

DRAFT # 2

File No. SD-027

BEFORE THE NEVADA GAMING COMMISSION
AND THE STATE GAMING CONTROL BOARD

In the Matter of

HOLIDAY CORPORATION
AND
HOLIDAY INNS, INC.

(Registration)

AMENDMENT NO. 4 TO REVISED ORDER OF REGISTRATION
AND ORDER TERMINATING REGISTRATION

THIS MATTER came on specially for hearing before the State Gaming Control Board on January 23, 1990, and regularly for hearing before the Nevada Gaming Commission on January 25, 1990, at Carson City, 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, are hereby accepted as filed:

a. Holiday Corporation for approval of a corporate restructuring; for a finding of suitability to be the sole shareholder of The Promus Companies Incorporated; for an amendment to its Revised Order of Registration; for approval of the spin-off of The Promus Companies Incorporated from Holiday Corporation

through a public offering pursuant to NGC Reg. 16.110, as part of the corporate restructuring of Holiday Corporation; and for deregistration; and

b. Holiday Inns, Inc. for deregistration.

2. THAT paragraph 3 of the Revised Order of Registration of Holiday Corporation and Holiday Inns Inc. entered on July 28, 1988, is hereby rescinded and superseded in its entirety, and the following language is substituted in lieu thereof:

"3. THAT Holiday Corporation is registered as a publicly traded corporation and found suitable to be the sole shareholder of The Promus Companies Incorporated."

3. THAT paragraph 4 of the Revised Order of Registration of Holiday Corporation and Holiday Inns, Inc. entered on July 28, 1988, as amended by paragraph 2 of the Amendment No. 3 to Revised Order of Registration entered on January 25, 1990, is hereby rescinded and superseded in its entirety, and the registration of Holiday Inns, Inc. as a publicly traded corporation and all related approvals, are hereby terminated without prejudice and rendered null and void.

4. THAT paragraph 11 of the Revised Order of Registration of Holiday Corporation and Holiday Inns, Inc. entered on July 28, 1988, as amended by paragraph 5 of the Amendment No. 3 to Revised Order of Registration entered on January 25, 1990, is hereby rescinded and superseded in its entirety, and the following language is substituted in lieu thereof:

"11. THAT Holiday Corporation, The Promus Companies Incorporated, Embassy Suites, Inc., and Harrah's are granted approval to continue their gaming operations in the State of Nevada through their affiliated companies, Harrah's

Club, Harrah's Laughlin, Inc., Holiday Casino, Inc. and Nob Hill Casino, Inc., while participating in gaming activities at Harrah's Marina Hotel and Casino in Atlantic City, New Jersey."

5. THAT paragraph 18 of the Revised Order of Registration of Holiday Corporation and Holiday Inns, Inc. entered on July 28, 1988, as amended by paragraph 5 of the Amendment No. 1 to Revised Order of Registration entered on December 21, 1989, and by paragraph 6 of the Amendment No. 3 to Revised Order of Registration entered on January 25, 1990, is hereby rescinded and superseded in its entirety and the following language is substituted in lieu thereof:

"18. THAT Holiday Corporation shall fund and maintain with the State Gaming Control Board a revolving fund in the total amount of \$5,000, for the purpose of funding investigative reviews by the State Gaming Control Board for compliance with the terms of this Order of Registration, as amended. Without limiting the foregoing, the State Gaming Control 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 State Gaming Control Board or its staff in the surveillance, monitoring and investigative reviews of all activities, including public offerings, of Holiday Corporation, The Promus Companies Incorporated, Embassy Suites, Inc., Harrah's, Holiday Casino, Inc., Nob Hill Casino, Inc., Harrah's Club, and Harrah's Laughlin, Inc., and their affiliated companies."

6. THAT paragraph 2 of Amendment No. 3 to Order of Registration of Holiday Corporation and Holiday Inns, Inc. entered on July 17, 1986, as amended by paragraph 7 of the Amendment No. 3 to Revised Order of Registration entered on January 25, 1990, is hereby rescinded and superseded in its entirety, and the following language is substituted in lieu thereof:

"2. THAT Holiday Corporation, The Promus Companies Incorporated, Embassy Suites, Inc., and Harrah's are granted preliminary approval to pursue foreign gaming activities in New South Wales, Australia, while continuing their gaming operations in the State of Nevada through their affiliated companies, Harrah's Club, Harrah's Laughlin, Inc., Holiday Casino, Inc., and Nob Hill Casino, Inc. The approval granted herein does not authorize or constitute Commission approval to participate in gaming in New South Wales, Australia, and the Commission hereby specifically reserves its determination as to such final approval."

7. THAT the Revised Order of Registration of Holiday Corporation and Holiday Inns, Inc. entered on July 28, 1988, is hereby amended by adding thereto the following new paragraphs setting forth the following:

"23. THAT the spin-off of the Promus Companies Incorporated from Holiday Corporation, as part of the corporate restructuring of Holiday Corporation, to be concurrent with the merger of Bass (U.S.A.) Hotels, Inc. with and into Holiday Corporation, is hereby approved."

"24. THAT the approval granted in the paragraph 23 above is conditioned as follows:

a. That at no time before or after the consummation of the merger shall Bass (U.S.A.) Hotels, Inc., or any of its affiliated companies, exercise any influence or control over the Nevada gaming operations of Holiday Corporation without obtaining the prior approval by the Commission;

b. That the common stock of The Promus Companies Incorporated must be available for distribution to the former shareholders of Holiday Corporation simultaneously with the consummation of the merger; and

c. That Holiday Corporation shall keep the State Gaming Control Board, Corporate Securities Division, continuously and promptly informed as to the progress of the spin-off and merger."

"25. THAT upon the consummation of the spin-off of The Promus Companies Incorporated by Holiday Corporation, the registration of Holiday Corporation as a publicly traded corporation and all related approvals, shall be terminated without prejudice and rendered null and void."

"26. THAT Holiday Corporation is hereby granted approval, pursuant to NGC Reg. 16.110(1), to make a public offering of up to 27,000,000 shares of the common stock of The Promus Companies Incorporated, as defined in and pursuant to the Securities and Exchange Commission ("SEC") Form 10 Registration Statement (SEC File no. 1-10410) (the "Registration Statement").

"27. THAT the approval to make a public offering set forth in paragraph 26 above, is subject to the following conditions:

a. That the approval granted may be rescinded without prior notice upon the issuance of an interlocutory stop order by the Chairman of the State Gaming Control Board. Said interlocutory stop order, if issued, shall remain in full force and effect until lifted by the Commission upon such terms as are satisfactory to the Commission; and

b. That until the Registration Statement is declared effective by the SEC and the common stock is distributed as provided therein, Holiday Corporation shall keep the State Gaming Control Board, Corporate Securities Division, continuously and promptly informed as to the progress of the public offering."

"28. THAT the Commission hereby delegates to the Chairman of the

State Gaming Control Board the authority to issue an interlocutory stop order for good cause, which stop order shall remain in effect until lifted by the Commission pursuant to the provisions of paragraph 27(b) above."

"29. THAT Holiday Corporation is granted until March 30, 1990, to have the Registration Statement described in paragraph 26 above, declared effective by the SEC and to have the common stock described therein distributed as provided in such Registration Statement. If the Registration Statement is not declared effective by the SEC, or if the common stock is not distributed as provided therein, within said time period unless administratively extended by the Chairman of the State Gaming Control Board or his designee, then the approval granted in paragraph 26 above shall be deemed withdrawn and rendered null and void."

8. THAT if the restructuring and the merger are not consummated by March 30, 1990, unless administratively extended by the Chairman of the Gaming Control Board or his designee, this Amendment No. 4 to Revised Order of Registration shall be null and void in its entirety, and those approvals and exemptions previously granted to Holiday Corporation and its affiliates shall remain in full force and effect.

9. THAT except as expressly modified by this Amendment No. 4 to Revised Order of Registration, or other commission action, all other terms and conditions of Holiday Corporation's Revised Order of Registration entered on July 28, 1988, and of Amendments Nos. 1, 2 and 3 thereto entered on December 21, 1989, and January 25, 1990, respectively, and of Amendment No. 3 to Order of Registration

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entered on July 17, 1986, are hereby reaffirmed and made a part of this Amendment No. 4 to Holiday Corporation's Revised Order of Registration.

ENTERED at Carson City, Nevada, this 25th day of January, 1990.

FOR THE COMMISSION:

John F. O'Reilly, Chairman

Submitted by:

P. Gregory Giordano
Chief, Corporate Securities

APPROVED AS TO FORM:

BRIAN McKAY
ATTORNEY GENERAL

By _____
James Rankl
Deputy Attorney General
Gaming Division