(9,511,768)	
Accumulated Depr. Fixtures	-	(22,338,643)	(22,711,884)	(22,028,760)	(23,360,318)	
Accumulated Depr. Carpet	-	(8,238,118)	(8,728,184)	(10,217,483)	(10,481,977)	
Accumulated Depr. Computer Software	-	(920,881)	(922,707)	(948,974)	(959,278)	
Accumulated Depr. Gaming Equipment	-	(26,478,078)	(26,884,862)	(28,329,287)	(29,788,690)	
Accumulated Depr. Kitchen Equipment	-	(11,058,872)	(11,133,829)	(11,222,987)	(11,388,247)	
Accumulated Depr. Opening PP&E	-	(26,689,530)	(26,888,639)	(26,683,530)	(25,549,520)	
Refinancing Revaluation - PP&E	-	127,020,002	127,020,002	127,020,002	127,020,002	
Depr. Linen	-	(784,814)	(784,814)	(784,814)	(784,814)	
Depr. Silver	-	(181,880)	(181,880)	(181,880)	(181,880)	
Depr. China	-	(438,114)	(438,114)	(438,114)	(438,114)	
Depreciation - Uniforms	-	(5,222,877)	(5,222,877)	(5,222,877)	(5,222,877)	
Accumulated Depreciation - PP&E		(48,580,641)	(50,549,814)	(53,723,720)	(57,473,692)	
Total Accumulated Depreciation	(101,089,760)	(111,418,603)	(128,396,233)	(128,440,867)	(126,261,254)	
NET PROPERTY, PLANT & EQUIPMENT	\$12,420,880	\$16,786,628	\$07,284,118	\$01,149,342	\$14,355,258	F-12 ✓

3/

✓ TRANS Certified letter from appraisers noting amount.
 The appraisal is in copy of separate file.

② ✓ AALLP noted PDW [redacted] Controller, the increase in capital lease lines was due to a change in leased lines every 2 years which usually happens in July and December of those intervals.

③ ✓ AALLP noted PDW [redacted] Controller, as jobs are done, bills are paid and posted to the construction in progress accounts and when the job is finished they are put in the right account and depreciated. The station on the boardwalk was completed along with the renovation of the promenade, near the old park garage.

④ ✓ AALLP notes PDW [redacted] Controller, the increase in RDA Convention Center was as a result of widening Virginia Avenue for aesthetics.

Taj Mahal
Retained Earnings Lead
Q: 9/30/99

YO 10/99

Trump Taj Mahal
Retained Earnings
Q: 9/30/99

TRUMP TAJ MAHAL ASSOCIATES AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF CAPITAL (DEFICITS)

(Dollars in thousands)
(unaudited)

	Contributed Capital	Accumulated (Surplus) Deficit	Total Capital
Balance @ 6/30/99	187,242	(15,907)	171,335
Net Income for three Months Ended September 30, 1999		18,224	18,224
	187,242	2,317	189,559

Investor Relations Business
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Monday, September 25, 2000

Trump Tries to Live Down Misstatement
Editorial Staff

Analysts were first fooled then furious. Now the Securities and Exchange Commission is threatening to take action against Trump Hotels and Casino Resorts Inc.

Trump said in its Aug. 14 10-Q that it is working with the SEC to ward off a civil injunction over its Oct. 25, 1999, earnings release that misled investors. The company vowed it would fight any action.

Trump disclosed in its 10-Q that the SEC was considering a lawsuit against the company for failing to spell out a one-time gain of \$17 million that enabled Trump to say it beat earnings expectations.

The gain was a result of Trump's assumption of the All Star Cafe in its Taj Mahal casino from Planet Hollywood International Inc. after its lease expired. Although the \$17 million was present on the balance sheet, it wasn't mentioned in the text of the release. The gain meant that Trump was able to beat consensus expectations of 54 cents by nine cents. Without All Star, Trump's earnings would have missed analysts' expectations by around 40 cents.

The gain was fully explained in Trump's Nov. 4, 1999 10-Q, but by that time All Star's omission from the earnings release-uncovered a few days before the 10-Q by former Bear, Stearns & Co. bond analyst Tom Stephens-had already sent analysts from delight to consternation.

Misleading Content

"There were clearly three days where analysts were using 63 cents, but this was not operating earnings. People drew the wrong conclusions because of how the release was laid out. It looked like operating margins had improved, but this turned out not to be true," First Call Corp. Director of Research Chuck Hill said.

Analysts at the time were furious that Trump had tried to fool them. Former Deutsche Bank Alex. Brown analyst Robin Farley quickly issued a report at the time denouncing the company for producing figures that apparently represented an 18% increase on 1998's figures.

"Roughly 47 cents of the 63 cents reported was not an operating

(Publication page references are not available for this document.)

expense but the result of an accounting game," she wrote.

Trump's CEO at the time, Nick Ribis, claimed that the lack of initial disclosure was unintended-All Star was simply lost in the rush to get the release out. But Hill doubts that this was the case, especially since the company remembered to include a one-time charge of \$81 million for the closure of one of its hotels.

Deliberate Mistake

"It is highly doubtful that the company was not aware of the omission. This is either a case of gross incompetence, or the company was gilding the lily," he said.

Hill recalls a lot of undue fervor in the investment community following the release which quickly dissipated during the company's subsequent roadshow.

"There were certainly comments from analysts who got all excited about operating margins and who then found out that the margins weren't true," he said.

But others claim that analysts who took the bait too quickly without studying the financials did themselves a disservice. Standard & Poor's gaming analyst Greg Zappin said that he rarely reads the text accompanying an earnings release, preferring to stick to the actual figures.

"You have to go on the numbers as they're officially reported. Once you start looking [for an unusual gain or charge], it's right in front of you," he said.

However, Zappin concedes that Trump's earnings release left a lot to be desired. Taken on its own, the text of the release did not constitute material disclosure.

"If I couldn't access the financials, the omission wouldn't have been immediately obvious. There is an obligation to disclose material events that cause earnings to go up and down. The release needed more disclosure," Zappin said.

Calls to Trump CFO Frank McCarthy were not returned at press time.

---- INDEX REFERENCES ----

9/25/00 INVRELBUS

Page 4

9/25/00 Inv. Rel. Bus. (Pg. Unavail. Online)2000 WL 8692637

(Publication page references are not available for this document.)

NEWS SUBJECT: English language content (ENGL)

Word Count: 624

9/25/00 INVRELBUS (No Page)

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The Wall Street Journal
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Thursday, November 29, 2001

Trump's Casino Concern Will Pay Bond Interest

ATLANTIC CITY, N.J. -- Donald Trump's casino company said it has decided to make bond interest payments of \$91 million that the mogul earlier this month said he would withhold in hopes of renegotiating terms with bondholders.

Trump Hotels & Casino Resorts Inc. said that the payments are being made "based on the establishment of a bondholders' committee for the purpose of good faith negotiations" between the parties. The company said that future payments would be withheld if no agreement is reached before the due dates of the next interest payments, roughly five months from now.

Mr. Trump's efforts to renegotiate the bonds' interest rates and terms were spurred by economic concerns after the Sept. 11 terrorist attacks. In order to alleviate the effects of an economic downturn since then, New York state recently passed legislation designed to raise new revenue by loosening restrictions on gambling and permitting new casinos to open. Mr. Trump's company said the changes would cause "a tremendous economic hit" to its operations in Atlantic City.

---- INDEX REFERENCES ----

COMPANY (TICKER): Trump Hotels & Casino Resorts Inc. (DJT)

NEWS SUBJECT: Bond News; Debt/Bond Markets; Corporate Bonds; High-Yield Issuers; Wall Street Journal; English language content; Corporate/Industrial News; Terrorism; Political/General News; Market News; Crime/Courts (BON M12 COB HIY WSJ ENGL CCAT GTERR GCAT MCAT GCRIM)

MARKET SECTOR: Consumer Cyclical; Newswire End Code (CYC NND)

INDUSTRY: Casinos & Gambling; All Entertainment & Leisure; Lodging (CNO ENT LOD)

PRODUCT: Leisure (DLE)

REGION: New Jersey; North America; United States; United States; Northeast U.S.; United States - New Jersey; North American Countries (NJ NME US USA USE USNJ NAM2)

LAYOUT CODES: Minors (MNO)

11/29/01 WSJ (No Page)

Page 6

11/29/01 Wall St. J. (Page Number Unavailable Online) 2001 WL-WSJ 29679233

(Publication page references are not available for this document.)

Word Count: 170

11/29/01 WSJ (No Page)

END OF DOCUMENT

The Star-Ledger Newark, NJ
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Thursday, November 29, 2001

Business

Ready to deal, Trump pays interest
JUDY DEHAVEN
STAR-LEDGER STAFF

Donald Trump, after a nearly monthlong standoff, said yesterday that his company had made \$91 million in interest payments, just days before bondholders could have foreclosed on his casinos.

Trump's lawyer, David Friedman, said he now hoped to cut a deal with the bondholders that would give Trump Hotels and Casino Resorts lower interest rates and extended maturity dates on its \$1.8 billion in debt.

"This has been portrayed as Trump versus the bondholders," Friedman said. "In the long run, the bondholders would be better off if we take some of the money (from lowered rates) and reinvest in the property."

Phil Rosen, a lawyer who represents a majority of the people holding a \$1.3 billion note backed by Trump Plaza and Trump Taj Mahal, said his clients will be willing to talk to Trump now that the payment has been made. Negotiations have not started.

"The first stage was the payment of the coupon," he said. "Then we consider the next stage."

Bondholders are preparing a letter to send to Trump outlining possible terms.

Trump said Oct. 31 that he would not make interest payments on the company's debt until bondholders agreed to better terms. He had a 30-day grace period before bondholders could move to foreclose on the casinos that back the bonds. The deadline for one was Friday; another was Monday.

Trump has said his casinos, which already struggle to make \$220 million in yearly interest payments, will have more trouble in the aftermath of the Sept. 11 attacks and New York's decision to expand gambling.

Most of Trump's bonds have an interest rate of about 11.25 percent, a relatively high number considering other casino companies pay as low as

8 percent.

Shares of Trump Resorts rose 7 cents, or 5 percent, to \$1.46 yesterday. The stock has risen recently on the notion that Trump would win concessions from bondholders.

The parties have until May before more interest payments come due. Trump said there was no assurance his company would make those payments without an agreement.

"I suspect the bondholders would be willing to make some kind of deal, but I do think they're going to continue to play hardball," University of Pennsylvania law professor David Skeel said.

Hibernia Southcoast Capital analyst Danny Davila said Trump may have a shot.

"I don't know if he can get concessions, but if anybody were able to do it, it would be Donald Trump," he said.

Judy DeHaven covers the gaming industry. She can be reached at jdehaven@starledger.com or (609) 348-1934.

---- INDEX REFERENCES ----

COMPANY (TICKER): Trump Hotels & Casino Resorts Inc. (DJT)

NEWS SUBJECT: Business Stories; English language content; High-Yield Issuers; Corporate/Industrial News (BZZ ENGL HIY CCAT)

MARKET SECTOR: Consumer Cyclical (CYC)

INDUSTRY: Casinos & Gambling; All Entertainment & Leisure; Lodging; Recreational Products & Services (CNO ENT LOD REC)

PRODUCT: Leisure (DLE)

EDITION: FINAL

Word Count: 423

11/29/01 STLGRN 018

11/29/01 STLGRN 018

11/29/01 Star-Ledger (Newark N.J.) 0182001 WL 30233087

(Publication page references are not available for this document.)

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[| Latest Headlines](#) | [Market Overview](#) | [News Alerts](#)]

Wednesday November 28, 3:49 pm Eastern Time

Press Release

SOURCE: Trump Hotels & Casino Resorts

Related Quote		
DJT	1.01	-0.01
delayed 20 mins - disclaimer		
Quote Data provided by Reuters		
<input type="text"/>		Get Quotes

Trump Hotels to Make Interest Payment

NEW YORK--(BUSINESS WIRE)--Nov. 28, 2001--Based on the establishment of a bondholders committee for the purpose of good faith negotiations between the bondholders and representatives of Trump Hotels & Casino Resorts (NYSE:[DJT](#) - [news](#)), THCR has decided to make interest payments in the aggregate amount of approximately \$91 million, on:

TRUMP ATLANTIC CITY ASSOCIATES AND TRUMP ATLANTIC CITY FUNDING, INC. 11 1/4% Mortgage Notes due May 2006;

TRUMP ATLANTIC CITY ASSOCIATES AND TRUMP ATLANTIC CITY FUNDING II, INC. 11 1/4% Mortgage Notes due May 2006;

TRUMP ATLANTIC CITY ASSOCIATES AND TRUMP ATLANTIC CITY FUNDING III, INC. 11 1/4% Mortgage Notes due May 2006;

TRUMP'S CASTLE ASSOCIATES, L.P. 10 1/4% Senior Notes due April 2003;

TRUMP'S CASTLE ASSOCIATES, L.P. 11 3/4% Mortgage Notes due November 2003; and

TRUMP'S CASTLE HOTEL & CASINO, INC. 10 1/4% Senior Notes due April 2003, (collectively, the "Bonds")

THCR looks forward to the negotiation and completion of a definitive agreement with respect to the Bonds prior to the due dates of the next

ADVERTISEMENT

interest payments on the Bonds. If a mutually satisfactory agreement is not reached, there can be no assurance that such payments will be made in the future.

The negotiations with the bondholder group was precipitated by the September 11 attacks on the World Trade Center which, in turn, led New York State to pass the largest gaming bill in its history.

The Trump name, related trademarks and management continue to serve the Atlantic City properties well, with the Trump Taj Mahal again finishing No. 1 in Atlantic City for the month of October with a "win" of \$42.1 million. This No. 1 finish was achieved notwithstanding the hundreds of millions of dollars of investment being spent by its nearest competitors on enlargement, plant and equipment.

Donald J. Trump, Chairman, Chief Executive Officer and President of THCR, stated "We are very happy with Trump Taj Mahal again being No. 1 in October and likewise the success of our other operations and are very much looking forward to making a deal which will reflect the economic realities of the present day. We want also to invest in our facilities in order to keep and even further enhance our current status."

Atlantic City appears destined to take a tremendous economic "hit" from New York State gambling, far beyond anything ever contemplated by previous proposals. In order to position its properties for the future, appropriate concessions are being sought by THCR.

Trump Hotels & Casino Resorts, Inc. is a public company which is approximately 42% owned by Donald J. Trump. THCR is separate and distinct from all of Mr. Trump's other holdings.

The Private Securities Litigation Reform Act of 1995 provides a "safe harbor" for forward-looking statements so long as those statements are identified as forward-looking and are accompanied by meaningful cautionary statements identifying important factors that could cause actual results to differ materially from those projected in such statements.

All statements, trend analysis and other information contained in this release relative to THCR's performance, trends in THCR's operations or financial results, plans, expectations, estimates and beliefs, as well as other statements including words such as "anticipate," "believe," "plan," "estimate," "expect," "intend" and other similar expression, constitute forward-looking statements under the Private Securities Litigation Reform Act of 1995. In connection with certain forward-looking statements contained in this release and those that may be made in the future by or on behalf of THCR, THCR notes that there are various factors that could cause actual results to differ materially from those set forth in any such forward-looking statements. The forward-looking statements contained in this release were prepared by management and are qualified by, and subject to, significant business, economic, competitive, regulatory and other uncertainties and contingencies, all of which are difficult or impossible to predict and many of which are beyond the control of THCR. Accordingly, there can be no assurance that the forward-looking statements contained in this release will be realized or that actual results will not be significantly higher or lower. Readers of this release should consider these facts in



evaluating the information contained herein. In addition, the business and operations of THCR are subject to substantial risks, which increase the uncertainty inherent in the forward-looking statements contained in this release. The inclusion of the forward-looking statements contained in this release should not be regarded as a representation by THCR or any other person that the forward-looking statements contained in the release will be achieved. In light of the foregoing, readers of this release are cautioned not to place undue reliance on the forward-looking statements contained herein.

Contact:

Kasowitz, Benson, Torres & Friedman
David Friedman, 212/506-1700

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More Quotes and News: [Trump Hotels & Casino Resorts Inc \(NYSE:DJT - news\)](#)

Related News Categories: [banking](#), [gambling](#), [real estate](#)

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[Questions or Comments?](#)

The Star-Ledger Newark, NJ
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Wednesday, November 28, 2001

Business

Trump may get his way, partly - Bondholders ready to deal if The Donald will pony up

JUDY DEHAVEN
STAR-LEDGER STAFF

Some of the bondholders in Donald Trump's casino company may be willing to negotiate - but only if he pays them first.

In the latest move of a high-stakes game of chicken, Phil Rosen, a lawyer who represents an ad hoc group of between 15 and 20 bondholders, said his clients want Trump's casino company to make its interest payment before they consider a demand for better terms on the note.

The bondholders, who were obstinate in their position that they would not cut Trump a break, now seem willing to hear him out as long as he makes the first move.

Meanwhile, stock in Trump Hotels and Casino Resorts has shot back on the expectation Trump will pay.

"We won't start negotiating until the payment is made," said Rosen, whose clients own "a good number of the bonds" from a \$1.3 billion issue backed by Trump Taj Mahal and Trump Plaza. A \$73 million interest payment was due Nov. 1.

"If he doesn't pay, we'll exercise our rights," he said. "One of them is foreclosure."

The attorney would not say what the bondholders would be willing to do -whether it would be to lower the 11.25 percent interest rate, extend the maturity rate past 2006 or swap debt for equity.

"Right now, we're waiting for the payment," he said. "Then we'll make a decision."

Trump Resorts has struggled to make some \$220 million in interest payments on \$1.8 billion in debt. Trump said Oct. 31 he would not pay any interest until bondholders agreed to concessions. The company has the money for the interest payments, but Trump said the slowdown in business will make it much harder to pay in the future.

The company has missed more than \$90 million in payments since Oct. 31. There is a 30-day grace period before bondholders can foreclose on the casinos.

One company subsidiary has until Friday to make a \$3.3 million payment on mortgages backed by Trump Marina. Another has until Monday to make the \$73 million payment on the \$1.3 billion note backed by the Taj and the Plaza.

Trump could not be reached for comment, and his lawyer, David Friedman, did not return calls.

Since then, shares in Trump Hotels and Casino Resorts, which plummeted to a low of 83 cents the day after Trump announced he wouldn't pay his bondholders, have climbed to \$1.39.

"I don't think that's reality."

One bondholder, who owns \$1.6 million worth of bonds in the \$1.3 billion note, said he has no interest in negotiating.

"I have a simple banker's mentality - pay or foreclose," he said.

Daniel Borislow, who said he owns \$35 million of some of the bonds backed by the Marina, thinks Trump will make the interest payments. If not, Borislow said he would consider making a play for the Marina.

Still, depending on what Trump offers, Borislow said he might be willing to negotiate:

"I'm willing to do a lot of things if he's willing to give me equity."

---- INDEX REFERENCES ----

COMPANY (TICKER): Trump Hotels & Casino Resorts Inc. (DJT)

NEWS SUBJECT: Business Stories; English language content; High-Yield Issuers; Corporate/Industrial News (BZZ ENGL HIY CCAT)

MARKET SECTOR: Consumer Cyclical (CYC)

11/28/01 STLGRN 055

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11/28/01 Star-Ledger (Newark N.J.) 0552001 WL 30232895

(Publication page references are not available for this document.)

INDUSTRY: Casinos & Gambling; All Entertainment & Leisure; Lodging
(CNO ENT LOD)

PRODUCT: Leisure (DLE)

EDITION: FINAL

Word Count: 501

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Thursday, November 22, 2001

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Section C

Bondholders And Trump Negotiating Debt Terms
Riva D Atlas

Mr. [Donald J. Trump] announced on Oct. 31, the day before the interest was due, that he would not make the payment, even though he said he had the cash to do so. If he failed to make the payment by the end of this month, the debt would be in default and bondholders would have the right to force the company that issued the debt, Trump Atlantic City, into bankruptcy. The bonds are backed by two of Mr. Trump's three Atlantic City casinos, the Trump Taj Mahal and the Trump Plaza.

---- INDEX REFERENCES ----

NEWS SUBJECT: English language content (ENGL)

EDITION: LATE EDITION (EAST COAST)

Word Count: 93

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Westlaw Attached Printing Summary Report

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Request Created Date/Time:	Monday, December 17, 2001 13:40:00 Central
Client Identifier:	TRUMP
DataBase:	ALLNEWS
Query Text:	TRUMP /P BOND
Print Command:	Selected documents,Complete result
Lines:	630
Lines Charged:	630
Documents:	7
Documents Charged:	0
Images:	0
Images Charged:	0

(Publication page references are not available for this document.)

National Post
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Friday, November 16, 2001

Financial Post: World

Trump creditors brace for showdown: Committee formed: Mogul withholding interest payments on US\$1.7B in debt
Tom Barkley
Dow Jones

NEW YORK - Trump bondholders have formed a creditors' committee and brought on board a high-profile bankruptcy lawyer as they prepare to face off with the casino and real estate mogul, according to people close to the situation yesterday.

Two weeks after Donald Trump announced that he is withholding interest on all of the approximately US\$1.7-billion in debt under the holding company he controls, Trump Hotels & Casino Resorts Inc., bondholders are showing little sign of simply handing over the better credit terms he has demanded.

Several large holders of the biggest chunk of debt -- US\$1.3-billion in first-mortgage notes under the Trump Atlantic City Associates subsidiary -- have formed an "informal" bondholder committee, the sources said.

In addition, they have "informally" retained the services of prominent bankruptcy lawyer Harvey Miller, a senior partner at the New York firm Weil, Gotshal & Manges, one of the sources said.

Mr. Miller's office was not immediately available for comment.

Halfway through the 30-day grace period for making a US\$73-million interest payment on the Atlantic City 11.25% mortgage notes due in 2006, which Mr. Trump failed to pay on Nov. 1, bondholders, in the least, have expressed unwillingness to negotiate until after Mr. Trump pays the interest due. But others don't see a reason to negotiate at all since the first mortgage notes give them a strong claim in a bankruptcy proceeding.

The notes are backed by the Plaza and Taj Mahal casinos in Atlantic City, N.J.

"I think some people are willing to listen if he makes the coupon payment," said a bondholder who has been in touch with members of the committee. "But it's a first-mortgage bond, so why negotiate?"

A bondholder on the committee said no consensus has been reached.

Meanwhile, about US\$15-million in interest was due by the end of yesterday on US\$242-million outstanding of Trump's Castle Associates 11.75% mortgage notes due in 2003, which are backed by the Trump Marina Casino in Atlantic City.

Several holders of those bonds have also said they are not willing to negotiate with Mr. Trump.

Mr. Trump was not immediately available to comment.

---- INDEX REFERENCES ----

COMPANY (TICKER): Trump Hotels & Casino Resorts Inc.; Weil, Gotshal & Manges (DJT X.WGM)

NAMED PERSON: DONALD TRUMP

KEY WORDS: HOSPITALITY INDUSTRY; HOTELS; CASINOS; EXECUTIVES; BONDS; MORTGAGES; SHAREHOLDER RIGHTS; CORPORATE FINANCE; NEGOTIATIONS

NEWS SUBJECT: Management Issues; Management Issues; Bond News; Debt/Bond Markets; Mortgages and Mortgage Rates; Shareholder-Rights Plans; Shareholder-Rights Plans; Funding/Capital; English language content; High-Yield Issuers; Corporate/Industrial News; Market News; Share Capital (MNT C41 BON M12 MOR SRP C1712 C17 ENGL HIY CCAT MCAT C171)

STORY ORIGIN: NEW YORK

NEWS CATEGORY: BUSINESS

MARKET SECTOR: Consumer Cyclical (CYC)

INDUSTRY: Lodging; Casinos & Gambling; All Entertainment & Leisure; Law Firms; General Industrial & Commercial Services; All Industrial & Commercial Services (LOD CNO ENT LAW ICS SVC)

PRODUCT: Leisure (DLE)

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11/16/01 Nat'l Post FP112001 WL 29560270

Page 20

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REGION: United States - New York; Northeast U.S.; United States;
North American Countries; New York; North America; United States (USNY USE
USA NAMZ NY NME US)

EDITION: NATIONAL

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Barron's
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Monday, November 12, 2001

Donald Redux: Once more, Trump looks to renegotiate Atlantic City casino debt
By Jacqueline Doherty

Bond investors are gearing up for the opening salvos of what may be a lengthy tussle with Donald Trump. At stake: who should own the keys to two of his Atlantic City casinos. To prepare for the potential battle royal, an informal group of sizable, prominent bond investors held a conference call Friday to get organized.

The Donald started the scuffle on November 1. He missed a \$73 million interest payment on Trump Atlantic City's \$1.3 billion of first-mortgage notes, even though he had enough cash in the till to pay it. Trump would like bondholders to reduce the debt's coupon, which stands at a hefty 11.25%, push the maturity beyond 2006, and reduce the amount of debt outstanding. In return, the casinos could stay out of bankruptcy, the reduced interest payment would quickly resume and Trump would retain control.

But chances are that a restructuring won't be quite that simple. Trump Atlantic City bonds are secured by the mortgages on the two casinos it owns: Trump Taj Mahal and Trump Plaza. Bondholders assert that the two casinos aren't worth the \$1.3 billion of debt they support. Bondholders estimate the casinos are only worth \$800 million-\$1.1 billion. As a result, any restructuring could dramatically dilute -- or perhaps even eliminate -- Trump's equity in Trump Atlantic City.

"[Trump] has no economic stake. He's out of the money," claims one bondholder. "We have the right to the whole thing."

Trump says he doesn't know how much the two casinos are worth in the wake of September 11. But he decided against making the interest payment, because after the World Trade Center attacks the economy continued to decline -- and New York State pushed through a bill allowing casinos to operate in the state for the first time.

The state hopes that future gambling establishments in western New York and

11/12/01 Barron's 22

2001 WL-BARRONS 29751062

(Publication page references are not available for this document.)

the Catskills will generate jobs and tax revenue. The law also allows New York racetracks to install ticket-out video lottery terminals. The plans will surely face objections, and the facilities might not open for three to five years, analysts estimate.

That being said, Trump believes New York gaming will happen, and it will drain traffic from Atlantic City.

"I just want the bonds to reflect the economic realities of life as it exists. September 11 precipitated the passage of the largest gaming bill in New York or anywhere else," he declares. If the interest payment is reduced, Trump says he'll have more cash to invest in the casinos and to prepare them for the coming competition.

"We've done a good job managing the business and the [Trump] name is an important reason why all those revenues come in," he says. "The problem with the company is that we're paying far too much interest, and that puts us at a competitive disadvantage."

Investors are quick to point out that Trump's casinos were facing a tough economy and increased competition even before the events of September 11. Connecticut's Mohegan Sun casino had already planned to open an additional 1,200 rooms next spring. In addition, a new casino, the Borgata, was set to open in Atlantic City in mid-2003, adding about 10% to the Atlantic City market's gaming capacity, according to Andrew Susser, a high-yield gaming and lodging analyst at Banc of America Securities.

So, even before that horrible day in September, investors thought Trump Atlantic City's cash flow would decrease as competition increased.

Even during a booming economy, Trump Atlantic City revenues declined to \$931.2 million last year and an estimated \$905.3 million this year from \$939.4 million in 1999. Cash flow held relatively steady thanks to cost-cutting and an increased focus on the profitable slot-machine business, says Susser. Cash flow -- defined as earnings before interest, taxes, depreciation and amortization -- was \$178.5 million in 1999, \$173.1 million in 2000 and is estimated to be \$177.2 million this year.

Bondholders acknowledge that Trump may be given some equity in a reorganized Trump Atlantic City as an incentive to reorganize the company quickly or to keep his name over the door, one bondholder explains. Trump licenses his name

(Publication page references are not available for this document.)

to the casinos.

"He'll get something, but it's not going to be a lot," says the investor.

Opines one analyst: "I think it is going to be a contentious bankruptcy. Trump is a difficult person to deal with and his only leverage is time." Indeed, Trump contends that a restructuring in bankruptcy could be "a long, drawn-out process that will very badly hurt the successful business we've created."

Trump has been through this exercise before. In the early 1990s, his three Atlantic City casinos had to restructure their debt; yet Trump managed to retain about half of the equity in the properties, as well as control over them. Some say it's tough for bondholders to take control of casinos because owners need to be licensed.

Others contend that a manager with a license can always be hired.

"Bondholders may be more willing to take control this time around," says John Leupp, a high-yield bond analyst at Credit Suisse First Boston. After the last restructuring "operations didn't improve enough to convince bondholders that it's imperative to keep existing management in place."

Trump has until December 3 to decide whether he'll make the interest payment. After that date, bondholders can force Trump Atlantic City in to Chapter 11 bankruptcy protection. Some observers speculate that Trump will ultimately decide to make the interest payment when he realizes bond investors are serious about dramatically reducing his equity in and control over the company. That may explain why the bonds trade at 61 cents on the dollar, when some analysts believe they should trade closer to 45 or 50.

Any restructuring would be complicated by the various relationships between Trump's other casinos. Trump Hotels and Casino Resorts is a public holding company in which Trump owns a 42% stake. The holding company owns the equity of Trump Atlantic City, Trump Marina (formerly called Trump Castle), also an Atlantic City casino, and Trump Indiana Riverboat Casino, in Buffington Harbor, on Indiana's Lake Michigan shoreline. The public shares of the holding company trade at 1.03 down from 35 in April 1996.

Trump failed, too, to pay the coupon on Trump Castle's \$62 million of 10.25%

(Publication page references are not available for this document.)

senior notes due 2003. The Castle also has \$242 million of debt, which faces a \$15 million interest payment in mid-November. There's growing speculation that Trump will skip that interest payment as well and attempt a restructuring of the Marina, too. But that facility has less debt and Trump has a greater chance of retaining control. At this point, it's unclear whether Trump's properties will be reorganized separately or together. Bondholders are sure to examine any intra-company transfers between the various entities and Trump, however.

If bondholders are successful in snagging the keys from Trump, what will they do next? Investors could easily hire a manager from another casino to run the properties. Another option: they could sell the properties.

Among potential buyers mentioned is Carl Icahn, who already owns the Sands Casino Hotel in Atlantic City. In the early 1990s, he led the bondholder restructuring of the Taj Mahal's first mortgage debt.

Another potential bidder: Colony Capital, a Los Angeles-based real-estate investment firm, which earlier this year purchased Atlantic City casino Resorts Atlantic City. The vice chairman of Resorts is none other than Nicholas Ribis, former president of Trump Hotels & Resorts.

---- INDEX REFERENCES ----

COMPANY (TICKER): Trump Hotels & Casino Resorts Inc.; Trump Organization
(DJT X.TMP)

NEWS SUBJECT: Analysts' Comments & Ratings of Stocks; Analyst
Comment/Recommendation; Bond News; Debt/Bond Markets;
Barron's; Corporate Actions; Corporate/Industrial News;
Corporate Bonds; High-Yield Issuers; Restructurings &
Recapitalizations; English language content; Earnings
Projections; Performance; Market News (ANL C1521 BON M12
BRNS CAC CCAT COB HIY RCN ENGL C152 C15 MCAT)

MARKET SECTOR: Consumer Cyclical (CYC)

INDUSTRY: Casinos & Gambling; All Entertainment & Leisure; Lodging;
Recreational Products & Services (CNO ENT LOD REC)

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PRODUCT: Leisure (DLE)

GOVERNMENT: State Government; U.S. Government Agencies (STE USG)

REGION: New Jersey; North America; New York; United States; United
States; Northeast U.S.; North American Countries (NJ NME

NY

US USA USE NAMZ)

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Word Count: 1235

11/12/01 BARRONS 22

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Friday, November 9, 2001

Business

A \$1.8 billion game - The Donald's latest bet is against his bondholders.
It's
a shrewd play, - and Trump-watchers caution not to underestimate the strategy
JUDY DEHAVEN
STAR-LEDGER STAFF

The country's heading toward a recession. The casino industry is in a slump. And Donald Trump says his casino company can't afford to pay its debt.

Haven't we heard this before?

In the early 1990s, Trump fought bitterly with bondholders to reduce his casinos' debt payments. The holders vowed to stand firm each time. And each time, the mogul who penned "The Art of the Deal" and put his name on casinos from Atlantic City to Gary, Ind., came out the winner.

Trump is at it again, at odds with the institutions and investors who own \$1.8 billion in his company's junk bonds.

This time, though, the Trump name may not carry as much punch as it used to.

"I don't think anyone owns the upper hand," said Tom Barrack, Trump's longtime friend who became a competitor when his company bought Resorts Atlantic City last spring.

"People who own these bonds are shrewd, intelligent and well-researched about Donald. Donald is also smart, aware, and doesn't do things without thinking them through."

Trump's latest battle didn't exactly get off on the right foot.

On Halloween, Trump stunned bondholders with word he would not make any more interest payments, even though he had the money, until he got lower rates. The situation was like a homeowner telling the bank it wasn't making any more mortgage payments until it lowered the interest.

Trump blamed the Sept. 11 terrorist attacks for hurting the gaming

business and the threat of competition in New York, which is ramping up to allow casino gambling.

Trump Hotels & Casino Resorts' four casinos barely make enough money to cover the roughly \$220 million in annual interest payments, analysts said. The pressure is sure to worsen when the \$242 million mortgage on Trump Marina comes due in 2003.

Still, it came as a surprise when Trump withheld \$74 million he owed on a \$1.3 billion note backed by the Taj Mahal and Trump Plaza.

Trump thinks the negotiations will be easy.

"They (the bondholders) are happy with my results at the casinos," he said.

That is not what some bondholders say.

For many, the first word about the matter came through the media. Several said they would rather foreclose on the casinos than negotiate.

Longtime trader Russell Hartranft, who called his \$10,000 in Trump bonds "small potatoes," said he was certain the major noteholders weren't going to give in.

"The Street can't stand The Donald," Hartranft said. "He's bad news."

Another bondholder said he was prepared to take matters into his own hands and take the money out of a casino cash cage if Trump Resorts hadn't paid up by the end of a 30-day grace period.

"I see a silver lining if he doesn't pay," he said. "I say let's get real management. Just give us the keys. Give us the keys."

The outcome may not be that simple.

Bondholders have the right to take control of Trump's casinos if they don't receive payment 30 days after the due date. For the Marina notes, the deadline would be Dec. 1. But if the company can't make the payments, it could file for bankruptcy. Then the courts would decide the company's fate.

Who blinks first is anyone's guess. Speculation on Wall Street is that

Trump, after testing the waters, will make the payment.

That theory has driven the price of the \$1.3 billion bonds, which fell from 71 cents to about 55 cents on the dollar after Trump's announcement, to about 60 cents.

Trump said he won't decide whether to pay his next interest payment - due Tuesday - until he sees how negotiations go.

Some speculate corporate raider Carl Icahn, who owns the Sands Hotel and Casino, will scoop up Trump bonds and make a play for the casinos - as he did when the Taj Mahal was headed for bankruptcy in 1990. Icahn denies any interest this time.

Of course, bondholders could always negotiate. After all, they would not receive any interest payments in a lengthy bankruptcy.

So far, Trump remains defiant.

The company's interest rates from 11.25 percent to 15.5 percent. While some casino companies pay similar rates, others, such as industry leader Park Place Entertainment, come in closer to 8 percent.

"I don't know if I'll make any concessions," Trump said. "What I want to do is set the casinos up for a terrific future. I will not be the only one doing this. There are other casinos down there with junk bond debt."

Trump argues that the company is fundamentally sound, even with his stock at, off 63 percent in the past year.

"The Trump Taj Mahal is No. 1 in Atlantic City, last month and every month, virtually," he said.

But a closer look shows that during the last 12 months, the Taj ceded that first place position to Bally's, reporting \$565.5 million in revenue versus Bally's \$579.2 million, according to a CIBC World Markets report.

There is also the matter of cash flow. When evaluating a casino's financial strength, analysts look closely at casino "EBITDA" - industry shorthand for earnings before interest, taxes, depreciation and amortization. The EBITDA figure is important because interest rates and taxes can vary widely.

The Taj's \$128.8 million in EBITDA for the past 12 months ranks fourth among Atlantic City's eighth biggest casinos.

The huge debt and the high interest rates that go with the Trump casinos drag it down further. The casinos bring in enough EBITDA to cover their interest payments a little more than one time. That means there's little cash left for other things.

"For a regular high-yield bond, you look for interest coverage that is two times or better," Goldman Sachs analyst John Kempf said.

Unlike the quick, pre-packaged reorganization that each of the Trump casinos went through in the 1990s, Kempf thinks negotiations with bondholders could be long and contentious this time around.

But Barrack, Trump's friend, warned against counting the venerable real estate mogul out just yet.

"My personal opinion is that the man is incredibly astute and incredibly capable," he said. If I were a bondholder, I'd say, "This is a man who is capable of reemerging troubled businesses into a success."

Judy DeHaven covers the gaming industry. She can be reached at jdehaven@starledger.com or (609) 348-1934.

---- INDEX REFERENCES ----

COMPANY (TICKER): Trump Hotels & Casino Resorts Inc. (DJT)

NEWS SUBJECT: Business Stories; English language content; High-Yield Issuers; Corporate/Industrial News; Sports/Recreation; Political/General News; Sports & Recreation; Routine General News (BZZ ENGL HIY CCAT GSPO GCAT SPT NRGN)

MARKET SECTOR: Consumer Cyclical (CYC)

INDUSTRY: Casinos & Gambling; All Entertainment & Leisure; Recreational Products & Services; Lodging (CNO ENT REC LOD)

PRODUCT: Leisure (DLE)

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Word Count: 1048

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END OF DOCUMENT

National Post
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Saturday, November 3, 2001

Financial Post: World

S&P cuts Trump Hotels debt rating
Bloomberg News

NEW YORK - Trump Hotels & Casino Resorts Inc.'s debt rating was cut to the lowest level by Standard & Poor's Corp. after the company, failed to make a US\$90-million interest payment due yesterday on US\$1.3-billion in debt.

S&P cut the corporate credit rating and senior secured debt on the Atlantic City, N.J.-based company, headed by developer Donald Trump, two notches to "D" from "CC." The next interest payment is due Dec. 15, the credit rating company said.

The missed payment sets Mr. Trump up for his second major debt refinancing in 10 years. In 1991, Mr. Trump was able to convince creditors to keep him in control of the casinos when they went through a prepackaged bankruptcy.

He may have a tougher time now convincing creditors to give him a second chance.

"If he doesn't have the money to pay the interest, he can hand over the keys," said Mark Levin, director of research at Imperial Capital LLC, a broker of high-yield debt securities. "You have a lot of grizzled bond holders who have been through this before."

The S&P downgrade didn't move **Trump** bonds, traders said. Offers to buy the **Trump** Atlantic City Associates 11.25% note due in 2006 were about US60.5 cents on the dollar in the early afternoon. That's down US12 cents from the US72.5 cents on the dollar seen on Sept. 4, according to data from Salomon Smith Barney.

Mr. Trump has a 30-day grace period during which he can make interest payments. Given that cash flow at the casinos is enough to cover debt payments, some analysts said he may just be angling to buy back some of the debt at a lower price.

"At this point the ball is still in his court," said debt analyst John Maxwell of BNP Paribas SA.

(Publication page references are not available for this document.)

On Wednesday, Mr. Trump, chairman of the company, said he was withholding scheduled interest payments on US\$1.6-billion of debt because he wants to amend the terms.

---- INDEX REFERENCES ----

COMPANY (TICKER): Trump Hotels & Casino Resorts Inc.; McGraw-Hill Cos.; Standard & Poor's Corp. (DJT MHP X.SDP)

KEY WORDS: HOSPITALITY INDUSTRY; HOTELS; CASINOS; CREDIT RATING; BONDS; CORPORATE RESTRUCTURING

NEWS SUBJECT: Ratings of Bond & Debt; Corporate Credit Ratings; Bond News; Debt/Bond Markets; Restructurings & Recapitalizations; Corporate Changes; English language content; High-Yield Issuers; Dow Jones Total Market Index; Funding/Capital; Corporate/Industrial News; Financing Agreements; Financing Agreements; Corporate Actions; Market News (RTG C174 BON M12 RCN C02 ENGL HIY WEI C17 CCAT C173 FNC CAC MCAT)

STORY ORIGIN: NEW YORK

NEWS CATEGORY: BUSINESS

MARKET SECTOR: Consumer Cyclical (CYC)

INDUSTRY: Lodging; Casinos & Gambling; All Entertainment & Leisure; Book Publishers; Publishing; Media; Industrial & Commercial Services, Other; Recreational Products & Services (LOD CNO ENT BOK PUB MED ISO REC)

PRODUCT: Leisure (DLE)

REGION: United States - New York; Northeast U.S.; United States; North American Countries; New York; North America; United States (USNY USE USA NAMZ NY NME US)

EDITION: NATIONAL

Word Count: 325

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END OF DOCUMENT

Financial Times

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Friday, November 2, 2001

COMPANIES & FINANCE INTERNATIONAL - S&P reduces Trump ratings - NEWS DIGEST.
By JENNY WIGGINS.

S&P reduces Trump ratings

Trump Hotels & Casino Resorts' debt ratings were lowered deeper into the speculative category by Standard & Poor's after the company said it was renegotiating interest payments on its bonds.

This week Trump Hotels said plans for new gaming operations in New York state would hurt its Atlantic City operations, leading it to seek lower interest payments on its debt. Jenny Wiggins, New York.

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<http://www.ft.com>.

---- INDEX REFERENCES ----

NEWS SUBJECT: Corporate Credit Ratings; Funding/Capital;
Corporate/Industrial News; English language content; Ratings of Bond & Debt;
News Digest; Content Types; News Summaries (C174 C17 CCAT ENGL RTG NSUM NCAT
SUM)

MARKET SECTOR: Consumer Cyclical (CYC)

INDUSTRY: All Entertainment & Leisure; Recreational Products &
Services (ENT REC)

PRODUCT: Leisure (DLE)

REGION: United States; North American Countries (USA NAMZ)

Word Count: 77

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Financial Times

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Friday, November 2, 2001

COMPANIES & FINANCE INTERNATIONAL - S&P reduces Trump ratings - NEWS DIGEST.
By JENNY WIGGINS.

S&P reduces Trump ratings

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<http://www.ft.com>.

---- INDEX REFERENCES ----

NEWS SUBJECT: Corporate Credit Ratings; Funding/Capital;
Corporate/Industrial News; English language content; Ratings of Bond & Debt;
News Digest; Content Types; News Summaries (C174 C17 CCAT ENGL RTG NSUM NCA
SUM)

MARKET SECTOR: Consumer Cyclical (CYC)

INDUSTRY: All Entertainment & Leisure; Recreational Products &
Services (ENT REC)

PRODUCT: Leisure (DLE)

REGION: United States; North American Countries (USA NAMZ)

Word Count: 77

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END OF DOCUMENT

The Wall Street Journal
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Thursday, November 1, 2001

Trump Seeks to Renegotiate Bond Terms In Wake of New York Move on Gambling
By Christina Binkley
Staff Reporter of The Wall Street Journal

Donald Trump said he wants to renegotiate terms with bondholders for his casino interests because plans to expand gambling in New York state will harm his company's Atlantic City, N.J., casinos.

Mr. Trump said that Trump Hotels & Casino Resorts Inc. has the cash to make bond payments including \$73 million due today, but he will withhold the money pending negotiations with bondholders. "My attitude is, we'll pay the interest when we negotiate a new deal," he said in an interview.

"I want extensions and I want lower interest rates."

A person familiar with Trump Hotels said that cash is tight at the company because the operations have been hit by a drop in tourism this fall.

Mr. Trump said he will retain investment bankers within seven days to seek a 12-year extension and "substantially lower" interest rates on all the bonds outstanding. The casinos have seven bond issues outstanding, at rates ranging from 10.25% to 15.5% and due between 2003 and 2006.

"In light of the fact that New York state has just approved the largest gaming bill in its history by far, it will not be possible to refinance an issue of bonds that comes due in two years," Mr. Trump said. "No way."

Spurred by economic stresses since Sept. 11, New York legislators last week moved to raise new revenue by loosening restrictions on gambling, including permitting six new Indian casinos and allowing a kind of slot machine at horse racetracks. Three of the new casinos would be in the Catskills and would compete with Atlantic City for New York City gamblers.

Doug Teitelbaum, a longtime investor in Mr. Trump's casinos who holds a small amount of the bonds in question, called the move "prudent" given the new uncertainty about Atlantic City's future. "Donald probably has the best casinos in Atlantic City, but . . . it would be very prudent for any operator to not use cash until they know what the future portends," said Mr. Teitelbaum, managing principal of Bay Harbour Management LC, a New York hedge fund.

Trump Hotels operates the Taj Mahal, Marina and other casinos. Mr. Trump

(Publication page references are not available for this document.)

controls 42% of the heavily leveraged company. In 4 p.m. composite trading on the New York Stock Exchange, Trump Hotels shares were down 20%, or 25 cents, at \$1. Mr. Trump said the bond situation doesn't affect his private real-estate operations. "It's not my company," he said. "It's publicly traded, but it's not my Manhattan real estate."

---- INDEX REFERENCES ----

COMPANY (TICKER): Trump Hotels & Casino Resorts Inc. (DJT)

NEWS SUBJECT: Bond News; Debt/Bond Markets; Corporate Actions; Corporate/Industrial News; Corporate Bonds; Financing Agreements; Financing Agreements; High-Yield Issuers; Wall Street Journal; English language content; Market News; Funding/Capital (BON M12 CAC CCAT COB FNC C173 HIY WSJ ENGL MCAT C17)

MARKET SECTOR: Consumer Cyclical (CYC)

INDUSTRY: Casinos & Gambling; All Entertainment & Leisure; Lodging; Recreational Products & Services (CNO ENT LOD REC)

PRODUCT: Leisure (DLE)

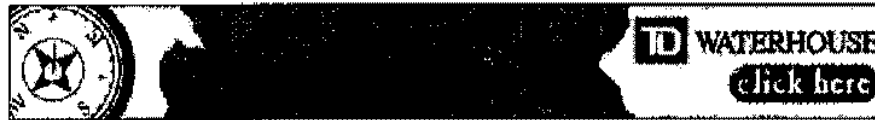
REGION: New Jersey; North America; New York; United States; United States; Northeast U.S.; United States - New Jersey; North American Countries (NJ NME NY US USA USE USNJ NAM2)

LAYOUT CODES: Large Majors (LMJ)

Word Count: 412

11/1/01 WSJ B8

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Wednesday October 31, 2:34 pm Eastern Time

Press Release

SOURCE: Trump Hotels & Casino Resorts, Inc.

Related Quote		
DJT	1.01	-0.01
delayed 20 mins - disclaimer		
Quote Data provided by Reuters		
		Get Quotes

Trump Hotels & Casino Resorts to Negotiate Debt With Bondholders

NEW YORK--(BUSINESS WIRE)--Oct. 31, 2001--The economic consequences of the September 11th terrorist attacks on the World Trade Center have led New York State to approve the largest gambling package in its history, which includes six casinos, three of which will be ninety minutes away from Manhattan in the Catskills, and video slot machines at numerous racetracks, including Aqueduct in New York City and Yonkers.

In light of these events, especially the results of the September 11th attack, Trump Hotels & Casino Resorts, Inc. (NYSE: [DJT](#) - [news](#)) announced today that it is seeking to negotiate the terms of the public debt to better reflect these economic times. The following debt issues are affected:

- TRUMP HOTELS & CASINO RESORTS HOLDINGS, L.P. 15-1/2% Senior Secured Notes due June 2005;
- TRUMP ATLANTIC CITY ASSOCIATES AND TRUMP ATLANTIC CITY FUNDING, INC. 11-1/4 % Mortgage Notes due May 2006;
- TRUMP ATLANTIC CITY ASSOCIATES AND TRUMP ATLANTIC CITY FUNDING II, INC. 11-1/4% Mortgage Notes due May 2006;
- TRUMP ATLANTIC CITY ASSOCIATES AND TRUMP ATLANTIC CITY FUNDING III, INC. 11-1/4% Mortgage Notes due May 2006;
- TRUMP'S CASTLE ASSOCIATES, L.P. 10-1/4% Senior Notes due April 2003;
- TRUMP'S CASTLE ASSOCIATES, L.P. 11-3/4% Mortgage Notes due November 2003; and
- TRUMP'S CASTLE HOTEL & CASINO, INC. 10-1/4% Senior Notes due April 2003.

Interest will be withheld until such time as discussions between the Company and the bondholders have been finalized. The Company intends to pay interest upon the completion of a successful negotiation.

Atlantic City will soon take a tremendous economic "hit" from New York State gambling, far beyond anything ever contemplated by previous proposals. In order to position the Company's properties for the future, appropriate concessions are being sought by the Company.

Trump Hotels & Casino Resorts, Inc. is a public company which is approximately 42% owned by Donald J. Trump. The Company is separate and distinct from all of Mr. Trump's other holdings.

Contact:

Trump Hotels & Casino Resorts, Inc.
Norma Foerderer, 212/832-2000

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More Quotes and News: [Trump Hotels & Casino Resorts Inc \(NYSE:DJT - news\)](#)

Related News Categories: [computers](#), [entertainment](#), [gambling](#)

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New York Daily News
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Thursday, November 1, 2001

BUSINESS

TRUMP SEEKING BETTER DEAL ON CASINOS DEBT
ERIC HERMAN DAILY NEWS BUSINESS WRITER

The Donald needs more time to pay his IOUs.

Pummeled by a bad economy and burdened with more than \$1.5 billion in debt, Trump Hotels & Casino Resorts said yesterday it would not make interest payments owed to some bondholders today.

"It all has to do with Sept. 11," Trump told the Daily News. "Atlantic City after Sept. 11 is a different place."

This comes amid a grim environment for the hotel business, with tourism down sharply because of the terrorist attacks and the sputtering economy.

Making matters worse for Trump, Gov. Pataki signed a law yesterday that allows six American Indian casinos to be built in upstate New York. Those casinos will pose new competition to Trump's Atlantic City businesses at a time when his operation is struggling.

John Leupp, a casino analyst at CS First Boston, said Trump would try to negotiate with his bondholders for more favorable terms, including lower interest payments.

Currently, the company's interest payments are so high they eat up most of its cash flow.

"You want to entertain a restructuring to avoid further problems down the road. You want to do things like be able to maintain the competitiveness of the properties," Leupp said.

"You want to avoid a more significant event like a bankruptcy process, which could take longer and would not benefit either party at the end of the day," he added.

Trump's three Atlantic City casinos - Trump Plaza Hotel and Casino, the Trump Taj Mahal Casino Resort and the Trump Marina Hotel Casino - did go bankrupt in the early '90s. But Trump hung onto

(Publication page references are not available for this document.)

them, and in 1995 he took his casino company public at \$14 a share. The stock hit its all-time high of \$35 per share in 1996. It closed yesterday at \$1, down 25 cents.

The Donald owns 42% of the company, which is separate from his New York real estate company, and is its chairman.

Because of Trump Casinos' financial difficulties, it is seen as a risky investment. Therefore, it has had to entice lenders by selling bonds that pay high interest.

Trump's bonds are held by mutual funds, pension funds and banks.

Interest payments of \$73 million came due today on \$1.3 billion in debt secured by the Taj Mahal and Plaza.

Also being renegotiated is \$15 million of interest on \$242 million in debt secured by the Marina.

"The company has too much debt," said John Kempf, an analyst at Goldman Sachs.

The company has suffered from mismanagement, one analyst said. In 1999, the company closed its World's Fair casino in Atlantic City and Trump's Indiana riverboat casino has done as well as hoped.

Kempf said that Trump knew he had to address his debt problems sooner or later, and was choosing to do it now.

"Right now, the company has the cash to make the payments," he said. But at some point, "they were going to run out of cash to service their debt."

TABULAR OR GRAPHIC MATERIAL SET FORTH IN THIS DOCUMENT IS NOT DISPLAYABLE

Caption: PHOTO LEFT/AP; PHOTO RIGHT/JENNIFER ALTMAN PAYMENT TO BONDHOLDERS NOT IN CARDS Donald Trump said the events of Sept. 11 have changed the environment at Atlantic City, worsening financial shape of his Plaza, Marina and Taj Mahal casinos, so interest on debt is not being paid.

----- INDEX REFERENCES -----

COMPANY (TICKER): Trump Hotels & Casino Resorts Inc.; Credit Suisse First

11/1/01 NYDLYNWS 47

Page 69

11/1/01 N.Y. Daily News 472001 WL 27986170

(Publication page references are not available for this document.)

Boston Corp.; Credit Suisse Group; Goldman Sachs Group Inc. (DJT Z.CSF Z.CSG
GS)

NEWS SUBJECT: English language content; High-Yield Issuers; Dow Jones
Total Market Index; Corporate/Industrial News (ENGL HIY WEI CCAT)

MARKET SECTOR: Consumer Cyclical (CYC)

INDUSTRY: Casinos & Gambling; All Entertainment & Leisure;
Diversified Financial Services; Securities; Dow Jones Sector Titans Index -
Financial; Lodging; Recreational Products & Services (CNO ENT FIS SCR XSTF
LOD REC)

PRODUCT: Leisure (DLE)

EDITION: SPORTS FINAL

LAYOUT CODES: (BFN)

Word Count: 493

11/1/01 NYDLYNWS 47

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New York Times Abstracts

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Wednesday, October 31, 2001

ISSN: 0362-4331

Section C

Page THE MARKETS: Market Place

Where Donald Trump sees trouble in Atlantic City, bondholders see an effort
to
cut a deal.
Riva D Atlas

At least some bondholders contacted yesterday said they did not take Mr. [Donald Trump]'s threats seriously. In fact, they are wondering whether Mr. Trump could be trying to take advantage of a decline in bond prices to cut a favorable deal for himself.

Mr. Trump has more than \$1.6 billion in publicly traded junk bonds, most of which are secured by his Atlantic City casinos. He controls these properties through a public entity called Trump Hotels and Casino Resorts, whose shares trade at \$1.25. Mr. Trump owns roughly 42 percent of this company.

Some investors and analysts suggest Mr. Trump could merely be trying to drive down the price of his bonds. Mr. Trump quietly spent \$46 million last spring buying bonds issued by Trump Hotels and Casino Resorts, said Mr. [John Kempf] of Goldman, Sachs.

---- INDEX REFERENCES ----

NEWS SUBJECT: English language content (ENGL)

EDITION: LATE EDITION (EAST COAST)

Word Count: 137

10/31/01 NYT-ABS 13

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Images:	0
Images Charged:	0

(Publication page references are not available for this document.)

National Post
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Friday, December 7, 2001

Financial Post: World

Entertainment: Trump Hotels' bond payment raises its debt rating
Bloomberg

NEW YORK - Trump Hotels & Casino Resorts Inc.'s debt rating was raised by Standard & Poor's Corp. after the casino company made a US\$91-million payment to bondholders before a grace period expired. The credit rating company raised the corporate credit rating and senior secured debt two notches to "CC" from "D."

---- INDEX REFERENCES ----

COMPANY (TICKER): Trump Hotels & Casino Resorts Inc.; McGraw-Hill Cos.; Standard & Poor's Corp. (DJT MHP X.SDP)

KEY WORDS: HOSPITALITY INDUSTRY; HOTELS; BONDS; CREDIT RATING

NEWS SUBJECT: Bond News; Debt/Bond Markets; Ratings of Bond & Debt; Corporate Credit Ratings; English language content; High-Yield Issuers; Dow Jones Total Market Index; Corporate/Industrial News; Market News; Funding/Capital (BON M12 RTG C174 ENGL HIY WEI CCAT MCAT C17)

STORY ORIGIN: NEW YORK

NEWS CATEGORY: BUSINESS; BRIEF

MARKET SECTOR: Consumer Cyclical (CYC)

INDUSTRY: Lodging; Casinos & Gambling; All Entertainment & Leisure; Book Publishers; Publishing; Media; Industrial & Commercial Services, Other (LOD CNO ENT BOK PUB MED ISO)

PRODUCT: Leisure (DLE)

REGION: United States - New York; Northeast U.S.; United States; North American Countries; New York; North America; United States (USNY USE USA NAMZ NY NME US)

EDITION: NATIONAL

12/7/01 NATLPOST FP13

12/7/01 Natl Post FP132001 WL 31021897

(Publication page references are not available for this document.)

Page 3

Word Count: 53

12/7/01 NATLPOST FP13

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The Wall Street Journal
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Thursday, November 29, 2001

Trump's Casino Concern Will Pay Bond Interest

ATLANTIC CITY, N.J. -- Donald Trump's casino company said it has decided to make bond interest payments of \$91 million that the mogul earlier this month said he would withhold in hopes of renegotiating terms with bondholders.

Trump Hotels & Casino Resorts Inc. said that the payments are being made "based on the establishment of a bondholders' committee for the purpose of good faith negotiations" between the parties. The company said that future payments would be withheld if no agreement is reached before the due dates of the next interest payments, roughly five months from now.

Mr. Trump's efforts to renegotiate the bonds' interest rates and terms were spurred by economic concerns after the Sept. 11 terrorist attacks. In order to alleviate the effects of an economic downturn since then, New York state recently passed legislation designed to raise new revenue by loosening restrictions on gambling and permitting new casinos to open. Mr. Trump's company said the changes would cause "a tremendous economic hit" to its operations in Atlantic City.

---- INDEX REFERENCES ----

COMPANY (TICKER): Trump Hotels & Casino Resorts Inc. (DJT)

NEWS SUBJECT: Bond News; Debt/Bond Markets; Corporate Bonds; High-Yield Issuers; Wall Street Journal; English language content; Corporate/Industrial News; Terrorism; Political/General News; Market News; Crime/Courts (BON M12 COB HIY WSJ ENGL CCAT GTERR GCAT MCAT GCRIM)

MARKET SECTOR: Consumer Cyclical; Newswire End Code (CYC NND)

INDUSTRY: Casinos & Gambling; All Entertainment & Leisure; Lodging (CNO ENT LOD)

PRODUCT: Leisure (DLE)

REGION: New Jersey; North America; United States; United States; Northeast U.S.; United States - New Jersey; North American Countries (NJ NME US USA USE USNJ NAMZ)

LAYOUT CODES: Minors (MNO)

11/29/01 WSJ (No Page)

Page 6

11/29/01 Wall St. J. (Page Number Unavailable Online) 2001 WL-WSJ 29679233

(Publication page references are not available for this document.)

Word Count: 170

11/29/01 WSJ (No Page)

END OF DOCUMENT

The Star-Ledger Newark, NJ
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Thursday, November 29, 2001

Business

Ready to deal, Trump pays interest
JUDY DEHAVEN
STAR-LEDGER STAFF

Donald Trump, after a nearly monthlong standoff, said yesterday that his company had made \$91 million in interest payments, just days before bondholders could have foreclosed on his casinos.

Trump's lawyer, David Friedman, said he now hoped to cut a deal with the bondholders that would give Trump Hotels and Casino Resorts lower interest rates and extended maturity dates on its \$1.8 billion in debt.

"This has been portrayed as Trump versus the bondholders," Friedman said. "In the long run, the bondholders would be better off if we take some of the money (from lowered rates) and reinvest in the property."

Phil Rosen, a lawyer who represents a majority of the people holding a \$1.3 billion note backed by Trump Plaza and Trump Taj Mahal, said his clients will be willing to talk to Trump now that the payment has been made. Negotiations have not started.

"The first stage was the payment of the coupon," he said. "Then we consider the next stage."

Bondholders are preparing a letter to send to Trump outlining possible terms.

Trump said Oct. 31 that he would not make interest payments on the company's debt until bondholders agreed to better terms. He had a 30-day grace period before bondholders could move to foreclose on the casinos that back the bonds. The deadline for one was Friday; another was Monday.

Trump has said his casinos, which already struggle to make \$220 million in yearly interest payments, will have more trouble in the aftermath of the Sept. 11 attacks and New York's decision to expand gambling.

Most of Trump's bonds have an interest rate of about 11.25 percent, a relatively high number considering other casino companies pay as low as

8 percent.

Shares of Trump Resorts rose 7 cents, or 5 percent, to \$1.46 yesterday. The stock has risen recently on the notion that Trump would win concessions from bondholders.

The parties have until May before more interest payments come due. Trump said there was no assurance his company would make those payments without an agreement.

"I suspect the bondholders would be willing to make some kind of deal, but I do think they're going to continue to play hardball," University of Pennsylvania law professor David Skeel said.

Hibernia Southcoast Capital analyst Danny Davila said Trump may have a shot.

"I don't know if he can get concessions, but if anybody were able to do it, it would be Donald Trump," he said.

Judy DeHaven covers the gaming industry. She can be reached at jdehaven@starledger.com or (609) 348-1934.

---- INDEX REFERENCES ----

COMPANY (TICKER): Trump Hotels & Casino Resorts Inc. (DJT)

NEWS SUBJECT: Business Stories; English language content; High-Yield Issuers; Corporate/Industrial News (BZZ ENGL HIY CCAT)

MARKET SECTOR: Consumer Cyclical (CYC)

INDUSTRY: Casinos & Gambling; All Entertainment & Leisure; Lodging; Recreational Products & Services (CNO ENT LOD REC)

PRODUCT: Leisure (DLE)

EDITION: FINAL

Word Count: 423

11/29/01 STLGRN 018

11/29/01 STLGRN 018
11/29/01 Star-Ledger (Newark N.J.) 0182001 WL 30233087
(Publication page references are not available for this document.)

Page 10

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Images:	0
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Wednesday, November 28, 2001

Business

Trump may get his way, partly - Bondholders ready to deal if The Donald will pony up

JUDY DEHAVEN
STAR-LEDGER STAFF

Some of the bondholders in Donald Trump's casino company may be willing to negotiate - but only if he pays them first.

In the latest move of a high-stakes game of chicken, Phil Rosen, a lawyer who represents an ad hoc group of between 15 and 20 bondholders, said his clients want Trump's casino company to make its interest payment before they consider a demand for better terms on the note.

The bondholders, who were obstinate in their position that they would not cut Trump a break, now seem willing to hear him out as long as he makes the first move.

Meanwhile, stock in Trump Hotels and Casino Resorts has shot back on the expectation Trump will pay.

"We won't start negotiating until the payment is made," said Rosen, whose clients own "a good number of the bonds" from a \$1.3 billion issue backed by Trump Taj Mahal and Trump Plaza. A \$73 million interest payment was due Nov. 1.

"If he doesn't pay, we'll exercise our rights," he said. "One of them is foreclosure."

The attorney would not say what the bondholders would be willing to do -whether it would be to lower the 11.25 percent interest rate, extend the maturity rate past 2006 or swap debt for equity.

"Right now, we're waiting for the payment," he said. "Then we'll make a decision."

Trump Resorts has struggled to make some \$220 million in interest payments on \$1.8 billion in debt. Trump said Oct. 31 he would not pay any interest until bondholders agreed to concessions. The company has the money for the interest payments, but Trump said the slowdown in business will make it much harder to pay in the future.

The company has missed more than \$90 million in payments since Oct. 31. There is a 30-day grace period before bondholders can foreclose on the casinos.

One company subsidiary has until Friday to make a \$3.3 million payment on mortgages backed by Trump Marina. Another has until Monday to make the \$73 million payment on the \$1.3 billion note backed by the Taj and the Plaza.

Trump could not be reached for comment, and his lawyer, David Friedman, did not return calls.

Since then, shares in Trump Hotels and Casino Resorts, which plummeted to a low of 83 cents the day after Trump announced he wouldn't pay his bondholders, have climbed to \$1.39.

"I don't think that's reality."

One bondholder, who owns \$1.6 million worth of bonds in the \$1.3 billion note, said he has no interest in negotiating.

"I have a simple banker's mentality - pay or foreclose," he said.

Daniel Borislow, who said he owns \$35 million of some of the bonds backed by the Marina, thinks Trump will make the interest payments. If not, Borislow said he would consider making a play for the Marina.

Still, depending on what Trump offers, Borislow said he might be willing to negotiate:

"I'm willing to do a lot of things if he's willing to give me equity."

---- INDEX REFERENCES ----

COMPANY (TICKER): Trump Hotels & Casino Resorts Inc. (DJT)

NEWS SUBJECT: Business Stories; English language content; High-Yield Issuers; Corporate/Industrial News (BZZ ENGL HIY CCAT)

MARKET SECTOR: Consumer Cyclical (CYC)

11/28/01 STLGRN 055

Page 14

11/28/01 Star-Ledger (Newark N.J.) 0552001 WL 30232895

(Publication page references are not available for this document.)

INDUSTRY: Casinos & Gambling; All Entertainment & Leisure; Lodging
(CNO ENT LOD)

PRODUCT: Leisure (DLE)

EDITION: FINAL

Word Count: 501

11/28/01 STLGRN 055

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Images:	0
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New York Times Abstracts
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Thursday, November 22, 2001

ISSN: 0362-4331

Section C

Bondholders And Trump Negotiating Debt Terms
Riva D Atlas

Mr. [Donald J. Trump] announced on Oct. 31, the day before the interest was due, that he would not make the payment, even though he said he had the cash to do so. If he failed to make the payment by the end of this month, the debt would be in default and bondholders would have the right to force the company that issued the debt, Trump Atlantic City, into bankruptcy. The bonds are backed by two of Mr. Trump's three Atlantic City casinos, the Trump Taj Mahal and the Trump Plaza.

---- INDEX REFERENCES ----

NEWS SUBJECT: English language content (ENGL)

EDITION: LATE EDITION (EAST COAST)

Word Count: 93

11/22/01 NYT-ABS 2

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Images:	0
Images Charged:	0

(Publication page references are not available for this document.)

National Post
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Friday, November 16, 2001

Financial Post: World

Trump creditors brace for showdown: Committee formed: Mogul withholding
interest payments on US\$1.7B in debt
Tom Barkley
Dow Jones

NEW YORK - Trump bondholders have formed a creditors' committee and brought on board a high-profile bankruptcy lawyer as they prepare to face off with the casino and real estate mogul, according to people close to the situation yesterday.

Two weeks after Donald Trump announced that he is withholding interest on all of the approximately US\$1.7-billion in debt under the holding company he controls, Trump Hotels & Casino Resorts Inc., bondholders are showing little sign of simply handing over the better credit terms he has demanded.

Several large holders of the biggest chunk of debt -- US\$1.3-billion in first-mortgage notes under the Trump Atlantic City Associates subsidiary -- have formed an "informal" bondholder committee, the sources said.

In addition, they have "informally" retained the services of prominent bankruptcy lawyer Harvey Miller, a senior partner at the New York firm Weil, Gotshal & Manges, one of the sources said.

Mr. Miller's office was not immediately available for comment.

Halfway through the 30-day grace period for making a US\$73-million interest payment on the Atlantic City 11.25% mortgage notes due in 2006, which Mr. Trump failed to pay on Nov. 1, bondholders, in the least, have expressed unwillingness to negotiate until after Mr. Trump pays the interest due. But others don't see a reason to negotiate at all since the first mortgage notes give them a strong claim in a bankruptcy proceeding.

The notes are backed by the Plaza and Taj Mahal casinos in Atlantic City, N.J.

"I think some people are willing to listen if he makes the coupon payment," said a bondholder who has been in touch with members of the committee. "But it's a first-mortgage bond, so why negotiate?"

(Publication page references are not available for this document.)

A bondholder on the committee said no consensus has been reached.

Meanwhile, about US\$15-million in interest was due by the end of yesterday on US\$242-million outstanding of Trump's Castle Associates 11.75% mortgage notes due in 2003, which are backed by the Trump Marina Casino in Atlantic City.

Several holders of those bonds have also said they are not willing to negotiate with Mr. Trump.

Mr. Trump was not immediately available to comment.

---- INDEX REFERENCES ----

COMPANY (TICKER): Trump Hotels & Casino Resorts Inc.; Weil, Gotshal & Manges (DJT X.WGM)

NAMED PERSON: DONALD TRUMP

KEY WORDS: HOSPITALITY INDUSTRY; HOTELS; CASINOS; EXECUTIVES; BONDS; MORTGAGES; SHAREHOLDER RIGHTS; CORPORATE FINANCE; NEGOTIATIONS

NEWS SUBJECT: Management Issues; Management Issues; Bond News; Debt/Bond Markets; Mortgages and Mortgage Rates; Shareholder-Rights Plans; Shareholder-Rights Plans; Funding/Capital; English language content; High-Yield Issuers; Corporate/Industrial News; Market News; Share Capital (MNT C41 BON M12 MOR SRP C1712 C17 ENGL HIY CCAT MCAT C171)

STORY ORIGIN: NEW YORK

NEWS CATEGORY: BUSINESS

MARKET SECTOR: Consumer Cyclical (CYC)

INDUSTRY: Lodging; Casinos & Gambling; All Entertainment & Leisure; Law Firms; General Industrial & Commercial Services; All Industrial & Commercial Services (LOD CNO ENT LAW ICS SVC)

PRODUCT: Leisure (DLE)

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11/16/01 Nat'l Post FP112001 WL 29560270

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North American Countries; New York; North America; United States (USNY USE
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EDITION: NATIONAL

Word Count: 351

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Barron's
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Monday, November 12, 2001

Donald Redux: Once more, Trump looks to renegotiate Atlantic City casino debt
By Jacqueline Doherty

Bond investors are gearing up for the opening salvos of what may be a lengthy tussle with Donald **Trump**. At stake: who should own the keys to two of his Atlantic City casinos. To prepare for the potential battle royal, an informal group of sizable, prominent **bond** investors held a conference call Friday to get organized.

The Donald started the scuffle on November 1. He missed a \$73 million interest payment on Trump Atlantic City's \$1.3 billion of first-mortgage notes, even though he had enough cash in the till to pay it. Trump would like bondholders to reduce the debt's coupon, which stands at a hefty 11.25%, push the maturity beyond 2006, and reduce the amount of debt outstanding. In return, the casinos could stay out of bankruptcy, the reduced interest payment would quickly resume and Trump would retain control.

But chances are that a restructuring won't be quite that simple. **Trump** Atlantic City **bonds** are secured by the mortgages on the two casinos it owns: **Trump** Taj Mahal and **Trump** Plaza. Bondholders assert that the two casinos aren't worth the \$1.3 billion of debt they support. Bondholders estimate the casinos are only worth \$800 million-\$1.1 billion. As a result, any restructuring could dramatically dilute -- or perhaps even eliminate -- **Trump's** equity in **Trump** Atlantic City.

"[Trump] has no economic stake. He's out of the money," claims one bondholder. "We have the right to the whole thing."

Trump says he doesn't know how much the two casinos are worth in the wake of September 11. But he decided against making the interest payment, because after the World Trade Center attacks the economy continued to decline -- and New York State pushed through a bill allowing casinos to operate in the state for the first time.

The state hopes that future gambling establishments in western New York and

(Publication page references are not available for this document.)

the Catskills will generate jobs and tax revenue. The law also allows New York racetracks to install ticket-out video lottery terminals. The plans will surely face objections, and the facilities might not open for three to five years, analysts estimate.

That being said, Trump believes New York gaming will happen, and it will drain traffic from Atlantic City.

"I just want the bonds to reflect the economic realities of life as it exists. September 11 precipitated the passage of the largest gaming bill in New York or anywhere else," he declares. If the interest payment is reduced, Trump says he'll have more cash to invest in the casinos and to prepare them for the coming competition.

"We've done a good job managing the business and the [Trump] name is an important reason why all those revenues come in," he says. "The problem with the company is that we're paying far too much interest, and that puts us at a competitive disadvantage."

Investors are quick to point out that Trump's casinos were facing a tough economy and increased competition even before the events of September 11. Connecticut's Mohegan Sun casino had already planned to open an additional 1,200 rooms next spring. In addition, a new casino, the Borgata, was set to open in Atlantic City in mid-2003, adding about 10% to the Atlantic City market's gaming capacity, according to Andrew Susser, a high-yield gaming and lodging analyst at Banc of America Securities.

So, even before that horrible day in September, investors thought Trump Atlantic City's cash flow would decrease as competition increased.

Even during a booming economy, Trump Atlantic City revenues declined to \$931.2 million last year and an estimated \$905.3 million this year from \$939.4 million in 1999. Cash flow held relatively steady thanks to cost-cutting and an increased focus on the profitable slot-machine business, says Susser. Cash flow -- defined as earnings before interest, taxes, depreciation and amortization -- was \$178.5 million in 1999, \$173.1 million in 2000 and is estimated to be \$177.2 million this year.

Bondholders acknowledge that Trump may be given some equity in a reorganized Trump Atlantic City as an incentive to reorganize the company quickly or to keep his name over the door, one bondholder explains. Trump licenses his name

(Publication page references are not available for this document.)

to the casinos.

"He'll get something, but it's not going to be a lot," says the investor.

Opines one analyst: "I think it is going to be a contentious bankruptcy. Trump is a difficult person to deal with and his only leverage is time." Indeed, Trump contends that a restructuring in bankruptcy could be "a long, drawn-out process that will very badly hurt the successful business we've created."

Trump has been through this exercise before. In the early 1990s, his three Atlantic City casinos had to restructure their debt; yet Trump managed to retain about half of the equity in the properties, as well as control over them. Some say it's tough for bondholders to take control of casinos because owners need to be licensed.

Others contend that a manager with a license can always be hired.

"Bondholders may be more willing to take control this time around," says John Leupp, a high-yield bond analyst at Credit Suisse First Boston. After the last restructuring "operations didn't improve enough to convince bondholders that it's imperative to keep existing management in place."

Trump has until December 3 to decide whether he'll make the interest payment. After that date, bondholders can force Trump Atlantic City in to Chapter 11 bankruptcy protection. Some observers speculate that Trump will ultimately decide to make the interest payment when he realizes bond investors are serious about dramatically reducing his equity in and control over the company. That may explain why the bonds trade at 61 cents on the dollar, when some analysts believe they should trade closer to 45 or 50.

Any restructuring would be complicated by the various relationships between Trump's other casinos. Trump Hotels and Casino Resorts is a public holding company in which Trump owns a 42% stake. The holding company owns the equity of Trump Atlantic City, Trump Marina (formerly called Trump Castle), also an Atlantic City casino, and Trump Indiana Riverboat Casino, in Buffington Harbor, on Indiana's Lake Michigan shoreline. The public shares of the holding company trade at 1.03 down from 35 in April 1996.

Trump failed, too, to pay the coupon on Trump Castle's \$62 million of 10.25%

(Publication page references are not available for this document.)

senior notes due 2003. The Castle also has \$242 million of debt, which faces a \$15 million interest payment in mid-November. There's growing speculation that Trump will skip that interest payment as well and attempt a restructuring of the Marina, too. But that facility has less debt and Trump has a greater chance of retaining control. At this point, it's unclear whether Trump's properties will be reorganized separately or together. Bondholders are sure to examine any intra-company transfers between the various entities and Trump, however.

If bondholders are successful in snagging the keys from Trump, what will they do next? Investors could easily hire a manager from another casino to run the properties. Another option: they could sell the properties.

Among potential buyers mentioned is Carl Icahn, who already owns the Sands Casino Hotel in Atlantic City. In the early 1990s, he led the bondholder restructuring of the Taj Mahal's first mortgage debt.

Another potential bidder: Colony Capital, a Los Angeles-based real-estate investment firm, which earlier this year purchased Atlantic City casino Resorts Atlantic City. The vice chairman of Resorts is none other than Nicholas Ribis, former president of Trump Hotels & Resorts.

---- INDEX REFERENCES ----

COMPANY (TICKER): Trump Hotels & Casino Resorts Inc.; Trump Organization
(DJT X.TMP)

NEWS SUBJECT: Analysts' Comments & Ratings of Stocks; Analyst Comment/Recommendation; Bond News; Debt/Bond Markets; Barron's; Corporate Actions; Corporate/Industrial News; Corporate Bonds; High-Yield Issuers; Restructurings & Recapitalizations; English language content; Earnings Projections; Performance; Market News (ANL C1521 BON M12 BRNS CAC CCAT COB HIY RCN ENGL C152 C15 MCAT)

MARKET SECTOR: Consumer Cyclical (CYC)

INDUSTRY: Casinos & Gambling; All Entertainment & Leisure; Lodging; Recreational Products & Services (CNO ENT LOD REC)

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PRODUCT: Leisure (DLE)

GOVERNMENT: State Government; U.S. Government Agencies (STE USG)

REGION: New Jersey; North America; New York; United States; United States; Northeast U.S.; North American Countries (NJ NME

NY

US USA USE NAMZ)

LAYOUT CODES: Cover Story (CST)

Word Count: 1235

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BondWeek
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Institutional Investor, Inc.

Monday, November 12, 2001

ISSN: 0278-8896; Volume 21; Issue 45,

Trump Trade Continues Amid Icahn Rumors.

FULL TEXT

Heavy trading continued last week in the \$1.2 billion **Trump** Atlantic City 11.25% notes of '06 (Caa3/D). The **bonds** were trading at 69 plus accrued interest on Oct. 30, but were trading "flat" (i.e. without accrued interest) at 61 last Thursday, having been as low as 55. **Trump** declined to make a coupon payment to bondholders on Nov. 1, and there were rumors that financier Carl Icahn was buying up the paper in a bid to make **Trump** pay up. Traders estimate that some \$400 million of the paper has changed hands in the last 10 days. Traders at Icahn & Co. could not be reached.

---- INDEX REFERENCES ----

COMPANY (TICKER): X.IC (X.IC)

KEY WORDS: UNITED STATES

NEWS SUBJECT: English language content (ENGL)

INDUSTRY: Securities (SCR)

REGION: United States; North America; United States; North American Countries (US NME USA NAMZ)

Word Count: 107

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The Times-Picayune
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Sunday, November 11, 2001

MONEY

Trump resumes game of debt roulette ; But some investors not willing to play
Newhouse News Service

The country's heading toward a recession. The casino industry is in a slump. And Donald Trump says his casino company can't afford to pay its debt.

Haven't we heard this before?

In the early 1990s, Trump fought bitterly with bondholders to reduce his casinos' debt payments. The holders vowed to stand firm each time. And each time, the mogul who penned "The Art of the Deal" and put his name on casinos from Atlantic City to Gary, Ind., came out the winner.

Trump is at it again, at odds with the institutions and investors who own \$1.8 billion in his company's junk bonds.

This time, though, the Trump name might not carry as much punch as it used to.

"I don't think anyone owns the upper hand," said Tom Barrack, Trump's longtime friend who became a competitor when his company bought Resorts Atlantic City in the spring.

"People who own these bonds are shrewd, intelligent and well-researched about Donald. Donald is also smart, aware, and doesn't do things without thinking them through."

Trump's latest battle didn't exactly get off on the right foot.

On Halloween, Trump stunned bondholders with word that he would not make any more interest payments, even though he had the money, until he got lower rates. The situation was like a homeowner telling the bank that no more mortgage payments would be made until the interest rate was lowered.

Trump blamed the Sept. 11 terrorist attacks for hurting the gaming business and the threat of competition in New York, which is ramping

up to allow casino gambling.

Trump Hotels & Casino Resorts' four casinos barely make enough money to cover the roughly \$220 million in annual interest payments, analysts said. The pressure is sure to worsen when the \$242 million mortgage on Trump Marina comes due in 2003.

Still, it came as a surprise when Trump withheld \$74 million he owed on a \$1.3 billion note backed by the Taj Mahal and Trump Plaza.

Trump thinks the negotiations will be easy.

"They (the bondholders) are happy with my results at the casinos," he said.

That is not what some bondholders say.

For many, the first word about the matter came through the news media. Several said they would rather foreclose on the casinos than negotiate.

Longtime trader Russell Hartranft, who called his \$10,000 in Trump bonds "small potatoes," said he was certain the major noteholders weren't going to give in.

"The Street can't stand The Donald," Hartranft said. "He's bad news."

Another bondholder said he was prepared to take matters into his own hands and take the money out of a casino cash cage if Trump Resorts hadn't paid up by the end of a 30-day grace period.

"I see a silver lining if he doesn't pay," he said. "I say let's get real management. Just give us the keys. Give us the keys."

The outcome might not be that simple.

Bondholders have the right to take control of Trump's casinos if they don't receive payment within 30 days of the due date. For the Marina notes, the deadline would be Dec. 1. But if the company can't make the payments, it could file for bankruptcy. Then the courts would decide the company's fate.

(Publication page references are not available for this document.)

Who blinks first is anyone's guess. Speculation on Wall Street is that Trump, after testing the waters, will make the payment.

That theory has driven the price of the \$1.3 billion in bonds, which fell from 71 cents to about 55 cents on the dollar after Trump's announcement, to about 60 cents.

---- INDEX REFERENCES ----

COMPANY (TICKER): Trump Hotels & Casino Resorts Inc. (DJT)

NAMED PERSON: TRUMP, DONALD J

NEWS SUBJECT: English language content; High-Yield Issuers; Corporate/Industrial News; Sports/Recreation; Political/General News; Sports & Recreation; Routine General News (ENGL HIY CCAT GSPO GCAT SPT NRGN)

MARKET SECTOR: Consumer Cyclical (CYC)

INDUSTRY: Casinos & Gambling; All Entertainment & Leisure; Lodging; Recreational Products & Services (CNO ENT LOD REC)

PRODUCT: Leisure (DLE)

REGION: United States; North American Countries; United States; North America (USA NAMZ US NME)

LAYOUT CODES: (BFN)

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Friday, November 9, 2001

Business

A \$1.8 billion game - The Donald's latest bet is against his bondholders.
It's
a shrewd play, - and Trump-watchers caution not to underestimate the strategy

JUDY DEHAVEN
STAR-LEDGER STAFF

The country's heading toward a recession. The casino industry is in a slump. And Donald Trump says his casino company can't afford to pay its debt.

Haven't we heard this before?

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(Publication page references are not available for this document.)

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That theory has driven the price of the \$1.3 billion bonds, which fell from 71 cents to about 55 cents on the dollar after Trump's announcement, to about 60 cents.

Trump said he won't decide whether to pay his next interest payment - due Tuesday - until he sees how negotiations go.

Some speculate corporate raider Carl Icahn, who owns the Sands Hotel and Casino, will scoop up Trump bonds and make a play for the casinos - as he did when the Taj Mahal was headed for bankruptcy in 1990. Icahn denies any interest this time.

Of course, bondholders could always negotiate. After all, they would not receive any interest payments in a lengthy bankruptcy.

So far, Trump remains defiant.

The company's interest rates from 11.25 percent to 15.5 percent. While some casino companies pay similar rates, others, such as industry leader Park Place Entertainment, come in closer to 8 percent.

"I don't know if I'll make any concessions," Trump said. "What I want to do is set the casinos up for a terrific future. I will not be the only one doing this. There are other casinos down there with junk bond debt."

Trump argues that the company is fundamentally sound, even with his stock at, off 63 percent in the past year.

"The Trump Taj Mahal is No. 1 in Atlantic City, last month and every month, virtually," he said.

But a closer look shows that during the last 12 months, the Taj ceded that first place position to Bally's, reporting \$565.5 million in revenue versus Bally's \$579.2 million, according to a CIBC World Markets report.

There is also the matter of cash flow. When evaluating a casino's financial strength, analysts look closely at casino "EBITDA" - industry shorthand for earnings before interest, taxes, depreciation and amortization. The EBITDA figure is important because interest rates and taxes can vary widely.

The Taj's \$128.8 million in EBITDA for the past 12 months ranks fourth among Atlantic City's eighth biggest casinos.

The huge debt and the high interest rates that go with the Trump casinos drag it down further. The casinos bring in enough EBITDA to cover their interest payments a little more than one time. That means there's little cash left for other things.

"For a regular high-yield bond, you look for interest coverage that is two times or better," Goldman Sachs analyst John Kempf said.

Unlike the quick, pre-packaged reorganization that each of the Trump casinos went through in the 1990s, Kempf thinks negotiations with bondholders could be long and contentious this time around.

But Barrack, Trump's friend, warned against counting the venerable real estate mogul out just yet.

"My personal opinion is that the man is incredibly astute and incredibly capable," he said. If I were a bondholder, I'd say, 'This is a man who is capable of reemerging troubled businesses into a success.'"

Judy DeHaven covers the gaming industry. She can be reached at jdehaven@starledger.com or (609) 348-1934.

---- INDEX REFERENCES ----

COMPANY (TICKER): Trump Hotels & Casino Resorts Inc. (DJT)

NEWS SUBJECT: Business Stories; English language content; High-Yield Issuers; Corporate/Industrial News; Sports/Recreation; Political/General News; Sports & Recreation; Routine General News (BZZ ENGL HIY CCAT GSPO GCAT SPT NRGN)

MARKET SECTOR: Consumer Cyclical (CYC)

INDUSTRY: Casinos & Gambling; All Entertainment & Leisure; Recreational Products & Services; Lodging (CNO ENT REC LOD)

PRODUCT: Leisure (DLE)

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Page 34

11/9/01 Star-Ledger (Newark N.J.) 0282001 WL 29566066

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National Post
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Saturday, November 3, 2001

Financial Post: World

S&P cuts Trump Hotels debt rating
Bloomberg News

NEW YORK - Trump Hotels & Casino Resorts Inc.'s debt rating was cut to the lowest level by Standard & Poor's Corp. after the company, failed to make a US\$90-million interest payment due yesterday on US\$1.3-billion in debt.

S&P cut the corporate credit rating and senior secured debt on the Atlantic City, N.J.-based company, headed by developer Donald Trump, two notches to "D" from "CC." The next interest payment is due Dec. 15, the credit rating company said.

The missed payment sets Mr. Trump up for his second major debt refinancing in 10 years. In 1991, Mr. Trump was able to convince creditors to keep him in control of the casinos when they went through a prepackaged bankruptcy.

He may have a tougher time now convincing creditors to give him a second chance.

"If he doesn't have the money to pay the interest, he can hand over the keys," said Mark Levin, director of research at Imperial Capital LLC, a broker of high-yield debt securities. "You have a lot of grizzled bond holders who have been through this before."

The S&P downgrade didn't move Trump bonds, traders said. Offers to buy the Trump Atlantic City Associates 11.25% note due in 2006 were about US60.5 cents on the dollar in the early afternoon. That's down US12 cents from the US72.5 cents on the dollar seen on Sept. 4, according to data from Salomon Smith Barney.

Mr. Trump has a 30-day grace period during which he can make interest payments. Given that cash flow at the casinos is enough to cover debt payments, some analysts said he may just be angling to buy back some of the debt at a lower price.

"At this point the ball is still in his court," said debt analyst John Maxwell of BNP Paribas SA.

(Publication page references are not available for this document.)

On Wednesday, Mr. Trump, chairman of the company, said he was withholding scheduled interest payments on US\$1.6-billion of debt because he wants to amend the terms.

---- INDEX REFERENCES ----

COMPANY (TICKER): Trump Hotels & Casino Resorts Inc.; McGraw-Hill Cos.; Standard & Poor's Corp. (DJT MHP X.SDP)

KEY WORDS: HOSPITALITY INDUSTRY; HOTELS; CASINOS; CREDIT RATING; BONDS; CORPORATE RESTRUCTURING

NEWS SUBJECT: Ratings of Bond & Debt; Corporate Credit Ratings; Bond News; Debt/Bond Markets; Restructurings & Recapitalizations; Corporate Changes; English language content; High-Yield Issuers; Dow Jones Total Market Index; Funding/Capital; Corporate/Industrial News; Financing Agreements; Financing Agreements; Corporate Actions; Market News (RTG C174 BON M12 RCN C02 ENGL HIY WEI C17 CCAT C173 FNC CAC MCAT)

STORY ORIGIN: NEW YORK

NEWS CATEGORY: BUSINESS

MARKET SECTOR: Consumer Cyclical (CYC)

INDUSTRY: Lodging; Casinos & Gambling; All Entertainment & Leisure; Book Publishers; Publishing; Media; Industrial & Commercial Services, Other; Recreational Products & Services (LOD CNO ENT BOK PUB MED ISO REC)

PRODUCT: Leisure (DLE)

REGION: United States - New York; Northeast U.S.; United States; North American Countries; New York; North America; United States (USNY USE USA NAMZ NY NME US)

EDITION: NATIONAL

Word Count: 325

11/3/01 NATLPOST FP8

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Financial Times

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Friday, November 2, 2001

COMPANIES & FINANCE INTERNATIONAL - S&P reduces Trump ratings - NEWS DIGEST.
By JENNY WIGGINS.

S&P reduces Trump ratings

Trump Hotels & Casino Resorts' debt ratings were lowered deeper into the speculative category by Standard & Poor's after the company said it was renegotiating interest payments on its bonds.

This week Trump Hotels said plans for new gaming operations in New York state would hurt its Atlantic City operations, leading it to seek lower interest payments on its debt. Jenny Wiggins, New York.

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<http://www.ft.com>.

---- INDEX REFERENCES ----

NEWS SUBJECT: Corporate Credit Ratings; Funding/Capital;
Corporate/Industrial News; English language content; Ratings of Bond & Debt;
News Digest; Content Types; News Summaries (C174 C17 CCAT ENGL RTG NSUM NCAT
SUM)

MARKET SECTOR: Consumer Cyclical (CYC)

INDUSTRY: All Entertainment & Leisure; Recreational Products &
Services (ENT REC)

PRODUCT: Leisure (DLE)

REGION: United States; North American Countries (USA NAMZ)

Word Count: 77

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Westlaw Attached Printing Summary Report

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Monday, December 17, 2001 13:45:24 Central

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Request Created Date/Time:	Monday, December 17, 2001 13:42:00 Central
Client Identifier:	TRUMP
DataBase:	ALLNEWS
Query Text:	TRUMP /P BOND
Print Command:	Selected documents, Complete result
Lines:	1040
Lines Charged:	1040
Documents:	12
Documents Charged:	0
Images:	0
Images Charged:	0

(Publication page references are not available for this document.)

National Post
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Friday, November 16, 2001

Financial Post: World

Trump creditors brace for showdown: Committee formed: Mogul withholding interest payments on US\$1.7B in debt

Tom Barkley
Dow Jones

NEW YORK - Trump bondholders have formed a creditors' committee and brought on board a high-profile bankruptcy lawyer as they prepare to face off with the casino and real estate mogul, according to people close to the situation yesterday.

Two weeks after Donald Trump announced that he is withholding interest on all of the approximately US\$1.7-billion in debt under the holding company he controls, Trump Hotels & Casino Resorts Inc., bondholders are showing little sign of simply handing over the better credit terms he has demanded.

Several large holders of the biggest chunk of debt -- US\$1.3-billion in first-mortgage notes under the Trump Atlantic City Associates subsidiary -- have formed an "informal" bondholder committee, the sources said.

In addition, they have "informally" retained the services of prominent bankruptcy lawyer Harvey Miller, a senior partner at the New York firm Weil, Gotshal & Manges, one of the sources said.

Mr. Miller's office was not immediately available for comment.

Halfway through the 30-day grace period for making a US\$73-million interest payment on the Atlantic City 11.25% mortgage notes due in 2006, which Mr. Trump failed to pay on Nov. 1, bondholders, in the least, have expressed unwillingness to negotiate until after Mr. Trump pays the interest due. But others don't see a reason to negotiate at all since the first mortgage notes give them a strong claim in a bankruptcy proceeding.

The notes are backed by the Plaza and Taj Mahal casinos in Atlantic City, N.J.

"I think some people are willing to listen if he makes the coupon payment," said a bondholder who has been in touch with members of the committee. "But it's a first-mortgage bond, so why negotiate?"

(Publication page references are not available for this document.)

A bondholder on the committee said no consensus has been reached.

Meanwhile, about US\$15-million in interest was due by the end of yesterday on US\$242-million outstanding of Trump's Castle Associates 11.75% mortgage notes due in 2003, which are backed by the Trump Marina Casino in Atlantic City.

Several holders of those bonds have also said they are not willing to negotiate with Mr. Trump.

Mr. Trump was not immediately available to comment.

---- INDEX REFERENCES ----

COMPANY (TICKER): Trump Hotels & Casino Resorts Inc.; Weil, Gotshal & Manges (DJT X.WGM)

NAMED PERSON: DONALD TRUMP

KEY WORDS: HOSPITALITY INDUSTRY; HOTELS; CASINOS; EXECUTIVES; BONDS; MORTGAGES; SHAREHOLDER RIGHTS; CORPORATE FINANCE; NEGOTIATIONS

NEWS SUBJECT: Management Issues; Management Issues; Bond News; Debt/Bond Markets; Mortgages and Mortgage Rates; Shareholder-Rights Plans; Shareholder-Rights Plans; Funding/Capital; English language content; High-Yield Issuers; Corporate/Industrial News; Market News; Share Capital (MNT C41 BON M12 MOR SRP C1712 C17 ENGL HIY CCAT MCAT C171)

STORY ORIGIN: NEW YORK

NEWS CATEGORY: BUSINESS

MARKET SECTOR: Consumer Cyclical (CYC)

INDUSTRY: Lodging; Casinos & Gambling; All Entertainment & Leisure; Law Firms; General Industrial & Commercial Services; All Industrial & Commercial Services (LOD CNO ENT LAW ICS SVC)

PRODUCT: Leisure (DLE)

11/16/01 NATLPOST FP11
11/16/01 Nat'l Post FP112001 WL 29560270

Page 41

(Publication page references are not available for this document.)

REGION: United States - New York; Northeast U.S.; United States;
North American Countries; New York; North America; United States (USNY USE
USA NAM2 NY NME US)

EDITION: NATIONAL

Word Count: 351

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Barron's
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Monday, November 12, 2001

Donald Redux: Once more, Trump looks to renegotiate Atlantic City casino debt
By Jacqueline Doherty

Bond investors are gearing up for the opening salvos of what may be a lengthy tussle with Donald Trump. At stake: who should own the keys to two of his Atlantic City casinos. To prepare for the potential battle royal, an informal group of sizable, prominent bond investors held a conference call Friday to get organized.

The Donald started the scuffle on November 1. He missed a \$73 million interest payment on Trump Atlantic City's \$1.3 billion of first-mortgage notes, even though he had enough cash in the till to pay it. Trump would like bondholders to reduce the debt's coupon, which stands at a hefty 11.25%, push the maturity beyond 2006, and reduce the amount of debt outstanding. In return, the casinos could stay out of bankruptcy, the reduced interest payment would quickly resume and Trump would retain control.

But chances are that a restructuring won't be quite that simple. Trump Atlantic City bonds are secured by the mortgages on the two casinos it owns: Trump Taj Mahal and Trump Plaza. Bondholders assert that the two casinos aren't worth the \$1.3 billion of debt they support. Bondholders estimate the casinos are only worth \$800 million-\$1.1 billion. As a result, any restructuring could dramatically dilute -- or perhaps even eliminate -- Trump's equity in Trump Atlantic City.

"[Trump] has no economic stake. He's out of the money," claims one bondholder. "We have the right to the whole thing."

Trump says he doesn't know how much the two casinos are worth in the wake of September 11. But he decided against making the interest payment, because after the World Trade Center attacks the economy continued to decline -- and New York State pushed through a bill allowing casinos to operate in the state for the first time.

The state hopes that future gambling establishments in western New York and

(Publication page references are not available for this document.)

the Catskills will generate jobs and tax revenue. The law also allows New York racetracks to install ticket-out video lottery terminals. The plans will surely face objections, and the facilities might not open for three to five years, analysts estimate.

That being said, Trump believes New York gaming will happen, and it will drain traffic from Atlantic City.

"I just want the bonds to reflect the economic realities of life as it exists. September 11 precipitated the passage of the largest gaming bill in New York or anywhere else," he declares. If the interest payment is reduced, Trump says he'll have more cash to invest in the casinos and to prepare them for the coming competition.

"We've done a good job managing the business and the [Trump] name is an important reason why all those revenues come in," he says. "The problem with the company is that we're paying far too much interest, and that puts us at a competitive disadvantage."

Investors are quick to point out that Trump's casinos were facing a tough economy and increased competition even before the events of September 11. Connecticut's Mohegan Sun casino had already planned to open an additional 1,200 rooms next spring. In addition, a new casino, the Borgata, was set to open in Atlantic City in mid-2003, adding about 10% to the Atlantic City market's gaming capacity, according to Andrew Susser, a high-yield gaming and lodging analyst at Banc of America Securities.

So, even before that horrible day in September, investors thought Trump Atlantic City's cash flow would decrease as competition increased.

Even during a booming economy, Trump Atlantic City revenues declined to \$931.2 million last year and an estimated \$905.3 million this year from \$939.4 million in 1999. Cash flow held relatively steady thanks to cost-cutting and an increased focus on the profitable slot-machine business, says Susser. Cash flow -- defined as earnings before interest, taxes, depreciation and amortization -- was \$178.5 million in 1999, \$173.1 million in 2000 and is estimated to be \$177.2 million this year.

Bondholders acknowledge that Trump may be given some equity in a reorganized Trump Atlantic City as an incentive to reorganize the company quickly or to keep his name over the door, one bondholder explains. Trump licenses his name

(Publication page references are not available for this document.)

to the casinos.

"He'll get something, but it's not going to be a lot," says the investor.

Opines one analyst: "I think it is going to be a contentious bankruptcy. Trump is a difficult person to deal with and his only leverage is time." Indeed, Trump contends that a restructuring in bankruptcy could be "a long, drawn-out process that will very badly hurt the successful business we've created."

Trump has been through this exercise before. In the early 1990s, his three Atlantic City casinos had to restructure their debt; yet Trump managed to retain about half of the equity in the properties, as well as control over them. Some say it's tough for bondholders to take control of casinos because owners need to be licensed.

Others contend that a manager with a license can always be hired.

"Bondholders may be more willing to take control this time around," says John Leupp, a high-yield bond analyst at Credit Suisse First Boston. After the last restructuring "operations didn't improve enough to convince bondholders that it's imperative to keep existing management in place."

Trump has until December 3 to decide whether he'll make the interest payment. After that date, bondholders can force Trump Atlantic City in to Chapter 11 bankruptcy protection. Some observers speculate that Trump will ultimately decide to make the interest payment when he realizes bond investors are serious about dramatically reducing his equity in and control over the company. That may explain why the bonds trade at 61 cents on the dollar, when some analysts believe they should trade closer to 45 or 50.

Any restructuring would be complicated by the various relationships between Trump's other casinos. Trump Hotels and Casino Resorts is a public holding company in which Trump owns a 42% stake. The holding company owns the equity of Trump Atlantic City, Trump Marina (formerly called Trump Castle), also an Atlantic City casino, and Trump Indiana Riverboat Casino, in Buffington Harbor, on Indiana's Lake Michigan shoreline. The public shares of the holding company trade at 1.03 down from 35 in April 1996.

Trump failed, too, to pay the coupon on Trump Castle's \$62 million of 10.25%

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2001 WL-BARRONS 29751062

(Publication page references are not available for this document.)

senior notes due 2003. The Castle also has \$242 million of debt, which faces a \$15 million interest payment in mid-November. There's growing speculation that Trump will skip that interest payment as well and attempt a restructuring of the Marina, too. But that facility has less debt and Trump has a greater chance of retaining control. At this point, it's unclear whether Trump's properties will be reorganized separately or together. Bondholders are sure to examine any intra-company transfers between the various entities and Trump, however.

If bondholders are successful in snagging the keys from Trump, what will they do next? Investors could easily hire a manager from another casino to run the properties. Another option: they could sell the properties.

Among potential buyers mentioned is Carl Icahn, who already owns the Sands Casino Hotel in Atlantic City. In the early 1990s, he led the bondholder restructuring of the Taj Mahal's first mortgage debt.

Another potential bidder: Colony Capital, a Los Angeles-based real-estate investment firm, which earlier this year purchased Atlantic City casino Resorts Atlantic City. The vice chairman of Resorts is none other than Nicholas Ribis, former president of Trump Hotels & Resorts.

---- INDEX REFERENCES ----

COMPANY (TICKER): Trump Hotels & Casino Resorts Inc.; Trump Organization
(DJT X.TMP)

NEWS SUBJECT: Analysts' Comments & Ratings of Stocks; Analyst Comment/Recommendation; Bond News; Debt/Bond Markets; Barron's; Corporate Actions; Corporate/Industrial News; Corporate Bonds; High-Yield Issuers; Restructurings & Recapitalizations; English language content; Earnings Projections; Performance; Market News (ANL C1521 BON M12 BRNS CAC CCAT COB HIY RCN ENGL C152 C15 MCAT)

MARKET SECTOR: Consumer Cyclical (CYC)

INDUSTRY: Casinos & Gambling; All Entertainment & Leisure; Lodging; Recreational Products & Services (CNO ENT LOD REC)

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2001 WL-BARRONS 29751062

(Publication page references are not available for this document.)

PRODUCT: Leisure (DLE)

GOVERNMENT: State Government; U.S. Government Agencies (STE USG)

REGION: New Jersey; North America; New York; United States; United States; Northeast U.S.; North American Countries (NJ NME

NY

US USA USE NAMZ)

LAYOUT CODES: Cover Story (CST)

Word Count: 1235

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BondWeek
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Institutional Investor, Inc.

Monday, November 12, 2001

ISSN: 0278-8896; Volume 21; Issue 45

Trump Trade Continues Amid Icahn Rumors.

FULL TEXT

Heavy trading continued last week in the \$1.2 billion **Trump** Atlantic City 11.25% notes of '06 (Caa3/D). The **bonds** were trading at 69 plus accrued interest on Oct. 30, but were trading "flat" (i.e. without accrued interest) at 61 last Thursday, having been as low as 55. **Trump** declined to make a coupon payment to bondholders on Nov. 1, and there were rumors that financier Carl Icahn was buying up the paper in a bid to make **Trump** pay up. Traders estimate that some \$400 million of the paper has changed hands in the last 10 days. Traders at Icahn & Co. could not be reached.

---- INDEX REFERENCES ----

COMPANY (TICKER): X.IC (X.IC)

KEY WORDS: UNITED STATES

NEWS SUBJECT: English language content (ENGL)

INDUSTRY: Securities (SCR)

REGION: United States; North America; United States; North American Countries (US NME USA NAMZ)

Word Count: 107

11/12/01 BONDWK 13

END OF DOCUMENT

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The Times-Picayune
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Sunday, November 11, 2001

MONEY

Trump resumes game of debt roulette ; But some investors not willing to play
Newhouse News Service

The country's heading toward a recession. The casino industry is in a slump. And Donald Trump says his casino company can't afford to pay its debt.

Haven't we heard this before?

In the early 1990s, Trump fought bitterly with bondholders to reduce his casinos' debt payments. The holders vowed to stand firm each time. And each time, the mogul who penned "The Art of the Deal" and put his name on casinos from Atlantic City to Gary, Ind., came out the winner.

Trump is at it again, at odds with the institutions and investors who own \$1.8 billion in his company's junk bonds.

This time, though, the Trump name might not carry as much punch as it used to.

"I don't think anyone owns the upper hand," said Tom Barrack, Trump's longtime friend who became a competitor when his company bought Resorts Atlantic City in the spring.

"People who own these bonds are shrewd, intelligent and well-researched about Donald. Donald is also smart, aware, and doesn't do things without thinking them through."

Trump's latest battle didn't exactly get off on the right foot.

On Halloween, Trump stunned bondholders with word that he would not make any more interest payments, even though he had the money, until he got lower rates. The situation was like a homeowner telling the bank that no more mortgage payments would be made until the interest rate was lowered.

Trump blamed the Sept. 11 terrorist attacks for hurting the gaming business and the threat of competition in New York, which is ramping

up to allow casino gambling.

Trump Hotels & Casino Resorts' four casinos barely make enough money to cover the roughly \$220 million in annual interest payments, analysts said. The pressure is sure to worsen when the \$242 million mortgage on Trump Marina comes due in 2003.

Still, it came as a surprise when Trump withheld \$74 million he owed on a \$1.3 billion note backed by the Taj Mahal and Trump Plaza.

Trump thinks the negotiations will be easy.

"They (the bondholders) are happy with my results at the casinos," he said.

That is not what some bondholders say.

For many, the first word about the matter came through the news media. Several said they would rather foreclose on the casinos than negotiate.

Longtime trader Russell Hartranft, who called his \$10,000 in Trump bonds "small potatoes," said he was certain the major noteholders weren't going to give in.

"The Street can't stand The Donald," Hartranft said. "He's bad news."

Another bondholder said he was prepared to take matters into his own hands and take the money out of a casino cash cage if Trump Resorts hadn't paid up by the end of a 30-day grace period.

"I see a silver lining if he doesn't pay," he said. "I say let's get real management. Just give us the keys. Give us the keys."

The outcome might not be that simple.

Bondholders have the right to take control of Trump's casinos if they don't receive payment within 30 days of the due date. For the Marina notes, the deadline would be Dec. 1. But if the company can't make the payments, it could file for bankruptcy. Then the courts would decide the company's fate.

(Publication page references are not available for this document.)

Who blinks first is anyone's guess. Speculation on Wall Street is that Trump, after testing the waters, will make the payment.

That theory has driven the price of the \$1.3 billion in bonds, which fell from 71 cents to about 55 cents on the dollar after Trump's announcement, to about 60 cents.

---- INDEX REFERENCES ----

COMPANY (TICKER): Trump Hotels & Casino Resorts Inc. (DJT)

NAMED PERSON: TRUMP, DONALD J

NEWS SUBJECT: English language content; High-Yield Issuers; Corporate/Industrial News; Sports/Recreation; Political/General News; Sports & Recreation; Routine General News (ENGL HIY CCAT GSPO GCAT SPT NRGN)

MARKET SECTOR: Consumer Cyclical (CYC)

INDUSTRY: Casinos & Gambling; All Entertainment & Leisure; Lodging; Recreational Products & Services (CNO ENT LOD REC)

PRODUCT: Leisure (DLE)

REGION: United States; North American Countries; United States; North America (USA NAMZ US NME)

LAYOUT CODES: (BFN)

Word Count: 591

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END OF DOCUMENT

The Star-Ledger Newark, NJ
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Friday, November 9, 2001

Business

A \$1.8 billion game - The Donald's latest bet is against his bondholders.
It's
a shrewd play, - and Trump-watchers caution not to underestimate the strategy
JUDY DEHAVEN
STAR-LEDGER STAFF

The country's heading toward a recession. The casino industry is in a slump. And Donald Trump says his casino company can't afford to pay its debt.

Haven't we heard this before?

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Trump, after testing the waters, will make the payment.

That theory has driven the price of the \$1.3 billion bonds, which fell from 71 cents to about 55 cents on the dollar after Trump's announcement, to about 60 cents.

Trump said he won't decide whether to pay his next interest payment - due Tuesday - until he sees how negotiations go.

Some speculate corporate raider Carl Icahn, who owns the Sands Hotel and Casino, will scoop up Trump bonds and make a play for the casinos - as he did when the Taj Mahal was headed for bankruptcy in 1990. Icahn denies any interest this time.

Of course, bondholders could always negotiate. After all, they would not receive any interest payments in a lengthy bankruptcy.

So far, Trump remains defiant.

The company's interest rates from 11.25 percent to 15.5 percent. While some casino companies pay similar rates, others, such as industry leader Park Place Entertainment, come in closer to 8 percent.

"I don't know if I'll make any concessions," Trump said. "What I want to do is set the casinos up for a terrific future. I will not be the only one doing this. There are other casinos down there with junk bond debt."

Trump argues that the company is fundamentally sound, even with his stock at, off 63 percent in the past year.

"The Trump Taj Mahal is No. 1 in Atlantic City, last month and every month, virtually," he said.

But a closer look shows that during the last 12 months, the Taj ceded that first place position to Bally's, reporting \$565.5 million in revenue versus Bally's \$579.2 million, according to a CIBC World Markets report.

There is also the matter of cash flow. When evaluating a casino's financial strength, analysts look closely at casino "EBITDA" - industry shorthand for earnings before interest, taxes, depreciation and amortization. The EBITDA figure is important because interest rates and taxes can vary widely.

(Publication page references are not available for this document.)

The Taj's \$128.8 million in EBITDA for the past 12 months ranks fourth among Atlantic City's eighth biggest casinos.

The huge debt and the high interest rates that go with the Trump casinos drag it down further. The casinos bring in enough EBITDA to cover their interest payments a little more than one time. That means there's little cash left for other things.

"For a regular high-yield bond, you look for interest coverage that is two times or better," Goldman Sachs analyst John Kempf said.

Unlike the quick, pre-packaged reorganization that each of the Trump casinos went through in the 1990s, Kempf thinks negotiations with bondholders could be long and contentious this time around.

But Barrack, Trump's friend, warned against counting the venerable real estate mogul out just yet.

"My personal opinion is that the man is incredibly astute and incredibly capable," he said. If I were a bondholder, I'd say, 'This is a man who is capable of reemerging troubled businesses into a success.'"

Judy DeHaven covers the gaming industry. She can be reached at jdehaven@starledger.com or (609) 348-1934.

---- INDEX REFERENCES ----

COMPANY (TICKER): Trump Hotels & Casino Resorts Inc. (DJT)

NEWS SUBJECT: Business Stories; English language content; High-Yield Issuers; Corporate/Industrial News; Sports/Recreation; Political/General News; Sports & Recreation; Routine General News (BZZ ENGL HIY CCAT GSPO GCAT SPT NRGN)

MARKET SECTOR: Consumer Cyclical (CYC)

INDUSTRY: Casinos & Gambling; All Entertainment & Leisure; Recreational Products & Services; Lodging (CNO ENT REC LOD)

PRODUCT: Leisure (DLE)

11/9/01 STLGRN 028

Page 55

11/9/01 Star-Ledger (Newark N.J.) 0282001 WL 29566066

(Publication page references are not available for this document.)

EDITION: FINAL

Word Count: 1048

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END OF DOCUMENT

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National Post
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Saturday, November 3, 2001

Financial Post: World

S&P cuts Trump Hotels debt rating
Bloomberg News

NEW YORK - Trump Hotels & Casino Resorts Inc.'s debt rating was cut to the lowest level by Standard & Poor's Corp. after the company, failed to make a US\$90-million interest payment due yesterday on US\$1.3-billion in debt.

S&P cut the corporate credit rating and senior secured debt on the Atlantic City, N.J.-based company, headed by developer Donald Trump, two notches to "D" from "CC." The next interest payment is due Dec. 15, the credit rating company said.

The missed payment sets Mr. Trump up for his second major debt refinancing in 10 years. In 1991, Mr. Trump was able to convince creditors to keep him in control of the casinos when they went through a prepackaged bankruptcy.

He may have a tougher time now convincing creditors to give him a second chance.

"If he doesn't have the money to pay the interest, he can hand over the keys," said Mark Levin, director of research at Imperial Capital LLC, a broker of high-yield debt securities. "You have a lot of grizzled bond holders who have been through this before."

The S&P downgrade didn't move Trump bonds, traders said. Offers to buy the Trump Atlantic City Associates 11.25% note due in 2006 were about US60.5 cents on the dollar in the early afternoon. That's down US12 cents from the US72.5 cents on the dollar seen on Sept. 4, according to data from Salomon Smith Barney.

Mr. Trump has a 30-day grace period during which he can make interest payments. Given that cash flow at the casinos is enough to cover debt payments, some analysts said he may just be angling to buy back some of the debt at a lower price.

"At this point the ball is still in his court," said debt analyst John Maxwell of BNP Paribas SA.

(Publication page references are not available for this document.)

On Wednesday, Mr. Trump, chairman of the company, said he was withholding scheduled interest payments on US\$1.6-billion of debt because he wants to amend the terms.

---- INDEX REFERENCES ----

COMPANY (TICKER): Trump Hotels & Casino Resorts Inc.; McGraw-Hill Cos.; Standard & Poor's Corp. (DJT MHP X.SDP)

KEY WORDS: HOSPITALITY INDUSTRY; HOTELS; CASINOS; CREDIT RATING; BONDS; CORPORATE RESTRUCTURING

NEWS SUBJECT: Ratings of Bond & Debt; Corporate Credit Ratings; Bond News; Debt/Bond Markets; Restructurings & Recapitalizations; Corporate Changes; English language content; High-Yield Issuers; Dow Jones Total Market Index; Funding/Capital; Corporate/Industrial News; Financing Agreements; Financing Agreements; Corporate Actions; Market News (RTG C174 BON M12 RCN C02 ENGL HIY WEI C17 CCAT C173 FNC CAC MCAT)

STORY ORIGIN: NEW YORK

NEWS CATEGORY: BUSINESS

MARKET SECTOR: Consumer Cyclical (CYC)

INDUSTRY: Lodging; Casinos & Gambling; All Entertainment & Leisure; Book Publishers; Publishing; Media; Industrial & Commercial Services, Other; Recreational Products & Services (LOD CNC ENT BOK PUB MED ISO REC)

PRODUCT: Leisure (DLE)

REGION: United States - New York; Northeast U.S.; United States; North American Countries; New York; North America; United States (USNY USE USA NAMZ NY NME US)

EDITION: NATIONAL

Word Count: 325

11/3/01 NATLPOST FP8

END OF DOCUMENT

Financial Times

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Friday, November 2, 2001

COMPANIES & FINANCE INTERNATIONAL - S&P reduces Trump ratings - NEWS DIGEST.
By JENNY WIGGINS.

S&P reduces Trump ratings

Trump Hotels & Casino Resorts' debt ratings were lowered deeper into the speculative category by Standard & Poor's after the company said it was renegotiating interest payments on its bonds.

This week Trump Hotels said plans for new gaming operations in New York state would hurt its Atlantic City operations, leading it to seek lower interest payments on its debt. Jenny Wiggins, New York.

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<http://www.ft.com>.

----- INDEX REFERENCES -----

NEWS SUBJECT: Corporate Credit Ratings; Funding/Capital;
Corporate/Industrial News; English language content; Ratings of Bond & Debt;
News Digest; Content Types; News Summaries (C174 C17 CCAT ENGL RTG NSUM NCAT
SUM)

MARKET SECTOR: Consumer Cyclical (CYC)

INDUSTRY: All Entertainment & Leisure; Recreational Products &
Services (ENT REC)

PRODUCT: Leisure (DLE)

REGION: United States; North American Countries (USA NAMZ)

Word Count: 77

11/2/01 FTI (No Page)

END OF DOCUMENT

(Publication page references are not available for this document.)

controls 42% of the heavily leveraged company. In 4 p.m. composite trading on the New York Stock Exchange, Trump Hotels shares were down 20%, or 25 cents, at \$1. Mr. Trump said the bond situation doesn't affect his private real-estate operations. "It's not my company," he said. "It's publicly traded, but it's not my Manhattan real estate."

---- INDEX REFERENCES ----

COMPANY (TICKER): Trump Hotels & Casino Resorts Inc. (DJT)

NEWS SUBJECT: Bond News; Debt/Bond Markets; Corporate Actions; Corporate/Industrial News; Corporate Bonds; Financing Agreements; Financing Agreements; High-Yield Issuers; Wall Street Journal; English language content; Market News; Funding/Capital (BON M12 CAC CCAT COB FNC C173 HIY WSJ ENGL MCAT C17)

MARKET SECTOR: Consumer Cyclical (CYC)

INDUSTRY: Casinos & Gambling; All Entertainment & Leisure; Lodging; Recreational Products & Services (CNO ENT LOD REC)

PRODUCT: Leisure (DLE)

REGION: New Jersey; North America; New York; United States; United States; Northeast U.S.; United States - New Jersey; North American Countries (NJ NME NY US USA USE USNJ NAMZ)

LAYOUT CODES: Large Majors (LMJ)

Word Count: 412

11/1/01 WSJ B8

END OF DOCUMENT

(Publication page references are not available for this document.)

an African American employee of Best Buy, was subject to racial harassment at the company's Oxford Valley store. Best Buy also agreed to provide training on racial issues, employment, and the law to store personnel.

AmerisourceBergen declares first quarterly dividend

The board of directors of AmerisourceBergen Corp., Valley Forge, declared the company's first quarterly dividend, a cash dividend of 2.5 cents per share on common stock. The dividend is payable Dec. 3 to shareholders of record Nov. 19.

First USA to close King of Prussia and Tempe offices

First USA Bank, Wilmington, plans to close its King of Prussia technology office and its Tempe, Ariz., site in a cost-cutting move, Philip Heasley, president of the giant credit card bank, told workers this week. Some of the 35 King of Prussia workers will be offered jobs in Wilmington, where First USA employs 3,000; some of the 750 Tempe workers will be absorbed at parent Bank One Corp.'s Arizona offices, spokesman Tom Kelly said. First USA is also eliminating 50 information-technology jobs.

PGW Web site to show results of customer survey

The Philadelphia Gas Works said it would publish the results of its Customer Service Initiative online by the end of the week. The company said it would update the figures, which showed the average wait for customers to speak to a PGW customer service agent, the number of calls, and the number of calls answered, on a weekly basis. PGW will also show how its results compare with the state Public Utility Commission's guidelines. The company's Web site is www.pgworks.com.

PSB Bancorp earnings report will be on time

PSB Bancorp, Philadelphia, plans to file its third-quarter earnings report with the Securities and Exchange Commission on Nov. 14, by the end of the SEC's standard reporting period, after completion of the report by its new accountant, Grant Thornton L.L.P., which replaced Stockton Bates L.L.P.

Elsewhere

France's Alcatel to lay off 10,000 more workers

(Publication page references are not available for this document.)

Telecommunications equipment supplier Alcatel S.A. announced it was cutting an additional 10,000 jobs, or about 9 percent of its workforce, and said it expected to report losses for the full year. Chief executive officer Serge Tchuruk said the slowdown in the telecommunications equipment market, which has also hit other major suppliers such as Britain's Marconi P.L.C. and Sweden's L.M. Ericsson, would likely worsen in the first half of 2002. Including the cuts announced yesterday, the French company now plans to lay off 32,500 employees during 2001 and 2002. At the end of 2000, it employed 110,000 people.

New CEO named by Kvaerner Shipyards' parent

Kvaerner ASA, the Anglo-Norwegian conglomerate, named a new chief executive officer - Kristian Siem, 51, now chairman of a holding company with oil and gas drilling and underwater construction. Siem replaces Kjell E. Almskog, who resigned under pressure while the company was negotiating a deal with creditors to avert bankruptcy. Early in Almskog's reign, he stunned the industry by announcing that Kvaerner would sell all 13 of its shipyards, including the one in Philadelphia. The company has since sold all but its most modern yards - Philadelphia; Warnow, Germany; and Helsinki, Finland.

Early-retirement deal means only 2,000 layoffs at Delta

Delta Air Lines executives said they would need to lay off only 2,000 employees, because about 11,000 took an early retirement or chose a one-year voluntary leave. The company is eliminating 13,000 jobs, or 15.8 percent of its workforce, because of dramatically less traffic after the Sept. 11 terrorist attacks. "The early-retirement package was sweet," said Mark Baxter, a Delta human resources general manager. Of the 2,000 who will be laid off, 1,700 are pilots who are not eligible for a retirement package the company offered. Delta has about 82,500 employees.

P&G's job-cutting program means no mass layoffs

Procter & Gamble Co. told its employees that mass layoffs would not be needed as part of the company's restructuring because enough people are leaving voluntarily. But P&G still needs to cut an unspecified number of jobs worldwide, according to an internal memorandum sent Tuesday to the company's 40,000 employees in the United States. The consumer-products company announced in March that it planned to close some plants and cut about 10,000 jobs worldwide. P&G had set a goal of eliminating 3,400 jobs in the United States through the voluntary-departure program. The company's worldwide workforce is nearly 106,000 people.

Canadian lumber could get another hefty tariff

(Publication page references are not available for this document.)

The Bush administration said it would impose another tariff on Canadian lumber after finding that Canada was dumping its wood on the United States at artificially low prices. The 12.6 percent duty will be added to the 19.3 percent tariff put on Canadian softwood lumber in August because the administration found that the Canadian government unfairly subsidizes its industry. Softwood lumber, commonly used for home construction, comes from fir, pine and other cone-bearing trees. An economist for a homebuilders group says the two tariffs add about \$1,500 to the price of an average home. Canadian producers have denied the accusations.

Yield on taxable money-market funds down to 2.23%

The average seven-day yield on taxable money-market funds was 2.23 percent this week, down from 2.29 percent last week, according to iMoneyNet Inc. The average yield on tax-free funds was 1.63 percent, up from 1.56 percent last week.

---- INDEX REFERENCES ----

NEWS SUBJECT: English language content; News Agency Material;
Corporate/Industrial News; Content Types (ENGL NNAM CCAT NCAT)

MARKET SECTOR: Consumer Cyclical (CYC)

INDUSTRY: Lodging; Casinos & Gambling; All Entertainment & Leisure;
Recreational Products & Services (LOD CMO ENT REC)

PRODUCT: Leisure (DLE)

EDITION: CITY-D

Word Count: 1199

11/1/01 PHILA-INQ C03

END OF DOCUMENT

The Daily Telegraph
(c) Telegraph Group Limited, London, 2001

Thursday, November 1, 2001

City - **Trump** threat to delay bond payments.
By Simon English.

in New York

DONALD Trump is threatening to delay \$90m (#62m) in interest payments owed to investors as the slowing economy and increased competition hurts his casino and property business.

Mr Trump has \$1.6 billion of publicly traded junk bonds secured on his casino complex at Atlantic City, New Jersey, and a slug of cash is due next month.

Slumping revenues at gambling houses and hotels across America are forcing an overhaul of the Trump finances, however.

His office confirmed yesterday that the mogul is in talks with bondholders but declined to give further details.

The casinos are loaded with debt and Mr Trump hopes he can use the difficult economic environment to persuade bondholders to accept lower payments so he can pay off loans.

Mr Trump is angered by plans to build six new casinos in the state of New York and is considering legal action. He claims the casinos will draw money away from New York City at a time of financial crisis.

Trump Hotels & Casino Resorts, 42pc owned by the magnate and socialite, made profits of \$9.5m in the third quarter, slightly ahead of last year.

---- INDEX REFERENCES ----

NEWS SUBJECT: English language content; Corporate Debt Instruments; Funding/Capital; Corporate/Industrial News; Bond Pricings; Sub-National/Local Borrowing; Government Finance; Municipal Bonds; Economic News; Economic News, Trends and Analysis, U.S.; Government Borrowing (ENGL C172 C17 CCAT BPR E214 E21 MUN ECAT ECO E212)

11/1/01 DTLONDON P37

Page 66

11/1/01 Daily Telegraph (London) P372001 WL 29477506

(Publication page references are not available for this document.)

MARKET SECTOR: Consumer Cyclical (CYC)

INDUSTRY: Casinos & Gambling; Lodging; All Entertainment & Leisure
(CNO LOD ENT)

PRODUCT: General Economic Stories; Leisure (DEC DLE)

REGION: United Kingdom; United States; Western European Countries;
European Countries; North American Countries; United States; United States -
New York; Northeast U.S.; New York; North America (UK USA WEURZ EURZ NAMZ US
USNY USE NY NME)

Word Count: 191

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END OF DOCUMENT

New York Daily News
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Thursday, November 1, 2001

BUSINESS

TRUMP SEEKING BETTER DEAL ON CASINOS DEBT
ERIC HERMAN DAILY NEWS BUSINESS WRITER

The Donald needs more time to pay his IOUs.

Pummeled by a bad economy and burdened with more than \$1.5 billion in debt, Trump Hotels & Casino Resorts said yesterday it would not make interest payments owed to some bondholders today.

"It all has to do with Sept. 11," Trump told the Daily News. "Atlantic City after Sept. 11 is a different place."

This comes amid a grim environment for the hotel business, with tourism down sharply because of the terrorist attacks and the sputtering economy.

Making matters worse for Trump, Gov. Pataki signed a law yesterday that allows six American Indian casinos to be built in upstate New York. Those casinos will pose new competition to Trump's Atlantic City businesses at a time when his operation is struggling.

John Leupp, a casino analyst at CS First Boston, said Trump would try to negotiate with his bondholders for more favorable terms, including lower interest payments.

Currently, the company's interest payments are so high they eat up most of its cash flow.

"You want to entertain a restructuring to avoid further problems down the road. You want to do things like be able to maintain the competitiveness of the properties," Leupp said.

"You want to avoid a more significant event like a bankruptcy process, which could take longer and would not benefit either party at the end of the day," he added.

Trump's three Atlantic City casinos - Trump Plaza Hotel and Casino, the Trump Taj Mahal Casino Resort and the Trump Marina Hotel Casino - did go bankrupt in the early '90s. But Trump hung onto

(Publication page references are not available for this document.)

them, and in 1995 he took his casino company public at \$14 a share. The stock hit its all-time high of \$35 per share in 1996. It closed yesterday at \$1, down 25 cents.

The Donald owns 42% of the company, which is separate from his New York real estate company, and is its chairman.

Because of Trump Casinos' financial difficulties, it is seen as a risky investment. Therefore, it has had to entice lenders by selling bonds that pay high interest.

Trump's bonds are held by mutual funds, pension funds and banks.

Interest payments of \$73 million came due today on \$1.3 billion in debt secured by the Taj Mahal and Plaza.

Also being renegotiated is \$15 million of interest on \$242 million in debt secured by the Marina.

"The company has too much debt," said John Kempf, an analyst at Goldman Sachs.

The company has suffered from mismanagement, one analyst said. In 1999, the company closed its World's Fair casino in Atlantic City and Trump's Indiana riverboat casino has done as well as hoped.

Kempf said that Trump knew he had to address his debt problems sooner or later, and was choosing to do it now.

"Right now, the company has the cash to make the payments," he said. But at some point, "they were going to run out of cash to service their debt."

TABULAR OR GRAPHIC MATERIAL SET FORTH IN THIS DOCUMENT IS NOT DISPLAYABLE

Caption: PHOTO LEFT/AP; PHOTO RIGHT/JENNIFER ALTMAN PAYMENT TO BONDHOLDERS NOT IN CARDS Donald Trump said the events of Sept. 11 have changed the environment at Atlantic City, worsening financial shape of his Plaza, Marina and Taj Mahal casinos, so interest on debt is not being paid.

---- INDEX REFERENCES ----

COMPANY (TICKER): Trump Hotels & Casino Resorts Inc.; Credit Suisse First

(Publication page references are not available for this document.)

Boston Corp.; Credit Suisse Group; Goldman Sachs Group Inc. (DJT Z.CSF Z.CSG GS)

NEWS SUBJECT: English language content; High-Yield Issuers; Dow Jones Total Market Index; Corporate/Industrial News (ENGL HIY WEI CCAT)

MARKET SECTOR: Consumer Cyclical (CYC)

INDUSTRY: Casinos & Gambling; All Entertainment & Leisure; Diversified Financial Services; Securities; Dow Jones Sector Titans Index - Financial; Lodging; Recreational Products & Services (CNO ENT FIS SCR XSTF LOD REC)

PRODUCT: Leisure (DLE)

EDITION: SPORTS FINAL

LAYOUT CODES: (BFN)

Word Count: 493

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END OF DOCUMENT

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Wednesday, October 31, 2001

ISSN: 0362-4331

Section C

Page THE MARKETS: Market Place

Where Donald Trump sees trouble in Atlantic City, bondholders see an effort
to
cut a deal.
Riva D Atlas

At least some bondholders contacted yesterday said they did not take Mr. [Donald Trump]'s threats seriously. In fact, they are wondering whether Mr. Trump could be trying to take advantage of a decline in bond prices to cut a favorable deal for himself.

Mr. Trump has more than \$1.6 billion in publicly traded junk bonds, most of which are secured by his Atlantic City casinos. He controls these properties through a public entity called Trump Hotels and Casino Resorts, whose shares trade at \$1.25. Mr. Trump owns roughly 42 percent of this company.

Some investors and analysts suggest Mr. Trump could merely be trying to drive down the price of his bonds. Mr. Trump quietly spent \$46 million last spring buying bonds issued by Trump Hotels and Casino Resorts, said Mr. [John Kempf] of Goldman, Sachs.

---- INDEX REFERENCES ----

NEWS SUBJECT: English language content (ENGL)

EDITION: LATE EDITION (EAST COAST)

Word Count: 137

10/31/01 NYT-ABS 13

END OF DOCUMENT

Copyright 1999 Business Wire, Inc.
Business Wire

May 7, 1999, Friday

DISTRIBUTION: Business Editors

LENGTH: 4533 words

HEADLINE: Trump Hotels & Casino Resorts Reports First Quarter '99 Results

DATELINE: NEW YORK

BODY:

May 7, 1999--Trump Hotels & Casino Resorts, Inc. ("THCR") (NYSE: DJT) today reported earnings and EBITDA for the first quarter ended March 31, 1999. Consolidated net revenues for the first quarter were \$316.1 million, compared to \$316.6 million reported for the same period in 1998. THCR's operating subsidiaries' EBITDA (earnings before interest, taxes, depreciation, amortization, CRDA, Indiana regulatory costs and non-operating expenses) for the first quarter of 1999 was \$50.6 million versus \$52.5 million reported in the 1998 first quarter. Net loss for the first quarter of 1999 (before one-time charges) was \$20.2 million or \$.91 per share. Net loss, including one-time charges reflecting the adoption of SOP 98-5 (reporting of the cost of start-up activities) and a litigation settlement, was \$25.3 million or \$1.14 per share, compared to a net loss of \$17.7 million or \$.79 per share in the 1998 first quarter. For the first four months of 1999 through April, all of the operating subsidiaries' net revenues and EBITDA exceeded levels for the same period in 1998 with EBITDA increasing to \$74.4 million in 1999 from \$65.9 million in 1998. "Our focus during the shoulder season was on quality revenues with a rein on costs," stated Nicholas L. Ribis, president and chief executive officer, "and the four month results continue to validate this strategy. April was a tremendous month for our company and is an excellent indicator for the five busiest months of the year," Ribis continued. "The strong results at our properties, coupled with our Spring/Summer corporate advertising campaign which began in April and continued cost containment programs, puts us in great shape for second and third quarter operating profits," concluded Ribis.

Trump Taj Mahal reported net revenues for the first quarter of 1999 of \$123.8 million and EBITDA of \$22.6 million, compared to net revenues for the 1998 first quarter of \$125.6 million and EBITDA of \$24.1 million. Through the four months ended April 30, 1999, EBITDA and operating margins were \$32.6 million and 19.1% respectively, versus \$30.1 million and 17.9%, respectively, for the four months ended April 30, 1998. Trump Plaza reported net revenues of \$90.8 million for the first quarter of 1999, compared with \$96.0 million for the same period in 1998 and EBITDA of \$14.1 million for the first quarter of 1999, versus \$15.8 million reported for the 1998 first quarter. Through the four months ended April 30, 1999, EBITDA and operating margins were \$20.3 million and 16.1%, respectively, versus \$19.1 million and 15.1%, respectively, for the four months ended April 30, 1998. For the first quarter of 1999, Trump Marina posted net revenues of \$64.5 million, compared to \$66.7 million for the first quarter of 1998. EBITDA was \$8.9 million for the 1999 quarter, compared to \$9.5 million for the quarter ended March 31, 1998. Through the four months ended April 30, 1999, EBITDA and operating margins were \$14.0 million and 15.6%, respectively, versus \$12.3 million and 14.0%, respectively, for the four months ended April 30, 1998. Trump Indiana reported first quarter net revenues of \$36.9 million and EBITDA of \$5.0 million for the quarter ended March 31, 1999, versus \$28.3 million and \$3.1 million, respectively, for the first quarter of 1998. Through the four months ended April 30, 1999, EBITDA and operating margins were \$7.5 million and 14.9% respectively, versus \$4.4 million and 10.9%, respectively, for the four months ended April 30, 1998. Trump Atlantic City Associates reported combined net revenues of Trump Plaza and Trump Taj Mahal for the first quarter of 1999 of \$214.6 million versus \$221.6 million for the first quarter of 1998. EBITDA was \$36.9 million for the first quarter of 1999, compared to EBITDA of \$40.0 million for the 1998 first quarter. Net loss for the 1999 first quarter was \$17.2 million versus a loss of \$13.3 million for the same period in 1998. Through the four months ended April 30, 1999, EBITDA and operating margins were \$52.9 million and 17.8%, respectively, versus \$49.2 million and 16.7%, respectively, for the four months ended April 30, 1998. During the month of April, Donald J. Trump, Chairman of THCR, and Nicholas L. Ribis, President & CEO, reported their purchase of 250,000 and 24,000 shares of Trump Hotels & Casino Resorts' common stock, respectively. Trump Hotels & Casino Resorts, Inc. owns and operates Trump Plaza Hotel & Casino, Trump Taj Mahal Casino Resort and Trump Marina Hotel Casino in Atlantic City, NJ, as well as Trump Indiana, the riverboat casino at Buffington Harbor, IN, on Lake Michigan. It is the exclusive

Business Wire, May 7, 1999

vehicle through which Trump will engage in new gaming activities in both emerging and established gaming jurisdictions in both the United States and abroad. -0-

TRUMP HOTELS & CASINO RESORTS, INC.
Condensed Consolidated Statements of Operations
(Unaudited)
(In thousands, except share data)

	3 MONTHS	
	31-Mar-99	31-Mar-98
REVENUES		
CASINO	\$ 291,783	\$ 292,333
ROOMS	19,572	20,476
FOOD & BEVERAGE		32,241
OTHER	9,583	9,675
PROMOTIONAL ALLOWANCES		(37,129)
		(39,560)
NET REVENUES	\$ 316,050	\$ 316,594
COSTS & EXPENSES		
GAMING	\$ 185,000	\$ 185,206
ROOMS	7,803	7,108
FOOD & BEVERAGE		11,211
GENERAL & ADMIN		65,628
		64,617
TOTAL EXPENSES	\$ 269,642	\$ 267,695
EBITDA	\$ 46,408	\$ 48,899
CRDA/INDIANA STATE & MUNIC OBLIG.	\$ 2,088	\$ 2,058
DEPRECIATION & AMORTIZATION		22,347
INTEREST INCOME	(1,642)	(3,108)
INTEREST EXPENSE	55,531	55,621
DEVELOPMENT COSTS		702
OTHER NON OPER EXPENSE		1,625
		297
TOTAL NON-OPERATING EXPENSE, NET	\$ 80,651	\$ 76,735
LOSS BEFORE MINORITY INTEREST & CUMULATIVE EFFECT OF ACCTG PRIN CHANGE	(\$ 34,243)	(\$ 27,836)
MINORITY INTEREST	12,523	10,166
CUMULATIVE EFFECT OF ACCTG PRIN CHANGE	(3,565)	-
NET LOSS	(\$ 25,285)	(\$ 17,670)
WEIGHTED AVERAGE No. SHARES	22,195,256	22,229,145
BASIC AND DILUTED LOSS PER SHARE	(\$ 1.14)	(\$ 0.79)
NET LOSS AS ADJUSTED(1)	(\$ 20,244)	(\$ 17,339)
BASIC AND DILUTED LOSS PER SHARE (AS ADJUSTED)	(\$ 0.91)	(\$ 0.78)

Business Wire, May 7, 1999

(1) Net Loss As Adjusted excludes Development Costs and Non-operating Costs effected for Minority Interest and the Cumulative Effect of the Accounting Principle Change.

Note: Certain prior year reclassifications have been made to conform to current year presentation.

TRUMP ATLANTIC CITY ASSOCIATES
Condensed Consolidated Statements of Operations
(Unaudited)
(In thousands)

3 MONTHS
31-Mar-99 31-Mar-98

REVENUES			
CASINO	\$ 195,166	\$ 201,764	
ROOMS	15,716	16,919	
FOOD & BEVERAGE		24,230	25,744
OTHER	7,630	7,586	
PROMOTIONAL ALLOWANCES		(28,110)	(30,417)
NET REVENUES	\$ 214,632	\$ 221,596	
COSTS & EXPENSES			
GAMING	\$ 122,398	\$ 126,652	
ROOMS	6,718	6,440	
FOOD & BEVERAGE		8,208	8,167
GENERAL & ADMIN		40,439	40,376
TOTAL EXPENSES	\$ 177,763	\$ 181,635	
EBITDA	\$ 36,869	\$ 39,961	
CRDA	\$ 814	\$ 876	
DEPREC & AMORT	15,551	15,428	
INTEREST INCOME	(707)	(1,867)	
INTEREST EXPENSE	38,397	38,779	
TOTAL NON-OPERATING EXPENSE, NET	\$ 54,055	\$ 53,216	
NET LOSS	(\$ 17,186)	(\$ 13,255)	

Note: Certain prior year reclassifications have been made to conform to current year presentation.

TRUMP PLAZA ASSOCIATES
Condensed Statements of Operations
(Unaudited)
(In thousands, except statistical information)

3 MONTHS
31-Mar-99 31-Mar-98

REVENUES			
CASINO	\$ 82,322	\$ 87,293	
No. of Slots	4,204	4,076	
Win per Slot/Day	\$ 160	\$ 170	

Business Wire, May 7, 1999

Slot Win	\$ 60,654	\$ 62,386
No. of Tables	103	117
Win per Table/Day	\$ 2,337	\$ 2,365
Table Win	\$ 21,668	\$ 24,908
Table Drop	\$ 140,082	\$ 151,612
Hold %	15.5%	16.4%
ROOMS	\$ 7,751	\$ 7,550
No. of Rooms Sold	102,946	97,708
Room Rates	\$ 75.29	\$ 77.53
Occupancy %	81.6%	77.3%
FOOD & BEVERAGE	\$ 11,973	\$ 12,680
OTHER	2,739	2,824
PROMOTIONAL ALLOWANCES		(13,989) (14,323)
NET REVENUES	\$ 90,796	\$ 96,024

COSTS & EXPENSES		
GAMING	\$ 50,233	\$ 54,019
ROOMS	3,070	2,972
FOOD & BEVERAGE	4,124	3,610
GENERAL & ADMIN	19,284	19,611
TOTAL EXPENSES	\$ 76,711	\$ 80,212

EBITDA (1)	\$ 14,085	\$ 15,812
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(1) EBITDA reflects earnings before depreciation, interest, taxes and CRDA writedown.

Note: Certain prior year reclassifications have been made to conform to current year presentation.

TRUMP TAJ MAHAL ASSOCIATES
Condensed Statements of Operations
(Unaudited)
(In thousands, except statistical information)
3 MONTHS
31-Mar-99 31-Mar-98

REVENUES		
CASINO	\$ 112,844	\$ 114,471
No. of Slots	4,175	4,145
Win per Slot/Day	\$ 184	\$ 183
Slot Win	\$ 69,071	\$ 68,380
No. of Tables	147	156
Win per Table/Day	\$ 2,926	\$ 2,960
Table Win	\$ 38,715	\$ 41,556
Table Drop	\$ 234,539	\$ 274,652
Hold %	16.5%	15.1%
Poker, Keno, Race Win	\$ 5,058	\$ 4,535
ROOMS	\$ 7,965	\$ 9,369

Business Wire, May 7, 1999

No. of Rooms Sold	105,253	95,835
Avg Room Rates	\$ 75.67	\$ 97.76
Occupancy %	93.6%	85.2%
FOOD & BEVERAGE	\$ 12,257	\$ 13,064
OTHER	4,891	4,762
PROMOTIONAL ALLOWANCES		(14,121) (16,094)
NET REVENUES	\$ 123,836	\$ 125,572
COSTS & EXPENSES		
GAMING	\$ 72,165	\$ 72,633
ROOMS	3,648	3,468
FOOD & BEVERAGE	4,084	4,557
GENERAL & ADMIN	21,364	20,793
TOTAL EXPENSES	\$ 101,261	\$ 101,451
EBITDA (1)	\$ 22,575	\$ 24,121

Note: EBITDA reflects earnings before depreciation, interest, taxes and CRDA write-down.

TRUMP'S CASTLE ASSOCIATES
d/b/a TRUMP MARINA
Condensed Statements of Operations
(Unaudited)
(In thousands, except statistical information)
3 MONTHS
31-Mar-99 31-Mar-98

REVENUES		
CASINO	\$ 60,890	\$ 62,733
No. of Slots	2,178	2,155
Win per Slot/Day	\$ 231	\$ 231
Slot Win	\$ 45,270	\$ 44,772
No. of Tables	91	94
Win per Table/Day	\$ 1,886	\$ 2,090
Table Win	\$ 15,447	\$ 17,678
Table Drop	\$ 101,296	\$ 111,844
Hold %	15.2%	15.8%
Poker, Keno, Race Win	\$ 173	\$ 283
ROOMS	\$ 3,286	\$ 3,557
No. of Rooms Sold	47,473	52,682
Avg Room Rates	\$ 69.22	\$ 67.52
Occupancy %	72.5%	80.4%
FOOD & BEVERAGE	\$ 7,269	\$ 7,494
OTHER	1,603	1,885
PROMOTIONAL ALLOWANCES		(8,562) (8,946)
NET REVENUES	\$ 64,486	\$ 66,723

Business Wire, May 7, 1999

COSTS & EXPENSES		
GAMING	\$ 38,782	\$ 39,997
ROOMS	692	668
FOOD & BEVERAGE	1,776	1,832
GENERAL & ADMIN	14,355	14,752

TOTAL EXPENSES	\$ 55,605	\$ 57,249
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EBITDA (1)	\$ 8,881	\$ 9,474
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(1) EBITDA reflects earnings before depreciation, interest, taxes and CRDA writedown.

Note: Certain prior year reclassifications have been made to conform to current year presentation.

TRUMP INDIANA, INC.

Condensed Statements of Operations

(Unaudited)

(In thousands, except statistical information)

3 MONTHS

31-Mar-99 31-Mar-98

REVENUES

CASINO	\$ 35,727	\$ 27,836
--------	-----------	-----------

No. of Slots	1,310	1,367
Win per Slot/Day	\$ 233	\$ 162
Slot Win	\$ 27,232	\$ 19,377

No. of Tables	52	59
Win per Table/Day	\$ 1,815	\$ 1,602
Table Win	\$ 8,495	\$ 8,459
Table Drop	\$ 51,363	\$ 51,133
Hold %	16.5%	16.5%

ROOMS	\$ 570	-
No. of Rooms Sold	9,099	-
Avg Room Rates	\$ 59	-
Occupancy %	36.6%	-

FOOD & BEVERAGE	\$ 742	\$ 432
OTHER	350	204
PROMOTIONAL ALLOWANCES		(457) (197)
NET REVENUES	\$ 36,932	\$ 28,275

COSTS & EXPENSES

GAMING	\$ 23,820	\$ 18,557
ROOMS	393	-
FOOD & BEVERAGE	1,227	765
GENERAL & ADMIN	6,483	5,834
TOTAL EXPENSES	\$ 31,923	\$ 25,156

EBITDA (1)	\$ 5,009	\$ 3,119
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(1) EBITDA reflects earnings before depreciation, interest, taxes, Indiana regulatory costs and non-operating expenses.

Business Wire, May 7, 1999

Note: Certain prior year reclassifications have been made to conform to current year presentation.

TRUMP HOTELS & CASINO RESORTS, INC.
 Supplemental Information
 (Unaudited)
 (In thousands)

	3 MONTHS		31-Mar-99	31-Mar-98
CRDA /INDIANA OBLIGATIONS				
PLAZA	\$ 344	\$ 419		
TAJ	470	457		
MARINA	349	257		
INDIANA STATE & MUNICIPAL OBLIG.			925	925
TOTAL CRDA/INDIANA OBLIG	\$ 2,088	\$ 2,058		
DEPRECIATION & AMORTIZATION				
PLAZA	\$ 5,949	\$ 6,053		
TAJ	9,376	9,317		
TCS	226	58		
THCR HOLDINGS		71	63	
MARINA	4,250	4,050		
INDIANA (INCL JOINT VENTURE LOSS)			2,475	2,122
TOTAL DEPRECIATION/AMORT	\$ 22,347	\$ 21,663		
INTEREST EXPENSE				
PLAZA	\$ 11,761	\$ 11,983		
TAJ	23,445	23,580		
TRUMP ATLANTIC CITY		3,191	3,216	
THCR HOLDINGS		6,061	5,888	
MARINA	10,558	10,088		
INDIANA	515	866		
TOTAL INTEREST EXPENSE				

LOAD-DATE: May 8, 1999

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PR Newswire

May 10, 1999, Monday

SECTION: Financial News

DISTRIBUTION: TO BUSINESS EDITOR

LENGTH: 1677 words

HEADLINE: Mirage Resorts Announces Strong Increases in First Quarter Revenues and Income Due to Success of New Resorts;
Bellagio Has Highest Quarterly Revenues in Nevada History

DATELINE: LAS VEGAS, May 10

BODY:

Mirage Resorts (NYSE: MIR) announced today first quarter earnings of \$0.28 per share before charges associated with preopening and related promotional costs, an increase of 27% over the \$0.22 per share earned before an extraordinary loss in the prior-year period. Total revenues rose 73%, while operating cash flow (EBDIT) increased 70%.

According to the latest statistics available from the Nevada State Gaming Control Board, gaming revenues on the Las Vegas Strip increased 21% in the first two months of the quarter. The company's casinos located on the Strip accounted for 58% of such growth. On an overall basis, the company's gaming revenues increased by 64% in the first quarter while its gross non-casino revenues increased 82%.

The growth in revenues and operating profit was attributable primarily to the company's Bellagio resort, which opened on October 15, 1998 and generated \$282 million of total revenues in the first quarter. Mirage Resorts believes this to be the highest quarterly revenues of any casino in Nevada history. Its non-casino revenues in the quarter of \$145 million are thought to be the highest such revenues of any resort in history. The company's Beau Rivage resort on the Mississippi Gulf Coast also opened successfully on March 16, 1999 and contributed to the increase in revenues for the quarter.

Results were also strong at the company's other resorts. The operating income of such resorts on a combined basis, excluding the new properties, increased by 2% in the face of the new competition and despite an ongoing room refurbishment program at the company's Treasure Island resort. Hotel occupancy of standard rooms at such resorts increased slightly, from 98.1% to 98.4%, and their average room rate increased by 4%.

On a company-wide basis, occupancy of standard guestrooms was 98.1% in both periods. The average rate for standard guestrooms increased from \$89 to \$110, with Bellagio's higher room rates accounting for most of this increase.

The company-wide table games win percentage was 20.2%, versus 19.8%. Management believes both numbers to be relatively normal. Over the past three calendar years, the company-wide win percentage has averaged 20.0%.

The company expensed substantial preopening and related promotional costs during the quarter. There were two aspects to this. First, a recently issued accounting pronouncement now requires preopening costs to be expensed as incurred. The company had previously capitalized such costs and amortized them over the 60-day period following the opening of the related resort. At December 31, 1998 the company had \$47.0 million of such capitalized costs, including \$24.7 million related to Beau Rivage and \$22.3 million related to development of its planned Atlantic City facilities. This resulted in a cumulative effect related to the accounting change in the quarter of \$30.6 million, net of the applicable income tax benefit. Second, the company incurred \$31.5 million of additional preopening and related promotional expense in the quarter, largely in connection with hiring and training Beau Rivage's workforce. As a result of these factors and an increase in interest expense, the company's net income for the quarter was \$1.5 million (\$0.01 per share).

PR Newswire, May 10, 1999

The company's interest cost rose significantly in the quarter due to higher debt levels related to the investment in the new resorts. The opening of such resorts also resulted in a lesser proportion of the company's interest cost being capitalized during the 1999 first quarter.

This press release contains forward-looking statements which are subject to change. Actual results may differ materially from those described in any forward-looking statement. Additional information concerning potential factors that could affect the company's future results is included in the company's Annual Report on Form 10-K for the year ended December 31, 1998. This statement is provided as permitted by the Private Securities Litigation Reform Act of 1995.

MIRAGE RESORTS, INCORPORATED

Three Months Ended March 31, (In thousands)	1999	1998
Gross revenues		
Casino	\$313,975	\$191,821
Rooms	123,522	71,841
Food and beverage	105,789	55,531
Entertainment	45,593	24,994
Retail	31,086	15,135
Other	19,240	11,171
	639,205	370,493
Less - promotional allowances	(58,492)	(35,328)
	580,713	335,165
Operating costs and expenses		
Casino-hotel operations	354,532	205,646
General and administrative	73,365	39,981
Depreciation and amortization	43,832	22,584
	471,729	268,211
Operating profit	108,984	66,954
Corporate expense	(11,258)	(8,485)
Preopening and related promotional expense	(31,455)	--
Equity in earnings of Monte Carlo	8,858	7,439
Income from operations	75,129	65,908
Interest cost	(38,302)	(29,167)
Interest capitalized	11,722	23,825
Other, including interest income	1,090	4,857
Income before income taxes, extraordinary item and cumulative effect of accounting change	49,639	65,423
Provision for income taxes	(17,569)	(23,823)
Income before extraordinary item and cumulative effect of accounting change	32,070	41,600

PR Newswire, May 10, 1999

Extraordinary loss on early retirement of debt, net of applicable income tax benefit	--	(3,521)
Cumulative effect (to January 1, 1999) of change in method of accounting for preopening costs, net of applicable income tax benefit	(30,577)	--
Net income	\$1,493	\$38,079

MIRAGE RESORTS, INCORPORATED

Three Months Ended March 31, 1999 1998

Basic earnings per share

Income before preopening and related promotional expense, extraordinary item and cumulative effect of accounting change	\$0.29	\$0.23
Preopening and related promotional expense	(0.11)	--
Extraordinary loss on early retirement of debt	--	(0.02)
Cumulative effect (to January 1, 1999) of change in method of accounting for preopening costs	(0.17)	--
Net income per share	\$0.01	\$0.21

Diluted earnings per share

Income before preopening and related promotional expense, extraordinary item and cumulative effect of accounting change	\$0.28	\$0.22
Preopening and related promotional expense	(0.11)	--
Extraordinary loss on early retirement of debt	--	(0.02)
Cumulative effect (to January 1, 1999) of change in method of accounting for preopening costs	(0.16)	--
Net income per share	\$0.01	\$0.20

Common and common equivalent shares (In thousands)

Weighted-average common shares outstanding (used in the calculation of basic earnings per share)	180,527	179,443
Potential dilution from the assumed exercise of common stock options	10,920	13,270
Weighted-average common and common equivalent shares (used in the calculation of diluted earnings per share)	191,447	192,713

SOURCE: Mirage Resorts, Incorporated

CONTACT: Alan Feldman of Mirage Resorts, Incorporated, 702-693-7147

LOAD-DATE: May 11, 1999



NEWS RELEASE

For Immediate Release: October 25, 1999

For further information, contact: Nicholas L. Ribis, President and CEO (212) 688-0190

TRUMP HOTELS & CASINO RESORTS

THIRD QUARTER RESULTS

EBITDA INCREASED TO \$106.7 MILLION VS. \$90.6 MILLION IN 1998

NET PROFIT INCREASED TO 63 CENTS PER SHARE

VS. 24 CENTS PER SHARE IN 1998

NEW YORK, NY – Trump Hotels & Casino Resorts, Inc. (NYSE:DJT) announced today that for the third quarter ended, September 30, 1999, consolidated net revenues were \$403.1 million compared to \$397.4 million reported for the same period in 1998. THCR's EBITDA (earnings before interest, taxes, depreciation, amortization, Trump World's Fair charge and corporate expenses) for the quarter was \$106.7 million versus \$90.6 million reported for the prior year's third quarter. Net income increased to \$14.0 million or \$0.63 per share, before a one time Trump World's Fair charge, compared to \$5.3 million or \$0.24 per share in 1998. THCR's earnings per share of \$0.63 exceeded First Call estimates of \$0.54.

Nicholas Ribis, President and Chief Executive Officer of THCR, stated, "Our focus in 1999 was three-fold: first, to increase our operating margins at each operating entity; second, to decrease our marketing costs; and third, to increase our cash sales from our non-casino operations. We have succeeded in achieving positive results in each of the three categories. The third quarter and nine month results for the company indicate that we have successfully instituted the programs that we focused on during 1999."

Trump Boardwalk Properties Results

(S in millions)	1999 Third Quarter	1998 Third Quarter	1999 Nine Months	1998 Nine Months
Trump Taj Mahal				
Revenues	\$167.7	\$162.1	\$436.2	\$426.7
Operating Profit	41.4	36.5	77.4	71.4
EBITDA	51.0	46.0	106.6	100.2
Margin	30.4%	23.4%	24.4%	23.5%
Trump Plaza				
Revenues	\$117.0	\$114.8	\$312.1	\$313.2
Operating Profit	24.7	17.5	46.3	39.0
EBITDA	31.0	24.4	65.2	58.9
Margin	26.5%	21.3%	20.9%	18.8%
Trump Atlantic City Associates				
Revenues	\$284.7	\$276.9	\$748.3	\$739.9
Operating Profit	66.1	54.0	123.7	110.4
EBITDA	82.0	70.4	171.8	159.1
Margin	28.8%	25.4%	23.0%	21.5%

Trump Marina Results

(S in millions)	1999 Third Quarter	1998 Third Quarter	1999 Nine Months	1998 Nine Months
Trump Marina				
Revenues	\$83.5	\$81.8	\$223.7	\$215.4
Operating Profit	14.8	10.9	28.2	22.9
EBITDA	19.6	15.5	42.3	36.1
Margin	23.5%	18.7%	18.9%	16.8%

Trump Indiana Results

(S in millions)	1999 Third Quarter	1998 Third Quarter	1999 Nine Months	1998 Nine Months
Trump Indiana				
Revenues	\$34.9	\$38.8	\$108.5	\$103.0
Operating Profit	2.3	2.5	8.1	5.5
EBITDA	5.0	4.8	16.1	12.5
Margin	14.3%	12.4%	14.8%	12.1%

THCR in the third quarter also ceased operations at the Trump World's Fair Casino Hotel in Atlantic City and it has taken a one-time charge of \$81.4 million (\$128.4 million less minority interest of \$47.0 million or \$3.67 per share) with respect to the closing. THCR has indicated it will demolish the existing structures, and planning has commenced for the development of this 10-acre Boardwalk site into a 4,000-room hotel and a 200,000 sq. ft. casino to be connected to the newly renovated Atlantic City Entertainment Center, and a proposed 10,000-car parking garage.

This press release contains forward-looking statements that are subject to change. Actual results may differ materially from those described in any forward-looking statement. Additional information concerning potential factors that could affect the Company's future results is included in the Company's Annual Report on Form 10-K for the year ended December 31, 1998. This statement is provided as permitted by the Private Securities Litigation Reform Act of 1995.

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Withheld pursuant to exemption

(b)(6)

of the Freedom of Information and Privacy Act

Trump Hotels & Casino Resorts, Inc. owns and operates Trump Plaza Hotel & Casino, Trump Taj Mahal Casino Resort and Trump Marina Hotel Casino in Atlantic City, NJ, as well as Trump Indiana, the riverboat casino at Buffington Harbor, Indiana on Lake Michigan. It is the exclusive vehicle through which Trump will engage in new gaming activities in both emerging and established gaming jurisdictions in both the United States and abroad

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HEADLINE: Harrah's Entertainment Reports 1999 Second Quarter and First Half Results

DATELINE: MEMPHIS, Tenn., July 21

BODY:

Harrah's Entertainment, Inc. (NYSE: HET) today reported results for second quarter 1999, including record revenues, EBITDA, income before extraordinary losses and net income.

Second Quarter Accomplishments

* Diluted earnings per share before preopening costs, write-downs,

reserves and recoveries, and extraordinary losses were 38 cents, exceeding analysts' estimates

* Record revenues of \$751.1 million

* EBITDA up 44% to a record \$182.8 million

* Same store gaming revenue growth 15% over prior year

* Rio and Showboat acquisitions made strong positive impacts on EBITDA

* Harrah's Atlantic City outpaced market growth by nearly 50%

* Showboat East Chicago rebranded as Harrah's for full quarter and substantially outperformed growth rate of Chicagoland market

* Completed refinancing of long-term debt, lowering borrowing costs

* Reached agreement to sell interests in Star City Casino in Sydney, Australia

Summary of Results

Diluted earnings per share before extraordinary losses were 37 cents for second quarter 1999 versus 36 cents for the prior year. After the extraordinary losses, diluted earnings per share were 31 cents compared with 20 cents in second quarter 1998. Results in 1998 were affected by several one-time adjustments, including gains on the sale of a restaurant investment and the buy-out of the management contract for Sky City Casino in Auckland, New Zealand.

Second quarter 1999 EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortization) before project opening costs and write-downs, reserves and recoveries was \$182.8 million, a 44% increase over the \$127.4 million reported for second quarter 1998. Harrah's Entertainment has the most geographically diverse sources of EBITDA in the casino entertainment industry with the Western Region contributing 37% of consolidated second quarter EBITDA, the Eastern Region 31% and the Central Region 35%.

"There were increases in EBITDA in every region in second quarter 1999 over prior year," explained Harrah's Entertainment Chairman and CEO Phil Satre. "This is a testament to the value of our diversification and our national brand strategy."

The addition of the Rio Hotel & Casino in Las Vegas, acquired January 1,

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1999, and Showboat, Inc., acquired June 1, 1998, coupled with 15% same store gaming revenue growth in the Harrah's brand casinos, resulted in a 57% increase in second quarter revenues over prior year to \$751.1 million. Income from operations increased 72% and net income rose 99% over the prior year period.

"We're seeing more of the benefits of our cross-market and customer loyalty strategies as well as the strategic acquisitions of Showboat and Rio," Satre explained. "Our Total Gold and direct marketing programs have strengthened our Harrah's brand casinos, resulting in market share gains. Now we're embarking on the next stage of our strategy with the launch of the tiered customer loyalty card program -- Total Diamond, Total Platinum and Total Gold -- to reward customers for choosing Harrah's Entertainment casinos whenever and wherever they play."

Las Vegas, Lake Tahoe and Laughlin Lead Western Region
Western Region Results
(in millions) 1999 1998 1999 1998
 Second Second First Half First Half
 Quarter Quarter

Rio Hotel & Casino				
Revenues	\$115.2	--	\$235.9	--
Operating profit	16.1	--	38.2	--
EBITDA	25.3	--	55.3	--
Harrah's Southern Nevada				
Revenues	\$92.5	\$87.6	\$185.4	\$172.6
Operating profit	17.0	13.4	33.7	26.9
EBITDA	25.3	21.4	50.3	42.8
Harrah's Northern Nevada				
Revenues	\$75.3	\$71.8	\$144.2	\$133.3
Operating profit	11.3	10.0	17.6	14.0
EBITDA	17.3	15.7	28.2	24.8
Total Western Region				
Revenues	\$283.0	\$159.4	\$565.4	\$305.9
Operating profit	43.9	23.0	88.8	40.2
EBITDA	67.5	36.6	133.1	67.0

Rio reported increased second quarter revenue, up 17% compared to the revenue it reported as a separate company in second quarter 1998. EBITDA at Rio was up 26% over the levels reported by Rio for second quarter 1998.

Satre said, "Rio achieved record second quarter results as it maintains its appeal to locals and visitors alike. The Rio has once again received awards from local Las Vegas polls as well as prestigious casino and travel trade publications, including "Best Hotel Value in the World" by Travel and Leisure Magazine and "Best Overall Hotel in Las Vegas" by the Zagat Survey of Resorts, Hotels and Spas. This tradition of excellence and the addition of the new convention center and Palazzo Suites are big reasons this property reported improved performance."

In Southern Nevada, EBITDA at Harrah's Las Vegas increased 19% over prior year primarily as a result of cross-market visitation and improved margins. Harrah's Laughlin reported an 18% increase in EBITDA for second quarter. In Northern Nevada, EBITDA at Harrah's Reno was basically flat to prior year, but EBITDA increased at Harrah's Lake Tahoe over a year ago.

"The strong appeal of our Harrah's Nevada properties makes them big beneficiaries of our customer loyalty strategy," Satre said. "Harrah's Las

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Vegas and Rio continued to grow EBITDA at a time when the Las Vegas market is adjusting to considerable new competitive supply. In the meantime, our Laughlin and Lake Tahoe properties used our extensive database and innovative marketing programs to grow their businesses in excess of the trends in their respective markets."

**Harrah's Atlantic City Reports Record Revenue and EBITDA
Eastern Region Results**

(in millions)	1999 Second Quarter	1998 Second Quarter	1999 First Half	1998 First Half
Harrah's Atlantic City				
Revenue	\$103.2	\$93.9	\$195.3	\$180.3
Operating profit	25.1	21.3	43.3	38.4
EBITDA	31.0	26.0	55.3	48.5
Showboat Atlantic City*				
Revenue	\$93.5	\$29.9	\$180.5	\$29.9
Operating profit	21.0	6.4	39.5	6.4
EBITDA	26.7	8.4	50.7	8.4
Total Eastern Region				
Revenue	\$196.8	\$123.8	\$375.8	\$210.2
Operating profit	45.4	27.7	81.5	44.8
EBITDA	57.1	34.5	104.6	56.9

*Showboat Atlantic City reflects one month of results during the 1998 second quarter and first half of 1998.

Harrah's Atlantic City saw another quarter of record revenue and EBITDA, and, once again, gained market share in second quarter 1999.

"Harrah's Atlantic City continued to outpace the growth in that market by nearly 50 percent," said Satre. "Atlantic City has proven to be a key component in our customer loyalty strategy in attracting, retaining and building relationships with target customers."

**Strong Performances in Chicagoland and Missouri Drive Record Revenues for
Central Region
Central Region Results**

(in millions)	1999 Second Quarter	1998 Second Quarter	1999 First Half	1998 First Half
Central Region				
Revenues	\$252.6	\$172.4	\$485.6	\$342.6
Operating profit	50.8	33.4	92.0	69.0
EBITDA	63.8	44.0	117.3	89.8

Harrah's Joliet reported a 19% increase in EBITDA on a 24% increase in revenues over prior year.

In East Chicago, the second quarter was the first full quarter the property operated as a Harrah's branded property, and the results demonstrated the value of the Harrah's brand name and marketing and operating systems.

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This property had lagged behind the growth in the market in the first quarter before the rebranding, but substantially exceeded market growth in the second quarter under the Harrah's banner. Revenues at Harrah's East Chicago rose 22% in second quarter over the same period last year and EBITDA was up 75%.

"Chicagoland is a very exciting market in the casino entertainment industry this year, and our distribution strategy has placed us in the best position to capitalize on that market growth," said Satre. "Our East Chicago property now enjoys the advantages of being part of a strong national brand. This former Showboat property has shown a dramatic improvement since we rebranded it a Harrah's casino in March 1999. In fact, it led the Indiana Chicagoland market in gaming drop for the first time during the month of June. This demonstrates the power of our national brand name.

"In the meantime, the more customer-friendly dockside gaming in Joliet is showing very encouraging signs," added Satre. "Business levels increased noticeably in late June with the elimination of cruise schedules and ticketing. Add our new hotel that's expected to open in November 1999 and prospects for continued growth at Harrah's Joliet look excellent."

Harrah's St. Louis and Harrah's North Kansas achieved record revenues for the quarter with 38% and 14% increases, respectively, over second quarter 1998. EBITDA in Harrah's St. Louis increased nearly 81% while EBITDA at Harrah's North Kansas City rose 5%. Both properties also continued to solidify their market share leadership in the respective markets.

Harrah's Shreveport EBITDA declined 12% from prior year second quarter due to the disadvantages of competing against the substantial hotel investments made by other operators in that market. However, construction is on schedule for a fourth quarter 2000 opening of Harrah's Shreveport's upscale 514-room hotel and conference center.

In Mississippi, EBITDA rose 23% as gains at Harrah's Tunica offset declines at Harrah's Vicksburg.

Managed Casino Results Continue To Be Strong Managed and Other Results

(in millions)	1999 Second Quarter	1998 Second Quarter	1999 First Half	1998 First Half
Managed and Other				
Revenues	\$18.2	\$22.3*	\$34.9	\$32.5*
Operating profit	15.6	20.2*	29.8	28.9*
EBITDA	15.7	18.7*	30.5	26.7*

*Results in second quarter 1998 included a gain on the buy-out of Harrah's management contract for the Sky City Casino in Auckland, New Zealand.

Harrah's casinos managed for Native American governments had another strong performance during second quarter 1999. Management fees from Harrah's Cherokee and Harrah's Prairie Band increased over last year primarily due to second quarter revenue increases of 36% and 38%, respectively, at these properties.

"Each of the casinos we manage on Native American lands in Arizona, Kansas and North Carolina maintained their strong performances during the second quarter," stated Satre. "These properties play important financial roles for their Tribal Communities and have benefited from the cross-market play that underlies the overall Harrah's brand strategy."

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Other Items Affecting Income

Increased corporate expense for the quarter included approximately \$2.0 million in consultant costs for a complete review of corporate services and expenses. This review was undertaken for several reasons but primarily because of the substantial growth the company has experienced over the last 18 months. The review generated ideas from employees to cut costs through internal department efficiencies, automation, capturing synergies, outsourcing and streamlining or eliminating select, underutilized internal products or services. As a result, expenses are expected to be reduced by approximately \$15 million annually. These savings will be phased in over the next 12 to 18 months.

"We chose to undertake this analysis at a time when our businesses were performing at record levels. To meet our goal of industry leadership and world-class performance requires us to be continually vigilant even when things are going well," explained Satre. "We must be sure that all we do adds value ultimately to our customers, our investors and our fellow employees. It is important that we are properly positioned for growth in the most efficient manner possible."

Project opening costs in second quarter 1999 were associated with expansions, remodeling and conversions at the Harrah's Joliet, East Chicago and Shreveport properties. Preopening costs included in equity in nonconsolidated affiliates for second quarter 1999 related to Harrah's New Orleans, on target for a October 1999 opening, and for National Airlines, which began operations during the second quarter.

Second quarter 1999 included \$4.4 million for amortization of goodwill and trademarks primarily in connection with the Showboat acquisition and the Rio merger. Interest expense was higher due to debt associated with the acquisitions.

Refinancing various company debt on more favorable terms in second quarter 1999 resulted in extraordinary losses of \$7.4 million. Combined with other refinancings since late fourth quarter 1998, Harrah's Entertainment has virtually restructured its entire debt portfolio, better positioning the company for the long term and creating flexibility for strategic opportunities.

The increase in the number of shares outstanding in the quarter compared to the prior year was primarily the result of shares issued in the Rio merger.

The second quarter built on trends set in first quarter 1999 resulting in year-to-date record revenues, EBITDA, income before extraordinary losses and net income.

Update on Sales of Non-Strategic Assets

In April, Harrah's Entertainment announced an agreement with TABCORP Holdings Limited (ASX: TAH) to sell Harrah's interests in Star City Casino in Sydney, Australia. The transaction is on schedule and is expected to close by year-end. Harrah's Entertainment this week announced it had reached agreement to sell its Showboat Las Vegas property to VSS Enterprises, LLC. That sale is also anticipated to close by the end of the year. Meanwhile, the sale of shares in Sodak Gaming, Inc. remains on target for third quarter 1999. In total, the sales are expected to generate approximately \$280 million in after-tax proceeds which will be initially used to reduce debt.

Harrah's Entertainment, Inc. is the most recognized and respected name in the casino entertainment industry operating 18 casinos in the United States

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under the Harrah's, Showboat and Rio brand names, and the Star City Casino in Sydney, Australia. Founded more than 60 years ago, Harrah's is focused on building loyalty and value with its targeted customers through a unique combination of great service, excellent products, unsurpassed distribution, operational excellence and technology leadership.

Statements in this release concerning future events, future performance and business prospects are forward-looking and are subject to certain risks and uncertainties. These include, but are not limited to, political, economic, bank, equity and debt market conditions, changes in laws or regulations, third party relations and approvals, decisions of courts, regulators and governmental bodies, factors affecting leverage, including interest rates, and effects of competition. These risks and uncertainties could significantly affect anticipated results or events in the future and actual results may differ materially from any forward-looking statements. For additional information, refer to the material discussing the Private Securities Litigation Reform Act in Part I of the company's Form 10-Q filed with the Securities and Exchange Commission for the period ended March 31, 1999.

HARRAH'S ENTERTAINMENT, INC.
CONSOLIDATED SUMMARY OF OPERATIONS
(UNAUDITED)

	Second Quarter Ended		Six Months Ended	
(In thousands, except per share amounts),	June 30 1999	June 30, 1998	June 30, 1999	June 30, 1998
Revenues	\$751,137	\$478,634	\$1,462,805	\$893,081
Operating profit before project opening costs, corporate expense, headquarters relocation expense, equity in earnings (losses) of nonconsolidated affiliates, amortization of goodwill, project write-downs, reserves and recoveries and venture restructuring costs	\$147,369	\$92,890	\$282,211	\$164,437
Project opening costs	(45)	(3,342)	(397)	(5,996)
Corporate expense	(13,492)	(8,936)	(21,423)	(15,586)
Headquarters relocation expenses	(1,422)	--	(4,492)	--
Equity in nonconsolidated affiliates: Losses before preopening costs	(1,322)	(3,511)	(6,034)	(6,302)
Preopening costs	(4,831)	--	(6,787)	--
Amortization of goodwill				

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and trademarks	(4,351)	(1,866)	(8,963)	(2,326)
Project write-downs, reserves and recoveries	1,598	(1,847)	1,475	(1,847)
Venture restructuring costs	--	(1,533)	397	(2,459)
Income from operations	123,504	71,855	235,987	129,921
Interest, net of interest capitalized	(48,692)	(25,623)	(99,587)	(44,949)
Gain on sale of equity interest in subsidiary	--	13,155	--	13,155
Other income, including interest income	4,404	1,395	6,570	5,525
Income before income taxes and minority interests	79,216	60,782	142,970	103,652
Provision for income taxes	(28,742)	(22,031)	(53,380)	(37,952)
Minority interests	(2,551)	(1,732)	(4,322)	(3,778)
Income before extraordinary losses	47,923	37,019	85,268	61,922
Extraordinary losses, net of tax	(7,375)	(16,613)	(10,623)	(18,280)
Net income	\$40,548	\$20,406	\$74,645	\$43,642
Earnings per share - basic				
Before extraordinary losses	\$0.38	\$0.37	\$0.67	\$0.62
Extraordinary losses, net of tax	(0.06)	(0.17)	(0.08)	(0.18)
Net income	\$0.32	\$0.20	\$0.59	\$0.44
Earnings per share -- assuming dilution before extraordinary losses	\$0.37	\$0.36	\$0.66	\$0.61
Extraordinary losses, net of tax	0.06	(0.16)	0.08	(0.18)
Net income	\$0.31	\$0.20	\$0.58	\$0.43
Weighted average common shares outstanding	126,203	100,207	125,864	100,167
Weighted average common and common equivalent shares outstanding	128,984	101,736	127,866	101,480

HARRAH'S ENTERTAINMENT, INC.
SUPPLEMENTAL OPERATING INFORMATION

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(UNAUDITED)

Second Quarter Ended Six Months Ended

(In thousands) June 30, June 30, June 30, June 30,
1999 1998 1999 1998

Revenues

Western Region	\$283,011	\$159,419	\$565,400	\$305,918
Eastern Region	196,762	123,754	375,778	210,210
Central Region	252,585	172,388	485,619	342,645
Managed and Other	18,211	22,258	34,873	32,530
Other	568	815	1,135	1,778
	\$751,137	\$478,634	\$1,462,805	\$893,081

Operating Profit

Western Region	\$43,926	\$22,979	\$88,846	\$40,204
Eastern Region	45,362	27,680	81,451	44,799
Central Region	50,783	33,399	92,007	69,005
Managed and Other	15,563	20,176	29,813	28,912
Other	(8,265)	(11,344)	(9,906)	(18,483)
	\$147,369	\$92,890	\$282,211	\$164,437

EBITDA*

Western Region	\$67,526	\$36,572	\$133,064	\$67,007
Eastern Region	57,059	34,474	104,577	56,887
Central Region	63,824	43,994	117,277	89,822
Managed and Other	15,665	18,731	30,514	26,655
Other	(21,286)	(6,404)	(35,286)	(17,579)
	\$182,788	\$127,367	\$350,146	\$222,792

* Earnings before interest, income taxes, depreciation, amortization, project opening costs, and write-downs, reserves and recoveries.

SOURCE Harrah's Entertainment, Inc.

CONTACT: Pat Martin of Harrah's Entertainment, Inc., 901-537-3654

LOAD-DATE: July 22, 1999

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 PUBLIC DOCUMENT COUNT: 3
 CONFORMED PERIOD OF REPORT: 19990930
 FILED AS OF DATE: 19991104

FILER:

COMPANY DATA:

COMPANY CONFORMED NAME: TRUMP HOTELS & CASINO RESORTS HOLD
 CENTRAL INDEX KEY: 0000943322
 STANDARD INDUSTRIAL CLASSIFICATION: HOTELS & MOTELS [7011]
 IRS NUMBER: 133818407
 STATE OF INCORPORATION: DE
 FISCAL YEAR END: 1231

FILING VALUES:

FORM TYPE: 10-Q
 SEC ACT:
 SEC FILE NUMBER: 033-90786
 FILM NUMBER: 99740811

BUSINESS ADDRESS:

STREET 1: 2500 BOARDWALK
 CITY: ATLANTIC CITY
 STATE: NJ
 ZIP: 08401
 BUSINESS PHONE: 6094416060

MAIL ADDRESS:

STREET 1: MISSISSIPPI AVE & THE BOARDWALK
 CITY: ATLANTIC CITY
 STATE: NJ
 ZIP: 08401

FILER:

COMPANY DATA:

COMPANY CONFORMED NAME: TRUMP HOTELS & CASINO RESORTS FUND
 CENTRAL INDEX KEY: 0000943323
 STANDARD INDUSTRIAL CLASSIFICATION: HOTELS & MOTELS [7011]
 IRS NUMBER: 133818405
 STATE OF INCORPORATION: DE
 FISCAL YEAR END: 1231

FILING VALUES:

FORM TYPE: 10-Q
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 SEC FILE NUMBER: 033-90786-01
 FILM NUMBER: 99740812

BUSINESS ADDRESS:

STREET 1: 2500 BOARDWALK
 CITY: ATLANTIC CITY
 STATE: NJ
 ZIP: 08401
 BUSINESS PHONE: 6096888629

MAIL ADDRESS:

STREET 1: MISSISSIPPI AVE AND THE BOARDWALK
 CITY: ATLANTIC CITY
 STATE: NJ
 ZIP: 08401

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 UNITED STATES
 SECURITIES AND EXCHANGE COMMISSION
 Washington, D.C. 20549

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934
For the quarterly period ended: September 30, 1999

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES
EXCHANGE ACT OF 1934
For the transition period from _____ to _____

Commission file number: 1-13794
TRUMP HOTELS & CASINO RESORTS, INC.
(Exact name of registrant as specified in its charter)
DELAWARE 13-3818402
(State or other jurisdiction of (I.R.S. Employer
incorporation or organization) Identification No.)
2500 Boardwalk
Atlantic City, New Jersey 08401
(Address of principal executive offices) (Zip Code)

(609) 441-6060
(Registrant's telephone number, including area code)
Not Applicable
(Former name, former address and former fiscal year, if changed since last
report)

Commission file number: 33-90786
TRUMP HOTELS & CASINO RESORTS HOLDINGS, L.P.
(Exact name of registrant as specified in its charter)
DELAWARE 13-3818407
(State or other jurisdiction of (I.R.S. Employer
incorporation or organization) Identification No.)
2500 Boardwalk
Atlantic City, New Jersey 08401
(Address of principal executive offices) (Zip Code)

(609) 441-6060
(Registrant's telephone number, including area code)
Not Applicable
(Former name, former address and former fiscal year, if changed since last
report)

Commission file number: 33-90786
TRUMP HOTELS & CASINO RESORTS FUNDING, INC.
(Exact name of registrant as specified in its charter)
DELAWARE 13-3818405
(State or other jurisdiction of (I.R.S. Employer
incorporation or organization) Identification No.)
2500 Boardwalk
Atlantic City, New Jersey 08401
(Address of principal executive offices) (Zip Code)

(609) 441-6060
(Registrant's telephone number, including area code)
Not Applicable
(Former name, former address and former fiscal year, if changed since last
report)

Indicate by check mark whether the registrants (1) have filed all reports
required to be filed by Section 13 or 15(d) of the Securities Exchange Act
of 1934 during the preceding 12 months (or for such shorter period that the
registrants were required to file such reports), and (2) have been subject
to such filing requirements for the past 90 days. Yes X No

The number of outstanding shares of Common Stock, par value \$.01 per
share, of Trump Hotels & Casino Resorts, Inc. as of November 4, 1999 was
22,195,256.

The number of outstanding shares of Class B Common Stock, par value \$.01
per share, of Trump Hotels & Casino Resorts, Inc. as of November 4, 1999
was 1,000.

The number of outstanding shares of Common Stock, par value \$.01 per
share, of Trump Hotels & Casino Resorts Funding, Inc. as of November 4,
1999 was 100.

=====
<PAGE>

TRUMP HOTELS & CASINO RESORTS, INC.,
TRUMP HOTELS & CASINO RESORTS HOLDINGS, L.P.
AND
TRUMP HOTELS & CASINO RESORTS FUNDING, INC.

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ITEM 1 -- Financial Statements

Condensed Consolidated Balance Sheets of Trump Hotels & Casino Resorts, Inc. as of December 31, 1998 and September 30, 1999 (unaudited)

Condensed Consolidated Statements of Operations of Trump Hotels & Casino Resorts, Inc. for the Three and Nine Months Ended September 30, 1998 and 1999 (unaudited)

Condensed Consolidated Statement of Stockholders' Equity of Trump Hotels & Casino Resorts, Inc. for the Nine Months Ended September 30, 1999 (unaudited)

Condensed Consolidated Statements of Cash Flows of Trump Hotels & Casino Resorts, Inc. for the Nine Months Ended September 30, 1998 and 1999 (unaudited)

Condensed Consolidated Balance Sheets of Trump Hotels & Casino Resorts Holdings, L.P. as of December 31, 1998 and September 30, 1999 (unaudited)

Condensed Consolidated Statements of Operations of Trump Hotels & Casino Resorts Holdings, L.P. for the Three and Nine Months Ended September 30, 1998 and 1999 (unaudited)

Condensed Consolidated Statement of Partners' Capital of Trump Hotels & Casino Resorts Holdings, L.P. for the Nine Months Ended September 30, 1999 (unaudited)

Condensed Consolidated Statements of Cash Flows of Trump Hotels & Casino Resorts Holdings, L.P. for the Nine Months Ended September 30, 1998 and 1999 (unaudited)

Notes to Condensed Consolidated Financial Statements of Trump Hotels & Casino Resorts, Inc., Trump Hotels & Casino Resorts Holdings, L.P. and Trump Hotels & Casino Resorts Funding, Inc. (unaudited)

ITEM 2 -- Management's Discussion and Analysis of Financial Condition and Results of Operations

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TRUMP HOTELS & CASINO RESORTS, INC.
TRUMP HOTELS & CASINO RESORTS HOLDINGS, L.P.
AND
TRUMP HOTELS & CASINO RESORTS FUNDING, INC.

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PART I - FINANCIAL INFORMATION

ITEM 1 - FINANCIAL STATEMENTS

TRUMP HOTELS & CASINO RESORTS, INC.

CONDENSED CONSOLIDATED BALANCE SHEETS
(dollars in thousands, except share data)

ASSETS

	December 31, 1998	September 30, 1999
	(unaudited)	
CURRENT ASSETS:		
Cash and cash equivalents.....	\$ 114,757	\$ 179,611
Receivables, net.....	70,951	60,159
Inventories.....	12,804	12,848
Due from affiliates, net.....	12,774	24,230
Prepaid expenses and other current assets.....	18,679	12,942
Total Current Assets.....	229,965	289,790
INVESTMENT IN BUFFINGTON HARBOR, L.L.C.....	40,765	38,854
INVESTMENT IN TRUMP'S CASTLE PIK NOTES.....	64,137	73,067
PROPERTY AND EQUIPMENT, NET.....	1,977,609	1,865,236
CASH RESTRICTED FOR FUTURE CONSTRUCTION.....	2,523	-
DEFERRED BOND AND LOAN ISSUANCE COSTS, NET.....	37,978	32,579
DUE FROM AFFILIATES.....	15,766	3,955
OTHER ASSETS.....	59,721	62,822
Total Assets.....	\$2,428,464	\$2,366,303

LIABILITIES AND STOCKHOLDERS' EQUITY

CURRENT LIABILITIES:		
Current maturities of long-term debt.....	\$ 10,504	\$ 14,346
Accounts payable and accrued expenses.....	118,597	143,480
Accrued interest payable.....	30,379	81,316
Total Current Liabilities.....	159,480	239,142
LONG-TERM DEBT, net of current maturities.....	1,838,492	1,847,062
OTHER LONG-TERM LIABILITIES.....	18,044	24,184
Total Liabilities.....	2,016,016	2,110,388
MINORITY INTEREST.....	125,540	68,296
STOCKHOLDERS' EQUITY:		
Common Stock, \$.01 par value, 75,000,000 shares authorized, 24,206,756 issued and outstanding.....	242	242
Class B Common Stock, \$.01 par value, 1,000 shares authorized, issued and outstanding.....	-	-
Additional Paid in Capital.....	455,645	455,645
Accumulated Deficit.....	(149,444)	(248,733)
Less treasury stock, 2,011,500 shares of THCR Common Stock, at cost.....	(19,535)	(19,535)
Total Stockholders' Equity.....	286,908	187,619
Total Liabilities and Stockholders' Equity.....	\$2,428,464	\$2,366,303

The accompanying notes are an integral part of these condensed consolidated financial statements.

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<PAGE>

TRUMP HOTELS & CASINO RESORTS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 1998 AND 1999
(unaudited)
(dollars in thousands, except share data)

<TABLE>
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	Three Months Ended September 30,		Nine Months En September 30	
	1998	1999	1998	
<S>	<C>	<C>	<C>	<C>
REVENUE:				
Gaming.....	\$ 364,172	\$ 350,308	\$ 971,945	
Rooms.....	26,041	28,569	70,930	
Food and Beverage.....	40,927	40,429	110,443	
Other.....	13,132	30,902	33,556	
Gross Revenues.....	445,072	450,208	1,186,874	
Less -- Promotional allowances.....	47,685	47,136	128,578	
Net Revenues.....	397,387	403,072	1,058,296	
COSTS AND EXPENSES:				
Gaming.....	220,846	210,945	607,901	
Rooms.....	8,470	8,930	23,739	
Food and Beverage.....	13,989	14,901	38,199	
General and Administrative.....	70,536	70,213	200,548	
Depreciation and Amortization.....	21,058	21,041	62,657	
Trump World's Fair Closing Costs.....	-	128,375	-	
	334,899	454,405	933,044	
Income (loss) from operations.....	62,488	(51,333)	125,252	
NON-OPERATING INCOME AND (EXPENSES):				
Interest income.....	2,019	1,833	7,166	
Interest expense.....	(55,390)	(55,876)	(166,679)	
Other non-operating expense.....	-	(259)	(286)	
	(53,371)	(54,302)	(159,799)	
Income (Loss) before equity in loss of Buffington Harbor, L.L.C., minority interest, and cumulative effect of change in accounting principle.....	9,117	(105,635)	(34,547)	
Equity in loss of Buffington Harbor, L.L.C.....	(742)	(734)	(2,225)	
Income (Loss) before minority interest and cumulative effect of change in accounting principle.....	8,375	(106,369)	(36,772)	
Minority Interest.....	(3,063)	38,899	13,434	
Income (Loss) before cumulative effect of change in accounting principle.....	5,312	(67,470)	(23,338)	
Cumulative effect of change in accounting principle (\$5,620), net of minority interest (\$2,055).....	-	-	-	
NET INCOME (LOSS).....	\$ 5,312	\$ (67,470)	\$ (23,338)	
Basic and diluted earnings (loss) per share before cumulative effect of change in accounting principle.....	\$.24	\$(3.04)	\$(1.05)	
Cumulative effect of change in accounting principle.....	-	-	-	
Basic and diluted earnings (loss) per share.....	\$.24	\$(3.04)	\$(1.05)	
Average number of shares outstanding.....	22,195,256	22,195,256	22,206,428	

</TABLE>

The accompanying notes are an integral part of these condensed consolidated financial statements.

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<PAGE>

TRUMP HOTELS & CASINO RESORTS, INC.
CONDENSED CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 1999

(unaudited)
(dollars in thousands)

<TABLE>
<CAPTION>

	Number of Shares						Total
	Common	Class B Common	Common Stock Amount	Additional Paid in Capital	Accumulated Deficit	Treasury Stock	
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Balance, December 31, 1998...	24,206,756	1,000	\$242	\$455,645	\$(149,444)	\$(19,535)	\$286,908
Net Loss.....					(99,289)		(99,289)
Balance, September 30, 1999..	24,206,756	1,000	\$242	\$455,645	\$(248,733)	\$(19,535)	\$187,619

</TABLE>

The accompanying notes are an integral part of this condensed consolidated financial statement.

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<PAGE>

TRUMP HOTELS & CASINO RESORTS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 1998 AND 1999
(unaudited)
(dollars in thousands)

<TABLE>
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	1998	1999
CASH FLOWS FROM OPERATING ACTIVITIES:		
<S>	<C>	<C>
Net Loss.....	\$(23,338)	\$(99,289)
Adjustments to reconcile net loss to net cash flows from operating activities:		
Cumulative effect of change in accounting principle.....	-	3,565
Issuance of debt in exchange for accrued interest.....	5,612	6,418
Interest income - Castle PIK Notes.....	(7,809)	(8,930)
Equity in loss of Buffington Harbor, L.L.C.....	2,225	2,246
Depreciation and amortization.....	62,657	63,367
Minority interest in net loss.....	(13,434)	(55,189)
Accretion of discounts on mortgage notes.....	3,343	3,738
Amortization of deferred loan costs.....	5,997	5,398
Provision for losses on receivables.....	10,510	10,581
Valuation allowance of CRDA investments and amortization of Indiana gaming costs.....	6,463	7,050
Gain on disposition of property.....	-	(385)
Gain on property received upon termination of lease.....	-	(17,200)
Write-off of net book value of Trump World's Fair assets.....	-	97,682
(Increase) decrease in receivables.....	(14,022)	211
Increase in inventories.....	(453)	(44)
(Increase) decrease in other current assets.....	(5,601)	663
Decrease in due from affiliates.....	552	355
Increase in other assets.....	(9,997)	(174)
Increase in accounts payable and accrued expenses.....	9,967	24,192
Increase in accrued interest payable.....	52,622	50,937
(Decrease) increase in other long-term liabilities.....	(366)	3,364
Net cash flows provided by operating activities.....	84,928	98,556
CASH FLOWS FROM INVESTING ACTIVITIES:		
Acquisition of property and equipment, net of property received on lease termination.....	(25,772)	(18,669)
Proceeds from disposition of property.....	-	4,502
Investment in Buffington Harbor, L.L.C.....	88	(335)
CRDA Investments.....	(10,272)	(10,524)
Restricted cash.....	6,013	2,523
Net cash flows used in investing activities.....	(29,943)	(22,503)

CASH FLOWS FROM FINANCING ACTIVITIES:		
Purchase of treasury stock.....	(2,259)	-
Issuance of long-term debt.....	68,164	-
Payment of long-term debt.....	(72,992)	(11,199)
Cost of issuing debt.....	(628)	-
Net cash flows used in financing activities.....	(7,715)	(11,199)
Net increase in cash and cash equivalents.....	47,270	64,854
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD.....	140,328	114,757
CASH AND CASH EQUIVALENTS AT END OF PERIOD.....	\$187,598	\$179,611
CASH INTEREST PAID.....	\$104,710	\$106,138
Supplemental Disclosure of Non-Cash Activities:		
Purchase of property and equipment under capital lease obligations.....	\$ 2,192	\$ 12,677

</TABLE>

The accompanying notes are an integral part of these condensed consolidated financial statements.

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TRUMP HOTELS & CASINO RESORTS HOLDINGS, L.P.
CONDENSED CONSOLIDATED BALANCE SHEETS
(dollars in thousands)

ASSETS

<TABLE>
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	December 31, 1998	September 30, 1999
		(unaudited)
	<C>	<C>
<S>		
CURRENT ASSETS:		
Cash and cash equivalents.....	\$ 114,753	\$ 179,607
Receivables, net.....	70,951	60,159
Inventories.....	12,804	12,848
Due from affiliates, net.....	12,774	24,230
Prepaid expenses and other current assets..	18,679	12,942
Total Current Assets.....	229,961	289,786
INVESTMENT IN BUFFINGTON HARBOR, L.L.C.....	40,765	38,854
INVESTMENT IN TRUMP'S CASTLE PIK NOTES.....	64,137	73,067
PROPERTY AND EQUIPMENT, NET.....	1,977,609	1,865,236
CASH RESTRICTED FOR FUTURE CONSTRUCTION.....	2,523	-
DEFERRED BOND AND LOAN ISSUANCE COSTS, NET..	37,978	32,579
DUE FROM AFFILIATES.....	15,766	3,955
OTHER ASSETS.....	59,721	62,822
Total Assets.....	\$2,428,460	\$2,366,299

</TABLE>

LIABILITIES AND PARTNERS' CAPITAL

<TABLE>
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CURRENT LIABILITIES:		
<S>		
Current maturities of long-term debt.....	\$ 10,504	\$ 14,346
Accounts payable and accrued expenses.....	118,597	143,480
Accrued interest payable.....	30,379	81,316
Total Current Liabilities.....	159,480	239,142
LONG-TERM DEBT, net of current maturities..	1,838,492	1,847,062

OTHER LONG-TERM LIABILITIES.....	18,044	24,184
Total Liabilities.....	2,016,016	2,110,388
PARTNERS' CAPITAL:		
Partners' capital.....	652,503	652,503
Accumulated deficit.....	(220,524)	(377,057)
Less cost of stock of THCR.....	(19,535)	(19,535)
Total Partners' Capital.....	412,444	255,911
Total Liabilities and Partners' Capital....	\$2,428,460	\$2,366,299

</TABLE>

The accompanying notes are an integral part of these condensed consolidated financial statements.

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TRUMP HOTELS & CASINO RESORTS HOLDINGS, L.P.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 1998 AND 1999
(unaudited)
(dollars in thousands)

<TABLE>
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	Three Months Ended September 30,		Nine Months Ended September 30,	
	1998	1999	1998	1999
<S>	<C>	<C>	<C>	<C>
REVENUES:				
Gaming.....	\$364,172	\$ 350,308	\$ 971,945	\$ 972,5
Rooms.....	26,841	28,569	70,930	72,2
Food and Beverage.....	40,927	40,429	110,443	109,5
Other.....	13,132	30,902	33,556	51,4
Gross Revenues.....	445,072	450,208	1,186,874	1,205,7
Less -- Promotional allowances.....	47,695	47,136	128,578	125,5
Net Revenues.....	397,387	403,072	1,058,296	1,080,2
COSTS AND EXPENSES:				
Gaming.....	220,846	210,945	607,901	598,2
Rooms.....	8,470	8,930	23,739	26,1
Food and Beverage.....	13,989	14,901	38,199	40,1
General and Administrative.....	70,536	70,213	200,548	209,2
Depreciation and Amortization.....	21,058	21,041	62,657	63,3
Trump World's Fair Closing Costs.....	-	128,375	-	128,3
	334,899	454,405	933,044	1,065,5
Income (loss) from operations.....	62,488	(51,333)	125,252	14,6
NON-OPERATING INCOME AND (EXPENSES):				
Interest income.....	2,019	1,833	7,166	5,1
Interest expense.....	(55,390)	(55,876)	(166,679)	(166,7
Other non-operating expense.....	-	(259)	(286)	(1,7
	(53,371)	(54,302)	(159,799)	(163,3
Income (Loss) before equity in loss of Buffington Harbor, L.L.C., and cumulative effect of change in accounting principle.....	9,117	(105,635)	(34,547)	(148,6
Equity in loss of Buffington Harbor, L.L.C.....	(742)	(734)	(2,225)	(2,2
Income (Loss) before cumulative effect of change in accounting principle.....	8,375	(106,369)	(36,772)	(150,9
Cumulative effect of change in accounting				

principle.....	-	-	-	(5,6)
NET INCOME (LOSS).....	\$ 8,375	\$(106,369)	\$ (36,772)	\$ (156,533)

</TABLE>

The accompanying notes are an integral part of these condensed consolidated financial statements.

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TRUMP HOTELS & CASINO RESORTS HOLDINGS, L.P.
CONDENSED CONSOLIDATED STATEMENT OF PARTNERS' CAPITAL
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 1999
(unaudited)
(dollars in thousands)

	Partners' Capital	Accumulated Deficit	THCR Common Stock	Total
Balance, December 31, 1998	\$652,503	\$(220,524)	\$(19,535)	\$412,444
Net Loss.....		(156,533)		(156,533)
Balance, September 30, 1999	\$652,503	\$(377,057)	\$(19,535)	\$255,911

The accompanying notes are an integral part of this condensed consolidated financial statement.

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TRUMP HOTELS & CASINO RESORTS HOLDINGS, L.P.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 1998 AND 1999
(unaudited)
(dollars in thousands)

<TABLE>
<CAPTION>

	1998	1999
<S>	<C>	<C>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net Loss.....	\$(36,772)	\$(156,533)
Adjustments to reconcile net loss to net cash flows from operating activities:		
Cumulative effect of change in accounting principle.....	-	5,620
Issuance of debt in exchange for accrued interest.....	5,612	6,418
Interest income - Castle PIK Notes.....	(7,809)	(8,930)
Equity in loss of Buffington Harbor, L.L.C.....	2,225	2,246
Depreciation and amortization.....	62,657	63,367
Accretion of discounts on mortgage notes.....	3,343	3,738
Amortization of deferred loan costs.....	5,997	5,398
Provision for losses on receivables.....	10,510	10,581
Valuation allowance of CRDA investments and amortization of Indiana gaming costs.....	6,463	7,050
Gain on disposition of property.....	-	(385)
Gain on property received upon termination of lease.....	-	(17,200)
Write-off of net book value of Trump World's Fair assets.....	-	97,682
(Increase) decrease in receivables.....	(14,022)	211
Increase in inventories.....	(453)	(44)
(Increase) decrease in other current assets.....	(5,601)	663
Decrease in due from affiliates.....	552	355
Increase in other assets.....	(9,997)	(174)
Increase in accounts payable and accrued expenses.....	9,967	24,192
Increase in accrued interest payable.....	52,622	50,937

(Decrease) increase in other long-term liabilities.....	(366)	3,364
Net cash flows provided by operating activities.....	84,928	98,556
CASH FLOWS FROM INVESTING ACTIVITIES:		
Acquisition of property and equipment, net of property received on lease termination.....	(25,772)	(18,669)
Proceeds from disposition of property.....	-	4,502
Investment in Buffington Harbor, L.L.C.....	88	(335)
CRDA Investments.....	(10,272)	(10,524)
Restricted cash.....	6,013	2,523
Net cash flows used in investing activities.....	(29,943)	(22,503)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Purchase of treasury stock.....	(2,259)	-
Issuance of long-term debt.....	68,164	-
Payment of long-term debt.....	(72,992)	(11,199)
Cost of issuing debt.....	(628)	-
Net cash flows used in financing activities.....	(7,715)	(11,199)
Net increase in cash and cash equivalents.....	47,270	64,854
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD.....	140,324	114,753
CASH AND CASH EQUIVALENTS AT END OF PERIOD.....	\$187,594	\$ 179,607
CASH INTEREST PAID.....	\$104,710	\$ 106,138
Supplemental Disclosure of Non-Cash Activities:		
Purchase of property and equipment under capital lease obligations.....	\$ 2,192	\$ 12,677

</TABLE>

The accompanying notes are an integral part of these condensed consolidated financial statements.

<PAGE>

TRUMP HOTELS & CASINO RESORTS, INC.,
 TRUMP HOTELS & CASINO RESORTS HOLDINGS, L.P.
 AND
 TRUMP HOTELS & CASINO RESORTS FUNDING, INC.
 NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
 (unaudited)

(1) Organization and Operations

The accompanying condensed consolidated financial statements include those of Trump Hotels & Casino Resorts, Inc. ("THCR"), a Delaware corporation, and Trump Hotels & Casino Resorts Holdings, L.P. ("THCR Holdings"), a Delaware limited partnership, and its wholly owned subsidiaries. THCR Holdings is currently owned approximately 63.4% by THCR, as both a general and limited partner, and approximately 36.6% by Donald J. Trump ("Trump"), as a limited partner. Trump's limited partnership interest in THCR Holdings represents his economic interests in the assets and operations of THCR Holdings. Such limited partnership interest is convertible at Trump's option into 13,918,723 shares of THCR's common stock (the "THCR Common Stock") (subject to certain adjustments), representing approximately 38.5% of the outstanding shares of THCR Common Stock. Accordingly, the accompanying condensed consolidated financial statements include those of (i) THCR and its 63.4% owned subsidiary, THCR Holdings, and (ii) THCR Holdings and its wholly owned subsidiaries.

All significant intercompany balances and transactions have been eliminated in the accompanying condensed consolidated financial statements.

The accompanying condensed consolidated financial statements have been prepared without audit. In the opinion of management, all adjustments, consisting of only normal recurring adjustments necessary to present fairly the financial position, the results of operations and cash flows for the periods presented, have been made.

The accompanying condensed consolidated financial statements have been prepared pursuant to the rules and regulations of the Securities and Exchange Commission ("SEC"). 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 condensed consolidated financial statements should be read in conjunction with the consolidated financial statements and notes thereto included in the annual report on Form 10-K for the year ended December 31, 1998 filed with the SEC.

The casino industry in Atlantic City is seasonal in nature; accordingly, results of operations for the three and nine month periods ended September 30, 1999 are not necessarily indicative of the operating results for a full year.

THCR and THCR Holdings commenced operations on June 12, 1995. THCR, THCR Holdings and Trump Hotels & Casino Resorts Funding, Inc. ("THCR Funding") have no operations and their ability to service their debt is dependent on the successful operations of their wholly owned subsidiaries: Trump Atlantic City Associates ("Trump AC"), which owns Trump Taj Mahal Associates ("Taj Associates") and Trump Plaza Associates ("Plaza Associates"); Trump Indiana, Inc. ("Trump Indiana") and Trump's Castle Associates, L.P. ("Castle Associates"), which operates the Trump Marina Hotel Casino ("Trump Marina"). THCR, through THCR Holdings and its subsidiaries, is the exclusive vehicle through which Trump engages in new gaming activities in emerging or established gaming jurisdictions.

Basic and Diluted Earnings (Loss) Per Share

Basic earnings (loss) per share is based on the weighted average number of shares of THCR Common Stock outstanding. Diluted earnings (loss) per share are the same as basic earnings (loss) per share as common stock equivalents have not been included as they would be anti-dilutive. The shares of THCR's Class B Common Stock owned by Trump have no economic interest and therefore are not considered in the calculation of weighted average shares outstanding.

Reclassifications

Certain reclassifications have been made to prior year financial statements to conform to the current year presentation.

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TRUMP HOTELS & CASINO RESORTS, INC.,
 TRUMP HOTELS & CASINO RESORTS HOLDINGS, L.P.
 AND
 TRUMP HOTELS & CASINO RESORTS FUNDING, INC.
 NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
 (unaudited)

(2) Financial Information

Financial information relating to THCR Funding is as follows:

<TABLE>
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	December 31, 1998	September 30, 1999
		(unaudited)
	<C>	<C>
Total Assets (including THCR Holdings' 15 1/2% Senior Secured Notes due 2005 ("the Senior Notes") receivable of \$145,000,000 and accrued interest at December 31, 1998 and September 30, 1999).....	\$145,936,000	\$151,555,000
Total Liabilities and Capital (including \$145,000,000 of Senior Notes and accrued interest payable).....	\$145,936,000	\$151,555,000
	Nine Months Ended 1998	September 30, 1999
Interest Income from THCR Holdings.....	\$ 16,856,000	\$ 16,856,000
Interest Expense.....	\$ 16,856,000	\$ 16,856,000

Net Income..... \$ - \$ -

</TABLE>

(3) Other Assets

Plaza Associates is appealing a real estate tax assessment by the City of Atlantic City. Included in other assets is \$7,264,000 which Plaza Associates estimates will be recoverable on the settlement of the appeal.

(4) Change in Accounting Policy

On April 9, 1998, the American Institute of Certified Public Accountants ("AICPA") issued Statement of Position ("SOP") 98-5 "Reporting on the Costs of Start-Up Activities". The new standard amended previous guidance from the AICPA that permitted capitalization of start-up costs in certain industries and requires that all nongovernmental entities expense the costs of start-up activities as those costs are incurred. Under the SOP, the term "start-up" has been broadly defined to include pre-operating, pre-opening and organization activities. At adoption, a company must record a cumulative effect of a change in accounting principle to write off any unamortized start-up costs that existed as of the beginning of the fiscal year in which the SOP is adopted and an operating expense for those costs which were incurred since the beginning of the fiscal year and adoption of the SOP.

THCR adopted the new standard in the first quarter of 1999. Had THCR adopted the new standard as of September 30, 1998, the net loss of \$23,338,000 for the nine months ended September 30, 1998 would have increased by \$1,091,000 for the effect of the write-off of nine months capitalized costs. The corresponding earnings per share effect would increase the net loss per share as reported of \$1.05 by \$.05 for the write-off of nine months capitalized costs to an adjusted loss per share of \$1.10 for the nine months ended September 30, 1998.

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TRUMP HOTELS & CASINO RESORTS, INC.,
 TRUMP HOTELS & CASINO RESORTS HOLDINGS, L.P.
 AND
 TRUMP HOTELS & CASINO RESORTS FUNDING, INC.
 NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
 (unaudited)

(5) Flamingo Hilton Riverboat Casino, L.P. ("Flamingo-Kansas City")

The January 13, 1999 agreement entered into by THCR Holdings with Hilton Hotels Corporation and Flamingo Kansas City to acquire a riverboat casino facility and related assets and rights located in Kansas City, Missouri expired in accordance with its terms on August 31, 1999.

(6) All Star Cafe Transaction

All Star Cafe, Inc. ("All Star") had entered into a twenty-year lease (the "All Star Cafe Lease") with Taj Associates for the lease of space at the Trump Taj Mahal Casino Resort (the "Taj Mahal") for an All Star Cafe. The basic rent under the All Star Cafe Lease was \$1.0 million per year, paid in equal monthly installments. In addition, All Star was to pay percentage rent in an amount equal to the difference, if any, between (i) 8% of All Star's gross sales made during each calendar month during the first lease year, 9% of All Star's gross sales made during each calendar month during the second lease year and 10% of All Star's gross sales made during each calendar month during the third through the twentieth lease years, and (ii) one-twelfth of the annual basic rent. The All Star Cafe opened in March 1997.

On September 15, 1999, an agreement was reached between Taj Associates, All Star and Planet Hollywood International, Inc. to terminate the All Star Cafe Lease effective September 24, 1999. Upon termination of the All Star Cafe Lease, all improvements, alterations and All Star's personal property with the exception of Specialty Trade Fixtures became the property of Taj Associates. Specialty Trade Fixtures, which included signs, emblems, logos, memorabilia and other material with logos of the Official All Star Cafe presently displayed at the premises, could be continued to be used by Taj Associates for a period of up to 120 days without charge. Taj Associates recorded the estimated fair market value of these assets in other revenue based on an independent appraisal in the amount of \$17,200,000.

Subsequent to the expiration of the 120 day period, Taj Associates intends

to continue operating the facility as a theme restaurant tentatively to be named Trump City Cafe.

(7) Trump World's Fair Closing

On October 4, 1999, THCR closed Trump World's Fair. The estimated cost of closing Trump World's Fair is \$128,375,000 which includes \$97,682,000 for the writedown of the assets and \$30,693,000 of costs incurred and to be incurred in connection with the closing and demolition of the building.

(8) Sale of Assets

THCR is continuing its efforts to sell one or more of its properties with the intention of reducing THCR Holdings' indebtedness. Currently, THCR is in discussions with potential buyers. There can be no assurance that any transaction will be completed.

(9) Purchase of Treasury Stock

THCR has decided to extend its stock repurchase program until the end of 2000 when and to the extent permissible.

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ITEM 2--MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Capital Resources and Liquidity

Cash flows from operating activities are THCR's principal source of liquidity. THCR expects to have sufficient liquidity to meet its obligations and intends to reduce debt by buying back bonds in the open market, when permissible. Cash flow is managed based upon the seasonality of the operations. Any excess cash flow achieved from operations during peak periods is utilized to subsidize non-peak periods where necessary.

THCR is continuing its efforts to sell one or more of its properties with the intention of reducing THCR Holdings' indebtedness. Currently, THCR is in discussions with potential buyers. There can be no assurance that any transaction will be completed.

THCR has decided to extend its stock repurchase program until the end of 2000 when and to the extent permissible.

The indenture governing the Senior Notes (the "Senior Note Indenture") as well as indentures of THCR Holdings' subsidiaries restrict the ability of THCR Holdings and its subsidiaries to make distributions to partners or pay dividends, as the case may be, unless certain financial ratios are achieved. Further, THCR's future operating results are conditional and could fluctuate, given the rapidly changing competitive environment.

In addition, the ability of Plaza Associates, Taj Associates and Castle Associates to make payments of dividends or distributions to THCR Holdings may be restricted by the New Jersey Casino Control Commission ("CCC"). Similarly, the ability of Trump Indiana to make payments of dividends or distributions to THCR Holdings may be restricted by the Indiana Gaming Commission.

Capital expenditures for THCR were \$25,772,000 and \$18,669,000 for the nine months ended September 30, 1998 and 1999, respectively.

Year 2000

THCR has assessed the Year 2000 issue and has implemented a plan to ensure its systems are Year 2000 compliant. Analysis has been made of THCR's various customer support and internal administration systems and appropriate modifications have been made or are underway. Testing the modifications is expected to be completed during 1999. THCR is approximately 98% complete in its modifications.

THCR believes that the issues of concern are predominantly software related as opposed to hardware related. Further, THCR relies upon third party suppliers for support of property, plant and equipment, such as communications equipment, elevators and fire safety systems. Contact has been made with all significant system suppliers and THCR is at various stages of implementation. When necessary, contracts have been issued to update these systems so as to ensure Year 2000 compliance. The cost of addressing the Year 2000 issue is not expected to be material as modifications are being made with existing systems personnel and no significant expenditures for new hardware or software are expected.

If THCR did not assess the Year 2000 issue and provide for its compliance, it would be forced to convert to manual systems to carry on its business. Since THCR expects to be fully Year 2000 compliant, it does not feel that a contingency plan is necessary at this time. However, THCR will continually assess the situation and evaluate whether a contingency plan is necessary as the millennium approaches.

This Year 2000 disclosure constitutes Year 2000 readiness disclosure within the meaning of the Year 2000 Information and Readiness Disclosure Act.

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Results of Operations: Operating Revenues and Expenses

All business activities of THCR and THCR Holdings are conducted by Plaza Associates, Taj Associates, Trump Marina and Trump Indiana.

Comparison of Three-Month Periods Ended September 30, 1998 and 1999. The following tables include selected data of Plaza Associates, Taj Associates, Trump Indiana and Trump Marina.

<TABLE>

<CAPTION>

	Three Months Ended September 30, 1998				
	Plaza Associates	Taj Associates	Trump Indiana	Trump Marina	THCR Consolidate
<S>	<C>	<C>	<C>	<C>	<C>
	(dollars in millions)				
Table Game Revenues.....	\$ 27.9	\$ 60.1	\$ 8.5	\$ 20.8	\$ 117.
Table Game Drop.....	\$177.9	\$ 328.5	\$ 54.9	\$132.7	\$ 694.
Table Win Percentage.....	15.7%	18.3%	15.4%	15.7%	16.
Number of Table Games.....	101	156	60	91	40
Slot Revenues.....	\$ 75.8	\$ 82.5	\$ 29.7	\$ 52.5	\$ 240.
Slot Handle.....	\$929.4	\$1,011.6	\$457.3	\$650.0	\$3,048.
Slot Win Percentage.....	8.2%	8.2%	6.5%	8.1%	7.
Number of Slot Machines.....	4,204	4,136	1,375	2,170	11,88
Other Gaming Revenues.....	N/A	\$ 5.4	N/A	\$ 1.0	\$ 6.
Total Gaming Revenues.....	\$103.7	\$ 148.0	\$ 38.2	\$ 74.3	\$ 364.

	Three Months Ended September 30, 1999				
	Plaza Associates	Taj Associates	Trump Indiana	Trump Marina	THCR Consolidat
<S>	<C>	<C>	<C>	<C>	<C>
	(dollars in millions)				
Table Game Revenues.....	\$ 31.2	\$ 40.8	\$ 6.9	\$ 20.4	\$ 99.
Incr (Decr) over prior period.....	\$ 3.3	\$ (19.3)	\$ (1.6)	\$ (0.4)	\$ (18.
Table Game Drop.....	\$177.7	\$ 283.2	\$ 42.5	\$134.8	\$ 638.
Incr (Decr) over prior period.....	\$ (0.2)	\$ (45.3)	\$ (12.4)	\$ 2.1	\$ (55.
Table Win Percentage.....	17.6 %	14.4%	16.1%	15.1%	15.6
Incr (Decr) over prior period.....	1.9 pts.	(3.9) pts.	0.7 pts.	(0.6) pts.	(1.3) pt
Number of Table Games.....	94	149	50	85	37
Decrease over prior period.....	(7)	(7)	(10)	(6)	(3)
Slot Revenues.....	\$ 73.7	\$ 89.6	\$ 26.8	\$ 54.3	\$ 244.
Incr (Decr) over prior period.....	\$ (2.1)	\$ 7.1	\$ (2.9)	\$ 1.8	\$ 3.
Slot Handle.....	\$923.7	\$1,106.8	\$397.0	\$700.3	\$3,127.
Incr (Decr) over prior period.....	\$ (5.7)	\$ 95.2	\$ (60.3)	\$ 50.3	\$ 79.
Slot Win Percentage.....	8.0 %	8.1 %	6.7 %	7.8 %	7.8
Incr (Decr) over prior period.....	(0.2) pts.	(0.1) pts.	0.2 pts.	(0.3) pts.	(0.1) pt
Number of Slot Machines.....	4,186	4,419	1,300	2,123	12,02
Incr (Decr) over prior period.....	(18)	283	(75)	(47)	14
Other Gaming Revenues.....	N/A	\$ 6.0	N/A	\$ 0.6	\$ 6.
Incr (Decr) over prior period.....	N/A	\$ 0.6	N/A	\$ (0.4)	\$ 0.
Total Gaming Revenues.....	\$104.9	\$ 136.4	\$ 33.7	\$ 75.3	\$ 350.
Incr (Decr) over prior period.....	\$ 1.2	\$ (11.6)	\$ (4.5)	\$ 1.0	\$ (13.

</TABLE>

Gaming revenues are the primary source of THCR's revenues. The year over year decrease in gaming revenues was due primarily to a decrease in table game revenues at the Taj Mahal as a result of a decline in high-end international table game players due to economic conditions. Taj Associates' table game revenues declined \$19,252,000 or 32.0% from the comparable period in 1998 as a result of a decline in both the table game drop of \$45,302,000 or 13.8% and a decline in the table win percentage to 14.4% from 18.3% in the comparable period in 1998. The table win percentage decline resulted in a year over year reduction in table game revenues of approximately \$11,043,000 of the

\$19,252,000 decline. Table games revenues represent the amount retained by THCR from amounts wagered at table games. The table win percentage tends to be fairly constant over the long term, but may vary significantly in the short term, due to large wagers by "high rollers". The Atlantic City industry table win percentages were 15.5% and 14.9% for the quarters ended September 30, 1998 and 1999, respectively.

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All Star Cafe, Inc. ("All Star") had entered into a twenty-year lease with Taj Associates for the lease of space at the Taj Mahal for an All Star Cafe. The basic rent under the All Star Cafe Lease was \$1.0 million per year, paid in equal monthly installments. In addition, All Star was to pay percentage rent in an amount equal to the difference, if any, between (i) 8% of All Star's gross sales made during each calendar month during the first lease year, 9% of All Star's gross sales made during each calendar month during the second lease year and 10% of All Star's gross sales made during each calendar month during the third through the twentieth lease years, and (ii) one-twelfth of the annual basic rent. The All Star Cafe opened in March 1997.

On September 15, 1999, an agreement was reached between Taj Associates, All Star and Planet Hollywood International, Inc. to terminate the All Star Cafe Lease effective September 24, 1999. Upon termination of the All Star Cafe Lease, all improvements, alterations and All Star's personal property with the exception of Specialty Trade Fixtures became the property of Taj Associates. Specialty Trade Fixtures, which included signs, emblems, logos, memorabilia and other material with logos of the Official All Star Cafe presently displayed at the premises, could be continued to be used by Taj Associates for a period of up to 120 days without charge. Taj Associates recorded the estimated fair market value of these assets in other revenue based on an independent appraisal in the amount of \$17,200,000.

Subsequent to the expiration of the 120 day period, Taj Associates intends to continue operating the facility as a theme restaurant tentatively to be named Trump City Cafe.

Gaming expenses were \$210,945,000 for the three months ended September 30, 1999, a decrease of \$9,901,000 or 4.5% from \$220,846,000 for the comparable period in 1998. This decrease is primarily the result of lower coin, promotional and regulatory costs.

On October 4, 1999, THCR closed Trump World's Fair. The estimated cost of closing Trump World's Fair is \$128,375,000 which includes \$97,682,000 for the writedown of the assets and \$30,693,000 of costs incurred and to be incurred in connection with the closing and demolition of the building.

Comparison of Nine-Month Periods Ended September 30, 1998 and 1999. The following tables include selected data of Plaza Associates, Taj Associates, Trump Indiana and Trump Marina.

<TABLE>
<CAPTION>

	Nine Months Ended September 30, 1998				
	Plaza Associates	Taj Associates	Trump Indiana	Trump Marina	THCR Consolidated
<S>	<C>	<C>	<C>	<C>	<C>
	(dollars in millions)				
Table Game Revenues.....	\$ 76.3	\$ 149.3	\$ 25.7	\$ 53.6	\$ 304.9
Table Game Drop.....	\$ 485.6	\$ 903.0	\$ 161.9	\$ 345.3	\$1,895.8
Table Win Percentage.....	15.7%	16.5%	15.9%	15.5%	16.1
Number of Table Games.....	110	155	60	92	417
Slot Revenues.....	\$ 207.6	\$ 224.5	\$ 75.6	\$ 142.9	\$ 650.6
Slot Handle.....	\$2,562.3	\$2,742.6	\$1,186.1	\$1,763.5	\$8,254.5
Slot Win Percentage.....	8.1%	8.2%	6.4%	8.1%	7.9
Number of Slot Machines.....	4,124	4,137	1,375	2,163	11,739
Other Gaming Revenues.....	N/A	\$ 14.6	N/A	\$ 1.8	\$ 16.4
Total Gaming Revenues.....	\$ 293.9	\$ 388.4	\$ 101.3	\$ 198.3	\$ 971.9
	Nine Months Ended September 30, 1999				
	Plaza Associates	Taj Associates	Trump Indiana	Trump Marina	THCR Consolidated
	(dollars in millions)				
Table Game Revenues.....	\$ 76.0	\$ 124.4	\$ 23.3	\$ 55.4	\$ 279.1
Incr (Decr) over prior period.....	\$ (0.3)	\$ (24.9)	\$ (2.4)	\$ 1.8	\$ (25.8)

Table Game Drop.....	\$ 471.7	\$ 787.4	\$ 140.7	\$ 362.1	\$ 1,761.9
Incr (Decr) over prior period.....	\$ (13.9)	\$ (115.6)	\$ (21.2)	\$ 16.8	\$ (133.9)
Table Win Percentage.....	16.1%	15.8%	16.6%	15.3%	15.8
Incr (Decr) over prior period.....	0.4 pts.	(0.7) pts.	0.7 pts.	(0.2) pts.	(0.3) pts
Number of Table Games.....	99	148	50	87	384
Decrease over prior period.....	(11)	(7)	(10)	(5)	(33)
Slot Revenues.....	\$ 205.1	\$ 240.2	\$ 81.5	\$ 148.4	\$ 675.2
Incr (Decr) over prior period.....	\$ (2.5)	\$ 15.7	\$ 5.9	\$ 5.5	\$ 24.6
Slot Handle.....	\$2,579.1	\$3,004.7	\$1,256.6	\$1,878.9	\$8,719.3
Increase over prior period.....	\$ 16.8	\$ 262.1	\$ 70.5	\$ 115.4	\$ 464.8
Slot Win Percentage.....	8.0 %	8.0 %	6.5 %	7.9 %	7.7
Incr (Decr) over prior period.....	(0.1) pts.	(0.2) pts.	0.1 pts.	(0.2) pts.	(0.2) pts
Number of Slot Machines.....	4,202	4,278	1,300	2,145	11,925
Incr (Decr) over prior period.....	78	141	(75)	(18)	126
Other Gaming Revenues.....	N/A	\$ 16.5	N/A	\$ 1.7	\$ 18.2
Incr (Decr) over prior period.....	N/A	\$ 1.9	N/A	\$ (0.1)	\$ 1.8
Total Gaming Revenues.....	\$ 281.1	\$ 381.1	\$ 104.8	\$ 205.5	\$ 972.5
Incr (Decr) over prior period.....	\$ (2.8)	\$ (7.3)	\$ 3.5	\$ 7.2	\$ 0.6

</TABLE>

Gaming revenues are the primary source of THCR's revenues. The year over year decrease in gaming revenues was due primarily to a decrease in table game revenues at the Taj Mahal as a result of a decline in high-end

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international table game players due to economic conditions and last year results which included an unusual \$8 million dollar table game win from one premium player. Taj Associates' table game revenue declined \$24,899,000 or 16.7% from the comparable period in 1998 as a result of a decline in both the table game drop of \$115,633,000 or 12.8% and a decline in the table win percentage to 15.8% from 16.5% in the comparable period in 1998. The table win percentage decline resulted in a year over year reduction in table game revenues of approximately \$5,912,000 of the \$24,899,000 decline. Table games revenues represent the amount retained by THCR from amounts wagered at table games. The table win percentage tends to be fairly constant over the long term, but may vary significantly in the short term, due to large wagers by "high rollers". The Atlantic City industry table win percentages were 15.3 % and 15.4% for the nine months ended September 30, 1998 and 1999, respectively.

All Star Cafe, Inc. ("All Star") had entered into a twenty-year lease with Taj Associates for the lease of space at the Taj Mahal for an All Star Cafe. The basic rent under the All Star Cafe Lease was \$1.0 million per year, paid in equal monthly installments. In addition, All Star was to pay percentage rent in an amount equal to the difference, if any, between (i) 8% of All Star's gross sales made during each calendar month during the first lease year, 9% of All Star's gross sales made during each calendar month during the second lease year and 10% of All Star's gross sales made during each calendar month during the third through the twentieth lease years, and (ii) one-twelfth of the annual basic rent. The All Star Cafe opened in March 1997.

On September 15, 1999, an agreement was reached between Taj Associates, All Star and Planet Hollywood International, Inc. to terminate the All Star Cafe Lease effective September 24, 1999. Upon termination of the All Star Cafe Lease, all improvements, alterations and All Star's personal property with the exception of Specialty Trade Fixtures became the property of Taj Associates. Specialty Trade Fixtures, which included signs, emblems, logos, memorabilia and other material with logos of the Official All Star Cafe presently displayed at the premises, could be continued to be used by Taj Associates for a period of up to 120 days without charge. Taj Associates recorded the estimated fair market value of these assets in other revenue based on an independent appraisal in the amount of \$17,200,000.

Subsequent to the expiration of the 120 day period, Taj Associates intends to continue operating the facility as a theme restaurant tentatively to be named Trump City Cafe.

Gaming expenses were \$598,238,000 for the nine months ended September 30, 1999, a decrease of \$9,663,000 or 1.6% from \$607,901,000 for the comparable period in 1998. This decrease is primarily due to lower promotional costs in 1999.

General and administrative expenses were \$209,212,000 for the nine months ended September 30, 1999, an increase of \$8,664,000 or 4.3% from \$200,548,000 for the comparable period in 1998. This increase is primarily the result of higher entertainment and insurance costs at the Atlantic City properties and increases in corporate development costs which were deferred prior to 1999.

On October 4, 1999, THCR closed Trump World's Fair. The estimated cost of closing Trump World's Fair is \$128,375,000 which includes \$97,682,000 for the writedown of the assets and \$30,693,000 of costs incurred and to be incurred in connection with the closing and demolition of the building.

Non-operating expense includes the \$1,334,000 jury settlement awarded on March 3, 1999 to residents of Indiana who had asserted claims to ownership of 7.5% of the value of Trump Indiana.

Seasonality

The casino industry in Atlantic City and Indiana is seasonal in nature; accordingly, the results of operations for the three and nine month periods ending September 30, 1999 are not necessarily indicative of the operating results for a full year.

Important Factors Relating to Forward-Looking Statements

The Private Securities Litigation Reform Act of 1995 provides a "safe harbor" for forward-looking statements so long as those statements are identified as forward-looking and are accompanied by meaningful cautionary statements identifying important factors that could cause actual results to differ materially from those projected in such statements. In connection with certain forward-looking statements contained in this Quarterly Report on Form 10-Q and those that may be made in the future by or on behalf of the Registrants, the Registrants note that there are various factors that could cause actual results to differ materially from those set forth in any such forward-looking statements. The forward-looking statements contained in this Quarterly Report were prepared by management and are qualified by, and subject to, significant business, economic, competitive, regulatory and other uncertainties and contingencies, all of which are difficult or impossible to predict and many of which are beyond the control of the Registrants. Accordingly, there can be no assurance that the forward-looking statements contained in this Quarterly Report will be realized or that actual results will not be significantly higher or lower. The statements have not been audited by, examined by, compiled by or subjected to agreed-upon procedures by independent accountants, and no third-party has independently verified or reviewed such statements. Readers of this Quarterly Report should consider these facts in evaluating the information contained herein. In addition, the business and operations of the Registrants are subject to substantial risks which increase the uncertainty inherent in the forward-looking statements contained in this Quarterly Report. The inclusion of the forward-looking statements contained in this Quarterly Report should not be regarded as a representation by the Registrant or any other person that the forward-looking statements contained in the Quarterly Report will be achieved. In light of the foregoing, readers of this Quarterly Report are cautioned not to place undue reliance on the forward-looking statements contained herein.

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ITEM 3-- QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Management has reviewed the disclosure requirements for Item 3 and, based upon THCR, THCR Funding and THCR Holdings' current capital structure, scope of operations and financial statement structure, management believes that such disclosure is not warranted at this time. Since conditions may change, THCR, THCR Funding and THCR Holdings will periodically review their compliance with this disclosure requirement to the extent applicable.

PART II -- OTHER INFORMATION

ITEM 1 -- LEGAL PROCEEDINGS

General. THCR and certain of its employees have been involved in various legal proceedings. Such persons are vigorously defending the allegations against them and intend to contest vigorously any future proceedings. In general, THCR has agreed to indemnify such persons against any and all losses, claims, damages, expenses (including reasonable costs, disbursements and counsel fees) and liabilities (including amounts paid or incurred in satisfaction of settlements, judgments, fines and penalties) incurred by them in said legal proceedings.

Steiner Action. On or about July 30, 1999, William K. Steiner, a stockholder of THCR, filed a derivative action in the Court of Chancery in Delaware (Civil Action No. 17336NC) against each member of the Board of Directors of THCR. The plaintiff claims that the directors breached their fiduciary duties by approving certain loans from THCR to Trump. The complaint seeks to rescind the loans, and also seeks an order requiring the defendants to account to THCR for losses and damages allegedly resulting from the loans. The defendants believe that the suit is without merit and on October 1, 1999,

defendants moved to dismiss the complaint. The parties have not yet established a briefing schedule with respect to the motions.

Various other legal proceedings are now pending against THCR. Except as set forth herein and in THCR's Annual Report on Form 10-K for the year ended December 31, 1998, THCR considers all such proceedings to be ordinary litigation incident to the character of its business and not material to its business or financial condition. THCR believes that the resolution of these claims, to the extent not covered by insurance, will not, individually or in the aggregate, have a material adverse effect on its financial condition or results of operations of THCR.

From time to time, Plaza Associates, Taj Associates, Castle Associates and Trump Indiana may be involved in routine administrative proceedings involving alleged violations of certain provisions of the New Jersey Casino Control Act (the "Casino Control Act") and the Indiana Riverboat Gambling Act, as the case may be. However, management believes that the final outcome of these proceedings will not, either individually or in the aggregate, have a material adverse effect on THCR or on the ability of Plaza Associates, Taj Associates, Castle Associates or Trump Indiana to otherwise retain or renew any casino or other licenses required under the Casino Control Act or the Indiana Riverboat Gambling Act, as the case may be, for the operation of Trump Plaza, the Trump Taj Mahal, Trump Marina and the Trump Indiana Riverboat, respectively.

ITEM 2 -- CHANGES IN SECURITIES AND USE OF PROCEEDS
None.

ITEM 3 -- DEFAULTS UPON SENIOR SECURITIES
None.

ITEM 4 -- SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

At the 1999 Annual Meeting of shareholders on August 27, 1999, the stockholders of THCR voted on the following two proposals:

Proposal 1. The stockholders of THCR re-elected each of the Directors of THCR. The number of votes cast for each of the nominees were are follows:

<TABLE>
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	Common Stock	
	For	Withheld
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Donald J. Trump....	33,914,960	715,157
Nicholas L. Ribis..	34,129,283	500,834
Wallace B. Askins..	34,193,801	436,316
Don M. Thomas.....	34,191,811	438,306
Peter M. Ryan.....	34,194,386	435,731

</TABLE>

All 1,000 shares of Class B Common Stock were voted in favor of Proposal 1.

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Proposal 2. The appointment of Arthur Andersen LLP as the independent public accountants of THCR for the fiscal year ending December 31, 1999 was ratified by a vote of 34,322,114 shares of Common Stock for, and 158,964 shares against, with 149,039 shares abstaining. All 1,000 shares of Class B Common Stock were voted in favor of Proposal 2.

ITEM 5 -- OTHER INFORMATION
None.

ITEM 6 -- EXHIBITS AND REPORTS ON FORM 8-K

a. Exhibits:

<TABLE>
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Exhibit No.	Description of Exhibit
<S>	<C>
27.1(1)	Financial Data Schedule of Trump Hotels & Casino Resorts, Inc.
27.2(2)	Financial Data Schedule of Trump Hotels & Casino Resorts Holdings, L.P.
27.3(2)	Financial Data Schedule of Trump Hotels & Casino Resorts Funding, Inc.

</TABLE>

- (1) Filed only with the Quarterly Report on Form 10-Q of THCR for the quarter ended September 30, 1999.
- (2) Filed only with the Quarterly Report on Form 10-Q of THCR Holdings and THCR Funding for the quarter ended September 30, 1999.

b. Current Reports on Form 8-K:

The Registrants did not file any Current Reports on Form 8-K during the period beginning July 1, 1999 ending September 30, 1999.

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

TRUMP HOTELS & CASINO RESORTS, INC.
(Registrant)

Date: November 4, 1999

By: /s/ FRANCIS X. MCCARTHY, JR.

Francis X. McCarthy, Jr.
Executive Vice President of Finance and
Chief Financial Officer
(Duly Authorized Officer and Principal
Financial Officer)

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<PAGE>

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

TRUMP HOTELS & CASINO RESORTS HOLDINGS, L.P.
(Registrant)

Date: November 4, 1999

By: Trump Hotels & Casino Resorts, Inc.,
its general partner

By: /s/ FRANCIS X. MCCARTHY, JR.

Francis X. McCarthy, Jr.
Executive Vice President of Finance and
Chief Financial Officer
(Duly Authorized Officer and
Principal Financial Officer)

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<PAGE>

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

TRUMP HOTELS & CASINO RESORTS FUNDING, INC.
(Registrant)

Date: November 4, 1999

By: /s/ FRANCIS X. MCCARTHY, JR.

Francis X. McCarthy, Jr.
Executive Vice President of Finance and
Chief Financial Officer

(Duly Authorized Officer and Principal
Financial Officer)

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Business Wire

July 12, 1999, Monday

DISTRIBUTION: Business Editors

LENGTH: 4594 words

HEADLINE: Trump Hotels & Casino Resorts Second Quarter EBITDA Increased to \$73.2 Million vs. \$64.6 Million in 1998

DATELINE: NEW YORK

BODY:

July 12, 1999--Trump Hotels & Casino Resorts, Inc. (NYSE: DJT) announced today that for the second quarter ended June 30, 1999, consolidated net revenues were \$361.5 million, compared to \$344.3 million reported for the same period in 1998 (+5%). THCR's EBITDA (earnings before interest, taxes, depreciation, amortization and corporate expenses) for the quarter was \$73.2 million versus \$64.6 million reported in the prior year's second quarter (+13.4%). The net loss was reduced to \$6.5 million or \$0.29 per share, compared to a net loss of \$11.0 million, or \$0.49 per share in the 1998 quarter. Commented Chairman Donald J. Trump: "The company not only improved all of its operating results and its operating margins, but its cash position improved dramatically. The company will continue to accumulate additional cash reserves for the reduction of its outstanding debt over the next 12 to 18 months." "I am extremely pleased with the operating results at all of our properties for the quarter," continued Nicholas L. Ribis, President and Chief Executive Officer. "Our increase in EBITDA and related operating margins reflect the strength of the company and the success of our stringent cost control efforts coupled with management initiatives, which continue to focus on attracting new patrons while maintaining existing customer relationships." In the second quarter operating margins improved at all properties: Taj Mahal 21.6% to 22.8%; Trump Plaza 18.3% to 19.2%; Trump Marina 16.8% to 18.2% and Trump Indiana 12.6% to 16.7%. "The properties continue to operate at levels which we expect will help the Company meet or exceed its 1999 operating profit targets, while at the same time allowing us to focus on other corporate initiatives currently underway which we anticipate will positively impact the company's profitability," Ribis continued.

Trump Taj Mahal Associates reported net revenues of \$144.7 million and EBITDA of \$33.0 million for the 1999 second quarter ended June 30. Net revenues for the 1998 second quarter were \$139.1 million and EBITDA was \$30.0 million. Trump Plaza Associates reported net revenues of \$104.3 million and EBITDA of \$20.1 million for the 1999 second quarter ended June 30. Net revenues for the 1998 second quarter were \$102.4 million and EBITDA was \$18.7 million. Trump Marina reported net revenues of \$75.7 million and EBITDA of \$13.8 million for the 1999 second quarter ended June 30. Net revenues for the 1998 second quarter were \$67.0 million and EBITDA was \$11.3 million. Trump Indiana reported net revenues of \$36.7 million and EBITDA of \$6.1 million for the 1999 second quarter ended June 30. Net revenues for the 1998 second quarter were \$35.9 million and EBITDA was \$4.5 million. "A new 1,500-car garage will be under construction shortly which will add to the property's first-class accommodations already found in our 300 room hotel and which will continue to draw guests to the property and continue its dynamic growth," added Ribis. Trump Atlantic City Associates reported combined net revenues of Trump Plaza and Trump Taj Mahal for the 1999 second quarter of \$249.0 million versus \$241.4 million for the 1998 second quarter. EBITDA was \$53.3 million compared to EBITDA of \$48.8 million for the same period of 1998. "Atlantic City has again proved itself to be a premier entertainment destination -- with positive year-over-year total win comparisons highlighted most recently by the largest month of June and June year-to-date casino win in the history of the City -- yet the city still has not achieved its full potential. As Atlantic City's leading operator, we naturally benefit from the success of this market and Atlantic City's even brighter future certainly bodes well for our company," said Ribis. THCR's Atlantic City properties were recently granted four-year license renewals (the maximum allowable) by unanimous vote of the Casino Control Commission. "We are pleased that the Commission recently granted our four-year relicensure," said Ribis. "We certainly appreciate the faith that the regulators have expressed in the financial stability of the company, both today and going forward." "The operating results for this quarter continue to validate what I have been saying all along -- that this Company is much stronger and achieving much greater operating results in 1999 than it did when the stock was trading at \$35 in

Business Wire, July 12, 1999

1996," concluded Trump. Trump Hotels & Casino Resorts, Inc. owns and operates Trump Plaza Hotel & Casino, Trump Taj Mahal Casino Resort and Trump Marina Hotel Casino in Atlantic City, NJ, as well as Trump Indiana, the riverboat casino at Buffington Harbor, Indiana on Lake Michigan. It is the exclusive vehicle through which Trump will engage in new gaming activities in both emerging and established gaming jurisdictions in both the United States and abroad.

Editor's Note: Statistical Summary Tables to Follow.

TRUMP HOTELS & CASINO RESORTS, INC.
Condensed Consolidated Statements of
Operations
(Unaudited)
(In thousands, except share data)

3 MONTHS
30-Jun-99 30-Jun-98

REVENUES			
CASINO	\$ 330,438	\$ 315,440	
ROOMS	24,121	23,613	
FOOD & BEVERAGE		36,858	35,845
OTHER	11,291	10,751	
PROMOTIONAL ALLOWANCES		-41,256	-41,333
NET REVENUES	\$ 361,452	\$ 344,316	
COSTS & EXPENSES			
GAMING	\$ 204,242	\$ 199,998	
ROOMS	9,105	8,161	
FOOD & BEVERAGE		12,780	13,446
GENERAL & ADMIN		62,130	58,146
TOTAL EXPENSES	\$ 288,257	\$ 279,751	
EBITDA	\$ 73,195	\$ 64,565	
CRDA/INDIANA STATE & MUNIC OBLIG.		\$ 2,447	\$ 2,084
DEPRECIATION & AMORTIZATION		21,972	21,535
INTEREST INCOME	-1,671	-2,038	
INTEREST EXPENSE	55,376	55,667	
CORPORATE EXPENSES		4,139	4,248
DEVELOPMENT COSTS		1,080	391
OTHER NON OPER EXPENSE		153	-11
TOTAL NON-OPERATING EXPENSE, NET		\$ 83,496	\$ 81,876
LOSS BEFORE MINORITY INTEREST		-\$ 10,301	-\$ 17,311
MINORITY INTEREST		3,767	6,331
NET LOSS	-\$ 6,534	-\$ 10,980	
WEIGHTED AVERAGE NO. SHARES		22,195,256	22,195,256
BASIC AND DILUTED LOSS PER SHARE		-\$ 0.29	-\$ 0.49

Note: Certain prior year reclassifications have been made to

Business Wire, July 12, 1999

conform to current year presentation.
 TRUMP TAJ MAHAL ASSOCIATES
 Condensed Statements of Operations
 (Unaudited)

(In thousands, except statistical information)

	3 MONTHS		
	30-Jun-99	30-Jun-98	
REVENUES			
CASINO	\$ 131,855	\$ 125,923	
No. of Slots	4,245	4,130	
Win per Slot/Day	\$ 211	\$ 196	
Slot Win	\$ 81,548	\$ 73,666	
No. of Tables	148	153	
Win per Table/Day	\$ 3,329	\$ 3,421	
Table Win	\$ 44,829	\$ 47,635	
Table Drop	\$ 269,683	\$ 299,903	
Hold %	16.6%	15.9%	
Poker, Keno, Race Win	\$ 5,478	\$ 4,622	
ROOMS	\$ 9,986	\$ 10,825	
No. of Rooms Sold	109,398	102,967	
Avg Room Rates	\$ 91.28	\$ 105.13	
Occupancy %	96.2%	90.5%	
FOOD & BEVERAGE	\$ 13,548	\$ 13,820	
OTHER	5,187	4,929	
PROMOTIONAL ALLOWANCES		-15,845	-16,444
NET REVENUES	\$ 144,731	\$ 139,053	
COSTS & EXPENSES			
GAMING	\$ 79,634	\$ 79,687	
ROOMS	4,289	3,726	
FOOD & BEVERAGE	4,971	4,850	
GENERAL & ADMIN	22,833	20,747	
TOTAL EXPENSES	\$ 111,727	\$ 109,010	
EBITDA (1)	\$ 33,004	\$ 30,043	

Note: EBITDA reflects earnings before depreciation, interest, taxes and CRDA write-down.

TRUMP PLAZA ASSOCIATES
 Condensed Statements of Operations
 (Unaudited)

(In thousands, except statistical information)

	3 MONTHS	
	30-Jun-99	30-Jun-98
REVENUES		
CASINO	\$ 93,898	\$ 92,972

Business Wire, July 12, 1999

No. of Slots	4,223	4,092	
Win per Slot/Day	\$ 186	\$ 187	
Slot Win	\$ 70,738	\$ 69,480	
No. of Tables	100	111	
Win per Table/Day	\$ 2,573	\$ 2,326	
Table Win	\$ 23,160	\$ 23,492	
Table Drop	\$ 153,855	\$ 156,155	
Hold %	15.1%	15.0%	
ROOMS	\$ 9,591	\$ 8,884	
No. of Rooms Sold	117,956	112,853	
Room Rates	\$ 81.26	\$ 78.72	
Occupancy %	92.3%	88.3%	
FOOD & BEVERAGE	\$ 13,592	\$ 13,535	
OTHER	2,743	2,726	
PROMOTIONAL ALLOWANCES		-15,513	-15,732
NET REVENUES	\$ 104,311	\$ 102,385	
COSTS & EXPENSES			
GAMING	\$ 57,777	\$ 56,468	
ROOMS	3,399	3,504	
FOOD & BEVERAGE	4,248	5,256	
GENERAL & ADMIN	18,821	18,429	
TOTAL EXPENSES	\$ 84,245	\$ 83,657	
EBITDA (1)	\$ 20,066	\$ 18,728	

(1) EBITDA reflects earnings before depreciation, interest, taxes and CRDA writedown.

TRUMP'S CASTLE ASSOCIATES

d/b/a TRUMP MARINA

Condensed Statements of Operations

(Unaudited)

(In thousands, except statistical information)

3 MONTHS

30-Jun-99 30-Jun-98

REVENUES		
CASINO	\$ 69,214	\$ 61,287
No. of Slots	2,133	2,163
Win per Slot/Day	\$ 252	\$ 232
Slot Win	\$ 48,821	\$ 45,627
No. of Tables	85	91
Win per Table/Day	\$ 2,528	\$ 1,827
Table Win	\$ 19,552	\$ 15,131
Table Drop	\$ 126,040	\$ 100,776
Hold %	15.5%	15.0%
Poker, Keno, Race Win	\$ 841	\$ 529

Business Wire, July 12, 1999

ROOMS	\$ 3,933	\$ 3,904		
No. of Rooms Sold	57,787	57,869		
Avg Room Rates	\$ 68.06	\$ 67.46		
Occupancy %	87.2%	87.4%		
FOOD & BEVERAGE		\$ 8,897	\$ 8,047	
OTHER	3,017	2,713		
PROMOTIONAL ALLOWANCES		-9,343	-8,986	
NET REVENUES	\$ 75,718	\$ 66,965		
COSTS & EXPENSES				
GAMING	\$ 43,078	\$ 38,851		
ROOMS	969	931		
FOOD & BEVERAGE		2,451	2,522	
GENERAL & ADMIN		15,444	13,411	
TOTAL EXPENSES	\$ 61,942	\$ 55,715		
EBITDA (1)	\$ 13,776	\$ 11,250		

(1) EBITDA reflects earnings before depreciation, interest, taxes and CRDA writedown.

Note: Certain prior year reclassifications have been made to conform to current year presentation.

TRUMP INDIANA, INC.

Condensed Statements of Operations

(Unaudited)

(In thousands, except statistical information)

3 MONTHS

30-Jun-99 30-Jun-98

REVENUES				
CASINO	\$ 35,471	\$ 35,258		
No. of Slots	1,310	1,350		
Win per Slot/Day	\$ 230	\$ 216		
Slot Win	\$ 27,520	\$ 26,472		
No. of Tables	52	59		
Win per Table/Day	\$ 1,680	\$ 1,636		
Table Win	\$ 7,951	\$ 8,786		
Table Drop	\$ 46,817	\$ 55,823		
Hold %	17.0%	15.7%		
ROOMS	\$ 611 -			
No. of Rooms Sold	10,781 -			
Avg Room Rates	\$ 56 -			
Occupancy %	40.3% -			
FOOD & BEVERAGE		\$ 821	\$ 443	
OTHER	344	383		
PROMOTIONAL ALLOWANCES		-555	-171	
NET REVENUES	\$ 36,692	\$ 35,913		

Business Wire, July 12, 1999

COSTS & EXPENSES		
GAMING	\$ 23,753	\$ 24,992
ROOMS	448	
FOOD & BEVERAGE	1,110	818
GENERAL & ADMIN	5,253	5,578
TOTAL EXPENSES	\$ 30,564	\$ 31,388

EBITDA (1)	\$ 6,128	\$ 4,525
------------	----------	----------

(1) EBITDA reflects earnings before depreciation, interest, taxes,
Indiana regulatory costs and non-operating expenses.

TRUMP ATLANTIC CITY ASSOCIATES
Condensed Consolidated Statements of Operations
(Unaudited)
(In thousands)

3 MONTHS
30-Jun-99 30-Jun-98

REVENUES		
CASINO	\$ 225,753	\$ 218,895
ROOMS	19,577	19,709
FOOD & BEVERAGE	27,140	27,355
OTHER	7,930	7,655
PROMOTIONAL ALLOWANCES		-31,358
		-32,176
NET REVENUES	\$ 249,042	\$ 241,438

COSTS & EXPENSES		
GAMING	\$ 137,411	\$ 136,155
ROOMS	7,688	7,230
FOOD & BEVERAGE	9,219	10,106
GENERAL & ADMIN	41,433	39,157
TOTAL EXPENSES	\$ 195,751	\$ 192,648
EBITDA	\$ 53,291	\$ 48,790

(1) EBITDA reflects earnings before depreciation, interest, taxes and
CRDA writedown.

TRUMP HOTELS & CASINO RESORTS, INC.
Supplemental Information
(Unaudited)
(In thousands)

3 MONTHS		
CRDA /INDIANA OBLIGATIONS	30-Jun-99	30-Jun-98
PLAZA	\$ 593	\$ 364
TAJ	567	524
MARINA	362	271
INDIANA STATE & MUNICIPAL OBLIG.	925	925
TOTAL CRDA/INDIANA OBLIG	\$ 2,447	\$ 2,084
DEPRECIATION & AMORTIZATION		
PLAZA	\$ 5,697	\$ 6,149
TAJ	9,183	8,977
TCS	237	57
THCR HOLDINGS	74	66
MARINA	4,277	4,148

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INDIANA (INCL JOINT VENTURE LOSS)	2,504	2,138
TOTAL DEPRECIATION/AMORT	\$ 21,972	\$ 21,535

INTEREST EXPENSE

PLAZA	\$ 11,748	\$ 11,912
TAJ	23,425	23,549
TRUMP ATLANTIC CITY	3,168	3,279
THCR HOLDINGS	6,028	6,033
MARINA	10,317	10,156
INDIANA	690	738
TOTAL INTEREST EXPENSE	\$ 55,376	\$ 55,667

LOAN COST AMORT/BOND DISC INCL IN INT EXP

PLAZA	\$ 436	\$ 490
TAJ	872	975
TRUMP ATLANTIC CITY	379	496
THCR HOLDINGS	268	268
MARINA(BOND DISC ACCRETION)	1,214	920

LOAD-DATE: July 13, 1999

per share, exceeding First Call estimates of 54 cents per share. (See id.) The Earnings Release did not purport to provide any information regarding the components of the Company's net revenues, nor did it characterize THCR's revenues in any manner.

The Earnings Release also quoted (b)(6), (b)(7)(C) as stating that THCR "succeeded in achieving positive results" in the following categories:

- increasing operating margins;
- decreasing marketing costs; and
- increasing cash sales from non-casino operations.

(00103.)

The Earnings Release's statements about the Company's achieving positive results in these categories were accurate. Even without the All Star Gain, operating margins on a Company-wide basis increased from 22.76 percent for the third quarter 1998 to 23.16 percent for the third quarter 1999.² (00108-00112.) Similarly, on a Company-wide basis, marketing costs (as represented by "promotional allowances") decreased from \$47.685 million in the third quarter 1998 to \$47.136 million in the third quarter 1999. (See id.) Finally, even excluding the All Star Gain, non-gaming revenue on a Company-wide basis increased from \$80.9 million in the third quarter 1998 to \$82.7 million in the third quarter 1999. (See id.)

The Earnings Release did not state that each goal was achieved at each of its various properties, nor did it purport to quantify the Company's success in achieving these goals.

With this in mind (b)(6), (b)(7)(C) statement that the Company achieved success in implementing

² Calculated as follows: THCR's third quarter net revenues (minus the \$17.2 million All Star Gain) were \$385.9 million; the Company's EBITDA for that period (again, minus the All Star Gain) was \$89.4 million; or 23.16 percent of revenue. By comparison, the Company's total net revenues in the third quarter 1998 were \$397.5 million, and its EBITDA for that period was \$90.5 million, or 22.76 percent of revenue.

those goals is fair and accurate even when viewed on a property-by-property basis. In this regard, even without the All Star Gain, non-gaming revenue at the Taj increased from \$32.1 million in the third quarter 1998 to \$32.4 million in the third quarter 1999; it increased at the Plaza from \$28.8 million to \$29.1 million; and it increased at Indiana from \$0.8 million to \$2.5 million. Only at the Trump Marina was there a decrease in non-gaming revenue. (See id.)

Similarly, although operating margin would not have increased at the Taj without the All Star Gain, operating margin did increase at the Plaza from 21.3% for the third quarter 1998 to 26.5% for the third quarter 1999; it increased at the Marina from 18.7% to 23.5%; and it increased at Indiana from 12.4% to 14.3%. Finally, while marketing costs increased at the Taj Mahal and Indiana from the third quarter 1998 to the third quarter 1999, they decreased at the Plaza from \$17.8 million to \$17 million, and at the Marina from \$1.7 million to \$0.6 million. (See id.)

G. (b)(6),(b)(7)(C) Of Arthur Andersen Comments On The Draft Press Release, But Opines Only That The All Star Gain Be Disclosed In The Company's Upcoming 10-Q.

On Thursday and Friday, October 21 and 22, 1999, (b)(6),(b)(7)(C) of Arthur Andersen and certain of his colleagues were working at THCR's Atlantic City facilities to prepare for the issuance of THCR's quarterly financial statements (b)(6),(b)(7)(C) Tr. at 13-17, 47.) During that time (b)(6),(b)(7)(C) received a copy of the draft Earnings Release from THCR's New York office. Upon reviewing it, (b)(6),(b)(7)(C) noticed that it did not mention the All Star Cafe gain, and assumed that, consistent with (b)(6),(b)(7)(C) previously-expressed disinclination to announce the All Star transaction in advance of the 10-Q, and consistent with the desire to streamline the Company's earnings releases generally, THCR officials in New York had made the decision not to include the All Star transaction (b)(6),(b)(7)(C) Tr. at 46.)

TAJ MAHAL

	3 MOS 99	3 MOS 98	9 MOS 99	9 MOS 98
REVENUES				
TABLES	40.8	60.1	124.4	149.3
SLOTS	89.6	82.5	240.2	224.5
POKER, KENO, RACE	6.0	5.5	16.5	14.6
GAMING REVENUES	136.4	148.0	381.1	388.4
HOLD %	14.4%	18.3%	15.8%	16.5%
NON-GAMING				
ROOMS	11.1	11.4	29.0	31.6
FOOD & BEVERAGE	15.2	15.0	41.0	41.9
OTHER	23.4	5.7	33.4	15.4
NON-GAMING	49.6	32.1	103.4	88.9
PROMOTIONAL ALLOW	(18.4)	(18.0)	(48.3)	(50.6)
NET REVENUES	167.7	162.1	436.2	426.7
OCCUPANCY %	98.6%	98.2%	96.1%	91.3%
COSTS & EXPENSES				
GAMING	85.4	84.6	237.2	237.0
ROOMS	3.7	3.9	11.7	11.1
FOOD & BEVERAGE	5.3	5.0	14.4	14.4
GEN & ADMIN	22.2	22.6	66.4	64.2
	116.6	116.1	329.6	326.6
EBITDA	51.0	46.0	106.6	100.2

TRUMP PLAZA

	3 MOS 99	3 MOS 98	9 MOS 99	9 MOS 98
REVENUES				
TABLES	31.2	27.9	76.0	76.3
SLOTS	73.7	73.8	205.1	207.6
POKER,KENO,RACE				
GAMING REVENUES	104.9	103.7	281.1	283.9
HOLD %	17.6%	15.7%	16.1%	15.7%
NON-GAMING				
ROOMS	11.4	10.4	28.7	26.9
FOOD & BEVERAGE	14.0	15.0	39.6	41.2
OTHER	3.7	3.4	9.2	8.9
NON-GAMING	29.1	28.8	77.5	77.0
PROMOTIONAL ALLOW	(17.0)	(17.8)	(46.5)	(47.8)
NET REVENUES	117.0	114.8	312.1	313.2
OCCUPANCY %	95.5%	95.5%	89.8%	87.1%
COSTS & EXPENSES				
GAMING	58.1	62.0	168.3	172.5
ROOMS	3.5	3.8	10.0	10.3
FOOD & BEVERAGE	4.7	5.1	12.8	13.9
GEN & ADMIN	19.6	19.4	55.8	57.5
	86.0	90.3	246.9	254.2
EBITDA	31.0	24.4	65.2	58.9

MARINA

	3 MOS 99	3 MOS 98	9 MOS 99	9 MOS 98
REVENUES				
TABLES	20.4	20.8	55.4	53.6
SLOTS	54.3	52.5	148.4	142.9
POKER,KENO,RACE	0.6	1.0	1.7	1.8
	-----	-----	-----	-----
GAMING REVENUES	75.3	74.3	205.5	198.4
HOLD %	15.1%	15.7%	15.3%	15.5%
NON-GAMING				
ROOMS	5.0	5.0	12.3	12.5
FOOD & BEVERAGE	10.2	10.5	26.4	26.0
OTHER	3.4	3.7	8.1	8.3
	-----	-----	-----	-----
NON-GAMING	18.7	19.2	46.7	46.8
PROMOTIONAL ALLOW	(10.6)	(11.7)	(28.5)	(29.7)
	-----	-----	-----	-----
NET REVENUES	83.5	81.8	223.7	215.4
	-----	-----	-----	-----
OCCUPANCY %	94.9%	96.8%	85.0%	88.3%
COSTS & EXPENSES				
GAMING	43.5	46.7	124.9	125.6
ROOMS	1.0	0.8	2.9	2.4
FOOD & BEVERAGE	3.5	3.1	8.1	7.4
GEN & ADMIN	15.7	15.8	45.5	44.0
	-----	-----	-----	-----
	63.9	66.4	181.4	179.4
EBITDA	19.6	15.3	42.3	36.1
	=====	=====	=====	=====

INDIANA

	3 MOS 99	3 MOS 98	9 MOS 99	9 MOS 98
REVENUES				
TABLES	6.9	8.5	23.3	25.7
SLOTS POKER, KENO, RACE	26.8	29.7	81.5	75.6
GAMING REVENUES	33.6	38.2	104.8	101.3
HOLD %	16.1%	15.4%	16.6%	15.9%
NON-GAMING				
ROOMS	1.1		2.2	
FOOD & BEVERAGE	1.0	0.4	2.6	1.3
OTHER	0.4	0.3	1.1	0.9
NON-GAMING	2.5	0.8	5.9	2.2
PROMOTIONAL ALLOW	(1.2)	(0.2)	(2.2)	(0.5)
NET REVENUES	34.9	38.8	108.5	103.0
OCCUPANCY %	79.3%		52.3%	
COSTS & EXPENSES				
GAMING	23.0	26.5	69.3	70.1
ROOMS	0.6		1.5	
FOOD & BEVERAGE	1.3	0.9	3.7	2.5
GEN & ADMIN	5.0	6.5	18.0	17.9
	29.9	33.9	92.4	90.5
EBITDA	5.0	4.8	16.1	12.5

COMBINED

	3 MOS 99	3 MOS 98	9 MOS 99	9 MOS 98
REVENUES				
TABLES	99.3	117.3	279.1	304.9
SLOTS	244.4	240.4	675.2	650.6
POKER,KENO,RACE	6.6	6.5	18.2	16.4
	-----	-----	-----	-----
GAMING REVENUES	350.3	364.2	972.5	971.9
NON-GAMING				
ROOMS	28.6	26.8	72.3	70.9
FOOD & BEVERAGE	40.4	40.9	109.5	110.4
OTHER	30.9	13.1	51.8	33.5
	-----	-----	-----	-----
NON-GAMING	99.9	80.9	233.6	214.9
PROMOTIONAL ALLOW	(47.1)	(47.7)	(125.5)	(128.6)
	-----	-----	-----	-----
NET REVENUES	403.1	397.4	1,080.6	1,058.3
	-----	-----	-----	-----
COSTS & EXPENSES				
GAMING	210.0	219.9	599.6	605.1
ROOMS	8.9	8.5	26.0	23.7
FOOD & BEVERAGE	14.9	14.0	39.0	38.2
GEN & ADMIN	62.6	64.4	185.7	183.6
	-----	-----	-----	-----
	296.4	306.8	850.4	850.6
EBITDA	106.7	90.6	230.2	207.7
	=====	=====	=====	=====

	<u>3Q 1999</u>	<u>3Q 1998</u>	<u>3Q1999 excluding All Star Gain</u>
Taj Mahal Revenues per Release	167.7	162.1	149.8
Taj Mahal gaming revenues per 10Q	<u>136</u>	<u>148</u>	
Difference/ Non-gaming revenues	31.7	14.1	14.5
Non-gaming revenues per conference call	49 ish	33 ish	31.8 ish

FOCUS - 14 OF 62 STORIES

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August 24, 1999, Tuesday

SECTION: Financial News

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LENGTH: 981 words

HEADLINE: Mandalay Resort Group Reports Second Quarter Earnings

DATELINE: LAS VEGAS, Aug. 24

BODY:

Mandalay Resort Group (NYSE: MBG) today announced its results for the second quarter ended July 31, 1999. For the quarter, the company reported earnings per share on an operating basis of \$.29 against \$.27 in the same quarter last year. The quarter included write-offs of \$4.3 million for preopening expenses for the company's joint venture casino project in Detroit, slated for a fall debut, and its timeshare project in Las Vegas, which reduced per-share earnings to \$.26.

Every property or operating unit in the company generated positive comparisons in operating cash flow (EBITDA) against the prior year's results for the same quarter. In Las Vegas, Mandalay Bay, in its first full quarter, recorded nearly \$19 million in operating cash flow -- a performance that was negatively affected by a sub-par win percentage in its table games.

For its part, Luxor continued to produce operating cash flow at a record pace, \$26.8 million versus \$24.3 a year ago. Excalibur posted approximately \$20 million against \$18.7 million and Circus Circus-Las Vegas turned in \$18.3 million against \$16.6 million. At Monte Carlo, a 50/50 venture with Mirage Resorts, operating cash flow rose to \$20.4 million from \$18.6 million in the quarter last year. Improvements in cash flow at these properties were mostly attributable to strong visitor counts to Las Vegas, which drove occupancy rates and room rates.

In Reno, the company generated a total of \$17.1 million in operating cash flow (including its share of Silver Legacy) against \$14.8 million in the like quarter last year and, in Laughlin, the company's two properties posted an upturn in operating cash flow to \$7.6 million from \$7.4 million.

Among the company's strongest performers in the quarter were the Gold Strike in Tunica, which turned in a record \$9.6 million in operating cash flow (versus \$7.9 million) and the Grand Victoria (50% owned by Mandalay) in Elgin, Illinois, which posted \$23.2 million against \$19.4 million in the second quarter a year ago. The recent legislation in Illinois permitting dockside gaming has been a positive force for casino revenues at the Grand Victoria.

For the first half of this fiscal year, the company has produced approximately \$280 million in operating cash flow, a record pace set to

rise with the introduction of its temporary casino in Detroit as early as the current quarter.

Mandalay Resort Group owns and operates 11 properties in Nevada: Mandalay Bay, Luxor, Excalibur, Circus Circus, Slots-A-Fun in Las Vegas; Circus Circus-Reno; Colorado Belle and Edgewater in Laughlin; Gold Strike and Nevada Landing in Jean and Railroad Pass in Henderson. The company also operates Silver City in Las Vegas; owns a 50% interest in Silver Legacy in Reno and owns a 50% interest in and operates Monte Carlo in Las Vegas. The company also owns and operates Gold Strike, a hotel/casino in Tunica County, Mississippi, and owns a 50% interest in and operates Grand Victoria, a riverboat casino in Elgin, Illinois.

MANDALAY RESORT GROUP
Condensed Consolidated Statements of Income
(Dollars in thousands, except share data)
(UNAUDITED)

	Three Months Ended July 31,		Six Months Ended July 31,	
	1999	1998	1999	1998
Revenues	\$516,181	\$384,661	\$987,440	\$741,623
Costs and expenses	424,451	310,492	792,481	600,267
Operating profit before corporate and preopening expense	91,730	74,169	194,959	141,356
Corporate expense	8,330	8,064	15,450	14,192
Preopening expense	4,270	--	37,880	--
Income from operations	79,130	66,105	141,629	127,164
Interest expense	(46,013)	(37,359)	(90,010)	(71,478)
Capitalized interest	1,768	9,891	9,456	17,027
Net interest expense	(44,245)	(27,468)	(80,554)	(54,451)
Other income	1,376	1,406	2,613	3,124
Income before income tax	36,261	40,043	63,688	75,837
Income tax	12,630	14,758	22,918	28,945
Income before cumulative effect of a change in accounting principle	23,631	25,285	40,770	46,892
Cumulative effect of a change in accounting for preopening expenses, net of tax benefit of 1,843	--	--	(21,994)	--
Net income	\$23,631	\$25,285	\$18,776	\$46,892
Basic earnings per share	\$0.26	\$0.27	\$0.21	\$0.49
Diluted earnings per share	\$0.26	\$0.27	\$0.20	\$0.49
Average shares outstanding (basic)	90,862,117	95,129,383	90,703,869	95,126,110
Average shares outstanding (diluted)	92,368,423	95,135,119	91,999,602	95,136,667

SOURCE Mandalay Resort Group

CONTACT: Glenn Schaeffer of Mandalay Resort Group, 702-632-6710

LANGUAGE: ENGLISH

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February 16, 1999, Tuesday

SECTION: Financial News

DISTRIBUTION: TO BUSINESS EDITOR

LENGTH: 1051 words

HEADLINE: The Sands Regent Announces Improved Fiscal 1999 Second Quarter Earnings

DATELINE: RENO, Nev., Feb. 16

BODY:

The Sands Regent (Nasdaq: SNDSC) today announced results for the fiscal 1999 second quarter ended December 31, 1998.

The Company reported a net loss of \$619,000, or \$.14 per share for the second quarter, which is an improvement over the prior year second quarter loss of \$1.3 million, or \$.28 per share. Net operating income also improved from a loss of \$1.4 million in the second quarter of fiscal 1998 to a net loss of \$315,000 in the second quarter of the current fiscal year. Revenues for the second quarter of fiscal 1999 were \$13.2 million, as compared to \$13.5 million for same quarter of the prior fiscal year.

Improvements in net earnings and income from operations are attributable to both the Sands Regency and the Copa Casino, which was sold by the Company on December 23, 1998. The Sands Regency reduced its net loss from \$810,000 in the second quarter of fiscal 1998 to \$659,000 in the second quarter of fiscal 1999. The Copa Casino improved its results from a \$445,000 net loss in the prior years' second quarter to a net profit of \$40,000 for the same period of the current year. Earnings improvements at the Sands Regency are directly attributed to improved methods of operations and increased efficiencies.

Ferenc B. Szony, President and CEO of The Sands Regent commented, "We are pleased with our improved operating results at the Sands Regency, particularly during this quarter which has traditionally been a very soft quarter in the Reno market. We believe that our efforts to improve the way we operate are paying off. Through effective cost controls we have improved operating margins on slightly lower revenues.

"We anticipate that the remainder of 1999 will be a challenging year with further pressures on our revenues. This is the one year out of three in which Reno will not be hosting a major long-term bowling event that has been very strong for our Reno property. Furthermore, there are several new mega-resorts opening in Las Vegas in next twelve months. Some of our visitors will likely take fewer trips to Reno this year in order to experience these 'must-see' facilities.

"Nonetheless, we remain optimistic about our future. We are continuing to improve our operating practices and implement further cost controls. Additionally, we are pursuing aggressive promotional strategies to attract both local patrons and new visitors from Northern California, a prime target market for Reno. This promotional campaign includes significant radio and print advertising as well as tailored value-added packages which reward guests for staying and gaming with us.

"As previously announced, we recently sold our Mississippi operation, the Copa Casino, for \$8.5 million. We are pleased that this sale has resulted in the successful settlement of costly and protracted litigation. It also allows us to concentrate our efforts on our Reno property and on exploring other opportunities to enhance shareholder value. In addition to improving our balance sheet, terms of the Copa sale will yield The Sands Regent a cash flow of approximately \$750,000 in this year and \$500,000 per year thereafter, until the full purchase price of \$8.5 million has been received.

The Sands Regent owns and operates the Sands Regency Hotel and Casino in downtown Reno, Nevada. The Sands Regency is a 1,000 room hotel and casino with 27,000 square feet of gaming space offering table games, keno and slot machines. In addition to complete amenities and on-site brand-name restaurants, the Company's property also includes a 12,000 square foot convention and meeting center which seats close to 1000 people.

Statements contained in this release, which are not historical facts, are "forward-looking" statements as contemplated by the Private Securities Litigation Reform Act of 1995. Such forward-looking statements are subject to risks and uncertainties, which could cause actual results to differ materially from those projected or implied in the forward-looking statements.

THE SANDS REGENT
FINANCIAL HIGHLIGHTS
(In thousands except per share data)

	Three Months Ended		Six Months Ended	
	December 31,		December 31,	
	1998	1997	1998	1997

Consolidated Financial Report

Revenues	\$13,208	\$13,510	\$27,350	\$28,852
Income (Loss) from Operation	(315)	(1,437)	(619)	(957)
Net Income	(619)	(1,255)	(1,102)	(1,226)
Nets Income (Loss) per Share	(.14)	(.28)	(.25)	(.27)
Weighted Number of Shares				
Outstanding	4,498,722	4,498,722	4,498,722	4,498,722

**Comparative Property
Financial Highlights**

Revenues				
The Sands Regency (Reno)	\$7,393	\$7,723	\$15,897	\$17,281
Copa Casino (Gulfport)	5,815	5,787	11,453	11,571
Income (Loss) from Operations				
The Sands Regency	(685)	(938)	(631)	(58)
Copa Casino	370	(499)	12	(899)
Net Income (Loss)				
The Sands Regency	(659)	(810)	(809)	(410)
Copa Casino	40	(445)	(293)	(816)
Operating Cash Flow (EBITDA) (a)				
The Sands Regent	70	(112)	915	1,589
Copa Casino	675	(192)	657	(292)

(a) Earnings before depreciation, interest and taxes

SOURCE Sands Regent

CONTACT: David R. Wood, Executive Vice President and Chief Financial Officer of The Sands Regent, 702-348-2298; or Dilek Mir, Vice President of Coffin Communications Group, 818-789-0100, for The Sands Regent

LANGUAGE: ENGLISH

LOAD-DATE: February 17, 1999

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HEADLINE: Mirage Resorts Announces Strong Increases in First Quarter Revenues and Income Due to Success of New Resorts;
Bellagio Has Highest Quarterly Revenues in Nevada History

DATELINE: LAS VEGAS, May 10

BODY:

Mirage Resorts (NYSE: MIR) announced today first quarter earnings of \$0.28 per share before charges associated with preopening and related promotional costs, an increase of 27% over the \$0.22 per share earned before an extraordinary loss in the prior-year period. Total revenues rose 73%, while operating cash flow (EBBIT) increased 70%.

According to the latest statistics available from the Nevada State Gaming Control Board, gaming revenues on the Las Vegas Strip increased 21% in the first two months of the quarter. The company's casinos located on the Strip accounted for 58% of such growth. On an overall basis, the company's gaming revenues increased by 64% in the first quarter while its gross non-casino revenues increased 82%.

The growth in revenues and operating profit was attributable primarily to the company's Bellagio resort, which opened on October 15, 1998 and generated \$282 million of total revenues in the first quarter. Mirage Resorts believes this to be the highest quarterly revenues of any casino in Nevada history. Its non-casino revenues in the quarter of \$145 million are thought to be the highest such revenues of any resort in history. The company's Beau Rivage resort on the Mississippi Gulf Coast also opened successfully on March 16, 1999 and contributed to the increase in revenues for the quarter.

Results were also strong at the company's other resorts. The operating income of such resorts on a combined basis, excluding the new properties, increased by 2% in the face of the new competition and despite an ongoing room refurbishment program at the company's Treasure Island resort. Hotel occupancy of standard rooms at such resorts increased slightly, from 98.1% to 98.4%, and their average room rate increased by 4%.

On a company-wide basis, occupancy of standard guestrooms was 98.1% in both periods. The average rate for standard guestrooms increased from \$89 to \$110, with Bellagio's higher room rates accounting for most of this increase.

The company-wide table games win percentage was 20.2%, versus

expense	(0.11)	--
Extraordinary loss on early retirement of debt	--	(0.02)
Cumulative effect (to January 1, 1999) of change in method of accounting for preopening costs	(0.16)	--
Net income per share	\$0.01	\$0.20

Common and common equivalent shares (In thousands)

Weighted-average common shares outstanding (used in the calculation of basic earnings per share)	180,527	179,443
Potential dilution from the assumed exercise of common stock options	10,920	13,270
Weighted-average common and common equivalent shares (used in the calculation of diluted earnings per share)	191,447	192,713

SOURCE Mirage Resorts, Incorporated

CONTACT: Alan Feldman of Mirage Resorts, Incorporated, 702-693-7147

LANGUAGE: ENGLISH

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Business Wire

April 28, 1999, Wednesday

DISTRIBUTION: Business/Entertainment Editors & Gaming Industry Writers

LENGTH: 2804 words

HEADLINE: Park Place Entertainment Reports 14 Percent Increase in
First-Quarter 1999 Net Income

DATELINE: LAS VEGAS

BODY:

April 28, 1999--Park Place Entertainment Corp. (NYSE:PPE) reported net income and diluted earnings per share before pre-opening charges of \$ 49 million and \$ 0.16 for the first quarter ended March 31, 1999, compared with pro forma net income of \$ 43 million and diluted earnings per share of \$ 0.14 for the first quarter of 1998.

Including the cumulative effect of a change in accounting principle of \$ 2 million net of tax required for pre-opening costs and \$ 3 million of additional pre-opening costs expensed in the first quarter of 1999, diluted earnings per share were \$ 0.15.

Earnings before interest, taxes, depreciation and amortization, pre-opening expense and noncash items (EBITDA) were \$ 193 million, up 10 percent from the pro forma first-quarter 1998 results of \$ 176 million.

The 1999 increase was driven by strong operating performance in the Western and Mid-South regions. In the Western region, EBITDA increased 28 percent and 59 percent at the Flamingo Hilton Las Vegas and the Las Vegas Hilton, respectively.

In the Mid-South region, EBITDA increased 27 percent due to strong performance at both Grand Biloxi and Grand Tunica, as well as significant reductions in regional overhead.

"We successfully demonstrated the power of our size and diversification," said Arthur Goldberg, president and chief executive officer. "As the largest and most diversified gaming company in the world, we believe we have created a more stable earnings stream and reduced our exposure to individual market volatility by having a major presence in each of the three largest U.S. gaming markets."

Western Region

The Flamingo Hilton Las Vegas reported an EBITDA increase of 28 percent in the first quarter of 1999, generating \$ 32 million, compared with \$ 25 million last year. A 10 percent increase in RevPAR and a 6 percent improvement in total gaming drop drove the higher EBITDA.

The Flamingo's outstanding performance demonstrates the importance of its

Business Wire, April 28, 1999

premier location, brand name and successful penetration of the market segment it targets.

The Las Vegas Hilton reported EBITDA of \$ 27 million in the first quarter of 1999, compared with last year's \$ 17 million. Continued success in marketing through international- and domestic-sales networks increased table game drop by 15 percent over last year. A 7- percentage-point increase in hold levels also contributed to the improvement in the quarter.

Bally's Las Vegas reported EBITDA of \$ 24 million for the first quarter of 1999, roughly flat with last year's \$ 25 million as higher slot handle offset an increase in operating expenses.

"Las Vegas is a deep market that has proven its resilience over the years, and we expect it to grow with the recent supply additions over the next 12-18 months," said Goldberg.

Eastern Region

Bally's Park Place reported EBITDA of \$ 33 million for the first quarter 1999, down from \$ 37 million in the prior year. The lower EBITDA reflects a lower hold percentage and higher marketing costs.

The Atlantic City Hilton generated \$ 6 million in EBITDA for the first quarter, up from \$ 4 million in the first quarter 1998. This property continues to focus on providing an upscale experience and attracting a higher-end customer base.

Mid-South Region

Grand Biloxi reported EBITDA of \$ 20 million for the first quarter, up 11 percent from the first quarter 1998. The improvement was fueled by double-digit increases in both table game drop and slot handle over the prior year's results due to the opening of the 500-room Bayview Hotel addition in late February 1998.

Grand Gulfport reported \$ 10 million in EBITDA for the first quarter 1999, in line with last year's results. Construction on the 600-room Oasis Hotel addition at Gulfport remains on budget and should open later in the summer.

Since the entrance of new competition to the market in mid-March, operating results on the Gulf Coast are strong. Visitor volume, slot handle and table game drop are above 1998 levels, demonstrating the strategic positioning of the Grand properties and the growth potential of the market.

Grand Tunica's first quarter EBITDA was \$ 13 million, an 18 percent increase over first quarter 1998 due primarily to a 10 percent improvement in slot handle. In late March 1999, the 600-room Terrace Hotel & Spa opened, bringing Grand Tunica's total room count to approximately 1,400 for this 140,000-square-foot casino.

Additionally, cost-reduction programs put in place in conjunction with the merger successfully reduced regional overhead by \$ 5 million in the quarter.

International

Business Wire, April 28, 1999

On a combined basis, first-quarter 1999 EBITDA from the Conrad properties in Uruguay and Australia decreased to \$ 15 million from \$ 22 million last year. The decrease came primarily from the casino resort in Punta del Este, Uruguay, which was impacted by the devaluation of the Brazilian real, resulting in lower levels of play from Brazilian customers.

Corporate Items

Paris-Las Vegas construction is on time and on budget and the company expects to open the property in September 1999, adjacent to Bally's Las Vegas on the Four Corners.

Paris contains 2,916 guest rooms; an 85,000-sq.-ft. casino; eight restaurants; five lounges; more than 130,000 sq. ft. of meeting and convention space; and its signature feature, a 50-story replica of the Eiffel Tower. The Paris employment office opened on April 5, and, to date, has filled approximately 40 percent of the 4,000 new positions.

Meanwhile, in the capital markets, Park Place bought back approximately 1.7 million of its shares in 1999 at an average price of \$ 7.50 and acquired approximately one-third of the outstanding Aladdin Gaming Holdings bonds at a steep discount to face value.

Yesterday, the company announced that it entered into a definitive agreement to acquire Caesars World Inc. and other gaming assets from Starwood Hotels & Resorts Worldwide Inc. for total consideration of \$ 3.0 billion. This purchase excludes the Desert Inn in Las Vegas.

The all-cash transaction has been approved by the boards of directors of both companies and is expected to close in the fourth quarter of 1999. Completion is subject to the satisfaction of various conditions contained in the purchase agreement, including obtaining certain regulatory approvals.

On Dec. 31, 1998, Park Place Entertainment was created through the tax-free distribution of Hilton Hotels Corp.'s gaming division to its shareholders and the subsequent merger with the Mississippi operations of Grand Casinos Inc.

The financial information for the 1998 period is presented on a pro forma basis as if the Dec. 31, 1998, distribution by Hilton and subsequent merger with the Grand Properties had occurred on Jan. 1, 1998. The company believes the pro forma information is a more meaningful presentation than the historical results for comparative reasons.

Park Place is the world's largest gaming company, as measured by casino square footage and revenues, and is the only casino-gaming company with a leading presence in Nevada, New Jersey and Mississippi -- the three largest gaming markets in the United States.

In 1999, the company will own or have an interest in 17 gaming properties located throughout the United States and in Australia and Uruguay, with a total of 1.4 million square feet of gaming space and approximately 23,000 hotel rooms.

This news release contains "forward-looking statements" within the meaning of federal securities law, including statements concerning business strategies

and their intended results, and similar statements concerning anticipated future events and expectations that are not historical facts. The forward-looking statements in this news release are subject to numerous risks and uncertainties, which could cause actual results to differ materially from those expressed in or implied by the statements herein. Additional information concerning potential factors that could affect the company's future financial results is included in the company's Annual Report on Form 10-K for the year ended Dec. 31, 1998. -0-

PARK PLACE ENTERTAINMENT
Summary Income Statement
(Dollars in millions, except per share amounts)

	Three Months Ended March 31,	
	Actual 1999	Pro Forma 1998
Net revenue	\$ 748	\$ 718
Operating costs and expenses	547	534
Depreciation and amortization	71	68
Pre-opening expense	3	--
Operating profit before corporate expense	127	116
Corporate expense	8	8
Operating income	119	108
Net interest expense	29	27
Income before taxes, minority interest and cumulative effect of accounting change	90	81
Income tax provision	42	37
Minority interest, net	1	1
Income before cumulative effect of accounting change	47	43
Cumulative effect of accounting change, net of tax	2	--
Net income	\$ 45	\$ 43
Net income per share		
Basic	\$ 0.15	\$ 0.14
Diluted	\$ 0.15	\$ 0.14
Net income per share, before pre-opening and cumulative effect of accounting change		
Basic	\$ 0.16	\$ 0.14
Diluted	\$ 0.16	\$ 0.14

Pro forma weighted average shares outstanding
 Basic
 Diluted

303 304
 305 308

PARK PLACE ENTERTAINMENT
 EBITDA (a)
 (Dollars in millions)

	Three Months Ended March 31,	
	Actual 1999	Pro Forma 1998
WESTERN REGION		
Flamingo Las Vegas	\$ 32	\$ 25
Bally's Las Vegas	24	25
Las Vegas Hilton	27	17
Other	12	13
	95	80
EASTERN REGION		
Bally's Park Place	33	37
Atlantic City Hilton	6	4
	39	41
MID-SOUTH REGION		
Grand Biloxi	20	18
Grand Tunica	13	11
Grand Gulfport	10	10
Other	11	9
Regional Overhead	(2)	(7)
	52	41
INTERNATIONAL		
Uruguay and Australia	15	22
CORPORATE		
	(8)	(8)
TOTAL	\$ 193	\$ 176

(a) EBITDA is earnings before interest, taxes, depreciation, amortization and pre-opening expense.

PARK PLACE ENTERTAINMENT
 Statistical Highlights

	Three Months Ended March 31,	
	Actual 1999	Pro Forma 1998
WESTERN REGION		
Average Daily Rate	\$ 82	\$ 79
Occupancy Percentage	88%	86%
EASTERN REGION		

Business Wire, April 28, 1999

Average Daily Rate	\$ 74	\$ 74
Occupancy Percentage	94%	94%
MID-SOUTH REGION		
Average Daily Rate	\$ 60	\$ 58
Occupancy Percentage	94%	90%
INTERNATIONAL		
Average Daily Rate	\$ 112	\$ 111
Occupancy Percentage	69%	63%

tjm/la* dda/la sjk/la

CONTACT: Park Place Entertainment Corp., Las Vegas
Geoffrey Davis, 702/699-5037

Today's News On The Net - Business Wire's full file on the Internet
with Hyperlinks to your home page.

URL: <http://www.businesswire.com>

LANGUAGE: ENGLISH

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April 15, 1999, Thursday

SECTION: Financial News

DISTRIBUTION: TO BUSINESS EDITOR

LENGTH: 912 words

HEADLINE: Harveys Casino Resorts Reports Record First Quarter Results

DATELINE: LAKE TAHOE, Nev., April 15

BODY:

Chuck Scharer, president and chief executive officer of Harveys Casino Resorts announced today that for the first fiscal quarter ended February 28, 1999, the company posted net income, excluding merger related costs and non-recurring items, of \$1.9 million, on net revenues of \$75.6 million, a new first quarter record, compared to net income of \$1.5 million on net revenues of \$68.8 million for the same period a year ago. In addition, the company achieved a first quarter record EBITDA (operating income, excluding non-recurring items, plus depreciation and amortization) of \$14.7 million compared to last year's \$11.9 million for a 25.9% increase.

The first quarter results for 1999 have been adjusted to exclude the combined effects, net of tax, of \$13.8 million of merger related costs and non-recurring items and \$69,000 for the loss on the early retirement of debt.

Including the effects of these merger related costs and non-recurring items, net of tax, the company posted a first quarter net loss of \$12.7 million.

"The results for our first quarter of 1999 are very satisfying," said Scharer. "On February 2, 1999 we were elated to announce the completion of the merger between Harveys Casino Resorts and an affiliate of Colony Capital, Inc. In completing this merger, the company amended its bank facility and bond indenture and in so doing incurred costs that must be reflected in our operating results for this quarter. If we exclude these costs, the company once again achieved record quarterly results," Scharer added.

Founded in 1944, Harveys Casino Resorts operates Harveys Resort Hotel/Casino, a AAA Four-Diamond full-service resort at Lake Tahoe, Nevada; Harveys Wagon Wheel Hotel/Casino in Central City, Colorado; and Harveys Casino Hotel in Council Bluffs, Iowa.

Harveys Casino Resorts press releases are available through Company News On-Call by fax, 800-758-5804, extension 349787, or at [http://www.pnewswire.com/\(HVY\)](http://www.pnewswire.com/(HVY)).

HARVEYS CASINO RESORTS
CONSOLIDATED EARNINGS SUMMARY FOR THE PERIODS
ENDED FEBRUARY 28, 1999 AND 1998
(unaudited)

	Three Months Ended	
	2/28/99	2/28/98
	(dollars in thousands)	
Net revenues	\$75,649	\$68,772
Interest expense, net	\$4,918	\$4,011
Net Income excluding merger related costs and non-recurring items	\$1,926	\$1,531

Merger related costs and non-recurring items	(\$14,672)	50
Net income (loss)	(\$12,746)	\$1,531

RESULTS OF OPERATIONS - PROPERTY BY PROPERTY
FOR THE PERIODS ENDED FEBRUARY 28, 1999 AND 1998
(unaudited, dollars in thousands)

	Three Months Ended	
	2/28/99	2/28/98
Net Revenues		
Harveys Resort	\$31,149	\$27,674
Harveys Wagon Wheel	14,199	14,515
Harveys Casino Hotel	30,301	26,583
Total Net Revenues	\$75,649	\$68,772
Operating Income (Loss)		
Harveys Resort	\$3,413	\$2,046
Harveys Wagon Wheel	2,374	3,220
Harveys Casino Hotel	6,476	4,555
Corporate and Development	(3,030)	(3,238)
Consent Fee & Merger Costs	(19,879)	0
Total Operating Income	(\$10,646)	\$6,583
EBITDA (a)		
Harveys Resort	\$5,702	\$4,555
Harveys Wagon Wheel	3,324	4,126
Harveys Casino Hotel	8,417	6,294
Corporate and Development	(2,716)	(3,084)
Total EBITDA	\$14,727	\$11,891

(a) EBITDA is defined as operating income, excluding non-recurring items, plus depreciation and amortization.

SOURCE Harveys Casino Resorts

CONTACT: John McLaughlin, Chief Financial Officer, or John Hewitt, Corporate Controller, both of Harveys Casino Resorts, 775-588-2411

LANGUAGE: ENGLISH

LOAD-DATE: April 16, 1999

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May 11, 1999, Tuesday,

Correction Appended

SECTION: Financial News

DISTRIBUTION: TO BUSINESS EDITOR

LENGTH: 2390 words

HEADLINE: Hollywood Park Reports Record 1st Quarter Revenue and Earnings;

Highlights:

* Earnings before interest, taxes, depreciation, amortization and non-recurring expenses increased to \$35.9 million from \$8.7 million in the first quarter of 1998. * Revenues for 1999's 1st quarter were \$172 million, an increase of 120% over the 1998 quarter. * Earnings Per Share increased to \$0.16 in 1999's first quarter from a loss of (\$0.05) in the 1998 quarter. * Churchill Downs signed a definitive agreement on May 5, 1999 to acquire the Hollywood Park race track for \$140 million in cash, with the closing expected in the third quarter of 1999.

DATELINE: INGLEWOOD, Calif, May 11

BODY:

Hollywood Park, Inc. (NYSE: HPK) today reported higher earnings before interest, taxes, depreciation, amortization and non-recurring expenses ("EBITDA"), revenues, and net income for the first quarter of fiscal year 1999, ended March 31, 1999 compared to the same period in 1998. These improved results reflect the acquisition of Casino Magic Corp. on October 15, 1998 (recorded under the purchase method of accounting), which showed significant improvements in revenue and EBITDA over its first quarter 1998 results. In addition, each of Hollywood Park's other casino and card club properties posted improvements over their prior year EBITDA performance.

For the first quarter, EBITDA for all operations was \$35.9 million, compared to \$8.7 million for the first quarter of 1998. Revenues for the first quarter were \$172 million, an increase of 120%. Net income increased in the quarter to \$4.1 million compared to a loss in 1998's first quarter of (\$1.2) million. Hollywood Park earned \$0.16 per basic and diluted share in the 1999 quarter over a loss of (\$0.05) per basic and diluted share in 1998's first quarter.

The strong performances at the Boomtown properties reflect various accomplishments, including the new hotel and expanded gaming floor at the Reno, Nev. location, a full quarter of earnings from the larger riverboat at the New Orleans property, and growth in the local market in Biloxi, Miss. (benefiting both the Boomtown and Casino Magic locations). The increase in interest expense in 1999 compared to the first quarter of 1998 is due to the assumption of Casino Magic debt and the new Senior Subordinated Notes issued in February, 1999.

"Our strong financial performance was the outcome of several factors, all of which reflect progress in accordance with our strategic plan," said R.D. Hubbard, Chairman and CEO of Hollywood Park. "This quarter includes the contribution from the properties we acquired last October in the Casino Magic acquisition and improved results at our other casinos and card clubs."

Churchill Downs Acquires Hollywood Park Racetrack

On May 5, 1999, Hollywood Park and Churchill Downs signed a definitive agreement for Churchill Downs to acquire the Hollywood Park race track in Inglewood, California, and a majority of the surrounding acreage.

The Hollywood Park assets will be sold to Churchill Downs for \$140 million in cash. The transaction is subject to certain closing conditions, including the approval of the California Horse Racing Board, and is expected to close in the third quarter of 1999. Churchill Downs will acquire 240 of Hollywood Park's 378 acres at the southern California landmark. Included in the

acquisition will be the Hollywood Park Race Track, real estate related to the racing operation, and the Hollywood Park casino. Churchill Downs will grant Hollywood Park a long-term lease with a renewal option at a lease rate of \$3 million per year for the casino.

"This transaction is a major step toward the attainment of our corporate objective of focusing on the growth of our gaming businesses. The Boomtown and Casino Magic acquisitions, the investments made in 1998 and early in 1999 for hotel construction and other improvements, and our strengthened financial position through our debt refinancing should produce continued growth for Hollywood Park in 1999 and beyond," remarked R.D. Hubbard, CEO of Hollywood Park.

Hollywood Park is a diversified gaming company that owns and/or operates eight casinos (four with hotels) and two card casinos at twelve locations in Nevada, Mississippi, Louisiana, California, Arizona, and Argentina, and two pari-mutuel horse racing facilities, one of which is the subject of a pending sale transaction. The Company has also been approved to receive a license to conduct riverboat gaming on the Ohio River in Indiana and has begun development of a hotel/casino and golf resort at a site in Switzerland County, Ind., 35 miles southwest of Cincinnati, Ohio. In addition to the Company's operating properties, Hollywood Park has significant excess land available for future sale or development at four of its properties.

(The Private Securities Litigation Reform Act of 1995 provides a "safe harbor" for forward-looking statements. Forward-looking information involves important risks and uncertainties that could significantly affect future results and, accordingly, such results may differ from those expressed in forward-looking statements made by or on behalf of the Company, including statements related to the ongoing performance of the Boomtown and Casino Magic properties or the sale of the Hollywood Park race track. For more information on the potential factors that could affect the Company's financial results, review the Company's filings with the Securities and Exchange Commission, including the Company's annual report on Form 10-K and the Company's other filings with the SEC.)

HOLLYWOOD PARK, INC.
 CONSOLIDATED STATEMENTS OF OPERATIONS
 (in thousands, except per share data)

	Three Months Ended	
	March 31,	
	1999	1998
	(unaudited)	
Revenues:		
Hollywood Park, Inc. - Casino Division	\$14,025	\$13,211
Crystal Park and HP Yakama, Inc.	589	300
Boomtown Reno	14,142	13,436
Boomtown New Orleans	25,721	22,695
Boomtown Biloxi	17,799	15,873
Casino Magic Bay St. Louis	22,963	-
Casino Magic Biloxi	24,631	-
Casino Magic Bossier City	33,852	-
Casino Magic Argentina	5,327	-
Hollywood Park Race Track	5,465	5,478
Turf Paradise, Inc.	6,786	6,810
Hollywood Park, Inc. - Corporate	698	354
	171,998	78,157

Expenses:

Hollywood Park, Inc. - Casino Division	11,839	11,707
Crystal Park and HP Yakama, Inc.	26	46
Boomtown Reno	13,198	14,299
Boomtown New Orleans	17,269	15,796
Boomtown Biloxi	14,086	13,354
Casino Magic Bay St. Louis	16,753	-
Casino Magic Biloxi	17,587	-
Casino Magic Bossier City	25,477	-
Casino Magic Argentina	3,155	-
Hollywood Park Racetrack	7,184	7,242
Turf Paradise, Inc.	4,205	4,374
Hollywood Park, Inc. - Corporate	5,307	2,657
	136,086	69,475

Earnings before interest, taxes, depreciation,
amortization and non-recurring expenses:

Hollywood Park, Inc. - Casino Division	2,186	1,504
Crystal Park and HP Yakama, Inc.	563	254
Boomtown Reno	944	(863)
Boomtown New Orleans	8,452	6,899
Boomtown Biloxi	3,713	2,519
Casino Magic Bay St. Louis	6,210	-
Casino Magic Biloxi	7,044	-
Casino Magic Bossier City	8,375	-
Casino Magic Argentina	2,172	-
Hollywood Park Race Track	(1,719)	(1,764)
Turf Paradise, Inc.	2,581	2,436
Hollywood Park, Inc. - Corporate	(4,609)	(2,303)
	35,912	8,682

HOLLYWOOD PARK, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS (continued)
(in thousands, except per share data)

Three Months Ended
March 31,
1999 1998
(unaudited)

Non-recurring expenses:

Pre-Opening costs - Indiana Riverboat Project	707	--
Real Estate Investment Trust restructuring	--	469
Depreciation and amortization:		
Hollywood Park, Inc. - Casino Division	665	698
Crystal Park and HP Yakama, Inc.	485	510
Boomtown Reno	1,659	1,469
Boomtown New Orleans	1,425	1,191
Boomtown Biloxi	993	882
Casino Magic Bay St. Louis	1,438	--
Casino Magic Biloxi	1,739	--
Casino Magic Bossier City	1,889	--
Casino Magic Argentina	372	--
Hollywood Park Race Track	1,090	1,065
Turf Paradise, Inc.	295	296
Hollywood Park, Inc., Corporate	1,317	444

	13,367	6,555
Operating income	21,838	1,658
Interest expense	14,491	3,661
Income (loss) before minority interests and income taxes	7,347	(2,003)
Minority interests - Casino Magic Argentina	458	--
Income tax expense (benefit)	2,756	(769)
Net income (loss)	\$4,133	(1,234)
Per common share:		
Net income - basic	\$0.16	(0.05)
Net income - diluted	\$0.16	(0.05)
Number of shares - basic	25,800	26,276
Number of shares - diluted	25,800	26,276

HOLLYWOOD PARK, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(in thousands)

Three Months Ended
March 31,
1999 1998
(unaudited)

Assets		
Cash and short-term investments	\$107,989	\$47,413
Other assets	251,727	241,014
Fixed assets	602,331	602,912
Total assets	\$962,047	\$891,339
Liabilities and Stockholders' Equity		
Other liabilities	\$106,565	\$117,428
Notes payable	616,709	539,183
Total liabilities	723,274	656,611
Minority interests	3,646	3,752
Stockholders' equity	235,127	230,976
Total liabilities and stockholders' equity	\$962,047	\$891,339

SOURCE Hollywood Park, Inc.

CONTACT: Paul Alanis, President and COO; Bruce Hinckley, Senior VP and CFO, both of Hollywood Park, Inc., 310-419-1501; or General Inquiries, Paul Goodson, 310-442-0599, Analyst Inquiries, Kathy Brunson, 312-266-7800, Analyst Inquiries, Sue Dooley, 415-986-1591, Media Inquiries, Michaelle Burstin 310-442-0599, all of The Financial Relations Board

CORRECTION-DATE: May 11, 1999, Tuesday

CORRECTION:

In CGTU036, Hollywood Park (NYSE: HPK) Reports Record 1st Quarter Revenue and Earnings, moved earlier today, we are advised by a representative of the company that in the tabular material titled HOLLYWOOD PARK, INC. CONDENSED CONSOLIDATED BALANCE SHEETS, the column heading should read "March 31, 1999 (unaudited)" and "December 31, 1998" rather than "Three Months Ended March 31, 1999 and 1998 (unaudited)" as originally issued.

Also, the line item for Total liabilities and stockholders' equity for March 31, 1999 should read "\$962,047" rather than "\$562,047" as incorrectly transmitted by PR Newswire. The corrected table follows:

HOLLYWOOD PARK, INC.

CONDENSED CONSOLIDATED BALANCE SHEETS

(in thousands)

	March 31, 1999 (unaudited)	December 31, 1998
Assets		
Cash and short-term investments	\$107,989	\$47,413
Other assets	251,727	241,014
Fixed assets	602,331	602,912
Total assets	\$962,047	\$891,339
Liabilities and Stockholders' Equity		
Other liabilities	\$106,565	\$117,428
Notes payable	616,709	539,183
Total liabilities	723,274	656,611
Minority interests	3,646	3,752
Stockholders' equity	235,127	230,976
Total liabilities and stockholders' equity	\$962,047	\$891,339

-- May 11/
(HPK)

LANGUAGE: ENGLISH

LOAD-DATE: May 12, 1999

TAJ MAHAL

	3 MOS 99	3 MOS 98	9 MOS 99	9 MOS 98
REVENUES				
TABLES	40.8	60.1	124.4	149.3
SLOTS	89.6	82.5	240.2	224.5
POKER,KENO,RACE	6.0	5.5	16.5	14.6
GAMING REVENUES	136.4	148.0	381.1	388.4
HOLD %	14.4%	18.3%	15.8%	16.5%
NON-GAMING				
ROOMS	11.1	11.4	29.0	31.6
FOOD & BEVERAGE	15.2	15.0	41.0	41.9
OTHER	23.4	5.7	33.4	15.4
NON-GAMING	49.6	32.1	103.4	88.9
PROMOTIONAL ALLOW	(18.4)	(18.0)	(48.3)	(50.6)
NET REVENUES	167.7	162.1	436.2	426.7
OCCUPANCY %	98.6%	98.2%	96.1%	91.3%
COSTS & EXPENSES				
GAMING	85.4	84.6	237.2	237.0
ROOMS	3.7	3.9	11.7	11.1
FOOD & BEVERAGE	5.3	5.0	14.4	14.4
GEN & ADMIN	22.2	22.6	66.4	64.2
	116.6	116.1	329.6	326.6
EBITDA	51.0	46.0	106.6	100.2

TRUMP PLAZA

	3 MOS 99	3 MOS 98	9 MOS 99	9 MOS 98
REVENUES				
TABLES	31.2	27.9	76.0	76.3
SLOTS	73.7	75.8	205.1	207.6
POKER,KENO,RACE				
GAMING REVENUES	104.9	103.7	281.1	283.9
HOLD %	17.6%	15.7%	16.1%	15.7%
NON-GAMING				
ROOMS	11.4	10.4	28.7	26.9
FOOD & BEVERAGE	14.0	15.0	39.6	41.2
OTHER	3.7	3.4	9.2	8.9
NON-GAMING	29.1	28.8	77.5	77.0
PROMOTIONAL ALLOW	(17.0)	(17.8)	(46.5)	(47.8)
NET REVENUES	117.0	114.8	312.1	313.2
OCCUPANCY %	95.5%	95.5%	89.8%	87.1%
COSTS & EXPENSES				
GAMING	58.1	62.0	168.3	172.5
ROOMS	3.5	3.8	10.0	10.3
FOOD & BEVERAGE	4.7	5.1	12.8	13.9
GEN & ADMIN	19.6	19.4	55.8	57.5
	86.0	90.3	246.9	254.2
EBITDA	31.0	24.4	65.2	58.9

MARINA

	3 MOS 99	3 MOS 98	9 MOS 99	9 MOS 98
REVENUES				
TABLES	20.4	20.8	55.4	53.6
SLOTS	54.3	52.5	148.4	142.9
POKER, KENO, RACE	0.6	1.0	1.7	1.8
GAMING REVENUES	75.3	74.3	205.5	198.4
HOLD %	15.1%	15.7%	15.3%	15.5%
NON-GAMING				
ROOMS	5.0	5.0	12.3	12.5
FOOD & BEVERAGE	10.2	10.5	26.4	26.0
OTHER	3.4	3.7	8.1	8.3
NON-GAMING	18.7	19.2	46.7	46.8
PROMOTIONAL ALLOW	(10.6)	(11.7)	(28.5)	(29.7)
NET REVENUES	83.5	81.8	223.7	215.4
OCCUPANCY %	94.9%	96.8%	85.0%	88.3%
COSTS & EXPENSES				
GAMING	43.5	46.7	124.9	125.6
ROOMS	1.0	0.8	2.9	2.4
FOOD & BEVERAGE	3.5	3.1	8.1	7.4
GEN & ADMIN	15.7	15.8	45.5	44.0
	63.9	66.4	181.4	179.4
EBITDA	19.6	15.3	42.3	36.1

INDIANA

	3 MOS 99	3 MOS 98	9 MOS 99	9 MOS 98
REVENUES				
TABLES	6.9	8.5	23.3	25.7
SLOTS	26.8	29.7	81.5	75.6
POKER, KENO, RACE				
GAMING REVENUES	33.6	38.2	104.8	101.3
HOLD %	16.1%	15.4%	16.6%	15.9%
NON-GAMING				
ROOMS	1.1		2.2	
FOOD & BEVERAGE	1.0	0.4	2.6	1.3
OTHER	0.4	0.3	1.1	0.9
NON-GAMING	2.5	0.8	5.9	2.2
PROMOTIONAL ALLOW	(1.2)	(0.2)	(2.2)	(0.5)
NET REVENUES	34.9	38.8	108.5	103.0
OCCUPANCY %	79.3%		52.3%	
COSTS & EXPENSES				
GAMING	23.0	26.5	69.3	70.1
ROOMS	0.6		1.5	
FOOD & BEVERAGE	1.3	0.9	3.7	2.5
GEN & ADMIN	5.0	6.5	18.0	17.9
	29.9	33.9	92.4	90.5
EBITDA	5.0	4.8	16.1	12.5

COMBINED

	3 MOS 99	3 MOS 98	9 MOS 99	9 MOS 98
REVENUES				
TABLES	99.3	117.3	279.1	304.9
SLOTS	244.4	240.4	675.2	650.6
POKER, KENO, RACE	6.6	6.5	18.2	16.4
GAMING REVENUES	350.3	364.2	972.5	971.9
NON-GAMING				
ROOMS	28.6	26.8	72.3	70.9
FOOD & BEVERAGE	40.4	40.9	109.5	110.4
OTHER	30.9	13.1	51.8	33.5
NON-GAMING	99.9	80.9	233.6	214.9
PROMOTIONAL ALLOW	(47.1)	(47.7)	(125.5)	(128.6)
NET REVENUES	403.1	397.4	1,080.6	1,058.3
COSTS & EXPENSES				
GAMING	210.0	219.9	599.6	605.1
ROOMS	8.9	8.5	26.0	23.7
FOOD & BEVERAGE	14.9	14.0	39.0	38.2
GEN & ADMIN	62.6	64.4	185.7	183.6
	296.4	306.8	850.4	850.6
EBITDA	106.7	90.6	230.2	207.7

Trump Hotels & Casino Resorts, Inc.
Consolidated Summary of Operations
(Unaudited)

(in thousands, except in share amounts)	<u>Third Quarter Ended</u>		<u>Nine Months Ended</u>	
	Sept. 30, 1999	Sept. 30 1998	Sept. 30, 1999	Sept. 30, 1998
Revenues	\$403,072	\$397,387	\$1,080,369	\$1,058,296
EBITDA				
Before CRDA/Indiana State & Municipal Obligation: Depreciation & Amortization: Interest Expense, Corporate Expense: Other Non-Operating Expense: Trump World's Fair Closing	\$106,666	\$ 90,589	\$ 230,205	\$ 207,661
CRDA/Indiana State & Munic Oblig.	\$ (2,528)	\$ (2,321)	\$ (7,065)	\$ (6,465)
Depreciation & Amortization	(21,775)	(21,800)	(65,613)	(64,882)
Interest Expense, Net	(54,043)	(53,371)	(161,638)	(139,513)
Corporate Expenses	(4,645)	(3,538)	(13,103)	(11,510)
Other Non-Operating Expense	(1,669)	(1,184)	(5,324)	(2,065)
Income (Loss) before Minority Interest, Trump World's Fair Closing Costs, & Cumulative Effect of Change in Accounting Principle	\$ 22,006	\$ 8,375	\$ (22,538)	\$ (36,772)
Minority Interest	\$ (8,048)	\$ (3,063)	\$ 8,242	\$ 13,434
Income (Loss) Before Trump World's Fair Closing Costs & Cumulative Effect of Change in Accounting Prin.	\$ 13,958	\$ 5,312	\$ (14,296)	\$ (23,338)
Trump World's Fair Closing Costs (\$128,375 Less Minority Interest of \$46,947)	\$ (81,428)	—	\$ (81,428)	—
Cumulative Effect of Change In Accounting Prin.	—	—	\$ (3,365)	—
Net Income (Loss)	\$ (67,470)	\$ 5,312	\$ (99,289)	\$ (23,338)
Average # Shares	22,195,256	22,195,256	22,195,256	22,206,428
Basic & Diluted Earnings (Loss) Per Share	\$ (3.04)	\$ 0.24	\$ (4.47)	\$ (1.05)
Basic & Diluted Earnings Per Share Before Trump World's Fair Closing Costs & Cumulative Effect of Change in Accounting Prin.	\$ 0.63	\$ 0.24	\$ (0.64)	\$ (1.05)

(-.18)

 .15

.49
 3.67

per share, exceeding First Call estimates of 54 cents per share. (See id.) The Earnings Release did not purport to provide any information regarding the components of the Company's net revenues, nor did it characterize THCR's revenues in any manner.

The Earnings Release also quoted (b)(6),(b)(7)(C) as stating that THCR "succeeded in achieving positive results" in the following categories:

- increasing operating margins;
- decreasing marketing costs; and
- increasing cash sales from non-casino operations.

(00103.)

The Earnings Release's statements about the Company's achieving positive results in these categories were accurate. Even without the All Star Gain, operating margins on a Company-wide basis increased from 22.76 percent for the third quarter 1998 to 23.16 percent for the third quarter 1999.² (00108-00112.) Similarly, on a Company-wide basis, marketing costs (as represented by "promotional allowances") decreased from \$47.685 million in the third quarter 1998 to \$47.136 million in the third quarter 1999. (See id.) Finally, even excluding the All Star Gain, non-gaming revenue on a Company-wide basis increased from \$80.9 million in the third quarter 1998 to \$82.7 million in the third quarter 1999. (See id.)

The Earnings Release did not state that each goal was achieved at each of its various properties, nor did it purport to quantify the Company's success in achieving these goals.

With this in mind, (b)(6),(b)(7)(C) statement that the Company achieved success in implementing

² Calculated as follows: THCR's third quarter net revenues (minus the \$17.2 million All Star Gain) were \$385.9 million; the Company's EBITDA for that period (again, minus the All Star Gain) was \$89.4 million; or 23.16 percent of revenue. By comparison, the Company's total net revenues in the third quarter 1998 were \$397.5 million, and its EBITDA for that period was \$90.5 million, or 22.76 percent of revenue.

those goals is fair and accurate even when viewed on a property-by-property basis. In this regard, even without the All Star Gain, non-gaming revenue at the Taj increased from \$32.1 million in the third quarter 1998 to \$32.4 million in the third quarter 1999; it increased at the Plaza from \$28.8 million to \$29.1 million; and it increased at Indiana from \$0.8 million to \$2.5 million. Only at the Trump Marina was there a decrease in non-gaming revenue. (See *id.*)

Similarly, although operating margin would not have increased at the Taj without the All Star Gain, operating margin did increase at the Plaza from 21.3% for the third quarter 1998 to 26.5% for the third quarter 1999; it increased at the Marina from 18.7% to 23.5%; and it increased at Indiana from 12.4% to 14.3%. Finally, while marketing costs increased at the Taj Mahal and Indiana from the third quarter 1998 to the third quarter 1999, they decreased at the Plaza from \$17.8 million to \$17 million, and at the Marina from \$1.7 million to \$0.6 million. (See *id.*)

G. (b)(6),(b)(7)(C) Of Arthur Andersen Comments On The Draft Press Release. But Opines Only That The All Star Gain Be Disclosed In The Company's Upcoming 10-Q.

On Thursday and Friday, October 21 and 22, 1999, (b)(6),(b)(7)(C) of Arthur Andersen and certain of his colleagues were working at THCR's Atlantic City facilities to prepare for the issuance of THCR's quarterly financial statements. (b)(6),(b)(7)(C) Tr. at 13-17, 47.) During that time, (b)(6),(b)(7)(C) received a copy of the draft Earnings Release from THCR's New York office. Upon reviewing it, (b)(6),(b)(7)(C) noticed that it did not mention the All Star Cafe gain, and assumed that, consistent with (b)(6),(b)(7)(C) previously-expressed disinclination to announce the All Star transaction in advance of the 10-Q, and consistent with the desire to streamline the Company's earnings releases generally, THCR officials in New York had made the decision not to include the All Star transaction. (b)(6),(b)(7)(C) Tr. at 46.)

ARTHUR ANDERSEN

To: Memo to the Files
From: (b)(6), (b)(7)(C) New Jersey
Date: May 18, 1998
Subject: All-Star Cafe Lease Termination

Our client Trump Taj Mahal leases retail space to the All-Star Café in Atlantic City. All Star operates the All Star Café Restaurant under a multi-year operating lease agreement with Trump Taj Mahal. We were informed today by (b)(6), (b)(7)(C) that the All-Star Café has requested to have its lease terminated. In consideration for the termination, the All-Star Café would be willing to confer title to approximately \$23 million worth of leasehold improvements to the Taj. The Taj is currently contemplated utilizing the space "as is" as a restaurant. We have been asked to advise the client on the appropriate accounting for the transaction.

Based upon our review of the accounting literature, we have concluded the following:

- To the extent that the Taj Mahal will continue to operate the space utilized by the All Star Café as a restaurant, then the Taj should recognize as operating income the fair market value of the leasehold improvements transferred.

This assumes that the Taj currently recognizes rental income as operating revenue, and that the leasehold improvements have a future value to the Taj Mahal. If the space is otherwise altered or utilized as something else, then it would be assumed that the leasehold improvements have no value and accordingly would not be reflected on the books.

While the settlement agreement with the All-Star Café will be entered into in May or June of 1998, the premises will not be vacated until December 31, 1998. The timing of the recognition of income is based upon the actual legal possession of the leasehold improvements and thus the client would only recognize income when the client takes possession of the leasehold improvements and not at the time the agreement was entered into.

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UNOFFICIAL TRANSCRIPT OF
TRUMP HOTELS & CASINO RESORTS
10/25/99 CONFERENCE CALL WITH ANALYSTS

OPERATOR:

Good morning and welcome to the Trump Hotels and Casino's third quarterly earnings conference call. Your call will be hosted today by (b)(6),(b)(7)(C) of Trump Hotels and Casinos. (b)(6),(b)(7)(C) please go ahead sir.

(b)(6),(b)(7)(C)

Thank you, welcome everybody to our third quarter and nine month conference call. I have with me our (b)(6),(b)(7)(C) and our (b)(6),(b)(7)(C). I'm sure most of you have received a copy of our press release but I'd like to review the numbers and then handle each property in some detail before taking questions.

For the third quarter Trump Hotel and Casino Resorts reported consolidated net revenues of 403,000,000 compared to 397,000,000 for the same period in 1998. The EBITDA, that is, the earnings before interest, taxes, depreciation and amortization, and the Trump World's Fair writedown which I'll talk to in a minute and corporate expenses was 106.7 million versus 90.6 million for the prior year. Net income increased to 14 million or 63 cents a share - - of course that's again before the World's Fair charge, one time charge, compared to 5.3 or 24 cents a share in 1998. This exceeded analysts' estimates by approximately 10 cents, 54 was first call estimate, our earnings per share was 63 cents.

When we started this year at the beginning of the year we had decided that there are three things that are important to us going forward. That is to increase our operating margins at each of the operating entities; second, to decrease our marketing costs; and third, to increase our cash sales from non-casino operations; And the third was the most important to us and although in some cases it created a shortfall in revenue, casino revenue, it was a benefit especially to the Taj in non-casino revenue.

Now let me review for you specifically the boardwalk property, that is, the Taj Mahal. For the third quarter the revenues were 167, the net

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revenues were 167.7 million versus 162 million. For the nine months they were 436 million versus 426 million. Our EBITDA for the third quarter was 51 million versus 46 million in 1998. 106.6 million for the nine months and 100 million for the nine months in 1998. Our operating margin increased to 30.4% from 28.4% and for the nine months increased from 23.5% to 24.4%. I will again go back to the Taj more specifically in each of the properties after I finish these results.

At the Plaza the net revenues were 117 million versus 114 million in the third quarter; for the nine months were 312 million versus 313 million. Our EBITDA for the third quarter was 31 million versus 24.4 in 1998. For the nine months our EBITDA was 65.2 versus 58.9 for the nine months in 1998. Our operating margin increased to 26.5 from 21.3 in the third quarter and for the nine months increased to 20.9 from 18.8.

Trump Atlantic City Associates the revenues were 284 versus 276 in the third quarter; for the nine months were 748 versus 739. Our EBITDA was 82 million versus 70 million in the third quarter. Our nine month results showed an EBITDA of 171.8 versus 159.1. Our margin for the third quarter for Trump Atlantic City Associates was 28.8 versus 25.4 and for the nine months 23% versus 21%.

Now going to the Marina. For the third quarter our net revenues was 83.5 versus 81.8; for the nine months 223.7 million versus 215 million. Our EBITDA for the third quarter was 19.6 versus 15.3 in 1998. For the nine months it was 42.3 versus 36.1. Our EBITDA margin was 23.5 for the third quarter versus 18.8 and for the nine months was 18.9 versus 16.8. Now going to Indiana our net revenues for the third quarter were 34.4 versus, excuse me 34.9 versus 38.8 and for the nine months 108.5 versus 103. Our EBITDA increased to 5 million versus 4.8 in the third quarter and for the nine months increased as 16.1 from 12.5. Our EBITDA margin was 14.3 versus 12.4 in the third quarter and for nine months was 14.8 versus 12.5.

Now as for the writedown at the World's Fair it was a one time charge of 81.4 million which is before the minority interest it was 128.4 for the entire writedown and its a one-time writedown for that property. Going to the earnings per share again the basic and diluted earnings per share

before the Trump World's Fair closing were 63 cents versus 24 for the third quarter for the nine months it was a loss of 64 cents versus a loss of 105 in 1998. Including the loss, one-time loss at the World's Fair our earnings per share were loss of 304 versus 24 cents in 1998 for the third quarter and for the nine months was 447 versus 105.

Now going to each of the properties specifically, first taking the Taj Mahal. As I indicated to you earlier the Taj Mahal was the one property that we believed could generate substantially more non casino revenues through the selling of cashrooms through cash sales at all our retail and restaurant outlets of which we added a substantial number over the course of the past 18 months and we've decided that early in the year going into this year that we would accept a small decline in our gaming revenues versus a substantial increase in our non-gaming revenues if we could achieve the cash sales. It was a risk that was worth taking, we believe in the long run, because we believe that the changeover from a more of a high-end international table game business at the Taj Mahal into a more slot driven business has shown significant results. During the course of the past 9 months we have added substantial areas at the boardwalk and on the floor we have increased our, the number of our slot machines by about 400 we have changed many of our slot machines and we've energized our focus in the slot area and in cost containment in the marketing area which was very very substantial at the Taj Mahal and were very pleased with the results. The gaming revenues for the three months were approximately 137 million versus 148 million in 1998. For the nine months it was 382 million versus 388 million. Now the hold percentage for the three month period was 14-1/2 versus 18-1/2 and for the nine months 15.8 versus 16.5 and this is very significant because even at a time period where we had a low hold percentage versus the year before we were able to generate substantial income on the slot side and away from the high cost of volatile international play. Again going to our non-gaming revenues we've increased our non-gaming revenues to 49 million to about 33 million the year before and to about 103 million versus 88 million for the nine month period. At the end of the day our net revenues increase to 167.6 million in the third quarter versus 162 million and 436 million from

426 million. Our occupancy rate was almost 99% during this period and for the nine months was 96%, a 5% increase over the year before. The most significant factor is that many of our rooms were taken up by high end gaming customers. They were always comped in addition the marketing cost and the other costs relating to that were very very substantial. We were able to shift those into cash sales in many cases and in many cases shifting rooms into the slot area for our slot customers. Well I think the results for the quarter show that what we did was correct and we will continue to do it going forward. Our EBITDA was 51 million versus 46 and 106.6 million for the nine months versus 100 million and again the biggest impact of what we did and it was really focused on the Taj Mahal to reduce not only the cost of doing business but to shift that cost into more profitable areas and I think we've done that successfully and you will see I think those results going forward in the fourth quarter and we expect to have the largest EBITDA year at the Taj Mahal than we've ever had. We've had one year we did about 140 million in 1995 when we had a lot of high end business from the international markets much of which we've wrote down in the succeeding years because it was difficult collecting some of that profit.

Now going onto Trump Plaza, first, the gaming revenues for the three months that have just ended were 105 million versus 103 million for the three months in 1998. For the nine months it was 281 versus 283. Our hold percentage was 17.6 versus 15.8 for the three months and 16.1 versus 15.7. Our non-gaming revenue again increased here to about 30 million versus 28 million in the prior quarter and for the year it was approximately the same about 77-1/2 million versus 78 for the nine months. However, our EBITDA increased to 31 million for the quarter versus 24 and for 65 million versus 58 for the nine months. Now the Plaza benefited substantially from our decision made in the first half of last year to close the World's Fair which has obviously has been done. It benefited because our energies were focused on the main property. Our costs, our energies and our expenses were better spent on this property and we were able to get rid of that lower end business out of the Plaza because it was forced in there because many times we had we were focused on filling the rooms at the World's Fair and again

our cash sales increased and our cash rooms increased and continue to increase and I think you will see again our fourth quarter showing the results of the closure of the World's Fair in a very very positive sense and going forward in a very positive sense. It was a negative to our company of at least 13 million on a cash side every year but on an energy side it took up a lot of energy of our executives that are now totally focused on the Plaza and were for the last six months of the year when they knew that the World's Fair didn't have to be propped up anymore and they could focus their energies on making sure our programs are correct at Trump Plaza.

Now going to the Marina. Our gaming revenues for the nine months were 75.3 versus 74.3 and for the nine months increased 205 million versus 198. Our non-gaming revenues were about the same about 19 million and about 46 million for the nine months. Now the Marina is a much more difficult property to increase your non-gaming revenues 'cause you're limited to 650 rooms and its very difficult to substantially increase your cash sales although we did that out during the summer out on the dock in the Marina and in the entertainment area which we were driving cash sales rather than comp sales with our customers. Our EBITDA increased to 19.6 million from 15.3 for the three months and 42.3 versus 36.1.

Now I'm going to Indiana. Our gaming revenues declined to 33.6 from 38.2 but increased for the nine months 104.8 from 101.3. Now in Indiana we took out a substantial amount of incentive driven revenues and were pleased somewhat. I'm a bit disappointed in Indiana's results which EBITDA showed 5 million versus 4.8 and 16.1 versus 12.5. I do think that at the end of the day that Indiana will benefit in the fourth quarter from our new marketing incentives there. We are building a garage there as we know and I've decided to bring

(b)(6),(b)(7)(C)

(b)(6),(b)(7)(C) and to install

(b)(6),(b)(7)(C)

(b)(6),(b)(7)(C) at that

property and that is taking place as we speak now.

So over all for the company the net revenues for the nine months were 403.1, excuse me, for the three months were 403.1 million versus 397 and for the nine months were 1 billion almost 1.1 billion

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versus about the same for the nine months the previous nine months. Our EBITDA increased to 106.7 versus 90.6 for the third quarter and 230.2 versus 207.7 for the nine months. We're pleased with the results of the company. We think that what we've installed earlier really this time last year showed results and will continue to show results. We're comfortable with our budgets moving into the fourth quarter. We're going to focus hard on Indiana because we think we can do more out of there. Trump Plaza will have the benefit of a redone floor at the east tower which is ongoing right now. The addition to the Plaza of about 450 slot machines, the addition of a new oriental area and a reconfiguration of the floor which will be finished by President's Day. At the Taj Mahal we are going to continue our focus and our addition of slot machines with the addition of about 280 new slot machines in new areas there. We are expanding our oriental pit and we are removing one of our gaming pits to make way for our new slot machines in our new slot area. We fully intend to focus on our cash business there again in the fourth quarter in the fourth quarter and first quarter, obviously, it is more difficult because of the weather although we are getting a break in the weather in October. We've gotten off to a good start at our properties in Atlantic City for this quarter and we expect a good finish to the year because of the millennium parties in Atlantic City and we think we'll get some benefit of that for the fourth quarter. Now if there are any questions I will take any questions from the audience. Thank you.

OPERATOR:

Ladies and gentlemen at this time if you have a question you will need to press the star key followed by one on your telephone. Please be aware that your questions will be taken in the order they are received. If your question has already been answered you can remove yourself from queue by pressing the star key followed by two. Also if you are using a speaker phone please pick up your handset before pressing the button. Again that's star one to ask a question.

Our first question is from (b)(6),(b)(7)(C)
[phonetic] please go ahead sir.

(b)(6),(b)(7)(C)

Hey (b)(6),(b)(7)(C) congratulations and great numbers.

(b)(6),(b)(7)
(C)

Thank you.

(b)(6),(b)(7)(C)

A couple of questions. One the as far as still looking for any possible acquisitions going forward.

(b)(6),(b)(7)
(C)

I think the focus of the company has to be two fold and it kind of goes hand in glove. I think at this a sale of a property will take place before any acquisition of new properties and a reduction of debt will take place before we move to any new jurisdictions.

(b)(6),(b)(7)
(C)

And as far as adding the parking garage in Gary what kind of upside in cash flow can you see up that's added?

(b)(6),(b)(7)
(C)

I think you'll see a seven five to seven million dollar increase in cash flow. Maybe as much as ten million to the property.

(b)(6),(b)(7)
(C)

Great. OK. If you could add rooms at the Castle going forward what kind of benefit will that place see?

(b)(6),(b)(7)
(C)

Well I think that if you're going to add rooms any place I would look to the Marina if it continues on its up ward move and its EBITDA as we've seen over the past two years and I think that that property if you added a thousand rooms would see another 25 to 30 million in its EBITDA.

(b)(6),(b)(7)(C)

Wow, OK. Another one. When you tear down the World's Fair do you get a cut in taxes? A savings there?

(b)(6),(b)(7)
(C)

Yes about, it's almost 7 million.

(b)(6),(b)(7)(C)

OK and how much did it cost to tear down the World's Fair?

(b)(6),(b)(7)
(C)

It's gonna be we, we haven't finalized but net netting out because we're selling things now its about 5 million. It will be spread over the first six months of the year.

(b)(6),(b)(7)
(C)

OK, good and then I guess I calculate the net hold hit to the whole company is about 5 million which means you would have done 5 million better if your hold had been the same.

(b)(6),(b)(7)
(C)

Well.....

(b)(6),(b)(7)(C)

Firm or company wide am I doing it right.

(b)(6),(b)(7)(C)

Yeah, you're doing it about correct but I don't look at it like that I think you have to look at your business and you know, plus or minus these are our numbers and doesn't make me smarter because my hold is going to be better in the fourth quarter this year. Thanks (b)(6),(b)(7)(C)

(b)(6),(b)(7)(C)

Thanks (b)(6),(b)(7)(C)

OPERATOR:

Our next question is from (b)(6),(b)(7)(C) [phonetic] please go ahead sir.

(b)(6),(b)(7)(C)

Good morning (b)(6),(b)(7)(C) and congratulations. Could you please walk us through expense reductions by property 'cause they were alluded to generally in the release but you didn't give detail.

(b)(6),(b)(7)(C)

Well, I'll be glad to have (b)(6),(b)(7)(C) do that with you directly (b)(6),(b)(7)(C) but in essence what we saved this year was about overall was on the 5-7 million range for the first nine months I think we'll pick up a couple of million more from now until the end of the year and it's just consolidating your business handling your consolidated business more efficiently we expect to pick up substantial savings in the insurance area we are going to bid that out which could be a big number to us early next year. We're focused on areas like limousines now, you know when we have joint food buying now at the properties and it takes time to get all those in place so we continue to get the benefit on a long term basis of the expense reductions. But if you want to quantify them (b)(6),(b)(7)(C) will sit down with you privately and do that.

(b)(6),(b)(7)(C)

OK and just a second question. Could you elaborate on the ADR at the Taj and the quarter and what percentage was cash versus comp?

(b)(6),(b)(7)(C)

I don't have that and I don't know if (b)(6) has that. I don't think we have that (b)(6),(b) but you can call him directly but it was our cash sales increased dramatically and (b)(6),(b)(7)(C) has all that.

(b)(6),(b)(7)(C)

OK thanks.

(b)(6),(b)(7)
(C)

Thanks (b)(6),(b)(7)
(C)

OPERATOR:

Our next question is from (b)(6),(b)(7)(C) please go ahead sir.

(b)(6),(b)(7)
(C)

Good morning. I noticed that the improvement I guess at the AC level pretty much took place in this quarter as compared to the six months prior I'm talking about EBITDA. What was it that sort of kicked in in this quarter?

(b)(6),(b)(7)
(C)

Well you know (b)(6),(b)(7)(C) I think you've probably -- I haven't had a conference call recently but my earlier conference calls and presentations I've made I really believe and I run this company now for the major profitability to be in five in a half month period so that we're geared to pick up the profitability starting really starting May part of June, July August and September and that's why you see it that way. You're really not going to pick it up in the first half of year.

(b)(6),(b)(7)(C)

OK so we see that level of increment in the fourth quarter given that that could be slow as well.

(b)(6),(b)(7)
(C)

I think in the fourth quarter you have to look at your historical profitability which I think for the fourth quarter on a company wide basis our EBITDA was like 57 million last year for the fourth quarter (b)(6),(b)(7)(C) yeah, and you'll see an incremental increase but not at the same percentage basis. In other words we did 230 we'll increase it we could increase it by as much as 15% or 20% to get us to 300 million in EBITDA and that's where we're going.

(b)(6),(b)(7)
(C)

OK and then I may not have heard a number correctly cause on the Taj Mahal it looks like you have a 11 million decrease in your gaming revenues and a 6 million increase in your non gaming revenues.

(b)(6),(b)(7)
(C)

That's something like that.

(b)(6),(b)(7)
(C)

Right but the total revenues are up five so I was just wondering what that if you could reconcile that.

(b)(6),(b)(7)(C)

I don't know I worked off the numbers (b)(6),(b)(7)(C) gave me but he could reconcile, why don't you call him directly?

(b)(6),(b)(7)
(C)

OK great.

(b)(6),(b)(7)
(C)

OK thanks (b)(6),(b)(7)(C)

(b)(6),(b)(7)
(C)

OK thanks.

OPERATOR:

Our next question is from (b)(6),(b)(7)(C) Please go ahead sir.

(b)(6),(b)(7)(C)

My questions been answered, thanks.

OPERATOR:

Our next question is from (b)(6),(b)(7)(C) please go ahead sir.

(b)(6),(b)(7)(C)

Thank you. Let me add my congratulations to an outstanding quarter (b)(6),(b)(7)(C)

(b)(6),(b)(7)(C)

Well you're only analysts that covered us so I thanks for participating in conference call and covering our company and having such confidence in us.

(b)(6),(b)(7)(C)

Well thank you. I guess at this point I'll add my mea culpas for having such a pitifully low estimate out there. (b)(6),(b)(7) asked most of my questions but I just wanted to add a follow up to that. Do you have any sense on the timing on whether or not I mean the timing assuming a perfect world and you get some asset sales done do you have any sense on timing on that and on the refinancing?

(b)(6),(b)(7)(C)

It's all in the works I think that if the Marina continues to finish the year as we've started we have all provisions I think the timing on the Marina you're looking towards early next year on a refinancing. I think the timing on a sale when anybody walks in the door and offers us enough money for any one of our facilities we are going to consider it.

(b)(6),(b)(7)(C)

OK thanks (b)(6),(b)(7)(C)

(b)(6),(b)(7)(C)

Thank you.

OPERATOR:

Our next question is from (b)(6),(b)(7)(C) [phonetic] please go ahead sir.

(b)(6),(b)(7)(C)

Good morning, I was wondering if you could let us know what the cash levels were for the company in each of the various entities.

(b)(6),(b)(7)(C)

I could give you its about you could call (b)(6),(b)(7)(C) directly but our cash levels right at 220 right now something like that but (b)(6),(b)(7)(C) could break it down for you.

(b)(6),(b)(7)(C)

OK I've had difficulty getting through to (b)(6),(b)(7)(C) is there anyone else I could talk to.

(b)(6),(b)(7)(C)

No, you have to call (b)(6),(b)(7)(C) and I'll make sure you get through to him

(b)(6),(b)(7)(C)

OK thanks (b)(6),(b)(7)(C) and one other thing. The World's Fair, charge what was that on the books for do you have it broken down at a different parts.

(b)(6),(b)(7)(C)

Yeah we have it fully broken down you could do that with (b)(6),(b)(7)(C)

(b)(6),(b)(7)(C)

All right I will do that off line.

(b)(6),(b)(7)(C)

Thank you.

(b)(6),(b)(7)(C)

Thank you.

OPERATOR:

Our next question is from (b)(6),(b)(7)(C)

(b)(6),(b)(7)(C)

Great, thanks. I've got two questions (b)(6),(b)(7)(C) you made a comment about the millennium and some operators have said that although higher room rates and gaming volume are expected the paying for entertainment in some cases people are paying five and ten times what you would normally pay that may offset some of the up side. Do you expect up side or do you feel the same way that you're paying a lot on the expense level that going to offset upside?

(b)(6),(b)(7)(C)

No we've taken a different view I think you're talking about your Vegas operators you know I saw their entertainment lineup and its really dynamite but I think it's very expensive and at least at our levels we've taken the pass at that high end entertainment. We just see a bigger volume of cash customers coming down for the parties.

(b)(6),(b)(7)(C)

OK great and then my question somebody asked a similar version of it I guess for the write down for World's Fair are there any part of the one time expense in this quarter that's cash expense or is that all just balance sheet rate.

(b)(6),(b)(7)(C)

It's all balance-sheet driven.

(b)(6),(b)(7)(C)

OK thank you.

(b)(6),(b)(7)(C)

Thank you.

OPERATOR:

Our next question is from (b)(6),(b)(7)(C) please go ahead sir.

(b)(6),(b)(7)(C)

Hi its (b)(6),(b)(7)(C) good morning (b)(6),(b)(7)(C) and (b)(6),(b)(7)(C) I just have a couple of questions really relating to the World's Fair and the Plaza. (b)(6),(b)(7)(C) since you've closed the property earlier this month have you seen any up tick in revenues at the Plaza?

(b)(6),(b)(7)(C)

Oh sure we our revenues have increased we still haven't quantified we're very. We don't want to get gleeful but we're very happy I know (b)(6),(b)(7)(C) and I were talking about that before this call we have picked up the revenues that we expected out of the World's Fair you'll see about between a 17 and 19 or 20% decline in our reportable revenues which is less than we anticipated substantially less and the business that we've picked up is the business we've wanted to pick up in other words that costly end lower end business thank goodness we don't have to surface anymore with that expensive coin and food programs we had. I think this will help drive down the marketing cost in Atlantic City.

(b)(6),(b)(7)(C)

OK that was just was my follow up question if since you've eliminated some of these bus programs that were headed on over to the World's Fair and attendant you know coin and promotional expense has that lowered your costs as far as the Plaza and the Taj are concerned at this point.

(b)(6),(b)(7)(C)

Oh sure. In the long run it's going to substantially lower our cost. That fourth quarter will see the results and I think packages are going to start coming down right now going forward and we know it's lowered our costs certainly at the Plaza and will in the future at the Taj.

(b)(6),(b)(7)(C)

And then finally have you figured out the timing of when you actually going to demolish the Worlds Fair or is that?

(b)(6),(b)(7)(C)

No its already started we are clearing out the building now. We're having an auction sale underway and will be completed in about ten days.

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We will start by ripping down the small building where we had the buffet in the bus area by November 15 and that building will be totally down before the end of the year and then we'll have to start demolishing floor by floor the main building.

(b)(6),(b)(7)(C)

OK and that will be done in January some time.

(b)(6),(b)(7)(C)

No it yeah the main building will start in January we don't know how long its going to take it's going to take three to six months.

(b)(6),(b)(7)(C)

OK. Thank you.

OPERATOR:

Our next question is from (b)(6),(b)(7)(C) please go ahead.

(b)(6),(b)(7)(C)

Oh, hi (b)(6),(b)(7)(C) most of this covered but looking out at corporate engineering and restructuring in light of the visibility that one of your colleagues has acquired recently is it likely that you'll do non dynamic events like trying to migrate geographically into new areas or is that on hold what are your priorities in terms of the non-operating non-refinancing of the debt type for the next six months anything special?

(b)(6),(b)(7)(C)

You mean going into the jurisdictions.

(b)(6),(b)(7)(C)

Yeah you know like who needs headlines if you're doing other things that may not be consistent.

(b)(6),(b)(7)(C)

Well first I want to say that so for everybody on conference call the company Trump Hotels and (b)(6),(b)(7)(C) and my executives are doing zero with respect to what you've been reading about that's done on a level that's

(b)(6),(b)(7)(C)

Now that's a smart conclusion.

(b)(6),(b)(7)(C)

Yeah I think its a smart conclusion I have nothing to do with politics I don't particularly it's something I'm not comfortable in the company will not participate financially or otherwise and the Board has discussed that and Donald and obviously that's you know each individual has to do what they think is appropriate. Now as to migrating I don't think we've migrated any place until we sell something or reduce our debt unless we can merge with a company or something like that and obviously that's always out there looming but not

currently with our current stock price I think that makes it difficult

(b)(6),(b)(7)(C)

So the consolidation friends that we're hearing about on the strip and what your doing is something that is of interest to you and you've just got to figure out a way to do it right.

(b)(6),(b)(7)(C)

Well put.

(b)(6),(b)(7)(C)

Thanks

(b)(6),(b)(7)(C)

Thanks

OPERATOR:

Ladies and gentlemen if there are any further questions please press star one on your telephone. Our next question is from (b)(6),(b)(7)(C)

(b)(6),(b)(7)(C)

Yes.

OPERATOR:

(b)(6),(b)(7)(C) please go ahead sir.

(b)(6),(b)(7)(C)

Yes could you please review your capital spending programs for the remainder of the year and next year and could you provide any insight into whether or not you've been able to reduce debt through cash flow from operations or do you plan on doing so next year?

(b)(6),(b)(7)(C)

Yeah, I think I'll take the last part of your question first. We will have 50 million plus or minus available to reduce our debt and we fully intend to do that as we go forward into next year. We will have our normal cap x at each of the properties next year and that has the levels of that remain consistent. Our rooms programs and our maintenance programs are very very good if you come to our properties are clean and well run and that will continue. Any excess capital spending will be in the areas that will generate income at the Plaza with the redoing of the floor and adding the new oriental pit in our addition to our cap x is about 8 million over the course of the year in addition to our cap x is that right, (b)(6),(b)(7)(C)

(b)(6),(b)(7)(C)

Yes.

(b)(6),(b)(7)(C)

And and the Taj Mahal no that's maintenance cap x as well. No well in addition

(b)(6),(b)(7)(C)

In addition - two or three million

(b)(6),(b)(7)
(C)

About three million dollars. I think (b)(6),(b)(7)
(C) was confused I think its about 8 million maintenance cap x and it's about three to five with our redoing our floor and at the Marina we are adding additional casino space redoing our buffet in addition to our maintenance cap x adding to theme restaurants it will be about three or four million dollars.

(b)(6),(b)(7)(C)

Thank you

(b)(6),(b)(7)(C)

Thank you.

OPERATOR:

Ladies and gentlemen again if there are any final questions again press star one on your telephone.

(b)(6),(b)(7)(C)

OK if there are no final questions operator hello

OPERATOR:

Yes (b)(6),(b)(7)(C)

(b)(6),(b)(7)(C)

If there are no final questions then we'll I'd like to thank everybody for participating on I know on a busy earnings day on our conference and of course if you have any questions you can call (b)(6),(b)(7)(C) directly and he'll try and help you with the information and I thank you again and hope to talk to you again real soon.

OPERATOR:

Ladies and gentlemen at this time your conference has been completed you may now disconnect.



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09:38am EST 01-Nov-99 Deutsche Banc Alex Brown (R. Farley/E. Davis) AZR BYD HET
Weekly Gaming Draw-Part 1/2

Farley, Robin M. 212-471-3015
Davis, Elizabeth Q. 212-471-3491
Deutsche Banc Alex. Brown

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CARNIVAL CORPORATION (CCL) "BUY"
ROYAL CARIBBEAN CRUISES LTD. (RCL) "BUY"
Weekly Gaming Draw -Part 1/2

Ticker	FY	Price	52-WK Price Range	Earnings Per Share			3-5 Yr Growth	Est. Chg?
				1998	1999	2000		
AZR	12	9.69	11-4	0.23A	0.44	0.60	10%	N
BYD	12	6.50	7-3	0.52A	0.68	0.61	10%	N
HET	12	28.94	30-14	1.24A	1.50	1.71	15%	N
MBG	01	18.63	26-11	1.07	0.90A	1.24	5%	N
MGG	12	51.00	52-24	1.25A	2.29	2.46	15%	N
MIR	12	14.56	26-12	0.75A	0.72	1.04	10%	N
PPE	12	13.13	14-6	0.49A	0.61	0.66P	15%	N
STN	12	24.19	27-5	0.26A	1.08	1.35	15%	N
DJT	12	3.88	7-3	(1.73)A	(1.64)	(0.80)	10%	N
SLOT	06	61.00	64-33	5.20	5.23A	5.30	15%	N
IGT	09	18.63	25-14	1.27A	1.33	1.63	15%	N
CCL	11	44.50	54-30	1.40A	1.65	1.95	20%	N
RCL	12	53.06	53-25	1.93A	2.14	2.44	18%	N

HIGHLIGHTS:

The following is a weekly publication of highlights of the gaming and cruise line industries. This issue discusses earnings releases from Anchor Gaming, Park Place Entertainment and Trump Hotels & Casino Resorts, Station Casinos' equipment lease buyout, Royal Caribbean's cash outflows of 2099 charge, and September gaming revenues for Indiana and Missouri.

If you are interested in receiving this weekly fax, please call Laurie Clements at 212-471-3215.

DETAILS:
Earnings Releases

Anchor Gaming

Anchor Gaming reported F1Q00 EPS of \$1.30 versus \$1.48 in the prior year and our estimate of \$1.28. On a pro-forma basis, revenues grew 13%, gross profit grew 8%, and net income declined 6.2%. The JV with IGT generated record revenues of \$21.8 million, up 14%. We believe the JV will be driven by the video Wheel of Fortune, with 500 units installed and 1,700 on order. Depending on demand, it has the potential to be significantly additive. The growth story

for Anchor has been what happens in the games division. The Powerhouse acquisition gives SLOT other sources of possible upside potential, including expansion opportunities at the racetrack casino and new lottery contracts.

Park Place Entertainment
 Park Place reported 3Q99 EPS of \$0.19 before pre-opening charges versus our estimate of \$0.14 per share and \$0.14 a year ago. The highlight of the quarter was clearly the early performance of Paris, Park Place's new resort, which generated \$13 million in EBITDA its first month. We believe the momentum from the first several weeks will carry into 4Q99, leading us to bump up 4Q by \$0.01 to \$0.11 from \$0.10, bringing the year to \$0.51 from \$0.55. New capacity in Mississippi and Las Vegas has not had as severe a competitive impact as expected. EBITDA for the three main regions--Western, Eastern, and mid-South--came in ahead of our expectations. The closing of the Caesar's deal may be pushed from November to year-end.

Trump Hotels & Casino Resorts
 Trump reported a revised 3Q99 operating EPS of \$0.16 versus \$0.24 a year ago. Roughly \$0.47 of the \$0.63 reported EPS were not operating but were the result of an accounting gain. Planet Hollywood had been paying lease fees for its All-Star Cafe (located at the Taj), and these fees have been recognized as "other revenue" at the Taj property. Because of bankruptcy proceedings, Planet Hollywood handed the All-Star Cafe over to Trump in order to terminate the lease. Trump had the restaurant property appraised at \$17 million, and then recognized this gain through the income statement as "other revenue" at the Taj.

When the one-time accounting gain is backed out, total companywide net revenues fell 2.7% to \$386 million, cash flow before corporate expense fell 1.1% to \$89.6 million, and EBITDA margins before corporate expense were 22.2% down from 22.8%, rather than up to 26.5%.

In The News
 Station Casinos announced that it purchased the leased equipment at Sunset Station for \$30 million, eliminating roughly \$8 million in annual lease payments. This move is already incorporated in our estimates. Although it does not have an impact on EPS, as higher depreciation and interest expenses offset the savings from the lease payments, it is additive to EBITDA. This strategic move adds roughly \$1-\$2 to our current price target, all else equal.

Cruise Corner--Royal Caribbean
 Last week, it was reported that a federal judge fined Royal Caribbean \$3 million for illegal dumping in New York City harbor. And on October 21, we saw a \$6.5 million fine for dumping in Alaska. These are part of the \$18 million charge Royal Caribbean booked in 2Q99 and simply represent the cash outflows of this charge, with no earnings impact. The payout schedule also includes \$1 million to Puerto Rico, \$1.5 million to the Virgin Islands, \$3 million to California, and \$3 million to Florida.

Indiana Gaming Revenue
 (\$ millions)

	Month of September			Year-to-date		
	1999	1998	% Chg	1999	1998	% Chg
Casino Aztar	7.8	9.1	-14.4%	72.2	85.1	-15.2%
Caesars Indiana	13.7	NA	NM	116.9	NA	NM
Empress Casino	18.5	18.2	1.9%	174.9	165.4	5.7%
Majestic Star	9.2	9.3	-0.8%	88.3	82.5	7.0%
Trump Casino	10.5	12.8	-17.8%	104.7	101.4	3.3%
Grand Victoria	12.1	14.4	-15.8%	106.8	124.6	-14.3%
Argosy	26.2	23.2	13.1%	230.1	192.0	19.9%
Harrah's	17.9	13.6	31.4%	153.3	131.8	16.3%
Blue Chip	13.5	11.9	13.2%	120.2	102.8	16.9%
	129.5	112.5	15.1%	1,167.4	985.6	18.4%

Missouri Riverboat Revenue (\$ millions)	Month of Sept			Year-to-date		
	1999	1998	% Chg	1999	1998	% Chg
St. Louis						
President	5.1	5.0	3.8%	44.3	42.3	4.8%
Harrah's MM	11.1	8.0	39.5%	93.6	68.7	36.1%
Players MM	8.1	7.0	15.9%	75.1	64.4	16.7%
Station St. Ch	9.3	9.2	1.7%	85.0	84.3	0.8%
	33.7	29.1	15.8%	297.9	259.7	14.7%
Kansas City						
Argosy	7.1	5.9	19.8%	62.4	54.3	14.9%
Boyd Sam's Town	na	na	nm	na	18.0	nm
Hilton	5.1	5.2	-1.4%	50.0	44.0	13.5%
Harrah's NKC	14.6	12.7	15.2%	132.5	118.8	11.5%
KC Station	13.9	12.7	9.8%	127.4	106.3	19.9%
St. Joseph	1.5	1.6	-6.8%	14.5	14.5	-0.1%
	42.3	38.2	10.9%	386.8	356.0	8.7%
Caruthersville						
Casino Aztar	2.0	1.7	14.6%	16.9	17.1	-0.9%
Total AGR	78.1	69.0	13.1%	701.7	632.7	10.9%

Source: Missouri Gaming Commission.

Index Performance	10/29/99	% Change		
	Price	Week	YTD	52-week
S&P 500	1,363	4.7	10.9	25.5
DJIA	10,730	2.5	16.9	26.3
CBOE Gaming Index	267	1.7	60.2	68.7
Gaming Operators	2,863	0.7	103.9	112.6
Games Suppliers	7,641	1.3	17.5	13.4
Riverboat Casinos	4,700	-0.2	133.7	143.7
Nevada Gaming Operators	2,321	2.3	91.4	102.9

Gaming/Cruise Line Universe		% Change		
		Week	YTD	52-week
Anchor	SLOT	2.3	8.2	21.4
Aztar	AZR	-3.1	91.4	91.4
Boyd	BYD	-4.6	96.2	121.3
Harrah's Entertainment	MET	1.8	84.5	109.5
Int'l Game Tech	IGT	-1.7	-23.3	-14.7
Mandalay Resorts Group	MBG	9.2	64.6	68.4
MGM Grand	MGG	6.8	88.0	93.4
Mirage	MIR	0.9	-2.5	-14.3
Park Place	PPE	-1.4	105.9	NA
Station	STN	-3.5	195.4	299.0
Trump	OJT	-3.1	3.3	-23.5
Carnival	CCL	6.3	-6.7	45.0
Royal Caribbean	RCL	8.2	44.2	103.6

Additional Information Available Upon Request

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The following stock(s) is (are) optionable: Aztar Corporation; Boyd Gaming Corp.; Harrah's Entertainment Inc.; Mandalay Resort Group; MGM Grand Inc.;

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Mirage Resorts Incorporated; Park Place Entertainment Corporation; Station Casinos Inc.; Trump Hotels & Casino Resorts, Inc.; Anchor Gaming; International Game Technology; Carnival Corporation; Royal Caribbean Cruises Ltd..
Deutsche Bank Securities Inc. maintains a net primary market in the common stock of Anchor Gaming.

There is a (are) convertible issue(s) outstanding on Royal Caribbean Cruises Ltd..

Deutsche Bank Securities Inc. has been engaged as financial advisor to Harrah's Entertainment Inc. in connection with its pending acquisition of Players International Inc.

An author of this comment has a long position in the common shares of Anchor Gaming.

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09:38am EST 01-Nov-99 Deutsche Banc Alex Brown (R. Farley/E. Davis) AZR BYD HET
Weekly Gaming Draw-Part 2/2

Farley, Robin M. 212-471-3015
Davis, Elizabeth Q. 212-471-3491
Deutsche Banc Alex. Brown

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MGM GRAND INC. (MGG) "BUY"
MIRAGE RESORTS INCORPORATED (MIR) "MKT. PERFORM"
PARK PLACE ENTERTAINMENT CORPORATION (PPE) "BUY"
STATION CASINOS INC. (STN) "BUY"
TRUMP HOTELS & CASINO RESORTS, INC. (DJT) "MKT. PERFORM"
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Source: FactSet

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There is a (are) convertible issue(s) outstanding on Royal Caribbean Cruises Ltd..

Deutsche Bank Securities Inc. has been engaged as financial advisor to Harrah's

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Goldman, Sachs & Co.
High Yield & Emerging Markets
Corporate Research
voice: (b)(6),(b)(7)(C)

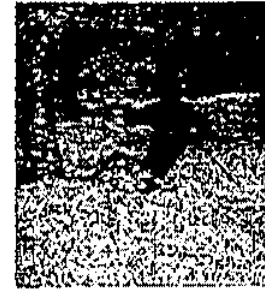
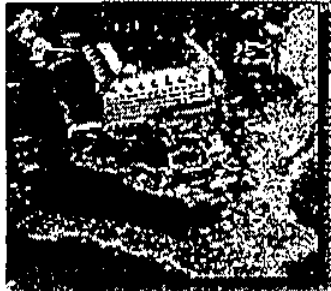


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- Trump's Third Quarter EBITDA Above Expectations
- Park Place Posts Strong Third Quarter Results

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Trump's Third Quarter EBITDA Above Expectations

Trump Hotels & Casinos reported 3Q:99 EBITDA of \$106.7 million compared with \$90.6 million in the prior year. Results were well above our estimate of \$91.0 million, thanks to strong numbers at all three Atlantic City properties. However, the large variance from our estimates combined with the lack of the usual detail that accompanies a Trump earnings release raises several questions. Highlights of the earnings release and conference call are as follows:

- Trump Taj Mahal posted EBITDA of \$51.0 million versus \$46 million in the prior year. Our estimate was \$46.5 million. Gaming revenues declined 7.4%, but non-gaming revenues increased 48% to \$49 million. The company attributed this increase to more cash room sales and increased retail revenues. Management noted that it has moved its focus to slot-driven business from high-end international play, which has led to lower promotional allowances and better containment of marketing expenses.

Without the usual detailed revenue line items, our analysis of the increase in non-gaming revenues leads us to extraordinary assumptions about ADRs and promotional allowances. Therefore, we will not make significant changes in our 4Q:99 or 2000 estimates until we can get a better handle on these revenues.

- Trump Plaza increased EBITDA to \$31.0 million from \$24.4 million in the prior year. Our estimate was \$25.1 million. Gaming revenues were \$105 million, up slightly from the prior year. However, cash operating expenses were down by almost \$5 million. The company closed the World's Fair hotel and casino in October, which is believed to have had a \$13 million negative impact on EBITDA. It will cost approximately \$5 million to demolish the building.
- We have increased our Trump AC estimates slightly, to \$215 million for 1999 and \$222 million for 2000. Interest coverage should remain at 1.5x in both years, and debt/EBITDA would improve from 6.1x in 1999 to 5.9x in 2000.

- Trump's Marina generated EBITDA of \$19.6 million, versus \$15.3 million in the prior year and our estimate of \$16 million. Revenues were slightly higher, but cash expenses were \$3 million lower. We look for EBITDA of \$52 million in both 1999 and 2000. Further upside is possible if promotional and marketing costs continue to decline. Debt/EBITDA excluding the PIKs is expected to be 6.0x for both years.
- Trump Indiana posted an increase in EBITDA to \$5.0 million from \$4.8 million in the prior year (excludes Indiana State and Municipal Obligations). Gaming revenues declined by 12% as a result of the implementation of dockside gaming in Illinois and a reduction in incentive marketing programs. Cash operating expenses declined by approximately \$4 million.
- Management expects to use free cash flow — it expects \$50 million in 2000 — to pay down debt and would like to refinance Trump's Marina debt early next year. In addition, the company will spend approximately \$6-9 million to add slots and reconfigure the floor at the Taj Mahal and the Plaza.

We are retaining our Market Performer rating on the Trump AC mortgage notes (\$84.5 bid; 15.07% YTW; 892 STW). Near term, the notes appear attractive as EBITDA trends should remain positive because of a combination of lower costs and a stabilized promotional environment in the Atlantic City market. Longer term, we remain concerned about (1) the company's ability to refinance these notes in the face of significant new supply, which we expect to see in 2003; and (2) the lack of capital spending on the properties. We also believe that more cash will need to leave Trump AC to fund operations at the holding company.

We are also maintaining our Market Underperform ratings on the Trump Marina notes (\$81 bid; 18.63% YTW; 1,256 STW) and the Trump Hotel senior notes (\$98.5 bid; 15.90 YTW; 977 STW). The Marina notes have problems similar to those of the AC notes, but the margin for error is even smaller. The holding company will continue to need a cash infusion of at least \$5 million for the remainder of the year, which we believe will come out of Trump AC. We continue to question how

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much longer the AC entity can continue to fund the holding company.

Park Place Posts Strong Third Quarter Results

Park Place reported 3Q:99 EBITDA of \$213 million, versus pro forma EBITDA of \$184 million in the prior year and our estimate of \$187 million. Although virtually all properties showed strong increases, the biggest variance from our projection was at Bally's/Paris in Las Vegas. The combined property generated EBITDA of \$31 million. We believe Paris alone generated EBITDA of \$11-13 million for its first month of operations. More important, the other Las Vegas properties generated positive EBITDA despite the increased supply in that market. The outlook for the market and the Park Place properties remains positive for the fourth quarter.

Bally's Park Place in Atlantic City posted a \$3 million increase in EBITDA to \$55 million. Results would have been better if the property had not had a one-time gain of \$3 million in 3Q:98. The AC Hilton was down slightly to \$18 million.

On the Mississippi Gulf Coast, the property continues to see little impact from the Beau Rivage in Biloxi. Grand Biloxi was down approximately 10% to \$21 million, but the decline is still less than we had expected. Management indicated that marketing expenses have stabilized, with some programs being pulled back because of the strength in the market. Gulfport EBITDA increased to \$13 million from \$10 million, thanks to the addition of hotel rooms. EBITDA at Tunica increased by \$3 million to \$18 million, reflecting market growth and a full quarter of rooms at that property.

Our only concern with Park Place is how much of its substantial free cash flow will be dedicated to development as opposed to debt reduction. On its conference call, the company indicated that it expected \$230-240 million for maintenance capital expenditures along with \$185-200 million for projects in Atlantic City, at Caesars Las Vegas, and at Caesars Indiana. We believe these expenditures allow for approximately \$300 million for debt repayment in 2000.

The Caesars acquisition is still awaiting approvals in New Jersey and Indiana. New Jersey officials have

expressed concern about the level of market share that Park Place will control. Indiana officials have yet to hold a hearing. Thus, the acquisition may close later than the November expected date.

We continue to rate the senior subordinated notes as Market Outperformers (\$94.25 bid; 9.12% YTW; 298 STW).

October 26, 1999

3

FAK

Bear Stearns
Park Ave
New York, New York 10167

Date 10/27/99
Number of pages including cover sheet 4

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In This Issue

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- PSINet Reports Strong Third-Quarter Operating Results
- Trump Atlantic City Reports Third-Quarter EBITDA of \$65 Million After Deducting Gain

Chemicals: Lyondell Chemical Company has reported third-quarter results for the period ended September 30 that were in line with expectations. Sales were up by 72%, to \$976 million from \$566 million in the prior-year period, resulting from the full contribution from the Arco acquisition (completed on July 29, 1998). EBITDA rose by 32% year over year, to \$218 million from \$165 million, again reflecting the Arco acquisition, but partially offset by rising raw material costs. Interest coverage was 1.5x, and debt as a multiple of annualized third-quarter EBITDA was 7.2x. Sequentially, sales increased by 14% from \$854 million, and EBITDA rose by 18% from \$185 million, primarily reflecting improved operations at the Equistar (41% ownership) and Lyondell-CITGO Refining (LCR) (58.75% ownership) joint ventures, partially offset by higher raw material costs. Second-quarter results had been hurt at the joint venture by unplanned downtime at Equistar's olefins plant in Channelview, Texas, and a similar shutdown at one of LCR's coker units. We project EBITDA in 1999 and 2000 of \$845 million and \$900 million, respectively, and reiterate our Buy on the company's outstanding issues at current

levels. (Francine L. Brodowicz, (212) 272-2790, fbrodowicz@bear.com)

Energy — Exploration & Production: HS Resources, Inc. announced as-expected third-quarter results for the three months ended September 30, 1999. Third-quarter EBITDA was \$34.7 million, a 43% increase from \$24.4 million during the comparable prior-year period. Our EBITDA estimate was \$34.0 million. EBITDA also rose 19% sequentially from \$29.1 million in 2Q99. The year-over-year increase in EBITDA is primarily attributable to higher crude oil and natural gas prices. During the third quarter, HS realized \$2.14/Mcf, up from \$1.69/Mcf last year and up from \$1.93/Mcf in 2Q99. The company's oil price realization was \$20.04/Bbl in 3Q99, up from \$13.07/Bbl one year ago and \$13.78/Bbl in 2Q99. Unit LOE for the third quarter was \$0.37/Mcfe, down 14% from \$0.43/Mcfe during the prior-year period and down 5% from \$0.39/Mcfe in 2Q99. However, lower LOE was offset by higher production taxes. Third-quarter production taxes were 7.8% of oil and natural gas revenues, up 23% from 6.3% one year ago. Third-quarter production was 18.3 Bcfe (81% natural gas), little changed from both last year and in 2Q99. Excluding 2.2 Bcfe of

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production attributable to certain mid-continent properties that were sold during 3Q98, production for the third quarter was 14% higher than the prior-year period. For the three months ended September 30, 1999, EBITDA covered cash interest 3.1x, while the ratio of total debt of \$539 million to annualized third-quarter EBITDA was 3.9x.

Liquidity is sufficient, with \$4 million in cash and \$46 million available under a \$280-million credit facility, as the company expects to fund all 1999 cash expenditures (including capex and cash interest) from internally generated funds. HS has hedged approximately 46% of its estimated fourth-quarter natural gas production at \$2.52/Mcf, and 72% of its estimated fourth-quarter oil production at \$14.00/Bbl. We continue to favor HS for its low cost structure, solid management, the downside protection provided by its hedging program, and its stable, long-life (14-year) reserve base, and maintain our *buy* recommendation on the company's 9.250% senior subordinated notes and 9.875% senior subordinated notes. Our 1999 EBITDA estimate is \$130 million, and our 2000 EBITDA estimate is \$155 million, yielding cash interest and debt leverage ratios of 0.7x and 3.4x, respectively. Given our 2000 EBITDA estimate, we expect HS to continue to fund reserve replacement, production growth and modest debt reduction from internally generated funds. (Erik Dybesland (212) 272-7652, edybesland@bear.com/ Adam Flikerski, (212) 272-9010, aflikerski@bear.com)

Louis Dreyfus Natural Gas Corp. announced third-quarter results for the three months ended September 30, that were in line with our expectations. Third-quarter EBITDA was \$54.4 million (excluding a \$2.5-million non-cash reduction in the market value of a fixed-price contract), a 22% increase from \$44.5 million during the prior-year period. Our EBITDA estimate was \$55.0 million. EBITDA also rose by 12% sequentially from \$48.6 million during 2Q99. The year-over-year increase in EBITDA was mainly attributable to higher realized natural gas prices and a 5% increase in production. Louis Dreyfus realized \$2.30/Mcf during the third quarter, up from \$2.26/Mcf one year ago, and up from \$2.20/Mcf in 2Q99. The company's oil price realization was \$19.50/Bbl in the third quarter, up from \$19.00/Bbl one year ago, and \$15.53/Bbl in 2Q99. Third-quarter production was 32.0 Bcfe (86% natural gas), up from 30.5 Bcfe during the same period last year, and a 3% sequential increase from 31.2 Bcfe during 2Q99. Third quarter unit operating expense was \$0.54/Mcfe, unchanged from last year, but up by 7% from \$0.51/Mcfe in 2Q99. For the three months ended September 30, EBITDA covered interest 5.4x, while the ratio of total debt of \$604 million to annualized third-quarter EBITDA was 2.8x.

Liquidity remains solid, with \$146 million available under a \$450-million credit facility. In an effort to gain more exposure to natural gas spot prices, Louis Dreyfus has hedged only about

46% of its 4Q99 natural gas production at \$2.52/Mcf. The company expects to incur 1999 finding and development costs (F&D) of \$0.78/Mcfe (\$4.68/BOE), down from \$0.85/Mcfe (\$5.10/BOE) in 1998. While we continue to favor Louis Dreyfus for its firm credit statistics, solid asset protection and strong liquidity, we maintain our *hold* recommendation on its 6.875% senior subordinated notes and 9.250% senior subordinated notes as we believe the bonds are fairly priced at current levels. Our 1999 EBITDA estimate is \$200 million, and our 2000 EBITDA estimate is \$240 million, yielding cash interest and debt leverage ratios of 6.2x and 2.5x, respectively. (Erik Dybesland (212) 272-7652, edybesland@bear.com/ Adam Flikerski, (212) 272-9010, aflikerski@bear.com)

Energy — Oil Service: Grey Wolf, Inc. has reported third-quarter results for the three months ended September 30, 1999, that were slightly better than expected. Third-quarter EBITDA was \$0.9 million (excluding a \$0.2-million provision for doubtful accounts), down from \$7.2 million during the comparable prior-year period but an improvement from \$(2.9) million during 2Q99. Our EBITDA estimate was negative \$2.0 million. The better-than-expected EBITDA result was attributable to utilization and average revenues per day that were higher than anticipated, though they were down considerably from last year. Grey Wolf's third-quarter utilization was 40%, down from 58% one year ago but up from 29% in 2Q99. Average revenue per day for the quarter was \$8,449, down from \$9,226 last year but up from \$7,825 in 2Q99. The year-over-year decline is the result of lower dayrates, though partially offset by a year-over-year increase in the percentage of turnkey days to 20% from 16% of total days worked. The company's rig fleet operated a total of 4,023 days during the third quarter, down from 6,139 days during the same period last year but up from 3,035 days in 2Q99.

The U.S. land drilling count, as reported by Baker Hughes, hit a historical low of 380 for the week ending April 23, 1999, but has risen to a current 622. Accordingly, Grey Wolf has witnessed a modest increase in its dayrates, ranging from \$5,500 to \$7,200 per day. For the first three weeks of 4Q99, the company had an average of 60 rigs working, for total utilization of 55%. We expect the company to exit 1999 with utilization of about 60%. Grey Wolf's decision not to cut employee wages has proven to be beneficial, as the company has returned 30 rigs to work over the past six months. The company anticipates placing another 20 rigs into the market in the near term at a minimal cost of \$2 million.

The company's liquidity is solid, with \$21 million in cash at September 30 and full availability under a \$50 million credit facility. The company has total long-term debt of \$250 million. Given increasing dayrates and utilization, coupled with our bullish view on natural gas prices and drilling (95% of Grey Wolf's drilling is directed towards natural gas), we believe the

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company should report positive EBITDA of approximately \$2.0 million in 4Q99. Our new 1999 EBITDA estimate is \$(1.5) million, up from our previous estimate of negative \$3 million. Our 2000 EBITDA estimate of \$25 million (yielding cash interest and debt coverage ratios of 1.1x and 10.0x, respectively) could prove to be conservative based on drilling capex increases being announced by both major oil companies and independent producers. Grey Wolf's capex was only \$3.8 million during the first nine months of 1999, and we anticipate total 1999 capex of about \$7 million. We maintain our buy recommendation on Grey Wolf's 8.875% senior notes (90.0 bid, 10.821% YTW, 465-bp spread) based on our favorable outlook for natural gas drilling and the company's solid liquidity (we expect its credit facility to remain undrawn through 2000). (Pek Dybesland (212) 272-7652, edybesland@bear.com/ Adam Flikerski, (212) 272-9010, aflikerski@bear.com)

Gaming: On October 25, Trump Hotels & Casino Resorts (THCR) reported third quarter results including results for the Trump Atlantic City Associates (TAC) subsidiary. The company reported an increase in net revenues for the Trump Taj Mahal to \$167.7 million from \$162.1 million in the prior year and an EBITDA increase to \$51.0 million from \$46.0 million in the prior year. TAC EBITDA was \$82.0 million, up from \$70.4 million in the prior year and much greater than our forecast of \$63.1 million. These strong results puzzled us as casino revenues, as reported by the New Jersey Casino Control Commission, declined by \$12.1 million during the quarter from a decline in table games volumes and a difficult hold comparison, partially offset by a 7% or \$6.1 million increase in slot revenues. Table volume was down 13.8% to \$45.5 million and was exacerbated by a 14.5% hold, down from 18.2% last year, resulting in an \$18.8 million or 31.3% reduction of table win.

While the Taj Mahal has been reducing expenses and focusing more on cash sales, a gaming revenue decline of this magnitude is very difficult to overcome. We recently learned that the increase in net revenues and EBITDA at the Taj Mahal were the result of a non-recurring gain. Rooms revenue, food and beverage revenue and promotional allowances were reasonably in line with last year's figures. However, other revenue this year increased to \$23.8 million from \$5.7 million last year. The increase reflects a \$17 million gain that resulted from the abandonment of the All Star Café to the company by Planet Hollywood International. The restaurant was appraised at \$17 million and the assumption of the assets by the company resulted in the gain. The restaurant will now be operated by the Taj Mahal, which previously only received a rent payment from Planet Hollywood. Adjusting for this one-time gain, EBITDA for Trump AC in the third quarter was \$65.0 million, down from \$70.4 million in the prior year and only slightly ahead of our \$63.1 million forecast.

TAC EBITDA for the latest 12 months stands at \$195 million, covering \$147 million of cash interest by 1.33x. Leverage stands at 6.7x. We continue to believe that the two properties that make up TAC generate approximately \$200 million on a consistent basis and free cash flow of approximately \$30 million, after approximately \$20 million of maintenance capital expenditures and approximately \$147 million of interest requirements. However, THCR has historically used the free cash of TAC to support the weaker links in the Trump organization. Consequently, we have historically believed that the value of the TAC 11.250% first mortgage notes should equal the present value using a 15% discount factor of a stream of payments equal to the interest payments expected over the life of the bond and an expected terminal value at maturity of 5.0x to 6.0x annual cash flow. This yields a fair value of approximately 75 to 81 using \$200 million of annual cash flow (higher than the LTM EBITDA) and \$30 million of excess cash. While we maintain a *hold* recommendation on the TAC 11.250% notes, we believe they should trade 5-10 points lower than where they are presently quoted. (Tom Shandell, (212) 272-5053, tshandell@bear.com/ Amy Brown, (212) 272-3228, abrown@bear.com)

Health Services: On October 25, King Pharmaceuticals, Inc. reported results for the third quarter. Total net revenue in 3Q99 was \$104.9 million, a 38% sequential increase from \$76.0 million in 2Q99 and a 118% increase from \$48.1 million for the year-ago period. EBITDA for 3Q99 was \$45.6 million, a 30% sequential increase from 2Q99 EBITDA of \$35.1 million, and a 154% increase from \$17.9 million in the year-ago period. The EBITDA margin came in at 43.4%, down 280 bps sequentially from 46.2%, and up 610 bps from 37.3% in the year-ago period. EBITDA covered interest expense 3.1x in the quarter, and LTM EBITDA coverage was 2.9, as compared to 2.6x and 3.0x, respectively, in 2Q99. Total debt as of September 30 was \$606 million; LQA EBITDA leverage is 3.3x and LTM EBITDA leverage is 4.7x, improved from 3.8x and 5.2x, respectively, in 2Q99.

The dramatic year-over-year increase in sales is attributable to strong sales from the acquired Altace and Lorabid brands, as well as a particularly strong seasonal rebound in sales of Fluogen. Net sales of Altace, which was acquired in December 1998, grew 62% to \$37 million, or 35.5% of total sales, from \$23 million, or 30% of total sales, in 2Q99. Lorabid contributed \$7.9 million in 42 days of sales to 3Q99 results, representing a modest decline in sales from the \$74-million LTM sales reported in the U.S. as of June 30. Integration of these new product lines, along with the ramp-up of recently hired sales staff, offer potential for additional gains in the top line. Fluogen sales were up 79% to \$18.3 million in the period, in line with projections, as compared to \$18.7 million for all of 1998 (see *Bear Morning Call*, July 28, 1999). The influenza vaccine business is highly seasonal, and Fluogen sales occur entirely in

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UNITED STATES OF AMERICA
Before The
SECURITIES AND EXCHANGE COMMISSION
Northeast Regional Office

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In the Matter of :
Trump Hotels & Casino Resorts, Inc. : Case No. MNY-6625
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SUPPLEMENTAL WELLS SUBMISSION FILED ON BEHALF
OF TRUMP HOTELS & CASINO RESORTS, INC. AND (b)(6),(b)(7)(C)

WILLKIE FARR & GALLAGHER
787 Seventh Avenue
New York, New York 10019
(212) 728-8000

Attorneys for Trump Hotels & Casino
Resorts, Inc.

SWIDLER BERLIN SHEREFF
FRIEDMAN, LLP
The Chrysler Building
405 Lexington Avenue
New York, NY 10174
(212) 973-0111

Attorneys for (b)(6),(b)(7)(C)

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UNITED STATES OF AMERICA
Before The
SECURITIES AND EXCHANGE COMMISSION
Northeast Regional Office

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In the Matter of :
Trump Hotels & Casino Resorts, Inc. : Case No. MNY-6625
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SUPPLEMENTAL WELLS SUBMISSION FILED ON BEHALF
OF TRUMP HOTELS & CASINO RESORTS, INC. AND (b)(6),(b)(7)(C)

I.
INTRODUCTION

In their respective September 2000 Wells submissions, Trump Hotels & Casino Resorts, Inc. ("THCR" or the "Company") and (b)(6),(b)(7)(C) (b)(6),(b)(7)(C) each argued that the investigative record compiled up to that time showed that neither THCR nor any of its officers (b)(6),(b)(7)(C) acted with fraudulent intent in omitting a discussion of the September 1999 All Star Café transaction from THCR's third quarter 1999 Earnings Release, and that therefore this case did not warrant Rule 10b-5 enforcement action.

As part of ongoing discussions to resolve the Staff's inquiries without enforcement action, THCR and (b)(6),(b)(7)(C) submit this memorandum pursuant to Section 202.5(c) of Title 17 of the Code of Federal Regulations. The existence and contents of this memorandum are entitled to confidential treatment pursuant to 17 C.F.R. §203.5 and are exempt from the disclosure requirements of the Freedom of Information Act pursuant to 17 C.F.R. §200.80(b)(7) and 17 C.F.R. §200.83.

explicit and it was followed: The record confirms that, at the time of the Earnings Release, THCR officials understood and agreed with the view that Form 10Q disclosure would be necessary and, at the time the Earnings Release was issued, fully intended to make the appropriate Form 10Q disclosure. Indeed, there is unambiguous documentary evidence predating the issuance of the Earnings Release reflecting the planned disclosure of the transaction in THCR's 10Q. Consequently, there is simply no basis to suggest that anyone at THCR sought to deceive investors by leaving that information out of the soon to be expanded-upon Earnings Release.

Although THCR and (b)(6), (b)(7)(C) do not share the Staff's view that the Earnings Release was flawed, THCR and (b)(6), (b)(7) respectfully submit that, to the extent the Commission concludes that those arguable flaws warrant enforcement action, it should invoke the books and records provisions of the securities laws, and not the draconian and devastating sanctions of Rule 10b-5.

II.
THE RECENT TESTIMONY CONFIRMS
THAT THIS IS NOT A RULE 10b-5 CASE.

A. The Testimony Refutes The Suggestion That (b)(6), (b)(7)(C) Demanded Disclosure In The Earnings Release.

At the time of THCR's and (b)(6), (b)(7)(C) original Wells submissions, and prior to the second round of testimony, the Staff suggested that the key factor supporting their viewing this as a Rule 10b-5 case was the testimony of (b)(6), (b)(7)(C) the Arthur Andersen (b)(6), (b)(7)(C) for THCR. The Staff read (b)(6), (b)(7)(C) testimony to mean that he explicitly opined to THCR officials that the Earnings Release should include an explanation of the All Star gain, and that THCR's failure to heed that alleged advice gives rise to a strong inference of scienter. While (b)(6), (b)(7)(C) testimony is ambiguous at best on this point, the recent testimony confirms that no such advice was given.

In his second day of testimony, (b)(6),(b)(7)(C) confirmed that (b)(6),(b)(7)(C) did not insist that THCR include a discussion of the All Star gain in its Earnings Release. Rather, (b)(6),(b)(7)(C) asked, upon being shown a draft of the Earnings Release, "where's the disclosure for the All Star transaction?" (b)(6),(b)(7)(C) Tr. at 86.) Upon being told that the Company had decided not to discuss the transaction in the Earnings Release, (b)(6),(b)(7)(C) did not protest or even suggest that THCR reconsider that decision. Rather, he observed (in no uncertain terms) that disclosure would be required in THCR's upcoming 10Q. (b)(6),(b)(7)(C) Tr. at 87.)¹

Even apart from (b)(6),(b)(7)(C) testimony, other evidence in the record confirms that (b)(6),(b)(7)(C) did not understand (b)(6),(b)(7)(C) to be demanding Earnings Release disclosure. When (b)(6),(b)(7)(C) relayed to his colleague (b)(6),(b)(7)(C) the views of (b)(6),(b)(7)(C) on the issue of disclosure of the All Star gain, (b)(6),(b)(7)(C) merely reported (b)(6),(b)(7)(C) advice that Form 10Q disclosure was needed; (b)(6),(b)(7)(C) did not say anything about the Earnings Release (b)(6),(b)(7)(C) Tr. at 115.) In addition, when asked whether he had ever heard that Arthur Andersen thought the Earnings Release should break out the All Star gain, (b)(6),(b)(7)(C) responded, "The only conversation I recollect at Arthur Andersen was that -- with respect to its disclosure in the 10Q." (b)(6),(b)(7)(C) Tr. at 115.)

B. The Supplemental Record Confirms That, At The Time of the Earnings Release, THCR Intended To Discuss The All Star Gain In Its Upcoming 10Q.

The only unambiguous advice (b)(6),(b)(7)(C) gave to THCR was that disclosure of the All Star transaction would be required in THCR's upcoming 10Q. The second round of testimony confirms that THCR's senior officers, including (b)(6),(b)(7)(C) recognized, prior to the

¹ In fact, this is entirely consistent with (b)(6),(b)(7)(C) testimony. It is our understanding that (b)(6),(b)(7)(C) testimony reveals that his actual comment to (b)(6),(b)(7)(C) on this point was simply "I don't know why you don't disclose it because it must be disclosed in the 10Q." Whatever (b)(6),(b)(7)(C) intended to convey by this, (b)(6),(b)(7)(C) makes clear that he did not understand (b)(6),(b)(7)(C) to be urging disclosure in the Earnings Release.

issuance of the Earnings Release, that such disclosure was necessary and would be made. For instance, the recent depositions confirm that neither (b)(6),(b)(7)(C) had any doubt, prior to the Earnings Release, that the All Star transaction would be discussed in THCR's third quarter Form 10Q (b)(6),(b)(7)(C) Tr. at 103; (b)(6),(b)(7)(C) Tr. at 126). And (b)(6),(b)(7)(C) testified that he participated in a meeting with THCR officials and Arthur Andersen representatives in early October in which it was discussed that the All Star transaction would be described in that filing. (b)(6),(b)(7)(C) Tr. at 37.) (b)(6),(b)(7)(C) "was aware that it had to be disclosed. That was from day one that we were discussing this." (b)(6),(b)(7)(C) Tr. at 38.)

Indeed, even before the Earnings Release was issued, (b)(6),(b)(7)(C) worked on the description of the All Star transaction for THCR's upcoming Form 10Q. (THCR 00204.)² The document reflecting their initial draft bears a fax line of October 22, 1999 -- three days prior to the issuance of the Earnings Release. (b)(6),(b)(7)(C) confirmed that this draft was prepared with the Form 10Q, and not the Earnings Release, in mind. (b)(6),(b)(7)(C) Tr. at 96.) Indeed, the first draft of the Form 10Q contains the exact language (b)(6),(b)(7)(C) worked out prior to the issuance of the Earnings Release. (THCR 00198.)

We understand that the Staff suspects that, at the time of the Release, (b)(6),(b)(7)(C) may not have shared (b)(6),(b)(7)(C) absolute certainty that the All Star gain would be discussed in the 10Q. We do not believe the record provides any basis for such skepticism. Indeed, (b)(6),(b)(7)(C) testified that he had a conversation with (b)(6),(b)(7)(C) in late September or early October in which he indicated that the transaction would be disclosed in the Company's quarterly filing. (b)(6),(b)(7)(C) Tr. at 103.) (b)(6),(b)(7)(C) response was merely that the Company would follow the advice of

² References are to the Bates numbers of documents produced by the Company to the Staff in connection with the informal phase of the Staff's investigation of this matter.

its accountants and lawyers in determining the appropriate disclosure. (b)(6),(b)(7)(C) Tr. at 105.)

Sometime thereafter, (b)(6),(b)(7)(C) asked (b)(6),(b)(7)(C) whether it was the case that Form 10Q disclosure was necessary. (b)(6),(b)(7)(C) Tr. at 88.) When (b)(6),(b)(7)(C) confirmed to (b)(6),(b)(7)(C) that Arthur Andersen advised that the transaction would have to be disclosed in the 10Q, (b)(6),(b)(7)(C) did not protest or disagree.

(b)(6),(b)(7)(C) Tr. at 106.) Instead, (b)(6),(b)(7)(C) replied "when we do the 10Q we'll handle that." (Id.) As

(b)(6),(b)(7)(C) explained, while he did not know precisely what (b)(6),(b)(7)(C) meant by that, he took (b)(6),(b)(7)(C)

statement essentially to mean that, in light of Arthur Andersen's advice, there was no doubt that disclosure would be made. (b)(6),(b)(7)(C) Tr. at 127.)

C. (b)(6),(b)(7)(C) Failure to Comprehend the Accounting For The All Star Transaction Does Not Support a Fraud Claim.

In his deposition (b)(6),(b)(7)(C) stated that he knew the appraised value of the All Star Cafe was \$17 million, but that he was under the impression that the impact in the third quarter would only be \$5-7 million. (b)(6),(b)(7)(C) Tr. at 42, 74.) In our recent meeting, the Staff emphasized, for the first time, their view that other witnesses' testimony contradicted (b)(6),(b)(7)(C) and that (b)(6),(b)(7)(C) alleged knowledge of the impact of the All Star transaction provided conclusive support for the Staff's proposed fraud charge. Whether the Staff is correct or we are on this question, the state of (b)(6),(b)(7)(C) knowledge does not determine the fraud issue. (b)(6),(b)(7)(C) and THCR understood that the All Star transaction had to be -- and, in fact was -- broken out in the Form 10Q to be filed shortly. No rule or regulation, nor THCR's accountant's advice, required separate disclosure in the short-form Earnings Release. And in light of the evidence that (b)(6),(b)(7)(C) knew at the time of the Earnings Release that Arthur Andersen had demanded disclosure of the All Star transaction in the upcoming 10Q, there can be no plausible theory that (b)(6),(b)(7)(C) tried to deceive investors through temporary silence about that transaction, regardless of its impact.

In fact, the record plainly demonstrates that (b)(6), (b)(7)(C) did not fully understand the accounting for the All Star gain or its impact of THCR's third quarter results. First, as (b)(6), (b)(7)(C) testified, his main concern was to ensure that the restaurant stayed in operation to service THCR's customers, and he was not focused on the accounting issues. (b)(6), (b)(7)(C) who (b)(6), (b)(7)(C) All Star Café, supports this:

Q: Did [the Arthur Andersen] memo change your plans about how to handle the All Star Café space?

A: No. We had to -- we were going to run the place as a food and beverage operation -- we needed extra food and beverage operation at the Taj.

(b)(6), (b)(7)(C) Tr. at 24.)

In addition, while both (b)(6), (b)(7)(C) and (b)(6), (b)(7)(C) testified that they discussed with (b)(6), (b)(7)(C) whether to mention the All Star gain in the Earnings Release, they said that they did so because they saw it as a positive development to be trumpeted, not because the numbers might be misleading without such disclosure. (b)(6), (b)(7)(C) at 103; (b)(6), (b)(7)(C) at 43 (first day), 126.) In that light, neither (b)(6), (b)(7)(C) nor THCR should not be accused of fraud for deciding that such self-congratulation was unnecessary.

(b)(6), (b)(7)(C) statements during the conference call to discuss THCR's third quarter results are strong evidence of his confusion regarding the All Star transaction's impact on THCR's third quarter results. Indeed, (b)(6), (b)(7)(C) was unable to answer basic questions about those results. He did not try to obfuscate, but instead admitted his ignorance and invited the participants to call (b)(6), (b)(7)(C) who was intimately familiar with the details of THCR's performance. This not only evidences (b)(6), (b)(7)(C) unfamiliarity with those details, but also belies any intent to keep them secret.

Recent testimony explains (b)(6),(b)(7)(C) confusion on this issue. First, (b)(6),(b)(7)(C) and (b)(6),(b)(7)(C) both testified that initial estimates given to (b)(6),(b)(7)(C) put the value of the All Star Cafe at \$7-8 million. (b)(6),(b)(7)(C) Tr. at 23; (b)(6),(b)(7)(C) Tr. at 21. (b)(6),(b)(7)(C) also testified that, in connection with advice on the accounting treatment of the All Star gain, Arthur Andersen urged -- and THCR agreed to -- an increase in THCR's reserve for "bad debt" to \$10 million (a \$4 million increase in the third quarter and a \$4 million increase in the fourth quarter.) This "bad debt" provision was a fairly dense accounting issue that related to uncollectible credit issued to gaming patrons. (b)(6),(b)(7)(C) Tr. at 26.) (b)(6),(b)(7)(C) made clear that, as the third quarter results were being finalized, the bad debt reserve and the All Star gain were seen as going hand-in-hand. "That was part of the discussion of the whole conversation discussing the All Star transaction and the bad debt transaction." (b)(6),(b)(7)(C) Tr. at 26.) Thus, if the All Star gain and the increase in bad debt reserve were presented to (b)(6),(b)(7)(C) in a manner suggesting they were linked together, then (b)(6),(b)(7)(C) reasonably could have misunderstood (b)(6),(b)(7)(C) to be reporting that the net effect of the All Star transaction on THCR's third quarter results was closer to \$7 million than to \$17 million.

We understand the Staff's view regarding the extent of (b)(6),(b)(7)(C) understanding to be based on the testimony of various witnesses who assumed that, contrary to (b)(6),(b)(7)(C) testimony, he understood that the entirety of the \$17 million All Star gain would be recorded in the third quarter. We do not believe such testimony can provide the basis for Rule 10b-5 enforcement action against (b)(6),(b)(7)(C) or THCR. While people with accounting backgrounds such as (b)(6),(b)(7)(C) may have assumed that (b)(6),(b)(7)(C) shared their understanding of this unusual accounting issue, and indeed may have tried to explain it to (b)(6),(b)(7)(C) there is no testimony that (b)(6),(b)(7)(C) ever said or did anything to corroborate their assumptions.

D. A Rule 10b-5 Action Cannot Proceed Absent An Intent To Defraud.

In light of their understanding -- and Arthur Andersen's insistence-- --that the All Star gain would be disclosed in its Form 10Q filing, there can be no credible suggestion that any THCR official, including (b)(6), (b)(7)(C) intended to defraud investors in connection with the Earnings Release. Thus, a Rule 10b-5 claim here would have to be premised on the theory that THCR and (b)(6), (b)(7)(C) were reckless in issuing the Release. But "it has never been held that recklessness per se is sufficient" to plead a Rule 10b-5 claim; rather, recklessness will satisfy Rule 10b-5's scienter requirement only if it was a "form of intentional conduct" motivated by a malevolent purpose. In re Fischbach Corp. Sec. Litig., No. 89 Civ. 5826, 1992 WL 8715, at *5 (S.D.N.Y. 1992) (Wood, J.). What is more, where "the complaint's allegations actually undermine the plausibility of willful blindness, an allegation of recklessness is insufficient to meet the scienter requirement of § 10(b)." Id. at *7. See also Hart v. Internet Wire, No. 00 Civ. 6571 (S.D.N.Y. June 14, 2001) (Pollack, J.) ("Rule 10b-5 scienter means intent to defraud and even when plaintiffs rely on the recklessness prong of scienter, they still must show that the defendants acted with fraudulent intent.").

Here, as shown above and in THCR's and (b)(6), (b)(7)(C) initial Wells submissions, the facts developed in the record are inconsistent with any intent to defraud. Among other things, the record confirms that, at the time of the Release, (b)(6), (b)(7)(C) and THCR's other senior officers intended to discuss the All Star gain in its upcoming 10Q. THCR officials showed the draft Earnings Release to THCR's (b)(6), (b)(7)(C) of Arthur Andersen, prior to its release -- a step THCR would not have taken if it was about to commit a fraud. During the ensuing conference call to discuss the Earnings Release, (b)(6), (b)(7)(C) invited analysts to call (b)(6), (b)(7)(C) to obtain additional, more detailed information regarding THCR's quarterly results. After that

conference call, (b)(6),(b)(7)(C) freely and candidly provided information regarding the All Star gain to analysts who called him -- all before there was any suggestion that the Earnings Release may have been misleading.

THCR's other accounting decisions in the third quarter also belie an intent to deceive investors in connection with the All Star gain. As discussed above, at the same time the Company recorded that gain, it decided to increase its bad debt reserve, thereby negating the bottom line effect of much of the All Star transaction. Had THCR been looking to deceive investors, it would not have "given back" a significant portion of the All Star gain.

In sum, THCR and (b)(6),(b)(7)(C) not only had no motive to defraud; their actions are inconsistent with an intent to defraud. There is no plausible scheme to mislead or defraud that can be gleaned from the record of investigation. Consequently, it would be inappropriate to seek to impose Rule 10b-5 sanctions here.

E. Recent Enforcement Activity Illustrates That This Is Not A Rule 10b-5 Case.

We respectfully submit that the Commission's recent enforcement history confirms that this case does not warrant Rule 10b-5 treatment. Indeed, we are aware of no instance in which the Commission brought a Rule 10b-5 proceeding where, as here:

- The accounting treatment of the item in question was correct;
- The disclosure in question was accurate, and the reported earnings were not inflated;
- At the time of the disclosure, the issuer intended to supply the omitted information in a quarterly report to be filed within a few weeks;
- Immediately after the arguably misleading statement, and without any threat of litigation or regulatory action, the issuer

took significant steps to provide the missing information to the marketplace; and

- None of the alleged wrongdoers profited by the claimed omission.

The Commission's recently-announced settlement with Arthur Andersen in connection with its work for Waste Management Inc. vividly illustrates the chasm between this case and the type of conduct that Rule 10b-5 was meant to address. Waste Management, unlike THCR, "used improper accounting to inflate its operating income." In the Matter of Arthur Andersen LLP, 2001 SEC LEXIS 1174 at *3 (June 19, 2001). Waste Management's misstatements went uncorrected for years; THCR provided full disclosure regarding the All Star transaction within days. In the Waste Management case, Arthur Andersen knew that Waste Management's statements violated GAAP; in this case, no one at THCR suggested that they thought the Earnings Release was misleading without a description of the All Star transaction. Finally, in the Waste Management case, Arthur Andersen had a motive to remain silent in the face of its client's financial improprieties; Arthur Andersen regarded Waste Management as a "crown jewel" client which paid Arthur Andersen millions of dollars during the period in question. (Id. at *15.) By contrast, neither THCR nor any of its officers involved with the Earnings Release stood to gain from any brief misimpression in the market regarding its third quarter results.

Because of the lack of any evidence of scienter -- not to mention any evidence of earnings manipulation, insider trading, or any of the other indicia of financial fraud that the Commission has identified as Rule 10b-5 enforcement priorities -- a Rule 10b-5 enforcement proceeding is simply not warranted in this case.

III.

THIS CASE IS AT MOST A BOOKS AND RECORDS CASE.

THCR and (b)(6)
(b)(7)
(C) continue to maintain that this case warrants no enforcement action whatsoever. Assuming, however, the validity of the Staff's view that the Earnings Release was deficient in the absence of any detailed discussion of the All Star gain and by virtue of that shortcoming demands action by the Commission, the "books and records" provisions of the securities laws applicable to issuers, 15 U.S.C. §§ 78m(b)(2)(A) and (B), and not the anti-fraud provisions, are more tailored to that alleged shortcoming.

For example, section 13(b)(2)(A) of the Securities Exchange Act of 1934 (15 U.S.C. § 78m(b)(2)(A)) requires issuers "to make and keep books, records, and accounts, which, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the issuer." The Earnings Release was itself clearly a "record" within the meaning of the rule. See Securities and Exchange Commission v. World Wide Coin Investments, Inc., 567 F. Supp. 724, 749 (N.D. Ga. 1983) ("Congress' use of the term 'records' suggests that virtually any tangible embodiment of information made or kept by an issuer is within the scope of section 13(b)(2)(A) of the FCPA"). If one were to credit the Staff's view that the Earnings Release lacked the necessary detail to "fairly reflect" the All Star gain, the case would fit squarely within the books and records rule. Alternatively, the Staff could argue that THCR's internal books and records lacked the requisite detail by aggregating the non-recurring All Star gain together with miscellaneous recurring items of "other income."

Moreover, section 13(b)(2)(B) (15 U.S.C. § 78m(b)(2)(B)) requires issuers to "devise and maintain a system of internal accounting controls sufficient to provide reasonable assurances that transactions are recorded as necessary to permit preparation of financial

statements in conformity with generally accepted accounting principles or any other criteria applicable to such statements.” Here, the Staff could maintain that the Earnings Release incorporated financial statements that did not conform with appropriate accounting criteria and that this failing was the result of a lack of any system in place to communicate the views of THCR’s auditors to those at THCR responsible for drafting and issuing its earnings releases.

Ironically, although in connection with this investigation the Staff has taken the view that earnings releases typically have a greater impact on the investing public than public filings such as a company’s Form 10Q, the Staff has also steadfastly refused to consider any enforcement mechanism short of a Rule 10b-5 proceeding to address the perceived flaws in the Earnings Release, because the Release was not a “publicly filed” document. Thus, the Staff has taken the incongruous position that its regulatory arsenal is limited to the anti-fraud provisions in promoting full and fair disclosure in press releases that are not also “public filings” -- even though (i) it believes that press releases have a greater impact on the financial markets than “public filings,” and (ii) fraud violations are typically limited to cases of egregious conduct and, for that reason, are more difficult to prove than “books and records” violations. Indeed, if THCR had simply attached the Earnings Release to its 10Q, then even under the Staff’s view the books and records provisions would apply.

Precedent exists for applying the books and records provisions to this case, given the sharp distinction between the alleged deficiencies here and the intentional wrongdoing present in the typical Rule 10b-5 action. In Matter of Peter Madsen and Mark Rafferty, Exchange Act Release No. 41935, 1999 SEC Lexis 1987 (Sept. 28, 1999), the Commission announced a settlement pursuant to sections 13(a), 13(b)(2)(A), and 13(b)(2)(B) with the CEO and the CFO, respectively, of Fastcomm for, among other things, recognizing revenue of

\$247,000 on the sale of a product without timely disclosing in the Form 10Q that the sale was to a related party (even though the Form 10Q was later amended and the appropriate disclosure was made). In Matter of Republic Savings Financial Corp and Richard Haskins, Exchange Act Release No. 31497, 1992 SEC Lexis 3106 (Nov. 23, 1992), Republic failed to record a loss on a lease transaction for a yacht. The company's CFO was aware of the loss but, contrary to advice from independent auditors (who were then dismissed by the company) determined not to disclose it in the appropriate Form 10Q and instead mentioned the "possibility" of a loss in a footnote to the financial statements. The Commission brought charges against the company and the CFO pursuant to sections 13(b)(2)(A) and 13(b)(2)(B). Finally, in Matter of Gibson Greetings, Inc., Ward Cavanaugh, and James Johnsen, Exchange Act Release No. 36357, 1995 SEC Lexis 2667 (Oct. 11, 1995), Gibson engaged in speculative derivatives trading strategies but did not mark its investments to market because it kept restructuring the trading strategies. As a result, Gibson did not record or reserve against significant losses incurred in connection with its derivatives trading. Gibson also lacked internal controls for ascertaining whether its derivatives transactions were consistent with corporate derivatives objectives established by its Board of Directors. The company and its executives agreed to dispositions under sections 13(a), 13(b)(2)(A) and 13(b)(2)(B).

These cases illustrate the Commission's recognition that not all alleged disclosure violations warrant Rule 10b-5 sanctions; indeed, where the proper evidence of scienter is lacking, or where the conduct at issue is less egregious, the Commission has not hesitated to use the books and records provisions to rectify perceived disclosure shortcomings. Therefore, if the Commission concludes that the Earnings Release in this case requires enforcement action, it

should act consistently with other cases where failures to disclose were not the result of a palpable scheme to defraud, and should refrain from proceeding under Rule 10b-5.

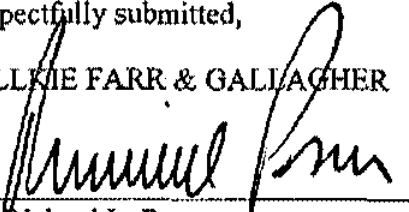
CONCLUSION

The recent testimony confirms that this is not a fraud case. For the reasons set forth in this memorandum, and in THCR's and (b)(6),(b)(7)(C) original Wells submissions, THCR and (b)(6),(b)(7)(C) respectfully urge that no Rule 10b-5 enforcement action be pursued.

Dated: New York, New York
July 20, 2001

Respectfully submitted,

WILLKIE FARR & GALLAGHER


By: 
Richard L. Posen

Of Counsel:
Thomas Golden
James Dugan

787 Seventh Avenue
New York, New York 10019
(212) 728-8000

Attorneys for Trump Hotels & Casino
Resorts, Inc.

SWIDLER BERLIN SHEREFF
FRIEDMAN, LLP

By: 
Andrew Levander (AL-5987)

Of Counsel:
David Hoffner

The Chrysler Building
405 Lexington Avenue
New York, NY 10174
(212) 973-0111

Attorneys for (b)(6),(b)(7)(C)

925019.02



NEWS RELEASE

For Immediate Release: October 25, 1999

For further information, contact: Nicholas L. Ribis, President and CEO (212) 688-0190

TRUMP HOTELS & CASINO RESORTS

THIRD QUARTER RESULTS

EBITDA INCREASED TO \$106.7 MILLION VS. \$90.6 MILLION IN 1998

NET PROFIT INCREASED TO 63 CENTS PER SHARE

VS. 24 CENTS PER SHARE IN 1998

NEW YORK, NY – Trump Hotels & Casino Resorts, Inc. (NYSE:DJT) announced today that for the third quarter ended, September 30, 1999, consolidated net revenues were \$403.1 million compared to \$397.4 million reported for the same period in 1998. THCR's EBITDA (earnings before interest, taxes, depreciation, amortization, Trump World's Fair charge and corporate expenses) for the quarter was \$106.7 million versus \$90.6 million reported for the prior year's third quarter. Net income increased to \$14.0 million or \$0.63 per share, before a one time Trump World's Fair charge, compared to \$5.3 million or \$0.24 per share in 1998. THCR's earnings per share of \$0.63 exceeded First Call estimates of \$0.54.

Nicholas Ribis, President and Chief Executive Officer of THCR, stated, "Our focus in 1999 was three-fold: first, to increase our operating margins at each operating entity; second, to decrease our marketing costs; and third, to increase our cash sales from our non-casino operations. We have succeeded in achieving positive results in each of the three categories. The third quarter and nine month results for the company indicate that we have successfully instituted the programs that we focused on during 1999."

Trump Boardwalk Properties Results

(S in millions)	1999 Third Quarter	1998 Third Quarter	1999 Nine Months	1998 Nine Months
Trump Taj Mahal				
Revenues	\$167.7	\$162.1	\$456.2	\$426.7
Operating Profit	41.4	36.5	77.4	71.4
EBITDA	51.0	46.0	106.6	100.2
Margin	30.4%	28.4%	24.4%	23.5%
Trump Plaza				
Revenues	\$117.0	\$114.8	\$312.1	\$313.2
Operating Profit	24.7	17.5	46.3	39.0
EBITDA	31.0	24.4	65.2	58.9
Margin	26.5%	21.3%	20.9%	18.8%
Trump Atlantic City Associates				
Revenues	\$284.7	\$276.9	\$748.3	\$739.9
Operating Profit	66.1	54.0	123.7	110.4
EBITDA	82.0	70.4	171.8	159.1
Margin	28.8%	25.4%	23.0%	21.5%

Trump Marina Results

(S in millions)	1999 Third Quarter	1998 Third Quarter	1999 Nine Months	1998 Nine Months
Trump Marina				
Revenues	\$83.5	\$81.8	\$223.7	\$215.4
Operating Profit	14.8	10.9	28.2	22.9
EBITDA	19.6	15.5	42.3	36.1
Margin	23.5%	18.7%	18.9%	16.8%

Trump Indiana Results

(S in millions)	1999 Third Quarter	1998 Third Quarter	1999 Nine Months	1998 Nine Months
Trump Indiana				
Revenues	\$34.9	\$38.8	\$108.5	\$103.0
Operating Profit	2.3	2.5	8.1	5.5
EBITDA	5.0	4.8	16.1	12.5
Margin	14.3%	12.4%	14.8%	12.1%

THCR in the third quarter also ceased operations at the Trump World's Fair Casino Hotel in Atlantic City and it has taken a one-time charge of \$81.4 million (\$128.4 million less minority interest of \$47.0 million or \$3.67 per share) with respect to the closing. THCR has indicated it will demolish the existing structures, and planning has commenced for the development of this 10-acre Boardwalk site into a 4,000-room hotel and a 200,000 sq. ft. casino to be connected to the newly renovated Atlantic City Entertainment Center, and a proposed 10,000-car parking garage.

This press release contains forward-looking statements that are subject to change. Actual results may differ materially from those described in any forward-looking statement. Additional information concerning potential factors that could affect the Company's future results is included in the Company's Annual Report on Form 10-K for the year ended December 31, 1998. This statement is provided as permitted by the Private Securities Litigation Reform Act of 1995.

Trump Hotels & Casino Resorts, Inc.
Consolidated Summary of Operations
(Unaudited)

(in thousands, except in share amounts)	Third Quarter Ended		Nine Months Ended	
	Sept. 30, 1999	Sept. 30 1998	Sept. 30, 1999	Sept. 30, 1998
Revenues	\$403,072	\$397,387	\$1,080,569	\$1,058,296
EBITDA				
Before CRDA/Indiana State & Municipal Obligation: Depreciation & Amortization: Interest Expense, Corporate Expense, Other Non-Operating Expense: Trump World's Fair Closing	\$106,666	\$ 90,589	\$ 230,205	\$ 207,661
CRDA/Indiana State & Munic Oblig.	\$ (2,528)	\$ (2,521)	\$ (7,065)	\$ (6,463)
Depreciation & Amortization	(21,775)	(21,800)	(63,613)	(64,882)
Interest Expense, Net	(54,043)	(53,371)	(161,638)	(159,513)
Corporate Expenses	(4,645)	(3,538)	(13,103)	(11,510)
Other Non-Operating Expense	(1,669)	(1,184)	(5,324)	(2,065)
Income (Loss) before Minority Interest, Trump World's Fair Closing Costs, & Cumulative Effect of Change in Accounting Principle	\$ 22,006	\$ 8,375	\$ (22,538)	\$ (36,772)
Minority Interest	\$ (8,048)	\$ (3,063)	\$ 8,242	\$ 13,434
Income (Loss) Before Trump World's Fair Closing Costs & Cumulative Effect of Change in Accounting Prin.	\$ 13,958	\$ 5,312	\$ (14,296)	\$ (23,338)
Trump World's Fair Closing Costs (\$128,375 Less Minority Interest of \$46,947)	\$ (81,428)	—	\$ (81,428)	—
Cumulative Effect of Change In Accounting Prin.	—	—	\$ (3,565)	—
Net Income (Loss)	\$ (67,470)	\$ 5,312	\$ (99,289)	\$ (23,338)
Average # Shares	22,195,256	22,195,256	22,195,256	22,206,428
Basic & Diluted Earnings (Loss) Per Share	\$ (3.04)	\$ 0.24	\$ (4.47)	\$ (1.05)
Basic & Diluted Earnings Per Share Before Trump World's Fair Closing Costs & Cumulative Effect of Change in Accounting Prin.	\$ 0.63	\$ 0.24	\$ (0.64)	\$ (1.05)

(b)(5)

(b)(5)

Trump Hotels & Casino Resorts, Inc. owns and operates Trump Plaza Hotel & Casino, Trump Taj Mahal Casino Resort and Trump Marina Hotel Casino in Atlantic City, NJ, as well as Trump Indiana, the riverboat casino at Buffington Harbor, Indiana on Lake Michigan. It is the exclusive vehicle through which Trump will engage in new gaming activities in both emerging and established gaming jurisdictions in both the United States and abroad

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TRUMP HOTELS & CASINO RESORTS INC - 10-Q

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UNITED STATES
 SECURITIES AND EXCHANGE COMMISSION
 Washington, D.C. 20549
 FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE
 SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended: September 30, 2001
 OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES
 EXCHANGE ACT OF 1934

For the transition period from to
 ---- ----

Commission file number: 1-13794
 TRUMP HOTELS & CASINO RESORTS, INC.
 (Exact name of registrant as specified in its charter)

DELAWARE	13-3818402
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
Huron Ave. & Brigantine Blvd.	
Atlantic City, New Jersey	08401
(Address of principal executive offices)	(Zip Code)

(609) 441-8406

(Registrant's telephone number, including area code)

Not Applicable

(Former name, former address and former fiscal year, if changed since last report)

Commission file number: 33-90786
 TRUMP HOTELS & CASINO RESORTS HOLDINGS, L.P.
 (Exact name of registrant as specified in its charter)

DELAWARE	13-3818407
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
Huron Ave. & Brigantine Blvd.	
Atlantic City, New Jersey	08401
(Address of principal executive offices)	(Zip Code)

(609) 441-8406

(Registrant's telephone number, including area code)

Not Applicable

(Former name, former address and former fiscal year, if changed since last report)

Commission file number: 33-90786
 TRUMP HOTELS & CASINO RESORTS FUNDING, INC.
 (Exact name of registrant as specified in its charter)

DELAWARE	13-3818405
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
Huron Ave. & Brigantine Blvd.	
Atlantic City, New Jersey	08401
(Address of principal executive offices)	(Zip Code)

(609) 441-8406

(Registrant's telephone number, including area code)

Not Applicable

(Former name, former address and former fiscal year, if changed since last report)

Indicate by check mark whether the registrants (1) have filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrants were required to file such reports), and (2) have been subject to such filing requirements for the past 90 days. Yes X No

The number of outstanding shares of Common Stock, par value \$.01 per share, of Trump Hotels & Casino Resorts, Inc. as of November 14, 2001 was 22,010,027.

The number of outstanding shares of Class B Common Stock, par value \$.01

per share, of Trump Hotels & Casino Resorts, Inc. as of November 14, 2001 was 1,000.

The number of outstanding shares of Common Stock, par value \$.01 per share, of Trump Hotels & Casino Resorts Funding, Inc. as of November 14, 2001 was 100.

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TRUMP HOTELS & CASINO RESORTS, INC.,

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TRUMP HOTELS & CASINO RESORTS HOLDINGS, L.P.
AND
TRUMP HOTELS & CASINO RESORTS FUNDING, INC.

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TRUMP HOTELS & CASINO RESORTS HOLDINGS, L.P.
AND
TRUMP HOTELS & CASINO RESORTS FUNDING, INC.

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PART I - FINANCIAL INFORMATION

ITEM 1 - FINANCIAL STATEMENTS

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TRUMP HOTELS & CASINO RESORTS, INC.
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 CONDENSED CONSOLIDATED BALANCE SHEETS
 (dollars in thousands, except share data)

ASSETS	December 31, 2000	September 30, 2001
	-----	-----
CURRENT ASSETS:		(unaudited)
Cash and cash equivalents	\$ 96,429	\$ 164,697
Receivables, net	92,715	49,686
Inventories	12,324	12,052
Due from affiliates, net	2,525	553
Prepaid expenses and other current assets	9,941	12,208
Total Current Assets	172,934	239,206
INVESTMENT IN BUFFINGTON HARBOR, L.L.C.	36,585	34,468
INVESTMENT IN TRUMP'S CASTLE PEK NOTES	90,101	101,778
PROPERTY AND EQUIPMENT, NET	1,815,060	1,809,171
DEFERRED BOND AND LOAN ISSUANCE COSTS, NET	23,273	20,758
OTHER ASSETS (Note 3)	61,190	69,553
Total Assets	\$ 2,199,151	\$ 2,274,934
	*****	*****
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Current maturities of long-term debt (Note 6)	\$ 27,021	\$ 17,491
Accounts payable and accrued expenses	147,639	150,398
Accrued interest payable	29,967	79,817
Total Current Liabilities	204,627	247,706
LONG-TERM DEBT, net of current maturities (Notes 6 & 8)	1,827,023	1,865,967
OTHER LONG-TERM LIABILITIES	25,455	43,567
Total Liabilities	2,057,105	2,157,240
	-----	-----
MINORITY INTEREST	26,897	18,196

STOCKHOLDERS' EQUITY:

Common Stock, \$.01 par value, 75,000,000 shares authorized, 24,206,756 issued; 22,010,027 outstanding	242	242
Class B Common Stock, \$.01 par value, 1,000 shares authorized, issued and outstanding	--	--
Additional Paid in Capital	455,645	455,645
accumulated Deficit	(320,538)	(335,630)
Accumulated Other Comprehensive Loss	--	(559)
Less treasury stock at cost, 2,196,729 shares	(20,200)	(20,200)
Total Stockholders' Equity	115,349	99,498
Total Liabilities and Stockholders' Equity	\$ 2,199,351	\$ 2,274,934

The accompanying notes are an integral part of these condensed consolidated balance sheets

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TRUMP HOTELS & CASINO REPORTS, INC.
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 CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
 FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2000 AND 2001
 (unaudited)
 (dollars in thousands, except share data)

	Three Months Ended September 30		Nine Months Ended September 30	
	2000	2001	2000	2001
REVENUES:				
Gaming	\$ 357,752	\$ 343,237	\$ 955,318	\$ 945,383
Rooms	23,771	23,029	61,002	61,962
Food and Beverage	39,765	36,461	103,856	99,849
Other	12,691	12,103	30,949	29,094
Gross Revenues	433,979	414,826	1,161,925	1,136,288
Less -- Promotional allowances (Note 5)	54,730	47,917	137,022	128,047
Net Revenues	379,249	366,909	1,024,903	1,008,241
COSTS AND EXPENSES:				
Gaming (Note 5)	201,810	192,865	567,692	558,601
Rooms	7,853	7,843	23,486	23,001
Food and Beverage	12,770	12,755	34,809	33,919
General and Administrative	70,622	66,300	210,540	198,099
Depreciation and Amortization	19,586	17,367	57,941	54,887
Trump World's Fair Closing (Note 4)	29	--	765	--
.....	312,670	296,730	895,243	868,507
Income from operations	66,579	70,179	129,660	139,734
NON-OPERATING INCOME AND (EXPENSES):				
Interest income	1,451	720	4,710	2,820
Interest expense	(54,865)	(55,242)	(165,885)	(164,529)
Other non-operating income (expense)	(86)	(59)	(594)	367
.....	(53,500)	(54,581)	(161,769)	(161,342)
Income (Loss) before equity in loss of Buffington Harbor, L.L.C., minority interest and extraordinary item	13,079	15,598	(32,109)	(21,600)
Equity in loss of Buffington Harbor, L.L.C. ..	(796)	(586)	(2,328)	(2,185)
Minority Interest	(4,492)	(5,490)	12,594	8,701
Income (Loss) before extraordinary items	7,791	9,522	(21,843)	(15,092)
Extraordinary gain (\$14,803) net of minority interest (\$5,480) (Note 2)	1,165	--	9,455	--

NET INCOME (LOSS)	\$ 8,956	\$ 9,522	\$ (12,390)	\$ (15,092)
Basic and diluted earnings(loss) per share before extraordinary item	\$.35	\$.43	\$ (.99)	\$ (.69)
Extraordinary item06	--	.43	--
Basic and diluted loss per share	\$.41	\$.43	\$ (.56)	\$ (.69)
Average number of shares outstanding	22,010,027	22,010,027	22,051,463	22,010,027

The accompanying notes are an integral part of these condensed consolidated financial statements.

TRUMP HOTELS & CASINO RESORTS, INC.
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 CONDENSED CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY
 FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2001
 (unaudited)
 (dollars in thousands)

	Common Stock Amount	Additional Paid in Capital	Accumulated Deficit	Accumulated Other Comprehensive Loss	Treasury Stock	Total Stockholders' Equity
Balance, December 31, 2000	\$ 242	\$ 455,645	\$ (320,538)	\$ --	\$ (20,200)	\$ 115,149
Comprehensive Loss						
Net Loss	--	--	(15,092)	--	--	(15,092)
Change in value of interest rate swap (Note 6)	--	--	--	(559)	--	(559)
Balance, September 30, 2001	\$ 242	\$ 455,645	\$ (335,630)	\$ (559)	\$ (20,200)	\$ 99,498

At December 31, 2000 and September 30, 2001 there were 24,206,766 shares of Common Stock issued and 1,000 shares of Class B Common Stock issued.

The accompanying notes are an integral part of this condensed consolidated financial statement.

TRUMP HOTELS & CASINO RESORTS, INC.
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 CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
 FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2000 AND 2001
 (unaudited)
 (dollars in thousands)

	2000	2001
CASH FLOWS FROM OPERATING ACTIVITIES:		
NET LOSS	\$ (12,390)	\$ (15,092)
Adjustments to reconcile net loss to net cash flows from operating activities:		
Extraordinary gain, net of minority interest	(9,453)	--
Issuance of debt in exchange for accrued interest	7,339	8,392
Non-cash increase in Trump's Castle FTR Notes	(10,211)	(11,677)

Equity in loss of Buffington Harbor, L.L.C.	2,328	2,185
Depreciation and amortization	57,941	54,887
Minority interest in net loss	(12,594)	(8,701)
Accretion of discounts on mortgage notes	4,228	4,809
Amortization of deferred loan costs	4,814	4,409
Provision for losses on receivables	4,819	5,803
Valuation allowance of CRDA investments and amortization of Indiana gaming costs	7,697	4,943
Loss (gain) on disposition of property	459	(448)
Increase in receivables	(13,345)	(2,774)
Decrease in inventories	915	262
Increase in other current assets	(4,719)	(1,697)
Decrease in due from affiliates	28,315	2,012
Increase in other assets	(1,495)	(3,624)
Increase (decrease) in accounts payable and accrued expenses	14,774	(3,291)
Increase in accrued interest payable	49,662	43,850
Increase in other long-term liabilities	3,923	5,530
Net cash flows provided by operating activities	119,907	95,788
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property and equipment, net	(25,358)	(10,860)
Investment in Buffington Harbor, L.L.C.	(1,285)	169
CRDA Investments	(10,251)	(10,322)
Net cash flows used in investing activities	(36,894)	(21,159)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from additional borrowings	7,978	27,500
Payment of long-term debt	(30,380)	(30,976)
Loan costs from additional borrowing	(93)	(1,694)
Net cash flows used in financing activities	(22,495)	(5,370)
Net increase in cash and cash equivalents	60,518	69,268
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	104,026	95,429
CASH AND CASH EQUIVALENTS AT END OF PERIOD	\$ 164,544	\$ 164,697
CASH INTEREST PAID	\$ 106,350	\$ 104,437
SUPPLEMENTAL DISCLOSURE OF NON-CASH ACTIVITIES:		
Purchase of property and equipment under capital lease obligations	\$ 18,861	\$ 19,128
Exchange of TRCR Common Stock to treasury stock	\$ 203	\$ --
Accumulated Other Comprehensive Loss	\$ --	\$ 559

The accompanying notes are an integral part of these condensed consolidated financial statements.

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TRUMP HOTELS & CASINO RESORTS HOLDINGS, L.P.
CONDENSED CONSOLIDATED BALANCE SHEETS
(dollars in thousands)

	December 31, 2000	September 30, 2001
		(unaudited)
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 95,425	\$ 164,693
Receivables, net	52,715	49,686
Inventories	12,324	12,062
Due from affiliates, net	2,525	563
Prepaid expenses and other current assets	9,941	12,208
Total Current Assets	172,930	239,202
INVESTMENT IN BUFFINGTON HARBOR, L.L.C.	36,585	34,468

INVESTMENT IN TRUMP'S CASTLE PIK NOTES	90,101	101,778
PROPERTY AND EQUIPMENT, NET	1,819,069	1,809,171
DEFERRED BOND AND LOAN ISSUANCE COSTS, NET	23,273	20,758
OTHER ASSETS (Note 3)	61,190	69,553
Total Assets	\$ 2,199,147	\$ 2,274,930
LIABILITIES AND PARTNERS' CAPITAL		
CURRENT LIABILITIES:		
Current maturities of long-term debt (Note 6)	\$ 27,021	\$ 17,491
Accounts payable and accrued expenses	147,639	150,399
Accrued interest payable	29,967	79,817
Total Current Liabilities	204,627	247,706
LONG-TERM DEBT, net of current maturities (Notes 6 & 8)	1,827,023	1,865,967
OTHER LONG-TERM LIABILITIES	25,455	43,567
Total Liabilities	2,057,105	2,157,240
PARTNERS' CAPITAL:		
Partners' capital	652,503	652,503
Accumulated deficit	(490,261)	(514,054)
Accumulated Other Comprehensive Loss	--	(559)
Less stock of TRCR	(20,200)	(20,200)
Total Partners' Capital	142,042	117,690
Total Liabilities and Partners' Capital	\$ 2,199,147	\$ 2,274,930

The accompanying notes are an integral part of these condensed consolidated balance sheets.

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TRUMP HOTELS & CASINO RESORTS HOLDINGS, L.P.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2000 AND 2001
(unaudited)
(dollars in thousands)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2000	2001	2000	2001
REVENUES:				
Gaming	\$ 357,752	\$ 343,237	\$ 965,318	\$ 945,383
Rooms	23,771	23,025	81,402	81,962
Food and Beverage	39,765	36,461	103,856	99,849
Other	12,691	12,103	30,949	29,094
Gross Revenues	433,979	414,826	1,161,925	1,136,288
Less -- Promotional allowances (Note 5)	54,730	47,917	137,022	128,047
Net Revenues	379,249	366,909	1,024,903	1,008,241
COSTS AND EXPENSES:				
Gaming (Note 5)	201,810	192,665	567,692	558,601
Rooms	7,853	7,643	23,496	23,001

Food and Beverage	12,770	12,755	34,809	33,919
General and Administrative	70,622	66,300	210,540	198,099
Depreciation and Amortization	19,586	17,367	57,941	54,687
Trump world's Fair Closing (Note 4)	29	---	765	---
	-----	-----	-----	-----
	312,670	296,730	895,243	868,507
	-----	-----	-----	-----
Income from operations	86,579	70,179	129,660	139,734
	-----	-----	-----	-----
NON-OPERATING INCOME AND (EXPENSES):				
Interest income	1,451	720	4,710	2,620
Interest expense	(54,865)	(55,242)	(168,888)	(164,229)
Other non-operating income (expense)	(86)	(59)	(594)	367
	-----	-----	-----	-----
	(53,500)	(54,581)	(161,769)	(161,342)
	-----	-----	-----	-----
Income (Loss) before equity in loss of Buffington Harbor, L.L.C. and extraordinary item	13,079	15,598	(32,109)	(21,608)
Equity in loss of Buffington Harbor, L.L.C.	(796)	(586)	(2,328)	(2,185)
	-----	-----	-----	-----
Income (Loss) before extraordinary item	12,283	15,012	(34,437)	(23,793)
Extraordinary gain (Note 2)	1,836	---	14,903	---
	-----	-----	-----	-----
NET INCOME (LOSS)	\$ 14,119	\$ 15,012	\$ (19,534)	\$ (23,793)
	*****	*****	*****	*****

The accompanying notes are an integral part of these condensed consolidated financial statements.

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TRUMP HOTELS & CASINO RESORTS HOLDINGS, L.P.
CONDENSED CONSOLIDATED STATEMENT OF PARTNERS' CAPITAL
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2001
(unaudited)
(dollars in thousands)

	Partners' Capital	Accumulated Deficit	Accumulated Other Comprehensive Loss	THCR Common Stock	Total
	-----	-----	-----	-----	-----
Balance, December 31, 2000	\$ 692,503	\$ (490,261)	\$ --	\$ (20,200)	\$ 182,042
Comprehensive Loss					
Net Loss	--	(23,793)	--	--	(23,793)
Change in value of interest rate swap (Note 6)	--	--	(559)	--	(559)
	-----	-----	-----	-----	-----
Balance, September 30, 2001	\$ 692,503	\$ (514,054)	\$ (559)	\$ (20,200)	\$ 117,690
	*****	*****	*****	*****	*****

The accompanying notes are an integral part of this condensed consolidated financial statement.

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TRUMP HOTELS & CASINO RESORTS HOLDINGS, L.P.
 CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
 FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2000 AND 2001
 (unaudited)
 (dollars in thousands)

	2000	2001
	----	----
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net Loss	\$ (19,534)	\$ (23,793)
Adjustments to reconcile net loss to net cash flows from operating activities:		
Extraordinary gain, net of minority interest	(14,503)	--
Issuance of debt in exchange for accrued interest	7,339	8,392
Non-cash increase in Trump's Castle SIX Notes	(10,211)	(11,677)
Equity in loss of Buffington Harbor, L.L.C.	2,328	2,185
Depreciation and amortization	57,961	54,887
Accretion of discounts on mortgage notes	4,328	4,809
Amortization of deferred loan costs	4,814	4,409
Provision for losses on receivables	4,619	5,803
Valuation allowance of CRDA investments and amortization of Indians gaming costs	7,697	4,943
Loss(gain) on disposition of property	458	(440)
Increase in receivables	(23,385)	(2,774)
Decrease in inventories	919	262
Increase in other current assets	(4,719)	(1,697)
Decrease in due from affiliates	25,515	2,012
Increase in other assets	(1,495)	(3,614)
Increase (decrease) in accounts payable and accrued expenses	14,774	(3,291)
Increase in accrued interest payable	49,662	49,850
Increase in other long-term liabilities	3,923	5,530
	-----	-----
Net cash flows provided by operating activities	119,907	95,788
	-----	-----
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property and equipment, net	(25,288)	(10,950)
Investment in Buffington Harbor, L.L.C.	(1,285)	(68)
CRDA Investments	(10,251)	(10,222)
	-----	-----
Net cash flows used in investing activities	(36,824)	(21,150)
	-----	-----
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from additional borrowings	7,978	27,500
Payment of long-term debt	(30,380)	(30,976)
Loan costs from additional borrowing	(93)	(1,894)
	-----	-----
Net cash flows used in financing activities	(22,495)	(5,370)
	-----	-----
Net Increase in cash and cash equivalents	60,518	69,268
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	104,022	95,425
	-----	-----
CASH AND CASH EQUIVALENTS AT END OF PERIOD	\$ 164,540	\$ 164,693
	*****	*****
CASH INTEREST PAID	\$ 106,350	\$ 104,437
	*****	*****
SUPPLEMENTAL DISCLOSURE OF NON-CASH ACTIVITIES:		
Purchase of property and equipment under capital lease obligations	\$ 10,861	\$ 19,128
	*****	*****
Exchange of TRCR Common Stock to treasury stock	\$ 203	\$ --
	*****	*****
Accumulated Other Comprehensive Loss	\$ --	\$ 559
	*****	*****

The accompanying notes are an integral part of these condensed consolidated financial statements.

TRUMP HOTELS & CASINO RESORTS, INC.,

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TRUMP HOTELS & CASINO RESORTS HOLDINGS, L.P.

AND

TRUMP HOTELS & CASINO RESORTS FUNDING, INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(unaudited)

(1) Organization and Operations

The accompanying condensed consolidated financial statements include those of Trump Hotels & Casino Resorts, Inc., a Delaware corporation ("THCR"), Trump Hotels & Casino Resorts Holdings, L.P., a Delaware limited partnership ("THCR Holdings"), and Subsidiaries (as defined). THCR Holdings is currently owned approximately 63.4% by THCR, as both a general and limited partner, and approximately 36.6% by Donald J. Trump ("Trump"), as a limited partner. Trump's limited partnership interest in THCR Holdings represents his economic interests in the assets and operations of THCR Holdings. Such limited partnership interest is convertible at Trump's option into 13,918,723 shares of THCR's common stock, par value \$.01 per share (the "THCR Common Stock") (subject to certain adjustments), and if converted, would give Trump ownership of 42.9% of the THCR Common Stock (including his current personal share ownership) or 44.4% (assuming currently exercisable options held by Trump were exercised). Accordingly, the accompanying condensed consolidated financial statements include those of (i) THCR and its 63.4% owned subsidiary, THCR Holdings, and (ii) THCR Holdings and its wholly owned subsidiaries.

All significant intercompany balances and transactions have been eliminated in the accompanying condensed consolidated financial statements.

The accompanying condensed consolidated financial statements have been prepared without audit. In the opinion of management, all adjustments, consisting of only normal recurring adjustments necessary to present fairly the financial position, the results of operations and cash flows for the periods presented, have been made.

The accompanying condensed consolidated financial statements have been prepared pursuant to the rules and regulations of the Securities and Exchange Commission ("SEC"). Accordingly, certain information and note disclosures normally included in financial statements prepared in conformity with accounting principles generally accepted in the United States have been condensed or omitted.

These condensed consolidated financial statements should be read in conjunction with the consolidated financial statements and notes thereto included in the annual report on Form 10-K for the year ended December 31, 2000 filed with the SEC.

The casino industry in Atlantic City and Indiana is seasonal in nature. Accordingly, results of operations for the period ended September 30, 2001 are not necessarily indicative of the operating results for a full year.

THCR, THCR Holdings and Trump Hotels & Casino Resorts Funding, Inc., a Delaware corporation ("THCR Funding"), have no operations and their ability to

service their debt is dependent on the successful operations of the following subsidiaries of THCR Holdings (the "Subsidiaries"): (i) Trump Atlantic City Associates, a New Jersey general partnership ("Trump AC"), which is comprised of Trump Taj Mahal Associates, a New Jersey general partnership ("Taj Associates"), and Trump Plaza Associates, a New Jersey general partnership ("Plaza Associates"); (ii) Trump Indiana, Inc., a Delaware corporation ("Trump Indiana"); and (iii) Trump's Castle Associates, L.P., a New Jersey limited partnership ("Castle Associates") d/b/a Trump Marina Hotel Casino ("Trump Marina"). THCR, through THCR Holdings and its subsidiaries, is the exclusive vehicle through which Trump engages in new gaming activities in emerging and established gaming jurisdictions.

The economic consequences of the September 11, 2001 terrorist attacks on the World Trade Center and New York State's subsequent approval of the largest gambling package in the State's history are still unknown at this time. Although management anticipates such events to negatively affect THCR's Atlantic City operations, management cannot predict with any certainty the full impact of such events.

TRUMP HOTELS & CASINO RESORTS, INC.,
 TRUMP HOTELS & CASINO RESORTS HOLDINGS, L.P.
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 TRUMP HOTELS & CASINO RESORTS FUNDING, INC.
 NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
 (unaudited)

Basic and Diluted Loss Per Share

Basic loss per share is based on the weighted average number of shares of THCR Common Stock outstanding. Diluted earnings per share are the same as basic earnings per share as common stock equivalents have not been included as they would be anti-dilutive. The shares of THCR's Class B common stock, par value \$.01 per share (the "THCR Class B Common Stock"), owned by Trump have no economic interest and therefore are not considered in the calculation of weighted average shares outstanding.

Reclassifications

Certain reclassifications have been made to prior year financial statements to conform to the current year presentation.

(2) Financial Information

Financial information relating to THCR Funding is as follows:

	December 31, 2000 ----	September 30, 2001 ---- (unaudited)
Total Assets (including THCR Holdings' 1 1/2% Senior Secured Notes due 2005 ("The Senior Notes") receivable of \$145,000,000 at December 31, 2000 and September 30, 2001)(a)	\$145,935,000 *****	\$151,555,000 *****

Total Liabilities and Capital (including \$145,000,000 of Senior Notes payable)	\$145,936,000	\$151,536,000
	*****	*****
	Nine Months Ended September 30,	
	2000	2001
	----	----
Interest Income from THCR Holdings	\$ 16,856,000	\$ 16,956,000
Interest Expense	\$ 16,856,000	\$ 16,856,000
Net Income	\$ --	\$ --
	*****	*****

(a) During 2000, THCR Enterprises, L.L.C., a New Jersey limited liability company ("THCR Enterprises") and wholly-owned subsidiary of THCR Holdings, repurchased \$35,500,000 of these Senior Notes for \$19,030,000 plus accrued interest. For the nine months ended September 30, 2000, an extraordinary gain of \$14,903,000 was recorded, net of a writedown of deferred loan costs of \$1,567,000, which was adjusted to \$9,453,000 after minority interest of \$5,450,000.

(3) Other Assets

Plaza Associates is appealing a real estate tax assessment by the City of Atlantic City. At December 31, 2000 and September 30, 2001, other assets include \$8,014,000, which Plaza Associates believes will be recoverable on the settlement of the appeal.

TRUMP HOTELS & CASINO RESORTS, INC.
 TRUMP HOTELS & CASINO RESORTS HOLDINGS, L.P.
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 NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
 (unaudited)

(4) Trump World's Fair Closing

On October 4, 1999, THCR closed Trump World's Fair. In addition to closing costs recorded at December 31, 1999, costs of \$765,000 were recorded during the nine months ended September 30, 2000.

(5) Volume Based Cash Rebates

In January 2001, the Emerging Issues Task Force (EITF) reached a consensus on certain issues within Issue No. 00-22, "Accounting for 'Points' and Certain Other Time-Based or Volume-Based Sales Incentive Offers, and Offers for Free Products or Services to Be Delivered in the Future," (EITF 00-22). Application of EITF 00-22 is required for interim and annual periods ending after February 15, 2001. EITF 00-22 requires volume-based cash rebates to be classified as a reduction of revenue. Accordingly, such rebates have been classified as promotional allowances. THCR previously classified these expenditures as a gaming expense. Prior period amounts have been reclassified to

conform with the current presentation.

(6) Trump Indiana Note Payable

On April 27, 2001, Trump Indiana entered into a loan agreement with a bank group for \$27,500,000. Proceeds from the loan were used to pay off maturing debt for the vessel, the hotel, a \$5,000,000 bridge loan and provide working capital. As a result of an interest rate swap arrangement entered into contemporaneously with the bank loan, the new debt bears a fixed rate of interest of 8.85% on \$10,000,000 of principal, and a floating rate applies to the balance of the loan. At September 30, 2001, the rate on the floating portion was a blended 7.86%. The loan amortizes based upon an assumed 84 month term and matures with a balloon payment payable at the end of 60 months.

In June 1998, the Financial Accounting Standards Board issued SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities," as amended by SFAS No. 137 and No. 138, which specifies the accounting and disclosure requirements for such instruments. At September 30, 2001, Trump Indiana's derivative financial instruments consisted of an interest rate swap with a notional amount of \$10,000,000 that effectively converts an equal portion of its debt from a floating rate to a fixed rate. An unrealized loss of \$559,000 attributable to the change in the fair value of the interest rate swap has been recorded as "Accumulated other comprehensive loss" in the equity sections of the respective balance sheets.

(7) Recent Accounting Pronouncement

In July 2001, the FASB issued Statement No. 141 "Business Combinations" ("SFAS 141") and Statement No. 142 "Goodwill and Other Intangible Assets" ("SFAS 142"). SFAS 141 is effective as follows: a) use of the pooling-of-interest method is prohibited for business combinations initiated after June 30, 2001; and b) the provisions of SFAS 141 also apply to all business combinations accounted for by the purchase method that are complete after June 30, 2001. There are also transition provisions that apply to business combinations completed before July 1, 2001 that were accounted for by the purchase method. SFAS 142 is effective for fiscal years beginning after December 15, 2001 and applies to all goodwill and other intangible assets recognized in an entity's statement of financial position at that date, regardless of when those assets were initially recognized. THCR does not believe that the provisions of SFAS 141 and SFAS 142 will have a material effect on its financial position or results of operations.

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TRUMP HOTELS & CASINO RESORTS, INC.
TRUMP HOTELS & CASINO RESORTS HOLDINGS, L.P.
AND
TRUMP HOTELS & CASINO RESORTS FUNDING, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(unaudited)

(8) Subsequent Events

On October 31, 2001, THCR announced that it is seeking to negotiate the terms of the public debt and is withholding interest payments thereon until such time as discussions between THCR and the bondholders have been finalized. The

following debt issues of THCR and/or its subsidiaries are affected: (i) THCR Holdings and THCR Funding 15-1/2% Senior Secured Notes due 2005, having a semi-annual interest payment due on December 15, 2001; (ii) each of Trump AC and (A) Trump Atlantic City Funding, Inc., (B) Trump Atlantic City Funding II, Inc. and (C) Trump Atlantic City Funding III, Inc. 11-1/4% Mortgage Notes due 2006, having an aggregate semi-annual interest payment of \$73,125,000 which was due on November 1, 2001; (iii) Castle Associates and Trump's Castle Funding, Inc. ("Castle Funding") 10-1/4% Senior Notes due 2003, having a semi-annual interest payment of approximately \$3,178,000 which was due on October 31, 2001; (iv) Castle Associates and Castle Funding 11-3/4% Mortgage Notes due 2003, having a semi-annual interest payment of approximately \$14,226,000 due on November 15, 2001 and (v) Castle Associates and Trump's Castle Hotel & Casino, Inc. ("TCHI") 10-1/4% Senior Notes due 2003 (referred to as the "Working Capital Loan"), having a semi-annual interest payment of approximately \$256,000 which was due on October 31, 2001. These interest amounts have been included in current liabilities at September 30, 2001. THCR is seeking to negotiate the terms of the public debt in light of the economic consequences of the September 11th terrorist attacks on the World Trade Center which have led New York State to approve the largest gambling package in its history, which includes six casinos, three of which will be ninety minutes away from Manhattan in the Catskills, and video slot machines at numerous racetracks, including Aqueduct in New York City and Yonkers. THCR intends to pay interest upon the completion of a successful negotiation.

Pursuant to each of the indentures governing the aforementioned debt issues, a default in the payment of interest when due and payable and which continues for 30 calendar days (the "Cure Period") constitutes an "Event of Default" under which the trustee or the holders of 25% of the aggregate principal amount of the respective debt issue then outstanding, by notice in writing to the respective issuers, may, and the trustee at the request of such holders shall, declare all principal and accrued interest of such debt issue to be due and payable immediately. Notwithstanding, the issuers may prevent the aforementioned Event of Default by paying the defaulted interest before the expiration of the Cure Period.

The ability of THCR to repay its current and long-term debt when due will depend on the ability of Plaza Associates, Taj Associates, Castle Associates and Trump Indiana to generate cash from operations sufficient for such purposes or on the ability of THCR to refinance such indebtedness. Cash flow from operations may not be sufficient to repay a substantial portion of the principal amount of the indebtedness upon maturity, especially in light of New York State's recent approval of the largest gambling package in the State's history as a consequence of the September 11, 2001 terrorist attacks on the World Trade Center and the subsequent effects on New York's then already softening economy. The future operating performance and the ability to refinance such indebtedness will be subject to the then prevailing economic conditions, industry conditions and numerous other financial, business and other factors, many of which are unforeseeable and/or beyond the control of THCR. There can be no assurance that the future operating performance of Plaza Associates, Taj Associates, Castle Associates or Trump Indiana will be sufficient to meet these repayment obligations or that the general state of the economy, the status of the capital markets generally, or the receptiveness of the capital markets to the gaming industry will be conducive to refinancing or other attempts to raise capital on favorable terms, or at all.

TRUMP HOTELS & CASINO RESORTS HOLDINGS, L.P.
AND
TRUMP HOTELS & CASINO RESORTS FUNDING, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(unaudited)

(8) Subsequent Events (continued)

THCR Management Services, LLC. ("THCR Management") an unrestricted subsidiary of THCR Holdings, has entered into a management agreement with the Twenty-Nine Palms Band of Mission Indians, a federally recognized Native American tribe (the "Tribe"), which, subject to the approval of the National Indian Gaming Commission, provides that THCR Management will manage and direct all business and affairs in connection with the day-to-day operation, management and maintenance of the Tribe's expanded and renovated casino located in the Palm Springs, California resort area. The construction and renovation of the Tribe's casino is currently in progress and is anticipated to be completed in the second quarter of 2002. To enable the Tribe to complete the construction, THCR Management agreed to act as a participant in the Tribe's construction loan and to provide to the Tribe a portion of the financing for the project. THCR Management has entered into a loan agreement with various lenders, whereby the lenders have agreed to loan up to \$18,800,000 to THCR Management which will, in turn, use the net proceeds to fund its participation in the Tribe's construction loan. THCR Management's financing from the lenders bears interest at the rate of 9% per annum and matures in November 2006. The financing is secured by (i) a pledge of the promissory note from the Tribe, (ii) a pledge of management fees and (iii) a limited guaranty of Trump. The Tribe's construction financing bears interest at the prime rate plus 1%, and matures in August 2007. THCR Holdings, through its subsidiary THCR Enterprises, has agreed to indemnify Trump against any losses incurred by Trump in connection with such guaranty. The indemnity obligation of THCR Enterprises is secured by a pledge of certain securities held by THCR Enterprises. In November 2001, \$11,000,000 of the \$18,800,000 was drawn down by THCR Management.

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ITEM 2--MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND
[Return to Navigational Table of Contents](#)
RESULTS OF OPERATIONS

Capital Resources and Liquidity

Cash flows from operating activities are THCR's principal source of liquidity. Although THCR and its subsidiaries anticipate having sufficient liquidity to meet their obligations during 2001, management cannot make any assurances regarding THCR's and its subsidiaries' ability to make future payments in light of the economic consequences of the September 11th terrorist attacks on the World Trade Center which have led New York State to approve the largest gambling package in its history, which includes six casinos, three of which will be ninety minutes away from Manhattan in the Catskills, and video slot machines at numerous racetracks, including Aqueduct in New York City and Yonkers. Cash flow is managed based upon the seasonality of the operations. Any excess cash flow achieved from operations during peak periods is utilized to subsidize non-peak periods when necessary.

On October 31, 2001, THCR announced that it is seeking to negotiate the terms of the public debt and is withholding interest payments thereon until such time as discussions between THCR and the bondholders have been finalized. The following debt issues of THCR and/or its subsidiaries are affected: (i) THCR Holdings and THCR Funding 15-1/2% Senior Secured Notes due 2005, having a semi-annual interest payment due on December 15, 2001; (ii) each of Trump AC and (A) Trump Atlantic City Funding, Inc., (B) Trump Atlantic City Funding II, Inc. and (C) Trump Atlantic City Funding III, Inc. 11-1/4% Mortgage Notes due 2006, having an aggregate semi-annual interest payment of \$73,125,000 which was due on November 1, 2001; (iii) Castle Associates and Castle Funding 10-1/4% Senior Notes due 2003, having a semi-annual interest payment of approximately \$3,178,000 which was due on October 31, 2001; (iv) Castle Associates and Castle Funding 11-3/4% Mortgage Notes due 2003, having a semi-annual interest payment of approximately \$14,226,000 due on November 15, 2001 and (v) Castle Associates and TCHI 10-1/4% Senior Notes due 2003 (referred to as the "Working Capital Loan"), having a semi-annual interest payment of approximately \$256,000 which was due on October 31, 2001. These interest amounts have been included in current liabilities at September 30, 2001. THCR is seeking to negotiate the terms of the public debt in light of the economic consequences of the September 11th terrorist attacks on the World Trade Center which have led New York State to approve the largest gambling package in its history. THCR intends to pay interest upon the completion of a successful negotiation.

Pursuant to each of the indentures governing the aforementioned debt issues, a default in the payment of interest when due and payable and which continues for 30 calendar days (the "Cure Period") constitutes an "Event of Default" under which the trustee or the holders of 25% of the aggregate principal amount of the respective debt issue then outstanding, by notice in writing to the respective issuers, may, and the trustee at the request of such holders shall, declare all principal and accrued interest of such debt issue to be due and payable immediately. Notwithstanding, the issuers may prevent the aforementioned Event of Default by paying the defaulted interest before the expiration of the Cure Period.

Capital expenditures for THCR were \$25,358,000 and \$10,860,000 for the nine months ended September 30, 2000 and 2001, respectively.

THCR Management has entered into a management agreement with the Twenty-Nine Palms Band of Mission Indians Tribe, which, subject to the approval of the National Indian Gaming Commission, provides that THCR Management will manage and direct all business and affairs in connection with the day-to-day operation, management and maintenance of the Tribe's expanded and renovated casino located in the Palm Springs, California resort area. The construction and renovation of the Tribe's casino is currently in progress and is anticipated to be completed in the second quarter of 2002. To enable the Tribe to complete the construction, THCR Management agreed to act as a participant in the Tribe's construction loan and to provide to the Tribe a portion of the financing for the project. THCR Management has entered into a loan agreement with various lenders, whereby the lenders have agreed to loan up to \$18,800,000 to THCR Management which will, in turn, use the net proceeds to fund its participation in the Tribe's construction loan. THCR Management's financing from the lenders bears interest at the rate of 9% per annum and matures in November 2006. The financing is secured by (i) a pledge of the promissory note from the Tribe, (ii) a pledge of management fees and (iii) a limited guaranty of Trump. The Tribe's construction financing bears interest at the prime rate plus 1%, and matures in August 2007. THCR Holdings, through its subsidiary THCR Enterprises, has agreed to indemnify Trump against any losses incurred by Trump in connection with such guaranty. The indemnity obligation of THCR Enterprises is secured by a pledge of certain securities held by THCR Enterprises. In November 2001, \$11,000,000 of the \$18,800,000 was drawn down by THCR Management.

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The indenture governing the Senior Notes (the "Senior Note Indenture") restricts the ability of THCR Holdings and its subsidiaries to make distributions to partners or pay dividends, as the case may be, unless certain financial ratios are achieved. Further, given the rapidly changing competitive environment, THCR's future operating results are uncertain and could fluctuate significantly.

The indentures of Trump AC and Castle Associates restrict their ability to make distributions to THCR Holdings. The loan agreement with Trump Indiana's bank group limits its ability to make distribution to THCR Holdings. Therefore, the ability of THCR Holdings to service its debt is dependent on other future operations and the permitted distributions from Trump AC, Castle Associates and Trump Indiana.

The ability of THCR to repay its current and long-term debt when due will depend on the ability of Plaza Associates, Taj Associates, Castle Associates and Trump Indiana to generate cash from operations sufficient for such purposes or on the ability of THCR to refinance such indebtedness. Cash flow from operations may not be sufficient to repay a substantial portion of the principal amount of the indebtedness upon maturity, especially in light of New York State's recent approval of the largest gambling package in the State's history as a consequence of the September 11, 2001 terrorist attacks on the World Trade Center and the subsequent effects on New York's then already softening economy. The future operating performance and the ability to refinance such indebtedness will be subject to the then prevailing economic conditions, industry conditions and numerous other financial, business and other factors, many of which are unforeseeable and/or beyond the control of THCR. There can be no assurance that the future operating performance of Plaza Associates, Taj Associates, Castle Associates or Trump Indiana will be sufficient to meet these repayment obligations or that the general state of the economy, the status of the capital markets generally, or the receptiveness of the capital markets to the gaming industry will be conducive to refinancing or other attempts to raise capital on favorable terms, or at all.

In addition, the ability of (i) Plaza Associates and Taj Associates (through Trump AC) and (ii) Castle Associates to make payments of dividends or distributions to THCR Holdings may be restricted by the rules and regulations promulgated by the New Jersey Casino Control Commission. Similarly, the ability of Trump Indiana to make payments of dividends or distributions to THCR Holdings may be restricted by the rules and regulations promulgated by the Indiana Gaming Commission.

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Results of Operations: Operating Revenues and Expenses

All business activities of THCR and THCR Holdings are conducted by Plaza Associates, Taj Associates, Castle Associates (d/b/a Trump Marina) and Trump Indiana.

Comparison of Three-Month Periods Ended September 30, 2000 and 2001.
The following tables include selected data of Plaza Associates, Taj Associates,
Trump Indiana and Trump Marina.

Three Months Ended September 30, 2000					
	Plaza Associates	Taj Associates	Trump Indiana	Trump Marina	THCR Consolidated*
(dollars in millions)					
Revenues:					
Gaming	\$ 90.4	\$155.6	\$ 29.6	\$ 92.1	\$357.8
Other	21.4	33.0	2.4	19.5	76.2
Gross Revenues	111.8	188.6	32.0	101.6	434.0
Less: Promotional Allowances	15.8	24.4	0.7	13.8	54.8
Net Revenues	96.0	164.2	31.3	87.8	379.2
Costs and Expenses:					
Gaming	55.5	92.0	18.5	45.8	201.8
Other	5.4	9.5	1.7	4.1	20.8
General & Administrative	17.8	25.5	8.1	17.5	70.6
Depreciation & Amortization	4.3	8.8	2.0	4.4	19.6
Total Costs and Expenses	83.0	125.8	30.3	71.8	212.6
Income from Operations	13.0	38.4	1.0	16.0	66.6
Non-operating Income	0.1	0.4	0.1	0.3	1.4
Interest Expense	(12.1)	(23.3)	(1.4)	(14.3)	(54.9)
Total Non-operating Expense, Net	(12.0)	(22.9)	(1.3)	(14.0)	(53.5)
Loss in Joint Venture	--	--	(0.8)	--	(0.8)
Extraordinary Gain, net	--	--	--	--	1.2
Income (Loss) before Minority Interest	\$ 1.0	\$ 15.5	\$ (1.1)	\$ 2.0	13.5
Minority Interest					(4.5)
Net Income					\$ 9.0

* Intercompany eliminations and expenses of THCR and THCR Holdings are not separately shown.

Three Months Ended September 30, 2001					
	Plaza Associates	Taj Associates	Trump Indiana	Trump Marina	THCR Consolidated*
(dollars in millions)					
Revenues:					
Gaming	\$ 88.5	\$148.8	\$ 31.0	\$ 74.9	\$343.2
Other	19.5	31.1	2.5	18.5	71.6
Gross Revenues	108.0	179.9	33.5	93.4	414.8
Less: Promotional Allowances	13.9	20.8	0.9	12.3	47.9
Net Revenues	94.1	159.1	32.6	81.1	366.9
Costs and Expenses:					
Gaming	51.8	80.4	15.7	41.8	192.7
Other	4.9	9.5	1.7	4.3	28.3
General & Administrative	15.8	25.2	6.9	17.3	66.3
Depreciation & Amortization	3.2	8.4	2.5	4.6	17.4
Total Costs and Expenses	75.6	123.5	26.6	68.0	296.7
Income from Operations	18.5	25.6	4.0	13.1	70.2
Non-operating Income	0.1	0.1	0.1	0.1	0.7
Interest Expense	(12.1)	(23.4)	(1.5)	(15.1)	(55.3)
Total Non-operating Expense, Net	(12.0)	(23.3)	(1.4)	(15.0)	(54.6)
Loss in Joint Venture	--	--	(0.6)	--	(0.6)

Income(Loss) Before Minority Interest	\$ 6.5	\$ 12.3	\$ 2.0	\$ (1.9)	15.0
Minority Interest					(5.5)
Net Income					\$ 9.5

* Intercompany eliminations and expenses of THCR and THCR Holdings are not separately shown.

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Three Months Ended September 30, 2000					
	Plaza Associates	Taj Associates	Trump Indiana	Trump Marina	THCR Consolidated
	(dollars in millions)				
Table Game Revenues	\$ 26.0	\$ 53.7	\$ 5.3	\$ 25.2	\$ 111.3
Table Game Drop	\$ 155.1	\$ 301.9	\$ 39.8	\$ 140.2	\$ 667.0
Table Win Percentage	16.1%	17.6%	16.0%	17.9%	16.7%
Number of Table Games	97	143	50	76	366
Slot Revenues	\$ 64.4	\$ 95.9	\$ 23.3	\$ 56.3	\$ 239.9
Slot Handle	\$ 833.5	\$ 1,219.6	\$ 348.1	\$ 724.1	\$3,125.3
Slot Win Percentage	7.7%	7.9%	6.7%	7.8%	7.7%
Number of Slot Machines	2,867	4,552	1,237	2,515	11,171
Other Gaming Revenues	-	\$ 6.0	-	\$ 0.6	\$ 6.6
Total Gaming Revenues	\$ 90.4	\$ 155.6	\$ 29.6	\$ 82.1	\$ 357.6

Three Months Ended September 30, 2001					
	Plaza Associates	Taj Associates	Trump Indiana	Trump Marina	THCR Consolidated
	(dollars in millions)				
Table Game Revenues	\$ 25.5	\$ 48.5	\$ 5.9	\$ 18.9	\$ 98.8
Incr (Decr) over prior period	\$ (0.5)	\$ (5.2)	\$ (0.4)	\$ (6.3)	\$ (12.5)
Table Game Drop	\$ 154.5	\$ 269.9	\$ 34.4	\$ 113.2	\$ 572.0
Incr (Decr) over prior period	\$ (30.6)	\$ (32.0)	\$ (5.4)	\$ (27.0)	\$ (95.0)
Table Win Percentage	16.8%	18.0%	17.3%	16.7%	17.3%
Incr (Decr) over prior period	2.4 pts.	0.2 pts.	1.3 pts.	(1.2) pts.	0.6 pts.
Number of Table Games	100	139	52	79	370
Incr (Decr) over prior period	3	(4)	2	3	4
Slot Revenues	\$ 69.0	\$ 94.2	\$ 25.1	\$ 55.7	\$ 238.0
Incr (Decr) over prior period	\$ (1.4)	\$ (1.7)	\$ 1.8	\$ (0.6)	\$ (1.5)
Slot Handle	\$ 794.0	\$ 1,235.1	\$ 348.5	\$ 717.4	\$3,095.0
Incr (Decr) over prior period	\$ (39.3)	\$ 15.3	\$ 0.4	\$ (6.7)	\$ (30.3)
Slot Win Percentage	7.9%	7.6%	7.2%	7.8%	7.7%
Incr (Decr) over prior period	0.2 pts.	(0.3) pts.	0.5 pts.	0.0 pts.	0.0 pts.
Number of Slot Machines	2,868	4,827	1,360	2,523	11,578
Incr (Decr) over prior period	1	275	123	8	407
Other Gaming Revenues	-	\$ 6.1	-	\$ 0.3	\$ 6.4
Incr (Decr) over prior period	-	\$ 0.1	-	\$ (0.3)	\$ (0.2)
Total Gaming Revenues	\$ 88.5	\$ 148.8	\$ 31.0	\$ 74.9	\$ 343.2
Incr (Decr) over prior period	\$ (1.9)	\$ (6.8)	\$ 1.4	\$ (7.2)	\$ (14.6)

Gaming revenues are the primary source of THCR's revenues. Table games revenues represent the amount retained by THCR from amounts wagered at table games (table game drop). The table win percentage tends to be fairly constant over the long term, but may vary significantly in the short term, due to large wagers by "high rollers". The Atlantic City industry table win percentages were 15.1% and 16.1% for the three months ended September 30, 2000 and 2001, respectively.

Table games revenues decreased \$12.5 million or 11.2% to \$98.8 million for the three months ended September 30, 2001 from \$111.3 million in the comparable period in 2000. Decreased table drop at all four properties primarily contributed to the decrease in revenues. Trump Taj Mahal Casino Resort (the "Taj Mahal"), the Trump Plaza Hotel and Casino ("Trump Plaza") and Trump Indiana had increased win percentages in 2001 which primarily offset their respective decreases in table drop. Trump Marina's decrease is due to declines in both table drop and win percentage. Slot revenue decreased \$1.9 million or 0.8% to \$238.0 million for the three months ended September 30, 2001 from \$239.9 million in the comparable period in 2000.

Promotional allowances decreased \$6.9 million or 12.6% to \$47.9 million and gaming expenses decreased \$9.1 million or 4.5% to \$192.7 million for the three months ended September 30, 2001 from the comparable period in 2000, primarily due to reduced gaming revenues at the Atlantic City properties.

General and administrative expenses were \$66.3 million for the three months ended September 30, 2001, a \$4.3 million or 6.1% decrease from \$70.6 million in the comparable period in 2000. The decrease is primarily attributed to reductions in entertainment and regulatory expenses at the Taj Mahal, insurance and advertising expenses at Trump Plaza and approximately \$0.9 million in corporate overhead.

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Results of Operations: Operating Revenues and Expenses

All business activities of THCR and THCR Holdings are conducted by Plaza Associates, Taj Associates, Castle Associates (d/b/a Trump Marina) and Trump Indiana.

Comparison of Nine-Month Periods Ended September 30, 2000 and 2001. The following tables include selected data of Plaza Associates, Taj Associates, Trump Indiana and Trump Marina.

	Nine Months Ended September 30, 2000				
	Plaza Associates	Taj Associates	Trump Indiana	Trump Marina	THCR Consolidated*
	(dollars in millions)				
Revenues:					
Gaming	\$ 249.5	\$ 414.9	\$ 92.4	\$ 208.5	\$ 965.3
Other	57.5	85.1	6.7	47.4	196.6
Gross Revenues	307.0	500.0	99.1	255.9	1,161.9
Less: Promotional Allowances ...	42.7	60.9	2.7	31.7	137.0
Net Revenues	264.3	439.1	96.4	224.2	1,024.9
Costs and Expenses:					
Gaming	158.2	229.0	59.9	120.6	567.7
Other	15.4	26.5	4.8	11.6	58.3
General & Administrative	53.7	75.7	24.1	50.7	211.3
Depreciation & Amortization	12.1	27.0	5.7	13.0	57.9
Total Costs and Expenses	239.4	358.2	94.5	195.9	895.2
Income from Operations	25.9	80.9	1.9	28.3	129.7
Non-operating Income	0.4	0.9	0.2	0.8	4.1
Interest Expense	(35.8)	(70.1)	(4.3)	(42.3)	(165.9)
Total Non-operating Expense, Net	(35.4)	(69.2)	(4.1)	(41.5)	(161.6)

Loss in Joint Venture	--	--	(2.3)	--	(2.3)
Extraordinary Gain, net	--	--	--	--	9.4
Loss Before Minority Interest ..	\$ (9.5)	\$ 11.7	\$ (4.5)	\$ (13.2)	(25.0)
Minority Interest					12.6
Net Loss					\$ (12.4)

* Intercompany eliminations and expenses of THCR and THCR Holdings are not separately shown.

Nine Months Ended September 30, 2001

	Plaza Associates	Taj Associates	Trump Indiana	Trump Marina	THCR Consolidated*
(dollars in millions)					
Revenue:					
Gaming	\$ 249.6	\$ 400.7	\$ 93.7	\$ 201.4	\$ 945.4
Other	55.3	82.4	7.0	46.3	190.9
Gross Revenues	304.9	483.1	100.7	247.7	1,136.3
Less: Promotional Allowances	39.9	54.4	2.6	31.2	128.1
Net Revenues	265.0	428.7	98.1	216.5	1,008.2
Costs and Expenses:					
Gaming	155.9	227.1	55.9	119.8	558.6
Other	14.4	27.2	5.0	10.3	56.9
General & Administrative	49.5	74.4	21.6	50.4	199.1
Depreciation & Amortization	11.4	25.3	5.0	13.0	54.9
Total Costs and Expenses	231.2	354.0	87.5	193.5	869.5
Income from Operations	33.8	74.7	10.6	23.0	139.7
Non-operating Income	0.7	0.6	0.5	0.5	3.2
Interest Expense	(36.1)	(59.9)	(4.0)	(44.6)	(164.5)
Total Non-operating Expense, Net	(35.4)	(59.3)	(3.5)	(44.1)	(161.3)
Loss in Joint Venture	--	--	(2.2)	--	(2.2)
Income (Loss) before Minority Interest	\$ (1.6)	\$ 5.4	\$ 4.9	\$ (21.1)	(23.6)
Minority Interest					8.7
Net Loss					\$ (15.1)

* Intercompany eliminations and expenses of THCR and THCR Holdings are not separately shown.

Nine Months Ended September 30, 2000

	Plaza Associates	Taj Associates	Trump Indiana	Trump Marina	THCR Consolidated
(dollars in millions)					
Table Game Revenues	\$ 71.7	\$ 142.0	\$ 20.7	\$ 57.0	\$ 293.3
Table Game Drop	\$ 498.4	\$ 823.3	\$ 123.7	\$ 339.8	\$1,795.2
Table Win Percentage	14.8%	17.2%	16.7%	16.8%	16.4%
Number of Table Games	96	143	50	76	365
Slot Revenues	\$ 175.8	\$ 256.3	\$ 71.7	\$ 150.3	\$ 654.2
Slot Handle	\$ 2,250.2	\$ 3,297.8	\$ 1,107.9	\$ 1,918.9	\$8,574.8

Slot Win Percentage.....	7.8%	7.8%	6.5%	7.8%	7.6%
Number of Slot Machines.....	2,831	4,548	1,250	2,373	11,002
Other Gaming Revenues.....	-	\$ 16.6	-	\$ 1.2	\$ 17.8
Total Gaming Revenues.....	\$ 249.5	\$ 414.5	\$ 92.4	\$ 208.5	\$ 365.3

Nine Months Ended September 30, 2001

	Plaza Associates	Taj Associates	Trump Indiana	Trump Marina	THCR Consolidated
(dollars in millions)					
Table Game Revenues.....	\$ 73.9	\$ 126.0	\$ 18.8	\$ 48.0	\$ 266.7
Incr (Decr) over prior period.....	\$ 0.2	\$ (16.0)	\$ (1.9)	\$ (9.0)	\$ (26.6)
Table Game Drop.....	\$ 436.6	\$ 785.0	\$ 109.5	\$ 297.9	\$ 1,539.1
Incr (Decr) over prior period.....	\$ (61.6)	\$ (68.3)	\$ (14.2)	\$ (42.0)	\$ (186.1)
Table Win Percentage.....	16.8%	16.7%	17.2%	16.1%	16.7%
Incr (Decr) over prior period.....	2.1 pts.	(0.5) pts.	0.5 pts.	(0.7) pts.	0.3 pts.
Number of Table Games.....	99	141	52	78	370
Incr (Decr) over prior period.....	3	(2)	2	2	5
Slot Revenues.....	\$ 175.7	\$ 257.6	\$ 74.9	\$ 152.8	\$ 661.0
Incr (Decr) over prior period.....	\$ (0.1)	\$ 1.3	\$ 3.2	\$ 2.5	\$ 6.8
Slot Handle.....	\$ 2,269.9	\$ 3,373.2	\$ 1,041.2	\$ 1,972.9	\$ 8,657.2
Incr (Decr) over prior period.....	\$ 19.7	\$ 75.4	\$ (66.7)	\$ 54.0	\$ 82.4
Slot Win Percentage.....	7.7%	7.6%	7.2%	7.7%	7.6%
Incr (Decr) over prior period.....	(0.1) pts.	(0.2) pts.	0.7 pts.	(0.1) pts.	0.0 pts.
Number of Slot Machines.....	2,850	4,696	1,308	2,526	11,380
Incr (Decr) over prior period.....	19	148	58	153	378
Other Gaming Revenues.....	-	\$ 17.1	-	\$ 0.6	\$ 17.7
Incr (Decr) over prior period.....	-	\$ 0.5	-	\$ (0.6)	\$ (0.1)
Total Gaming Revenues.....	\$ 249.4	\$ 400.7	\$ 93.7	\$ 201.4	\$ 945.4
Incr (Decr) over prior period.....	\$ 0.1	\$ (14.2)	\$ 1.3	\$ (7.1)	\$ (19.9)

Gaming revenues are the primary source of THCR's revenues. Table games revenues represent the amount retained by THCR from amounts wagered at table games (table game drop). The table win percentage tends to be fairly constant over the long term, but may vary significantly in the short term, due to large wagers by "high rollers". The Atlantic City industry table win percentages were 15.6% for both the nine months ended September 30, 2000 and 2001.

Table games revenues decreased \$26.6 million or 9.1% to \$266.7 million for the nine months ended September 30, 2001 from \$293.3 million in the comparable period in 2000. Decreased table drop at all four properties primarily contributed to the decrease in revenues. Trump Plaza had increased win percentages in 2001 which primarily offset its decrease in table drop. The Taj Mahal and Trump Marina's lower table win percentage also contributed to its lower table win.

Slot revenues increased \$6.8 million or 1.0% to \$661.0 million for the nine months ended September 30, 2001 from \$654.2 million in the comparable period in 2000. Increased slot handle of \$149.1 million at the three Atlantic City casinos, due to innovative marketing initiatives and sustained programs designed specifically for the slot player, primarily contributed to the increase in revenues. Trump Indiana's slot revenues in 2001 increased \$3.2 million or 4.5% from the comparable period in 2000 due to a 0.7% increase in hold percentage, which totally offset a \$66.7 million or 6.0% decrease in slot handle from the comparable period in 2000.

Promotional allowances decreased \$8.9 million or 6.5% to \$128.1 million for the nine months ended September 30, 2001 from the comparable period in 2000, primarily due to decreased cash complementaries at the Taj Mahal associated with

decreased table game revenues.

General and administrative expenses were \$198.1 million for the nine months ended September 30, 2001, a \$13.2 million or 6.2% decrease from \$211.3 million in the comparable period in 2000. The decrease is primarily attributed to reductions in insurance, litigation and entertainment expenses at the Taj Mahal; entertainment, insurance and advertising costs at Trump Plaza and a \$5.1 million decrease in corporate expenses. The decrease in corporate general and administrative expenses is due to the downsizing of the New York corporate office and an aircraft lease termination in 2000, as well as decreased legal and lobbying costs in 2001.

During 2000, THCR Enterprises purchased an aggregate principal amount of \$35.5 million of the Senior Notes, in consideration for an aggregate purchase price of \$19.0 million, plus accrued and unpaid interest. The decrease in interest expense is primarily due to the elimination of interest expense associated with these notes.

Seasonality

The casino industry in Atlantic City and Indiana is seasonal in nature. Accordingly, the results of operations for the period ending September 30, 2001 are not necessarily indicative of the operating results for a full year.

Important Factors Relating to Forward-Looking Statements

The Private Securities Litigation Reform Act of 1995 provides a "safe harbor" for forward-looking statements so long as those statements are identified as forward-looking and are accompanied by meaningful cautionary statements identifying important factors that could cause actual results to differ materially from those projected in such statements. All statements, trend analysis and other information contained in this Quarterly Report on Form 10-Q relative to THCR's performance, trends in THCR's operations or financial results, plans, expectations, estimates and beliefs, as well as other statements including words such as "anticipate," "believe," "plan," "estimate," "expect," "intend" and other similar expressions, constitute forward-looking statements under the Private Securities Litigation Reform Act of 1995. In connection with certain forward-looking statements contained in this Quarterly Report on Form 10-Q and those that may be made in the future by or on behalf of the Registrants, the Registrants note that there are various factors that could cause actual results to differ materially from those set forth in any such forward-looking statements. The forward-looking statements contained in this Quarterly Report were prepared by management and are qualified by, and subject to, significant business, economic, competitive, regulatory and other uncertainties and contingencies, including the duration and severity of the current economic turndown in the United States and the aftermath of the September 11, 2001 terrorist attacks on New York, all of which are difficult or impossible to predict and many of which are beyond the control of the Registrants. Accordingly, there can be no assurance that the forward-looking statements contained in this Quarterly Report will be realized or that actual results will not be significantly higher or lower. Readers of this Quarterly Report should consider these facts in evaluating the information contained herein. In addition, the business and operations of the Registrants are subject to substantial risks which increase the uncertainty inherent in the forward-looking statements contained in this Quarterly Report. The inclusion of the forward-looking statements contained in this Quarterly Report should not be regarded as a representation by the Registrants or any other person that the forward-looking statements contained in the Quarterly Report will be achieved. In light of the foregoing, readers of this Quarterly Report are cautioned not to place undue reliance on the forward-looking statements contained herein.

ITEM 3-- QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Management has reviewed the disclosure requirements for Item 3 and, based upon THCR, THCR Funding and THCR Holdings' current capital structure, scope of operations and financial statement structure, management believes that such disclosure is not warranted at this time. Since conditions may change, THCR, THCR Holdings and THCR Funding will periodically review their compliance with this disclosure requirement to the extent applicable.

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PART II -- OTHER INFORMATION**ITEM 1 -- LEGAL PROCEEDINGS**

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Metelman Action; Settlement Agreement Approved by the Court. As previously reported, on or about March 20, 2000, Mark Metelman, a stockholder of THCR, filed a class action suit in the Superior Court of New Jersey, Chancery Division, Atlantic County (Civil Action No. Atl-C43-00) against THCR and each member of the Board of Directors of THCR, claiming that a third party made an offer to purchase THCR, and that one or more members of the Board of Directors wrongly failed to consider the supposed offer. On October 12, 2000, after the Court dismissed the complaint upon a motion by the defendants, the plaintiff refiled the complaint as a stockholder derivative action.

On August 17, 2001, the Court approved a settlement agreement between the parties. No stockholders objected to the terms of the proposed offer. Pursuant to the settlement agreement, THCR has agreed that any future offers to purchase THCR will be initially reviewed by a Special Committee consisting of independent directors not affiliated with Trump. The Special Committee may engage and/or consult with outside financial and legal advisors as it deems necessary and will make recommendations to the THCR Board of Directors concerning any such offers. Where either the Board of Directors or the Special Committee deems an offer to be substantial, the settlement requires THCR to advise THCR stockholders in a timely fashion. However, the Board of Directors will have ultimate decision making authority as to the response of THCR to any such offers.

Castle Acquisition; Proposed Settlement. As previously reported, on October 16, 1996, stockholders of THCR filed derivative actions in the United States District Court, Southern District of New York (96 Civ. 7820), which were subsequently consolidated, against each member of the Board of Directors of THCR; THCR Holdings; Castle Associates; Trump's Castle Hotel & Casino, Inc, a New Jersey corporation and the general partner of Castle Associates ("TCHI"); Trump Casinos, Inc., a New Jersey corporation wholly-owned by Trump ("TCI"); Trump Casinos II, Inc., a Delaware corporation wholly owned by Trump ("TCI-II") and Salomon Brothers, Inc. ("Salomon"). As set forth more fully in the plaintiffs' Fourth Amended Shareholders' Derivative Complaint, the plaintiffs claimed that certain of the defendants breached their fiduciary duties (or aided or abetted such breaches) and engaged in wasteful and ultra vires acts in connection with THCR's and THCR Holdings' acquisition of Castle Associates in October 1996 (the "Castle Acquisition"), and that Salomon was negligent in the issuance of its fairness opinion with respect to the Castle Acquisition. The

plaintiffs also alleged that various parties committed violations of the federal securities laws for alleged omissions and misrepresentations in THCR's proxies, and that Trump, TCI-II and TCHI breached the acquisition agreement by supplying THCR with untrue information for inclusion in the proxy statement delivered to THCR's stockholders in connection with the Castle Acquisition. The plaintiffs sought removal of the directors of THCR, and an injunction, rescission and damages.

In September 2001, without admitting any wrongdoing or liability, the parties entered into a stipulation of settlement (the "Stipulation"), subject to the Court's approval. The Court has scheduled a hearing for December 10, 2001 to determine the fairness and adequacy of the proposed settlement. Pursuant to the Stipulation, THCR sent to its stockholders on or about October 29, 2001, a notice of pendency therein outlining the terms of the proposed settlement, including such stockholders' right to object in writing to the proposed settlement and to appear at the settlement hearing.

General. THCR and certain of its employees have been involved in various legal proceedings. Such persons are vigorously defending the allegations against them and intend to contest vigorously any future proceedings. In general, THCR has agreed to indemnify such persons against any and all losses, claims, damages, expenses (including reasonable costs, disbursements and counsel fees) and liabilities (including amounts paid or incurred in satisfaction of settlements, judgments, fines and penalties) incurred by them in said legal proceedings.

Various other legal proceedings are now pending against THCR. Except as set forth herein and in THCR's Annual Report on Form 10-K for the year ended December 31, 2000, THCR considers all such proceedings to be ordinary litigation incident to the character of its business and not material to its business or financial condition. THCR believes that the resolution of these claims, to the extent not covered by insurance, will not, individually or in the aggregate, have a material adverse effect on its financial condition or results of operations of THCR.

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From time to time, Plaza Associates, Taj Associates, Castle Associates and Trump Indiana may be involved in routine administrative proceedings involving alleged violations of certain provisions of the New Jersey Casino Control Act (the "Casino Control Act") and the Indiana Riverboat Gambling Act, (the "Indiana Riverboat Act"), as the case may be. However, management believes that the final outcome of these proceedings will not, either individually or in the aggregate, have a material adverse effect on THCR or on the ability of Plaza Associates, Taj Associates, Castle Associates or Trump Indiana to otherwise retain or renew any casino or other licenses required under the Casino Control Act or the Indiana Riverboat Act, as the case may be, for the operation of Trump Plaza, the Taj Mahal, Trump Marina and the Trump Indiana Riverboat, respectively.

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ITEM 2 -- CHANGES IN SECURITIES AND USE OF PROCEEDS
None.

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ITEM 3 -- DEFAULTS UPON SENIOR SECURITIES

None.

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ITEM 4 -- SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

None.

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ITEM 5 -- OTHER INFORMATION

Subsequent Events. On October 31, 2001, THCR and THCR Holdings issued a press release and filed a Current Report on Form 8-K with the SEC, attaching a copy of the press release as an exhibit thereto, announcing therein that THCR is seeking to negotiate the terms of the public debt and is withholding interest payments thereon until such time as discussions between THCR and the bondholders have been finalized. The following debt issues of THCR and/or its subsidiaries are affected: (i) THCR Holdings and THCR Funding 15-1/2% Senior Secured Notes due 2005, having a semi-annual interest payment due on December 15, 2001; (ii) each of Trump AC and (A) Trump Atlantic City Funding, Inc., (B) Trump Atlantic City Funding II, Inc. and (C) Trump Atlantic City Funding III, Inc. 11-1/4% Mortgage Notes due 2006, having an aggregate semi-annual interest payment of \$73,125,000 which was due on November 1, 2001; (iii) Castle Associates and Castle Funding 10-1/4% Senior Notes due 2003, having a semi-annual interest payment of approximately \$3,178,000 which was due on October 31, 2001; (iv) Castle Associates and Castle Funding 11-3/4% Mortgage Notes due 2003, having a semi-annual interest payment of approximately \$14,226,000 due on November 15, 2001 and (v) Castle Associates and TCHI 10-1/4% Senior Notes due 2003 (referred to as the "Working Capital Loan"), having a semi-annual interest payment of approximately \$256,000 which was due on October 31, 2001. These interest amounts have been included in current liabilities at September 30, 2001. THCR is seeking to negotiate the terms of the public debt in light of the economic consequences of the September 11th terrorist attacks on the World Trade Center which have led New York State to approve the largest gambling package in its history, which includes six casinos, three of which will be ninety minutes away from Manhattan in the Catskills, and video slot machines at numerous racetracks, including Aqueduct in New York City and Yonkers. THCR intends to pay interest upon the completion of a successful negotiation.

Pursuant to each of the indentures governing the aforementioned debt issues, a default in the payment of interest when due and payable and which continues for 30 calendar days (the "Cure Period") constitutes an "Event of Default" under which the trustee or the holders of 25% of the aggregate principal amount of the respective debt issue then outstanding, by notice in writing to the respective issuers, may, and the trustee at the request of such holders shall, declare all principal and accrued interest of such debt issue to be due and payable immediately. Notwithstanding, the issuers may prevent the aforementioned Event of Default by paying the defaulted interest before the expiration of the Cure Period.

THCR Management has entered into a management agreement with the Twenty-Nine Palms Band of Mission Indians Tribe, which, subject to the approval of the National Indian Gaming Commission, provides that THCR Management will manage and direct all business and affairs in connection with the day-to-day operation, management and maintenance of the Tribe's expanded and renovated casino located in the Palm Springs, California resort area. The construction and renovation of the Tribe's casino is currently in progress and is anticipated to

be completed in the second quarter of 2002. To enable the Tribe to complete the construction, THCR Management agreed to act as a participant in the Tribe's construction loan and to provide to the Tribe a portion of the financing for the project. THCR Management has entered into a loan agreement with various lenders, whereby the lenders have agreed to loan up to \$18,800,000 to THCR Management which will, in turn, use the net proceeds to fund its participation in the

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Tribe's construction loan. THCR Management's financing from the lenders bears interest at the rate of 9% per annum and matures in November 2006. The financing is secured by (i) a pledge of the promissory note from the Tribe, (ii) a pledge of management fees and (iii) a limited guaranty of Trump. The Tribe's construction financing bears interest at the prime rate plus 1%, and matures in August 2007. THCR Holdings, through its subsidiary THCR Enterprises, has agreed to indemnify Trump against any losses incurred by Trump in connection with such guaranty. The indemnity obligation of THCR Enterprises is secured by a pledge of certain securities held by THCR Enterprises. In November 2001, \$11,000,000 of the \$18,800,000 was drawn down by THCR Management.

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ITEM 6 -- EXHIBITS AND REPORTS ON FORM 8-K

a. Exhibits:
None.

b. Current Reports on Form 8-K:

The Registrants did not file any Current Reports on Form 8-K during the quarter ended September 30, 2001.

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

TRUMP HOTELS & CASINO RESORTS, INC.
(Registrant)

Date: November 14, 2001

By: /s/ FRANCIS X. MCCARTHY, JR.

Francis X. McCarthy, Jr.
Executive Vice President of Finance and
Chief Financial Officer
(Duly Authorized Officer and Principal)

Financial Officer)

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

TRUMP HOTELS & CASINO RESORTS HOLDINGS, L.P.
(Registrant)

Date: November 14, 2001

By: TRUMP HOTELS & CASINO RESORTS, INC.,
its general partner

By: /s/ FRANCIS X. MCCARTHY, JR.

Francis X. McCarthy, Jr.
Executive Vice President of
Finance and Chief Financial Officer
(Duly Authorized Officer and
Principal Financial Officer)

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

TRUMP HOTELS & CASINO RESORTS FUNDING, INC.
(Registrant)

Date: November 14, 2001

By: /s/ FRANCIS X. MCCARTHY, JR.

Francis X. McCarthy, Jr.
Executive Vice President of Finance
and Chief Financial Officer
(Duly Authorized Officer and Principal
Financial Officer)

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TRUMP HOTELS & CASINO RESORTS INC - 8-K

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SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 8-K

CURRENT REPORT

PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Date of report (Date of earliest event reported): **November 28, 2001**

TRUMP HOTELS & CASINO RESORTS, INC.

(Exact Name of Registrant as Specified in Charter)

Delaware

1-13794

19-9818402

(State or other jurisdiction of (Commission File Number) (I.R.S. Employer Identification
incorporation) Number)

Huron Ave. & Brigantine Blvd.
Atlantic City, New Jersey

08401

(Address of Principal Executive Offices)

(Zip Code)

Registrant's telephone number, including area code: (609) 441-8406

TRUMP HOTELS & CASINO RESORTS HOLDINGS, L.P.

 (Exact Name of Registrant as Specified in Charter)

Delaware -----	33-90786 -----	13-3818407 -----
(State or other jurisdiction of incorporation)	(Commission File Number)	(I.R.S. Employer Identification Number)

Huron Ave. & Brigantine Blvd. Atlantic City, New Jersey -----	08401 -----
---	----------------

(Address of Principal Executive Offices) (Zip Code)

Registrant's telephone number, including area code: (609) 441-8406

TRUMP HOTELS & CASINO RESORTS FUNDING, INC.

 (Exact Name of Registrant as Specified in Charter)

Delaware -----	33-90786-01 -----	13-3818405 -----
(State or other jurisdiction of incorporation)	(Commission File Number)	(I.R.S. Employer Identification Number)

Huron Ave. & Brigantine Blvd. Atlantic City, New Jersey -----	08401 -----
---	----------------

(Address of Principal Executive Offices) (Zip Code)

Registrant's telephone number, including area code: (609) 441-8406

Item 5. Other Events.

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Filed as an exhibit hereto is a News Release, dated November 28, 2001, filed by Trump Hotels & Casino Resorts, Inc. and Trump Hotels & Casino Resorts Holdings, L.P.

Item 7. Financial Statements and Exhibits.

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(c) Exhibits:

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Exhibit No.	Description
-----	-----

99.1 News Release of Trump Hotels & Casino Resorts, Inc. and Trump
Hotels & Casino Resorts Holdings, L.P., dated November 28, 2001.

SIGNATURES

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Pursuant to the requirements of the Securities Exchange Act of 1934, each of the registrants has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

TRUMP HOTELS & CASINO RESORTS, INC.

Date: November 29, 2001

By: /s/ JOHN P. BURKE

Name: John P. Burke
Title: Executive Vice President and
Corporate Treasurer

TRUMP HOTELS & CASINO RESORTS
HOLDINGS, L.P.

By: Trump Hotels & Casino Resorts, Inc.,
its general partner

Date: November 29, 2001

By: /s/ JOHN P. BURKE

Name: John P. Burke
Title: Executive Vice President and
Corporate Treasurer

TRUMP HOTELS & CASINO RESORTS
FUNDING, INC.

Date: November 29, 2001

By: /s/ JOHN P. BURKE

Name: John P. Burke
Title: Executive Vice President and
Corporate Treasurer

EXHIBIT INDEX

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Exhibit No.	Description	Page No.
99.1	News Release of Trump Hotels & Casino Resorts, Inc. and Trump Hotels & Casino Resorts Holdings, L.P., dated November 28, 2001.	

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EXHIBIT 99.1

NEWS RELEASE

November 28, 2001
FOR IMMEDIATE RELEASE

TRUMP HOTELS & CASINO RESORTS, INC. (NYSE:DJT)

CONTACT: David Friedman, Esq.
Kasowitz, Benson, Torres & Friedman
212-506-1700

New York, NY Based on the establishment of a bondholders committee for the purpose of good faith negotiations between the bondholders and representatives of Trump Hotels & Casino Resorts, THCR has decided to make interest payments in the aggregate amount of approximately \$91 million, on

TRUMP ATLANTIC CITY ASSOCIATES AND TRUMP ATLANTIC CITY FUNDING, INC. 111/4% Mortgage Notes due May 2006;

TRUMP ATLANTIC CITY ASSOCIATES AND TRUMP ATLANTIC CITY FUNDING II, INC. 111/4% Mortgage Notes due May 2006;

TRUMP ATLANTIC CITY ASSOCIATES AND TRUMP ATLANTIC CITY FUNDING III, INC. 111/4% Mortgage Notes due May 2006;

TRUMP'S CASTLE ASSOCIATES, L.P. 101/4% Senior Notes due April 2003;

TRUMP'S CASTLE ASSOCIATES, L.P. 113/4% Mortgage Notes due November 2003;
and

TRUMP'S CASTLE HOTEL & CASINO, INC. 101/4% Senior Notes due April 2003,
(collectively, the "Bonds")

THCR looks forward to the negotiation and completion of a definitive agreement with respect to the Bonds prior to the due dates of the next interest payments on the Bonds. If a mutually satisfactory agreement is not reached, there can be no assurance that such payments will be made in the future.

The negotiations with the bondholder group was precipitated by the September 11 attacks on the World Trade Center which, in turn, led New York State to pass the largest gaming bill in its history.

The Trump name, related trademarks and management continue to serve the Atlantic City properties well, with the Trump Taj Mahal again finishing #1 in Atlantic City for the month of October with a "win" of \$42.1 million. This #1 finish was achieved notwithstanding the hundreds of millions of dollars of investment being spent by its nearest competitors on enlargement, plant and equipment.

Donald J. Trump, Chairman, Chief Executive Officer and President of THCR, stated "We are very happy with Trump Taj Mahal again being #1 in October and likewise the success of our other operations and are very much looking forward to making a deal which will reflect the economic realities of the present day. We want also to invest in our facilities in order to keep and even further enhance our current status."

Atlantic City appears destined to take a tremendous economic "hit" from New York State gambling, far beyond anything ever contemplated by previous proposals. In order to position its properties for the future, appropriate concessions are being sought by THCR.

Trump Hotels & Casino Resorts, Inc. is a public company which is approximately 42% owned by Donald J. Trump. THCR is separate and distinct from all of Mr. Trump's other holdings.

The Private Securities Litigation Reform Act of 1995 provides a "safe

harbor" for forward-looking statements so long as those statements are identified as forward-looking and are accompanied by meaningful cautionary statements identifying important factors that could cause actual results to differ materially from those projected in such statements.

All statements, trend analysis and other information contained in this release relative to THCR's performance, trends in THCR's operations or financial results, plans, expectations, estimates and beliefs, as well as other statements including words such as "anticipate," "believe," "plan," "estimate," "expect," "intend" and other similar expression, constitute forward-looking statements under the Private Securities Litigation Reform Act of 1995. In connection with certain forward-looking statements contained in this release and those that may be made in the future by or on behalf of THCR, THCR notes that there are various factors that could cause actual results to differ materially from those set forth in any such forward-looking statements. The forward-looking statements contained in this release were prepared by management and are qualified by, and subject to, significant business, economic, competitive, regulatory and other

uncertainties and contingencies, all of which are difficult or impossible to predict and many of which are beyond the control of THCR. Accordingly, there can be no assurance that the forward-looking statements contained in this release will be realized or that actual results will not be significantly higher or lower. Readers of this release should consider these facts in evaluating the information contained herein. In addition, the business and operations of THCR are subject to substantial risks, which increase the uncertainty inherent in the forward-looking statements contained in this release. The inclusion of the forward-looking statements contained in this release should not be regarded as a representation by THCR or any other person that the forward-looking statements contained in the release will be achieved. In light of the foregoing, readers of this release are cautioned not to place undue reliance on the forward-looking statements contained herein.

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Wednesday November 28, 3:49 pm Eastern Time

Press Release

SOURCE: Trump Hotels & Casino Resorts

Related Quote

DJT 1.38 -0.05
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Trump Hotels to Make Interest Payment

NEW YORK--(BUSINESS WIRE)--Nov. 28, 2001--Based on the establishment of a bondholders committee for the purpose of good faith negotiations between the bondholders and representatives of Trump Hotels & Casino Resorts (NYSE:DJT - [news](#)), THCR has decided to make interest payments in the aggregate amount of approximately \$91 million, on:

TRUMP ATLANTIC CITY ASSOCIATES AND TRUMP ATLANTIC CITY FUNDING, INC.
 11 1/4% Mortgage Notes due May 2006;

TRUMP ATLANTIC CITY ASSOCIATES AND TRUMP ATLANTIC CITY FUNDING II, INC.
 11 1/4% Mortgage Notes due May 2006;

TRUMP ATLANTIC CITY ASSOCIATES AND TRUMP ATLANTIC CITY FUNDING III, INC.
 11 1/4% Mortgage Notes due May 2006;

TRUMP'S CASTLE ASSOCIATES, L.P. 10 1/4% Senior Notes due April 2003;

TRUMP'S CASTLE ASSOCIATES, L.P. 11 3/4% Mortgage Notes due November 2003; and

TRUMP'S CASTLE HOTEL & CASINO, INC. 10 1/4% Senior Notes due April 2003, (collectively, the "Bonds")

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Contact:

Kasowitz, Benson, Torres & Friedman
David Friedman, 212/506-1700

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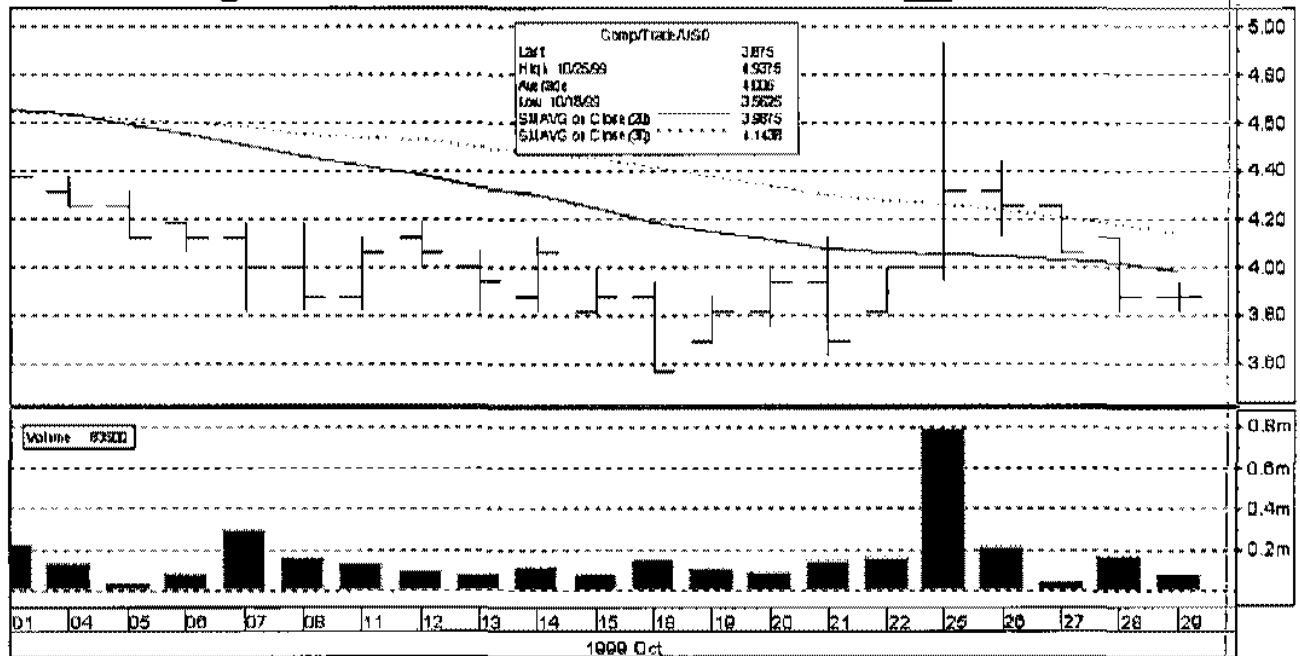
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[Questions or Comments?](#)

DJT US \$ | 1.39 -.04 N ---x-- Equity GPC
 DELAY 12:26 Vol 49,400 Op 1.45 T Hi 1.50 T Lo 1.30 N ValTrd 67671

Bar Chart **DJT US Equity** 1/3

Range **10/1/99** - **10/29/99** Period **0** Daily Base Currency: **USD**
 Upper Chart: **1** Bar Chart Moving Averages **20** **30**
 Lower Chart: **V** Volume Histogram Moving Average 1) News



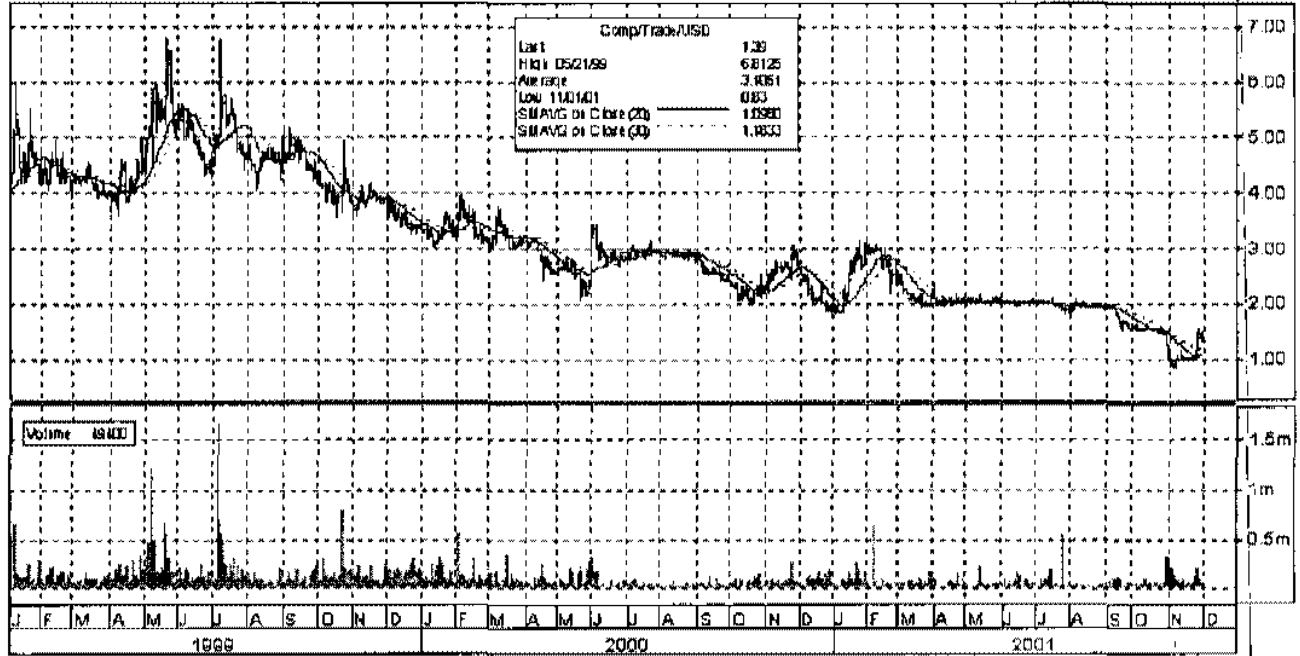
Australia 61 2 9777 8655 Brazil 5511 3048 4500 Europe 44 20 7330 7575 Germany 49 69 92041210
 Hong Kong 852 2977 6200 Japan 81 3 3201 8880 Singapore 65 212 1234 U.S. 1 212 318 2000 Copyright 2001 Bloomberg L.P.
 1929-436-0 30-Nov-01 12:46:30



DJI US \$ | 1.39 -.04 N --x-- Equity GPC
 DELAY 12:26 Vol 49,400 Op 1.45 T Hi 1.50 T Lo 1.30 N ValTrd 67671

Bar Chart **DJI US Equity** 1/10

Range **1/ 1/99** - **11/30/01** Period **D** Daily Base Currency: **USD**
 Upper Chart: **1** Bar Chart Moving Averages **20 30**
 Lower Chart: **V** Volume Histogram Moving Average 1) News



Australia 61 2 9777 8655 Brazil 5511 3048 4500 Europe 44 20 7330 2575 Germany 49 69 92041210
 Hong Kong 852 2977 6200 Japan 81 3 3201 9800 Singapore 65 212 1234 U.S. 1 212 318 2000 Copyright 2001 Bloomberg L.P.
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<HELP> for explanation.

N160 Equity HP

Comp/CLOSE/PRICE

TRUMP HOTELS & CASINO RE (DJT US)

PRICE 1.39 N \$ DELAYED

Page 1 / 1

HI 4.375 ON 10/ 1/99

AVE 4.006 VL 164462

LOW 3.5625 ON 10/18/99

Range 10/ 1/99 to 10/29/99 Period Daily
Market Trade

USD

DATE	PRICE	VOLUME	DATE	PRICE	VOLUME	DATE	PRICE	VOLUME
F 10/29	3.875	83500	F 10/ 8	3.875	162500			
T 10/28	3.875	174700	T 10/ 7	4.00	301800			
W 10/27	4.0625	43800	W 10/ 6	4.125	83400			
T 10/26	4.25	212000	T 10/ 5	4.125	37600			
M 10/25	4.3125	796900	M 10/ 4	4.25	137900			
F 10/22	4.00	161800	F 10/ 1	4.375	221500			
T 10/21	3.6875	141500						
W 10/20	3.9375	92200						
T 10/19	3.8125	105900						
M 10/18	3.5625	156700						
F 10/15	3.875	89100						
T 10/14	4.0625	123100						
W 10/13	3.9375	90100						
T 10/12	4.0625	99100						
M 10/11	4.0625	138600						

Australia 61 2 9777 8655 Brazil 5511 3046 4500 Europe 44 20 7330 7575 Germany 49 69 93041210
 Hong Kong 852 2977 6200 Japan 81 3 3201 8880 Singapore 65 212 1234 U.S. 1 212 318 2000 Copyright 2001 Bloomberg L.P.
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Historical Quotes

NYSE:DJT

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Month Day Year Start: Oct 15 99 End: Oct 31 99			<input checked="" type="radio"/> Daily <input type="radio"/> Weekly <input type="radio"/> Monthly <input type="radio"/> Dividends
Ticker Symbol: djt		<input type="button" value="Get Data"/>	

Date	Open	High	Low	Close	Volume	Adj. Close*
29-Oct-99	3.875	3.9375	3.8125	3.875	83,500	3.875
28-Oct-99	4.125	4.125	3.8125	3.875	174,700	3.875
27-Oct-99	4.25	4.25	4.0625	4.0625	43,800	4.0625
26-Oct-99	4.3125	4.4375	4.125	4.25	212,000	4.25
25-Oct-99	4	4.9375	3.9375	4.3125	796,900	4.3125
22-Oct-99	3.8125	4	3.8125	4	161,800	4
21-Oct-99	3.9375	4.125	3.625	3.6875	141,500	3.6875
20-Oct-99	3.8125	4	3.75	3.9375	92,200	3.9375
19-Oct-99	3.6875	3.875	3.6875	3.8125	105,900	3.8125
18-Oct-99	3.875	3.9375	3.5625	3.5625	156,700	3.5625
15-Oct-99	3.8125	4	3.8125	3.875	89,100	3.875

DATEK

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* adjusted for dividends and splits, please see FAQ.

[Questions or Comments?](#)

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RESTRICTED/LIMITED APPRAISAL OF

**All-Star Cafe
@ Trump Taj Mahal Casino Resort**

Atlantic City, New Jersey

PREPARED FOR

(b)(6),(b)(7)(C)

Trump Taj Mahal Casino Resort
1000 Boardwalk at Virginia Avenue
Atlantic City, New Jersey

APPRAISAL GROUP International



REAL ESTATE APPRAISERS & CONSULTANTS

APPRAISAL GROUP
International

REPLY TO:

NJ Office

September 23, 1999

(b)(6),(b)(7)(C)

Trump Taj Mahal Casino Resort
1000 Boardwalk at Virginia Avenue
Atlantic City, New Jersey 08401

Re: All-Star Cafe @ Trump Taj Mahal
Casino Resort
Atlantic City, New Jersey
Our Ref. #99184

Dear

(b)(6),(b)(7)(C)

Pursuant to your authorization, an inspection and a Restricted Appraisal Report of the above-captioned premises has been made in order to estimate the Market Value of the Fee Simple Estate, as of September 15, 1999. Market Value is defined within the report, which contains the collective data and analyses upon which our estimate is concluded.

The attached report is a Limited Appraisal in a Restricted Report Format which is intended to comply with the reporting requirements set forth under Standards Rule 2-2(c) of the Uniform Standards of Professional Appraisal Practice for a Restricted Appraisal Report. As such, it presents only summary discussions of the data, reasoning, and analyses that were used in the appraisal process to develop the appraiser's opinion of value. Supporting documentation concerning the data, reasoning, and analyses is retained in the appraiser's file. The depth of discussion contained in this report is specific to the needs of the client and for the intended use stated within the report. The appraiser is not responsible for unauthorized use of this report.

Furthermore, in accordance with prior agreement between the client and the appraiser, this report is the result of a limited appraisal process in that certain allowable departures from specific guidelines of the Uniform Standards of Professional Appraisal Practice were invoked. The intended user of this report is warned that the reliability of the value conclusion provided may be impacted to the degree there is departure from specific guidelines of USPAP.

Trump Taj Mahal Casino Resort is located at Virginia Avenue and the Boardwalk in Atlantic City, New Jersey. The casino/hotel complex is bounded by the Boardwalk and the Atlantic Ocean to the south, Pacific Avenue to the north, Pennsylvania Avenue to the west, and Maryland Avenue to the east. The subject of this report consists of a 27,000± square foot restaurant, occupied by the All-Star Cafe.

(b)(6),(b)(7)(C)

-2-

September 23, 1999

The purpose of this report is to estimate the market value of the property, in an "as is" condition, including all of tenant's personal property (except specialty trade fixtures), furniture and furnishings and all trade fixtures including all kitchen equipment associated with the subject property (as specified in the fully executed "Termination of Lease Agreement" - dated September 15, 1999).

This letter is not the appraisal, but merely serves to transmit the attached appraisal report and to convey the final conclusion of value. The attached report includes Definitions of Market Value, and of the property rights appraised as if free and clear of mortgages. The appraisal is subject to the assumptions and limiting conditions set forth in the appraisal report. Although the property is encumbered by a long-term lease to the "Official All Star Cafe", this lease has been considered within this report, as well as economic data.

In January, 1996 ALL STAR CAFE (Tenant) entered into a lease agreement with TRUMP TAJ MAHAL ASSOCIATES (Landlord) for a term of twenty (20) years, commencing November 1, 1996, with an aggregate base rent of \$20,000,000 (\$1,000,000 per annum). In addition, ownership has reported that the tenant has invested in excess of \$23,000,000 in interior improvements, build-outs and FF&E. Therefore, the total rental cost to the tenant is \$2,150,000 per annum $((\$23,000,000/20) + (\$1,000,000))$, reflecting \$79.63 per square foot, which is somewhat above the market data for similar raw restaurant/retail space. Based on a 12.5% cap rate, the indicated value is $(\$2,150,000/.125)$ \$17,200,000.

Furthermore, comparable economic data for similar casino restaurant/retail space reflect a rental of \$65.00 ± per square foot, which reflects raw, unfinished space. Should the subject property be exposed to the open market, it would command an economic rental of \$65.00 per square foot. Based on market rent of \$65.00 per square foot, the gross potential income is estimated at $(\$65.00 \times 27,000 \text{ Sf})$ \$1,755,000. Based on a 12.5% cap rate, the indicated value is $(\$1,755,000/.125)$ \$14,040,000.

The above deviation in rental and value are the product of the tenant improvements. The All Star Cafe ("as is") value includes interior improvements, build-outs and FF&E. The market rent is for raw space only. The PW (Present Worth) of the interior improvements, build-outs and FF&E, as well as all trade fixtures including all kitchen equipment associated with the subject property is $(\$17,200,000 - \$14,040,000)$ \$3,160,000.

Therefore, the market rent for raw space is \$65.00 per square foot, as compared to the contractual rent of the All Star Cafe, including the interior improvements, build-outs and FF&E, as well as all trade fixtures including all kitchen equipment associated with the subject property, is \$79.63 per square foot.

APPRAISAL GROUP International

(b)(6),(b)(7)(C)

September 23, 1999

Based upon the findings, it is our opinion that the Market Value of the Fee Simple Estate, subject to the assumptions and limiting conditions as set forth herein, as of the value date, September 15, 1999, is:

SEVENTEEN MILLION TWO HUNDRED THOUSAND DOLLARS

(\$17,200,000)

... of which \$3,160,000 is allocated the interior improvements, build-outs and FF&E, as well as all trade fixtures including all kitchen equipment associated with the subject property.

This letter and the supporting data which are retained in our files are integral parts of our findings and conclusions.

Respectfully submitted,

APPRAISAL GROUP International

(b)(6),(b)(7)(C)

NJ State Certified Real Estate
General Appraiser #

(b)(6),(b)(7)(C)

(b)(6),(b)(7)(C)

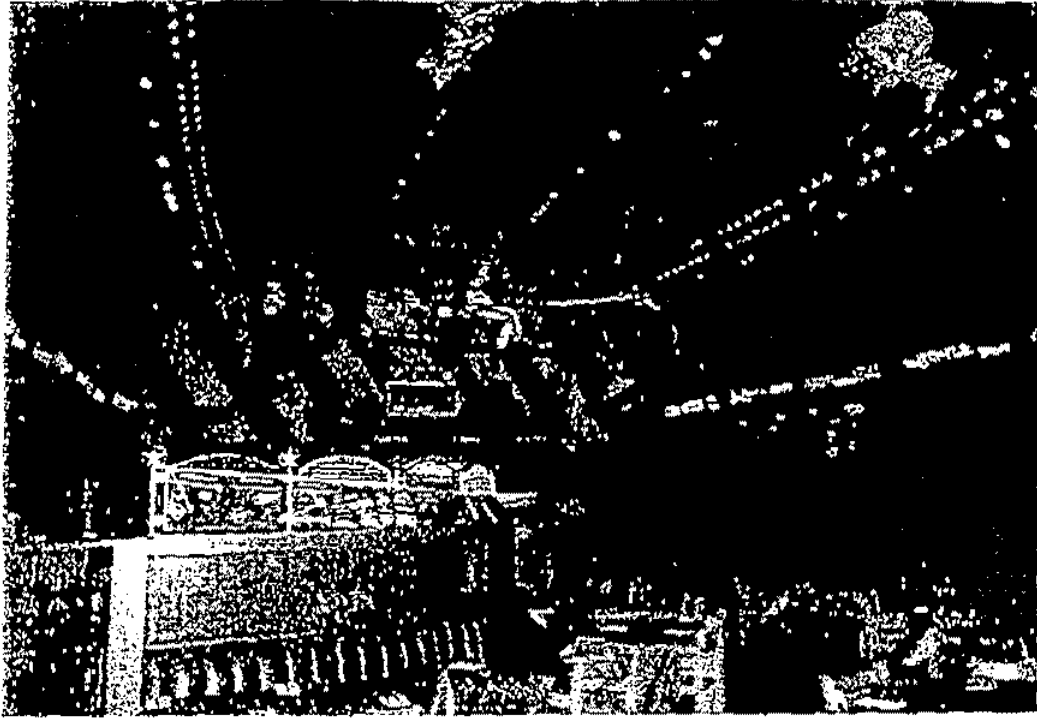
NJ State Certified Real Estate
General Appraiser #

(b)(6),(b)(7)(C)

(b)(6),(b)(7)(C)

APPRAISAL GROUP International

SUBJECT PROPERTY PHOTOGRAPH



ALL-STAR CAFE
 @ TRUMP TAJ MAHAL CASINO RESORT
 ATLANTIC CITY, NEW JERSEY

SUBJECT PROPERTY PHOTOGRAPH



ALL-STAR CAFE
 @ TRUMP TAJ MAHAL CASINO RESORT
 ATLANTIC CITY, NEW JERSEY

Introduction

Certification

CERTIFICATION

This is to certify that:

The subject property was inspected by (b)(6),(b)(7)(C) of APPRAISAL GROUP International.

To the best of our knowledge and belief the statements of fact contained in this report are true and correct.

We have no financial or other interest, direct or indirect, present or prospective, in the subject premises, nor do we have a personal interest or bias with respect to the parties involved.

Our employment, and the compensation thereof, is in no way contingent upon the amount of the valuation, nor is it contingent on an action or event resulting from the analyses, opinions or conclusions in, or the use of this report.

This appraisal assignment was not based on a requested minimum valuation, a specific valuation, or the approval of a loan.

The analyses and conclusions contained within this appraisal report were prepared solely by us, unless specifically noted in sections where significant professional assistance was rendered.

The reported analyses, opinions and conclusions are limited only by the reported assumptions and limiting conditions, and are our personal, unbiased professional analyses, opinions and conclusions.

Our analyses, opinions, and conclusions were developed, and this report was prepared, in conformity with the requirements of the Code of Professional Ethics and the Standards of Professional Practice of the Appraisal Institute and the Uniform Standards of Professional Appraisal Practice of The Appraisal Foundation.

The use of this report is subject to the requirements of the Appraisal Institute relating to peer representatives

(b)(6),(b)(7)(C)

(b)(6),(b)(7)(C)

NJ State Certified General
Real Estate Appraiser # (b)(6),(b)(7)(C)

NJ State Certified General
Real Estate Appraiser # (b)(6),(b)(7)(C)

1 (b)(6),(b)(7)(C) as of the date of this report has completed the requirements of the continuing education program of the Appraisal Institute. (b)(6),(b)(7)(C) did not inspect the property.

IntroductionRelated InformationPURPOSE OF APPRAISAL

The purpose of this appraisal is to estimate the Market Value as defined by the Office of the Controller of the Currency under 12 CFR, Part 34, subpart C.

VALUATION DATE

September 15, 1999

PROPERTY RIGHTS APPRAISED

The property rights being appraised consist of the *Leased Fee Estate*, as if free and clear of all liens and encumbrances, except those that may be stated within this report, but subject to the limitations of eminent domain, escheat, police power and taxation.

FUNCTION OF THE REPORT

It is our understanding that this appraisal report is to used for the sole purpose of assisting the client, *TRUMP TAJ MAHAL ASSOCIATES*, in making financial and administrative decisions. This report has been prepared in compliance with the Office of Thrift Supervision of the Department of Treasury's Regulations 12 CFR Part 564, the Uniform Standards of Professional Appraisal Practice and the Office of the Comptroller of Currency (OCC) written appraisal guidelines.

OWNERSHIP & PROPERTY HISTORY

The subject property is listed under the ownership of Trump Hotels & Casino Resorts Holding Corp. since April 17, 1996.

*Introduction**Related Information*APPRAISAL DEVELOPMENT AND REPORTING PROCESS

In preparing this appraisal, the appraiser inspected the subject property. Interior inspection was performed on September 15, 1999. Information was gathered from the subject's neighborhood or similar competitive neighborhoods in the area on comparable rental data and offerings, and this information was confirmed. This information was applied to the Capitalization of Income Approach value.

Per client request, the appraiser performed a Limited Appraisal (in a Restricted Report Format), utilizing only one approach to value. Although other approaches would generally be considered meaningful in appraising a property of this type, the appraiser believes the primary approach to value is the Capitalization of Income Approach. The appraisal process therefore involved departure from Standards Rule 1-4(b)i, ii & iii.

This Restricted Appraisal Report is a brief recapitulation of the appraiser's data, analysis, and conclusions. Supporting documentation is retained in the appraiser's file.

IntroductionRelated InformationCOMPETENCY COMPLIANCE

The principal appraiser, (b)(6),(b)(7)(C) has appraised a number of retail and commercial properties over the last decade. Included on the following pages is a list of qualifications for the appraiser. APPRAISAL GROUP International has been in existence for fifty years and includes a staff of four professional designated appraisers with a combined experience of over 100 years. This firm has gained a reputation for doing competent, thorough appraisals of retail, residential, commercial, industrial, and special use properties. Each individual in the firm regularly attends courses and seminars to further their expertise and knowledge.

Due to prior experience in appraising similar properties and other qualifications so noted, the principal appraiser of this report is deemed to be in compliance with the Competency Provision of Uniform Standards of Professional Appraisal Practice (USPAP).

CONFLICT(S) OF INTEREST

The principal appraiser, (b)(6),(b)(7)(C) has no personal, business or other relationships with the subject property's ownership; therefore, believes that no conflict of interest exists.

*Introduction**Definition of Market Value*DEFINITION OF MARKET VALUE²

The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller, each acting prudently, knowledgeably, and assuming the price is not affected by undue stimulus.

Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

1. Buyer and seller are typically motivated;
2. Both parties are well-informed or well-advised, and each acting in what they consider their own best interest;
3. A reasonable time is allowed for exposure in the open market;
4. Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
5. The price represents the normal consideration for the property sold unaffected by special or relative financing or sales concessions granted by anyone associated with the sale.

² As currently adopted and required by the Resolution Trust Corporation and agencies acting under Title XI of the Federal Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (FIRREA), and the Office of the Comptroller of Currency (OCC).

IntroductionOther DefinitionsOTHER DEFINITIONS³Fee Simple Estate -

Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat.

Going Concern Value -

The value created by a proven property operation; considered a separate entity to be valued with a specific business establishment; also called going value.

Leased Fee Estate -

An ownership interest, held by a landlord with the rights of use and occupancy conveyed by lease to others. The rights of the lessor (the leased fee owner) and the leased fee are specified by contract terms contained within the lease.

Leasehold Estate -

The interest held by the lessee (the tenant or renter) through a lease conveying the rights of use and occupancy for a stated term under certain conditions.

Special-Purpose Property -

A limited-market property with a unique physical design, special construction materials, or a layout that restricts its ability to the use for which it was built; also called *special-design property*.

³ The Dictionary Of Real Estate Appraisers, American Institute of Real Estate Appraisers, Chicago, Ill., pp. 140, 160, 214, 210, 222 and 583

Introduction

Qualifications of

(b)(6),(b)(7)(C)

(b)(6),(b)(7)(C)

QUALIFICATIONS

APPRAISAL EDUCATION

(b)(6),(b)(7)(C)

EXPERIENCE

(b)(6),(b)(7)(C)

AFFILIATIONS

(b)(6),(b)(7)(C)

Introduction

Qualifications of

(b)(6),(b)(7)(C)

LECTURER

(b)(6),(b)(7)(C)

PUBLICATIONS

(b)(6),(b)(7)(C)

PARTIAL LIST OF CLIENTS SERVED

(b)(6),(b)(7)(C)

Institutional -

(b)(6),(b)(7)(C)

Introduction

Qualifications of (b)(6),(b)(7)(C)

Institutional (Continued) -

(b)(6),(b)(7)(C)



Introduction

Qualifications of

(b)(6),(b)(7)(C)

Institutional (Continued) -

(b)(6),(b)(7)(C)

Commercial & Industrial -

(b)(6),(b)(7)(C)

Introduction

Qualifications of

(b)(6),(b)(7)(C)

Miscellaneous -

(b)(6),(b)(7)(C)

EDUCATIONAL CERTIFICATION

(b)(6),(b)(7)(C)

Introduction

Qualifications of

(b)(6),(b)(7)(C)

(b)(6),(b)(7)(C)

QUALIFICATIONS

EDUCATION

(b)(6),(b)(7)(C)

PROFESSIONAL AFFILIATIONS

(b)(6),(b)(7)(C)

EXPERIENCE

(b)(6),(b)(7)(C)

Introduction

Qualifications of (b)(6),(b)(7)(C)

Real Estate Valuations and Evaluations done in the following states -

(b)(6),(b)(7)(C)

PARTIAL LIST OF CLIENTS SERVED

Institutional -

(b)(6),(b)(7)(C)

Introduction

Qualifications of (b)(6),(b)(7)(C)

Institutional - (Continued)

(b)(6),(b)(7)(C)

Commercial and Industrial -

(b)(6),(b)(7)(C)

VARIOUS -

(b)(6),(b)(7)(C)

COURT EXPERIENCE -

(b)(6),(b)(7)(C)

EDUCATIONAL CERTIFICATION -

(b)(6),(b)(7)(C)

IntroductionAssumptions & Limiting ConditionsASSUMPTIONS AND LIMITING CONDITIONS

This appraisal report has been made with the following general assumptions:

1. Unless otherwise stated, the value appearing in this appraisal represents our opinion of market value or the value defined as of the date specified. Market value of real estate is affected by national and local economic conditions and consequently will vary with future changes in such conditions.
2. No responsibility is assumed for the legal description or for matters including legal or title considerations. Title to the property is assumed to be good and marketable unless otherwise stated.
3. The property is appraised free and clear of any or all liens or encumbrances unless otherwise stated.
4. Responsible ownership and competent property management are assumed.
5. The information furnished by others is believed to be reliable. However, no warranty is given for its accuracy.
6. All engineering is assumed to be correct. The plot plans and illustrative material in this report are included only to assist the reader in visualizing the property.
7. It is assumed that there are no hidden or unapparent conditions of the property, subsoil, or structures that render it more or less valuable. No responsibility is assumed for such conditions or for arranging for engineering studies that may be required to discover them.
8. It is assumed that there is full compliance with all applicable federal, state, and local environmental regulations and laws unless noncompliance is stated, defined, and considered in the appraisal report.
9. It is assumed that all applicable zoning and use regulations and restrictions have been complied with, unless a nonconformity has been stated, defined, and considered in the appraisal report.
10. It is assumed that all required licenses, certificates of occupancy, consents, or other legislative or administrative authority from any local, state, or national government or private entity or organization have been or can be obtained or renewed for any use on which the value estimate contained in this report is based.

*Introduction**Assumptions & Limiting Conditions*

11. It is assumed that the utilization of the land and improvements is within the boundaries or property lines of the property described and that there is no encroachment or trespass unless noted in the report.
12. The distribution, if any, of the total valuation in this report between land and improvements applies only under the stated program of utilization. The separate allocations for land and buildings must not be used in conjunction with any other appraisal and are invalid if so used.
13. Possession of this report, or a copy thereof, does not carry with it the right of publication.
14. The contract for appraisal, consultation, or analytical service is fulfilled and total fee is payable upon completion of the report. The appraisers will not be asked or required to give testimony in court or hearing because of having made the appraisal in full or in part, nor engage in post-appraisal consultation with the client or third parties, except under separate and special arrangement and at additional fee.
15. No environmental or impact study, special market study or analysis, highest and best use analysis or feasibility study has been requested or made unless otherwise specified in an agreement for services or in the report. The appraisers reserve the unlimited right to alter, amend, revise or rescind any of the statements, findings, opinions, values, estimates or conclusions upon any subsequent such study or analysis or previous study or analysis subsequently becoming known to him.
16. Neither all nor any part of the contents of this report (especially any conclusions as to value, the identity of the appraiser, or the firm with which the appraiser is connected) shall be disseminated to the public through advertising, public relations, news, sales, or other media without the prior written consent and approval of the appraisers.
17. The appraisers may not divulge material contents of the report, analytical findings or conclusions or give a copy of the report to anyone other than the client or his designee as specified in writing, except as may be required by the Appraisal Institute as it may request in confidence for ethics enforcement or by a court of law or body with the power of subpoena.

*Introduction**Assumptions & Limiting Conditions*

18. This appraisal is to be used only in its entirety and no part is to be used without the whole report. All conclusions and opinions concerning the analyses which are set forth in the report were prepared by the appraisers whose signatures appear on the appraisal report, unless indicated as review appraiser. No change of any items in the report shall be made by anyone other than the appraisers and the appraisers shall have no responsibility if any such unauthorized change is made.
19. The signatories of this appraisal report are members (or candidates) of the Appraisal Institute. The By-laws and Regulations of the Institute require each member and candidate to control the use and distribution of each appraisal report signed by such member or candidate.
20. No responsibility is assumed for matters legal in character or nature, nor matters of survey, nor any architectural, structural, mechanical or engineering nature. No opinion is rendered as to the title, which is presumed to be good and merchantable. The property is appraised as if free and clear, unless otherwise stated in particular parts of the report.
21. Comparable data relied upon in this report has been confirmed with one or more parties familiar with the transaction or from affidavit. All are considered appropriate for inclusion to the best of my factual judgement and knowledge.
22. The market value estimated and the cost used are as of the date of the estimate of value. All dollar amounts are based on the purchasing power and price of the dollar as of the date of the value estimate.
23. The identity of the appraisers or firm with which they are connected, or any reference to the Appraisal Institute or to the MAI designation, or to the American Society of Appraisers or to the A.S.A. designation, shall not be divulged without the written consent and approval of the authors.
24. This appraisal expresses our opinion and employment to make this appraisal was in no way contingent upon reporting a predetermined value or conclusion. The fee for this appraisal or study is for the service rendered and not for time spent on the physical report.
25. The value estimated in this appraisal report is gross without consideration given to any encumbrance, restriction, or question of title unless specifically defined. The estimate of value in the appraisal report is not based in whole or in part upon race, color or national origin of the present owners or occupants of properties in the vicinity of the property appraised.

*Introduction**Assumptions & Limiting Conditions*

26. While there is no reason to believe that this site has ever been used to process or store any hazardous substance or toxic waste, and the owners have indicated that there are no hazardous substances or wastes on the site. Nevertheless, the appraisers are not engineers or environmental experts, and the appraisal assumption that there are no hazardous substances or toxic wastes on the site should not be construed as an expert conclusion.
27. Unless otherwise stated in this report, the existence of hazardous substances, including without limitation asbestos, polychlorinated biphenyls, petroleum leakage, or agricultural chemicals, which may or may not be present on the property, or other environmental conditions, were not called to the attention of nor did the appraisers become aware of such during the appraisers' inspection. The appraisers have no knowledge of the existence of such materials on or in the property unless otherwise stated. The appraisers, however, are not qualified to test such substances or conditions.

If the presence of such substances, such as asbestos, urea formaldehyde foam insulation, or other hazardous substances or environmental conditions may affect the value of the property, the value estimated is predicated on the assumption that there is no such condition on or in the property or in such proximity thereto that it would cause a loss in value. No responsibility is assumed for any such conditions, nor for any expertise or engineering knowledge required to discover them.

28. ACCEPTANCE AND/OR USE OF THIS APPRAISAL REPORT CONSTITUTES ACCEPTANCE OF THE PRECEDING CONDITIONS.

ARTHUR ANDERSEN

To: Memo to the Files
From: (b)(6),(b)(7)(C) New Jersey
Date: May 18, 1998
Subject: All-Star Cafe Lease Termination

Our client Trump Taj Mahal leases retail space to the All-Star Café in Atlantic City. All Star operates the All Star Café Restaurant under a multi-year operating lease agreement with Trump Taj Mahal. We were informed today by (b)(6),(b)(7)(C) that the All-Star Café has requested to have its lease terminated. In consideration for the termination, the All-Star Café would be willing to confer title to approximately \$23 million worth of leasehold improvements to the Taj. The Taj is currently contemplated utilizing the space "as is" as a restaurant. We have been asked to advise the client on the appropriate accounting for the transaction.

Based upon our review of the accounting literature, we have concluded the following:

- To the extent that the Taj Mahal will continue to operate the space utilized by the All Star Café as a restaurant, then the Taj should recognize as operating income the fair market value of the leasehold improvements transferred.

This assumes that the Taj currently recognizes rental income as operating revenue, and that the leasehold improvements have a future value to the Taj Mahal. If the space is otherwise altered or utilized as something else, then it would be assumed that the leasehold improvements have no value and accordingly would not be reflected on the books.

While the settlement agreement with the All-Star Café will be entered into in May or June of 1998, the premises will not be vacated until December 31, 1998. The timing of the recognition of income is based upon the actual legal possession of the leasehold improvements and thus the client would only recognize income when the client takes possession of the leasehold improvements and not at the time the agreement was entered into.

*Acctg
Treatment*



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RESTRICTED/LIMITED APPRAISAL OF

**All-Star Cafe
@ Trump Taj Mahal Casino Resort**

Atlantic City, New Jersey

PREPARED FOR

(b)(6),(b)(7)(C)

Trump Taj Mahal Casino Resort
1000 Boardwalk at Virginia Avenue
Atlantic City, New Jersey

APPRAISAL GROUP International



REAL ESTATE APPRAISERS & CONSULTANTS

**APPRAISAL GROUP
International**

REPLY TO:

NJ Office

September 23, 1999

(b)(6),(b)(7)(C)

Trump Taj Mahal Casino Resort
1000 Boardwalk at Virginia Avenue
Atlantic City, New Jersey 08401

Re: *All-Star Cafe @ Trump Taj Mahal
Casino Resort
Atlantic City, New Jersey
Our Ref. #99184*

Dear (b)(6),(b)(7)(C)

Pursuant to your authorization, an inspection and a Restricted Appraisal Report of the above-captioned premises has been made in order to estimate the Market Value of the Fee Simple Estate, as of September 15, 1999. Market Value is defined within the report, which contains the collective data and analyses upon which our estimate is concluded.

The attached report is a Limited Appraisal in a Restricted Report Format which is intended to comply with the reporting requirements set forth under Standards Rule 2-2(c) of the Uniform Standards of Professional Appraisal Practice for a Restricted Appraisal Report. As such, it presents only summary discussions of the data, reasoning, and analyses that were used in the appraisal process to develop the appraiser's opinion of value. Supporting documentation concerning the data, reasoning, and analyses is retained in the appraiser's file. The depth of discussion contained in this report is specific to the needs of the client and for the intended use stated within the report. The appraiser is not responsible for unauthorized use of this report.

Furthermore, in accordance with prior agreement between the client and the appraiser, this report is the result of a limited appraisal process in that certain allowable departures from specific guidelines of the Uniform Standards of Professional Appraisal Practice were invoked. The intended user of this report is warned that the reliability of the value conclusion provided may be impacted to the degree there is departure from specific guidelines of USPAP.

Trump Taj Mahal Casino Resort is located at Virginia Avenue and the Boardwalk in Atlantic City, New Jersey. The casino/hotel complex is bounded by the Boardwalk and the Atlantic Ocean to the south, Pacific Avenue to the north, Pennsylvania Avenue to the west, and Maryland Avenue to the east. The subject of this report consists of a 27,000± square foot restaurant, occupied by the All-Star Cafe.

(b)(6),(b)(7)(C)

September 23, 1999

The purpose of this report is to estimate the market value of the property, in an "as is" condition, including all of tenant's personal property (except specialty trade fixtures), furniture and furnishings and all trade fixtures including all kitchen equipment associated with the subject property (as specified in the fully executed "Termination of Lease Agreement" - dated September 15, 1999).

This letter is not the appraisal, but merely serves to transmit the attached appraisal report and to convey the final conclusion of value. The attached report includes Definitions of Market Value, and of the property rights appraised as if free and clear of mortgages. The appraisal is subject to the assumptions and limiting conditions set forth in the appraisal report. Although the property is encumbered by a long-term lease to the "Official All Star Cafe", this lease has been considered within this report, as well as economic data.

In January, 1996 ALL STAR CAFE (Tenant) entered into a lease agreement with TRUMP TAJ MAHAL ASSOCIATES (Landlord) for a term of twenty (20) years, commencing November 1, 1996, with an aggregate base rent of \$20,000,000 (\$1,000,000 per annum). In addition, ownership has reported that the tenant has invested in excess of \$23,000,000 in interior improvements, build-outs and FF&E. Therefore, the total rental cost to the tenant is \$2,150,000 per annum (((\$23,000,000/20) + (\$1,000,000)), reflecting \$79.63 per square foot, which is somewhat above the market data for similar raw restaurant/retail space. Based on a 12.5% cap rate, the indicated value is (\$2,150,000/.125) \$17,200,000.

Furthermore, comparable economic data for similar casino restaurant/retail space reflect a rental of \$65.00 ± per square foot, which reflects raw, unfinished space. Should the subject property be exposed to the open market, it would command an economic rental of \$65.00 per square foot. Based on market rent of \$65.00 per square foot, the gross potential income is estimated at (\$65.00 x 27,000 Sf) \$1,755,000. Based on a 12.5% cap rate, the indicated value is (\$1,755,000/.125) \$14,040,000.

The above deviation in rental and value are the product of the tenant improvements. The All Star Cafe ("as is") value includes interior improvements, build-outs and FF&E. The market rent is for raw space only. The PW (Present Worth) of the interior improvements, build-outs and FF&E, as well as all trade fixtures including all kitchen equipment associated with the subject property is (\$17,200,000 - \$14,040,000) \$3,160,000.

Therefore, the market rent for raw space is \$65.00 per square foot, as compared to the contractual rent of the All Star Cafe, including the interior improvements, build-outs and FF&E, as well as all trade fixtures including all kitchen equipment associated with the subject property, is \$79.63 per square foot.

NOT Product of Rent
FMV OF Asset Received
3 Approaches
APPRAISAL GROUP International
Cost - Land Depreciated Value
Sales Income

(b)(6),(b)(7)(C)

September 23, 1999

Based upon the findings, it is our opinion that the Market Value of the Fee Simple Estate, subject to the assumptions and limiting conditions as set forth herein, as of the value date, September 15, 1999, is:

SEVENTEEN MILLION TWO HUNDRED THOUSAND DOLLARS

(\$17,200,000)

... of which \$3,160,000 is allocated the interior improvements, build-outs and FF&E, as well as all trade fixtures including all kitchen equipment associated with the subject property.

This letter and the supporting data which are retained in our files are integral parts of our findings and conclusions.

Respectfully submitted,

APPRAISAL GROUP International

(b)(6),(b)(7)(C)

General Appraiser # (b)(6),(b)(7)(C)

(b)(6),(b)(7)(C)

NJ State Certified Real Estate

General Appraiser # (b)(6),(b)(7)(C)

(b)(6),(b)(7)(C)

APPRAISAL GROUP International

~~TRUMP~~
TRUMP MARINA
HOTEL • CASINO

Finance Department

Huron & Brigantine Blvd.
Atlantic City, NJ 08401

Phone: 609-441-8431
Fax: 609-345-9007

Facsimile

To: (b)(6),(b)(7)(C)

Fax: _____

From: (b)(6),(b)(7)(C)

Date: 10-7-99

Re: BOARD S/H EXPL

Pages: 3, including this

Remarks:

- Urgent
- For your review
- Reply ASAP
- Please comment

(b)(6),(b)(7)(C)

SUBSCHEDULE FOR BOARD STATEMENTS

(b)(6),(b)(7)(C)

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TRUMP MARINA HOTEL CASINO
OPERATING RESULTS FOR THE THREE MONTHS ENDED SEPTEMBER 30, 1999 AND 1998
REVENUE / EXPENSE EXPLANATIONS

	98 Estimate*	98 Actual	Variance to 1998		99 Budget	Variance to Budget		
			\$	%		\$	%	
PROMOTIONAL ALLOWANCES								
Comp Rooms	\$3,705	\$3,878	\$274	8.0%	\$4,109	\$404	9.8%	
Comp Food	4,560	5,090	530	10.4%	4,924	364	7.4%	
Comp Beverage	1,747	1,852	105	5.8%	1,783	48	2.5%	
Comp Admissions/Other	459	726	267	36.7%	769	310	40.3%	
Coupons/Other	80	84	13	14.1%	80	(0)	-0.4%	
Total	\$10,652	\$11,741	\$1,188	10.1%	\$11,875	\$1,123	9.6%	
Comp Banquet Food Revenue	\$319	\$727	(\$408)	-56.1%	\$523	(\$204)	-39.0%	
Comp Banquet Beverage Revenue	141	343	(202)	-58.9%	250	(138)	-49.6%	
Total	\$460	\$1,070	(\$610)	-57.0%	\$603	(\$343)	-42.7%	
PAYROLL & RELATED								
Salaries & Wages	\$20,548	\$20,810	\$264	0.3%	\$21,182	\$836	3.0%	
P / R Taxes & Benefits	4,183	4,394	231	5.3%	4,578	413	9.0%	
Union Benefits	1,362	1,289	(73)	-5.7%	1,367	5	0.4%	
Other Bonuses	0	0	0		250	250	100.0%	
Christmas Bonuses	0	0	0		0	0		
Total	\$26,070	\$26,293	\$223	0.8%	\$27,375	\$1,305	4.8%	
COST OF GOODS								
Cost of Food	\$2,475	\$2,500	\$25	1.0%	\$2,502	\$27	1.1%	
Cost of Beverage	749	729	(20)	-2.7%	710	(39)	-5.4%	
Cost of Sales	360	350	(10)	-2.8%	387	7	1.8%	
Cost of Sales Postage	0	0	0		0	0		
Cost of Fuel	164	122	(32)	-20.2%	151	(3)	-2.0%	
Cost of Local Services	36	33	(3)	-8.8%	38	(0)	-0.8%	
Cost of Long Dist Services	60	51	1	2.2%	48	(4)	-8.5%	
Total	\$3,824	\$3,785	(\$38)	-1.0%	\$3,812	(\$12)	-0.3%	
Food Revenue	\$7,218	\$7,383	(\$171)	-2.3%	\$7,371	(\$153)	-2.1%	
Cost of Food %	34.0%	34.8%	-0.6% pts.		33.8%	-0.4% pts.		
Beverage Revenue	\$3,010	\$3,070	(\$60)	-2.0%	\$2,922	\$88	3.0%	
Cost of Beverage %	24.8%	23.7%	-1.2% pts.		24.3%	-0.5% pts.		
COIN/TABLE EXPENSES								
Coupons Cash & Tokens	\$8,854	\$7,558	\$644	8.5%	\$8,770	\$1,816	20.7%	
Coupons - Match Play	202	554	352	83.6%	180	(22)	-12.1%	
Total	\$7,156	\$8,152	\$988	12.2%	\$8,950	\$1,764	20.0%	
Slot Revenue (Cash Basis)	\$58,121	\$64,172	(\$1,948)	-3.6%	\$57,507	\$1,388	2.4%	
Coin/Coupons as % of Slot Revenue	12.4%	14.0%	1.6% pts.		16.3%	2.8% pts.		
PROMOTIONAL EXPENSES								
Promotional Prizes	\$768	\$1,301	\$533	41.0%	\$1,013	\$245	24.2%	
Comp Other	753	719	(33)	-4.8%	817	184	17.9%	
Comp Cash	2,481	1,188	(1,282)	-106.7%	1,038	(1,443)	-139.1%	
Comp Travel / Air Charter	1,503	1,883	380	19.3%	1,482	(41)	-2.8%	
Total	\$5,505	\$5,072	(\$433)	-8.6%	\$4,429	(\$1,076)	-24.3%	
MARKETING/ENTERTAINMENT								
Entertainers	\$1,129	\$2,058	\$930	45.2%	\$1,863	\$734	39.4%	
Junket Fees	460	540	80	14.8%	462	(8)	-1.8%	
Decorations	77	106	29	27.4%	73	(4)	-5.5%	
Direct Mail	614	821	207	25.2%	749	135	18.0%	
Gifts	280	425	165	39.8%	446	165	41.8%	
Special Events	38	111	73	85.6%	74	38	48.4%	
Cost of Food & Beverage Clubs	414	430	16	3.8%	415	1	0.3%	
Entertainment Expenses	77	45	(32)	-71.7%	43	(34)	-79.7%	
Atmospheric Entertainment	12	19	7	38.2%	8	(4)	-48.8%	
Stage Scenery & Props	2	5	3	58.4%	6	4	65.3%	
Bus Subsidies	25	18	(7)	-30.7%	15	(10)	-66.5%	
Total	\$3,108	\$4,679	\$1,471	32.1%	\$4,140	\$1,035	25.0%	

**TRUMP MARINA HOTEL CASINO
OPERATING RESULTS FOR THE NINE MONTHS ENDED SEPTEMBER 30, 1999 AND 1998
REVENUE / EXPENSE EXPLANATIONS**

	99 Estimate*	99 Actual	Variance to 1998 Favorable/(Unfavorable)		99 Budget	Variance to Budget Favorable/(Unfavorable)	
			\$	%		\$	%
PROMOTIONAL ALLOWANCES							
Comp Rooms	\$9,087	\$9,733	\$646	6.8%	\$9,844	\$757	7.7%
Comp Food	12,768	13,170	372	2.8%	13,251	453	3.4%
Comp Beverage	4,878	4,730	(148)	-3.1%	4,788	(78)	-1.7%
Comp Admissions/Other	1,421	1,728	305	17.7%	1,478	57	3.8%
Coupons/Other	271	314	42	13.4%	238	(33)	-14.0%
Total	\$28,458	\$29,673	\$1,216	4.1%	\$29,810	\$1,154	3.9%
Comp Banquet Food Revenue	\$1,382	\$1,848	(\$786)	-18.1%	\$1,482	(\$110)	-7.4%
Comp Banquet Beverage Revenue	646	721	(178)	-24.4%	683	(138)	-20.2%
Total	\$1,827	\$2,369	(\$442)	-18.7%	\$2,175	(\$248)	-11.4%
PAYROLL & RELATED							
Salaries & Wages	\$8,728	\$7,821	(\$907)	-1.8%	\$8,382	834	1.1%
P / R Taxes & Benefits	14,272	14,314	42	0.3%	14,438	168	1.2%
Union Benefits	3,787	3,748	(21)	-0.6%	3,904	137	3.5%
Other Bonuses	0	0	0		750	750	100.0%
Christmas Bonuses	0	0	0		0	0	
Total	\$70,758	\$75,881	(\$585)	-1.2%	\$78,464	\$1,688	2.2%
COST OF GOODS							
Cost of Food	\$8,412	\$8,273	(\$138)	-2.2%	\$8,583	\$31	1.4%
Cost of Beverage	1,897	1,742	(155)	-8.0%	1,780	(137)	-7.8%
Cost of Sales	809	828	(81)	-8.8%	882	(47)	-5.5%
Cost of Sales Postage	0	0	0		0	0	
Cost of Fuel	234	203	(31)	-15.3%	259	25	9.7%
Cost of Local Services	103	94	(9)	-8.5%	108	3	2.8%
Cost of Long Dist Services	130	128	(2)	-1.5%	123	(7)	-5.8%
Total	\$9,685	\$9,268	(\$417)	-4.5%	\$9,813	(\$72)	-0.7%
Food Revenue	18,729	18,757	(28)	-0.1%	19,312	(583)	-3.0%
Cost of Food %	34.2%	33.4%	-0.8% pts.		33.7%	-0.6% pts.	
Beverage Revenue	7,886	7,244	421	5.8%	7,181	454	6.7%
Cost of Beverage %	24.7%	24.3%	-0.7% pts.		24.6%	-0.2% pts.	
COIN/TABLE EXPENSES							
Coupons Cash & Tokens	\$20,298	\$19,882	(\$438)	-2.2%	\$23,028	\$3,830	15.2%
Coupons - Match Play	815	1,080	265	24.8%	870	(145)	-21.8%
Total	\$21,113	\$20,962	(\$171)	-0.8%	\$24,598	\$3,485	14.2%
Slot Revenue (Cash Basis)	\$152,818	\$148,842	(\$8,278)	-4.3%	\$158,901	\$4,083	2.6%
Cash/Coupons as % of Slot Revenue	13.2%	13.0%	0.2% pts.		15.3%	3.0% pts.	
PROMOTIONAL EXPENSES							
Promotional Prizes	\$3,174	\$3,497	\$323	9.2%	\$3,148	(\$28)	-0.8%
Comp Other	2,418	2,151	33	1.5%	2,518	400	15.9%
Comp Cash	4,253	2,783	(1,471)	-32.8%	2,787	(1,458)	-52.1%
Comp Travel / Air Charter	4,028	5,142	1,118	21.7%	4,068	40	1.0%
Total	\$13,872	\$13,573	\$1	0.0%	\$12,527	(\$1,045)	-8.3%
MARKETING/ENTERTAINMENT							
Entertainers	\$2,975	\$3,380	\$415	12.2%	\$3,288	\$281	8.8%
Junket Fees	1,450	1,506	168	9.7%	1,282	(188)	-13.1%
Decorations	310	245	(65)	-20.5%	289	(105)	-31.2%
Direct Mail	2,085	2,120	35	1.7%	2,193	108	4.9%
Gifts	1,182	941	(221)	-29.5%	1,008	(158)	-15.5%
Special Events	211	251	40	19.0%	204	(7)	-3.5%
Cost of Food & Beverage Clubs	1,170	1,106	(65)	-5.9%	1,144	(26)	-2.2%
Entertainment Expense	138	119	(19)	-18.2%	118	(20)	-17.2%
Atmospheric Entertainment	38	48	10	22.3%	28	(10)	-37.5%
Stage Sundry & Props	18	19	1	4.8%	18	(0)	-0.4%
Bus Subsidies	58	46	(12)	-20.0%	45	(13)	-28.6%
Total	\$9,813	\$9,887	\$74	2.8%	\$9,807	(\$108)	-1.1%

PROFIT
10/14/99
15:21:02

TRUMP INDIANA, INC.
UNADJUSTED
PROFIT / COST CENTER RESULTS
SEP 1999

ACTUAL	BUDGET	AMOUNT	VARIANCE	%	PRIOR YEAR	AMOUNT	VARIANCE	%	DESCRIPTION	YEAR TO DATE				
										ACTUAL	BUDGET	AMOUNT	VARIANCE	
1,394,473	1,429,000	(34,527)	(2.4%)		2,323,156	(1,928,000)	395,156	17.0%	CHINA REVENUES	22,316,114	14,119,300	8,196,814	8,196,814	57.7%
8,551,979	9,790,000	(1,238,021)	(12.7%)		9,690,063	(11,110,123)	1,420,060	12.7%	SLOTS	81,521,485	85,161,800	(3,640,315)	(3,640,315)	-4.3%
10,513,016	11,209,000	(695,984)	(6.2%)		12,023,219	(12,310,243)	287,024	2.4%	GROSS GAMING REVENUES	104,837,599	127,281,100	(22,443,501)	(22,443,501)	-17.6%
311,770	439,016	(127,246)	(35.7%)		10,615	300,979	(290,364)	-2.7%	OTHER REVENUES	2,246,754	6,475,422	(4,228,668)	(4,228,668)	-65.3%
207,283	221,800	(14,517)	(6.5%)		44,584	180,699	(136,115)	-30.5%	ROOM REVENUE	1,531,445	1,480,400	51,045	51,045	3.4%
119,031	129,750	(10,719)	(8.3%)		31,157	29,874	1,283	4.0%	FOOD REVENUE	1,254,179	1,512,730	(258,551)	(258,551)	-17.1%
176,012	198,442	(22,430)	(11.3%)		126,238	49,722	76,516	60.6%	BAR/BREAKFAST REVENUE	1,020,275	1,112,184	(91,909)	(91,909)	-8.3%
11,222,112	14,210,619	(2,988,507)	(21.0%)		11,031,054	(11,780,941)	749,887	6.8%	OTHER REVENUES	210,721,577	231,518,426	(20,796,849)	(20,796,849)	-9.0%
374,497	372,761	1,736	0.5%		50,913	179,281	(128,368)	(71.6%)	PROMOTIONAL ALLOWANCES	2,181,459	1,501,185	680,274	680,274	45.3%
12,187,813	11,907,817	279,996	2.3%		11,039,141	(12,047,111)	1,007,970	9.1%	NET REVENUES	108,519,148	119,319,711	(10,800,563)	(10,800,563)	-9.0%
2,166,615	2,746,984	(580,369)	(21.1%)		2,412,764	45,889	(426,875)	(17.7%)	NET EXPENSES	22,317,249	28,149,475	(5,832,226)	(5,832,226)	-20.7%
141,278	183,140	(41,862)	(22.9%)		102,708	(11,710)	114,418	112.4%	LAMDA	2,148,742	1,078,280	1,070,462	1,070,462	99.3%
2,212,877	1,963,843	249,034	12.7%		2,455,832	45,000	(202,218)	-8.2%	COST OF GOODS SOLD	18,176,315	18,776,315	(600,000)	(600,000)	-3.2%
48,874	76,033	(27,159)	(35.7%)		23,730	(16,144)	39,874	245.1%	CONC/PROD PROMOTIONS	219,312	457,145	(237,833)	(237,833)	-52.0%
3,337,330	4,131,168	(793,838)	(19.2%)		4,079,168	481,812	(3,597,356)	(83.3%)	GENERAL EVENTS	15,910,244	15,320,244	590,000	590,000	3.8%
70,432	119,075	(48,643)	(40.8%)		111,232	40,761	70,471	63.3%	BREWERS & JEES	382,738	1,071,216	(688,478)	(688,478)	-64.3%
107,875	128,283	(20,408)	(15.9%)		221,952	(11,717)	233,669	105.2%	TENNIS & PROMOTIONAL EXP.	1,561,111	1,177,271	383,840	383,840	32.6%
50,558	31,064	19,494	62.8%		5,127	(11,111)	16,238	146.1%	TRAVEL & PROMOTIONAL EXP.	1,281,212	1,177,271	103,941	103,941	8.8%
55,274	181,984	(126,710)	(70.0%)		157,518	101,451	56,067	35.6%	ADVERTISING	1,281,212	1,177,271	103,941	103,941	8.8%
131,200	70,000	61,200	87.4%		43,287	101,451	(58,164)	(57.4%)	SALES PROM.	59,147	1,281,212	(1,222,065)	(1,222,065)	-95.3%
(12,650)	147,125	(159,775)	(108.6%)		44,123	44,781	(658)	-1.5%	UTILITIES	182,112	182,112	0	0	0.0%
(120,570)	251,000	(371,570)	(30.9%)		180,000	470,570	(290,570)	(16.1%)	PROPERTY TAXES	1,281,212	1,281,212	0	0	0.0%
580,200	741,503	(161,303)	(21.8%)		650,940	79,100	(138,160)	(21.2%)	OTHER OPERATING EXPENSES	6,208,786	5,581,185	627,601	627,601	11.2%
700,200	200,200	500,000	250.0%		200,200	0	200,200	100.0%	DEPRECIATION	1,400,200	1,400,200	0	0	0.0%
272,484	400,000	(127,516)	(31.9%)		372,479	122,455	250,024	67.1%	LOSS ON SALE OF ASSETS	2,142,419	1,800,200	342,219	342,219	18.9%
9,210,280	11,151,981	(1,941,701)	(17.4%)		11,159,185	2,210,265	(1,091,080)	(9.7%)	TOTAL COST & EXPENSES	92,189,474	100,410,297	(8,220,823)	(8,220,823)	-8.1%
1,167,293	1,046,938	120,355	11.5%		1,786,775	42,998	(1,743,777)	(97.6%)	GROSS OPERATING INCOME	16,329,674	19,107,484	(2,777,810)	(2,777,810)	-14.5%
16.4	11.8	4.6	38.9%		11.4	14.5	(3.1)	(27.2%)	GROSS MARGIN	14.5	11.4	3.1	3.1	27.2%
449,022	431,500	17,522	4.1%		160,181	(420,921)	(581,102)	(36.3%)	DEPRECIATION & AMORTIZATION	1,400,200	1,400,200	0	0	0.0%
315,417	310,000	5,417	1.8%		147,662	21,785	(125,877)	(85.3%)	PROPERTY TAXES	2,142,419	2,142,419	0	0	0.0%
418,817	420,000	(1,183)	(0.3%)		420,812	14,829	(14,017)	(3.3%)	STATE & LOCAL TAXES	1,400,200	1,400,200	0	0	0.0%
11,829	9,000	2,829	31.4%		2,410	(15,829)	18,239	115.1%	OTHER TAXES	1,400,200	1,400,200	0	0	0.0%
301,439	400,000	(98,561)	(24.6%)		147,662	149,430	(1,768)	(1.2%)	INCOME TAXES	1,400,200	1,400,200	0	0	0.0%
561,795	400,245	161,550	40.4%		99,430	37,751	61,679	61.9%	PROFIT ON SALE OF ASSETS	1,400,200	1,400,200	0	0	0.0%
0	0	0	0%		0	0	0	0%	PROFIT ON SALE OF ASSETS	0	0	0	0	0%
0	0	0	0%		0	0	0	0%	REMOVED ITEM DRAIN LOSS	0	0	0	0	0%

TRUMP INDIANA, INC.
INCOME STATEMENT - SEC FORMAT

To balance in ELEN

	YTD 09/30/99	YTD 09/30/98
102 Casino Marketing	359,808	226,858
103 Games	12,237,220	8,467,293
104 Slots	22,178,889	14,682,748
109 Casino Credit	321,018	633,308
125 Supporting Services	10,808,299	10,025,002
130 Player Development	2,741,000	1,401,849
133 Casino Accounting	227,345	189,848
155 Control Rooms	545,136	381,216
166 Collections		
160 Security	1,878,372	1,251,008
159 Surveillance	490,801	303,798
167 Casino Sales	2,740,482	1,887,811
185 Cashiering	2,094,824	1,394,152
689 Administrative Fees	7,856,878	5,207,589
699 License Fees (MCC)	0	0
699 Regulatory fees	377,919	252,583
Difference	12,115,743	4,676
Promotional Allowance	(2,181,868)	(1,012,868)
CASINO PER PRESS RELEASE	69,240,000	48,331,778
689 License Fees - City of Gary	2,775,000	1,930,000
TOTAL CASINO - SEC	72,091,012	48,981,778

Amortization of 329,203 month bond unit
6 months 9 months
1650000 2775000

313 Casino Beverage	638,224	850,811
331 Deli	183,495	20,403
347 Banquets	54,017	90,600
350 Restaurant/Hotel Bar	311,539	72,784
360 Kitchen	347,689	298,570
370 Concierge	169,721	115,604
375 Housekeeping Vessel	467,681	317,580
COGA	1,196,742	795,872
Total F&B	3,698,616	2,337,131

missing COGA in prior period 409,43325

626 Mailroom	0	0
648 HR Administration	53,808	38,286
647 Marketing Administration	187,320	29,788
648 Casino Ops Admin.	396,951	72,370
648 Hotel Admin.	123,040	81,802
650 Exec's Office	320,689	222,385
654 Financial Accounting	308,707	221,189
658 MIS	634,878	480,030
657 VP Finance	127,541	102,821
640 Human Resources	519,632	427,485
668 Advertising	1,347,530	1,280,942
649 Public Relations	79,394	52,083
608 Utilities	601,838	331,536
767 Internal Audit		
776 Risk Management	1,154,848	805,174
789 Purchasing	227,833	161,788
780 Marine Ops	3,080,818	2,207,712
898 Rent	78,185	52,245
886 Salaries & wages	445,000	390,000
876 Benefits	348,900	301,884
889 Employee Training	5,000	5,000
699 License Fees - Trump Foundation	75,000	50,000
899 Other Licenses & Fees	3,370	859
899 Other non-allocated	1,102,712	756,607
899 Real estate tax	1,291,364	1,277,164
899 Loss in Affiliates	5,549,499	3,763,153
G&A PER PRESS RELEASE	17967165	12,972,848
Management Fee	349785	600,000
G&A PER PRESS RELEASE	38,714,848	13,472,848

Recognition	08/30/99	09/30/99
Total Costs & Expenses	82,300,574	61,486,518
Less: Casino Press Release	(6,321,017)	(48,331,778)
Less: Food & Beverage	(3,698,616)	(2,337,131)
Less: Rooms	(1,488,282)	(882,118)
G&A per Press Release	11962165	12,972,848
Add: Settlement		
Add: Management Fee	2,432,885	2,331,774
G&A per SEC	21,462,671	18,204,860
Casino Press Release	68,310,616	48,331,778
Food & Beverage	2,660,611	2,337,727
Rooms	1,456,011	884,118
G&A per Press Release	12,964,839	12,972,848
Sub Total	82,300,574	61,486,518
Add: Depreciation less JV plant amort unit	4,338,263	3,480,187
Add: Settlement	5,250,916	
Add: Gary License Cost	2,775,000	1,880,000
Add: Management Fee	2,432,885	2,331,774
G&A per SEC	164,261,124	70,118,282

699 Depreciation	8,510,048	4,317,280
JV Depreciation	2,248,874	1,512,088
Depreciation, net	4,261,174	2,805,192
add Amort of Acquired License Fees		
Total License fees	4,028,848	2,489,008
less Fiscal Portion	(3,063,333)	(1,860,000)
Total Depreciation	5,226,689	3,449,187
689 Interest Income	(451,998)	(176,290)
689 Interest Expense	3,685,445	3,598,445
Intercompany Interest	2,363,068	2,383,066
Interest Exp. net	1,208,378	1,205,379

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not up for date

TRUMP INDIANA, INC.
INCOME STATEMENT-SEC FORMAT

	YTD 9/30/99	YTD 9/30/98	QTR 09/30/99	QTR 09/30/98
629 MAILROOM	0	(\$1)	0	(15,770)
645 F&B ADM	53,806	7,995	17,520	7,995
647 MARKETING ADM	187,330	157,609	57,542	47,254
648 CASINO OPS	398,591	282,845	126,221	123,560
649 HOTEL ADM	123,840	0	62,038	0
650 EXEC	320,889	324,386	98,504	112,506
654 FINANCIAL	338,767	268,049	117,578	93,632
655 IT	634,679	669,168	171,649	259,856
657 VP FINANCE	127,541	87,032	24,920	35,426
660 HR	519,632	606,775	197,137	231,143
668 ADV	1,347,530	1,644,361	266,538	762,650
669 PR	79,994	76,679	27,909	27,391
698 UTIL	501,858	456,852	140,322	146,914
699 SALARIES	445,000	554,474	150,000	225,000
699 BENEFITS	348,999	386,730	47,115	202,452
699 LICENSES	83,370	82,817	27,711	27,235
699 OTHER EXCL MGT FEES	1,102,712	1,272,191	346,105	468,171
699 RENT	77,745	74,471	25,500	23,806
699 RE TAX	1,291,584	1,176,650	14,430	510,000
699 LOSS IN AFFIL	5,540,499	5,439,789	1,757,366	1,672,142
757 IA	0	23,768	0	142
758 RISK	1,154,949	1,120,005	249,775	447,294
789 PURCHASING	227,632	156,191	75,833	70,506
790 MARINE OPS	3,060,519	3,059,406	992,807	1,037,814
GEN/ADM	17,967,466	17,928,242	4,994,520	6,517,119
TOTAL COSTS & EXPENSES	92,399,874	90,489,110	29,913,355	33,945,637
LESS: CASINO PRESS RELEASE	(69,316,012)	(70,087,769)	(22,984,233)	(26,538,681)
LESS: FOOD & BEV	(3,660,614)	(2,473,112)	(1,322,938)	(889,850)
LESS: HOTEL	(1,455,782)	0	(611,664)	0
G & A PER PRESS RELEASE	17,967,466	17,928,229	4,994,520	6,517,106
ADD: SETTLEMENT		704,000	0	704,000
ADD: MANAGEMENT FEE	3,497,985	3,375,000	1,166,211	1,125,000
G & A PER SEC	21,465,451	22,007,229	6,160,731	8,346,106

10/17

TRUMP INDIANA, INC.
INCOME STATEMENT-SEC FORMAT

	YTD 9/30/99	YTD 9/30/98	QTR 9/30/99	QTR 9/30/98
102 Special Events	352,962	\$18,352,294	\$126,104	\$7,618,421
103 Games	12,237,220	13,374,941	3,769,937	4,412,956
108 Slots	22,175,659	20,352,871	7,312,911	7,953,281
109 Casino Credit	921,019	929,242	282,013	372,709
125 Marketing Services	16,888,299	745,396	5,963,267	258,550
130 Player Development	2,741,800	0	1,340,761	0
153 Casino Accounting	227,345	175,686	67,397	67,101
155 Count Room	545,136	542,453	183,920	190,413
156 Collections	0	0	0	(5,067)
158 Security	1,875,372	1,589,583	624,364	534,347
159 Surveillance	450,901	498,854	147,133	176,916
167 Casino Sales	2,740,482	3,581,348	852,871	1,344,755
185 Cage Cashiering	2,094,824	2,151,746	700,672	701,903
699 Admissions fees	7,855,878	7,891,098	2,648,289	2,895,567
699 Regulatory fees	377,919	430,703	125,326	177,510
	13,055	13	8,179	14
Promotional allowances	(2,181,859)	(528,446)	(1,169,201)	(160,695)
CASINO PER PRESS RELEASE	69,316,012	70,087,769	22,984,233	26,538,681
License fees-City of Gary	2,775,000	2,775,000	925,000	925,000
CASINO PER SEC	72,091,012	72,862,769	23,909,233	27,463,681
313 CASINO BEVERAGE O/E	939,226	1,461,299	305,415	426,902
331 DELI O/E	183,495	156,379	63,032	97,094
BANQUETS	54,017		23,124	0
RESTAURANT HOTEL BAR	311,539		138,745	0
KITCHEN	347,689		139,169	0
CONCIERGE(Room Service?)	169,727		53,033	0
375 HOUSEKEEPING-VESSEL	467,661	76,398	150,081	76,398
COST OF GOODS	1,187,260	729,036	450,339	289,456
TOTAL F & B	3,660,614	2,473,112	1,322,938	889,850
ROOMS				
FRONT DESK	327,286		112,810	0
HOUSEKEEPING	621,630		328,888	0
LAUNDRY	103,041		29,994	0
FACILITIES	107,756		28,827	0
BELL	47,443		19,491	0
TRANSPORTATION	72,389		28,778	0
RESERVATIONS	176,237		62,876	0
TOTAL ROOMS	1,455,782	0	611,664	0
CASINO PRESS RELEASE	69,316,012	70,087,769	22,984,233	26,538,681
ROOMS	1,455,782		611,664	0
FOOD & BEV	3,660,614	2,473,112	1,322,938	889,850
G & A PER PRESS RELEASE	17,967,466	17,928,229	4,994,520	6,517,106
ADD: DEPRECIATION	5,256,978	4,202,391	1,806,781	1,426,213
ADD: SETTLEMENT	0	704,000	0	704,000
ADD: GARY LICENSE COSTS	2,775,000	2,775,000	925,000	925,000
ADD: MANAGEMENT FEE	3,497,985	3,375,000	1,166,211	1,125,000
TOTAL EXPENSES-SEC	103,929,837	101,545,501	33,811,347	38,125,850
	103929837			

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TRUMP (INDIANA, INC.
Condensed Statements of Operations
(\$ IN 000'S EXCEPT STATISTICAL INFO)

	3 MONTHS 30-Sep-99 1999	3 MONTHS 30-Sep-98 1998	9 MONTHS 30-Sep-99 1999	9 MONTHS 30-Sep-98 1998
days	92	92	273	273
REVENUES	\$33,638	\$38,161	\$104,836	\$101,255
CASINO				
# of Slots	1,300	1,375	1,300	1,375
Win per Slot/Day	\$224	\$235	\$230	\$201
Slot Win	\$28,779	\$29,701	\$81,531	\$75,550
# of Tables	50	60	50	60
Win per Table/Day	\$1,491	\$1,533	\$1,707	\$1,559
Table Win	\$6,859	\$8,460	\$23,305	\$25,705
Table Drop	\$42,544	\$54,943	\$140,724	\$181,899
Hold %	16.1%	15.4%	16.6%	15.8%
ROOMS	\$1,065		\$2,246	
# of Rooms Sold	21,875		42,114	
Avg Room Rates	\$51		\$54	
Occupancy %	79.3%		52.3%	
FOOD & BEVERAGE	\$1,025.30	\$419.21	\$2,588	\$1,295.7
OTHER	357	343.854	1,052	928.57
PROMOTIONAL ALLOWANCES	(1,169)	(160)	(2,182)	(528)
NET REVENUES	\$33,851.34921	\$38,783.16	\$108,540	\$102,950.63
COSTS & EXPENSES				
GAMING	\$22,978	\$28,530.9	\$89,310.6	\$70,079.82
ROOMS	612		1,458	
FOOD & BEVERAGE	1,334.13	888.90	3,662.0	2,471.3
GENERAL & ADMINISTRATIVE	4,871.5021	6,514.17	17,964.7	17,925.7
TOTAL EXPENSES	\$29,802	\$33,932.45	\$92,399	\$90,475
EBITDA (Earnings before depreciation, interest, taxes, preopening, start-up costs, management fee allocation and CRDA-related items)	\$3,959	\$4,831	\$16,140	\$12,475
Margin	1.7%		14.9%	

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Trump's Castle Associates, L.P.
d/b/a Trump Marina
Condensed Statements of Operations
Unaudited
(In Thousands, except statistical information)

REVENUES	3 Months		9 Months	
	9/30/99	9/30/98	9/30/99	9/30/98
CASINO	\$73,346	\$74,331	\$205,430	\$198,351
# of Slots	2,123	2,170	2,143	2,163
Win per Slot/Day	\$278	\$263	\$253	\$242
Slot Win	\$54,296	\$51,503	\$148,387	\$142,902
# of Tables	83	81	87	92
Win per Tab/Day	\$2,609	\$2,489	\$2,333	\$2,136
Table Win	\$70,401	\$70,817	\$53,000	\$33,646
Table Drop	\$134,798	\$132,698	\$362,134	\$345,318
Hold %	15.1%	15.7%	15.3%	15.5%
Poker, Keno, Racebook	\$649	\$991	\$1,663	\$1,803
ROOMS	\$5,047	\$4,990	\$12,266	\$12,431
# of Rooms Sold	63,371	64,819	168,831	175,190
Room Rates	\$79.39	\$76.96	\$72.63	\$70.99
Occupancy %	94.9%	96.8%	85.0%	88.3%
FOOD & BEVERAGE	\$10,229	\$10,459	\$26,393	\$26,000
OTHER	3,433	3,716	8,055	8,314
PROMOTIONAL ALLOWANCES	(10,570)	(11,748)	(29,475)	(29,672)
NET REVENUES	\$43,487	\$81,756	\$223,691	\$215,444
COSTS & EXPENSES				
GAMING	\$43,549	\$46,729	\$124,866	\$123,577
ROOMS	1,042	784	2,889	2,383
FOOD & BEVERAGE	3,541	3,073	8,144	7,426
GENERAL & ADMIN.	13,743	15,827	43,523	43,990
TOTAL EXPENSES	\$63,875	\$66,412	\$181,422	\$179,376
EBITDA (1)	\$19,612	\$15,344	\$42,269	\$36,068

DRAFT
10-15-99

(1) - EBITDA reflects earnings before depreciation, interest, taxes and CRDA write-down.

Note: Certain prior year reclassifications have been made to conform to current year presentation.

TRUMP
TRUMP MARINA
HOTEL • CASINO

DATE: October 19, 1999
TO: Distribution
FROM: (b)(6),(b)(7)(C)
SUBJECT: 3rd Quarter 1999 Financial Statements

Attached please find an initial draft of the following SEC Financial Statements as of September 30, 1999.

- Balance Sheet
- Income Statement
- Statement of Capital
- Statement of Cash Flows

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OCT 20 1999

(b)(6),(b)(7)(C)

Also attached is the Press Release Statement as provided on October 15, 1999.

Please call me at (b)(6),(b)(7)(C) should you have any questions or comments on these reports.

Thank you.

(b)(6),(b)(7)(C)

Distribution:

(b)(6),(b)(7)(C)

Press Release
DETAIL

PART I – FINANCIAL INFORMATION

ITEM 1 – FINANCIAL STATEMENTS

TRUMP'S CASTLE ASSOCIATES, L.P. AND SUBSIDIARY
CONDENSED CONSOLIDATED BALANCE SHEETS
(in thousands)

	<u>December 31,</u> <u>1998</u>	<u>September 30,</u> <u>1999</u> (unaudited)
<u>ASSETS</u>		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 19,723	\$ 29,614
Receivables, net	8,401	12,970
Inventories	3,020	3,169
Other current assets	<u>1,884</u>	<u>2,634</u>
Total current assets	33,028	48,387
PROPERTY AND EQUIPMENT, NET	488,745	484,286
OTHER ASSETS	<u>15,115</u>	<u>15,598</u>
Total assets	<u>\$ 536,888</u>	<u>\$ 548,271</u>
<u>LIABILITIES AND PARTNERS' CAPITAL</u>		
CURRENT LIABILITIES:		
Current maturities-long term debt	\$ 1,277	\$ 1,357
Accounts payable and accrued expenses	27,048	25,506
Due to affiliates	21,602	20,980
Accrued interest payable	<u>4,777</u>	<u>13,531</u>
Total current liabilities	54,704	61,374
LONG TERM DEBT, LESS CURRENT MATURITIES	368,529	381,424
OTHER LONG TERM LIABILITIES	<u>3,541</u>	<u>6,919</u>
Total liabilities	426,774	449,717
COMMITMENTS AND CONTINGENCIES		
PARTNERS' CAPITAL	<u>110,114</u>	<u>98,554</u>
Total liabilities and partners' capital	<u>\$ 536,888</u>	<u>\$ 548,271</u>

The accompanying notes are an integral part of these condensed consolidated statements.

TRUMP'S CASTLE ASSOCIATES, L.P. AND SUBSIDIARY
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 1998 AND 1999
(unaudited)
(in thousands)

	<u>Three Months</u>		<u>Nine Months</u>	
	<u>Ended September 30,</u>		<u>Ended September 30,</u>	
	<u>1998</u>	<u>1999</u>	<u>1998</u>	<u>1999</u>
REVENUES:				
Gaming	\$ 74,331	\$ 75,346	\$ 198,351	\$ 205,450
Rooms	4,990	5,047	12,451	12,266
Food and beverage	10,459	10,229	26,000	26,395
Other	<u>3,716</u>	<u>3,435</u>	<u>8,314</u>	<u>8,055</u>
Gross revenues	93,496	94,057	245,116	252,166
Less-promotional allowances	<u>11,740</u>	<u>10,570</u>	<u>29,672</u>	<u>28,475</u>
Net revenues	<u>81,756</u>	<u>83,487</u>	<u>215,444</u>	<u>223,691</u>
COSTS AND EXPENSES:				
Gaming	46,729	43,549	125,577	124,866
Rooms	784	1,042	2,383	2,889
Food and beverage	3,072	3,541	7,426	8,144
General and administrative	16,153	16,130	44,844	46,622
Depreciation and amortization	<u>4,160</u>	<u>4,454</u>	<u>12,358</u>	<u>12,980</u>
	<u>70,898</u>	<u>68,716</u>	<u>192,588</u>	<u>195,501</u>
Income from operations	10,858	14,771	22,856	28,190
INTEREST INCOME	173	193	554	585
INTEREST EXPENSE	<u>(12,886)</u>	<u>(13,604)</u>	<u>(38,263)</u>	<u>(40,335)</u>
Net income (loss)	<u>\$ (1,855)</u>	<u>\$ 1,360</u>	<u>\$ (14,853)</u>	<u>\$ (11,560)</u>

The accompanying notes are an integral part of these condensed consolidated statements.

TRUMP'S CASTLE ASSOCIATES, L.P. AND SUBSIDIARY
CONDENSED CONSOLIDATED STATEMENT OF PARTNERS' CAPITAL
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 1999
 (unaudited)
 (in thousands)

	<u>Partners'</u> <u>Capital</u>	<u>Partners'</u> <u>Deficit</u>	<u>Total</u>
Balance at December 31, 1998	\$175,395	\$(65,281)	\$110,114
Net loss	—	(11,560)	(11,560)
Balance at September 30, 1999	<u>\$175,395</u>	<u>\$(76,841)</u>	<u>\$ 98,554</u>

The accompanying notes are an integral part of this condensed consolidated statement.

TRUMP'S CASTLE ASSOCIATES, L.P. AND SUBSIDIARY
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 1998 AND 1999

(unaudited)
(in thousands)

	Nine Months	
	Ended September 30,	
	1998	1999
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	\$ (14,853)	\$ (11,560)
Adjustments to reconcile net loss to net cash flows provided by operating activities-		
Depreciation and amortization	12,358	12,980
Issuance of PIK Notes in exchange for accrued interest	5,612	6,418
Accretion of bond discount	2,761	3,220
Provision for losses on receivables	943	201
Valuation allowance-CRDA investments	854	1,099
Increase in receivables	(3,271)	(4,770)
Decrease (increase) in inventories	310	(149)
Increase in other current assets	(773)	(750)
Increase in other assets	(1,862)	(178)
Increase in current liabilities	13,445	7,212
Decrease in amounts due to affiliates	(295)	(763)
Increase in other liabilities	<u>1,763</u>	<u>3,378</u>
Net cash flows provided by operating activities	<u>16,992</u>	<u>16,338</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of property and equipment, net	(1,950)	(2,365)
Purchase of CRDA investments	<u>(2,464)</u>	<u>(2,583)</u>
Net cash flows used in investing activities	<u>(4,414)</u>	<u>(4,948)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Repayment of other borrowings	(63,930)	(1,499)
Proceeds of other borrowings	<u>67,000</u>	<u>-</u>
Net cash flows provided by (used in) financing activities	<u>3,070</u>	<u>(1,499)</u>
Net increase in cash and cash equivalents	15,648	9,891
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	<u>14,472</u>	<u>19,723</u>
CASH AND CASH EQUIVALENTS AT END OF PERIOD	<u>\$ 30,120</u>	<u>\$ 29,614</u>
SUPPLEMENTAL INFORMATION:		
Cash paid for interest	<u>\$ 16,963</u>	<u>\$ 18,201</u>
Purchase of property and equipment under capitalized lease obligations	<u>\$ 18</u>	<u>\$ 4,059</u>

The accompanying notes are an integral part of these condensed consolidated statements.

Trump's Castle Associates, L. P.
d/b/a Trump Marina
Condensed Statements of Operations
Unaudited
(In Thousands, except statistical information)

REVENUES	3 Months		9 Months	
	9/30/99	9/30/98	9/30/99	9/30/98
CASINO	\$75,346	\$74,331	\$205,450	\$198,351
# of Slots	2,123	2,170	2,145	2,163
Win per Slot/Day	\$278	\$263	\$253	\$242
Slot Win	\$54,296	\$52,503	\$148,387	\$142,902
# of Tables	85	91	87	92
Win per Table/Day	\$2,609	\$2,489	\$2,333	\$2,136
Table Win	\$20,401	\$20,837	\$55,400	\$53,646
Table Drop	\$134,798	\$132,698	\$362,134	\$345,318
Hold %	15.1%	15.7%	15.3%	15.5%
Poker, Keno, Racebook	\$649	\$991	\$1,663	\$1,803
ROOMS	\$5,047	\$4,990	\$12,266	\$12,451
# of Rooms Sold	63,571	64,839	168,831	175,390
Room Rates	\$79.39	\$76.96	\$72.65	\$70.99
Occupancy %	94.9%	96.8%	85.0%	88.3%
FOOD & BEVERAGE	\$10,229	\$10,459	\$26,395	\$26,000
OTHER	3,435	3,716	8,055	8,314
PROMOTIONAL ALLOWANCES	(10,570)	(11,740)	(28,475)	(29,672)
NET REVENUES	\$83,487	\$81,756	\$223,691	\$215,444
COSTS & EXPENSES				
GAMING	\$43,549	\$46,729	\$124,866	\$125,577
ROOMS	1,042	784	2,389	2,383
FOOD & BEVERAGE	3,541	3,072	8,144	7,426
GENERAL & ADMIN.	15,743	15,827	45,523	43,990
TOTAL EXPENSES	\$63,875	\$66,412	\$181,422	\$179,376
EBITDA (1)	\$19,612	\$15,344	\$42,269	\$36,068

DRAFT
10-15-99

(1) - EBITDA reflects earnings before depreciation, interest, taxes and CRDA write-down.

Note: Certain prior year reclassifications have been made to conform to current year presentation.

10/15/99

TRUMP HOTELS & CASINO RESORTS INC
 CONSOLIDATING CASH BALANCES

19-Oct-99
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OCT-19-99 12:13 FROM:TRUMP PLAZA FINANCIAL DEP ID:4417751

PAGE 2/10

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SEPTEMBER 30, 1999 (IN MILLIONS)	TRUMP TAJ MAHAL	TRUMP PLAZA	TCS	TRUMP AC	TRUMP AC CONSOL	THCR HOLD	TRUMP IND	TRUMP MARINA	THCR CONSOL
WORKING CAPITAL	\$7.1	\$3.8	(\$7.0)		\$3.4			\$4.2	\$7.8
TIME DEPOSITS/INVEST (incl Loc	1.0	2.8	7.3		11.1	0.8	4.6	1.0	17.5
\$75 MILLION				19.0	19				19
\$25 MILLION				0.6	0.6				0.6
INTEREST PAYMENT				61.5	61.5			13.1	74.6
RESTRICTED (THCR INTEREST)				4.2	4.2				4.2
CASH IN BANKS	\$8.1	\$6.4	\$0.0	\$85.3	\$99.8	\$0.8	\$4.6	\$18.3	\$123.5
CASINO CASH	24.7	16.3			41.0		0.7	11.3	56.0
TOTAL CASH AT 9/30/99	\$32.8	\$22.7	\$0.0	\$85.3	\$140.8	\$0.8	\$8.3	\$29.6	\$179.5
SEPTEMBER 30, 1998 (IN MILLIONS)									
WORKING CAPITAL	\$4.9	\$0.7	(\$11.2)		(\$5.6)		\$0.1	\$4.0	(\$1.5)
TIME DEPOSITS/INVESTMENTS		2.3	7.3		9.6	2.5	9.0	1.5	22.6
\$75 MILLION				32.5	32.5				32.5
\$25 MILLION				1.5	1.5				1.5
INTEREST PAYMENT				57.0	57.0			13.1	70.1
RESTRICTED (CONSTRUCTION)					0.0		7.0		7.0
CASH IN BANKS	\$4.9	\$3.0	(\$3.9)	\$91.0	\$95.0	\$2.5		\$18.6	\$132.2
CASINO CASH	26.7	20.1			46.6		4.1	11.5	62.4
TOTAL CASH AT 9/30/98	\$31.6	\$23.1	(\$3.9)	\$91.0	\$141.6	\$2.5	\$4.1	\$30.1	\$194.6
CASH IN BANKS VARIANCE	\$3.2	\$3.4	\$3.9	(\$5.7)	\$4.8	(\$1.7)	\$4.6	(\$0.3)	(\$8.7)
CASINO CASH VARIANCE	(2.0)	(3.8)	0.0	0.0	(5.8)	0.0	(0.4)	(0.2)	(6.4)
TOTAL CASH VARIANCE	\$1.2	(\$0.4)	\$3.9	(\$5.7)	(\$1.0)	(\$1.7)	\$4.2	(\$0.5)	(\$15.1)

Trump Hotels & Casino Resorts

725 Fifth Avenue
24th Floor
New York, NY 10022
Telephone: (212) 891-1500
Fax: (212) 688-0397

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Wed Oct 20 09:49:08 1999

(BCZCXN) Harrah's Entertainment Reports 1999 Third Quarter and First Nine Month

-- Harrah's Entertainment Reports 1999 Third Quarter and First Nine Months Results --
/FROM PR NEWswire 800-682-9599/
TO BUSINESS EDITOR:

Harrah's Entertainment Reports 1999 Third Quarter and
First Nine Months Results

LAS VEGAS, Oct. 20 /ERNewswire/ -- Harrah's Entertainment, Inc. (NYSE: HET) today reported results for third quarter 1999, including record revenues, EBITDA and net income.

Third Quarter Accomplishments

Diluted earnings per share before preopening costs, write-downs, reserves and recoveries, a gain on the sale of an equity investment and extraordinary losses, and after headquarters relocation expenses were 52 cents, exceeding analysts' estimates
Record revenues of \$814.1 million
Same store gaming revenue growth of 13% over prior year
EBITDA up 42% to a record \$215.9 million
Agreement reached to acquire Players International
Announced agreement to sell Showboat Las Vegas property
Interest in Sodak Gaming sold, generating \$15 million one-time pre-tax gain
Agreement reached with Ak-Chin Indian Community for management contract renewal, the first renewal of a five-year management contract for a Class-III Indian gaming facility by a major casino company
Harrah's Entertainment dominated the annual Casino Player "Best of" readers surveys for excellence in Las Vegas and Atlantic City
Harrah's Entertainment became the first company to launch a nationwide television advertising campaign that features the casino gaming experience

Summary of Results

Diluted earnings per share including all items were 58 cents for third quarter 1999 versus 44 cents for the prior year, up 32%.

Third quarter 1999 EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortization) before project opening costs, write-downs, reserves and recoveries, venture restructuring costs and gains on sales of equity interests in subsidiaries was \$215.9 million, a 42% increase over the \$152.2 million reported for third quarter 1998. Harrah's Entertainment again demonstrated the geographic diversity of its EBITDA, with the Western Region contributing 38% of consolidated third quarter EBITDA, the Eastern Region 32% and the Central Region 33%.

The addition of the Rio Hotel & Casino in Las Vegas, acquired January 1, 1999, and consolidation of East Chicago results, coupled with 13% same store gaming revenue growth, resulted in a 39% increase in third quarter revenues over prior year to \$814.1 million. Income from operations increased 43% and net income rose 69% over the prior year period.

"From the trends in increased cross-market and tracked play, to increases in EBITDA in every region, to the contributions from the Rio acquisition, each aspect of Harrah's Entertainment's customer loyalty and growth strategy was working during the third quarter," explained Harrah's Entertainment Chairman and CEO Phil Satre. "The increased loyalty to our company among longtime and new customers alike is yielding earnings growth.

"Our strategy will be enhanced and our customer relationship building opportunities expanded even more with the on time and on budget planned opening of Harrah's New Orleans on October 28 and the planned addition of the Players properties in Missouri, Louisiana and Illinois by early 2000. In addition, the continued rollout and enhancements to our industry leading rewards programs are building customer loyalty.

Our customers greatly value these rewards, as demonstrated by accolades such as those in Casino Player magazine and the increases in tracked play across the company."

Harrah's Las Vegas, Harrah's Laughlin and Rio Lead Western Region
Western Region Results

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(in millions)	1999 Third Quarter	1998 Third Quarter	1999 First Nine Months	1998 First Nine Months
Rio Hotel & Casino				
Revenues	\$113.7	--	\$349.6	--
Operating profit	19.6	--	57.8	--
EBITDA	29.2	--	84.3	--
Harrah's Southern Nevada				
Revenues	\$91.6	\$86.9	\$277.0	\$259.5
Operating profit	13.8	9.7	47.6	36.6
EBITDA	23.2	17.5	73.6	60.4
Harrah's Northern Nevada				
Revenues	\$95.1	\$96.7	\$239.2	\$230.0
Operating profit	24.8	28.5	42.4	42.5
EBITDA	30.7	34.0	58.9	58.9
Total Western Region				
Revenues	\$300.4	\$183.6	\$865.8	\$489.5
Operating profit	57.6	37.7	146.4	77.9
EBITDA	82.4	51.0	215.5	118.0

Rio reported increased third quarter revenue up 6% and EBITDA up 12% compared to the amounts it reported as a separate company in third quarter 1998. In part due to a higher hold percentage on table games during the 1999 quarter.

Satre said, "Rio continues to be one of the most popular and most honored casino resorts in the country. Adding to an already long list of accolades, during the quarter Rio was honored with 14 First Place 'Best of Las Vegas Awards' and 21 awards in total by the readers of Casino Player magazine. And, Wine Spectator honored Rio's highly acclaimed Napa Restaurant as the #1 restaurant in Las Vegas. This kind of recognition in the highly competitive Las Vegas market highlights the Rio's unique appeal."

In Southern Nevada, Harrah's Las Vegas and Harrah's Laughlin each had strong quarters with record revenues. A 39% increase in EBITDA for the period at Harrah's Las Vegas was the result of continued margin improvements at the property and the impact of strong cross-market visitation from other Harrah's properties. Harrah's Laughlin reported a 17% increase in EBITDA for third quarter.

In Northern Nevada, EBITDA at Harrah's Reno was basically even with prior year. Despite record volume, EBITDA at Harrah's Lake Tahoe declined 17% from prior year as a result of a low hold percentage, particularly in high limit table games.

"We are pleased with the performance of our properties in Nevada, particularly southern Nevada, where our properties achieved record revenues even with the additions of highly publicized new competitive supply into the Las Vegas market," stated Satre. "Harrah's Las Vegas, like Rio, was recognized by the readers of Casino Player, who awarded Harrah's 10 first places and 18 awards overall in the annual 'Best of' survey. Because the profile of the Casino Player reader so closely matches the profile of the target customer for the Harrah's brand, these awards are particularly meaningful. Across Nevada, innovative marketing and customer loyalty programs are having positive impacts on growing our business."

Harrah's Atlantic City Continues to Outpace Market Growth Eastern Region Results

(in millions)	1999 Third Quarter	1998 Third Quarter	1999 First Nine Months	1998 First Nine Months
Harrah's Atlantic City				
Revenue	\$115.1	\$104.4	\$310.4	\$284.8
Operating profit	33.2	26.7	76.5	65.2
EBITDA	39.3	32.3	94.6	80.7
Showboat Atlantic City				
Revenue	\$103.8	\$99.9	\$284.3	\$129.7*
Operating profit	24.8	25.0	64.4	31.4*

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EBITDA	30.7	29.6	81.5	38.1*
Total Eastern Region Revenue	\$219.0	\$204.3	\$594.7	\$414.5
Operating profit	\$7.5	\$1.6	\$39.0	\$6.4
EBITDA	69.5	61.8	174.1	118.6

*Showboat Atlantic City reflects four months of results during the 1998 first nine months.

Harrah's Atlantic City achieved another record quarter. The property's revenues grew at a rate more than triple the market growth rate during the period, and EBITDA exceeded the prior year amount by 22%.

Revenues at Showboat Atlantic City increased 4% compared to the third quarter last year. EBITDA slightly exceeded the prior year period despite a lower table game hold percentage.

"Harrah's Atlantic City has outpaced significantly the growth in its market for 17 of the last 18 months, demonstrating that our player reward and marketing programs are appealing to our customers and continue to build loyalty," said Satre. "The property is the undisputed favorite in the city, as evidenced by 19 first places and 30 awards overall in the Casino Player 'Best of Atlantic City' readers' survey."

**Harrah's Chicagoland Casinos Thrive in a Strong Market
 Central Region Sets Revenue and EBITDA Record
 Central Region Results**

(in millions)	1999 Third Quarter	1998 Third Quarter	1999 First Nine Months	1998 First Nine Months
Central Region Revenues	\$272.5	\$181.3	\$758.1	\$523.9
Operating profit	58.2	29.8	150.2	98.8
EBITDA	72.1	39.9	169.4	129.8

Both Harrah's properties in the Chicago market, Joliet in Illinois and East Chicago in Indiana, outpaced the strong growth in the Chicago market overall. Harrah's East Chicago continues to benefit from the Harrah's brand identity and marketing programs, exceeding expectations for revenue and EBITDA during third quarter 1999. Harrah's Joliet capitalized on the new boarding rules in Illinois, and set a revenue record for the quarter.

"Harrah's Joliet had a very strong third quarter," explained Satre. "The opening of a luxury 204-room Harrah's hotel in Joliet in November will enable us to provide even better guest satisfaction in Joliet's new dockside environment."

"In East Chicago, customers have responded well to the Harrah's brand name along with significant improvements to the facility and enhancements to the food and beverage operations," Satre continued.

In Missouri, both Harrah's St. Louis and Harrah's North Kansas achieved record revenues for the quarter with 34% and 11% increases, respectively, over third quarter 1998.

In Mississippi, EBITDA is up substantially over the prior year third quarter, primarily as a result of stronger revenue at Harrah's Tunica.

Harrah's Shreveport EBITDA declined 2% from prior year. Construction is well underway on a development to add amenities that are intended to significantly improve results in the future.

"In Missouri, both of our properties continue their respective market share leadership," said Satre. "Missouri is currently testing open boarding. While boardings are up, there has not been a material change in the gaming revenue. The Harrah's team in Shreveport is doing a good job satisfying customers and maintaining brand loyalty despite the challenge of construction on our 514-room hotel tower and conference center."

**Managed Casino Results Continue To Be Strong
 Managed and Other Results**

(in millions)	1999	1998	1999	1998
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(BC2CXN) Harrah's Entertainment Reports 1999 Third Quarter and First Nine Month

	Third Quarter	Third Quarter	First Nine Months	First Nine Months
Managed and Other Revenues	\$21.7	\$16.4	\$56.5	\$48.9*
Operating profit	18.9	14.6	48.7	43.6*
EBITDA	18.9	14.9	49.0	43.9

*Results in first nine months 1998 included a gain on the buy-out of Harrah's management contract for the Sky City Casino in Auckland, New Zealand.

Harrah's casinos managed on behalf of Native American governments had a strong third quarter 1999. Management fees from Harrah's Cherokee and Harrah's Prairie Band increased over last year primarily due to third quarter revenue increases at both properties. During the quarter Harrah's also announced that the Ak-Chin community has renewed its management agreement with Harrah's for its casino south of Phoenix for another five years, the first renewal of a five-year management contract of a Class-III managed Indian gaming facility by a major casino company. In addition, the Tribe announced a planned expansion of the casino to include a new 150-room hotel, an additional restaurant, meeting and banquet facilities, a resort pool and a landscaped courtyard.

Harrah's New Orleans is on target for its grand opening on October 28. "We are all very much looking forward to the opening of Harrah's New Orleans. This is one of the finest casino facilities in the country in an outstanding location. We look forward to the addition of New Orleans to the portfolio of casino locations for both the local Louisiana customers and tourists, and as a new destination for our loyal customers from across the nation," said Satre.

Other Items Affecting Income

Corporate expense was up for the quarter over prior year; however, it represented 1.5 % of total revenue compared to 1.6 % in the third quarter last year.

The increase in losses from equity in nonconsolidated affiliates relates to National Airlines, which is in its start-up phase. The airline now flies from its Las Vegas hub to Chicago, San Francisco, Los Angeles, New York and Dallas/Fort Worth, with service to Philadelphia scheduled to begin in November.

Preopening costs included in equity in nonconsolidated affiliates for third quarter 1999 related to Harrah's New Orleans.

Third quarter 1999 included \$4.5 million for amortization of goodwill and trademarks primarily in connection with the Showboat acquisition and the Rio merger. Interest expense was also higher due to debt associated with the acquisitions.

The increase in the number of shares outstanding in the quarter compared to the prior year was primarily the result of shares issued in the Rio merger.

Update on Players International Acquisition

In August, Harrah's Entertainment announced that it had signed a definitive agreement to acquire Players International, Inc. Under terms of the agreement, Players' shareholders will receive \$8.50 in cash for each share outstanding and Harrah's will assume approximately \$150 million of Players' debt. Closing is expected around the end of the year subject to receipt of Players' shareholder and governmental approvals, and satisfaction of all other conditions of the agreement.

Update on Sales of Non-Strategic Assets

The sale of shares in Sodak Gaming, Inc. was completed during third quarter 1999. In total, the sale generated approximately \$32 million in pre-tax proceeds, for a \$16 million one-time pre-tax gain.

In April, Harrah's Entertainment announced an agreement with TABCORP Holdings Limited (Australia: TAH) to sell Harrah's interests in Star City Casino in Sydney, New South Wales, Australia. The transaction is expected to close around the end of the year. TABCORP received New South Wales, Australia, Casino Control Authority approvals in early October. Harrah's

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Entertainment's planned sale of its Showboat Las Vegas property to VSS Enterprises, LLC is on schedule to close around the end of the year.

Harrah's Entertainment, Inc. is the most recognized and respected name in the casino entertainment industry operating 18 casinos in the United States under the Harrah's, Showboat and Rio brand names, and the Star City Casino in Sydney, Australia. Founded more than 60 years ago, Harrah's is focused on building loyalty and value with its targeted customers through a unique combination of great service, excellent products, unsurpassed distribution, operational excellence and technology leadership.

Statements in this release concerning future events, future performance and business prospects are forward-looking and are subject to certain risks and uncertainties. These include, but are not limited to, political, economic, bank, equity and debt market conditions, changes in laws or regulations, third party relations and approvals, decisions of courts, regulators and governmental bodies, successful completions of planned acquisitions and dispositions, factors affecting leverage, including interest rates, and effects of competition. These risks and uncertainties could significantly affect anticipated results or events in the future and actual results may differ materially from any forward-looking statements. For additional information, refer to the material discussing the Private Securities Litigation Reform Act in Part I of the company's Form 10-Q filed with the Securities and Exchange Commission for the period ended June 30, 1999.

HARRAH'S ENTERTAINMENT, INC.
CONSOLIDATED SUMMARY OF OPERATIONS
(UNAUDITED)

(In thousands, except per share amounts)	Third Quarter Ended		Nine Months Ended	
	Sept. 30, 1999	Sept. 30, 1998	Sept. 30, 1999	Sept. 30, 1998
Revenues	\$814,054	\$586,242	\$2,276,859	\$1,479,323
Operating profit before project opening costs, corporate expense, headquarters relocation expense, equity in earnings (losses) of nonconsolidated affiliates, amortization of goodwill, write-downs, reserves and recoveries and venture restructuring costs	\$185,961	\$126,593	\$468,172	\$291,030
Project opening costs	(183)	(1,161)	(580)	(7,157)
Corporate expense	(11,894)	(9,443)	(33,317)	(25,029)
Headquarters relocation expenses	(3,030)	-	(7,522)	-
Equity in nonconsolidated affiliates:				
Losses before preopening costs	(6,036)	(2,404)	(12,070)	(8,706)
Preopening costs	(4,192)	-	(10,979)	-
Amortization of goodwill and trademarks	(4,497)	(3,321)	(13,460)	(5,647)
Write-downs, reserves and recoveries	(208)	-	1,267	(1,847)
Venture restructuring costs	-	(1,062)	397	(3,521)
Income from operations	155,921	109,202	391,908	239,123

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Interest, net of interest capitalized	(49,162)	(36,409)	(147,749)	(81,358)
Gains on sales of equity interests in subsidiaries	16,300	-	16,300	13,155
Other (expense) income, including interest income	(644)	273	5,926	5,798
Income before income taxes and minority interests	123,415	73,066	266,385	176,718
Provision for income taxes	(44,875)	(27,091)	(98,255)	(65,043)
Minority interests	(3,496)	(1,773)	(7,818)	(5,551)
Income before extraordinary losses	75,044	44,202	160,312	106,124
Extraordinary losses, net of tax	(410)	-	(11,033)	(18,280)
Net income	\$74,634	\$44,202	\$149,279	\$87,844
Earnings per share - basic				
Before extraordinary losses	\$0.59	\$0.44	\$1.27	\$1.06
Extraordinary losses, net of tax	-	-	(0.09)	(0.18)
Net income	\$0.59	\$0.44	\$1.18	\$0.88
Earnings per share - assuming dilution				
Before extraordinary losses	\$0.58	\$0.44	\$1.25	\$1.05
Extraordinary losses, net of tax	-	-	(0.09)	(0.18)
Net income	\$0.58	\$0.44	\$1.16	\$0.87
Weighted average common shares outstanding	126,338	100,271	126,001	100,204
Weighted average common and common equivalent shares outstanding	129,355	100,911	128,269	101,278

HARRAH'S ENTERTAINMENT, INC.
 SUPPLEMENTAL OPERATING INFORMATION
 (UNAUDITED)

(In thousands)	Third Quarter Ended		Nine Months Ended	
	Sept. 30, 1999	Sept. 30, 1998	Sept. 30, 1999	Sept. 30, 1998
Revenues				
Western Region	\$300,417	\$183,582	\$865,817	\$489,500
Eastern Region	218,960	204,284	594,738	414,494
Central Region	272,469	181,271	758,088	523,916
Managed and Other	21,671	16,417	56,544	48,947
Other	537	688	1,672	2,466
	\$814,054	\$586,242	\$2,276,859	\$1,479,323
Operating Profit				
Western Region	\$57,595	\$37,743	\$146,441	\$77,947
Eastern Region	57,507	51,591	138,958	96,390
Central Region	58,213	29,766	150,220	98,771
Managed and Other	18,927	14,661	48,738	43,573
Other	(6,281)	(7,168)	(16,185)	(25,651)
	\$185,961	\$126,593	\$468,172	\$291,030
EBITDA*				
Western Region	\$82,430	\$51,340	\$215,494	\$118,047

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Eastern Region	69,508	61,754	174,085	118,641
Central Region	72,105	39,935	189,382	129,757
Managed and Other	18,928	14,796	49,045	43,910
Other	(27,074)	(15,347)	(62,360)	(46,081)
	\$215,897	\$152,178	\$565,646	\$364,274

*Earnings before interest, income taxes, depreciation, amortization, Project opening costs, Write-downs, reserves and recoveries, Venture restructuring costs and Gains on sales of equity interests in subsidiaries.

SOURCE Harrah's Entertainment, Inc

/CONTACT: Ralph Berry of Harrah's Entertainment, Inc., 901-762-8629/

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TRUMP HOTELS & CASINO RESORTS
2500 BOARDWALK
ATLANTIC CITY, N.J. 08401

Fax: [Redacted: (b)(6),(b)(7)(C)]

TRUMP HOTELS & CASINO RESORTS, INC.
Condensed Consolidated Statements of Operations
(Unaudited)
(In thousands, except share data)

	3 MONTHS		9 MONTHS	
	30-Sep-99	30-Sep-98	30-Sep-99	30-Sep-98
NET REVENUES	\$403,072	\$397,387	\$1,080,569	\$1,058,296
COSTS & EXPENSES	296,406	306,798	850,364	850,635
EBITDA	106,666	90,589	230,205	207,661
CRDA/INDIANA STATE & MUNIC OBLIG.	2,528	2,321	7,065	6,463
DEPRECIATION & AMORTIZATION	21,775	21,800	65,613	64,882
INTEREST EXPENSE, NET	54,043	53,371	161,638	159,513
CORPORATE EXPENSES	4,645	3,538	13,103	11,510
OTHER NON-OPERATING EXPENSE	1,669	1,184	5,324	2,065
TOTAL NON-OPERATING EXPENSE, NET	84,660	82,214	252,743	244,433
INCOME(LOSS) BEFORE MINORITY INTEREST, TRUMP WORLD'S FAIR CLOSING COSTS, & CUMULATIVE EFFECT OF CHANGE IN ACCOUNTING PRINCIPAL	22,006	8,375	(22,538)	(36,772)
MINORITY INTEREST	(8,048)	(3,063)	8,242	13,434
INCOME(LOSS) BEFORE TRUMP WORLD'S FAIR CLOSING COSTS & CUM. EFFECT OF CHANGE IN ACCTG PRIN.	13,958	5,312	(14,296)	(23,338)
TRUMP WORLD'S FAIR CLOSING COSTS, (\$128,375 LESS MINORITY INTEREST OF \$46,947)	(81,428)	-	(81,428)	-
CUMULATIVE EFFECT OF CHANGE IN ACCTG PRIN.			(3,565)	-
NET INCOME(LOSS)	(\$67,470)	\$5,312	(\$99,289)	(\$23,338)
AVERAGE # SHARES	22,195,256	22,195,256	22,195,256	22,206,428
BASIC AND DILUTED EARNINGS(LOSS) PER SHARE	(\$3.04)	\$0.24	(\$4.47)	(\$1.05)
BASIC AND DILUTED EARNINGS PER SHARE BEFORE TRUMP WORLD'S FAIR CLOSING COSTS & CUMULATIVE EFFECT OF CHANGE IN ACCTG PRIN.	\$0.63	\$0.24	(\$0.64)	(\$1.05)

Note: Certain prior year reclassifications have been made to conform to current year presentation.

TRUMP ATLANTIC CITY ASSOCIATES
Condensed Consolidated Statements of Operations
(Unaudited)
(In thousands)

	3 MONTHS		9 MONTHS	
	30-Sep-99	30-Sep-98	30-Sep-99	30-Sep-98
NET REVENUES	\$284,664	\$276,855	\$748,338	\$739,889
COSTS & EXPENSES	202,617	206,441	576,542	580,771
EBITDA	82,047	70,414	171,796	159,118
CRDA	1,216	1,070	3,191	2,834
DEPRECIATION & AMORTIZATION	14,704	15,405	44,910	45,901
INTEREST EXPENSE, NET	37,713	37,239	112,962	111,512
OTHER NON- OPERATING EXPENSE	(34)	18	15	86
TOTAL NON-OPERATING EXPENSE, NET	53,599	53,732	161,078	160,333
INCOME(LOSS) BEFORE TRUMP WORLD'S FAIR CLOSING	28,448	16,682	10,718	(1,215)
TRUMP WORLD'S FAIR CLOSING COSTS	128,375	-	128,375	-
NET INCOME(LOSS)	(\$89,927)	\$16,682	(\$117,657)	(\$1,215)

Note: Certain prior year reclassifications have been made to conform to current year presentation.

TRUMP TAJ MAHAL ASSOCIATES
Condensed Statements of Operations
(Unaudited)
(In thousands, except statistical information)

	3 MONTHS		9 MONTHS	
	30-Sep-99	30-Sep-98	30-Sep-99	30-Sep-98
NET REVENUES	\$167,662	\$162,104	\$436,229	\$426,729
COSTS & EXPENSES	116,636	116,092	329,624	326,553
EBITDA (1)	<u>\$51,026</u>	<u>\$46,012</u>	<u>\$106,605</u>	<u>\$100,176</u>
Selected Statistics:				
# of Slots	4,419	4,136	4,278	4,137
Win per Slot/Day	\$220	\$217	\$206	\$199
# of Tables	149	156	148	155
Win per Table/Day	\$2,979	\$4,187	\$3,078	\$3,528
Table Drop	\$283,155	\$328,456	\$787,378	\$903,011
Hold %	14.4%	18.3%	15.8%	16.5%
# of Rooms Sold	113,422	112,875	327,975	311,677
Room Rates	\$97.55	\$101.09	\$88.47	\$101.40
Occupancy %	98.6%	98.2%	96.1%	91.3%

(1) EBITDA reflects earnings before depreciation, interest, taxes, and CRDA writedown.

Note: Certain prior year reclassifications have been made to conform to current year presentation.

TRUMP PLAZA ASSOCIATES
Condensed Statements of Operations
(Unaudited)
(In thousands, except statistical information)

	3 MONTHS		9 MONTHS	
	30-Sep-99	30-Sep-98	30-Sep-99	30-Sep-98
NET REVENUES	\$117,002	\$114,751	\$312,109	\$313,160
COSTS & EXPENSES	85,981	90,349	246,918	254,218
EBITDA (1)	\$31,021	\$24,402	\$65,191	\$58,942
Selected Statistics:				
# of Slots	4,186	4,204	4,202	4,124
Win per Slot/Day	\$192	\$196	\$179	\$184
# of Tables	94	101	99	110
Win per Table/Day	\$3,609	\$3,002	\$2,813	\$2,539
Table Drop	\$177,742	\$177,853	\$471,679	\$485,620
Hold %	17.6%	15.7%	16.1%	15.7%
# of Rooms Sold	123,298	123,302	344,237	333,863
Room Rates	\$92.40	\$84.68	\$83.47	\$80.50
Occupancy %	95.5%	95.5%	89.8%	87.1%

(1) EBITDA reflects earnings before depreciation, interest, taxes, CRDA writedown, and Trump World's Fair closing costs.

Note: Certain prior year reclassifications have been made to conform to current year presentation.

TRUMP'S CASTLE ASSOCIATES
d/b/a TRUMP MARINA
Condensed Statements of Operations
(Unaudited)
(In thousands, except statistical information)

	3 MONTHS		9 MONTHS	
	30-Sep-99	30-Sep-98	30-Sep-99	30-Sep-98
NET REVENUES	\$83,487	\$81,756	\$223,691	\$215,444
COSTS & EXPENSES	63,875	66,412	181,422	179,376
EBITDA (1)	\$19,512	\$15,344	\$42,269	\$36,068
Selected Statistics:				
# of Slots	2,123	2,170	2,145	2,163
Win per Slot/Day	\$278	\$253	\$253	\$242
# of Tables	85	91	87	92
Win per Table/Day	\$2,609	\$2,489	\$2,333	\$2,136
Table Drop	\$134,798	\$132,698	\$362,134	\$345,318
Hold %	15.1%	15.7%	15.3%	15.5%
# of Rooms Sold	63,571	64,839	168,831	175,390
Room Rates	\$79.39	\$76.96	\$72.65	\$70.99
Occupancy %	94.9%	96.8%	85.0%	88.3%

(1) EBITDA reflects earnings before depreciation, interest, taxes, and CRDA writedown.

Note: Certain prior year reclassifications have been made to conform to current year presentation.

TRUMP INDIANA, INC.
Condensed Statements of Operations
(Unaudited)
(In thousands, except statistical information)

	3 MONTHS		9 MONTHS	
	30-Sep-99	30-Sep-98	30-Sep-99	30-Sep-98
NET REVENUES	\$34,921	\$38,776	\$108,540	\$102,963
COSTS & EXPENSES	29,914	33,945	92,400	90,488
EBITDA (1)	\$5,007	\$4,831	\$16,140	\$12,475
Selected Statistics:				
# of Slots	1,300	1,375	1,300	1,375
Win per Slot/Day	\$224	\$235	\$230	\$201
# of Tables	50	60	50	60
Win per Table/Day	\$1,491	\$1,533	\$1,707	\$1,569
Table Drop	\$42,544	\$54,943	\$140,724	\$161,899
Hold %	16.1%	15.4%	16.6%	15.9%
# of Rooms Sold	21,875	-	42,114	-
Room Rates	\$51.00	-	\$54.00	-
Occupancy %	79.3%	-	52.3%	-

(1) EBITDA reflects earnings before depreciation, interest, taxes, and Indiana State & Municipal obligations.

Note: Certain prior year reclassifications have been made to conform to current year presentation.
The hotel at Trump Indiana commenced operations in October 1998.

TRUMP HOTELS & CASINO RESORTS, INC.
Supplemental Information
(Unaudited)
(In thousands)

	3 MONTHS		9 MONTHS	
	30-Sep-99	30-Sep-98	30-Sep-99	30-Sep-98
CRDA /INDIANA OBLIGATIONS				
TAJ	\$565	\$627	\$1,602	\$1,608
PLAZA	651	443	1,589	1,226
MARINA	387	326	1,099	854
INDIANA STATE & MUNICIPAL OBLIG.	925	925	2,775	2,775
TOTAL CRDA/INDIANA OBLIG	\$2,528	\$2,321	\$7,065	\$6,463
DEPRECIATION & AMORTIZATION				
TAJ	\$9,012	\$8,910	\$27,571	\$27,204
PLAZA	5,692	6,495	17,339	18,697
THCR HOLDINGS	77	67	221	195
MARINA	4,454	4,160	12,980	12,358
INDIANA (INCL JOINT VENTURE LOSS)	2,540	2,168	7,502	6,428
TOTAL DEPRECIATION/AMORT	\$21,775	\$21,800	\$65,613	\$64,882
INTEREST EXPENSE				
TAJ	\$23,408	\$23,502	\$70,278	\$70,631
PLAZA	12,026	11,883	35,536	35,778
TRUMP ATLANTIC CITY	3,158	3,090	9,517	9,585
THCR HOLDINGS	6,065	6,060	18,154	17,982
MARINA	10,525	10,193	31,397	30,436
INDIANA	694	662	1,899	2,267
TOTAL INTEREST EXPENSE	\$55,876	\$55,390	\$166,781	\$166,679
LOAN COST AMORT/BOND DISC INCL IN INT EXP				
TAJ	\$848	\$951	\$2,617	\$2,938
PLAZA	424	475	1,308	1,468
TRUMP ATLANTIC CITY	345	279	1,080	1,179
THCR HOLDINGS	269	259	806	806
MARINA(BOND DISC ACCRETION)	1,111	957	3,220	2,761
INDIANA	37	36	109	191
TOTAL LOAN COST AMORT/BOND DISC	\$3,034	\$2,967	\$9,140	\$9,343

Note: Certain prior year reclassifications have been made to conform to current year presentation.

Trump Hotels & Casino Resorts

725 Fifth Avenue
24th Floor
New York, NY 10022
Telephone: (212) 891-1500
Fax: (212) 688-0397

FAX TRANSMISSION

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Date: 10/21

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Subject: News Release

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DRAFT 11:30am 10-21**NEWS RELEASE**

For Immediate Release: October 25, 1999

For further information, contact: Nicholas L. Ribis, President and CEO (212) 688-0190

TRUMP HOTELS & CASINO RESORTS**THIRD QUARTER RESULTS****EBITDA INCREASED TO \$106.7 MILLION VS. \$90.6 MILLION IN 1998****NET PROFIT INCREASED TO 63 CENTS PER SHARE****VS. 24 CENTS PER SHARE IN 1998**

NEW YORK, NY – Trump Hotels & Casino Resorts, Inc. (NYSE:DJT) announced today that for the third quarter ended, September 30, 1999, consolidated net revenues were \$403.1 million compared to \$397.4 million reported for the same period in 1998. THCR's EBITDA (earnings before interest, taxes, depreciation, amortization, Trump World's Fair charge and corporate expenses) for the quarter was \$106.7 million versus \$90.6 million reported for the prior year's third quarter. Net income increased to \$14.0 million or \$0.63 per share, before a one time Trump World's Fair charge, compared to \$5.3 million or \$0.24 per share in 1998. THCR's earnings per share of \$0.63 exceeded First Call estimates of \$0.54.

Nicholas Ribis, President and Chief Executive Officer of THCR, stated, "Our focus in 1999 was three-fold: first, to increase our operating margins at each operating entity; second, to decrease our marketing costs; and third, to increase our cash sales from our non-casino operations. We have succeeded in achieving positive results in each of the three categories. The third quarter and nine month results for the company indicate that we have successfully instituted the programs that we focused on during 1999."

Trump Boardwalk Properties Results

(S in millions)	1999 Third Quarter	1998 Third Quarter	1999 Nine Months	1998 Nine Months
Trump Taj Mahal				
Revenues	\$167.7	\$162.1	\$436.2	\$426.7
Operating Profit	41.4	36.5	77.4	71.4
EBITDA	51.0	46.0	106.6	100.2
Margin	30.4%	28.4%	24.4%	23.5%
Trump Plaza				
Revenues	\$117.0	\$114.8	\$312.1	\$313.2
Operating Profit	24.7	17.5	46.3	39.0
EBITDA	31.0	24.4	65.2	58.9
Margin	26.5%	21.3%	20.9%	18.8%
Trump Atlantic City Associates				
Revenues	\$284.7	\$276.9	\$748.3	\$739.9
Operating Profit	66.1	54.0	123.7	110.4
EBITDA	82.0	70.4	171.8	159.1
Margin	28.8%	25.4%	23.0%	21.5%

Trump Marina Results

(S in millions)	1999 Third Quarter	1998 Third Quarter	1999 Nine Months	1998 Nine Months
Trump Marina				
Revenues	\$83.5	\$81.8	\$223.7	\$215.4
Operating Profit	14.8	10.9	28.2	22.9
EBITDA	19.6	15.3	42.3	36.1
Margin	23.5%	18.7%	18.9%	16.8%

Trump Indiana Results

(S in millions)	1999 Third Quarter	1998 Third Quarter	1999 Nine Months	1998 Nine Months
Trump Indiana				
Revenues	\$34.9	\$38.8	\$108.5	\$103.0
Operating Profit	2.3	2.5	8.1	5.5
EBITDA	5.0	4.8	16.1	12.5
Margin	14.3%	12.4%	14.8%	12.1%

THCR in the third quarter also ceased operations at the Trump World's Fair Casino Hotel in Atlantic City and it has taken a one-time charge of \$81.4 million (\$128.4 million less minority interest of \$47.0 million or \$3.67 per share) with respect to the closing. THCR has indicated it will demolish the existing structures, and planning has commenced for the development of this 10-acre Boardwalk site into a 4,000-room hotel and a 200,000 sq. ft. casino to be connected to the newly renovated Atlantic City Entertainment Center, and a proposed 10,000-car parking garage.

This press release contains forward-looking statements that are subject to change. Actual results may differ materially from those described in any forward-looking statement. Additional information concerning potential factors that could affect the Company's future results is included in the Company's Annual Report on Form 10-K for the year ended December 31, 1998. This statement is provided as permitted by the Private Securities Litigation Reform Act of 1995.

Trump Hotels & Casino Resorts, Inc.
Consolidated Summary of Operations
(Unaudited)

(in thousands, except in share amounts)	<u>Third Quarter Ended</u>		<u>Nine Months Ended</u>	
	Sept. 30, 1999	Sept. 30 1998	Sept. 30, 1999	Sept. 30, 1998
Revenues	\$403,072	\$397,387	\$1,080,569	\$1,058,296
EBITDA				
Before CRDA/Indiana State & Municipal Obligation; Depreciation & Amortization; Interest Expense, Corporate Expenses; Other Non-Operating Expense, World's Fair Closing	\$106,666	\$ 90,539	\$ 230,205	\$ 207,661
CRDA/Indiana State & Munic Oblig.	\$ (2,528)	\$ (2,321)	\$ (7,065)	\$ (6,463)
Depreciation & Amortization	(21,775)	(21,800)	(65,613)	(64,882)
Interest Expense, Net	(54,043)	(53,371)	(161,638)	(159,513)
Corporate Expenses	(4,645)	(3,538)	(13,103)	(11,510)
Other Non-Operating Expense	(1,669)	(1,184)	(5,324)	(2,065)
Income (Loss) before Minority Interest, Trump World's Fair Closing Costs, & Cumulative Effect of Change in Accounting Principle	\$ 22,006	\$ 8,375	\$ (22,538)	\$ (36,772)
Minority Interest	\$ (8,048)	\$ (3,063)	\$ 8,242	\$ 13,434
Income (Loss) Before Trump World's Fair Closing Costs & Cumulative Effect of Change in Accounting Prin.	\$ 13,958	\$ 5,312	\$ (14,296)	\$ (23,338)
Trump World's Fair Closing Costs (\$128,375 Less Minority Interest of \$46,947)	\$ (81,428)	—	\$ (81,428)	—
Cumulative Effect of Change In Accounting Prin.	—	—	\$ (3,565)	—
Net Income (Loss)	\$ (67,470)	\$ 5,312	\$ (99,289)	\$ (23,338)
Average # Shares	22,195,256	22,195,256	22,195,256	22,206,428
Basic & Diluted Earnings (Loss) Per Share	\$ (3.04)	\$ 0.24	\$ (4.47)	\$ (1.05)
Basic & Diluted Earnings Per Share Before Trump World's Fair Closing Costs & Cumulative Effect of Change in Accounting Prin.	\$ 0.63	\$ 0.24	\$ (0.64)	\$ (1.05)

Trump Hotels & Casino Resorts, Inc. owns and operates Trump Plaza Hotel & Casino, Trump Taj Mahal Casino Resort and Trump Marina Hotel Casino in Atlantic City, NJ, as well as Trump Indiana, the riverboat casino at Buffington Harbor, Indiana on Lake Michigan. It is the exclusive vehicle through which Trump will engage in new gaming activities in both emerging and established gaming jurisdictions in both the United States and abroad

TOTAL P.06

Troop Taj Mahal Associates
Condensed Consolidated Statements of Operations

(Unaudited)
 (In thousands, except statistical information)

	3 Months Ended September 30,		2 Months Ended September 30,		Y.M.
	1979	Y.M.	1978	Y.M.	
Revenue	\$136,424	\$148,011	\$381,173	\$388,405	-1.9%
Casino	4,419	4,136	4,278	4,137	3.8%
# of Slots	\$220	\$217	\$206	\$199	3.5%
Win per Slot/Day (A)	\$89,603	\$82,456	\$240,222	\$224,503	7.0%
Slot Win	149	156	148	153	-4.3%
# of Tables	\$2,979	\$4,187	\$3,078	\$3,378	-12.7%
Win per Table/Day (A)	\$40,813	\$60,087	\$124,379	\$149,278	-16.7%
Table Win	\$283,335	\$318,457	\$787,378	\$903,011	(0.7)
Hold %	14.4%	18.3%	15.8%	16.5%	
Poker, Keno, Race Win	\$2,986	\$5,468	\$16,527	\$14,624	13.0%
Rooms	\$11,084	\$11,410	\$29,015	\$31,804	-8.2%
# of Rooms Sold	112,422	112,873	327,975	311,677	5.2%
Avg. Room Rates	\$97.55	\$101.09	\$88.47	\$101.40	-12.8%
Occupancy %	98.0%	98.2%	96.1%	93.3%	
Food & Beverage	\$15,157	\$15,034	\$40,962	\$41,918	-2.3%
Other	23,371	2,667	33,449	15,358	117.8%
Promotional Allowances	(18,154)	(18,018)	(48,320)	(50,556)	4.4%
Net Revenues	167,662	162,104	436,244	436,729	2.3%
Costs & Expenses					
Gaming	85,351	84,637	237,150	236,957	-0.1%
Rooms	3,732	3,888	11,669	12,062	-5.5%
Food & Beverage	5,318	4,959	14,373	14,266	-0.8%
General & Admin	22,235	27,678	68,432	64,168	3.3%
Total Expenses	116,636	118,092	329,624	327,553	-0.9%
EBITDA	\$51,026	\$46,012	\$106,603	\$109,176	6.4%
CRDA	\$45	\$27	\$602	\$608	0.4%
Depreciation & Amortization	9,012	8,910	27,571	27,204	-1.3%
Other Non-Operating Income	(183)	(226)	(856)	(1,608)	(00.0)%
Interest Income	23,408	23,302	70,278	70,631	-0.5%
Interest Expense	37,807	32,813	98,595	97,835	-0.8%
Total Non-Operating (Inc)/Exp					
Net Income (Loss)	\$18,224	\$13,199	\$8,010	\$2,311	342.7%

(A) Win per unit per day is on actual data.

NOTE: EBITDA is Earnings Before Interest, Taxes, Depreciation, and Amortization. CRDA is Cash Return on Daily Assets and includes other non-operating income.

TRUMP PLAZA FUNDING, INC.
(UNAUDITED)
PROFIT / COST CENTER RESULTS
FOR
SEPTEMBER 30, 1999

CURRENT PERIOD				YEAR-TO-DATE			
ACTUAL	BUDGET	VARIANCE AMOUNT	%	ACTUAL	BUDGET	VARIANCE AMOUNT	%
7,372,811	9,323,466	(2,550,655)	(24.3)	79,379,009	(2,942,703)	(3.6)	76,296,819
20,518,672	24,192,380	(3,673,708)	(15.2)	216,731,323	(1,646,735)	(.8)	207,636,752
27,591,464	31,515,866	(5,924,403)	(17.7)	295,509,332	(14,439,439)	(4.9)	283,933,571
2,325,797	2,891,997	(566,200)	(19.6)	29,091,945	515,686	1.8	29,424,095
1,137,570	1,255,635	(118,065)	(9.4)	11,726,515	(108,324)	(.9)	11,969,327
3,458,650	3,495,813	(37,163)	(1.1)	29,674,973	54,765	.2	26,974,366
1,368,045	1,213,145	154,900	12.8	10,183,092	(537,467)	(5.3)	9,891,768
36,101,507	42,282,456	(6,990,950)	(14.3)	373,429,375	(14,554,777)	(3.9)	361,908,968
4,749,468	4,655,469	93,999	(2.0)	44,288,188	(1,358,703)	(4.2)	47,321,849
31,552,038	37,626,987	(6,074,949)	(16.1)	329,141,187	(15,413,489)	(5.0)	314,107,113
10,298,514	12,423,467	(2,124,953)	(17.1)	110,393,569	5,234,331	5.6	105,968,951
1,214,172	1,227,500	(13,328)	(1.1)	11,719,754	161,956	.9	12,189,819
4,182,001	4,692,749	(510,748)	(10.9)	41,724,276	1,682,731	4.1	40,619,530
2,850,577	1,789,923	1,060,654	59.3	7,148,538	1,117,639	15.7	7,374,704
163,699	1,185,743	(1,022,044)	(86.3)	29,353,433	3,915,269	13.3	26,775,308
761,364	285,643	475,721	168.3	2,287,407	(60,975)	(2.7)	2,281,464
339,705	317,211	22,494	(7.1)	6,207,395	(398,330)	(6.4)	5,221,613
130,775	742,789	(612,014)	(46.1)	3,073,435	(101,104)	(3.3)	4,208,133
114,900	247,009	(132,109)	(53.5)	5,944,344	1,284,589	21.5	4,729,369
964,367	129,800	834,567	643.0	1,089,219	273,381	25.1	1,552,241
1,509,799	1,322,607	187,192	(14.1)	714,356	1,569,209	(21.8)	1,768,767
129,739,338	2,315,641	(2,185,902)	(17.3)	11,975,363	(375,532)	(3.1)	11,355,323
152,598,661	29,607,818	(122,980,844)	(415.3)	22,201,203	(25,636,328)	(115.4)	20,566,397
(121,806,623)	8,019,169	(129,825,793)	(1,609.0)	316,829,097	264,376,351	(83.4)	255,455,343
1,859,390	2,193,645	(334,255)	(15.2)	64,567,437	(779,866,216)	(1,999.6)	59,651,775
4,081,748	3,965,746	116,002	(2.9)	39,164,129	1,524,780	3.9	18,697,218
0	0	0	0.0	35,398,392	(216,138)	(.6)	35,777,909
(126,947,771)	1,919,778	(128,867,550)	(6,712.6)	1,102	(1,792)	(.1)	(1,203)
				10,083,035	(17,259,256)	(1,762.1)	4,187,934
							121,364,076
							(2,998.0)

FANUC 9/21

COST CENTER STATEMENT
SEPTEMBER 1998 *FORWARDED*

ACTUAL	CURRENT PERIOD		PRIOR YEAR		DESCRIPTION	ACTUAL	BUDGET	VARIANCE	PRIOR YEAR	VARIABLE	YEAR-TO-DATE		
	BUDGET	FY (UNFAV)	FY (UNFAV)	PRIOR YEAR								FAY (UNFAV)	SUBJECT
1,186,211	0	1,260,000	0	(93,789)	(7)	1,125,000	0	1,125,000	0	(282,015)	(7)	3,175,000	0
4,641,917	0	5,034,359	0	(392,442)	(8)	4,534,785	0	4,534,785	0	(771,149)	(5)	13,775,553	0
5,808,128	0	6,294,959	0	(486,831)	(9)	5,699,763	0	5,699,763	0	(1,093,164)	(6)	17,150,553	0
981,064	0	568,676	0	(412,288)	(7)	672,505	0	672,505	0	(934,502)	(56)	2,981,030	0
294,491	0	323,315	0	29,024	9	51,744	0	51,744	0	32,323	9	211,796	0
46,131	0	49,500	0	3,369	7	46,131	0	46,131	0	5,861	6	132,637	0
565,323	0	478,179	0	(90,144)	(19)	492,358	0	492,358	0	(17,626)	(3)	1,428,637	0
180,249	0	217,173	0	36,924	17	162,508	0	162,508	0	58,480	16	421,555	0
44,928	0	31,050	0	(13,878)	(45)	33,238	0	33,238	0	(34,790)	(37)	93,468	0
3,923,968	0	2,616,633	0	(1,307,355)	(50)	2,580,423	0	2,580,423	0	(2,121,603)	(35)	7,115,344	0
6,039,174	0	4,284,726	0	(1,754,448)	(41)	3,999,329	0	3,999,329	0	(3,548,667)	(28)	12,998,390	0
(231,046)	0	2,810,233	0	(2,241,279)	(21)	3,560,436	0	3,560,436	0	(1,602,031)	(77)	4,651,563	0
6,084,608	0	6,061,144	0	(23,464)	0	6,061,285	0	6,061,285	0	29,495	0	17,281,535	0
76,545	0	66,000	0	(10,545)	(16)	66,770	0	66,770	0	(23,398)	(12)	195,433	0
0	0	0	0	0	0	0	0	0	0	(5,619,680)	0	0	0
(6,312,199)	0	(4,115,911)	0	(2,255,288)	(55)	(4,467,659)	0	(4,467,659)	0	(10,215,614)	(82)	(11,525,465)	0

TRUMP ATLANTIC CITY ASSOCIATES, LP.
(UNAUDITED)
COST CENTER STATEMENT
SEPTEMBER 1999 *SUMMER*

DESCRIPTION	CURRENT PERIOD		YEAR-TO-DATE		PRIOR YEAR
	ACTUAL	BUDGET	FAY (UNFAV)	VARIANCE	
REVENUES					
INTEREST INCOME	34,349,754	0	34,349,754	0	34,615,557
GROSS REVENUES	34,349,754	0	34,349,754	0	34,615,557
COST AND EXPENSES					
OTHER OPERATING EXPENSES	15,425	0	(15,425)	0	17,125
TOTAL COST & EXPENSE	15,425	0	(15,425)	0	17,125
GROSS OPERATING INCOME	34,334,329	0	34,334,329	0	34,598,432
INTEREST EXPENSE	36,907,642	0	36,907,642	0	36,840,624
NET LOSS	(2,573,313)	0	(2,573,313)	0	(2,242,192)

Taj Mahal Associates
Condensed Consolidated Statements of Operations
 (Unaudited)

(In thousands, except interest information)

	12 Months Ended September 30,		9 Months Ended September 30,	
	1999	1998	1999	1998
REVENUES				
Casino	\$136,474	\$198,011	\$381,133	\$388,405
# of Slots	4,419	4,136	4,378	4,137
Win per Slot/Day (A)	\$27.0	\$27.7	\$266	\$199
Slot Win	\$89,603	\$82,456	\$240,232	\$224,503
# of Tables	149	156	148	155
Win per Table/Day (A)	\$2,979	\$4,187	\$3,078	\$3,528
Table Win	\$40,833	\$60,087	\$124,379	\$149,278
Table Drop	\$283,153	\$328,457	\$787,378	\$903,011
Hold %	14.4%	18.3%	13.8%	16.3%
Poker, Keno, Race Win	\$5,986	\$5,468	\$16,322	\$14,624
Rooms	\$11,064	\$11,410	\$39,013	\$31,604
# of Rooms Sold	113,422	112,875	327,913	311,677
Avg. Room Rate	\$97.51	\$101.09	\$88.47	\$101.40
Occupancy %	98.6%	98.2%	96.1%	91.3%
Food & Beverage	\$15,157	\$15,034	\$40,962	\$41,918
Other	23,371	5,667	33,449	15,358
Promotional Allowances	(18,354)	(18,011)	(48,320)	(50,556)
Net Revenue	167,062	162,102	436,229	426,723
Costs & Expenses				
Gaming	85,351	84,637	237,150	236,937
Rooms	3,732	3,868	11,889	11,062
Food & Beverage	5,318	4,939	14,373	14,266
General & Admin.	22,235	22,828	66,432	64,168
Total Expenses	116,636	116,272	319,824	316,533
EBITDA	\$50,366	\$46,012	\$106,605	\$100,176
CRDA	555	627	1,502	1,408
Depreciation & Amortization	9,012	8,910	27,371	27,284
Other Non-Operating Income	-	-	-	0
Interest Income	(187)	(226)	(856)	(1,804)
Interest Expense	23,408	23,502	70,278	70,651
Total Non-Operating (Inc)/Exp	33,801	32,813	98,593	97,833
Net Income(Loss)	\$18,224	\$13,199	\$8,010	\$2,341
				242.2%

(A) Win per unit per day is on accrual basis
 NOTE: EBITDA reflects earnings before depreciation, interest, taxes, provisions, CRDA write-downs and lessee's other non-operating income

Trump Taj Mahal Casino Resort
 Operating Results for the Three Months Ended September 30, 1999 and 1998
 Statement of Operations
 (000s)

PRELIMINARY

	99 Actual		98 Actual		99 Budget	
	\$	%	\$	%	\$	%
REVENUE						
Table Games	\$40,835	-32.0%	\$60,087	-32.0%	\$40,861	-18.1%
Slots	89,603	8.7%	82,446	7.1%	95,785	-6.5%
Poker	5,327	4.8%	4,684	6.4%	5,435	-1.8%
Simulcasting	329	4.0%	405	7.6%	398	-17.3%
Keno	330	3.7%	379	4.9%	452	-27.0%
TOTAL CASINO	\$136,424	-7.8%	\$148,011	-7.8%	\$152,021	-10.3%
Rooms	11,064	3.0%	11,410	3.0%	12,063	-8.3%
Food & Beverage	15,157	0.8%	15,034	0.8%	15,310	-1.0%
Entertainment	1,750	4.3%	1,218	5.3%	1,119	5.6%
Other **	21,621	38.6%	4,439	17.1%	4,632	16.9%
GROSS REVENUE	\$185,016	1.3%	\$180,122	1.3%	\$182,150	0.3%
Promotional Allowances	18,354	-1.9%	18,018	-1.9%	18,076	-1.3%
NET REVENUE	\$166,662	0.4%	\$162,104	0.4%	\$164,074	0.4%
EXPENSES						
Payroll & Related	\$46,943	-2.0%	\$46,001	-2.0%	\$46,896	-0.1%
Cost of Goods Sold	5,412	-1.1%	5,355	-1.1%	5,517	1.9%
Com/Tabe Coupons	14,148	-3.9%	13,618	-3.9%	14,065	-0.6%
Promotional Expense	1,236	3.2%	10,185	31.0%	7,535	2.9%
Advertising	944	3.1%	1,276	3.1%	1,063	1.1%
Marketing/Late statement	8,145	-9.3%	7,449	-9.3%	6,386	-27.5%
Gaming Tax & Regulatory Fees	12,573	5.9%	13,169	5.9%	13,355	5.9%
Property Tax, Rent & Insurance	6,340	-12.3%	5,647	-12.3%	6,037	-5.0%
Utilities	4,268	1.0%	4,312	1.0%	3,984	-7.1%
Allowance-Doubtful Accounts	3,358	-6.5%	2,317	-6.5%	3,288	-16.7%
General & Administrative *	7,354	-1.7%	7,090	-1.7%	6,961	-5.6%
TOTAL OPERATING EXPENSES	\$173,201	-0.4%	\$176,719	-0.4%	\$175,087	-1.8%
GROSS OPERATING INCOME	\$50,461	11.3%	\$45,385	11.3%	\$47,987	-2.9%
MARGIN	30.1%		28.0%		31.3%	
CRDA Write Down	565	9.9%	627	9.9%	618	8.6%
EDTDA	\$51,026	10.9%	\$46,012	10.9%	\$52,605	-3.0%

NOTES:
 * General and Administrative includes CRDA - include
 ** Other Revenue includes gain from All Star (\$17.2M)

Consolidated Statement of Operations

6094417926

Sandra Kim

Trump Taj Mahal Casino Resort
Operating Results for the Nine Months Ended September 30, 1999 and 1998
Statement of Operations
(000's)

PRELIMINARY

	99 Actual		98 Actual		Variance to 98		99 Budget		Variance to Budget	
	\$	%	\$	%	\$	%	\$	%	\$	%
REVENUE										
Table Games	\$124,179		\$149,278		(\$24,899)	-16.7%	\$137,756		(\$11,377)	-9.7%
Slots	240,222		224,503		15,719	7.0%	243,190		(2,968)	-1.2%
Poker	14,602		12,579		2,023	16.1%	14,511		91	0.6%
Shufflemastering	966		1,019		(53)	-5.3%	1,124		(158)	-14.1%
Keno	934		1,026		(72)	-7.0%	1,281		(227)	-23.5%
TOTAL CASINO	\$381,133		\$388,405		(\$7,282)	-1.9%	\$397,862		(\$16,739)	-4.3%
Rooms	29,013		31,604		(2,589)	-8.2%	31,068		(2,053)	-6.6%
Food & Beverage	40,963		41,918		(956)	-2.3%	43,295		(2,333)	-5.4%
Entertainment	4,114		3,333		981	29.4%	3,356		958	28.5%
Other **	29,134		12,025		17,110	142.1%	11,803		17,242	145.0%
GROSS REVENUE	\$484,349		\$477,285		\$7,064	1.5%	\$487,474		(\$3,925)	-0.8%
Promotional Allowances	48,320		50,556		2,236	4.6%	47,705		1,619	3.4%
NET REVENUE	\$436,029		\$426,729		\$9,300	2.2%	\$439,769		(\$3,540)	-0.8%
EXPENSES										
Payroll & Related	\$135,081		\$131,624		(\$4,377)	-3.3%	\$135,892		\$811	0.6%
Cost of Goods Sold	14,547		15,063		516	3.4%	15,280		833	5.4%
Contractible Coupons	38,183		35,115		(3,070)	-8.7%	37,482		(703)	-1.9%
Promotional Expense	21,354		27,174		5,820	21.4%	21,789		435	2.0%
Advertising	1,052		3,044		(8)	-0.3%	3,197		145	4.3%
Marketing/Entertainment	23,701		21,554		(2,147)	-10.0%	20,029		(1,672)	-18.1%
Gaming Tax & Regulatory Fees	35,061		35,402		341	1.0%	35,929		868	2.4%
Property Tax, Rent & Insurance	18,211		17,217		(994)	-5.8%	17,807		(404)	-2.3%
Utilities	11,375		11,309		(66)	-0.6%	11,377		2	0.0%
Allowance-Doubtful Accounts	9,607		7,317		(1,890)	-24.5%	9,070		(537)	-5.5%
General & Administrative *	21,052		19,942		(1,110)	-5.6%	20,305		(747)	-3.1%
TOTAL OPERATING EXPENSES	\$351,326		\$328,161		(\$23,065)	-6.9%	\$328,257		(\$2,909)	-0.9%
GROSS OPERATING INCOME	\$105,003		\$98,568		\$6,435	6.5%	\$111,512		(\$3,509)	-3.6%
MARGIN	24.1%		23.1%		1.0 pts		25.4%		(1.3) pts	
CRDA Write Down	1,602		1,608		6	0.4%	1,615		14	0.9%
EDITION	\$106,604		\$100,126		\$6,478	6.4%	\$113,138		(\$3,522)	-3.8%

NOTES:
 * General and Administrative includes CRDA activities.
 ** Other Revenue includes gain on warehouse (\$395K) and All Star (\$12.2M).

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10/16/1999

Stanley Korn

TRUMP TAJ MAHAL ASSOCIATES
STATEMENTS OF OPERATIONS
(Dollars in thousands)
(UNAUDITED)

For the three months ended September 30,

	1999		1998
REVENUES:			
Gaming	\$ 136,424		\$ 148,011
Rooms	11,064		11,410
Food and Beverage	15,157		15,034
Other	23,371		5,667
Gross revenues	<u>186,016</u>		<u>180,122</u>
Less Promotional Allowances	<u>18,354</u>		<u>18,018</u>
Net Revenues	<u>167,662</u>		<u>162,104</u>
 COSTS AND EXPENSES:			
Gaming	85,351		84,637
Rooms	3,732		3,868
Food and Beverage	5,318		4,959
General and administrative	22,800		23,255
Depreciation and amortization	<u>9,012</u>		<u>8,910</u>
Total Costs and Expenses	<u>126,213</u>		<u>125,629</u>
Income from operations	41,449		36,475
Other non-oper. income	0		0
Interest income	183		226
Interest expense	<u>(23,408)</u>		<u>(23,502)</u>
Net income/(loss)	<u>\$ 18,224</u>		<u>\$ 13,199</u>

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10/15/99

TRUMP TAJ MAHAL ASSOCIATES
 STATEMENTS OF OPERATIONS
 (Dollars in thousands)
 (UNAUDITED)

For the nine months ended September 30,

	1999	1998
REVENUES:		
Gaming	\$ 381,123	\$ 388,405
Rooms	29,015	31,604
Food and Beverage	40,962	41,918
Other	<u>33,114</u>	<u>15,358</u>
Gross revenues	484,214	477,285
Less Promotional Allowances	<u>48,320</u>	<u>50,556</u>
Net Revenues	<u>435,894</u>	<u>426,729</u>
COSTS AND EXPENSES:		
Gaming	237,150	236,957
Rooms	11,669	11,062
Food and Beverage	14,373	14,366
General and administrative	68,034	65,776
Depreciation and amortization	<u>27,571</u>	<u>27,204</u>
Total Costs and Expenses	<u>358,797</u>	<u>355,365</u>
Income from operations	77,097	71,364
Other non-oper. income	335	0
Interest income	856	1,608
Interest expense	<u>(70,278)</u>	<u>(70,631)</u>
Net income/(loss)	<u>\$ 8,010</u>	<u>\$ 2,341</u>

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10/15/99

NOV 11 1999

TRUMP TAJ MAHAL FINANCE & ACCOUNTING

11:30

10/21/99

CONFIDENTIAL TREATMENT REQUEST BY THCR

00058

TRUMP TAJ MAHAL ASSOCIATES
BALANCE SHEETS
(DOLLARS IN THOUSANDS)

	<u>December 31,</u> <u>1998</u>	<u>September 30,</u> <u>1999</u>
ASSETS		
CURRENT ASSETS:		
Cash and cash investments	\$ 40,826	\$ 32,818
Receivables:	45,053	30,647
Inventory	4,987	5,125
Due from affiliates, net	(772)	11,582
Other current assets	<u>3,074</u>	<u>4,351</u>
Total Current Assets	93,168	84,523
PROPERTY AND EQUIPMENT, NET	914,780	914,356
DEFERRED LOAN COSTS, NET	17,909	15,293
OTHER ASSETS	<u>14,764</u>	<u>16,824</u>
Total Assets	\$ <u>1,040,621</u>	\$ <u>1,030,996</u>
LIABILITIES AND CAPITAL		
CURRENT LIABILITIES:		
Current maturities of long term debt	\$ 1,191	\$ 1,185
Accounts payable and accrued expenses	40,959	38,356
Accrued interest payable	15,000	(500)
Total Current Liabilities	57,150	39,041
LONG TERM DEBT, net of current maturities	800,188	800,662
OTHER LONG TERM LIABILITIES	1,735	1,735
Total Liabilities	<u>859,073</u>	<u>841,438</u>
CAPITAL:		
Capital contributions - Trump A.C.	187,242	187,242
Accumulated surplus/(deficit)	(5,694)	2,316
Total Capital	<u>181,548</u>	<u>189,558</u>
Total Liabilities and Capital	\$ <u>1,040,621</u>	\$ <u>1,030,996</u>

ba10999

10/15/99

007 NO.011

TRUMP TAJ MAHAL FINANCE + 6094417926

11:30 10/21/99

CONFIDENTIAL TREATMENT REQUEST BY THCR

00059

TRUMP TAJ MAHAL ASSOCIATES
 STATEMENT OF CASH FLOWS
 (in thousands)
 (Unaudited)

20-Oct-99

For the nine months ended September 30,
 1999 1998

CASH FLOWS FROM OPERATING ACTIVITIES:

Net income	\$8,010	\$2,341
Adjustments to reconcile net loss to net cash flows provided by (used in) operating activities -		
Depreciation and amortization	27,571	27,204
Amortization of deferred Bond offering costs	2,616	2,936
Reduction in carrying value of CRDA investments	1,603	1,608
Provision for doubtful accounts	9,607	7,717
Gain on acquisition of property <i>net of property received upon termination of lease</i>	(17,200)	0
Gain on disposition of property	(335)	0
	<u>31,872</u>	<u>41,806</u>

CHANGES IN OPERATING ASSETS AND LIABILITIES:

Receivables, net	4,799	(12,895)
Inventory	(138)	(44)
Other current assets	(732)	(1,149)
Other assets	(301)	(800)
Due to/from affiliates, net	(12,354)	(73)
Accounts payable	(1,408)	1,106
Accrued interest	(15,500)	(12,403)
Other liabilities	(1,887)	(3,511)
Net cash flows provided by operating activities	<u>4,351</u>	<u>12,037</u>

CASH FLOWS FROM INVESTING ACTIVITIES:

<i>Acquisition</i> Purchase of property and equipment <i>net of property received upon termination of lease</i>	(7,276)	(5,849)
Purchase of CRDA investments	(4,611)	(4,500)
Proceeds from disposition of property	1,087	0
Net cash flows used in investing activities	<u>(10,800)</u>	<u>(10,349)</u>

CASH FLOWS FROM FINANCING ACTIVITIES:

Repayments of borrowings - capital leases	(1,559)	(1,517)
Net cash flows used in financing activities	<u>(1,559)</u>	<u>(1,517)</u>

NET INCREASE/(DECREASE) IN CASH AND CASH INVESTMENTS

(8,008) 171

CASH AND CASH INVESTMENTS BEGINNING OF YEAR

40,826 31,439

CASH AND CASH INVESTMENTS END OF PERIOD

\$32,818 \$31,610

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

Cash paid during the eight months for interest on bonds \$83,000 \$79,900

ACQUISITION OF PROPERTY AND EQUIPMENT:

Additions to property and equipment	\$27,212	\$7,551
Less: All Star acquisition	(17,200)	0
Less: settlement on molded fiberglass	0	(675)
Less: capital lease obligations incurred	(2,027)	(1,027)
Cash outflows for purchase of property and equipment	7,985	5,849
Less: proceeds from sale of fixed assets	(1,044)	0
Plus: gain on sale of fixed assets	335	0
Cash outflows for property and equipment	<u>\$7,276</u>	<u>\$5,849</u>

T H C R
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to: (b)(6),(b)(7)(C)

fax: [REDACTED]

re:

date:

pages: 7, including this cover sheet.

From the desk of...

(b)(6),(b)(7)(C)

TRUMP HOTELS & CASINO RESORTS
2500 BOARDWALK
ATLANTIC CITY, N.J. 08401

Fax: (b)(6),(b)(7)(C)

Trump Hotels & Casino Resorts, Inc.
Consolidated Statements of Operations
For the Quarter Ending September 30, 1989 and 1988
(000's)

	89 Actual	88 Actual	Variance 1989 to 1988 \$	% Change
REVENUE:				
TABLES	\$94,301	\$117,282	(\$22,981)	-19.6%
SLOTS	244,272	240,433	3,839	1.6%
OTHER	6,895	5,565	1,330	23.9%
TOTAL CASINO	\$345,468	\$363,280	(\$17,812)	-4.9%
ROOMS	26,589	26,841	(252)	-0.9%
FOOD & BEVERAGE	40,429	40,924	(495)	-1.2%
ENTERTAINMENT	3,674	3,435	239	6.9%
OTHER	29,161	11,703	17,458	149.2%
GROSS REVENUES	345,341	347,077	(736)	-0.2%
LESS PROMOTIONAL ALLOWANCES	47,128	47,986	858	1.8%
NET REVENUES	\$298,213	\$299,091	878	0.3%
EXPENSES				
Payroll & Related	\$115,112	\$117,561	(\$2,449)	-2.1%
Cost of Goods Sold	13,829	13,919	(90)	-0.6%
Com/Trade Expens	4,787	44,039	39,252	823.3%
Promotional Expens	16,243	18,488	2,245	13.8%
Advertising	3,821	5,648	1,827	47.5%
Marketing/Entertain	14,090	15,578	1,488	10.5%
Gaming Tax & Regulatory Fees	40,570	41,723	1,153	2.8%
Property Tax, Rent & Insurance	15,459	15,905	446	2.8%
Utilities	2,448	2,583	135	5.3%
Allowance/Doubtful Accounts	4,312	4,451	139	3.1%
General/ Administrative and Other Operating	165,353	26,198	139,155	83.9%
TOTAL OPERATING EXPENSES	\$333,364	\$333,561	(\$197)	-0.1%
GROSS OPERATING INCOME	(\$35,151)	\$65,530	(\$100,681)	-153.6%
MARGIN	-7.0%	21.8%		
Interest expense	(55,076)	(56,399)	1,323	-2.3%
Depreciation & amortization	(21,775)	(21,889)	114	-0.5%
Other non-operating income/expens	(259)	(734)	475	-63.2%
Minority interest	38,899	(3,063)	41,962	-1370.1%
NET INCOME	(\$17,402)	\$6,365	(\$23,767)	-373.1%
Average shares outstanding	27,195,266	22,195,266	5,000,000	22.5%
Basic earnings (loss) per share	(\$0.64)	\$0.29	(\$0.93)	-137.0%
Net effect of Trump World's Fair Closing	3.87	6.00	(2.13)	-33.3%
Adjusted loss per share	\$0.93	\$0.24	\$0.69	287.5%
GROSS OPERATING INCOME	(\$28,459)	\$65,307	(\$93,766)	-143.6%
CRDA	2,588	2,322	266	11.5%
Interest Income	(1,893)	(2,000)	107	-5.3%
Development Costs	1,410	400	1,010	252.5%
Trump World's Fair Closing	128,375	0	128,375	>1000%
EBITDA	\$128,011	\$63,707	\$64,304	101.1%
MARGIN	26.2%	21.8%	4.4%	20.1%

Trump Hotels & Casino Resorts, Inc.
Consolidated Statements of Operations
For the Nine Months Ending September 30, 1999 and 1998
(000's)

	99 Actual	98 Actual	Variance 1999 to 1998 (\$)	% (Change)
REVENUE:				
TABLES	4279,118	\$304,928	(\$25,810)	-8.3%
SLOTS	875,226	650,599	24,636	3.8%
OTHER	18,185	16,428	1,757	10.7%
TOTAL CASINO	\$5,172,529	\$971,955	\$553	0.1%
ROOMS	72,262	70,830	1,202	1.6%
FOOD & BEVERAGE	109,823	110,442	(619)	-0.6%
ENTERTAINMENT	8,662	7,774	888	11.4%
OTHER	48,759	32,833	16,328	48.5%
GROSS REVENUES	\$1,218,296	\$1,184,928	\$17,210	1.4%
LESS PROMOTIONAL ALLOWANCES	126,572	128,678	(3,047)	-2.4%
NET REVENUES	\$1,091,724	\$1,056,250	\$35,474	3.3%
EXPENSE				
Payroll & Related	\$341,561	\$341,083	\$478	0.1%
Cost of Goods Sold	37,390	37,390	0	0.0%
Coupon/Comps	117,929	110,519	7,410	6.7%
Promotional Expense	43,758	49,628	(5,870)	-11.8%
Advertising	11,863	13,083	(1,220)	-9.3%
Marketing/Entertainment	41,720	41,466	254	0.6%
Gaming Tax & Regulatory Fees	115,038	117,832	(2,794)	-2.4%
Property Tax, Rent & Insurance	47,890	48,447	(557)	-1.1%
Utilities	25,479	26,285	(806)	-3.0%
Allowance Doubtful Accounts	10,563	12,145	(1,582)	-13.0%
General / Administrative and Other Operating	210,881	78,488	132,393	169.7%
TOTAL OPERATING EXPENSES	\$1,002,175	\$958,485	\$43,690	4.6%
GROSS OPERATING INCOME	\$89,549	\$196,773	(\$107,224)	-54.5%
MARGIN	7.7%	18.4%	(10.7)pts	
Interest expense	(166,783)	(66,875)	(99,908)	-14.9%
Depreciation & Amortization	(65,414)	(63,087)	(2,327)	-3.7%
Other non-operating income (expense)	(7,674)	(880)	(6,794)	-772.2%
Minority Interest	67,244	13,424	53,820	398.1%
NET INCOME (LOSS)	(\$102,820)	(\$29,315)	(\$73,505)	-250.4%
Average shares outstanding	22,196,356	22,205,428	(9,072)	-0.4%
Basic loss per share	(\$4.67)	(\$1.05)	(\$3.62)	-345.7%
Net effect of change in accounting principles	0.15	0.00	0.15	150.0%
Net effect of Trump World's Fair Closing	3.67	0.00	3.67	367.0%
Adjusted loss per share	(\$1.05)	(\$1.05)	0	0.0%
GROSS OPERATING INCOME	\$89,549	\$196,773	(\$107,224)	-54.5%
CHDX	7,088	6,463	625	9.7%
Interest Income	(6,145)	(7,160)	1,015	-14.3%
Development Costs	3,370	1,075	2,295	213.5%
Trump World's Fair Closing	126,376	0	126,376	100.0%
EBITDA	\$114,138	\$100,851	\$13,287	13.2%
MARGIN	20.0%	18.4%	1.6 pts	

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Trump Hotels & Casino Resorts, Inc.
Consolidating Statement of Operations
Actual Results for the Three Months Ended September 30, 1999
(000's omitted, except share data)

	Trump Taj Mahal	Trump Plaza	TAC TCS	Trump All City Consolidated	Trump Marina	Trump Indiana	THCR Holdings	Eliminations	THCR Consolidated
REVENUE:									
TABLES	\$40,835	\$31,207		\$72,042	\$20,401	\$6,868	\$0		\$99,301
SLOTS	89,603	73,683		163,286	54,296	26,780			244,372
OTHER	5,986	0		5,986	649	0			6,635
TOTAL CASINO	\$136,424	\$104,890	\$0	\$241,324	\$75,346	\$33,638	\$0	\$0	\$350,308
ROOMS	11,064	11,303		22,457	5,047	1,055			28,569
FOOD & BEVERAGE	15,157	14,013		29,170	10,220	1,830			40,429
ENTERTAINMENT	1,750	1,007		2,757	817	0			3,574
OTHER	21,804	2,828	600	25,232	2,811	603	5,809	(5,324)	29,161
GROSS REVENUES	\$188,198	\$134,141	\$600	\$326,940	\$84,250	\$36,368	\$5,809	(\$5,324)	\$452,041
LESS PROMOTIONAL ALLOWANCES	18,954	17,043		35,997	10,570	1,169	0		47,138
NET REVENUES	\$169,244	\$117,098	\$600	\$285,543	\$73,680	\$35,197	\$5,809	(\$5,324)	\$404,903
EXPENSES									
Payroll & Related	\$46,843	\$34,840		\$81,789	\$26,001	\$7,341	\$981	\$0	\$116,112
Cost of Goods Sold	6,412	4,139		9,551	3,822	458	0		13,829
Coin/Fable Coupons	14,148	14,298		28,446	7,156	6,165	0		41,767
Promotional Expenses	7,236	3,086		10,322	5,606	415	0		16,243
Advertising	944	1,209		2,153	1,095	278	295		3,821
Marketing/Entertainment	8,145	3,092		11,237	3,054	99	0		14,390
Gaming Tax & Regulatory Fees	12,573	9,808		22,381	7,204	10,009	46		40,570
Property Tax, Rent & Insurance	6,340	6,442		12,782	2,710	240	748		16,489
Utilities	4,268	5,025		7,293	1,970	140	45		8,448
Allowance Doubtful Accounts	3,608	315		4,183	142	17	0		4,312
General / Administrative and Other Operating	7,364	134,747	16	142,117	5,593	5,916	3,924	(1,166)	158,383
TOTAL OPERATING EXPENSES	\$117,201	\$215,007	\$16	\$332,224	\$64,262	\$32,005	\$6,019	(\$1,166)	\$433,264
GROSS OPERATING INCOME	\$50,644	(\$97,909)	\$584	(\$46,681)	\$19,418	\$3,192	(\$230)	(\$4,158)	(\$28,459)
MARGIN	30.2%	-83.6%	97.3%	-18.0%	23.2%	9.1%	-4.0%		-7.0%
Interest expense	(23,408)	(12,026)	(3,158)	(38,592)	(13,604)	(1,773)	(8,066)	4,158	(65,676)
Depreciation & amortization	(8,012)	(5,662)		(14,704)	(4,454)	(2,540)	(77)		(21,776)
Other non-operating		50		50		(309)			(259)
Minority interest				0		0		38,890	38,890
NET INCOME(LOSS)	\$19,224	(\$115,577)	(\$2,674)	(\$38,927)	\$1,300	(\$1,430)	(\$5,372)	\$38,890	(\$87,470)
Average shares outstanding									22,195,256
Earnings per share									(\$3.04)
GROSS OPERATING INCOME	\$50,644	(\$97,909)	\$584	(\$46,681)	\$19,418	\$3,192	(\$230)	(\$4,158)	(\$28,459)
CRDA, Indiana Reg Costs	565	651		1,216	387	925	0		2,528
Interest Income	(163)	(85)	(600)	(879)	(183)	(270)	(4,643)	4,158	(1,833)
Development Costs/WF Closing		128,375		128,375	0	0	1,410		129,785
Management Fee				0		1,165	(1,166)		0
EBITDA	\$51,026	\$31,021	(\$16)	\$82,051	\$19,612	\$5,007	(\$4,829)	\$0	\$102,021
MARGIN	30.4%	26.6%		28.7%	23.4%	14.2%	-7.7%		25.2%

CONFIDENTIAL TREATMENT REQUEST BY THCR
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Trump Hotels & Casino Resorts, Inc.
Consolidating Statement of Operations
Actual Results for the Three Months Ended September 30, 1998
(000's omitted, except share data)

	Trump Taj Mahal	Trump Plaza	TAC TCS	Trump All City Consolidated	Trump Marina	Trump Indiana	THCR Holdings	Eliminations	THCR Consolidated
REVENUE:									
TABLES	\$80,087	\$27,898		\$87,085	\$20,837	\$8,460	\$0		\$117,282
SLOTS	82,457	75,771		158,228	52,502	29,702			240,432
OTHER	5,468			5,468	862	0			6,466
TOTAL CASINO	\$148,012	\$103,669	\$0	\$251,681	\$74,331	\$38,162	\$0	\$0	\$364,174
ROOMS	11,410	10,441		21,851	4,990				26,841
FOOD & BEVERAGE	15,033	15,013		30,046	10,459	419			40,924
ENTERTAINMENT	1,218	1,122		2,340	1,095				3,435
OTHER	4,674	2,417	866	7,957	2,794	681	5,660	(5,069)	11,703
GROSS REVENUES	\$180,347	\$132,062	\$866	\$313,875	\$89,660	\$39,242	\$5,660	(\$5,369)	\$447,077
LESS PROMOTIONAL ALLOWANCES	18,018	17,767		35,785	11,741	160	0		47,688
NET REVENUES	\$162,329	\$114,295	\$866	\$278,090	\$81,928	\$39,082	\$5,660	(\$5,369)	\$399,389
EXPENSES									
Payroll & Related	\$46,001	\$27,187		\$83,188	\$26,290	\$7,427	\$873	\$0	\$117,581
Cost of Goods Sold	5,354	4,480		9,834	3,785	290	0		13,919
Coin/Token Coupons	13,618	14,594		28,212	8,152	7,846	0		44,009
Promotional Expenses	10,485	2,280		12,765	5,072	559	0		18,496
Advertising	1,276	1,894		3,170	1,710	716	52		5,648
Marketing/Entertainment	7,448	3,983		10,831	4,579	168	0		15,578
Gaming Tax & Regulatory Fees	13,169	9,427		22,596	6,800	12,278	48		41,723
Property Tax, Rent & Insurance	5,647	6,358		11,985	2,335	930	655		15,905
Utilities	4,312	3,200		7,518	1,884	147	34		9,583
Allowance Doubtful Accounts	2,317	1,881		3,998	407	47	0		4,452
General / Administrative and Other Operating	7,091	6,312	(51)	13,352	5,717	5,676	2,540	(1,125)	26,180
TOTAL OPERATING EXPENSES	\$118,718	\$90,792	(\$51)	\$207,459	\$66,797	\$35,683	\$4,609	(\$1,125)	\$313,054
GROSS OPERATING INCOME	\$45,611	\$24,103	\$917	\$70,631	\$15,191	\$3,099	\$1,660	(\$4,244)	\$86,337
MARGIN	28.1%	21.0%		25.4%	18.5%	7.9%	29.1%		21.6%
Interest expense	(23,502)	(11,880)	(3,080)	(38,475)	(12,886)	(2,212)	(6,060)	4,244	(55,399)
Depreciation & amortization	(8,910)	(6,485)	(69)	(15,474)	(4,160)	(2,168)	(57)		(21,898)
Other non-operating				0		(704)			(704)
Minority Interest				0				(3,063)	(3,063)
NET INCOME (LOSS)	\$13,199	\$5,725	(\$2,242)	\$16,682	(\$1,855)	(\$1,985)	(\$4,467)	(\$3,063)	\$5,912
Average shares outstanding									22,195,258
Earnings per share									\$0.24
GROSS OPERATING INCOME	\$45,611	\$24,103	\$917	\$70,631	\$15,191	\$3,099	\$1,660	(\$4,244)	\$86,337
CRDA, Indiana Reg Costs	628	443		1,071	326	925	0		2,322
Interest Income	(228)	(144)	(886)	(1,238)	(173)	(318)	(4,537)	4,244	(2,923)
Development Costs				0		480			480
Management Fee				0		1,125	(1,125)		0
EBITDA	\$48,013	\$24,402	\$51	\$70,466	\$15,344	\$4,891	(\$3,523)	\$0	\$87,119
MARGIN	28.3%	21.2%		25.3%	18.7%	12.4%	-62.2%		21.8%

CONFIDENTIAL TREATMENT REQUEST BY THCR
 OCT-22-99 12:22 FROM TRUMP PLAZA FINANCIAL DEP ID:4417751
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Trump Hotels & Casino Resorts, Inc.
Consolidating Statement of Operations
Actual Results for the Nine Months Ended September 30, 1999
(200% omitted, except share data)

	Trump Miami	Trump Plaza	TAC TCS	Trump Consolidated	Marina	Trump Indiana	THCR Holdings	Eliminations	THCR Consolidated
REVENUE:									
TABLES	\$124,378	\$78,035		\$200,414	\$55,400	\$23,304	\$0		\$279,118
SLOTS	240,222	205,085		445,307	148,387	81,532	0		575,226
OTHER	16,522	0		16,522	1,663	0	0		18,185
TOTAL CASINO	\$381,122	\$283,120	\$0	\$664,242	\$205,450	\$104,836	\$0	\$0	\$372,529
ROOMS	26,015	28,735		57,750	12,266	2,246	0		72,262
FOOD & BEVERAGE	40,362	39,578		80,540	25,395	2,588	0		109,523
ENTERTAINMENT	4,314	2,348		6,560	2,102	0	0		6,662
OTHER	26,391	7,190	1,090	38,477	6,536	1,504	17,606	(15,889)	48,159
GROSS REVENUES	\$485,405	\$359,075	\$1,090	\$845,570	\$252,791	\$111,174	\$17,606	(\$15,889)	\$1,211,235
LESS PROMOTIONAL ALLOWANCES	48,320	46,545		94,865	29,475	2,182	0		125,522
NET REVENUES	\$437,085	\$312,530	\$1,090	\$750,705	\$224,276	\$108,992	\$17,606	(\$15,896)	\$1,085,713
EXPENSES									
Payroll & Related	\$135,081	\$164,609		\$299,690	\$76,697	\$22,377	\$2,817	\$0	\$341,381
Cost of Goods Sold	14,547	11,817		26,164	6,883	1,106	0		37,043
Convertible Coupons	38,185	40,032		78,217	21,113	17,890	0		117,029
Promotional Expenses	21,254	7,067		28,421	13,473	1,264	0		43,258
Advertising	3,052	3,858		6,710	3,037	1,410	268		11,383
Marketing/Entertainment	23,701	8,221		31,922	9,558	239	0		41,720
Gaming Tax & Regulatory Fees	35,081	26,738		61,799	16,674	33,525	140		115,838
Property Tax, Rent & Insurance	18,211	17,348		35,559	6,004	2,391	1,946		47,600
Utilities	11,275	8,288		19,673	5,176	502	128		25,479
Allowance-Doubtful Accounts	9,607	714		10,321	203	59	0		10,583
General/ Administrative and Other Operating	21,052	148,508	64	169,725	15,902	18,021	10,651	(3,498)	216,801
TOTAL OPERATING EXPENSES	\$331,226	\$378,881	\$64	\$709,171	\$182,821	\$98,673	\$18,303	(\$3,498)	\$1,002,175
GROSS OPERATING INCOME	\$103,859	(\$64,351)	\$1,026	\$42,534	\$41,755	\$10,519	\$1,323	(\$12,396)	83,538
MARGIN	24.2%	-20.6%		5.7%	18.6%	8.6%	7.5%		7.7%
Interest expense	(76,278)	(35,335)	(8,517)	(119,330)	(40,335)	(5,351)	(18,154)		(168,783)
Depreciation & amortization	(27,571)	(17,339)	0	(44,910)	(12,980)	(7,502)	(222)		(65,914)
Other non-operating	0	50	0	50	0	(2,104)	(5,620)		(7,674)
Minority Interest				0	0	0	0		0
NET INCOME(LOSS)	\$3,010	(\$17,175)	(\$8,491)	(\$11,657)	(\$11,560)	(\$4,648)	(\$2,688)	(\$5,244)	(\$5,289)
Average shares outstanding									22,165,256
Earnings per share									(\$4.47)
GROSS OPERATING INCOME	\$103,859	(\$64,351)	\$1,026	\$42,534	\$41,755	\$10,519	\$1,323	(\$12,396)	\$81,538
CRDA, Indiana Reg Costs	1,502	1,589		3,101	1,089	2,775	0		7,965
Interest Income	(856)	(421)	(1,030)	(2,307)	(585)	(452)	(14,139)		(15,145)
Development Costs/WF Closing	0	128,375	0	128,375	0	3,270	3,270		131,545
Management Fee/Gain on sale of assets				0	0	3,488	(3,499)		0
EBITDA	\$106,605	\$65,182	(\$84)	\$171,733	\$42,269	\$16,140	\$13,031	\$0	\$217,103
MARGIN	24.4%	20.9%		22.9%	18.8%	14.6%	-73.8%		20.0%

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Trump Hotels & Casino Resorts, Inc.
Consolidating Statement of Operations
Actual Results for the Nine Months Ended September 30, 1998
(000's omitted, except share data)

	Trump Taj Mahal	Trump Plaza	TAC TCS	Trump Atlantic City Consolidated	Trump Marina	Trump Indiana	IHCR Holdings	Eliminations	IHCR Consolidated
REVENUE:									
TABLES	\$149,278	\$70,298		\$225,578	\$53,648	\$25,706	\$0		\$304,928
SLOTS	224,593	207,638		432,139	142,901	75,550	0		660,590
OTHER	14,624	0		14,624	1,804	0	0		16,428
TOTAL CASINO	\$388,495	\$283,934	\$0	\$672,339	\$198,351	\$101,256	\$0	\$0	\$971,946
ROOMS	31,604	28,675		58,479	12,451	0	0		70,930
FOOD & BEVERAGE	41,918	41,228		83,146	26,000	1,296	0		110,442
ENTERTAINMENT	3,333	2,229		5,562	2,212	0	0		7,774
OTHER	19,633	7,663	1,927	23,223	6,656	1,821	17,159	(15,917)	32,933
GROSS REVENUES	\$478,893	\$361,929	\$1,927	\$842,749	\$245,670	\$104,373	\$17,159	(\$15,917)	\$1,194,025
LESS PROMOTIONAL ALLOWANCES	50,556	47,822		98,378	29,673	528	0		128,579
NET REVENUES	\$428,337	\$314,107	\$1,927	\$744,371	\$215,997	\$103,845	\$17,159	(\$15,917)	\$1,065,446
EXPENSES									
Payroll & Related	\$134,624	\$106,908		\$241,532	\$75,661	\$21,069	\$2,881	\$0	\$341,963
Cost of Goods Sold	15,063	12,189		27,252	9,269	779	0		37,300
Coin/Tables Coupons	35,116	40,620		75,735	20,942	18,842	0		113,519
Promotional Expenses	27,174	6,221		33,395	13,573	2,600	0		49,528
Advertising	3,644	4,709		7,753	3,421	1,607	218		13,088
Marketing/Entertainment	21,554	9,229		30,783	8,887	796	0		41,466
Gaming Tax & Regulatory Fees	35,402	26,774		62,176	18,729	32,738	139		113,632
Property Tax, Rent & Insurance	17,216	17,837		35,053	7,321	2,222	1,851		45,447
Utilities	11,309	8,330		19,639	5,016	457	34		25,265
Allowance-Doubtful Accounts	7,717	1,704		9,421	843	145	0		10,509
General / Administrative and Other Operating	19,949	20,863	(98)	40,708	15,248	18,570	7,317	(3,375)	76,469
TOTAL OPERATING EXPENSES	\$328,161	\$255,444	(\$98)	\$593,507	\$180,228	\$96,626	\$12,500	(\$3,375)	\$869,466
GROSS OPERATING INCOME	\$100,176	\$58,663	\$2,025	\$150,864	\$35,768	\$7,220	\$4,650	(\$12,542)	195,980
MARGIN	23.4%	18.7%		21.5%	16.5%	7.0%	27.1%		18.4%
Interest expense	(70,631)	(35,778)	(9,585)	(115,994)	(38,263)	(9,981)	(17,979)	12,542	(166,675)
Depreciation & amortization	(27,204)	(18,697)	(184)	(46,085)	(12,358)	(6,428)	(186)		(65,067)
Other non-operating	0	0	0	0	0	(990)	0		(990)
Minority Interest				0				13,434	13,434
NET INCOME (LOSS)	\$2,341	\$4,188	(\$7,744)	(\$1,215)	(\$14,853)	(\$7,179)	\$13,525	\$13,434	(\$23,338)
Average shares outstanding									22,206,428
Earnings per share									(\$1.05)
GROSS OPERATING INCOME	\$100,176	\$58,663	\$2,025	\$150,864	\$35,768	\$7,220	\$4,650	(\$12,542)	\$195,980
CRDA, Indiana Reg Costs	1,608	1,225		2,834	654	2,775	0		6,483
Interest Income	(1,608)	(947)	(1,927)	(4,482)	(554)	(685)	(13,779)	12,512	(7,168)
Development Costs				0			1,075		1,075
Management Fee				0		3,375	(3,375)		0
EBITDA	\$100,176	\$58,942	\$98	\$159,216	\$36,068	\$12,475	(\$11,429)	\$0	\$198,330
MARGIN	23.4%	18.8%		21.4%	16.7%	12.0%	-66.0%		18.4%

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 OCT-22-98 12:23 FROM: TRUMP PLAZA FINANCIAL DEP ID: 4417751
 REQUEST BY IHCR
 TRUMP PLAZA FINANCIAL DEP ID: 4417751
 IDENTIFICATION

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TRANSMITTAL

to: (b)(6),(b)(7)(C)
fax:
re:

date:

pages: 15, including this cover sheet.

From the desk of...

(b)(6),(b)(7)(C)

TRUMP HOTELS & CASINO RESORTS
2500 BOARDWALK
ATLANTIC CITY, N.J. 08401

Fax: (b)(6),(b)(7)(C)

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Trump Hotels & Casino Resorts, Inc.
Consolidated Statements of Operations
For the Quarter Ending December 31, 1998 and 1998
(in 000's)

	98 Projected	98 Actual	Variance 1998 to 1998 Explanatory (Unfavorable)	%
REVENUE:				
TABLES	\$98,235	\$103,284	(\$5,049)	-4.9%
SLOTS	221,079	207,055	14,015	6.8%
OTHER	8,628	5,878	850	10.9%
TOTAL CASINO	\$325,933	\$316,317	\$9,616	2.9%
ROOMS	22,984	22,619	375	1.7%
FOOD & BEVERAGE	34,730	36,400	(1,670)	-4.8%
ENTERTAINMENT	2,113	2,849	(836)	-28.3%
OTHER	10,068	10,820	(812)	-7.5%
GROSS REVENUES	\$95,778	\$95,105	\$6,673	1.7%
LESS PROMOTIONAL ALLOWANCES	39,290	41,003	1,713	4.2%
NET REVENUES	\$56,488	\$54,102	\$2,386	2.4%
EXPENSES				
Payroll & Related	\$118,135	\$113,383	(\$4,752)	-1.5%
Cost of Goods Sold	11,630	12,459	(829)	8.7%
Com/Tra/Sale Coupons	37,221	40,733	(3,512)	7.3%
Promotional Expenses	13,578	15,518	(1,940)	12.5%
Advertising	4,280	5,615	(1,335)	22.4%
Marketing/Entertainment	13,754	16,088	(2,334)	8.9%
Gaming Tax & Regulatory Fees	39,244	37,697	(1,547)	-4.1%
Property Tax, Rent & Insurance	16,969	15,620	(1,349)	-2.9%
Utilities	8,335	9,212	(877)	-3.9%
Allowance-Doubtful Accounts	3,722	5,025	(1,303)	25.8%
General Administrative and Other Operating	27,309	25,969	1,340	-7.5%
TOTAL OPERATING EXPENSES	\$290,998	\$294,627	(\$3,629)	1.2%
GROSS OPERATING INCOME	\$55,500	\$50,475	\$5,025	22.8%
MARGIN	18.4%	15.4%	3.0 pts	
Interest expense	(\$5,453)	(\$6,424)	941	1.7%
Depreciation & amortization	(21,740)	(22,025)	282	1.3%
Other non-operating income(expense)	(18)	(850)	832	97.9%
Minority interest	4,295	8,444	(\$4,149)	-54.5%
NET INCOME	(\$7,459)	(\$16,350)	\$8,891	54.8%
Average shares outstanding	22,195,256	22,195,256		
Basic earnings per share	(\$0.34)	(\$0.74)	\$0.40	54.5%
GROSS OPERATING INCOME				
CHCA	\$65,600	\$53,475	\$12,025	22.5%
Interest Income	2,421	1,782	639	258.8%
Development Costs	(2,038)	(2,427)	419	-17.3%
Trump World's Fair Closing	488	404	84	20.4%
EBITDA	\$66,451	\$52,141	\$14,310	27.4%
MARGIN	18.6%	15.0%	3.7 pts	

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Trump Hotels & Casino Resorts, Inc.
Consolidating Statement of Operations
Projected Results for the Three Months Ended December 31, 1999
(600's omitted, except share data)

	Trump Plaza	Trump ICS	Trump All City Consolidated	Trump Merida	Trump Indiana	THCR Holdings	THCR Eliminations Consolidated	THCR
REVENUE:								
TABLES	\$45,281	\$25,896	\$71,187	\$17,840	\$3,108	\$0		\$98,235
SLOTS	81,810	63,354	145,164	45,396	23,510			221,070
OTHER	6,238	0	6,238	390	0			6,628
TOTAL CASINO	\$133,329	\$89,250	\$222,589	\$64,726	\$36,618	\$0	\$0	\$325,923
ROOMS	9,242	8,509	17,751	3,868	1,375			22,894
FOOD & BEVERAGE	13,818	11,838	25,656	7,859	1,215			34,730
ENTERTAINMENT	1,119	675	1,794	319	0			2,113
OTHER	4,098	2,379	7,142	1,807	479	6,436	(5,856)	10,608
GROSS REVENUES	\$181,806	\$112,651	\$274,932	\$78,579	\$41,087	\$6,436	(\$5,856)	\$398,778
LESS PROMOTIONAL ALLOWANCES	15,993	13,497	29,490	8,817	1,013	0		38,290
NET REVENUES	\$165,813	\$99,154	\$245,442	\$69,762	\$40,074	\$6,436	(\$5,856)	\$356,488
EXPENSES								
Payroll & Related	\$44,498	\$35,954	\$80,452	\$25,644	\$9,470	\$569	\$0	\$115,135
Cost of Goods Sold	4,898	3,402	8,300	2,790	540	0		11,630
Conv/Tabl Expens	13,023	12,353	25,376	7,513	4,842	0		37,731
Promotional Expenses	7,098	2,158	9,256	3,904	418	0		13,578
Advertising	1,024	1,381	2,405	1,080	492	303		4,280
Marketing/Entertainment	6,969	3,790	10,759	2,689	266	0		13,754
Gaming Tax & Regulatory Fees	12,141	6,623	20,764	6,174	12,206	50		39,244
Property Tax, Rent & Insurance	6,037	5,674	11,711	2,520	1,160	678		16,060
Utilities	3,482	2,854	6,336	1,688	480	31		8,535
Allowances/Doublet Accounts	6,720	7,122	13,842	5,584	6,556	0		27,303
General / Administrative and Other Operating	108,819	\$3,701	\$112,520	\$39,940	\$35,570	\$1,218	(\$1,260)	\$280,888
TOTAL OPERATING EXPENSES	\$38,824	\$15,453	\$52,952	\$9,822	\$5,104	\$2,218	(\$4,596)	65,500
GROSS OPERATING INCOME	25.3%	15.6%	21.6%	14.1%	12.5%	34.5%		18.4%
Interest expense	(23,400)	(11,801)	(38,375)	(13,521)	(2,120)	(6,082)	4,595	(55,483)
Depreciation & amortization	(9,096)	(6,524)	(15,722)	(3,916)	(2,045)	(66)		(21,743)
Other non-operating			0	0	(18)			(18)
Minority interest								4,295
NET INCOME (LOSS)	\$4,326	(\$2,972)	(\$1,456)	(\$7,808)	(\$321)	(\$3,910)	\$4,295	(\$7,449)
Average shares outstanding								22,185,256
Earnings per share								(\$0.34)
GROSS OPERATING INCOME	\$36,824	\$15,453	\$52,952	\$9,822	\$5,104	\$2,218	(\$4,595)	\$65,500
CRDA, Indiana Reg Costs	542	380	922	289	1,260	0		2,471
Interest income	(396)	(1,481)	(1,219)	(134)	(75)	(5,175)	4,595	(2,008)
Development Costs	0	0	0	0	488			488
Management Fee	0	0	0	0	1,200			1,200
EBITDA	\$36,970	\$15,695	\$52,555	\$9,977	\$7,549	(\$3,702)	\$0	\$66,451
MARGIN	25.4%	15.9%	21.5%	14.3%	18.6%	-58.0%		18.6%

Trump Hotels & Casino Resorts, Inc.
Consolidating Statement of Operations
Actual Results for the Twelve Months Ended December 31, 1998
(000's omitted, except share data)

	Trump Taj Mahal	Trump Plaza	TAC TCS	Trump All City Consolidated	Trump Marina	Trump Indiana	THCR Holdings	THCR Eliminations	THCR Consolidated
REVENUE:									
TABLES	\$198,598	\$102,388		\$300,966	\$72,893	\$34,333	\$0		\$408,212
SLOTS	294,957	272,157		567,114	187,067	103,455	0		857,646
OTHER	20,418	0		20,418	1,888	0	0		22,406
TOTAL CASINO	\$513,973	\$374,545	\$0	\$888,518	\$261,848	\$137,788	\$0	\$0	\$1,288,264
ROOMS	41,754	35,300		77,050	16,121	368	0	0	93,549
FOOD & BEVERAGE	59,073	54,860		110,933	34,037	1,873	0	0	146,843
ENTERTAINMENT	5,032	2,864		7,896	2,827	0	0	0	10,723
OTHER	19,677	10,917	1,651	30,345	8,849	2,510	23,543	(21,493)	43,754
GROSS REVENUES	\$635,509	\$477,592	\$1,651	\$1,114,752	\$323,782	\$142,549	\$23,543	(\$21,493)	\$1,683,133
LESS PROMOTIONAL ALLOWANCES	66,717	63,434		130,151	38,660	771	0	0	169,582
NET REVENUES	\$568,792	\$414,158	\$1,651	\$984,601	\$285,122	\$141,778	\$23,543	(\$21,493)	\$1,413,551
EXPENSES									
Payroll & Related	\$178,698	\$142,676		\$321,374	\$100,896	\$29,484	\$3,592	\$0	\$455,346
Cost of Goods Sold	20,154	16,229		36,383	12,217	1,159	0	0	49,759
Coin/Tablo Coupons	47,271	54,061		101,352	28,313	24,557	0	0	154,222
Promotional Expenses	34,759	9,063		43,822	17,979	3,343	0	0	65,144
Advertising	4,629	6,385		11,014	4,726	2,262	602	0	18,604
Marketing/Entertainment	29,775	12,550		42,325	13,291	938	0	0	56,554
Gaming Tax & Regulatory Fees	45,721	35,425		82,146	24,718	44,480	185	0	151,529
Property Tax, Rent & Insurance	23,219	23,766		46,985	9,828	2,745	2,509	0	62,067
Utilities	14,867	11,122		25,989	6,753	606	129	0	33,477
Allowance-Doubtful Accounts	12,077	1,972		14,349	952	233	0	0	15,534
General Administrative and Other Operating	26,908	27,038	(117)	53,829	20,126	22,632	9,958	(4,664)	101,881
TOTAL OPERATING EXPENSES	\$499,378	\$340,397	(\$117)	\$779,588	\$239,799	\$132,439	\$16,975	(\$4,664)	\$1,164,117
GROSS OPERATING INCOME	\$129,414	\$73,851	\$1,768	\$205,033	\$45,323	\$9,339	\$6,568	(\$16,829)	249,434
MARGIN	22.8%	17.8%		20.8%	15.9%	6.6%	27.9%		17.6%
Interest expense	(94,096)	(47,895)	(12,787)	(154,578)	(52,265)	(9,041)	(24,043)	16,829	(223,098)
Depreciation & amortization	(38,424)	(24,711)	(401)	(61,536)	(18,612)	(8,682)	(262)	0	(97,092)
Other non-operating	0	0	0	0	0	(1,840)	0	0	(1,840)
Minority interest	0	0	0	0	0	0	0	22,878	22,878
NET INCOME(LOSS)	(\$1,106)	\$1,445	(811,420)	(\$11,081)	(\$23,554)	(\$10,224)	(\$17,737)	\$22,878	(\$39,718)
Average shares outstanding									22,203,812
Earnings per share									(\$1.79)
GROSS OPERATING INCOME	\$129,414	\$73,851	\$1,768	\$205,033	\$45,323	\$9,339	\$6,568	(\$16,829)	\$249,434
CRDA, Indiana Reg Costs	2,131	175	0	2,306	1,146	3,700	0	0	7,152
Interest income	(2,988)	(1,459)	(1,651)	(6,508)	(870)	(1,163)	(18,863)	16,820	(9,595)
Development Costs				0			1,479		1,479
Management Fee				0		4,664	(4,664)		0
EBITDA	\$129,147	\$72,667	\$117	\$201,831	\$45,599	\$16,540	(\$15,500)	\$0	\$248,470
MARGIN	22.7%	17.5%		20.5%	16.0%	11.7%	-65.8%		17.6%

CONFIDENTIAL TREATMENT REQUEST BY THCR

00071

Trump Hotels & Casino Resorts, Inc.
Consolidating Statement of Operations
Forecasted Results for the Twelve Months Ended December 31, 1999
(000's omitted, except share data)

	Trump Taj Mahal	Trump Plaza	TAC TCS	Trump All City Consolidated	Trump Marina	Trump Indiana	THCR Holdings	Eliminations	THCR Consolidated
REVENUE:									
TABLES	\$166,670	\$101,931		\$271,601	\$73,340	\$32,412	\$0		\$377,353
SLOTS	322,032	268,439		590,471	194,783	111,042	0		895,296
OTHER	22,760	0		22,760	2,653	0	0		24,813
TOTAL CASINO	\$511,462	\$370,370	\$0	\$884,832	\$270,776	\$143,454	\$0	\$0	\$1,298,462
ROOMS	38,257	37,244		75,501	16,134	3,621	0		95,256
FOOD & BEVERAGE	54,780	51,416		106,196	34,254	3,803	0		144,253
ENTERTAINMENT	5,433	2,921		8,354	2,421	0	0		10,775
OTHER	34,079	9,775	1,765	45,619	8,345	1,983	24,072	(21,752)	58,267
GROSS REVENUES	\$647,011	\$471,726	\$1,765	\$1,120,502	\$331,330	\$152,861	\$24,072	(\$21,752)	\$1,607,513
LESS PROMOTIONAL ALLOWANCES	64,283	60,042		124,325	37,292	3,195	0		164,612
NET REVENUES	\$582,728	\$411,684	\$1,765	\$996,177	\$294,038	\$149,666	\$24,072	(\$21,752)	\$1,442,201
EXPENSES									
Payroll & Related	\$179,579	\$140,563		\$320,142	\$102,341	\$30,847	\$3,186	\$0	\$456,516
Cost of Goods Sold	19,445	15,019		34,464	12,473	1,736	0		48,673
Coin/Table Coupons	51,208	52,385		103,593	29,826	22,541	0		154,760
Promotional Expenses	28,452	9,225		37,677	17,477	1,682	0		56,836
Advertising	4,076	5,039		9,115	4,117	1,902	1,129		16,263
Marketing/Entertainment	30,670	12,011		42,681	12,258	535	0		55,474
Gaming Tax & Regulatory Fees	47,202	35,351		82,553	25,748	45,781	190		154,282
Property Tax, Rent & Insurance	24,248	22,992		47,240	10,524	3,541	2,624		63,929
Utilities	14,857	11,152		26,009	8,884	982	159		34,014
Allowance-Doubtful Accounts	12,536	1,104		13,640	547	119	0		14,306
General / Administrative and Other Operating	27,772	155,731	84	183,567	21,486	24,577	13,239	(4,758)	238,111
TOTAL OPERATING EXPENSES	\$440,045	\$360,582	\$84	\$900,691	\$242,461	\$134,243	\$20,527	(\$4,758)	\$1,233,164
GROSS OPERATING INCOME	\$142,683	(\$48,898)	\$1,701	\$95,486	\$51,577	\$15,423	\$3,545	(\$16,894)	149,037
MARGIN	24.5%	-11.9%		9.6%	17.5%	10.3%	14.7%		10.3%
Interest expense	(93,878)	(47,337)	(12,692)	(153,707)	(53,856)	(7,481)	(24,215)	16,994	(222,265)
Depreciation & amortization	(36,669)	(23,569)	0	(60,632)	(16,890)	(9,547)	(288)		(87,357)
Other non-operating	0	50	0	50	0	(2,122)	(5,620)		(7,692)
Minority interest	0	0	0	0	0	0	0	61,549	61,549
NET INCOME(LOSS)	\$12,336	(\$120,146)	(\$10,991)	(\$118,803)	(\$19,169)	(\$3,727)	(\$26,578)	\$61,539	(\$106,738)
Average shares outstanding									22,195,256
Earnings per share									(\$4.81)
GROSS OPERATING INCOME	\$142,683	(\$48,898)	\$1,701	\$95,486	\$51,577	\$15,423	\$3,545	(\$16,894)	\$149,037
CRDA, Indiana Reg Costs	2,144	1,969		4,113	1,388	4,005	0		9,536
Interest Income	(1,262)	(599)	(1,785)	(3,586)	(719)	(527)	(18,316)	16,994	(7,154)
Development Costs/WF Closing	0	128,375	0	128,375	0	0	3,758		132,133
Management Fee	0	0		0	2,106	4,758	(4,758)		0
EBITDA	\$143,575	\$80,877	(\$64)	\$224,368	\$52,246	\$23,689	(\$16,771)	\$0	\$283,552
MARGIN	13.8%	19.6%		22.5%	17.8%	15.0%	-69.7%		19.7%

CONFIDENTIAL TREATMENT REQUEST BY THCR

00072

Trump Hotels & Casino Resorts, Inc.
Consolidating Statement of Operations
Actual Results for the Three Months Ended December 31, 1988
(000's omitted, except share data)

	Trump Taj Mahal	Trump Plaza	TAC FCS	Trump All City Consolidated	Trump Marina	Trump Indiana	THCR Holdings	Eliminations	THCR Consolidated
REVENUE:									
TABLES	\$49,320	\$26,090		\$75,410	\$19,247	\$8,627	\$0		\$103,284
SLOTS	70,454	64,520		134,974	44,100	27,915			207,055
OTHER	5,794			5,794	184	0			5,978
TOTAL CASINO	\$125,568	\$90,610	\$0	\$216,178	\$63,537	\$36,542	\$0	\$0	\$316,317
ROOMS	10,150	8,431		18,581	3,670	358			22,619
FOOD & BEVERAGE	14,154	13,632		27,786	8,037	577			36,400
ENTERTAINMENT	1,699	635		2,334	615				2,949
OTHER	5,044	2,353	(275)	7,121	2,193	609	6,393	(5,576)	10,820
GROSS REVENUES	\$156,615	\$115,561	(\$275)	\$272,009	\$78,112	\$38,176	\$6,393	(\$5,576)	\$389,105
LESS PROMOTIONAL ALLOWANCES	16,161	15,612		31,773	6,987	243	0		41,003
NET REVENUES	\$140,454	\$100,049	(\$275)	\$240,227	\$69,125	\$37,933	\$6,393	(\$5,576)	\$348,102
EXPENSES									
Payroll & Related	\$44,074	\$35,768		\$79,842	\$25,015	\$7,815	\$711	\$0	\$113,383
Cost of Goods Sold	5,091	4,040		9,131	2,948	360	0		12,439
Coin/Table Coupons	12,156	13,461		25,617	7,371	7,715	0		40,703
Promotional Expenses	7,565	2,842		10,427	4,406	683	0		15,516
Advertising	1,585	1,670		3,261	1,305	565	384		5,515
Marketing/Entertainment	8,221	3,321		11,542	3,404	142	0		15,088
Gaming Tax & Regulatory Fees	11,319	8,651		19,970	5,989	11,692	46		37,697
Property Tax, Rent & Insurance	6,003	5,629		11,632	2,507	523	658		15,620
Utilities	3,558	2,732		6,290	1,708	149	35		8,212
Allowance-Doubtful Accounts	4,660	268		4,928	9	86	0		5,025
General / Administrative and Other Operating	6,964	6,172	(19)	13,117	4,878	6,062	2,641	(1,289)	25,403
TOTAL OPERATING EXPENSES	\$111,216	\$84,860	(\$19)	\$196,057	\$59,570	\$35,814	\$4,475	(\$1,289)	\$294,627
GROSS OPERATING INCOME	\$29,238	\$15,189	(\$257)	\$44,170	\$9,555	\$2,119	\$1,918	(\$4,287)	\$53,475
MARGIN	20.8%	15.2%	-	18.4%	13.8%	5.6%	30.0%	-	15.4%
Interest expense	(23,465)	(11,918)	(3,202)	(38,585)	(14,002)	(2,000)	(6,064)	4,287	(56,424)
Depreciation & amortization	(9,220)	(6,014)	(217)	(15,451)	(4,254)	(2,254)	(66)		(22,025)
Other non-operating				0		(853)			(850)
Minority Interest				0				9,444	9,444
NET INCOME(LOSS)	(\$3,447)	(\$2,743)	(\$3,678)	(\$2,866)	(\$5,701)	(\$2,945)	(\$4,212)	\$9,444	(\$16,340)
Average shares outstanding									22,195,256
Earnings per share									(\$0.74)
GROSS OPERATING INCOME	\$29,238	\$15,189	(\$257)	\$44,170	\$9,555	\$2,119	\$1,918	(\$4,287)	\$53,475
CRDA, Indiana Reg Costs	523	(1,051)		(528)	292	925	0		689
Interest Income	(790)	(511)	275	(1,026)	(316)	(258)	(5,104)	4,287	(2,427)
Development Costs				0			404		404
Management Fee				0		1,289	(1,289)		0
EBITDA	\$28,971	\$13,627	\$18	\$42,616	\$9,531	\$4,065	(\$4,071)	\$0	\$52,141
MARGIN	20.6%	13.0%	-	17.7%	13.6%	10.7%	-63.7%	-	15.0%

TRUMP HOTELS & CASINO RESORTS, INC.
Condensed Consolidated Statements of Operations
(Unaudited)
(In thousands, except share data)

	3 MONTHS		9 MONTHS	
	30-Sep-98	30-Sep-98	30-Sep-99	30-Sep-98
REVENUES				
CASINO	\$350,308	\$364,172	\$972,529	\$971,945
ROOMS	28,569	26,841	72,262	70,930
FOOD & BEVERAGE	40,429	40,927	109,523	110,443
OTHER	30,902	13,132	51,777	33,556
PROMOTIONAL ALLOWANCES	(47,136)	(47,685)	(125,522)	(128,578)
NET REVENUES	\$403,072	\$397,387	\$1,080,569	\$1,058,296
COSTS & EXPENSES				
GAMING	\$210,020	\$219,921	\$595,463	\$605,126
ROOMS	8,930	8,470	26,177	23,739
FOOD & BEVERAGE	14,901	13,989	40,175	38,199
GENERAL & ADMIN	62,555	64,418	188,549	183,571
TOTAL EXPENSES	\$296,406	\$306,798	\$850,364	\$850,635
EBITDA	\$106,666	\$90,589	\$230,205	\$207,661
CRDA/INDIANA STATE & MUNIC OBLIG.	\$2,528	\$2,321	\$7,065	\$6,483
DEPRECIATION & AMORTIZATION	21,775	21,800	65,613	64,882
INTEREST INCOME	(1,833)	(2,019)	(5,143)	(7,166)
INTEREST EXPENSE	55,876	55,390	166,781	166,679
CORPORATE EXPENSES	4,645	3,538	13,103	11,510
DEVELOPMENT COSTS	1,410	480	3,270	1,075
OTHER NON OPER EXPENSE	259	704	2,054	990
TOTAL NON-OPERATING EXPENSE, NET	\$84,660	\$82,214	\$252,743	\$244,433
INCOME(LOSS) BEFORE MINORITY INTEREST, CUM EFFECT OF ACCTG PRIN CHANGE, & WF CLOSING	\$22,006	\$8,375	(\$22,538)	(\$38,772)
MINORITY INTEREST	(8,048)	(3,063)	8,242	13,434
INCOME(LOSS) BEFORE CUM EFFECT OF ACCTG PRIN CHANGE, & WF CLOSING	13,958	5,312	(14,296)	(23,338)
TRUMP WORLD'S FAIR CLOSING, NET OF MINORITY INT	(81,428)		(81,428)	
CUMULATIVE EFFECT OF ACCTG PRIN CHANGE			(3,565)	
NET INCOME(LOSS)	(\$67,470)	\$5,312	(\$99,289)	(\$23,338)
WEIGHTED AVERAGE # SHARES	22,195,256	22,195,256	22,195,256	22,206,428
BASIC AND DILUTED EARNINGS(LOSS) PER SHARE	(\$3.04)	\$0.24	(\$4.47)	(\$1.05)
BASIC AND DILUTED EARNINGS(LOSS) PER SHARE BEFORE WF CLOSING COSTS & CUM EFFECT OF ACCTG PRINCIPLE CHANGE	\$0.63	\$0.24	(\$0.64)	(\$1.05)

TRUMP HOTELS & CASINO RESORTS, INC.
Condensed Consolidated Statements of Operations
(Unaudited)
(In thousands, except share data)

	3 MONTHS		9 MONTHS	
	30-Sep-99	30-Sep-98	30-Sep-99	30-Sep-98
NET REVENUES	\$403,072	\$397,387	\$1,080,569	\$1,058,296
COSTS & EXPENSES	296,406	306,798	850,364	850,635
EBITDA	106,666	90,589	230,205	207,661
CRDA/INDIANA STATE & MUNIC OBLIG.	2,528	2,321	7,065	6,463
DEPRECIATION & AMORTIZATION	21,775	21,800	65,613	64,882
INTEREST EXPENSE, NET	54,043	53,371	161,638	159,513
CORPORATE EXPENSES	4,645	3,538	13,103	11,510
OTHER NON-OPERATING EXPENSE	1,669	1,184	5,324	2,065
TOTAL NON-OPERATING EXPENSE, NET	84,660	82,214	252,743	244,433
INCOME(LOSS) BEFORE MINORITY INTEREST, TRUMP WORLD'S FAIR CLOSING COSTS, & CUMULATIVE EFFECT OF CHANGE IN ACCOUNTING PRINCIPLE	22,006	8,375	(22,538)	(36,772)
MINORITY INTEREST	(8,048)	(3,063)	8,242	13,434
INCOME(LOSS) BEFORE TRUMP WORLD'S FAIR CLOSING COSTS & CUM. EFFECT OF CHANGE IN ACCTG PRIN.	13,958	5,312	(14,296)	(23,338)
TRUMP WORLD'S FAIR CLOSING COSTS, (\$128,375 LESS MINORITY INTEREST OF \$46,947)	(81,428)	-	(81,428)	-
CUMULATIVE EFFECT OF CHANGE IN ACCTG PRIN.			(3,565)	-
NET INCOME(LOSS)	(\$67,470)	\$5,312	(\$99,289)	(\$23,338)
AVERAGE # SHARES	22,195,256	22,195,256	22,195,256	22,206,428
BASIC AND DILUTED EARNINGS(LOSS) PER SHARE	(\$3.04)	\$0.24	(\$4.47)	(\$1.05)
BASIC AND DILUTED EARNINGS PER SHARE BEFORE TRUMP WORLD'S FAIR CLOSING COSTS & CUMULATIVE EFFECT OF CHANGE IN ACCTG PRIN.	\$0.63	\$0.24	(\$0.64)	(\$1.05)

Note: Certain prior year reclassifications have been made to conform to current year presentation.

TRUMP ATLANTIC CITY ASSOCIATES
Condensed Consolidated Statements of Operations
(Unaudited)
(In thousands)

	3 MONTHS		9 MONTHS	
	30-Sep-99	30-Sep-98	30-Sep-99	30-Sep-98
NET REVENUES	\$284,664	\$276,855	\$748,338	\$739,889
COSTS & EXPENSES	202,617	206,441	576,542	580,771
EBITDA	82,047	70,414	171,796	159,118
GRDA	1,216	1,070	3,191	2,834
DEPRECIATION & AMORTIZATION	14,704	15,405	44,910	45,901
INTEREST EXPENSE, NET	37,713	37,239	112,962	111,512
OTHER NON-OPERATING EXPENSE	(34)	18	15	86
TOTAL NON-OPERATING EXPENSE, NET	53,589	53,732	161,078	160,333
INCOME(LOSS) BEFORE TRUMP WORLD'S FAIR CLOSING	28,448	16,682	10,718	(1,215)
TRUMP WORLD'S FAIR CLOSING COSTS	128,375	-	128,375	-
NET INCOME(LOSS)	(\$99,927)	\$16,682	(\$117,657)	(\$1,215)

Note: Certain prior year reclassifications have been made to conform to current year presentation.

TRUMP TAJ MAHAL ASSOCIATES
Condensed Statements of Operations
(Unaudited)
(In thousands, except statistical information)

	3 MONTHS		9 MONTHS	
	30-Sep-99	30-Sep-98	30-Sep-99	30-Sep-98
NET REVENUES	\$167,662	\$162,104	\$436,229	\$426,729
COSTS & EXPENSES	116,636	116,092	329,624	326,553
EBITDA (1)	\$51,026	\$46,012	\$106,605	\$100,176
Selected Statistics:				
# of Slots	4,419	4,136	4,278	4,137
Win per Slot/Day	\$220	\$217	\$206	\$199
# of Tables	149	156	148	155
Win per Table/Day	\$2,979	\$4,187	\$3,078	\$3,528
Table Drop	\$283,155	\$328,457	\$787,378	\$903,011
Hold %	14.4%	18.3%	15.8%	16.5%
# of Rooms Sold	113,422	112,875	327,975	311,677
Room Rates	\$97.55	\$101.09	\$88.47	\$101.40
Occupancy %	98.6%	98.2%	96.1%	91.3%

(1) EBITDA reflects earnings before depreciation, interest, taxes, and CRDA writedown.

Note: Certain prior year reclassifications have been made to conform to current year presentation.

TRUMP PLAZA ASSOCIATES
Condensed Statements of Operations
 (Unaudited)
 (In thousands, except statistical information)

	3 MONTHS		9 MONTHS	
	30-Sep-99	30-Sep-98	30-Sep-99	30-Sep-98
NET REVENUES	\$117,002	\$114,751	\$312,109	\$313,160
COSTS & EXPENSES	85,981	90,349	246,918	254,218
EBITDA (1)	\$31,021	\$24,402	\$65,191	\$58,942
Selected Statistics:				
# of Slots	4,186	4,204	4,202	4,124
Win per Slot/Day	\$192	\$196	\$179	\$184
# of Tables	94	101	99	110
Win per Table/Day	\$3,609	\$3,002	\$2,813	\$2,539
Table Drop	\$177,742	\$177,853	\$471,679	\$485,620
Hold %	17.6%	15.7%	16.1%	15.7%
# of Rooms Sold	123,298	123,302	344,237	333,863
Room Rates	\$92.40	\$84.68	\$83.47	\$80.50
Occupancy %	95.5%	95.5%	89.8%	87.1%

(1) EBITDA reflects earnings before depreciation, interest, taxes, CRDA writedown, and Trump World's Fair closing costs.

Note: Certain prior year reclassifications have been made to conform to current year presentation.

TRUMP'S CASTLE ASSOCIATES
d/b/a TRUMP MARINA
Condensed Statements of Operations
(Unaudited)
(In thousands, except statistical information)

	3 MONTHS		9 MONTHS	
	30-Sep-99	30-Sep-98	30-Sep-99	30-Sep-98
NET REVENUES	\$83,487	\$81,756	\$223,691	\$215,444
COSTS & EXPENSES	63,875	66,412	181,422	179,376
EBITDA (1)	<u>\$19,612</u>	<u>\$15,344</u>	<u>\$42,269</u>	<u>\$36,068</u>
Selected Statistics:				
# of Slots	2,123	2,170	2,145	2,163
Win per Slot/Day	\$278	\$263	\$253	\$242
# of Tables	85	91	87	92
Win per Table/Day	\$2,609	\$2,489	\$2,333	\$2,136
Table Drop	\$134,798	\$132,698	\$362,134	\$345,318
Hold %	15.1%	15.7%	15.3%	15.5%
# of Rooms Sold	63,571	64,839	168,831	175,390
Room Rates	\$79.39	\$76.96	\$72.65	\$70.99
Occupancy %	94.9%	96.8%	85.0%	88.3%

(1) EBITDA reflects earnings before depreciation, interest, taxes, and CRDA writedown.

Note: Certain prior year reclassifications have been made to conform to current year presentation.

TRUMP INDIANA, INC.
Condensed Statements of Operations
(Unaudited)
(In thousands, except statistical information)

	3 MONTHS		9 MONTHS	
	30-Sep-99	30-Sep-98	30-Sep-99	30-Sep-98
NET REVENUES	\$34,921	\$38,776	\$108,540	\$102,963
COSTS & EXPENSES	29,914	33,945	92,400	90,488
EBITDA (1)	\$5,007	\$4,831	\$16,140	\$12,475
Selected Statistics:				
# of Slots	1,300	1,375	1,300	1,375
Win per Slot/Day	\$224	\$235	\$230	\$201
# of Tables	50	60	50	60
Win per Table/Day	\$1,491	\$1,533	\$1,707	\$1,569
Table Drop	\$42,544	\$54,943	\$140,724	\$161,899
Hold %	15.1%	15.4%	16.6%	15.9%
# of Rooms Sold	21,875	-	42,114	-
Room Rates	\$51.00	-	\$54.00	-
Occupancy %	79.3%	-	52.3%	-

(1) EBITDA reflects earnings before depreciation, interest, taxes, and Indiana State & Municipal obligations.

Note: Certain prior year reclassifications have been made to conform to current year presentation.
The hotel at Trump Indiana commenced operations in October 1998.

TRUMP HOTELS & CASINO RESORTS, INC.
Supplemental Information
(Unaudited)
(In thousands)

	3 MONTHS		9 MONTHS	
	30-Sep-99	30-Sep-98	30-Sep-99	30-Sep-98
CRDA/INDIANA OBLIGATIONS				
TAJ	\$565	\$627	\$1,602	\$1,608
PLAZA	651	443	1,589	1,226
MARINA	387	326	1,099	854
INDIANA STATE & MUNICIPAL OBLIG.	925	925	2,775	2,775
TOTAL CRDA/INDIANA OBLIG	\$2,528	\$2,321	\$7,065	\$6,463
DEPRECIATION & AMORTIZATION				
TAJ	\$9,012	\$8,910	\$27,571	\$27,204
PLAZA	5,692	6,495	17,339	18,697
THCR HOLDINGS	77	67	221	195
MARINA	4,454	4,160	12,980	12,358
INDIANA (INCL JOINT VENTURE LOSS)	2,540	2,168	7,502	6,428
TOTAL DEPRECIATION/AMORT	\$21,775	\$21,800	\$65,613	\$64,882
INTEREST EXPENSE				
TAJ	\$23,408	\$23,502	\$70,278	\$70,631
PLAZA	12,026	11,883	35,536	35,778
TRUMP ATLANTIC CITY	3,158	3,090	9,517	9,585
THCR HOLDINGS	6,065	6,060	18,154	17,982
MARINA	10,525	10,193	31,397	30,436
INDIANA	694	662	1,899	2,267
TOTAL INTEREST EXPENSE	\$55,876	\$55,390	\$166,781	\$166,679
LOAN COST AMORT/BOND DISC INCL IN INT EXP.				
TAJ	\$848	\$951	\$2,617	\$2,938
PLAZA	424	475	1,308	1,468
TRUMP ATLANTIC CITY	345	279	1,080	1,179
THCR HOLDINGS	269	269	806	806
MARINA(BOND DISC ACCRETION)	1,111	957	3,220	2,761
INDIANA	37	36	109	191
TOTAL LOAN COST AMORT/BOND DISC	\$3,034	\$2,967	\$9,140	\$9,343

Note: Certain prior year reclassifications have been made to conform to current year presentation.

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Trump Hotels & Casino Resorts, Inc.
Consolidated Statements of Operations
For the Twelve Months Ending December 31, 1999 and 1998
(000's)

	99 Projection	98 Actual	Variance 1999 to 1998 Favorable (Unfavorable)	%
REVENUE:				
TABLES	\$377,253	\$408,212	(\$30,959)	-7.6%
SLOTS	856,256	857,646	38,650	4.5%
OTHER	24,813	22,406	2,407	10.7%
TOTAL CASINO	\$1,258,462	\$1,288,264	\$10,198	0.8%
ROOMS	95,256	93,649	1,707	1.8%
FOOD & BEVERAGE	144,263	146,843	(2,580)	-1.8%
ENTERTAINMENT	10,775	10,723	52	0.5%
OTHER	58,267	43,754	14,513	24.7%
GROSS REVENUES	\$1,507,813	\$1,583,133	\$23,880	1.5%
LESS PROMOTIONAL ALLOWANCES	184,812	169,582	4,770	2.6%
NET REVENUES	\$1,442,201	\$1,413,551	\$28,650	2.0%
EXPENSES				
Payroll & Related	\$458,516	\$455,246	(\$1,170)	-0.3%
Cost of Goods Sold	40,673	49,769	1,086	2.2%
Charitable Contributions	154,760	154,222	538	0.3%
Promotional Expenses	56,836	65,144	8,308	12.8%
Advertising	16,263	19,894	3,631	22.3%
Marketing/Entertainment	55,474	56,554	1,080	1.9%
Gaming Tax & Regulatory Fees	154,282	151,529	2,753	1.8%
Property Tax, Rent & Insurance	53,926	62,067	8,141	15.1%
Utilities	34,014	30,437	3,577	10.4%
Allowance/Doubtful Accounts	14,336	15,534	1,198	8.3%
General & Administrative and Other Operating	228,111	101,691	113,220	49.4%
TOTAL OPERATING EXPENSES	\$1,293,154	\$1,184,117	\$112,937	8.7%
GROSS OPERATING INCOME	\$149,057	\$249,434	(\$100,377)	-67.3%
MARGIN	10.3%	17.6%	(7.3)pts	
Interest expense	(222,265)	(221,066)	933	0.4%
Depreciation & amortization	(87,357)	(87,392)	35	-0.0%
Other non-operating income (expense)	17,692	(1,540)	19,232	-110.9%
Minority Interest	61,539	22,878	38,661	62.7%
NET INCOME (LOSS)	(\$106,728)	(\$39,718)	(\$67,020)	-62.8%
Average shares outstanding	22,195,256	22,203,612	(8,356)	
Basic loss per share	(\$4.81)	(\$1.79)	(\$3.02)	-163.8%
Net effect of change in accounting principle	0.15	0.00	0.15	
Net effect of Trump World's Fair Closing	3.82	0.00	3.82	
Adjusted loss per share	(\$10.84)	(\$1.79)	(\$9.05)	-83.5%
GROSS OPERATING INCOME	\$149,057	\$249,434	(\$100,377)	-67.3%
CRDA	9,598	7,152	2,446	25.4%
Interest Income	(7,154)	(9,592)	2,438	-25.4%
Development Costs	2,768	1,479	1,289	46.6%
Trump World's Fair Closing	128,375	128,375	0	
EBITDA	\$180,556	\$249,434	(\$68,878)	-38.2%
MARGIN	12.7%	17.6%	(4.9)pts	

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TRUMP MARINA
OPERATING RESULTS FOR THE NINE MONTHS ENDED SEPTEMBER 30, 1999 AND 1998
STATEMENT OF OPERATIONS
 (000'S)

	99 Actual	98 Actual	Variance to 1998		99 Budget	Variance to Budget	
			Favorable/(Unfavorable)	%		Favorable/(Unfavorable)	%
			\$	%		\$	%
REVENUE:							
Tables	\$55,398	\$53,844	\$1,754	3.3%	\$55,380	\$18	0.0%
Slots	148,386	142,902	5,484	3.8%	151,802	(3,416)	-2.3%
Poker	0	0	0		0	0	
Keno	0	0	0		0	0	
Racebook	1,663	1,804	(141)	-7.8%	1,610	53	3.3%
TOTAL CASINO	\$205,447	\$198,350	\$7,097	3.6%	\$208,792	(\$3,345)	-1.6%
Rooms	12,266	12,452	(186)	-1.5%	12,600	(334)	-2.7%
Food & Beverage	26,396	26,001	395	1.5%	26,493	(97)	-0.4%
Entertainment	2,101	2,212	(111)	-5.0%	1,993	108	5.4%
Other	6,536	6,654	(118)	-1.8%	6,594	(58)	-0.9%
GROSS REVENUES	\$252,746	\$245,669	\$7,077	2.9%	\$256,472	(\$3,726)	-1.5%
Less: Promotional Allowances	28,475	29,673	1,198	4.0%	29,610	1,135	3.8%
NET REVENUES	\$224,271	\$215,996	\$8,275	3.8%	\$226,862	(\$2,591)	-1.1%
EXPENSES:							
Payroll & Related	\$76,697	\$75,881	(\$816)	-1.1%	\$78,454	\$1,757	2.2%
Cost of Goods Sold	9,683	9,268	(415)	-4.5%	9,613	(70)	-0.7%
Coin/Table Coupons	21,113	20,942	(171)	-0.8%	24,598	3,485	14.2%
Promotional Expenses	13,573	13,573	0	0.0%	12,527	(1,046)	-8.3%
Advertising	3,037	3,421	384	11.2%	3,576	539	15.1%
Marketing/Entertainment	9,559	9,887	328	3.3%	9,507	(52)	-0.5%
Gaming Tax & Regulatory Fees	19,574	18,729	(845)	-4.5%	19,642	68	0.3%
Property Tax, Rent & Insurance	8,004	7,321	(683)	-9.3%	7,560	(444)	-5.9%
Utilities	5,176	5,015	(161)	-3.2%	4,993	(183)	-3.7%
Allowance-Doubtful Accounts	203	943	740	78.5%	1,076	873	81.2%
General/Administrative & Other Operating	15,899	15,251	(648)	-4.2%	17,746	1,847	10.4%
TOTAL OPERATING EXPENSES	\$182,518	\$180,231	(\$2,287)	-1.3%	\$189,292	\$6,774	3.6%
GROSS OPERATING INCOME	\$41,753	\$35,765	\$5,988	16.7%	\$37,570	\$4,183	11.1%
MARGIN	18.6%	16.6%	2.0 pts		16.6%	2.0 pts	
CRDA	\$1,099	\$854	\$245	28.7%	\$925	\$174	18.8%
Interest Income	(583)	(553)	(30)	5.4%	(382)	(201)	52.6%
GROSS OPERATING INCOME BEFORE CORPORATE EXPENSES	\$42,269	\$36,066	\$6,203	17.2%	\$38,113	\$4,156	10.9%
Corporate Expenses	0	0	0		1,500	1,500	100.0%
EBITDA	\$42,269	\$36,066	\$6,203	17.2%	\$39,613	\$2,656	6.7%
MARGIN	18.6%	16.7%	2.1 pts		17.5%	1.3 pts	

* NOTE: Interest Income is included in Other Revenue.
 Gain on sale-leaseback, CRDA Write Down and Corporate Expenses (DJT management fee) are included in General/Administrative expenses.

TRUMP MARINA
OPERATING RESULTS FOR THE THREE MONTHS ENDED SEPTEMBER 30, 1999 AND 1998
STATEMENT OF OPERATIONS
 (000'S)

	99 Actual	98 Actual	Variance to 1998		99 Budget	Variance to Budget	
			Favorable(Unfavorable)	%		Favorable(Unfavorable)	%
			\$	%		\$	%
REVENUE:							
Tables	\$20,401	\$20,837	(\$436)	-2.1%	\$20,593	(\$192)	-0.9%
Slots	54,295	52,502	1,793	3.4%	55,811	(1,316)	-2.4%
Poker	0	0	0		0	0	
Keno	0	0	0		0	0	
Racebook	649	992	(343)	-34.6%	680	(31)	-4.8%
TOTAL CASINO	\$75,345	\$74,331	\$1,014	1.4%	\$76,884	(\$1,539)	-2.0%
Rooms	5,047	4,990	57	1.1%	5,075	(28)	-0.6%
Food & Beverage	10,230	10,459	(229)	-2.2%	10,293	(63)	-0.6%
Entertainment	817	1,095	(278)	-25.4%	1,173	(356)	-30.3%
Other	2,810	2,794	16	0.6%	2,810	0	0.0%
GROSS REVENUES	\$94,249	\$93,668	\$580	0.6%	\$96,235	(\$1,666)	-2.1%
Less: Promotional Allowances	10,571	11,741	1,170	10.0%	11,675	1,104	9.5%
NET REVENUES	\$83,678	\$81,928	\$1,750	2.1%	\$84,560	(\$882)	-1.0%
EXPENSES:							
Payroll & Related	\$26,001	\$28,293	\$292	1.1%	\$27,375	\$1,374	5.0%
Cost of Goods Sold	3,822	3,785	(37)	-1.0%	3,812	(10)	-0.3%
Coin/Table Coupons	7,156	8,152	996	12.2%	8,950	1,794	20.0%
Promotional Expenses	5,506	5,072	(434)	-8.6%	4,429	(1,077)	-24.3%
Advertising	1,095	1,710	615	36.0%	1,329	234	17.6%
Marketing/Entertainment	3,054	4,579	1,525	33.3%	4,143	1,089	26.3%
Gaming Tax & Regulatory Fees	7,204	8,803	(401)	-5.9%	7,134	(70)	-1.0%
Property Tax, Rent & Insurance	2,719	2,335	(384)	-16.5%	2,518	(201)	-8.0%
Utilities	1,970	1,884	(86)	-4.6%	1,878	(292)	-17.4%
Allowance-Doubtful Accounts	142	407	265	65.2%	393	251	63.9%
General/Administrative & Other Operating	5,592	5,720	128	2.2%	6,091	499	8.2%
TOTAL OPERATING EXPENSES	\$84,261	\$68,740	\$2,479	3.7%	\$67,852	\$3,591	5.3%
GROSS OPERATING INCOME	\$19,417	\$15,188	\$4,229	27.6%	\$19,708	\$2,709	16.2%
MARGIN	23.2%	18.5%	4.7 pts		19.8%	3.4 pts	
CRDA	\$388	\$326	\$62	19.0%	\$339	\$49	14.5%
Interest Income	(192)	(172)	(20)	11.6%	(130)	(62)	47.7%
GROSS OPERATING INCOME BEFORE CORPORATE EXPENSES	\$19,613	\$15,342	\$4,271	27.8%	\$16,917	\$2,696	15.9%
Corporate Expenses	0	0	0		500	500	100.0%
EBITDA	\$19,613	\$15,342	\$4,271	27.8%	\$17,417	\$2,196	12.6%
MARGIN	23.4%	18.7%	4.7 pts		20.6%	2.8 pts	

* NOTE: Interest Income is included in Other Revenue.
 Gain on sale-leaseback, CRDA Write Down and Corporate Expenses (DJT management fee) are included in General/Administrative expenses.

TRUMP PLAZA ASSOCIATES

FAX COVER SHEET

To:

(b)(6),(b)(7)(C)

FAX # 7926

FROM:

DATE:

PAGES: (INCLUDING COVER SHEET)

COMMENTS:

BOARDWALK AT MISSISSIPPI
ATLANTIC CITY, NJ 08401
PHONE: (609) 441-7951
FAX: (609) 441-7957

		RANK	# UNITS	1998	CREDIT/ HOURS	1999 MKT %	1998	CREDIT/ HOURS	1999 MKT %	VAR.	%VAR.
AZA	TABLE DROP	0	94	49,022.0	21.2%	7.0%	54,171.4	24.5%	6.6%	(5,149.4)	-9.5%
	TABLE WIN	6		7,118.5	14.5%		7,594.1	14.8%		(475.7)	-11.0%
	SLOT WIN	7	4,262	20,630.7		6.4%	23,683.6		9.8%	(3,252.9)	-13.6%
	POKER WIN			0.0			0.0			0.0	0.0%
	SIMULCASTING			0.0			0.0			0.0	0.0%
	KENO WIN			0.0			0.0			0.0	0.0%
	TOTAL WIN	7		27,749.2			31,677.7			(4,128.6)	-13.0%
CAESARS	TABLE DROP	2	126	81,624.0	28.5%	13.2%	85,038.9	30.7%	13.5%	(4,014.9)	-4.7%
	TABLE WIN	1		14,971.1	18.3%		15,119.5	17.7%		(148.4)	-1.0%
	SLOT WIN	5	3,587	24,089.2		9.8%	22,924.0		9.6%	1,175.2	5.1%
	POKER WIN			99.5			113.6			(20.1)	-17.7%
	SIMULCASTING			124.7			125.4			(0.7)	-0.6%
	KENO WIN			175.5			210.3			(34.8)	-16.5%
	TOTAL WIN	3		39,464.0			39,492.8			(28.8)	-0.1%
BALLY	TABLE DROP	3	144	73,222.5	21.2%	11.8%	85,562.8	16.2%	10.4%	7,659.7	11.7%
	TABLE WIN	3		12,134.3	19.9%		9,760.8	14.9%		2,373.5	24.3%
	SLOT WIN	1	4,009	30,109.3		12.2%	29,196.0		12.1%	919.3	3.1%
	POKER WIN			105.7			131.7			(28.0)	-18.7%
	SIMULCASTING			188.8			182.6			(3.8)	-2.0%
	KENO WIN			65.0			70.3			(4.3)	-6.1%
	TOTAL WIN	2		42,604.1			39,351.4			3,252.7	8.3%
CLARIDGE	TABLE DROP	12	84	25,615.1	11.2%	4.1%	25,117.8	15.3%	4.0%	497.5	2.0%
	TABLE WIN	12		3,650.9	14.3%		3,119.3	12.4%		531.6	17.0%
	SLOT WIN	12	1,752	10,259.3		4.2%	10,096.2		4.3%	(36.8)	-0.4%
	POKER WIN			0.0			0.0			0.0	0.0%
	SIMULCASTING			0.0			0.0			0.0	0.0%
	KENO WIN			0.0			0.0			0.0	0.0%
	TOTAL WIN	12		13,910.2			13,415.5			494.7	3.7%
SANDS	TABLE DROP	9	88	35,789.4	26.2%	5.8%	38,156.0	24.3%	6.0%	(2,406.6)	-6.3%
	TABLE WIN	10		4,542.2	12.7%		5,128.5	13.4%		(566.3)	-11.4%
	SLOT WIN	10	1,594	13,913.0		5.5%	13,551.0		5.6%	(36.0)	-0.3%
	POKER WIN			166.0			160.9			5.2	3.2%
	SIMULCASTING			71.8			75.9			(3.7)	-4.9%
	KENO WIN			0.0			31.6			(21.6)	-100.0%
	TOTAL WIN	11		18,292.8			18,637.2			(644.4)	-3.4%
RESORTS	TABLE DROP	7	78	41,537.5	29.3%	6.7%	21,845.2	18.6%	5.0%	9,692.3	30.4%
	TABLE WIN	9		4,547.7	10.9%		5,621.1	17.7%		(1,073.4)	-19.1%
	SLOT WIN	9	2,177	13,717.2		5.6%	14,195.7		5.9%	(478.5)	-3.4%
	POKER WIN			0.0			0.0			0.0	0.0%
	SIMULCASTING			74.1			74.0			0.1	0.1%
	KENO WIN			0.0			0.0			0.0	0.0%
	TOTAL WIN	10		18,339.0			18,859.0			(1,551.0)	-7.8%
TAJ MAHAL	TABLE DROP	1	143	87,810.5	20.7%	14.2%	105,232.6	25.9%	16.6%	(18,452.1)	-17.4%
	TABLE WIN	2		13,635.7	15.9%		21,913.1	20.6%		(7,978.4)	-56.4%
	SLOT WIN	2	4,436	28,554.7		11.6%	26,326.3		10.9%	2,318.4	8.6%
	POKER WIN			1,627.1			1,481.7			145.4	9.8%
	SIMULCASTING			91.7			101.3			(9.6)	-9.5%
	KENO WIN			77.3			111.2			(23.9)	-30.5%
	TOTAL WIN	1		44,367.5			49,943.6			(5,556.1)	-11.1%
SHOWBOAT	TABLE DROP	10	75	33,111.5	22.0%	5.4%	34,304.1	17.5%	5.4%	(1,192.6)	-3.5%
	TABLE WIN	11		4,074.7	12.3%		4,703.6	13.8%		(628.9)	-13.9%
	SLOT WIN	4	3,774	25,256.6		10.2%	24,311.6		10.1%	945.0	3.9%
	POKER WIN			0.0			0.0			0.0	0.0%
	SIMULCASTING			38.1			39.9			(1.2)	-3.0%
	KENO WIN			0.0			0.0			0.0	0.0%
	TOTAL WIN	6		29,382.0			29,085.3			296.7	1.0%
TROP	TABLE DROP	4	110	59,817.0	18.6%	9.6%	59,839.0	18.3%	9.5%	(322.0)	-0.5%
	TABLE WIN	5		8,825.3	14.8%		9,746.7	16.3%		(923.4)	-9.6%
	SLOT WIN	6	3,059	23,265.0		9.4%	21,887.8		9.1%	1,377.2	6.3%
	POKER WIN			777.0			800.4			(23.4)	-2.8%
	SIMULCASTING			89.9			110.7			(20.9)	-18.8%
	KENO WIN			0.0			77.5			(77.5)	-100.0%
	TOTAL WIN	4		32,957.2			32,625.1			332.1	1.0%
HILTON	TABLE DROP	8	94	59,236.0	28.3%	9.6%	87,685.2	25.4%	9.1%	1,350.8	2.3%
	TABLE WIN	4		10,706.8	18.1%		8,786.9	15.2%		1,907.7	21.7%
	SLOT WIN	11	1,817	13,190.5		5.3%	14,367.0		6.0%	(1,176.5)	-8.2%
	POKER WIN			0.0			0.0			0.0	0.0%
	SIMULCASTING			98.6			105.7			(7.1)	-6.7%
	KENO WIN			0.0			0.0			0.0	0.0%
	TOTAL WIN	8		23,995.7			23,271.6			724.1	3.1%
MARINA	TABLE DROP	8	85	33,094.1	37.3%	6.3%	39,578.4	30.6%	6.3%	(484.3)	-1.2%
	TABLE WIN	7		4,993.8	12.6%		4,457.8	11.3%		536.0	12.0%
	SLOT WIN	8	2,149	12,006.2		6.9%	18,657.3		6.9%	348.9	2.1%
	POKER WIN			0.0			0.0			0.0	0.0%
	SIMULCASTING			45.2			183.6			(138.4)	-75.4%
	KENO WIN			0.0			0.0			0.0	0.0%
	TOTAL WIN	9		22,045.2			21,208.7			746.5	3.5%
HARRAHS	TABLE DROP	11	75	32,805.5	18.7%	5.3%	34,371.5	19.0%	5.4%	(1,566.0)	-4.6%
	TABLE WIN	8		4,674.1	14.9%		4,872.7	14.2%		(1.4)	0.0%
	SLOT WIN	3	2,723	27,254.7		11.1%	23,570.1		9.8%	3,624.6	15.3%
	POKER WIN			111.5			92.9			18.7	26.2%
	SIMULCASTING			0.0			0.0			0.0	0.0%
	KENO WIN			83.0			129.5			(49.9)	-38.2%
	TOTAL WIN	5		32,352.3			28,765.1			3,589.2	12.5%
INDUSTRY	TABLE DROP		1,186	618,485.9	23.5%	100.0%	632,662.4	22.2%	100.0%	(14,378.8)	-2.3%
	TABLE WIN			94,375.9	15.3%		101,268.1	16.0%		(6,892.3)	-6.6%
	SLOT WIN		38,349	247,006.4		100.0%	241,276.8		100.0%	5,731.6	2.4%
	POKER WIN			2,950.8			2,781.0			99.8	3.6%
	SIMULCASTING			823.3			1,008.5			(185.2)	-18.4%
	KENO WIN			398.8			429.4			(22.6)	-5.7%
	TOTAL WIN			345,487.2			345,954.8			(1,467.6)	-0.4%

		RANK	# UNITS	1998	CREDIT/ HOLD% MKT.%	1999 MKT.%	1998	CREDIT/ HOLD% MKT.%	1999 MKT.%	VAR.	%VAR.
ZA	TABLE DROP	6	99	471,679.4	21.5%	8.2%	485,620.0	22.4%	8.4%	(13,940.6)	-2.9%
	TABLE WIN	6		78,077.9	16.1%		78,117.4	15.7%		(39.5)	-0.1%
	SLOT WIN	7	4,227	208,407.4		9.2%	211,768.0		9.8%	(3,360.6)	-1.6%
	POKER WIN			0.0			0.0			0.0	0.0%
	SIMULCASTING			0.0			0.0			0.0	0.0%
	KENO WIN			0.0			0.0			0.0	0.0%
	TOTAL WIN	6		284,485.3			287,872.4			(3,387.1)	-1.2%
CAESARS	TABLE DROP	2	127	758,462.9	27.7%	13.2%	768,248.2	31.1%	13.4%	(9,785.4)	-1.3%
	TABLE WIN	2		124,657.9	16.4%		117,585.9	15.3%		6,472.0	5.5%
	SLOT WIN	5	3,683	227,679.5		10.1%	204,728.7		9.5%	22,950.7	11.2%
	POKER WIN			939.4			1,016.6			(77.2)	-7.8%
	SIMULCASTING			1,203.7			1,224.8			(21.1)	-1.7%
	KENO WIN			1,815.3			1,655.9			159.4	9.6%
	TOTAL WIN	3		255,695.7			226,211.9			29,483.9	9.0%
BALLY	TABLE DROP	3	149	699,484.0	18.9%	12.0%	624,523.3	15.2%	10.9%	64,960.7	10.4%
	TABLE WIN	3		103,177.0	15.0%		92,401.3	14.8%		10,775.2	11.7%
	SLOT WIN	1	4,011	270,787.9		12.0%	261,324.2		12.1%	9,463.7	3.6%
	POKER WIN			1,114.3			1,432.7			(318.5)	-22.4%
	SIMULCASTING			1,893.1			1,887.4			(5.7)	-0.3%
	KENO WIN			633.1			701.4			(68.3)	-9.7%
	TOTAL WIN	2		377,605.4			357,787.5			19,817.9	5.5%
CLARIDGE	TABLE DROP	12	64	235,277.3	12.1%	4.1%	244,967.4	14.0%	4.3%	(8,690.1)	-3.5%
	TABLE WIN	12		32,889.6	13.8%		33,486.7	13.7%		(607.1)	-1.8%
	SLOT WIN	12	1,751	92,925.9		4.1%	95,088.6		4.4%	(2,162.7)	-2.3%
	POKER WIN			0.0			0.0			0.0	0.0%
	SIMULCASTING			0.0			0.0			0.0	0.0%
	KENO WIN			0.0			0.0			0.0	0.0%
	TOTAL WIN	12		125,812.5			128,575.3			(2,762.8)	-2.1%
SANDS	TABLE DROP	9	68	343,191.9	26.5%	6.0%	317,960.1	22.9%	5.5%	25,231.7	7.9%
	TABLE WIN	8		61,549.0	15.0%		47,567.5	15.0%		13,981.5	8.1%
	SLOT WIN	10	2,001	124,097.4		5.5%	118,020.6		5.5%	6,076.9	4.3%
	POKER WIN			1,609.0			1,447.6			161.4	11.1%
	SIMULCASTING			721.0			734.9			(13.9)	-1.9%
	KENO WIN			(0.0)			242.2			(242.2)	-100.0%
	TOTAL WIN	10		177,976.4			169,112.7			8,863.7	5.2%
RESORTS	TABLE DROP	8	67	343,741.0	24.3%	6.0%	316,893.0	17.5%	5.9%	26,848.0	8.5%
	TABLE WIN	10		47,293.4	13.8%		47,268.8	14.5%		24.6	0.1%
	SLOT WIN	11	1,382	122,710.0		5.4%	135,629.7		6.3%	(12,919.7)	-9.6%
	POKER WIN			0.0			89.0			(89.0)	-100.0%
	SIMULCASTING			645.9			690.1			(35.1)	-5.2%
	KENO WIN			0.0			48.6			(48.6)	-100.0%
	TOTAL WIN	11		173,649.4			183,784.2			(10,134.8)	-7.1%
TAJ MAHAL	TABLE DROP	1	148	787,377.9	22.3%	13.7%	903,011.7	26.4%	15.7%	(115,634.2)	-12.8%
	TABLE WIN	1		124,408.3	15.8%		148,905.6	16.5%		(24,497.3)	-16.5%
	SLOT WIN	2	4,316	249,549.3		11.1%	232,123.7		10.7%	17,425.6	7.7%
	POKER WIN			14,801.6			12,584.1			2,217.5	15.0%
	SIMULCASTING			954.5			970.8			(16.3)	-0.6%
	KENO WIN			985.6			1,021.4			(35.8)	-3.5%
	TOTAL WIN	1		390,387.3			395,611.6			(4,724.3)	-1.2%
SHOWBOAT	TABLE DROP	11	75	309,015.5	24.7%	5.4%	324,230.1	18.8%	5.6%	(16,214.6)	-5.0%
	TABLE WIN	11		45,012.0	14.9%		47,391.9	14.6%		(2,379.2)	-2.9%
	SLOT WIN	4	3,771	233,862.8		10.2%	226,797.8		10.5%	4,065.0	1.8%
	POKER WIN			0.0			0.0			0.0	0.0%
	SIMULCASTING			379.3			440.8			(61.4)	-13.5%
	KENO WIN			0.0			(0.1)			0.1	-100.0%
	TOTAL WIN	7		277,254.2			274,630.3			2,623.9	1.0%
TROP	TABLE DROP	5	117	543,815.7	20.8%	9.5%	585,866.8	23.1%	10.2%	(41,691.2)	-7.2%
	TABLE WIN	5		81,470.2	15.0%		81,427.9	15.6%		42.3	-0.9%
	SLOT WIN	6	3,676	210,110.1		9.3%	194,785.3		9.0%	15,324.8	7.6%
	POKER WIN			7,816.2			7,603.2			213.0	4.1%
	SIMULCASTING			1,060.4			1,178.0			(117.6)	-10.0%
	KENO WIN			324.6			743.2			(418.6)	-56.3%
	TOTAL WIN	4		300,881.6			295,736.6			5,145.0	1.7%
HILTON	TABLE DROP	4	94	570,842.1	28.5%	9.9%	500,673.0	22.2%	8.7%	70,169.2	14.0%
	TABLE WIN	4		82,589.0	16.2%		72,540.3	14.5%		20,048.7	27.6%
	SLOT WIN	9	1,854	125,617.6		5.6%	121,457.0		5.6%	4,160.6	3.4%
	POKER WIN			0.0			181.4			(181.4)	-100.0%
	SIMULCASTING			1,061.5			1,056.6			4.9	0.5%
	KENO WIN			0.0			77.1			(77.1)	-100.0%
	TOTAL WIN	8		219,288.2			195,311.5			23,976.7	12.3%
MARINA	TABLE DROP	7	87	352,124.4	33.4%	6.3%	345,317.9	29.8%	8.0%	10,815.5	4.9%
	TABLE WIN	7		55,411.6	15.3%		53,441.4	15.5%		1,970.2	3.7%
	SLOT WIN	8	2,143	192,549.0		6.8%	146,538.0		6.6%	6,011.0	4.1%
	POKER WIN			0.0			0.0			0.0	0.0%
	SIMULCASTING			1,662.7			1,757.1			(94.4)	-5.4%
	KENO WIN			0.0			0.0			0.0	0.0%
	TOTAL WIN	9		208,623.3			201,738.5			7,884.8	3.9%
HARRAHS	TABLE DROP	10	75	323,879.9	19.8%	5.8%	335,791.9	20.8%	5.8%	(12,211.9)	-3.6%
	TABLE WIN	9		48,301.2	14.9%		49,717.2	14.8%		(1,416.0)	-2.8%
	SLOT WIN	3	2,700	241,841.2		10.7%	213,387.3		9.9%	28,453.9	13.3%
	POKER WIN			976.1			891.9			84.2	10.7%
	SIMULCASTING			0.0			0.0			0.0	0.0%
	KENO WIN			1,033.8			1,189.5			(155.7)	-13.1%
	TOTAL WIN	5		292,152.2			265,176.0			26,976.2	10.2%
INDUSTRY	TABLE DROP		1,189	5,738,701.7	23.4%	100.0%	5,753,643.5	22.1%	100.0%	(14,941.8)	-0.2%
	TABLE WIN			883,231.2	15.4%		877,951.5	15.3%		5,279.8	0.6%
	SLOT WIN		36,015	2,257,539.0		100.0%	2,162,741.8		100.0%	94,797.2	4.4%
	POKER WIN			27,156.4			25,238.4			1,918.0	7.6%
	SIMULCASTING			9,611.4			9,939.6			(328.1)	-3.3%
	KENO WIN			4,772.4			5,677.3			(904.9)	-15.5%
	TOTAL WIN			3,182,310.5			3,081,546.6			100,764.0	3.3%

TRUMP PLAZA ASSOCIATES

FAX COVER SHEET

To:

(b)(6), (b)(7)(C)

FAX # 7926

FROM:

DATE:

PAGES: (INCLUDING COVER SHEET)

COMMENTS:

BOARDWALK AT MISSISSIPPI
ATLANTIC CITY, NJ 08401
PHONE: (609) 441-7951
FAX: (609) 441-7957

**Trump Plaza Hotel & Casino
Industry Comparison
3rd Quarter 1999 Actual vs. 1998 Actuals
(\$000's)**

	1999 Actual	1998 Actual	99/98 Variance	Var %
Industry Table Drop	\$2,141,159	\$2,090,091	\$51,068	2.4%
Plaza Table Drop	\$177,742	\$177,853	(\$111)	-0.1%
Plaza Table Market Share	8.3%	8.5%	(0.2) pts	
Industry Table Units	1,189	1,242	(53)	-4.3%
Plaza Table Units	94	101	(7)	-6.9%
Plaza Table Fair Share	7.9%	8.1%	(0.4) pts	
Plaza Efficiency	105.0%	104.6%	0.5 pts	
Industry Table Win*	\$320,017	\$322,934	(\$2,917)	-0.9%
Plaza Table Win*	\$31,116	\$27,812	\$3,304	11.9%
Plaza Hold %	17.5%	15.6%	0.7 pts	
Industry Hold %	14.9%	15.5%	(0.7) pts	
Industry Slot Win **	\$834,170	\$791,835	\$42,335	5.3%
Plaza Slot Win	\$74,913	\$77,444	(\$2,531)	-3.3%
Plaza Slot Market Share	9.0%	9.8%	(0.8) pts	
Industry Slot Units	36,205	36,021	184	0.5%
Plaza Slot Units	4,186	4,204	(18)	-0.4%
Plaza Slot Fair Share	11.6%	11.7%	(0.1) pts	
Plaza Efficiency	77.7%	83.8%	(6.1) pts	
Total Industry Casino Win*	\$1,154,187	\$1,114,769	\$39,418	3.5%
Total Plaza Win*	\$106,029	\$105,256	\$773	0.7%

**Trump Plaza Hotel & Casino
Industry Comparison
YTD 1999 Actual vs. 1998 Actuals
(\$000's)**

	1999 Actual	1998 Actual	99/98 Variance	Var %
Industry Table Drop	\$5,738,708	\$5,753,104	(\$14,396)	-0.3%
Plaza Table Drop	\$471,679	\$485,620	(\$13,941)	-2.9%
Plaza Table Market Share	8.2%	8.4%	(0.2) pts	
Industry Table Units	1,189	1,248	(59)	-4.7%
Plaza Table Units	99	110	(11)	-10.0%
Plaza Table Fair Share	8.3%	8.8%	(0.5) pts	
Plaza Efficiency	98.7%	95.8%	3.0 pts	
Industry Table Win*	\$883,258	\$877,957	\$5,301	0.6%
Plaza Table Win*	\$76,078	\$76,117	(\$39)	-0.1%
Plaza Hold %	16.1%	15.7%	0.4 pts	
Industry Hold %	15.4%	15.3%	0.1 pts	
Industry Slot Win **	\$2,258,030	\$2,162,736	\$95,294	4.4%
Plaza Slot Win	\$208,403	\$211,755	(\$3,352)	-1.6%
Plaza Slot Market Share	9.2%	9.8%	(0.6) pts	
Industry Slot Units	35,943	35,283	660	1.9%
Plaza Slot Units	4,202	4,124	78	1.9%
Plaza Slot Fair Share	11.7%	11.7%	0.0 pts	
Plaza Efficiency	78.9%	83.8%	(4.8) pts	
Total Industry Casino Win*	\$3,141,288	\$3,044,113	\$97,175	3.2%
Total Plaza Win*	\$284,481	\$287,872	(\$3,391)	-1.2%

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Trump Plaza Hotel and Casino
Operating Results for the Quarter Ended September 30, 1999 and 1998
Statement of Operations
(000's)

	99 Actual	98 Actual	Variance to 1998 Favorable/(Unfavorable)		99 Budget	Variance to Budget Favorable/(Unfavorable)	
			\$	%		\$	%
REVENUE:							
TABLES	\$31,207	\$27,898	\$3,309	11.9%	\$29,851	\$1,356	4.5%
SLOTS	73,692	75,771	(2,079)	-2.7%	79,227	(5,535)	-7.0%
TOTAL CASINO	\$104,900	\$103,669	\$1,231	1.2%	\$109,078	(\$4,178)	-3.8%
ROOMS	11,393	10,441	952	9.1%	11,343	50	0.4%
FOOD & BEVERAGE	14,013	15,013	(1,000)	-6.7%	14,077	(64)	-0.5%
ENTERTAINMENT	1,007	1,122	(115)	-10.2%	1,178	(171)	-14.5%
OTHER	2,828	2,415	413	17.1%	2,770	58	2.1%
GROSS REVENUES	\$134,141	\$132,660	\$1,481	1.1%	\$138,448	(\$4,305)	-3.1%
LESS PROMOTIONAL ALLOWANCES	17,043	17,767	724	4.1%	16,507	(536)	-3.2%
NET REVENUES	\$117,098	\$114,893	\$2,205	1.9%	\$121,939	(\$4,841)	-4.0%
EXPENSES							
Payroll & Related	\$34,846	\$37,187	\$2,341	6.3%	\$38,238	\$3,392	8.9%
Cost of Goods Sold	4,139	4,490	351	7.6%	4,233	94	2.2%
Coin/Table Coupons	14,296	14,594	298	2.0%	14,852	554	3.7%
Promotional Expenses	3,066	2,280	(806)	-35.4%	2,287	(793)	-34.9%
Advertising	1,209	1,894	685	36.2%	1,899	690	36.4%
Marketing/Entertainment	3,092	3,383	291	8.6%	3,705	613	16.5%
Gaming Tax & Regulatory Fees	9,808	9,427	(381)	-4.0%	10,253	444	4.3%
Property Tax, Rent & Insurance	6,442	6,338	(104)	-1.6%	5,824	(618)	-8.7%
Utilities	3,025	3,200	181	5.6%	3,294	269	8.2%
Allowance-Doubtful Accounts	315	1,681	1,368	61.3%	380	75	19.2%
General / Administrative and Other Operating	134,699	6,312	(128,386)	-2034.0%	7,768	(126,930)	-1634.1%
TOTAL OPERATING EXPENSES	\$214,959	\$90,792	(\$124,166)	-136.8%	\$92,842	(\$122,116)	-131.5%
GROSS OPERATING INCOME	(\$97,859)	\$24,101	(\$121,960)	-506.0%	\$29,097	(\$128,956)	-436.3%
MARGIN	-83.6%	21.0%	(104.5)pts		23.9%	(107.4)pts	
Work's Fair Closing	128,375	0	128,375	0.0%	0	128,375	0.0%
Gain on Disposal	(50)	0	(50)	0.0%	0	(50)	0.0%
CRDA	651	443	208	46.8%	465	186	39.9%
Interest Income	(99)	(144)	48	-33.1%	(152)	56	-36.7%
EBITDA	\$31,021	\$24,402	\$6,619	27.1%	\$29,410	\$1,611	5.5%
MARGIN	26.5%	21.2%	5.3 pts		24.1%	2.3 pts	

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Trump Plaza Hotel and Casino
 Operating Results for the Nine Months Ended September 30, 1999 and 1998
 Statement of Operations
 (\$ 000's)

	99 Actual	98 Actual	Variance to 1998		99 Budget	Variance to Budget	
			Favorable/(Unfavorable) \$	%		Favorable/(Unfavorable) \$	%
REVENUE:							
TABLES	\$76,035	\$76,298	(\$263)	-0.3%	\$78,877	(\$2,842)	-3.6%
SLOTS	205,064	207,636	(2,552)	-1.2%	216,732	(11,648)	-5.4%
TOTAL CASINO	\$281,119	\$283,934	(\$2,815)	-1.0%	\$295,609	(\$14,490)	-4.9%
ROOMS	28,735	26,875	1,860	6.9%	28,671	64	0.2%
FOOD & BEVERAGE	39,577	41,228	(1,651)	-4.0%	39,169	408	1.0%
ENTERTAINMENT	2,246	2,229	17	0.7%	2,498	(252)	-10.1%
OTHER	7,395	7,683	(268)	-3.5%	7,682	(287)	-3.7%
GROSS REVENUES	\$359,073	\$361,930	(\$2,856)	-0.8%	\$373,629	(\$14,556)	-3.9%
LESS PROMOTIONAL ALLOWANCES	48,544	47,822	1,278	2.7%	44,685	(1,859)	-4.2%
NET REVENUES	\$312,529	\$314,107	(\$1,577)	-0.5%	\$328,944	(\$16,415)	-5.0%
EXPENSES							
Payroll & Related	\$104,610	\$106,908	\$2,298	2.1%	\$110,843	\$8,233	5.6%
Cost of Goods Sold	11,617	12,189	572	4.7%	11,719	102	0.9%
Coin/Table Coupons	40,032	40,620	588	1.4%	41,724	1,692	4.1%
Promotional Expenses	7,066	6,221	(845)	-13.6%	6,709	(357)	-5.3%
Advertising	3,658	4,709	1,051	22.3%	5,042	1,384	27.5%
Marketing/Entertainment	8,221	9,229	1,008	10.9%	9,632	1,411	14.6%
Gaming Tax & Regulatory Fees	26,737	26,774	37	0.1%	26,352	1,614	5.7%
Property Tax, Rent & Insurance	17,317	17,637	620	2.9%	16,934	(383)	-2.3%
Utilities	8,298	8,390	92	1.1%	9,185	687	9.7%
Allowance-Doubtful Accounts	714	1,704	990	58.1%	1,590	876	55.1%
General / Administrative and Other Operating	146,557	20,863	(127,694)	-91.2%	22,895	(126,662)	-548.9%
TOTAL OPERATING EXPENSES	\$376,827	\$255,444	(\$121,383)	-47.5%	\$264,525	(\$112,302)	-42.4%
GROSS OPERATING INCOME	(\$64,297)	\$58,663	(\$122,960)	-209.6%	\$64,320	(\$128,617)	-200.0%
MARGIN	-20.6%	18.7%	(39.2) pts		19.6%	(40.1) pts	
World's Fair Closing	128,375	0	128,375	0.0%	0	128,375	9.0%
Gain on Disposal	(50)	0	(50)	0.0%	0	(50)	0.0%
CRDA	1,589	1,226	363	29.6%	1,311	278	21.2%
Interest Income	(422)	(947)	525	-55.4%	(464)	42	-9.0%
EBITDA	\$65,192	\$58,942	\$6,250	10.6%	\$65,157	\$35	0.0%
MARGIN	20.9%	18.8%	2.1 pts		19.8%	0.9 pts	

**Trump Taj Mahal Casino Resort
Industry Comparison
Three Months Ended September 30, 1999 vs. 1998
(\$000's)**

DRAFT

CONFIDENTIAL TREATMENT REQUEST BY THCR 00093

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Post-It Fax Note	7871	Date	10/22	# of pages	2
To	(b)(6),(b)(7)(C)	From	(b)(6),(b)(7)(C)		
Co.					
Phone #	(b)(6),(b)(7)(C)				
Fax	(b)(6),(b)(7)(C)				

	1999 Actual	1998 Actual	99/98 Variance	% Variance
Industry Table Drop	\$2,141,159	\$2,090,091	\$51,068	2.4%
Taj Table Drop	\$283,155	\$328,457	(\$45,302)	-13.8%
Taj Table Market Share	13.22%	15.71%	(2.5) Pts	
Industry Table Units	1,189	1,242	(53)	-4.3%
Taj Table Units	149	156	(7)	-4.5%
Taj Table Fair Share	12.53%	12.56%	(0.0) Pts	
Taj Efficiency	105.5%	125.1%	(19.6) Pts	
Industry Table Win	\$320,017	\$322,934	(\$2,917)	-0.9%
Taj Table Win	\$40,924	\$59,708	(\$18,784)	-31.5%
Taj Hold %	14.5%	18.2%	(3.7) Pts	
Industry Hold %	14.9%	15.5%	(0.6) Pts	
Industry Slot Win **	\$834,170	\$791,835	\$42,335	5.3%
Taj Slot Win **	\$92,927	\$86,832	\$6,095	7.0%
Taj Slot Market Share	11.14%	10.97%	0.2 Pts	
Industry Slot Units	36,205	36,021	184	0.5%
Taj Slot Units	4,419	4,136	283	6.8%
Taj Slot Fair Share	12.21%	11.48%	0.7 Pts	
Taj Efficiency	91.3%	95.5%	(4.2) Pts	
Total Industry Casino Win *	\$1,154,187	\$1,114,769	\$39,418	3.5%
Total Taj Win *	\$133,851	\$146,540	(\$12,689)	-8.7%

* Excludes poker, keno & simulcasting revenues
** Table & Slot win reported before accruals (cash basis)

**Trump Taj Mahal Casino Resort
Industry Comparison
Nine Months Ended September 30, 1999 vs. 1998
(\$000's)**

DRAFT

	1999 Actual	1998 Actual	99/98 Variance	% Variance
Industry Table Drop	\$5,738,708	\$5,753,104	(\$14,396)	-0.3%
Taj Table Drop	\$787,378	\$903,012	(\$115,634)	-12.8%
Taj Table Market Share	13.72%	15.70%	(2.0) Pts	
Industry Table Units	1,189	1,248	(59)	-4.7%
Taj Table Units	148	155	(7)	-4.5%
Taj Table Fair Share	12.45%	12.42%	0.0 Pts	
Taj Efficiency	110.2%	126.4%	(16.2) Pts	
Industry Table Win	\$883,258	\$877,957	\$5,301	0.6%
Taj Table Win	\$124,406	\$148,906	(\$24,500)	-16.5%
Taj Hold %	15.8%	16.5%	(0.7) Pts	
Industry Hold %	15.4%	15.3%	0.1 Pts	
Industry Slot Win **	\$2,258,030	\$2,162,736	\$95,294	4.4%
Taj Slot Win **	\$249,775	\$232,130	\$17,645	7.6%
Taj Slot Market Share	11.06%	10.73%	0.3 Pts	
Industry Slot Units	35,943	35,283	660	1.9%
Taj Slot Units	4,278	4,137	141	3.4%
Taj Slot Fair Share	11.90%	11.73%	0.2 Pts	
Taj Efficiency	92.9%	91.5%	1.4 Pts	
Total Industry Casino Win *	\$3,141,288	\$3,040,693	\$100,595	3.3%
Total Taj Win *	\$374,181	\$381,036	(\$6,855)	-1.8%

* Excludes poker, keno & simulcasting revenues

** Table & Slot win reported before accruals (cash basis)

**TRUMP MARINA
INDUSTRY PROJECTIONS
3RD QUARTER 1999 ACTUALS VS. 1998 ACTUALS
(000'S)**

	99 Actual	98 Actual	Variance to 1998	
			Var	%
Industry Table Drop	\$2,141,159	\$2,090,091	\$51,068	2.4%
Marina Table Drop	134,798	132,698	2,100	1.6%
Marina Table Market Share	6.3%	6.3%	0.0 pts	
Industry Table Units	1,189	1,242	(53)	-4.3%
Marina Table Units	85	91	(6)	-6.6%
Marina Table Fair Share	7.1%	7.3%	(0.2) pts	
Marina Efficiency	88.7%	88.3%	2.4 pts	
Industry Table Win	\$320,017	\$322,934	(\$2,917)	-0.9%
Marina Table Win	20,389	20,849	(460)	-2.2%
Marina Table Hold %	15.1%	15.7%	(0.6) pts	
Industry Table Hold	14.9%	15.5%	(0.6) pts	
Industry Slot Win	\$834,170	\$791,835	\$42,335	5.3%
Marina Slot Win	55,700	54,172	1,528	2.8%
Marina Slot Market Share	6.7%	6.8%	(0.1) pts	
Industry Slot Units	36,205	36,021	184	0.5%
Marina Slot Units	2,123	2,170	(47)	-2.2%
Marina Slot Fair Share	5.9%	6.0%	(0.1) pts	
Marina Efficiency	113.6%	113.3%	0.3 pts	
Total Industry Casino Win	\$1,154,187	\$1,114,769	\$39,418	3.5%
Total Marina Win	76,089	75,021	1,068	1.4%

Note: Table win and Slot win are reported BEFORE accruals.
Excludes Poker, Keno and Simulcasting Win.

**TRUMP MARINA
INDUSTRY PROJECTIONS
9 MONTHS 1999 ACTUALS VS. 1998 ACTUALS
(000'S)**

	99 Actual	98 Actual	Variance to 1998	
			Var	%
Industry Table Drop	\$5,736,708	\$5,753,104	(\$14,396)	-0.3%
Marina Table Drop	362,134	345,318	16,816	4.9%
Marina Table Market Share	6.3%	6.0%	0.3 pts	
Industry Table Units	1,189	1,248	(59)	-4.7%
Marina Table Units	87	92	(5)	-5.4%
Marina Table Fair Share	7.3%	7.4%	(0.1) pts	
Marina Efficiency	86.3%	81.1%	5.2 pts	
Industry Table Win	\$883,258	\$877,957	\$5,301	0.6%
Marina Table Win	55,411	53,442	1,969	3.7%
Marina Table Hold %	15.3%	15.5%	(0.2) pts	
Industry Table Hold	15.4%	15.3%	0.1 pts	
Industry Slot Win	\$2,258,030	\$2,162,736	\$95,294	4.4%
Marina Slot Win	152,384	146,542	5,842	4.0%
Marina Slot Market Share	6.7%	6.8%	(0.1) pts	
Industry Slot Units	35,943	35,263	680	1.9%
Marina Slot Units	2,145	2,163	(18)	-0.8%
Marina Slot Fair Share	6.0%	6.1%	(0.1) pts	
Marina Efficiency	111.7%	111.5%	0.2 pts	
Total Industry Casino Win	\$3,141,286	\$3,040,693	\$100,595	3.3%
Total Marina Win	207,795	199,984	7,811	3.9%

Note: Table win and Slot win are reported BEFORE accruals.
Excludes Poker, Keno and Simulcasting Win.

TRUMP PLAZA ASSOCIATES

FAX COVER SHEET

To: (b)(6),(b)(7)(C)

FAX # 7926

FROM:

DATE:

PAGES: (INCLUDING COVER SHEET)

COMMENTS:

BOARDWALK AT MISSISSIPPI
ATLANTIC CITY, NJ 08401
PHONE: (609) 441-7951
FAX: (609) 441-7957

PART I-- FINANCIAL INFORMATION

ITEM 1 -- FINANCIAL STATEMENTS

TRUMP ATLANTIC CITY ASSOCIATES AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS

(in thousands)

ASSETS

	December 31, 1998	September 30, 1999 (unaudited)
CURRENT ASSETS:		
Cash and cash equivalents	\$ 80,954	\$ 140,832
Receivables, net	60,786	45,808
Inventories	9,183	9,340
Due from affiliates, net	35,031	48,702
Other current assets	7,438	7,522
Total Current Assets	193,392	252,204
PROPERTY AND EQUIPMENT, NET	1,432,965	1,323,357
DEFERRED LOAN COSTS, NET	30,644	26,158
OTHER ASSETS	31,605	36,984
Total Assets	<u>\$ 1,688,606</u>	<u>\$ 1,638,703</u>

LIABILITIES AND CAPITAL

CURRENT LIABILITIES:		
Current maturities of long-term debt	\$ 3,482	\$ 4,513
Accounts payable and accrued expenses	83,216	110,221
Accrued interest payable	24,375	60,938
Total Current Liabilities	111,073	175,672
LONG-TERM DEBT, net of current maturities	1,299,217	1,302,372
OTHER LONG-TERM LIABILITIES	5,557	5,557
Total Liabilities	<u>1,415,847</u>	<u>1,483,601</u>
CAPITAL:		
Partners' Capital	329,691	329,691
Accumulated Deficit	(56,932)	(174,589)
Total Capital	272,759	155,102
Total Liabilities and Capital	<u>\$ 1,688,606</u>	<u>\$ 1,638,703</u>

The accompanying notes are an integral part of these condensed consolidated financial statements.

TRUMP ATLANTIC CITY ASSOCIATES AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 1998 AND 1999
(unaudited)
(in thousands)

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	<u>1998</u>	<u>1999</u>	<u>1998</u>	<u>1999</u>
REVENUES:				
Gaming	\$ 251,680	\$ 241,324	\$ 672,339	\$ 662,243
Rooms	21,851	22,457	58,479	57,750
Food and Beverage	30,047	29,170	83,146	80,540
Other	<u>9,062</u>	<u>27,110</u>	<u>25,303</u>	<u>42,335</u>
Gross Revenues	312,640	320,061	838,267	842,868
Less - Promotional allowances	<u>35,785</u>	<u>35,397</u>	<u>98,378</u>	<u>94,865</u>
Net Revenues	<u>276,855</u>	<u>284,664</u>	<u>739,889</u>	<u>748,003</u>
COSTS AND EXPENSES:				
Gaming	146,654	143,493	409,461	401,281
Rooms	7,686	7,276	21,356	21,832
Food and Beverage	10,027	10,037	28,300	28,370
General and Administrative	43,093	43,508	124,390	128,315
Trump World's Fair Closing Costs	-	128,375	-	128,375
Depreciation and Amortization	<u>15,474</u>	<u>14,241</u>	<u>46,085</u>	<u>44,910</u>
	<u>222,934</u>	<u>346,933</u>	<u>629,592</u>	<u>753,083</u>
Income from operations	<u>53,921</u>	<u>(62,269)</u>	<u>110,297</u>	<u>(5,080)</u>
NON-OPERATING INCOME AND (EXPENSES):				
Interest income	1,236	881	4,482	2,369
Interest expense	(38,475)	(38,592)	(115,994)	(115,331)
Non-operating income	<u>-</u>	<u>50</u>	<u>-</u>	<u>385</u>
Non-operating expense, net	<u>(37,239)</u>	<u>(37,661)</u>	<u>(111,512)</u>	<u>(112,577)</u>
NET INCOME (LOSS)	<u>\$ 16,682</u>	<u>\$ (99,927)</u>	<u>\$ (1,215)</u>	<u>\$ (117,657)</u>

The accompanying notes are an integral part of these condensed consolidated financial statements.



Trump

Conference Call

Leader: (b)(6),(b)(7)(C)

Date: October 25, 1999

Time: 10:00AM (E)

To: (b)(6),(b)(7)(C)

Phone: (b)(6),(b)(7)(C)

Fax: (b)(6),(b)(7)(C)

From: (b)(6),(b)(7)(C)

Phone: (b)(6),(b)(7)(C)

Fax: (b)(6),(b)(7)(C)

PARTICIPANT LIST

Name	Company	Phone
(b)(6),(b)(7)(C)	Bear Stearns	(b)(6),(b)(7)(C)
	MFS Investment	
	Alt Glazier Co.	
	Lord Abbett	
	Putnam Investments	
	Private Investor	
	PLJ Asset Management	
	Fidelity Investments	
	US Bank	
	Whippoorwill	
	Prudential	
	Regiment Capital	
	Indosecz Capital	
	AAL Capital	
	Jeffries & Co.	
	Conseco	
	John Hancock	
	South Coast Capial	
	Elliott & Page	

1450 Route 22 West, Mountainside, NJ 07093-2690 A Division of Communications Network Enhancement Inc.
 Tel: (908) 317-9100 Fax: (908) 317-4816 Web: <http://www.conferencecallservice.com>



CONFERENCE CALL SERVICE

(b)(6),(b)(7)(C)	Sheffield Corp. Seligman & Co. Canyon Capital DLJ Deutsche Bank Triton Partners OTA Limited Partnership Gabelli & Co. Peltec Merrill Lynch EG's Partners Trump Plaza Prudential Securities Trump Hotel Penny Group Investment Grant Chester Waddell & Reed T. Rowe Price Golden Sachs Pimco Dreyfus KF Capital First Albany Nomura Murray Capital Colonial Management American Express Donaldson Luffkin Imperial Capital Aspera Capital Mgmt. Marcus Group Merrill Lynch CSFD Bear Stearns Ebl Securities North East Investors The Marcus Group Private Investor State Street Global Adv. Credit Swiss First Boston	(b)(6),(b)(7)(C)
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 Tel: (908) 317-9100 Fax: (908) 317-4816 Web <http://www.conferencerecallservice.com>



CONFERENCE CALL SERVICE

(b)(6);(b)(7)(C)	Lehman Brothers Putnam Investments ABN Amro Leader Wardell & Reed Pilgrim Investment Solomon Smith Barney Wilke, Floor & Gallagher Marlon Group Bear Stearns Moody's Investors Svc. Bank of America Sec. Taylor Capital Management Taylor Capital Mgmt. Loews Rice, Hall, James AC Press Prudential CIBC World Markets Deutsche Bank	(b)(6);(b)(7)(C)
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1450 Route 22 West, Mountainside, NJ 07092-2690 A Division of Communications Network Enhancement Inc.
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NEWS RELEASE

For Immediate Release: October 25, 1999

For further information, contact: Nicholas L. Ribis, President and CEO (212) 688-0190

TRUMP HOTELS & CASINO RESORTS
THIRD QUARTER RESULTS
EBITDA INCREASED TO \$106.7 MILLION VS. \$90.6 MILLION IN 1998
NET PROFIT INCREASED TO 63 CENTS PER SHARE
VS. 24 CENTS PER SHARE IN 1998

NEW YORK, NY – Trump Hotels & Casino Resorts, Inc. (NYSE:DJT) announced today that for the third quarter ended, September 30, 1999, consolidated net revenues were \$403.1 million compared to \$397.4 million reported for the same period in 1998. THCR's EBITDA (earnings before interest, taxes, depreciation, amortization, Trump World's Fair charge and corporate expenses) for the quarter was \$106.7 million versus \$90.6 million reported for the prior year's third quarter. Net income increased to \$14.0 million or \$0.63 per share, before a one time Trump World's Fair charge, compared to \$5.3 million or \$0.24 per share in 1998. THCR's earnings per share of \$0.63 exceeded First Call estimates of \$0.54.

Nicholas Ribis, President and Chief Executive Officer of THCR, stated, "Our focus in 1999 was three-fold: first, to increase our operating margins at each operating entity; second, to decrease our marketing costs; and third, to increase our cash sales from our non-casino operations. We have succeeded in achieving positive results in each of the three categories. The third quarter and nine month results for the company indicate that we have successfully instituted the programs that we focused on during 1999."

THCR in the third quarter also ceased operations at the Trump World's Fair Casino Hotel in Atlantic City and it has taken a one-time charge of \$81.4 million (\$128.4 million less minority interest of \$47.0 million or \$3.67 per share) with respect to the closing. THCR has indicated it will demolish the existing structures, and planning has commenced for the development of this 10-acre Boardwalk site into a 4,000-room hotel and a 200,000 sq. ft. casino to be connected to the newly renovated Atlantic City Entertainment Center, and a proposed 10,000-car parking garage.

This press release contains forward-looking statements that are subject to change. Actual results may differ materially from those described in any forward-looking statement. Additional information concerning potential factors that could affect the Company's future results is included in the Company's Annual Report on Form 10-K for the year ended December 31, 1998. This statement is provided as permitted by the Private Securities Litigation Reform Act of 1995.

Trump Hotels & Casino Resorts, Inc. owns and operates Trump Plaza Hotel & Casino, Trump Taj Mahal Casino Resort and Trump Marina Hotel Casino in Atlantic City, NJ, as well as Trump Indiana, the riverboat casino at Buffington Harbor, Indiana on Lake Michigan. It is the exclusive vehicle through which Trump will engage in new gaming activities in both emerging and established gaming jurisdictions in both the United States and abroad

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TAJ MAHAL

	3 MOS 99	3 MOS 98	9 MOS 99	9 MOS 98
REVENUES				
TABLES	40.8	60.1	124.4	149.3
SLOTS	89.6	82.5	240.2	224.5
POKER, KENO, RACE	6.0	5.5	16.5	14.6
GAMING REVENUES	136.4	148.0	381.1	388.4
HOLD %	14.4%	18.3%	15.8%	16.5%
NON-GAMING				
ROOMS	11.1	11.4	29.0	31.6
FOOD & BEVERAGE	15.2	15.0	41.0	41.9
OTHER	23.4	5.7	33.4	15.4
NON-GAMING	49.6	32.1	103.4	88.9
PROMOTIONAL ALLOW	(18.4)	(18.0)	(48.3)	(50.6)
NET REVENUES	167.7	162.1	436.2	428.7
OCCUPANCY %	98.6%	98.2%	96.1%	91.3%
COSTS & EXPENSES				
GAMING	85.4	84.6	237.2	237.0
ROOMS	3.7	3.9	11.7	11.1
FOOD & BEVERAGE	5.3	5.0	14.4	14.4
GEN & ADMIN	22.2	22.6	66.4	64.2
	116.6	116.1	329.6	326.6
EBITDA	51.0	46.0	106.6	100.2

TRUMP PLAZA

	3 MOS 99	3 MOS 98	9 MOS 99	9 MOS 98
REVENUES				
TABLES	31.2	27.9	76.0	76.3
SLOTS	73.7	75.8	205.1	207.6
POKER, KENO, RACE				
GAMING REVENUES	104.9	103.7	281.1	283.9
HOLD %	17.6%	15.7%	16.1%	15.7%
NON-GAMING				
ROOMS	11.4	10.4	28.7	26.9
FOOD & BEVERAGE	14.0	15.0	39.6	41.2
OTHER	3.7	3.4	9.2	8.9
NON-GAMING	29.1	28.8	77.5	77.0
PROMOTIONAL ALLOW	(17.0)	(17.8)	(46.5)	(47.8)
NET REVENUES	117.0	114.8	312.1	313.2
OCCUPANCY %	95.5%	95.5%	89.8%	87.1%
COSTS & EXPENSES				
GAMING	58.1	62.0	168.3	172.5
ROOMS	3.5	3.8	10.0	10.3
FOOD & BEVERAGE	4.7	5.1	12.8	13.9
GEN & ADMIN	19.6	19.4	55.8	57.5
	86.0	90.3	246.9	254.2
EBITDA	31.0	24.4	65.2	58.9

MARINA

	3 MOS 99	3 MOS 98	9 MOS 99	9 MOS 98
REVENUES				
TABLES	20.4	20.8	55.4	53.6
SLOTS	54.3	52.5	148.4	142.9
POKER, KENO, RACE	0.6	1.0	1.7	1.8
GAMING REVENUES	75.3	74.3	205.5	198.4
HOLD %	15.1%	15.7%	15.3%	15.5%
NON-GAMING				
ROOMS	5.0	5.0	12.3	12.5
FOOD & BEVERAGE	10.2	10.5	26.4	26.0
OTHER	3.4	3.7	8.1	8.3
NON-GAMING	18.7	19.2	46.7	46.8
PROMOTIONAL ALLOW	(10.6)	(11.7)	(28.5)	(29.7)
NET REVENUES	83.5	81.8	223.7	215.4
OCCUPANCY %	94.9%	96.8%	85.0%	88.3%
COSTS & EXPENSES				
GAMING	43.5	46.7	124.9	125.6
ROOMS	1.0	0.8	2.9	2.4
FOOD & BEVERAGE	3.5	3.1	8.1	7.4
GEN & ADMIN	15.7	15.8	45.5	44.0
	63.9	66.4	181.4	179.4
EBITDA	19.6	15.3	42.3	36.1

INDIANA

	3 MOS 99	3 MOS 98	9 MOS 99	9 MOS 98
REVENUES				
TABLES	6.9	8.5	23.3	25.7
SLOTS	26.8	29.7	81.5	75.6
POKER, KENO, RACE				
	-----	-----	-----	-----
GAMING REVENUES	33.6	38.2	104.8	101.3
HOLD %	16.1%	15.4%	16.6%	15.9%
NON-GAMING				
ROOMS	1.1		2.2	
FOOD & BEVERAGE	1.0	0.4	2.6	1.3
OTHER	0.4	0.3	1.1	0.9
	-----	-----	-----	-----
NON-GAMING	2.5	0.8	5.9	2.2
PROMOTIONAL ALLOW	(1.2)	(0.2)	(2.2)	(0.5)
	-----	-----	-----	-----
NET REVENUES	34.9	38.8	108.5	103.0
	-----	-----	-----	-----
OCCUPANCY %	79.3%		52.3%	
COSTS & EXPENSES				
GAMING	23.0	26.5	69.3	70.1
ROOMS	0.6		1.5	
FOOD & BEVERAGE	1.3	0.9	3.7	2.5
GEN & ADMIN	5.0	6.5	18.0	17.9
	-----	-----	-----	-----
	29.9	33.9	92.4	90.5
EBITDA	5.0	4.8	16.1	12.5
	=====	=====	=====	=====

COMBINED

	3 MOS 99	3 MOS 98	9 MOS 99	9 MOS 98
REVENUES				
TABLES	99.3	117.3	279.1	304.9
SLOTS	244.4	240.4	675.2	650.6
POKER, KENO, RACE	6.6	6.5	18.2	16.4
GAMING REVENUES	350.3	364.2	972.5	971.9
NON-GAMING				
ROOMS	28.6	26.8	72.3	70.9
FOOD & BEVERAGE	40.4	40.9	109.5	110.4
OTHER	30.9	13.1	51.8	33.5
NON-GAMING	99.9	80.9	233.6	214.9
PROMOTIONAL ALLOW	(47.1)	(47.7)	(125.5)	(128.6)
NET REVENUES	403.1	397.4	1,080.6	1,058.3
COSTS & EXPENSES				
GAMING	210.0	219.9	599.6	605.1
ROOMS	8.9	8.5	26.0	23.7
FOOD & BEVERAGE	14.9	14.0	39.0	38.2
GEN & ADMIN	62.6	64.4	185.7	183.6
	296.4	306.8	850.4	850.6
EBITDA	106.7	90.6	230.2	207.7

Conference CALL 10/25/99

① (b)(6), (b)(7)(C)

- ① ACQUISITIONS

① SALE OF PROPERTY

② REDUCTION OF DEBT

③ GARAGE \$5-7 MILLION EBITDA

④ MARINA ROOM RENOVATION

④

\$5 MILLION -

⑤ \$5 MILLION HOLD EFFECT

(b)(6), (b)(7)(C)

① EXPENSES

\$7 MILLION ~~CONS~~ CONS. BUSINESS

1-2 YR QTR.

② ADR → CASH/COMP MIX.

(b)(6), (b)(7)(C)

① WHY SUCH SAVINGS IN 3rd QTR

② TAX GAMING ↓ 01

NO GAMING IN 6

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NO COMMENT

(b)(6), (b)(7)(C)

① TIMING OF SALES & REFINANCING

MARINA - NEXT YEAR

SALE

(b)(6),(b)(7)(C)

CASH BALANCES
↓ WF CLOSING COSTS

4/16 ENTERTAINMENT

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- LOWER - BUS COSTS AT
- WF DEMOLITION
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Market Value based upon an appraisal.

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ALL
STATE
DISCLOSURE

Trump Hotels & Casino Resorts

725 Fifth Avenue
24th Floor
New York, NY 10022
Telephone: (212) 891-1500
Fax: (212) 688-0397

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* 10/22 - (b)(6),(b)(7)(C) *see below*

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TRUMP HOTELS & CASINO RESORTS, INC.
Condensed Consolidated Statements of Operations
 (Unaudited)
 (In thousands, except share data)

	3 MONTHS		9 MONTHS	
	30-Sep-99	30-Sep-98	30-Sep-99	30-Sep-98
REVENUES				
CASINO	\$950,308	\$964,172	\$972,529	\$971,945
ROOMS	28,569	26,841	72,262	70,930
FOOD & BEVERAGE	40,429	40,927	109,523	110,443
OTHER	30,902	13,132	51,777	33,556
PROMOTIONAL ALLOWANCES	(47,136)	(47,685)	(125,522)	(128,578)
NET REVENUES	\$403,072	\$397,387	\$1,080,569	\$1,058,296
COSTS & EXPENSES				
GAMING	\$210,020	\$219,321	\$595,463	\$605,126
ROOMS	8,930	8,670	26,177	23,730
FOOD & BEVERAGE	14,901	13,988	40,175	38,199
GENERAL & ADMIN	62,556	64,418	188,549	183,571
TOTAL EXPENSES	\$296,408	\$306,398	\$850,364	\$850,626
EBITDA	\$106,664	\$90,989	\$230,205	\$207,670
CROWN/INDIANA STATE & MUNIC OBLIG.	\$2,528	\$2,321	\$7,065	\$6,463
DEPRECIATION & AMORTIZATION	21,775	21,800	65,613	64,882
INTEREST INCOME	(1,832)	(2,019)	(5,145)	(7,166)
INTEREST EXPENSE	\$5,878	\$5,390	166,781	166,679
CORPORATE EXPENSES	4,645	3,538	13,103	11,510
DEVELOPMENT COSTS	1,410	480	3,270	1,075
OTHER NON-OPER EXPENSE	259	704	3,054	890
TOTAL NON-OPERATING EXPENSE, NET	\$24,660	\$22,214	\$252,743	\$244,433
INCOME(LOSS) BEFORE MINORITY INTEREST, CUM EFFECT OF ACCTG PRIN CHANGE, & WF CLOSING	\$22,005	\$8,375	(\$22,538)	(\$36,772)
MINORITY INTEREST	(8,046)	(3,063)	8,242	13,434
INCOME(LOSS) BEFORE CUM EFFECT OF ACCTG PRIN CHANGE, & WF CLOSING	13,958	5,312	(14,296)	(23,338)
TRUMP WORLD'S FAIR CLOSING, NET OF MINORITY INT	(81,428)		(81,428)	
CUMULATIVE EFFECT OF ACCTG PRIN CHANGE			(3,965)	
NET INCOME(LOSS)	(\$67,470)	\$5,312	(\$99,269)	(\$23,338)
WEIGHTED AVERAGE # SHARES	22,195,256	22,195,256	22,195,256	22,206,428
BASIC AND DILUTED EARNINGS(LOSS) PER SHARE	(\$3.04)	\$0.24	(\$4.47)	(\$1.05)
BASIC AND DILUTED EARNINGS(LOSS) PER SHARE BEFORE WF CLOSING COSTS & CUM EFFECT OF ACCTG PRINCIPLE CHANGE	\$0.63	\$0.24	(\$0.64)	(\$1.05)

THCR
 11/18/99

REVENUE TABLET SLOTS R
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22-Oct-98
10:53 AM

Trump Plaza Hotel and Casino
Operating Results for the Nine Months Ended September 30, 1999 and 1998
Statement of Operations
(\$000's)

	99 Actual	98 Actual	Variance to 1998 Favorable/(Unfavorable)	%	98 Budget	Variance to Budget Favorable/(Unfavorable)	%
REVENUE:							
TABLES	\$76,035	\$76,288	(\$253)	-0.3%	\$79,877	(\$3,842)	-3.8%
SLOTS	205,084	207,638	(2,552)	-1.2%	218,732	(11,048)	-5.4%
TOTAL CASINO	\$281,118	\$283,924	(\$2,805)	-1.0%	\$298,608	(\$14,490)	-4.8%
ROOMS	26,735	28,876	1,680	6.8%	28,871	64	0.2%
FOOD & BEVERAGE	39,577	41,278	(1,651)	-4.0%	39,160	408	1.0%
ENTERTAINMENT	2,248	2,279	17	0.7%	2,488	(262)	-10.1%
OTHER	7,395	7,653	(258)	-3.8%	7,882	(287)	-3.1%
GROSS REVENUES	\$359,073	\$361,930	(\$2,856)	-0.8%	\$373,879	(\$14,566)	-3.9%
LESS PROMOTIONAL ALLOWANCES	48,544	47,822	1,276	2.7%	44,885	1,850	4.2%
NET REVENUES	\$312,528	\$314,107	(\$1,577)	-0.5%	\$328,944	(\$16,415)	-5.0%
EXPENSES							
Payroll & Related	\$104,610	\$105,808	\$2,268	2.1%	\$103,840	1,968	1.9%
Cost of Goods Sold	11,617	12,189	572	4.7%	11,718	469	4.1%
Coin/Token Coupons	40,032	40,820	788	1.4%	41,724	(1,692)	-4.1%
Promotional Expenses	7,065	8,221	(1,155)	-13.0%	8,709	(357)	-4.1%
Advertising	3,658	4,708	(1,051)	-22.3%	5,042	(1,384)	-27.5%
Marketing/Entertainment	8,221	8,228	(7)	0.1%	8,632	(411)	-4.8%
Gaming Tax & Regulatory Fees	29,737	29,714	37	0.1%	28,352	1,362	4.8%
Property Tax, Rent & Insurance	17,317	17,800	483	2.8%	16,934	866	5.1%
Utilities	8,286	8,380	92	1.1%	8,185	1,955	23.8%
Allowance-Doubtful Accounts	714	1,704	990	58.1%	1,880	(166)	-8.8%
General/Administrative and Other Operating	148,507	20,860	(127,644)	-612.1%	22,895	(125,662)	-548.9%
TOTAL OPERATING EXPENSES	\$376,927	\$376,444	(\$483)	-0.1%	\$384,075	(\$7,147)	-1.9%
GROSS OPERATING INCOME	(\$64,397)	\$38,063	(\$102,460)	-208.6%	\$64,820	(\$102,883)	-158.8%
MARGIN	-20.8%	18.7%	(39.2)pts		18.8%	(40.1)pts	
Worldeis Fair Gaming	126,375	0	(126,375)	0.0%	0	126,375	0.0%
Gain on Disposal	(60)	0	(60)	0.0%	0	(60)	0.0%
CRDA	1,228	1,228	0	0.0%	1,311	(83)	-6.3%
Interest Income	(422)	(647)	225	-56.4%	(654)	42	-6.4%
EBITDA	\$65,192	\$65,942	(750)	-1.1%	\$65,167	775	1.2%
MARGIN	20.8%	18.8%	2.1 pts		19.8%	0.9 pts	

TRUMP HOTELS & CASINO RESORTS
 COMPARISON OF EXPENSES
 (IN THOUSANDS)

FOR THE QUARTER ENDED	FOR THE QUARTER ENDED			FOR THE NINE MONTHS ENDED			EXPLANATION OF VARIANCE
	09/30/99	09/30/98	VARIANCE	09/30/99	09/30/98	VARIANCE	
LEGAL-AC ISSUES/GEN REP	\$1,070	\$727	(\$343)	\$3,432	\$2,430	(\$1,002)	MIRAGE LAWSUIT
PAYROLL	691	673	(308)	2,617	2,881	264	SEE NOTE BELOW
ADVERTISING	295	51	(244)	826	218	(608)	CORPORATE IMAGE ALLOC BEGAN 10/98
ALL OTHER	2,239	2,097	(212)	6,228	5,981	(247)	TRAVEL EXP, ANNUAL REPORT
TOTAL CORPORATE EXPENSES	4,645	3,528	(1,107)	13,103	11,510	(1,593)	
DEVELOPMENT-CONN	551	0	(551)	1,581	0	(1,581)	1998 DEFERRED EXP
DEVELOPMENT/LOBBYING-KC,NY, PA, ETC	859	389	(379)	1,888	1,075	(614)	KANSAS CITY
	\$6,945	\$4,018	(\$2,927)	\$15,372	\$12,585	(\$2,787)	

NEW EMPLOYEES IN 1998:

(b)(6),(b)(7)(C) ALLOCATION TO NEW YORK OFFICE
 (b)(6),(b)(7)(C) ALLOCATION TO EXECUTIVE DEPARTMENT

REALLOCATION OF \$800,000 FROM EXECUTIVE DEPARTMENT IN JUNE 1998 TO THCR HOLDINGS
 PARTIALLY OFFSET INCREASES IN PAYROLL FOR NEW EMPLOYEES IN 1998

CONFIDENTIAL TREATMENT REQUEST BY THCR 00119

NOV-19-1999 15:31

TRUMP

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TRUMP HOTELS & CASINO RESORTS, INC.
Condensed Consolidated Statements of Operations
(Unaudited)
(In thousands, except share data)

	3 MONTHS		9 MONTHS	
	30-Sep-99	30-Sep-98	30-Sep-99	30-Sep-98
NET REVENUES	\$403,072	\$297,387	\$1,080,569	\$1,058,296
COSTS & EXPENSES	296,406	306,798	850,364	850,635
EBITDA	106,666	90,589	230,205	207,661
CRDA/INDIANA STATE & MUNIC OBLIG.	2,528	2,321	7,065	6,463
DEPRECIATION & AMORTIZATION	21,775	21,800	65,613	64,882
INTEREST EXPENSE, NET	54,043	53,371	161,638	159,513
CORPORATE EXPENSES	4,845	3,538	13,103	11,510
OTHER NON- OPERATING EXPENSE	1,669	1,184	5,324	2,065
TOTAL NON-OPERATING EXPENSE, NET	84,660	82,214	252,743	244,433
INCOME(LOSS) BEFORE MINORITY INTEREST, TRUMP WORLD'S FAIR CLOSING COSTS, & CUMULATIVE EFFECT OF CHANGE IN ACCOUNTING PRINCIPLE	22,006	8,375	(22,538)	(36,772)
MINORITY INTEREST	(8,048)	(3,063)	8,242	13,434
INCOME(LOSS) BEFORE TRUMP WORLD'S FAIR CLOSING COSTS & CUM. EFFECT OF CHANGE IN ACCTG PRIN.	13,958	5,312	(14,296)	(23,338)
TRUMP WORLD'S FAIR CLOSING COSTS, (\$128,375 LESS MINORITY INTEREST OF \$46,947)	(81,428)	-	(81,428)	-
CUMULATIVE EFFECT OF CHANGE IN ACCTG PRIN.			(3,565)	-
NET INCOME(LOSS)	(\$67,470)	\$5,312	(\$99,289)	(\$23,338)
AVERAGE # SHARES	22,195,258	22,195,256	22,195,256	22,206,428
BASIC AND DILUTED EARNINGS(LOSS) PER SHARE	(\$3.04)	\$0.24	(\$4.47)	(\$1.05)
BASIC AND DILUTED EARNINGS PER SHARE BEFORE TRUMP WORLD'S FAIR CLOSING COSTS & CUMULATIVE EFFECT OF CHANGE IN ACCTG PRIN.	\$0.63	\$0.24	(\$0.64)	(\$1.05)

Note: Certain prior year reclassifications have been made to conform to current year presentation.

TRUMP ATLANTIC CITY ASSOCIATES
Condensed Consolidated Statements of Operations
(Unaudited)
(in thousands)

	3 MONTHS		9 MONTHS	
	30-Sep-99	30-Sep-98	30-Sep-99	30-Sep-98
NET REVENUES	\$284,664	\$276,855	\$748,338	\$739,889
COSTS & EXPENSES	<u>202,617</u>	<u>206,441</u>	<u>576,542</u>	<u>580,771</u>
EBITDA	<u>82,047</u>	<u>70,414</u>	<u>171,796</u>	<u>159,118</u>
CRDA	1,216	1,070	3,191	2,834
DEPRECIATION & AMORTIZATION	14,704	15,405	44,910	45,901
INTEREST EXPENSE, NET	37,713	37,239	112,952	111,512
OTHER NON-OPERATING EXPENSE	(34)	18	15	86
TOTAL NON-OPERATING EXPENSE, NET	<u>53,599</u>	<u>53,732</u>	<u>161,078</u>	<u>160,333</u>
INCOME (LOSS) BEFORE TRUMP WORLD'S FAIR CLOSING	28,448	16,682	10,718	(1,215)
TRUMP WORLD'S FAIR CLOSING COSTS	<u>128,375</u>	<u>-</u>	<u>128,375</u>	<u>-</u>
NET INCOME (LOSS)	<u>(\$99,927)</u>	<u>\$16,682</u>	<u>(\$117,657)</u>	<u>(\$1,215)</u>

Note: Certain prior year reclassifications have been made to conform to current year presentation.

TRUMP TAJ MAHAL ASSOCIATES
Condensed Statements of Operations
(Unaudited)
(In thousands, except statistical information)

	3 MONTHS		9 MONTHS	
	30-Sep-99	30-Sep-98	30-Sep-99	30-Sep-98
NET REVENUES	\$167,662	\$162,104	\$436,229	\$426,729
COSTS & EXPENSES	116,636	116,092	329,824	326,553
EBITDA (1)	<u>551,026</u>	<u>\$46,012</u>	<u>\$106,605</u>	<u>\$100,176</u>
Selected Statistics:				
# of Slots	4,419	4,136	4,278	4,137
Win per Slot/Day	\$220	\$217	\$206	\$199
# of Tables	149	156	148	156
Win per Table/Day	\$2,979	\$4,187	\$3,078	\$3,528
Table Drop	\$283,155	\$328,457	\$797,378	\$902,011
Hold %	14.4%	13.3%	15.8%	16.5%
# of Rooms Sold	113,422	112,875	327,975	311,677
Room Rates	\$97.55	\$101.09	\$88.47	\$101.40
Occupancy %	98.6%	98.2%	96.1%	91.3%

(1) EBITDA reflects earnings before depreciation, interest, taxes, and CRDA writedown.

Note: Certain prior year reclassifications have been made to conform to current year presentation.

TRUMP PLAZA ASSOCIATES
Condensed Statements of Operations
(Unaudited)
(In thousands, except statistical information)

	3 MONTHS		9 MONTHS	
	30-Sep-99	30-Sep-98	30-Sep-99	30-Sep-98
NET REVENUES	\$117,002	\$114,751	\$312,109	\$313,160
COSTS & EXPENSES	85,981	90,348	246,918	254,218
EBITDA (1)	<u>\$31,021</u>	<u>\$24,402</u>	<u>\$65,191</u>	<u>\$58,942</u>
Selected Statistics:				
# of Slots	4,186	4,204	4,202	4,124
Win per Slot/Day	\$192	\$196	\$179	\$184
# of Tables	94	101	99	110
Win per Table/Day	\$3,609	\$3,002	\$2,813	\$2,539
Table Drop	\$177,742	\$177,853	\$471,679	\$485,620
Hold %	17.6%	15.7%	16.1%	15.7%
# of Rooms Sold	123,298	123,302	344,237	333,863
Room Rates	\$92.40	\$84.58	\$83.47	\$80.50
Occupancy %	95.5%	95.5%	89.8%	87.1%

(1) EBITDA reflects earnings before depreciation, interest, taxes, CRDA writedown, and Trump World's Fair closing costs.

Note: Certain prior year reclassifications have been made to conform to current year presentation.

TRUMP'S CASTLE ASSOCIATES
d/b/a TRUMP MARINA
Condensed Statements of Operations
(Unaudited)
(In thousands, except statistical information)

	3 MONTHS		9 MONTHS	
	30-Sep-99	30-Sep-98	30-Sep-99	30-Sep-98
NET REVENUES	\$83,487	\$81,756	\$223,691	\$215,444
COSTS & EXPENSES	63,875	66,412	181,422	179,376
EBITDA (1)	\$19,612	\$15,344	\$42,269	\$36,068
Selected Statistics:				
# of Slots	2,123	2,170	2,145	2,163
Win per Slot/Day	\$278	\$263	\$253	\$242
# of Tables	85	91	87	92
Win per Table/Day	\$2,609	\$2,489	\$2,393	\$2,136
Table Drop	\$134,798	\$132,698	\$352,134	\$345,318
Hold %	15.1%	15.7%	15.3%	15.5%
# of Rooms Sold	62,571	64,839	163,831	175,390
Room Rates	\$79.39	\$76.96	\$72.65	\$70.99
Occupancy %	94.9%	96.8%	85.0%	88.3%

(1) EBITDA reflects earnings before depreciation, interest, taxes, and CRDA writedown.

Note: Certain prior year reclassifications have been made to conform to current year presentation.

TRUMP INDIANA, INC.
Condensed Statements of Operations
(Unaudited)
(In thousands, except statistical information)

	3 MONTHS		9 MONTHS	
	30-Sep-99	30-Sep-98	30-Sep-99	30-Sep-98
NET REVENUES	\$34,921	\$38,776	\$108,540	\$102,963
COSTS & EXPENSES	29,914	33,945	92,400	80,488
EBITDA (1)	\$5,007	\$4,831	\$16,140	\$12,475
Selected Statistics:				
# of Slots	1,300	1,375	1,300	1,375
Win per Slot/Day	\$224	\$225	\$230	\$201
# of Tables	50	60	50	60
Win per Table/Day	\$1,491	\$1,533	\$1,707	\$1,569
Table Drop	\$42,544	\$54,943	\$140,724	\$161,899
Hold %	16.1%	15.4%	16.6%	15.9%
# of Rooms Sold	21,875	-	42,114	-
Room Rates	\$51.00	-	\$54.00	-
Occupancy %	79.3%	-	52.3%	-

(1) EBITDA reflects earnings before depreciation, interest, taxes, and Indiana State & Municipal obligations.

Note: Certain prior year reclassifications have been made to conform to current year presentation.
The hotel at Trump Indiana commenced operations in October 1998.

TRUMP HOTELS & CASINO RESORTS, INC.
Supplemental Information
(Unaudited)
(In thousands)

	3 MONTHS		9 MONTHS	
	30-Sep-99	30-Sep-98	30-Sep-99	30-Sep-98
CRDA/INDIANA OBLIGATIONS				
TAJ	\$555	\$627	\$1,602	\$1,608
PLAZA	651	443	1,589	1,226
MARINA	387	326	1,099	854
INDIANA STATE & MUNICIPAL OBLIG.	925	925	2,775	2,775
TOTAL CRDA/INDIANA OBLIG	\$2,528	\$2,321	\$7,065	\$6,463
DEPRECIATION & AMORTIZATION				
TAJ	\$9,012	\$8,910	\$27,571	\$27,204
PLAZA	5,892	6,495	17,339	18,697
THCR HOLDINGS	77	67	221	195
MARINA	4,454	4,160	12,980	12,358
INDIANA (INCL JOINT VENTURE LOSS)	2,540	2,168	7,502	6,428
TOTAL DEPRECIATION/AMORT	\$21,775	\$21,800	\$65,613	\$64,282
INTEREST EXPENSE				
TAJ	\$23,408	\$23,502	\$70,278	\$70,631
PLAZA	12,026	11,883	35,535	35,778
TRUMP ATLANTIC CITY	3,158	3,090	9,517	9,585
THCR HOLDINGS	6,065	6,060	18,154	17,992
MARINA	10,525	10,193	31,397	30,436
INDIANA	694	662	1,899	2,267
TOTAL INTEREST EXPENSE	\$55,876	\$55,390	\$166,781	\$166,679
LOAN COST AMORT/BOND DISC INCL IN INT EXP				
TAJ	\$848	\$951	\$2,617	\$2,938
PLAZA	424	475	1,308	1,468
TRUMP ATLANTIC CITY	345	279	1,080	1,179
THCR HOLDINGS	269	269	806	806
MARINA(BOND DISC ACCRETION)	1,111	957	3,220	2,761
INDIANA	37	35	109	191
TOTAL LOAN COST AMORT/BOND DISC	\$3,034	\$2,967	\$9,140	\$9,343

Note: Certain prior year reclassifications have been made to conform to current year presentation.

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TRUMP

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P.17

Trump Plaza Hotel and Casino
Operating Results for the Quarter Ended September 30, 1999 and 1998
Statement of Operations
(000's)

	99 Actual	98 Actual	Variance to 1998		99 Budget	Variance to Budget	
			Expendable/(Unfavorable) \$	%		Expendable/(Unfavorable) \$	%
REVENUE:							
TABLES	\$31,267	\$27,806	\$3,469	11.8%	\$78,851	\$1,358	4.5%
SLOTS	73,682	75,771	(2,079)	-2.7%	79,227	(5,335)	-7.0%
TOTAL CASINO	\$104,960	\$103,669	\$1,231	1.2%	\$100,678	(\$4,176)	-3.8%
ROOMS	11,383	10,441	952	9.1%	11,343	50	0.4%
FOOD & BEVERAGE	14,013	15,013	(1,000)	-6.7%	14,977	(64)	-0.5%
ENTERTAINMENT	1,097	1,122	(115)	-10.2%	1,179	(171)	-14.5%
OTHER	2,828	2,415	413	17.1%	2,779	68	2.1%
GROSS REVENUES	\$134,141	\$192,800	\$1,481	1.1%	\$136,448	(\$4,906)	-3.1%
LESS PROMOTIONAL ALLOWANCES	17,043	17,767	724	4.1%	18,507	(536)	-3.2%
NET REVENUES	\$117,098	\$114,893	\$2,206	1.9%	\$121,939	(\$4,841)	-4.0%
EXPENSES							
Payroll & Related	\$34,846	\$37,187	\$2,341	6.3%	\$38,236	\$3,392	8.9%
Cost of Goods Sold	4,139	4,490	351	7.8%	4,233	94	2.2%
Coin/Token Coupons	14,288	14,594	298	2.0%	14,852	554	3.7%
Promotional Expenses	3,065	2,280	(806)	-35.6%	2,287	(159)	-34.9%
Advertising	1,209	1,584	385	38.2%	1,689	690	36.4%
Marketing/Entertainment	3,092	3,383	291	8.8%	3,705	613	16.5%
Gaming Tax & Regulatory Fees	9,909	9,427	(381)	-4.0%	10,253	444	4.3%
Property Tax, Rent & Insurance	6,442	6,338	(104)	-1.6%	5,824	(518)	-8.7%
Utilities	3,025	3,206	181	5.8%	3,784	269	8.2%
Allowance-Doubtful Accounts	315	1,581	1,266	81.3%	390	75	19.2%
General / Administrative and Other Operating	134,598	6,312	(128,386)	-204.0%	7,768	(128,932)	-1634.1%
TOTAL OPERATING EXPENSES	\$214,958	\$90,792	(\$124,166)	-136.6%	\$92,842	(\$122,116)	-131.6%
GROSS OPERATING INCOME	(\$97,859)	\$24,101	(\$121,860)	-506.0%	\$29,097	(\$128,956)	-438.3%
MARGIN	-83.6%	21.0%	(104.5)pts		23.9%	(107.4)pts	
Work's Fair Closing	128,373	0	128,373	0.0%	0	128,373	0.0%
Gain on Disposal	(50)	0	(50)	0.0%	0	(50)	0.0%
CRDA	851	443	208	47.0%	486	186	40.0%
Interest Income	(95)	(144)	49	-33.1%	(132)	56	-38.7%
EBITDA	\$31,921	\$24,402	\$8,019	27.1%	\$28,419	\$1,611	5.6%
MARGIN	26.5%	21.2%	5.3 pts		24.1%	2.3 pts	

CONFIDENTIAL TREATMENT REQUEST BY THCH

TOTRL P.17

00127

Trump Hotels & Casino Resorts

725 Fifth Avenue
24th Floor
New York, NY 10022
Telephone: (212) 891-1500
Fax: (212) 688-0397

FAX TRANSMISSION

To: (b)(6),(b)(7)(C) Date: _____

Fax: _____ Pages: _____, including cover sheet

From: (b)(6),(b)(7)(C)

Subject: _____

Comments: *Press Return*

<i>add'l 10/24</i>	(b)(6),(b)(7)(C)

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date:

pages: 7, including this cover sheet.

From the desk of...

(b)(6),(b)(7)(C)

TRUMP HOTELS & CASINO RESORTS
2500 BOARDWALK
ATLANTIC CITY, N.J. 08401

(b)(6),(b)(7)
Fax: (C)

FILE BEFORE
CEB

Trump Hotels & Casino Resorts, Inc.
Consolidated Statement of Operations
For the Three Months Ending September 30, 1999 and 1998
(000's)

13-Oct-98
12:11 PM

	99 Actual	98 Actual	Year-to-date to 9/30 Encore/Redmond/old	
			\$	%
REVENUE:				
TICKETS	\$279,119	\$334,820	(\$55,701)	-16.3%
SLOTS	515,225	650,260	245,038	37.7%
OTHER	18,105	18,422	1,787	10.2%
TOTAL CASINO	\$812,449	1,003,502	191,055	19.0%
FOOD & BEVERAGE	73,293	79,930	1,202	1.6%
ENTERTAINMENT	693,523	110,442	(919)	-0.8%
OTHER	48,258	7,774	469	6.0%
GROSS REVENUES	\$1,627,523	\$1,202,648	\$424,875	35.3%
LESS PROMOTIONAL ALLOWANCES	125,522	128,379	1,057	0.8%
NET REVENUES	\$1,502,001	\$1,074,269	\$427,732	39.8%
EXPENSES:				
Payroll & Benefit	\$294,281	\$241,832	\$52,449	21.3%
Cost of Goods Sold	21,044	\$2,210	20,834	972.3%
Contractual Obligations	17,029	17,571	(542)	-3.1%
Promotional Expenses	43,269	49,828	(6,559)	-15.4%
Amortizing	11,953	12,089	(136)	-1.1%
Maintenance/Restoration	41,723	41,464	259	0.6%
Gaming Tax & Regulatory Fees	115,038	119,632	(4,594)	-3.9%
Property Tax, Rent & Insurance	47,823	45,447	2,376	5.2%
Utilities	25,479	23,246	2,233	9.6%
Advertising/Discount Accounts	10,562	10,509	53	0.5%
General/Administrative and Other Operating	210,501	75,468	135,033	178.9%
TOTAL OPERATING EXPENSES	\$1,001,175	\$673,858	\$327,317	48.7%
GROSS OPERATING INCOME	\$490,826	\$398,410	\$92,416	23.2%
MARGIN	7.2%	18.4%		
Interest expense	(\$128,730)	(\$183,515)	(\$54,785)	-30.4%
Depreciation & amortization	165,814	165,587	227	0.1%
Other non-depreciating (revenue/expense)	(7,674)	(200)	(7,474)	-373.2%
Minority interest	67,244	13,434	53,810	397.1%
NET INCOME	\$159,476	\$182,912	(23,436)	-12.8%
Average shares outstanding	72,195,258	12,209,406		
Basic loss per share	(\$2.21)	(\$1.49)	(\$0.72)	-47.5%
Full effect of change in accounting principle	0.16	0.80	0.64	400.0%
Net effect of Trump World/Jail Closing	3.57	0.00	3.57	100.0%
Adjusted loss per share	(\$2.54)	(\$1.69)	(\$0.85)	-50.8%
CRUDA OPERATING INCOME				
CRUDA	181,629	919,580	737,951	406.5%
Interest Income	7,905	4,180	3,725	47.1%
Development Costs	(5,143)	(2,183)	2,960	-58.2%
Trump World/Jail Closing	3,229	1,875	1,354	72.2%
EBITDA	123,576	0	123,576	100.0%
EBITDA	327,293	331,110	3,817	1.2%
MARGIN	20.0%	18.4%		

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22-Oct-98
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Trump Hotels & Casino Resorts, Inc.
Consolidating Statement of Operations
Actual Results for the Three Months Ended September 30, 1999
(000's omitted, except share data)

	Trump Taj Mahal	Trump Plaza	TAC TCS	Trump Atl City Consolidated	Trump Marina	Trump Indiana	THCR Holdings	Distinctions	THCR Consolidated
REVENUES:									
TABLES	\$40,835	\$31,507		\$72,042	\$20,401	\$5,858	\$0		\$99,331
SLOTS	89,603	73,603		163,296	54,298	26,780			244,372
OTHER	5,886	0		5,886	640	0			6,635
TOTAL CASINO	\$135,424	\$104,900	\$0	\$241,324	\$75,346	\$32,638	\$0	\$0	\$350,308
ROOMS	11,004	11,393		22,457	5,047	1,065			28,569
FOOD & BEVERAGE	15,167	14,013		29,170	10,229	1,030			40,429
ENTERTAINMENT	1,750	1,007		2,757	817	0			3,574
OTHER	21,804	2,828	600	25,232	2,811	603	5,806	(5,324)	29,101
GROSS REVENUES	\$185,189	\$134,141	\$600	\$320,940	\$94,250	\$35,366	\$5,809	(\$5,324)	\$455,041
LESS PROMOTIONAL ALLOWANCES	18,354	17,043		35,397	10,570	1,168	0		47,135
NET REVENUES	\$167,845	\$117,898	\$600	\$285,543	\$83,680	\$34,198	\$5,809	(\$5,324)	\$407,906
EXPENSES									
Payroll & Related	\$45,943	\$34,846		\$81,789	\$28,001	\$7,941	\$981	\$0	\$118,112
Cost of Goods Sold	5,412	4,139		9,551	3,822	458	0		13,829
Coin/Token Coupons	14,148	14,295		28,446	7,158	8,165	0		41,769
Promotional Expenses	7,200	5,060		10,322	5,608	415	0		16,343
Advertising	944	1,209		2,153	1,035	278	285		3,821
Marketing/Entertainment	8,145	3,002		11,207	3,054	99	0		14,300
Gaming Tax & Regulatory Fees	12,573	9,808		22,301	7,204	13,030	48		40,570
Property Tax, Rent & Insurance	6,310	5,442		12,782	2,719	240	748		16,489
Utilities	4,268	3,025		7,293	1,970	140	45		9,418
Allowance-Doubtful Accounts	3,838	315		4,153	142	17	0		4,312
General / Administrative and Other Operating	7,354	134,747	1E	142,117	5,580	5,915	3,924	(1,158)	158,265
TOTAL OPERATING EXPENSES	\$117,201	\$245,007	\$1E	\$332,224	\$84,262	\$32,805	\$8,038	(\$1,158)	\$430,364
GROSS OPERATING INCOME	\$50,644	(\$97,909)	\$584	(\$46,681)	\$19,418	\$3,102	(\$230)	(\$4,158)	(28,458)
MARGIN	30.2%	-83.5%	97.3%	-16.3%	20.2%	9.1%	-4.0%		-7.0%
Interest expense	(23,408)	(12,026)	(\$,158)	(38,592)	(13,604)	(1,773)	(8,085)	4,168	(56,876)
Depreciation & amortization	(9,012)	(5,692)		(14,704)	(4,454)	(2,540)	177		(21,775)
Other non-operating		50		50		(300)			(250)
Minority Interest				0		0		38,568	38,568
NET INCOME(LOSS)	\$18,224	(\$115,517)	(\$,158)	(\$28,827)	\$1,350	(\$1,400)	(\$8,372)	\$38,899	(\$67,470)
Average shares outstanding									22,196,258
Earnings per share									(\$3.04)
GROSS OPERATING INCOME	\$50,644	(\$97,909)	\$584	(\$46,681)	\$19,418	\$3,102	(\$230)	(\$4,158)	(\$28,458)
CRDA, Indiana Reg Costs	565	651		1,216	387	825	0		2,528
Interest Income	(183)	(106)	(800)	(878)	(150)	(276)	(4,643)	4,158	(1,833)
Development Costs/WF Closing Management Fee		128,375		128,375	0	1,168	(1,168)		129,765
EBITDA	\$51,026	\$31,021	(\$,161)	\$62,031	\$19,812	\$5,007	(\$4,829)	\$0	\$102,321
MARGIN	30.4%	26.5%		28.7%	23.4%	14.2%	-78.2%		25.2%

FILE: 99FORE
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Trump Hotel & Casino Resorts, Inc.
Consolidating Statement of Operations
Actual Results for the Three Months Ended September 30, 1998
(000's omitted, except share data)

22 Oct 99
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REVENUE:	Trump Taj Marilyn	Trump Piazz	TAG TCS	Trump At City Consolidated	Trump Meyers	Trump Indiana	THCR Holdings	Eliminations	THCR Consolidated
TOTAL CASINO	\$18,012	\$163,689	\$0	\$381,881	\$74,331	\$38,162	\$0	\$0	\$664,171
ROOMS	11,110	10,441		21,851	4,990				26,841
FOOD & BEVERAGE	15,033	15,013		30,046	10,459				40,505
ENTERTAINMENT	1,218	7,172		2,340	1,095				3,435
OTHER	4,674	2,417	866	7,957	2,794	681	5,650	(5,389)	11,793
GROSS REVENUES	\$180,317	\$132,802	\$866	\$119,275	\$63,860	\$39,212	\$5,650	(\$6,389)	\$447,077
LESS PROMOTIONAL ALLOWANCES	18,012	17,767		36,779	1,721	150	0	0	47,616
NET REVENUES	\$162,305	\$114,835	\$866	\$82,496	\$62,139	\$38,062	\$5,650	(\$6,389)	\$399,395

EXPENSES	Trump Taj Marilyn	Trump Piazz	TAG TCS	Trump At City Consolidated	Trump Meyers	Trump Indiana	THCR Holdings	Eliminations	THCR Consolidated
Payroll & Related	\$46,001	\$37,187		\$83,188	\$26,203	\$7,421	\$373	\$0	\$117,681
Cost of Goods Sold	5,234	4,490		9,824	3,785	290	0	0	13,919
Cashier's Comps	13,618	14,591		28,212	8,152	7,645	0	0	44,009
Promotional Expenses	10,486	2,286		12,765	\$,072	659	0	0	16,494
Advertising	1,276	1,894		3,170	1,710	716	52	0	5,648
Marketing/Entertainment	7,448	3,383		10,831	4,579	153	0	0	15,578
Dancing Fee & Registration Fees	13,169	9,427		22,596	6,803	12,278	48	0	41,723
Property Tax, Rent & Insurance	5,647	6,338		11,985	2,305	900	655	0	16,995
Utilities	4,312	3,208		7,518	1,844	147	24	0	9,533
Allowance-Doubtful Accounts	2,317	1,681		3,998	1,07	47	0	0	4,452
General & Administrative and Other Operating	7,091	6,312	(61)	13,362	5,212	6,676	2,810	(1,125)	28,180
TOTAL OPERATING EXPENSES	\$118,718	\$82,792	(\$61)	\$207,459	\$68,737	\$35,983	\$4,020	(\$1,125)	\$319,651
GROSS OPERATING INCOME	\$45,611	\$24,103	\$917	\$70,231	\$15,191	\$3,999	\$7,660	(\$4,244)	\$80,337
MARGIN	25.1%	21.0%		25.4%	18.5%	7.0%	28.3%		21.8%

Interest expense	Depreciation & amortization	Other non-operating	Minority Interest	NET INCOME (LOSS)	Average shares outstanding	Earnings per share	
(21,502)	(11,893)	(3,000)	(691)	\$3,185	22,195,356	\$0.24	
(8,910)	(8,485)	(691)	0	\$3,185			
\$1,190	\$6,725	\$2,242	0	\$12,157			
\$46,611	\$21,183	\$917	\$70,231	\$15,191	\$3,999	\$7,660	
(221,502)	(11,893)	(3,000)	(691)	(21,502)			
(8,910)	(8,485)	(691)	0	(8,910)			
\$56,013	\$21,183	\$51	\$70,231	\$15,191	\$4,021	\$3,821	
28.3%	21.2%		25.3%	18.7%	12.4%	52.2%	
							21.8%

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Trump Hotels & Casino Resorts, Inc.
Consolidating Statement of Operations
Actual Results for the Nine Months Ended September 30, 1999
(000's omitted, except share data)

12-Oct-99
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	Trump Hotel	Trump Plaza	TAC	Trump Atlantic City Casinohotel	Trump Miami	Trump Indiana	THCR Holdings	THCR Eliminations	THCR Consolidated
REVENUE:									
TABLES	1124,319	\$76,035		\$200,414	\$55,480	\$23,364	\$0	\$0	\$279,118
SLIOTS	240,292	205,085		435,207	148,387	81,532	0	0	675,296
OTHER	15,522	0		15,522	1,503	0	0	0	18,185
TOTAL CASINO	\$381,123	\$281,120	\$0	\$652,223	\$205,450	\$104,838	\$0	\$0	\$972,529
ROOMS	29,015	28,735		57,750	12,295	2,248	0	0	72,298
FOOD & BEVERAGE	40,082	38,518		80,540	26,395	2,588	0	0	108,523
ENTERTAINMENT	4,314	2,248		6,560	2,192	0	0	0	8,652
OTHER	28,684	7,398	1,093	36,477	6,528	1,504	0	0	46,259
GROSS REVENUES	\$485,405	\$359,015	\$1,093	\$845,670	\$262,761	\$111,174	\$17,636	\$0	\$1,037,235
LESS PROVISIONAL ALLOWANCES	48,020	48,515		94,815	28,475	2,182	0	0	125,522
NET REVENUES	\$337,035	\$312,500	\$1,093	\$750,705	\$234,276	\$108,992	\$17,636	\$0	\$911,713
EXPENSES									
Payroll & Related	\$135,081	\$104,408		\$239,690	\$76,867	\$22,377	\$2,617	\$0	\$345,962
Cost of Goods Sold	11,547	11,617		25,164	9,653	1,195	0	0	37,914
Contractual Comps	38,195	40,012		78,217	21,113	17,629	0	0	117,059
Provisional Expenses	21,364	7,467		28,421	13,573	1,254	0	0	43,654
Advertising	3,052	3,656		6,710	3,037	1,449	0	0	11,697
Marketing/Consultation	20,701	8,221		31,922	9,298	239	0	0	41,720
Gaming Tax & Regulatory Fees	35,091	26,738		61,729	19,574	33,525	140	0	115,038
Property Tax, Rent & Insurance	18,211	17,215		35,828	8,004	2,351	1,946	0	47,860
Utilities	11,275	8,228		19,673	5,178	502	128	0	25,478
Advertiser-Related Accounts	8,607	714		10,281	203	59	0	0	10,883
General & Administrative and Other Operating	21,057	14,605	64	15,725	15,202	18,021	10,651	0	50,659
TOTAL OPERATING EXPENSES	\$331,228	\$312,691	\$64	\$709,171	\$262,821	\$288,673	\$13,490	\$13,490	\$1,002,175
GROSS OPERATING INCOME	\$105,808	\$169,809	\$1,029	\$42,534	\$41,755	\$10,319	\$1,128	\$0	\$112,398
MARGIN	24.2%	20.8%		5.1%	16.6%	9.6%	7.5%		12.3%
Interest expense	(170,226)	(25,535)	(9,517)	(115,311)	(40,235)	(5,381)	(8,164)	0	(199,789)
Depreciation & amortization	(27,571)	(17,579)	0	(44,910)	(12,980)	(2,100)	(5,829)	0	(65,614)
Other non-recurring	0	50	0	50	0	0	0	0	(7,071)
Minority interest	0	0	0	0	0	0	0	0	0
NET INCOME (LOSS)	\$88,011	\$117,179	\$1,412	\$11,323	\$11,560	\$3,838	\$2,964	\$0	\$37,244
Average shares outstanding	22,155,256								
Earnings per share									\$1.47
GROSS OPERATING INCOME	\$105,808	(354,351)	\$1,026	\$42,534	\$41,755	\$10,319	\$1,128	\$0	\$112,398
CRDA, Indiana Reg Cost	1,602	1,589		3,191	1,080	2,775	0	0	7,065
Interest Income	(866)	(421)	(1,000)	(2,367)	(585)	(452)	(14,150)	0	(15,146)
Development Cost/IF Closing	0	128,375		128,375	0	0	0	0	131,845
Management Fee/Share on sale of assets	0	0		0	0	3,408	(3,438)	0	0
ERIDA	\$102,605	\$85,192	\$889	\$121,730	\$42,260	\$16,140	\$13,000	\$0	\$217,103
MARGIN	24.4%	20.9%		22.8%	18.8%	14.8%	7.3%		20.0%

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Trump Hotels & Casino Resorts, Inc.
Consolidating Statement of Operations
Actual Results for the Nine Months Ended September 30, 1999
(99's omitted, except share data)

22-Oct-99
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REVENUE:
TABLES
SLOTS
OTHER
TOTAL CASINO
ROOMS
FOOD & BEVERAGE
ENTERTAINMENT
OTHER
GROSS REVENUES
LESS PROMOTIONAL ALLOWANCES
NET REVENUES

Trump Tel Hotel	Trump Flora	TAC TOS	Trump All City Consolidated	Trump Malibu	Trump Indiana	THCR Holding	Eliminations	THCR Consolidated
\$149,278	\$78,288		\$325,576	\$53,616	\$25,705	\$3	\$3	\$304,928
224,503	207,636		432,139	342,901	75,360	0	0	650,560
14,624	0		14,624	1,804	0	0	0	16,428
\$388,405	\$286,924	\$0	\$807,239	\$580,351	\$101,266	\$3	\$3	\$971,948
31,904	26,325		54,479	12,451	0	0	0	70,930
41,918	41,978		83,146	68,000	1,246	0	0	150,442
3,333	2,229		5,562	2,212	0	0	0	7,774
13,533	7,553	1,927	23,323	8,656	1,821	12,150	(15,937)	32,993
\$478,683	\$367,928	\$1,927	\$842,749	\$645,670	\$101,373	\$17,150	(\$15,937)	\$1,194,025
60,558	47,822		68,378	28,673	528	0	0	128,579
\$428,337	\$314,107	\$1,927	\$774,371	\$215,997	\$103,845	\$17,150	(\$15,937)	\$1,065,446

EXPENSES
Payroll & Related
Cost of Goods Sold
Contractual Comps
Provisional Expenses
Advertising
Marketing/Entertainment
Gaming Lic & Regulatory Fees
Property Tax, Rent & Insurance
Utilities
Allowance/Deductible Accounts
General Administration and Other Operating
TOTAL OPERATING EXPENSES

\$139,524	\$106,908		\$241,532	\$75,881	\$21,658	\$2,081	\$0	\$341,963
15,033	12,169		27,252	8,268	778	0	0	37,300
35,115	40,620		76,175	20,942	16,842	0	0	113,519
27,174	6,221		33,325	13,573	4,660	0	0	49,558
3,044	4,789		7,783	3,421	1,697	0	0	12,889
21,954	9,228		30,781	0,867	796	0	0	41,460
35,402	20,774		62,176	18,729	32,168	109	0	113,852
17,218	17,818		35,035	7,331	2,242	1,861	0	48,447
11,209	6,250		18,639	5,015	467	94	0	26,285
7,717	1,704		9,421	943	145	0	0	10,509
19,810	20,853	(981)	40,708	15,545	16,529	1,317	(3,315)	75,468
\$328,161	\$265,434	(1,058)	\$386,597	\$180,279	\$89,626	\$12,600	(\$3,215)	\$969,488

GROSS OPERATING INCOME
MARGIN
Interest expense
Depreciation & amortization
Other non operating
Minority Interest
NET INCOME(LOSS)

\$108,176	\$180,830	\$2,025	\$409,864	\$335,708	\$7,220	\$4,660	(\$12,542)	\$95,950
23.4%	18.7%		21.6%	16.0%	7.0%	27.1%		18.4%
(70,631)	(35,778)	(9,865)	(115,984)	(39,283)	(6,981)	(17,979)	12,542	(166,635)
(31,204)	(16,597)	(184)	(48,005)	(12,358)	(6,428)	(198)	0	(55,697)
0	0	0	0	0	(920)	0	0	(890)
\$3,361	\$4,188	\$7,743	(1,215)	(\$14,853)	(\$7,129)	(\$3,525)	13,434	13,434
							\$13,434	\$23,329
								22,206,428

Average shares Outstanding
Earnings per share
GROSS OPERATING INCOME
CHRS Indiana Reg Costs
Interest Income
Development Costs
Management Fee
EBITDA
MARGIN

\$100,176	\$59,942	\$98	\$169,210	\$36,028	\$12,475	\$11,128	\$0	\$185,330
23.4%	18.9%		21.4%	16.7%	12.0%	46.6%		18.4%
\$100,176	\$68,853	\$2,025	\$160,854	\$35,788	\$7,220	\$4,660	(\$12,542)	\$195,980
1,508	1,226		2,434	851	2,715	0	0	6,483
(1,808)	(347)	(1,927)	(4,482)	(854)	(883)	(13,779)	12,542	(7,104)
			0		3,325	1,075		1,075
								0

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Trump Hotels & Casino Resorts, Inc.
Consolidated Statements of Operations
For the Quarter Ending September 30, 1999 and 1998
(000's)

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TOTAL P.08

	99 Actual	98 Actual	Balance 1999 to 1998 (Estimated/Actual)	%
REVENUE:				
TABLES	\$84,070	\$117,292	(33,222)	-18.3%
SLOTS	244,312	240,434	3,878	1.6%
OTHER	6,344	6,460	(116)	-1.7%
TOTAL CASINO	\$334,726	\$364,176	(29,450)	-7.9%
ROOMS	18,590	21,841	(3,251)	-1.7%
FOOD & BEVERAGE	40,910	40,214	696	1.7%
ENTERTAINMENT	2,514	3,436	(822)	-4.0%
OTHER	25,151	11,702	13,449	14.9%
GROSS REVENUE	487,891	\$447,377	\$40,514	9.1%
LESS PROMOTIONAL ADVANCES	47,136	47,186	(50)	-0.1%
NET REVENUES	\$440,755	\$399,191	\$41,564	10.4%
EXPENSES:				
Payroll & Related	\$118,112	\$117,181	\$931	0.8%
Cost of Goods Sold	12,878	12,815	63	0.5%
Utilities	41,787	44,008	(2,221)	-5.3%
Provisional Expenses	15,240	18,488	(3,248)	-21.3%
Advertising	2,421	5,848	(3,427)	-13.2%
Marketing/Entertainment	14,250	15,578	(1,328)	-9.2%
General & Administrative Fees	40,570	41,727	(1,157)	-2.8%
Property Tax, Rent & Insurance	16,388	15,505	883	5.7%
Depreciation	5,446	5,582	(136)	-2.4%
Reserve on Doubtful Accounts	4,312	4,452	(140)	-3.1%
General & Administrative and Other Operating	154,331	12,119	142,212	467.8%
TOTAL OPERATING EXPENSES	313,381	313,354	27	0.0%
GROSS OPERATING INCOME	\$127,374	\$136,037	(8,663)	-6.3%
MARGIN	7.0%	21.6%	(14.6) pts	
Interest Income	(56,376)	(56,356)	20	0.0%
Depreciation & Amortization	(71,775)	(71,484)	291	0.4%
Other Non-Operating Income/Expense	(258)	(710)	446	62.7%
Minority Interest	35,896	(3,843)	39,739	1029.1%
NET INCOME	(87,428)	\$3,312	(90,740)	-2720.1%
Average shares outstanding	22,195,243	22,185,258	9,985	0.0%
Basic earnings/loss per share	(\$3.94)	\$0.14	(\$4.08)	1320.1%
Net effect of Trump World's Fair Closing	3.87	0.00	3.87	100.0%
Adjusted loss per share	\$0.63	\$0.14	\$0.49	152.8%
GROSS OPERATING INCOME	(325,483)	\$46,397	(371,880)	-134.0%
CRDA	2,526	2,282	244	9.6%
Interest Income	11,633	(7,020)	18,653	167.2%
Development Cost	1,410	460	950	67.4%
Trump World's Fair Closing	128,573	0	128,573	100.0%
EBITDA	\$12,021	\$17,119	(5,098)	-42.3%
MARGIN	25.2%	21.3%	3.9 pts	

10/21

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Chicago Press Release

From the desk of...

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TRUMP HOTELS & CASINO RESORTS
2500 BOARDWALK
ATLANTIC CITY, N.J. 08401

Fax [REDACTED]
(C)

Trump Boardwalk Properties Results

(\$ in millions)	1999 Third Quarter	1998 Third Quarter	1999 Nine Months	1998 Nine Months
<i>Net</i> Trump Taj Mahal				
Revenues	\$167.7	\$162.1	\$456.2	\$426.7
Operating Profit	41.4	36.5	77.4	71.4
EBITDA	51.0	46.0	106.6	100.2
Margin	30.4%	23.4%	24.4%	23.5%
Trump Plaza				
Revenues	\$117.0	\$114.8	\$312.1	\$313.2
Operating Profit	24.7	17.5	46.3	39.0
EBITDA	31.0	24.4	65.2	58.9
Margin	26.5%	21.3%	20.9%	18.8%
Trump Atlantic City Associates				
Revenues	\$284.7	\$276.9	\$748.5	\$739.9
Operating Profit	66.1	54.0	123.7	110.4
EBITDA	82.0	70.4	171.8	159.1
Margin	28.8%	25.4%	23.0%	21.5%

Trump Marina Results

(\$ in millions)	1999 Third Quarter	1998 Third Quarter	1999 Nine Months	1998 Nine Months
Trump Marina				
Revenues	\$83.5	\$81.8	\$223.7	\$215.4
Operating Profit	14.8	10.9	28.2	22.9
EBITDA	19.6	15.1	42.3	36.1
Margin	23.5%	18.4%	18.9%	16.3%

Trump Indiana Results

(\$ in millions)	1999 Third Quarter	1998 Third Quarter	1999 Nine Months	1998 Nine Months
Trump Indiana				
Revenues	\$34.9	\$38.8	\$108.5	\$103.0
Operating Profit	2.3	2.5	8.1	5.5
EBITDA	5.0	4.8	16.1	12.5
Margin	14.3%	12.8%	14.8%	12.1%

*Three Months Ended
September 30,*

5/13 on file below (Unaudited)

1999 1998

**Trump Hotels & Casino Resorts, Inc.
Consolidated Summary of Operations
(Unaudited)**

*was
column
from 10/9*

(in thousands,
except in share amounts)

*Three Months
Third Quarter Ended*

Nine Months Ended

Sept. 30, Sept. 30,
1999 1998

Sept. 30, Sept. 30,
1999 1998

	<i>September</i> 1999	1998	1999	1998
Net Revenues	\$403,072	\$397,387	\$1,080,569	\$1,058,296
EBITDA				
Before CRDA/Indiana State & Municipal Obligation; Depreciation & Amortization; Interest Expense, Corporate Expenses, Other Non-Operating Expenses, World's Fair Closing	\$106,666	\$90,589	\$230,205	\$207,661
CRDA/Indiana State & Munic Oblig.	\$ (2,528)	\$ (2,321)	\$ (7,065)	\$ (6,463)
Depreciation & Amortization	(21,775)	(21,800)	(65,613)	(64,882)
Interest Expense, Net	(54,043)	(53,371)	(161,638)	(159,513)
Corporate Expenses	(4,645)	(3,338)	(13,103)	(11,510)
Other Non-Operating Expense	(1,669)	(1,184)	(5,324)	(2,065)
Income (Loss) before Minority Interest, Trump World's Fair Closing Costs, & Cumulative Effect of Change in Accounting Principle	\$ 22,006	\$ 8,375	\$ (22,538)	\$ (16,772)
Minority Interest	\$ (8,048)	\$ (3,063)	\$ 8,242	\$ 13,434
Income (Loss) Before Trump World's Fair Closing Costs & Cumulative Effect of Change in Accounting Prin.	\$ 13,958	\$ 5,312	\$ (14,296)	\$ (23,338)
Trump World's Fair Closing Costs (\$128,375 Less Minority Interest of \$46,947)	\$ (81,428)	—	\$ (81,428)	—
Cumulative Effect of Change In Accounting Prin.	—	—	\$ (3,565)	—
Net Income (Loss)	\$ (67,470)	\$ 5,312	\$ (99,289)	\$ (23,138)
Average # Shares	22,195,256	22,195,256	22,195,256	22,206,428
Basic & Diluted Earnings (Loss) Per Share	\$ (3.04)	\$ 0.24	\$ (4.47)	\$ (2.05)
Basic & Diluted Earnings Per Share Before Trump World's Fair Closing Costs & Cumulative Effect of Change in Accounting Prin.	\$ 0.63	\$ 0.24	\$ (0.64)	\$ (1.05)

Trump

TRUMP HOTELS & CASINO RESORTS, INC.
Condensed Consolidated Statements of Operations
(Unaudited)
(In thousands, except share data)

	3 MONTHS		9 MONTHS	
	30-Sep-99	30-Sep-98	30-Sep-99	30-Sep-98
NET REVENUES	\$403,072	\$397,387	\$1,080,569	\$1,058,296
COSTS & EXPENSES	<u>296,406</u>	<u>306,798</u>	<u>850,364</u>	<u>850,635</u>
EBITDA	<u>106,666</u>	<u>90,589</u>	<u>230,205</u>	<u>207,661</u>
CRDA/INDIANA STATE & MUNIC OBLIG.	2,528	2,321	7,065	6,463
DEPRECIATION & AMORTIZATION	21,775	21,800	65,613	64,862
INTEREST EXPENSE, NET	54,043	53,371	161,638	159,513
CORPORATE EXPENSES	4,645	3,538	13,103	11,510
OTHER NON- OPERATING EXPENSE	1,869	1,184	5,324	2,065
TOTAL NON-OPERATING EXPENSE, NET	<u>84,660</u>	<u>82,214</u>	<u>252,743</u>	<u>244,433</u>
INCOME(LOSS) BEFORE MINORITY INTEREST, TRUMP WORLD'S FAIR CLOSING COSTS, & CUMULATIVE EFFECT OF CHANGE IN ACCOUNTING PRINCIPAL	22,006	8,375	(22,538)	(36,772)
MINORITY INTEREST	<u>(8,048)</u>	<u>(3,063)</u>	<u>8,242</u>	<u>13,434</u>
INCOME(LOSS) BEFORE TRUMP WORLD'S FAIR CLOSING COSTS & CUM. EFFECT OF CHANGE IN ACCTG PRIN.	13,958	5,312	(14,296)	(23,338)
TRUMP WORLD'S FAIR CLOSING COSTS, (\$128,375 LESS MINORITY INTEREST OF \$46,947)	(81,428)	-	(81,428)	-
CUMULATIVE EFFECT OF CHANGE IN ACCTG PRIN.	<u>-</u>	<u>-</u>	<u>(3,565)</u>	<u>-</u>
NET INCOME(LOSS)	<u>(\$67,470)</u>	<u>\$5,312</u>	<u>(\$99,289)</u>	<u>(\$23,338)</u>
AVERAGE # SHARES	<u>22,195,256</u>	<u>22,195,256</u>	<u>22,195,256</u>	<u>22,206,428</u>
BASIC AND DILUTED EARNINGS(LOSS) PER SHARE	<u>(\$3.04)</u>	<u>\$0.24</u>	<u>(\$4.47)</u>	<u>(\$1.05)</u>
BASIC AND DILUTED EARNINGS PER SHARE BEFORE TRUMP WORLD'S FAIR CLOSING COSTS & CUMULATIVE EFFECT OF CHANGE IN ACCTG PRIN.	<u>\$0.63</u>	<u>\$0.24</u>	<u>(\$0.64)</u>	<u>(\$1.05)</u>

Note: Certain prior year reclassifications have been made to conform to current year presentation.

TRUMP ATLANTIC CITY ASSOCIATES
Condensed Consolidated Statements of Operations
(Unaudited)
(In thousands)

	3 MONTHS		9 MONTHS	
	30-Sep-99	30-Sep-98	30-Sep-99	30-Sep-98
NET REVENUES	\$284,664	\$276,655	\$748,338	\$738,889
COSTS & EXPENSES	202,617	206,441	576,542	580,771
EBITDA	82,047	70,414	171,796	158,118
CRDA	1,216	1,070	3,191	2,834
DEPRECIATION & AMORTIZATION	14,704	15,405	44,910	45,901
INTEREST EXPENSE, NET	37,713	37,239	112,962	111,512
OTHER NON-OPERATING EXPENSE	(34)	18	15	86
TOTAL NON-OPERATING EXPENSE, NET	53,599	53,732	161,078	160,333
INCOME (LOSS) BEFORE TRUMP WORLD'S FAIR CLOSING	28,448	16,682	10,718	(1,215)
TRUMP WORLD'S FAIR CLOSING COSTS	128,375	-	128,375	-
NET INCOME (LOSS)	(\$99,927)	\$16,682	(\$117,657)	(\$1,215)

Note: Certain prior year reclassifications have been made to conform to current year presentation.

TRUMP TAJ MAHAL ASSOCIATES
Condensed Statements of Operations
(Unaudited)
(In thousands, except statistical information)

	3 MONTHS		9 MONTHS	
	30-Sep-99	30-Sep-98	30-Sep-99	30-Sep-98
NET REVENUES	\$167,662	\$162,104	\$436,229	\$426,729
COSTS & EXPENSES	116,636	116,092	329,624	326,553
EBITDA (1)	<u>\$51,026</u>	<u>\$46,012</u>	<u>\$106,605</u>	<u>\$100,176</u>
Selected Statistics:				
# of Slots	4,419	4,136	4,278	4,137
Win per Slot/Day	\$220	\$217	\$206	\$199
# of Tables	149	156	143	155
Win per Table/Day	\$2,979	\$4,187	\$3,078	\$3,528
Table Drop	\$283,155	\$328,456	\$787,378	\$903,011
Hold %	14.4%	18.3%	15.8%	16.5%
# of Rooms Sold	113,422	112,875	327,975	311,677
Room Rates	\$97.55	\$101.09	\$88.47	\$101.40
Occupancy %	98.6%	98.2%	96.1%	91.3%

(1) EBITDA reflects earnings before depreciation, interest, taxes, and CRDA writedown.

Note: Certain prior year reclassifications have been made to conform to current year presentation.

TRUMP PLAZA ASSOCIATES
Condensed Statements of Operations
(Unaudited)
(In thousands, except statistical information)

	3 MONTHS		9 MONTHS	
	30-Sep-99	30-Sep-98	30-Sep-99	30-Sep-98
NET REVENUES	\$117,002	\$114,751	\$312,109	\$313,160
COSTS & EXPENSES	85,981	90,349	246,918	254,218
EBITDA (1)	<u>\$31,021</u>	<u>\$24,402</u>	<u>\$65,191</u>	<u>\$58,942</u>
Selected Statistics:				
# of Slots	4,186	4,204	4,202	4,124
Win per Slot/Day	\$192	\$196	\$179	\$184
# of Tables	94	101	99	110
Win per Table/Day	\$3,609	\$3,002	\$2,813	\$2,539
Table Drop	\$177,742	\$177,853	\$471,679	\$485,620
Hold %	17.6%	15.7%	16.1%	15.7%
# of Rooms Sold	123,298	123,302	344,237	333,863
Room Rates	\$92.40	\$84.68	\$83.47	\$80.50
Occupancy %	95.5%	95.5%	89.8%	87.1%

(1) EBITDA reflects earnings before depreciation, interest, taxes, CRDA writedown, and Trump World's Fair closing costs.

Note: Certain prior year reclassifications have been made to conform to current year presentation.

TRUMP'S CASTLE ASSOCIATES
d/b/a TRUMP MARINA
Condensed Statements of Operations
(Unaudited)
(In thousands, except statistical information)

	3 MONTHS		9 MONTHS	
	30-Sep-99	30-Sep-98	30-Sep-99	30-Sep-98
NET REVENUES	\$83,487	\$81,756	\$223,691	\$215,444
COSTS & EXPENSES	63,875	66,412	181,422	179,376
EBITDA (1)	\$19,612	\$15,344	\$42,269	\$36,068
Selected Statistics:				
# of Slots	2,123	2,170	2,145	2,163
Win per Slot/Day	\$278	\$263	\$253	\$242
# of Tables	85	91	87	92
Win per Table/Day	\$2,609	\$2,489	\$2,333	\$2,136
Table Drop	\$134,798	\$132,698	\$362,134	\$345,318
Hold %	15.1%	15.7%	15.3%	15.5%
# of Rooms Sold	63,571	64,839	168,831	175,390
Room Rates	\$79.39	\$76.96	\$72.65	\$70.99
Occupancy %	94.9%	96.8%	85.0%	88.2%

(1) EBITDA reflects earnings before depreciation, interest, taxes, and CRDA writedown.

Note: Certain prior year reclassifications have been made to conform to current year presentation.

TRUMP INDIANA, INC.
Condensed Statements of Operations
(Unaudited)
(In thousands, except statistical information)

	3 MONTHS		9 MONTHS	
	30-Sep-99	30-Sep-98	30-Sep-99	30-Sep-98
NET REVENUES	\$34,921	\$38,776	\$108,540	\$102,963
COSTS & EXPENSES	29,914	33,945	92,400	90,488
EBITDA (1)	\$5,007	\$4,831	\$16,140	\$12,475
Selected Statistics:				
# of Slots	1,300	1,375	1,300	1,375
Win per Slot/Day	\$224	\$235	\$230	\$201
# of Tables	50	60	50	60
Win per Table/Day	\$1,491	\$1,533	\$1,707	\$1,569
Table Drop	\$42,544	\$54,943	\$140,724	\$161,899
Hold %	16.1%	15.4%	16.6%	15.9%
# of Rooms Sold	21,875	-	42,114	-
Room Rates	\$51.00	-	\$54.00	-
Occupancy %	79.3%	-	62.3%	-

(1) EBITDA reflects earnings before depreciation, interest, taxes, and Indiana State & Municipal obligations.

Note: Certain prior year reclassifications have been made to conform to current year presentation.
The hotel at Trump Indiana commenced operations in October 1998.

TRUMP HOTELS & CASINO RESORTS, INC.
Supplemental Information
(Unaudited)
(In thousands)

	3 MONTHS		9 MONTHS	
	30-Sep-99	30-Sep-98	30-Sep-99	30-Sep-98
CRDA/INDIANA OBLIGATIONS				
TAJ	\$565	\$627	\$1,602	\$1,608
PLAZA	651	443	1,589	1,226
MARINA	387	326	1,099	854
INDIANA STATE & MUNICIPAL OBLIG.	925	925	2,775	2,775
TOTAL CRDA/INDIANA OBLIG	\$2,528	\$2,321	\$7,065	\$6,463
DEPRECIATION & AMORTIZATION				
TAJ	\$9,012	\$8,910	\$27,571	\$27,204
PLAZA	5,692	6,495	17,339	18,697
THCR HOLDINGS	77	67	221	195
MARINA	4,454	4,160	12,980	12,358
INDIANA (INCL JOINT VENTURE LOSS)	2,540	2,168	7,502	6,428
TOTAL DEPRECIATION/AMORT	\$21,775	\$21,800	\$65,613	\$64,882
INTEREST EXPENSE				
TAJ	\$23,408	\$23,502	\$70,278	\$70,631
PLAZA	12,026	11,883	35,536	35,778
TRUMP ATLANTIC CITY	3,158	3,090	9,517	9,585
THCR HOLDINGS	6,065	6,060	18,154	17,982
MARINA	10,525	10,193	31,397	30,436
INDIANA	694	662	1,899	2,267
TOTAL INTEREST EXPENSE	\$55,876	\$55,390	\$166,781	\$166,679
LOAN COST AMORT/BOND DISC INCL IN INT EXP				
TAJ	\$848	\$951	\$2,617	\$2,938
PLAZA	424	475	1,308	1,468
TRUMP ATLANTIC CITY	345	279	1,080	1,179
THCR HOLDINGS	269	269	806	806
MARINA(BOND DISC ACCRETION)	1,111	957	3,220	2,761
INDIANA	37	36	109	191
TOTAL LOAN COST AMORT/BOND DISC	\$3,034	\$2,967	\$9,140	\$9,343

Note: Certain prior year reclassifications have been made to conform to current year presentation.

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 to:
 fax:

re:

date:

pages: 8, including this cover sheet.

From the desk of...

[Redacted]
 (b)(6),(b)(7)(C)

TRUMP HOTELS & CASINO RESORTS
 2500 BOARDWALK
 ATLANTIC CITY, N.J. 08401

[Redacted]
 (b)(6),(b)(7)
 (C)
 Fax:

TRUMP ATLANTIC CITY ASSOCIATES
Condensed Consolidated Statements of Operations
(Unaudited)
(In thousands)

	3 MONTHS	
	<u>30-Sep-99</u>	<u>30-Sep-98</u>
NET REVENUES	\$284,664	\$276,855
COSTS & EXPENSES	<u>202,617</u>	<u>206,441</u>
EBITDA	<u>82,047</u>	<u>70,414</u>
CRDA	1,216	1,070
DEPRECIATION & AMORTIZATION	14,704	15,405
INTEREST EXPENSE, NET	37,713	37,239
OTHER NON-OPERATING EXPENSE	(34)	18
TOTAL NON-OPERATING EXPENSE, NET	<u>53,599</u>	<u>53,732</u>
INCOME BEFORE TRUMP WORLD'S FAIR CLOSING COSTS	28,448	16,682
TRUMP WORLD'S FAIR CLOSING COSTS	<u>128,267</u>	<u>-</u>
NET INCOME(LOSS)	<u>(\$99,819)</u>	<u>\$16,682</u>

Note: Certain prior year reclassifications have been made to conform to current year presentation.

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TRUMP TAJ MAHAL ASSOCIATES
Condensed Statements of Operations
(Unaudited)
(In thousands, except statistical information)

	3 MONTHS	
	30-Sep-98	30-Sep-99
NET REVENUES	\$187,662	\$162,104
COSTS & EXPENSES	116,838	118,092
EBITDA (1)	<u>\$51,028</u>	<u>\$49,012</u>
Selected Statistics:		
# of Slots	4,419	4,138
Win per Slot/Day	\$220	\$217
# of Tables	149	168
Win per Table/Day	\$2,979	\$4,187
Table Drop	\$283,155	\$328,456
Hold %	14.4%	18.3%
# of Rooms Sold	113,422	112,876
Room Rates	\$97.55	\$101.09
Occupancy %	98.6%	98.2%

(1) EBITDA reflects earnings before depreciation, interest, taxes, and CRDA writedown.

Note: Certain prior year reclassifications have been made to conform to current year presentation.

TRUMP PLAZA ASSOCIATES
Condensed Statements of Operations
(Unaudited)
(In thousands, except statistical information)

	3 MONTHS	
	30-Sep-98	30-Sep-99
NET REVENUES	\$117,002	\$114,751
COSTS & EXPENSES	85,981	90,349
EBITDA (1)	<u>\$31,021</u>	<u>\$24,402</u>
Selected Statistics:		
# of Slots	4,188	4,204
Win per Slot/Day	\$192	\$196
# of Tables	84	101
Win per Table/Day	\$3,608	\$3,002
Table Drop	\$177,742	\$177,853
Hold %	17.8%	15.7%
# of Rooms Sold	123,298	123,302
Room Rates	\$92.40	\$84.66
Occupancy %	95.5%	95.5%

(1) EBITDA reflects earnings before depreciation, interest, taxes, CRDA writedown, and Trump World's Fair closing costs.

Note: Certain prior year reclassifications have been made to conform to current year presentation.

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TRUMP'S CASTLE ASSOCIATES
d/b/a TRUMP MARINA
Condensed Statements of Operations
(Unaudited)
(In thousands, except statistical information)

	3 MONTHS	
	30-Sep-98	30-Sep-99
NET REVENUES	\$83,487	\$81,766
COSTS & EXPENSES	63,875	66,412
EBITDA (1)	\$19,612	\$15,344
Selected Statistics:		
# of Slots	2,123	2,170
Win per Slot/Day	\$278	\$263
# of Tables	85	91
Win per Table/Day	\$2,808	\$2,489
Table Drop	\$134,798	\$132,898
Hold %	15.1%	15.7%
# of Rooms Sold	63,571	64,839
Room Rates	\$79.36	\$76.96
Occupancy %	94.9%	88.6%

(1) EBITDA reflects earnings before depreciation, interest, taxes, and CRDA writedown.

Note: Certain prior year reclassifications have been made to conform to current year presentation.

TRUMP INDIANA, INC.
Condensed Statements of Operations
(Unaudited)
(In thousands, except statistical information)

	3 MONTHS	
	30-Sep-98	30-Sep-99
NET REVENUES	\$34,921	\$36,776
COSTS & EXPENSES	28,814	33,845
EBITDA (1)	\$5,007	\$2,931
Selected Statistics:		
# of Slots	1,300	1,375
Win per Slot/Day	\$224	\$235
# of Tables	50	60
Win per Table/Day	\$1,491	\$1,539
Table Drop	\$42,544	\$54,943
Hold %	16.1%	15.4%
# of Rooms Sold	21,875	-
Room Rates	\$51.00	-
Occupancy %	79.3%	-

(1) EBITDA reflects earnings before depreciation, interest, taxes, and Indiana State & Municipal obligations

Note: Certain prior year reclassifications have been made to conform to current year presentation.
The hotel at Trump Indiana commenced operations in October 1998.

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TRUMP HOTELS & CASINO RESORTS, INC.
 Supplemental Information
 (Unaudited)
 (In thousands)

	3 MONTHS	
	30-Sep-99	30-Sep-88
CRDA/INDIANA OBLIGATIONS		
TAJ	\$595	\$627
PLAZA	851	443
MARINA	387	328
INDIANA STATE & MUNICIPAL OBLIG.	925	925
TOTAL CRDA/INDIANA OBLIG	<u>\$2,528</u>	<u>\$2,323</u>
DEPRECIATION & AMORTIZATION		
TAJ	\$9,012	\$8,910
PLAZA	5,692	6,495
THCR HOLDINGS	77	67
MARINA	4,454	4,180
INDIANA (INCL JOINT VENTURE LOSS)	2,540	2,188
TOTAL DEPRECIATION/AMORT	<u>\$21,775</u>	<u>\$21,800</u>
INTEREST EXPENSE		
TAJ	\$23,408	\$23,502
PLAZA	12,028	11,883
TRUMP ATLANTIC CITY	3,158	3,050
THCR HOLDINGS	6,065	6,060
MARINA	10,525	10,193
INDIANA	694	662
TOTAL INTEREST EXPENSE	<u>\$55,876</u>	<u>\$55,380</u>
LOAN COST AMORT/BOND DISC INCL IN INTEREST EXPENSE		
TAJ	\$848	\$951
PLAZA	424	475
TRUMP ATLANTIC CITY	345	279
THCR HOLDINGS	269	269
MARINA(BOND DISC ACCRETION)	1,111	967
INDIANA	37	36
TOTAL LOAN COST AMORT/BOND DISC	<u>\$3,034</u>	<u>\$2,967</u>

Note: Certain prior year reclassifications have been made to conform to current year presentation.

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TRUMP HOTELS & CASINO RESORTS INC
 TRUMP HOTELS & CASINO RESORTS INC
 OPERATING RESULTS
 FOR THE QUARTER ENDED SEPTEMBER 30, 1993
 (IN THOUSANDS, EXCEPT EPS DATA)

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	TRUMP TAJ MAHAL	TRUMP PLAZA	TAC	ELUMIN	TRUMP AC CONGOL	THCR HOLDING	TRUMP IND	TRUMP MARINA	THCR ENTER	THCR HOLD CONGOL	THCR INC	ELIMIN	THCR INC CONGOL	
REVENUES:														
GAMING	\$136,424	\$104,900			\$241,324		\$33,838	\$75,346		\$150,308			\$350,308	
ROOMS	11,064	11,383			22,447		1,063	5,047		28,558			28,558	
FOOD AND BEVERAGE	15,157	14,013			29,170		1,038	10,229		40,429			40,429	
OTHER	23,071	3,739			27,110	1,166	357	3,435		30,902	(1,166)		30,902	
GROSS REVENUE	189,016	134,045	0	0	328,081	1,165	36,058	94,057	0	(1,166)	430,298	0	0	450,298
LESS: PROMOTIONAL ALLOW	18,354	17,643			35,997		1,188	10,570		47,138			47,138	
NET REVENUE	167,462	117,202	0	0	284,664	1,188	34,821	83,487	0	(1,188)	403,072	0	0	403,072
COSTS AND EXPENSES:														
GAMING	25,351	58,142			143,493		22,978	43,549		210,020			210,020	
ROOMS	3,732	3,544			7,276		812	1,642		8,930			8,930	
FOOD AND BEVERAGE	5,318	4,719			10,037		1,323	3,541		14,801			14,801	
GENERAL & ADMIN	22,235	19,576			41,811		5,001	15,743		62,555			62,555	
TOTAL COSTS AND EXP	116,636	86,981	0	0	202,617	0	28,914	63,575	0	208,408	0	0	208,408	
EBITDA	51,828	31,021	0	0	82,047	1,188	5,907	13,912	0	(1,166)	108,986	0	0	108,866
Operating Margin Increase over prior yr	10.8%	27.1%			16.5%		3.6%	27.8%		17.7%			17.7%	
CRD INDIANA STATE & MUNI OBLIG	565	651			1,216		825	387		2,528			2,528	
DEPRECIATION & AMORT	9,012	5,692			14,704	77	1,806	4,454		21,041			21,041	
MANAGEMENT FEE CORPORATE CHARGE	0	0	16		10	4,628	1,166			4,645	(1,166)		4,645	
DEVELOPMENT COSTS					0	1,410				1,410			1,410	
INTEREST INCOME	(183)	(96)	(880)		(879)	(4,643)	(276)	(183)		4,158	(1,833)		(1,833)	
INTEREST EXPENSE	23,408	12,026	3,154		38,592	6,065	1,773	13,604		(4,158)	56,876		56,876	
OTHER NON OPER (INCOME) EXPENSE		(50)			(50)		309			259			259	
TOTAL NON-OPER (INCOME) EXP	37,802	18,223	2,574	0	58,599	7,338	5,703	16,252	0	(1,866)	83,928	0	0	83,928
INCOME (LOSS) BEFORE W/F CLOSE, JOINT VENTURE AND MINORITY INTEREST	18,224	12,713	(2,574)	0	28,448	(9,272)	(886)	1,380	0	0	22,740	0	0	22,740
LOSS IN JOINT VENTURE					0		(734)			(734)			(734)	
INCOME (LOSS) BEFORE MINORITY INT, W/F & CUM EFFECT OF ACCTG CHANGE	18,224	12,713	(2,574)	0	28,448	(9,272)	(1,420)	1,380	0	0	22,006	0	0	22,006
MINORITY INTEREST					0					0	(8,047.58)		(8,047.58)	
TRUMP WORLD'S FAIR CLOSING COSTS		(128,267)			(128,267)					(128,267)	(6,907.24)		(61,360)	
CUM EFFECT OF ACCTG PRN CHANGE					0					0			0	
NET INCOME (LOSS)	\$18,224	(\$116,483)	(\$2,574)	\$0	(\$98,819)	(\$9,272)	(\$1,420)	\$1,380	\$0	\$0	(\$108,261)	\$0	(\$38,860)	(\$87,481)
WT AVER SHARES OUTSTANDING													22,183,266	
BASIC LOSS PER SHARE (VC INTEREST BLN)							1,078	3,078		4.158			(\$3.64)	

CONFIDENTIAL TREATMENT REQUEST BY THCR 00151

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TRUMP

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TRUMP HOTELS & CASINO RESORTS INC

OPERATING RESULTS-REGATED TO CONFORM TO 1989
FOR THE QUARTER TO DATE PERIOD ENDED SEPTEMBER 30, 1998
(IN THOUSANDS, EXCEPT EPS DATA)

	TRUMP TAJ MAYAL	TRUMP PLAZA	TAC	ELMIN	TRUMP AC CONSOL HOLDING	THCR HOLDING	TRUMP MARIANA	THCR ENTER	ELMIN CONSOL	THCR HOLD CONSOL	THCR INC CONSOL
REVENUES:											
GAMING	\$148,011	\$103,669			\$251,680		\$38,181	\$74,331		\$364,172	\$264,172
ROOMS	11,410	10,441			21,851		4,990	28,841		26,841	26,841
FOOD AND BEVERAGE	15,034	16,013			30,047		421	10,459		40,927	40,927
OTHER	6,667	3,385			9,052	1,125	354	3,716	(1,125)	13,132	13,132
GROSS REVENUE	180,122	132,518	0	0	312,640	1,125	38,938	93,498	0	445,072	445,072
LESS: PROMOTIONAL ALLOW	18,018	17,767			35,785		150	11,740		47,695	47,695
NET REVENUE	162,104	114,751	0	0	276,855	1,125	38,778	81,758	0	397,377	397,377
COSTS AND EXPENSES:											
GAMING	84,637	62,017			146,654		25,532	45,729		219,921	219,921
ROOMS	3,858	3,318			7,886		384	8,470		8,470	8,470
FOOD AND BEVERAGE	4,359	5,068			10,027		599	3,072		13,989	13,989
GENERAL & ADMIN	22,328	18,446			42,074		3,517	15,827		84,418	84,418
TOTAL COSTS AND EXP	116,982	93,248	0	0	208,441	0	33,245	96,812	0	369,798	369,798
EMTDA	48,012	24,402	0	0	70,414	1,125	4,831	13,244	0	90,399	90,399
CROA INDIANA STATE & MUNIC OBLIG	527	443			1,970		925	326		2,321	2,321
DEPRECIATION & AMORT	8,916	6,485			15,405	57	1,425	4,160		21,058	21,058
MANAGEMENT FEE CORPORATE CHARGE:	0	0	18		18	3,520	1,725	0	(1,125)	3,538	3,538
DEVELOPMENT COSTS					0	480		480		480	480
INTEREST INCOME	(225)	(144)	(24,816)		(1,206)	(4,515)	(313)	(170)	0	(2,019)	(2,019)
INTEREST EXPENSE	23,562	11,863	36,840	(33,150)	38,475	6,060	2,212	12,886	(8,240)	58,390	55,290
OTHER NON-OPER (INCOME) EXPENSE					0		704			704	704
TOTAL NON-OPER (INCOME) EXP	32,813	18,677	2,242	0	53,732	5,592	6,014	17,168	0	81,472	81,472
INCOME (LOSS) BEFORE TAXES, JOINT VENTURE AND MINORITY INTEREST	13,198	3,723	(2,242)	0	15,862	(4,467)	(1,243)	(1,895)	0	9,117	9,117
CREDIT PROVISION INCOME TAXES					0		0	0	0	0	0
LOSS IN JOINT VENTURE					0		(742)			(742)	(742)
INCOME (LOSS) BEFORE MINORITY INTEREST	13,198	3,723	(2,242)	0	15,862	(4,467)	(1,243)	(1,895)	0	9,375	9,375
MINORITY INTEREST					0		0	0	0	0	0
NET INCOME (LOSS)	\$13,198	\$3,723	(\$2,242)	\$0	\$15,862	(\$4,467)	(\$1,243)	(\$1,895)	\$0	\$9,375	\$9,375
WT AYER SHARES OUTST AND DIV											
BASIC LOSS PER SHARE											

TRUMP ATLANTIC CITY ASSOCIATES
Condensed Consolidated Statements of Operations
(Unaudited)
(In thousands)

	3 MONTHS	
	30-Sep-99	30-Sep-98
NET REVENUES	\$265,307	\$276,855
COSTS & EXPENSES	203,100	208,459
EBITDA	82,207	70,396
CRDA	1,218	1,070
DEPRECIATION & AMORTIZATION	14,704	15,405
INTEREST EXPENSE, NET	37,711	37,239
TOTAL NON-OPERATING EXPENSE, NET	53,631	50,714
INCOME(LOSS) BEFORE TRUMP WORLD'S FAIR CLOSING COSTS	28,576	15,682
TRUMP WORLD'S FAIR CLOSING COSTS	127,509	-
NET INCOME(LOSS)	<u>(\$98,933)</u>	<u>\$16,682</u>

Note: Certain prior year reclassifications have been made to conform to current year presentation.

TRUMP TAJ MAHAL ASSOCIATES
Condensed Statements of Operations
(Unaudited)
(In thousands, except statistical information)

	3 MONTHS	
	30-Sep-99	30-Sep-98
NET REVENUES	\$167,862	\$162,104
COSTS & EXPENSES	118,636	116,092
EBITDA (1)	\$51,026	\$46,012
Selected Statistics:		
# of Slots	4,429	4,136
Win per Slot/Day	\$220	\$217
# of Tables	149	158
Win per Table/Day	\$2,879	\$4,187
Table Drop	\$283,153	\$328,456
Hold%	14.4%	18.3%
# of Rooms Sold	115,422	112,875
Room Rates	\$97.55	\$101.09
Occupancy %	98.6%	98.2%

(1) EBITDA reflects earnings before depreciation, interest, taxes, and CRDA writedown.

Note: Certain prior year reclassifications have been made to conform to current year presentation.

TRUMP PLAZA ASSOCIATES
 Condensed Statements of Operations
 (Unaudited)
 (in thousands, except statistical information)

	3 MONTHS	
	30-Sep-98	30-Sep-99
NET REVENUES	\$117,645	\$114,751
COSTS & EXPENSES	88,448	90,349
EBITDA (1)	<u>\$31,197</u>	<u>\$24,402</u>
Selected Statistics:		
# of Slots		4,204
Win per Slot/Day		\$196
# of Tables		101
Win per Table/Day		\$3,002
Table Drop		\$177,853
Hold %		15.7%
# of Rooms Sold		123,302
Room Rates		\$84.88
Occupancy %		85.5%

(1) EBITDA reflects earnings before depreciation, interest, taxes, CRDA writedown, and Trump World's Fair closing costs.

Note: Certain prior year reclassifications have been made to conform to current year presentation.

TRUMP'S CASTLE ASSOCIATES
 d/b/a TRUMP MARINA
 Condensed Statements of Operations
 (Unaudited)
 (in thousands, except statistical information)

	3 MONTHS	
	30-Sep-99	30-Sep-98
NET REVENUES	\$83,487	\$81,681
COSTS & EXPENSES	63,874	66,317
EBITDA (1)	<u>\$19,613</u>	<u>\$15,364</u>
Selected Statistics:		
# of Slots	2,123	2,170
Win per Slot/Day	\$278	\$263
# of Tables	85	91
Win per Table/Day	\$2,609	\$2,489
Table Drop	\$134,798	\$132,688
Hold %	15.1%	15.7%
# of Rooms Sold	63,571	64,839
Room Rates	\$79.37	\$78.98
Occupancy %	94.9%	98.8%

(1) EBITDA reflects earnings before depreciation, interest, taxes, and CRDA writedown.

Note: Certain prior year reclassifications have been made to conform to current year presentation.

TRUMP INDIANA, INC.
Condensed Statements of Operations
(Unaudited)
(In thousands, except statistical information)

	3 MONTHS	
	<u>30-Sep-99</u>	<u>30-Sep-98</u>
NET REVENUES	\$34,921	\$38,776
COSTS & EXPENSES	<u>28,814</u>	<u>33,945</u>
EBITDA (1)	<u>\$5,007</u>	<u>\$4,831</u>
Selected Statistics:		
# of Slots		1,375
Win per Slot/Day		\$234
# of Tables		60
Win per Table/Day		\$1,533
Table Drop		\$54,943
Hold %		15.4%
# of Rooms Sold		
Room Rates		
Occupancy %		

(1) EBITDA reflects earnings before depreciation, interest, taxes, and Indiana State & Municipal obligations

Note: Certain prior year reclassifications have been made to conform to current year presentation.

10/19

TRUMP HOTELS & CASINO RESORTS, INC.
 Supplemental Information
 (Unaudited)
 (in thousands)

	3 MONTHS	
	30-Sep-99	30-Sep-98
CROA/INDIANA OBLIGATIONS		
PLAZA	\$651	\$443
TAJ	585	627
MARINA	388	326
INDIANA STATE & MUNICIPAL OBLIG.	825	925
TOTAL CROA/INDIANA OBLIG	\$2,529	\$2,321
DEPRECIATION & AMORTIZATION		
PLAZA	\$5,692	\$8,495
TAJ	9,012	8,910
THCR HOLDINGS	77	67
MARINA	4,450	4,160
INDIANA (INCL JOINT VENTURE LOSS)	2,540	2,168
TOTAL DEPRECIATION/AMORT	\$21,775	\$21,800
INTEREST EXPENSE		
PLAZA	\$12,024	\$11,883
TAJ	23,408	23,532
TRUMP ATLANTIC CITY	3,158	3,090
THCR HOLDINGS	8,065	6,060
MARINA	10,525	10,193
INDIANA	684	662
TOTAL INTEREST EXPENSE	\$68,874	\$65,390
LOAN COST AMORT/BOND DISC INCL IN INTEREST EXPENSE		
PLAZA	\$424	\$475
TAJ	848	951
TRUMP ATLANTIC CITY	345	279
THCR HOLDINGS	269	259
MARINA (BOND DISC ACCRETION)	1,111	957
INDIANA	37	38
TOTAL LOAN COST AMORT/BOND DISC	\$3,034	\$2,967

Note: Certain prior year reclassifications have been made to conform to current year presentation.

TOTAL P.21

10/19

ok

TRUMP PLAZA ASSOCIATES
STATISTICAL DATA

	3 MOS ENDED 30-Sep-99	9 MOS ENDED 30-Sep-99
REVENUES		
CASINO	\$104,971 ⁰⁰	\$281,190 ²⁰
# of Slots	4,186	4,202
Win per Slot/Day	\$192	\$179
Slot win	\$73,763 <i>WV</i>	\$205,755 <i>085</i>
# of Tables	94	99
Win per Table/Day	\$3,609	\$2,813
Table Win	\$31,208	\$76,035
Table Drop	\$177,742	\$471,579
Hold %	17.5%	16.1%
ROOMS		
# of Rooms Sold	123,298	344,237
Room Rates	\$92.40	\$83.47
Occupancy %	95.5%	89.8%

10/10

The increase *primarily the result of*
Included in other revenue is the receipt of assets under the termination of a lease recorded at Fair
Market Value based upon an appraisal.

*MUST
SAY AMOUNT
OR
WITH
DISCLOSURE*

TRUMP HOTELS AND CASINO RESORTS INC
 CALCULATION OF MINORITY INTEREST
 (DOLLARS IN THOUSANDS)

	QUARTER 03/31/99	QUARTER 06/30/99	QUARTER 09/30/99	YTD 09/30/99
NET INCOME(LOSS) OF HOLDINGS	(\$39,883)	(\$10,301)	(\$106,369)	(\$156,533)
MINORITY INTEREST %	0.3657	0.3657	0.3657	0.3657
MINORITY INTEREST	\$14,578	\$3,767	\$38,899	\$57,244
NET INCOME (LOSS) THCR INC	(\$25,285)	(\$6,534)	(\$67,470)	(\$31,819)

TRUMP HOTELS AND CASINO RESORTS INC
CALCULATION OF EARNINGS PER SHARE
9/30/99

CALCULATION OF WEIGHTED AVERAGE SHARES OUTSTANDING:

	TRADE	TREASURY SHARES	# DAYS	O/S SHARES	
SHARES UNDER INTIAL IPO				10,000,000	
(b)(6),(b) STOCK BONUS AWARD				66,667	
PHANTOM STOCK AWARD				66,666	
SHARES UNDER 4/17/96 IPO				14,073,423	
TOTAL	12/31/96		6	24,206,756	145,240,536
	1/7	50,000	1	24,156,756	24,156,756
	1/8	100,000	1	24,056,756	24,056,756
	1/9	25,000	1	24,031,756	24,031,756
	1/10	50,000	3	23,981,756	71,945,268
	1/13	25,000	1	23,956,756	23,956,756
	1/14	56,000	31	23,900,756	740,923,436
	2/14	250,000	4	23,850,756	94,603,024
	2/18	180,000	2	23,470,756	46,941,512
	2/20	214,500	1	23,256,256	23,256,256
	2/21	60,000	3	23,196,256	69,589,768
	2/24	70,100	2	23,126,156	46,252,312
	2/26	50,000	1	23,076,156	23,076,156
	2/27	20,000	4	23,056,156	92,224,624
	3/3	30,500	1	23,025,656	23,025,656
	3/4	30,000	1	22,995,656	22,995,656
	3/5	20,000	6	22,975,656	137,853,936
	3/11	10,000	9	22,965,656	206,690,904
	3/20	8,900	36	22,956,756	826,443,216
	4/25	150,000	3	22,806,756	68,420,268
	4/28	25,000	1	22,781,756	22,781,756
	4/29	25,000	3	22,756,756	68,270,268
	5/2	21,500	3	22,735,256	68,205,768
	5/5	25,000	1	22,710,256	22,710,256
	5/6	50,000	1	22,660,256	22,660,256
	5/7	25,000	1	22,635,256	22,635,256
	5/8	12,000	1	22,623,256	22,623,256
	5/9	13,000	3	22,610,256	67,830,768
	5/12	10,000	1	22,600,256	22,600,256
	5/13	15,000	1	22,585,256	22,585,256
	5/14	10,000	6	22,575,256	135,451,536
	5/20	25,000	21	22,550,256	473,555,376
	6/10	50,000	205	22,500,256	4,612,552,480
WEIGHTED AVERAGE SHARES YTIYTD 12/31/97		1,706,500	365		8,320,146,040
					22,794,921
TREASURY SHARES	01/01/98	1,706,500	4	22,500,256	90,001,024
	01/05/98	25,000	1	22,475,256	22,475,256
	01/06/98	25,000	1	22,450,256	22,450,256
	01/07/98	10,000	1	22,440,256	22,440,256
	01/08/98	15,000	1	22,425,256	22,425,256
	01/12/98	25,000	4	22,400,256	89,601,024
	01/14/98	205,000	353	22,195,256	7,834,925,368
WEIGHTED AVERAGE SHARES QTIYTD 12/31/98		2,011,500	365		22,203,612
WEIGHTED AVERAGE SHARES QTD 9/30/99		2,011,500	92	22,195,256	22,195,256
NET LOSS (IN THOUSANDS)					(\$67,470)
BASIC LOSS PER SHARE					(\$3.04)
WEIGHTED AVERAGE SHARES YTD 6/30/99		2,011,500	273	22,195,256	22,195,256
NET LOSS (IN THOUSANDS)					(\$99,289)
BASIC LOSS PER SHARE					(\$4.47)

T H C R
TRANSMITTAL

to: Distribution
fax #:
re: THCR September 30, 1999 10-Q
date: October 29, 1999
pages: 3 , including this cover sheet.

Following are the Legal Proceedings from the June 30, 1999 Form 10-Q which need to be updated for the September 30, 1999 Form 10-Q due November 5, 1999.

Please review and fax any changes or additions to me by Monday, November 1, 1999. My fax number is (b)(6),(b)(7)(C)

Thank You.

(b)(6),(b)(7)(C)

Distribution:

(b)(6),(b)(7)(C)

Fax (b)(6),(b)(7)(C)

Fax

Fax

From the desk of...

(b)(6),(b)(7)(C)

TRUMP HOTELS & CASINO RESORTS
2500 BOARDWALK
ATLANTIC CITY, N.J. 08401

Fax: (b)(6),(b)(7)(C)

TRUMP TAJ MAHAL ASSOCIATES
STATEMENT OF CASH FLOWS

20-Oct-99

(In thousands)
(Unaudited)

For the nine months ended September 30,
1999 1998

CASH FLOWS FROM OPERATING ACTIVITIES:

Net income	\$8,010	\$2,341
Adjustments to reconcile net loss to net cash flows provided by (used in) operating activities -		
Depreciation and amortization	27,571	27,204
Amortization of deferred Bond offering costs	2,516	2,936
Reduction in carrying value of CRDA investments	1,503	1,508
Provision for doubtful accounts	2,607	2,717
Gain on acquisition of property, net of property received upon termination of lease	(17,200)	0
Gain on disposition of property	(335)	0
	31,372	31,306

CHANGES IN OPERATING ASSETS AND LIABILITIES:

Receivables, net	4,796	(12,395)
Inventory	(138)	644
Other current assets	(732)	(1,149)
Other assets	(301)	(800)
Due to/from affiliates, net	(12,354)	(73)
Accounts payable	(1,408)	1,106
Accrued interest	(15,500)	(12,403)
Other liabilities	(1,887)	(3,511)
Net cash flows provided by operating activities	4,351	12,037

CASH FLOWS FROM INVESTING ACTIVITIES:

Purchase of property and equipment, net of property received upon termination of lease	(7,276)	(5,849)
Purchase of CRDA investments	(4,611)	(4,500)
Proceeds from disposition of property	1,087	0
Net cash flows used in investing activities	(10,800)	(10,349)

CASH FLOWS FROM FINANCING ACTIVITIES:

Repayments of borrowings - capital leases	(1,559)	(1,517)
Net cash flows used in financing activities	(1,559)	(1,517)

NET INCREASE/(DECREASE) IN CASH AND CASH INVESTMENTS

(3,008) 171

CASH AND CASH INVESTMENTS BEGINNING OF YEAR

40,826 31,439

CASH AND CASH INVESTMENTS END OF PERIOD

\$32,818 \$31,610

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

Cash paid during the eight months for interest on bonds	\$83,000	\$79,900
---	----------	----------

ACQUISITION OF PROPERTY AND EQUIPMENT:

Additions to property and equipment	\$27,212	\$7,551
Less: All Star acquisition	(17,200)	0
Less: retirement on molded fiberglass	0	(675)
Less: capital lease obligations incurred	(2,027)	(1,027)
Cash outflows for purchase of property and equipment	7,985	5,849
Less: proceeds from sale of fixed assets	(1,044)	0
Plus: gain on sale of fixed assets	335	0
Cash outflows for property and equipment	\$7,276	\$5,849

TRUMP HOTELS & CASINO RESORTS INC
 OPERATING RESULTS
 FOR THE QUARTER ENDED SEPTEMBER 30, 1999
 (IN THOUSANDS, EXCEPT EPS DATA)

File: C:\EB\PRESSPL
 10/20/99 10-Nov-99 02:02 PM
 10/20/99 10-Nov-99 02:02 PM

	TRUMP TAJ MAHAL	TRUMP PLAZA	TAC	ELIMIN	TRUMP AC CONSOL	THCR HOLDING	TRUMP TRUMP IND	THCR MARINA	THCR ENTER	ELIMIN	THCR HOLD CONSOL	THCR INC THCR INC	ELIMIN	THCR INC CONSOL
REVENUES														
GAMING	\$136,424	\$104,900			\$241,324		\$33,638	\$75,348			\$350,308			\$350,308
ROOMS	11,064	11,393			22,457		1,065	5,047			28,569			28,569
FOOD AND BEVERAGE	15,157	14,013			29,170		1,030	10,229			40,429			40,429
OTHER	25,377	3,735			27,110	1,166	357	3,435		(1,166)	30,902			30,902
GROSS REVENUE	186,018	134,045	0	0	320,061	1,166	36,090	94,057	0	(1,166)	450,208	0	0	450,208
LESS: PROMOTIONAL ALLOW	18,354	17,043			35,397		1,169	10,570			47,136			47,136
NET REVENUE	167,662	117,002	0	0	284,664	1,166	34,921	83,487	0	(1,166)	403,072	0	0	403,072
COSTS AND EXPENSES:														
GAMING	85,351	58,142			143,493		22,978	43,549			210,020			210,020
ROOMS	3,732	3,544			7,276		612	1,042			8,930			8,930
FOOD AND BEVERAGE	5,318	4,719			10,037		1,323	3,541			14,901			14,901
GENERAL & ADMIN	22,235	19,575			41,811		5,001	15,743			62,555			62,555
TOTAL COSTS AND EXP	116,636	85,981	0	0	202,617	0	29,914	63,875	0	0	295,406	0	0	295,406
EBITDA	51,026	31,021	0	0	82,047	1,166	5,007	19,612	0	(1,166)	106,666	0	0	106,666
Operating Margin	30.4%	26.5%			26.8%		14.3%	23.5%			26.5%			26.5%
CRDA INDIANA STATE & MUNIC OBLIG	563	651			1,216		925	387			2,528			2,528
DEPRECIATION & AMORT	9,012	5,892			14,704	77	1,806	4,454			21,041			21,041
MANAGEMENT FEE-CORPORATE CHARGE	0				16	4,626	1,166			(1,166)	4,645			4,645
DEVELOPMENT COSTS					0	1,410					1,410			1,410
INTEREST INCOME	(183)	(196)	(300)		(679)	(4,643)	(276)	(193)		4,158	(1,833)			(1,833)
INTEREST EXPENSE	23,408	12,025	3,158		38,592	6,065	1,773	13,604		(4,158)	55,876			55,876
OTHER, NON OPER. (INCOME) EXPENSE		150			(150)		309				259			259
TOTAL NON-OPER. (INCOME) EXP	32,802	18,223	2,574	0	53,599	7,536	5,703	18,252	0	(1,166)	83,926	0	0	83,926
INCOME (LOSS) BEFORE W.F. CLOSE, JOINT VENTURE AND MINORITY INTEREST	18,224	12,798	(2,574)	0	28,448	(6,372)	(696)	1,360	0	0	22,740	0	0	22,740
LOSS IN JOINT VENTURE					0		(734)				(734)			(734)
INCOME (LOSS) BEFORE MINORITY INT. W.F. & CUM EFFECT OF ACCTG CHANGE	18,224	12,798	(2,574)	0	28,448	(6,372)	(1,430)	1,360	0	0	22,006	0	0	22,006
MINORITY INTEREST					0						0	(8,047.59)		(8,048)
TRUMP WORLD'S FAIR CLOSING COSTS		(128,375)			(128,375)						(128,375)	46,946.74		(81,428)
CUM EFFECT OF ACCTG PRIN CHANGE					0						0			0
NET INCOME (LOSS)	\$18,224	(\$115,577)	(\$2,574)	\$0	(\$99,927)	(\$6,372)	(\$1,430)	\$1,360	\$0	\$0	(\$106,369)	\$0	\$38,899	(\$67,470)
AT AVER SHARES OUTSTANDING														22,195,256
BASIC LOSS PER SHARE (LC INTEREST ELIM)							1.079	3.079		4.158				(\$3.04)

CONFIDENTIAL TREATMENT REQUEST BY THCR 00103

TRUMP HOTELS & CASINO RESORTS INC

File:0:EB:PRESSPL

OPERATING RESULTS-RESTATED TO CONFORM TO 1999
FOR THE QUARTER TO DATE PERIOD ENDED SEPTEMBER 30,1998
(IN THOUSANDS, EXCEPT EPS DATA)

PERIOD 10/20 10-Nov-99 02:02 PM

	TRUMP TAJ MAHAL	TRUMP PLAZA	TAC	ELIMIN	TRUMP AC CONSOL	THCR HOLDING	TRUMP TRUMP IND	THCR MARINA	THCR ENTER	ELIMIN	THCR HOLD CONSOL	THCR INC THCR INC	ELIMIN	THCR INC CONSOL
REVENUES:														
GAMING	\$148,011	\$103,666			\$251,680		\$38,151	\$74,331			\$364,172			\$364,172
ROOMS	11,410	10,441			21,851			4,990			26,841			26,841
FOOD AND BEVERAGE	15,034	15,013			30,047		421	10,459			40,927			40,927
OTHER	5,867	3,395			9,062	1,125	354	3,716		(1,125)	13,132			13,132
GROSS REVENUE	180,122	132,518	0	0	312,640	1,125	38,936	93,496	0	(1,125)	445,072	0	0	445,072
LESS: PROMOTIONAL ALLOW	18,018	17,767			35,785		160	11,740			47,685			47,685
NET REVENUE	162,104	114,751	0	0	276,855	1,125	38,776	81,756	0	(1,125)	397,387	0	0	397,387
COSTS AND EXPENSES:														
GAMING	84,837	62,017			146,854		25,538	46,729			219,921			219,921
ROOMS	3,868	3,818			7,686			784			8,470			8,470
FOOD AND BEVERAGE	4,959	5,068			10,027		890	3,072			13,989			13,989
GENERAL & ADMIN	22,628	19,446			42,074		6,517	15,827			64,418			64,418
TOTAL COSTS AND EXP	116,092	90,349	0	0	206,641	0	33,945	66,412	0	0	306,790	0	0	306,790
EBITDA	46,012	24,402	0	0	70,414	1,125	4,831	15,344	0	(1,125)	90,589	0	0	90,589
Operating Margin	28.4%	21.3%			25.4%		12.5%	18.8%			22.8%			22.8%
ORDA INDIANA STATE & MUNIC OBLIG	627	443			1,070			326			2,321			2,321
DEPRECIATION & AMORT	8,910	6,495			15,405	67	1,426	4,160			21,058			21,058
MANAGEMENT FEE/CORPORATE CHARGE	0	0	18		18	3,520	1,125	0		(1,125)	3,538			3,538
DEVELOPMENT COSTS					0	480					480			480
INTEREST INCOME	(226)	(1,441)	(34,616)	33,750	(1,236)	(4,535)	(318)	(173)	0	4,243	(2,019)			(2,019)
INTEREST EXPENSE	23,502	11,883	35,840	(33,750)	38,475	6,060	2,212	12,886		(4,243)	55,390			55,390
OTHER NON OPER (INCOME)EXPENSE					0		704				704			704
TOTAL NON-OPER (INCOME)EXP	32,813	18,677	(2,242)	0	53,732	5,592	6,074	17,199	0	(1,125)	81,472	0	0	81,472
INCOME (LOSS) BEFORE TAXES, JOINT VENTURE AND MINORITY INTEREST	13,199	5,725	(2,242)	0	16,682	(4,467)	(1,243)	(1,855)	0	0	9,117	0	0	9,117
CREDIT (PROVISION) INCOME TAXES					0		0				0			0
LOSS IN JOINT VENTURE					0		(742)				(742)		TO DEPR	(742)
INCOME (LOSS) BEFORE MINORITY INTEREST	13,199	5,725	(2,242)	0	16,682	(4,467)	(1,985)	(1,855)	0	0	8,375	0	0	8,375
MINORITY INTEREST							0	0					(3,063)	(3,063)
NET INCOME (LOSS)	\$13,199	\$5,725	(\$2,242)	\$0	\$16,682	(\$4,467)	(\$1,985)	(\$1,855)	\$0	\$0	\$5,312	\$0	(\$3,063)	\$5,312
WT AVER SHARES OUTSTANDING														22,195,256
BASIC LOSS PER SHARE														\$0.24

CONFIDENTIAL TREATMENT REQUEST BY THCR 00104

TRUMP HOTELS & CASINO RESORTS INC
 OPERATING RESULTS
 FOR THE NINE MONTHS ENDED SEPTEMBER 30, 1999
 (IN THOUSANDS, EXCEPT EPS DATA)

File: C:\EB\PRESSPL
 PERFORMED 10/16/99 10-Nov-99 PRINT DATE
 02:02 PM

	TRUMP TAJ MAHAL	TRUMP PLAZA	TCS	TAC	ELMIN	TRUMP AC CONSOL	THCR HOLDING	TRUMP IND	TRUMP MARINA	THCR ENTER	THCR HOLD ELMIN	THCR INC CONSOL	THCR INC ELMIN	THCR INC CONSOL
REVENUES:														
GAMING	\$381,123	\$281,120				\$682,243		\$104,636	\$205,480		\$972,529		\$972,529	
ROOMS	29,015	26,735				57,750		2,246	12,266		72,262		72,262	
FOOD AND BEVERAGE	40,962	39,576				80,540		2,588	26,395		109,523		109,523	
OTHER	33,449	9,221				42,670	3,498	1,052	8,055		(3,498)	51,777	51,777	
GROSS REVENUE	484,549	356,654	0	0	0	843,203	3,498	110,722	252,166	0	(3,498)	1,206,081	0	1,206,081
LESS: PROMOTIONAL ALLOW	48,320	46,545				94,865		2,182	28,475		125,522		125,522	
NET REVENUE	436,229	312,109	0	0	0	748,338	3,498	108,540	223,691	0	(3,498)	1,080,569	0	1,080,569
COSTS AND EXPENSES:														
GAMING	237,150	164,131				401,281		69,316	124,888		595,463		595,463	
ROOMS	11,669	10,163				21,832		1,456	2,886		26,177		26,177	
FOOD AND BEVERAGE	14,373	13,897				28,370		3,661	8,144		40,175		40,175	
GENERAL & ADMIN	86,432	58,627				125,059		17,967	43,523		186,549		186,549	
TOTAL COSTS AND EXP	329,624	246,818	0	0	0	576,542	0	92,400	181,422	0	850,384	0	850,384	
EBITDA	106,605	65,191	0	0	0	171,796	3,498	16,140	42,269	0	(3,498)	230,205	0	230,205
Operating Margin	24.4%	20.9%				23.0%		14.8%	18.9%		21.3%		21.3%	
CRDA, INDIANA STATE & MUNIC OBLIG	1,602	1,585				3,191		2,775	1,099		7,065		7,065	
DEPRECIATION & AMORT	27,571	17,335				44,910	221	5,256	12,980		63,367		63,367	
MANAGEMENT FEE	0			65		65	12,969	3,498		69	(3,498)	13,103	13,103	
DEVELOPMENT COSTS						0	3,270				3,270		3,270	
INTEREST INCOME	856	422		1,091		2,369	14,136	452	565	1	12,400	5,143	5,143	
INTEREST EXPENSE	70,278	35,536		9,517		115,331	18,154	5,361	49,315		12,400	166,781	166,781	
OTHER NON OPERATING (INC)/EXI		50				50		2,104			2,054		2,054	
TOTAL NON-OPER (INC)/EXP	98,595	53,992	0	8,491	0	161,078	20,478	18,542	53,829	68	(3,498)	250,497	0	250,497
INCOME (LOSS) BEFORE W/F CLOSING, JOINT VENTURE AND MINORITY INTEREST	8,010	11,199	0	(8,491)	0	10,718	(16,980)	(2,402)	(11,560)	(68)	0	(20,292)	0	(20,292)
LOSS IN JOINT VENTURE						0		(2,246)	0		(2,246)		(2,246)	
INCOME (LOSS) BEFORE MINORITY INTEREST	8,010	11,199	0	(8,491)	0	10,718	(16,980)	(4,648)	(11,560)	(68)	0	(22,538)	0	(22,538)
MINORITY INTEREST	0	0		0	0	0	0	0	0		0	8,242	8,242	
TRUMP WORLD'S FAIR CLOSING COSTS		126,375				126,375					(128,375)	46,947	(81,428)	
CUM EFFECT OF ACCTG CHANGE						0	(3,620)				(5,620)	2,055	(3,565)	
NET INCOME (LOSS)	\$8,010	(\$117,176)	\$0	(\$8,491)	\$0	(\$117,657)	(\$22,600)	(\$4,648)	(\$11,560)	(\$68)	\$0	(\$156,533)	\$0	\$57,244
WT AVER SHARES OUTSTANDING														22,195,256
LOSS PER SHARE								3452	893E		12400			154.47

CONFIDENTIAL TREATMENT REQUEST BY THCR 00165

TRUMP HOTELS & CASINO RESORTS INC

File:C:EB:PRESSPL

OPERATING RESULTS RESTATED TO CONFORM TO 1993 PRESENTATION
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 1993
(IN THOUSANDS, EXCEPT EPS DATA)

Presented 10/60

File:C:EB:PRESSPL
10-Nov-93 *Print Date*
02:02 PM

	TRUMP TAJ MAHAL	TRUMP PLAZA	TCS	TAC	ELIMIN	TRUMP AC CONSOL	THCR HOLDING	TRUMP IND	TRUMP MARINA	THCR ENTER	THCR HOLD ELIMIN	THCR INC CONSOL	ELIMIN	THCR INC CONSOL
REVENUES:														
GAMING	\$388,405	\$283,934				\$672,339		\$101,255	\$198,351		\$971,945			\$971,945
ROOMS	31,604	26,875				58,479			12,451		70,930			70,930
FOOD AND BEVERAGE	41,918	41,226				83,146		1,297	26,000		110,443			110,443
OTHER	13,356	8,945				24,303	3,375	939	8,314		(3,375)	33,556		33,556
GROSS REVENUE	477,285	360,982	0	0	0	830,267	3,375	103,481	245,115	0	(3,375)	1,186,874	0	1,186,874
LESS: PROMOTIONAL ALLOW	50,556	47,822				98,376		582	29,672		128,578			128,578
NET REVENUE	426,729	313,160	0	0	0	739,899	3,375	102,963	215,444	0	(3,375)	1,058,296	0	1,058,296
COSTS AND EXPENSES:														
GAMING	236,957	172,504				409,461		70,088	125,577		605,126			605,126
ROOMS	11,062	10,294				21,356			2,383		23,739			23,739
FOOD AND BEVERAGE	14,366	13,934				28,300		2,473	7,426		38,199			38,199
GENERAL & ADMIN	64,158	57,486				121,654		17,927	43,990		183,571			183,571
TOTAL COSTS AND EXP	326,553	254,218	0	0	0	580,771	0	90,488	179,376	0	850,635	0	0	850,635
EBITDA	100,176	58,942	0	0	0	159,118	3,375	12,475	36,069	0	(3,375)	207,661	0	207,661
Operating Margin	23.5%	18.8%				21.5%		12.1%	16.7%		19.6%			19.6%
CRDA/INDIANA STATE & MUNIC OBLIG	1,606	1,226				2,834		2,775	854		6,463			6,463
DEPRECIATION & AMORT	27,204	18,697				45,901	195	4,203	12,368		62,657			62,657
MANAGEMENT FEE/CORP EXPENSES				86		86	11,424	3,375			3,375	11,510		11,510
DEVELOPMENT COSTS						0	1,075					1,075		1,075
INTEREST INCOME	1,608	847		103,177	101,250	4,462	13,776	885	554		12,541	7,166		7,166
INTEREST EXPENSE	70,631	35,778		110,835	101,250	115,994	17,982	6,981	38,283		12,541	166,679		166,679
OTHER NON-OPERATING (INC)/EXP						0		990				990		990
TOTAL NON-OPER (INC)/EXP	97,835	54,754	0	7,744	0	160,333	16,900	17,429	50,921	0	(3,375)	242,208	0	242,208
INCOME (LOSS) BEFORE TAXES, JOINT VENTURE AND MINORITY INTEREST	2,341	4,188	0	(7,744)	0	(1,215)	(12,525)	(4,954)	(14,853)	0	0	(34,547)	0	(34,547)
LOSS IN JOINT VENTURE						0		(2,225)				(2,225)		(2,225)
PROVISION FOR INCOME TAXES				0		0					0			0
INCOME (LOSS) BEFORE MINORITY INTEREST	2,341	4,188	0	(7,744)	0	(1,215)	(12,525)	(7,179)	(14,853)	0	0	(36,772)	0	(36,772)
MINORITY INTEREST	0	0		0	0	0	0	0	0		0	13,434		13,434
NET INCOME (LOSS)	\$2,341	\$4,188	\$0	\$(7,744)	\$0	\$(1,215)	\$(12,525)	\$(7,179)	\$(14,853)	\$0	\$0	\$(36,772)	\$0	\$13,434
WT AVER SHARES OUTSTANDING														22,206,428
LOSS PER SHARE														(\$1.05)

CONFIDENTIAL TREATMENT REQUEST BY THCR 00155

TRUMP HOTELS & CASINO RESORT INC
CONSOLIDATING BALANCE SHEET
SEPTEMBER 30, 1993

26-04-93
09:09 AM

ASSETS	TRUMP TAJ MARIA	TP FUND	TRUMP PLAZA	TCS	TRUMP AC	TACF	TAC I	TAC II	ELIMIN	TRUMP AC CONSOL	THCR FUND	THCR HOLD	TRUMP MD	TRUMP MARINA	THCR ENTERPR	ELIMIN	THCR HOLD CONSOL	THCR INC	ELIMIN	THCR INC CONSOL
CURRENT ASSETS																				
CASH & CASH EQUIVALENTS	\$32,818	\$2	\$22,750	\$3	\$44,355	\$6,250	2,576	1,172	(\$6,688)	\$140,832		\$871	\$8,273	\$29,614	\$89		\$179,687	\$4		\$179,511
RECEIVABLES NET	30,647		18,020	127	(4,236)					45,005	6,535	9	1,373	12,970	339		60,739			60,159
INVENTORIES	5,125		2,035	2,190						5,340		1,916	870	2,634			17,948			12,848
PREPAID & OTHER CURRENT ASSETS	4,301		2,474	699	6					7,522		24,687		13,356			12,942			12,942
ADVANCES TO AFFILIATES	11,582		(23,272)	6,772	55,672					48,702		22,785					24,687			24,987
																	(837)			(637)
TOTAL CURRENT ASSETS	84,823	2	19,007	9,771	134,651	66,250	3,516	1,172	(\$6,688)	252,264	6,555	60,281	10,653	48,387	13,435		228,716	4	0	228,790
INVEST IN TP ASSOC 1286 CONTRB					215,675				(218,603)	0		172,856					0			0
INVEST IN TP ASSOC 1986 CONTRB										0		49,956					0			0
INVEST IN TP ASSOC 1997 CONTRB										0		10,144					0			0
INVEST IN TP ASSOC 1999 CONTRB										0		(44,039)					0			0
INVEST IN TRUMP INDIANA THRU 1997										0		35,441					0			0
INVEST IN TRUMP INDIANA THRU 1998										0		5,025					0			0
INVEST IN TRUMP INDIANA THRU 1999										0		4,430					0			0
INVEST IN THCR HOLDINGS LP										0							0			0
INVEST IN TAJ MARINA THRU 1996										0							0			0
INVEST IN TAJ MARINA 1987										0							0			0
INVEST IN TRUMP AC										0		215,622					0			0
INVEST IN BUREN/STON HARBOR										0							0			0
INVEST IN TRUMP MARINA 1987										0							38,854			38,854
INVEST IN TRUMP MARINA 1988										0							228,776			53,381
INVEST IN TRUMP MARINA 1989										0							16,756			10,746
INVEST IN THCR ENTERPRISES 1997										0							8,802			8,800
INVEST IN THCR ENTERPRISES 1998										0							17,270			6,930
PROPERTY & EQUIPMENT NET	914,356		406,811	2,192						1,333,367		642	56,913	444,286			1,866,226			1,865,236
RESTRICTED FUNDS-FUTURE CONST										0							0			0
DUKE FROM AFFILIATES										0							0			0
DUKE FROM OFFICERS										0		2,706		1,280			3,985			2,955
NOTE RECEIVABLE										0	145,000						0			0
DEFERRED INCOME TAXES	15,253		7,448	0	200,000	72,966	23,957		(4,686,958)	0		0					0			0
DEFERRED LOAN COSTS-OTHER NET					0					0		26,156					0			0
DEFERRED COSTS-TAJ MERGER-NET					0					0		0					0			0
DEFERRED LICENSE COST					0					0		0					0			0
KANSAS CITY DEPOSITS					0					0		1,500					1,500			1,500
OTHER ASSETS	16,824	3,822	19,047	19	1,064				(3,622)	36,984		225	7,555	14,349			99,112			56,112
TOTAL ASSETS	\$1,020,996	\$3,824	\$452,511	\$11,990	\$1,520,587	\$76,250	\$76,415	\$24,169	(\$2,777,069)	\$1,638,703	\$18,155	\$707,081	\$116,674	\$548,271	\$13,435		\$2,366,299	\$74,150	(\$721,356)	\$2,396,303

TRUMP HOTELS & CASINO RESORTS, INC.

16-Oct-99
11:27 AM

SEPTEMBER 30, 1999

ADVANCES TO/DUE TO AFFILIATES:	TAJ MAHAL	TPA	TCS	TRUMP AC ELIMINATIONS	TRUMP AC CONSOL	THCR HOLD	INDIANA	MARINA ELIMINATIONS	THCR CONSOL	
THCR HOLDINGS	(492,274)	(3,557,822)	2,573,431	30,724,820	29,248,155		(50,692,184)	(873,603)	22,317,632	0
TRUMP ATLANTIC CITY	25,912,791	(18,034,694)	(32,773,067)		22,894,970	0	(30,724,820)		30,724,820	0
TRUMP PLAZA	(464,165)		4,292,701	16,034,694	(19,863,230)	0	3,557,822	(350,413)	(3,207,409)	0
TAJ MAHAL		464,165	13,541,991	(25,912,791)	11,806,665	0	492,274	(167,893)	(324,381)	0
TRUMP INDIANA					0	50,692,184			(50,692,184)	0
TRUMP CASINO SERVICES	(13,541,961)	(4,294,079)		32,773,067	(14,937,027)	0	(2,573,431)	(19,130,851)	21,710,282	0
TRUMP MARINA	167,893	350,413	19,136,851		19,655,157	873,603			(20,520,760)	0
MARINA DEMAND NOTE					0	451,708		(451,708)	0	0
SUB-TOTAL	11,582,284	(23,072,017)	6,771,877	53,619,790	1,378	48,903,312	22,769,340	(50,692,184)	(20,980,468)	0
ROUNDING					(1,378)	(1,378)				(1,378)
TRUMP ORGANIZATION		(199,814)				(199,814)				(199,814)
BUFFINGTON HARBOR					0		(435,463)			(435,463)
BALANCE AT 9/30/99	11,582,284	(23,271,831)	6,771,877	53,619,790	0	48,702,120	22,769,340	(51,127,647)	(20,980,468)	0
BALANCE AT 12/31/98	(771,883)	(35,130,131)	10,646,641	60,285,784	0	35,030,411	44,245,481	(58,267,197)	(21,600,885)	0
DIFFERENCE	(12,354,167)	(11,858,300)	3,874,764	6,665,994	0	(13,671,709)	21,476,141	(7,139,550)	(620,417)	0

TRUMP HOTELS & CASINO RESORTS INC
CONSOLIDATING INCOME STATEMENT
FOR THE QUARTER TO DATE PERIOD ENDED SEPTEMBER 30, 1999
(IN THOUSANDS, EXCEPT EPS DATA)

29-Oct-99 REPRINTED
04:07 PM

	TRUMP TAJ MAHAL	TRUMP PLAZA	TCS	TAC	TACF	TACF II	TACF III	ELIMIN	TRUMP AC CONSOL	THCR FUND	THCR HOLDING	TRUMP IND	TRUMP MARINA	THCR ENTER	ELIMIN	THCR HOLD CONSOL	THCR INC THCR INC	ELIMIN	THCR INC CONSOL
REVENUES:																			
GAMING	\$136,424	\$104,900							\$241,324			\$33,638	\$75,346			\$350,308			\$250,308
ROOMS	11,064	11,393							22,457			1,065	5,047			28,569			28,569
FOOD AND BEVERAGE	15,157	14,013							29,170			1,030	10,229			40,429			40,429
OTHER	23,571	5,735							27,110		1,166	357	3,435	(1,166)		30,902			30,902
GROSS REVENUE	186,016	134,045	0	0	0	0	0	0	320,061	0	1,166	36,090	94,057	0	(1,166)	450,208	0	0	450,208
LESS PROMOTIONAL ALLOW	18,354	17,043							35,397			1,169	10,570	-		47,136			47,136
NET REVENUE	167,662	117,002	0	0	0	0	0	0	284,664	0	1,166	34,921	83,487	0	(1,166)	403,072	0	0	403,072
COSTS AND EXPENSES:																			
GAMING	85,351	58,142							143,493			23,903	43,549			210,945			210,945
ROOMS	3,732	3,544							7,276			612	1,042			8,930			8,930
FOOD AND BEVERAGE	5,218	4,719							10,037			1,323	3,541			14,901			14,901
GENERAL & ADMIN	22,800	20,227		16					43,043		6,039	6,167	16,130	(1,165)		70,213			70,213
DEPRECIATION & AMORT	9,012	5,592							14,704		77	1,805	4,454			21,041			21,041
TRUMP WORLD'S FAIR CLOSING COSTS		128,375							128,375							128,375			128,375
TOTAL COSTS AND EXP	125,213	220,599	0	16	0	0	0	0	346,928	0	6,116	33,811	66,716	0	(1,166)	454,405	0	0	454,405
INCOME FROM OPERATIONS	41,449	(103,597)	0	(16)	0	0	0	0	(62,264)	0	(4,950)	1,110	14,771	0	0	(51,333)	0	0	(51,333)
NON-OPERATING INCOME (EXP):																			
INTEREST INCOME	163	96		34,350	33,750	2,072	703	(70,275)	679	5,618	4,643	276	193	(9,776)	1,833				1,833
INTEREST EXPENSE	(23,408)	(12,026)		(36,906)	(35,750)	(2,072)	(703)	70,275	(36,592)	(5,618)	(6,055)	(1,773)	(13,604)	9,776	(55,876)				(55,876)
OTHER NON-OPERATING INC(EXP)		50							50			(309)			(259)				(259)
TOTAL NON-OPER INC(EXP)	(23,225)	(11,880)	0	(2,558)	0	0	0	0	(37,663)	0	(1,422)	(1,806)	(13,411)	0	0	(54,302)	0	0	(54,302)
INCOME (LOSS) BEFORE TAXES, JOINT VENTURE & EXTRAORDINARY ITEMS	18,224	(115,577)	0	(2,574)	0	0	0	0	(99,927)	0	(6,372)	(696)	1,360	0	0	(105,635)	0	0	(105,635)
LOSS IN JOINT VENTURE									0			734				734			734
INCOME (LOSS) BEFORE MIN INTEREST & CUM EFFECT OF ACCTNG CHANGE	18,224	(115,577)	0	(2,574)	0	0	0	0	(99,927)	0	(6,372)	(1,430)	1,360	0	0	(105,369)	0	0	(105,369)
MINORITY INTEREST	0	0		0	0	0	0	0	0	0	0	0				0	38,899		38,899
CUM EFFECT OF ACCTNG CHANGE																0	0		0
NET INCOME (LOSS)	\$18,224	(\$115,577)	\$0	(\$2,574)	\$0	\$0	\$0	\$0	(\$99,927)	\$0	(\$6,372)	(\$1,430)	\$1,360	\$0	\$0	(\$106,369)	\$0	\$38,899	(\$67,470)
WT AVER SHARES OUTSTANDING																			22,135,256
EARNINGS PER SHARE																			(\$3.04)

CONFIDENTIAL TREATMENT REQUEST BY THCR 00170

TRUMP HOTELS & CASINO RESORTS INC
CONSOLIDATING INCOME STATEMENT
FOR THE QUARTER TO DATE PERIOD ENDED SEPTEMBER 30, 1998
(IN THOUSANDS, EXCEPT EPS DATA)
RESTATE OCT 1999

21-Oct-99
03:45 PM
Revised 1999

	TRUMP TAJ MAHAL	TRUMP PLAZA	TCS	TRUMP AC	TACF	TAC I	TAC III	ELIMIN	TRUMP AC CONSOL	THCR FUND HOLDING	THCR TRUMP IND	TRUMP MARINA	THCR ENTER	ELIMIN	THCR HOLD CONSOL	THCR INC	ELIMIN	THCR INC CONSOL
REVENUES:																		
GAMING	\$148,011	\$103,669							\$251,680		\$38,161	\$74,331			\$364,172			\$364,172
ROOMS	11,410	10,447							21,851			4,980			26,841			26,841
FOOD AND BEVERAGE	15,034	16,012							30,047		421	10,459			40,927			40,927
OTHER	5,667	3,399							9,062	1,125	354	3,716		(1,125)	13,132			13,132
GROSS REVENUE	180,122	132,516	0	0	0	0	0	0	312,640	0	1,125	38,836	93,496	(1,125)	445,072	0	0	445,072
LESS: PROMOTIONAL ALLOW	18,018	17,767							35,785		160	11,740			47,685			47,685
NET REVENUE	162,104	114,751	0	0	0	0	0	0	276,855	0	1,125	38,776	81,756	(1,125)	397,387	0	0	397,387
COSTS AND EXPENSES:																		
GAMING	84,837	62,017							146,854		27,463	46,729			220,846			220,846
ROOMS	3,866	3,219							7,886			784			8,470			8,470
FOOD AND BEVERAGE	4,959	5,066							10,027		890	3,072			13,989			13,989
GENERAL & ADMIN	23,255	19,889		18					43,162	4,000	8,346	16,153		(1,125)	70,536			70,536
DEPRECIATION & AMORT	8,910	8,499							15,405	67	1,426	4,160			21,058			21,058
TOTAL COSTS AND EXP	125,529	97,287	0	18	0	0	0	0	222,934	0	4,067	38,125	70,898	(1,125)	334,899	0	0	334,899
INCOME FROM OPERATIONS	36,475	17,464	0	(18)	0	0	0	0	53,921	0	(2,942)	651	10,858	0	62,488	0	0	62,488
NON-OPERATING (INCOME (EXP):									0									0
INTEREST INCOME	226	144		34,616	32,760	2,379	813	(70,692)	1,236	5,618	4,535	318	173	(9,861)	2,019			2,019
INTEREST EXPENSE	(23,502)	(11,823)		(36,840)	(35,750)	(2,379)	(813)	(70,692)	(38,475)	(5,618)	(6,060)	(2,212)	(12,886)	9,861	(55,390)			(55,390)
OTHER NON-OPERATING INC/EXP)	0	0							0						0			0
TOTAL NON-OPER INC(EXP)	(23,276)	(11,739)	0	(2,224)	0	0	0	0	(37,239)	0	(1,525)	(1,894)	(12,713)	0	(53,371)	0	0	(53,371)
INCOME (LOSS) BEFORE TAXES, AND JOINT VENTURE	13,199	5,725	0	(2,242)	0	0	0	0	16,682	0	(4,467)	(1,243)	(1,855)	0	9,117	0	0	9,117
LOSS IN JOINT VENTURE									0		742				742			742
PROVISION FOR INCOME TAXES									0						0			0
INCOME (LOSS) BEFORE MINORITY INTEREST	0								0						0			0
MINORITY INTEREST	13,199	5,725	0	(2,242)	0	0	0	0	16,682	0	(4,467)	(1,865)	(1,855)	0	8,375	0	0	8,375
NET INCOME (LOSS)	\$13,199	\$5,725	\$0	(\$2,242)	\$0	\$0	\$0	\$0	\$16,682	\$0	(\$4,467)	(\$1,865)	(\$1,855)	\$0	\$8,375	\$0	(\$3,063)	\$5,312
WT AVER SHARES OUTSTANDING																		22,195,256
BASIC LOSS PER SHARE																		\$0.24

CONFIDENTIAL TREATMENT REQUEST BY THCR 00171

TRUMP HOTELS & CASINO RESORTS INC
CONSOLIDATING INCOME STATEMENT
FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 1999
(IN THOUSANDS, EXCEPT EPS DATA)

REVISED

21-Oct-99
04:57 PM

	TRUMP TAJ MAHAL	TRUMP PLAZA	TCS	TAC	TACF	TACF II	TACF III	ELIMIN	TRUMP AC CONSOL	THCR FUND	THCR HOLDING	TRUMP IND MARINA	TRUMP ENTER	THCR ELIMIN	THCR HOLD CONSOL	THCR INC	ELIMIN	THCR INC CONSOL	
REVENUES:																			
GAMING	\$381,123	\$281,120							\$662,243			\$104,836	\$205,450		\$972,529			\$972,529	
ROOMS	29,015	26,735							57,750			2,246	12,266		72,262			72,262	
FOOD AND BEVERAGE	40,962	39,578							80,540			2,568	26,395		109,523			109,523	
OTHER	33,114	9,221							42,335		3,498	1,052	8,055	(3,498)	51,442			51,442	
GROSS REVENUE	484,214	358,654	0	0	0	0	0	0	842,868	0	3,498	110,722	252,166	(3,498)	1,205,756	0	0	1,205,756	
LESS: PROMOTIONAL ALLOW	48,320	45,545							94,865			2,162	28,475		125,522			125,522	
NET REVENUE	435,894	312,109	0	0	0	0	0	0	748,003	0	3,498	108,540	223,691	(3,498)	1,080,234	0	0	1,080,234	
COSTS AND EXPENSES:																			
GAMING	237,150	164,131							401,281			72,091	124,866		598,238			598,238	
ROOMS	11,669	10,163							21,832			1,455	2,889		26,177			26,177	
FOOD AND BEVERAGE	14,373	13,997							28,370			3,661	8,144		40,175			40,175	
GENERAL & ADMIN	68,034	60,216		65					128,250		16,239	21,465	46,622	69	(3,498)	209,212		209,212	
DEPRECIATION & AMORT	27,571	17,335							44,906		221	5,255	12,980		63,367			63,367	
TRUMP WORLD'S FAIR CLOSING		128,375							128,375						128,375			128,375	
TOTAL COSTS AND EXP	358,797	394,221	0	65	0	0	0	0	753,083	0	16,460	103,929	195,501	69	(3,498)	1,065,544	0	0	1,065,544
INCOME FROM OPERATIONS	77,097	(82,112)	0	(65)	0	0	0	0	(5,080)	0	(12,962)	4,611	28,190	(69)	0	14,690	0	0	14,690
NON-OPERATING INCOME (EXP):																			
INTEREST INCOME	856	422		102,341	101,250	6,328	2,109	(210,937)	2,389	16,856	14,136	452	585	1	(29,256)	5,143		5,143	
INTEREST EXPENSE	(70,278)	(35,536)		(110,787)	(101,250)	(6,328)	(2,109)	210,937	(115,331)	(16,856)	(18,154)	(5,361)	(40,335)		29,256	(166,781)		(166,781)	
OTHER NON-OPERATING INC(EXP)	335	50							385			(2,104)			(1,719)			(1,719)	
TOTAL NON-OPER INC(EXP)	(68,097)	(35,064)	0	(6,426)	0	0	0	0	(112,577)	0	(4,018)	(7,013)	(39,750)	1	0	(163,357)	0	0	(163,357)
INCOME (LOSS) BEFORE INCOME TAXES JOINT VENTURE AND MINORITY INTEREST	8,010	(117,176)	0	(8,491)	0	0	0	0	(117,657)	0	(16,980)	(2,402)	(11,560)	(68)	0	(148,667)	0	0	(148,667)
LOSS IN JOINT VENTURE									0			2,246			2,246			2,246	
PROVISION FOR INCOME TAXES									0			0			0			0	
INCOME (LOSS) BEFORE MINORITY INTEREST	8,010	(117,176)	0	(8,491)	0	0	0	0	(117,657)	0	(16,980)	(4,648)	(11,560)	(68)	0	(150,913)	0	0	(150,913)
MINORITY INTEREST	0	0		0	0	0	0	0	0	0	0	0	0	0	0	0	55,189	55,189	
CUM EFFECT OF ACCTG CHANGE											(5,620)				(5,620)		2,055	(3,565)	
NET INCOME (LOSS)	\$8,010	(\$117,176)	\$0	(\$8,491)	\$0	\$0	\$0	\$0	(\$117,657)	\$0	(\$22,500)	(\$4,648)	(\$11,550)	(\$68)	\$0	(\$155,533)	\$0	\$57,244	(\$99,289)
WT AVERAGE SHARES OUTSTANDING																			22,195,256
EARNINGS PER SHARE																			(\$4.47)

CONFIDENTIAL TREATMENT REQUEST BY THCR 00172

TRUMP HOTELS & CASINO RESORTS INC
CONSOLIDATING INCOME STATEMENT

21-Oct-99
03:45 PM

FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 1998
(IN THOUSANDS, EXCEPT EPS DATA)
RESTATE OCT 1999

	TRUMP TAJ MAHAL	TRUMP PLAZA	TGS	TAC	TACF	TACF II	TACF III	ELIMIN	TRUMP AC CONSOL	THCR FUND	THCR HOLDING	TRUMP TRUMP IND	TRUMP MARINA	THCR ENTER	ELIMIN	THCR HOLD CONSOL	THCR INC	ELIMIN	THCR INC CONSOL
REVENUES:																			
GAMING	\$388,405	\$263,934							\$672,339			\$101,255	\$198,351			\$971,945			\$971,945
ROOMS	31,604	26,879							58,479				12,451			70,930			70,930
FOOD AND BEVERAGE	41,918	41,228							83,146			1,297	26,000			110,443			110,443
OTHER	15,358	8,945							24,303		3,375	939	8,314		(3,375)	39,556			39,556
GROSS REVENUE	477,285	360,982	0	0	0	0	0	0	838,267	0	3,375	103,491	245,116	0	(3,375)	1,186,874	0	0	1,186,874
LESS: PROMOTIONAL ALLOW	60,556	47,622							98,378			528	29,672			128,578			128,578
NET REVENUE	426,729	313,180	0	0	0	0	0	0	739,889	0	3,375	102,963	215,444	0	(3,375)	1,058,296	0	0	1,058,296
COSTS AND EXPENSES:																			
GAMING	236,857	172,504							409,461			72,863	125,577			607,901			607,901
ROOMS	11,062	10,294							21,356				2,383			23,739			23,739
FOOD AND BEVERAGE	14,366	13,934							28,300			2,473	7,426			38,199			38,199
GENERAL & ADMIN	65,776	58,712		88					124,574		12,499	22,006	44,844		(3,375)	200,548			200,548
DEPRECIATION & AMORT	27,204	18,697							45,901		195	4,203	12,358			62,657			62,657
PREOPENING									0							0			0
TOTAL COSTS AND EXP	355,365	274,141	0	86	0	0	0	0	629,592	0	12,694	101,545	192,588	0	(3,375)	933,044	0	0	933,044
INCOME FROM OPERATIONS	71,364	39,019	0	(86)	0	0	0	0	110,297	0	(9,319)	1,418	22,856	0	0	126,252	0	0	126,252
NON-OPERATING INCOME (EXP):																			
INTEREST INCOME	1,508	947		103,177	101,250	6,305	2,102	(210,907)	4,482	16,856	13,776	895	554		(29,397)	7,165			7,166
INTEREST EXPENSE	(70,631)	(36,776)		(110,835)	(101,250)	(6,305)	(2,102)	210,907	(115,994)	(15,855)	(17,982)	(6,861)	(36,263)		29,327	(166,679)			(166,679)
OTHER NON-OPERATING INC(EXP)									0			(286)				(286)			(286)
TOTAL NON-OPER INC(EXP)	(69,023)	(34,831)	0	(7,658)	0	0	0	0	(111,512)	0	(4,206)	(6,372)	(37,709)	0	0	(159,799)	0	0	(159,799)
INCOME (LOSS) BEFORE INCOME TAXES JOINT VENTURE AND MINORITY INTEREST	2,341	4,188	0	(7,744)	0	0	0	0	(1,215)	0	(13,525)	(4,954)	(14,853)	0	0	(34,547)	0	0	(34,547)
LOSS IN JOINT VENTURE									0			2,225				2,225			2,225
PROVISION FOR INCOME TAXES									0			0				0			0
INCOME (LOSS) BEFORE MINORITY INTEREST	2,341	4,188	0	(7,744)	0	0	0	0	(1,215)	0	(13,525)	(7,179)	(14,853)	0	0	(36,772)	0	0	(36,772)
MINORITY INTEREST	0	0		0	0	0	0	0	0	0	0	0			0	0	0	13,434	13,434
NET INCOME (LOSS)	\$2,341	\$4,188	\$0	(\$7,744)	\$0	\$0	\$0	\$0	(\$1,215)	\$0	(\$13,525)	(\$7,179)	(\$14,853)	\$0	\$0	(\$36,772)	\$0	\$13,434	(\$23,338)
WT AVERAGE SHARES OUTSTANDING																			22,206,428
EARNINGS PER SHARE																			(\$1.05)

CONFIDENTIAL TREATMENT REQUEST BY THCR 00173

TRUMP HOTEL & CASINO RESORTS INC
 CONSOLIDATING EQUITY
 FOR THE YEAR TO DATE PERIOD ENDED DECEMBER 31, 1999
 (\$ IN THOUSANDS)

29-Oct-99
 04:08 PM

	TRUMP TAJ MAHAL	TP FUND	TRUMP PLAZA	TCS	TRUMP AC	ELIMN	TRUMP AC CONSOL	THCR FUND	THCR HOLDING	TRUMP IND	TRUMP MARINA	THCR ENTERPR	ELIMN	THCR HOLD CONSOL	THCR INC	ELIM	THCR INC CONSOL
CAPITAL AT JANUARY 1, 1999	181,548	2	101,548	0	209,164	(219,603)	272,759	0	657,170	20,225	110,114	137	(647,961)	412,444	605,820	(731,358)	286,908
NET INCOME (LOSS)	(10,499)		(2,911)		(2,776)		(17,186)		(10,794)	(2,878)	(8,937)	(58)		(39,863)			(39,863)
CONTRIB CAPITAL							0			3,580			(3,580)	0			0
MINORITY INTEREST							0							0	14,578		14,578
CAPITAL AT MARCH 31, 1999	171,049	2	97,737	0	206,388	(219,603)	255,573	0	646,376	20,927	101,177	69	(651,541)	372,581	605,820	(716,778)	251,523
NET INCOME (LOSS)	285		2,312		(3,141)		(544)		(5,434)	(340)	(3,963)			(10,301)			(10,301)
CONTRIB CAPITAL							0							0			0
MINORITY INTEREST							0							0	3,767		3,767
CAPITAL AT JUNE 30, 1999	171,334	2	100,049	0	203,247	(219,603)	255,029	0	640,942	20,587	97,194	69	(651,541)	362,280	605,820	(713,011)	255,069
NET INCOME (LOSS)	16,224		115,577		(2,574)		(99,927)		(6,372)	(1,430)	1,360			(106,369)			(106,369)
CONTRIB CAPITAL							0			850			(850)	0			0
MINORITY INTEREST							0							0	38,899		38,899
CAPITAL AT SEPT 30, 1999	189,558	2	(15,528)	0	200,673	(219,603)	185,102	0	634,570	20,007	98,554	69	(652,391)	255,911	605,820	(674,112)	187,519

00174

CONFIDENTIAL TREATMENT REQUEST BY THCR

TRUMP HOTELS & CASINO RESORTS
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE NINE MONTHS ENDED 09/30/99
(IN THOUSANDS)

SEP NOV 99
25:44 PM

	TRUMP TAU MARINA	TP FUND	TRUMP PULGA	TRUMP CAS SVC	TRUMP ATL CITY	TRUMP OTHER	TRUMP TLC	TRUMP AC	TRUMP HOLD	TRUMP INDIANA	TRUMP MARINA	TRUMP ENTER	TRUMP ADJTRCH	TRUMP HOLD	TRUMP THCR	TRUMP THCR
Net income (Loss):	\$8,010	\$0	\$(11,176)	\$0	\$(5,481)	\$0	\$(11,557)	\$22,600	\$(2,600)	\$(4,648)	\$(11,559)	\$(881)	\$(1,594,533)	\$57,244	\$(485,289)	
Adjustments to reconcile net income to net cash flows from operating activities:																
Change in effect of accounting change																
Insurance of debt in exchange for accrued interest																
Payment in kind interest in Castle Pk Notes																
Equity in loss of Burlington Harbor LLC																
Depreciation and amortization	27,571		11,339	704		(704)	44,910	221	5,256	12,990						
Minority interest					518		0			1,220						
Accretion of discounts on mortgage notes	2,516		1,308		561		4,485	805	108	201						
Amortization of deferred loan costs	9,607		714				10,323		59							
Provision for losses on receivables	1,605		4,572				3,175			1,099						
Valuation allowance of CRA investments																
Amortization of deferred license costs	(335)		(50)				(385)			2,776						
(Gain) loss on FFE	(17,200)		(50)				(17,200)									
Gain (loss) on property read upon lease term																
Write off net book value of Trump World's Fair Sub-statal	31,872		57,592	791	(7,412)	(704)	97,662	25,649	(24,884)	5,797	12,258	(68)				
(Increase) decrease in receivables	4,799		(110)	(115)	26,523	(28,750)	4,657	12	312	(4,770)						
(Increase) decrease in inventories	(136)		(3)	(16)			(137)		282	(149)						
(Increase) decrease in other current assets	(732)		1,632	(448)	11		482	564	287	(750)						
(Increase) decrease in due to affiliates	(12,554)		11,685	2,875	6,666		(13,671)	21,787	(7,139)	(765)						
(Increase) decrease in other assets	(201)		(4,871)	(82)	6	704	(1,624)	(1,312)	3,081	(179)						
(Increase) decrease in accounts pay & accrued	(1,406)		23,851	5,906	(1,800)		26,374	(843)	51	7,212						
Increase in income taxes payable	0		0				0	0	0	0						
Increase (decrease) in accrued interest	(15,500)		11,250		36,563	26,750	36,563	5,619	1	0						
Increase (decrease) in other liabilities	(1,807)		(1,807)				1,807	0	(14)	3,376						
Net cash flows provided by operating activities	4,351		1,645	9,932	62,507	0	76,393	1,145	2,248	16,238	(68)					

CASH FLOWS FROM INVESTING ACTIVITIES:

Acquisition of PPL net of prop re-debt term	(1,276)		(1,276)	(428)			(10,825)	(108)	(5,271)	(2,385)						
Proceeds from disposition of property	1,087		3,415				4,502		(335)							
Investment in Burlington Harbor																
CRA investments	(4,811)		(1,300)				(7,941)		2,523	(2,509)						
Restricted cash							0		0	0						
Net cash flows used by investing activities	(1,000)		(2,161)	(428)	0	0	(14,264)	(108)	12,083	(4,248)	0					

CASH FLOWS FROM FINANCING ACTIVITIES:

Purchase of Treasury Stock							0		4,450							
Contributed capital							0		0							
Additional borrowings							0		0							
Payment of long-term debt	(1,559)		(2,245)	(249)			(4,151)	(31)	(5,546)	(1,499)						
Debt issuance costs							0		0							
Net cash flows provided by financing activities	(1,559)		(2,245)	(249)	0	0	(4,151)	(4,430)	(1,116)	(1,499)	0					

Net (increase) decrease in cash and cash equivalents

Cash and Cash Equivalents at Beginning of Period	40,826	0	21,776	9,155	62,507	0	59,876	(2,096)	(1,451)	3,091	(88)					
Cash and Cash Equivalents at End of Period	\$32,816	\$2	\$22,756	\$3	\$65,259	\$0	\$160,632	\$821	\$0,271	\$20,654	\$69	\$0	\$179,607	\$4	\$176,611	

Cash interest paid	\$162	\$0	\$476	\$97	\$73,125		\$11,862	\$11,906	\$2,167	\$16,201	\$0		\$106,139	\$0	\$106,139	
Non-cash PPE	\$2,027	0	\$5,662	\$109			\$7,816	0	800	\$4,059			\$12,877		\$12,877	

TRUMP HOTELS & CASINO RESORTS

2500 BOARDWALK
ATLANTIC CITY, NEW JERSEY 08401
PHONE: 609 441-6515
FAX: 609 441-7926

FAX TRANSMISSION

From

To:

(b)(6),(b)(7)(C)

Date: 10/27/99

Fax#:

Pages: 3 including this cover page

To

From:

(b)(6),(b)(7)(C)

COMMENTS:

Please proof these members.
Changes in prior years due to restaurant to confirm to most recent yr.
I checked Net Revenue, EBITDA but didn't proof up to 2 didn't touch balance for future periods.*

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Trump Hotels and Casino Resorts, L.P.

Casino Properties	3 Mos Ended 3/01/99		3 Mos Ended 6/30/99		3 Mos Ended 9/30/99		3 Mos Ended 12/31/99		3 Mos Ended 3/31/00		3 Mos Ended 6/30/00		3 Mos Ended 9/30/00		3 Mos Ended 12/31/00	
	Ended	% Change	Ended	% Change	Ended	% Change	Ended	% Change	Ended	% Change	Ended	% Change	Ended	% Change	Ended	% Change
Trump Plaza	\$114.75	1.4%	\$114.75	1.4%	\$114.75	1.4%	\$114.75	1.4%	\$114.75	1.4%	\$114.75	1.4%	\$114.75	1.4%	\$114.75	1.4%
Net Revenue	\$114.75	1.4%	\$114.75	1.4%	\$114.75	1.4%	\$114.75	1.4%	\$114.75	1.4%	\$114.75	1.4%	\$114.75	1.4%	\$114.75	1.4%
% Change																
EBITDA*	24.40	-2.4%	24.40	-2.4%	24.40	-2.4%	24.40	-2.4%	24.40	-2.4%	24.40	-2.4%	24.40	-2.4%	24.40	-2.4%
% Change																
Margin	21.3%		21.3%		21.3%		21.3%		21.3%		21.3%		21.3%		21.3%	
Trump Taj Mahal	\$125.05	-5.6%	\$125.05	-5.6%	\$125.05	-5.6%	\$125.05	-5.6%	\$125.05	-5.6%	\$125.05	-5.6%	\$125.05	-5.6%	\$125.05	-5.6%
Net Revenue	\$125.05	-5.6%	\$125.05	-5.6%	\$125.05	-5.6%	\$125.05	-5.6%	\$125.05	-5.6%	\$125.05	-5.6%	\$125.05	-5.6%	\$125.05	-5.6%
% Change																
EBITDA*	30.04	-11.5%	30.04	-11.5%	30.04	-11.5%	30.04	-11.5%	30.04	-11.5%	30.04	-11.5%	30.04	-11.5%	30.04	-11.5%
% Change																
Margin	21.6%		21.6%		21.6%		21.6%		21.6%		21.6%		21.6%		21.6%	
Trump Marina	\$158.84	-10.9%	\$158.84	-10.9%	\$158.84	-10.9%	\$158.84	-10.9%	\$158.84	-10.9%	\$158.84	-10.9%	\$158.84	-10.9%	\$158.84	-10.9%
Net Revenue	\$158.84	-10.9%	\$158.84	-10.9%	\$158.84	-10.9%	\$158.84	-10.9%	\$158.84	-10.9%	\$158.84	-10.9%	\$158.84	-10.9%	\$158.84	-10.9%
% Change																
EBITDA*	11.23	-3.4%	11.23	-3.4%	11.23	-3.4%	11.23	-3.4%	11.23	-3.4%	11.23	-3.4%	11.23	-3.4%	11.23	-3.4%
% Change																
Margin	18.8%		18.8%		18.8%		18.8%		18.8%		18.8%		18.8%		18.8%	
Trump Indiana	\$15.91	-1.5%	\$15.91	-1.5%	\$15.91	-1.5%	\$15.91	-1.5%	\$15.91	-1.5%	\$15.91	-1.5%	\$15.91	-1.5%	\$15.91	-1.5%
Net Revenue	\$15.91	-1.5%	\$15.91	-1.5%	\$15.91	-1.5%	\$15.91	-1.5%	\$15.91	-1.5%	\$15.91	-1.5%	\$15.91	-1.5%	\$15.91	-1.5%
% Change																
EBITDA*	4.83	-3.4%	4.83	-3.4%	4.83	-3.4%	4.83	-3.4%	4.83	-3.4%	4.83	-3.4%	4.83	-3.4%	4.83	-3.4%
% Change																
Margin	12.5%		12.5%		12.5%		12.5%		12.5%		12.5%		12.5%		12.5%	
Consolidated	\$344.19	-8.5%	\$344.19	-8.5%	\$344.19	-8.5%	\$344.19	-8.5%	\$344.19	-8.5%	\$344.19	-8.5%	\$344.19	-8.5%	\$344.19	-8.5%
Net Revenue	\$344.19	-8.5%	\$344.19	-8.5%	\$344.19	-8.5%	\$344.19	-8.5%	\$344.19	-8.5%	\$344.19	-8.5%	\$344.19	-8.5%	\$344.19	-8.5%
% Change																
Property Level EBITDA	64.55	-9.5%	64.55	-9.5%	64.55	-9.5%	64.55	-9.5%	64.55	-9.5%	64.55	-9.5%	64.55	-9.5%	64.55	-9.5%
% Change																
Corporate and other*	18.01	67.6%	18.01	67.6%	18.01	67.6%	18.01	67.6%	18.01	67.6%	18.01	67.6%	18.01	67.6%	18.01	67.6%
% Change																
Company EBITDA	\$82.56	-18.9%	\$82.56	-18.9%	\$82.56	-18.9%	\$82.56	-18.9%	\$82.56	-18.9%	\$82.56	-18.9%	\$82.56	-18.9%	\$82.56	-18.9%
% Change																

Donaldson, Lufkin & Jenrette

(b)(6)
(b)(7)
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(b)(6), (b)(7)(C)

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Donaldson, Lukin & Juretta
10/26/99

Trump Hotels and Casino Resorts, L.P. (1)

Summary Financial Information
Fiscal Year Ended December 31st
(\$ in millions)

	1996	1997	1998	Quarter ending 9/30		ATM	1999E	2000E
				1998	1998	9/30/99		
Casino win	\$1,214.2	\$1,263.2	\$1,287.0	\$384.1	NA	NA	\$1,300.8	\$1,291.7
% of net revenues	90.6%	91.5%	91.8%	91.8%	NA	NA	92.4%	91.8%
Net revenue	\$1,337.0	\$1,293.4	\$1,403.0	\$397.4	\$403.1	\$1,425.9	\$1,407.3	\$1,410.5
% change	12.4%	4.7%	9.9%		1.4%		0.3%	0.2%
EBITDA	\$231.1	\$266.4	\$216.9	\$67.1	\$102.0	\$257.8	\$273.4	\$281.8
% change	-12.0%	6.7%	-0.2%		17.2%		16.7%	3.1%
EBITDA margin	17.4%	17.8%	17.8%	21.3%	25.3%	18.3%	19.4%	20.0%
Interest expense	\$211.6	\$111.5	\$229.1	\$55.4	\$55.5	\$221.1	\$272.0	\$318.9
Capital expenditures	\$278.7	\$90.5	\$58.6	\$12.2	NA	NA	\$37.0	\$30.0
Excess cash (cash - capx cost)	134.7	98.3	79.8			65.1	80.0	80.0
Net debt	1,574.3	\$,712.1	1,725.4			1,735.3	1,750.0	1,745.0
Market Coverage								
EBITDA/interest expense	1.1x	1.2x	1.1x	1.3x	1.8x	1.7x	1.2x	1.3x
EBITDA - cap. ex. / int. exp.	NA	0.6x	0.6x	1.4x	NA	NA	1.1x	1.1x
Net debt/EBITDA	6.8x	6.5x	7.0x			6.5x	6.3x	6.2x

Capitalization
(\$ in millions)

	6/30/99
Cost & marketable securities	\$105.1
Bank debt	-
11.250% TAC 5 1/2 year notes due 2005	1,280.0
11.250% TAC II first mtg notes due 2005	25.0
11.250% TAC III first mtg notes due 2005	26.0
TAC other debt	7.2
Trump Castle capital notes due 4/17/2003	\$2.0
Trump Castle working capital loan due 4/17/03	5.0
11.750% Trump Castle first mtg notes due 2005	242.1
13.875% Trump Castle first mtg notes due 2005	10.2
Trump Castle other debt	0.8
15.500% THCR senior notes due 2005	145.0
Other debt	28.3
Total debt	\$1,800.4
Excess cash (cash - capx cost)	65.1
Net debt	\$1,735.3
Book value of equity	255.1
Total capitalization	\$1,990.4
Equity share price	\$ 4.18
Shares outstanding (mm)	36.1
Market value of equity	151.2
Enterprise value	\$1,839.2
EV/7M EBITDA	7.0x
EV/1998 EBITDA	6.5x
EV/2000E EBITDA	6.7x

Footnotes:

(1) We have adjusted 1998 Net Revenue to include the Taj Mahal, the Flamingo and the Mirage for all periods. EBITDA excludes a \$10 million payment for the Taj Mahal in the June 1998 quarter, a \$5 million payment to the Flamingo in the September 1998 quarter and a \$4 million payment to the Flamingo in the Atlantic Jersey Thermal Systems for service in 1998.

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Trump Hotels and Casino Resorts, L.P.

	3 Mos			3 Mos			3 Mos			3 Mos			1TM	1TM	FYE	FYE	FYE	FYE	
	Ended	Ended	Ended	Ended	Ended	Ended	Ended	Ended	Ended	Ended	Ended	Ended							
Casino Properties	3/21/99	6/20/98	6/30/98	3/21/99	6/30/98	6/30/98	3/21/99	6/30/98	6/30/98	3/21/99	6/30/98	6/30/98	3/21/99	6/30/98	6/30/98	12/31/98	12/31/98	12/31/98	12/31/98
Net Revenue	\$95.02	\$102.39	\$114.35	\$90.80	\$104.31	\$117.00	\$74.35	\$408.04	\$411.63	\$414.33	\$412.70	\$306.45	\$316.50						
% Change	-4.8%	8.5%	1.4%	-5.4%	1.9%	2.0%	-25.3%	NA	0.8%	NA	-0.4%	-6.4%	-4.8%						
EBITDA*	15.81	18.73	24.49	14.09	20.07	31.99	11.43	70.86	78.97	10.00	72.57	87.58	80.57						
% Change	12.9%	-1.5%	-2.4%	-16.9%	7.1%	27.0%	28.0%	NA	11.3%	NA	3.7%	13.8%	7.7%						
Margin	16.5%	18.3%	21.3%	15.5%	19.2%	26.5%	23.4%	17.4%	19.7%	18.9%	17.5%	21.4%	25.5%						
Trump Taj Mahal																			
Net Revenue	\$125.57	\$133.85	\$162.10	\$123.84	\$144.23	\$167.76	\$147.52	\$659.94	\$575.23	\$597.94	\$585.39	\$623.79	\$606.12						
% Change	-9.3%	-5.4%	6.8%	-1.0%	4.1%	3.5%	5.6%	NA	3.4%	NA	-0.3%	3.1%	4.2%						
EBITDA*	24.12	30.01	46.01	22.50	33.00	57.09	31.50	143.75	135.55	127.02	128.15	108.88	141.37						
% Change	-20.0%	-11.8%	15.0%	-5.4%	9.3%	10.6%	8.7%	NA	10.2%	NA	1.7%	6.9%	2.4%						
Margin	19.2%	21.6%	28.4%	18.2%	22.8%	30.4%	21.4%	22.1%	23.5%	22.4%	22.8%	23.7%	23.2%						
Trump Marina																			
Net Revenue	\$65.77	\$86.81	\$91.65	\$64.49	\$75.32	\$81.50	\$89.95	\$296.92	\$256.21	\$284.66	\$283.91	\$323.65	\$302.26						
% Change	-2.5%	-10.9%	7.0%	-3.2%	13.3%	2.3%	0.2%	NA	5.5%	NA	-0.3%	3.1%	3.3%						
EBITDA*	9.42	11.25	15.34	8.80	13.78	19.60	9.84	40.84	51.88	40.01	45.80	42.10	58.43						
% Change	6.0%	-2.4%	2.8%	-6.3%	27.5%	27.7%	3.2%	NA	27.5%	NA	14.0%	14.2%	-3.2%						
Margin	14.2%	16.8%	16.9%	13.8%	18.7%	23.5%	14.3%	14.7%	17.7%	14.1%	16.1%	17.8%	16.7%						
Trump Indiana																			
Net Revenue	\$28.28	\$35.91	\$38.75	\$35.92	\$35.69	\$34.90	\$35.84	\$123.92	\$145.12	\$132.43	\$140.62	\$144.37	\$151.74						
% Change	-26.8%	1.5%	27.3%	-36.6%	2.2%	-10.0%	-4.8%	NA	15.5%	NA	6.2%	2.7%	5.1%						
EBITDA*	3.12	4.53	4.83	3.01	6.13	5.80	3.69	15.05	20.14	23.13	16.54	19.83	20.71						
% Change	-66.7%	-35.4%	14.7%	-60.6%	35.4%	3.6%	-9.3%	NA	33.8%	NA	-28.5%	19.8%	4.5%						
Margin	11.0%	12.8%	12.5%	13.6%	18.7%	14.3%	10.3%	11.6%	13.8%	17.5%	11.8%	13.7%	13.7%						
Consolidated																			
Net Revenue	\$316.59	\$381.18	\$397.28	\$316.05	\$351.45	\$393.13	\$376.68	\$1,331.81	\$1,425.82	\$1,390.37	\$1,403.62	\$1,490.28	\$1,410.62						
% Change	-7.5%	-4.0%	5.9%	-0.2%	5.0%	-1.5%	-5.5%	NA	3.9%	NA	0.3%	0.3%	0.2%						
Property Level EBITDA	52.53	61.55	90.54	50.55	72.97	102.80	82.45	248.33	286.36	260.16	263.85	292.53	301.53						
% Change	-15.7%	-4.0%	7.5%	-3.9%	13.1%	17.2%	11.1%	NA	14.7%	NA	1.4%	10.9%	3.0%						
Corporate and other**	14.13	14.67	13.31	15.18	19.00	18.69	14.40	15.18	13.55	13.24	11.69	13.27	12.7%						
% Change	67.8%	30.7%	-16.8%	29.2%	8.2%	31.5%	-3.3%	NA	27.5%	NA	23.4%	13.7%	2.7%						
Demolition EBITDA	\$18.70	\$29.91	\$37.05	\$16.37	\$57.92	\$101.56	\$38.63	\$234.42	\$267.80	\$216.42	\$749.83	\$723.36	281.75						
% Change	-18.9%	-12.1%	5.5%	-6.0%	13.4%	12.1%	12.4%	NA	14.2%	NA	0.7%	10.7%	3.1%						

Donaldson, Lukin & Jenrette

(b)(6), (b)(7), (b)(9)

(b)(6), (b)(7)(C)

FOR INTERNAL USE ONLY

Donaldson, Lufkin & Jenrette
10/26/99

Trump Hotels and Casino Resorts, L.P. (1)

Summary Financial Information
Fiscal Year Ended December 31st
(\$ in millions)

			Quarter ending 9/30		LTM			
	1996	1997	1998	1998	1999	6/30/99	1998E	2000E
Cash flow:	\$1,214.2	\$1,280.2	\$1,287.9	\$364.1	NA	NA	\$1,300.8	\$1,291.7
% of net revenues	90.8%	91.5%	91.8%	91.6%	NA	NA	92.4%	91.6%
Net revenue:	\$1,337.0	\$1,389.4	\$1,403.6	\$397.4	\$403.1	\$1,425.9	\$1,407.3	\$1,410.6
% change	12.4%	4.7%	0.3%	14%	14%		0.3%	0.2%
EBITDA:	\$233.1	\$245.4	\$248.9	\$87.1	\$102.0	\$267.8	\$272.4	\$281.8
% change	-12.0%	5.7%	0.2%	17.2%	17.2%		10.7%	3.1%
EBITDA margin	17.4%	17.6%	17.6%	21.9%	25.3%	18.8%	19.4%	20.0%
Interest expense	\$211.5	\$211.5	\$223.1	\$55.4	\$55.5	\$273.1	\$272.3	\$279.5
Capital expenditures	\$239.7	\$40.5	\$30.5	\$12.2	NA	NA	\$37.0	\$30.0
Excess cash (cash - capex cash)	134.7	89.5	73.8			85.1	80.0	90.0
Net debt:	1,574.9	1,712.3	1,729.4			1,735.3	1,750.0	1,745.0
Interest Coverage								
EBITDA/interest expense	1.1x	1.2x	1.1x	1.6x	1.8x	1.7x	1.2x	1.3x
EBITDA - cap. ex./int. exp.	NA	0.8x	0.9x	1.4x	NA	NA	1.1x	1.1x
Net debt/EBITDA	6.8x	6.9x	7.0x			6.5x	6.3x	6.2x

Capitalization

(\$ in millions)

	6/30/99
Cash & marketable securities	\$162.1
Bank debt:	
11.750% TAC first mg. notes due 2006	1,230.0
11.250% TAC II first mg. notes due 2005	79.0
11.250% TAC III first mg. notes due 2006	25.0
TAC other debt	1.2
Trump Castle senior notes due 4/17 2003	57.6
Trump Castle working capital loan due 4/17/03	4.0
11.750% Trump Castle first mg. notes due 2005	262.1
13.875% Trump Castle first mg. notes due 2005	13.2
Trump Castle other debt	3.8
15.500% THCH senior notes due 2025	143.0
Other debt	78.0
Total debt	\$1,820.4
Excess cash (cash - capex cash)	65.1
Net debt	\$1,755.3
Book value of equity	255.1
Total capitalization	\$1,990.4
Equity share price	\$ 4.19
Shares outstanding (mm)	33.1
Market value of equity	151.2
Enterprise value	\$1,896.5
EV/7M EBITDA	7.0x
EV/1998 EBITDA	6.9x
EV/2000E EBITDA	6.7x

Footnotes:

(1) We have adjusted 1996 financial numbers to exclude the Taj Mahal, the Plaza, and the Marlin for all periods. EBITDA does not include a \$15 million payment to the Taj Mahal in the June 1999 quarter, a \$10 million payment to the Plaza in the September 1998 quarter, and a \$3 million payment to the Marlin, all from Atlantic Jersey National Services, an affiliate of the company.

10/27/99 WED 09:32 FAX 212 504 4685

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THIS INTERNAL USE ONLY

D. Williams, Lucinda A. Jacobsen
WRG:GHS

Trump Hotels and Casino Resorts, L.P. (1)

Summary Financial Information
Fiscal Year Ending December 31, 1999

1399.4

	1999			1998		1997		1996	1995
	1999	1998	1997	1998	1997	1998	1997		
Operating income	\$1,244.2	\$1,282.7	\$1,287.3	\$1,381.1	\$1,350.8	NA	NA	\$1,200.8	\$1,231.7
% of net revenues	62.5%	61.5%	61.8%	61.5%	61.5%	NA	NA	52.4%	51.8%
Net income	1327.6	1324.4	1340.6	1304.4	1301.1	NA	NA	1145.5	1140.6
% change	12.4%	0.3%	0.7%	1.4%	0.7%	NA	NA	0.3%	0.7%
EBITDA	224.6	220.1	216.9	207.1	212.0	207.8	207.4	223.4	220.8
% change	-2.0%	-1.5%	-1.5%	-2.3%	2.3%	1.8%	1.2%	1.1%	1.1%
EBITDA margin	11.3%	11.0%	11.0%	11.0%	11.0%	11.0%	11.0%	11.0%	11.0%
Interest expense	224.3	211.5	222.1	225.4	225.5	222.1	222.1	222.1	219.8
Capital expenditures	121.7	118.2	118.5	122.2	NA	NA	121.6	121.6	121.6
Fixed asset (net) - cap. exp.	19.0	21.3	21.8	NA	NA	NA	21.0	21.0	21.0
PP&E	1,524.2	1,722.2	1,724.4	1,724.4	1,724.4	1,724.4	1,724.4	1,724.4	1,724.4
Interest Coverage	1.2x	1.2x	1.1x	1.2x	1.2x	1.2x	1.2x	1.2x	1.2x
EBITDA/Interest coverage	NA	0.8x	0.5x	1.4x	NA	NA	1.3x	1.3x	1.3x
Net debt/EBITDA	6.2x	6.2x	7.0x	6.2x	6.2x	6.2x	6.2x	6.2x	6.2x

Capitalization

(in millions)

	1999
Cost of available securities	102.1
Bank debt	
11.250% TAC 1000 notes due 2005	1,200.0
11.250% TAC II 1000 notes due 2005	75.0
11.250% TAC III 1000 notes due 2005	25.0
TAC common stock	9.9
Trump Casino notes due 4/17/02	5.0
Trump Casino notes due 4/17/02	5.0
11.750% Trump Casino notes due 2007	24.1
11.875% Trump Casino notes due 2006	1.2
Trump Casino notes due 2006	1.0
15.500% TAC 1000 notes due 2005	145.0
Other debt	28.8
Total debt	1,888.4
Fixed asset (net) - cap. exp.	45.1
Net debt	1,843.3
Book value of equity	25.1
Market capitalization	11,288.4
Apply above ratios	5
Shares outstanding (mil)	35.0
Market value of equity	121.2
Capitalization ratios	
P/E Ratio (EBITDA)	7.0x
P/B Ratio (EBITDA)	6.5x
P/CF Ratio (EBITDA)	6.7x

9/30/99 changes
179.6

9.9

4.8

26.7

Summary: (1) We have prepared these financial statements in accordance with the rules and regulations of the SEC. (2) These financial statements are unaudited. (3) The financial statements for the year ended December 31, 1999 are subject to audit by the independent accountants.

22-Oct-99

**TRUMP PLAZA ASSOCIATES
WORLD'S FAIR CLOSING COSTS**

DESCRIPTION	AMOUNT
W/O NET BOOK VALUE OF ASSETS:	
RETIRE WF ASSETS	\$97,617,120.54
W/O WF ADA ROOMS	36,342.15
RETIRE WF ASSETS-TCS	50,639.88
LESS BV OF SLOT MACHINED RETAINED	<u>(461,397.00)</u>
	<u>97,242,705.57</u>
PROCEEDS FROM LIQUIDATION:	
CASH RECEIPTS JOURNAL	(10.00)
EASYBAR EQUIP PURCHASE	(5,000.00)
LAUNDRY EQUIPMENT	(63,000.00)
ESCALATOR SALE	(35,000.00)
LIQUIDATION RECEIPTS ACCRUAL	<u>(300,000.00)</u>
	<u>(405,010.00)</u>
CANCELLATION CHARGES:	
CONNECTIVE THERMAL ENERGY CANCELLATION	10,586,940.00
LOGGIA CANCELLATION OPTION	1,000,000.00
HOSPITALITY NETWORK CANCELLATION	251,102.00
LOGGIA RESTORATION	270,000.00
NEC CANCELLATION	121,946.64
SIMPLEX INTEREST ON CAP LEASE	14,435.59
CONVENTION GROUP CANCELLATION LIAB	32,757.68
	<u>12,277,181.91</u>
DEMOLITION:	
DEMOLITION COSTS	6,761,865.38
ASBESTOS REMOVAL	477,000.00
PERMITS	4,976.00
	<u>7,243,841.38</u>
W/O WF PREPAIDS:	
UNAMORTIZED LOGGIA LEASE	333,333.33
UNAMORTIZED SLOT TAX ON WF EQUIPMENT	441,000.00
OBSOLETE LOGO MERCHANDISE	11,323.91
NONRECOVERABLE SEWERAGE PAYMENTS	135,007.86
	<u>920,665.10</u>
ONGOING CHARGES:	
W/F R/E TAX 10/99 TO 3/01	8,821,574.00
POSTCLOSURE UTILITIES	150,000.00
POSTCLOSURE LOGGIA RENT	150,000.00
POSTCLOSURE INSURANCE	140,000.00
STORAGE OF ABANDONED ASSETS	108,472.56
POST ANNOUNCEMENT CONTRACT SECURITY	27,889.44
INCREMENTAL COST TO REMOVE TWF FROM COLLATERALS	156,000.00
	<u>9,553,936.00</u>

22-Oct-99

**TRUMP PLAZA ASSOCIATES
WORLD'S FAIR CLOSING COSTS**

DESCRIPTION	AMOUNT
LABOR:	
SEPARATION PAYMENTS	<u>793,128.74</u>
	<u>793,128.74</u>
DEACTIVATION CHARGES:	
REGULATORY FEES FOR CASINO DEACTIVATION	121,501.02
DEACTIVATION LABOR	<u>234,243.94</u>
	<u>355,744.96</u>
PROFESSIONAL FEES ASSOC W/ CLOSURE:	
ABORTED SALES ATTEMPT:	
LEGAL FEES	100,000.00
INVESTMENT BANKER	100,000.00
LEGAL RESEARCH POST CLOSURE R/E TAX	92,308.15
ARTHUR ANDERSEN	<u>24,550.00</u>
	<u>316,858.15</u>
TRANSITION CHARGES:	
TRANSITION COSTS-EARLY CLOSING OF LAUNDRY OPERATION	66,179.36
	<u>66,179.36</u>
MISC:	
NO INDIVIDUAL ITEM EXCEEDING \$1500	10,185.91
	<u>10,185.91</u>
TOTAL WORLD'S FAIR CLOSING COSTS	<u><u>\$128,375,417.08</u></u>

TRUMP PLAZA ASSOCIATES WORLD'S FAIR CLOSING COSTS							
	TOTAL INCURRED OR TO BE INCURRED	ALREADY 4TH QTR PAID	1999	2000	2001	2002 - 2005	2006 - 2014
WO NET BOOK VALUE OF ASSETS	\$87,882	N/A					
PROCEEDS FROM LIQUIDATION	(405)	(405)					
CANCELLATION CHARGES							
LOGGIA	1,000		1,000				
CONNECTIVE	10,587			700	700	2,800	6,387
OTHER	690		61	503	128		
TOTAL CANCELLATION CHARGES	12,277		1,061	1,203	828	2,800	6,387
DEMOLITION	7,244			7,244			
WRITEOFF WF PREPAIDS	920	920					
ONGOING CHARGES							
REAL ESTATE TAXES	8,822		1,470	6,880	1,470		
OTHER ONGOING CHARGES	293		46	250			
TOTAL ONGOING CHARGES	9,115		1,516	6,130	1,470		
LABOR	793	793					
DEACTIVATION CHARGES	356	234	122				
PROFESSIONAL FEES ASSOC W/ CLOSURE	317	317					
TRANSITION CHARGES	66	66					
MISC	10	10					
TOTAL	\$128,376	\$1,936	\$2,698	\$14,577	\$2,298	\$2,800	\$6,387

TRUMP PLAZA ASSOCIATES WORLD'S FAIR CLOSING COSTS							
	TOTAL INCURRED OR TO BE INCURRED	ALREADY PAID	4TH QTR 1999	2000	2001	2002 - 2005	2006 - 2014
WO NET BOOK VALUE OF ASSETS	\$97,682	N/A					
PROCEEDS FROM LIQUIDATION	(405)	(405)					
CANCELLATION CHARGES							
LOGGIA	1,000		1,000				
CONNECTIVE	10,687			700	700	2,800	8,387
OTHER	690		61	503	126		
TOTAL CANCELLATION CHARGES	12,277		1,061	1,203	826	2,800	8,387
DEMOLITION	7,244			7,244			
WRITEOFF WF PREPAIDS	920	920					
ONGOING CHARGES							
REAL ESTATE TAXES	8,822		1,470	6,880	1,470		
OTHER ONGOING CHARGES	293		45	260			
TOTAL ONGOING CHARGES	9,115		1,515	7,140	1,470		
LABOR	793	793					
DEACTIVATION CHARGES	368	234	122				
PROFESSIONAL FEES ASSOC W/ CLOSURE	317	317					
TRANSITION CHARGES	68	68					
MISC	10	10					
TOTAL	\$128,375	\$1,935	\$2,098	\$14,577	\$2,296	\$2,800	\$8,387

CURRENT PLAZA 22,555
 CURRENT EMST 371
 ↓ MACHINES 24,266

CASH SLOT REV (GLABA W/)
 JULY 99 21,071
 AUG 20,085
 SEP 15,702

QTR 56,852,000
 ↓ MACHINES 26,266
 21,652

DAYS 92
 \$ 835.35 / DAY

TRUMP HOTELS & CASINO RESORTS INC
 CONSOLIDATING CASH BALANCES
 (IN MILLIONS)

29-Oct-99
 03:44 PM

OCT-29-99 15:39 FROM: TRUMP PLAZA FINANCIAL DEP ID:4417751

PAGE 2/2

	TRUMP TAJ MAHAL	TRUMP PLAZA	TCS	TRUMP AC	TRUMP AC CONSOL	THCR HOLD	TRUMP IND	TRUMP MARINA	THCR CONSOL
October 29, 1999 Estimated									
WORKING CAPITAL	\$8.3	\$6.1			\$14.4	\$0.6	4.6	\$6.3	\$25.9
\$75 MILLION				11.6	11.6				11.6
\$25 MILLION				7.9	7.9				7.9
INTEREST PAYMENT				73.1	73.1			17.1	90.2
RESTRICTED(THCR INTEREST)				3.7	3.7				3.7
CASH IN BANKS	\$8.3	\$6.1	\$0.0	\$96.3	\$110.7	\$0.6	\$4.6	\$23.4	\$139.3
CASINO CASH	22.7	12.8			35.5		3.7	10.5	49.7
TOTAL CASH EST AT 10/29/99	\$31.0	\$18.9	\$0.0	\$96.3	\$146.2	\$0.6	\$8.3	\$33.9	\$189.0

CONFIDENTIAL TREATMENT REQUEST BY THCR

00189

**TRUMP PLAZA HOTEL & CASINO
SLOT WPU ANALYSIS**

THIRD QUARTER 1999:

	<u>PLAZA</u>	<u>WE</u>	<u>TOTAL</u>
SLOT WIN (CASH BASIS)	57,328,418	17,585,017	74,913,435
# OF UNITS	2,620	1,558	4,188
# DAYS	92	92	92
WPU	\$237.86	\$121.91	\$194.45

YEAR TO DATE 1999:

	<u>PLAZA</u>	<u>WE</u>	<u>TOTAL</u>
SLOT WIN (CASH BASIS)	154,000,112	54,535,857	208,535,969
# OF UNITS	2,590	1,613	4,203
# DAYS	273	273	273
WPU	\$217.84	\$123.84	\$181.76

1998
3rd QTR
CASH ADR
WPU

TRUMP PLAZA
WIN PER UNIT PER DAY
FOR THE THREE MONTHS ENDED 9/30/98

JULY	19,893
AUGUST	19,559
SEPTEMBER	<u>17,442</u>
TOTAL 3RD QUARTER	56,894
# OF DAYS IN 3RD QUARTER	92
# OF SLOT UNITS	2,569
WIN PER UNIT PER DAY (3RD QUARTER)	<u>\$240.72</u>

COMPARATIVE GAMING ANALYSIS: (\$000s)

DAYS 31

		RANK	# UNITS	1989	CREDIT/ HOLD% 1989	1990	CREDIT/ HOLD% 1990	1990	1990	VAR.	% VAR.
					MKT%		MKT%				
PLAZA	TABLE DROP	6	94	53,717.5	25.8%	8.2%	56,282.2	24.7%	9.2%	(2,534.7)	-4.5%
	TABLE WIN	6		7,870.6	14.1%		9,940.4	17.7%		(2,069.8)	-23.8%
	SLOT WIN	7	2,626	19,801.1		7.8%	24,781.3		10.2%	(4,980.2)	-20.1%
	POKER WIN			0.0			0.0			0.0	0.0%
	SIMULCASTING			0.0			0.0			0.0	0.0%
	KENO WIN			0.0			0.0			0.0	0.0%
TOTAL WIN	7		27,371.7			34,731.7			(7,360.0)	-21.2%	
CAESARS	TABLE DROP	2	127	64,118.9	28.2%	12.9%	77,256.3	25.9%	12.6%	6,982.2	8.0%
	TABLE WIN	3		10,229.9	12.2%		11,726.5	15.2%		(1,496.6)	-12.8%
	SLOT WIN	5	3,587	25,476.5		9.8%	21,647.4		8.9%	3,829.1	17.7%
	POKER WIN			93.8			100.7			(6.9)	-6.9%
	SIMULCASTING			112.9			119.4			(6.5)	-5.7%
	KENO WIN			210.5			29.2			181.3	735.0%
TOTAL WIN	3		36,125.6			33,621.3			2,504.3	7.4%	
BALLY	TABLE DROP	3	141	79,600.4	21.7%	12.3%	69,421.8	17.5%	11.2%	11,478.6	16.8%
	TABLE WIN	2		11,917.7	14.9%		10,275.8	15.0%		1,641.9	16.0%
	SLOT WIN	1	4,008	32,020.8		12.3%	29,989.3		12.3%	2,031.5	6.8%
	POKER WIN			111.4			145.8			(34.4)	-23.6%
	SIMULCASTING			183.1			212.2			(29.1)	-13.7%
	KENO WIN			100.0			113.3			(13.3)	-11.7%
TOTAL WIN	2		44,333.0			40,736.5			3,596.5	8.8%	
CLARIDGE	TABLE DROP	12	64	24,818.7	12.0%	3.8%	24,880.6	14.3%	4.1%	(71.9)	-0.3%
	TABLE WIN	11		3,823.1	15.4%		3,263.7	13.1%		559.4	17.5%
	SLOT WIN	12	1,753	10,863.8		4.2%	8,708.9		3.6%	2,154.9	24.8%
	POKER WIN			0.0			0.0			0.0	0.0%
	SIMULCASTING			0.0			0.0			0.0	0.0%
	KENO WIN			0.0			0.0			0.0	0.0%
TOTAL WIN	12		14,692.9			11,980.8			2,732.3	22.8%	
SANDS	TABLE DROP	9	89	39,567.7	20.3%	8.1%	36,482.8	23.0%	6.0%	3,074.9	8.4%
	TABLE WIN	8		5,597.9	15.1%		5,153.7	14.1%		444.2	15.6%
	SLOT WIN	11	2,000	13,015.3		5.3%	13,411.4		5.5%	(396.1)	-3.0%
	POKER WIN			162.4			187.6			(25.2)	-15.5%
	SIMULCASTING			70.6			77.2			(6.6)	-9.3%
	KENO WIN			0.0			0.0			0.0	0.0%
TOTAL WIN	11		20,016.2			18,809.9			1,206.3	6.4%	
RESORTS	TABLE DROP	6	78	49,854.5	30.0%	6.2%	32,156.2	18.1%	5.2%	8,486.3	26.4%
	TABLE WIN	7		6,296.1	15.7%		4,579.5	14.2%		1,817.6	39.7%
	SLOT WIN	10	2,176	14,246.4		5.9%	14,703.3		6.0%	(456.9)	-3.1%
	POKER WIN			0.0			0.0			0.0	0.0%
	SIMULCASTING			71.3			74.0			(2.7)	-3.8%
	KENO WIN			0.0			0.0			0.0	0.0%
TOTAL WIN	10		20,713.6			19,357.7			1,355.9	7.0%	
TAJ MAHAL	TABLE DROP	1	143	58,382.4	31.2%	15.1%	91,375.7	21.7%	14.8%	7,016.7	7.7%
	TABLE WIN	1		16,437.2	16.7%		13,070.4	14.3%		3,366.8	25.8%
	SLOT WIN	2	4,442	30,160.2		11.5%	27,566.4		11.3%	2,593.8	9.3%
	POKER WIN			1,705.0			1,521.9			183.1	12.0%
	SIMULCASTING			97.1			103.6			(6.5)	-6.3%
	KENO WIN			121.0			118.5			2.5	2.1%
TOTAL WIN	1		48,520.5			42,400.8			6,119.6	14.4%	
SHOWBOAT	TABLE DROP	7	75	42,354.5	23.7%	6.5%	35,915.9	22.3%	5.9%	6,438.6	17.9%
	TABLE WIN	12		3,863.5	8.6%		5,291.6	16.1%		(2,131.1)	-36.8%
	SLOT WIN	4	3,774	28,839.0		10.3%	25,082.2		10.3%	3,756.8	7.0%
	POKER WIN			0.0			0.0			0.0	0.0%
	SIMULCASTING			39.0			42.3			(3.3)	-7.8%
	KENO WIN			0.0			0.0			0.0	0.0%
TOTAL WIN	6		30,526.5			30,918.1			(391.6)	-1.3%	
TROP	TABLE DROP	4	118	62,306.7	18.2%	9.6%	50,954.0	20.5%	9.9%	1,351.7	2.2%
	TABLE WIN	4		10,221.5	16.4%		10,389.9	17.0%		(168.4)	-1.4%
	SLOT WIN	5	3,701	24,459.9		9.4%	22,244.0		9.1%	2,215.9	10.0%
	POKER WIN			800.0			789.2			10.8	0.2%
	SIMULCASTING			85.0			117.8			(32.8)	-25.3%
	KENO WIN			0.0			17.8			(17.8)	-100.0%
TOTAL WIN	4		35,528.4			33,540.5			1,987.9	6.0%	
MILTON	TABLE DROP	5	96	59,030.3	28.0%	9.1%	58,847.5	23.6%	9.3%	2,182.8	3.8%
	TABLE WIN	5		8,263.8	14.2%		9,514.7	16.7%		(1,250.9)	-11.8%
	SLOT WIN	9	1,816	17,274.9		6.6%	14,063.1		5.7%	3,211.8	23.4%
	POKER WIN			0.0			0.0			0.0	0.0%
	SIMULCASTING			86.9			110.9			(24.0)	-21.6%
	KENO WIN			0.0			0.0			0.0	0.0%
TOTAL WIN	8		25,745.4			23,628.7			2,116.7	9.0%	
MARINA	TABLE DROP	11	84	33,070.2	29.2%	5.1%	37,082.4	29.4%	6.0%	(4,012.2)	-10.8%
	TABLE WIN	9		5,674.2	17.2%		6,880.7	18.6%		(1,206.5)	-17.5%
	SLOT WIN	8	2,133	17,467.4		8.7%	16,590.7		8.5%	876.7	5.3%
	POKER WIN			0.0			0.0			0.0	0.0%
	SIMULCASTING			30.8			49.2			(18.4)	-37.4%
	KENO WIN			0.0			0.0			0.0	0.0%
TOTAL WIN	9		23,172.4			23,520.7			(348.3)	-1.5%	
HARRANS	TABLE DROP	10	75	34,183.5	19.4%	5.2%	36,375.0	19.3%	5.9%	(1,191.5)	-3.4%
	TABLE WIN	10		4,849.6	14.2%		5,562.9	13.7%		(713.3)	-12.8%
	SLOT WIN	3	2,709	28,788.9		11.0%	24,933.2		10.2%	3,855.7	15.4%
	POKER WIN			105.8			102.0			3.8	3.7%
	SIMULCASTING			0.0			0.0			0.0	0.0%
	KENO WIN			121.6			98.9			22.7	23.0%
TOTAL WIN	5		33,865.9			30,702.0			3,163.9	10.3%	
INDUSTRY	TABLE DROP		1,187	652,113.8	25.0%	100.0%	613,023.4	21.5%	100.0%	39,090.5	6.4%
	TABLE WIN			95,131.9	14.6%		98,113.7	15.7%		(2,981.8)	-1.0%
	SLOT WIN		34,726	261,211.2		100.0%	243,596.2		100.0%	17,615.0	7.2%
	POKER WIN			2,378.4			2,532.3			(153.9)	-6.5%
	SIMULCASTING			779.7			806.8			(27.1)	-3.5%
	KENO WIN			553.1			373.5			179.6	48.1%
TOTAL WIN			360,594.3			343,926.5			16,727.8	4.9%	

COMPARATIVE GAMING ANALYSIS: (\$000'S)

DAYS

304

PLAZA	RANK	# UNITS	1999	CREDIT/ HOLDING	1998	1999	CREDIT/ HOLDING	1998	VAR.	% VAR.	
PLAZA	TABLE DROP	6	99	525,297.0	21.9%	8.2%	541,872.3	22.7%	8.5%	(16,475.3)	-3.0%
	TABLE WIN	6		83,848.4	15.9%	8.2%	86,357.8	15.3%	8.5%	(2,409.4)	-2.8%
	SLOT WIN	7	4,045	228,204.4		9.1%	236,546.3		9.8%	(8,341.9)	-3.5%
	POKER WIN			0.0			0.0			0.0	0.0%
	SIMULCASTING			0.0			0.0			0.0	0.0%
	KENO WIN			0.0			0.0			0.0	0.0%
	TOTAL WIN	6		311,852.9			322,604.1			(10,751.2)	-3.3%
CAESARS	TABLE DROP	2	127	842,581.4	27.7%	13.2%	845,604.5	30.6%	13.3%	(2,923.2)	-0.3%
	TABLE WIN	2		134,287.8	15.9%	10.0%	129,214.4	15.3%	9.4%	4,973.4	3.8%
	SLOT WIN	5	3,583	253,119.7			226,378.2			26,743.6	11.8%
	POKER WIN			1,033.2			1,117.3			(84.1)	-7.5%
	SIMULCASTING			1,316.8			1,344.2			(27.4)	-2.1%
	KENO WIN			2,029.1			1,681.1			348.0	20.7%
	TOTAL WIN	3		391,786.4			359,833.2			31,953.2	8.9%
BALLY	TABLE DROP	3	140	769,304.4	19.1%	12.0%	692,945.1	15.4%	10.9%	76,439.3	11.0%
	TABLE WIN	3		115,004.7	15.0%	12.0%	102,577.5	14.8%		12,417.1	12.1%
	SLOT WIN	1	4,011	302,908.7			291,343.5			11,465.2	3.9%
	POKER WIN			1,225.6			1,578.5			(352.9)	-22.4%
	SIMULCASTING			2,079.0			2,109.7			(30.7)	-1.5%
	KENO WIN			733.2			814.7			(81.5)	-10.0%
	TOTAL WIN	2		421,941.1			398,524.0			23,417.1	5.9%
CLARIDGE	TABLE DROP	12	64	261,086.0	12.1%	4.1%	269,856.0	14.0%	4.2%	(8,762.1)	-3.2%
	TABLE WIN	12		36,708.7	14.1%		36,740.4	13.6%		(31.7)	-0.1%
	SLOT WIN	12	1,752	104,382.4		4.2%	103,795.5		4.3%	1,086.9	1.1%
	POKER WIN			0.0			0.0			0.0	0.0%
	SIMULCASTING			0.0			0.0			0.0	0.0%
	KENO WIN			0.0			0.0			0.0	0.0%
	TOTAL WIN	12		141,691.1			140,535.9			1,155.2	0.8%
SANDS	TABLE DROP	9	88	382,766.1	26.5%	6.0%	354,455.8	22.9%	5.6%	28,310.1	8.0%
	TABLE WIN	8		57,514.4	15.0%		52,821.2	14.9%		4,693.2	8.9%
	SLOT WIN	10	2,002	137,877.1		5.5%	132,431.5		5.5%	5,445.6	4.1%
	POKER WIN			1,771.8			1,615.2			156.6	9.7%
	SIMULCASTING			791.1			812.1			(21.0)	-2.6%
	KENO WIN			(0.0)			242.2			(242.2)	-100.0%
	TOTAL WIN	10		197,954.4			187,922.6			10,031.7	5.3%
RESORTS	TABLE DROP	8	68	384,395.5	24.0%	6.0%	349,049.2	17.3%	6.5%	35,346.3	10.1%
	TABLE WIN	9		53,718.4	14.0%		51,847.3	14.9%		1,871.2	3.6%
	SLOT WIN	11	2,002	106,382.2		8.4%	150,405.0		6.3%	(13,522.8)	-9.0%
	POKER WIN			0.0			89.0			(89.0)	-100.0%
	SIMULCASTING			717.8			754.1			(36.3)	-4.8%
	KENO WIN			0.0			46.6			(46.6)	-100.0%
	TOTAL WIN	11		191,318.4			203,141.9			(11,823.5)	-5.8%
TAJ MAHAL	TABLE DROP	1	140	855,789.2	23.2%	13.9%	994,387.4	25.9%	15.0%	(106,618.2)	-10.9%
	TABLE WIN	1		140,843.5	15.9%		151,978.0	16.3%		(21,132.5)	-13.0%
	SLOT WIN	2	4,328	279,934.7		11.1%	259,716.0		10.8%	20,218.7	7.6%
	POKER WIN			15,306.5			14,108.0			2,200.5	15.6%
	SIMULCASTING			1,053.0			1,074.4			(21.4)	-1.1%
	KENO WIN			1,089.5			1,139.9			(50.4)	-4.4%
	TOTAL WIN	1		439,237.3			438,012.4			1,224.9	0.3%
HONBOAT	TABLE DROP	11	75	350,370.1	25.1%	5.5%	369,146.0	19.1%	5.7%	(9,776.0)	-2.7%
	TABLE WIN	11		49,672.5	14.2%	10.2%	53,183.4	14.8%		(3,510.8)	-6.6%
	SLOT WIN	4	3,771	257,584.5			251,880.0		10.5%	5,704.4	2.3%
	POKER WIN			0.0			0.0			0.0	0.0%
	SIMULCASTING			418.3			483.1			(64.8)	-13.4%
	KENO WIN			0.0			(0.1)			0.1	-100.0%
	TOTAL WIN	7		307,675.3			305,546.4			2,129.0	0.7%
TROP	TABLE DROP	5	117	606,221.5	29.6%	9.5%	646,780.9	22.8%	10.2%	(40,559.2)	-6.3%
	TABLE WIN	5		91,591.2	15.1%		101,789.9	15.7%		(10,098.8)	-9.9%
	SLOT WIN	6	3,679	234,472.5		9.3%	217,029.2		9.0%	17,443.3	8.0%
	POKER WIN			8,716.3			9,401.4			(685.1)	-7.8%
	SIMULCASTING			1,153.4			1,206.9			(53.5)	-4.6%
	KENO WIN			324.0			750.7			(426.7)	-130.0%
	TOTAL WIN	4		336,357.4			329,277.2			7,080.3	2.2%
HILTON	TABLE DROP	4	94	829,872.5	28.5%	9.9%	557,520.5	23.2%	9.7%	272,352.0	33.0%
	TABLE WIN	4		100,972.6	16.0%		82,055.0	14.7%		18,917.6	23.1%
	SLOT WIN	9	1,850	142,892.6		5.7%	136,480.1		6.3%	7,412.5	5.5%
	POKER WIN			0.0			181.4			(181.4)	-100.0%
	SIMULCASTING			1,169.4			1,166.5			2.9	0.2%
	KENO WIN			0.0			77.1			(77.1)	-100.0%
	TOTAL WIN	8		245,034.7			218,940.1			26,094.5	11.9%
MARINA	TABLE DROP	7	87	395,204.6	33.0%	6.2%	362,430.2	29.8%	6.0%	32,804.4	8.3%
	TABLE WIN	7		51,085.8	15.3%		50,322.1	15.8%		763.7	1.3%
	SLOT WIN	9	2,144	169,862.4		6.7%	169,179.8		6.8%	6,723.6	4.1%
	POKER WIN			0.0			0.0			0.0	0.0%
	SIMULCASTING			1,693.6			1,806.4			(112.8)	-6.2%
	KENO WIN			0.0			0.0			0.0	0.0%
	TOTAL WIN	9		232,631.7			225,257.2			7,374.5	3.3%
HARRAHS	TABLE DROP	10	75	357,763.5	19.7%	5.6%	371,186.6	20.6%	5.8%	(13,423.4)	-3.8%
	TABLE WIN	10		53,150.8	14.8%		56,280.1	14.9%		(2,129.3)	-3.8%
	SLOT WIN	3	2,700	270,630.1		10.7%	238,325.5		9.9%	32,304.6	13.6%
	POKER WIN			1,081.9			983.9			98.0	10.0%
	SIMULCASTING			0.0			0.0			0.0	0.0%
	KENO WIN			1,125.4			1,269.4			(144.0)	-11.5%
	TOTAL WIN	6		328,018.1			295,878.0			32,140.2	10.2%
INDUSTRY	TABLE DROP		1,189	6,390,839.8	23.5%	100.0%	6,368,066.9	22.0%	100.0%	24,753.9	0.4%
	TABLE WIN			978,389.8	15.3%		974,692.2	15.3%		4,328.6	0.4%
	SLOT WIN		35,865	2,519,241.4		100.0%	2,406,438.6		100.0%	112,803.4	4.7%
	POKER WIN			30,135.3			28,072.8			2,062.6	7.3%
	SIMULCASTING			10,402.1			10,849.3			(444.2)	-4.1%
	KENO WIN			6,331.2			6,050.8			(280.4)	-4.4%
	TOTAL WIN			3,543,498.8			3,425,473.1			118,025.7	3.4%

TRUMP PLAZA ASSOCIATES
WORLD'S FAIR CLOSING COSTS

	TOTAL INCURRED OR TO BE INCURRED	ALREADY 4TH QTR PAID	1999	2000	2001	2002 - 2005	2006 - 2014
WO NET BOOK VALUE OF ASSETS	\$97,682	N/A					
PROCEEDS FROM LIQUIDATION	(405)	(405)					
CANCELLATION CHARGES							
LOGGIA	1,000		1,000				
CONNECTIVE	10,587			700	700	2,800	6,387
OTHER	690		61	503	126		
TOTAL CANCELLATION CHARGES	12,277		1,061	1,203	826	2,800	6,387
DEMOLITION	7,244			7,244			
WRITEOFF WF PREPAIDS	920	920					
ONGOING CHARGES							
REAL ESTATE TAXES	8,822		1,470	5,880	1,470		
OTHER ONGOING CHARGES	293		45	250			
TOTAL ONGOING CHARGES	9,115		1,515	6,130	1,470		
LABOR	793	793					
DEACTIVATION CHARGES	356	234	122				
PROFESSIONAL FEES ASSOC W/ CLOSURE	317	317					
TRANSITION CHARGES	66	66					
MISC	10	10					
TOTAL	\$30,693	\$1,935	\$2,698	\$14,577	\$2,296	\$2,800	\$6,387

Trump Casino Services

INTER-OFFICE MEMORANDUM

To: (b)(6),(b)(7)(C)

From: (b)(6),(b)(7)(C)

Subject: 10Q TIMETABLE (b)(6),(b)(7)

Date: October 26, 1999

The following is a tentative schedule for completion of Trump Atlantic City Associates' and Trump Hotels & Casino Resorts' 10Qs:

10/29 1st draft out
11/2 Comments due back
11/3 2nd draft out
11/5 Comments due back
11/9 E-mail to Donnelley
11/10 FDS schedule to Donnelley
11/12 Finalize with Donnelley and give authority to release on Monday, Nov. 15th
11/15 Document filed

If anything is completed earlier, we will accelerate the timetable accordingly. I have attached for your convenience a contact list for R.R. Donnelley and correspondence from them regarding the timetable.

Copy to: (b)(6),(b)(7)(C)

Trump Casino Services

INTER-OFFICE MEMORANDUM

To: (b)(6),(b)(7)(C)

From: (b)(6),(b)(7)(C)

Subject: 10Q TIMETABLE (b)(6),(b)(7)(C)

Date: October 26, 1999

The following is a tentative schedule for completion of Trump Atlantic City Associates' and Trump Hotels & Casino Resorts' 10Qs:

10/29 1st draft out
11/2 Comments due back
11/3 2nd draft out
11/5 Comments due back
11/9 E-mail to Donneley
11/10 FDS schedule to Donneley
11/12 Finalize with Donneley and give authority to release on Monday, Nov. 15th
11/15 Document filed

If anything is completed earlier, we will accelerate the timetable accordingly. I have attached for your convenience a contact list for R.R. Donneley and correspondence from them regarding the timetable.

Copy to: (b)(6),(b)(7)(C)

New York Service Center
75 Park Place
New York, New York 10007-21
Telephone (212) 341-7400

Ax R. J. Donnelley
& Sons Company

(b)(6), (b)(7)(C)

October 25, 1999

(b)(6), (b)(7)(C)

Trump Plaza
Mississippi & The Boardwalk
Atlantic City, NJ 08401

Re: EDGAR Quarterly Filing Peak Period

Dear (b)(6), (b)(7)(C)

As a preferred client of RR Donnelley Financial, I wanted to alert you to the following: Another peak EDGAR filing period is fast approaching. 10-Q's, as you know, are due 45 calendar days after the close of your fiscal quarter. For Form 10-Q and 10-QSB filers whose quarter ended on September 30, are due on Monday, November 15, 1999 (31 days in October = 14 days in November = 45 days; since the 45th day falls on the weekend, the deadline falls to the next business day). Form 13F filings (quarterly reports filed by institutional managers) are due 45 days after the end of the quarter.

Because EDGAR activity is very busy at this time, good planning and communication between RRD personnel and our clients is critical to our success. These guidelines will ensure our ability to provide you with top-notch EDGAR service once again during the upcoming crunch. Please contact RRD Customer Service at 212-341-7777 to let us know which filings you expect us to handle, so we can get a head start in our preparation for your filing.

SCHEDULE

Send initial copy as early as possible - plan to file "early" to avoid the peak.

In order to guarantee a November 15th filing date, we have established the following deadlines:

- | | |
|--|---|
| Monday, November 8 th @ 18:00 | Submit all large exhibits. |
| Tuesday, November 9 th @ 18:00 | Submit all initial 10-Q and 13F copy. |
| Friday, November 12 th @ noon | Submit final iterations and Financial Data Schedules. |
| <i>EDGAR paperwork must be submitted by CSR not later than noon on the day prior to the filing date.</i> | |
| Friday, November 12 th @ 22:00 (local) | Provide RRD with OK to file. |
| Monday, November 15 th @ 17:30 (Eastern) | SEC 10-Q and 13F filing deadline |

Thank you again for your continued business.

Sincerely,

(b)(6), (b)(7)(C)

Atlanta
Boston
Chicago
Dallas
Denver
Detroit
Houston
Los Angeles
London
Miami
Manila
Mexico City
New York
Newark
Philadelphia
Portland
San Francisco
Seattle
Singapore
Sydney
Toronto

Atlanta Area
Chicago
Dallas
Denver
Detroit
Houston
Los Angeles
Miami
Manila
Mexico City
Newark
New York
Philadelphia
Portland
San Francisco
Seattle
Singapore
Sydney
Toronto

THE SERVICE TEAM AT R.R. DONNELLEY

CONTACT LIST
FOR
THE TRUMP ORGANIZATION

NEW YORK
DOWNTOWN

R.R. Donnelley Financial
75 Park Place
New York, NY 10007
Tel: (212) 341-7777
Fax: (212) 341-7788/99

CUSTOMER SERVICE: E-Mail: (b)(6),(b)(7)(C) @rrafin.com

1st Shift (8:00 a.m. - 4:00 p.m.)

2nd Shift (4:00 p.m. - 12:00 a.m.)

3rd Shift (12:00 a.m. - 8:00 a.m.)

(b)(6),(b)(7)(C)

EDGAR SPECIALISTS

(b)(6),(b)(7)(C)

(b)(6),(b)(7)(C)

SALES

(b)(6),(b)(7)(C)

(b)(6),(b)(7)(C)

Comparison of Nine-Month Periods Ended September 30, 1998 and 1999. The following table includes selected consolidated data of Trump AC for the six months ended September 30, 1998 and 1999.

	Nine Months Ended September 30,	
	1998	1999
	(dollars in thousands)	
Table Game Revenues	\$ 225,575	\$ 200,414
Decrease over Prior Period		\$ (25,161)
Table Game Drop	\$ 1,388,631	\$ 1,259,057
Decrease over Prior Period		\$ (129,574)
Table Win Percentage	16.2%	15.9%
Increase over Prior Period		(0.3) pts
Number of Table Games	265	247
Decrease over Prior Period		(18)
Slot Revenues	\$ 432,381	\$ 445,207
Increase over Prior Period		\$ 13,167
Slot Handle	\$ 5,304,993	\$ 5,583,544
Increase over Prior Period		\$ 278,351
Slot Win Percentage	3.1%	3.0%
Decrease over Prior Period		(0.1) pts
Number of Slot Machines	3,261	3,480
Increase over Prior Period		219
Poker Revenues	\$ 12,584	\$ 14,602
Increase over Prior Period		\$ 2,023
Number of Poker Tables	62	62
Decrease over Prior Period		0
Other Gaming Revenues	\$ 1,999	\$ 1,920
Decrease over Prior Period		\$ (125)
Total Gaming Revenues	\$ 672,339	\$ 662,243
Increase over Prior Period		\$ (10,096)
Number of Guest Rooms	2,654	2,654
Occupancy Rate	89.1%	92.8%
Average Daily Rate (Room Revenue)	\$ 90.59	\$ 85.91

Gaming revenues are the primary source of Trump AC's revenues. The year over year decrease in gaming revenues was due primarily to a decline in high-end international table game players due to Asian economic conditions and last year results which included an unusual \$8 million dollar table game win from one premium player. Table games revenues represent the amount retained by Trump AC from amounts wagered at table games. The table win percentage tends to be fairly constant over the long term, but may vary significantly in the short term, due to large wagers by "high rollers". The Atlantic City industry table win percentages were 15.3% and 15.4% for the nine months ended September 30, 1998 and 1999, respectively.

The increase in other revenue is primarily the result of the receipt of assets under the termination of a lease recorded at Fair Market Value based upon an appraisal.

Gaming costs and expenses decreased from the comparable period in 1998 due to decreased marketing and promotional costs.

DRAF

Comparison of Nine-Month Periods Ended September 30, 1998 and 1999. The following table includes selected consolidated data of Trump AC for the six months ended September 30, 1998 and 1999.

	Nine Months Ended September 30,	
	1998	1999
	(dollars in thousands)	
Table Game Revenues	\$ 225,575	\$ 200,414
Decrease over Prior Period		\$ (25,161)
Table Game Drop	\$ 1,388,631	\$ 1,259,057
Decrease over Prior Period		\$ (129,574)
Table Win Percentage	16.2%	15.9%
Decrease over Prior Period		(0.3) pts
Number of Table Games	265	247
Decrease over Prior Period		(18)
Slot Revenues	\$ 432,140	\$ 445,307
Increase over Prior Period		\$ 13,167
Slot Handle	\$ 5,304,995	\$ 5,383,944
Increase over Prior Period		\$ 78,949
Slot Win Percentage	3.1%	3.0%
Decrease over Prior Period		(0.1) pts
Number of Slot Machines	3,251	3,480
Increase over Prior Period		229
Poker Revenues	\$ 12,579	\$ 14,602
Increase over Prior Period		\$ 2,023
Number of Poker Tables	62	62
Increase/(Decrease) over Prior Period		0
Other Gaming Revenues	\$ 2,045	\$ 1,920
Decrease over Prior Period		\$ (125)
Total Gaming Revenues	\$ 672,339	\$ 662,243
Decrease over Prior Period		\$ (10,096)
Number of Guest Rooms	2,654	2,654
Occupancy Rate	89.1%	92.8%
Average Daily Rate (Room Revenue)	\$ 90.59	\$ 85.91

Gaming revenues are the primary source of Trump AC's revenues. The year over year decrease in gaming revenues was due primarily to a decline in high-end international table game players due to Asian economic conditions and last year results which included an unusual \$8 million dollar table game win from one premium player. Table games revenues represent the amount retained by Trump AC from amounts wagered at table games. The table win percentage tends to be fairly constant over the long term, but may vary significantly in the short term, due to large wagers by "high rollers". The Atlantic City industry table win percentages were 15.3% and 15.4% for the nine months ended September 30, 1998 and 1999, respectively.

The increase in other revenue is primarily the result of the receipt of assets, on September 24, 1999, under the termination of a lease between Taj Associates, All Star Cafe, (New York), Inc. and Planet Hollywood International, Inc. recorded at Fair Market Value based upon an appraisal in the amount of \$17,200,000.

Gaming costs and expenses decreased from the comparable period in 1998 due to decreased marketing and promotional costs.

On October 4, 1999 THCR closed Trump World's Fair. The estimated cost of closing Trump World's Fair is \$128,375,000 which includes the winddown of the assets and cost incurred and to be incurred in connection with the closing and demolition of the building.

\$97,682,000 For

\$36,393,000 Of

The increase in other revenue is primarily the result of the receipt of assets, on September 24, 1999, under the termination of a lease between Taj Associates, All Star Cafe, (New York), Inc. and Planet Hollywood International, Inc. recorded at the estimated fair market value based upon an appraisal in the amount of \$17,200,000 (See footnote 4 in the Condensed Consolidated Financial Statements).

Gaming costs and expenses decreased from the comparable period in 1998 due to decreased marketing and promotional costs.

On October 4, 1999, THCR closed Trump World's Fair. The estimated cost of closing Trump World's Fair is \$128,375,000, which includes \$97,682,000 for the writedown of the assets and \$30,693,000 of costs incurred and to be incurred in connection with the closing and demolition of the building.

Year 2000

Trump AC has assessed the year 2000 issue and has implemented a plan to ensure that its systems are Year 2000 compliant. Analysis has been made of Trump AC's various customer support and internal administration systems and appropriate modifications have been made or are underway. Testing the modifications is expected to be completed during 1999. Trump AC is approximately 98% complete in its modifications.

Trump AC believes that the issues of concern are predominately software related as opposed to hardware related. Further, Trump AC relies upon third party suppliers for support of property, plant and equipment, such as communications equipment, elevators and fire safety systems. Contact has been made with all significant system suppliers and Trump AC is at various stages of assessment, negotiation and implementation. When necessary, contracts have been issued to update these systems so as to ensure Year 2000 compliance. The cost of addressing the Year 2000 issue is not expected to be material and will be funded out of operations.

If Trump AC did not assess the Year 2000 issue and provide for its compliance, it would be forced to convert to manual systems to carry on its business. Since Trump AC expects to be fully Year 2000 compliant, it does not feel that a contingency plan is necessary at this time. However, Trump AC will continually assess the situation and evaluate whether a contingency plan is necessary as the millennium approaches.

This Year 2000 disclosure constitutes Year 2000 readiness disclosure within the meaning of the Year 2000 Information and Readiness Disclosure Act.

Seasonality

The casino industry in Atlantic City is seasonal in nature; accordingly, the results of operations for the period ending September 30, 1999 are not necessarily indicative of the operating results for a full year.

Important Factors Relating to Forward Looking Statements

The Private Securities Litigation Reform Act of 1995 provides a "safe harbor" for forward-looking statements so long as those statements are identified as forward-looking and are accompanied by meaningful cautionary statements identifying important factors that could cause actual results to differ materially from those projected in such statements. In connection with certain forward-looking statements contained in this Quarterly Report on Form 10-Q and those that may be made in the future by or on behalf of the Registrants, the Registrants note that there are various factors that could cause actual results to differ materially from those set forth in any such forward-looking statements. The forward-looking statements contained in this Quarterly Report were prepared by management and are qualified by, and subject to, significant business, economic, competitive, regulatory and other uncertainties and contingencies, all of which are difficult or impossible to predict and many of which are beyond the control of the Registrants. Accordingly, there can be no assurance that the forward-looking statements contained in this Quarterly Report will be realized or that actual results will not be significantly higher or lower. The statements have not been audited by, examined by, compiled by or subjected to agreed-upon procedures by independent accountants, and no third-party has independently verified or reviewed such statements. Readers of this Quarterly Report should consider these facts in evaluating the information contained herein. In addition, the business and operations of the Registrants are subject to substantial risks which increase the uncertainty inherent in the forward-looking statements contained in this Quarterly Report. The inclusion of the forward-looking statements contained in this Quarterly Report should not be regarded as a representation by the Registrants or any other person that the forward-looking statements contained in

(4) All Star Cafe Transaction

All Star Cafe, Inc. ("All Star") had entered into a twenty-year lease with Taj Associates for the lease of space at the Taj Mahal for an All Star Cafe. The basic rent under the All Star Cafe Lease was \$1.0 million per year, paid in equal monthly installments. In addition, All Star was to pay percentage rent in an amount equal to the difference, if any, between (i) 8% of All Star's gross sales made during each calendar month during the first lease year, 9% of All Star's gross sales made during each calendar month during the second lease year and 10% of All Star's gross sales made during each calendar month during the third through the twentieth lease years, and (ii) one-twelfth of the annual basic rent. The All Star Cafe opened in March 1997.

On September 15, 1999 an agreement was reached between Taj Associates, All Star and Planet Hollywood International, Inc. to terminate the lease effective September 24, 1999. Upon termination of the lease, all improvements, alterations and All Star's personal property with the exception of Specialty Trade Fixtures became the property of Taj Associates. Specialty Trade Fixtures, which included signs, emblems, logos, memorabilia and other materials with logos of the Official All Star Cafe presently displayed at the premises, could be continued to be used by Taj Associates for a period of up to 120 days without charge. Taj Associates recorded the estimated fair market value of these assets in other revenue based on an appraisal in the amount of \$17,200,000.

Subsequent to the expiration of the 120 day period Taj Associates intends to continue operating the facility as a theme restaurant tentatively to be named Trump City Cafe.

(5) Trump World's Fair Closing

On October 4, 1999, THCR closed Trump World's Fair. The estimated cost of closing Trump World's Fair is \$128,375,000, which includes \$97,682,000 for the winddown of the assets and \$30,693,000 of costs incurred and to be incurred in connection with the closing and demolition of the building.

Gaming revenues are the primary source of Trump AC's revenues. The year over year decrease in gaming revenues was due primarily to a decrease in table game revenues at the Taj Mahal as a result of a decline in high-end international table game players due to economic conditions and last year results which included an unusual \$8 million dollar table game win from one premium player. Taj Associates' table game revenue declined \$24,899,000 or 16.7% from the comparable period in 1998 as a result of a decline in both the table game drop of \$115,633,000 or 12.8% and a decline in the table win percentage to 12.3% from 16.5% in the comparable period in 1998. The table win percentage decline resulted in a year over year reduction in table game revenues of approximately \$5,512,000 of the \$24,899,000 decline. Table games revenues represent the amount retained by Trump AC from amounts wagered at table games. The table win percentage tends to be fairly constant over the long term, but may vary significantly in the short term, due to large wagers by "high rollers". The Atlantic City industry table win percentages were 15.3% and 15.4% for the nine months ended September 30, 1998 and 1999, respectively.

All Star Cafe, Inc. ("All Star") had entered into a twenty-year lease with Taj Associates for the lease of space at the Taj Mahal for an All Star Cafe. The basic rent under the All Star Cafe Lease was \$1.0 million per year, paid in equal monthly installments. In addition, All Star was to pay percentage rent in an amount equal to the difference, if any, between (i) 3% of All Star's gross sales made during each calendar month during the first lease year, 9% of All Star's gross sales made during each calendar month during the second lease year and 10% of All Star's gross sales made during each calendar month during the third through the twentieth lease years, and (ii) one-twelfth of the annual basic rent. The All Star Cafe opened in March 1997.

On September 15, 1999 an agreement was reached between Taj Associates, All Star and Planet Hollywood International, Inc. to terminate the All Star Cafe Lease effective September 24, 1999. Upon termination of the All Star Cafe Lease, all improvements, alterations and All Star's personal property with the exception of Specialty Trade Fixtures became the property of Taj Associates. Specialty Trade Fixtures, which included signs, emblems, logos, memorabilia and other materials with logos of the Official All Star Cafe presently displayed at the premises, could be continued to be used by Taj Associates for a period of up to 120 days without charge. Taj Associates recorded the estimated fair market value of these assets in other revenue based on an independent appraisal in the amount of \$17,200,000.

Subsequent to the expiration of the 120 day period Taj Associates intends to continue operating the facility as a theme restaurant tentatively to be named Trump City Cafe.

Gaming costs and expenses decreased from the comparable period in 1998 due to decreased marketing and promotional costs.

On October 4, 1999, THCR closed Trump World's Fair. The estimated cost of closing Trump World's Fair is \$125,575,000, which includes \$97,432,000 for the writedown of the assets and \$28,093,000 of costs incurred and to be incurred in connection with the closing and demolition of the building.

Year 2000

Trump AC has assessed the year 2000 issue and has implemented a plan to ensure that its systems are Year 2000 compliant. Analysis has been made of Trump AC's various customer support and internal administration systems and appropriate modifications have been made or are underway. Testing the modifications is expected to be completed during 1999. Trump AC is approximately 98% complete in its modifications.

Trump AC believes that the issues of concern are predominately software related as opposed to hardware related. Further, Trump AC relies upon third party suppliers for support of property, plant and equipment, such as communications equipment, elevators and fire safety systems. Contact has been made with all significant system suppliers and Trump AC is at various stages of implementation. When necessary, contracts have been issued to update these systems so as to ensure Year 2000 compliance. The cost of addressing the Year 2000 issue is not expected to be material.

If Trump AC did not assess the Year 2000 issue and provide for its compliance, it would be forced to convert to manual systems to carry on its business. Since Trump AC expects to be fully Year 2000 compliant, it does not feel that a contingency plan is necessary at this time. However, Trump AC will continually assess the situation and evaluate whether a contingency plan is necessary as the millennium approaches.

(4) All Star Cafe Transaction

All Star Cafe, Inc. ("All Star") had entered into a twenty-year lease (the "All Star Cafe Lease") with Taj Associates for the lease of space at the Trump Taj Mahal Casino Resort (the "Taj Mahal") for an All Star Cafe (the "All Star Cafe Lease"). The basic rent under the All Star Cafe Lease was \$1.0 million per year, paid in equal monthly installments. In addition, All Star was to pay percentage rent in an amount equal to the difference, if any, between (i) 8% of All Star's gross sales made during each calendar month during the first lease year, 9% of All Star's gross sales made during each calendar month during the second lease year and 10% of All Star's gross sales made during each calendar month during the third through the twentieth lease years, and (ii) one-twelfth of the annual basic rent. The All Star Cafe opened in March 1997.

On September 15, 1999 an agreement was reached between Taj Associates, All Star and Planer Hollywood International, Inc. to terminate the All Star Cafe Lease effective September 24, 1999. Upon termination of the All Star Cafe Lease, all improvements, alterations and All Star's personal property with the exception of Specialty Trade Fixtures became the property of Taj Associates. Specialty Trade Fixtures, which included signs, emblems, logos, memorabilia and other materials with logos of the Official All Star Cafe presently displayed at the premises, could be continued to be used by Taj Associates for a period of up to 120 days without charge. Taj Associates recorded the estimated fair market value of these assets in other revenue based on an independent appraisal in the amount of \$17,200,000.

Subsequent to the expiration of the 120 day period Taj Associates intends to continue operating the facility as a theme restaurant tentatively to be named Trump City Cafe.

(5) Trump World's Fair Closing

On October 4, 1999, THCR closed Trump World's Fair. The estimated cost of closing Trump World's Fair is \$123,375,000, which includes \$97,682,000 for the writedown of the assets and \$20,693,000 of costs incurred and to be incurred in connection with the closing and demolition of the building.

The increase primarily the result of
 Included in other revenue is the receipt of assets under the termination of a lease recorded at Fair
 Market Value based upon an appraisal.

*MUST
 SAY AMOUNT
 OR
 THIS
 DISCLOSURE*



INTEROFFICE CORRESPONDENCE

TO: Distribution (b)(6), (b)(7)(C)
 (b)(6), (b)(7)(C)

FROM: [Redacted]

DATE: November 1, 1999

SUBJECT: All Star Lease Termination Disclosure

Attached for your review and comment is an expanded All Star Lease Termination Disclosure for inclusion in our 10-Q filings both as a footnote and an M.D.&A. series of paragraphs.

I would appreciate your timely review of this verbiage.

Please fax your changes to my attention at (b)(6), (b)(7)(C)

Distribution:

(b)(6), (b)(7)(C)

- (b)(6), (b)(7)(C) Willkie Farr
- (b)(6), (b)(7)(C) Willkie Farr
- (b)(6), (b)(7)(C) Sterns & Weinroth
- (b)(6), (b)(7)(C) Arthur Andersen
- Arthur Andersen

(4) All Star Cafe Transaction

All Star Cafe, Inc. ("All Star") had entered into a twenty-year lease with Taj Associates for the lease of space at the Taj Mahal for an All Star Cafe. The basic rent under the All Star Cafe Lease was \$1.0 million per year, paid in equal monthly installments. In addition, All Star was to pay percentage rent in an amount equal to the difference, if any, between (i) 8% of All Star's gross sales made during each calendar month during the first lease year, 9% of All Star's gross sales made during each calendar month during the second lease year and 10% of All Star's gross sales made during each calendar month during the third through the twentieth lease years, and (ii) one-twelfth of the annual basic rent. The All Star Cafe opened in March 1997.

On September 15, 1999 an agreement was reached between Taj Associates, All Star and Planet Hollywood International, Inc. to terminate the lease effective September 24, 1999. Upon termination of the lease, all improvements, alterations and All Star's personal property with the exception of Specialty Trade Fixtures became the property of Taj Associates. Specialty Trade Fixtures which included signs, emblems, logos, memorabilia and other materials with logos of the Official All Star Cafe presently displayed at the premises could be continued to be used by Taj Associates for a period of up to 120 days without charge. Taj Associates recorded the estimated fair market value of these assets in other revenue in the amount of \$17,200,000 *based on an appraisal.* ←

Subsequent to the expiration of the 120 day period Taj Associates intends to continue operating the facility as a theme restaurant tentatively to be named Trump City Cafe.

2 pages

(b)(6),(b)(7)(C)

(b)(6),(b)(7)(C)

FLI

(b)(6),(b)(7)(C)

CHANGES

TKS

(b)(6),(b)(7)(C)

(b)(6), (b)(7)(C)

(4) All Star Cafe Transaction

All Star Cafe, Inc. ("All Star") had entered into a twenty-year lease with Taj Associates for the lease of space at the Taj Mahal for an All Star Cafe. The basic rent under the All Star Cafe Lease was \$1.0 million per year, paid in equal monthly installments. In addition, All Star was to pay percentage rent in an amount equal to the difference, if any, between (i) 8% of All Star's gross sales made during each calendar month during the first lease year, 9% of All Star's gross sales made during each calendar month during the second lease year and 10% of All Star's gross sales made during each calendar month during the third through the twentieth lease years, and (ii) one-twelfth of the annual basic rent. The All Star Cafe opened in March 1997.

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THE ESTIMATED
Subsequent to the expiration of the 120 day period Taj Associates intends to continue operating the facility as a theme restaurant tentatively to be named Trump City Cafe.

Trump Casino Services

INTER-OFFICE MEMORANDUM

To: Distribution

From: (b)(6),(b)(7)(C)

Subject: First Draft of Trump Hotels & Casino Resorts, Inc.
10-Q for the period ending September 30, 1999

Date: October 29, 1999

Enclosed is a first draft for the 10Q for the period ending September 30, 1999 for Trump Hotels & Casino Resorts, Inc.

Please respond with any comments or questions by 4 p.m. Monday, November 1st.
Thank you.

Distribution:

(b)(6),(b)(7)(C)	
(b)(6),(b)(7)(C)	- Arthur Andersen
(b)(6),(b)(7)(C)	- Arthur Andersen
(b)(6),(b)(7)(C)	Willkie, Farr & Gallagher
(b)(6),(b)(7)(C)	Willkie, Farr & Gallagher
(b)(6),(b)(7)(C)	Graham, Curtin & Sheridan
(b)(6),(b)(7)(C)	- Sterns & Weinroth
(b)(6),(b)(7)(C)	Taj Mahal
(b)(6),(b)(7)(C)	Trump Marina
(b)(6),(b)(7)(C)	- Trump Marina

Enclosure



INTEROFFICE CORRESPONDENCE

TO: **Distribution**
 FROM: (b)(6),(b)(7)(C)
 DATE: **October 29, 1999**
 SUBJECT: **10-Q Trump Atlantic City Associates**

Enclosed for your review is a current draft of Trump Atlantic City Associates 10-Q for the period ending September 30, 1999.

Generally changes have been made in all areas with the exception of Legal Proceedings which needs a complete update. The legal verbiage contained is from our 2nd quarter, 1999 10-Q.

We would appreciate your changes as soon as reasonably possible but no later than mid-afternoon on Monday, November 1, 1999.

Please fax your changes to my attention at (b)(6),(b)(7)(C)

Thank you.

Enclosure:

DISTRIBUTION:

(b)(6),(b)(7)(C)

- (b)(6),(b)(7)(C) **Graham Curtin**
- (b)(6),(b)(7)(C) **Willkie Farr**
- (b)(6),(b)(7)(C) **Willkie Farr**
- (b)(6),(b)(7)(C) **Sterns & Weinroth**
- (b)(6),(b)(7)(C) **Arthur Andersen**
- (b)(6),(b)(7)(C)



INTEROFFICE CORRESPONDENCE

TO: Distribution
FROM: (b)(6),(b)(7)(C)
DATE: October 29, 1999
SUBJECT: 10-Q Trump Atlantic City Associates

Enclosed for your review is a current draft of Trump Atlantic City Associates 10-Q for the period ending September 30, 1999.

We must have your changes by 4:00 P.M. on Tuesday, November 2, 1999 at the latest so that we may transmit to the printer for Edgarization.

Please fax your changes to my attention at (b)(6),(b)(7)(C)

Thank you.

Enclosure:

DISTRIBUTION:

(b)(6),(b)(7)(C)

(b)(6),(b)(7)(C) Arthur Andersen
 Arthur Andersen

(b)(6),(b)(7)(C) Graham Curtin

(b)(6),(b)(7)(C) Wilkie Farr

(b)(6),(b)(7)(C) Wilkie Farr

(b)(6),(b)(7)(C) Sterns & Weinroth

TRUMP ATLANTIC CITY ASSOCIATES
DISTRIBUTION

(b)(6),(b)(7)(C)

Trump Hotels & Casino Resorts, Inc.
725 Fifth Avenue
24th Floor
New York, NY 10022

Trump Hotels & Casino Resorts, Inc.
2500 Boardwalk
Atlantic City, NJ 08401

Trump Taj Mahal
1000 The Boardwalk
Atlantic City, N. J. 08401

Trump Plaza
Mississippi & The Boardwalk
Atlantic City, NJ 08401

Arthur Andersen LLP
101 Eisenhower Parkway
Roseland, NJ 07068

Willkie, Farr & Gallagher
787 Seventh Avenue
New York, NY 10019

Graham, Curtin & Sheridan
4 Headquarters Plaza
Morristown, NJ 07162-1991

Sterns & Weinroth
50 West State Street
Box 1298
Trenton, NJ 08607

09:50

TRUMP MARINA
HOTEL - CASINO

DATE: October 27, 1999
TO: Distribution (b)(6),(b)(7)(C)
FROM: (b)(6),(b)(7)(C)
SUBJECT: 1st Draft of 1999 3rd Quarter
SEC form 10-Q for Trump's
Castle Associates, L.P.

Enclosed for your review and comments please find the first draft of the 1999 third quarter Form 10-Q for Trump's Castle Associates, L.P.

Please respond with any comments or questions as soon as possible, but no later than Monday, November 1, 1999.

Phone (b)(6),(b)(7)(C)
Fax

Thank you.

(b)(6),(b)(7)(C)

Distribution: Marina -
(b)(6),(b)(7)(C)

TCS -
(b)(6),(b)(7)(C)

Via Fax - (b)(6),(b)(7)(C)

Plaza -
(b)(6),(b)(7)(C)

Arthur Andersen -
(b)(6),(b)(7)(C)

Via Fax
Via Fax
Via Fax

Willis Farr & Gallagher -
(b)(6),(b)(7)(C)

Via Fax
Via Fax

Graham, Curtin & Sheridan -
(b)(6),(b)(7)(C)

Via Fax -

Sterns & Weinroth -
(b)(6),(b)(7)(C)

Via Fax -

TRUMP MARINA
HOTEL - CASINO

DATE: November 2, 1999
TO: Distribution (b)(6),(b)(7)(C)
FROM: (b)(6),(b)(7)(C)
SUBJECT: Final Draft of 1999 3rd Quarter
SEC Form 10-Q for Trump's
Castle Associates, L.P.

Enclosed for your review and comments please find the final draft of the 1999 third quarter Form 10-Q for Trump's Castle Associates, L.P.

We plan on filing this document on Wednesday, November 3, 1999, and as such have sent this draft to R.R. Donnelley to begin the EDGARization process. Due to the accelerated filing, please respond with any comments or questions by 3 P.M., Tuesday, November 2, 1999.

Phone (b)(6),(b)(7)(C)
Fax

Thank you.

(b)(6),(b)(7)(C)

Distribution: Marina -

(b)(6),(b)(7)(C)

TCS -

(b)(6),(b)(7)(C)

Via Fax -
Via Fax -

(b)(6),(b)(7)(C)

Arthur Andersen -

(b)(6),(b)(7)(C)

Via Fax -
Via Fax -

Willie Farr & Gallagher -

(b)(6),(b)(7)(C)

Via Fax -
Via Fax -



DATE: November 5, 1999

TO: Distribution (b)(6),(b)(7)(C)

FROM: (b)(6),(b)(7)(C)

SUBJECT: 1999 3rd Quarter SEC Form 10-Q
for Trump's Castle Associates, L.P.

Enclosed find one copy of the above mentioned report as filed with the Securities and Exchange Commission on November 4, 1999. A bound copy of this same report will be following shortly.

Thank you.

(b)(6),(b)(7)(C)

Distribution: Marina -

(b)(6),(b)(7)(C)

TCS -

(b)(6),(b)(7)(C)

Plaza -

(b)(6),(b)(7)(C)

Arthur Andersen -

(b)(6),(b)(7)(C)

TRUMP MARINA
DISTRIBUTION

(b)(6),(b)(7)(C)

Trump Marina
Brigantine Blvd.
Atlantic City, NJ 08401

(b)(6),(b)(7)(C)

Trump Hotels & Casino Resorts, Inc.
2500 Boardwalk
Atlantic City, NJ 08401

(b)(6),(b)(7)(C)

Trump Plaza
Mississippi & Boardwalk
Atlantic City, NJ 08401

(b)(6),(b)(7)(C)

Arthur Andersen LLP
101 Eisenhower Parkway
Roseland, NJ 07068

(b)(6),(b)(7)(C)

Willkie, Farr & Gallagher
787 Seventh Avenue
New York, NY 10019

(b)(6),(b)(7)(C)

Graham, Curtin & Sheridan
4 Headquarters Plaza
Morristown, NJ 07162-1991

(b)(6),(b)(7)(C)

Sterns & Weinroth
50 West State Street
Box 1298
Trenton, NJ 08607

(b)(6),(b)(7)(C)

[Redacted]

✓

Open

(b)(6),(b)(7)(C)

[Redacted]

Open

(b)(6),(b)(7)(C)

[Redacted]

(b)(6),(b)(7)(C)

[Redacted]

Open

(b)(6),(b)(7)(C)

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Open

(b)(6),(b)(7)(C)

[Redacted]

03:12pm EST 28-Oct-99 Deutsche Banc Alex Brown (R. Farley/E. Davis) DJT
DJT: Revising 3Q99 Results -- Operating EPS Were \$0.16 Not \$0.63-Mkt. Perfor

(b)(6),(b)(7)(C)

Farley, Robin M. 212-471-3015
Davis, Elizabeth Q. 212-471-3491
Deutsche Banc Alex. Brown

10/28/1999

TRUMP HOTELS & CASINO RESORTS, INC. (DJT) "MKT. PERFORM"
Revising 3Q99 Results -- Operating EPS Were \$0.16 Not \$0.63 as Company Reported

Date:	10/28/1999	EPS:	1998A	1999E	2000E
Price:	4.06	1Q	(0.79)	(0.91)	NE
52-Wk Range:	7 - 3	2Q	(0.49)	(0.29)	NE
Ann Dividend:	0.0	3Q	0.24	0.16A	NE
Ann Div Yld:	0.00%	4Q	(0.69)	(0.60)	NE
Mkt Cap (mm):	142	FY(Dec.)	(1.73)	(1.64)	(0.80)
3-Yr Growth:	10%	FY P/EPS	NM	NM	NM
		CY EPS	(1.73)	(1.64)	(0.80)
Est. Changed No		CY P/EPS	NM	NM	NM

Industry: LEISURE
Shares Outstanding(Mil.): 35.0
Return On Equity (1998) : 0.0%

HIGHLIGHTS:

On Tuesday, we wrote that Trump reported 3Q99 EBITDA before corporate expense of \$106.7 million versus our expectation of \$92.6 million, results that appeared to represent a 17.8% increase over last year's \$90.6 million. Operating EPS for 3Q were initially reported by the company as \$0.63 versus \$0.24 in last year's quarter until today's revision, which shows that operating EPS were \$0.16.

Today, management disclosed that roughly \$0.47 of the \$0.63 reported were not operating EPS but were actually the result of an accounting gain. Planet Hollywood had been paying lease fees for its All-Star Cafe (located at the Taj), and these fees had been recognized as "other revenue" at the Taj property. Because of bankruptcy proceedings, Planet Hollywood handed the All-Star Cafe over to Trump in order to terminate the lease. Trump had the restaurant property appraised at \$17 million, and then recognized this gain through the income statement as "other revenue" at the Taj.

Based on the company's initial earnings release, it had appeared that the company's focus on cost reduction had been effective in improving margins and cash flows. It had also initially appeared that non-gaming revenues such as hotel revenues must have increased in the quarter. However, backing out the \$17 million from revenue and EBITDA, Taj revenues from operations actually fell 7% for the quarter rather than growing 3.5% as it appeared when reported. Similarly, Taj Mahal EBITDA from operations fell 26% to \$34 million rather than growing 11%. EBITDA margins at the Taj fell to 22.6% from 26.4% rather than rising to 30.4%.

When the one-time accounting gain is backed out, total companywide net revenues fell 2.7% to \$385 million rather than rising 1.5% to \$403 million. Companywide cash flow before corporate expense fell 1.1% to \$89.6 million rather than rising 17.7% to \$106.6 million. EBITDA margins before corporate expense were 22.2% down from 22.8%, rather than up to 26.5%.

OCT-29-1999 09:35

TRUMP

10/28/99 16:37:38

THOMSON

212 688 8397

P.02/02

Based on the revised 3Q99 earnings results, we may revise our estimates to reflect the operational performance in the quarter. The stock's current price implies a multiple of 6.9 times our 2000 estimated cash flow, a multiple which would be greater if estimates for next year were to be reduced. We continue to rate the stock MARKET PERFORM given that other small-cap gaming stocks are trading in the range of 5-6 times cash flow.

Additional Information Available Upon Request

Within the past three years, Deutsche Bank Securities Inc. or its wholly owned subsidiary, BT Alex. Brown Incorporated, has managed or co-managed a public offering of Trump Hotels & Casino Resorts, Inc.. The following stock(s) is (are) optionable: Trump Hotels & Casino Resorts, Inc., First Call Corporation, a Thomson Financial company. All rights reserved. 888.558.2500

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TOTAL P.02

CONFIDENTIAL TREATMENT REQUEST BY THCR

00220

UNOFFICIAL TRANSCRIPT OF
TRUMP HOTELS & CASINO RESORTS
10/25/99 CONFERENCE CALL WITH ANALYSTS

OPERATOR: Good morning and welcome to the Trump Hotels and Casino's third quarterly earnings conference call. Your call will be hosted today by (b)(6),(b)(7)(C) (b)(6),(b)(7)(C) Trump Hotels and Casinos. (b)(6),(b)(7)(C) please go ahead sir.

(b)(6),(b)(7)(C)

Thank you, welcome everybody to our third quarter and nine month conference call. I have with me (b)(6),(b)(7)(C) and (b)(6),(b)(7)(C) I'm sure most of you have received a copy of our press release but I'd like to review the numbers and then handle each property in some detail before taking questions.

For the third quarter Trump Hotel and Casino Resorts reported consolidated net revenues of 403,000,000 compared to 397,000,000 for the same period in 1998. The EBITDA, that is, the earnings before interest, taxes, depreciation and amortization, and the Trump World's Fair writedown which I'll talk to in a minute and corporate expenses was 106.7 million versus 90.6 million for the prior year. Net income increased to 14 million or 63 cents a share - - of course that's again before the World's Fair charge, one time charge, compared to 5.3 or 24 cents a share in 1998. This exceeded analysts' estimates by approximately 10 cents, 54 was first call estimate, our earnings per share was 63 cents.

When we started this year at the beginning of the year we had decided that there are three things that are important to us going forward. That is to increase our operating margins at each of the operating entities; second, to decrease our marketing costs; and third, to increase our cash sales from non-casino operations; And the third was the most important to us and although in some cases it created a shortfall in revenue, casino revenue, it was a benefit especially to the Taj in non-casino revenue.

Now let me review for you specifically the boardwalk property, that is, the Taj Mahal. For the third quarter the revenues were 167, the net

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revenues were 167.7 million versus 162 million. For the nine months they were 436 million versus 426 million. Our EBITDA for the third quarter was 51 million versus 46 million in 1998. 106.6 million for the nine months and 100 million for the nine months in 1998. Our operating margin increased to 30.4% from 28.4% and for the nine months increased from 23.5% to 24.4%. I will again go back to the Taj more specifically in each of the properties after I finish these results.

At the Plaza the net revenues were 117 million versus 114 million in the third quarter; for the nine months were 312 million versus 313 million. Our EBITDA for the third quarter was 31 million versus 24.4 in 1998. For the nine months our EBITDA was 65.2 versus 58.9 for the nine months in 1998. Our operating margin increased to 26.5 from 21.3 in the third quarter and for the nine months increased to 20.9 from 18.8.

Trump Atlantic City Associates the revenues were 284 versus 276 in the third quarter; for the nine months were 748 versus 739. Our EBITDA was 82 million versus 70 million in the third quarter. Our nine month results showed an EBITDA of 171.8 versus 159.1. Our margin for the third quarter for Trump Atlantic City Associates was 28.8 versus 25.4 and for the nine months 23% versus 21%.

Now going to the Marina. For the third quarter our net revenues was 83.5 versus 81.8; for the nine months 223.7 million versus 215 million. Our EBITDA for the third quarter was 19.6 versus 15.3 in 1998. For the nine months it was 42.3 versus 36.1. Our EBITDA margin was 23.5 for the third quarter versus 18.8 and for the nine months was 18.9 versus 16.8. Now going to Indiana our net revenues for the third quarter were 34.4 versus, excuse me 34.9 versus 38.8 and for the nine months 108.5 versus 103. Our EBITDA increased to 5 million versus 4.8 in the third quarter and for the nine months increased as 16.1 from 12.5. Our EBITDA margin was 14.3 versus 12.4 in the third quarter and for nine months was 14.8 versus 12.5.

Now as for the writedown at the World's Fair it was a one time charge of 81.4 million which is before the minority interest it was 128.4 for the entire writedown and its a one-time writedown for that property. Going to the earnings per share again the basic and diluted earnings per share

before the Trump World's Fair closing were 63 cents versus 24 for the third quarter for the nine months it was a loss of 64 cents versus a loss of 105 in 1998. Including the loss, one-time loss at the World's Fair our earnings per share were loss of 304 versus 24 cents in 1998 for the third quarter and for the nine months was 447 versus 105.

Now going to each of the properties specifically, first taking the Taj Mahal. As I indicated to you earlier the Taj Mahal was the one property that we believed could generate substantially more non casino revenues through the selling of cashrooms through cash sales at all our retail and restaurant outlets of which we added a substantial number over the course of the past 18 months and we've decided that early in the year going into this year that we would accept a small decline in our gaming revenues versus a substantial increase in our non-gaming revenues if we could achieve the cash sales. It was a risk that was worth taking, we believe in the long run, because we believe that the changeover from a more of a high-end international table game business at the Taj Mahal into a more slot driven business has shown significant results. During the course of the past 9 months we have added substantial areas at the boardwalk and on the floor we have increased our, the number of our slot machines by about 400 we have changed many of our slot machines and we've energized our focus in the slot area and in cost containment in the marketing area which was very very substantial at the Taj Mahal and were very pleased with the results. The gaming revenues for the three months were approximately 137 million versus 148 million in 1998. For the nine months it was 382 million versus 388 million. Now the hold percentage for the three month period was 14-1/2 versus 18-1/2 and for the nine months 15.8 versus 16.5 and this is very significant because even at a time period where we had a low hold percentage versus the year before we were able to generate substantial income on the slot side and away from the high cost of volatile international play. Again going to our non-gaming revenues we've increased our non-gaming revenues to 49 million to about 33 million the year before and to about 103 million versus 83 million for the nine month period. At the end of the day our net revenues increase to 167.6 million in the third quarter versus 162 million and 436 million from

426 million. Our occupancy rate was almost 99% during this period and for the nine months was 96%, a 5% increase over the year before. The most significant factor is that many of our rooms were taken up by high end gaming customers. They were always comped in addition the marketing cost and the other costs relating to that were very very substantial. We were able to shift those into cash sales in many cases and in many cases shifting rooms into the slot area for our slot customers. Well I think the results for the quarter show that what we did was correct and we will continue to do it going forward. Our EBITDA was 51 million versus 46 and 106.6 million for the nine months versus 100 million and again the biggest impact of what we did and it was really focused on the Taj Mahal to reduce not only the cost of doing business but to shift that cost into more profitable areas and I think we've done that successfully and you will see I think those results going forward in the fourth quarter and we expect to have the largest EBITDA year at the Taj Mahal than we've ever had. We've had one year we did about 140 million in 1995 when we had a lot of high end business from the international markets much of which we've wrote down in the succeeding years because it was difficult collecting some of that profit.

Now going onto Trump Plaza, first, the gaming revenues for the three months that have just ended were 105 million versus 103 million for the three months in 1998. For the nine months it was 281 versus 283. Our hold percentage was 17.6 versus 15.8 for the three months and 16.1 versus 15.7. Our non-gaming revenue again increased here to about 30 million versus 28 million in the prior quarter and for the year it was approximately the same about 77-1/2 million versus 78 for the nine months. However, our EBITDA increased to 31 million for the quarter versus 24 and for 65 million versus 58 for the nine months. Now the Plaza benefited substantially from our decision made in the first half of last year to close the World's Fair which has obviously has been done. It benefited because our energies were focused on the main property. Our costs, our energies and our expenses were better spent on this property and we were able to get rid of that lower end business out of the Plaza because it was forced in there because many times we had we were focused on filling the rooms at the World's Fair and again

our cash sales increased and our cash rooms increased and continue to increase and I think you will see again our fourth quarter showing the results of the closure of the World's Fair in a very very positive sense and going forward in a very positive sense. It was a negative to our company of at least 13 million on a cash side every year but on an energy side it took up a lot of energy of our executives that are now totally focused on the Plaza and were for the last six months of the year when they knew that the World's Fair didn't have to be propped up anymore and they could focus their energies on making sure our programs are correct at Trump Plaza.

Now going to the Marina. Our gaming revenues for the nine months were 75.3 versus 74.3 and for the nine months increased 205 million versus 198. Our non-gaming revenues were about the same about 19 million and about 46 million for the nine months. Now the Marina is a much more difficult property to increase your non-gaming revenues 'cause you're limited to 650 rooms and its very difficult to substantially increase your cash sales although we did that out during the summer out on the dock in the Marina and in the entertainment area which we were driving cash sales rather than comp sales with our customers. Our EBITDA increased to 19.6 million from 15.3 for the three months and 42.3 versus 36.1.

Now I'm going to Indiana. Our gaming revenues declined to 33.6 from 38.2 but increased for the nine months 104.8 from 101.3. Now in Indiana we took out a substantial amount of incentive driven revenues and were pleased somewhat. I'm a bit disappointed in Indiana's results which EBITDA showed 5 million versus 4.8 and 16.1 versus 12.5. I do think that at the end of the day that Indiana will benefit in the fourth quarter from our new marketing incentives there. We are building a garage there as we know and I've decided to bring

(b)(6),(b)(7)(C)

(b)(6),(b)(7)(C) and to install

(b)(6),(b)(7)(C)

(b)(6),(b)(7)(C) at that property and that is taking place as we speak now.

So over all for the company the net revenues for the nine months were 403.1, excuse me, for the three months were 403.1 million versus 397 and for the nine months were 1 billion almost 1.1 billion

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versus about the same for the nine months the previous nine months. Our EBITDA increased to 106.7 versus 90.6 for the third quarter and 230.2 versus 207.7 for the nine months. We're pleased with the results of the company. We think that what we've installed earlier really this time last year showed results and will continue to show results. We're comfortable with our budgets moving into the fourth quarter. We're going to focus hard on Indiana because we think we can do more out of there. Trump Plaza will have the benefit of a redone floor at the east tower which is ongoing right now. The addition to the Plaza of about 450 slot machines, the addition of a new oriental area and a reconfiguration of the floor which will be finished by President's Day. At the Taj Mahal we are going to continue our focus and our addition of slot machines with the addition of about 280 new slot machines in new areas there. We are expanding our oriental pit and we are removing one of our gaming pits to make way for our new slot machines in our new slot area. We fully intend to focus on our cash business there again in the fourth quarter in the fourth quarter and first quarter, obviously, it is more difficult because of the weather although we are getting a break in the weather in October. We've gotten off to a good start at our properties in Atlantic City for this quarter and we expect a good finish to the year because of the millennium parties in Atlantic City and we think we'll get some benefit of that for the fourth quarter. Now if there are any questions I will take any questions from the audience. Thank you.

OPERATOR:

Ladies and gentlemen at this time if you have a question you will need to press the star key followed by one on your telephone. Please be aware that your questions will be taken in the order they are received. If your question has already been answered you can remove yourself from queue by pressing the star key followed by two. Also if you are using a speaker phone please pick up your handset before pressing the button. Again that's star one to ask a question.

Our first question is from (b)(6),(b)(7)(C)
[phonetic] please go ahead sir.

(b)(6),(b)(7)(C)

Hey (b)(6),(b)(7)(C) congratulations and great numbers.

(b)(6),(b)(7)(C)

Thank you.

(b)(6),(b)(7)(C)

A couple of questions. One the as far as still looking for any possible acquisitions going forward.

(b)(6),(b)(7)(C)

I think the focus of the company has to be two fold and it kind of goes hand in glove. I think at this a sale of a property will take place before any acquisition of new properties and a reduction of debt will take place before we move to any new jurisdictions.

(b)(6),(b)(7)(C)

And as far as adding the parking garage in Gary what kind of upside in cash flow can you see up that's added?

(b)(6),(b)(7)(C)

I think you'll see a seven five to seven million dollar increase in cash flow. Maybe as much as ten million to the property.

(b)(6),(b)(7)(C)

Great. OK. If you could add rooms at the Castle going forward what kind of benefit will that place see?

(b)(6),(b)(7)(C)

Well I think that if you're going to add rooms any place I would look to the Marina if it continues on its up ward move and its EBITDA as we've seen over the past two years and I think that that property if you added a thousand rooms would see another 25 to 30 million in its EBITDA.

(b)(6),(b)(7)(C)

Wow, OK. Another one. When you tear down the World's Fair do you get a cut in taxes? A savings there?

(b)(6),(b)(7)(C)

Yes about, it's almost 7 million.

(b)(6),(b)(7)(C)

OK and how much did it cost to tear down the World's Fair?

(b)(6),(b)(7)(C)

It's gonna be we, we haven't finalized but net netting out because we're selling things now its about 5 million. It will be spread over the first six months of the year.

(b)(6),(b)(7)(C)

OK, good and then I guess I calculate the net hold hit to the whole company is about 5 million which means you would have done 5 million better if your hold had been the same.

(b)(6),(b)(7)(C)

Well.....

(b)(6),(b)(7)(C)

Firm or company wide am I doing it right.

(b)(6),(b)(7)(C)

Yeah, you're doing it about correct but I don't look at it like that I think you have to look at your business and you know, plus or minus these are our numbers and doesn't make me smarter because my hold is going to be better in the fourth quarter this year. Thanks (b)(6),(b)(7)(C)

(b)(6),(b)(7)(C)

Thanks (b)(6),(b)(7)

OPERATOR:

Our next question is from (b)(6),(b)(7)(C) [phonetic] please go ahead sir.

(b)(6),(b)(7)(C)

Good morning (b)(6),(b) and congratulations. Could you please walk us through expense reductions by property 'cause they were alluded to generally in the release but you didn't give detail.

(b)(6),(b)(7)(C)

Well, I'll be glad to have (b)(6),(b)(7)(C) do that with you directly (b)(6),(b)(7) but in essence what we saved this year was about overall was on the 5-7 million range for the first nine months I think we'll pick up a couple of million more from now until the end of the year and it's just consolidating your business handling your consolidated business more efficiently we expect to pick up substantial savings in the insurance area we are going to bid that out which could be a big number to us early next year. We're focused on areas like limousines now, you know when we have joint food buying now at the properties and it takes time to get all those in place so we continue to get the benefit on a long term basis of the expense reductions. But if you want to quantify them (b)(6),(b)(7) will sit down with you privately and do that.

(b)(6),(b)(7)(C)

OK and just a second question. Could you elaborate on the ADR at the Taj and the quarter and what percentage was cash versus comp?

(b)(6),(b)(7)(C)

I don't have that and I don't know if (b)(6),(b)(7) has that. I don't think we have that (b)(6),(b)(7) but you can call him directly but it was our cash sales increased dramatically and (b)(6),(b)(7) has all that.

(b)(6),(b)(7)(C)

OK thanks.

(b)(6),(b)(7)(C)

Thanks (b)(6),(b)(7)

OPERATOR:

Our next question is from (b)(6),(b)(7)(C) please go ahead sir.

(b)(6),(b)(7)(C)

Good morning. I noticed that the improvement I guess at the AC level pretty much took place in this quarter as compared to the six months prior I'm talking about EBITDA. What was it that sort of kicked in in this quarter?

(b)(6),(b)(7)(C)

Well you know (b)(6),(b)(7)(C) I think you've probably -- I haven't had a conference call recently but my earlier conference calls and presentations I've made I really believe and I run this company now for the major profitability to be in five in a half month period so that we're geared to pick up the profitability starting really starting May part of June, July August and September and that's why you see it that way. You're really not going to pick it up in the first half of year.

(b)(6),(b)(7)(C)

OK so we see that level of increment in the fourth quarter given that that could be slow as well.

(b)(6),(b)(7)(C)

I think in the fourth quarter you have to look at your historical profitability which I think for the fourth quarter on a company wide basis our EBITDA was like 57 million last year for the fourth quarter (b)(6),(b)(7)(C) yeah, and you'll see an incremental increase but not at the same percentage basis. In other words we did 230 we'll increase it we could increase it by as much as 15% or 20% to get us to 300 million in EBITDA and that's where we're going.

(b)(6),(b)(7)(C)

OK and then I may not have heard a number correctly cause on the Taj Mahal it looks like you have a 11 million decrease in your gaming revenues and a 6 million increase in your non gaming revenues.

(b)(6),(b)(7)(C)

That's something like that.

(b)(6),(b)(7)(C)

Right but the total revenues are up five so I was just wondering what that if you could reconcile that.

(b)(6),(b)(7)(C)

I don't know I worked off the numbers (b)(6),(b)(7)(C) gave me but he could reconcile, why don't you call him directly?

(b)(6),(b)(7)(C)

OK great.

(b)(6),(b)(7)(C)

OK thanks (b)(6),(b)(7)(C)

(b)(6),(b)(7)(C)

OK thanks.

OPERATOR:

Our next question is from (b)(6),(b)(7)(C) Please go ahead sir.

(b)(6),(b)(7)(C)

My questions been answered, thanks.

OPERATOR:

Our next question is from (b)(6),(b)(7)(C) please go ahead sir.

(b)(6),(b)(7)(C)

Thank you. Let me add my congratulations to an outstanding quarter (b)(6),(b)(7)(C)

(b)(6),(b)(7)(C)

Well you're only analysts that covered us so I thanks for participating in conference call and covering our company and having such confidence in us.

(b)(6),(b)(7)(C)

Well thank you. I guess at this point I'll add my mea culpas for having such a pitifully low estimate out there. (b)(6),(b)(7) asked most of my questions but I just wanted to add a follow up to that. Do you have any sense on the timing on whether or not I mean the timing assuming a perfect world and you get some asset sales done do you have any sense on timing on that and on the refinancing?

(b)(6),(b)(7)(C)

It's all in the works I think that if the Marina continues to finish the year as we've started we have all provisions I think the timing on the Marina you're looking towards early next year on a refinancing. I think the timing on a sale when anybody walks in the door and offers us enough money for any one of our facilities we are going to consider it.

(b)(6),(b)(7)(C)

OK thanks (b)(6),(b)(7)(C)

(b)(6),(b)(7)(C)

Thank you.

OPERATOR:

Our next question is from (b)(6),(b)(7)(C) [phonetic] please go ahead sir.

(b)(6),(b)(7)(C)

Good morning, I was wondering if you could let us know what the cash levels were for the company in each of the various entities.

(b)(6),(b)(7)
(C)

I could give you its about you could call (b)(6),(b)(7) directly but our cash levels right at 220 right now something like that but (b)(6),(b)(7) could break it down for you.

(b)(6),(b)(7)
(C)

OK I've had difficulty getting through to (b)(6),(b)(7) is there anyone else I could talk to.

(b)(6),(b)(7)
(C)

No, you have to call (b)(6),(b)(7) and I'll make sure you get through to him

(b)(6),(b)(7)(C)

OK thanks (b)(6),(b) and one other thing. The World's Fair, charge what was that on the books for do you have it broken down at a different parts.

(b)(6),(b)(7)(C)

Yeah we have it fully broken down you could do that with (b)(6),(b)(7)

(b)(6),(b)(7)
(C)

All right I will do that off line.

(b)(6),(b)(7)
(C)

Thank you.

(b)(6),(b)(7)
(C)

Thank you.

OPERATOR:

Our next question is from (b)(6),(b)(7)(C)

(b)(6),(b)(7)
(C)

Great, thanks. I've got two questions (b)(6),(b)(7) you made a comment about the millennium and some operators have said that although higher room rates and gaming volume are expected the paying for entertainment in some cases people are paying five and ten times what you would normally pay that may offset some of the up side. Do you expect up side or do you feel the same way that you're paying a lot on the expense level that going to offset upside?

(b)(6),(b)(7)
(C)

No we've taken a different view I think you're talking about your Vegas operators you know I saw their entertainment lineup and its really dynamite but I think it's very expensive and at least at our levels we've taken the pass at that high end entertainment. We just see a bigger volume of cash customers coming down for the parties.

(b)(6),(b)(7)(C)

OK great and then my question somebody asked a similar version of it I guess for the write down for World's Fair are there any part of the one time expense in this quarter that's cash expense or is that all just balance sheet rate.

(b)(6),(b)(7)
(C)

It's all balance-sheet driven.

(b)(6),(b)(7)
(C)

OK thank you.

(b)(6),(b)(7)(C)

Thank you.

OPERATOR:

Our next question is from (b)(6),(b)(7)(C) please go ahead sir.

(b)(6),(b)(7)
(C)

Hi its (b)(6),(b)(7)(C) good morning (b)(6),(b)(7)(C) and (b)(6),(b)(7) I just have a couple of questions really relating to the World's Fair and the Plaza. (b)(6),(b)(7) since you've closed the property earlier this month have you seen any up tick in revenues at the Plaza?

(b)(6),(b)(7)
(C)

Oh sure we our revenues have increased we still haven't quantified we're very. We don't want to get gleeful but we're very happy I know (b)(6),(b)(7) and I were talking about that before this call we have picked up the revenues that we expected out of the World's Fair you'll see about between a 17 and 19 or 20% decline in our reportable revenues which is less than we anticipated substantially less and the business that we've picked up is the business we've wanted to pick up in other words that costly end lower end business thank goodness we don't have to surface anymore with that expensive coin and food programs we had. I think this will help drive down the marketing cost in Atlantic City.

(b)(6),(b)(7)
(C)

OK that was just was my follow up question if since you've eliminated some of these bus programs that were headed on over to the World's Fair and attendant you know coin and promotional expense has that lowered your costs as far as the Plaza and the Taj are concerned at this point.

(b)(6),(b)(7)
(C)

Oh sure. In the long run it's going to substantially lower our cost. That fourth quarter will see the results and I think packages are going to start coming down right now going forward and we know it's lowered our costs certainly at the Plaza and will in the future at the Taj.

(b)(6),(b)(7)
(C)

And then finally have you figured out the timing of when you actually going to demolish the Worlds Fair or is that?

(b)(6),(b)(7)
(C)

No its already started we are clearing out the building now. We're having an auction sale underway and will be completed in about ten days.

We will start by ripping down the small building where we had the buffet in the bus area by November 15 and that building will be totally down before the end of the year and then we'll have to start demolishing floor by floor the main building.

(b)(6),(b)(7)(C)

OK and that will be done in January some time.

(b)(6),(b)(7)(C)

No it yeah the main building will start in January we don't know how long its going to take it's going to take three to six months.

(b)(6),(b)(7)(C)

OK. Thank you.

OPERATOR:

Our next question is from (b)(6),(b)(7)(C) please go ahead.

(b)(6),(b)(7)(C)

Oh, hi (b)(6),(b)(7)(C) most of this covered but looking out at corporate engineering and restructuring in light of the visibility that one of your colleagues has acquired recently is it likely that you'll do non dynamic events like trying to migrate geographically into new areas or is that on hold what are your priorities in terms of the non-operating non-refinancing of the debt type for the next six months anything special?

(b)(6),(b)(7)(C)

You mean going into the jurisdictions.

(b)(6),(b)(7)(C)

Yeah you know like who needs headlines if you're doing other things that may not be consistent.

(b)(6),(b)(7)(C)

Well first I want to say that so for everybody on conference call the company Trump Hotels and (b)(6),(b)(7)(C) and my executives are doing zero with respect to what you've been reading about that's done on a level that's

(b)(6),(b)(7)(C)

Now that's a smart conclusion.

(b)(6),(b)(7)(C)

Yeah I think its a smart conclusion I have nothing to do with politics I don't particularly it's something I'm not comfortable in the company will not participate financially or otherwise and the Board has discussed that and Donald and obviously that's you know each individual has to do what they think is appropriate. Now as to migrating I don't think we've migrated any place until we sell something or reduce our debt unless we can merge with a company or something like that and obviously that's always out there looming but not

currently with our current stock price I think that makes it difficult

(b)(6),(b)(7)(C)

So the consolidation friends that we're hearing about on the strip and what your doing is something that is of interest to you and you've just got to figure out a way to do it right.

(b)(6),(b)(7)(C)

Well put.

(b)(6),(b)(7)(C)

Thanks

(b)(6),(b)(7)(C)

Thanks

OPERATOR:

Ladies and gentlemen if there are any further questions please press star one on your telephone. Our next question is from (b)(6),(b)(7)(C)

(b)(6),(b)(7)(C)

Yes.

OPERATOR:

(b)(6),(b)(7)(C) please go ahead sir.

(b)(6),(b)(7)(C)

Yes could you please review your capital spending programs for the remainder of the year and next year and could you provide any insight into whether or not you've been able to reduce debt through cash flow from operations or do you plan on doing so next year?

(b)(6),(b)(7)(C)

Yeah, I think I'll take the last part of your question first. We will have 50 million plus or minus available to reduce our debt and we fully intend to do that as we go forward into next year. We will have our normal cap x at each of the properties next year and that has the levels of that remain consistent. Our rooms programs and our maintenance programs are very very good if you come to our properties are clean and well run and that will continue. Any excess capital spending will be in the areas that will generate income at the Plaza with the redoing of the floor and adding the new oriental pit in our addition to our cap x is about 8 million over the course of the year in addition to our cap x is that right, (b)(6),(b)(7)(C)

(b)(6),(b)(7)(C)

Yes.

(b)(6),(b)(7)(C)

And and the Taj Mahal no that's maintenance cap x as well. No well in addition

(b)(6),(b)(7)(C)

In addition - two or three million

(b)(6),(b)(7)(C)

About three million dollars. I think (b)(6),(b)(7) was confused I think its about 8 million maintenance cap x and it's about three to five with our redoing our floor and at the Marina we are adding additional casino space redoing our buffet in addition to our maintenance cap x adding to theme restaurants it will be about three or four million dollars.

(b)(6),(b)(7)(C)

Thank you

(b)(6),(b)(7)(C)

Thank you.

OPERATOR:

Ladies and gentlemen again if there are any final questions again press star one on your telephone.

(b)(6),(b)(7)(C)

OK if there are no final questions operator hello

OPERATOR:

Yes (b)(6),(b)(7)(C)

(b)(6),(b)(7)(C)

If there are no final questions then we'll I'd like to thank everybody for participating on I know on a busy earnings day on our conference and of course if you have any questions you can call (b)(6),(b)(7)(C) directly and he'll try and help you with the information and I thank you again and hope to talk to you again real soon.

OPERATOR:

Ladies and gentlemen at this time your conference has been completed you may now disconnect.

THE M ARCUS GROUP, INC.
PUBLIC AFFAIRS COUNSEL

• Secaucus • Trenton •
300 Lighting Way, Secaucus, NJ 07094
PHONE: (201) 902-9000 • FAX: (201) 902-9008

MEMORANDUM

TO:

(b)(6),(b)(7)(C)
Conference Call Services
(b)(6),(b)(7)(C)

Total number of pages including this one: (b)(6),(b)(7)(C)

FROM:

(b)(6),(b)(7)(C)

DATE:

October 19, 1999

RE:

Trump Conference Call and Blast Fax

(b)(6),(b)(7)(C)

Here is the information you will need to arrange the Trump Conference Call for next Monday, October 25 at 10 a.m. EST.

1. I would like to send a fax to ANALYSTS ONLY on Friday, October 22 announcing that our earnings will be released on Monday, providing a call-in number and the time (10 a.m.)
2. On Monday the release can go to everyone on the fax list but we do not want the media to have the call in number.
3. (b)(6),(b)(7)(C) will be the lead moderator out of Trump's New York Offices.
4. We would like the callers to provide their names, company affiliation and a phone number in case we need to follow-up on questions after the call.
5. You should reach out to (b)(6),(b)(7)(C) promptly at 10 a.m. to begin the conference call. The main number is 212-891-1500 but I may supply you with different direct dial line.
6. We would like a replay of the call to run until Wednesday.
7. We would like an audio copy of the call also
8. The participants list should be faxed to me at (b)(6),(b)(7)(C) and (b)(6),(b)(7)(C) at Trump at (b)(6),(b)(7)(C)

Please send a copy of your list — sorted by analysts, media and other — to me and (b)(6),(b)(7)(C) at the numbers listed above so we can confirm that its accurate.

(157-1)

THE **M**ARCUS GROUP, INC.
PUBLIC AFFAIRS COUNSEL

• Secaucus • Trenton •
300 Lighting Way, Secaucus, NJ 07094
PHONE: (201) 902-9000 • FAX: (201) 902-9008

MEMORANDUM

TO:

(b)(6),(b)(7)(C)

Total number of pages including this one: 2

FROM:

(b)(6),(b)(7)(C)

DATE:

October 21, 1999

RE:

Analysts Conference Call Announcement

(b)(6),(b)(7)(C)

Attached is my "stab" at the announcement that would be faxed to the analysts tomorrow morning. The call-in numbers are the correct numbers from Conference Call Services.

Let me know if this announcement is okay and I'll send it over to Conference Call Services today.

P.S. The announcement would be in your letterhead.

DRAFT 2:50pm 10-19

NEWS RELEASE

For Immediate Release: October 25, 1999

For further information, contact: Nicholas L. Ribis, President and CEO (212) 688-0190

TRUMP HOTELS & CASINO RESORTS

THIRD QUARTER RESULTS

EBITDA INCREASED TO \$106.8 MILLION VS. \$90.5 MILLION IN 1998

NET PROFIT INCREASED TO 63 CENTS PER SHARE

VS. 24 CENTS PER SHARE IN 1998

NEW YORK, NY – Trump Hotels & Casino Resorts, Inc. (NYSE:DJT) announced today that for the third quarter ended September 30, 1999, consolidated net revenues were \$401.7 million compared to \$397.4 million reported for the same period in 1998. THCR's EBITDA (earnings before interest, taxes, depreciation, amortization, Trump World's Fair charge and corporate expenses) for the quarter was \$106.8 million versus \$90.5 million reported for the prior year's third quarter. Net income increased to \$14.0 million or \$0.63 per share, before a one time Trump World's Fair charge, compared to \$5.3 million or \$0.24 per share in 1998. THCR's net profit of \$0.63 per share exceeded First Call estimates of \$0.54.

Nicholas Ribis, President and Chief Executive Officer of THCR, stated, "Our focus in 1999 was three fold: first, to increase our operating margins at each operating entity; second, to decrease our marketing costs; and third, to increase our cash sales from our non-casino operations. We have succeeded in achieving positive results in each of the three categories. The third quarter results for the company indicate that we have successfully instituted the programs that we focused on during 1999."

Trump Taj Mahal Associates reported net revenues of \$167.7 million and EBITDA of \$51.0 million for the 1999 third quarter ended September 30. Net revenues for the 1998 third quarter were \$162.1 million and EBITDA was \$46.0 million.

Trump Plaza Associates reported net revenues of \$117.6 million and EBITDA of \$31.2 million for the 1999 third quarter ended September 30. Net revenues for the 1998 third quarter were \$114.8 million and EBITDA was \$24.4 million.

Trump Marina reported net revenues of \$83.3 million and EBITDA of \$19.6 million for the 1999 third quarter ended September 30. Net revenues for the 1998 third quarter were \$81.7 million and EBITDA was \$15.3 million.

Trump Indiana reported net revenues of \$74.9 million and EBITDA of \$5.0 million for the third quarter ended September 30. Net revenues for the 1998 third quarter were \$38.8 million and EBITDA was \$4.8 million.

Trump Atlantic City Associates reported combined net revenues of Trump Plaza and Trump Taj Mahal for the 1999 third quarter of \$283.3 million versus \$276.9 million for the 1998 third quarter. EBITDA was \$82.2 million compared to EBITDA of \$70.4 million for the same period of 1998.

THCR in the third quarter also ceased operations at the Trump World's Fair Casino Hotel in Atlantic City and it has taken a one-time charge of \$80.9 million (\$127.5 million less minority interest of \$46.6 million or \$3.64 per share) with respect to the closing. THCR has indicated it will demolish the existing structures, and planning has commenced for the development of this 10-acre Boardwalk site into a 4,000-room hotel and a 200,000 sq. ft. casino to be connected to the newly renovated Atlantic City Entertainment Center, and a proposed 10,000-car parking garage.

This press release contains forward-looking statements that are subject to change. Actual results may differ materially from those described in any forward-looking statement. Additional information concerning potential factors that could affect the Company's future results is included in the Company's Annual Report on Form 10-K for the year ended December 31, 1998. This statement is provided as permitted by the Private Securities Litigation Reform Act of 1995.

Trump Hotels & Casino Resorts, Inc. owns and operates Trump Plaza Hotel & Casino, Trump Taj Mahal Casino Resort and Trump Marina Hotel Casino in Atlantic City, NJ, as well as Trump Indiana, the riverboat casino at Huntington Harbor, Indiana on Lake Michigan. It is the exclusive vehicle through which Trump will engage in new gaming activities in both emerging and established gaming jurisdictions in both the United States and abroad.

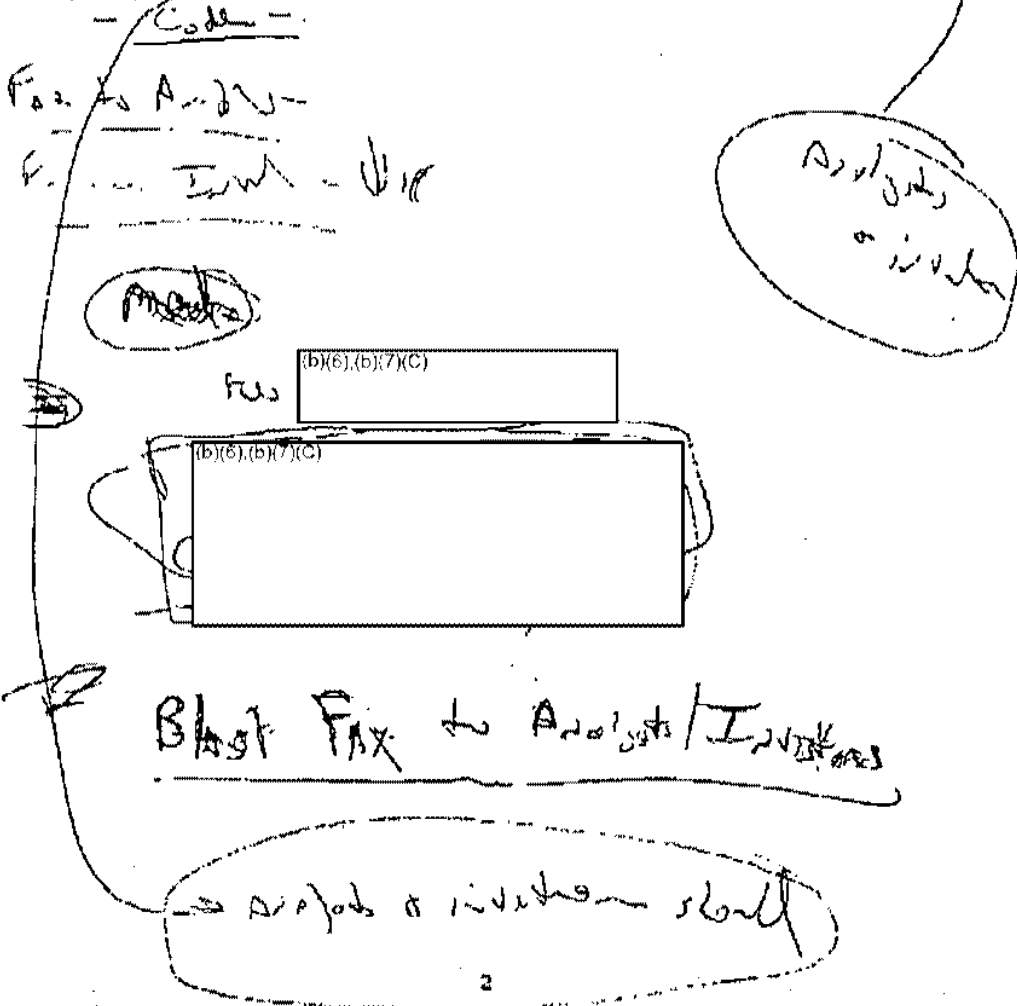
Trump Hotels & Casino Resorts to Announce Third Quarter Results
Monday, October 25, 1999

Analysts Conference Call Scheduled for 10 a.m.

Trump Hotels & Casino Resorts (NYSE: DJT) will release its third quarter 1999 results on Monday, October 25, 1999.

(b)(6), (b)(7)(C) THCR, will host an interactive conference call for analysts at 10 a.m. Eastern Standard Time.

To participate, call 888-550-6989 (in the U.S.) or 908-228-5000 (outside the U.S.).



THE MERCUS GROUP FAX: 2019025008 OCT 21 1999 14:18



F A X C O V E R S H E E T

DATE: October 22, 1999

TIME: 3:27 PM

TO: TRUMP

ATTN: (b)(6),(b)(7)(C)

PHONE: (b)(6),(b)(7)(C)

FAX: (b)(6),(b)(7)(C)

FROM: (b)(6),(b)(7)(C)

PHONE: (b)(6),(b)(7)(C)

FAX: (b)(6),(b)(7)(C)

RE: REVISED LISTS & CONFIRMATION

CC: (b)(6),(b)(7)(C)

Number of pages including cover sheet: 9

Message:

Good afternoon Gentlemen,

The following are the revised lists and the confirmation for your Monday Investor Relations conference. Please contact me to confirm that you have been in receipt of fax transmission, and any additional modifications you wish to make, (b)(6),(b)(7)(C)

In addition, please be aware that the confirmation has not been revised with the "Trump" information ie (b)(6),(b)(7)(C) & his address. This will be changed, I wanted you to make your modifications to this as well.

Thank you,

(b)(6),(b)(7)(C)

(b)(6),(b)(7)(C)

CONFERENCE CALL SERVICE Q&A FAX CONFIRMATION

To: (b)(6),(b)(7)(C)

Today's Date: October 21, 1999

Company: The Marcus Group

Fax Number: (b)(6),(b)(7)(C)

From: (b)(6),(b)(7)(C)

Phone: (b)(6),(b)(7)(C)

Please review the following information, if you have any questions or changes please call
Phone: U.S. - (b)(6),(b)(7)(C) Fax: (b)(6),(b)(7)(C)

Conference Name: Trump Conference Call

Conference Code: N/A

Conference Date: October 25, 1999

Number of Lines: 100

Conference Time: 10:00 AM PM

Time Zone: EST CST MST PST

Lead Presenter(s): (b)(6),(b)(7)(C)
(will be called 10AM sharp)

Phone #: (212) 891-1500
Phone #:
Phone #:

Comm Line Moderator:

Phone #:

Participant Dial in Number(s) USA: (888) 550-5969
 Int'l/Canada: (908) 228-5000

Services Requested:

- Polling Q&A Broadcast Fax Events Manager Communication Line
- Script for Introduction Press/ Media Allowed Brokers Allowed Listen Only Music on Hold

Record Conference: No Yes, Number of Copies: 1 Mail Type: 2 Day UPS Overnight

Transcription: 48 hour 72 hour delivery Number of Copies: Mail Fax Email

Participant List: Participant Name Company Location Participant Phone

Fax List to: (b)(6),(b)(7)(C)

Fax #: (b)(6),(b)(7)(C)

Conference Mail: (Digital Replay) No Yes, Conference Mail Number: USA: (b)(6),(b)(7)(C)
 Int'l/Canada: (b)(6),(b)(7)(C)

Start Date: 10/25/99 (Available 4 hours after call.) Voice Capture: Name

End Date: 10/27/99 (End of business day) Company

Fax List to: Fax #: Other

Additional Comments/Instructions

The cassette tape will be sent to (b)(6),(b)(7)(C) Please provide the mailing address.



**Trump Hotels & Casino Resorts to Announce Third Quarter Results
Monday, October 25, 1999**

Conference Call for Investors and Analysts Scheduled for 10 a.m.

Trump Hotels & Casino Resorts (NYSE: DJT) will release its third quarter 1999 results on Monday, October 25, 1999.

(b)(6), (b)(7)(C)

will host an interactive conference call exclusively for investors and analysts at 10 a.m. Eastern Standard Time.

To participate, investors or analysts should call 888-550-5969 (in the U.S.) or 908-228-5000 (outside the U.S.). Stay on hold for the operator and then ask for the "Trump Conference Call."

725 Fifth Avenue • New York, NY 10022 • 212-688-7267 • Fax 212-688-0397

CONFIDENTIAL TREATMENT REQUEST BY THCR

00244

List # 24
trump analyst
Last Modified on 10/22/99
157 addresses

Last Name	Fax Number	Company	Phone Num	First Name	Billing C
(b)(6),(b)(7)(C)		Cooperative In...			
		Fox-Pitt Kelton			
		Gem Brewin In...			
		Luther Pedrag...			
		Abm Amro Ho...			
		Natwest Markets			
		SBC Warburg			
		Banque Indos...			
		TT Internation...			
		Soros Global ...			
		Henderson Cr...			
		Jupiter Tyndall			
		EHL Invest. Sv...			
		Raymond Jam...			
		Casenove & Co.			
		HSBC James ...			
		MGM Assurance			
		Guardian Asse...			
		Smith & Willia...			
		Commercial U...			
		American Equi...			
		Rathbone Inv. ...			
		Embricos Shi...			
		Donaldson Luf...			
		PDFM Limited			
		World Gaming...			
		Sudbrooke As...			
		Edgar Astaire ...			
		New Century ...			
		Bankers Trust ...			
		MacQuarie Ba...			
		Ying Gwan Tz...			
		Mendham Cap...			
		Appaloosa Par...			
		Appaloosa Par...			
		Prudential Co.			
		The Marcus G...			
		Emar Group, I...			
		Jeffries & Com...			
		Jefferies & Co.			
		Standard & Po...			
		Standard & Po...			
		Scotia Capital			
		Chase Securti...			
		Bear Stearns			
		Bear Sterns			
		American Stoc...			
		Furman Selz			
		Dean Witter			
		CS First Boston			
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		Oppenheimer ...			
		Oppenheimer ...			
		CS First Boston			
		Goldman, Sac...			
				(b)(6),(b)(7)(C)	trump
					trump
					trump

Last Name	Fax Number	Company	Phone Number	First Name	Billing C					
(b)(6), (b)(7)(C)										
						Goldman Sachs				
						Goldman Sachs				
						Goldman, Sac...			(b)(6), (b)(7)(C)	trump
						Goldman Sachs				
						merrill lynch				
						Dean Witter				
						Ladenburg Th...				
						Standard & Po...				
						Spear Leeds ...				trump
						Duetsche Bank				
						Natwest Markets				
						Cowen & Co.				
						Dean Witter				
						Lehman Broth...				
						CS First Boston				
						JP Morgan				
						Moody's				
						Lazard Freres				
						JP Morgan				
						JP Morgan				
						CIBC Oppenh...				
						Oppenheimer-2				
						Oppenheimer-4				
						Oppenheimer ...				
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						Oppenheimer-...				
						Sands Brothers				
						KEA Capital				
						Smith Barney				
Wilkie Farr & ...										
Prudential										
Salomon Broth...										
Furman Selz										
Furman Selz										
Miller Duffy As...										
JL Advisors LLC										
BDS Securities										
Lynch & Mayer										
Dietche & Field										
MS Farrell										
MS Farrell										
Miller Tabak H...										
Miller, Tabak ...										
DLJ										
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Goldman, Sac...										
Dillon Reed										
Weiss Peck & ...										
J&W Seligman										
Sands Brothers										
Loews Corp.										
Chase Manhat...										
Libra Investme...										
Alliance Capital										
Grantchester ...										
The Marlin Gr...										
Stephens Rob...										
Bank Of Ameri...										

Last Name **Fax Number** **Company** **Phone Number** | **First Name** | **Billing C**

(b)(6),(b)(7)(C)

Scudder Steve...
Scudder, Sten...
Capital Group
Delaware Man...
Provident Invest
PNC Asset Mg...
Janus Fund
Janus Fund
Dabney Resnick
Libra Investment
Capital Group
Kemper Finan...
Kemper Finan...
BA Securities
University of M...
Conseco
Alex Brown
Montgomery S...
Jeffries & Com...
Polynous Capi...
Southcoast Ca...
Taylor Capital ...
Piper Jaffrey
Ohio Public
State Street R...
State Street
Hellman Jordan
Putnam Mana...
State Street
John Hancock ...
John Hancock ...
Fidelity Manag...
Fidelity Manag...
Fidelity Manag...
Putnam Invest...
Mass Investors
First Union
AIM Managem...
AIM Managem...
American Capi...
Salomon Broth...
Florida State B...
Gabelli Funds

ADDRESS BOOK
List # 11
trump media
Last Modified on 10/21/99
71 addresses

Last Name	Fax Number	Company	Phone Number	First Name	Billing Category
(b)(6);(b)(7)(C)		Record			
		Scripps Howard			
		US News & W...			
		Forbes			
		Crain's NY Bu...			
		London Daily ...			
		Institutional In...			
		Investment De...			
		Securities Indu...			
		Wall Street Jo...			
		Wall Street Jo...			
		Wall Street Jo...			
		Wall Street Jo...			
		Wall Street Jo...			
		Newsweek-2			
		Newsweek			
		Int'l Gaming & ...			
		Time			
		New York Times			
		Forbes			
		AP - Business ...			
		AP - Wall Street			
		ECF Value Fund			
		Financial World			
		New York Dail..			
		UPI			
		NYSE			
		Real Estate W...			
		International G...			
		USA Today			
		Financial Times			
		USA Today			
		London Times			
		Reuters			
		Reuters			
		Reuters			
		Reuters			
		Bloomberg Bu...			
		New York Post			
		Wall Street Jo...			
		Philadelphia D...			
		Reuters Ameri...			
		Indian Gaming			
		Grogan Casin...			
		Grogan Casin...			
		Investors Busi...			
		Chicago Tribune			
		Crains Chicag...			
		Chicago Sun-...			
		CNN			
		Morning Star			
		Indianapolis B...			
		Indianapolis N...			
		Newsday			
		Atlantic City Pr...			

(b)(6).
(b)(7)
(C)

trump

Last Name Fax Number Company Phone Number | First Name | Billing C

(b)(6),(b)(7)(C)

Star-Ledger
Wall Street Jo...
New Jersey N...
Casino Player
AP - AC Bureau
Philadelphia In...
Casino Journal
USA Today
USA Today
Business New...
Asbury Park P...
Home News &...
Win Magazine
Real Estate W...
Bloomberg
Star-Ledger

ADDRESS LIST
List # 4
trump-fax list1-corp
Last Modified on 10/21/99
14 addresses

Last Name	Fax Number	Company	Phone Num	First Name	Billing Cj
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~~14~~
(b)(6),(b)(7)(C)

MS049/AM EX

(b)(6),(b)(7)(C)

Tuesday, October 26, 1999 - Boston

11:00 (b)(6),(b)(7)(C) Putnam (HC)
One Post Office Square

Wednesday, October 27, 1999 - New York City

8:00 (b)(6),(b)(7)(C)
153 East 53rd St. One Citicorp Center

9:30 (b)(6),(b)(7)(C) Prudential Bache-Special Situations
153 East 53rd Street

11:00 (b)(6),(b)(7)(C) Dreyfus Corp.
The Pan Am Bldg., 200 Park Ave.

Thursday, October 28, 1999 - Los Angeles

10:00 (b)(6),(b)(7)(C) Hotchkiss & Wiley
725 S Figueroa Street

12:00 LUNCH Four Seasons Hotel - Los Angeles at Beverly Hills

- (b)(6),(b)(7)(C) SSI
- (b)(6),(b)(7)(C) - Canyon Capital
- (b)(6),(b)(7)(C) Doheny Asset
- First Pacific Advisors
- (b)(6),(b)(7)(C) - First Pacific Advisors
- (C) Kayne Anderson
- (b)(6),(b)(7)(C) - Oakmont
- Foothills Capital

2:00 (b)(6),(b)(7)(C) TCW
1100 Santa Monica Blvd.

3:30 (b)(6),(b)(7)(C) Strome & Suskind
100 Wilshire Blvd.

7:00 DINNER Top of the Market - 750 North Harbor Drive

- (b)(6),(b)(7)(C) - Paradigm Capital
- Rice Hall James

To: (b)(6),(b)(7)(C)

From: F1770289

Tue Oct 26 1999 10:17 EDT

Page 1 of 4

Goldman
Sachs

Message ID 627018622 submitted 26 Oct 1999 10:08am

TO: (b)(6),(b)(7)(C)
Trump Hotels & Casino Resorts

FROM: Goldman, Sachs & Co.
High Yield & Emerging Markets
Corporate Research
voice: (b)(6),(b)(7)(C)

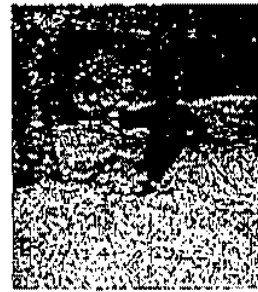
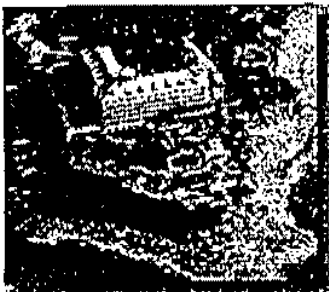
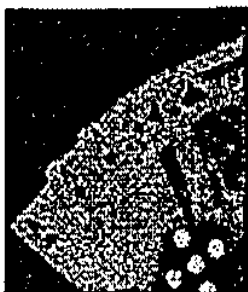


Fixed Income Research

Corporate Bonds

October 26, 1999

Gaming, Lodging, & Leisure Monitor



John Kempf, C.F.A.
(212) 902-3812

- Trump's Third Quarter EBITDA Above Expectations
- Park Place Posts Strong Third Quarter Results

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Trump's Third Quarter EBITDA Above Expectations

Trump Hotels & Casinos reported 3Q:99 EBITDA of \$106.7 million compared with \$90.6 million in the prior year. Results were well above our estimate of \$91.0 million, thanks to strong numbers at all three Atlantic City properties. However, the large variance from our estimates combined with the lack of the usual detail that accompanies a Trump earnings release raises several questions. Highlights of the earnings release and conference call are as follows:

- Trump Taj Mahal posted EBITDA of \$51.0 million versus \$46 million in the prior year. Our estimate was \$46.5 million. Gaming revenues declined 7.4%, but non-gaming revenues increased 48% to \$49 million. The company attributed this increase to more cash room sales and increased retail revenues. Management noted that it has moved its focus to slot-driven business from high-end international play, which has led to lower promotional allowances and better containment of marketing expenses.

Without the usual detailed revenue line items, our analysis of the increase in non-gaming revenues leads us to extraordinary assumptions about ADRs and promotional allowances. Therefore, we will not make significant changes in our 4Q:99 or 2000 estimates until we can get a better handle on these revenues.

- Trump Plaza increased EBITDA to \$31.0 million from \$24.4 million in the prior year. Our estimate was \$25.1 million. Gaming revenues were \$105 million, up slightly from the prior year. However, cash operating expenses were down by almost \$5 million. The company closed the World's Fair hotel and casino in October, which is believed to have had a \$13 million negative impact on EBITDA. It will cost approximately \$5 million to demolish the building.
- We have increased our Trump AC estimates slightly, to \$215 million for 1999 and \$222 million for 2000. Interest coverage should remain at 1.5x in both years, and debt/EBITDA would improve from 6.1x in 1999 to 5.9x in 2000.

- Trump's Marina generated EBITDA of \$19.6 million, versus \$15.3 million in the prior year and our estimate of \$16 million. Revenues were slightly higher, but cash expenses were \$3 million lower. We look for EBITDA of \$52 million in both 1999 and 2000. Further upside is possible if promotional and marketing costs continue to decline. Debt/EBITDA excluding the PIKs is expected to be 6.0x for both years.
- Trump Indiana posted an increase in EBITDA to \$5.0 million from \$4.8 million in the prior year (excludes Indiana State and Municipal Obligations). Gaming revenues declined by 12% as a result of the implementation of dockside gaming in Illinois and a reduction in incentive marketing programs. Cash operating expenses declined by approximately \$4 million.
- Management expects to use free cash flow — it expects \$50 million in 2000 — to pay down debt and would like to refinance Trump's Marina debt early next year. In addition, the company will spend approximately \$6-9 million to add slots and reconfigure the floor at the Taj Mahal and the Plaza.

We are retaining our Market Performer rating on the Trump AC mortgage notes (\$84.5 bid; 15.07% YTW; 892 STW). Near term, the notes appear attractive as EBITDA trends should remain positive because of a combination of lower costs and a stabilized promotional environment in the Atlantic City market. Longer term, we remain concerned about (1) the company's ability to refinance these notes in the face of significant new supply, which we expect to see in 2003; and (2) the lack of capital spending on the properties. We also believe that more cash will need to leave Trump AC to fund operations at the holding company.

We are also maintaining our Market Underperform ratings on the Trump Marina notes (\$81 bid; 18.63% YTW; 1,256 STW) and the Trump Hotel senior notes (\$98.5 bid; 15.90 YTW; 977 STW). The Marina notes have problems similar to those of the AC notes, but the margin for error is even smaller. The holding company will continue to need a cash infusion of at least \$5 million for the remainder of the year, which we believe will come out of Trump AC. We continue to question how

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much longer the AC entity can continue to fund the holding company.

Park Place Posts Strong Third Quarter Results

Park Place reported 3Q:99 EBITDA of \$213 million, versus pro forma EBITDA of \$184 million in the prior year and our estimate of \$187 million. Although virtually all properties showed strong increases, the biggest variance from our projection was at Bally's/Paris in Las Vegas. The combined property generated EBITDA of \$31 million. We believe Paris alone generated EBITDA of \$11-13 million for its first month of operations. More important, the other Las Vegas properties generated positive EBITDA despite the increased supply in that market. The outlook for the market and the Park Place properties remains positive for the fourth quarter.

Bally's Park Place in Atlantic City posted a \$3 million increase in EBITDA to \$55 million. Results would have been better if the property had not had a one-time gain of \$3 million in 3Q:98. The AC Hilton was down slightly to \$18 million.

On the Mississippi Gulf Coast, the property continues to see little impact from the Beau Rivage in Biloxi. Grand Biloxi was down approximately 10% to \$21 million, but the decline is still less than we had expected. Management indicated that marketing expenses have stabilized, with some programs being pulled back because of the strength in the market. Gulfport EBITDA increased to \$13 million from \$10 million, thanks to the addition of hotel rooms. EBITDA at Tunica increased by \$3 million to \$18 million, reflecting market growth and a full quarter of rooms at that property.

Our only concern with Park Place is how much of its substantial free cash flow will be dedicated to development as opposed to debt reduction. On its conference call, the company indicated that it expected \$230-240 million for maintenance capital expenditures along with \$185-200 million for projects in Atlantic City, at Caesars Las Vegas, and at Caesars Indiana. We believe these expenditures allow for approximately \$300 million for debt repayment in 2000.

The Caesars acquisition is still awaiting approvals in New Jersey and Indiana. New Jersey officials have

expressed concern about the level of market share that Park Place will control. Indiana officials have yet to hold a hearing. Thus, the acquisition may close later than the November expected date.

We continue to rate the senior subordinated notes as Market Outperformers (\$94.25 bid; 9.12% YTW; 298 STW).

October 26, 1999

3

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06:23pm EST 26-Oct-99 Deutsche Banc Alex Brown (R. Farley/E. Davis) DJT
DJT: Reports 3Q99 Operating EPS of \$0.68-Driven by Margin Gains-Mkt, Perform

Farley, Robin M. 212-471-3015 10/26/1999
Davis, Elizabeth Q. 212-471-3491
Deutsche Banc Alex. Brown

TRUMP HOTELS & CASINO RESORTS, INC. (DJT) "MKT. PERFORM"
Reports 3Q99 Operating EPS of \$0.68-Driven by Margin Gains

Date:	10/26/1999	EPS:	1998A	1999E	2000E
Price:	4.31	1Q	(0.79)	(0.91)	NE
52-Wk Range:	7 - 3	2Q	(0.49)	(0.29)	NE
Ann Dividend:	0.0	3Q	0.24	0.63A	NE
Ann Div Yld:	0.00%	4Q	(0.69)	(0.60)	NE
Mkt Cap (mm):	151	FY (Dec.)	(1.73)	(1.17)	(0.80)
3-Yr Growth:	10%	FY P/EPS	NM	NM	NM
Est. Changed	Yes	CY EPS	(1.73)	(1.17)	(0.80)
		CY P/EPS	NM	NM	NM

Industry: LEISURE
Shares Outstanding(Mil.): 35.0
Return On Equity (1998) : 0.0%

Note: EPS data exclude certain nonrecurring items.

HIGHLIGHTS:

Trump Hotel and Casino Resorts reported 3Q99 EBITDA before corporate expense of \$106.7 million versus our expectation of \$92.6 million, results that represent a 17.6% increase over last year's \$90.6 million. Operating EPS for 3Q was \$0.63 versus \$0.24 in last year's quarter.

Companywide net revenues were up 1.5% for the quarter. More significant for the company's cash flow performance was the increase in EBITDA margins across the company's properties. In the AC market, the significant measure of performance is not revenue increase but rather cash flow increase. The cash flow improvement indicates that the company's focus on cost reduction has been effective, reflecting a greater discipline in promotional spending in the AC market.

Given the performance in the quarter combined with the revised outlook for the Plaza after the close of the World's Fair and future growth prospects, our revised 1999 and 2000 EBITDA estimates before corporate expense are \$290 million and \$306 million, respectively. Our new EPS estimates are a loss of \$1.17 in 1999 and a loss of \$0.68 in 2000. The stock's current price implies a multiple of over 6.6 times our 2000 estimated cash flow, which is at the top of the range for comparable small caps. Given the debt leverage, we continue to rate the stock MARKET PERFORM given that other small-cap gaming stocks are trading in the range of 5-6 times cash flow.

DETAILS:

3Q99 Recap, Future Growth Prospects and Valuation
Trump Hotel and Casino Resorts reported 3Q99 EBITDA before corporate expense of \$106.7 million versus our expectation of \$92.6 million, results that represent a 17.8% increase over last year's \$90.6 million. Operating EPS for 3Q was

\$0.63 versus \$0.24 in last year's quarter. As a result of this quarter's performance as well as future growth prospects discussed below, we are raising our 1999 and 2000 EBITDA and estimates to \$290 million and \$306 million, respectively. Our new EPS estimates are a loss of \$1.17 in 1999 and a loss of \$0.68 in 2000. Given the company's current debt level, at roughly 80% debt to total cap, we continue to rate the stock a MARKET PERFORM given that it is trading well above the range of 5-6 times cash flow where other small-cap gaming stocks are trading.

Growth in 1999 and 2000, we believe, will be driven by core growth in Atlantic City, cutbacks in marketing and promotional expenditures, and property enhancements. At the Marina property, the company plans to spend \$3-4 million to expand the casino space, adding 250-300 slots and new restaurants, opening by summer 2000. The company is redoing the casino floor at the Plaza for an estimated \$5 million, adding new slots to the main area and expanding the Asian games area. At the Taj Mahal, \$2-3 million is targeted to add 400 new slots and to expand the table games area. Finally in Indiana, a parking garage is expected to open in fall 2000.

Quarter Driven By Margin Gains

Trump Hotel and Casino Resorts has been focused on three driving forces, including (1) increasing operating margins at each property, (2) reducing marketing and promotional expenses, and (3) increasing cash sales. The 3Q results show both the gains and pains of these efforts. Reduced marketing and promotional costs resulted in an improvement in companywide EBITDA margins before corporate expense to 26.5% from 22.8% in the prior period. The margin improvement also resulted from modest revenue growth of 1.5%. Also impacting gaming revenues on the downside in the short-term was the company's focus on a higher level of cash sales, i.e., a lower level of comped rooms, dinners, etc. Management believes, and we agree, that the focus on cash sales will positively effect revenues in the long-term.

Companywide total net revenues were up 1.5% for the quarter, despite a 1.3% drop in gaming revenues at the three Atlantic City properties. Overall, Trump's three Atlantic City properties appeared to underperform the market for the quarter and in the year to date period on a revenue basis, but as we discuss below, the properties did well on the more important measure of cash flow. In the quarter, Trump's properties dropped 1.3% in gaming revenues while the city was up 3.4%. Year to date through September, Trump's AC gaming revenues declined 0.1% versus 3.4% growth in the market overall. However, we would point out that in the AC market, the significant measure of performance is not revenue increase but the increase in cash flow and profitability. The larger increase in cash flow from the revenue improvement indicates that the company's focus on cost reduction has been effective. We view the company's ability to reign in promotional expenses positively. Looking at the detail, promotional costs as a percent of total revenues were smaller in all three Atlantic City properties than a year ago, as Trump Plaza's % dropped 10 bps to 13.3%, Taj Mahal dropped 20 bps to 9.8%, and Trump Marina dropped 110 bps to 11.5%. An increase in revenues without a corresponding increase in cash flow would indicate that a company had overspent in order to grow its top line. Trump's results indicate an improvement in the company's spending strategies.

Trump's Indiana property also posted below-market performance in revenues as well, with gaming revenues declining 12.0% in 3Q and rising 3.3% year to date versus growth for the four Chicago area riverboats in Indiana of 5.7% in 3Q and 8.3% year to date. Despite a 10.0% decline in total revenues at Trump's Indiana property, margin improvement to 14.3% from 12.5% a year ago resulted in cash flow gains of a respectable 3.6%.

Again, more significant for the company's cash flow performance was the increase in EBITDA margins across the company's properties. The 17.8% increase in total cash flow on a 1.5% increase in revenues indicates the cash flow

leverage that results from a reduction in expenses. The Taj Mahal turned its 3.5% increase in revenues into a 10.8% increase in EBITDA by improving cash flow margins to 30.4% from 28.4%. Trump Plaza leveraged a 2.0% increase in revenues into a 27.0% increase in cash flow by improving margins to 26.5% from 21.3%. Similarly, the Marina property parlayed a 2.3% increase in revenues into a 27.7% increase in cash flow on an EBITDA margin improvement to 23.5% from 18.8%. The Indiana riverboat property, whose 10.0% decrease in revenues still resulted in a 3.6% increase at the cash flow line, as margins there improved to 14.3% from 12.5%.

World's Fair Casino Write-Down

In July, the company announced its intention to close the World's Fair Casino, which was closed in October. The company took a one-time charge in 3Q of \$128.4 million (including minority interest), to write-down book value. We believe this is roughly in line with the property's total cost of \$144 million, less depreciation. Part of Trump Plaza, the World's Fair was opened in mid-1996 and has lost \$12-15 million in cash flow annually. The company is seeking a joint venture partner to help finance a new \$750 million casino in its place. Whatever time line for this project emerges, it will be a positive for the Plaza's cash flow line to shutter the World's Fair.

Property-Specific Revenue, EBITDA, and EBITDA Margins

\$mm	3Q99	3Q98	%Chg
REVENUE			
Trump Taj Mahal	\$167.7	\$162.1	3.5%
Trump Plaza	117.0	114.6	2.0%
Trump Indiana	34.9	38.8	-10.0%
Trump Marina	83.5	81.8	2.3%
Total	\$403.1	\$397.3	1.5%
EBITDA			
Trump Taj Mahal	\$51.0	\$46.0	10.8%
Trump Plaza	31.0	24.4	27.0%
Trump Indiana	5.0	4.8	3.6%
Trump Marina	19.6	15.3	27.7%
Total	\$106.7	\$90.6	17.8%
EBITDA MARGINS			
Trump Taj Mahal	30.4%	28.4%	
Trump Plaza	26.5%	21.3%	
Trump Indiana	14.3%	12.4%	
Trump Marina	23.5%	18.7%	
Total	20.2%	18.8%	

Source: Company data

Additional Information Available Upon Request

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09:36am EST 01-Nov-99 Deutsche Banc Alex Brown (R. Farley/E. Davis) AZR BYD HET
Weekly Gaming Draw-Part 1/2

Farley, Robin M. 212-471-3015 11/01/1999
Davis, Elizabeth Q. 212-471-3491
Deutsche Banc Alex. Brown

AZAR CORPORATION (AZR) "MKT. PERFORM"
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MGM GRAND INC. (MGG) "BUY"
MIRAGE RESORTS INCORPORATED (MIR) "MKT. PERFORM"
PARK PLACE ENTERTAINMENT CORPORATION (PPE) "BUY"
STATION CASINOS INC. (STN) "BUY"
TRUMP HOTELS & CASINO RESORTS, INC. (DJT) "MKT. PERFORM"
ANCHOR GAMING (SLOT) "MKT. PERFORM"
INTERNATIONAL GAME TECHNOLOGY (IGT) "BUY"
CARNIVAL CORPORATION (CCL) "BUY"
ROYAL CARIBBEAN CRUISES LTD. (RCL) "BUY"
Weekly Gaming Draw -Part 1/2

Ticker	FY	Price	52-WK Price Range	Earnings Per Share			3-5 Yr Growth	Est. Chg?
	End	10/29/1999		1998	1999	2000		
AZR	12	9.69	11-4	0.23A	0.44	0.60	10%	N
BYD	12	6.50	7-3	0.52A	0.68	0.61	10%	N
HET	12	28.94	30-14	1.24A	1.50	1.71	15%	N
MBG	01	18.63	26-11	1.07	0.90A	1.24	5%	N
MGG	12	51.00	52-24	1.25A	2.29	2.46	15%	N
MIR	12	14.56	26-12	0.75A	0.72	1.04	10%	N
PPE	12	13.13	14-6	0.49A	0.61	0.66P	15%	N
STN	12	24.19	27-5	0.26A	1.08	1.35	15%	N
DJT	12	3.88	7-3	(1.73)A	(1.64)	(0.80)	10%	N
SLOT	06	61.00	64-33	5.20	5.23A	5.30	15%	N
IGT	09	18.63	25-14	1.27A	1.33	1.63	15%	N
CCL	11	44.50	54-30	1.40A	1.65	1.95	20%	N
RCL	12	53.06	53-25	1.93A	2.14	2.44	18%	N

HIGHLIGHTS:

The following is a weekly publication of highlights of the gaming and cruise line industries. This issue discusses earnings releases from Anchor Gaming, Park Place Entertainment and Trump Hotels & Casino Resorts, Station Casinos' equipment lease buyout, Royal Caribbean's cash outflows of 2Q99 charge, and September gaming revenues for Indiana and Missouri.

If you are interested in receiving this weekly fax, please call Laurie Clements at 212-471-3215.

DETAILS:
Earnings Releases

Anchor Gaming

Anchor Gaming reported F1Q00 EPS of \$1.30 versus \$1.48 in the prior year and our estimate of \$1.28. On a pro-forma basis, revenues grew 13%, gross profit grew 8%, and net income declined 6.2%. The JV with IGT generated record revenues of \$21.8 million, up 14%. We believe the JV will be driven by the video Wheel of Fortune, with 500 units installed and 1,200 on order. Depending on demand, it has the potential to be significantly additive. The growth story

for Anchor has been what happens in the games division. The Powerhouse acquisition gives SLOT other sources of possible upside potential, including expansion opportunities at the racetrack casino and new lottery contracts.

Park Place Entertainment

Park Place reported 3Q99 EPS of \$0.19 before pre-opening charges versus our estimate of \$0.14 per share and \$0.14 a year ago. The highlight of the quarter was clearly the early performance of Paris, Park Place's new resort, which generated \$13 million in EBITDA its first month. We believe the momentum from the first several weeks will carry into 4Q99, leading us to bump up 4Q by \$0.01 to \$0.11 from \$0.10, bringing the year to \$0.61 from \$0.55. New capacity in Mississippi and Las Vegas has not had as severe a competitive impact as expected. EBITDA for the three main regions--Western, Eastern, and mid-South--came in ahead of our expectations. The closing of the Caesar's deal may be pushed from November to year-end.

Trump Hotels & Casino Resorts

Trump reported a revised 3Q99 operating EPS of \$0.16 versus \$0.24 a year ago. Roughly \$0.47 of the \$0.83 reported EPS were not operating but were the result of an accounting gain. Planet Hollywood had been paying lease fees for its All-Star Cafe (located at the Taj), and these fees have been recognized as "other revenue" at the Taj property. Because of bankruptcy proceedings, Planet Hollywood handed the All-Star Cafe over to Trump in order to terminate the lease. Trump had the restaurant property appraised at \$17 million, and then recognized this gain through the income statement as "other revenue" at the Taj.

When the one-time accounting gain is backed out, total companywide net revenues fell 2.7% to \$386 million, cash flow before corporate expense fell 1.1% to \$89.6 million, and EBITDA margins before corporate expense were 22.2% down from 22.8%, rather than up to 26.5%.

In The News

Station Casinos announced that it purchased the leased equipment at Sunset Station for \$30 million, eliminating roughly \$8 million in annual lease payments. This move is already incorporated in our estimates. Although it does not have an impact on EPS, as higher depreciation and interest expenses offset the savings from the lease payments, it is additive to EBITDA. This strategic move adds roughly \$1-\$2 to our current price target, all else equal.

Cruise Corner--Royal Caribbean

Last week, it was reported that a federal judge fined Royal Caribbean \$3 million for illegal dumping in New York City harbor. And on October 21, we saw a \$6.5 million fine for dumping in Alaska. These are part of the \$18 million charge Royal Caribbean booked in 2Q99 and simply represent the cash outflows of this charge, with no earnings impact. The payout schedule also includes \$1 million to Puerto Rico, \$1.5 million to the Virgin Islands, \$3 million to California, and \$3 million to Florida.

Indiana Gaming Revenue

(\$ millions)	Month of September			Year-to-date		
	1999	1998	% Chg	1999	1998	% Chg
Casino Aztar	7.8	9.1	-14.4%	72.2	85.1	-15.2%
Caesars Indiana	13.7	NA	NM	116.9	NA	NM
Empress Casino	18.5	18.2	1.9%	174.9	165.4	5.7%
Majestic Star	9.2	9.3	-0.8%	88.3	82.5	7.0%
Trump Casino	10.5	12.8	-17.8%	104.7	101.4	3.3%
Grand Victoria	12.1	14.4	-15.8%	106.8	124.6	-14.3%
Argosy	26.2	23.2	13.1%	230.1	192.0	19.9%
Harrah's	17.9	13.6	31.4%	153.3	131.8	16.3%
Blue Chip	13.5	11.9	13.2%	120.2	102.8	16.9%
	129.5	112.5	15.1%	1,167.4	985.6	18.4%

Source: Indiana Gaming Commission

Missouri Riverboat Revenue
(\$ millions)

	Month of Sept			Year-to-date		
	1999	1998	% Chg	1999	1998	% Chg
St. Louis						
President	5.1	5.0	3.9%	44.3	42.3	4.8%
Harrah's MH	11.1	8.0	39.5%	93.6	58.7	36.1%
Players MH	8.1	7.0	15.9%	75.1	64.4	16.7%
Station St. Ch	9.3	9.2	1.7%	85.0	84.3	0.8%
	33.7	29.1	15.8%	297.9	259.7	14.7%
Kansas City						
Angosy	7.1	5.9	19.8%	62.4	54.3	14.9%
Boyd Sam's Town	na	na	nm	na	18.0	nm
Hilton	5.1	5.2	-1.4%	50.0	44.0	13.5%
Harrah's NKC	14.6	12.7	15.2%	132.5	118.8	11.5%
KC Station	13.9	12.7	9.8%	127.4	106.3	19.9%
St. Joseph	1.5	1.6	-6.8%	14.5	14.5	-0.1%
	42.3	38.2	10.9%	386.8	356.0	8.7%
Caruthersville						
Casino Aztar	2.0	1.7	14.6%	16.9	17.1	-0.9%
Total AGR	78.1	69.0	13.1%	701.7	632.7	10.9%

Source: Missouri Gaming Commission.

Index Performance	10/29/99		% Change	
	Price	Week	YTD	52-week
S&P 500	1,363	4.7	10.9	25.5
DJIA	10,730	2.5	16.9	26.3
CBOE Gaming Index	267	1.7	60.2	68.7
Gaming Operators	2,863	0.7	103.9	112.6
Games Suppliers	7,641	1.3	17.5	13.4
Riverboat Casinos	4,700	-0.2	133.7	143.7
Nevada Gaming Operators	2,321	2.3	91.4	102.9

Gaming/Cruise Line Universe		% Change		
		Week	YTD	52-week
Anchor	SLOT	2.3	8.2	21.4
Aztar	AZR	-3.1	91.4	91.4
Boyd	BYD	-4.6	96.2	121.3
Harrah's Entertainment	HET	1.8	84.5	109.5
Int'l Game Tech	IGT	-1.7	-23.3	-14.7
Mandalay Resorts Group	MBG	9.2	64.6	68.4
MGM Grand	MGG	6.8	88.0	93.4
Mirage	MIR	0.9	-2.5	-14.3
Park Place	PPE	-1.4	105.9	NA
Station	STN	-3.5	195.4	299.0
Trump	DJT	-3.1	3.3	-23.5
Carnival	CCL	6.3	-6.7	45.0
Royal Caribbean	RCL	8.2	44.2	103.6

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Mirage Resorts Incorporated; Park Place Entertainment Corporation; Station Casinos Inc.; Trump Hotels & Casino Resorts, Inc.; Anchor Gaming; International Game Technology; Carnival Corporation; Royal Caribbean Cruises Ltd..

Deutsche Bank Securities Inc. maintains a net primary market in the common stock of Anchor Gaming.

There is a (are) convertible issue(s) outstanding on Royal Caribbean Cruises Ltd..

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An author of this comment has a long position in the common shares of Anchor Gaming.

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09:38am EST 01-Nov-99 Deutsche Banc Alex Brown (R. Farley/E. Davis) AZR BYD HET
Weekly Gaming Draw-Part 2/2

Farley, Robin M. 212-471-3015
Davis, Elizabeth Q. 212-471-3491
Deutsche Banc Alex. Brown

11/01/1999

AZTAR CORPORATION (AZR) "MKT. PERFORM"
BOYD GAMING CORP. (BYD) "MKT. PERFORM"
HARRAH'S ENTERTAINMENT INC. (HET) "BUY"
MANDALAY RESORT GROUP (MBG) "MKT. PERFORM"
MGM GRAND INC. (MGG) "BUY"
MIRAGE RESORTS INCORPORATED (MIR) "MKT. PERFORM"
PARK PLACE ENTERTAINMENT CORPORATION (PPE) "BUY"
STATION CASINOS INC. (STN) "BUY"
TRUMP HOTELS & CASINO RESORTS, INC. (DJT) "MKT. PERFORM"
ANCHOR GAMING (SLOT) "MKT. PERFORM"
INTERNATIONAL GAME TECHNOLOGY (IGT) "BUY"
CARNIVAL CORPORATION (CCL) "BUY"
ROYAL CARIBBEAN CRUISES LTD. (RCL) "BUY"
Weekly Gaming Draw -Part 2/2

Ticker	FY	Price 10/29/1999	52-WK Price Range	Earnings Per Share			3-5 Yr Growth	Est. Chg?
				1998	1999	2000		
AZR	12	9.69	11-4	0.23A	0.44	0.60	10%	N
BYD	12	6.50	7-3	0.52A	0.68	0.61	10%	N
HET	12	26.94	30-14	1.24A	1.50	1.71	15%	N
MBG	01	18.63	26-11	1.07	0.90A	1.24	5%	N
MGG	12	51.00	52-24	1.25A	2.29	2.46	15%	N
MIR	12	14.56	26-12	0.75A	0.72	1.04	10%	N
PPE	12	13.13	14-6	0.49A	0.81	0.66P	15%	N
STN	12	24.19	27-5	0.26A	1.08	1.35	15%	N
DJT	12	3.88	7-3	(1.73)A	(1.64)	(0.80)	10%	N
SLOT	06	61.00	64-33	5.20	5.23A	5.30	15%	N
IGT	09	18.63	25-14	1.27A	1.33	1.63	15%	N
CCL	11	44.50	54-30	1.40A	1.65	1.95	20%	N
RCL	12	53.06	53-25	1.93A	2.14	2.44	18%	N

Source: FactSet

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- 1) DID THE TAJ MAHAL EBITDA FIGURE INCLUDE A ONE-TIME GAIN OF \$17 MILLION OR THEREABOUTS FOR THE ALL-STAR CAFÉ TRANSACTION WE SPOKE ABOUT YESTERDAY?
- 2) IF NOT \$17 MILLION, WHAT WAS THE SIZE OF THE GAIN?
- 3) EXCLUDING THE GAIN, WOULD PROPERTY LEVEL EBITDA HAVE BEEN \$34 MILLION OR THEREABOUTS VERSUS THE REPORTED FIGURE OF \$51 MILLION?
- 4) WHAT WAS ANNUAL LEASE INCOME FROM THE RESTAURANT?

THANKS

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VIA FACSIMILE

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FROM: [redacted] (b)(6), (b)(7)(C)

RE: Las Vegas R [redacted]

[redacted] (b)(6), (b)(7)(C)

[redacted]

DATE: October 29, 1999

FILE NO.: 50538-1

Attached please find a copy of the Joe Weinert story which appeared in yesterday's Atlantic City Press as it appears in today's Las Vegas Review Journal and on their web site.

[redacted] (b)
Attachment

It's About Fame



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Friday, October 29, 1999

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Trump Hotels results distorted by restaurant sale proceeds

By Joe Weinert

The Press of Atlantic City

ATLANTIC CITY -- Soon after Trump Hotels & Casino Resorts reported its rosy third-quarter results on Monday, many analysts were puzzled: How could net revenue at Trump Taj Mahal rise by \$5.6 million while casino revenue decreased by \$11 million?

In a conference call with analysts, Chief Executive Officer Nicholas Ribis explained that the Taj was generating more nongaming revenue through cash sales at its hotel rooms, restaurants and shops.

The analysts didn't buy it, and on Wednesday one of them claimed to produce the smoking gun.

Tom Shandell of Bear, Stearns & Co. reported to his clients that Trump realized a \$17 million, noncash gain that it included as ordinary revenue. He said the gain came as a result of Planet Hollywood International Inc., which

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filed for Chapter 11 bankruptcy protection 16 days ago, giving Trump its Official All-Star Cafe at the Taj.

Trump failed to disclose this bookkeeping gain, leading analysts and investors to conclude that the Taj and the company had a great third quarter. The company reported cash flow -- the most widely watched result in the gaming industry -- of \$106.7 million, compared to \$90.6 million during the same period last year.

Without the \$17 million gain, Trump's third-quarter cash flow from operations was slightly worse than last year's. Also without the one-time gain, the Taj's cash flow from operations would have been \$34 million, compared to \$46 million last year.

"I think it raises the issue of management credibility, which is a seemingly continuous issue with this company," said analyst Thomas Reeg of ABN Amro Inc.

"It's a matter of disclosure. The big problem with this is counting it as cash flow. By definition, cash flow is a measure of cash generated in a quarter, and this was a cashless transaction. ... It's a curious way to handle this," Reeg said.

Reeg and other analysts said Trump should have disclosed the gain separately, letting investors know that it had nothing to do with the Taj's performance.

Ribis said the issue has no merit and blamed Shandell for starting a "rumor."

"I checked with (Chief Financial Officer) Frank McCarthy; it's a

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Graham Curtin

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Willkie Farr

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Arthur Andersen

Arthur Andersen

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DATE: November 1, 1999

SUBJECT: Trump Atlantic City Associates 10-Q - 09/30/99

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COMMENTS:

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(b)(6), (b)(7)(C)

FROM: [Redacted]

DATE: November 1, 1999

SUBJECT: All Star Lease Termination Disclosure

Attached for your review and comment is an expanded All Star Lease Termination Disclosure for inclusion in our 10-Q filings both as a footnote and an M.D.&A. series of paragraphs.

I would appreciate your timely review of this verbiage.

Please fax your changes to my attention at (b)(6), (b)(7)(C)

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Arthur Andersen

(4) All Star Cafe Transaction

All Star Cafe, Inc. ("All Star") had entered into a twenty-year lease with Taj Associates for the lease of space at the Taj Mahal for an All Star Cafe. The basic rent under the All Star Cafe Lease was \$1.0 million per year, paid in equal monthly installments. In addition, All Star was to pay percentage rent in an amount equal to the difference, if any, between (i) 8% of All Star's gross sales made during each calendar month during the first lease year, 9% of All Star's gross sales made during each calendar month during the second lease year and 10% of All Star's gross sales made during each calendar month during the third through the twentieth lease years, and (ii) one-twelfth of the annual basic rent. The All Star Cafe opened in March 1997.

On September 15, 1999 an agreement was reached between Taj Associates, All Star and Planet Hollywood International, Inc. to terminate the lease effective September 24, 1999. Upon termination of the lease, all improvements, alterations and All Star's personal property with the exception of Specialty Trade Fixtures became the property of Taj Associates. Specialty Trade Fixtures which included signs, emblems, logos, memorabilia and other materials with logos of the Official All Star Cafe presently displayed at the premises could be continued to be used by Taj Associates for a period of up to 120 days without charge. Taj Associates recorded the estimated fair market value of these assets in other revenue in the amount of \$17,200,000.

Subsequent to the expiration of the 120 day period Taj Associates intends to continue operating the facility as a theme restaurant tentatively to be named Trump City Cafe.

FAX

Bear Stearns
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New York, New York 10167

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- Buying Opportunity for Packaging Corporation Of America's Bonds From Sell-Off After Postponed IPO
- PSINet Reports Strong Third-Quarter Operating Results
- Trump Atlantic City Reports Third-Quarter EBITDA of \$65 Million After Deducting Gain

Chemicals: Lyondell Chemical Company has reported third-quarter results for the period ended September 30 that were in line with expectations. Sales were up by 72%, to \$976 million from \$566 million in the prior-year period, resulting from the full contribution from the Arco acquisition (completed on July 29, 1998). EBITDA rose by 32% year over year, to \$218 million from \$165 million, again reflecting the Arco acquisition, but partially offset by rising raw material costs. Interest coverage was 1.5x, and debt as a multiple of annualized third-quarter EBITDA was 7.2x. Sequentially, sales increased by 14% from \$854 million, and EBITDA rose by 18% from \$185 million, primarily reflecting improved operations at the Equistar (41% ownership) and Lyondell-CITGO Refining (LCR) (58.75% ownership) joint ventures, partially offset by higher raw material costs. Second-quarter results had been hurt at the joint ventures by unplanned downtime at Equistar's olefins plant in Channelview, Texas, and a similar shutdown at one of LCR's cracking units. We project EBITDA in 1999 and 2000 of \$845 million and \$900 million, respectively, and reiterate our buy on the company's outstanding issues at current

levels. (Francine L. Brodowicz, (212) 272-2790, fbrodowicz@bear.com)

Energy — Exploration & Production: HS Resources, Inc. announced as-expected third-quarter results for the three months ended September 30, 1999. Third-quarter EBITDA was \$34.7 million, a 43% increase from \$24.4 million during the comparable prior-year period. Our EBITDA estimate was \$34.0 million. EBITDA also rose 19% sequentially from \$29.1 million in 2Q99. The year-over-year increase in EBITDA is primarily attributable to higher crude oil and natural gas prices. During the third quarter, HS realized \$2.14/Mcf, up from \$1.69/Mcf last year and up from \$1.93/Mcf in 2Q99. The company's oil price realization was \$20.04/Bbl in 3Q99, up from \$13.07/Bbl one year ago and \$13.78/Bbl in 2Q99. Unit LOE for the third quarter was \$0.37/Mcfe, down 14% from \$0.43/Mcfe during the prior-year period and down 5% from \$0.39/Mcfe in 2Q99. However, lower LOE was offset by higher production taxes. Third-quarter production taxes were 7.8% of oil and natural gas revenues, up 23% from 6.3% one year ago. Third-quarter production was 18.3 Bcfe (81% natural gas), little changed from both last year and in 2Q99. Excluding 2.2 Bcfe of

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The securities mentioned herein may not be eligible for sale in all states. Vary the Blue Sky status prior to client solicitation. Any recommendation contained in this report may not be suitable for all investors. Moreover, although the information contained herein has been obtained from sources believed to be reliable, its accuracy and completeness cannot be guaranteed. Bear Stearns may make multiple and effect non-directed, including transactions contrary to any recommendations herein, or have positions in the securities mentioned herein (or options with respect thereto) and also may have performed investment banking services for the issuers of such securities. Although Bear Stearns may at times effect to make markets in particular high yield securities, there can be no assurance that its market making will be continuous. In addition, employees of Bear Stearns may have positions and effect transactions in the securities of issuers of the issuers mentioned herein and may serve as directors of such issuers. ©1999 All rights reserved by Bear Stearns & Co., Inc. Note: Unless otherwise noted, all bid, ask and spread data are quotes from the previous business day.

production attributable to certain mid-continent properties that were sold during 2Q98, production for the third quarter was 14% higher than the prior-year period. For the three months ended September 30, 1999, EBITDA covered cash interest 3.1x, while the ratio of total debt of \$539 million to annualized third-quarter EBITDA was 3.9x.

Liquidity is sufficient, with \$4 million in cash and \$46 million available under a \$280-million credit facility, as the company expects to fund its 1999 cash expenditures (including capex and cash interest) from internally generated funds. HS has hedged approximately 40% of its estimated fourth-quarter natural gas production at \$2.52/Mcf, and 72% of its estimated fourth-quarter oil production at \$14.00/Bbl. We continue to favor HS for its low cost structure, solid management, the downside protection provided by its hedging program, and its stable, long-life (14-year) reserve base, and maintain our *buy* recommendation on the company's 9.250% senior subordinated notes and 9.875% senior subordinated notes. Our 1999 EBITDA estimate is \$130 million, and our 2000 EBITDA estimate is \$155 million, yielding cash interest and debt leverage ratios of 6.2x and 3.4x, respectively. Given our 2000 EBITDA estimate, we expect HS to continue to fund reserve replacement, production growth and modest debt reduction from internally generated funds. (Erik Dybesland (212) 272-7652, edybesland@bear.com/ Adam Flikerski, (212) 272-9010, aflikerski@bear.com)

Louis Dreyfus Natural Gas Corp. announced third-quarter results for the three months ended September 30, that were in line with our expectations. Third-quarter EBITDA was \$54.4 million (excluding a \$2.5-million non-cash reduction in the market value of a fixed-price contract), a 22% increase from \$44.5 million during the prior-year period. Our EBITDA estimate was \$55.5 million. EBITDA also rose by 12% sequentially from \$48.6 million during 2Q99. The year-over-year increase in EBITDA was mainly attributable to higher realized natural gas prices and a 5% increase in production. Louis Dreyfus realized \$2.30/Mcf during the third quarter, up from \$2.26/Mcf one year ago, and up from \$2.20/Mcf in 2Q99. The company's oil price realization was \$19.30/Bbl in the third quarter, up from \$11.90/Bbl one year ago, and \$15.53/Bbl in 2Q99. Third-quarter production was 32.0 Bcfe (86% natural gas), up from 30.5 Bcfe during the same period last year, and a 3% sequential increase from 31.2 Bcfe during 2Q99. Third quarter unit operating expense was \$0.54/Mcfe, unchanged from last year, but up by 7% from \$0.51/Mcfe in 2Q99. For the three months ended September 30, EBITDA covered interest 5.4x, while the ratio of total debt of \$604 million to annualized third-quarter EBITDA was 2.8x.

Liquidity remains solid, with \$146 million available under a \$450-million credit facility. In an effort to gain more exposure to natural gas spot prices, Louis Dreyfus has hedged only about

46% of its 4Q99 natural gas production at \$2.52/Mcf. The company expects to incur 1999 finding and development costs (F&D) of \$0.78/Mcfe (\$4.68/BOE), down from \$0.85/Mcfe (\$5.10/BOE) in 1998. While we continue to favor Louis Dreyfus for its firm credit statistics, solid asset protection and strong liquidity, we maintain our *hold* recommendation on its 6.875% senior subordinated notes and 9.250% senior subordinated notes as we believe the bonds are fairly priced at current levels. Our 1999 EBITDA estimate is \$200 million, and our 2000 EBITDA estimate is \$240 million, yielding cash interest and debt leverage ratios of 6.2x and 2.5x, respectively. (Erik Dybesland (212) 272-7652, edybesland@bear.com/ Adam Flikerski, (212) 272-9010, aflikerski@bear.com)

Energy — Oil Service: Grey Wolf, Inc. has reported third-quarter results for the three months ended September 30, 1999, that were slightly better than expected. Third-quarter EBITDA was \$(0.9) million (excluding a \$0.2-million provision for doubtful accounts), down from \$7.2 million during the comparable prior-year period but an improvement from \$(2.9) million during 2Q99. Our EBITDA estimate was negative \$2.0 million. The better-than-expected EBITDA result was attributable to utilization and average revenues per day that were higher than anticipated, though they were down considerably from last year. Grey Wolf's third-quarter utilization was 40%, down from 58% one year ago but up from 29% in 2Q99. Average revenue per day for the quarter was \$8,449, down from \$9,226 last year but up from \$7,825 in 2Q99. The year-over-year decline is the result of lower dayrates, though partially offset by a year-over-year increase in the percentage of turnkey days to 20% from 16% of total days worked. The company's rig fleet operated a total of 4,023 days during the third quarter, down from 6,139 days during the same period last year but up from 3,035 days in 2Q99.

The U.S. land drilling count, as reported by Baker Hughes, hit a historical low of 380 for the week ending April 23, 1999, but has risen to a current 622. Accordingly, Grey Wolf has witnessed a modest increase in its dayrates, ranging from \$5,500 to \$7,200 per day. For the first three weeks of 4Q99, the company had an average of 60 rigs working, for total utilization of 55%. We expect the company to exit 1999 with utilization of about 60%. Grey Wolf's decision not to cut employee wages has proven to be beneficial, as the company has returned 30 rigs to work over the past six months. The company anticipates placing another 20 rigs into the market in the near term at a minimal cost of \$2 million.

The company's liquidity is solid, with \$21 million in cash at September 30 and full availability under a \$50 million credit facility. The company has total long-term debt of \$250 million. Given increasing dayrates and utilization, coupled with our bullish view on natural gas prices and drilling (95% of Grey Wolf's drilling is directed towards natural gas), we believe the

The securities mentioned herein may not be eligible for sale in all states. Verify the Blue Sky status prior to client solicitations. Any recommendation contained in this report may not be suitable for all investors. Moreover, although the information contained herein has been obtained from sources believed to be reliable, its accuracy and completeness cannot be guaranteed. Bear Stearns may make markets and effect transactions, including transactions contrary to any recommendations herein, or have positions in the securities mentioned herein (or options with respect thereto) and also may have performed investment banking services for the issuers of such securities. Although Bear Stearns may at times elect to make markets in particular high yield securities, there can be no assurance that a market making will be conducted. In addition, employees of Bear Stearns may have positions and effect transactions in the securities or options of the issuers mentioned herein and may serve as directors of such issuers. ©1999 All rights reserved by Bear Stearns & Co., Inc. Note: Unless otherwise noted, all bid, yield and spread data are quotes from the previous business day.

company should report positive EBITDA of approximately \$2.0 million in 4Q99. Our new 1999 EBITDA estimate is \$(1.5) million, up from our previous estimate of negative \$3 million. Our 2000 EBITDA estimate of \$25 million (yielding cash interest and debt leverage ratios of 1.1x and 10.0x, respectively) could prove to be conservative based on drilling capex increases being announced by both major oil companies and independent producers. Grey Wolf's capex was only \$3.8 million during the first nine months of 1999, and we anticipate total 1999 capex of about \$7 million. We maintain our buy recommendation on Grey Wolf's 8.875% senior notes (90.0 bid, 10.821% YTM, 465-bp spread) based on our favorable outlook for natural gas drilling and the company's solid liquidity (we expect its credit facility to remain undrawn through 2000). (Erik Dybesland (212) 272-7652, edybesland@bear.com; Adam Flukerski, (212) 272-9010, aflukerski@bear.com)

Gaming: On October 25, Trump Hotels & Casino Resorts (THCR) reported third quarter results including results for the Trump Atlantic City Associates (TAC) subsidiary. The company reported an increase in net revenues for the Trump Taj Mahal to \$167.7 million from \$162.1 million in the prior year and an EBITDA increase to \$51.0 million from \$46.0 million in the prior year. TAC EBITDA was \$82.0 million, up from \$70.4 million in the prior year and much greater than our forecast of \$63.1 million. These strong results puzzled us as casino revenues, as reported by the New Jersey Casino Control Commission, declined by \$12.1 million during the quarter from a decline in table games volumes and a difficult hold comparison, partially offset by a 7% or \$6.1 million increase in slot revenues. Table volume was down 13.8% to \$45.5 million and was exacerbated by a 14.5% hold, down from 18.2% last year, resulting in an \$18.8 million or 31.3% reduction of table win.

While the Taj Mahal has been reducing expenses and focusing more on cash sales, a gaming revenue decline of this magnitude is very difficult to overcome. We recently learned that the increase in net revenues and EBITDA at the Taj Mahal were the result of a non-recurring gain. Rooms revenue, food and beverage revenue and promotional allowances were reasonably in line with last year's figures. However, other revenue this year increased to \$23.8 million from \$5.7 million last year. The increase reflects a \$17 million gain that resulted from the abandonment of the All Star Café to the company by Planet Hollywood International. The restaurant was appraised at \$17 million and the assumption of the assets by the company resulted in the gain. The restaurant will now be operated by the Taj Mahal, which previously only received a rent payment from Planet Hollywood. Adjusting for this one-time gain, EBITDA for Trump AC in the third quarter was \$65.0 million, down from \$70.4 million in the prior year and only slightly ahead of our \$63.1 million forecast.

TAC EBITDA for the latest 12 months stands at \$195 million, covering \$147 million of cash interest by 1.33x. Leverage stands at 6.7x. We continue to believe that the two properties that make up TAC generate approximately \$200 million on a consistent basis and free cash flow of approximately \$30 million, after approximately \$20 million of maintenance capital expenditures and approximately \$147 million of interest requirements. However, THCR has historically used the free cash of TAC to support the weaker links in the Trump organization. Consequently, we have historically believed that the value of the TAC 11.250% first mortgage notes should equal the present value using a 15% discount factor of a stream of payments equal to the interest payments expected over the life of the bond and an expected terminal value at maturity of 5.0x to 6.0x annual cash flow. This yields a fair value of approximately 75 to 81 using \$200 million of annual cash flow (higher than the LTM EBITDA) and \$30 million of excess cash. While we maintain a hold recommendation on the TAC 11.250% notes, we believe they should trade 5-10 points lower than where they are presently quoted. (Tom Shandell, (212) 272-5053, tshandell@bear.com; Amy Brown, (212) 272-3228, abrown@bear.com)

Health Services: On October 25, King Pharmaceuticals, Inc. reported results for the third quarter. Total net revenue in 3Q99 was \$104.9 million, a 38% sequential increase from \$76.0 million in 2Q99 and a 118% increase from \$48.1 million for the year-ago period. EBITDA for 3Q99 was \$45.6 million, a 30% sequential increase from 2Q99 EBITDA of \$35.1 million, and a 154% increase from \$17.9 million in the year-ago period. The EBITDA margin came in at 43.4%, down 280 bps sequentially from 46.2%, and up 610 bps from 37.3% in the year-ago period. EBITDA covered interest expense 3.1x in the quarter, and LTM EBITDA coverage was 2.9, as compared to 2.6x and 3.0x, respectively, in 2Q99. Total debt as of September 30 was \$606 million; LQA EBITDA leverage is 3.3x and LTM EBITDA leverage is 4.7x, improved from 3.8x and 5.2x, respectively, in 2Q99.

The dramatic year-over-year increase in sales is attributable to strong sales from the acquired Altace and Lorabid brands, as well as a particularly strong seasonal rebound in sales of Fluogen. Net sales of Altace, which was acquired in December 1998, grew 62% to \$37 million, or 35.5% of total sales, from \$23 million, or 30% of total sales, in 2Q99. Lorabid contributed \$7.9 million in 42 days of sales to 3Q99 results, representing a modest decline in sales from the \$74-million LTM sales reported in the U.S. as of June 30. Integration of these new product lines, along with the ramp-up of recently hired sales staff, offer potential for additional gains in the top line. Fluogen sales were up 79% to \$18.3 million in the period, in line with projections, as compared to \$18.7 million for all of 1998 (see *Bear Morning Call*, July 28, 1999). The influenza vaccine business is highly seasonal, and Fluogen sales occur entirely in

The securities mentioned herein may not be eligible for sale in all states. Verify the Blue Sky status prior to final selection. Any recommendation contained in this report may not be suitable for all investors. Moreover, although the information contained herein has been obtained from sources believed to be reliable, its accuracy and completeness cannot be guaranteed. Bear Stearns may make markets and effect transactions, including transactions contrary to any recommendations herein, or have positions in the securities mentioned herein (or options with respect thereto) and also may have performed investment research services for the issuers of such securities. Although Bear Stearns may at times seek to make markets in particular high yield securities, there can be no assurance that its market making will be continuous. In addition, employees of Bear Stearns may have positions and effect transactions in the securities or options of the issuers mentioned herein and may serve as directors of such issuers. ©1999. All rights reserved by Bear Stearns & Co., Inc. Note: Unless otherwise noted, all bid, yield and spread data are quotes from the previous business day.

RESTRICTED/LIMITED APPRAISAL OF

**All-Star Cafe
@ Trump Taj Mahal Casino Resort**

Atlantic City, New Jersey

PREPARED FOR

(b)(6),(b)(7)(C)

Trump Taj Mahal Casino Resort
1000 Boardwalk at Virginia Avenue
Atlantic City, New Jersey

APPRAISAL GROUP International
APPRAISAL GROUP International

**APPRAISAL GROUP
International**

REAL ESTATE APPRAISERS & CONSULTANTS

REPLY TO:

NJ Office

September 23, 1999

(b)(6),(b)(7)(C)

*Trump Taj Mahal Casino Resort
1000 Boardwalk at Virginia Avenue
Atlantic City, New Jersey 08401*

*Re: All-Star Cafe @ Trump Taj Mahal
Casino Resort
Atlantic City, New Jersey
Our Ref. #99184*

Dear (b)(6),(b)(7)(C)

Pursuant to your authorization, an inspection and a Restricted Appraisal Report of the above-captioned premises has been made in order to estimate the Market Value, as of September 15, 1999. Market Value is defined within the report, which contains the collective data and analyses upon which our estimate is concluded.

The attached report is a Limited Appraisal in a Restricted Report Format which is intended to comply with the reporting requirements set forth under Standards Rule 2-2(c) of the Uniform Standards of Professional Appraisal Practice for a Restricted Appraisal Report. As such, it presents only summary discussions of the data, reasoning, and analyses that were used in the appraisal process to develop the appraiser's opinion of value. Supporting documentation concerning the data, reasoning, and analyses is retained in the appraiser's file. The depth of discussion contained in this report is specific to the needs of the client and for the intended use stated within the report. The appraiser is not responsible for unauthorized use of this report.

Furthermore, in accordance with prior agreement between the client and the appraiser, this report is the result of a limited appraisal process in that certain allowable departures from specific guidelines of the Uniform Standards of Professional Appraisal Practice were invoked. The intended user of this report is warned that the reliability of the value conclusion provided may be impacted to the degree there is departure from specific guidelines of USPAP.

Trump Taj Mahal Casino Resort is located at Virginia Avenue and the Boardwalk in Atlantic City, New Jersey. The casino/hotel complex is bounded by the Boardwalk and the Atlantic Ocean to the south, Pacific Avenue to the north, Pennsylvania Avenue to the west, and Maryland Avenue to the east. The subject of this report consists of a 27,000± square foot restaurant, occupied by the All-Star Cafe.

(b)(6),(b)(7)(C)

-2-

September 23, 1999

The purpose of this report is to estimate the market value of the property, in an "as is" condition, including all of tenant's personal property (except specialty trade fixtures), furniture and furnishings and all trade fixtures including all kitchen equipment associated with the subject property (as specified in the fully executed "Termination of Lease Agreement" - dated September 15, 1999).

This letter is not the appraisal, but merely serves to transmit the attached appraisal report and to convey the final conclusion of value. The attached report includes Definitions of Market Value, and of the property rights appraised as if free and clear of mortgages. The appraisal is subject to the assumptions and limiting conditions set forth in the appraisal report. Although the property is encumbered by a long-term lease to the "Official All Star Cafe", this lease has been considered within this report, as well as economic data.

In January, 1996 ALL STAR CAFE (Tenant) entered into a lease agreement with TRUMP TAJ MAHAL ASSOCIATES (Landlord) for a term of twenty (20) years, commencing November 1, 1996, with an aggregate base rent of \$20,000,000 (\$1,000,000 per annum). In addition, ownership has reported that the tenant has invested in excess of \$23,000,000 in interior improvements, build-outs and FF&E. Therefore, the total rental cost to the tenant is \$2,150,000 per annum $((\$23,000,000/20) + (\$1,000,000))$, reflecting \$79.63 per square foot, which is somewhat above the market data for similar raw restaurant/retail space. Based on a 12.5% cap rate, the indicated value is $(\$2,150,000/.125)$ \$17,200,000.

Furthermore, comparable economic data for similar casino restaurant/retail space reflect a rental of \$65.00 ± per square foot, which reflects raw, unfinished space. Should the subject property be exposed to the open market, it would command an economic rental of \$65.00 per square foot. Based on market rent of \$65.00 per square foot, the gross potential income is estimated at $(\$65.00 \times 27,000 \text{ Sf})$ \$1,755,000. Based on a 12.5% cap rate, the indicated value is $(\$1,755,000/.125)$ \$14,040,000.

The above deviation in rental and value are the product of the tenant improvements. The All Star Cafe ("as is") value includes interior improvements, build-outs and FF&E. The market rent is for raw space only. The PW (Present Worth) of the interior improvements, build-outs and FF&E, as well as all trade fixtures including all kitchen equipment associated with the subject property is $(\$17,200,000 - \$14,040,000)$ \$3,160,000.

Therefore, the market rent for raw space is \$65.00 per square foot, as compared to the contractual rent of the All Star Cafe, including the interior improvements, build-outs and FF&E, as well as all trade fixtures including all kitchen equipment associated with the subject property, is \$79.63 per square foot.

APPRAISAL GROUP International

(b)(6),(b)(7)(C)

September 23, 1999

Based upon the findings, it is our opinion that the Market Value, subject to the assumptions and limiting conditions as set forth herein, as of the value date, September 15, 1999, is:

SEVENTEEN MILLION TWO HUNDRED THOUSAND DOLLARS

(\$17,200,000)

... of which \$3,160,000 is allocated the interior improvements, build-outs and FF&E, as well as all trade fixtures including all kitchen equipment associated with the subject property.

This letter and the supporting data which are retained in our files are integral parts of our findings and conclusions.

Respectfully submitted,

APPRAISAL GROUP International

(b)(6),(b)(7)(C)

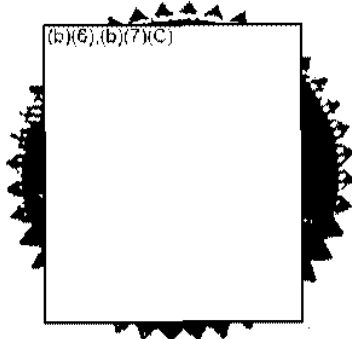
NJ State Certified Real Estate
General Appraiser #

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NJ State Certified Real Estate
General Appraiser #

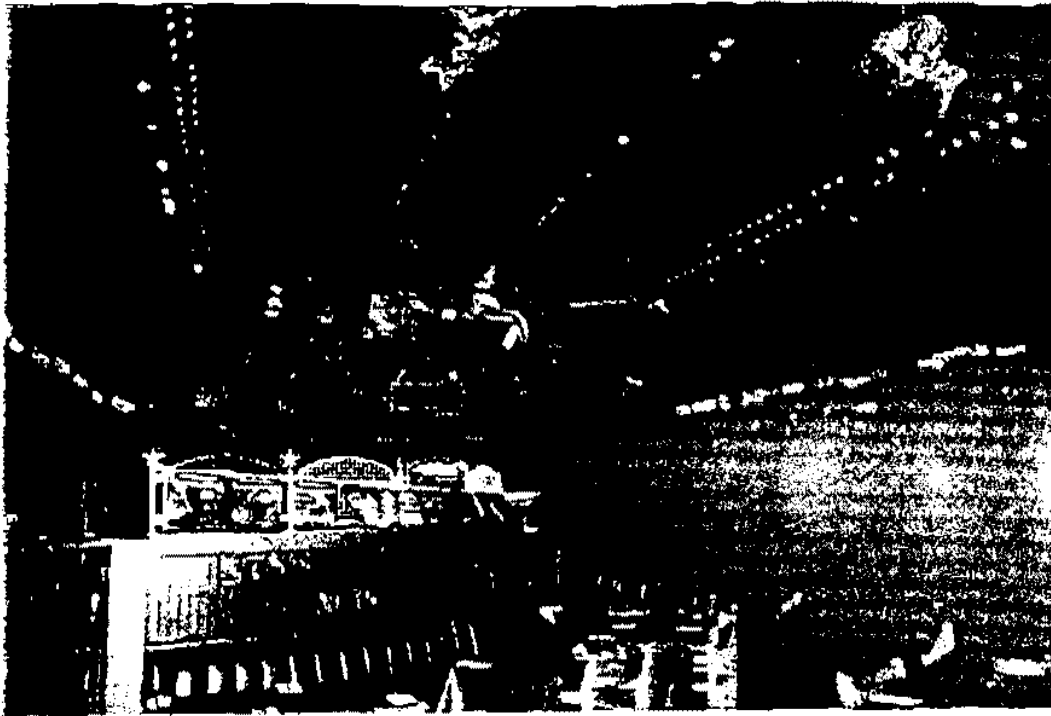
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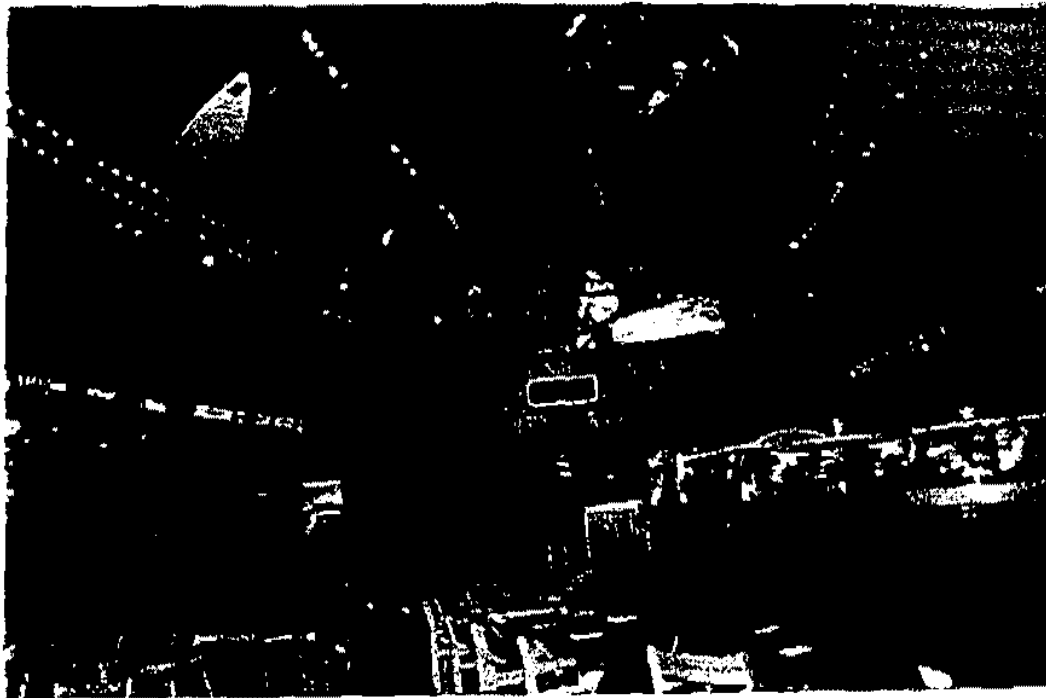
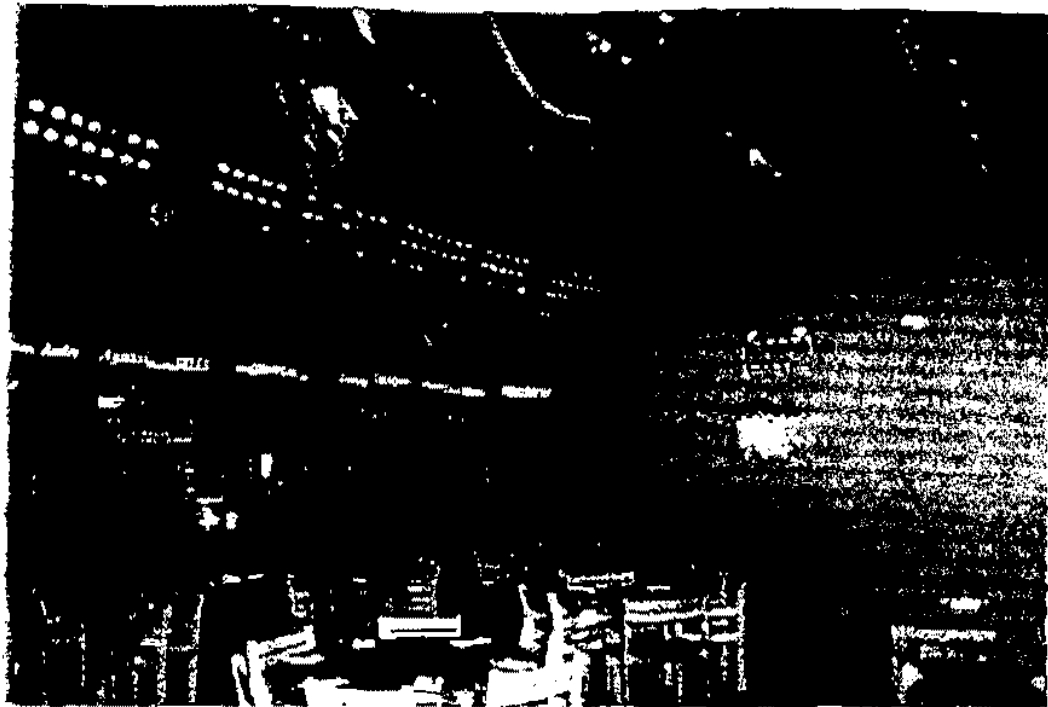
APPRAISAL GROUP International

SUBJECT PROPERTY PHOTOGRAPH



**ALL-STAR CAFE
 @ TRUMP TAJ MAHAL CASINO RESORT
 ATLANTIC CITY, NEW JERSEY**

SUBJECT PROPERTY PHOTOGRAPH



**ALL-STAR CAFE
 © TRUMP TAJ MAHAL CASINO RESORT
 ATLANTIC CITY, NEW JERSEY**

Introduction

Certification

CERTIFICATION

This is to certify that:

The subject property was inspected by (b)(6),(b)(7)(C) of APPRAISAL GROUP International.

To the best of our knowledge and belief the statements of fact contained in this report are true and correct.

We have no financial or other interest, direct or indirect, present or prospective, in the subject premises, nor do we have a personal interest or bias with respect to the parties involved.

Our employment, and the compensation thereof, is in no way contingent upon the amount of the valuation, nor is it contingent on an action or event resulting from the analyses, opinions or conclusions in, or the use of this report.

This appraisal assignment was not based on a requested minimum valuation, a specific valuation, or the approval of a loan.

The analyses and conclusions contained within this appraisal report were prepared solely by us, unless specifically noted in sections where significant professional assistance was rendered.

The reported analyses, opinions and conclusions are limited only by the reported assumptions and limiting conditions, and are our personal, unbiased professional analyses, opinions and conclusions.

Our analyses, opinions, and conclusions were developed, and this report was prepared, in conformity with the requirements of the Code of Professional Ethics and the Standards of Professional Practice of the Appraisal Institute and the Uniform Standards of Professional Appraisal Practice of The Appraisal Foundation.

The use of this report is subject to the requirements of the Appraisal Institute relating to peer representatives.

(b)(6),(b)(7)(C)

(b)(6),(b)(7)(C)

NJ State Certified General
Real Estate Appraiser # (b)(6),(b)(7)

NJ State Certified General
Real Estate Appraiser # (b)(6),(b)(7)

1 (b)(6),(b)(7)(C) as of the date of this report has completed the requirements of the continuing education program of the Appraisal Institute. (b)(6),(b)(7)(C) did not inspect the property.

Introduction

Related Information

PURPOSE OF APPRAISAL

The purpose of this appraisal is to estimate the Market Value as defined by the Office of the Controller of the Currency under 12 CFR, Part 34, subpart C.

VALUATION DATE

September 15, 1999

PROPERTY RIGHTS APPRAISED

The property rights being appraised consist of the *Leased Fee Estate*, as if free and clear of all liens and encumbrances, except those that may be stated within this report, but subject to the limitations of eminent domain, escheat, police power and taxation.

FUNCTION OF THE REPORT

It is our understanding that this appraisal report is to used for the sole purpose of assisting the client, *TRUMP TAJ MAHAL ASSOCIATES*, in making financial and administrative decisions. This report has been prepared in compliance with the Office of Thrift Supervision of the Department of Treasury's Regulations 12 CFR Part 564, the Uniform Standards of Professional Appraisal Practice and the Office of the Comptroller of Currency (OCC) written appraisal guidelines.

OWNERSHIP & PROPERTY HISTORY

The subject property is listed under the ownership of Trump Hotels & Casino Resorts Holding Corp. since April 17, 1996.

*Introduction**Related Information*APPRAISAL DEVELOPMENT AND REPORTING PROCESS

In preparing this appraisal, the appraiser inspected the subject property. Interior inspection was performed on September 15, 1999. Information was gathered from the subject's neighborhood or similar competitive neighborhoods in the area on comparable rental data and offerings, and this information was confirmed. This information was applied to the Capitalization of Income Approach value.

Per client request, the appraiser performed a Limited Appraisal (in a Restricted Report Format), utilizing only one approach to value. Although other approaches would generally be considered meaningful in appraising a property of this type, the appraiser believes the primary approach to value is the Capitalization of Income Approach. The appraisal process therefore involved departure from Standards Rule 1-4(b)i, ii & iii.

This Restricted Appraisal Report is a brief recapitulation of the appraiser's data, analysis, and conclusions. Supporting documentation is retained in the appraiser's file.

IntroductionRelated InformationCOMPETENCY COMPLIANCE

The principal appraiser, (b)(6),(b)(7)(C) has appraised a number of retail and commercial properties over the last decade. Included on the following pages is a list of qualifications for the appraiser. APPRAISAL GROUP International has been in existence for fifty years and includes a staff of four professional designated appraisers with a combined experience of over 100 years. This firm has gained a reputation for doing competent, thorough appraisals of retail, residential, commercial, industrial, and special use properties. Each individual in the firm regularly attends courses and seminars to further their expertise and knowledge.

Due to prior experience in appraising similar properties and other qualifications so noted, the principal appraiser of this report is deemed to be in compliance with the Competency Provision of Uniform Standards of Professional Appraisal Practice (USPAP).

CONFLICT(S) OF INTEREST

The principal appraiser, (b)(6),(b)(7)(C) has no personal, business or other relationships with the subject property's ownership; therefore, believes that no conflict of interest exists.

*Introduction**Definition of Market Value*DEFINITION OF MARKET VALUE²

The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller, each acting prudently, knowledgeably, and assuming the price is not affected by undue stimulus.

Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

1. Buyer and seller are typically motivated;
2. Both parties are well-informed or well-advised, and each acting in what they consider their own best interest;
3. A reasonable time is allowed for exposure in the open market;
4. Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
5. The price represents the normal consideration for the property sold unaffected by special or relative financing or sales concessions granted by anyone associated with the sale.

² As currently adopted and required by the Resolution Trust Corporation and agencies acting under Title XI of the Federal Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (FIRREA), and the Office of the Comptroller of Currency (OCC).

IntroductionOther DefinitionsOTHER DEFINITIONS³Fee Simple Estate -

Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat.

Going Concern Value -

The value created by a proven property operation; considered a separate entity to be valued with a specific business establishment; also called going value.

Leased Fee Estate -

An ownership interest, held by a landlord with the rights of use and occupancy conveyed by lease to others. The rights of the lessor (the leased fee owner) and the leased fee are specified by contract terms contained within the lease.

Leasehold Estate -

The interest held by the lessee (the tenant or renter) through a lease conveying the rights of use and occupancy for a stated term under certain conditions.

Special-Purpose Property -

A limited-market property with a unique physical design, special construction materials, or a layout that restricts its ability to the use for which it was built; also called *special-design property*.

³ The Dictionary Of Real Estate Appraisers, American Institute of Real Estate Appraisers, Chicago, Ill, pp. 140, 160, 214, 210, 222 and 383

Introduction

Qualifications of

(b)(6),(b)(7)(C)

(b)(6),(b)(7)(C)

APPRAISAL EDUCATION

QUALIFICATIONS

(b)(6),(b)(7)(C)

EXPERIENCE

(b)(6),(b)(7)(C)

AFFILIATIONS

(b)(6),(b)(7)(C)

Introduction

Qualifications of

(b)(6),(b)(7)(C)

LECTURER

(b)(6),(b)(7)(C)

PUBLICATIONS

(b)(6),(b)(7)(C)

PARTIAL LIST OF CLIENTS SERVED

Federal -

(b)(6),(b)(7)(C)

Institutional -

(b)(6),(b)(7)(C)

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Qualifications of

(b)(6),(b)(7)(C)

Institutional (Continued) -

(b)(6),(b)(7)(C)

Introduction

Qualifications of

(b)(6),(b)(7)(C)

Institutional (Continued) -

(b)(6),(b)(7)(C)

Commercial & Industrial -

(b)(6),(b)(7)(C)

Introduction

Qualifications of

(b)(6),(b)(7)(C)

Miscellaneous -

(b)(6),(b)(7)(C)

EDUCATIONAL CERTIFICATION

(b)(6),(b)(7)(C)

Introduction

Qualifications of (b)(6),(b)(7)(C)

(b)(6),(b)(7)(C)

QUALIFICATIONS

EDUCATION

(b)(6),(b)(7)(C)

PROFESSIONAL AFFILIATIONS

(b)(6),(b)(7)(C)

EXPERIENCE

(b)(6),(b)(7)(C)

Introduction

Qualifications of

(b)(6),(b)(7)(C)

(b)(6),(b)(7)(C)

PARTIAL LIST OF CLIENTS SERVED

Institutional -

(b)(6),(b)(7)(C)

Introduction

Qualifications of

(b)(6),(b)(7)(C)

Institutional - (Continued)

(b)(6),(b)(7)(C)

[Redacted content]

Commercial and Industrial -

(b)(6),(b)(7)(C)

[Redacted content]

VARIOUS -

(b)(6),(b)(7)(C)

[Redacted content]

COURT EXPERIENCE -

(b)(6),(b)(7)(C)

[Redacted content]

EDUCATIONAL CERTIFICATION -

(b)(6),(b)(7)(C)

[Redacted content]

*Introduction**Assumptions & Limiting Conditions***ASSUMPTIONS AND LIMITING CONDITIONS**

This appraisal report has been made with the following general assumptions:

1. Unless otherwise stated, the value appearing in this appraisal represents our opinion of market value or the value defined as of the date specified. Market value of real estate is affected by national and local economic conditions and consequently will vary with future changes in such conditions.
2. No responsibility is assumed for the legal description or for matters including legal or title considerations. Title to the property is assumed to be good and marketable unless otherwise stated.
3. The property is appraised free and clear of any or all liens or encumbrances unless otherwise stated.
4. Responsible ownership and competent property management are assumed.
5. The information furnished by others is believed to be reliable. However, no warranty is given for its accuracy.
6. All engineering is assumed to be correct. The plot plans and illustrative material in this report are included only to assist the reader in visualizing the property.
7. It is assumed that there are no hidden or unapparent conditions of the property, subsoil, or structures that render it more or less valuable. No responsibility is assumed for such conditions or for arranging for engineering studies that may be required to discover them.
8. It is assumed that there is full compliance with all applicable federal, state, and local environmental regulations and laws unless noncompliance is stated, defined, and considered in the appraisal report.
9. It is assumed that all applicable zoning and use regulations and restrictions have been complied with, unless a nonconformity has been stated, defined, and considered in the appraisal report.
10. It is assumed that all required licenses, certificates of occupancy, consents, or other legislative or administrative authority from any local, state, or national government or private entity or organization have been or can be obtained or renewed for any use on which the value estimate contained in this report is based.

*Introduction**Assumptions & Limiting Conditions*

11. It is assumed that the utilization of the land and improvements is within the boundaries or property lines of the property described and that there is no encroachment or trespass unless noted in the report.
12. The distribution, if any, of the total valuation in this report between land and improvements applies only under the stated program of utilization. The separate allocations for land and buildings must not be used in conjunction with any other appraisal and are invalid if so used.
13. Possession of this report, or a copy thereof, does not carry with it the right of publication.
14. The contract for appraisal, consultation, or analytical service is fulfilled and total fee is payable upon completion of the report. The appraisers will not be asked or required to give testimony in court or hearing because of having made the appraisal in full or in part, nor engage in post-appraisal consultation with the client or third parties, except under separate and special arrangement and at additional fee.
15. No environmental or impact study, special market study or analysis, highest and best use analysis or feasibility study has been requested or made unless otherwise specified in an agreement for services or in the report. The appraisers reserve the unlimited right to alter, amend, revise or rescind any of the statements, findings, opinions, values, estimates or conclusions upon any subsequent such study or analysis or previous study or analysis subsequently becoming known to him.
16. Neither all nor any part of the contents of this report (especially any conclusions as to value, the identity of the appraiser, or the firm with which the appraiser is connected) shall be disseminated to the public through advertising, public relations, news, sales, or other media without the prior written consent and approval of the appraisers.
17. The appraisers may not divulge material contents of the report, analytical findings or conclusions or give a copy of the report to anyone other than the client or his designee as specified in writing, except as may be required by the Appraisal Institute as it may request in confidence for ethics enforcement or by a court of law or body with the power of subpoena.

*Introduction**Assumptions & Limiting Conditions*

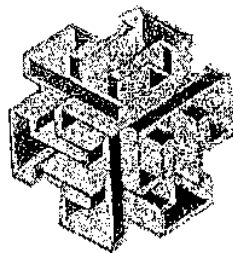
18. This appraisal is to be used only in its entirety and no part is to be used without the whole report. All conclusions and opinions concerning the analyses which are set forth in the report were prepared by the appraisers whose signatures appear on the appraisal report, unless indicated as review appraiser. No change of any items in the report shall be made by anyone other than the appraisers and the appraisers shall have no responsibility if any such unauthorized change is made.
19. The signatories of this appraisal report are members (or candidates) of the Appraisal Institute. The By-laws and Regulations of the Institute require each member and candidate to control the use and distribution of each appraisal report signed by such member or candidate.
20. No responsibility is assumed for matters legal in character or nature, nor matters of survey, nor any architectural, structural, mechanical or engineering nature. No opinion is rendered as to the title, which is presumed to be good and merchantable. The property is appraised as if free and clear, unless otherwise stated in particular parts of the report.
21. Comparable data relied upon in this report has been confirmed with one or more parties familiar with the transaction or from affidavit. All are considered appropriate for inclusion to the best of my factual judgement and knowledge.
22. The market value estimated and the cost used are as of the date of the estimate of value. All dollar amounts are based on the purchasing power and price of the dollar as of the date of the value estimate.
23. The identity of the appraisers or firm with which they are connected, or any reference to the Appraisal Institute or to the MAI designation, or to the American Society of Appraisers or to the A.S.A. designation, shall not be divulged without the written consent and approval of the authors.
24. This appraisal expresses our opinion and employment to make this appraisal was in no way contingent upon reporting a predetermined value or conclusion. The fee for this appraisal or study is for the service rendered and not for time spent on the physical report.
25. The value estimated in this appraisal report is gross without consideration given to any encumbrance, restriction, or question of title unless specifically defined. The estimate of value in the appraisal report is not based in whole or in part upon race, color or national origin of the present owners or occupants of properties in the vicinity of the property appraised.

*Introduction**Assumptions & Limiting Conditions*

26. While there is no reason to believe that this site has ever been used to process or store any hazardous substance or toxic waste, and the owners have indicated that there are no hazardous substances or wastes on the site. Nevertheless, the appraisers are not engineers or environmental experts, and the appraisal assumption that there are no hazardous substances or toxic wastes on the site should not be construed as an expert conclusion.
27. Unless otherwise stated in this report, the existence of hazardous substances, including without limitation asbestos, polychlorinated biphenyls, petroleum leakage, or agricultural chemicals, which may or may not be present on the property, or other environmental conditions, were not called to the attention of nor did the appraisers become aware of such during the appraisers' inspection. The appraisers have no knowledge of the existence of such materials on or in the property unless otherwise stated. The appraisers, however, are not qualified to test such substances or conditions.

If the presence of such substances, such as asbestos, urea formaldehyde foam insulation, or other hazardous substances or environmental conditions may affect the value of the property, the value estimated is predicated on the assumption that there is no such condition on or in the property or in such proximity thereto that it would cause a loss in value. No responsibility is assumed for any such conditions, nor for any expertise or engineering knowledge required to discover them.

28. ACCEPTANCE AND/OR USE OF THIS APPRAISAL REPORT CONSTITUTES ACCEPTANCE OF THE PRECEDING CONDITIONS.



December 14, 2001

The Honorable Harvey L. Pitt
The Honorable Isaac C. Hunt, Jr.
The Honorable Laura S. Unger
United States Securities and Exchange Commission
450 Fifth Street, N.W.
Washington, DC 20549

Dear Chairman Pitt, Commissioner Hunt and Commissioner Unger:

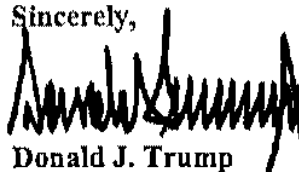
I would greatly appreciate your understanding with respect to the attached filing.

Over the last year, I have been working very diligently to bring this company back from a very difficult time, especially since the tragedy of September 11. I believe we have made very substantial progress toward this end but a 10b-5 proceeding will be a tremendous setback. Additionally, and as you are aware, the person responsible for this situation is no longer with the company.

I greatly appreciate your understanding of this matter.

Thank you.

Sincerely,



Donald J. Trump

WILLKIE FARR & GALLAGHER

MICHAEL R. YOUNG
212 728 8280
myoung@willkie.com

787 Seventh Avenue
New York, NY 10019-6099
Tel: 212 728 8000
Fax: 212 728 8111

FOIA CONFIDENTIAL TREATMENT REQUESTED

December 14, 2001

The Honorable Harvey L. Pitt
The Honorable Isaac C. Hunt, Jr.
The Honorable Laura S. Unger
United States Securities and Exchange Commission
450 Fifth Street, N.W.
Washington, DC 20549

Re: Trump Hotels & Casino Resorts, MNY 6625

Dear Chairman Pitt, Commissioner Hunt and Commissioner Unger:

I write to urge the Commission not to approve the commencement of enforcement proceedings under Rule 10b-5 against Trump Hotels & Casino Resorts, Inc. ("THCR" or the "Company") in connection with THCR's issuance of its third quarter 1999 earnings release (the "Release"). This letter, which follows two previous Wells submissions, is the result of the Enforcement Staff's recent communication to us that its recommendation of a disposition of this matter under Exchange Act Section 21(a) has been overruled, and that it is compelled to pursue 10b-5 charges against the Company. This reversal was unexpected, and is seemingly inconsistent with the Staff's decision not to pursue any enforcement action at all against the individual responsible for the Release, (b)(6), (b)(7)(C) [redacted] That decision, which would seem to further undermine any suggestion of fraud, supports the proposition that the Company's actions in issuing the Release do not warrant 10b-5 action, which would only exacerbate the current business challenges facing THCR. Thus, such an enforcement action would be a misuse of Rule 10b-5 and would serve only to punish THCR's innocent employees and shareholders.

The Supreme Court has observed that, while "Section 10(b) is aptly described as a catchall provision ... what it catches must be fraud." Central Bank of Denver, N.A. v. First Interstate Bank of Denver, N.A., 511 U.S. 164 (1994). Consistent with that cautionary note, the 10b-5 cases that the Commission has pursued in the past generally involved insider trading,

This document is submitted as CONFIDENTIAL. Exemption from disclosure to non-governmental parties of this document and any copies of it is claimed under the Freedom of Information Act (Section 200.83, 17 C.F.R. § 200.83) and all other applicable provisions of law and regulation. It is requested that before any disclosure is permitted of this document or any part or copies of it, timely prior notice be given to Thomas Golden, Willkie Farr & Gallagher, 787 Seventh Avenue, NY, NY 10019, 212-728-8000.

The Honorable Harvey L. Pitt
The Honorable Isaac C. Hunt, Jr.
The Honorable Laura S. Unger
December 14, 2001
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"cooked books" and the like. Rule 10b-5 violators have quite appropriately garnered public opprobrium precisely because the public understands the rule to be directed at cases of serious financial wrongdoing in which the misbehavior is manifest. THCR's conduct with respect to the Earnings Release does not even come close to that level of wrongdoing.

Viewed from any perspective, the Earnings Release was literally correct. And while THCR's accounting treatment of the All Star Café transaction may seem counter-intuitive, it was fully consistent with the advice of THCR's outside auditors at Arthur Anderson, and is conceded to be correct as an accounting matter. While we accept that the Staff may consider the Release to have been misleading nonetheless, that does not make it fraudulent. If the Staff is correct that Rule 10b-5 is the only enforcement mechanism theoretically available to it here, then no enforcement action would be more just than a strained effort to fit Rule 10b-5 to these facts.¹

While THCR is confident of its ability to defeat a 10b-5 claim, ultimate victory could prove hollow because the mere commencement of a 10b-5 action could have significant immediate and irreparable repercussions for THCR and its shareholders. In that regard, Commissioner Pitt recently expressed his view that the Commission "must always ask, first, whether a proposed action benefits (or harms) investors, and then whether it strengthens (or weakens) the ability of U.S. companies and markets to compete in a new, global, economy." Chairman Harvey L. Pitt, Remarks at the PLI 33rd Annual Institute on Securities Regulation. We believe this view should guide the Commission's consideration of this matter, and that the Commission should recognize that 10b-5 enforcement action would harm rather than benefit THCR's shareholders.

¹ In the spirit of compromise, we offered a number of proposals to resolve this matter short of 10b-5 enforcement proceedings, including an offer to consent to an order under the Books and Record provisions of the 1934 Act, Sections 13(b)(2)(A) and (B). The Staff, however, took the position that the Books and Records requirements do not apply when an issuer communicates with its shareholders and potential investors by a press release as opposed to a public filing, despite the Commission's recognition that press releases have largely supplanted periodic filings as the most meaningful form of corporate communication with the investing public. Thus, in light of its narrow reading of the Books and Records provisions, the Staff would abdicate any role in policing materially misleading earnings releases where there is no evidence of an intent to defraud. While we understand that most of the Commission's Books and Records cases have involved misleading filings or internal accounting irregularities that prevented effective audits, we firmly believe that the plain statutory language applies here. For example, Section 13(b)(2)(A) directs issuers to "make and keep books, records, and accounts, which, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the issuer." The Earnings Release was itself clearly a "record" within the meaning of the Exchange Act. See Exchange Act Section 3(a)(37) ("the term 'records' means accounts, correspondence, memorandum, tapes, discs, papers, books, and other documents or transcribed information of any type, whether expressed in ordinary or machine language"). Surely if the Staff is correct that earnings releases have become the most significant manner in which issuers communicate their results to investors, then earnings releases must be "records" with in the meaning of Section 13.

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The Honorable Isaac C. Hunt, Jr.
The Honorable Laura S. Unger
December 14, 2001
Page 3

THCR faces a number of business challenges which have become even more pressing by virtue of the impact of September 11 on the hotel industry. A 10b-5 action against the Company would be a severe setback to the Company's ongoing efforts to surmount these difficulties. For instance, THCR operates in the highly regulated gaming industry, and the mere commencement of a fraud action by the Commission could present significant regulatory problems for the Company which, regardless of their outcome, would likely raise investor concern and further depress THCR's value. On a more specific level, the commencement of 10b-5 proceedings would threaten to disrupt THCR's current efforts to restructure its debt. As the Staff is aware, THCR's substantial public debt is largely to blame for THCR's depressed stock price. Consequently, a successful renegotiation of the terms of THCR's debt would likely have significant benefits for THCR's existing shareholders. But the mere commencement of 10b-5 proceedings could derail these negotiations, causing immediate harm to THCR and its shareholders that would not be rectified by THCR's ultimate victory in this matter.

As Commissioner Pitt also noted in his recent PLI speech, the Commission seeks to encourage issuers to "self-correct" problems. Consistent with that view, the Commission recently set forth a number of factors to be considered in determining whether an issuer's self-corrective measures militate against enforcement action, including the nature of the misconduct involved (here, entirely correct accounting treatment and a literally accurate press release); whether the company's auditors were misled (here, they were not); whether the misconduct was merely a one-time event (here, it was); the speed with which the company developed a response after learning of the problem (here, THCR took corrective steps within hours of the issuance of the Release); the steps the company took after learning of the problem (here, THCR contacted virtually every analyst who followed it, accelerated the filing of its 10Q, and adopted new policies for the issuance of earnings releases); whether the persons responsible for the wrongdoing are still with the company (he is not); and the company's cooperation with its regulators (here, THCR gave the Staff its full cooperation). *Report of Investigation Pursuant to Section 21(a) of the Securities Exchange Act of 1934 and Commission Statement on the Relationship of Cooperation to Agency Enforcement Decisions*, Exchange Act Release No. 44969 (October 23, 2001).

These factors all militate against a 10b-5 action against THCR, which took immediate significant steps to "self-correct" the problems raised by the Earnings Release, including the fact that the responsible officer is no longer with the Company. The All-Star Café episode was a one-time and immediately corrected event. The Earning Release was literally correct. Not only did THCR not hide the All Star issue from its auditors, it sought and followed Arthur Andersen's advice on the correct accounting treatment for the gain, and it showed Arthur Andersen a draft of the Release before it went out. Significantly, Arthur Andersen did not instruct that the Release must include a description of the All Star transaction. As soon as questions were raised about the transaction and its impact on the Company's quarterly results, the Company took immediate steps to ensure that the market was fully informed of the transaction's details. It also accelerated the filing of its Form 10Q in which those details were once again disclosed. In addition, THCR voluntarily adopted changes to its internal policies and procedures, so that earnings releases are now reviewed by the Company's Audit Committee before being issued. It also cooperated fully with the Staff's investigation of the matter,

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The Honorable Isaac C. Hunt, Jr.
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December 14, 2001
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including during the investigation's informal phase. Finally, (b)(6),(b)(7)(C) (b)(6),(b)(7)(C) who made the decision to issue the Release in the form it took, (b)(6), (b)(6),(b)(7)(C) The Commission's use of the most powerful weapon in its regulatory arsenal would in effect ignore THCR's self-corrective efforts, would put THCR in the same position it would have occupied had it made no effort whatsoever to correct the Release's deficiencies, and would provide no incentives to other companies to take corrective measures when faced with similar circumstances.

The ramifications and potential publicity surrounding the commencement of a 10b-5 action would be devastating to THCR's innocent shareholders and employees. For all the reasons described above, we respectfully request that such proceedings not be commenced against THCR.

Respectfully submitted,



Michael R. Young

cc: Mr. Donald J. Trump

(b)(6),(b)(7)(C)

SWIDLER BERLIN SHEREFF FRIEDMAN, LLP

DAVID S. HOFFNER
PARTNER
DIRECT DIAL 212-891-9431
DSHOFFNER@SWIDLAW.COM

THE CHRYSLER BUILDING
405 LEXINGTON AVENUE
NEW YORK, NY 10174
TELEPHONE (212) 973-0111
FACSIMILE 212-891-9598
WWW.SWIDLAW.COM

THE WASHINGTON OFFICE
THE WASHINGTON HARBOUR
3000 K STREET, NW, SUITE 300
WASHINGTON, DC 20007-5116
(202) 424-7500 FAX (202) 424-7647

December 7, 2001

BY HAND

(b)(6),(b)(7)(C)

Securities & Exchange Commission
233 Broadway
New York, NY 10279

Re: In the Matter of Trump Hotels & Casino Resorts, Inc. (MNY-6625)

Dear

(b)(6),(b)(7)(C)

At your request, I am enclosing copies of the Wells and Supplemental Wells submissions
of (b)(6),(b)(7)(C)

Very truly yours,



David S. Hoffner

Enclosures

UNITED STATES OF AMERICA
Before The
SECURITIES AND EXCHANGE COMMISSION
Northeast Regional Office

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In the Matter of :
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Trump Hotels & Casino Resorts, Inc. : Case No. MNY-6625
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SUPPLEMENTAL WELLS SUBMISSION FILED ON BEHALF
OF TRUMP HOTELS & CASINO RESORTS, INC. AND (b)(6), (b)(7)(C)

WILLKIE FARR & GALLAGHER
787 Seventh Avenue
New York, New York 10019
(212) 728-8000

Attorneys for Trump Hotels & Casino
Resorts, Inc.

SWIDLER BERLIN SHEREFF
FRIEDMAN, LLP
The Chrysler Building
405 Lexington Avenue
New York, NY 10174
(212) 973-0111

Attorneys for (b)(6), (b)(7)(C)

CONFIDENTIAL TREATMENT REQUESTED

UNITED STATES OF AMERICA
Before The
SECURITIES AND EXCHANGE COMMISSION
Northeast Regional Office

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In the Matter of :
Trump Hotels & Casino Resorts, Inc. : Case No. MNY-6625
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SUPPLEMENTAL WELLS SUBMISSION FILED ON BEHALF
OF TRUMP HOTELS & CASINO RESORTS, INC. AND [REDACTED]

I.
INTRODUCTION

In their respective September 2000 Wells submissions, Trump Hotels & Casino Resorts, Inc. ("THCR" or the "Company") and [REDACTED] each argued that the investigative record compiled up to that time showed that neither THCR nor any of its officers [REDACTED] acted with fraudulent intent in omitting a discussion of the September 1999 All Star Café transaction from THCR's third quarter 1999 Earnings Release, and that therefore this case did not warrant Rule 10b-5 enforcement action.

* As part of ongoing discussions to resolve the Staff's inquiries without enforcement action, THCR and [REDACTED] submit this memorandum pursuant to Section 202.5(c) of Title 17 of the Code of Federal Regulations. The existence and contents of this memorandum are entitled to confidential treatment pursuant to 17 C.F.R. §203.5 and are exempt from the disclosure requirements of the Freedom of Information Act pursuant to 17 C.F.R. §200.80(b)(7) and 17 C.F.R. §200.83.

THCR and (b)(6), (b)(7)(C) each noted in those previous submissions that, at the time the Earnings Release was distributed, they intended to disclose the All Star transaction in the Company's upcoming Form 10Q. THCR and (b)(6), (b)(7)(C) also noted that none of the "badges of fraud" traditionally associated with Rule 10b-5 enforcement actions were implicated in this case: there was no insider trading, nor were the books "cooked." Rather, the accounting treatment of the income item in issue was entirely correct, and the Earnings Release was literally accurate.

The Staff apparently was unconvinced by THCR's and (b)(6), (b)(7)(C) original Wells submissions, placing great weight on what they saw as contrary evidence from THCR's (b)(6), (b)(7)(C) (b)(6), (b)(7)(C) of Arthur Andersen. The Staff read (b)(6), (b)(7)(C) testimony to suggest that he opined to THCR that the Earnings Release must explicitly identify the All Star gain, and that THCR's failure to adhere to that supposed advice evidenced an intent to defraud.

Following THCR's and (b)(6), (b)(7)(C) original Wells submissions, the Staff took further testimony of (b)(6), (b)(7)(C) and (b)(6), (b)(7)(C) (b)(6), (b)(7)(C). In addition, during the second round of testimony, the Staff deposed (b)(6), (b)(7)(C) (b)(6), (b)(7)(C) and (b)(6), (b)(7)(C) (b)(6), (b)(7)(C) (b)(6), (b)(7)(C).

The second round of testimony confirms what THCR and (b)(6), (b)(7)(C) have urged all along: this is not a Rule 10b-5 case because no one at THCR acted with fraudulent intent. Significantly, the second round of testimony confirms that Arthur Andersen did not advise THCR to include a description of the All Star gain in the Earnings Release. Rather, Arthur Andersen only took a position on the disclosure required in THCR's 10Q. Their advice was

explicit and it was followed: The record confirms that, at the time of the Earnings Release, THCR officials understood and agreed with the view that Form 10Q disclosure would be necessary and, at the time the Earnings Release was issued, fully intended to make the appropriate Form 10Q disclosure. Indeed, there is unambiguous documentary evidence predating the issuance of the Earnings Release reflecting the planned disclosure of the transaction in THCR's 10Q. Consequently, there is simply no basis to suggest that anyone at THCR sought to deceive investors by leaving that information out of the soon to be expanded-upon Earnings Release.

Although THCR and (b)(6), (b)(7)(C) do not share the Staff's view that the Earnings Release was flawed, THCR and (b)(6), (b)(7)(C) respectfully submit that, to the extent the Commission concludes that those arguable flaws warrant enforcement action, it should invoke the books and records provisions of the securities laws, and not the draconian and devastating sanctions of Rule 10b-5.

II.
THE RECENT TESTIMONY CONFIRMS
THAT THIS IS NOT A RULE 10b-5 CASE.

A. The Testimony Refutes The Suggestion That (b)(6), (b)(7)(C) Demanded Disclosure In The Earnings Release.

At the time of THCR's and (b)(6), (b)(7)(C) original Wells submissions, and prior to the second round of testimony, the Staff suggested that the key factor supporting their viewing this as a Rule 10b-5 case was the testimony of (b)(6), (b)(7)(C) the Arthur Andersen (b)(6), (b)(7)(C) for THCR. The Staff read (b)(6), (b)(7)(C) testimony to mean that he explicitly opined to THCR officials that the Earnings Release should include an explanation of the All Star gain, and that THCR's failure to heed that alleged advice gives rise to a strong inference of scienter. While (b)(6), (b)(7)(C) testimony is ambiguous at best on this point, the recent testimony confirms that no such advice was given.

In his second day of testimony, (b)(6),(b)(7)(C) confirmed that (b)(6),(b)(7)(C) did not insist that THCR include a discussion of the All Star gain in its Earnings Release. Rather, (b)(6),(b)(7)(C) asked, upon being shown a draft of the Earnings Release, “where’s the disclosure for the All Star transaction?” (b)(6),(b)(7)(C) Tr. at 86.) Upon being told that the Company had decided not to discuss the transaction in the Earnings Release, (b)(6),(b)(7)(C) did not protest or even suggest that THCR reconsider that decision. Rather, he observed (in no uncertain terms) that disclosure would be required in THCR’s upcoming 10Q. (b)(6),(b)(7)(C) Tr. at 87.)¹

Even apart from (b)(6),(b)(7)(C) testimony, other evidence in the record confirms that (b)(6),(b)(7)(C) did not understand (b)(6),(b)(7)(C) to be demanding Earnings Release disclosure. When (b)(6),(b)(7)(C) relayed to his colleague (b)(6),(b)(7)(C) the views of (b)(6),(b)(7)(C) on the issue of disclosure of the All Star gain, (b)(6),(b)(7)(C) merely reported (b)(6),(b)(7)(C) advice that Form 10Q disclosure was needed; (b)(6),(b)(7)(C) did not say anything about the Earnings Release (b)(6),(b)(7)(C) Tr. at 115.) In addition, when asked whether he had ever heard that Arthur Andersen thought the Earnings Release should break out the All Star gain, (b)(6),(b)(7)(C) responded, “The only conversation I recollect at Arthur Andersen was that -- with respect to its disclosure in the 10Q.” (b)(6),(b)(7)(C) Tr. at 115.)

B. The Supplemental Record Confirms That, At The Time of the Earnings Release, THCR Intended To Discuss The All Star Gain In Its Upcoming 10Q.

The only unambiguous advice (b)(6),(b)(7)(C) gave to THCR was that disclosure of the All Star transaction would be required in THCR’s upcoming 10Q. The second round of testimony confirms that THCR’s senior officers, including (b)(6),(b)(7)(C) recognized, prior to the

¹ In fact, this is entirely consistent with (b)(6),(b)(7)(C) testimony. It is our understanding that (b)(6),(b)(7)(C) testimony reveals that his actual comment to (b)(6),(b)(7)(C) on this point was simply “I don’t know why you don’t disclose it because it must be disclosed in the 10Q.” Whatever (b)(6),(b)(7)(C) intended to convey by this, (b)(6),(b)(7)(C) makes clear that he did not understand (b)(6),(b)(7)(C) to be urging disclosure in the Earnings Release.

issuance of the Earnings Release, that such disclosure was necessary and would be made. For instance, the recent depositions confirm that neither (b)(6),(b)(7)(C) had any doubt, prior to the Earnings Release, that the All Star transaction would be discussed in THCR's third quarter Form 10Q. (b)(6),(b)(7)(C) Tr. at 103; (b)(6),(b)(7)(C) Tr. at 126). And (b)(6),(b)(7)(C) testified that he participated in a meeting with THCR officials and Arthur Andersen representatives in early October in which it was discussed that the All Star transaction would be described in that filing. (b)(6),(b)(7)(C) Tr. at 37.) (b)(6),(b)(7)(C) "was aware that it had to be disclosed. That was from day one that we were discussing this." (b)(6),(b)(7)(C) Tr. at 38.)

Indeed, even before the Earnings Release was issued, (b)(6),(b)(7)(C) worked on the description of the All Star transaction for THCR's upcoming Form 10Q. (THCR 00204.)² The document reflecting their initial draft bears a fax line of October 22, 1999 -- three days prior to the issuance of the Earnings Release. (b)(6),(b)(7)(C) confirmed that this draft was prepared with the Form 10Q, and not the Earnings Release, in mind. (b)(6),(b)(7)(C) Tr. at 96.) Indeed, the first draft of the Form 10Q contains the exact language (b)(6),(b)(7)(C) worked out prior to the issuance of the Earnings Release. (THCR 00198.)

We understand that the Staff suspects that, at the time of the Release, (b)(6),(b)(7)(C) may not have shared (b)(6),(b)(7)(C) absolute certainty that the All Star gain would be discussed in the 10Q. We do not believe the record provides any basis for such skepticism. Indeed, (b)(6),(b)(7)(C) testified that he had a conversation with (b)(6),(b)(7)(C) in late September or early October in which he indicated that the transaction would be disclosed in the Company's quarterly filing. (b)(6),(b)(7)(C) Tr. at 103.) (b)(6),(b)(7)(C) response was merely that the Company would follow the advice of

² References are to the Bates numbers of documents produced by the Company to the Staff in connection with the informal phase of the Staff's investigation of this matter.

its accountants and lawyers in determining the appropriate disclosure (b)(6),(b)(7)(C) Tr. at 105.)

Sometime thereafter (b)(6),(b)(7)(C) asked (b)(6),(b)(7)(C) whether it was the case that Form 10Q disclosure was necessary (b)(6),(b)(7)(C) Tr. at 88.) When (b)(6),(b)(7)(C) confirmed to (b)(6),(b)(7)(C) that Arthur Andersen advised that the transaction would have to be disclosed in the 10Q, (b)(6),(b)(7)(C) did not protest or disagree.

(b)(6),(b)(7)(C) Tr. at 106.) Instead (b)(6),(b)(7)(C) replied "when we do the 10Q we'll handle that." (Id.) As

(b)(6),(b)(7)(C) explained, while he did not know precisely what (b)(6),(b)(7)(C) meant by that, he took (b)(6),(b)(7)(C)

statement essentially to mean that, in light of Arthur Andersen's advice, there was no doubt that disclosure would be made (b)(6),(b)(7)(C) Tr. at 127.)

C. (b)(6),(b)(7)(C) Failure to Comprehend the Accounting For The All Star Transaction Does Not Support a Fraud Claim.

In his deposition (b)(6),(b)(7)(C) stated that he knew the appraised value of the All Star Cafe was \$17 million, but that he was under the impression that the impact in the third quarter would only be \$5-7 million. (b)(6),(b)(7)(C) Tr. at 42, 74.) In our recent meeting, the Staff emphasized, for the first time, their view that other witnesses' testimony contradicted (b)(6),(b)(7)(C) and that (b)(6),(b)(7)(C) alleged knowledge of the impact of the All Star transaction provided conclusive support for the Staff's proposed fraud charge. Whether the Staff is correct or we are on this question, the state of (b)(6),(b)(7)(C) knowledge does not determine the fraud issue (b)(6),(b)(7)(C) and THCR understood that the All Star transaction had to be -- and, in fact was -- broken out in the Form 10Q to be filed shortly. No rule or regulation, nor THCR's accountant's advice, required separate disclosure in the short-form Earnings Release. And in light of the evidence that (b)(6),(b)(7)(C) knew, at the time of the Earnings Release, that Arthur Andersen had demanded disclosure of the All Star transaction in the upcoming 10Q, there can be no plausible theory that (b)(6),(b)(7)(C) tried to deceive investors through temporary silence about that transaction, regardless of its impact.

In fact, the record plainly demonstrates that (b)(6), (b)(7)(C) did not fully understand the accounting for the All Star gain or its impact of THCR's third quarter results. First, as (b)(6), (b)(7)(C) testified, his main concern was to ensure that the restaurant stayed in operation to service THCR's customers, and he was not focused on the accounting issues. (b)(6), (b)(7)(C) who (b)(6), (b)(7)(C) All Star Café, supports this:

Q: Did [the Arthur Andersen] memo change your plans about how to handle the All Star Café space?

A: No. We had to -- we were going to run the place as a food and beverage operation -- we needed extra food and beverage operation at the Taj.

(b)(6), (b)(7)(C) Tr. at 24.)

In addition, while both (b)(6), (b)(7)(C) testified that they discussed with (b)(6), (b)(7) whether to mention the All Star gain in the Earnings Release, they said that they did so because they saw it as a positive development to be trumpeted, not because the numbers might be misleading without such disclosure. (b)(6), (b)(7)(C) at 103; (b)(6), (b)(7)(C) at 43 (first day), 126.) In that light, neither (b)(6), (b)(7) nor THCR should not be accused of fraud for deciding that such self-congratulation was unnecessary.

(b)(6), (b)(7)(C) statements during the conference call to discuss THCR's third quarter results are strong evidence of his confusion regarding the All Star transaction's impact on THCR's third quarter results. Indeed, (b)(6), (b)(7)(C) was unable to answer basic questions about those results. He did not try to obfuscate, but instead admitted his ignorance and invited the participants to call (b)(6), (b)(7)(C) who was intimately familiar with the details of THCR's performance. This not only evidences (b)(6), (b)(7)(C) unfamiliarity with those details, but also belies any intent to keep them secret.

Recent testimony explains (b)(6),(b)(7)(C) confusion on this issue. First (b)(6),(b)(7)(C) and (b)(6),(b)(7)(C) both testified that initial estimates given to (b)(6),(b)(7)(C) put the value of the All Star Cafe at \$7-8 million (b)(6),(b)(7)(C) Tr. at 23; (b)(6),(b)(7)(C) Tr. at 21.) (b)(6),(b)(7)(C) also testified that, in connection with advice on the accounting treatment of the All Star gain, Arthur Andersen urged -- and THCR agreed to -- an increase in THCR's reserve for "bad debt" to \$10 million (a \$4 million increase in the third quarter and a \$4 million increase in the fourth quarter.) This "bad debt" provision was a fairly dense accounting issue that related to uncollectible credit issued to gaming patrons.

(b)(6),(b)(7)(C) Tr. at 26.) (b)(6),(b)(7)(C) made clear that, as the third quarter results were being finalized, the bad debt reserve and the All Star gain were seen as going hand-in-hand. "That was part of the discussion of the whole conversation discussing the All Star transaction and the bad debt transaction." (b)(6),(b)(7)(C) Tr. at 26.) Thus, if the All Star gain and the increase in bad debt reserve were presented to (b)(6),(b)(7)(C) in a manner suggesting they were linked together, then (b)(6),(b)(7)(C) reasonably could have misunderstood (b)(6),(b)(7)(C) to be reporting that the net effect of the All Star transaction on THCR's third quarter results was closer to \$7 million than to \$17 million.

We understand the Staff's view regarding the extent of (b)(6),(b)(7)(C) understanding to be based on the testimony of various witnesses who assumed that, contrary to (b)(6),(b)(7)(C) testimony, he understood that the entirety of the \$17 million All Star gain would be recorded in the third quarter. We do not believe such testimony can provide the basis for Rule 10b-5 enforcement action against (b)(6),(b)(7)(C) or THCR. While people with accounting backgrounds such as (b)(6),(b)(7)(C) (b)(6),(b)(7)(C) may have assumed that (b)(6),(b)(7)(C) shared their understanding of this unusual accounting issue, and indeed may have tried to explain it to (b)(6),(b)(7)(C) there is no testimony that (b)(6),(b)(7)(C) ever said or did anything to corroborate their assumptions.

D. A Rule 10b-5 Action Cannot Proceed Absent An Intent To Defraud.

In light of their understanding -- and Arthur Andersen's insistence-- --that the All Star gain would be disclosed in its Form 10Q filing, there can be no credible suggestion that any THCR official, [REDACTED] intended to defraud investors in connection with the Earnings Release. Thus, a Rule 10b-5 claim here would have to be premised on the theory that THCR and [REDACTED] were reckless in issuing the Release. But "it has never been held that recklessness per se is sufficient" to plead a Rule 10b-5 claim; rather, recklessness will satisfy Rule 10b-5's scienter requirement only if it was a "form of intentional conduct" motivated by a malevolent purpose. In re Fischbach Corp. Sec. Litig., No. 89 Civ. 5826, 1992 WL 8715, at *5 (S.D.N.Y. 1992) (Wood, J.). What is more, where "the complaint's allegations actually undermine the plausibility of willful blindness, an allegation of recklessness is insufficient to meet the scienter requirement of § 10(b)." Id. at *7. See also Hart v. Internet Wire, No. 00 Civ. 6571 (S.D.N.Y. June 14, 2001) (Pollack, J.) ("Rule 10b-5 scienter means intent to defraud and even when plaintiffs rely on the recklessness prong of scienter, they still must show that the defendants acted with fraudulent intent.").

Here, as shown above and in THCR's and [REDACTED] initial Wells submissions, the facts developed in the record are inconsistent with any intent to defraud. Among other things, the record confirms that, at the time of the Release, [REDACTED] and THCR's other senior officers intended to discuss the All Star gain in its upcoming 10Q. THCR officials showed the draft Earnings Release to THCR's [REDACTED] of Arthur Andersen, prior to its release -- a step THCR would not have taken if it was about to commit a fraud. During the ensuing conference call to discuss the Earnings Release, [REDACTED] invited analysts to call [REDACTED] to obtain additional, more detailed information regarding THCR's quarterly results. After that

conference call (b)(6),(b)(7)(C) freely and candidly provided information regarding the All Star gain to analysts who called him -- all before there was any suggestion that the Earnings Release may have been misleading.

THCR's other accounting decisions in the third quarter also belie an intent to deceive investors in connection with the All Star gain. As discussed above, at the same time the Company recorded that gain, it decided to increase its bad debt reserve, thereby negating the bottom line effect of much of the All Star transaction. Had THCR been looking to deceive investors, it would not have "given back" a significant portion of the All Star gain.

In sum, THCR and (b)(6),(b)(7)(C) not only had no motive to defraud; their actions are inconsistent with an intent to defraud. There is no plausible scheme to mislead or defraud that can be gleaned from the record of investigation. Consequently, it would be inappropriate to seek to impose Rule 10b-5 sanctions here.

E. Recent Enforcement Activity Illustrates That This Is Not A Rule 10b-5 Case.

We respectfully submit that the Commission's recent enforcement history confirms that this case does not warrant Rule 10b-5 treatment. Indeed, we are aware of no instance in which the Commission brought a Rule 10b-5 proceeding where, as here:

- The accounting treatment of the item in question was correct;
- The disclosure in question was accurate, and the reported earnings were not inflated;
- At the time of the disclosure, the issuer intended to supply the omitted information in a quarterly report to be filed within a few weeks;
- Immediately after the arguably misleading statement, and without any threat of litigation or regulatory action, the issuer

took significant steps to provide the missing information to the marketplace; and

- None of the alleged wrongdoers profited by the claimed omission.

The Commission's recently-announced settlement with Arthur Andersen in connection with its work for Waste Management Inc. vividly illustrates the chasm between this case and the type of conduct that Rule 10b-5 was meant to address. Waste Management, unlike THCR, "used improper accounting to inflate its operating income." In the Matter of Arthur Andersen LLP, 2001 SEC LEXIS 1174 at *3 (June 19, 2001). Waste Management's misstatements went uncorrected for years; THCR provided full disclosure regarding the All Star transaction within days. In the Waste Management case, Arthur Andersen knew that Waste Management's statements violated GAAP; in this case, no one at THCR suggested that they thought the Earnings Release was misleading without a description of the All Star transaction. Finally, in the Waste Management case, Arthur Andersen had a motive to remain silent in the face of its client's financial improprieties; Arthur Andersen regarded Waste Management as a "crown jewel" client which paid Arthur Andersen millions of dollars during the period in question. (Id. at *15.) By contrast, neither THCR nor any of its officers involved with the Earnings Release stood to gain from any brief misimpression in the market regarding its third quarter results.

Because of the lack of any evidence of scienter -- not to mention any evidence of earnings manipulation, insider trading, or any of the other indicia of financial fraud that the Commission has identified as Rule 10b-5 enforcement priorities -- a Rule 10b-5 enforcement proceeding is simply not warranted in this case.

III.

THIS CASE IS AT MOST A BOOKS AND RECORDS CASE.

THCR and (b)(6),
(b)(7)
(c) continue to maintain that this case warrants no enforcement action whatsoever. Assuming, however, the validity of the Staff's view that the Earnings Release was deficient in the absence of any detailed discussion of the All Star gain and by virtue of that shortcoming demands action by the Commission, the "books and records" provisions of the securities laws applicable to issuers, 15 U.S.C. §§ 78m(b)(2)(A) and (B), and not the anti-fraud provisions, are more tailored to that alleged shortcoming.

For example, section 13(b)(2)(A) of the Securities Exchange Act of 1934 (15 U.S.C. § 78m(b)(2)(A)) requires issuers "to make and keep books, records, and accounts, which, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the issuer." The Earnings Release was itself clearly a "record" within the meaning of the rule. See Securities and Exchange Commission v. World Wide Coin Investments, Inc., 567 F. Supp. 724, 749 (N.D. Ga. 1983) ("Congress' use of the term 'records' suggests that virtually any tangible embodiment of information made or kept by an issuer is within the scope of section 13(b)(2)(A) of the FCPA"). If one were to credit the Staff's view that the Earnings Release lacked the necessary detail to "fairly reflect" the All Star gain, the case would fit squarely within the books and records rule. Alternatively, the Staff could argue that THCR's internal books and records lacked the requisite detail by aggregating the non-recurring All Star gain together with miscellaneous recurring items of "other income."

Moreover, section 13(b)(2)(B) (15 U.S.C. § 78m(b)(2)(B)) requires issuers to "devise and maintain a system of internal accounting controls sufficient to provide reasonable assurances that transactions are recorded as necessary to permit preparation of financial

statements in conformity with generally accepted accounting principles or any other criteria applicable to such statements.” Here, the Staff could maintain that the Earnings Release incorporated financial statements that did not conform with appropriate accounting criteria and that this failing was the result of a lack of any system in place to communicate the views of THCR’s auditors to those at THCR responsible for drafting and issuing its earnings releases.

Ironically, although in connection with this investigation the Staff has taken the view that earnings releases typically have a greater impact on the investing public than public filings such as a company’s Form 10Q, the Staff has also steadfastly refused to consider any enforcement mechanism short of a Rule 10b-5 proceeding to address the perceived flaws in the Earnings Release, because the Release was not a “publicly filed” document. Thus, the Staff has taken the incongruous position that its regulatory arsenal is limited to the anti-fraud provisions in promoting full and fair disclosure in press releases that are not also “public filings” -- even though (i) it believes that press releases have a greater impact on the financial markets than “public filings,” and (ii) fraud violations are typically limited to cases of egregious conduct and, for that reason, are more difficult to prove than “books and records” violations. Indeed, if THCR had simply attached the Earnings Release to its 10Q, then even under the Staff’s view the books and records provisions would apply.

Precedent exists for applying the books and records provisions to this case, given the sharp distinction between the alleged deficiencies here and the intentional wrongdoing present in the typical Rule 10b-5 action. In Matter of Peter Madsen and Mark Rafferty, Exchange Act Release No. 41935, 1999 SEC Lexis 1987 (Sept. 28, 1999), the Commission announced a settlement pursuant to sections 13(a), 13(b)(2)(A), and 13(b)(2)(B) with the CEO and the CFO, respectively, of Fastcomm for, among other things, recognizing revenue of

\$247,000 on the sale of a product without timely disclosing in the Form 10Q that the sale was to a related party (even though the Form 10Q was later amended and the appropriate disclosure was made). In Matter of Republic Savings Financial Corp and Richard Haskins, Exchange Act Release No. 31497, 1992 SEC Lexis 3106 (Nov. 23, 1992), Republic failed to record a loss on a lease transaction for a yacht. The company's CFO was aware of the loss but, contrary to advice from independent auditors (who were then dismissed by the company) determined not to disclose it in the appropriate Form 10Q and instead mentioned the "possibility" of a loss in a footnote to the financial statements. The Commission brought charges against the company and the CFO pursuant to sections 13(b)(2)(A) and 13(b)(2)(B). Finally, in Matter of Gibson Greetings, Inc., Ward Cavanaugh, and James Johnson, Exchange Act Release No. 36357, 1995 SEC Lexis 2667 (Oct. 11, 1995), Gibson engaged in speculative derivatives trading strategies but did not mark its investments to market because it kept restructuring the trading strategies. As a result, Gibson did not record or reserve against significant losses incurred in connection with its derivatives trading. Gibson also lacked internal controls for ascertaining whether its derivatives transactions were consistent with corporate derivatives objectives established by its Board of Directors. The company and its executives agreed to dispositions under sections 13(a), 13(b)(2)(A) and 13(b)(2)(B).

These cases illustrate the Commission's recognition that not all alleged disclosure violations warrant Rule 10b-5 sanctions; indeed, where the proper evidence of scienter is lacking, or where the conduct at issue is less egregious, the Commission has not hesitated to use the books and records provisions to rectify perceived disclosure shortcomings. Therefore, if the Commission concludes that the Earnings Release in this case requires enforcement action, it

should act consistently with other cases where failures to disclose were not the result of a palpable scheme to defraud, and should refrain from proceeding under Rule 10b-5.

CONCLUSION

The recent testimony confirms that this is not a fraud case. For the reasons set forth in this memorandum, and in THCR's and (b)(6),(b)(7)(C) original Wells submissions, THCR and Ribis respectfully urge that no Rule 10b-5 enforcement action be pursued.

Dated: New York, New York
July 20, 2001

Respectfully submitted,

WILLIE FARR & GALLAGHER

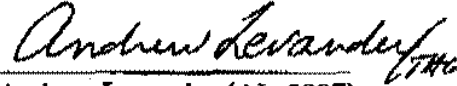
By: 
Richard L. Posen

Of Counsel:
Thomas Golden
James Dugan

787 Seventh Avenue
New York, New York 10019
(212) 728-8000

Attorneys for Trump Hotels & Casino
Resorts, Inc.

SWIDLER BERLIN SHEREFF
FRIEDMAN, LLP

By: 
Andrew Levander (AL-5987)

Of Counsel:
David Hoffner

The Chrysler Building
405 Lexington Avenue
New York, NY 10174
(212) 973-0111

Attorneys for (b)(6),(b)(7)(C)

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UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION
Northeast Regional Office

In the Matter of

TRUMP HOTELS & CASINO RESORTS, INC.

File No. NY-6625

WELLS SUBMISSION
ON BEHALF OF (b)(6),(b)(7)(C)

SWIDLER BERLIN SHEREFF FRIEDMAN, LLP
Andrew J. Levander
David S. Hoffner
The Chrysler Building
405 Lexington Avenue
New York, New York 10174
(212) 973-0111

JAY GOLDBERG, P.C.
Jay Goldberg
Steven Isser
250 Park Avenue
New York, New York 10177
(212) 983-6000

CONFIDENTIAL TREATMENT REQUESTED

PRELIMINARY STATEMENT

This Wells submission is made on behalf of [REDACTED]

[REDACTED]

Trump Hotels and Casino Resorts, Inc. ("THCR" or the

"Company"). The Staff of the Northeast Regional Office (the "Staff") has notified [REDACTED] that it is

considering recommending to the Securities and Exchange Commission (the "SEC" or the

"Commission") that the Commission authorize the filing of a civil injunctive action against

[REDACTED]

the Company and [REDACTED]

[REDACTED]

charging that each violated Section 10(b) of the Securities Exchange Act of 1934 (the

"Exchange Act") and Rule 10b-5 thereunder. Specifically, the Staff contends that [REDACTED] violated

the securities laws by issuing a false and misleading press release on October 25, 1999 (the

"Release"), by making false and misleading statements in response to analysts' questions at the

analysts' conference call discussing the Release (the "Conference Call") and by failing

adequately to correct the false and misleading statements allegedly made in the Release and

Conference Call. The Staff apparently contends that [REDACTED] engaged in a scheme to defraud by

failing to disclose in the Release that the Company's income for the third quarter of 1999

included a non-recurring gain of \$17 million arising out of the termination of a lease (the

"Lease") with the All Star Café (a division of Planet Hollywood International, Inc.) for a

restaurant facility at the Taj Mahal Casino.¹

As demonstrated below, however, the facts of this case belie any intent to defraud on the

part of [REDACTED]. The Release itself is literally true and the numbers underlying the Release are

¹ We hereby request that this submission be accorded "confidential treatment" pursuant to 17 C.F.R. § 200.83.

unquestioned by the Staff. The nonrecurring nature of the gain was immediately understood by analysts. Moreover, whatever minor temporary confusion regarding the admittedly arcane accounting treatment for the Lease termination that was engendered by the Release or the Conference Call was promptly rectified by the virtually contemporaneous analysts' reports, calls from (b)(6),(b)(7)(C) to the analysts at (b)(6),(b)(7)(C) direction and the public filing of the information in question in the Company's 10-Q, which was accelerated at the direction of (b)(6),(b)(7)(C). In fact, given the absolute lack of profit to (b)(6),(b)(7)(C) and the inevitability of disclosure by the Company -- as approved by (b)(6),(b)(7)(C) it defies logic to suggest that (b)(6),(b)(7)(C) intentionally sought to mislead anyone.

Indeed, even crediting the evidence most favorable to the Commission, (b)(6),(b)(7)(C) knew prior to the Release that the disclosure regarding the Lease was going to be included in the Company's filing on Form 10-Q to be issued shortly after the Release. He knew that there might be specific questions posed by analysts directly to the CFO, and undertook no effort whatsoever to conceal any information or direct any of his subordinates to conceal any information. To the contrary, during the Conference Call, he referred analysts' questions about the specific numbers for the quarter to (b)(6),(b)(7)(C) and thereafter directed that (b)(6),(b)(7)(C) explain the details of the Lease transaction to the many analysts on the Conference Call. As a result, within hours of the issuance of the Release and the termination of the Conference Call, the Company had disclosed the existence and impact of the non-recurring gain at issue to industry analysts, and such information was almost immediately conveyed to the marketplace in the form of analyst and press reports. This sequence of events refutes any scienter based claim. See Part I infra.

The alleged failure to include details of the Lease gain in the Release was also immaterial. The amount of the one-time gain was quantitatively immaterial and its omission

from a release (rather than a financial statement) fails to implicate the Commission's guidance as to qualitative materiality. See Point II infra.

The Staff's contention that (b)(6), (b)(7) failed to correct adequately the allegedly false and misleading statements in the Release and Conference Call by issuing another press release is also flawed. (b)(6), (b)(7)(C) directed that (b)(6), (b)(7)(C) call all the analysts on the Conference Call and, after discussing the matter with (b)(6), (b)(7)(C) directed that the Company accelerate the filing of full disclosure in the 10-Q. These actions directly led to numerous analysts' reports and articles in the national and local press and the filing of the 10-Q on the SEC's easily accessible and searchable EDGAR database. Within hours of the Release and Conference Call, the word was out, and within days, the issue highlighted in Barrons, in numerous other newspapers and magazines (including a large headline in The New York Post) and on CNBC. In light of the information revolution the marketplace has undergone over the past several years and the resulting rapid dissemination and availability of news from a multitude of sources, one would be hard pressed to conclude that the absence of a revised press release kept any investor in the dark. See Point III infra.

Finally, even if one were to accept the Staff's allegations as true, in light of the extremely short duration of the alleged non-disclosure, the minimal, if any, harm to investors,² and the negative impact that these events have already had on (b)(6), (b)(7)(C) the commencement of a 10b-5 action in federal court would be an unwarranted and disproportionate result. (b)(6), (b)(7)(C)

(b)(6), (b)(7)(C)

(b)(6), (b)(7)(C)

As a result, there is no reasonable

² No shareholder lawsuits were brought with regard to the disclosure in question.

likelihood that a future securities violation will occur. In light of this and other mitigating factors -- and the potential draconian collateral consequences to (b)(6),(b)(7)(C) we respectfully request that the Staff exercise its prosecutorial discretion and decline to bring a fraud-based injunctive action against (b)(6),(b)(7)(C). See Point IV *infra*.³

STATEMENT OF FACTS

A. Background

(b)(6),(b)(7)(C) THCR from (b)(6),(b)(7)(C)
(b)(6),(b)(7)(C)

(Transcript of the Deposition of (b)(6),(b)(7)(C) dated April 19, 2000 (b)(6),(b)(7)(C) Tr.") at 10.)

Although (b)(6),(b)(7)(C) the Trump Organization,

(b)(6),(b)(7)(C) he had no significant experience in either litigation or transactional work involving the federal securities laws. (b)(6),(b)(7)(C) Tr. at 15. Notably (b)(6),(b)(7)(C) is not a Certified Public

Accountant and had never been employed by a public company prior to (b)(6),(b)(7)(C) *Id.* at 43.

(b)(6),(b)(7)(C) has never been sanctioned or disciplined by any professional organization, or named as a defendant or respondent in any action or proceeding brought by the SEC or any other federal agency, or any state agency, stock exchange or the NASD. He has never been a witness or a defendant in an arbitration proceeding involving the securities laws and has never been charged with or convicted of any crime. To the contrary, in light of his spotless record, (b)(6),(b)(7)(C)

³ We have been provided with a copy of the Wells submission submitted on behalf of the Company. In the interest of brevity, we hereby incorporate by reference to the extent applicable, as if fully set forth herein, the arguments made in THCR's Wells submission. Although this submission will address some of the issues raised by the Company's submission, it will attempt to focus primarily on matters particular to (b)(6),(b)(7)(C)

not only a [redacted], but is also [redacted]
[redacted]

In or about the summer of 1998 [redacted] learned for the first time that Planet Hollywood was requesting modifications to its Lease of the All Star Café at the Taj Mahal. Apparently, Planet Hollywood was having financial problems and desired to reduce the rent and make other modifications. The Company responded that it was not interested in modifying the Lease. [redacted] Tr. at 24-25.

In or about the first half of 1999, Planet Hollywood requested a buy-out of the Lease. Planet Hollywood was not willing, however, to buy out the Lease at the price offered by the Company. Id. at 25-26. In or about August 1999 [redacted] learned that Planet Hollywood had informed the Company that it would be filing a bankruptcy petition and that the Lease would be terminated. Id. In or about September 1999, Planet Hollywood filed for bankruptcy. Id. at 28. Ultimately, on or about September 15, 1999, it was agreed that the Lease would be terminated and the leasehold assets of the Café conveyed to the Taj.

The termination of the Lease was one of many business concerns for [redacted] and the Company. The All Star Café occupied a very large space at the Taj Mahal adjacent to the hotel's bus lobby and was used to feed many customers. Accordingly [redacted] focused on ensuring that the restaurant was not closed or dismantled. [redacted] Tr. at 30. Although not his primary focus, [redacted] understood that the accounting treatment regarding the termination of the Lease was complex and would be required to be reflected in the Company's filings with the SEC. Id.

These complex accounting issues were referred to the Company's regular auditors, Arthur Anderson. A memorandum from Arthur Anderson's [redacted] dated May

18, 1998, stated that "to the extent that the Taj Mahal will continue to operate the space utilized by the All Star Café as a restaurant, then the Taj should be recognized [sic] as operating income the fair market value of the leasehold improvements transferred." Accordingly, (b)(6),(b)(7)(C)

(b)(6),(b)(7)(C) retained

Appraisal Group International to conduct a fair market appraisal of the Lease termination. Id. at 36-37. The appraised value of the leasehold improvements was properly determined to be \$17 million.

B. The Release

Meanwhile, on or about October 20, 1999, (b)(6),(b)(7)(C) sent (b)(6),(b)(7)(C) a fax stating that (b)(6),(b)(7)(C) wants to use the Harrah's [Entertainment] format as a model for our [the Company's] press releases. (b)(6),(b)(7)(C) Tr. at 44-45 (b)(6),(b)(7)(C) request was precipitated by the fact that (b)(6),(b)(7)(C) understood that several companies in the casino industry, including Harrah's Entertainment, Mirage Resorts and Park Place, had previously changed the format by which they reported financial information regarding casino operations to the public. Specifically, these companies had started to consolidate such information rather than break out specific competitive information such as hotel rates, the numbers of slot machines and their win-per-unit rates and the number of table games and their win-per-unit rates. Id. at 44-46; see also Transcript of the Deposition of (b)(6),(b)(7)(C) (b)(6),(b)(7)(C) dated April 6, 2000 (b)(6),(b)(7)(C) Tr.") at 38 ("The trend in the industry had been to go to more summary information.")⁴ The change to the "Harrah's format" was unrelated to the increase in

⁴ Harrah's issued a release in streamlined format during the week prior to the issuance of the Company's Release. Mirage Resorts, Inc. and Park Place Entertainment Corp. had used a new format in connection with their May 10, 1999 and April 28, 1999 earnings releases, respectively. Other publicly-held casino companies, including Mandalay Resorts Group, Harvey's Casino

(continued...)

"other revenue" in the third quarter of 1999 attributable to the Lease, (b)(6), (b)(7)(C) Tr. at 46; see also Transcript of the Deposition of (b)(6), (b)(7)(C) dated February 25, 2000 (b)(6), (b)(7)(C) Tr.") at 36; (b)(6), (b)(7)(C) Tr. at 41 - 42.

At all relevant times, the Company planned to include a disclosure concerning the Lease gain in its filing for the third quarter on Form 10-Q. See, e.g. (b)(6), (b)(7)(C) Tr. at 26-27. To that end, on or about October 22, 1999, (b)(6), (b)(7)(C) circulated a draft of a disclosure concerning the Lease that was to be included in the Company's filing on Form 10-Q for the third quarter of 1999. The draft 10-Q as well as the short form draft Release were reviewed by Arthur Anderson (b)(6), (b)(7)(C) (b)(6), (b)(7)(C) Tr. at 45-46. (b)(6), (b)(7)(C) only insisted that the separate disclosure regarding the Lease transaction appear in the 10-Q; he did not insist that it appear in the Release.

On the morning of October 25, 1999, the final Release was disseminated over Business Wire. The narrative states that consolidated net revenues were \$403.7 million compared to \$397.4 million for the same period in 1998. The Release also included a "quote" attributed to (b)(6), (b)(7) which stated: "Our focus in 1999 was three-fold: first, to increase our operating margins at each operating entity; second, to decrease our marketing costs; and third, to increase our cash sales from our non-casino operations. We have succeeded in achieving positive results in each of

⁴ (...continued)
Resorts, Hollywood Park, Inc. and The Sands Regent, had issued earnings releases that reported revenues as single line items.

⁵ We understand that (b)(6), (b)(7)(C) has apparently testified that (b)(6), (b)(7)(C) told him that (b)(6), (b)(7)(C) did not initially want to include the Lease disclosure in the filing on Form 10-Q (b)(6), (b)(7)(C) however, does not recall any such statement and has testified that, at all relevant times, it was the Company's intention to include the disclosure in the Form 10-Q. Moreover, even (b)(6), (b)(7)(C) acknowledges that before issuing the Release (b)(6), (b)(7)(C) and the Company had agreed to make the full disclosure in the 10-Q.

the three categories. The third quarter and nine month results for the company indicate that we have successfully instituted the programs that we focused on during 1999." All of these statements were in fact true.

At the time of the Release (b)(6),(b)(7)(C) believed that "the amount of impact on the EBITDA [earnings before interest, taxes, depreciation and amortization] was about \$5 or \$7 million" and that "it was spread out over a period of time and not attributable all in one quarter." (b)(6),(b)(7)(C) Tr. at 41-42. In fact, the impact of the Lease termination was approximately \$17 million and the entirety of the one-time gain was attributable to the third quarter of 1999. But (b)(6),(b)(7)(C) misunderstanding of the magnitude and timing of the accounting impact of the Lease termination was entirely understandable (b)(6),(b)(7)(C) was focused on the business aspects of the Lease problem. He had no accounting expertise and did not focus on the accounting treatment. Id. at 42-43. Moreover, as a layman (b)(6),(b)(7)(C) belief that any gain from the termination would be accrued over the lifetime of the leasehold improvements seems eminently reasonable.

Whatever views the Staff may have about (b)(6),(b)(7)(C) lack of accounting experience, the fact remains that the Release was literally accurate and did not mislead analysts. The Company had indeed on a company-wide basis "succeeded in achieving positive results" by increasing operating margins, decreasing marketing costs and increasing cash sales from non-casino operations.⁶ And the Staff has no quarrel with the actual numbers in general or the accounting treatment of the Lease transaction in particular.

⁶ We understand that, in its Wells submission, the Company has provided a more extensive analysis and explanation as to why the Release was literally accurate. Rather than repeat this discussion herein, we incorporate it by reference.

The claim of scienter is further undercut by the contemporaneous disclosure regarding the Release. (b)(6),(b)(7)(C) recalls discussing the disclosure of the Lease issue in the Release with (b)(6),(b)(7)(C) and (b)(6),(b)(7)(C) responding "we'll let greater minds than ours think it through on what the disclosure is needed." *Id.* at 42. (b)(6),(b)(7)(C) did not, however, recall mentioning the amount of the accounting gain in this conversation and did not indicate to (b)(6),(b)(7)(C) that the transaction should be separately disclosed in the Release. (b)(6),(b)(7)(C) *Tr.* at 53-54. Furthermore, "greater minds," Arthur Anderson, ultimately did not insist that the Lease gain be disclosed in the Release so long as that disclosure was in the 10-Q, and (b)(6),(b)(7)(C) did not discuss with (b)(6),(b)(7)(C) the details of his conversations with (b)(6),(b)(7)(C) *Tr.* at 48. (b)(6),(b)(7)(C) reliance on the expertise of the Company's accountants regarding this accurate accounting disclosure was plainly reasonable.

C. The Conference Call

Shortly after the dissemination of the Release, the Company held the Conference Call with analysts. (b)(6),(b)(7)(C) were on the call. During the Conference Call, (b)(6),(b)(7)(C) stated, *inter alia*, that the Company's net income for the quarter "exceeded analysts' estimates by approximately 10 cents." Again, this was literally true and none of the other professionals on the telephone corrected (b)(6),(b)(7)(C) or felt it appropriate to amplify or clarify his statement.

Throughout the Conference Call (b)(6),(b)(7)(C) exhibited a clear lack of understanding of the details of the Company's financial results, including the Taj. When asked to walk the analysts through the expense reductions at the various properties, (b)(6),(b)(7)(C) replied: "I'll be glad to have (b)(6),(b)(7)(C) do that with you directly." When asked about "the ADR at the Taj and the quarter and what percentage was cash versus comp," he responded: "I don't have that and I don't know if (b)(6),(b)(7)(C) has that. I don't think we have that . . . but you can call (b)(6),(b)(7)(C) directly but it was our

cash sales [that] increased dramatically and [redacted] has all that." And notably, when asked to explain the \$5 million increase in the Taj's net revenues in light of an \$11 million decrease in gaming revenues [redacted] responded: "I don't know, I worked off the numbers [redacted] gave me, but he could reconcile [them]; why don't you call him directly?" Likewise, in response to a follow-up question by an analyst as to the specific numbers for the Taj Mahal [redacted] told him to call [redacted] "directly and he'll try and help you with the information." [redacted] Tr. at 81; Conference Call Tr. at 9.⁷

D. Subsequent Corrective Disclosures

Immediately after the Conference Call, [redacted] who had been instructed by [redacted] to answer the analysts' follow-up calls and walk them through the details of the Lease transaction, received a telephone call from [redacted] and one from [redacted] of Lehman Brothers. [redacted] Tr. at 54-55. [redacted] described to [redacted] the details of the All Star transaction and informed [redacted] that "other Revenues" included a one time gain related to the Lease "north of \$11 million." Id.

Neither the Release nor the Conference Call appear to have had a dramatic or long lasting impact on the marketplace. In fact, shares of common stock of THCR opened at \$4 per share on October 25, 1999, and closed at \$4.31 per share. That same day, a number of publicly traded gaming stocks were also up: MGM Mirage stock rose \$1.00, Park Place Entertainment rose \$0.44 and Mandalay Resorts was up \$0.50.

⁷ [redacted] was also unable to give any detailed explanation for the improvement in EBITDA. [redacted] Tr. at 79-81.

The next day, October 26, 1999, (b)(6),(b)(7)(C) received a telephone call from (b)(6),(b)(7)(C)

(b)(6),(b)(7)(C) of Bear Stearns (b)(6),(b)(7)(C) informed (b)(6),(b)(7)(C) that the

Company's revenues included a one-time \$17 million gain related to the All Star Café Lease.

The following day, October 27, 1999, (b)(6),(b)(7)(C) issued a research piece stating that Bear Stearns was "puzzled" by the Company's third quarter results given the decrease in casino revenues reported to the New Jersey Casino Control Commission and explaining that the discrepancy was due to a \$17 million one-time gain related to the termination of the Lease.

Over the next several days, additional analysts telephoned (b)(6),(b)(7)(C) and, in accordance with (b)(6),(b)(7)(C) instructions, (b)(6),(b)(7)(C) correctly and fully informed them of the details of the accounting treatment for the Lease. During that same time period (b)(6),(b)(7)(C) received a telephone call from a reporter from The Press of Atlantic City. Still genuinely confused about the magnitude of the issue (b)(6),(b)(7)(C) apparently told the reporter that the gain from the Lease transaction "can't be \$17 million. It's about \$5 or \$7 million." Given (b)(6),(b)(7)(C) simultaneous instructions to (b)(6),(b)(7)(C) to disseminate the actual results to the financial world, this offhand comment to a local reporter, if accurately quoted, plainly was not intended to misinform the marketplace but rather reflects (b)(6),(b)(7)(C) continuing misunderstanding.⁸

(b)(6),(b)(7)(C) subsequently spoke to either (b)(6),(b)(7)(C) however, and learned that the gain was indeed \$17 million. As a result (b)(6),(b)(7)(C) ordered that the Company's 10-Q be filed "right away" in order to clarify the EBITDA (b)(6),(b)(7)(C) Tr. at 59-60; see also (b)(6),(b)(7)(C) Tr. at 67. In the

⁸ The article in The Press of Atlantic City discussing the All Star lease issue was published on October 29, 1999. The article purports to quote (b)(6),(b)(7)(C) as having stated that the gain from the All Star lease was "not \$17 million. If it's a gain, I've asked the accounting people to give it to me and they haven't given it to me yet." Joe Weinert, Trump Hotels results distorted by restaurant sale proceeds, The Press of Atlantic City, Oct. 29, 1999.

interim, (b)(6), (b)(7) instructed (b)(6), (b)(7)(C) to contact each of the persons on the Conference Call to inform them of the Lease issue (b)(6), (b)(7)(C) Tr. at 61. These disclosures were quickly and widely disseminated in the marketplace.

Consequently, THCR shares closed at \$4.25 per share on October 26, 1999, and, by the close of trading on October 27, 2000, dropped to \$4.0625, a mere six cents above the price at which it had been trading prior to the Release and Conference Call. And by the close of trading the next day, October 28, 1999, it had fallen to \$3.875 per share, less than the price it had been trading prior to the issuance of the Release.

The publication of additional reports in the following days further dispelled any remaining confusion regarding the accounting issue. For example, on October 28, 1999, First Call Research Network issued a revised report on the Company highlighting the fact that "roughly \$0.47 of the \$0.63 reported were not operating EPS but were actually the result of an accounting gain" related to the termination of the All Star Café Lease. The same day, (b)(6), (b)(7)(C) of Deutsche Banc issued a research report discussing the All Star transaction and its effect on the Company's results. And the very next day, October 29, 1999, an article appeared in The Las Vegas Review-Journal entitled Trump Hotels results distorted by restaurant sale proceeds. See Las Vegas Rev. - J., Oct. 29, 1999, at 2D.

The details regarding the Lease transaction continued to be explained in depth in a variety of media throughout the next week. Thus, on November 1, 1999, a lengthy article entitled Fuzzy Numbers From Mr. Trump concerning the All Star Café Lease gain (and the failure of the Release to explicitly discuss it) appeared in Barron's, the most widely-read weekly market newspaper. Jacqueline Doherty, Fuzzy Numbers From Mr. Trump, Barron's, Nov. 1, 1999, at

MW16. Subsequently, on November 2, 1999, a report on the Company detailing the Lease transaction and its effect on the Company's earnings was featured on CNBC. That same day, an article appeared in The New York Post entitled Trump Playing With A Stacked Deck? Revenue Value Is Questioned. The article detailed in full the flap over the failure to break out the impact of the accounting gain related to the All Star Café Lease termination in the Release. The Post article included a quote from (b)(6),(b)(7)(C) for Southcoast Capital who covered the Company and who was with (b)(6),(b)(7)(C) when (b)(6),(b)(7)(C) learned of the flack over the Release. (b)(6),(b)(7)(C) was quoted as stating that "[t]here was nothing disingenuous that occurred. I would characterize it [the failure to break out the All Star Lease gain] as a mistake and a very honest one." Jesse Angelo, Trump Playing With A Stacked Deck?, N.Y. Post, Nov. 2, 1999, at 41.

As (b)(6),(b)(7) had directed, on November 4, 1999, eleven days before it was required to be filed, the Company filed with the SEC its Form 10-Q for the quarter ending September 30, 1999. (The Company had not filed its 10-Q early in any prior quarter.) The 10-Q included a detailed discussion of the Lease transaction -- as (b)(6),(b)(7)(C) and the Company had contemplated even prior to the Release. This filing, too, attracted further press coverage. See, e.g., Christina Binkley, Trump Hotels Failed to Disclose Gain, So Firm Appeared to Beat Estimates, Wall St. J., Nov. 8, 1999, at B12.

DISCUSSION

POINT I

(b)(6),(b)(7)(C) DID NOT ACT WITH SCIENTER

In order to prove that (b)(6), (b)(7) violated Section 10(b) and Rule 10b-5, the SEC must prove with clarity that (b)(6), (b)(7)(C) intent in opting not to break out the Lease gain in the Release was to mislead the market. It is not enough for the Commission to show that (b)(6), (b)(7) consciously made the decision to omit such information; the nondisclosure must have been part of a scheme to defraud. See, e.g., Reiss v. Pan American World Airways, Inc., 711 F.2d 11 (2d Cir. 1983); see also Press v. Chemical Inv. Servs. Corp., 166 F.3d 529, 537-38 (2d Cir. 1999) ("The scienter needed in connection with securities fraud is intent 'to deceive, manipulate, or defraud,' or knowing misconduct."). The requisite "strong inference" of fraud may be established either (a) by alleging facts to show that (b)(6), (b)(7) had both motive and opportunity to commit fraud, or (b) by alleging facts that constitute strong circumstantial evidence of intentional misbehavior. Novak v. Kasaks, 216 F.3d 300 (2d Cir. 2000); Chill v. General Elec. Co., 101 F.3d 263, 267 (2d Cir. 1996); Shields v. Citytrust Bancorp, Inc., 25 F.3d 1124, 1128 (2d Cir. 1994). Neither test is satisfied here. As detailed below (b)(6), (b)(7) had no cognizable motive for engaging in a scheme to defraud under the circumstances. Nor did his conduct during the relevant time exhibit the earmarks of conscious misconduct.

Indeed, the facts belie scienter on the part of (b)(6),(b)(7)(C) had nothing to gain from the purported scheme. He did not trade any securities. His compensation was not tied in any way to the third quarter results. And he knew from the outset that the nonrecurring nature of the transaction would be thoroughly and publicly disclosed by the Company in the immediate future.

Clearly, the alleged "scheme" made no sense from the get-go. According to every witness, including [REDACTED] knew prior to the Release that the Lease disclosure was going to be included in the 10-Q. As a result, by definition, any "fraud" could at most have lasted only a matter of days, at which time, the stock price would have retreated to a level below where it had been. Moreover, THCR was a heavily followed company. Thus, it was extremely likely, if not inevitable, that the analysts would have picked up on these issues and made inquiries -- which they did. Thus, for a scheme to have had any hope of succeeding, [REDACTED] would have had to institute a media and analyst blackout. To the contrary, however, he instructed [REDACTED] to answer all questions completely and accurately. Articulating a rational motive to defraud under these circumstances is nearly impossible. As the Second Circuit has stated: "In looking for a sufficient allegation of motive, we assume that the defendant is acting in his or her informed economic self-interest. . . . It is hard to see what benefits accrue from a short respite from an inevitable day of reckoning." See, e.g., Shields, 25 F.3d at 1130 (internal citation omitted). See also Kasaks, 216 F.3d at 308 ("Plaintiffs could not proceed based on motives possessed by virtually all corporate insiders, including . . . the desire to maintain a high corporate credit rating . . . or otherwise sustain 'the appearance of corporate profitability . . .'" (internal citation omitted).

Still other circumstances confirm that [REDACTED] did not act with scienter. As demonstrated by his comments during the Conference Call and to reporters thereafter, [REDACTED] truly did not understand either the timing or the magnitude of impact on earnings from the Lease transaction. That misunderstanding is entirely plausible given [REDACTED] lack of accounting and securities law sophistication and the esoteric -- and, frankly, counterintuitive -- nature of the accounting treatment to be accorded to the Lease transaction. Moreover, even if [REDACTED] were an accounting

and securities disclosure expert, which he plainly is not, it is not at all apparent that the Release would have been modified to reflect the nonrecurring nature of the Lease gain. We are not aware of an established rule or regulation requiring that nonrecurring income be broken out in an earnings release, and the various accountants who actually knew the facts and reviewed this issue either approved the Release or at a minimum did not insist on such disclosure so long as the 10-Q contained the necessary information (which it did).⁹ [REDACTED] reliance on these experts further negates any inference of fraud. See, e.g., Stavroff v. Mayo, 129 F.3d 1265, No. 95-4118, 1997 WL 720475, at *6 (6th Cir. Nov. 12, 1997) ("a company's reliance on the guidance of outside auditors is inconsistent with the intent to defraud").

Nor do the facts of this case reveal any traditional badges of fraud [REDACTED] who had no motive to commit the purported one-day fraud, also made no efforts to hide the details of the Lease transaction. During the Conference Call, he continually referred analysts to [REDACTED] for the details, and after the call, explicitly instructed [REDACTED] to walk the relevant analysts through the transaction. [REDACTED] also accelerated the filing of the 10-Q, which fully disclosed the details of the Lease transaction. [REDACTED] would not have taken such steps if he had been engaged in a scheme to defraud. Rather, as one commentator contemporaneously observed, at worst [REDACTED] made an "honest mistake" in judgment; he did not engage in intentional misconduct. See [REDACTED] Trump Playing With A Stacked Deck?, N.Y. Post, Nov. 2, 1999, at 41.¹⁰

⁹ Even if a trier-of-fact would credit [REDACTED] recollection of events, [REDACTED] agreed that the full disclosure would appear in the 10-Q prior to the public dissemination of the Release.

¹⁰ The press release at issue here is innocuous compared to the press releases involved in recent enforcement actions brought by the Commission. See, e.g., Matter Seth P. Joseph, Exchange Act Release No. 42588, 2000 SEC Lexis 581 (Mar. 29, 2000) (earnings data in press releases containing millions of dollars of improperly recognized revenue); Matter of Charles D. Ledford,
(continued...)

In sum, the facts do not support a finding of scienter. The actual Release and 10-Q are accurate in all respects. The temporary misleading disclosure theory constructed by the Staff makes no sense. There simply was no motive or rational reason for (b)(6), (b)(7)(C) to have intentionally sought to mislead the public momentarily, especially since he and the Company had decided to make full disclosure of the facts in the 10-Q. And (b)(6), (b)(7)(C) conduct in following expert advice, in suggesting the analysts speak with (b)(6), (b)(7)(C) to get the facts, in directing (b)(6), (b)(7)(C) affirmatively to call the analysts with the facts, and in accelerating the filing of the indisputably accurate 10-Q all belie a claim of fraud. Hence, for these reasons alone, the Commission should not approve the filing of an injunctive action under Section 10(b) and Rule 10b-5.

POINT II

THE FAILURE TO DISCLOSE THE LEASE GAIN WAS NOT MATERIAL

As detailed above, the Release did not contain any misrepresentations. The Staff's theory, rather, is predicated on an omission -- the alleged failure to disclose in the Release and Conference Call the fact that approximately \$17 million of the Company's earnings were a one-time gain related to the Lease. The \$17 million gain, however, constituted less than 4% of THCR's total gross revenues of \$450.2 million for the third quarter of 1999, and approximately 4.25% of the total net revenues of \$403.1 million. Accordingly, the Lease item omission clearly

¹⁰ (...continued)
Exchange Act. Rel. No. 41941, 1999 SEC Lexis 2029 (Sept. 29, 1999) (press releases over several year period containing false statements and unsupported sales projections); Matter of Sensormatic Electronics Corp., Litigation Rel. No. 1020, 1998 SEC Lexis 505 (Mar. 25, 1998) (press releases containing fraudulently manipulated quarterly results); Matter of Presstek, Inc., Exchange Act. Rel. no. 39472, 1997 SEC Lexis 2645 (Dec. 22, 1997) (press releases over several year period containing false information about the company's sales and business practices); Matter of Steven W. Koinis, Exchange Act. Rel. No. 38688, 1997 SEC Lexis 1174 (May 28, 1997) (false representations in press releases).

fell below the long-standing 5% threshold of quantitative materiality. See, e.g., Parnes v. Gateway 2000, Inc., 122 F.3d 539, 547 (8th Cir. 1997); Release No. SAB-99, 1999 WL 1123073 (S.E.C.), at *2, SEC Staff Accounting Bulletin No. 99 -- Materiality, dated August 12, 1999 ("The staff is aware that certain registrants, over time, have developed quantitative thresholds as 'rules of thumb' to assist in the preparation of their financial statements, and that auditors also have used these thresholds in their evaluation of whether items might be considered material to users of a registrant's financial statements. One rule of thumb in particular suggests that the misstatement or omission of an item that falls under a 5% threshold is not material in the absence of particularly egregious circumstances, such as self-dealing or misappropriation by senior management.").

We are aware of "SEC Staff Accounting Bulletin No. 99 - Materiality" and its attempt to inject a qualitative aspect into traditional assessments of materiality by requiring that materiality be evaluated in light of all relevant circumstances, not only the magnitude of the item. SAB No. 99 lists a number of "considerations that may well render material a quantitatively small misstatement of a financial statement item," including, inter alia, "whether the misstatement masks a change in earnings or other trends," "whether the misstatement hides a failure to meet analysts' consensus expectations for the enterprise," and "whether the misstatement changes a loss into income or vice versa." 1999 WL 1123073, at *3. Application of these qualitative points to this case confirm that the failure to break out the nonrecurring gain was not qualitatively material: The Company lost \$67.5 million in the third quarter even including the lease gain in earnings; nor, given the overall improvement in Company operations, did the gain break any negative trend.

In any event, by its own terms, SAB No. 99 does not apply to the circumstances of this case. It merely "provides guidance in applying materiality thresholds to the preparation of financial statements filed with the Commission and the performance of audits of those financial statements." 1999 WL 1123073, at *1 (emphasis supplied). It does not apply to literally accurate press releases, which are promptly clarified by full and accurate disclosure to the analysts in telephone calls directed by (b)(6),
(b)(7) and a 10-Q accelerated by (b)(6),
(b)(7)(C)

The purpose behind the promulgation of SAB No. 99 supports this conclusion. SAB No. 99 was enacted in response to concerns that companies were "managing" earnings, a type of financial fraud that is not implicated in this case. All that is at issue here is the Company's alleged failure to disclose in a press release the nature of a particular component of the Company's income that was fully and accurately disclosed in the nearly contemporaneous 10-Q. There is no allegation that the amount of income taken in connection with the Lease transaction was in any way improper. As such, this is not an "earnings management" case and does not involve an allegation of a misstatement in a financial statement. Hence, the directives of SAB No. 99 regarding qualitative materiality are inapplicable to the Release at issue.¹¹ See also, e.g., Management Assistance Inc. v. Edelman, 584 F. Supp. 1021, 1033 (S.D.N.Y. 1984) ("a less stringent standard of disclosure is applied to press releases than to proxy statements"); Zucker v.

¹¹ At a minimum, the language of SAB No. 99 is ambiguous as to the applicability of its qualitative materiality directives to statements made in a press release. Consequently, any attempt to impose these new guidelines on the facts of this case would falter by reason of its failure to provide a clear standard of conduct. See, e.g., Checkosky v. SEC, 139 F.3d 221, 223, 225 (D.C. Cir. 1998) (charges dismissed where the Commission set "no clear and coherent standard" for violations); Upton v. SEC, 75 F.3d 92, 98 (2d Cir. 1996) ("The Commission may not sanction [a respondent] pursuant to a substantial change in its enforcement policy that was not reasonably communicated to the public.").

Sable, 426 F. Supp. 658, 662 (S.D.N.Y. 1976) ("the securities laws do not require that a press release include all the information which must be included in proxy material. Courts have generally applied a less stringent standard for press releases than for proxy statements and registration statements").

Accordingly, the failure to delineate the nonrecurring nature of the Lease gain in the Release was not material. The numbers in the Release were unquestionably accurate and the Lease gain omission was immaterial on a quantitative basis especially given the magnitude of the loss in the quarter. Moreover, the virtual lack of change in THCR's stock price particularly in relationship to other gaming stocks further undercuts the Staff's claim of materiality. Because the alleged failure to disclose the Lease gain details in the Release was, therefore, immaterial, no injunctive action under Section 10(b) or Rule 10b-5 is warranted.

POINT III

THE FAILURE TO ISSUE A REVISED PRESS RELEASE WAS NOT ACTIONABLE

Based on a somewhat outdated notion of what is and is not read by investors, and what does and does not become part of the marketplace's total mix of information, the Staff contends that [REDACTED] and the Company committed a separate Section 10(b) violation by failing to issue a revised press release. We respectfully submit that this position truly exalts form over substance.

As an initial matter, [REDACTED] took various actions to "correct" the public record. First, he repeatedly encouraged the analysts on the Conference Call to obtain the details from [REDACTED]. Second, once an issue arose, [REDACTED] directed [REDACTED] to contact the analysts with detailed information. And third, after consultation with [REDACTED] accelerated the filing of the 10-

Q. No individual contemporaneously suggested more disclosure was required -- indeed, Arthur Anderson indicated that the 10-Q was sufficient -- and we are aware of no authority requiring such a corrective press release in these circumstances.

Moreover, as a result of, and in addition to, [REDACTED] efforts at disclosure, the barrage of analyst reports, press articles and television programs analyzing the nonrecurring nature of the Lease gain widely and thoroughly disseminated this information to the marketplace, as did the Company's official filing on Form 10-Q. Notably, the emphasis of many articles on the Company's failure to disclose the nonrecurring nature of the Lease gain in the Release highlighted this issue far in excess of its financial impact on the Company. In light of such complete and widely disseminated disclosures, it never occurred to [REDACTED] or anyone else associated with or advising the Company -- that it might in addition be required to issue a revised release. Given the enormous coverage of the issue, the alleged omission was moot.

In addition, as [REDACTED] testified [REDACTED] Tr. at 87), the advent of the internet has changed the disclosure landscape. SEC filings are now immediately available on the web and posted on the Company's website. Numerous Edgar search engines make a search for the filing simple and instantaneous and many sites allow an investor to include a company on a watch list and as a result receive immediate email notification of any new filings. Thus, the Staff's view that a company can avoid scrutiny or disclosure to small investors by putting information in an SEC filing rather than a press release is outdated. As [REDACTED] stated in response to the Staff's question as to whether a 10-Q gets as much "attention" as a press release, "I believe it does now, because of the Internet. Because of the access to the Edgar system. You no longer have to get the Q from the company or go to the SEC. You have the ability to get online almost instantaneously. . . . It

goes to our website automatically. So I believe in my mind that that access, you know, provides pretty widespread coverage." (b)(6),(b)(7)(C) Tr. at 86-87.

In light of the broad dissemination of the Lease information in both the press and analyst reports and the inclusion of the information in the Company's filing on Form 10-Q, the Company reasonably believed that it was not also obligated to issue a revised press release. See In re International Business Machs. Corporate Secs. Litig., 163 F.3d 102, 110 (2d Cir. 1998) (no duty to correct a statement that "does not contain some factual representation that remains 'alive' in the minds of investors as a continuing representation"); see also Ross v. A.H. Robins Co., 465 F. Supp. 904, 908 (S.D.N.Y.) (duty to correct a prior misstatement exists only "so long as the prior statements remain 'alive'"), rev'd on other grounds, 607 F.2d 545 (2d Cir. 1979). A fortiori, (b)(6),(b)(7)(C) who has little securities experience or expertise, had no reason to believe any additional corrective action was necessary.

POINT IV

THERE IS NO REASONABLE LIKELIHOOD THAT FUTURE SECURITIES VIOLATIONS WILL OCCUR

To obtain injunctive relief, the Commission must demonstrate that there is a substantial likelihood of future violations by (b)(6),(b)(7)(C) of the securities laws. SEC v. Cavanagh, 155 F.3d 129, 135 (2d Cir. 1998); see also Aaron v. SEC, 446 U.S. 680 (1980) (mere fact that defendant committed a violation of the securities laws is an insufficient basis on which to impose injunctive relief); SEC v. Bausch & Lomb Inc., 565 F.2d 8, 18 (2d Cir. 1977).

In assessing the likelihood of recurrence, courts have looked to, among other things, "the degree of scienter involved, the sincerity of defendant's assurances against future violations, the

isolated or recurrent nature of the infraction, defendant's recognition of the wrongful nature of [the] conduct, and the likelihood, because of defendant's professional occupation, that future violations might occur." SEC v. Universal Major Indus. Corp., 546 F.2d 1044, 1048 (2d Cir. 1976); see also SEC v. Bonastia, 614 F.2d 908, 911 (3d Cir. 1980). "Essentially, a court makes a prediction of the likelihood of future violations based on an assessment of the totality of the circumstances surrounding the particular defendant and the past violations that were committed." Bonastia, 614 F.2d at 912; Bausch & Lomb Inc., 565 F.2d at 18; SEC v. Management Dynamics, Inc., 515 F.2d 801, 807 (2d Cir. 1975).

Application of these factors to this case compels the conclusion that injunctive relief is not appropriate as to (b)(6),(b)(7)(C). First and foremost, the failure to include the Lease break out in the Release while disclosing it in the 10-Q was unquestionably an isolated incident, not part of a recurrent pattern of violations. See Bausch & Lomb Inc., 565 F.2d at 8. Prior hereto, (b)(6), (b)(7) has had a successful and unblemished career and he made no profit and received no benefit from what in hindsight appears to be an error in judgment. His alleged failure to include the Lease information in the Release was a momentary event that was quickly cured. Moreover, once (b)(6), (b)(7) realized that the Release had become an issue, he directed that (b)(6),(b)(7)(C) call the Conference Call analysts and expedited the filing on Form 10-Q.

Furthermore (b)(6),(b)(7)(C)

(b)(6),(b)(7)(C) As a result (b)(6), (b)(7)(C) no longer has any responsibility for press releases, SEC filings or other financial disclosures. Nor is (b)(6), (b)(7)(C) likely to be associated with a public company in the foreseeable future. In short, the totality of the

circumstances demonstrates that there is no substantial likelihood that (b)(6), (b)(7) will commit future securities violations. Accordingly, injunctive relief is unwarranted and unnecessary.

Finally, in determining whether to exercise its prosecutorial discretion, the Staff may properly take note of the harmful impact that an injunction action will have on (b)(6), (b)(7)(C). See SEC v. Manor Nursing Ctrs. Inc., 458 F.2d 1082, 1102 (2d Cir. 1972). The issuance of an injunction would clearly threaten both (b)(6), (b)(7)(C) and thus potentially deprive him altogether of his livelihood. Particularly since (b)(6), (b)(7)(C) did not receive any profit or benefit from the Release, such a draconian result surely is not merited by the isolated, momentary conduct at issue here.

CONCLUSION

For all the foregoing reasons, (b)(6);(b)(7)(C) respectfully requests that the Commission exercise its prosecutorial discretion and decline to initiate an injunctive action under the antifraud provisions of the securities laws.

Dated: September 29, 2000

Respectfully submitted,

SWIDLER BERLIN SHEREFF FRIEDMAN, LLP

By: AS

Andrew J. Levander
David S. Hoffner

The Chrysler Building
405 Lexington Avenue
New York, New York 10174
(212) 973-0111

JAY GOLDBERG, P.C.
Jay Goldberg
Steven Isser
250 Park Avenue
New York, New York 10177
(212) 983-6000

Attorneys for (b)(6);(b)(7)(C)

(b)(6),(b)(7)(C)

From: SEC Administrative Notices

Sent: Wednesday, January 16, 2002 10:57

Subject: Press Release: 2002-6

FOR IMMEDIATE RELEASE

2002-6

SEC BRINGS FIRST PRO FORMA FINANCIAL REPORTING CASE

TRUMP HOTELS CHARGED WITH ISSUING MISLEADING EARNINGS RELEASE

Washington, D.C., January 16, 2002 – In its first pro forma financial reporting case, the Securities and Exchange Commission instituted cease-and-desist proceedings against Trump Hotels & Casino Resorts Inc. for making misleading statements in the company's third-quarter 1999 earnings release. The Commission found that the release cited pro forma figures to tout the Company's purportedly positive results of operations but failed to disclose that those results were primarily attributable to an unusual one-time gain rather than to operations.

"This is the first Commission enforcement action addressing the abuse of pro forma earnings figures," said Stephen M. Cutler, Director of the Commission's Division of Enforcement. "In this case, the method of presenting the pro forma numbers and the positive spin the Company put on them were materially misleading. The case starkly illustrates how pro forma numbers can be used deceptively and the mischief that can cause."

Trump Hotels consented to the issuance of the Commission's order without admitting or denying the Commission's findings. The Commission also found that Trump Hotels, through the conduct of its chief executive officer, its chief financial officer and its treasurer, violated the antifraud provisions of the Securities Exchange Act by knowingly or recklessly issuing a materially misleading press release.

"This case demonstrates the risks involved in mishandling pro forma reporting," said Wayne M. Carlin, Regional Director of the Commission's Northeast Regional Office. "Enforcement action can result if a company fails to disclose information necessary to assure that investors will not be misled by the pro forma numbers."

Specifically, as set forth in the Order, which is available on the Commission's website, the Commission found that:

- On Oct. 25, 1999, Trump Hotels issued a press release announcing its quarterly results. The release used net income and earnings-per-share (EPS) figures that differed from net income and EPS calculated in conformity with generally accepted accounting principles (GAAP), in that the figures expressly excluded a one-time charge. The earnings release was fraudulent because it created the false and misleading impression that the Company had exceeded earnings expectations primarily through operational improvements, when in fact it had not.
- The release expressly stated that net income and EPS figures excluded a \$81.4 million one-time charge. Although neither the earnings release nor the accompanying financial data used the term pro forma, the net income and EPS figures used in the release were pro forma numbers because they differed from such figures calculated in conformity with GAAP by excluding the one-time

charge. By stating that this one-time charge was excluded from its stated net income, the Company implied that no other significant one-time items were included in that figure.

- Contrary to the implication in the release, however, the stated net income included an undisclosed one-time gain of \$17.2 million. The gain was the result of the termination, in September 1999, of the All Star Café's lease of restaurant space at the Trump Taj Mahal Casino Resort in Atlantic City. Trump Hotels, through various subsidiaries, owns and operates the Taj Mahal and other casino resorts. The Company's executive offices are in New York City, and its business and financial operations are centered in Atlantic City.
 - Not only was there no mention of the one-time gain in the text of the release, but the financial data included in the release gave no indication of it, because all revenue items were reflected in a single line item.
- The misleading impression created by the reference to the exclusion of the one-time charge and the undisclosed inclusion of the one-time gain was reinforced by the comparison in the earnings release of the stated earnings-per-share figure with analysts' earnings estimates and by statements in the release that the Company been successful in improving its operating performance. Using the non-GAAP, pro forma figures, the release announced that the Company's quarterly earnings exceeded analysts' expectations, stating:

Net income increased to \$ 14.0 million, or \$ 0.63 per share, before a one-time Trump World's Fair charge, compared to \$ 5.3 million or \$ 0.24 per share in 1998. [Trump Hotels'] earnings per share of \$ 0.63 exceeded First Call estimates of \$ 0.54.

In addition, the release quoted Trump Hotels' chief executive officer as attributing the stated positive results and improvement from third-quarter 1998 to improvements in the Company's operations.

- In fact, had the one-time gain been excluded from the quarterly pro forma results as well as the one-time charge, those results would have reflected a decline in revenues and net income and would have failed to meet analysts' expectations. The undisclosed one-time gain was thus material, because it represented the difference between positive trends in revenues and earnings and negative trends in revenues and earnings, and the difference between exceeding analysts' expectations and falling short of them.
- On Oct. 25, the day the earnings release was issued, the price of the Company's stock rose 7.8 percent; subsequently, analysts learned of the one-time gain. On Oct. 28, the day on which an analysts' report and a news article revealing the impact of the one-time gain were published, the stock price fell approximately 6 percent.

The Commission found that Trump Hotels violated Section 10(b) of the Exchange Act and Rule 10b-5 thereunder. The Company was ordered to cease and desist from violating those provisions.

For information about the use and interpretation of pro forma financial information, see the cautionary advice for companies and their advisors at <http://www.sec.gov/news/press/2001-144.txt> and the investor alert recently issued by the Commission at <http://www.sec.gov/investor/pubs/proforma12-4.htm>.

Contact: Wayne M. Carlin

646-428-1510

(b)(6),(b)(7)(C)

From: (b)(6),(b)(7)(C)
Sent: Wednesday, January 02, 2002 1:42 PM
To: (b)(6),(b)(7)(C)
Cc:
Subject: Trump

Dear (b)(6),(b)(7)(C)

(b)(5),(b)(6),(b)(7)(C)

Happy New Year.

(b)(6),(b)(7)(C)



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Business News

FINGERED BY SEC

By JESSICA SOMMAR



TRUMP CARD: Donald Trump, pictured with model Heidi Klum, was cited by the SEC in an accounting probe, but didn't have to pay a fine. - Marion Curtis/DMI

January 17, 2002 -- The Securities and Exchange Commission slapped down Trump Hotels & Casino Resorts for violating its anti-fraud provisions, but with a limp wrist.

The SEC concluded its first-ever investigation into so-called pro forma filings claiming that Trump Hotels, led by real estate mogul Donald Trump, misled investors when it filed an earnings report in 1999.

The Donald settled the case with the SEC without ponying up a dollar, but by agreeing not to do it again.

"This is the kinder, gentler example of the SEC. They've proven they're true to their word," said Lynn Turner, former chief accountant at the SEC who is now a professor at Colorado State University. He recalled SEC Chairman Harvey Pitt's promises late last year.

"It would be unusual for us to impose a fine against a publicly traded company because ultimately, it comes out of the pockets of shareholders who haven't done anything wrong," explained Wayne Carlin, regional director of the SEC's Northeast office.

Trump said in an interview that he doesn't expect any fallout in his business from the SEC settlement. "We are very happy with the fact that the settlement has worked out well for all concerned," he said.



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The SEC said Trump Hotels' former Chief Exec Nicholas Ribis, Chief Financial Officer Frank McCarthy and Treasurer John Burke were responsible for issuing a misleading press release that deceptively counted a \$17.2 million one-time gain as operating income instead of listing it separately.

Trump shares rose nearly 8 percent to \$4.31 after the release but fell 6 percent to \$3.87 two days later when analysts criticized the company's accounting.

The stock closed down 22 cents at \$1.73 yesterday.

Ribis was president at the time and responsible for the memo, sources added.

Trump was not involved, the SEC said. Ribis is no longer with Trump.

Company accounting has come under intense scrutiny in the wake of the dot-com bomb and allegations of misdeeds by Big Five accounting firm Arthur Andersen - accountants for Enron, the energy trading giant that filed the biggest bankruptcy case in U.S. history.

Pro forma accounting, popularized by the Internet stock craze in the late '90s, enabled companies to release earnings announcements that were not in accord with generally accepted accounting principles.

Later, companies would file with the SEC according to GAAP standards. But problems arose, and pro forma accounting became the subject of a rare investor alert by the SEC in December, which cautioned investors that pro forma results are often much different than official results the SEC gets.

But for all the hoopla over accounting irregularities, the Trump settlement shows the SEC is toothless, critics said.

"There was no fine, no admission of guilt," noted a source close to the millionaire mogul. It didn't make sense for Trump not to agree to the SEC settlement, the person said.

The SEC's Carlin countered, "The punishment is being on the receiving end of an enforcement action where the SEC makes a finding that fraud was committed.

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



"That's the most serious charges that the commission can bring. Any public company on the receiving end of that takes it as a very serious matter."

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January 16, 2002

LENGTH: 493 words

HEADLINE: US SEC BRINGS FIRST MISLEADING PRO FORMA EARNINGS STATEMENT CASE VS TRUMP

BODY:

NEW YORK (AFX) - The US Securities and Exchange Commission said that, in its first case alleging that a pro forma earnings statements contained misleading statements, it has concluded that Trump Hotels & Casino Resorts Inc violated commission rules in the company's third-quarter, 1999 report.

The SEC said it concluded that the Trump Hotels & Casino Resorts report violated Rule 10b-5 of the commission's rules and ordered the company to cease and desist from violating the rule.

The commission said: "The release cited pro forma figures to tout the company's purportedly positive results of operations, but failed to disclose that those results were primarily attributable to an unusual one-time gain rather than to operations."

According to the SEC, the Oct 25, 1999 report used net income and earnings per share figures that differed from net income and EPS calculated in conformity with generally accepted accounting principles, "... in that the figures expressly excluded a one-time charge."

"The earnings release was fraudulent because it created the false and misleading impression that the company had exceeded earnings expectations, primarily through operational improvements, when in fact it had not."

The SEC said the earnings report stated that the net income and EPS figures excluded an 81.4 mln usd one-time charge.

Although the report did not use the term "pro forma," the net income and EPS figures used in the release in fact were pro forma figures because they excluded the 81.4 mln usd charge.

In addition, the report also implied incorrectly that no other significant one-time charges or gains were included in the figures when in fact there was another special gain of 17.2 mln usd related to a gambling casino lease, the SEC said.

The SEC also faulted the company release for containing remarks of chief executive Donald Trump stating that a year-on-year quarterly improvement in earnings was due to improvements in operations, rather than the special gain.

The SEC said that if the report had excluded both the special gain and the special charge it would have showed year-on-year declines in net income and revenues. "The undisclosed one-time gain was thus material because it represented the difference between positive trends in revenues and earnings and negative trends in revenues and earnings, and the difference between exceeding analysts' expectations and falling short of them."

Stephen Cutler, director of the SEC's division of enforcement, said: "This is the first commission enforcement action addressing the abuse of pro forma earnings figures."

"In this case, the method of presenting the pro forma numbers and the positive spin the company put on them were materially misleading. The case starkly illustrates how pro forma numbers can be used deceptively and the mischief they can cause."

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JOURNAL-CODE: WAXA

LOAD-DATE: January 16, 2002

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USA TODAY

January 17, 2002, Thursday, FIRST EDITION

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LENGTH: 486 words

HEADLINE: Trump firm settles pro forma charges SEC makes first case for abuse

BYLINE: Noelle Knox

DATELINE: NEW YORK

BODY: NEW YORK -- Donald Trump's casino and hotel company was charged with misleading investors about its financial performance in the autumn of 1999, the Securities and Exchange Commission said Wednesday.

It is the first case in which the SEC has gone after a company for, in its view, abusing the "pro forma" method of reporting results.

Many companies use pro forma results, which typically exclude non-recurring losses and gains, to highlight the performance of core operations. And some companies, including Amazon.com and Network Associates, have been criticized for pushing the envelope with pro forma accounting. But pro forma results also can disguise poor earnings or distract investors from noticing them.

On Oct. 25, 1999, Trump Hotels & Casino Resorts issued a press release that reported pro forma earnings that excluded a one-time charge of \$81 million.

But the company did not exclude a one-time gain of \$17 million, or even mention that it was a one-time gain.

What's more, the company claimed that its pro forma earnings topped Wall Street's expectations, which helped push the stock up almost 8% that day. In fact, without the one-time gain, Trump Hotels & Casino Resorts would have missed analysts' estimates. Three days later, when analyst and media reports revealed the impact of the gain, the company's stock fell 6%.

The company said the namesake real-estate mogul, who owns about 42% of the company and was chairman at the time, "had no knowledge" of the fraudulent actions alleged by regulators.

Trump's company, which settled the case without admitting or denying guilt, issued a statement blaming Nicholas Ribis, former CEO of Trump Hotels & Casino Resorts, for the deceptive accounting that inflated its quarterly earnings. Ribis was let go at the end of his contract in mid-2000. Ribis is now vice chairman for Resorts Atlantic City.

Alan Marcus, a spokesman for Ribis, said, "The commission found no evidence of any inappropriate conduct on the part of any company executive."

But Wayne Carlin, regional director for the SEC in New York, said that statement was "misleading," "sly" and "crafty." "The charges against the company are based on the actions and the knowledge of three senior officers. It's true we are not charging individuals, but that does not equal exoneration."

The other two executives named by title by the SEC are the company's chief financial officer, Francis McCarthy, and the corporate treasurer, John Burke. Both men still hold the same jobs at Trump Hotels & Casino Resorts.

They could not be reached for comment, and the company declined to comment on their employment.

Trump Hotels & Casino Resorts operates Trump Taj Mahal, Trump Plaza Hotel and Trump Marina in Atlantic City, where the company is based, as well as an Indiana-based riverboat casino on Lake Michigan.

The company's stock fell 22 cents, or 11%, to \$1.73 Wednesday.
LOAD-DATE: January 17, 2002

SECURITIES AND EXCHANGE COMMISSION

450 Fifth Street, N.W.
Washington, D.C. 20549



FROM: (b)(6),(b)(7)(C)

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Trump Hotels & Casino Resorts, Inc. and The Securities and Exchange Commission Resolve Three-year Dispute

1/16/2002 11:11:00 AM

NEW YORK, Jan 16, 2002 (BUSINESS WIRE) -- The Securities and Exchange Commission ("SEC") and Trump Hotels & Casino Resorts, Inc. ("THCR") today agreed to settle a dispute going back to 1999, when the then Chief Executive Officer, who is no longer with the Company, issued a press release which failed to "break out" operating income to include a one time non-recurring item.

Though promptly corrected, the Company agreed to the administrative penalty of a cease and desist order for the questioned 1999 one-time event.

No monetary penalty was imposed on the Company. Furthermore, procedures in place since 1999 insure that such an action by an officer of the Company cannot take place in the future.

The Company neither admitted nor denied the allegations, but chose instead to end the three-year-old dispute by way of this settlement.

The Chairman of the Board and now President of THCR, Donald J. Trump, had no knowledge and there was no finding that he knew of the Company's action taken in 1999 which resulted in the Order issued by the Commission.

In the last quarter of 1999, the then Chief Executive Officer of THCR, whose contract was not renewed at the end of June 2000, issued a press release which failed to disclose that operating income for the quarter included a one-time non-recurring gain which had resulted from the termination of a leasehold interest of a tenant of THCR. While the Commission noted that competitors of THCR use the same format for reporting earnings, which also do not break out

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revenue items, the Commission nonetheless determined that the Release in question was misleading in omitting the one time nature of the gain.

The Commission, in determining to accept the Offer to consent to this administrative remedy, considered remedial acts promptly undertaken by THCR, and the limited duration of the violations.

"I have great respect for the Commission and its Chairman, Harvey Pitt," stated Mr. Trump. "I am very happy that this all worked out."

CONTACT: Jay Goldberg, Esq.
212/983-6000
or
The Trump Organization
Norma I. Foerderer, 212/832-2000
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SEC Settles With Trump Hotels Casino Over Pro Forma Case

By Judith Burns

01/16/2002

Dow Jones News Service

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Of DOW JONES NEWSWIRES

WASHINGTON -(Dow Jones)- The Securities and Exchange Commission brought its first case alleging improper use of "pro forma" earnings on Wednesday, issuing a cease-and-desist order against Trump Hotels & Casino Resorts Inc. (DJT)

"This case starkly illustrates how pro forma numbers can be used deceptively and the mischief that can cause," Stephen Cutler, SEC enforcement division director, said in a statement announcing the action.

Trump consented to the cease-and-desist order without admitting or denying the SEC's allegations. Along with faulting the company's earnings report, the agency said Trump's chief executive, chief financial officer and treasurer violated federal anti-fraud laws by "knowingly or reckless issuing" a misleading press release.

The SEC found Trump's press release on its third-quarter 1999 results showed earnings that beat Wall Street's expectations, but failed to disclose the results were chiefly due to unusual one-time gains, rather than operations.

9&w

In an October 25, 1999, press release, Trump Hotels bragged it earned 63 cents per share, exceeding analysts' forecasts of 54 cents per share. The press release said results excluded a one-time \$81.4 million charge for discontinued operations, but neglected to state that results included a one-time \$17.2 million gain, SEC officials said.

"Without this, earnings per share actually declined," said Wayne Carlin, director of the SEC's New York office. He called the one-time gain "a crucial piece of information" which Trump Hotels didn't disclose in its pro forma earnings release.

Pro forma financial information isn't prepared in accordance with generally accepted accounting principles, or GAAP. In preparing its press release, the SEC said Trump Hotels used so-called pro forma results to calculate net income and earnings per share in a way that didn't conform with GAAP.

"It's our first case in this area," Carlin noted.

Pro forma financial results, typically issued in press releases announcing quarterly results, aren't

illegal. But Carlin said the practice "can be abused" and promised the SEC will crack down in such cases.

"If we find abuses in this area we will vigorously pursue them," Carlin said.

In the case against Trump Hotels, the SEC said the company's calculation of pro forma results wasn't consistently applied, and misled investors to believe the stronger-than-expected performance came from ongoing operations rather than one-time gains.

Trump Hotels' press release noted operational improvements from increasing profit margins, declining marketing costs and gains in non-casino revenues, all of which were true, according to the SEC. However, Carlin said those factors didn't contribute to the reported results.

"Those weren't the reasons for the results, the one-time gain was the reason for the results," Carlin said.

No fine was imposed on Trump Hotels, but the firm agreed to cease-and-desist from violating federal anti-fraud laws.

For companies that report pro forma results, Carlin they need to explain how they calculate results, use a consistent approach, and describe how the pro forma numbers differ from GAAP results.

"If you're going to use pro forma reporting, don't hide the ball," Carlin warned.

He also urged investors to exercise care when reading reports of pro forma results.

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were simply to bunker down and wait it out."

Trump Hotels Gets Rebuke From SEC On Earnings Report

By CHRISTINA BINKLEY
And JUDITH BURNS

Staff Reporters of THE WALL STREET JOURNAL

In its first enforcement action against a company for improper use of pro forma earnings in a news release, the Securities and Exchange Commission issued a cease-and-desist order against Trump Hotels & Casino Resorts Inc.

The SEC said the casino company's re- lease for its third-quarter 1999 results showed earnings that beat Wall Street's ex- pectations but failed to disclose that the re- sults were chiefly due to an unusual \$17.2 million gain. At the same time, the pro forma results noted the exclusion of an \$81.4 million charge for discontinued operations.

"This case starkly illustrates how pro forma numbers can be used deceptively and the mischief that can cause," Stephen Cutler, SEC enforcement-division director, said in a statement announcing the action.

The SEC also found that Trump Hotels, through the actions of its chief executive officer and chief financial officer at the time, violated federal antifraud laws by "knowingly or recklessly" issuing a mis- leading press release. No individuals were

sanctioned, however. Trump Hotels neither admitted nor denied the allegations but agreed to the cease-and-desist order, say- ing the problem had been corrected quickly in 1999. The SEC, in its action yes- terday, imposed no monetary penalty.

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Federal securities regulators are con- cerned that many companies are moving away from a focus on reporting net income and instead are issuing pro forma results that exclude items such as special charges, making their earnings look as good as possible. Pro forma financial infor- mation isn't illegal, but it isn't prepared in accordance with generally accepted ac- counting principles.

Wayne Carlin, director of the SEC's New York office, said the action against Trump Hotels is the first in what promises to be a wider crackdown on the use of pro forma results. "If we find abuses in this area we will vigorously pursue them," Mr. Carlin said. Companies that report pro forma results should explain their calcula-

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Federated Plans to Shut Fingerhut Catalog and Web Operations After Three-Year Run

By EMILY NELSON

Reporter of THE WALL STREET JOURNAL Federated Department Stores Inc. said it is going to close its Fingerhut catalog and Internet operations, completely dismantling the e-commerce foray it made three years ago.

The owner of Bloomingdale's and Macy's dissolved Fingerhut during the past 18 months and decided to dispose of it after concluding the direct marketer's business would not help its financial results. Federated is taking steps to shut Fingerhut, Fed- said it could sell the unit, if it finds a "buyer who will emerge." spokeswoman for the Cincinnati depart- ment store company, citing the economy. She said that Federated thought Internet re- tailing would be a much bigger market two years ago.

Federated plans to treat Fingerhut as a dis- posed operation when it reports on Feb. 26 for its current fiscal year ending Jan. 31, 2003. The retailer, which had a difficult holiday season, said it expects "the challenging eco- nomy" to continue for the coming six months. As a result, it expects that same-store

sales, a critical measure for retailers, to rise just 1% to 1.5% for its fiscal year ending Jan. 31, 2003.

Federated said it expects to book charges of about \$150 million to \$200 million in its current year ending Jan. 31 to cover the costs of winding down Fingerhut's catalog opera- tions, which it expects to total \$800 million to \$950 million. It expects to generate about \$1.1 billion to \$1.3 billion in cash proceeds during the next four years from selling Fingerhut's assets. Federated plans to use those proceeds to pay down about \$500 million in debt related to Fingerhut. Federated plans to invest the remainder in its department stores.

Shedding Fingerhut is "great news. I've been hoping they would do this," UBS War- burg analyst Linda Kristiansen said.

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McKinsey also played a featured role in Enron's partner- ship with Mr. Foster's recent "Creative Destruction," published in the magazine. "How do the concepts of control, risk and risk fit together?" asked

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McKinsey was central to Enron's "asset-light" strategy, the notion of building an industrial powerhouse with few hard assets; McKinsey also advised Enron as it considered entering new businesses, according to former Enron executives. In one McKinsey Quarterly article in 1999, the consultants praised Enron's water-industry investment, "despite a lack of obvious linkages to energy," they wrote, "as a chance to leverage intangibles such as project management, network operations, and infrastructure development skills." The water foray ended in disaster last October, when Enron took a \$287 million write-off to exit the business.

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The SEC said Trump Hotels' calculation of pro forma results misled investors into believing that the stronger-than-expected performance came from operations. Trump Hotels' chief executive at the time, Nicholas Ribis, said previously that the lack of initial disclosure was a mistake because the company was rushing out results before embarking on an investor road show.

Mr. Ribis, who left the company two years ago, said he wasn't aware of the omission at the time of the press release. Through a spokesman, Mr. Ribis yesterday noted that no company official was personally sanctioned by the SEC order.

After bond analysts and news articles questioned the results, the issue became an embarrassment during the road show, in which Mr. Ribis and Mr. Trump were trying to drum up support for plans to develop a megaresort on the site of the company's former World's Fair casino in Atlantic City. Plans for that resort haven't proceeded.

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Donald Trump

by controversy last fall when it disclosed that not all the funds collected after Sept. 11 attacks would go to help families of victims. The firm later said it would redirect the funds to help families of victims of the attacks.

Charlie Leonard, a partner at the firm, said the firm was part of a team that suggested Andersen run the ad. "Advertising is a means of telling the complete story of Andersen and we are willing to do it," he says. Leonard, a former strategist for the presidential candidate Ross Perot, is the firm's point person in its efforts to get the ad under control.

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The owner of Bloomingdale's and Macy's sold Fingerhut during the past 18 months and decided to dispose of it after considering the direct marketer's business would not be "helping its financial results." Federated is taking steps to shut Fingerhut, Fed said it could sell the unit, if it finds a "We don't think a buyer will emerge," spokeswoman for the Cincinnati department store company, citing the economy. She said that Federated thought Internet retail would be a much bigger market two years ago.

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The retailer, which had a difficult holiday season, said it expects "the challenging economic climate" to continue for the coming six months. As a result, it expects that same-store

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tions—horror that threatens to destroy the Andersen brand. "This is catastrophic for them," says Alan Siegel, chief executive of SiegelGale, an independent branding firm based in New York. "Not only is this going to hurt Andersen very much in terms of contracting new business, but it also will be a distraction for all Andersen employees."

If you haven't noticed the ad yet, keep looking. Andersen intends to expand its public-image campaign in the coming weeks, as its chief executive seeks to spread his message to consumers and businesses across the country. Newspapers in Houston, Chicago, Los Angeles and Phoenix are ex-

pected to rise just 1% to 1.5% for its fiscal year ending Jan. 31, 2003.

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were simply to bunker down and wait it out."

Trump Hotels Gets Rebuke From SEC On Earnings Report

By CHRISTINA BINKLEY
AND JUDITH BURNS
Staff Reporters of THE WALL STREET JOURNAL

In its first enforcement action against a company for improper use of pro forma earnings in a news release, the Securities and Exchange Commission issued a cease-and-desist order against Trump Hotels & Casino Resorts Inc.

The SEC said the casino company's release for its third-quarter 1999 results showed earnings that beat Wall Street's expectations but failed to disclose that the results were chiefly due to an unusual \$17.2 million gain. At the same time, the pro forma results noted the exclusion of an \$81.4 million charge for discontinued operations.

"This case starkly illustrates how pro forma numbers can be used deceptively and the mischief that can cause," Stephen Cutler, SEC enforcement-division director, said in a statement announcing the action.

The SEC also found that Trump Hotels, through the actions of its chief executive officer and chief financial officer at the time, violated federal antifraud laws by "knowingly or recklessly" issuing a misleading press release. No individuals were sanctioned, however.

Trump Hotels neither admitted nor denied the allegations but agreed to the cease-and-desist order, saying the problem had been corrected quickly in 1999. The SEC, in its action yesterday, imposed no monetary penalty.

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Wayne Carlin, director of the SEC's New York office, said the action against Trump Hotels is the first in what promises to be a wider crackdown on the use of pro forma results. "If we find abuses in this area we will vigorously pursue them," Mr. Carlin said. Companies that report pro forma results should explain their calcula-

and warned that it would raise investors' expectations.

Many observers expect the retailer would outline the conclusion of its reorganization at its next board meeting this week. They hoped Kmart would speculate that it is considering bankruptcy-protection as its only option, they say it would be a company to exit from the dreary underproductive

But yesterday, Kmart said the board meeting would be held Tuesday. The announcement was made in a press release at the appropriate time, Mr. Ferry said. He commented on the content of the release, the possibility of a Chapter 11

Fitch said a bankruptcy "appears increasingly likely," an analyst at the agency called the CCC rating as a bank facility "basically as without being in default."

The agencies said the situation—and the resulting jitters among investors and suppliers—was a revelation for their latest downgrade. It is very little clarity about the company's financial plan is to be going forward," said Angela, chief director of the retail analysis group at Moody's. Ms. is the first time Moody's has downgraded the "C" range.

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Bin Laden's Plans a Closer Look

Continued From Page B1

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"We can't make an agreement across the ocean," says Bin Laden, "we can't overextend our power."

Mr. Bin Laden plans to limit the profits to a charitable foundation in the U.S.

Some in the fashion industry there won't be any.

"It's not that the situation should fall on the shoulders of that one brother should act on the actions of another," says head of Italy's fashion trade. "But I can't see how some to exploit this type of not

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LAW OFFICES OF
JAY GOLDBERG, P.C.

250 PARK AVENUE
TWENTIETH FLOOR
NEW YORK, NY 10177-0077

TELEPHONE (212) 983-6000
FACSIMILE (212) 983-6008

Facsimile Cover Sheet

Date: February 21, 2002

Re:

To:

At (Name of organization): SEC

Fax number:

Telephone number:

Number of pages (Including cover sheet): 5

Message:

Sent by: Jay Goldberg

Fax operator: sc

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As It Beat Profit Forecast, I.B.M. Said Little About Sale of a Unit

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February 15, 2002

JAYG - THIS IS THE EXACT SAME THING THAT WE DID - VERY UNFAIR!

As It Beat Profit Forecast, I.B.M. Said Little About Sale of a Unit

By GRETCHEN MORGENSON

When I.B.M. (news/quote) announced in mid-January that it had beat Wall Street's profit forecasts in the fourth quarter, it did not disclose that the sale of a business had generated \$300 million that the company used to lower its operating costs.

The company did not provide details of the transaction to investors or account for it as a one-time gain, as is the practice. Instead, I.B.M., during a conference call about fourth-quarter earnings, said that its profits had grown — even as revenue in most categories had declined — because of increased productivity and higher sales of certain products.

To be sure, I.B.M. has not filed its fourth-quarter and annual financial statements with the Securities and Exchange Commission, which the company does not have to do until March. Its scant disclosure of the sale was made in comments in a conference call with analysts and investors, not in a federal filing. But the S.E.C. has recently begun cracking down on companies that have incomplete or misleading disclosures, even in their press releases.



Louis V. Gerstner Jr., I.B.M.'s chief executive, will step down on March 1. I.B.M. has met or exceeded quarterly earnings estimates since the end of 1997, Thomson Financial/First Call reported.

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One-time gains like I.B.M.'s are supposed to be identified as nonrecurring charges. Using them to offset expenses does not create a fair representation of the company's operations, accounting experts said. As is its policy, the S.E.C. does not comment on questions about specific companies or their practices.

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A spokeswoman for I.B.M., Carol Makovich, said the company was justified in using the gain from the transaction to offset sales, general and administrative expenses because those are a part of I.B.M.'s business, and buying and selling assets is also a part of its business.

"We considered this transaction as the ordinary course of business," Ms. Makovich said. "This is not an unusual practice. Our auditors have reviewed it and approved it."

The S.E.C. has written guidelines in recent years to address this accounting issue, and it is not known how many other companies, if any, might be using the practice.

Lynn Turner, a former chief accountant of the Securities and Exchange Commission who is now director of the center for quality financial reporting at Colorado State University, said: "Staff Accounting Bulletin 101 is very clear that gains from the sale of assets have to be in the 'other income' line. And Staff Accounting Bulletin 99 also makes it clear that when you intentionally violate accounting guidelines, any amount is material."

The bulletins are S.E.C. guidelines that companies are required to follow. Companies that do not, could be asked to restate their results or face enforcement actions.

The transaction that generated \$300 million for I.B.M. came just as a dismal quarter was ending. By the time the books were closed on the fourth quarter of 2001, the company had recorded revenues that were \$900 million lower than a year earlier and \$1 billion below what Wall Street had expected.

Still, I.B.M.'s profits beat Wall Street's estimates for the quarter by the all-important penny a share.

It was the type of performance that Wall Street had come to expect from Louis V. Gerstner Jr., I.B.M.'s chief executive, who will step down on March 1. I.B.M. has met or exceeded quarterly earnings estimates since the end of 1997, according to Thomson Financial/First Call.

Though a company's ability to beat Wall Street expectations was



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applauded by investors during the bull market, the Enron (news/quote) collapse has heightened concern about how companies make their numbers. Investors are now looking at financial reports and press releases from companies much more closely.

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As a result, some investors had begun to wonder whether I.B.M.'s quiet sale of its optical transceiver business to JDS Uniphase (news/quote) on Dec. 28, the last Friday in 2001, was intended to help the company over the earnings bar. JDS agreed to pay I.B.M. \$340 million in shares and cash, a price that is nearly five times the business's sales.

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On Jan. 17, when I.B.M. announced its fourth-quarter results, there was no disclosure about the amount generated by the sale or the company's accounting of it.

The only mention of the sale was an oblique reference in its conference call with analysts that day to discuss quarterly results. "Our intellectual property income and licensing royalties were flat in the quarter, which included the sale of our optical transceiver business to JDS Uniphase," John Joyce, I.B.M.'s chief financial officer, said in a statement at the conference call.

During the conference call, Mr. Joyce explained that earnings grew in the face of declining revenue because certain areas of strength offset those weaknesses.

In the fourth quarter, the company recorded business improvements in one of its mainframe offerings, one of its servers and software, Mr. Joyce said. Increases in productivity also were a factor, the company said.

For a company as big as I.B.M. — it recorded almost \$86 billion in sales last year — \$300 million may not seem like much. But by using that gain to offset its expenses, and taking into account the company's tax rate, the sale could have bolstered the company's earnings by as much as 12 cents a share, according to a technology analyst. Such a gain would have represented 9 percent of I.B.M.'s per-share earnings in the fourth quarter.

Ms. Makovich, the company spokeswoman, said, "I.B.M. is a very large company, and when you are evaluating our company you need to look at many, many factors."

Robert A. Olstein, manager of the Olstein Financial Alert Fund, said that he had considered buying I.B.M.'s stock in recent years but stayed away because the company's earnings appeared to be engineered more than generated. "Mr. Gerstner did a great job turning the company around when he came in," Mr. Olstein said, "but basically they've had a series of what I call 'lower quality of earnings sources' to meet analysts' earnings estimates."

As It Beat Profit Forecast, I.B.M. Said Little About Sale of a Unit

The lack of disclosure about the sale was disturbing to Jack Ciesielski, editor of *The Analyst's Accounting Observer*. "How can they not discuss it?" he asked. "The problem I have is, they're not telling you it didn't affect earnings and they're not telling you it did. So what are you to presume except the worst?"

Lewis D. Lowenfels, a lawyer who specializes in securities law at Tolins & Lowenfels in New York, said, "Prior to Enron, executives could justify limited disclosure based upon intricate and technical accounting rules.

"But in the post-Enron era," Mr. Lowenfels said, "the focus will be more upon the overall test for materiality, which is whether the information would be important to a reasonable investor."

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INVESTMENT MANAGEMENT REGULATION**

June 6 -7, 2002 - New York, New York

Chair: Richard M. Phillips, Kirkpatrick & Lockhart LLP
San Francisco, California

First Day: 9:00 am - 5:30 pm, including Luncheon

Second Day: 9:00 am - 5:00 pm

Program Schedule

Day One

9:00am - 9:15am I. **Welcoming Remarks**

9:15am - 10:45am A. **1940 Act Administration and
Enforcement Under Chairman Pitt**

Moderator: David Butowsky

Amy Rudnick Linda Noonan
Douglas Scheidt
Leslie Kazan
Joseph Serino, Jr.

1. Reform of the No-Action Process: Does it Really Need Fixing?
2. Speeding Up the Exemption Process: Will it Happen?
3. Incentives to Cooperate in Enforcement Investigations: Old Wine in New Bottles?
4. Money Laundering: The New Compliance Focus
5. The Current Enforcement Focus
6. The Attack on the Prime Bank Loan Funds

10:45am - 11:00am **Coffee Break**

11:00am - 12:30pm B. **Portfolio Management In A Changing
Regulatory Environment**

Moderator: Kenneth Berman

Eric Roiter
Elizabeth Krentzman
Amy Doberman
Stephanie Monaco

1. The Focus on Crisis Management: The Lessons of September 11
2. The Increased Emphasis on Fair Value
 - a. The Concept of "Significant Event"
 - b. The Search for Appropriate Methodologies

- c. The Need For a Valuation Process
- 3. Allocating IPOs and Other Portfolio Trades
- 4. The Increasing Use of Sub-advisers: What are the Issues?
 - a. The Multi-Manager Fund – The Possible Section 15(a) Exemption
 - b. Duty to Supervise Sub-advisers
- 5. The SEC's After Tax Performance Disclosure Requirements: What are the Lingering Issues?

12:30pm - 2:00pm Luncheon Speaker - Paul Roye

2:00pm - 3:30pm C. Marketing and Distribution Pitfalls

Moderator - Barry Barbash

Rose DiMartino
Audrey Talley
Michael Roselle

- 1. Revenue Sharing and Payments for Shelf Space: The Impending Disclosure Requirements
- 2. The New Fund Name Rule: How Is It Working?
- 3. Mutual Fund Advertising
 - a. NASD Regulation: Current Trends and Issues
 - b. The Revision of Rule 482: What Will it Look Like?
 - c. Advertising Abuses: Past Performance and Other Questions
- 4. Revising Rule 12b-1
 - a. Where is the Commission Going?
 - b. Allocating Brokerage For Sales: Is a 12b-1 Plan Necessary?

3:30pm - 3:45 pm Coffee Break

3:45pm - 5:15 pm D. Portfolio Trading

Moderator: Thomas Lemke

Gerald T. Lins
Kathryn Hoeing
Barbara Manning

- 1. Brokerage Compensation For Sales of Fund Shares: A Return to the Give Up?
- 2. The Potential For Changing Interpretations of Section 28(e)
- 3. Trading With Affiliates: Is Exemptive Relief Likely?
- 4. The Development of Alternative Trading Markets: Are they Cracking the Posted Rate of Full Service Firms?
- 5. Impact of Decimalization
- 6. The Arrival of Commission-like Charges
- 7. The Changing Global Marketplace: How is it Affecting Trading Practices?

5:15pm – 5:30pm **Questions & Answers**

Day Two

9:00am – 10:30am **E. Mergers and Acquisitions of Funds and Managers - What are the Issues?**

Moderator: Anthony Evangelista

1. A Sale of Assets or Merger: What are the Considerations?
2. Preserving the Better Performance Record - - What are the Current SEC Positions?
3. How are the Reorganization Expenses Allocated?
4. The Limits of Rule 17a-8 – How Will the Proposed Amendments Help?
5. Restructuring the Boards: Resolving the Practical Problems

Robert Di Normandie
Tom Smith
Cary McMillan
Betty Wetchel
Brian Bull

10:30am – 10:45am **Coffee Break**

10:45am – 12:15pm **F. Variable Products**

Moderator: Paul Mason

1. The New Bonus Products – What Are the Issues?
 - a. Disclosure
 - b. Suitability
2. Exchanging New Products For Old Ones
 - a. The Section 11 Issues
 - b. Suitability – The NASD's Concerns and the NAIC Model Rule
3. Sales Compensation
 - a. Differential Compensation
 - b. NASD Requirements
 - c. Disclosure Requirements
 - d. Performance Issues
4. The All Electronic Annuity

Gary Cohen
Diane Ambler
Susan Nash

12:15pm - 1:30pm **Lunch**

1:30pm – 3:00pm

G. Alternative Products

Moderator: Marianne Smythe

Michael Bell
Michael Butowsky
Mary Jo Hoenc

1. Developments in Exchange Traded Funds
 - a. The new Focus on Fixed Income Funds
 - b. The SEC's Concept Release on Actively Managed ETFs
2. Web-Based Portfolio Services: The SEC's Response to the ICI's Petition
3. Regulation of Hedge Funds and Their Managers
 - a. Hedge Fund Management by Mutual Fund Managers: The Regulatory Issues
 - b. Hedge Fund Funds of Funds: The Growing Trend
 - c. Other Developments

3:00pm – 3:15pm

Coffee Break

3:15pm – 4:45pm

H. Fund Governance

Moderator: Victoria Schonfeld

Chris Sutter
Dan Steiner
Edward Bergin
Meyer Eisenberg

1. Implementing the Independent Counsel Rule: How is it Working?
2. The New Independent Director Disclosures: What are the Problems?
3. The Empowerment of Independent Directors: Does it Raise Issues for Management?
4. The Lingering Management Fee Issues
5. The Litigation Assault on the Independence of Directors
6. The Expanding Limits of Section 36(b)
7. The Annual 15(c) Disclosure Ritual: What are the Emerging Issues?

4:45pm – 5:00pm

Questions & Answers