

TRUMP ENTERTAINMENT RESORTS, INC.
Form 10-Q
November 07, 2008

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, 2008

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from _____ to _____.

TRUMP ENTERTAINMENT RESORTS, INC.
TRUMP ENTERTAINMENT RESORTS HOLDINGS, L.P.
TRUMP ENTERTAINMENT RESORTS FUNDING, INC.

(Exact name of registrant as specified in its charter)

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Delaware	1-13794	13-3818402
Delaware	33-90786	13-3818407
Delaware	33-90786-01	13-3818405
(State or other jurisdiction of incorporation or organization)	(Commission File Number)	(I.R.S. Employer Identification No.)

15 South Pennsylvania Avenue

Atlantic City, New Jersey 08401

(609) 449-5866

(Address, including zip code, and telephone number, including area code, of principal executive offices)

N/A

(Former name, former address and former fiscal year, if changed since last report)

Securities registered pursuant to Section 12(b) of the Act: None

Securities registered pursuant to Section 12(g) of the Act:

Registrant	Title of Each Class	Name of Each Exchange on Which Registered
Trump Entertainment Resorts, Inc.	Common Stock, par value \$0.001 per share	The NASDAQ Stock Market LLC
Trump Entertainment Resorts Holdings, L.P.	None	None
Trump Entertainment Resorts Funding, Inc.	None	None

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 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 whether each registrant is a large accelerated filer, an accelerated filer or a non-accelerated filer. See definition of accelerated filer and large accelerated filer in Rule 12b-2 of the Exchange Act.

Trump Entertainment Resorts, Inc.

Large Accelerated Filer Accelerated Filer Non-Accelerated Filer Smaller Reporting Company

Trump Entertainment Resorts Holdings, L.P.

Large Accelerated Filer Accelerated Filer Non-Accelerated Filer Smaller Reporting Company

Trump Entertainment Resorts Funding, Inc.

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Large Accelerated Filer Accelerated Filer Non-Accelerated Filer Smaller Reporting Company

Indicate by check mark whether the registrants are shell companies (as defined in Rule 12b-2 of the Exchange Act).

Yes No

Indicate by check mark whether the registrants have filed all documents and reports required to be filed by Sections 12, 13 or 15(d) of the Securities Exchange Act of 1934 subsequent to the distribution of securities under a plan confirmed by a court.

Yes No

As of November 7, 2008, there were 31,718,376 shares of common stock and 900 shares of class B common stock (having a voting equivalency of 9,377,484 shares of common stock) of Trump Entertainment Resorts, Inc. outstanding.

PART I FINANCIAL INFORMATION

Item 1. Financial Statements

TRUMP ENTERTAINMENT RESORTS, INC.

CONDENSED CONSOLIDATED BALANCE SHEETS

(unaudited)

(dollars in thousands, except share and per share data)

	September 30, 2008	December 31, 2007
Current assets:		
Cash and cash equivalents	\$ 88,761	\$ 104,883
Accounts receivable, net	51,228	45,053
Accounts receivable, other	5,549	6,366
Property taxes receivable	3,935	
Inventories	12,312	11,235
Deferred income taxes	13,092	7,421
Prepaid expenses and other current assets	19,085	13,382
Assets held for sale	235,268	295,035
Total current assets	429,230	483,375
Net property and equipment	1,473,278	1,356,981
Other assets:		
Restricted cash	2,807	52,702
Goodwill		145,216
Trademarks	65,183	91,357
Intangible assets, net	3,660	4,415
Deferred financing costs, net	15,608	17,725
Property taxes receivable	15,565	18,782
Other assets, net	70,949	60,396
Total other assets	173,772	390,593
Total assets	\$ 2,076,280	\$ 2,230,949
Current liabilities:		
Accounts payable	\$ 58,462	\$ 59,741
Accrued payroll and related expenses	22,082	22,668
Income taxes payable	8,248	8,195
Partnership distribution payable	340	250
Accrued interest payable	43,806	18,102
Self-insurance reserves	17,415	12,754
Other current liabilities	36,538	37,199
Current maturities of long-term debt	4,939	5,481
Liabilities related to assets held for sale	4,377	4,994
Total current liabilities	196,207	169,384
Long-term debt, net of current maturities	1,715,247	1,638,293

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Deferred income taxes	70,641	100,159
Other long-term liabilities	27,681	31,853
Minority interest	21,623	64,892
Stockholders' equity:		
Preferred stock, \$1 par value; 1,000,000 shares authorized, no shares issued and outstanding		
Common stock, \$.001 par value; 75,000,000 shares authorized, 31,720,876 and 31,071,021 shares issued and outstanding at September 30, 2008 and December 31, 2007, respectively	32	31
Class B Common stock, \$0.001 par value; 1,000 shares authorized, 900 shares issued and outstanding		
Additional paid-in capital	466,177	460,053
Accumulated deficit	(421,328)	(233,716)
Total stockholders' equity	44,881	226,368
Total liabilities and stockholders' equity	\$ 2,076,280	\$ 2,230,949

See accompanying notes to condensed consolidated financial statements

TRUMP ENTERTAINMENT RESORTS, INC.**CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS**

(unaudited)

(dollars in thousands, except share and per share data)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2008	2007	2008	2007
Revenues:				
Gaming	\$ 201,365	\$ 224,680	\$ 564,278	\$ 601,022
Rooms	19,592	18,449	51,907	49,161
Food and beverage	24,698	26,111	68,058	67,242
Other	9,652	11,352	25,566	23,398
	255,307	280,592	709,809	740,823
Less promotional allowances	(57,004)	(64,038)	(156,268)	(157,491)
Net revenues	198,303	216,554	553,541	583,332
Costs and expenses:				
Gaming	86,804	93,514	254,889	265,952
Rooms	4,172	3,979	11,057	10,110
Food and beverage	12,065	11,075	31,697	30,851
General and administrative	48,735	54,185	152,168	156,221
Corporate and other	4,205	5,417	15,281	21,891
Corporate-related party	641	612	1,946	1,827
Goodwill and other intangible asset impairment charges	129,773		129,773	
Depreciation and amortization	14,069	13,397	41,585	37,300
	300,464	182,179	638,396	524,152
(Loss) income from operations	(102,161)	34,375	(84,855)	59,180
Non-operating income (expense):				
Interest income	704	2,057	3,425	4,905
Interest expense	(32,066)	(33,711)	(97,264)	(97,384)
	(31,362)	(31,654)	(93,839)	(92,479)
(Loss) income before income taxes, minority interest and discontinued operations	(133,523)	2,721	(178,694)	(33,299)
Income tax benefit (provision)	2,295		2,295	(200)
Minority interest	20,437	(637)	31,055	7,879
(Loss) income from continuing operations	(110,791)	2,084	(145,344)	(25,620)
(Loss) income from discontinued operations:				
Trump Marina	(38,782)	5,937	(63,884)	13,933
Income tax benefit			6,221	
Minority interest	9,114	(1,395)	14,079	(3,274)
Trump Marina, net of income taxes and minority interest	(29,668)	4,542	(43,584)	10,659
Trump Indiana, net of income taxes and minority interest	1,316		1,316	

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(Loss) income from discontinued operations	(28,352)	4,542	(42,268)	10,659
Net (loss) income	\$ (139,143)	\$ 6,626	\$ (187,612)	\$ (14,961)
Basic and diluted net (loss) income per share:				
Continuing operations	\$ (3.49)	\$ 0.07	\$ (4.59)	\$ (0.82)
Discontinued operations	(0.90)	0.14	(1.34)	0.34
Basic and diluted net (loss) income per share	\$ (4.39)	\$ 0.21	\$ (5.93)	\$ (0.48)
Weighted average shares outstanding:				
Basic	31,720,954	31,099,905	31,659,942	31,084,501
Diluted	31,720,954	40,477,389	31,659,942	31,084,501

See accompanying notes to condensed consolidated financial statements

TRUMP ENTERTAINMENT RESORTS, INC.

CONDENSED CONSOLIDATED STATEMENT OF STOCKHOLDERS EQUITY

(unaudited)

(in thousands, except share data)

	Shares	Common Stock	Shares	Class B Common Stock	Additional Paid-in Capital	Accumulated Deficit	Total Stockholders Equity
Balance, December 31, 2007	31,071,021	\$ 31					