BOARDWALK REGENCY CORPORATION
QUARTERLY REPORT

FOR THE QUARTER ENDED MARCH 31, 2009

SUBMITTED TO THE
CASINO CONTROL COMMISSION
OF THE
STATE OF NEW JERSEY

DIVISION OF FINANCIAL EVALUATION
REPORTING MANUAL

BOARDWALK REGENCY CORPORATION
BALANCE SHEETS

AS OF MARCH, 2009 AND 2008

(UNAUDITED)
($ IN THOUSANDS)

Line (a)	Description (b)	Notes	2009 (c)	2008 (d)	
	ASSETS:				
	Current Assets:				
1	Cash and Cash Equivalents		$11,318	$14,984	
2	Short-Term Investments				
3	Receivables and Patrons' Checks (Net of Allowance for Doubtful Accounts - 2009, $16,474; 2008, $13,464)	2 & 4	24,219	21,941	
4	Inventories	2	810	1,173	
5	Other Current Assets	5	11,288	16,350	
6	Total Current Assets		47,635	54,448	
7	Investments, Advances, and Receivables	6 & 14	251,080	13,880	
8	Property and Equipment - Gross	2 & 7	852,514	802,878	
9	Less: Accumulated Depreciation and Amortization		(50,800)	(8,279)	
10	Property and Equipment - Net		801,714	794,599	
11	Other Assets	2 & 8	308,010	595,962	
12	Total Assets		$1,408,439	$1,458,889	
	LIABILITIES AND EQUITY:				
	Current Liabilities:				
13	Accounts Payable		$7,022	$21,652	
14	Notes Payable	9			
	Current Portion of Long-Term Debt:				
15	Due to Affiliates				
16	External	12	45	41	
17	Income Taxes Payable and Accrued	2	0	3,239	
18	Other Accrued Expenses	10	72,504	33,317	
19	Other Current Liabilities		2,737	3,091	
20	Total Current Liabilities		82,308	61,340	
	Long-Term Debt:				
21	Due to Affiliates	11	518,330	518,330	
22	External	12	504	549	
23	Deferred Credits		92,564	100,800	*
24	Other Liabilities	13	160,341	194,288	*
25	Commitments and Contingencies				
26	Total Liabilities		854,047	875,307	
27	Stockholders', Partners', or Proprietor's Equity		554,392	583,582	
28	Total Liabilities and Equity		$1,408,439	$1,458,889	

* These amounts from prior year have been restated to reflect the current year presentation.

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

BOARDWALK REGENCY CORPORATION
STATEMENTS OF INCOME

FOR THE THREE MONTHS ENDED MARCH 31, 2009 AND 2008

(UNAUDITED)
($ IN THOUSANDS)

Line (a)	Description (b)	Notes	2009 (c)	2008 (d)
	Revenue:			
1	Casino		$103,618	$133,717
2	Rooms		8,258	6,985
3	Food and Beverage		10,839	13,775
4	Other		3,040	3,232
5	Total Revenue		125,755	157,709
6	Less: Promotional Allowances		28,070	30,682
7	Net Revenue		97,685	127,027
	Costs and Expenses:			
8	Cost of Goods and Services		63,433	71,462
9	Selling, General, and Administrative		13,074	15,729
10	Provision for Doubtful Accounts		1,430	1,269
11	Total Costs and Expenses		77,937	88,460
12	Gross Operating Profit		19,748	38,567
13	Depreciation and Amortization	2	12,110	14,229
	Charges from Affiliates Other than Interest:			
14	Management Fees			
15	Other	3	5,545	5,255
16	Income (Loss) from Operations		2,093	19,083
	Other Income (Expenses):			
17	Interest Expense - Affiliates	9 & 11	(11,014)	(10,896)
18	Interest Expense - External		(150)	(292)
19	CRDA Related Income (Expense) - Net	14	(180)	(556)
20	Nonoperating Income (Expense) - Net		(2,578)	(785)
21	Total Other Income (Expenses)		(13,922)	(12,529)
22	Income (Loss) Before Taxes and Extraordinary Items		(11,829)	6,554
23	Provision (Credit) for Income Taxes	2	(3,702)	4,522
24	Income (Loss) Before Extraordinary Items		(8,127)	2,032
25	Extraordinary Items (Net of Income Taxes - 2009, $0; 2008, $0)			
26	Net Income (Loss)		($8,127)	$2,032

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

BOARDWALK REGENCY CORPORATION
STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY

FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2008 AND THE THREE MONTHS ENDED MARCH 31, 2009

(UNAUDITED)
($ IN THOUSANDS)

Line (a)	Description (b)	Notes	Common Stock Shares (c)	Common Stock Amount (d)	Preferred Stock Shares (e)	Preferred Stock Amount (f)	Additional Paid-In Capital (g)	(h)	Retained Earnings (Accumulated Deficit) (i)	Total Stockholders' Equity (Deficit) (j)
1	**Balance, December 31, 2007..........**		100	$1,370			$582,276		$84,386	$668,032
2	Net Income (Loss) - 2008.............								(355,474)	(355,474)
3	Contribution to Paid-in-Capital.....									0
4	Dividends.....................................									0
5	Prior Period Adjustments.............									0
6	Acquisition by TPG/Apollo	2					333,554		(83,593)	249,961
7										0
8										0
9										0
10	**Balance, December 31, 2008..........**		100	1,370	0	0	915,830	0	(354,681)	562,519
11	Net Income (Loss) - 2009.............								(8,127)	(8,127)
12	Contribution to Paid-in-Capital.....									0
13	Dividends.....................................									0
14	Prior Period Adjustments.............									0
15										0
16										0
17										0
18										0
19	**Balance, March 31, 2009 ....**		100	$1,370	0	$0	$915,830	$0	($362,808)	$554,392

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

BOARDWALK REGENCY CORPORATION
STATEMENTS OF CASH FLOWS

FOR THE THREE MONTHS ENDED MARCH 31, 2009 AND 2008

(UNAUDITED)
($ IN THOUSANDS)

Line (a)	Description (b)	Notes	2009 (c)	2008 (d)
1	CASH PROVIDED (USED) BY OPERATING ACTIVITIES..		$7,977	($16,066)
	CASH FLOWS FROM INVESTING ACTIVITIES:			
2	Purchase of Short-Term Investments			
3	Proceeds from the Sale of Short-Term Investments			
4	Cash Outflows for Property and Equipment............................		(768)	(19,907)
5	Proceeds from Disposition of Property and Equipment..........			1,327
6	CRDA Obligations		(1,293)	(1,672)
7	Other Investments, Loans and Advances made.......................			
8	Proceeds from Other Investments, Loans, and Advances		774	18
9	Cash Outflows to Acquire Business Entities...........................		0	0
10	....			
11	....			
12	Net Cash Provided (Used) By Investing Activities....................		(1,287)	(20,234)
	CASH FLOWS FROM FINANCING ACTIVITIES:			
13	Proceeds from Short-Term Debt			
14	Payments to Settle Short-Term Debt......................................			
15	Proceeds from Long-Term Debt			
16	Costs of Issuing Debt..			
17	Payments to Settle Long-Term Debt......................................			
18	Cash Proceeds from Issuing Stock or Capital Contributions...		0	0
19	Purchases of Treasury Stock..			
20	Payments of Dividends or Capital Withdrawals......................			
21	Borrowings/Payments of Intercompany Payable		(21,659)	27,343
22	....			
23	Net Cash Provided (Used) By Financing Activities...................		(21,659)	27,343
24	Net Increase (Decrease) in Cash and Cash Equivalents.............		(14,969)	(8,957)
25	Cash and Cash Equivalents at Beginning of Period...................		26,287	23,941
26	Cash and Cash Equivalents at End of Period.............................		$11,318	$14,984

	CASH PAID DURING PERIOD FOR:			
27	Interest (Net of Amount Capitalized)......................................		$0	$7,027
28	Income Taxes...		$0	$0

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

BOARDWALK REGENCY CORPORATION
STATEMENTS OF CASH FLOWS

FOR THE THREE MONTHS ENDED MARCH 31, 2009 AND 2008

(UNAUDITED)

($ IN THOUSANDS)

Line (a)	Description (b)	Notes	2009 (c)	2008 (d)	
	CASH FLOWS FROM OPERATING ACTIVITIES:				
29	Net Income (Loss)		($8,127)	$2,032	
30	Depreciation and Amortization of Property and Equipment		9,898	11,699	
31	Amortization of Other Assets		2,212	2,530	
32	Amortization of Debt Discount or Premium				
33	Deferred Income Taxes - Current		(349)	1,505	
34	Deferred Income Taxes - Noncurrent		(1,969)	(12,957)	*
35	(Gain) Loss on Disposition of Property and Equipment			(4)	
36	(Gain) Loss on CRDA-Related Obligations		(831)	988	
37	(Gain) Loss from Other Investment Activities		119	119	
38	(Increase) Decrease in Receivables and Patrons' Checks		360	763	
39	(Increase) Decrease in Inventories		275	342	
40	(Increase) Decrease in Other Current Assets		(194)	1,722	
41	(Increase) Decrease in Other Assets		186	(33,931)	
42	Increase (Decrease) in Accounts Payable		(4,848)	2,812	
43	Increase (Decrease) in Other Current Liabilities		10,389	1,896	
44	Increase (Decrease) in Other Liabilities		856	4,418	*
45					
46					
47	Net Cash Provided (Used) By Operating Activities		$7,977	($16,066)	

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

Line	Description	Notes	2009	2008
	ACQUISITION OF PROPERTY AND EQUIPMENT:			
48	Additions to Property and Equipment		($768)	($19,907)
49	Less: Capital Lease Obligations Incurred			
50	Cash Outflows for Property and Equipment		($768)	($19,907)
	ACQUISITION OF BUSINESS ENTITIES:			
51	Property and Equipment Acquired			
52	Goodwill Acquired			
53	Other Assets Acquired - net			
54	Long-Term Debt Assumed			
55	Issuance of Stock or Capital Invested			
56	Cash Outflows to Acquire Business Entities		$0	$0
	STOCK ISSUED OR CAPITAL CONTRIBUTIONS:			
57	Total Issuances of Stock or Capital Contributions		$0	$0
58	Less: Issuances to Settle Long-Term Debt		0	0
59	Consideration in Acquisition of Business Entities		0	0
60	Cash Proceeds from Issuing Stock or Capital Contributions		$0	$0

* These amounts from prior year have been restated to reflect the current year presentation.

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

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

BOARDWALK REGENCY CORPORATION
STATEMENT OF CONFORMITY,
ACCURACY, AND COMPLIANCE

FOR THE QUARTER ENDED MARCH 31, 2009

1. I have examined this Quarterly Report.

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

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

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

May 15, 2009
Date

Alex Figueras

Vice President of Finance
Title

007438-11
License Number

On Behalf of:

BOARDWALK REGENCY CORPORATION
Casino Licensee

Boardwalk Regency Corporation (Caesars Atlantic City)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)
(All dollar amounts in thousands)

NOTE 1 – ORGANIZATION AND BASIS OF PRESENTATION

Boardwalk Regency Corporation (the "Company"), a New Jersey corporation, is a wholly owned subsidiary of Caesars New Jersey, Inc. ("CNJ"), a New Jersey corporation. The Company owns and operates the casino hotel resort in Atlantic City, New Jersey known as "Caesars Atlantic City". CNJ is a wholly owned subsidiary of Caesars World, Inc. ("CWI"), a Florida corporation, and CWI is a wholly owned subsidiary of Harrah's Operating Company, Inc. ("HOC"), a direct wholly owned subsidiary of Harrah's Entertainment, Inc. ("Harrah's"). The Company operates in one industry segment and all significant revenues arise from its casino and supporting hotel operations.

The Company is licensed to operate the facility by the New Jersey Casino Control Commission (the "CCC") and is subject to rules and regulations established by the CCC. The Company's license is subject to renewal every five years with the current license expiring June 2013.

In January 2008, Harrah's was acquired by affiliates of Apollo Global Management LLC and TPG Capital, L.P. in an all cash transaction, hereinafter referred to as the "Merger".

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of Consolidation - The accompanying financial statements include the account balances of its wholly-owned subsidiaries. As a result, all material intercompany transactions and balances have been eliminated in consolidation.

Acquisition - On January 28, 2008, Harrah's was acquired by affiliates of Apollo Global Management, LLC and TPG Capital, LP. The total purchase price was approximately $30.7 billion. In conjunction with the acquisition, total equity was adjusted to the purchase price assigned to the Company, retained earnings of the Company were eliminated and the assets and liabilities of the Company were adjusted to fair value with goodwill recorded for the excess of the purchase price over the fair value of the net tangible and intangible assets. Harrah's determined the estimated fair values after review and consideration of relevant information including, discounted cash flows analyses, quoted market prices and estimates made by management.

For purposes of this regulatory filing, adjustments to the historical assets of the Company were reflected on March 31, 2008 and in its statement of income for the three months ended March 31, 2008 and in its statement of cash flows for the three months ended March 31, 2008. The operations of the Company for the periods prior to January 28, 2008 are considered the "Predecessor Company." The operations of the Company for the period from January 28, 2008 are referred to in these financial statements as the "Company." The Company's balance sheet, statements of income and statements of cash flow are not comparable to the Predecessor Company. The Company has assumed all Predecessor Company's obligations.

Cash and Cash Equivalents — Cash and cash equivalents are highly liquid investments with an original maturity of less than three months and are stated at the lower of cost or market value.

(All dollar amounts in thousands)

Allowance for Doubtful Accounts - The Company reserves an estimated amount for receivables that may not be collected. The methodology for estimating the allowance includes using specific reserves and applying various percentages to aged receivables. Historical collection rates are considered, as are customer relationships, in determining specific allowances.

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

Land, Buildings and Equipment - Land, buildings, and equipment were stated at cost, through January 27, 2008 and revalued to fair value on January 28, 2008 in connection with the Merger, including capitalized interest on intercompany funds used to finance construction calculated at HOC's overall weighted-average borrowing rate of interest.

Improvements that extend the life of the asset are capitalized. Building improvements are depreciated over the remaining life of the building. Maintenance and repairs are expensed as incurred.

Depreciation is provided using the straight-line method over the shorter of the estimated useful life of the asset or the related lease term, as follows:

Land improvements	12 years
Buildings and improvements	5 to 40 years
Furniture, fixtures and equipment	3 to 10 years

Goodwill and Other Intangible Assets -The Company accounts for goodwill and other intangible assets in accordance with SFAS No. 142, which provides guidance regarding the recognition and measurement of intangible assets, eliminates the amortization of certain intangibles and requires assessments for impairment of intangible assets that are not subject to amortization at least annually. Goodwill at March 31, 2009 totaled $167,653.

Intangible assets include customer relationships (database) totaling $106,200 with a useful life of twelve years and are being amortized using the straight-line method. Previous to the Merger, the Predecessor Company maintained a trademark totaling $83,000 and customer relationships (database) totaling $195,000. The trademark was determined to have indefinite life and, accordingly, was not amortized. The customer relationships were determined to have a useful life of 15 years and were being amortized using the straight-line method. Amortization expense for the three months ending March 31, 2009 and 2008 was approximately $2,212 and $2,530, respectively. Estimated annual amortization expense for the years ending December 31, 2009, 2010, 2011, 2012 and 2013, is $8,850.

Investment in Atlantic City Express Service, LLC "ACES" - In 2006, the Company entered into an agreement with Harrah's Atlantic City, an affiliate of the Company, and one other Atlantic City casino to form ACES. In accordance with FIN 46 (R), *Consolidation of Variable Interest Entities*, the Company is required to consolidate ACES as they are considered to be the primary beneficiary of the variable interest entity. With each member having a 33% interest, this New Jersey limited liability company was formed for the purpose of contracting with New Jersey Transit to operate express rail service between Manhattan, New York, and Atlantic City. The responsibilities of the managing member will rotate annually among the members. The total investment in ACES was approximately $19,500. ACES became operational on February 6, 2009. ACES net loss for the three months ended March 31, 2009 was $2,206 and is included in non-operating expenses on the accompanying statements of income.

Financial Instruments - The carrying amount of receivables and all current liabilities approximates fair value due to their short-term nature. The fair value of a financial instrument is the amount at which the instrument could be exchanged in a current transaction between willing parties. After giving effect to their allowances, the Casino Reinvestment Development Authority ("CRDA") bonds and deposits approximately reflect their fair value based upon their below market interest rates.

Revenue Recognition - Casino revenues consist of the net win from gaming activities, which is the difference between gaming wins and losses. The retail value of rooms, food and beverage, and other services furnished to hotel-casino guests without charge is included in gross revenue and then deducted as promotional allowances.

Total Rewards Program Liability - Harrah's customer loyalty program, Total Rewards, offers incentives to customers who gamble at the Company's property and certain affiliate casinos throughout the United States. Under the program, customers are able to accumulate, or bank, Reward Credits over time that they may redeem at their discretion under the terms of the program. The Reward Credit balance will be forfeited if the customer does not earn a Reward Credit over the prior six-month period. As a result of the ability of the customer to bank the Reward Credits, the Company accrues the expense of Reward Credits, after consideration of estimated breakage, as they are earned. The estimated cost to provide Reward Credits is expensed as the Reward Credits are earned and is included in Cost of Goods and Services in the accompanying statements of income. To arrive at the estimated cost associated with Reward Credits, estimates and assumptions are made regarding incremental marginal costs of the benefits, breakage rates and the mix of goods and services for which Reward Credits will be redeemed. The Company uses historical data to assist in the determination of estimated accruals. At March 31, 2009 and 2008, $3,586 and $4,150, respectively, was accrued for the cost of anticipated Rewards Credit redemptions.

In addition to Reward Credits, customers can earn points based on play that are redeemable in cash ("cash-back points"). The Company accrues the cost of cash-back points, after consideration of estimated breakage, as they are earned. The cost is recorded as contra-revenue and included in Casino promotional allowances in the accompanying statements of income. At March 31, 2009 and 2008, the liability related to outstanding cash-back points, which is based on historical redemption activity, was $702 and $1,073, respectively.

(All dollar amounts in thousands)

Casino Promotional Allowances - Casino promotional allowances consist of the retail value of complimentary food and beverages, accommodations, admissions and entertainment provided to casino patrons. Also included is the value of the coupons redeemed for cash at the property. The estimated costs of providing such complimentary services are classified as casino expenses in the accompanying statements of income. These costs consisted of the following as of March 31:

	2009	2008
Food & Beverage	$ 6,137	$ 7,970
Rooms	2,692	3,156
Other	767	1,193
Bus Program Cash	2,384	3,251
Promotional Gaming Credits	4,265	0
Other Cash Complimentaries	7,304	11,641
	$ 23,549	$ 27,211

Income Taxes - The Company is included in the consolidated federal tax return of Harrah's and files a separate New Jersey tax return. The provision for federal income taxes is computed based on the statutory federal rate as if the Company had filed a separate income tax return. The provision for state taxes is based on the statutory New Jersey tax.

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

The Company follows the provisions of FASB Interpretation No. 48, *Accounting for Uncertainty in Income Taxes – an interpretation of FASB Statement No. 109*. The Company recognizes interest and penalties accrued related to unrecognized tax benefits in income tax expense.

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

Seasonal factors - The Company's operations are subject to seasonal factors and, therefore, the results of operations of the three months ended March 31, 2009 are not necessarily indicative of the results of operations for the full year.

Reclassifications - Certain prior year amounts have been reclassified to conform to the current year presentation.

Omission of Disclosures - In accordance with the Financial Reporting guidelines provided by the Casino Control Commission, the Company has elected not to include certain disclosures, which have not significantly changed since filing the most recent Annual Report. Accordingly, the following disclosures have been omitted: Future Lease Obligations, Employee Benefits and certain Income Tax disclosures.

NOTE 3 - RELATED PARTY TRANSACTIONS

The Company participates with HOC and its other subsidiaries in marketing, purchasing, insurance, employee benefit and other programs that are defined and negotiated by HOC on a consolidated basis. The company believes that participating in these consolidated programs is beneficial in comparison to the terms for similar programs that it could negotiate on a stand-alone basis.

Cash Activity with HOC and Affiliates - The Company transfers cash in excess of its operating and regulatory needs to HOC on a daily basis. Cash transfers from HOC to the Company are also made based upon the needs of the Company to fund daily operations, including accounts payable and payroll, as well as capital expenditures. No interest is earned on the amount shown as due from affiliates in the accompanying financial statements.

Atlantic City Country Club - Atlantic City Country Club 1, LLC (“ACCC”) is a wholly owned subsidiary of Bally’s Atlantic City (“Bally’s”), an affiliate of the Company. The net operating costs of ACCC are allocated to the Company and Bally’s as well as Harrah’s Atlantic City and Showboat Atlantic City, also affiliates of the Company. The Company was charged approximately $156 and $194 for these costs for the three months ended March 31, 2009 and 2008, respectively. The costs are included in other operating expenses in the accompanying statements of income.

Administrative and Other Services - The Company is charged a fee by HOC for administrative and other services (including consulting, legal, marketing, information technology, accounting and insurance). The Company was charged $5,545 and $5,255 for these services for the three months ended March 31, 2009 and 2008, respectively. The fee is included in charges from affiliates in the accompanying statements of income.

NOTE 4 – RECEIVABLES AND PATRONS’ CHECKS

Receivables and patrons’ checks as of March 31 consist of the following:

(All dollar amounts in thousands)

	2009	2008
Casino Receivables (Net of Allowance for Doubtful Accounts - 2009, $16,092 & 2008, $13,222)	$ 17,302	$ 17,882
Other (Net of Allowance for Doubtful Accounts - 2009, $382 & 2008, $242)	6,917	4,059
	$ 24,219	$ 21,941

NOTE 5 –OTHER CURRENT ASSETS

Other Current Assets as of March 31 consist of the following:

	2009	2008
Tax Deferred Asset	$ 4,102	$ 13,493
Purse Enhancement Agreement	2,676	190
Other	4,510	2,667
	$ 11,288	$ 16,350

NOTE 6 - INVESTMENTS, ADVANCES AND RECEIVABLES

Investments, advances and receivables as of March 31 consist of the following:

	2009	2008
Casino Reinvestment Development Authority Obligation ("CRDA") (net of valuation reserves- 2009, $12,703 and 2008, $12,260)	$ 17,409	$ 13,880
Due from Harrahs	233,671	-
	$ 251,080	$ 13,880

The amounts due from Harrah’s as of March 31 are unsecured and non-interest bearing.

NOTE 7 – PROPERTY AND EQUIPMENT

Property and Equipment as of March 31 consist of the following:

(All dollar amounts in thousands)

	2009	2008
Land	$ 182,580	$ 174,009
Buildings and Improvements	520,285	488,532
Furniture, Fixtures, and Equipment	105,568	70,476
Construction in Progress	44,081	69,861
	$ 852,514	$ 802,878
Less Accumulated Depreciation & Amortization	(50,800)	(8,279)
	$ 801,714	$ 794,599

NOTE 8 – OTHER ASSETS

Other assets as of March 31 consist of the following:

	2009	2008
Goodwill	$ 167,653	$ 436,618
Customer Database (less Accumulated Amortization of $10,325 in 2009 & $1,587 in 2008)	95,875	110,113
Other	44,482	49,231
	$ 308,010	$ 595,962

During May 2003, the Company entered into an agreement to lease the Pier at Caesars (the "Pier") to developers for an initial term of 75 years. The 75 year term commenced upon completion of the Pier's construction in 2006. The lease agreement provides for the repayment of certain qualified pier development costs incurred by the developers.

As financing for the qualified pier development costs, the Company and certain of its Atlantic City affiliates entered into a credit agreement (the "Credit Agreement") with the CRDA. The Credit Agreement provided for funding from the CRDA of up to $42,800 for qualified development costs. As of March 31, 2009, the Company repaid the developers approximately $42,800 through CRDA funds previously deposited by an affiliate. These payments are considered lease incentive payments and will be amortized over the life of the lease.

Refer to Note 2 for discussion of Goodwill and Other Intangible Assets.

NOTE 9 – NOTES PAYABLE

At December 31, 2000, the Company entered into an uncommitted $50,000 credit facility with Caesars Entertainment Finance Corporation ("CEFC"), a wholly owned subsidiary of HOC. At March 31, 2009, there was no outstanding balance.

NOTE 10 - OTHER ACCRUED EXPENSES

(All dollar amounts in thousands)

Other accrued expenses as of March 31 consist of the following:

	2009	2008
Accrued Payroll & Benefits	$ 10,191	$ 11,585
Accrued Interest Payable	51,784	7,728
Real Estate Taxes	-	4,526
Other	10,529	9,478
	$ 72,504	$ 33,317

NOTE 11- LONG-TERM DEBT TO AFFILIATES

Long-term debt, due to affiliates as of March 31 consists of the following:

	2009	2008
8.5% Note Payable to Harrah's Entertainment, Ltd. ("HEL") due December 31, 2010	$ 518,330	$ 518,330
	$ 518,330	$ 518,330

On July 1, 2006, the note formerly held by CEFC was assigned to HEL. Neither the terms nor the amounts of debt were affected by this assignment. The only notable change resulting from the assignment was a change in the timing of interest payments. Prior to the assignment interest payments were made monthly. However, for subsequent tax years, interest payments will be remitted annually, payable in the following year. As of March 31, 2009, accrued interest related to the intercompany note totaled $51,756. Since the note is due to an affiliate, a determination of fair value is not considered meaningful.

NOTE 12 - OTHER LONG TERM DEBT

Long-term debt, other as of March 31 consists of the following:

	2009	2008
Mortgage Note due October 15, 2011 Interest at 10.0%	$ 549	$ 590
Less: Current Maturities	(45)	(41)
	$ 504	$ 549

NOTE 13 – OTHER LIABILITIES

Other Liabilities as of March 31, 2009 and March 31, 2008 consisted of the following:

(All dollar amounts in thousands)

	2009	2008
Due to Affiliates, Atlantic City Region	$ 87,320	$ 73,862
Due to Affiliates, Harrahs	-	59,312
Due to Affiliates, Other	39,131	27,163
ACES Consolidation	12,498	7,863
CRDA-ACIA funding	8,221	7,703
FIN 48 - Tax Reserve	13,171	14,179
Other	-	4,206
	$ 160,341	$ 194,288

The Atlantic City Region consists of Harrah's casino licenses operating in Atlantic City, New Jersey.

NOTE 14 – COMMITMENTS AND CONTINGENCIES

Litigation – The Company is involved in various claims and legal actions arising in the ordinary course of business. In the opinion of management, these matters will not have a material effect on the Company's financial position or results of operations.

Insurance Reserve - The Company is self-insured for various levels of general liability coverage. Insurance claims and reserves include the accrual of estimated settlements for known and anticipated claims. Accrued expenses and other current liabilities in the accompanying balance sheets include insurance allowances of $400 and $600 as of March 31, 2009 and 2008, respectively. Actual results may differ from these reserve amounts.

CRDA Investment Obligation - The New Jersey Casino Control Act provides, among other things, for an assessment of licensees equal to 1.25% of their gross gaming revenues in lieu of an investment alternative tax equal to 2.5% of gross gaming revenues. The Company may satisfy this investment obligation by investing in qualified eligible direct investments, by making qualified contributions or by depositing funds with the CRDA. Funds deposited with the CRDA may be used to purchase bonds designated by the CRDA or, under certain circumstances, may be donated to the CRDA in exchange for credits against future CRDA investment obligations. CRDA bonds have terms up to 50 years and bear interest at below market rates. The Company includes CRDA investment bonds and funds on deposit in Investments, Advances and Receivables in the accompanying balance sheets totaling $5,820 and $24,292 respectively, at March 31, 2009 and $6,658 and $19,482, respectively, at March 31, 2008. The Company records charges to operations to reflect the estimated net realizable value of its CRDA investment.

The estimate for Valuation Reserves for the CRDA bonds considered guidance primarily under FAS 115 "Accounting for Certain Investments in Debt and Equity Securities," FASB SOP FAS 115-1/124-1 "The Meaning of Other-than-temporary Impairment and its Application to Certain

Investments" and FAS 157 "Fair Value Measurements." Since there is no market for the bonds issued through the CRDA, initial obligation deposits are marked down by 33% to represent their fair value and eventual expected conversion into bonds by the CRDA. This discount is being amortized over the remaining life of the bond. Once CRDA Bonds are issued we have concluded that the bonds are held-to-maturity due to their nature. The bonds held by the Company through CRDA are held to maturity since the Company has the ability and the intent to hold these bonds to maturity and under the CRDA, they are not permitted to do otherwise. As such, as of March 31, 2009 the CRDA Bonds are measured at amortized cost.

All the Atlantic City casino properties (the "AC Industry") and the CRDA entered into an agreement with the New Jersey Sports & Exposition Authority (the "NJSEA") to provide funding to subsidize New Jersey's horseracing industry. This agreement expired on January 1, 2009. The agreement provided that in exchange for funding, the NJSEA and the three active New Jersey racetracks would not conduct any casino gaming at the racetracks prior to January 1, 2009. As part of the agreement, the AC Industry provided $34,000 over a four year period to the NJSEA and deposited another $62,000 into the Casino Expansion Fund (managed by the CRDA). The Company's obligation was equal to its fair-share of AC Industry casino revenues and the Company is eligible to receive funds deposited as a result of this obligation from the Casino Expansion Fund for qualified construction expenditures. The Company has until June 30, 2014 to submit an application to exhaust its share of the Casino Expansion Fund. Any funds not transferred out of the Casino Expansion Fund by the required date will be transferred to funds on deposit with the CRDA pursuant to its ongoing investment obligations.

In August 2008, the AC Industry entered into a new agreement with the NJSEA that will provide $90 million in funding to subsidize New Jersey's horseracing industry. The funding will be provided in installments through 2011. In exchange for this funding, the NJSEA and the three active New Jersey racetracks will not conduct any casino gaming at the racetracks prior to December 31, 2011. The Company's obligation is equal to its fair-share of AC Industry casino revenues. The total commitment is being charged to operations on a straight line basis beginning January 2009 through December 31, 2011.