

**UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE**

In re:

TRUMP ENTERTAINMENT  
RESORTS, INC., *et al.*,

Debtors.

Chapter 11

Case No. 14-12103 (KG)  
(Jointly Administered)

**Related To Docket Nos. 166 and 175**

**LIMITED OBJECTION OF THE CITY OF ATLANTIC CITY  
TO DEBTORS' DISCLOSURE STATEMENT**

The City of Atlantic City (the "City"), by and through its undersigned counsel, hereby objects<sup>1</sup> to the disclosure statement (the "Disclosure Statement") filed by the above-captioned debtors-in-possession (collectively, "Debtors"). In support of its objection, the City respectfully states as follows:

1. Each of Debtors Trump Taj Mahal Associates ("Taj") and Trump Plaza Associates ("Plaza," and collectively with Taj, the "Property Debtors") did not make (a) full payment of its real property taxes for the second quarter of 2014 (due on May 1, 2014),<sup>2</sup> and (b) any payment of its real property taxes for the third quarter of 2014 (due on August 1, 2014). Pursuant to New Jersey law, the City has first-priority liens on Debtors' respective properties for the amount of the unpaid taxes plus statutory interest, which as of the petition date totaled \$9,891,045.28 for Taj and \$2,475,339.75

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<sup>1</sup> With the consent of Debtors' counsel at Stroock & Stroock & Lavan LLP, this objection is filed after the formal objection deadline.

<sup>2</sup> The Property Debtors both filed real estate tax appeals of the respective assessments for their properties for the 2014 tax year. By June 2014, the City and the Property Debtors had negotiated the terms of a settlement agreement that, among other things, fixed the assessments of the properties for the 2014 and 2015 tax years. However, that settlement was never signed by any of the parties. Despite repudiating the settlement agreement, the Property Debtors appear to have selectively chosen aspects of the settlement agreement to comply with. For example, for the second quarter of 2014 (payments due on May 1, 2014), each of the Property Debtors made the payment that would have been due under the settlement agreement (which of course was a lower number) instead of the full amount.

for Plaza, and has continued to increase on a daily basis ever since. The Disclosure Statement makes no mention of any of this, nor does it recognize the City as having a secured claim.

2. Further, counsel for the Property Debtors has informed the undersigned counsel that the Property Debtors will not be making their fourth quarter 2014 payments of real estate taxes (\$7,426,151.17 for Taj, and 1,929,854.59 for Plaza), which are due on November 1, 2014. In addition to being a secured claim, these post-petition taxes are also a super-priority unsecured claim pursuant to 11 U.S.C. §§ 507(a)(2) and 503(b)(1)(B)(i). See In re Soltan, 234 B.R. 260, 269-73 (Bankr. E.D.N.Y. 1999). Again, the Disclosure Statement ignores this fact.

3. Assuming that such fourth quarter payments are not made, the aggregate amount of taxes and interest owed by the Property Debtors as of November 5, 2014 – the scheduled date of the hearing on the Disclosure Statement – will be **\$21,928,440.30** (\$17,482,986.17 for Taj, and \$4,445,454.13 for Plaza). Nowhere is this mentioned in the Disclosure Statement.

4. Without the contents of paragraphs 1-3 above, the Disclosure Statement does not contain “adequate information” as defined in 11 U.S.C. § 1125. In order to make an informed judgment about Debtors’ plan, these clearly material liabilities must be considered.

*[Intentionally left blank.]*

5. For the foregoing reasons, the City respectfully requests that the Court not approve the Disclosure Statement until it addresses the City's significant claims against Debtors. The City reserves the right to submit additional objections to the Disclosure Statement (in its current form or as amended), and to object to confirmation of the plan (in its current form or as amended).

Respectfully submitted:

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*(both counsel will obtain Delaware counsel  
association and seek pro hac vice admission  
pursuant L.B.R. 9010-1(c) & (d))*