

ORDER 2009-45

AN ORDER RATIFYING THE PREVIOUSLY AWARDED INTERIM WAIVER AND APPROVAL OF THE EXCHANGE OFFER PROPOSED BY HARRAH'S ENTERTAINMENT INC.

Pursuant to IC 4-33-4-21 and 68 IAC 5-3-2, the Indiana Gaming Commission ("Commission") reviews proposed debt transactions to analyze the financial health of riverboat licensees and to ensure that a riverboat owner's license is not leased or hypothecated, or that money is not borrowed or loaned against a riverboat owner's license.

The Commission has considered the following factors:

1. In a letter dated November 17, 2008, Harrah's Entertainment, Inc. ("Harrah's"), through counsel, requested Commission approval of certain private exchange offers, along with a waiver of the applicable procedural requirements set forth in 68 IAC 5-3.
2. Specifically, Harrah's sought authorization to exchange certain of its outstanding debt securities (the "Old Notes") for either: (1) up to an aggregate of \$2.1 billion in new 10% Second-Priority Senior Secured Notes (the "New Notes") due in 2015 or 2018; or (2) cash.
3. In accordance with Resolution 2008-74, after analyzing Harrah's proposal, consulting with Commission financial analyst Dr. Charlene Sullivan, and receiving the requisite concurrence from Chairman Barrett, Executive Director Yelton issued an interim approval and waiver of 68 IAC 5-3-2, via letter, dated December 17, 2008.
4. Subject to certain enumerated and continuing conditions, the December 17th letter authorized Harrah's to proceed with its private exchange offer without receiving prior approval from the full Commission and without satisfying the "two meeting requirement" of 68 IAC 5-3-2(b)(2) and (3).
5. On December 22, 2008, Harrah's announced that the exchange offers had resulted in the retiring a principal amount of approximately \$2.2 billion in Old Notes through the issuance of approximately \$1.1 billion in New Notes and payment of approximately \$290 million in cash.
6. Harrah's has complied with the conditions identified in the December 17th interim approval and waiver letter.
7. Resolution 2008-74 requires that Executive Director Yelton's interim approval and waiver be reported to the full Commission at the next business meeting held under 68 IAC 2-1-5. Additionally, 68 IAC 5-3-7 requires that such waiver be reported to the Commission in order that it may have the opportunity to direct the Executive Director to take additional or different action.

Based on the foregoing, the Commission hereby **RATIFIES** the Executive Director's December 17, 2008 interim approval and waiver.


IT IS SO ORDERED THIS THE 19TH DAY OF MARCH, 2009.

THE INDIANA GAMING COMMISSION:



Timothy Murphy, Chair

ATTEST:



Thomas Swihart, Secretary