

PROSPECTUS SUPPLEMENT

DATED NOVEMBER 22, 2004

TO

PROSPECTUS DATED MAY 14, 2004

CATSKILL LITIGATION TRUST

This Prospectus Supplement, dated November 22, 2004 (the "Supplement"), supplements that certain Prospectus dated May 14, 2004 (the "Prospectus"), and should be read in conjunction with the Prospectus.

On May 17, 2004, August 18, 2004 and November 12, 2004 we filed with the Securities and Exchange Commission the attached Quarterly Reports on Form 10-QSB for the quarters ended March 31, 2004, June 30, 2004 and September 30, 2004, respectively. The attached information supplements and supersedes, in part, the information contained in the Prospectus. Furthermore, the section entitled "Selling Unitholders" is hereby amended in its entirety as follows:

SELLING UNITHOLDERS

The following table sets forth the name of each of the selling unitholders, the number of units beneficially owned by each of the selling unitholders, the number of units that may be offered under this prospectus and the number of units owned by each of the selling unitholders after the offering is completed.

Beneficial ownership is determined in accordance with the rules of the Securities and Exchange Commission and generally includes voting or investment power with respect to securities. To our knowledge, except as set forth in the footnotes to this table and subject to applicable community property laws, each person named in the table has sole voting and investment power with respect to the shares shown as beneficially owned by him or her.

Name ----	Number of Units Beneficially Owned Prior to Offering -----	Maximum Number of Units to be Offered for Resale -----	Beneficial Ownership After Offering -----	
			Number of Units -----	Percent of Class -----
Monticello Realty, L.L.C.	5,732,261	5,732,261	0	--

Name ----	Number of Units Beneficially Owned Prior to Offering -----	Maximum Number of Units to be Offered for Resale -----	Beneficial Ownership After Offering -----	
			Number of Units -----	Percent of Class -----
Americas Tower Partners (1)	6,599,294	6,599,294	0	--
Robert Berman	2,862,228	2,862,228	0	--
Avon Road Partners, LP	1,080,880	1,080,880	0	--
Scott Kaniewski	129,624	129,624	0	--
Kaniewski Family LP	226,425	226,425	0	--
KFP Trust	274,358	274,358	0	--
Philip Berman	249,697	249,697	0	--
Brian Nastruz	10,016	10,016	0	--
Paul deBary (2)	135,581	135,581	0	--
Gunther Arzberger	22,597	22,597	0	--
Bill Bard	22,597	22,597	0	--
Shlomo Ben-Hamoo	2,260	2,260	0	--
Daryl Cramer	5,649	5,649	0	--
Kenneth Cramer	11,298	11,298	0	--
Philip Datloff	135,581	135,581	0	--
Stephen Goldenberg	37,285	37,285	0	--
Leonard Parker	22,597	22,597	0	--
Burt Bloom	11,298	11,298	0	--
Steven Schwimmer	11,298	11,298	0	--
Bruce Rosen	22,597	22,597	0	--
Richard Rose	67,790	67,790	0	--
Kimi Sato	22,597	22,597	0	--
Robin Rose	67,790	67,790	0	--
Clifford Ehrlich	250,512	250,512	0	--

Fox-Hollow Lane, LLC	182,191	182,191	0	--
Shamrock Strategies, Inc.	22,774	22,774	0	--

- (1) NYL Development Corporation, NYL Limited Partners Limited Partnership and Americas Tower Limited Partners Limited Partnership are the general partners of Americas Tower Partners. NYL Development Corporation is indirectly owned by Joseph E. Bernstein and Ralph J. Bernstein. Joseph E. Bernstein and Ralph J. Bernstein are the sole general partners of NYL Limited Partners Limited Partnership, which is the sole general partner of Americas Tower Limited Partners Limited Partnership. As a result, Joseph E. Bernstein and Ralph J. Bernstein jointly hold investment and voting power over the units being offered by Americas Tower Partners. Joseph E. Bernstein is one of our two co-trustees.
- (2) Paul A. deBary is one of our two co-trustees.

Our registration of the units included in this prospectus does not necessarily mean that each of the selling unitholders will opt to sell any of the units offered in this prospectus. The units covered by this prospectus may be sold from time to time by the selling unitholders so long as this prospectus remains in effect.

All provisions of the Prospectus not specifically amended by this Supplement remain in full force and effect.

Please insert this Supplement into your Prospectus and retain both this Supplement and the Prospectus for future reference. If you would like to receive a copy of the Prospectus, as supplemented to date, please write to Catskill Litigation Trust at c/o Christiana Bank & Trust Company, 1314 King Street, Wilmington, Delaware 19801 or call (302) 888-7400.

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 10-QSB

(Mark one)

QUARTERLY REPORT UNDER SECTION 13 OR 15(D)
OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended March 31, 2004

/ TRANSITION REPORT UNDER SECTION 13 OR 15(D)
OF THE EXCHANGE ACT

For the transition period from _____ to _____

Commission file number 333-112603

CATSKILL LITIGATION TRUST

(Exact Name of Small Business Issuer as Specified in Its Declaration of Trust)

DELAWARE

16-6547621

(State or Other Jurisdiction of
Incorporation or Organization)

(I.R.S. Employer Identification No.)

C/O CHRISTIANA BANK & TRUST COMPANY
1314 King Street
Wilmington, Delaware 19801

(Address of Principal Executive Offices)

(302) 888-7400

(Issuer's Telephone Number, Including Area Code)

(Former Name, Former Address and Former Fiscal Year, if Changed Since Last
Report)

Check whether the issuer (1) filed all reports required to be filed by Section
13 or 15(d) of the Exchange Act during the past 12 months (or for such shorter
period that the registrant was required to file such reports), and (2) has
been subject to such filing requirements for the past 90 days.

Yes No / /

As of May 14, 2004, 22,702,896 Units of beneficial interest were outstanding.

Transitional Small Business Disclosure Format (check one): Yes No / /

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CATSKILL LITIGATION TRUST

FORM 10-QSB

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PART I - FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

CATSKILL LITIGATION TRUST
 BALANCE SHEET
 March 31, 2004
 (Unaudited)

ASSETS	\$ -
LIABILITIES AND TRUST DEFICIENCY	
Current Liabilities:	
Accrued legal and administrative expenses	\$127,507

Total Current Liabilities	127,507

Trust Deficiency:	
Units of Beneficial Interest authorized	-
22,702,896; issued and outstanding 22,702,896	-
Accumulated deficit	(127,507)

Total Trust Deficiency	(127,507)

TOTAL LIABILITIES AND TRUST DEFICIENCY	\$ -
	=====

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

CATSKILL LITIGATION TRUST
STATEMENT OF OPERATIONS
For the period January 12, 2004 (Date of Inception)
to March 31, 2004
(Unaudited)

General and Administrative Expenses:	
Litigation Trustee Fees	\$ 26,130
Administrative Trustee Fees	6,000
Consulting Fees	6,000
Legal Fees	71,204
Accounting Fees	17,183
Other	990

Total General and Administrative Expenses	127,507

Net Loss	\$(127,507)
	=====
Loss per unit outstanding	(\$0.01)
	=====
Weighted average units outstanding	22,702,896
	=====

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

CATSKILL LITIGATION TRUST
STATEMENT OF CASH FLOWS
For the period January 12, 2004 (Date of Inception)
to March 31, 2004
(Unaudited)

OPERATING ACTIVITIES:	
Net Loss	(\$127,507)
Adjustments to reconcile net loss to net cash provided by operations:	
Increase in accrued legal and administrative expenses	127,507

Net cash provided by operating activities	-

Cash flow from investing activities	-

Cash flow from financing activities	-

Cash-beginning of period	-

Cash-end of period	\$ -
	=====

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

CATSKILL LITIGATION TRUST

NOTES TO CONDENSED FINANCIAL STATEMENTS

NOTE 1 - THE TRUST

The Catskill Litigation Trust is a Delaware statutory trust (the "Litigation Trust") formed by Empire Resorts, Inc. ("Empire Resorts"), Monticello Raceway Management, Inc. ("Monticello Raceway Management"), Monticello Casino Management, LLC ("Monticello Casino Management"), Monticello Raceway Development Company, LLC ("Monticello Raceway Development") and Mohawk Management, LLC ("Mohawk Management"). On January 12, 2004, 22,702,896 units of beneficial interest were issued to the members and stockholders of those entities. At that time, Empire Resorts, Catskill Development, L.L.C. ("Catskill Development"), Monticello Raceway Management, Mohawk Management, Joseph E. Bernstein, Paul A. deBary (Messrs. Bernstein and deBary are hereinafter referred to as the "Litigation Trustees") and Christiana Bank and Trust Company (the "Administrative Trustee") entered into the Declaration of Trust of Catskill Litigation Trust (the "Declaration of Trust").

In the Declaration of Trust, Catskill Development, Monticello Raceway Development and Mohawk Management assigned to the Litigation Trust all of their claims under or related to the alienation and frustration of their agreements and business relations with the St. Regis Mohawk Tribe and their rights to any judgment or settlement that may arise from any litigation relating to two litigations entitled Catskill Development, L.L.C., Mohawk Management L.L.C. and Monticello Raceway Development Company L.L.C., Plaintiffs v. Park Place Entertainment Corporation, Defendant and Catskill Development, L.L.C., Mohawk Management, L.L.C., Monticello Raceway Development Company, L.L.C., Plaintiffs v. Gary Melius, Ivan Kaufman, Walter Horn, President R.C. - St. Regis Management Company, et al, Defendants (hereinafter referred to as the "Litigation"). If at any time the Litigation Trustees determine, in their absolute discretion, that the assets of the Litigation Trust are not sufficient to justify its continuance, the Litigation Trustees are authorized to terminate the Litigation Trust. In addition, the Litigation Trust is to terminate on the date that all litigation has been fully prosecuted to final judgment or dismissal, including all appeals, and all Litigation Trust assets have been distributed to the Litigation Trust's beneficiaries.

NOTE 2 - BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

These condensed financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America for interim financial statements and with Form 10-QSB and Item 310 of Regulation SB of the Securities and Exchange Commission. Accordingly, they do not contain all the information and footnotes required by accounting principles generally accepted in the United States of America for annual financial statements. In the opinion of the Litigation Trustees, the accompanying condensed financial statements contain all the adjustments necessary (consisting only of normal recurring accruals) to make the financial position of the Litigation Trust at March 31, 2004 and the results of its operations and its cash flows for the period January 12, 2004 (date of inception) to March 31, 2004 not misleading.

Operating results for the period January 12, 2004 (date of inception) to March 31, 2004 are not necessarily indicative of the results that would be expected for the period January 12, 2004 (date of inception) to December 31, 2004. For further information, refer to the financial

statement as of January 12, 2004 and the footnotes related thereto contained in the Litigation Trust's Form S-1 filed on April 22, 2004 with the Securities and Exchange Commission.

Use of Estimates in the Financial Statements

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the Litigation Trustees 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 could differ from those estimates.

Income Taxes

For federal income tax purposes, the Litigation Trust is treated as a grantor trust. Under the grantor trust rules, each holder of a unit of beneficial interest is treated as the owner of his or her share of the Litigation Trust's assets.

NOTE 3 - LINE OF CREDIT

Empire Resorts, a related party, has provided the Litigation Trust with a line of credit of up to \$2,500,000. The line of credit can be used to pay all expenses of the Litigation Trust permitted under the Declaration of Trust, including but not limited to professional fees and the fees and expenses of the Litigation and Administrative Trustees. The line of credit is non-interest bearing and is to be repaid from any amounts received from litigation settlements or awards. The line of credit expires upon the termination of the Litigation Trust.

As of March 31, 2004, no amounts were drawn from the line of credit. On April 1, 2004, \$250,000 was drawn against the line of credit and deposited into a money market account.

NOTE 4 - DISTRIBUTIONS

The distribution of any net proceeds from litigation settlements or awards, after amounts are applied to cover all current or expected expenses of the Litigation Trust, is to be made at the sole discretion of the Litigation Trustees and will be distributed as follows:

First: To pay the Litigation Trustees their fees arising from litigation settlements or awards. (See Note 6)

Second: To reimburse \$7,500,000 to Empire Resorts for expenses incurred in connection with the Litigation prior to the formation of the Litigation Trust and, in addition, to repay Empire any amounts outstanding under the line of credit.

Third: If any amount remains after the above requirements are met, such amount remaining is to be divided among the beneficiaries of the Litigation Trust in proportion to their ownership of Units as of the date the distribution is made.

NOTE 5 - ACCRUED LEGAL AND ADMINISTRATIVE EXPENSES

	March 31, 2004
Legal fees related to litigation	\$65,489

Legal fees related to administration	5,715
Litigation Trustee Fees	26,130
Accounting Fees	17,183
Consulting Fees	6,000
Administrative Trustee Fees	6,000
Other fees and expenses	990

	\$127,507
	=====

NOTE 6 - COMMITMENTS AND CONTINGENCIES

Compensation of Litigation Trustees

Each of the two Litigation Trustees is entitled to annual compensation of \$60,000 plus reimbursement of expenses incurred carrying out the purpose of the Litigation Trust. In addition, one Litigation Trustee is entitled to 4%, and the other 1%, of any litigation settlements or awards.

Compensation of the Administrative Trustee

The Administrative Trustee is entitled to a \$5,000 acceptance fee (which includes the first month administrative fee) and a monthly administrative fee of \$500. In addition, the Administrative Trustee is entitled to a custody fee on certain cash balances and marketable securities of .5% per annum on the first \$10,000,000 of fair value and 3% on the excess and reimbursement for certain fees and expenses.

Expenses Paid Prior to the Formation of the Litigation Trust

As discussed in Note 4, the Litigation Trust is obligated to pay to Empire Resorts up to \$7,500,000. This amount represents expenses incurred prior to the formation of the Litigation Trust. The amount is payable solely from the proceeds of litigation settlements or awards.

Repayments of Amounts Drawn Under the Line of Credit

As discussed in Note 3, the expenses of the Litigation Trust are expected to be paid from draws under the line of credit. Amounts drawn under the line of credit are to be repaid from any amounts received from litigation settlements or awards.

NOTE 7 - CERTAIN RELATIONSHIPS

The Litigation Trustees are both currently members of the Empire Resorts Board of Directors.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OR PLAN OF OPERATION

Forward-Looking Statements

This Report on Form 10-QSB contains "forward-looking statements" within the meaning of Section 27A of the Securities Act and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). All statements other than statements of historical facts included in this Report, including without limitation, the statements under "General," and "Liquidity and Capital Resources," are forward-looking statements. All subsequent written and oral forward-looking statements attributable to the Company or persons acting on its behalf are expressly qualified in their entirety by the Cautionary Statements.

You should read the following discussions in conjunction with our financial statements and the related notes thereto and other financial information appearing elsewhere in this report. The following discussion contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in the forward-looking statements as a result of various factors, including those discussed elsewhere in this report.

General

We are a statutory trust created under Delaware law. Our formation was a condition to the consolidation of Empire Resorts, Inc. ("Empire Resorts") with Monticello Raceway Management, Inc. ("Monticello Raceway Management"), Monticello Casino Management, LLC ("Monticello Casino Management"), Monticello Raceway Development Company, LLC ("Monticello Raceway Development") and Mohawk Management, LLC ("Mohawk Management"). Also as a condition to that consolidation, each of Catskill Development, L.L.C. ("Catskill Development"), Monticello Raceway Development and Mohawk Management, agreed to assign to us all of their claims under or related to the alienation and frustration of their agreements and business relations with the St. Regis Mohawk Tribe. That assignment included rights to any proceeds from any settlement or award that may arise from any litigation relating to that claim. Our litigation claims arise from the efforts of each of Catskill Development, Monticello Raceway Development and Mohawk Management to develop with the St. Regis Mohawk Tribe a gaming casino in Monticello, New York. We spent several years and substantial funds to develop and obtain required approvals for the casino. Subsequently, Park Place Entertainment Corporation, the world's largest gaming corporation and Atlantic City's largest casino operator, entered into an agreement providing for the St. Regis Mohawk Tribe to commit their future casino development efforts exclusively to Park Place Entertainment Corporation. That agreement conflicted with the Mohawk Tribe's agreements with Catskill Development, Monticello Raceway Development and Mohawk Management. There are two lawsuits presently pending. The first lawsuit is Catskill Development, L.L.C., Mohawk Management, L.L.C., and Monticello Raceway Development Company, L.L.C., Plaintiffs. v. Park Place Entertainment Corporation, Defendant. (Civil Action No. 00CIV8660 (CM) (GAY)) (United States District Court Southern District of New York). This lawsuit had initially been dismissed on a motion for summary judgment. However, those rulings have been appealed. In addition, the trial court vacated the earlier decision granting summary judgment to Park Place Entertainment Corporation, in order to allow additional discovery proceedings. The second lawsuit is Catskill Development, L.L.C., Mohawk Management, L.L.C., and Monticello Raceway Development Company, L.L.C., Plaintiffs. against Gary Melius, Ivan Kaufman, Walter Horn, President R.C. - St. Regis Management Company, et al, Defendants. (Index No. 891/03) (Supreme Court of the State of New York County of Sullivan). This lawsuit is in its preliminary stages. Our purposes are the prosecution of our litigation claims through the recovery of any settlement or final judgments and the distribution of the net amount of any such recoveries to our beneficiaries.

The administration of the Litigation Trust will involve the authentication and payment of fees and expenses for legal and related services in connection with our litigation claims, reporting and regulatory compliance and the maintenance of litigation, financial and unitholder records. Administrative expenses are currently estimated to be approximately \$200,000 per year, including the fees of the Litigation Trustees, the Administrative Trustee, auditors and accountants and other support services. Legal fees and other expenses involved in our litigation claims are impossible to predict with any degree of accuracy. No assurance can be given that the amounts available to us for the payment of such expenses under our line of credit will be sufficient to carry our litigation claims through to a successful conclusion or that alternative funds will be available for such purpose.

Our unit holders will only be entitled to the net proceeds from any settlement or award, if any, of our litigation claims after the payment of our expenses, the fees of the Litigation Trustees, any amounts outstanding under our line of credit and \$7,500,000 to Empire Resorts for reimbursement of prior expenses incurred in connection with our litigation claims.

RESULTS OF OPERATIONS

For the period January 12, 2004 (date of inception) through March 31, 2004, we reported a net loss of \$127,506. Included in this net loss are, legal fees related to litigation of \$65,489 and administrative expenses of \$62,018, but no proceeds from any litigation.

LIQUIDITY AND CAPITAL RESOURCES

Empire Resorts has provided us with an irrevocable line of credit of up to \$2,500,000 to provide funds to pay any and all of our expenses permitted under the Declaration of Trust. No interest is payable on amounts advanced under our line of credit. Amounts outstanding under our line of credit are to be repaid by us from proceeds received from any settlement or award in connection with our litigation claims after payment of an amount necessary to pay the Litigation Trustees the fees for their services as set forth in the Declaration of Trust. Repayments of amounts outstanding under our line of credit may be made as a whole or in part from time to time at any time without notice. We may re-borrow any amounts so repaid. Our line of credit will remain in full force and effect until our termination.

Empire Resorts is a holding company, owning all the capital stock or membership interests of certain other entities. Empire Resorts is therefore dependent on these other entities to pay dividends or make distributions in order to generate internal cash flow and to satisfy its obligations, including its obligations under our line of credit. There can be no assurance, however, that these other entities will generate enough revenue to pay cash dividends or make cash distributions. In addition, these entities may enter into contracts that limit or prohibit their ability to pay dividends or make distributions.

Empire Resorts had no net operating revenue during the fiscal year ended December 31, 2003 and sustained a net operating loss of approximately \$8.0 million during such period. Therefore, there can be no assurance that Empire Resorts will have the ability to meet its obligations under our line of credit.

ITEM 3. CONTROLS AND PROCEDURES

(a) The Litigation Trust carried out an evaluation, under the supervision and with the participation of the Litigation Trust's management, including Joseph E. Bernstein (acting Chief Executive Officer) and Paul A. Debary (acting Chief Financial Officer), the Litigation Trust's Litigation Trustees, of the effectiveness of the design and operation of the Litigation Trust's "disclosure controls and procedures", as such term is defined in Exchange Act Rule 15d-15e, as of the end of the period covered by this report. Based upon that evaluation, Messrs. Bernstein and deBary have concluded that the Litigation Trust's disclosure controls and procedures were effective as of the

end of the period covered by this report to provide reasonable assurance that information required to be disclosed by the Litigation Trust in reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in SEC rules and forms.

(b) There have been no significant changes in the Litigation Trust's internal controls or in other factors that could significantly affect the Litigation Trust's internal controls subsequent to the date the Litigation Trust carried out this evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

A control system, no matter how well conceived and operated, can provide only reasonable, not absolute assurance that the objectives of the control system are met. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within a company have been detected.

PART II - OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

We are a statutory trust created under Delaware law. Our formation was a condition to the consolidation of Empire Resorts with Monticello Raceway Management, Monticello Casino Management, Monticello Raceway Development, and Mohawk Management. Also as a condition to that consolidation, each of Catskill Development, Monticello Raceway Development and Mohawk Management, agreed to assign to us all of their claims under or related to the alienation and frustration of their agreements and business relations with the St. Regis Mohawk Tribe. That assignment included rights to any proceeds from any settlement or award that may arise from any litigation relating to that claim. Our litigation claims arise from the efforts of each of Catskill Development, Monticello Raceway Development and Mohawk Management to develop with the St. Regis Mohawk Tribe a gaming casino in Monticello, New York. We spent several years and substantial funds to develop and obtain required approvals for the casino. Subsequently, Park Place Entertainment Corporation, the world's largest gaming corporation and Atlantic City's largest casino operator, entered into an agreement providing for the St. Regis Mohawk Tribe to commit their future casino development efforts exclusively to Park Place Entertainment Corporation. That agreement conflicted with the Mohawk Tribe's agreements with Catskill Development, Monticello Raceway Development and Mohawk Management. There are two lawsuits presently pending. The first lawsuit is Catskill Development, L.L.C., Mohawk Management, L.L.C., and Monticello Raceway Development Company, L.L.C., Plaintiffs. v. Park Place Entertainment Corporation, Defendant. (Civil Action No. 00CIV8660 (CM)(GAY)) (United States District Court Southern District of New York). This lawsuit had initially been dismissed on a motion for summary judgment. However, those rulings have been appealed. In addition, the trial court vacated the earlier decision granting summary judgment to Park Place Entertainment Corporation, in order to allow additional discovery proceedings. The second lawsuit is Catskill Development, L.L.C., Mohawk Management, L.L.C., and Monticello Raceway Development Company, L.L.C., Plaintiffs. against Gary Melius, Ivan Kaufman, Walter Horn, President R.C. - St. Regis Management Company, et al, Defendants. (Index No. 891/03) (Supreme Court of the State of New York County of Sullivan). This lawsuit is in its preliminary stages and prosecution of the suit may be deferred pending the resolution of certain issues related to the first lawsuit. Our purposes are the prosecution of our claims now through the recovery of any settlement or final judgments and the distribution of the net amount of any such recoveries to our beneficiaries.

ITEM 2. Changes in Securities and Small Business Issuer Purchases of Equity Securities

In connection with the formation of the Litigation Trust and the completion of the consolidation of Empire Resorts with Monticello Raceway Management, Monticello Casino Management, Monticello Raceway Development and Mohawk Management, the Litigation Trust issued on January 12, 2004, in a single transaction, 22,702,896 units of the Litigation Trust (the "Units"), representing all of its currently outstanding Units, pursuant to Section 4(2) of the Securities Act of 1933, as amended.

Item 6. Exhibits and Reports on 8-K

a. Exhibits

- *31.1 Certification of Acting Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.

- *31.2 Certification of Acting Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
- *32.1 Certification of the Acting Chief Executive Officer pursuant to 18 U.S.C. Section 1350 adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
- *32.2 Certification of the Chief Financial Officer pursuant to 18 U.S.C. Section 1350 adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

*Filed herewith

b. Reports on Form 8-K

None.

SIGNATURES

In accordance with the requirements of the Exchange Act, the registrant caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

CATSKILL LITIGATION TRUST
(Registrant)

DATE: May 17, 2004

By: /s/ Joseph E. Bernstein

Joseph E. Bernstein
Litigation Trustee

DATE: May 17, 2004

By: /s/ Paul A. deBary

Paul A. deBary
Litigation Trustee

Section 302 Certification

I, Joseph E. Bernstein, certify that:

1. I have reviewed this quarterly report on Form 10-QSB of Catskill Litigation Trust;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the small business issuer as of, and for, the periods presented in this report;

4. The small business issuer's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e) for the small business issuer and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the small business issuer, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Evaluated the effectiveness of the small business issuer's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

c) Disclosed in this report any change in the small business issuer's internal control over financial reporting that occurred during the small business issuer's most recent fiscal quarter (the small business issuer's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the small business issuer's internal control over financial reporting; and

5. The small business issuer's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the small business issuer's auditors and the audit committee of small business issuer's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the small business issuer's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the small business issuer's internal control over financial reporting.

Date: May 17, 2004

/s/ Joseph E. Bernstein

Name: Joseph E. Bernstein
Title: Acting Chief Executive Officer

Section 302 Certification

I, Paul A. deBary, certify that:

1. I have reviewed this quarterly report on Form 10-QSB of Catskill Litigation Trust;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the small business issuer as of, and for, the periods presented in this report;

4. The small business issuer's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e) for the small business issuer and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the small business issuer, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Evaluated the effectiveness of the small business issuer's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

c) Disclosed in this report any change in the small business issuer's internal control over financial reporting that occurred during the small business issuer's most recent fiscal quarter (the small business issuer's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the small business issuer's internal control over financial reporting; and

5. The small business issuer's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the small business issuer's auditors and the audit committee of small business issuer's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the small business issuer's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the small business issuer's internal control over financial reporting.

Date: May 17, 2004

/s/ Paul A. deBary

Name: Paul A. deBary
Title: Acting Chief Financial Officer

CERTIFICATION OF CHIEF EXECUTIVE OFFICER (1)

Pursuant to 18 U.S.C. Section 1350, as created by Section 906 of the Sarbanes-Oxley Act of 2002, the following certification is being made to accompany the Registrant's Quarterly Report on Form 10-QSB for the period ended March 31, 2004:

In connection with the Quarterly Report of Catskill Litigation Trust (the "Company") on Form 10-QSB for the period ended March 31, 2004 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Joseph E. Bernstein, Acting Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. ss. 1350, adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 that to my knowledge:

- (1) The Report fully complies with the requirements of Section 13(a) or Section 15(d), as applicable, of the Securities Exchange Act of 1934, as amended; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Joseph E. Bernstein

Name: Joseph E. Bernstein
Title: Acting Chief Executive Officer
Date: May 17, 2004

- (1) A signed original of this written statement required by Section 906 has been provided to Catskill Litigation Trust and will be retained by Catskill Litigation Trust and furnished to the Securities and Exchange Commission or its staff upon request.

The foregoing certification is being furnished solely pursuant to 18 U.S.C. Section 1350 and is not being filed as part of the Report or as a separate disclosure document.

CERTIFICATION OF CHIEF FINANCIAL OFFICER (1)

Pursuant to 18 U.S.C. Section 1350, as created by Section 906 of the Sarbanes-Oxley Act of 2002, the following certification is being made to accompany the Registrant's Quarterly Report on Form 10-QSB for the period ended March 31, 2004:

In connection with the Quarterly Report of Catskill Litigation Trust on Form 10-QSB for the period ended March 31, 2004 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Paul A. deBary, Acting Chief Financial Officer of the Catskill Litigation Trust, certify, pursuant to 18 U.S.C. ss. 1350, adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 that to my knowledge:

- (1) The Report fully complies with the requirements of Section 13(a) or Section 15(d), as applicable, of the Securities Exchange Act of 1934, as amended; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Catskill Litigation Trust.

/s/ Paul A. deBary

Name: Paul A. deBary
Title: Acting Chief Financial Officer
Date: May 17, 2004

- (1) A signed original of this written statement required by Section 906 has been provided to Catskill Litigation Trust and will be retained by Catskill Litigation Trust and furnished to the Securities and Exchange Commission or its staff upon request.

The foregoing certification is being furnished solely pursuant to 18 U.S.C. Section 1350 and is not being filed as part of the Report or as a separate disclosure document.

=====

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 10-QSB

(Mark one)

Quarterly Report Under to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the quarterly period ended June 30, 2004

Transition Report Under Section 13 or 15(d) of the Exchange Act

For the transition period from _____ to _____

Commission file number 333-112603

CATSKILL LITIGATION TRUST

(Exact Name of Small Business Issuer as Specified in Its Declaration of Trust)

DELAWARE

16-6547621

(State or Other Jurisdiction of
Incorporation or Organization)

(I.R.S. Employer Identification No.)

C/O CHRISTIANA BANK & TRUST COMPANY
1314 King Street
Wilmington, Delaware 19801

(Address of Principal Executive Offices)

(302) 888-7400

(Issuer's Telephone Number, Including Area Code)

(Former Name, Former Address and Former Fiscal Year, if Changed Since Last Report)

Check whether the issuer (1) filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

As of August 11, 2004, 22,702,896 Units of beneficial interest were outstanding.

Transitional Small Business Disclosure Format (check one): Yes No

=====

CATSKILL LITIGATION TRUST

FORM 10-QSB

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PART I - FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

CATSKILL LITIGATION TRUST
 CONDENSED BALANCE SHEET
 June 30, 2004
 (Unaudited)

ASSETS	
Current Assets	
Cash	\$ 151,918

Total Current Assets	151,918

TOTAL ASSETS	\$ 151,918
	=====
LIABILITIES AND TRUST DEFICIENCY	
Current Liabilities	
Accrued legal and administrative expenses	\$ 90,370
Line of credit-related party	250,000

Total Current Liabilities	340,370
Trust Deficiency	
Units of Beneficial Interest: authorized	
22,702,896; issued and outstanding 22,702,896	3,428
Accumulated deficit	(191,880)

Total Trust Deficiency	(188,452)

TOTAL LIABILITIES AND TRUST DEFICIENCY	\$ 151,918
	=====

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

CATSKILL LITIGATION TRUST
CONDENSED STATEMENTS OF OPERATIONS
(Unaudited)

	Three months ended June 30, 2004	January 12, 2004 (Date of Inception) to June 30, 2004

General and Administrative Expenses:		
Litigation Trustee Fees	\$30,000	\$ 56,130
Administrative Trustee Fees	1,500	7,500
Consulting Fees	5,000	11,000
Legal Fees	12,109	83,314
Accounting Fees	9,270	26,453
Interest Expense	3,428	3,428
Other	3,341	4,331

Total General and Administrative Expenses	64,648	192,156
Other Income	276	276

Net Loss	(\$64,372)	(\$191,880)
	=====	
Loss per unit outstanding	(\$ 0.00)	(\$ 0.01)
	=====	
Weighted average units outstanding	22,702,896	22,702,896
	=====	

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

CATSKILL LITIGATION TRUST
CONDENSED STATEMENT OF CASH FLOWS
For the period January 12, 2004 (Date of Inception)
to June 30, 2004
(Unaudited)

OPERATING ACTIVITIES	
Net Loss	(\$191,880)
Adjustments to reconcile net loss to net cash used in operations:	
Imputed interest expense	3,428
Increase in accrued legal and administrative expenses	90,370

Net cash used in operating activities	(\$ 98,082)
Cash flow from financing activities	
Increase in line of credit-related party	250,000

Cash-beginning of period	--

Cash end of period	\$ 151,918
	=====

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

NOTE 1 - THE TRUST

The Catskill Litigation Trust is a Delaware statutory trust (the "Litigation Trust") formed by Empire Resorts, Inc. ("Empire Resorts"), Monticello Raceway Management, Inc., ("MRMI"), Monticello Casino Management, LLC, Monticello Raceway Development Company, LLC ("MRDC") and Mohawk Management, LLC ("Mohawk"). On January 12, 2004, 22,702,896 units of beneficial interest were issued to the members and stockholders of those entities. At that time, Empire Resorts, Catskill Development, L.L.C. ("Catskill"), MRMI, Mohawk, Joseph E. Bernstein, Paul A. deBary (Messrs. Bernstein and deBary are hereinafter referred to as the "Litigation Trustees") and Christiana Bank and Trust Company (the "Administrative Trustee") entered into the Declaration of Trust of Catskill Litigation Trust (the "Declaration of Trust").

In the Declaration of Trust, Catskill, MRDC and Mohawk assigned to the Litigation Trust all of their claims under or related to the alienation and frustration of their agreements and business relations with the St. Regis Mohawk Tribe and their rights to any judgment or settlement that may arise from any litigation relating to two litigations entitled Catskill Development, L.L.C., Mohawk Management L.L.C. and Monticello Raceway Development Company L.L.C., Plaintiffs v. Park Place Entertainment Corporation, Defendant and Catskill Development, L.L.C., Mohawk Management, L.L.C., Monticello Raceway Development Company, L.L.C., Plaintiffs v. Gary Melius, Ivan Kaufman, Walter Horn, President R.C. - St. Regis Management Company, et al, Defendants (hereinafter referred to as the "Litigation"). If at any time the Litigation Trustees determine, in their absolute discretion, that the assets of the Litigation Trust are not sufficient to justify its continuance, the Litigation Trustees are authorized to terminate the Litigation Trust. In addition, the Litigation Trust is to terminate on the date that all litigation has been fully prosecuted to final judgment or dismissal, including all appeals, and all Litigation Trust assets have been distributed to the Litigation Trust's beneficiaries.

NOTE 2 - BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF PRESENTATION

These condensed financial statements have been prepared in accordance with accounting principles for interim financial statements generally accepted in the United States of America, and with Form 10-QSB and Item 310 of Regulation SB of the Securities and Exchange Commission. Accordingly, they do not contain all the information and footnotes required by accounting principles generally accepted in the United States of America for annual financial statements. In the opinion of the Litigation Trustees, the accompanying condensed financial statements contain all the adjustments necessary (consisting only of normal recurring accruals) to make the financial statements of the Litigation Trust not misleading.

Operating results for the period January 12, 2004 (date of inception) to June 30, 2004 are not necessarily indicative of the results that would be expected for the period January 12, 2004 (date of inception) to December 31, 2004. For further information, refer to the financial

statement as of January 12, 2004 and the footnotes related thereto contained in the Litigation Trust's Form S-1 filed on April 22, 2004 with the Securities and Exchange Commission.

USE OF ESTIMATES IN THE FINANCIAL STATEMENTS

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the Litigation Trustees 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 could differ from those estimates.

INCOME TAXES

For federal income tax purposes, the Litigation Trust is treated as a grantor trust. Under the grantor trust rules, each holder of a unit of beneficial interest is treated as the owner of his or her share of the Litigation Trust's assets. The treatment of income and expense items under accounting principles generally accepted in the United States of America may differ from the tax treatment of such items. Expenses incurred by the Litigation Trust will be capitalized for tax purposes.

NOTE 3 - LINE OF CREDIT-RELATED PARTY

Empire Resorts, a related party, has provided the Litigation Trust with a line of credit of up to \$2,500,000. The line of credit can be used to pay all expenses of the Litigation Trust permitted under the Declaration of Trust, including but not limited to professional fees and the fees and expenses of the Litigation and Administrative Trustees. The line of credit is non-interest bearing and is to be repaid from any amounts received from litigation settlements or awards. The line of credit expires upon the termination of the Litigation Trust.

On April 1, 2004, \$250,000 was drawn against the line of credit.

The Litigation Trust imputed interest on the borrowings at Empire Resorts' borrowing rate (5.50% per annum at June 30, 2004). Interest expense for the three months ended June 30, 2004 and for the period January 12, 2004 (date of inception) to June 30, 2004 amounted to \$3,428 and was deemed contributed capital to the Litigation Trust.

NOTE 4 - DISTRIBUTIONS

The distribution of any net proceeds from litigation settlements or awards, after amounts are applied to cover all current or expected expenses of the Litigation Trust, is to be made at the sole discretion of the Litigation Trustees and will be distributed as follows:

First: To pay the Litigation Trustees their fees arising from litigation settlements or awards. (See Note 6)

Second: To reimburse \$7,500,000 to Empire Resorts for expenses incurred in connection with the Litigation prior to the formation of the Litigation Trust and, in addition, to repay Empire Resorts any amounts outstanding under the line of credit.

Third: If any amount remains after the above requirements are met, such amount remaining is to be divided among the beneficiaries of the Litigation Trust in proportion to their ownership of Units as of the date the distribution is made.

NOTE 5 - ACCRUED LEGAL AND ADMINISTRATIVE EXPENSES

	June 30, 2004
Legal fees related to litigation	\$29,962
Litigation trustee fees	30,000
Accounting fees	16,770
Consulting fees	8,500
Administrative trustee fees	1,500
Other fees and expenses	3,638

	\$90,370
	=====

NOTE 6 - COMMITMENTS AND CONTINGENCIES

COMPENSATION OF LITIGATION TRUSTEES

Each of the two Litigation Trustees is entitled to annual compensation of \$60,000 plus reimbursement of expenses incurred carrying out the purpose of the Litigation Trust. In addition, one litigation trustee is entitled to 4%, and the other 1%, of any litigation settlements or awards.

COMPENSATION OF THE ADMINISTRATIVE TRUSTEE

The Administrative Trustee is entitled to a \$5,000 acceptance fee (which includes the first month administrative fee) and a monthly administrative fee of \$500. In addition, the Administrative Trustee is entitled to a custody fee on certain cash balances and marketable securities of .5% per annum on the first \$10,000,000 of fair value and 3% on the excess and reimbursement for certain fees and expenses.

EXPENSES PAID PRIOR TO THE FORMATION OF THE LITIGATION TRUST

As discussed in Note 4, the Litigation Trust is obligated to pay to Empire Resorts up to \$7,500,000. This amount represents expenses incurred prior to the formation of the Litigation Trust. The amount is payable solely from the proceeds of litigation settlements or awards.

REPAYMENTS OF AMOUNTS DRAWN UNDER THE LINE OF CREDIT-RELATED PARTY

As discussed in Note 3, the expenses of the Litigation Trust are expected to be paid from draws under the line of credit. Amounts drawn under the line of credit are to be repaid from any amounts received from litigation settlements or awards.

NOTE 7 - CERTAIN RELATIONSHIPS

The Litigation Trustees are both currently members of Empire Resorts' Board of Directors.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OR PLAN OF OPERATION

Forward-Looking Statements

This Report on Form 10-QSB contains "forward-looking statements" within the meaning of Section 27A of the Securities Act and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). All statements other than statements of historical facts included in this Report, including without limitation, the statements under "General," and "Liquidity and Capital Resources," are forward-looking statements. All subsequent written and oral forward-looking statements attributable to the Company or persons acting on its behalf are expressly qualified in their entirety by the Cautionary Statements.

The following discussions should be read in conjunction with our financial statements and the related notes thereto and other financial information appearing elsewhere in this report. The following discussion contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in the forward-looking statements as a result of various factors, including those discussed elsewhere in this report.

General

We are a statutory trust created under Delaware law. Our formation was a condition to the consolidation of Empire Resorts, Inc. ("Empire Resorts"), Monticello Raceway Management, Inc., ("MRMI"), Monticello Casino Management, LLC ("MCM"), Monticello Raceway Development Company, LLC ("MRDC") and Mohawk Management, LLC ("Mohawk"). Also as a condition to that consolidation, each of Catskill Development, L.L.C. ("Catskill"), MRDC, and Mohawk, agreed to assign to us all of their claims under or related to the alienation and frustration of their agreements and business relations with the St. Regis Mohawk Tribe. That assignment included rights to any proceeds from any settlement or award that may arise from any litigation relating to that claim. Our litigation claims arise from the efforts of each of Catskill, MRDC, and Mohawk to develop with the St. Regis Mohawk Tribe a gaming casino in Monticello, New York. We spent several years and substantial funds to develop and obtain required approvals for the casino. Subsequently, Park Place Entertainment Corporation, the world's largest gaming corporation and Atlantic City's largest casino operator, entered into an agreement providing for the St. Regis Mohawk Tribe to commit their future casino development efforts exclusively to Park Place Entertainment Corporation. That agreement conflicted with the Mohawk Tribe's agreements with Catskill, MRDC and Mohawk.

There is one lawsuit presently pending and one lawsuit that has been discontinued. The first lawsuit is Catskill Development, L.L.C., Mohawk Management, L.L.C., and Monticello Raceway Development Company, L.L.C., Plaintiffs. v. Park Place Entertainment Corporation, Defendant. (Civil Action No. 00CIV8660 (CM) (GAY)) (United States District Court Southern District of New York) referred to herein as the "PPE case". This lawsuit had initially been dismissed on a motion for summary judgment. However, those rulings have been appealed. In addition, the trial court vacated the earlier decision granting summary judgment to Park Place Entertainment, in order to allow additional discovery proceedings. The second lawsuit is Catskill Development, L.L.C., Mohawk Management, L.L.C., and Monticello Raceway Development Company, L.L.C., Plaintiffs. against Gary Melius, Ivan Kaufman, Walter Horn, President R.C. - St. Regis Management Company, et al, Defendants. (Index No. 891/03) (Supreme Court of the State of New York County of Sullivan). This lawsuit has been discontinued under an agreement that permits it to be refiled at a future date without being barred by the statute of limitations. Our purposes are the prosecution of our litigation claims through the recovery of any settlement or final judgments and the distribution of the net amount of any such recoveries to our beneficiaries.

The administration of our Litigation Trust will involve the authentication and payment of fees and expenses for legal and related services in connection with our litigation claims, reporting and regulatory compliance and the maintenance of litigation, financial and unitholder records. Administrative expenses are currently estimated to be approximately \$200,000 per year, including the fees of the litigation and administrative trustees, auditors and accountants and other support services. Legal fees and other expenses involved in our litigation claims are impossible to predict with any degree of accuracy. No assurance can be given that the amounts available to us for the payment of such expenses under our line of credit will be sufficient to carry our litigation claims through to a successful conclusion or that alternative funds will be available for such purpose.

Our unit holders will only be entitled to the net proceeds from any settlement or award, if any, of our litigation claims after the payment of our expenses, the fees of our litigation trustees, any amounts outstanding under our line of credit and \$7,500,000 to Empire Resorts for reimbursement of prior expenses incurred in connection with our litigation claims.

RESULTS OF OPERATIONS

For the period January 12, 2004 (date of inception) through June 30, 2004, we reported a net loss of \$191,880. Included in this net loss are legal fees related to litigation of \$77,598 and administrative expenses of \$114,558 offset by interest income of \$276, but no proceeds from any litigation. For the three months ended June 30, 2004, we reported a net loss of \$64,372 compared to a net loss of \$127,507 for the period January 12, 2004 (date of inception) through March 31, 2004. Included in these net losses are legal fees related to litigation of \$12,109 and \$65,489, respectively, and administrative expenses of \$52,263 and \$62,018 respectively, offset by interest income of \$276 for the three months ending June 30, 2004, but no proceeds from any litigation.

The second quarter results reflect reduced legal fees related to litigation due to lack of activity in our lawsuits. The District Judge in the PPE case has advised the parties that, despite our arguments to the contrary, it is appropriate to wait for a decision by the New York Court of Appeals in another case before ruling on the pending motions in the PPE case. The Court of Appeals decision is not expected to be issued until the fourth quarter of 2004 and we cannot estimate with any certainty how long it may be before any ruling on the pending motions in the PPE case is issued thereafter.

On June 1, 2004, we filed a Voluntary Discontinuance and Tolling Agreement with respect to the second lawsuit. Since there are many issues of fact and law in the PPE case which relate to matters that are also at issue in the second lawsuit, we believe that, as long as the right to recommence the suit without regard to the Statute of Limitations was preserved, the discontinuance of this suit was appropriate in order to avoid the cost of maintaining two separate lawsuits.

LIQUIDITY AND CAPITAL RESOURCES

Empire Resorts has provided us with an irrevocable line of credit of up to \$2,500,000 to provide funds to pay any and all of our expenses permitted under the Declaration of Trust. No interest is payable on amounts advanced under our line of credit. Amounts outstanding under our line of credit are to be repaid by us from proceeds received from any settlement or award in connection with our litigation claims after payment of an amount necessary to pay our Litigation Trustees the fees for their services as set forth in the Declaration of Trust. Repayments of amounts outstanding under our line of credit may be made in whole or in part from time to time at any time without notice. We may

reborrow any amounts so repaid. Our line of credit will remain in full force and effect until our termination.

Empire Resorts is a holding company, owning all the capital stock or membership interests of certain other entities. Empire Resorts is therefore dependent on these other entities to pay dividends or make distributions in order to generate internal cash flow and to satisfy its obligations, including its obligations under our line of credit. There can be no assurance, however, that these other entities will generate enough revenue to pay cash dividends or make cash distributions. In addition, these entities may enter into contracts that limit or prohibit their ability to pay dividends or make distributions.

During the fiscal year ended December 31, 2003 and for the six months ended June 30, 2004, Empire Resorts sustained net operating losses of approximately \$8.0 and \$8.2 million, respectively, during such periods. Therefore, there can be no assurance that Empire Resorts will have the ability to meet its obligations under our line of credit.

ITEM 3. CONTROLS AND PROCEDURES

(a) The Litigation Trust carried out an evaluation, under the supervision and with the participation of the Trust's management, including Joseph E. Bernstein (acting Chief Executive Officer) and Paul A. deBary (acting Chief Financial Officer), the Litigation Trust's Litigation Trustees, of the effectiveness of the design and operation of the Litigation Trust's "disclosure controls and procedures", as such term is defined in Exchange Act Rule 15d-15e, as of the end of the period covered by this report. Based upon that evaluation, Messrs. Bernstein and deBary have concluded that the Litigation Trust's disclosure controls and procedures were effective as of the end of the period covered by this report to provide reasonable assurance that information required to be disclosed by the Trust in reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in SEC rules and forms.

(b) There have been no significant changes in the Litigation Trust's internal controls or in other factors that could significantly affect the Litigation Trust's internal controls subsequent to the date the Litigation Trust carried out this evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

A control system, no matter how well conceived and operated, can provide only reasonable, not absolute assurance that the objectives of the control system are met. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within a company have been detected.

PART II - OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

We are a statutory trust created under Delaware law. Our formation was a condition to the consolidation of Empire Resorts with MRMI, MCM, MRDC, and Mohawk. Also as a condition to that consolidation, each of Catskill, MRDC and Mohawk, agreed to assign to us all of their claims under or related to the alienation and frustration of their agreements and business relations with the St. Regis Mohawk Tribe. That assignment included rights to any proceeds from any settlement or award that may arise from any litigation relating to that claim. Our litigation claims arise from the efforts of each of Catskill, MRDC and Mohawk to develop with the St. Regis Mohawk Tribe a gaming casino in Monticello, New York. We spent several years and substantial funds to develop and obtain required approvals for the casino. Subsequently, Park Place Entertainment Corporation, the world's largest gaming corporation and Atlantic City's largest casino operator, entered into an agreement providing for the St. Regis Mohawk Tribe to commit their future casino development efforts exclusively to Park Place Entertainment Corporation. That agreement conflicted with the Mohawk Tribe's agreements with Catskill MRDC and Mohawk. There is one lawsuit presently pending and one lawsuit that has been discontinued. The first lawsuit is Catskill Development, L.L.C., Mohawk Management, L.L.C., and Monticello Raceway Development Company, L.L.C., Plaintiffs. v. Park Place Entertainment Corporation, Defendant. (Civil Action No. 00CIV8660 (CM)(GAY)) (United States District Court Southern District of New York). This lawsuit had initially been dismissed on a motion for summary judgment. However, those rulings have been appealed. In addition, the trial court vacated the earlier decision granting summary judgment to Park Place Entertainment, in order to allow additional discovery proceedings. The second lawsuit is Catskill Development, L.L.C., Mohawk Management, L.L.C., and Monticello Raceway Development Company, L.L.C., Plaintiffs. against Gary Melius, Ivan Kaufman, Walter Horn, President R.C. - St. Regis Management Company, et al, Defendants. (Index No. 891/03) (Supreme Court of the State of New York County of Sullivan). This lawsuit has been discontinued under an agreement that permits it to be refiled at a future date without being barred by the statute of limitations. Our purposes are the prosecution of our claims now through the recovery of any settlement or final judgments and the distribution of the net amount of any such recoveries to our beneficiaries.

ITEM 6. EXHIBITS AND REPORTS ON 8-K

a: Exhibits

- *31.1 Certification of Acting Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
- *31.2 Certification of Acting Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
- *32.1 Certification of the Acting Chief Executive Officer pursuant to 18 U.S.C. Section 1350 adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
- *32.2 Certification of the Acting Chief Financial Officer pursuant to 18 U.S.C. Section 1350 adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

*Filed herewith

b. Reports on Form 8-K

None.

SIGNATURES

In accordance with the requirements of the Exchange Act, the registrant caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

CATSKILL LITIGATION TRUST
(Registrant)

DATE: August 17, 2004

By: /s/ Joseph E. Bernstein

Joseph E. Bernstein
Litigation Trustee

DATE: August 17, 2004

By: /s/ Paul A. deBary

Paul A. deBary
Litigation Trustee

Section 302 Certification

I, Joseph E. Bernstein, certify that:

1. I have reviewed this quarterly report on Form 10-QSB of Catskill Litigation Trust;

2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;

3. Based on my knowledge, the financial statements, and other financial information included in this annual report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e) for the registrant and have:

a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;

b) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this quarterly report based on such evaluation; and

c) disclosed in this quarterly report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):

a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 17, 2004

/s/ Joseph E. Bernstein

Name: Joseph E. Bernstein
Title: Acting Chief Executive Officer

Section 302 Certification

I, Paul A. deBary, certify that:

1. I have reviewed this quarterly report on Form 10-QSB of the registrant Catskill Litigation Trust;

2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;

3. Based on my knowledge, the financial statements, and other financial information included in this annual report, fairly present in all material respects the financial condition, results of operations and cash flows of Catskill Litigation Trust as of, and for, the periods presented in this quarterly report;

4. Catskill Litigation Trust's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e) for the registrant and have:

a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to Catskill Litigation Trust, (which has no consolidated subsidiaries), is made known to us by others, particularly during the period in which this quarterly report is being prepared;

b) evaluated the effectiveness of Catskill Litigation Trust's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this quarterly report based on such evaluation; and

c) disclosed in this quarterly report any change in the Catskill Litigation Trust's internal control over financial reporting that occurred during its most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.

5. Catskill Litigation Trust's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to Catskill Litigation Trust's auditors and any persons performing the equivalent functions of an audit committee of Catskill Litigation Trust):

a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect Catskill Litigation Trust's ability to record, process, summarize and report financial information; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in Catskill Litigation Trust's internal control over financial reporting.

Date: August 17, 2004

/s/ Paul A. deBary

Name: Paul A. deBary
Title: Acting Chief Financial Officer

CERTIFICATION OF CHIEF EXECUTIVE OFFICER (1)

Pursuant to 18 U.S.C. Section 1350, as created by Section 906 of the Sarbanes-Oxley Act of 2002, the following certification is being made to accompany the Registrant's Quarterly Report on Form 10-QSB for the period ended June 30, 2004;

In connection with the Quarterly Report of Catskill Litigation Trust (the "Company") on Form 10-QSB for the period ended June 30, 2004 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Joseph E. Bernstein, Acting Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. ss. 1350, adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 that to my knowledge:

- (1) The Report fully complies with the requirements of Section 13(a) or Section 15(d), as applicable, of the Securities Exchange Act of 1934, as amended; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Joseph E. Bernstein

Name: Joseph E. Bernstein
Title: Acting Chief Executive Officer
Date: August 17, 2004

- (1) A signed original of this written statement required by Section 906 has been provided to Catskill Litigation Trust and will be retained by Catskill Litigation Trust and furnished to the Securities and Exchange Commission or its staff upon request.

The foregoing certification is being furnished solely pursuant to 18 U.S.C. Section 1350 and is not being filed as part of the Report or as a separate disclosure document.

CERTIFICATION OF CHIEF FINANCIAL OFFICER (1)

Pursuant to 18 U.S.C. Section 1350, as created by Section 906 of the Sarbanes-Oxley Act of 2002, the following certification is being made to accompany the Registrant's Quarterly Report on Form 10-QSB for the period ended June 30, 2004;

In connection with the Quarterly Report of Catskill Litigation Trust on Form 10-QSB for the period ended June 30, 2004 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Paul A. deBary, Acting Chief Financial Officer of the Catskill Litigation Trust, certify, pursuant to 18 U.S.C. ss. 1350, adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 that to my knowledge:

- (1) The Report fully complies with the requirements of Section 13(a) or Section 15(d), as applicable, of the Securities Exchange Act of 1934, as amended; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Catskill Litigation Trust.

Name: Paul A. deBary
Title: Acting Chief Financial Officer
Date: August 17, 2004

- (1) A signed original of this written statement required by Section 906 has been provided to Catskill Litigation Trust and will be retained by Catskill Litigation Trust and furnished to the Securities and Exchange Commission or its staff upon request.

The foregoing certification is being furnished solely pursuant to 18 U.S.C. Section 1350 and is not being filed as part of the Report or as a separate disclosure document.

=====

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 10-QSB

(Mark one)

Quarterly Report under Section 13 or 15(d) of the Securities Exchange Act of 1934

For the quarterly period ended September 30, 2004

Transition Report under Section 13 or 15(d) of the Exchange Act

For the transition period from _____ to _____

Commission file number 333-112603

CATSKILL LITIGATION TRUST

(Exact Name of Small Business Issuer as Specified in Its Declaration of Trust)

DELAWARE

16-6547621

(State or Other Jurisdiction of (I.R.S. Employer Identification No.)
Incorporation or Organization)

C/O CHRISTIANA BANK & TRUST COMPANY
1314 King Street
Wilmington, Delaware 19801

(Address of Principal Executive Offices)

(302) 888-7400

(Issuer's Telephone Number, Including Area Code)

(Former Name, Former Address and Former Fiscal Year, if Changed Since Last Report)

Check whether the issuer (1) filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the past 12 months (or for such shorter period that Catskill Litigation Trust was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

As of November 12, 2004, 22,702,896 Units of beneficial interest were outstanding.

Transitional Small Business Disclosure Format (check one): Yes No

=====

CATSKILL LITIGATION TRUST

FORM 10-QSB

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PART I - FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

CATSKILL LITIGATION TRUST
 CONDENSED BALANCE SHEET
 September 30, 2004
 (Unaudited)

ASSETS	
Current Assets	
Cash	\$68,948

Total Current Assets	68,948

TOTAL ASSETS	\$68,948
	=====
LIABILITIES AND TRUST DEFICIENCY	
Current Liabilities	
Accrued legal and administrative expenses	\$75,000
Accounts payable	41,375
Line of credit-related party	250,000

Total Current Liabilities	366,375
Trust Deficiency	
Units of Beneficial Interest: authorized 22,702,896; issued and outstanding 22,702,896	6,866
Accumulated deficit	(304,293)

Total Trust Deficiency	(297,427)

TOTAL LIABILITIES AND TRUST DEFICIENCY	\$68,948
	=====

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

CATSKILL LITIGATION TRUST
CONDENSED STATEMENTS OF OPERATIONS
(Unaudited)

	Three months ended September 30, 2004	January 12, 2004 (Date of Inception) to September 30, 2004

General and Administrative Expenses:		
Litigation Trustee Fees	\$ 30,000	\$ 86,130
Administrative Trustee Fees	1,500	9,000
Consulting Fees	6,090	14,233
Legal Fees	75,336	168,333
Accounting Fees	7,870	17,140
Interest Expense	3,438	6,866
Other	1,167	3,083

Total General and Administrative Expenses	125,401	304,785
Other Income	217	492

Net Loss	(\$ 125,184)	(\$ 304,293)
=====		
Loss per unit outstanding	(0.01)	(0.01)
=====		
Weighted average units outstanding	22,702,896	22,702,896
=====		

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

CATSKILL LITIGATION TRUST
CONDENSED STATEMENT OF CASH FLOWS
For the period January 12, 2004 (Date of Inception) to
September 30, 2004
(Unaudited)

OPERATING ACTIVITIES	
Net Loss	(\$304,293)
Adjustments to reconcile net loss to net cash used in operations:	
Imputed interest expense	6,866
Increase in accounts payable	41,375
Increase in accrued legal and administrative expenses	75,000

Net cash used in operating activities	(181,052)
Cash flow from financing activities	
Increase in line of credit-related party	250,000

Net increase in cash	68,948

Cash-beginning of period	---

Cash-end of period	\$68,948

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

CATSKILL LITIGATION TRUST

Notes to Condensed Financial Statements--September 30, 2004 (Unaudited)

NOTE 1 - THE TRUST

The Catskill Litigation Trust is a Delaware statutory trust (the "Litigation Trust") formed by Empire Resorts, Inc. ("Empire Resorts"), Monticello Raceway Management, Inc., ("MRMI"), Monticello Casino Management, L.L.C., Monticello Raceway Development Company, L.L.C. ("MRDC") and Mohawk Management, L.L.C. ("Mohawk"). On January 12, 2004, 22,702,896 units of beneficial interest were issued to the members and stockholders of those entities. At that time, Empire Resorts, Catskill Development, L.L.C. ("Catskill"), MRMI, Mohawk, Joseph E. Bernstein, Paul A. deBary (Messrs. Bernstein and deBary are hereinafter referred to as the "Litigation Trustees") and Christiana Bank and Trust Company (the "Administrative Trustee") entered into the Declaration of Trust of Catskill Litigation Trust (the "Declaration of Trust").

In the Declaration of Trust, Catskill, MRDC and Mohawk assigned to the Litigation Trust all of their claims under or related to the alienation and frustration of their agreements and business relations with the St. Regis Mohawk Tribe and their rights to any judgment or settlement that may arise from any litigation relating to two litigations entitled Catskill Development, L.L.C., Mohawk Management L.L.C. and Monticello Raceway Development Company L.L.C., Plaintiffs v. Park Place Entertainment Corporation, Defendant and Catskill Development, L.L.C., Mohawk Management, L.L.C., Monticello Raceway Development Company, L.L.C., Plaintiffs v. Gary Melius, Ivan Kaufman, Walter Horn, President R.C. - St. Regis Management Company, et al, Defendants (hereinafter referred to as the "Litigation"). If at any time the Litigation Trustees determine, in their absolute discretion, that the assets of the Litigation Trust are not sufficient to justify its continuance, the Litigation Trustees are authorized to terminate the Litigation Trust. In addition, the Litigation Trust is to terminate on the date that all litigation has been fully prosecuted to final judgment or dismissal, including all appeals, and all Litigation Trust assets have been distributed to the Litigation Trust's beneficiaries.

NOTE 2 - BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

These condensed financial statements have been prepared in accordance with accounting principles for interim financial statements generally accepted in the United States of America, and with Form 10-QSB and Item 310 of Regulation SB of the Securities and Exchange Commission. Accordingly, they do not contain all the information and footnotes required by accounting principles generally accepted in the United States of America for annual financial statements. In the opinion of the Litigation Trustees, the accompanying condensed financial statements contain all the adjustments necessary (consisting only of normal recurring accruals) to make the financial statements of the Litigation Trust not misleading.

Operating results for the period January 12, 2004 (date of inception) to September 30, 2004 are not necessarily indicative of the results that would be expected for the period January 12, 2004 (date of inception) to December 31, 2004. For further information, refer to the

financial statement as of January 12, 2004 and the footnotes related thereto contained in the Litigation Trust's Form S-1 filed on April 22, 2004 with the Securities and Exchange Commission.

Use of Estimates in the Financial Statements

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the Litigation Trustees 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 could differ from those estimates.

Income Taxes

For federal income tax purposes, the Litigation Trust is treated as a grantor trust. Under the grantor trust rules, each holder of a unit of beneficial interest is treated as the owner of his or her share of the Litigation Trust's assets. The treatment of income and expense items under accounting principles generally accepted in the United States of America may differ from the tax treatment of such items. Expenses incurred by the Litigation Trust will be capitalized for tax purposes.

NOTE 3 - LINE OF CREDIT-RELATED PARTY

Empire Resorts, a related party, has provided the Litigation Trust with a line of credit of up to \$2,500,000. The line of credit can be used to pay all expenses of the Litigation Trust permitted under the Declaration of Trust, including but not limited to professional fees and the fees and expenses of the Litigation and Administrative Trustees. The line of credit is non-interest bearing and is to be repaid from any amounts received from litigation settlements or awards. The line of credit expires upon the termination of the Litigation Trust.

On April 1, 2004, \$250,000 was drawn against the line of credit.

The Litigation Trust imputed interest on the borrowings at Empire Resorts' borrowing rate (5.50% per annum at September 30, 2004). Interest expense for the three months ended September 30, 2004 and for the period January 12, 2004 (date of inception) to September 30, 2004 amounted to \$3,438 and \$6,866, respectively, and was deemed contributed capital to the Litigation Trust.

NOTE 4 - DISTRIBUTIONS

The distribution of any net proceeds from litigation settlements or awards, after amounts are applied to cover all current or expected expenses of the Litigation Trust, is to be made at the sole discretion of the Litigation Trustees and will be distributed as follows:

First: To pay the Litigation Trustees their fees arising from litigation settlements or awards. (See Note 5)

Second: To reimburse \$7,500,000 to Empire Resorts for expenses incurred in connection with the Litigation prior to the formation of the Litigation Trust and, in addition, to repay Empire Resorts any amounts outstanding under the line of credit.

Third: If any amount remains after the above requirements are met, such amount remaining is to be divided among the beneficiaries of the Litigation Trust in proportion to their ownership of Units as of the date the distribution is made.

NOTE 5 - COMMITMENTS AND CONTINGENCIES

Compensation of Litigation Trustees

Each of the two Litigation Trustees is entitled to annual compensation of \$60,000 plus reimbursement of expenses incurred carrying out the purpose of the Litigation Trust. In addition, one litigation trustee is entitled to 4%, and the other 1%, of any litigation settlements or awards.

Compensation of the Administrative Trustee

The Administrative Trustee is entitled to a \$5,000 acceptance fee (which includes the first month administrative fee) and a monthly administrative fee of \$500. In addition, the Administrative Trustee is entitled to a custody fee on certain cash balances and marketable securities of .5% per annum on the first \$10,000,000 of fair value and 3% on the excess and reimbursement for certain fees and expenses.

Expenses Paid Prior to the Formation of the Litigation Trust

As discussed in Note 4, the Litigation Trust is obligated to pay to Empire Resorts up to \$7,500,000. This amount represents expenses incurred prior to the formation of the Litigation Trust. The amount is payable solely from the proceeds of litigation settlements or awards.

Repayments of Amounts Drawn Under the Line of Credit-Related Party

As discussed in Note 3, the expenses of the Litigation Trust are expected to be paid from draws under the line of credit. Amounts drawn under the line of credit are to be repaid from any amounts received from litigation settlements or awards.

NOTE 6 - CERTAIN RELATIONSHIPS

The Litigation Trustees are both currently members of Empire Resorts' Board of Directors.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OR PLAN OF OPERATION

Forward-Looking Statements

This Report on Form 10-QSB contains "forward-looking statements" within the meaning of Section 27A of the Securities Act and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). All statements other than statements of historical facts included in this Report, including without limitation, the statements under "General," and "Liquidity and Capital Resources," are forward-looking statements. All subsequent written and oral forward-looking statements attributable to the Litigation Trust or persons acting on its behalf are expressly qualified in their entirety by the cautionary statements.

The following discussions should be read in conjunction with our financial statements and the related notes thereto and other financial information appearing elsewhere in this report. The following discussion contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in the forward-looking statements as a result of various factors, including those discussed elsewhere in this report.

General

We are a statutory trust created under Delaware law. Our formation was a condition to the consolidation of Empire Resorts, Inc. ("Empire Resorts"), Monticello Raceway Management, Inc., ("MRMI"), Monticello Casino Management, L.L.C. ("MCM"), Monticello Raceway Development Company, L.L.C. ("MRDC") and Mohawk Management, L.L.C. ("Mohawk"). Also as a condition to that consolidation, each of Catskill Development, L.L.C. ("Catskill"), MRDC, and Mohawk, agreed to assign to us all of their claims under or related to the alienation and frustration of their agreements and business relations with the St. Regis Mohawk Tribe. That assignment included rights to any proceeds from any settlement or award that may arise from any litigation relating to that claim. Our litigation claims arise from the efforts of each of Catskill, MRDC, and Mohawk to develop with the St. Regis Mohawk Tribe a gaming casino in Monticello, New York. The plaintiffs spent several years and substantial funds to develop and obtain required approvals for the casino. Subsequently, Park Place Entertainment Corporation, the world's largest gaming corporation and Atlantic City's largest casino operator, entered into an agreement providing for the St. Regis Mohawk Tribe to commit their future casino development efforts exclusively to Park Place Entertainment Corporation. That agreement conflicted with the Mohawk Tribe's agreements with Catskill, MRDC and Mohawk.

There is one lawsuit presently pending and one lawsuit that has been discontinued. The first lawsuit is Catskill Development, L.L.C., Mohawk Management, L.L.C., and Monticello Raceway Development Company, L.L.C., Plaintiffs, v. Park Place Entertainment Corporation, Defendant. (Civil Action No. 00CIV8660 (CM) (GAY)) (United States District Court Southern District of New York) referred to herein as the "PPE case". This lawsuit had initially been dismissed on a motion for summary judgment. However, those rulings have been appealed. In addition, the trial court vacated the earlier decision granting summary judgment to Park Place Entertainment, in order to allow additional discovery proceedings. The second lawsuit is Catskill Development, L.L.C., Mohawk Management, L.L.C., and Monticello Raceway Development Company, L.L.C., Plaintiffs, against Gary Melius, Ivan Kaufman, Walter Horn, President R.C. - St. Regis Management Company, et al, Defendants. (Index No. 891/03) (Supreme Court of the State of New York County of Sullivan). This lawsuit has been discontinued under an agreement that permits it to be refiled at a future date without being barred by the statute of limitations. Our purposes are the prosecution of our litigation claims through the recovery of any settlement or final judgments and the distribution of the net amount of any such recoveries to our beneficiaries.

The administration of our Litigation Trust will involve the authentication and payment of fees and expenses for legal and related services in connection with our litigation claims, reporting and regulatory compliance and the maintenance of litigation, financial and unitholder records. Administrative expenses are currently estimated to be approximately \$200,000 per year, including the fees of the litigation and administrative trustees, auditors and accountants and other support services. Legal fees and other expenses involved in our litigation claims are impossible to predict with any degree of accuracy. No assurance can be given that the amounts available to us for the payment of such expenses under our line of credit will be sufficient to carry our litigation claims through to a successful conclusion or that alternative funds will be available for such purpose.

Our unit holders will only be entitled to the net proceeds from any settlement or award, if any, of our litigation claims after the payment of our expenses, the fees of our litigation trustees, any amounts outstanding under our line of credit and \$7,500,000 to Empire Resorts for reimbursement of prior expenses incurred in connection with our litigation claims.

RESULTS OF OPERATIONS

For the period January 12, 2004 (date of inception) through September 30, 2004, we reported a net loss of \$304,293. Included in this net loss are legal fees of \$168,333 (of which legal fees related to litigation were \$93,333), and administrative expenses of \$136,452 offset by dividend income of \$492, but no proceeds from any litigation. For the three months ended September 30, 2004, we reported a net loss of \$125,184 compared to a net loss of \$64,372 for the three months ended June 30, 2004. Included in these net losses are legal fees of \$75,336 and \$12,109, respectively (of which legal fees related to litigation were \$336 and \$12,109, respectively), and administrative expenses of \$50,065 and \$52,539 respectively, offset by dividend income of \$217 and \$276, respectively, but no proceeds from any litigation.

The third quarter results reflect accrued legal expenses of \$75,000 relating to registration of trust units and other administrative items, but reduced legal fees related to litigation due to lack of activity in our lawsuits. The District Judge in the PPE case advised the parties that, despite our arguments to the contrary, it was appropriate to wait for a decision by the New York Court of Appeals in another case before ruling on the pending motions in the PPE case. The Court of Appeals decision was received in October and briefs were filed by both parties concerning the relevance of that decision to the case. We cannot estimate with any certainty how long it may be before any ruling on the pending motions in the PPE case is issued or whether any such ruling will expedite the process of reaching a final resolution of the case or not. However, as a result of this activity in the case, we do expect expenses related to trial counsel to increase in the fourth quarter of 2004 and would also expect increased legal fees related to trial or appeal matters in 2005 as compared to 2004.

On June 1, 2004, we filed a Voluntary Discontinuance and Tolling Agreement with respect to the second lawsuit. Since there are many issues of fact and law in the PPE case which relate to matters that are also at issue in the second lawsuit, we believe that, as long as the right to recommence the suit without regard to the Statute of Limitations was preserved, the discontinuance of this suit was appropriate in order to avoid the cost of maintaining two separate lawsuits.

LIQUIDITY AND CAPITAL RESOURCES

Empire Resorts has provided us with an irrevocable line of credit of up to \$2,500,000 to provide funds to pay any and all of our expenses permitted under the Declaration of Trust. No interest is payable on amounts advanced under our line of credit. Amounts outstanding under our line of credit are to be repaid by us from proceeds received from any settlement or award in connection with our litigation claims after payment of an amount necessary to pay our Litigation Trustees the fees for their services as set forth in the Declaration of Trust. Repayments of amounts outstanding under our line of credit may be made as a whole or in part from time to time at any time without notice. We may reborrow any amounts so repaid. Our line of credit will remain in full force and effect until our termination.

Empire Resorts is a holding company, owning all the capital stock or membership interests of certain other entities. Empire Resorts is therefore dependent on these other entities to pay dividends or make distributions in order to generate internal cash flow and to satisfy its obligations, including its obligations under our line of credit. There can be no assurance, however, that these other entities will generate enough revenue to pay cash dividends or make cash distributions. In addition, these entities may enter into contracts that limit or prohibit their ability to pay dividends or make distributions.

Empire Resorts had no net operating revenue during the fiscal year ended December 31, 2003 or for the six months ended June 30, 2004 and sustained net operating losses of approximately \$8.0 and \$8.2 million, respectively, during such periods. Although Empire Resorts significantly increased its level of operations during the third quarter of 2004, it has yet to demonstrate that such operations can be profitable. Therefore, there can be no assurance that Empire Resorts will have the ability to meet its obligations under our line of credit.

ITEM 3. CONTROLS AND PROCEDURES

(a) The Litigation Trust carried out an evaluation, under the supervision and with the participation of the Trust's management, including Joseph E. Bernstein (acting Chief Executive Officer) and Paul A. deBary (acting Chief Financial Officer), the Litigation Trust's Litigation Trustees, of the effectiveness of the design and operation of the Litigation Trust's "disclosure controls and procedures", as such term is defined in Exchange Act Rule 15d-15e, as of the end of the period covered by this report. Based upon that evaluation, Messrs. Bernstein and deBary have concluded that the Litigation Trust's disclosure controls and procedures were effective as of the end of the period covered by this report to provide reasonable assurance that information required to be disclosed by the Litigation Trust in reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in SEC rules and forms.

(b) There have been no significant changes in the Litigation Trust's internal controls or in other factors that could significantly affect the Litigation Trust's internal controls subsequent to the date the Litigation Trust carried out this evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

A control system, no matter how well conceived and operated, can provide only reasonable, not absolute assurance that the objectives of the control system are met. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within a company have been detected.

OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

We are a statutory trust created under Delaware law. Our formation was a condition to the consolidation of Empire Resorts with MRMI, MCM, MRDC, and Mohawk. Also as a condition to that consolidation, each of Catskill, MRDC and Mohawk, agreed to assign to us all of their claims under or related to the alienation and frustration of their agreements and business relations with the St. Regis Mohawk Tribe. That assignment included rights to any proceeds from any settlement or award that may arise from any litigation relating to that claim. Our litigation claims arise from the efforts of each of Catskill, MRDC and Mohawk to develop with the St. Regis Mohawk Tribe a gaming casino in Monticello, New York. We spent several years and substantial funds to develop and obtain required approvals for the casino. Subsequently, Park Place Entertainment Corporation, the world's largest gaming corporation and Atlantic City's largest casino operator, entered into an agreement providing for the St. Regis Mohawk Tribe to commit their future casino development efforts exclusively to Park Place Entertainment Corporation. That agreement conflicted with the Mohawk Tribe's agreements with Catskill MRDC and Mohawk. There is one lawsuit presently pending and one lawsuit that has been discontinued. The first lawsuit is Catskill Development, L.L.C., Mohawk Management, L.L.C., and Monticello Raceway Development Company, L.L.C., Plaintiffs. v. Park Place Entertainment Corporation, Defendant. (Civil Action No. 00CIV8660 (CM)(GAY)) (United States District Court Southern District of New York). This lawsuit had initially been dismissed on a motion for summary judgment. However, those rulings have been appealed. In addition, the trial court vacated the earlier decision granting summary judgment to Park Place Entertainment, in order to allow additional discovery proceedings. The second lawsuit is Catskill Development, L.L.C., Mohawk Management, L.L.C., and Monticello Raceway Development Company, L.L.C., Plaintiffs. against Gary Melius, Ivan Kaufman, Walter Horn, President R.C. - St. Regis Management Company, et al, Defendants. (Index No. 891/03) (Supreme Court of the State of New York County of Sullivan). This lawsuit has been discontinued under an agreement that permits it to be refiled at a future date without being barred by the statute of limitations. Our purposes are the prosecution of our claims now through the recovery of any settlement or final judgments and the distribution of the net amount of any such recoveries to our beneficiaries.

ITEM 6. EXHIBITS AND REPORTS ON 8-K

a: Exhibits

- *31.1 Certification of Acting Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
- *31.2 Certification of Acting Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
- *32.1 Certification of the Acting Chief Executive Officer pursuant to 18 U.S.C. Section 1350 adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
- *32.2 Certification of the Acting Chief Financial Officer pursuant to 18 U.S.C. Section 1350 adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

*Filed herewith

SIGNATURES

In accordance with the requirements of the Exchange Act, Catskill Litigation Trust caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

CATSKILL LITIGATION TRUST
(Registrant)

DATE: November 12, 2004

By: /s/ Joseph E. Bernstein

Joseph E. Bernstein
Litigation Trustee

DATE: November 12, 2004

By: /s/ Paul A. deBary

Paul A. deBary
Litigation Trustee

Section 302 Certification

I, Joseph E. Bernstein, certify that:

1. I have reviewed this quarterly report on Form 10-QSB of Catskill Litigation Trust;

2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;

3. Based on my knowledge, the financial statements, and other financial information included in this annual report, fairly present in all material respects the financial condition, results of operations and cash flows of Catskill Litigation Trust as of, and for, the periods presented in this quarterly report;

4. Catskill Litigation Trust's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e) for Catskill Litigation Trust and have:

a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to Catskill Litigation Trust, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;

b) evaluated the effectiveness of Catskill Litigation Trust's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this quarterly report based on such evaluation; and

c) disclosed in this quarterly report any change in Catskill Litigation Trust's internal control over financial reporting that occurred during Catskill Litigation Trust's most recent fiscal quarter (Catskill Litigation Trust's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, Catskill Litigation Trust's internal control over financial reporting.

5. Catskill Litigation Trust's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to Catskill Litigation Trust's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):

a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect Catskill Litigation Trust's ability to record, process, summarize and report financial information; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in Catskill Litigation Trust's internal control over financial reporting.

Date: November 12, 2004

/s/ Joseph E. Bernstein

Name: Joseph E. Bernstein

Title: Acting Chief Executive Officer

Section 302 Certification

I, Paul A. deBary, certify that:

1. I have reviewed this quarterly report on Form 10-QSB of Catskill Litigation Trust;

2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;

3. Based on my knowledge, the financial statements, and other financial information included in this annual report, fairly present in all material respects the financial condition, results of operations and cash flows of Catskill Litigation Trust as of, and for, the periods presented in this quarterly report;

4. Catskill Litigation Trust's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e) for Catskill Litigation Trust and have:

a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to Catskill Litigation Trust, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;

b) evaluated the effectiveness of Catskill Litigation Trust's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this quarterly report based on such evaluation; and

c) disclosed in this quarterly report any change in Catskill Litigation Trust's internal control over financial reporting that occurred during Catskill Litigation Trust's most recent fiscal quarter (Catskill Litigation Trust's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, Catskill Litigation Trust's internal control over financial reporting.

5. Catskill Litigation Trust's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to Catskill Litigation Trust's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):

a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect Catskill Litigation Trust's ability to record, process, summarize and report financial information; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in Catskill Litigation Trust's internal control over financial reporting.

Date: November 12 , 2004

/s/ Paul A. deBary

Name: Paul A. deBary
Title: Acting Chief Financial Officer

CERTIFICATION OF CHIEF EXECUTIVE OFFICER (1)

Pursuant to 18 U.S.C. Section 1350, as created by Section 906 of the Sarbanes-Oxley Act of 2002, the following certification is being made to accompany Catskill Litigation Trust's Quarterly Report on Form 10-QSB for the period ended September 30, 2004;

In connection with the Quarterly Report of Catskill Litigation Trust (the "Company") on Form 10-QSB for the period ended September 30, 2004 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Joseph E. Bernstein, Acting Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. ss. 1350, adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 that to my knowledge:

- (1) The Report fully complies with the requirements of Section 13(a) or Section 15(d), as applicable, of the Securities Exchange Act of 1934, as amended; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Joseph E. Bernstein

Name: Joseph E. Bernstein
Title: Acting Chief Executive Officer
Date: November 12, 2004

- (1) A signed original of this written statement required by Section 906 has been provided to Catskill Litigation Trust and will be retained by Catskill Litigation Trust and furnished to the Securities and Exchange Commission or its staff upon request.

The foregoing certification is being furnished solely pursuant to 18 U.S.C. Section 1350 and is not being filed as part of the Report or as a separate disclosure document.

CERTIFICATION OF CHIEF FINANCIAL OFFICER (1)

Pursuant to 18 U.S.C. Section 1350, as created by Section 906 of the Sarbanes-Oxley Act of 2002, the following certification is being made to accompany Catskill Litigation Trust's Quarterly Report on Form 10-QSB for the period ended September 30, 2004:

In connection with the Quarterly Report of Catskill Litigation Trust on Form 10-QSB for the period ended September 30, 2004 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Paul A. deBary, Acting Chief Financial Officer of the Catskill Litigation Trust, certify, pursuant to 18 U.S.C. ss. 1350, adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 that to my knowledge:

- (1) The Report fully complies with the requirements of Section 13(a) or Section 15(d), as applicable, of the Securities Exchange Act of 1934, as amended; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Catskill Litigation Trust.

/s/ Paul A. deBary

Name: Paul A. deBary
Title: Acting Chief Financial Officer
Date: November 12, 2004

- (1) A signed original of this written statement required by Section 906 has been provided to Catskill Litigation Trust and will be retained by Catskill Litigation Trust and furnished to the Securities and Exchange Commission or its staff upon request.

The foregoing certification is being furnished solely pursuant to 18 U.S.C. Section 1350 and is not being filed as part of the Report or as a separate disclosure document.