

BEFORE THE NEVADA GAMING COMMISSION  
AND THE STATE GAMING CONTROL BOARD

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In the Matter of

HARRAH'S ENTERTAINMENT, INC., and  
HARRAH'S OPERATING COMPANY, INC.

(Delayed Public Offering)

ORDER

THIS MATTER came on regularly for hearing before the State Gaming Control Board ("Board") on November 1, 2006, and before the Nevada Gaming Commission ("Commission") on November 16, 2006, in Las Vegas, Nevada; and

THE BOARD AND COMMISSION having considered all information pertinent hereto;

IT IS HEREBY ORDERED BY THE NEVADA GAMING COMMISSION UPON THE RECOMMENDATION OF THE STATE GAMING CONTROL BOARD:

1. THAT the following applications, as amended and supplemented, have been filed:

a. The applications of Harrah's Entertainment, Inc., and Harrah's Operating Company, Inc., for a two year approval of a continuous or delayed public offering by them or any affiliated company wholly-owned by them which is or would thereby become a publicly traded corporation ("Affiliate"),

b. The applications of Harrah's Operating Company, Inc., for (i) approval to place restrictions upon the transfer of, and to enter into agreements not to encumber, the equity securities of Rio Hotel & Casino, Inc., Harrah's Las Vegas, Inc., Harrah's Laughlin, Inc., Harveys Casino Resorts, Parball Corporation, Consolidated Supplies, Services & Systems, Caesars

World, Inc. and Harrah's Imperial Palace Corp. in conjunction with a continuous or delayed public offering and (ii) approval to guarantee securities issued by Harrah's Entertainment, Inc., Harrah's Operating Company, Inc., or their Affiliate(s) in conjunction with a continuous or delayed public offering, and to hypothecate its assets to secure the payment or performance of obligations evidenced by securities issued by Harrah's Entertainment, Inc., Harrah's Operating Company, Inc., or their Affiliate(s) in conjunction with a continuous or delayed public offering,

c. The application of Rio Hotel & Casino, Inc., for approval to place restrictions upon the transfer of, and to enter into agreements not to encumber, the equity securities of Rio Properties, Inc., in conjunction with a continuous or delayed public offering,

d. The application of Harveys Casino Resorts for approval to place restrictions upon the transfer of, and to enter into agreements not to encumber, the equity securities of Harveys Tahoe Management Company, Inc., conjunction with a continuous or delayed public offering,

e. The application of Parball Corporation for approval to place restrictions upon the transfer of, and to enter into agreements not to encumber, the equity securities of FHR Corporation and Flamingo Laughlin, Inc. in conjunction with a continuous or delayed public offering,

f. The application of Caesars World, Inc. for approval to place restrictions upon the transfer of, and to enter into agreements not to encumber, the equity securities of Caesars Palace Corporation and Caesars World Business Services Corporation in conjunction with a continuous or delayed public offering,

g. The application of Caesars Palace Corporation for approval to place restrictions upon the transfer of, and to enter into agreements not to encumber, the equity securities of Desert Palace, Inc. in conjunction with a continuous or delayed public offering,

h. The application of Desert Palace, Inc. for approval to place restrictions upon the transfer of, and to enter into agreements not to encumber, the equity securities of Tele/Info, Inc. in conjunction with a continuous or delayed public offering,

i. The applications of Harrah's Las Vegas, Inc., Harrah's Laughlin, Inc., Rio Properties, Inc., Harveys Tahoe Management Company, Inc., Parball Corporation, Consolidated Supplies, Services & Systems, Caesars World Business Services Corporation, Desert Palace, Inc., Tele/Info, Inc., Flamingo Laughlin, Inc., FHR Corporation and Harrah's Imperial Palace Corp., for approval to guarantee securities issued by Harrah's Entertainment, Inc., Harrah's Operating Company, Inc., or their Affiliate(s) in conjunction with a continuous or delayed public offering, and to hypothecate their assets to secure the payment or performance of obligations evidenced by securities issued by Harrah's Entertainment, Inc., Harrah's Operating Company, Inc., or their Affiliate(s) in conjunction with a continuous or delayed public offering;

2. THAT for a period of two years, Harrah's Entertainment, Inc., Harrah's Operating Company, Inc., and any affiliated company wholly-owned by it which is or would thereby become a publicly traded corporation ("Affiliate") are each granted approval, pursuant to NGC Regulation 16.115, to make public offerings, subject to the following conditions:

a. That at all times during the two year period, Harrah's Entertainment, Inc., Harrah's Operating Company, Inc., and their Affiliate(s) shall timely file all reports required by Section 13 or Section 15(d) of the Securities Exchange Act of 1934, as amended;

b. That upon filing documents with the United States Securities and Exchange Commission ("SEC") regarding the sale of any securities for which approval would otherwise be required, Harrah's Entertainment, Inc., Harrah's Operating Company, Inc., and their Affiliate(s) shall contemporaneously provide written notice and copies of such documents to the Board's Corporate Securities Division, and shall keep said Division continuously and promptly informed as to the progress of any public offering made hereunder and as to any other

event that would have a material effect on Harrah's Entertainment, Inc., or its subsidiaries, which would be subject to reporting on SEC Form 8-K; and

c. That the approval herein granted may be rescinded without prior notice upon the issuance of an interlocutory stop order by the Chairman of the Board. Said interlocutory stop order, if issued, shall remain in effect until the interlocutory stop order is lifted by the Commission upon such terms as are satisfactory to the Commission.

3. THAT the Commission hereby delegates to the Chairman of the Board the authority to issue interlocutory stop orders for any cause deemed reasonable by the Chairman, which shall remain in effect until lifted by the Commission as provided in Paragraph 2(c) above.

4. THAT for a period of two years, Harrah's Operating Company, Inc., is granted approval, pursuant to NGC Regulations 15.510.1-4 and 15.585.7-3, as applicable, to place restrictions upon the transfer of, and to enter into agreements not to encumber, the equity securities of Rio Hotel & Casino, Inc., Harveys Casino Resorts, Harrah's Las Vegas, Inc., Harrah's Laughlin, Inc., Parball Corporation, Consolidated Supplies and Services, Harrah's Imperial Palace Corp. and Caesars World, Inc. in conjunction with a public offering made under the approval granted by Paragraph 2 of this Order.

5. THAT for a period of two years, Rio Hotel & Casino, Inc., is granted approval, pursuant to NGC Regulation 15.510.1-4, to place restrictions upon the transfer of, and to enter into agreements not to encumber, the equity securities of Rio Properties, Inc., in conjunction with a public offering made under the approval granted by Paragraph 2 of this Order.

6. THAT for a period of two years, Harveys Casino Resorts is granted approval, pursuant to NGC Regulation 15.510.1-4, to place restrictions upon the transfer of, and to enter into agreements not to encumber, the equity securities of Harveys Tahoe Management Company, Inc., in conjunction with a public offering made under the approval granted by Paragraph 2 of this Order.

7. THAT for a period of two years, Parball Corporation is granted approval, pursuant to NGC Regulation 15.510.1-4, to place restrictions upon the transfer of, and to enter into agreements not to encumber, the equity securities of FHR Corporation and Flamingo Laughlin, Inc., in conjunction with a public offering made under the approval granted by Paragraph 2 of this Order.

8. THAT for a period of two years, Caesars World, Inc. is granted approval, pursuant to NGC Regulation 15.585.7-3, to place restrictions upon the transfer of, and to enter into agreements not to encumber, the equity securities of Caesars Palace Corporation and Caesars World Business Services Corporation, in conjunction with a public offering made under the approval granted by Paragraph 2 of this Order.

9. THAT for a period of two years, Caesars Palace Corporation is granted approval, pursuant to NGC Regulations 15.510.1-4 and 15.585.7-3, as applicable, to place restrictions upon the transfer of, and to enter into agreements not to encumber, the equity securities of Desert Palace, Inc., in conjunction with a public offering made under the approval granted by Paragraph 2 of this Order.

10. THAT for a period of two years, Desert Palace, Inc. is granted approval, pursuant to NGC Regulation 15.510.1-4, to place restrictions upon the transfer of, and to enter into agreements not to encumber, the equity securities of Tele/Info., Inc., in conjunction with a public offering made under the approval granted by Paragraph 2 of this Order.

11. THAT for a period of two years, Harrah's Operating Company, Inc., Harrah's Las Vegas, Inc., Harrah's Laughlin, Inc., Rio Properties, Inc., Harveys Tahoe Management Company, Inc., Parball Corporation, Consolidated Supplies, Services & Systems, Caesars World Business Services Corporation, Desert Palace, Inc., Tele/Info, Inc., Flamingo Laughlin, Inc., FHR Corporation and Harrah's Imperial Palace Corp. are each granted approval, pursuant to NGC Regulation 16.100(1), to guarantee securities issued by Harrah's Entertainment, Inc., Harrah's Operating Company, Inc., or their Affiliate(s) in conjunction with a public offering made under the

approval granted by Paragraph 2 of this Order, and to hypothecate their assets to secure the payment or performance of obligations evidenced by securities issued by Harrah's Entertainment, Inc., Harrah's Operating Company, Inc., or their Affiliate(s) in conjunction with a public offering made under the approval granted by Paragraph 2 of this Order.

ENTERED at Las Vegas, Nevada, this 16<sup>th</sup> day of November 2006.