

BEFORE THE NEVADA GAMING COMMISSION
AND THE STATE GAMING CONTROL BOARD

In the Matter of
THE PROMUS COMPANIES INCORPORATED
AND
EMBASSY SUITES, INC.
(Registration)

ORDER OF 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) The Promus Companies Incorporated for registration as a publicly traded corporation; for a finding of suitability to be the sole shareholder of Embassy Suites Inc.; for approval to participate in foreign gaming (New Jersey) pursuant to NRS 463.690; for preliminary approval to participate in foreign gaming (Australia) pursuant to NRS 463.690; for approval of public

offerings of 10-1/2% Senior Notes due 1994, 11% Subordinated Debentures due 1999, 15% Notes due 1992, 9-3/8% Notes due 1993, and 8-3/8% Notes due 1996, through its guarantee of the foregoing securities; for approval to pledge the common stock of Embassy Suites, Inc.; and for approval to place stock restrictions upon the common stock of Embassy Suites, Inc.;

b) Embassy Suites, Inc. for registration as a publicly traded corporation; for a finding of suitability to be the sole shareholder of Harrah's; for approval to participate in foreign gaming (New Jersey) pursuant to NRS 463.690; for preliminary approval to participate in foreign gaming (Australia) pursuant to NRS 463.690; for approval of public offerings of 10-1/2% Senior Notes due 1994, 11% Subordinated Debentures due 1999, 15% Notes due 1992, 9-3/8% Notes due 1993, and 8-3/8% Notes due 1996; for approval to pledge the common stock of Harrah's; and for approval to place stock restrictions upon the common stock of Harrah's;

c) Harrah's for registration as an intermediary company; for findings of suitability to be the sole shareholder of Harrah's Club and Nob Hill Casino, Inc.; for approval to participate in foreign gaming (New Jersey) pursuant to NRS 463.690; for preliminary approval to participate in foreign gaming (Australia) pursuant to NRS 463.690; for approval to pledge the common stock of Harrah's Club, Harrah's Laughlin, Inc. and Nob Hill Casino, Inc.; and for approval to place stock restrictions upon the common stock of Harrah's Club, Harrah's Laughlin, Inc. and Nob Hill Casino, Inc.; and

d) Harrah's Club for registration as an intermediary company; for a finding of suitability to be the sole shareholder of Holiday Casino, Inc; for approval to pledge the common stock of Holiday Casino, Inc.; and for approval to

place stock restrictions upon the common stock of Holiday Casino, Inc.

2. THAT The Promus Companies Incorporated is registered as a publicly traded corporation and is found suitable to be the sole shareholder of Embassy Suites, Inc.

3. THAT Embassy Suites, Inc. is registered as a publicly traded corporation and is found suitable to be the sole shareholder of Harrah's.

4. THAT Harrah's is registered as an intermediary company and is found suitable to be the sole shareholder of Harrah's Club, Harrah's Laughlin, Inc. and Nob Hill Casino, Inc.

5. THAT Harrah's Club is registered as an intermediary company; is found suitable to be the sole shareholder of Holiday Casino, Inc.; is licensed as a manufacturer and distributor; that Harrah's Club, dba Harrah's Reno Hotel Casino, is licensed to conduct nonrestricted gaming operations, including a race book and sports pool, at 219 North Center Street, Reno; and that Harrah's Club, dba Harrah's Club Lake Tahoe Resort Casino and Bill's Lake Tahoe Casino, is licensed to conduct nonrestricted gaming operations, including a race book and sports pool, at Highway 50, Stateline.

6. THAT Harrah's Laughlin, Inc., dba Harrah's Del Rio, is licensed to conduct nonrestricted gaming operations, including a sports pool, at 2900 South Casino Drive, Laughlin; and that Harrah's Laughlin, Inc., dba Harrah's RV Plaza/Convenience Center, is licensed to conduct restricted gaming operations at 2900 South Casino Drive, Laughlin.

7. THAT Holiday Casino, Inc., dba Holiday Casino, is licensed to conduct nonrestricted gaming operations, including a race book and sports pool, at 3473 Las Vegas Boulevard South, Las Vegas.

8. THAT Nob Hill Casino, Inc., dba Nob Hill Casino, is licensed to conduct nonrestricted gaming operations at 3411 Las Vegas Boulevard South, Las Vegas.

9. THAT 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.

10. THAT 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., subject to the following conditions:

a) THAT they shall immediately advise the Board of any material events relating to the proposed gaming operations in New South Wales, Australia, and shall meet with the Board or its designated representatives on a semi-annual basis to advise the Board of the status of such proposed gaming operations.

b) THAT they shall comply with any reporting requirements as may be imposed by the Board prior to final actions being taken on this matter.

c) THAT prior to commencement of gaming operations in New South Wales, Australia, the Commission must find that the applicants and New South Wales, Australia, comply with all criteria specified in NRS 463.710, as of the effective date of final approval.

d) THAT the preliminary approval herein does not authorize or constitute Commission approval to participate in gaming operations in New South Wales, Australia, and that the Commission hereby specifically reserves its determination as to such final approval.

11. THAT except as permitted by NRS 463.690 and the regulations promulgated thereunder, or as provided in paragraphs 9 and 10 above, neither The Promus Companies Incorporated, nor any person controlling, controlled by, or under common control with The Promus Companies Incorporated, shall have any involvement with gaming or pari-mutuel wagering outside the State of Nevada without first obtaining the approval of the Nevada Gaming Commission.

12. THAT The Promus Companies Incorporated is hereby granted approval, pursuant to NGC Reg. 16.110, to make public offerings through its guarantee of 10-1/2% Senior Notes due 1994, 11% Subordinated Debentures due 1999, 15% Notes due 1992, 9-3/8% Notes due 1993, and 8-3/8% Notes due 1996, issued by Embassy Suites, Inc., as defined in and pursuant to Securities and Exchange Commission ("SEC") Form S-4 Registration Statement (SEC file no. 33-32551) (the "Registration Statement").

13. THAT Embassy Suites, Inc. is hereby granted approval, pursuant to NGC Reg. 16.110, to make public offerings of 10-1/2% Senior Notes due 1994, 11% Subordinated Debentures due 1999, 15% Notes due 1992, 9-3/8% Notes due 1993, and 8-3/8% Notes due 1996, as defined in and pursuant to Securities Exchange Commission ("SEC") Form S-4 Registration Statement (SEC file no. 33-32551) (the "Registration Statement").

14. THAT the approvals to make public offerings set forth in paragraphs 12 and 13 above, are subject to the following conditions:

a) THAT the approvals 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 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 notes and debentures distributed as provided therein, The Promus Companies Incorporated and Embassy Suites, Inc. shall keep the State Gaming Control Board, Corporate Securities Division, continuously and promptly informed as to the progress of the offerings.

15. 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 14(a) above.

16. THAT The Promus Companies Incorporated is hereby granted approval to pledge the common stock of Embassy Suites, Inc. and to place certain restrictions upon the common stock of Embassy Suites, Inc. regarding the transfer, assignment, hypothecation, or encumbrance thereof.

17. THAT Embassy Suites, Inc. is hereby granted approval to pledge the common stock of Harrah's and to place certain restrictions upon the common stock of Harrah's regarding the transfer, assignment, hypothecation, or encumbrance thereof.

18. THAT Harrah's is hereby granted approval to pledge the common stock of Harrah's Club, Harrah's Laughlin, Inc. and Nob Hill Casino, Inc. and to place certain restrictions upon the common stock of Harrah's Club, Harrah's Laughlin,

Inc. and Nob Hill Casino, Inc. regarding the transfer, assignment, hypothecation, or encumbrance thereof.

19. THAT Harrah's Club is hereby granted approval to pledge the common stock of Holiday Casino, Inc. and to place certain restrictions upon the common stock of Holiday Casino, Inc. regarding the transfer, assignment, hypothecation, or encumbrance thereof.

20. THAT the approvals granted in paragraphs 16, 17, 18 and 19 above are subject to the following conditions:

a) Prior administrative approval by the Chairman of the State Gaming Control Board, or his designee, of the agreements pledging the above-named common stock and which places restrictions upon the above-named common stock;

b) Prior approval of the Nevada Gaming Commission of any foreclosure of the possessory security interests in any of the above-named common stock, or any other resort to the above-named common stock collateral or other enforcement of the security interests in the above-named common stock; and

c) If all necessary approvals are not obtained by March 30, 1990, unless extended by the Chairman or his designee, then the approvals granted in paragraphs 16, 17, 18 and 19 above are hereby terminated and rendered null and void.

21. THAT pursuant to NRS 463.625(2), The Promus Companies Incorporated is hereby 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, except for NRS 463.635(1)(a)(1) and in lieu thereof is required to maintain its stockholders list at the Company's executive offices in Memphis, Tennessee, and that The Promus Companies Incorporated is required to pay all costs incurred by

the State Gaming Control Board to review said stockholders list so long as The Promus Companies Incorporated is a registrant.

22. THAT The Promus Companies Incorporated is hereby exempted from compliance with NGC Reg. 15 and shall instead comply with NGC Reg. 16, provided that, The Promus Companies Incorporated shall not sell or transfer beneficial ownership of any voting securities of Embassy Suites, Inc. without the prior approval of the Commission.

23. THAT pursuant to NRS 463.625(2), Embassy Suites, Inc. is hereby 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.

24. THAT Embassy Suites, Inc. is hereby exempted from compliance with NGC Reg. 15, except for the provisions of NGC Regs. 15.585.4-1 and 15.585.7-6, and shall instead comply with NGC Reg. 16, provided that, The Promus Companies Incorporated shall not sell or transfer beneficial ownership of any voting securities of Embassy Suites, Inc. without the prior approval of the Commission.

25. THAT The Promus Companies Incorporated shall fund and maintain with the State Gaming Control Board a revolving fund in the total amount of \$25,000 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 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.

26. THAT the COMMISSION hereby expressly finds that the exemptions hereinabove granted are consistent with the State policy set forth in NRS 463.0129 and NRS 463.489.

27. THAT The Promus Companies Incorporated and Embassy Suites, Inc. are granted until March 30, 1990, to have the Registration Statement described in paragraphs 12 and 13 above, declared effective by the SEC and to have the securities described therein distributed as provided in such Registration Statements. If the Registration Statement are not declared effective by the SEC, or if the securities are 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 approvals granted in paragraphs 12 and 13 above shall be deemed withdrawn and rendered null and void.

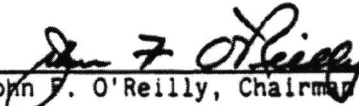
28. THAT all of the approvals and exemptions granted hereinabove, except for those granted in paragraphs 12 and 13, shall become effective upon the spin-off of The Promus Companies Incorporated by Holiday Corporation. If the spin-off does not occur by March 30, 1990, unless administratively extended by

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the Chairman of the State Gaming Control Board or his designee, all approvals and exemptions granted hereinabove shall be terminated and rendered null and void.

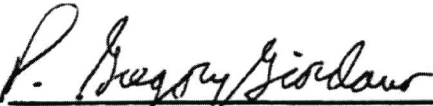
ENTERED at Carson City, Nevada, this 25th day of January, 1990.

FOR THE COMMISSION:



John F. O'Reilly, Chairman

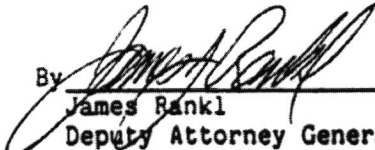
Submitted by:



P. Gregory Giordano, Chief
Corporate Securities Division

APPROVED AS TO FORM:

BRIAN McKAY
ATTORNEY GENERAL

By 

James Rankl
Deputy Attorney General
Gaming Division