

File No. SD-025

BEFORE THE NEVADA GAMING COMMISSION  
AND THE STATE GAMING CONTROL BOARD

In the Matter of  
ELSINORE CORPORATION  
(Public Offering)

ORDER

THIS MATTER came on regularly for hearing before the State Gaming Control Board ("Board") on February 9, 1994, and before the Nevada Gaming Commission ("Commission") on February 24, 1994, 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, have been filed:
  - a. The applications of Elsinore Corporation for approval to make a public offering of up to \$60,000,000 principal amount of its 12 1/2% First Mortgage Notes due 2000, Series B; for approval to pledge the Common Stock of Four Queens, Inc. and Pinnacle Gaming Corporation (f/k/a Elsub II, Inc.) to First Trust National Association; and for approval to enter into an agreement not to encumber the common stock of Four Queens, Inc. and Pinnacle Gaming Corporation in

conjunction with the public offering of Elsinore Corporation's 12 1/2% First Mortgage Notes due 2000, Series B; and

b. The applications of Four Queens, Inc. and Pinnacle Gaming Corporation for approval to guarantee the 12 1/2% First Mortgage Notes Due 2000, Series B, offered by, or to hypothecate their assets to secure the payment or performance of any obligations evidenced by the 12 1/2% First Mortgage Notes Due 2000, Series B, offered by, Elsinore Corporation pursuant to the public offering made by it.

2. THAT Elsinore Corporation is granted approval, pursuant to NGC Regulation 16.110, to make a public offering of up to \$60,000,000 principal amount of its 12 1/2% First Mortgage Notes Due 2000, Series B, as more fully described in the Securities and Exchange Commission ("SEC") Form S-4 Registration Statement (SEC Registration No. 33-73864) ("Registration Statement").

3. THAT the approval set forth in paragraph 2 is specifically conditioned as follows:

a. That Elsinore Corporation shall keep the Board's Corporate Securities Division continuously and promptly informed as to the progress of the public offering and as to any other event that may have a material effect on Elsinore Corporation or its subsidiaries, which would be subject to reporting on SEC Form 8-K; and

b. That the approval granted herein may be rescinded without prior notice upon issuance of an interlocutory stop order by the Chairman of the Board.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

4. THE Commission hereby delegates to the Chairman of the Board the authority to issue interlocutory stop orders for good cause, which shall remain in effect until lifted by the Commission as provided in paragraph 3(b).

5. THAT Elsinore Corporation is granted approval, pursuant to NRS 463.510(1), to pledge the common stock of Four Queens, Inc. and Pinnacle Gaming Corporation (f/k/a Elsub II, Inc.) to First Trust National Association, as Indenture Trustee, solely in conjunction with the public offering of the securities of Elsinore Corporation offered pursuant to the authority granted by paragraph 2 of this Order, provided that: (a) the prior approval of the Commission must be obtained before any foreclosure or transfer of the possessory security interests in such common stock (except back to Elsinore Corporation) and before any other resort to such common stock collateral or other enforcement of the security interests in such common stock, may occur; and (b) pursuant to NGC Regulations 15.510.1-3 and 8.030(4)(a), the common stock certificates of Four Queens, Inc. and Pinnacle Gaming Corporation evidencing said pledges of common stock must at all times remain physically within the state of Nevada at a location designated to the Board and must be made available for inspection by agents or employees of the Board immediately upon request during normal business hours.

6. THAT Elsinore Corporation is hereby granted approval, pursuant to NGC Regulation 15.510.1-4, to enter into agreement not to encumber the equity securities of Four Queens, Inc. and Pinnacle Gaming Corporation, solely in conjunction with the public offering of the securities of Elsinore Corporation offered pursuant to the authority granted by paragraph 2 of this Order.

7. THAT Four Queens, Inc. and Pinnacle Gaming Corporation, are each granted approval, pursuant to NGC Regulation 16.100(3), as corporate licensees, to guarantee the securities offered by Elsinore Corporation pursuant to the public offering made under the authority granted by paragraph 2 of this Order, and to hypothecate their assets to secure the payment or performance of any obligation evidenced by the securities offered by Elsinore Corporation pursuant to the public offering made under the authority granted by paragraph 2 of this Order.


8. THAT Elsinore Corporation is granted ninety (90) calendar days from the date of this Order to have the Registration Statement declared effective by the SEC. If the Registration Statement is not declared effective by the SEC within said time period, unless administratively extended by the Chairman of the

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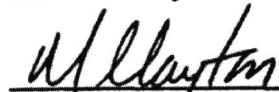
Board or his designee, then this Order and all of the approvals, terms and provisions herein shall be deemed withdrawn and rendered null and void.

ENTERED at Carson City, Nevada, this 24th day of February, 1994.

FOR THE COMMISSION:

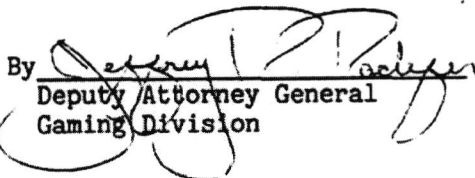
  
Bill Curran, Chairman

Submitted by:

  
Mark A. Clayton, Chief  
Corporate Securities Division

APPROVED AS TO FORM:

FRANKIE SUE DEL PAPA  
ATTORNEY GENERAL

By   
Deputy Attorney General  
Gaming Division