

BEFORE THE NEVADA GAMING COMMISSION
AND THE STATE GAMING CONTROL BOARD

In the Matter of

MORGANS HOTEL GROUP CO.

(Registration)

ORDER OF REGISTRATION

THIS MATTER came on regularly for hearing before the State Gaming Control Board ("Board") on January 9, 2008, and before the Nevada Gaming Commission ("Commission") on January 24, 2008, at 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 Morgans Hotel Group Co. for (i) registration as a publicly traded corporation and (ii) a finding of suitability as a member of Hard Rock Hotel Holdings, LLC.

2. THAT Morgans Hotel Group Co. is registered as a publicly traded corporation and is found suitable as a member of Hard Rock Hotel Holdings, LLC.

3. THAT Hard Rock Hotel Holdings, LLC is registered as a publicly traded corporation and is found suitable as the sole shareholder of Hard Rock Hotel, Inc.

4. THAT Hard Rock Hotel, Inc. is registered as an intermediary company, is found suitable as the sole member of HRHH Gaming Junior Mezz Two, LLC and is licensed as a key employee of HRHH Gaming, LLC, dba Hard Rock Hotel & Casino.

5. THAT HRHH Gaming Junior Mezz Two, LLC is registered as an intermediary company and is found suitable as the sole member of HRHH Gaming Junior Mezz, LLC.

6. THAT HRHH Gaming Junior Mezz, LLC is registered as an intermediary company and is found suitable as the sole member of HRHH Gaming Senior Mezz, LLC.

7. THAT HRHH Gaming Senior Mezz, LLC is registered as an intermediary company, is found suitable as the sole member of HRHH Gaming Member, LLC and is licensed as a member of HRHH Gaming, LLC.

8. THAT HRHH Gaming Member, LLC is registered as an intermediary company and is licensed as a member and manager of HRHH Gaming, LLC.

9. THAT HRHH Gaming, LLC, dba Hard Rock Hotel and Casino, is licensed as a manufacturer and distributor, and is licensed to conduct off-track pari-mutuel race and sports wagering and nonrestricted gaming operations, including a race book and sports pool, at 4455 Paradise Road, Las Vegas, subject to such conditions or limitations as may be imposed by the Commission.

10. THAT Morgans Hotel Group, Co. shall not, without the prior approval of the Commission, sell, assign, transfer, pledge or otherwise dispose of any direct or indirect membership interest in Morgans Group, LLC held by it or any other security held by it that is convertible or exchangeable into an interest in Morgans Group, LLC.

11. THAT Morgans Group LLC shall, within 30 days of such change, report to the Board the addition of any new members, partners or shareholders. Such report shall include the name, date of birth, social security number and any other such information as the Board may require on the new member, partner or shareholder. If the new member, partner or shareholder is an entity rather than a natural person, such report shall include either: (a) the

names, dates of birth, social security numbers and any other such information as the Board may require on the officers and directors of the new member, partner or shareholder, and, if applicable, any person holding, directly or indirectly, more than five percent (5%) voting or economic interest in the prospective member, partner or shareholder, or (b) the identification information found in the subscription materials provided by such new member, partner or shareholder and any other such information as the Board may require. The Commission may require, upon the recommendation of the Board, any member, partner or shareholder to file an application for licensure or a finding of suitability. The failure of such member, partner or shareholder to file an application may be grounds for a finding of unsuitability and subject the member, partner or shareholder to mandatory divestiture of the relevant interest.

12. THAT Morgans Hotel Group Co. shall fund and maintain with the Board a revolving fund in the amount of \$25,000 for the purpose of funding investigative reviews by the Board for compliance with the terms of this Order of Registration. Without limiting the foregoing, the Board shall have the right, without notice, to draw upon the funds of said account for the payment of costs and expenses incurred by the Board and its staff in the surveillance, monitoring and investigative review of all activities of Morgans Hotel Group Co., its subsidiaries and any affiliated entities.

13. THAT pursuant to NRS 463.625, Morgans Hotel Group Co. is exempted from compliance with NRS 463.585 through NRS 463.615, inclusive, and shall instead comply with NRS 463.635 through NRS 463.645, inclusive.

14. THAT Morgans Hotel Group Co. is exempted from NGC Regulation 15 and shall instead comply with the provisions of NGC Regulation 16.

15. THAT the Commission hereby expressly finds that the exemptions and waivers herein granted are consistent with the State policy set forth in NRS 463.0129 and NRS 463.489.

ENTERED at Las Vegas, Nevada, this 24th day of January 2008.