

Edgar Filing: TRUMP HOTELS & CASINO RESORTS INC - Form 10-Q

TRUMP HOTELS & CASINO RESORTS INC  
Form 10-Q  
November 14, 2001

=====

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  
(State or other jurisdiction of  
incorporation or organization)  
Huron Ave. & Brigantine Blvd.  
Atlantic City, New Jersey  
(Address of principal executive offices)

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

08401  
(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  
(State or other jurisdiction of  
incorporation or organization)  
Huron Ave. & Brigantine Blvd.  
Atlantic City, New Jersey  
(Address of principal executive offices)

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

08401  
(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)

Edgar Filing: TRUMP HOTELS & CASINO RESORTS INC - Form 10-Q

DELAWARE  
(State or other jurisdiction of  
incorporation or organization)  
Huron Ave. & Brigantine Blvd.  
Atlantic City, New Jersey  
(Address of principal executive offices)

13-3818405  
(I.R.S. Employer  
identification No.)  
  
08401  
(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.

=====

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

INDEX TO FORM 10-Q

PART I--FINANCIAL INFORMATION

ITEM 1 -- Financial Statements

Condensed Consolidated Balance Sheets of Trump Hotels & Casino Resorts, Inc.  
as of December 31, 2000 and September 30, 2001 (unaudited).....  
  
Condensed Consolidated Statements of Operations of Trump Hotels & Casino Resorts, I  
for the Three and Nine Months Ended September 30, 2000 and 2001 (unaudited).....  
  
Condensed Consolidated Statement of Stockholders' Equity of Trump Hotels & Casino R  
for the Nine Months Ended September 30, 2001 (unaudited).....

Edgar Filing: TRUMP HOTELS & CASINO RESORTS INC - Form 10-Q

Condensed Consolidated Statements of Cash Flows of Trump Hotels & Casino Resorts, Inc. for the Nine Months Ended September 30, 2000 and 2001 (unaudited).....

Condensed Consolidated Balance Sheets of Trump Hotels & Casino Resorts Holdings, L.P. as of December 31, 2000 and September 30, 2001 (unaudited).....

Condensed Consolidated Statements of Operations of Trump Hotels & Casino Resorts Holdings, L.P. for the Three and Nine Months Ended September 30, 2000 and 2001 (unaudited).....

Condensed Consolidated Statement of Partners' Capital of Trump Hotels & Casino Resorts Holdings, L.P. for the Nine Months Ended September 30, 2001 (unaudited).....

Condensed Consolidated Statements of Cash Flows of Trump Hotels & Casino Resorts Funding, Inc. for the Nine Months Ended September 30, 2000 and 2001 (unaudited).....

Notes to Condensed Consolidated Financial Statements of 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 .....

ITEM 3 -- Quantitative and Qualitative Disclosures About Market Risk.....

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

INDEX TO FORM 10-Q CONT'D

	Page No.
	-----
PART II -- OTHER INFORMATION	
ITEM 1 -- Legal Proceedings.....	21
ITEM 2 -- Changes in Securities and Use of Proceeds.....	22
ITEM 3 -- Defaults Upon Senior Securities.....	22
ITEM 4 -- Submission of Matters to a Vote of Security Holders.....	22
ITEM 5 -- Other Information.....	22
ITEM 6 -- Exhibits and Reports on Form 8-K.....	23
SIGNATURES	
Signature -- Trump Hotels & Casino Resorts, Inc.....	24
Signature -- Trump Hotels & Casino Resorts Holdings, L.P.....	25
Signature -- Trump Hotels & Casino Resorts Funding, Inc.....	26

# Edgar Filing: TRUMP HOTELS & CASINO RESORTS INC - Form 10-Q

## 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, 2000 -----
<b>CURRENT ASSETS:</b>	
Cash and cash equivalents .....	\$ 95,429
Receivables, net .....	52,715
Inventories .....	12,324
Due from affiliates, net .....	2,525
Prepaid expenses and other current assets .....	9,941
	-----
Total Current Assets .....	172,934
INVESTMENT IN BUFFINGTON HARBOR, L.L.C. ....	36,585
INVESTMENT IN TRUMP'S CASTLE PIK NOTES .....	90,101
PROPERTY AND EQUIPMENT, NET .....	1,815,068
DEFERRED BOND AND LOAN ISSUANCE COSTS, NET .....	23,273
OTHER ASSETS (Note 3) .....	61,190
	-----
Total Assets .....	\$ 2,199,151 =====

#### LIABILITIES AND STOCKHOLDERS' EQUITY

<b>CURRENT LIABILITIES:</b>	
Current maturities of long-term debt (Note 6) .....	\$ 27,021
Accounts payable and accrued expenses .....	147,639
Accrued interest payable .....	29,967
	-----
Total Current Liabilities .....	204,627
LONG-TERM DEBT, net of current maturities (Notes 6 & 8) .....	1,827,023
OTHER LONG-TERM LIABILITIES .....	25,455
	-----
Total Liabilities .....	2,057,105 -----
MINORITY INTEREST .....	26,897
<b>STOCKHOLDERS' EQUITY:</b>	
Common Stock, \$.01 par value, 75,000,000 shares authorized, 24,206,756 issued; 22,010,027 outstanding .....	242
Class B Common Stock, \$.01 par value, 1,000 shares authorized, issued and outstanding .....	--
Additional Paid in Capital .....	455,645

## Edgar Filing: TRUMP HOTELS & CASINO RESORTS INC - Form 10-Q

Accumulated Deficit .....	(320,538)
Accumulated Other Comprehensive Loss .....	--
Less treasury stock at cost, 2,196,729 shares .....	(20,200)
	-----
Total Stockholders' Equity .....	115,149
	-----
 Total Liabilities and Stockholders' Equity .....	 \$ 2,199,151
	=====

The accompanying notes are an integral part of these condensed consolidated balance sheets

1

TRUMP HOTELS & CASINO RESORTS, INC.  
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 Mon Septe
	2000	2001	2000
	----	----	----
<b>REVENUES:</b>			
Gaming .....	\$ 357,752	\$ 343,237	\$ 965,318
Rooms .....	23,771	23,025	61,802
Food and Beverage .....	39,765	36,461	103,856
Other .....	12,691	12,103	30,949
	-----	-----	-----
Gross Revenues .....	433,979	414,826	1,161,925
Less -- Promotional allowances (Note 5) .....	54,730	47,917	137,022
	-----	-----	-----
Net Revenues .....	379,249	366,909	1,024,903
	-----	-----	-----
<b>COSTS AND EXPENSES:</b>			
Gaming (Note 5) .....	201,810	192,665	567,692
Rooms .....	7,853	7,643	23,496
Food and Beverage .....	12,770	12,755	34,809
General and Administrative .....	70,622	66,300	210,540
Depreciation and Amortization .....	19,586	17,367	57,941
Trump World's Fair Closing (Note 4) .....	29	--	765
	-----	-----	-----
	312,670	296,730	895,243
	-----	-----	-----
Income from operations .....	66,579	70,179	129,660
	-----	-----	-----

Edgar Filing: TRUMP HOTELS & CASINO RESORTS INC - Form 10-Q

NON-OPERATING INCOME AND (EXPENSES):

Interest income .....	1,451	720	4,710
Interest expense .....	(54,865)	(55,242)	(165,885)
Other non-operating income (expense) .....	(86)	(59)	(594)
	-----	-----	-----
	(53,500)	(54,581)	(161,769)
	-----	-----	-----
Income (Loss) before equity in loss of Buffington Harbor, L.L.C., minority interest and extraordinary item .....	13,079	15,598	(32,109)
Equity in loss of Buffington Harbor, L.L.C. ..	(796)	(586)	(2,328)
Minority Interest .....	(4,492)	(5,490)	12,594
	-----	-----	-----
Income (Loss) before extraordinary item .....	7,791	9,522	(21,843)
Extraordinary gain (\$14,903) net of minority interest (\$5,450) (Note 2) .....	1,165	--	9,453
	-----	-----	-----
NET INCOME (LOSS) .....	\$ 8,956	\$ 9,522	\$ (12,390)
	=====	=====	=====
Basic and diluted earnings(loss) per share before extraordinary item .....	\$ .35	\$ .43	\$ (.99)
Extraordinary item .....	.06	--	.43
	-----	-----	-----
Basic and diluted loss per share .....	\$ .41	\$ .43	\$ (.56)
	=====	=====	=====
Average number of shares outstanding .....	22,010,027	22,010,027	22,051,463
	=====	=====	=====

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

2

TRUMP HOTELS & CASINO RESORTS, INC.  
 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	Tr
	-----	-----	-----	----	
Balance, December 31, 2000 .....	\$ 242	\$ 455,645	\$ (320,538)	\$ --	\$ (2
Comprehensive Loss					
Net Loss .....	--	--	(15,092)	--	

Edgar Filing: TRUMP HOTELS & CASINO RESORTS INC - Form 10-Q

Change in value of interest rate swap (Note 6) ...	--	--	--	(559)	
Balance, September 30, 2001 .....	\$ 242	\$ 455,645	\$ (335,630)	\$ (559)	\$ (2)

At December 31, 2000 and September 30, 2001 there were 24,206,756 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.

3

TRUMP HOTELS & CASINO RESORTS, INC.  
 CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS  
 FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2000 AND 2001  
 (unaudited)  
 (dollars in thousands)

	2000
	----
CASH FLOWS FROM OPERATING ACTIVITIES:	
Net Loss .....	\$ (12,390)
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
Non-cash increase in Trump's Castle PIK Notes .....	(10,211)
Equity in loss of Buffington Harbor, L.L.C. ....	2,328
Depreciation and amortization .....	57,941
Minority interest in net loss .....	(12,594)
Accretion of discounts on mortgage notes .....	4,228
Amortization of deferred loan costs .....	4,814
Provision for losses on receivables .....	4,519
Valuation allowance of CRDA investments and amortization of Indiana gaming costs .....	7,697
Loss (gain) on disposition of property .....	459
Increase in receivables .....	(13,345)
Decrease in inventories .....	915
Increase in other current assets .....	(4,719)
Decrease in due from affiliates .....	25,515
Increase in other assets .....	(1,495)
Increase (decrease) in accounts payable and accrued expenses .....	14,774
Increase in accrued interest payable .....	49,662
Increase in other long-term liabilities .....	3,923
Net cash flows provided by operating activities .....	119,907
CASH FLOWS FROM INVESTING ACTIVITIES:	

Edgar Filing: TRUMP HOTELS & CASINO RESORTS INC - Form 10-Q

Purchase of property and equipment, net .....	(25,358)
Investment in Buffington Harbor, L.L.C. ....	(1,285)
CRDA Investments .....	(10,251)
	-----
Net cash flows used in investing activities .....	(36,894)
	-----
CASH FLOWS FROM FINANCING ACTIVITIES:	
Proceeds from additional borrowings .....	7,978
Payment of long-term debt .....	(30,380)
Loan costs from additional borrowing .....	(93)
	-----
Net cash flows used in financing activities .....	(22,495)
	-----
Net increase in cash and cash equivalents .....	60,518
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD .....	104,026
	-----
CASH AND CASH EQUIVALENTS AT END OF PERIOD .....	\$ 164,544
	=====
CASH INTEREST PAID .....	\$ 106,350
	=====
SUPPLEMENTAL DISCLOSURE OF NON-CASH ACTIVITIES:	
Purchase of property and equipment under capital lease obligations .....	\$ 10,861
	=====
Exchange of THCR Common Stock to treasury stock .....	\$ 203
	=====
Accumulated Other Comprehensive Loss .....	\$ --
	=====

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

4

TRUMP HOTELS & CASINO RESORTS HOLDINGS, L.P.  
CONDENSED CONSOLIDATED BALANCE SHEETS  
(dollars in thousands)

	December 31,	S
	2000	
	-----	-----
CURRENT ASSETS:		
Cash and cash equivalents .....	\$ 95,425	\$
Receivables, net .....	52,715	
Inventories .....	12,324	
Due from affiliates, net .....	2,525	



Edgar Filing: TRUMP HOTELS & CASINO RESORTS INC - Form 10-Q

Prepaid expenses and other current assets .....	9,941	
	-----	
Total Current Assets .....	172,930	
INVESTMENT IN BUFFINGTON HARBOR, L.L.C. ....	36,585	
INVESTMENT IN TRUMP'S CASTLE PIK NOTES .....	90,101	
PROPERTY AND EQUIPMENT, NET .....	1,815,068	
DEFERRED BOND AND LOAN ISSUANCE COSTS, NET .....	23,273	
OTHER ASSETS (Note 3) .....	61,190	
	-----	
Total Assets .....	\$ 2,199,147	\$
	=====	

LIABILITIES AND PARTNERS' CAPITAL

CURRENT LIABILITIES:		
Current maturities of long-term debt (Note 6) .....	\$ 27,021	\$
Accounts payable and accrued expenses .....	147,639	
Accrued interest payable .....	29,967	
	-----	
Total Current Liabilities .....	204,627	
LONG-TERM DEBT, net of current maturities (Notes 6 & 8) .....	1,827,023	
OTHER LONG-TERM LIABILITIES .....	25,455	
	-----	
Total Liabilities .....	2,057,105	
	-----	
PARTNERS' CAPITAL:		
Partners' capital .....	652,503	
Accumulated deficit .....	(490,261)	
Accumulated Other Comprehensive Loss .....	--	
Less stock of THCR .....	(20,200)	
	-----	
Total Partners' Capital .....	142,042	
	-----	
Total Liabilities and Partners' Capital .....	\$ 2,199,147	\$
	=====	

The accompanying notes are an integral part of these condensed consolidated balance sheets.

Edgar Filing: TRUMP HOTELS & CASINO RESORTS INC - Form 10-Q

	Three Months Ended September 30,		Nine Mon Septem
	2000	2001	2000
	-----	-----	-----
<b>REVENUES:</b>			
Gaming .....	\$ 357,752	\$ 343,237	\$ 965,318
Rooms .....	23,771	23,025	61,802
Food and Beverage .....	39,765	36,461	103,856
Other .....	12,691	12,103	30,949
	-----	-----	-----
Gross Revenues .....	433,979	414,826	1,161,925
Less -- Promotional allowances (Note 5) .....	54,730	47,917	137,022
	-----	-----	-----
Net Revenues .....	379,249	366,909	1,024,903
	-----	-----	-----
<b>COSTS AND EXPENSES:</b>			
Gaming (Note 5) .....	201,810	192,665	567,692
Rooms .....	7,853	7,643	23,496
Food and Beverage .....	12,770	12,755	34,809
General and Administrative .....	70,622	66,300	210,540
Depreciation and Amortization .....	19,586	17,367	57,941
Trump World's Fair Closing (Note 4) .....	29	--	765
	-----	-----	-----
	312,670	296,730	895,243
	-----	-----	-----
Income from operations .....	66,579	70,179	129,660
	-----	-----	-----
<b>NON-OPERATING INCOME AND (EXPENSES):</b>			
Interest income .....	1,451	720	4,710
Interest expense .....	(54,865)	(55,242)	(165,885)
Other non-operating income (expense) .....	(86)	(59)	(594)
	-----	-----	-----
	(53,500)	(54,581)	(161,769)
	-----	-----	-----
Income (Loss) before equity in loss of Buffington Harbor, L.L.C. and extraordinary item .....	13,079	15,598	(32,109)
Equity in loss of Buffington Harbor, L.L.C. ....	(796)	(586)	(2,328)
	-----	-----	-----
Income (Loss) before extraordinary item .....	12,283	15,012	(34,437)
Extraordinary gain (Note 2) .....	1,836	--	14,903
	-----	-----	-----
<b>NET INCOME (LOSS) .....</b>	<b>\$ 14,119</b>	<b>\$ 15,012</b>	<b>\$ (19,534)</b>
	=====	=====	=====

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, 2001  
 (unaudited)  
 (dollars in thousands)

	Partners' Capital -----	Accumulated Deficit -----	Accumulated Other Comprehensive Loss ----	THCR Common Sto -----
Balance, December 31, 2000 .....	\$ 652,503	\$ (490,261)	\$ --	\$ (20,200)
Comprehensive Loss				
Net Loss .....	--	(23,793)	--	--
Change in value of interest rate swap (Note 6) .....	--	--	(559)	--
Balance, September 30, 2001 .....	\$ 652,503 =====	\$ (514,054) =====	\$ (559) =====	\$ (20,200) =====

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, 2000 AND 2001  
 (unaudited)  
 (dollars in thousands)

	2000 ----	
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net Loss .....	\$ (19,534)	\$ (
Adjustments to reconcile net loss to net cash flows from operating activities:		

Edgar Filing: TRUMP HOTELS & CASINO RESORTS INC - Form 10-Q

Extraordinary gain, net of minority interest .....	(14,903)	
Issuance of debt in exchange for accrued interest .....	7,339	
Non-cash increase in Trump's Castle PIK Notes .....	(10,211)	(
Equity in loss of Buffington Harbor, L.L.C. ....	2,328	
Depreciation and amortization .....	57,941	
Accretion of discounts on mortgage notes .....	4,228	
Amortization of deferred loan costs .....	4,814	
Provision for losses on receivables .....	4,519	
Valuation allowance of CRDA investments and amortization of Indiana gaming costs .....	7,697	
Loss(gain) on disposition of property .....	459	
Increase in receivables .....	(13,345)	
Decrease in inventories .....	915	
Increase in other current assets .....	(4,719)	
Decrease in due from affiliates .....	25,515	
Increase in other assets .....	(1,495)	
Increase (decrease) in accounts payable and accrued expenses .....	14,774	
Increase in accrued interest payable .....	49,662	
Increase in other long-term liabilities .....	3,923	
	-----	---
Net cash flows provided by operating activities .....	119,907	
	-----	---
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property and equipment, net .....	(25,358)	(
Investment in Buffington Harbor, L.L.C. ....	(1,285)	
CRDA Investments .....	(10,251)	(
	-----	---
Net cash flows used in investing activities .....	(36,894)	(
	-----	---
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from additional borrowings .....	7,978	
Payment of long-term debt .....	(30,380)	(
Loan costs from additional borrowing .....	(93)	
	-----	---
Net cash flows used in financing activities .....	(22,495)	
	-----	---
Net increase in cash and cash equivalents .....	60,518	
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD .....	104,022	
	-----	---
CASH AND CASH EQUIVALENTS AT END OF PERIOD .....	\$ 164,540	\$ 1
	=====	=====
CASH INTEREST PAID .....	\$ 106,350	\$ 1
	=====	=====
SUPPLEMENTAL DISCLOSURE OF NON-CASH ACTIVITIES:		
Purchase of property and equipment under capital lease obligations .....	\$ 10,861	\$
	=====	=====
Exchange of THCR Common Stock to treasury stock .....	\$ 203	\$
	=====	=====
Accumulated Other Comprehensive Loss .....	\$ --	\$
	=====	=====

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., 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

Edgar Filing: TRUMP HOTELS & CASINO RESORTS INC - Form 10-Q

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.  
AND  
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:

Total Assets (including THCR Holdings' 15 1/2% Senior Secured  
Notes due 2005 ("the Senior Notes") receivable of  
\$145,000,000 at December 31, 2000 and  
September 30, 2001) (a).....

Dece

\$145

Edgar Filing: TRUMP HOTELS & CASINO RESORTS INC - Form 10-Q

Total Liabilities and Capital (including \$145,000,000 of Senior Notes payable) .....

====  
\$145  
====

Nine M

Interest Income from THCR Holdings .....  
Interest Expense .....  
Net Income .....

\$ 16  
\$ 16  
\$  
====

(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.  
AND  
TRUMP HOTELS & CASINO RESORTS FUNDING, INC.  
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

## Edgar Filing: TRUMP HOTELS & CASINO RESORTS INC - Form 10-Q

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.

11

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



## Edgar Filing: TRUMP HOTELS & CASINO RESORTS INC - Form 10-Q

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.

## Edgar Filing: TRUMP HOTELS & CASINO RESORTS INC - Form 10-Q

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 (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.

13

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. 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

## Edgar Filing: TRUMP HOTELS & CASINO RESORTS INC - Form 10-Q

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 as of 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.

## Edgar Filing: TRUMP HOTELS & CASINO RESORTS INC - Form 10-Q

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.

15

### 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.

Edgar Filing: TRUMP HOTELS & CASINO RESORTS INC - Form 10-Q

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	\$ 82.1	\$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	82.0	18.5	45.8	201.8
Other .....	5.4	9.5	1.7	4.1	20.6
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	312.6
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

Edgar Filing: TRUMP HOTELS & CASINO RESORTS INC - Form 10-Q

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	18.7	41.8	192.7
Other .....	4.9	9.5	1.7	4.3	20.3
General & Administrative .....	15.8	25.2	6.9	17.3	66.3
Depreciation & Amortization .....	3.1	8.4	1.3	4.6	17.4
	-----	-----	-----	-----	-----
Total Costs and Expenses .....	75.6	123.5	28.6	68.0	296.7
	-----	-----	-----	-----	-----
Income from Operations .....	18.5	35.6	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.

16

	Three Months Ended September 30			
	Plaza Associates	Taj Associates	Trump Indiana	Trump Marina
	-----	-----	-----	-----
	(dollars in millions)			
Table Game Revenues .....	\$ 26.0	\$ 53.7	\$ 6.3	\$ 25.2
Table Game Drop .....	\$ 185.1	\$ 301.9	\$ 39.8	\$ 140.2
Table Win Percentage .....	14.1%	17.8%	16.0%	17.9
Number of Table Games .....	97	143	50	76
Slot Revenues .....	\$ 64.4	\$ 95.9	\$ 23.3	\$ 56.3
Slot Handle .....	\$ 833.5	\$ 1,219.6	\$ 348.1	\$ 724.1
Slot Win Percentage .....	7.7%	7.9%	6.7%	7.8
Number of Slot Machines .....	2,867	4,552	1,237	2,515
Other Gaming Revenues .....	-	\$ 6.0	-	\$ 0.6
Total Gaming Revenues .....	\$ 90.4	\$ 155.6	\$ 29.6	\$ 82.1

Edgar Filing: TRUMP HOTELS & CASINO RESORTS INC - Form 10-Q

	Three Months Ended September 30, 2001			
	Plaza Associates	Taj Associates	Trump Indiana	Trump Marina
	(dollars in millions)			
Table Game Revenues .....	\$ 25.5	\$ 48.5	\$ 5.9	\$ 18.9
Incr (Decr) over prior period .....	\$ (0.5)	\$ (5.2)	\$ (0.4)	\$ (6.3)
Table Game Drop .....	\$ 154.5	\$ 269.9	\$ 34.4	\$ 113.2
Incr (Decr) over prior period .....	\$ (30.6)	\$ (32.0)	\$ (5.4)	\$ (27.0)
Table Win Percentage .....	16.5%	18.0%	17.3%	16.7%
Incr (Decr) over prior period .....	2.4 pts.	0.2 pts.	1.3 pts.	(1.2)
Number of Table Games .....	100	139	52	79
Incr (Decr) over prior period .....	3	(4)	2	3
Slot Revenues .....	\$ 63.0	\$ 94.2	\$ 25.1	\$ 55.7
Incr (Decr) over prior period .....	\$ (1.4)	\$ (1.7)	\$ 1.8	\$ (0.6)
Slot Handle .....	\$ 794.0	\$ 1,235.1	\$ 348.5	\$ 717.4
Incr (Decr) over prior period .....	\$ (39.5)	\$ 15.5	\$ 0.4	\$ ( 6.7)
Slot Win Percentage .....	7.9%	7.6%	7.2%	7.8%
Incr (Decr) over prior period .....	0.2 pts.	(0.3) pts.	0.5 pts.	0.0
Number of Slot Machines .....	2,868	4,827	1,360	2,523
Incr (Decr) over prior period .....	1	275	123	8
Other Gaming Revenues .....	-	\$ 6.1	-	\$ 0.3
Incr (Decr) over prior period .....	-	\$ 0.1	-	\$ (0.3)
Total Gaming Revenues .....	\$ 88.5	\$ 148.8	\$ 31.0	\$ 74.9
Incr (Decr) over prior period .....	\$ (1.9)	\$ (6.8)	\$ 1.4	\$ ( 7.2)

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.

Edgar Filing: TRUMP HOTELS & CASINO RESORTS INC - Form 10-Q

17

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*
Revenues:	(dollars in millions)				
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 ...	41.7	60.9	2.7	31.7	137.0
Net Revenues .....	265.3	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)	(161.8)
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)



## Edgar Filing: TRUMP HOTELS & CASINO RESORTS INC - Form 10-Q

\* 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)					
<b>Revenues:</b>					
Gaming .....	\$ 249.6	\$ 400.7	\$ 93.7	\$ 201.4	\$ 945.4
Other .....	55.3	82.4	7.0	46.3	190.9
<hr/>					
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
<hr/>					
Net Revenues .....	265.0	428.7	98.1	216.5	1,008.2
<hr/>					
<b>Costs and Expenses:</b>					
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	198.1
Depreciation & Amortization .....	11.4	25.3	5.0	13.0	54.9
<hr/>					
Total Costs and Expenses .....	231.2	354.0	87.5	193.5	868.5
<hr/>					
Income from Operations .....	33.8	74.7	10.6	23.0	139.7
<hr/>					
Non-operating Income .....	0.7	0.6	0.5	0.5	3.2
Interest Expense .....	(36.1)	(69.9)	(4.0)	(44.6)	(164.5)
<hr/>					
Total Non-operating Expense, Net .....	(35.4)	(69.3)	(3.5)	(44.1)	(161.3)
<hr/>					
Loss in Joint Venture .....	--	--	(2.2)	--	(2.2)
<hr/>					
Income(Loss) before Minority Interest	\$ (1.6)	\$ 5.4	\$ 4.9	\$ (21.1)	(23.8)
<hr/>					
Minority Interest .....					8.7
<hr/>					
Net Loss .....					\$ (15.1)
<hr/>					

\* Intercompany eliminations and expenses of THCR and THCR Holdings are not separately shown.

Edgar Filing: TRUMP HOTELS & CASINO RESORTS INC - Form 10-Q

	Plaza Associates	Taj Associates	Trump Indiana	Trump Marina
	-----	-----	-----	-----
	(dollars in millions)			
Table Game Revenues.....	\$ 73.7	\$ 142.0	\$ 20.7	\$ 57.0
Table Game Drop.....	\$ 498.4	\$ 823.3	\$ 123.7	\$ 339.8
Table Win Percentage.....	14.8%	17.2%	16.7%	16.8
Number of Table Games.....	96	143	50	76
Slot Revenues.....	\$ 175.8	\$ 256.3	\$ 71.7	\$ 150.3
Slot Handle.....	\$ 2,250.2	\$ 3,297.8	\$ 1,107.9	\$ 1,918.9
Slot Win Percentage.....	7.8%	7.8%	6.5%	7.8
Number of Slot Machines.....	2,831	4,548	1,250	2,373
Other Gaming Revenues.....	-	\$ 16.6	-	\$ 1.2
Total Gaming Revenues.....	\$ 249.5	\$ 414.9	\$ 92.4	\$ 208.5

	Nine Months Ended September 30,			
	Plaza Associates	Taj Associates	Trump Indiana	Trump Marina
	-----	-----	-----	-----
	(dollars in millions)			
Table Game Revenues.....	\$ 73.9	\$ 126.0	\$ 18.8	\$ 48.8
Incr (Decr) over prior period.....	\$ 0.2	\$ (16.0)	\$ (1.9)	\$ (9.1)
Table Game Drop .....	\$ 436.8	\$ 755.0	\$ 109.5	\$ 297.8
Incr (Decr) over prior period.....	\$ (61.6)	\$ (68.3)	\$ (14.2)	\$ (42.2)
Table Win Percentage .....	16.9%	16.7%	17.2%	16.8
Incr (Decr) over prior period .....	2.1 pts.	(0.5) pts.	0.5 pts.	(0.1) pts.
Number of Table Games.....	99	141	52	76
Incr (Decr) over prior period.....	3	(2)	2	0
Slot Revenues.....	\$ 175.7	\$ 257.6	\$ 74.9	\$ 152.3
Incr (Decr) over prior period.....	\$ (0.1)	\$ 1.3	\$ 3.2	\$ 2.2
Slot Handle.....	\$ 2,269.9	\$ 3,373.2	\$ 1,041.2	\$ 1,972.9
Incr (Decr) over prior period .....	\$ 19.7	\$ 75.4	\$ (66.7)	\$ 54.4
Slot Win Percentage.....	7.7%	7.6%	7.2%	7.8
Incr (Decr) over prior period.....	(0.1) pts.	(0.2) pts.	0.7 pts.	(0.1) pts.
Number of Slot Machines.....	2,850	4,696	1,308	2,543
Incr (Decr) over prior period.....	19	148	58	1
Other Gaming Revenues.....	-	\$ 17.1	-	\$ 0
Incr (Decr) over prior period.....	-	\$ 0.5	-	\$ (0)
Total Gaming Revenues.....	\$ 249.6	\$ 400.7	\$ 93.7	\$ 201.5
Incr (Decr) over prior period.....	\$ 0.1	\$ (14.2)	\$ 1.3	\$ (7.0)

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

## Edgar Filing: TRUMP HOTELS & CASINO RESORTS INC - Form 10-Q

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.

19

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 complimentaries 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

## Edgar Filing: TRUMP HOTELS & CASINO RESORTS INC - Form 10-Q

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 downturn 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.

20

## PART II -- OTHER INFORMATION

### ITEM 1 -- LEGAL PROCEEDINGS

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.

## Edgar Filing: TRUMP HOTELS & CASINO RESORTS INC - Form 10-Q

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.

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,

## Edgar Filing: TRUMP HOTELS & CASINO RESORTS INC - Form 10-Q

(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.

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  
None.

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

## Edgar Filing: TRUMP HOTELS & CASINO RESORTS INC - Form 10-Q

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

22

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.

### 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.

23

### 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)

24

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)

25

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)

26