

BEFORE THE NEVADA GAMING COMMISSION  
AND THE STATE GAMING CONTROL BOARD

In the Matter of

BALLY ENTERTAINMENT CORPORATION  
and  
BALLY'S CASINO HOLDINGS, INC.

(Registration)

NINTH REVISED ORDERS OF REGISTRATION

THIS MATTER came on specially for hearing before the State Gaming Control Board ("Board") on November 12, 1996, at Las Vegas, Nevada and regularly before the Nevada Gaming Commission ("Commission") on November 21, 1996, 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 of Bally Entertainment Corporation and Bally's Casino, Inc. as amended and supplemented, have been filed:

a. For an amendment to the Bally Entertainment Corporation Order of Registration, for approval of Bally Entertainment Corporation to cancel the common stock of Bally's Casino, Inc., for a finding of suitability of Bally

Entertainment Corporation as the sole shareholder of Bally's Intermediate Sub, Inc., and for approval to effect a disposition of the common stock of Bally's Intermediate Sub, Inc. to Hilton Hotels Corporation in connection with the merger between Hilton Hotels Corporation and Bally Entertainment Corporation.

b. For approval of Bally's Casino, Inc. to transfer the stock of Bally's Intermediate Sub, Inc. to Bally Entertainment Corporation and for deregistration of Bally's Casino, Inc. as an intermediary company.

2. THAT the Eighth Revised Orders of Registration of Bally Entertainment Corporation and Bally's Casino Holdings, Inc., dated July 27, 1995, are hereby amended and restated, in their entirety, by these Ninth Revised Orders of Registration, subject to the provisions of Paragraph 17.

3. THAT in connection with the merger of Bally's Casino, Inc. with and into Bally Entertainment Corporation, and pursuant to NGC Regulations 15.585.7-1 and 15.585.7-2, the cancellation of the common stock of Bally's Casino, Inc. and the transfer of the stock of Bally's Intermediate Sub, Inc. from Bally's Casino, Inc. to Bally Entertainment Corporation is hereby approved, and Bally's Casino, Inc. is hereby deregistered as an intermediary company.

4. THAT Bally Entertainment Corporation is registered as a publicly traded corporation and is found suitable as the sole shareholder of Bally's Intermediate Sub, Inc.

5. THAT Bally Entertainment Corporation is granted approval, pursuant to NGC Regulation 16.200, to acquire control of Bally's Grand, Inc.

6. THAT Bally's Intermediate Sub, Inc. is registered as an intermediary company and is found suitable as the sole stockholder of Bally's Sub, Inc.

7. THAT Bally's Sub, Inc. is registered as an intermediary company and is found suitable as the sole stockholder of Bally's Casino Holdings, Inc.

8. THAT Bally's Casino Holdings, Inc. is registered as a publicly traded corporation and is found suitable to be the sole stockholder of Bally's Grand Management Co., Inc. and Bally's CHLV, Inc.

9. THAT Bally's CHLV, Inc. is found suitable, pursuant to NRS 463.643, to beneficially own more than 10% of the voting securities of Bally's Grand, Inc.

10. THAT the registration of Bally Entertainment Corporation as a publicly traded corporation, set forth in paragraph 4 hereinabove, is expressly conditioned as follows:

a. Bally Entertainment Corporation shall have an outside director on its Board of Directors who possesses demonstrated expertise and experience concerning Nevada gaming laws and regulations.

b. Bally Entertainment Corporation shall at all times maintain in full force and effect an Internal Reporting System in a form and substance satisfactory to the Board:

(1) The Internal Reporting System shall be administered by a Compliance Committee which shall include at least one independent outside director. The composition of the Compliance Committee shall be subject to the administrative approval of the Board.

(ii) The record keeping and reporting requirements of the Internal Reporting System shall be maintained in a fashion satisfactory to the Board.

(iii) Bally Entertainment Corporation shall make such amendments to the Internal Reporting System as may be required by the Board and may make such other amendments to the Internal Reporting System as may be permitted upon the prior administrative approval of the Board.

(iv) The Commission hereby delegates to the Chairman of the Board the authority to administratively approve amendments to the Internal Reporting System.

c. Bally Entertainment Corporation shall furnish the Board with copies of the minutes of all meetings of the Board of Directors of Bally Entertainment Corporation and the Executive Committee thereof, within 45 days after such meeting.

11. THAT Bally Entertainment Corporation 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 these Ninth Revised Orders 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 Bally Entertainment Corporation, its direct or indirect subsidiaries and its affiliated companies.

12. THAT pursuant to NRS 463.625, Bally Entertainment Corporation is exempted from compliance with NRS 463.585(1), (2), (5), (6) and (7), and NRS

463.595 through NRS 463.615, inclusive, and shall instead comply with NRS 463.635 through NRS 463.645, inclusive.

13. THAT, pursuant to NRS 463.625, Bally's Casino Holdings, Inc. is exempted from compliance with NRS 463.585(1), (2), (5), and (7), and NRS 463.595 through NRS 463.615, inclusive, and shall instead comply with NRS 463.635 through NRS 463.645, inclusive.

14. THAT Bally Entertainment Corporation is exempted from NGC Regulation 15, except for the provisions of NGC Regulation 15.585.3-1, 15.585.3-2 and 15.585.4-1, and shall instead comply with the provisions of NGC Regulation 16, provided that Bally Entertainment Corporation, through its direct or indirect subsidiaries, shall not sell or transfer beneficial ownership of any equity securities of Bally's Casino Holdings, Inc. without the prior approval of the Commission.

15. THAT Bally's Casino Holdings, Inc. is hereby exempted from compliance with NGC Regulation 15, provided that, Bally Entertainment Corporation, through its direct or indirect subsidiaries, shall not sell or transfer beneficial ownership of any equity securities of Bally's Casino Holdings, Inc. without the prior approval of the Commission.


16. THAT Bally Entertainment Corporation is granted approval, pursuant to NGC Regulation 15.585.7-2, to effect a disposition of the common stock of Bally's Intermediate Sub, Inc. to Hilton Hotels Corporation in connection with the merger of Bally Entertainment Corporation with and into Hilton Hotels Corporation, pursuant to that Agreement and Plan of Merger dated June 6, 1996, as amended (the "Merger").

17. THAT these Ninth Revised Orders of Registration shall become effective upon the completion and effectiveness of the transactions described in Paragraph 3. If the transactions described in Paragraph 3 and the Merger are not consummated by January 24, 1997, unless administratively extended by the Chairman of the Board or his designee, then these Ninth Revised Orders of Registration shall never become effective and the Eighth Revised Orders of Registration shall remain in effect.


18. THAT the Commission hereby expressly finds that the exemptions hereinabove granted to Bally Entertainment Corporation and Bally's Casino Holdings, Inc. are consistent with the State policy set forth in NRS 463.0129 and NRS 463.489.

ENTERED at Las Vegas, Nevada, this 21st day of November, 1996.

FOR THE COMMISSION:

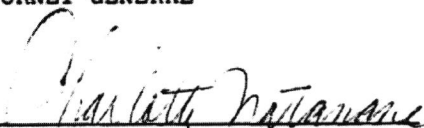
  
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Bill Curran, Chairman

Submitted by:

  
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Dennis K. Neilander, Chief  
Corporate Securities Division

APPROVED AS TO FORM:

FRANKIE SUE DEL PAPA  
ATTORNEY GENERAL

By   
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Deputy Attorney General  
Gaming Division