CAESARS ENTERTAINMENT Corp
Form 424B3
July 02, 2013

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PROSPECTUS

Caesars Entertainment Operating Company, Inc.

OFFERS TO EXCHANGE

$1,500,000,000 aggregate principal amount of its 9% Senior Secured Notes due 2020 and $1,500,000,000 aggregate principal amount of its 9% Senior Secured Notes due 2020, the issuance of each of which has been registered under the Securities Act of 1933, as amended,

for

any and all of its outstanding 9% Senior Secured Notes due 2020 and 9% Senior Secured Notes due 2020, respectively.

Caesars Entertainment Operating Company, Inc. (the Issuer or CEOC) hereby offers, upon the terms and subject to the conditions set forth in this prospectus and the accompanying letter of transmittal (which together constitute the exchange offers), to exchange up to $1,500,000,000 in aggregate principal amount of its registered 9% Senior Secured Notes due 2020 (the 2020(1) Exchange Notes) and the guarantee thereof, and $1,500,000,000 in aggregate principal amount of its registered 9% Senior Secured Notes due 2020 (the 2020(2) Exchange Notes, and together with the 2020(1) Exchange Notes, the exchange notes) and the guarantee thereof, for a corresponding and like aggregate principal amount of its outstanding 9% Senior Secured Notes due 2020 (the Original 2020(1) Notes) and 9% Senior Secured Notes due 2020 (the Original 2020(2) Notes, and together with the Original 2020(1) Notes, the original notes), respectively. We refer to the Original 2020(1) Notes and the 2020(1) Exchange Notes collectively as the 2020(1) notes. We refer to the Original 2020(2) Notes and the 2020(2) Exchange Note collectively as the 2020(2) notes. We refer to the original notes and exchange notes collectively as the notes. The terms of the exchange notes and the guarantees thereof are identical to the terms of the related original notes and the guarantees thereof in all material respects, except for the elimination of some transfer restrictions, registration rights and additional interest provisions relating to the original notes. The notes are irrevocably and unconditionally guaranteed by Caesars Entertainment Corporation and are secured by first-priority liens, subject to permitted liens, on certain assets of the Issuer and certain wholly owned, domestic subsidiaries of the Issuer that pledge their assets to secure the Issuer s senior secured credit facilities (the Subsidiary Pledgors). Subject to the limitations described below and herein, the notes are secured by the pledge of the capital stock of the Issuer and the capital stock of the Subsidiary Pledgors. The notes will be exchanged in denominations of $2,000 and in integral multiples of $1,000.

We will exchange any and all original notes that are validly tendered and not validly withdrawn prior to 5:00 p.m., New York City time, on July 31, 2013 (the expiration date), unless extended.

We have not applied, and do not intend to apply, for listing of the notes on any national securities exchange or automated quotation system.

See Risk Factors beginning on page 27 of this prospectus for a discussion of certain risks that you should consider before participating in these exchange offers.

Each broker-dealer that receives the exchange notes for its own account pursuant to the exchange offers must acknowledge that it will deliver a prospectus in connection with any resale of such new securities. The accompanying letter of transmittal states that by so acknowledging and by delivering a prospectus, a broker-dealer will not be deemed to admit that it is an underwriter within the meaning of the Securities Act. This prospectus, as it may be amended or supplemented from time to time, may be used by a broker-dealer in connection with resales of exchange notes received in exchange for original notes where such original notes were acquired by such broker-dealer as a result of market-making activities or other trading activities. We have agreed that, starting on the expiration date and ending on the close of business one year after the expiration date, we will make this prospectus available to any broker-dealer for use in connection with any such resale. See Plan of Distribution .

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the adequacy or accuracy of this prospectus. Any representation to the contrary is a criminal offense.

The date of this prospectus is July 2, 2013.

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We have not authorized anyone to give you any information or to make any representations about us or the transactions we discuss in this prospectus other than those contained in this prospectus. If you are given any information or representations about these matters that is not discussed in this prospectus, you must not rely on that information. This prospectus is not an offer to sell or a solicitation of an offer to buy securities anywhere or to anyone where or to whom we are not permitted to offer or sell securities under applicable law. The delivery of this prospectus does not, under any circumstances, mean that there has not been a change in our affairs since the date of this prospectus. Subject to our obligation to amend or supplement this prospectus as required by law and the rules of the Securities and Exchange Commission (the SEC), the information contained in this prospectus is correct only as of the date of this prospectus, regardless of the time of delivery of this prospectus or any sale of these securities.

The notes may not be offered or sold in or into the United Kingdom by means of any document except in circumstances that do not constitute an offer to the public within the meaning of the Public Offers of Securities Regulations 1995. All applicable provisions of the Financial Services and Markets Act 2000 must be complied with in respect of anything done in relation to the notes in, from or otherwise involving or having an effect in the United Kingdom.

The notes have not been and will not be qualified under the securities laws of any province or territory of Canada. The notes are not being offered or sold, directly or indirectly, in Canada or to or for the account of any resident of Canada in contravention of the securities laws of any province or territory thereof.

We have proprietary rights to a number of trademarks used in this prospectus that are important to our business, including, without limitation, Caesars Entertainment, Caesars Palace, Harrah s, Total Rewards, World Series of Poker, Horseshoe, Paris Las Vegas, Flamingo Las Vegas and Bally s Las Vegas. We have omitted the ® and trademark designations for such trademarks named in this prospectus.

Until September 30, 2013 (90 days after the date of this prospectus), all dealers effecting transactions in the exchange notes, whether or not participating in the exchange offers, may be required to deliver a prospectus.

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PROSPECTUS SUMMARY

The following summary contains information about Caesars Entertainment Corporation, Caesars Entertainment Operating Company, Inc. and the notes. It does not contain all of the information that may be important to you in making a decision to participate in the exchange offers. For a more complete understanding of Caesars Entertainment Corporation, Caesars Entertainment Operating Company, Inc. and the notes, we urge you to read this prospectus carefully, including the sections entitled Risk Factors,   Cautionary Statements Concerning Forward Looking Statements and Where You Can Find More Information. Unless otherwise noted or indicated by the context, the terms Caesars,   Caesars Entertainment and CEC refer to Caesars Entertainment Corporation, and the Company,   we,   us and our refer to Caesars and its consolidated subsidiaries, and Caesars Operating,   CEOC and the Issuer refer to Caesars Entertainment Operating Company, Inc.

As of March 31, 2013, CEC owned, operated or managed 52 casinos through its subsidiaries. In connection with the financing of the Acquisition described under   Our History, six casinos were spun or transferred out of CEOC to entities that are side-by-side with CEOC (the spin-off and transfer are hereinafter referred to as the CMBS Transactions). In addition, in connection with the Acquisition, London Clubs and its subsidiaries became subsidiaries of CEOC (hereinafter referred to as the London Clubs Transfer). CEOC has remained a direct, wholly owned subsidiary of CEC and, as of March 31, 2013, owned, operated or managed, through subsidiaries, 46 of our 52 casinos. Notwithstanding these spin-offs and transfers, management of CEC continues to manage all of the properties of CEOC and those held by its sister subsidiaries as one company, but CEOC is not entitled to receive any direct contribution or proceeds from its sister subsidiaries operations. CEC will guarantee the notes; the CMBS Borrowers (as defined below) will not. As a result, you should refer to the financial and pro forma financial information of CEC as well as financial information of CEOC which give a meaningful and complete presentation of the CMBS Transactions and the London Clubs Transfer, among others.

Our Company

We are the world s most diversified casino-entertainment provider and the most geographically diverse U.S. casino-entertainment company. As of March 31, 2013, we owned, operated, or managed, through various subsidiaries, 52 casinos in 13 U.S. states and seven countries. Of the 52 casinos, 38 are in the United States, including 19 land-based casinos, 11 riverboat or dockside casinos, three managed casinos on Indian lands, two managed casinos in Ohio, one casino combined with a greyhound racetrack, one casino combined with a thoroughbred racetrack, and one casino combined with a harness racetrack. Our 14 international casinos are comprised of eight land-based casinos in England, two in Egypt, one in Scotland, one in South Africa, one in Uruguay and one in Canada. As of March 31, 2013, our facilities had an aggregate of approximately three million square feet of gaming space and approximately 43,000 hotel rooms. Our industry-leading customer loyalty program, Total Rewards, has over 45 million members. We use the Total Rewards system to market promotions and to generate customer play across our network of properties. In addition, through Caesars Interactive Entertainment, Inc. (CIE), a majority-owned subsidiary, we own an online gaming business, providing for real money casino, bingo, and poker games in the United Kingdom, alliances with online gaming providers in Italy and France, play for fun offerings in other jurisdictions, and social games on Facebook and other social media websites and mobile application platforms. Also through CIE, we own the World Series of Poker tournament and brand.

Our History

We were incorporated on November 2, 1989 in Delaware and operated under predecessor companies prior to such date.

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On January 28, 2008, Caesars was acquired by affiliates of Apollo Global Management, LLC (Apollo) and affiliates of TPG Capital, LP (together with such affiliates, TPG and, together with Apollo, the Sponsors) in an all-cash transaction, hereinafter referred to as the Acquisition, valued at approximately $30.7 billion, including the assumption of $12.4 billion of debt, and the incurrence of approximately $1.0 billion of acquisition costs. Subsequent to the Acquisition, CEC s stock was no longer publicly traded.

Effective February 8, 2012, as the result of CEC s public offering (the Public Offering), CEC s common stock trades on the NASDAQ Global Select Market under the symbol CZR.

Our Sponsors

Apollo

Founded in 1990, Apollo is a leading global alternative asset manager with offices in New York, Los Angeles, London, Frankfurt, Luxembourg, Singapore, Hong Kong and Mumbai. As of March 31, 2013, Apollo had assets under management of approximately $114.3 billion in its private equity, credit and real estate businesses.

TPG

TPG is a leading global private investment firm founded in 1992 with approximately $54.7 billion of capital under management and offices in San Francisco, Beijing, Fort Worth, Hong Kong, London, Luxembourg, Melbourne, Moscow, Mumbai, New York, Paris, Shanghai, Singapore and Tokyo. TPG has extensive experience with global public and private investments executed through leveraged buyouts, recapitalizations, spinouts, growth investments, joint ventures and restructurings.

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Organizational Structure

The chart below is a summary of the organizational structure of CEC and CEOC and illustrates the long-term debt that will be outstanding following the exchange offers.

(1) Shares held by funds affiliated with and controlled by the Sponsors and their co-investors, representing 69.9% of CEC s outstanding common stock, are subject to the irrevocable proxy that gives Hamlet Holdings LLC, the members of which are comprised of an equal number of individuals affiliated with the Sponsors, sole voting and sole dispositive power with respect to such shares.

(2) CEC currently guarantees all of the debt securities of CEOC and the senior secured credit facilities. In addition, it has provided a payment guarantee of the operating leases under our $4,664.1 million face value of mortgage loans and related mezzanine financing (the CMBS Financing). The guarantee by CEC of the obligations under all of the debt of CEOC set forth above is structurally subordinated to our CMBS Financing.

(3) Includes captive insurance subsidiaries, Harrah s BC, Inc. (HBC) and Caesars Interactive Entertainment, Inc. and its subsidiaries.

(4) The subsidiaries of CEC that are borrowers under our CMBS Financing (the CMBS Borrowers) and their respective subsidiaries do not guarantee, or pledge their assets as security for, the notes and do not guarantee any of CEOC s debt securities set forth above or the senior secured credit facilities or any other indebtedness of CEOC and are not directly liable for any obligations thereunder.

(5) Upon the closing of the Acquisition, we entered into the senior secured credit facilities, which include a $2,000 million revolving credit facility that was reduced to $140.5 million due to debt retirements and the conversion of a portion of the revolving credit facility into an extended term loan subsequent to the closing of the Acquisition. As of March 31, 2013, after giving pro forma effect to the Extended Revolver Commitments Closing (as defined below), $128.7 million of additional borrowing capacity was available under our revolving credit facility, with an additional $86.8 million committed to back outstanding letters of credit, all of which is secured on a first priority basis.

(6) Includes (a) the 12.75% second-priority senior notes due 2018 issued under an indenture dated April 16, 2010, (b) the 10.00% second-priority senior notes due 2018 and the 10.00% second-priority senior notes due 2015 issued under a separate indenture on December 24, 2008 and (c) the 10.00% second-priority senior notes due 2018 issued under a separate indenture on April 15, 2009 (collectively, the Second Lien Notes).

(7) Excludes notes currently held by HBC.

(8) This amount excludes amounts payable by CEOC to CEC on an Intercompany Note Payable and excludes the notes currently held by HBC.

(9) The senior secured credit facilities, the 11.25% Senior Secured Notes due 2017 (the 11.25% notes), the 8½% Senior Secured Notes due 2020 (the 8.5% notes), the Second Lien Notes and the notes are secured by a pledge of assets by the same wholly owned domestic subsidiaries of CEOC, provided, however, that the equity interests of CEOC and of CEOC s subsidiaries that have been pledged to secure CEOC s obligations under its first lien indebtedness have not been pledged to secure CEOC s obligations under the Second Lien Notes.

(10) Includes non-domestic subsidiaries, non-wholly owned subsidiaries (including Chester Downs and Marina, LLC (Chester Downs), qualified non-recourse subsidiaries, including Corner Investments Propco LLC (Corner) and unrestricted subsidiaries (including PHW Las Vegas, LLC, Octavius Linq Holding Co., LLC, Caesars Operating Escrow LLC and Caesars Escrow Corporation). None of these entities is a borrower under CEOC s senior secured credit facilities or a guarantor of, or pledgor with respect to, any other existing debt of CEOC. The Planet Hollywood Loan, the 9.25% Senior Secured Notes due 2020 of Chester Downs, the $450.0 million Octavius Linq Holding Co., LLC senior secured loan and the Bill s Gamblin Hall & Saloon credit facility are non-recourse to CEOC, CEC or any other subsidiaries of CEC.

Recent Developments

Extended Revolver Commitments

In April 2013, we received regulatory approvals for the additional $75.0 million of extended revolving facility commitments with a maturity of January 28, 2017 that were obtained as part of the amendment to CEOC s senior secured credit facilities that consummated on March 27, 2013 (the Extended Revolver Commitments Closing).

Caesars Growth Partners

On April 23, 2013, CEC s board of directors approved the material terms of a proposed strategic transaction, pursuant to which CEC will form a new growth-oriented entity, Caesars Growth Partners, LLC (Growth Partners), to be owned by CEC and participating CEC stockholders, including the Sponsors. Participating CEC stockholders will own their interests in Growth Partners through Caesars Acquisition Company (CAC), a new company created to facilitate the transaction. CAC will hold all of the voting units of Growth Partners. The Sponsors have advised CEC that they each intend to invest $250 million in CAC, though they have not entered into any agreement to do so. Consummation of the transaction will be contingent on such investment by the Sponsors. Neither CAC nor CEC may sell or transfer any units of Growth Partners without the prior consent of

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the other prior to the fifth anniversary of the issuance. From and after the fifth anniversary of the issuance, CAC or CEC may transfer units of Growth Partners to a non-competitor of CEC. CAC shall have the right of first offer with respect to any transfer by CEC. In addition, after the fifth anniversary of the issuance, the non-voting units of Growth Partners will be exchangeable into non-voting shares of CAC with terms equivalent to the non-voting units and with rights to have such shares registered under the Securities Act.

CEC intends to distribute subscription rights at no charge to CEC stockholders on a pro rata basis. The subscription rights will afford each stockholder of CEC the right to acquire for cash at least the same pro rata ownership interest in CAC as such stockholder holds in CEC. CAC will use the proceeds from its sale of shares to acquire all of the voting interests in Growth Partners. CEC and its subsidiaries will contribute their shares of CIE and approximately $1.1 billion face value of senior notes previously issued by CEOC (CEOC Notes) that are owned by another subsidiary of CEC, which together have been valued at $1.275 billion, to Growth Partners in exchange for non-voting units. This valuation may be increased by up to $225 million if earnings from CIE s social and mobile games business exceed a specified amount in 2015, in which case CEC or its subsidiaries will receive additional non-voting units of Growth Partners. As a result of these asset contributions, CEC s economic interest in Growth Partners at the closing of the transaction will be at least 57%, and may be as much as 77%, depending on the amount of proceeds raised by CAC through its sale of shares, prior to any potential valuation increase and certain other potential adjustments. Additionally, Growth Partners intends to use $360 million of proceeds received from CAC to purchase from a CEC subsidiary the Planet Hollywood Resort & Casino in Las Vegas, CEC s joint venture interests in a casino under development in Baltimore (Horseshoe Baltimore) and a financial stake in the management fee stream for both of those properties, equal to 50% of the management fee. A subsidiary of Growth Partners will assume the current debt outstanding of $515.5 million related to Planet Hollywood, subject to lender approval. CEC and its affiliated companies will continue to manage Planet Hollywood and Horseshoe Baltimore. Growth Partners will enter into a management services agreement with CEC and certain of its subsidiaries for access to advisory and business management services and corporate shared services, on arm s length terms. CEC and Growth Partners will have the opportunity to work together to develop future projects. CEC will have the option to (1) pursue any potential project itself or (2) decline the project for itself, after which Growth Partners may elect or decline to pursue the project. A committee of the board of directors of CEC consisting of disinterested directors will make determinations on behalf of CEC with respect to any new investment and acquisition opportunities. Each opportunity will be negotiated separately by CEC and Growth Partners, but the assumption for these transactions will be that Growth Partners will receive 50% of the ongoing management fee. CEC will have the first right to make an offer if Growth Partners plans to sell any assets acquired from CEC.

The transaction will include certain value-related adjustments at closing, as follows.

Value of the CEOC Notes. The actual value of the CEOC Notes will be recalculated on the closing date of the transaction using the 90 day trading average closing price for each tranche of the CEOC Notes for the period ended on the closing date of the transaction, net of certain costs, commissions and discounts. The ownership percentages of CEC and CAC in Growth Partners will be recalculated accordingly.

Restoration of fair market value of the rights. The aggregate value (the rights value), if any, of the CAC subscription rights that are distributed by CEC will be returned to CEC by Growth Partners in the form of CEOC Notes with equivalent value to the rights value. To determine the number of CEOC Notes to be returned to CEC, the value of the CEOC Notes will be recalculated based on the same methodology originally used to calculate the currently-agreed valuation of the CEOC Notes, but determined as of the date of the restoration. This transfer will not reduce the number of CEC non-voting units of Growth Partners or CAC s voting units of Growth Partners, but it will reduce CAC s capital account balance.

After the third anniversary of the closing of the transaction, CEC and/or its subsidiaries will have the right to acquire the voting units of Growth Partners, or at the election of CAC, the shares of CAC. The call right may

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be exercised, at CEC s option, for either cash or registered listed common stock of CEC or a combination thereof, provided that the cash portion of the consideration may not exceed 50% of the total consideration delivered in connection with any exercise of the call right. The call right may be exercisable in part by CEC (up to three times), but until the call right is exercised in full, any voting units acquired by CEC will be converted into non-voting units. Additionally, the call right may only be exercised if the following conditions are met: (x) CEC s common stock (i) is registered with the Securities and Exchange Commission, (ii) is listed for trading and trades on a national securities exchange and (iii) issuable upon exercise of the call will represent, in the aggregate, not more than 1/2 of the total CEC s common stock issued and outstanding giving effect to the exercise of the call; (y) CEC has a minimum liquidity of $1 billion and a maximum net debt leverage ratio of 9.00 to 1.00; and (z) no event of default has occurred and is in effect under any financing agreement of CEC or its subsidiaries. The call price will be the greater of (a) CAC s pro rata share of the fair market value of the purchased shares at the time of the exercise of the call right and (b) CAC s net capital invested plus a 10.5% internal rate of return; however, the maximum internal rate of return that may be earned by CAC upon the exercise of the call right is 25%. Further, in the event that a stockholder vote of CEC is required in connection with the exercise of the call right, receipt of affirmative approval of such vote will be a condition to the exercise of the call right and at closing the Sponsors will enter into a voting support agreement in favor of any such stockholder approval. In addition, a majority of the independent directors of the board of directors of CEC must approve the exercise of the call right by CEC and/or its subsidiaries. The call right will be transferable by CEC to a transferee that also receives a transfer of all of the non-voting units of Growth Partners held by CEC and will be exercisable by the transferee upon the same terms and conditions that apply to CEC.

Following the fifth anniversary of the closing of the transaction and until the eight years and six months anniversary of the closing of the transaction, the board of directors of CAC will have the right to cause a liquidation of Growth Partners, which means the sale or winding up of Growth Partners, or other monetization of all of its assets and the distribution of the proceeds remaining after satisfaction of all liabilities of Growth Partners to the holders of Growth Partners units. Unless otherwise agreed by the holders of the non-voting units, on the eight years and six months anniversary of the closing of the transaction, if CAC has not previously exercised its liquidation right, Growth Partners shall liquidate as described above. Upon a liquidation, all net cash and other assets of Growth Partners that are not monetizable shall, subject to applicable gaming regulatory laws, be distributed as follows: (i) first, to all units held by CAC until amounts distributed equal return of capital plus a 10.5% per annum return on investment (such return to begin accruing on the proceeds in excess of the purchase price of Planet Hollywood and Horseshoe Baltimore only upon the investment of such excess proceeds by Growth Partners); (ii) second, to all units held by CEC and/or its subsidiaries until CEC catches up to its respective amount distributed pursuant to clause (i) (including the 10.5% per annum return on investment) and (iii) third, to all holders of units pro rata.

Conrad Punta Del Este Resort & Casino

In November 2012, CEC announced that it had entered into a definitive agreement with Enjoy S.A. (Enjoy) to form a strategic relationship in Latin America. On May 31, 2013, Enjoy acquired 45% of Baluma S.A., a subsidiary of CEC which owns and operates the Conrad Punta Del Este Resort & Casino located in Punta Del Este, Uruguay (the Conrad), and CEC acquired a 4.5% equity stake in Enjoy. Enjoy has assumed primary responsibility for management of the Conrad, and Enjoy will have the option to acquire the remaining stake in Baluma S.A. between years three and five following closing.

Additional Information

Our principal executive offices are located at One Caesars Palace Drive, Las Vegas, Nevada 89109, and our telephone number is (702) 407-6000. The address of our internet site is www.caesars.com. This internet address is provided for informational purposes only and is not intended to function as a hyperlink. Accordingly, no information contained in this internet address is included or incorporated by reference herein.

Summary of the Terms of the Exchange Offers

In connection with the issuance of the original notes, CEOC entered into registration rights agreements with the initial purchasers of the original notes. You are entitled to exchange in the exchange offers your original notes for exchange notes, which are identical in all material respects to the original notes except that:

- the exchange notes have been registered under the Securities Act and will be freely tradable by persons who are not affiliated with us;
- the exchange notes are not entitled to the registration rights applicable to the original notes under the registration rights agreements; and
- our obligation to pay additional interest on the original notes due to the failure to consummate the exchange offers by a prior date does not apply to the exchange notes.

Original Notes

Original 2020(1) Notes	$1,500,000,000 aggregate principal amount of 9% Senior Secured Notes due 2020 (the Original 2020(1) Notes).
Original 2020(2) Notes	$1,500,000,000 aggregate principal amount of 9% Senior Secured Notes due 2020 (the Original 2020(2) Notes). We refer to the Original 2020(1) Notes and the Original 2020(2) Notes collectively as the original notes.

Notes Offered

2020(1) Exchange Notes	9% Senior Secured Notes due 2020 (the 2020(1) Exchange Notes). The terms of the 2020(1) Exchange Notes are substantially identical to those terms of the Original 2020(1) Notes, except that the transfer restrictions, registration rights and provisions for additional interest relating to the Original 2020(1) Notes do not apply to the 2020(1) Exchange Notes.
2020(2) Exchange Notes	9% Senior Secured Notes due 2020 (the 2020(2) Exchange Notes). The terms of the 2020(2) Exchange Notes are substantially identical to those terms of the Original 2020(2) Notes, except that the transfer restrictions, registration rights and provisions for additional interest relating to the Original 2020(2) Notes do not apply to the 2020(2) Exchange Notes. We refer to the 2020(1) Exchange Notes and the 2020(2) Exchange Notes collectively as the exchange notes.
Exchange Offers	CEOC is offering to exchange

- up to $1,500,000,000 aggregate principal amount of its 2020(1) Exchange Notes, which have been registered under the Securities Act, for an equal amount of its Original 2020(1) Notes; and up to $1,500,000,000 aggregate principal amount of its 2020(2) Exchange Notes, which have been registered under the Securities Act, for an equal amount of its Original 2020(2) Notes.

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	CEOC is also offering to satisfy certain of its obligations under the registration rights agreements that CEOC entered into in connection with the issuance of the original notes in transactions exempt from registration under the Securities Act.
	In order to exchange your original notes, you must properly tender them and we must accept your tender. We will exchange all outstanding original notes that are validly tendered and not validly withdrawn. Original notes may be exchanged only in denominations of $2,000 and integral multiples of $1,000 in excess thereof.
Expiration Date; Withdrawal of Tenders	Each exchange offer will expire at 5:00 p.m., New York City time, on July 31, 2013, or such later date and time to which CEOC extends it. CEOC does not currently intend to extend the expiration date. A tender of original notes pursuant to the exchange offers may be withdrawn at any time prior to the expiration date. Any original notes not accepted for exchange for any reason will be returned without expense to the tendering holder promptly after the expiration or termination of the exchange offers.
Conditions to the Exchange Offers	The exchange offers are subject to customary conditions, some of which CEOC may waive. For more information, see The Exchange Offers Certain Conditions to the Exchange Offers.
Procedures for Tendering Original Notes	If you wish to accept the exchange offers, you must complete, sign and date the accompanying letter of transmittal, or a copy of the letter of transmittal, according to the instructions contained in this prospectus and the letter of transmittal. You must also mail or otherwise deliver the letter of transmittal, or the copy, together with the original notes and any other required documents, to the exchange agent at the address set forth on the cover of the letter of transmittal. If you hold original notes through The Depository Trust Company (DTC) and wish to participate in the exchange offers, you must comply with the Automated Tender Offer Program procedures of DTC, by which you will agree to be bound by the letter of transmittal.
	By signing or agreeing to be bound by the letter of transmittal, you will represent to us that, among other things:
	any exchange notes that you receive will be acquired in the ordinary course of your business;
	you have no arrangement or understanding with any person or entity, including any of our affiliates, to participate in the distribution of the exchange notes;
	if you are a broker-dealer that will receive exchange notes for your own account in exchange for original notes that were acquired as a result of market-making activities, that you will deliver a prospectus, as required by law, in connection with any resale of the exchange notes; and

	you are not our affiliate as defined in Rule 405 under the Securities Act, or, if you are an affiliate, you will comply with any applicable registration and prospectus delivery requirements of the Securities Act.
Guaranteed Delivery Procedures	If you wish to tender your original notes and your original notes are not immediately available or you cannot deliver your original notes, the letter of transmittal or any other documents required by the letter of transmittal or comply with the applicable procedures under DTC s Automated Tender Offer Program prior to the expiration date, you must tender your original notes according to the guaranteed delivery procedures set forth in this prospectus under The Exchange Offers Guaranteed Delivery Procedures.
Effect on Holders of Original Notes	As a result of the making of, and upon acceptance for exchange of all validly tendered original notes pursuant to the terms of, the exchange offers, CEOC will have fulfilled a covenant contained in each of the registration rights agreements for the original notes and, accordingly, CEOC will not be obligated to pay additional interest as described in the registration rights agreements. If you are a holder of original notes and do not tender your original notes in the exchange offers, you will continue to hold such original notes and you will be entitled to all the rights and limitations applicable to the original notes in the indentures governing the original notes, except for any rights under the registration rights agreements that, by their terms, terminate upon the consummation of the exchange offers.
Consequences of Failure to Exchange	All untendered original notes will continue to be subject to the restrictions on transfer provided for in the original notes and in the indentures governing the original notes. In general, the original notes may not be offered or sold unless registered under the Securities Act, except pursuant to an exemption from, or in a transaction not subject to, the Securities Act and applicable state securities laws. Other than in connection with the exchange offers, CEOC does not currently anticipate that it will register the original notes under the Securities Act.
Resale of the Exchange Notes	Based on an interpretation by the staff of the SEC set forth in no-action letters issued to third parties, we believe that the exchange notes issued pursuant to the exchange offers in exchange for original notes may be offered for resale, resold and otherwise transferred by you (unless you are our affiliate within the meaning of Rule 405 under the Securities Act) without compliance with the registration and prospectus delivery provisions of the Securities Act, provided that you:
	are acquiring the exchange notes in the ordinary course of business; and
	have not engaged in, do not intend to engage in, and have no arrangement or understanding with any person or entity, including any of Caesars affiliates, to participate in, a distribution of the exchange notes.

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	In addition, each participating broker-dealer that receives exchange notes for its own account pursuant to the exchange offers in exchange for original notes that were acquired as a result of market-making or other trading activity must also acknowledge that it will deliver a prospectus in connection with any resale of the exchange notes. For more information, see Plan of Distribution. Any holder of original notes, including any broker-dealer, who: is our affiliate, does not acquire the exchange notes in the ordinary course of its business, or tenders in the exchange offers with the intention to participate, or for the purpose of participating, in a distribution of exchange notes, cannot rely on the position of the staff of the Commission expressed in Exxon Capital Holdings Corporation, Morgan Stanley & Co., Incorporated or similar no-action letters and, in the absence of an exemption, must comply with the registration and prospectus delivery requirements of the Securities Act in connection with the resale of the exchange notes.
U.S. Federal Income Tax Considerations	The exchange of original notes for exchange notes in the exchange offers will not be a taxable event for U.S. federal income tax purposes. For more information, see Certain U.S. Federal Tax Considerations.
Use of Proceeds	We will not receive any cash proceeds from the issuance of the exchange notes in the exchange offers.
Exchange Agent	U.S. Bank National Association is the exchange agent for the exchange offers. The address and telephone number of the exchange agent are set forth in the section captioned The Exchange Offers Exchange Agent.

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Summary of the Terms of the 2020(1) Exchange Notes

The following summary highlights the material information regarding the 2020(1) Exchange Notes contained elsewhere in this prospectus.

Issuer	Caesars Entertainment Operating Company, Inc.
2020(1) Exchange Notes	$1,500,000,000 aggregate principal amount of 9% Senior Secured Notes due 2020.
Maturity Date	The 2020(1) Exchange Notes will mature on February 15, 2020.
Interest Rate	Interest on the 2020(1) Exchange Notes will be payable in cash and will accrue from the issue date of the 2020(1) Exchange Notes at a rate of 9% per annum.
Interest Payment Dates	February 15 and August 15 of each year, commencing on February 15, 2013.
Ranking	The 2020(1) Exchange Notes:

- will be senior indebtedness of CEOC;
- will rank pari passu in right of payment with all existing and future senior indebtedness of CEOC,
- will be senior in right of payment to all existing and future subordinated indebtedness of CEOC, and
- will be effectively senior in right of payment to all senior indebtedness of CEOC that is unsecured or that is secured by a lien ranking junior in priority to the liens securing the 2020(1) Exchange Notes, in each case to the extent of the value of the assets securing the 2020(1) Exchange Notes, and
- will be structurally subordinated in right of payment to all existing and future indebtedness and liabilities of subsidiaries of CEOC that are not Subsidiary Pledgors.

The 2020(1) Exchange Notes will have the benefit of a security interest in the collateral that will be first in priority and pari passu with the senior secured credit facilities, the 11.25% notes, the 8.5% notes and the 2020(2) notes, subject to permitted liens and exceptions described under Description of 2020(1) Exchange Notes Security for the Notes. All of CEOC s domestic wholly owned subsidiaries that pledge their assets and property to secure the loans under the senior secured credit facilities, the 11.25% notes, the 8.5% notes, the 2020(2) notes and other first priority lien obligations, if any, will become Subsidiary Pledgors with respect to the 2020(1) Exchange Notes, and their assets and property will secure the 2020(1) Exchange Notes to the extent described under Description of 2020(1) Exchange Notes Security for the Notes.

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As of March 31, 2013, on a pro forma basis after giving effect to the Extended Revolver Commitments Closing, the 2020(1) Exchange Notes would have ranked (1) effectively pari passu in right of payment to $9,265.4 million of senior secured credit facilities and other first lien debt (including the 11.25% notes, the 8.5% notes and the 2020(2) notes), (2) effectively senior in right of payment to $5,517.9 million of second lien notes and (3) effectively senior in right of payment to $2,522.3 million of senior unsecured indebtedness, in each case, to the extent of the value of the collateral securing the 2020(1) Exchange Notes, of which $1,146.3 million is owed to CEC. In addition, as of March 31, 2013, on a pro forma basis after giving effect to the Extended Revolver Commitments Closing, CEOC would have had $128.7 million of unutilized capacity under its senior secured revolving credit facility after giving effect to approximately $86.8 million committed to back letters of credit. As of March 31, 2013, subsidiaries of CEOC that are not Subsidiary Pledgors are obligors of $1,479.6 million of indebtedness (excluding intercompany liabilities).

Substantially all of the operations of CEOC are conducted through its subsidiaries. The 2020(1) Exchange Notes will be effectively subordinated to holders of indebtedness and other creditors (including trade creditors) and preferred stockholders (if any) of subsidiaries of CEOC that are not Subsidiary Pledgors. See note 22 to our audited consolidated financial statements as of December 31, 2012 and note 20 to our unaudited consolidated condensed financial statements as of March 31, 2013 incorporated by reference in this prospectus for financial information regarding certain of our subsidiaries that are not subsidiary guarantors of certain other obligations of CEOC. As those subsidiary guarantors are identical to the Subsidiary Pledgors, information related to the assets and liabilities of the Subsidiary Pledgors and non-Subsidiary Pledgors can be found therein. Further, holders of the 2020(1) Exchange Notes will have recourse to the collateral pledged by the Subsidiary Pledgors, but they will have no direct recourse to the Subsidiary Pledgors themselves.

Collateral

The 2020(1) Exchange Notes will be secured by a first priority security interest in the collateral granted to the collateral agent for the benefit of the holders of the 2020(1) Exchange Notes and other future parity lien debt that may be issued in compliance with the terms of the indenture governing the 2020(1) Exchange Notes. The collateral securing the 2020(1) Exchange Notes is the same as the collateral securing the senior secured credit facilities, the 11.25% notes, the 8.5% notes and the 2020(2) notes. The liens securing the 2020(1) Exchange Notes are pari passu in priority to the liens on the collateral securing the senior secured credit facilities, the 11.25% notes, the 8.5% notes and the 2020(2) notes. The liens securing the 2020(1) Exchange Notes and other first priority lien obligations will be held by the collateral agent under the senior secured credit facilities.

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	While the 2020(1) Exchange Notes will initially be secured by the pledge of CEOC s capital stock and the capital stock of the Subsidiary Pledgors, these pledges will be released to the extent that separate financial statements pursuant to Rule 3-16 of Regulation S-X would be required in connection with the filing of the registration statement, of which this prospectus forms a part, relating to the 2020(1) Exchange Notes. We expect that, as a result, a substantial portion of the capital stock of CEOC will be released. See Description of the 2020(1) Exchange Notes Security for the Notes.
	Except as set forth above, the collateral securing the 2020(1) Exchange Notes is substantially all of CEOC s and the Subsidiary Pledgors property and assets that secure the senior secured credit facilities, the 11.25% notes, the 8.5% notes and the 2020(2) notes, which excludes: (i) any property or assets owned by any foreign subsidiaries, (ii) certain real property and vessels, (iii) any vehicles, (iv) cash, deposit accounts and securities accounts (to the extent that a lien thereon must be perfected by any action other than the filing of customary financing statements), (v) subject to limited exceptions, any assets or any right, title or interest in any license, contract or agreement to the extent that taking a security interest in any of them would violate any applicable law or regulation (including gaming regulations) or any enforceable contractual obligation binding on the assets or would violate the terms of any such license, contract or agreement, and (vi) certain other limited exclusions. For more information, see Description of 2020(1) Exchange Notes Security for the Notes.
Parent Guarantee	The 2020(1) Exchange Notes will be irrevocably and unconditionally guaranteed by Caesars, subject to certain limitations. See Description of 2020(1) Exchange Notes Parent Guarantee.
Optional Redemption	CEOC may redeem the 2020(1) Exchange Notes, in whole or in part, at any time prior to February 15, 2016, at a price equal to 100% of the principal amount of the 2020(1) Exchange Notes plus accrued and unpaid interest to the date of redemption and an applicable make-whole premium. Thereafter, the 2020(1) Exchange Notes may be redeemed at the option of CEOC on the redemption dates and at the redemption prices specified under Description of 2020(1) Exchange Notes Optional Redemption.
Optional Redemption After Certain Equity Offerings	On or prior to February 15, 2015, CEOC may redeem up to 35% of the aggregate principal amount of 2020(1) Exchange Notes with the net cash proceeds of one or more equity offerings at the redemption price specified under Description of 2020(1) Exchange Notes Optional Redemption.

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Change of Control	If CEOC experiences a change of control (as defined in the indenture governing the 2020(1) Exchange Notes), CEOC will be required to make an offer to repurchase the 2020(1) Exchange Notes at a price equal to 101% of the principal amount thereof, plus accrued and unpaid interest, if any, to the date of repurchase. See Description of 2020(1) Exchange Notes Change of Control.
Certain Covenants	The indenture governing the 2020(1) Exchange Notes contains covenants limiting CEOC s ability and the ability of its subsidiaries to: incur additional debt or issue certain preferred shares; pay dividends on or make distributions in respect of its capital stock or make other restricted payments; make certain investments; sell certain assets; create liens on certain assets to secure debt; consolidate, merge, sell or otherwise dispose of all or substantially all of its assets; enter into certain transactions with its affiliates; and designate its subsidiaries as unrestricted subsidiaries. The covenants are subject to a number of important limitations and exceptions. In addition, the restrictive covenants do not apply to Caesars. See Description of 2020(1) Exchange Notes. Certain covenants will cease to apply to the 2020(1) Exchange Notes for so long as the 2020(1) Exchange Notes have investment grade ratings from both Moody s Investors Service, Inc. and Standard & Poor s.
Risk Factors	See Risk Factors and the other information contained or incorporated by reference in this prospectus for a discussion of the factors you should carefully consider before deciding to invest in the 2020(1) Exchange Notes.

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Summary of the Terms of the 2020(2) Exchange Notes

The following summary highlights the material information regarding the 2020(2) Exchange Notes contained elsewhere in this prospectus.

Issuer	Caesars Entertainment Operating Company, Inc.
2020(2) Exchange Notes	$1,500,000,000 aggregate principal amount of 9% Senior Secured Notes due 2020.
Maturity Date	The 2020(2) Exchange Notes will mature on February 15, 2020.
Interest Rate	Interest on the 2020(2) Exchange Notes will be payable in cash and will accrue from the issue date of the 2020(2) Exchange Notes at a rate of 9% per annum.
Interest Payment Dates	February 15 and August 15 of each year, commencing on August 15, 2013.
Ranking	The 2020(2) Exchange Notes:

- will be senior indebtedness of CEOC;
- will rank pari passu in right of payment with all existing and future senior indebtedness of CEOC,
- will be senior in right of payment to all existing and future subordinated indebtedness of CEOC, and
- will be effectively senior in right of payment to all senior indebtedness of CEOC that is unsecured or that is secured by a lien ranking junior in priority to the liens securing the 2020(2) Exchange Notes, in each case to the extent of the value of the assets securing the 2020(2) Exchange Notes, and
- will be structurally subordinated in right of payment to all existing and future indebtedness and liabilities of subsidiaries of CEOC that are not Subsidiary Pledgors.

The 2020(2) Exchange Notes will have the benefit of a security interest in the collateral that will be first in priority and pari passu with the senior secured credit facilities, the 11.25% notes, the 8.5% notes and the 2020(1) notes, subject to permitted liens and exceptions described under Description of 2020(2) Exchange Notes Security for the Notes. All of CEOC s domestic wholly owned subsidiaries that pledge their assets and property to secure the loans under the senior secured credit facilities, the 11.25% notes, the 8.5% notes, the 2020(2) notes and other first priority lien obligations, if any, will become Subsidiary Pledgors with respect to the 2020(2) Exchange Notes, and their assets and property will secure the 2020(2) Exchange Notes to the extent described under Description of 2020(2) Exchange Notes Security for the Notes.

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As of March 31, 2013, on a pro forma basis after giving effect to the Extended Revolver Commitments Closing, the 2020(2) Exchange Notes would have ranked (1) effectively pari passu in right of payment to $9,265.4 million of senior secured credit facilities and other first lien debt (including the 11.25% notes, the 8.5% notes and the 2020(1) notes), (2) effectively senior in right of payment to $5,517.9 million of second lien notes and (3) effectively senior in right of payment to $2,522.3 million of senior unsecured indebtedness, in each case, to the extent of the value of the collateral securing the 2020(2) Exchange Notes, of which $1,146.3 million is owed to CEC. In addition, as of March 31, 2013, on a pro forma basis after giving effect to the Extended Revolver Commitments Closing, CEOC would have had $128.7 million of unutilized capacity under its senior secured revolving credit facility after giving effect to approximately $86.8 million committed to back letters of credit. As of March 31, 2013, subsidiaries of CEOC that are not Subsidiary Pledgors are obligors of $1,479.6 million of indebtedness (excluding intercompany liabilities).

Substantially all of the operations of CEOC are conducted through its subsidiaries. The 2020(2) Exchange Notes will be effectively subordinated to holders of indebtedness and other creditors (including trade creditors) and preferred stockholders (if any) of subsidiaries of CEOC that are not Subsidiary Pledgors. See note 22 to our audited consolidated financial statements as of December 31, 2012 and note 20 to our unaudited consolidated condensed financial statements as of March 31, 2013 incorporated by reference in this prospectus for financial information regarding certain of our subsidiaries that are not subsidiary guarantors of certain other obligations of CEOC. As those subsidiary guarantors are identical to the Subsidiary Pledgors, information related to the assets and liabilities of the Subsidiary Pledgors and non-Subsidiary Pledgors can be found therein. Further, holders of the 2020(2) Exchange Notes will have recourse to the collateral pledged by the Subsidiary Pledgors, but they will have no direct recourse to the Subsidiary Pledgors themselves.

Collateral

The 2020(2) Exchange Notes will be secured by a first priority security interest in the collateral granted to the collateral agent for the benefit of the holders of the 2020(2) Exchange Notes and other future parity lien debt that may be issued in compliance with the terms of the indenture governing the 2020(2) Exchange Notes. The collateral securing the 2020(2) Exchange Notes is the same as the collateral securing the senior secured credit facilities, the 11.25% notes, the 8.5% notes and the 2020(1) notes. The liens securing the 2020(2) Exchange Notes are pari passu in priority to the liens on the collateral securing the senior secured credit facilities, the 11.25% notes, the 8.5% notes and the 2020(1) notes. The liens securing the 2020(2) Exchange Notes and other first priority lien obligations will be held by the collateral agent under the senior secured credit facilities.

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	While the 2020(2) Exchange Notes will initially be secured by the pledge of CEOC s capital stock and the capital stock of the Subsidiary Pledgors, these pledges will be released to the extent that separate financial statements pursuant to Rule 3-16 of Regulation S-X would be required in connection with the filing of the registration statement, of which this prospectus forms a part, relating to the 2020(2) Exchange Notes. We expect that, as a result, a substantial portion of the capital stock of CEOC will be released. See Description of the 2020(2) Exchange Notes Security for the Notes.
	Except as set forth above, the collateral securing the 2020(2) Exchange Notes is substantially all of CEOC s and the Subsidiary Pledgors property and assets that secure the senior secured credit facilities, the 11.25% notes, the 8.5% notes and the 2020(1) notes, which excludes: (i) any property or assets owned by any foreign subsidiaries, (ii) certain real property and vessels, (iii) any vehicles, (iv) cash, deposit accounts and securities accounts (to the extent that a lien thereon must be perfected by any action other than the filing of customary financing statements), (v) subject to limited exceptions, any assets or any right, title or interest in any license, contract or agreement to the extent that taking a security interest in any of them would violate any applicable law or regulation (including gaming regulations) or any enforceable contractual obligation binding on the assets or would violate the terms of any such license, contract or agreement, and (vi) certain other limited exclusions. For more information, see Description of 2020(2) Exchange Notes Security for the Notes.
Parent Guarantee	The 2020(2) Exchange Notes will be irrevocably and unconditionally guaranteed by Caesars, subject to certain limitations. See Description of 2020(2) Exchange Notes Parent Guarantee.
Optional Redemption	CEOC may redeem the 2020(2) Exchange Notes, in whole or in part, at any time prior to February 15, 2016, at a price equal to 100% of the principal amount of the 2020(2) Exchange Notes plus accrued and unpaid interest to the date of redemption and an applicable make-whole premium. Thereafter, the 2020(2) Exchange Notes may be redeemed at the option of CEOC on the redemption dates and at the redemption prices specified under Description of 2020(2) Exchange Notes Optional Redemption.
Optional Redemption After Certain Equity Offerings	On or prior to February 15, 2015, CEOC may redeem up to 35% of the aggregate principal amount of 2020(2) Exchange Notes with the net cash proceeds of one or more equity offerings at the redemption price specified under Description of 2020(2) Exchange Notes Optional Redemption.

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Change of Control	If CEOC experiences a change of control (as defined in the indenture governing the 2020(2) Exchange Notes), CEOC will be required to make an offer to repurchase the 2020(2) Exchange Notes at a price equal to 101% of the principal amount thereof, plus accrued and unpaid interest, if any, to the date of repurchase. See Description of 2020(2) Exchange Notes Change of Control.
Certain Covenants	The indenture governing the 2020(2) Exchange Notes contains covenants limiting CEOC s ability and the ability of its subsidiaries to: incur additional debt or issue certain preferred shares; pay dividends on or make distributions in respect of its capital stock or make other restricted payments; make certain investments; sell certain assets; create liens on certain assets to secure debt; consolidate, merge, sell or otherwise dispose of all or substantially all of its assets; enter into certain transactions with its affiliates; and designate its subsidiaries as unrestricted subsidiaries. The covenants are subject to a number of important limitations and exceptions. In addition, the restrictive covenants do not apply to Caesars. See Description of 2020(2) Exchange Notes. Certain covenants will cease to apply to the 2020(2) Exchange Notes for so long as the 2020(2) Exchange Notes have investment grade ratings from both Moody s Investors Service, Inc. and Standard & Poor s.
Risk Factors	See Risk Factors and the other information contained or incorporated by reference in this prospectus for a discussion of the factors you should carefully consider before deciding to invest in the 2020(2) Exchange Notes.

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Summary Historical Consolidated Financial Data of Caesars Entertainment Corporation

The following table presents CEC s summary historical consolidated financial data for the periods presented. The summary historical consolidated financial data for the years ended December 31, 2010, 2011 and 2012 are derived from and should be read in conjunction with CEC s audited consolidated financial statements incorporated by reference herein. The summary historical consolidated financial data for the three month periods ended March 31, 2012 and 2013 are derived from and should be read in conjunction with CEC s unaudited consolidated condensed financial statements incorporated by reference herein. Except as otherwise described herein, CEC s unaudited consolidated condensed financial statements have been prepared on a basis consistent with CEC s annual audited financial statements and, in the opinion of management, include all adjustments, consisting of normal recurring accruals, considered necessary for a fair presentation of such data.

	Year ended December 31, 2010(1)	Year ended December 31, 2011(1)	Year ended December 31, 2012(1)	Three months ended March 31, 2012(2)	Three months ended March 31, 2013(2)
			(dollars in millions)		
Income Statement Data					
Revenues					
Casino	$ 6,671.8	$ 6,394.5	$ 6,246.9	$ 1,625.0	$ 1,495.1
Food and beverage	1,482.1	1,508.4	1,510.1	382.1	380.1
Rooms	1,117.7	1,193.1	1,205.5	303.8	288.2
Management fees	39.1	35.8	47.3	9.6	10.7
Other	568.8	674.1	829.4	195.4	262.9
Less: casino promotional allowances	(1,326.3)	(1,232.6)	(1,252.5)	(309.8)	(293.8)
Net revenues	8,553.2	8,573.3	8,586.7	2,206.1	2,143.2
Operating Expenses					
Direct					
Casino	3,817.7	3,618.1	3,556.0	924.8	834.7
Food and beverage	614.3	659.4	660.1	161.8	165.2
Rooms	258.5	286.2	297.6	75.1	73.3
Property, general, administrative, and other	2,029.7	2,086.9	2,103.8	510.8	581.5
Depreciation and amortization	699.4	678.1	715.5	179.5	161.7
Write-downs, reserves, and project opening costs, net of recoveries	149.7	73.8	106.2	16.2	20.7
Intangible and tangible asset impairment charges	184.0	32.8	1,067.7	174.0	20.0
Loss on interests in non-consolidated affiliates	1.5	7.9	17.5	7.1	2.6
Corporate expense	140.9	152.8	195.0	52.2	36.1
Acquisition and integration costs	13.6	4.3	6.1	0.1	64.2
Amortization of intangible assets	160.8	156.7	174.6	43.2	41.4
Total operating expenses	8,070.1	7,757.0	8,900.1	2,144.8	2,001.4
Income/(loss) from operations	483.1	816.3	(313.4)	61.3	141.8
Interest expense, net of interest capitalized	(1,981.6)	(2,122.3)	(2,101.3)	(562.0)	(574.7)
Gain/(loss) on early extinguishments of debt	115.6	47.9	136.0	45.8	(36.7)
Other income, including interest income	41.0	25.3	25.5	8.2	3.7
Loss from continuing operations before income taxes	(1,341.9)	(1,232.8)	(2,253.2)	(446.7)	(465.9)
Benefit for income taxes	492.5	534.7	870.5	158.3	290.2
Loss from continuing operations, net of income taxes	(849.4)	(698.1)	(1,382.7)	(288.4)	(175.7)
Discontinued operations					
Income/(loss) from discontinued operations	49.9	59.2	(59.4)	14.2	(43.8)
(Provision)/benefit for income taxes	(23.8)	(27.8)	(50.1)	(6.9)	2.8
Income/(loss) from discontinued operations, net of income taxes	26.1	31.4	(109.5)	7.3	(41.0)

Net loss		(823.3)		(666.7)		(1,492.2)		(281.1)		(216.7)
Less: net (income)/loss attributable to non-controlling interests		(7.8)		(20.9)		(5.3)		0.5		(0.9)
Net loss attributable to Caesars	$	(831.1)	$	(687.6)	$	(1,497.5)	$	(280.6)	$	(217.6)
Other Financial Data										
Capital expenditures, net of changes in construction payables	$	151.3	$	272.5	$	507.7	$	82.7	$	148.1
Ratio of earnings to fixed charges(3)										

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(1) Amounts presented for the years ended December 31, 2010, 2011 and 2012 have not been restated to give effect to the closure of the Alea Leeds casino. The table below recasts certain amounts in CEC s consolidated statements of comprehensive loss and consolidated statements of cash flows for the years ended December 31, 2010, 2011 and 2012 to reflect the results of the Alea Leeds casino as discontinued operations. See Item 1. Unaudited Financial Statements Note 3 Acquisitions, Investments, Dispositions and Divestitures included in our Quarterly Report on Form 10-Q for the three months ended March 31, 2013, which is incorporated by reference in this prospectus.

	2010		2011		2012	
	As Reported	As Recast	As Reported	As Recast	As Reported	As Recast
	(in millions, except per share data)					
Net revenues	$ 8,553.2	$ 8,547.0	$ 8,573.3	$ 8,566.6	$ 8,586.7	$ 8,580.4
Loss from continuing operations, net of income taxes	(849.4)	(845.1)	(698.1)	(694.0)	(1,382.7)	(1,377.6)
Income/(loss) from discontinued operations, net of income taxes	26.1	21.8	31.4	27.3	(109.5)	(114.6)
Net loss	(823.3)	(823.3)	(666.7)	(666.7)	(1,492.2)	(1,492.2)
Earnings/(loss) per share basic and diluted:						
Loss per share from continuing operations	(8.63)	(8.59)	(5.75)	(5.72)	(11.08)	(11.03)
Earnings/(loss) per share from discontinued operations	0.26	0.22	0.25	0.22	(0.87)	(0.92)
Net loss per share basic and diluted	(8.37)	(8.37)	(5.50)	(5.50)	(11.95)	(11.95)
Cash flows provided by operating activities	104.4	109.8	60.3	63.0	26.5	30.2
Cash flows used in investing activities	(278.5)	(278.5)	(1,006.3)	(1,006.3)	(1,224.9)	(1,224.3)
Cash flows from discontinued operations						
Cash flows provided by/(used in) operating activities	66.4	61.0	62.8	60.1	(16.9)	(20.6)
Cash flows (used in)/provided by investing activities	(9.4)	(9.4)	(10.7)	(10.7)	600.3	599.7

(2) Amounts presented for the three months ended March 31, 2012 and 2013 reflect the results of the Harrah s St. Louis casino, the Macau Land Concession and the Alea Leeds casino as discontinued operations (collectively, the Discontinued Operations). See Item 1. Unaudited Financial Statements Note 3 Acquisitions, Investments, Dispositions and Divestitures included in our Quarterly Report on Form 10-Q for the three months ended March 31, 2013, and Item 8. Financial Statements and Supplementary Data Note 3 Acquisitions, Investments, Dispositions and Divestitures included in our Annual Report on Form 10-K for the year ended December 31, 2012 (as amended), both of which are incorporated by reference in this prospectus.

(3) For purposes of computing the ratio of earnings to fixed charges, earnings consist of income before income taxes plus fixed charges and minority interests, excluding equity in undistributed earnings of less-than-50%-owned investments. Fixed charges include interest, amortization of debt expense, discount or premium related to indebtedness and such portion of rental expense we deem to be representative of interest. The method for calculating fixed charges for purposes of the ratio disclosed herein may differ from the method of calculating fixed charges under CEOC s debt agreements. Our earnings were insufficient to cover our fixed charges by $1,331.0 million, $1,235.2 million, $2,256.9 million, $443.2 million and $454.4 million for the year ended December 31, 2010, the year ended December 31, 2011, the year ended December 31, 2012, the three months ended March 31, 2012 and the three months ended March 31, 2013, respectively.

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Summary Historical Condensed Consolidated Financial Data of

Caesars Entertainment Operating Company, Inc.

The following table presents the historical consolidated financial data of CEOC for the years ended December 31, 2011 and 2012 and for the three month periods ended March 31, 2012 and 2013. CEOC does not report audited financial information on a stand-alone basis. Accordingly, the financial data presented herein for CEOC has been derived from CEC s financial statements for the relevant periods, as adjusted to remove the historical financial information of all subsidiaries of and account balances at CEC that are not components of CEOC.

We believe that the summary historical consolidated financial data for CEOC as the issuer of the exchange notes offered hereby provides a meaningful presentation for investors to consider given other operations and activities of Caesars that are not included in the credit of CEOC, including the separate real estate financing by other subsidiaries of CEC.

You should read this data in conjunction with CEC s financial statements and the related notes incorporated by reference herein.

	Year ended December 31, 2011(2)	Year ended December 31, 2012(2)	Three months ended March 31, 2012(3)	Three months ended March 31, 2013(3)
	(dollars in millions)			
Income Statement Data(1)				
Revenues				
Casino	$ 5,165.5	$ 5,054.2	$ 1,316.9	$ 1,212.2
Food and beverage	1,007.1	1,004.6	254.4	256.5
Rooms	739.8	759.5	191.2	182.9
Management fees	35.8	47.3	9.6	10.7
Other	470.2	513.0	126.3	167.1
Less: casino promotional allowances	(875.6)	(898.7)	(222.4)	(211.5)
Net revenues	6,542.8	6,479.9	1,676.0	1,617.9
Operating Expenses				
Direct				
Casino	2,974.1	2,935.2	763.0	694.5
Food and beverage	415.8	411.9	101.3	105.9
Rooms	170.4	176.4	44.3	43.5
Property, general, administrative, and other	1,484.8	1,423.1	352.6	399.6
Depreciation and amortization	521.7	555.0	140.4	127.2
Write-downs, reserves, and project opening costs, net of recoveries	69.7	80.4	14.2	7.3
Intangible and tangible asset impairment charges	32.8	1,064.7	174.0	20.0
Loss on interests in non-consolidated affiliates	6.9	18.9	7.6	3.0
Corporate expense	120.9	157.8	44.3	32.1
Acquisition and integration costs	3.5	5.8		11.8
Amortization of intangible assets	97.1	105.7	24.1	23.0
Total operating expenses	5,897.7	6,934.9	1,665.8	1,467.9
Income/(loss) from operations	645.1	(455.0)	10.2	150.0
Interest expense, net of interest capitalized	(2,030.9)	(2,016.2)	(538.5)	(553.5)
Loss on early extinguishments of debt				(36.7)
Other income, including interest income	24.1	23.1	7.7	3.8
Loss from continuing operations before income taxes	(1,361.7)	(2,448.1)	(520.6)	(436.4)
Benefit for income taxes	561.3	934.6	183.7	269.1
Loss from continuing operations, net of income taxes	(800.4)	(1,513.5)	(336.9)	(167.3)

Discontinued operations				
Income/(loss) from discontinued operations	59.2	(59.4)	14.2	(43.8)
(Provision)/benefit for income taxes	(27.8)	(50.1)	(6.9)	2.8
Income/loss from discontinued operations, net of income taxes	31.4	(109.5)	7.3	(41.0)
Net loss	(769.0)	(1,623.0)	(329.6)	(208.3)
Less: net (income)/loss attributable to non-controlling interests	(10.4)	(4.4)	0.7	(2.5)
Net loss attributable to Caesars Entertainment Operating Company, Inc.	$ (779.4)	$ (1,627.4)	$ (328.9)	$ (210.8)

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	Year ended December 31, 2011(2)	Year ended December 31, 2012(2)	Three months ended March 31, 2012(3)	Three months ended March 31, 2013(3)
		(dollars in millions)		
Other Financial Data				
Capital expenditures, net of changes in construction payables	$ 238.2	$ 443.5	$ 67.3	$ 134.3
Property EBITDA(4)	1,591.7	1,602.8	437.8	373.3
Ratio of earnings to fixed charges(5)				

	Last twelve months ended March 31, 2013 (in millions)
LTM Adjusted EBITDA Pro Forma(6)	$ 1,506.7

(1) CEOC operates businesses that have inherently low variable costs such that positive change in revenues should drive relatively large improvements in income from operations and EBITDA. A key determinant of hotel revenues is the average daily hotel rate, or ADR, that is charged. Increases in ADR would drive nearly a dollar for dollar improvement in income from operations and EBITDA and on CEOC s room base of approximately 27,000 rooms, CEOC anticipates that a $5 increase in ADR on an annual basis would equate to an improvement to annual income from operations and EBITDA of approximately $38 million. CEOC s average system-wide ADR was $110 in 2007, compared to $100 during the last twelve months ended March 31, 2013. Likewise, CEOC anticipates that a $5 improvement in spend per rated customer gaming trip would equate to an improvement to its annual income from operations and EBITDA of approximately $69 million, and a $5 improvement per unrated customer gaming trip would equate to an improvement to its annual income from operations and EBITDA of approximately $57 million. Average spending per rated customer gaming trip declined from $184 in 2007 to $163 during the last twelve months ended March 31, 2013. While CEOC uses 2007 as a measurement for its financial performance and the gaming industry in general, CEOC may not attain those financial levels in the near term, or at all.

(2) Amounts presented for the years ended December 31, 2011 and 2012 have not been restated to give effect to the closure of the Alea Leeds casino. The table below recasts certain amounts in CEOC s consolidated statements of operations and cash flows for the years then ended to reflect the results of the Alea Leeds casino as discontinued operations. See Item 1. Unaudited Financial Statements Note 3 Acquisitions, Investments, Dispositions and Divestitures included in our Quarterly Report on Form 10-Q for the three months ended March 31, 2013, which is incorporated by reference in this prospectus.

	2011		2012	
	As Reported	As Recast	As Reported	As Recast
		(in millions)		
Net revenues	$ 6,542.8	$ 6,536.1	$ 6,479.9	$ 6,473.6
Income/(loss) from continuing operations, net of income taxes	(800.4)	(796.3)	(1,513.5)	(1,508.4)
Income/(loss) from discontinued operations, net of income taxes	31.4	27.3	(109.5)	(114.6)
Net Loss	(769.0)	(769.0)	(1,623.0)	(1,623.0)
Cash flows used in operating activities	(298.5)	(295.8)	(343.0)	(339.3)
Cash flows used in investing activities	(757.5)	(757.5)	(1,101.1)	(1,100.5)
Cash flows from discontinued operations				
Cash flows provided by/(used in) operating activities	62.8	60.1	(16.9)	(20.6)
Cash flows (used in)/ provided by investing activities	(10.7)	(10.7)	600.3	599.7

(3) Amounts presented for the three months ended March 31, 2012 and 2013 reflect the Discontinued Operations. See Item 1. Unaudited Financial Statements Note 3 Acquisitions, Investments, Dispositions and Divestitures included in our Quarterly Report on Form 10-Q for the three months ended March 31, 2013, and Item 8. Financial Statements and Supplementary Data Note 3 Acquisitions, Investments, Dispositions and Divestitures included in our Annual Report on Form 10-K for the year ended December 31, 2012 (as amended), both of which are incorporated by reference in this prospectus.

(4) CEOC presents Property EBITDA as a supplemental measure of its performance. CEOC defines Property EBITDA as revenues less property operating expenses. Set forth below is a reconciliation of net income/(loss) attributable to CEOC, its most comparable measure in accordance with GAAP, to Property EBITDA. Property EBITDA is comprised of net income/(loss) attributable to CEOC before (i) interest expense, net of interest capitalized and interest income, (ii) (benefit)/provision for income taxes, (iii) depreciation and amortization, (iv) corporate expenses and (v) certain items that CEOC does not consider indicative of its ongoing operating performance at an operating property level. In evaluating Property EBITDA, you should be aware that in the future CEOC may incur expenses that are the same or similar to some of the adjustments in this presentation. CEOC s presentation of Property EBITDA

should not be construed as an inference that its future results will be unaffected by unusual or unexpected items.

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Property EBITDA is a non-GAAP financial measure commonly used in CEOC s industry and should not be construed as an alternative to net income/(loss) as an indicator of operating performance or as an alternative to cash flow provided by operating activities as a measure of liquidity (as determined in accordance with GAAP). Property EBITDA, as calculated in this prospectus, may not be comparable to similarly titled measures reported by other companies within CEOC s industry. CEOC has included Property EBITDA because its management uses Property EBITDA to measure performance and allocate resources, and CEOC believes that Property EBITDA provides investors with additional information consistent with that used by its management.

(In millions)	Year ended December 31, 2011	Year ended December 31, 2012	Three months ended March 31, 2012	Three months ended March 31, 2013
Net Loss attributable to CEOC	$ (779.4)	$ (1,627.4)	$ (328.9)	$ (210.8)
Net income/(loss) attributable to non-controlling interests	10.4	4.4	(0.7)	2.5
Net loss	(769.0)	(1,623.0)	(329.6)	(208.3)
(Income)/loss from discontinued operations, net of income taxes	(31.4)	109.5	(7.3)	41.0
Net loss from continuing operations, net of income taxes	(800.4)	(1,513.5)	(336.9)	(167.3)
Benefit for income taxes	(561.3)	(934.6)	(183.7)	(269.1)
Loss from continuing operations before income taxes	(1,361.7)	(2,448.1)	(520.6)	(436.4)
Other income, including interest income	(24.1)	(23.1)	(7.7)	(3.8)
Loss on early extinguishments of debt				36.7
Interest expense, net of interest capitalized	2,030.9	2,016.2	538.5	553.5
Income/(loss) from operations	645.1	(455.0)	10.2	150.0
Depreciation and amortization	521.7	555.0	140.4	127.2
Amortization of intangible assets	97.1	105.7	24.1	23.0
Intangible and tangible asset impairment charges	32.8	1,064.7	174.0	20.0
Write-downs, reserves, and project opening costs, net of recoveries	69.7	80.4	14.2	7.3
Acquisition and integration costs	3.5	5.8		11.8
Loss on interests in non-consolidated affiliates	6.9	18.9	7.6	3.0
Corporate expense	120.9	157.8	44.3	32.1
EBITDA attributable to discontinued operations	94.0	69.5	23.0	(1.1)
Property EBITDA	$ 1,591.7	$ 1,602.8	$ 437.8	$ 373.3

Property EBITDA has important limitations as an analytical tool, and you should not consider it in isolation, or as a substitute for analysis of CEOC s results as reported under GAAP. For example, Property EBITDA:

- does not reflect any cash requirements for the assets being depreciated and amortized that may have to be replaced in the future;
- excludes tax payments that represent a reduction in cash available to CEOC;
- does not reflect CEOC s corporate expenses not specifically related to its properties, including, without limitation, management fees that may be paid to the Sponsors;
- does not reflect CEOC s capital expenditures, future requirements for capital expenditures or contractual commitments; and

does not reflect other amounts such as project opening costs and other items, acquisition and integration costs, and other types of costs that are excluded from management s performance measurement of its properties.

(5) For purposes of computing the ratio of earnings to fixed charges, earnings consist of income before income taxes plus fixed charges and minority interests, excluding equity in undistributed earnings of less-than-50%-owned investments. Fixed charges include interest, amortization of debt expense, discount or premium related to indebtedness and such portion of rental expense management deems to be representative of interest. The method for calculating fixed charges for purposes of the ratio disclosed herein may differ from the method of calculating fixed charges under CEOC s debt agreements. For the year ended December 31, 2011, the year ended December 31, 2012, the three months ended March 31, 2012 and the three months ended March 31, 2013, CEOC s earnings were insufficient to cover its fixed charges by $1,373.2 million, $2,454.0 million, $517.5 million and $426.7 million, respectively.

(6) LTM-Adjusted EBITDA Pro Forma is calculated in accordance with the indentures governing CEOC s existing notes and the credit agreement governing CEOC s senior secured credit facilities. LTM-Adjusted EBITDA Pro Forma is net income/(loss) attributable to CEOC adjusted for certain non-cash and other items that are included in net income (loss). CEOC presents LTM-Adjusted EBITDA Pro Forma as a supplemental measure of its performance and believes that LTM-Adjusted EBITDA Pro Forma provides investors with additional information and allows a better understanding of the results of operational activities separate from the financial impact of

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decisions made for the long-term benefit of CEOC. CEOC s ability to engage in activities such as incurring additional indebtedness, making investments and paying dividends is tied to a fixed charge coverage ratio, a total first priority secured leverage ratio and a consolidated leverage ratio under the senior secured credit facilities based on LTM-Adjusted EBITDA Pro Forma for CEOC and its consolidated restricted subsidiaries. In addition, CEOC is required to maintain a senior secured leverage ratio under its credit agreement.

Accordingly, CEOC believes it is useful to provide the calculation of LTM-Adjusted EBITDA Pro Forma for purposes of determining its ability to engage in these activities. CEOC is in compliance with all the covenants under its various debt agreements. CEOC also presents LTM-Adjusted EBITDA Pro Forma to provide investors with additional information regarding the pro forma impact of properties that are anticipated to be acquired or disposed and of yet-to-be realized savings from CEOC s cost savings initiatives.

LTM-Adjusted EBITDA Pro Forma is a non-GAAP financial measure and should not be construed as an alternative to net income/(loss) attributable to CEOC as an indicator of operating performance. LTM-Adjusted EBITDA Pro Forma is not comparable to similarly titled measures reported by other companies. CEOC has included LTM-Adjusted EBITDA Pro Forma because CEOC believes it provides investors with additional information to measure its performance and liquidity, consistent with the information used by its management and certain of its lenders to measure its performance and liquidity.

LTM-Adjusted EBITDA Pro Forma has important limitations as an analytical tool, and you should not consider it in isolation, or as a substitute for analysis of CEOC s results as reported under GAAP. For example, LTM-Adjusted EBITDA Pro Forma:

- does not reflect the significant interest expenses, or the cash requirements necessary to service interest or principal payments, on CEOC s debt;
- does not reflect any cash requirements for the assets being depreciated and amortized that may have to be replaced in the future;
- excludes tax payments that represent a reduction in cash available to CEOC;
- does not reflect changes in, or cash requirements for, CEOC s working capital needs;
- does not reflect CEOC s capital expenditures, future requirements for capital expenditures or contractual commitments; and
- does not reflect management fees that may be paid to the Sponsors.

LTM-Adjusted EBITDA Pro Forma includes further adjustments for pro forma adjustments for yet-to-be realized cost savings. No assurance can be given that such cost savings will occur. See Item 1A. Risk Factors Risks Related to Our Business We may not realize any or all of our projected cost savings, which would have the effect of reducing our LTM-Adjusted EBITDA Pro Forma, which would have a negative effect on our results of operations and negatively impact our covenant calculation and could have a negative effect on our securities included in our Annual Report on Form 10-K for the year ended December 31, 2012 (as amended), which is incorporated by reference in this prospectus.

LTM-Adjusted EBITDA Pro Forma includes the results of Planet Hollywood and certain other subsidiary entities, which results would be excluded for purposes of calculating last twelve months adjusted EBITDA for CEOC under its debt agreements, as the entities owning those properties are neither obligors nor guarantors under the debt agreements.

Adjustments similar to the ones reflected in the calculation of LTM-Adjusted EBITDA Pro Forma have been recorded in earlier periods, and similar types of adjustments can reasonably be expected to be recorded in future periods. CEOC s presentation of LTM-Adjusted EBITDA Pro Forma should not be construed as in inference that its future results will be unaffected by unusual or non-recurring items.

Using only the non-GAAP earnings measure would have material limitations because its calculation is based on the subjective determination of management regarding the nature and classification of events and circumstances that investors may find material. Management compensates for these limitations by using both GAAP and non-GAAP earnings measures reflected above to understand and analyze the results of the business. CEOC believes investors find the non-GAAP information helpful in understanding the ongoing performance of operations separate from items that may have a disproportionate positive or negative impact on CEOC s financial results in any particular period.

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Set forth below is a reconciliation of net income/(loss) attributable to CEOC, CEOC s most comparable measure in accordance with GAAP, to LTM-Adjusted EBITDA Pro Forma for the last twelve months ended March 31, 2013:

(In millions)	(1) Three months ended March 31, 2013	(2) Three months ended March 31, 2012	(3) Year ended December 31, 2012	(1)-(2)+(3) Last twelve months ended March 31, 2013
Net loss attributable to CEOC	$ (210.8)	$ (328.9)	$ (1,627.4)	$ (1,509.3)
Interest expense, net of capitalized interest and interest income	550.0	531.8	1,995.7	2,013.9
Benefit for income taxes(a)	(271.9)	(176.8)	(884.5)	(979.6)
Depreciation and amortization(b)	153.7	176.3	701.7	679.1
EBITDA	221.0	202.4	185.5	204.1
Project opening costs, abandoned projects and development costs(c)	19.2	7.9	55.9	67.2
Acquisition and integration costs(d)	11.8		5.8	17.6
Loss on early extinguishments of debt(e)	36.7			36.7
Net income/(loss) attributable to non-controlling interests, net of (distributions)(f)	0.5	(2.2)	(4.2)	(1.5)
Impairments of intangible and tangible assets(g)	46.7	174.0	1,165.7	1,038.4
Non-cash expense for stock compensation benefits(h)	2.5	11.2	33.4	24.7
Adjustments for recoveries from insurance claims for flood losses(i)		(6.6)	(6.6)	
Gain on sale of discontinued operations(j)	0.7		(9.3)	(8.6)
Other items(k)	11.1	14.4	53.3	50.0
Adjusted EBITDA	$ 350.2	$ 401.1	$ 1,479.5	$ 1,428.6
Pro forma adjustments related to properties(l)				0.4
Pro forma adjustment for estimated cost savings yet-to-be-realized(m)				110.9
Pro forma adjustments for discontinued operations(n)				(33.2)
LTM-Adjusted EBITDA-Pro Forma				$ 1,506.7

(a) Amounts include a benefit for income taxes related to discontinued operations of $2.8 million for the first quarter 2013 and a provision for income taxes related to discontinued operations of $6.9 million and $50.1 million for the first quarter 2012 and for the year ended December 31, 2012, respectively.

(b) Amounts include depreciation and amortization related to discontinued operations of $0.2 million, $8.8 million and $29.0 million for the first quarter 2013 and 2012 and for the year ended December 31, 2012, respectively.

(c) Amounts represent pre-opening costs incurred in connection with new property openings and expansion projects at existing properties, as well as any non-cash write-offs of abandoned development projects. Amounts include reserves related to the closure of Alea Leeds in March 2013 which are included in loss from discontinued operations of $15.8 million for the first quarter 2013. There were no reserves related to discontinued operations for the first quarter 2012 and for the year ended December 31, 2012.

(d) Amounts include certain costs associated with acquisition and development activities and reorganization activities which are infrequently occurring costs.

(e) Amounts represent the difference between the fair value of consideration paid and the book value, net of deferred financing costs, of debt retired through debt extinguishment transactions, which are capital structure-related, rather than operational-type costs.

(f) Amounts represent minority owners share of income/(loss) from CEOC s majority-owned consolidated subsidiaries, net of cash distributions to minority owners, which is a non-cash item as it excludes any cash distributions.

(g) Amounts represent non-cash charges to impair intangible and tangible assets primarily resulting from changes in the business outlook in light of economic conditions. Amounts include impairment charges related to discontinued operations of $26.7 million and $101.0 million for the first quarter of 2013 for the year ended December 31, 2012, respectively. There were no impairment charges related to discontinued operations for the first quarter 2012.

(h) Amounts represent non-cash stock-based compensation expense related to stock options and restricted stock granted to CEOC s employees.

(i) Amounts represent adjustments for insurance claims related to lost profits during the floods that occurred in 2011.
(j) Amount represents the gain recognized on the sale of the Harrah s St. Louis casino.

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(k) Amounts represent add-backs and deductions from EBITDA, whether permitted and/or required under the indentures governing CEOC s existing notes and the credit agreement governing CEOC s senior secured credit facilities, included in arriving at LTM-Adjusted EBITDA Pro Forma but not separately identified. Such add-backs and deductions include litigation awards and settlements, severance and relocation costs, permit remediation costs, gains and losses from disposals of assets, costs incurred in connection with implementing the Company s efficiency and cost-saving programs, CEOC s insurance policy deductibles incurred as a result of catastrophic events such as floods and hurricanes, and non-cash equity in earnings of non-consolidated affiliates (net of distributions).

(l) Amounts represent the estimated annualized impact of operating results related to newly completed construction projects, combined with the estimated annualized EBITDA impact associated with properties acquired during the period.

(m) Amount represents adjustments of CEOC to reflect the impact of annualized run-rate cost-savings and anticipated future cost savings to be realized from the Company s announced Project Renewal and other profitability improvement and cost savings programs.

(n) Per CEOC s senior secured credit facilities, EBITDA related to discontinued operations are deducted from LTM-Adjusted EBITDA Pro Forma.

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RISK FACTORS

You should carefully consider the risk factors set forth below, as well as the other information contained in this prospectus or incorporated by reference in this prospectus. In addition to those listed below and elsewhere in this prospectus, you should also consider the risks, uncertainties and assumptions discussed under the caption Item 1A. Risk Factors included in our Annual Report on Form 10-K for the year ended December 31, 2012 (as amended), which is incorporated by reference in this prospectus. Any of these risks could materially and adversely affect our business, financial condition or results of operations. In such a case, you may lose all or a part of your original investment. These risk factors may be amended, supplemented or superseded from time to time by other reports we file with the SEC in the future.

Risks Relating to the Exchange Offers

You may have difficulty selling the original notes that you do not exchange.

If you do not exchange your original notes for exchange notes in the exchange offers, you will continue to be subject to the restrictions on transfer of your original notes described in the legend on your original notes. The restrictions on transfer of your original notes arise because we issued the original notes under exemptions from, or in transactions not subject to, the registration requirements of the Securities Act and applicable state securities laws. In general, you may only offer or sell the original notes if they are registered under the Securities Act and applicable state securities laws, or offered and sold under an exemption from these requirements. Except as required by the registration rights agreements, we do not intend to register the original notes under the Securities Act. The tender of original notes under the exchange offers will reduce the principal amount of the currently outstanding original notes. Due to the corresponding reduction in liquidity, this may have an adverse effect upon, and increase the volatility of, the market price of any currently outstanding original notes that you continue to hold following completion of the exchange offers. See The Exchange Offers Consequences of Failure to Exchange.

There is no public market for the exchange notes, and we do not know if a market will ever develop or, if a market does develop, whether it will be sustained.

The exchange notes are a new issue of securities for which there is no existing trading market. Accordingly, we cannot assure you that a liquid market will develop for the exchange notes, that you will be able to sell your exchange notes at a particular time or that the prices that you receive when you sell the exchange notes will be favorable.

We do not intend to apply for listing or quotation of the exchange notes on any securities exchange or automated quotation system. The liquidity of any market for the exchange notes is subject to a number of factors, including:

- the number of holders of exchange notes;
- our operating performance and financial condition;
- our ability to complete the offers to exchange the original notes for the exchange notes;
- the market for similar securities;
- the interest of securities dealers in making a market in the exchange notes; and
- prevailing interest rates.

We understand that one or more of the initial purchasers with respect to the original notes intend to make a market in the exchange notes. However, they are not obligated to do so, and any market-making activity with respect to the exchange notes may be discontinued at any time without notice. In addition, any market-making

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activity will be subject to the limits imposed by the Securities Act and the Exchange Act and may be limited during the exchange offers or the pendency of an applicable shelf registration statement. There can be no assurance that an active trading market will exist for the exchange notes or that any trading market that does develop will be liquid.

You must comply with the exchange offer procedures in order to receive new, freely tradable exchange notes.

Delivery of exchange notes in exchange for original notes tendered and accepted for exchange pursuant to the exchange offers will be made only after timely receipt by the exchange agent of book-entry transfer of original notes into the exchange agent s account at DTC, as depositary, including an agent s message (as defined herein). We are not required to notify you of defects or irregularities in tenders of original notes for exchange. Original notes that are not tendered or that are tendered but we do not accept for exchange will, following consummation of the exchange offers, continue to be subject to the existing transfer restrictions under the Securities Act and, upon consummation of the exchange offers, certain registration and other rights under the registration rights agreements will terminate. See The Exchange Offers Procedures for Tendering and The Exchange Offers Consequences of Failure to Exchange.

Some holders who exchange their original notes may be deemed to be underwriters, and these holders will be required to comply with the registration and prospectus delivery requirements in connection with any resale transaction.

If you exchange your original notes in the exchange offers for the purpose of participating in a distribution of the exchange notes, you may be deemed to have received restricted securities and, if so, will be required to comply with the registration and prospectus delivery requirements of the Securities Act in connection with any resale transaction.

Risks Relating to the Notes and Other Indebtedness

The notes are structurally subordinated to all liabilities of CEOC s and CEC s subsidiaries that are not Subsidiary Pledgors.

The notes are structurally subordinated to indebtedness and other liabilities of CEOC s subsidiaries that are not Subsidiary Pledgors, and the claims of creditors of these subsidiaries, including trade creditors, will have priority as to the assets of these subsidiaries. As of March 31, 2013, subsidiaries of CEOC that are not Subsidiary Pledgors had $1,479.6 million face value of outstanding indebtedness. In the event of a bankruptcy, liquidation or reorganization of any subsidiaries that are not Subsidiary Pledgors, these subsidiaries will pay the holders of their debts, holders of preferred equity interests and their trade creditors before they will be able to distribute any of their assets to CEOC. In addition, the guarantee of the notes by CEC is structurally subordinated to the CMBS Facilities of $4,664.1 million, as well as any other indebtedness of subsidiaries of CEC that are not also Subsidiary Pledgors. See note 22 to the audited consolidated financial statements and note 20 to the unaudited consolidated financial statements incorporated by reference in this prospectus for financial information regarding certain of CEOC s subsidiaries that are not subsidiary guarantors of certain other obligations of CEOC (the entities referred to therein as subsidiary guarantors are identical to the Subsidiary Pledgors).

The notes are not secured by the assets of any of CEOC s non-U.S. subsidiaries or any other subsidiaries that are not wholly owned by CEOC. These subsidiaries are separate and distinct legal entities and have no obligation, contingent or otherwise, to pay any amounts due pursuant to the notes, or to make any funds available therefore, whether by dividends, loans, distributions or other payments. Any right that CEC, CEOC or the Subsidiary Pledgors have to receive any assets of any of these subsidiaries upon their liquidation or reorganization, and the consequent rights of holders of notes to realize proceeds from the sale of any of those subsidiaries assets, will be effectively subordinated to the claims of those subsidiaries creditors, including trade creditors and holders of preferred equity interests of those subsidiaries.

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The notes are secured only to the extent of the value of the assets that have been granted as security for the notes, which may not be sufficient to satisfy our obligations under the notes.

No appraisals of any of the collateral have been prepared by us or on behalf of us in connection with the offerings of the original notes or these exchange offers. The fair market value of the collateral is subject to fluctuations based on factors that include, among others, our ability to implement our business strategy, the ability to sell the collateral in an orderly sale, general economic conditions, the availability of buyers and similar factors. In addition, courts could limit recoverability if they apply non-New York law to a proceeding and deem a portion of the interest claim usurious in violation of public policy. The amount to be received upon a sale of any collateral would be dependent on numerous factors, including but not limited to the actual fair market value of the collateral at such time, general, market and economic conditions and the timing and the manner of the sale.

In addition, the collateral securing the notes is subject to liens permitted under the terms of the indentures governing the notes and the intercreditor agreement, whether arising on or after the date the notes are issued. The existence of any permitted liens could adversely affect the value of the collateral securing the notes, as well as the ability of the collateral agent to realize or foreclose on such collateral.

There also can be no assurance that the collateral will be saleable and, even if saleable, the timing of its liquidation is uncertain. To the extent that liens, rights or easements granted to third parties encumber assets located on property owned by us, such third parties have or may exercise rights and remedies with respect to the property subject to such liens that could adversely affect the value of the collateral and the ability of the collateral agent to realize or foreclose on the collateral. By its nature, some or all of the collateral may be illiquid and may have no readily ascertainable market value. In the event that a bankruptcy case is commenced by or against us, if the value of the collateral is less than the amount of principal and accrued and unpaid interest on the notes and all other senior secured obligations, interest may cease to accrue on the notes from and after the date the bankruptcy petition is filed. In the event of a foreclosure, liquidation, bankruptcy or similar proceeding, we cannot assure you that the proceeds from any sale or liquidation of the collateral will be sufficient to pay the obligations due under the notes.

In addition, not all of CEOC s assets secure the notes. See Description of 2020(1) Exchange Notes Security for the Notes and Description of 2020(2) Exchange Notes Security for the Notes. For example, the collateral does not include, among other things:

- any property or assets owned by any foreign subsidiaries;
- certain real property and vessels;
- any vehicles;
- cash, deposit accounts and securities accounts (to the extent that a lien thereon must be perfected by any action other than the filing of customary financing statements); or
- subject to certain limitations, any assets or any right, title or interest in any license, contract or agreement to the extent that taking a security interest in any of them would violate any applicable law or regulation or any enforceable contractual obligation binding on the assets or would violate the terms of any such license, contract or agreement.

In addition, while the notes are initially secured by the pledge of CEOC s capital stock and the capital stock of the Subsidiary Pledgors, these pledges will be released to the extent that separate financial statements pursuant to Rule 3-16 of Regulation S-X would be required in connection with the filing of the registration statement of which this prospectus forms a part. Therefore, we expect that a substantial portion of the capital stock of CEOC will be released. See Description of 2020(1) Exchange Notes Security for the Notes and Description of 2020(2) Exchange Notes Security for the Notes.

To the extent that the claims of the holders of the notes exceed the value of the assets securing the notes and other liabilities, those claims will rank equally with the claims of the holders of our outstanding second lien notes

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and unsecured notes (except to the extent holders of the senior unsecured cash pay and PIK toggle notes hold senior claims against such subsidiaries pursuant to certain subsidiary guarantees executed in favor of such notes) and any other series of junior lien or unsecured senior indebtedness. As a result, if the value of the assets pledged as security for the notes and other liabilities is less than the value of the claims of the holders of the notes and other liabilities, those claims may not be satisfied in full before the claims of our junior lien and unsecured creditors are paid.

Even though the holders of the notes benefit from a first-priority lien on the collateral that secures our senior secured credit facilities, our 11.25% notes and our 8.5% notes, the representative of the lenders under the senior secured credit facilities initially controls actions with respect to that collateral.

The rights of the holders of the notes with respect to the collateral that secures the notes on a first-priority basis are subject to a first lien intercreditor agreement among all holders of obligations secured by that collateral on a first-priority basis, including the obligations under our senior secured credit facilities, our 11.25% notes and our 8.5% notes. Under the first lien intercreditor agreement, any actions that may be taken with respect to such collateral, including the ability to cause the commencement of enforcement proceedings against such collateral, to control such proceedings and to approve amendments to releases of such collateral from the lien of, and waive past defaults under, such documents relating to such collateral, are (1) at the direction of the authorized representative of the lenders under our senior secured credit facilities until (x) our obligations under our senior secured credit facilities are discharged (which discharge does not include certain refinancings of our senior secured credit facilities) or (y) 180 days after the occurrence of an event of default under the agreement governing the series of first priority lien obligations representing the largest outstanding principal amount of indebtedness secured by a first-priority lien on the collateral (other than our senior secured credit facilities) and has complied with the applicable notice provisions and (2) after the discharge of our obligations under our senior secured credit facilities (which discharge does not include certain refinancings of our senior secured credit facilities), at the direction of the authorized representative of holders of the series of first priority lien obligations representing the largest outstanding principal amount of indebtedness secured by a first-priority lien on the collateral until (x) the discharge of our obligations under such series of first priority lien obligations representing the largest outstanding principal amount of indebtedness secured by a first-priority lien on the collateral (which discharge does not include certain refinancings of such first-lien obligations) or (y) 180 days after the occurrence of an event of default under the agreement governing the series of first priority lien obligations representing the second-largest outstanding principal amount of indebtedness secured by a first-priority lien on the collateral and has complied with the applicable notice provisions. Bank of America, N.A., the administrative agent under our senior secured credit facilities, is also the collateral agent for such facilities and is the collateral agent for the noteholders as well.

However, even if the authorized representative of the notes gains the right to direct the collateral agent in the circumstances described in clause 1(y) or 2(y) above, the authorized representative must stop doing so (and those powers with respect to the collateral would revert to the authorized representative of the lenders under our senior secured credit facilities) if, in the case of clause 1(y) above, the authorized representative of the lenders under the senior secured credit facilities or, in the case of clause 2(y) above, the authorized representative of the lenders under the series of first priority lien obligations representing the largest outstanding principal amount of indebtedness secured by a first-priority lien on the collateral (other than our senior secured credit facilities) has commenced and is diligently pursuing enforcement action with respect to the collateral or the grantor of the security interest in that collateral (whether our company or the applicable subsidiary guarantor) is then a debtor under or with respect to (or otherwise subject to) an insolvency or liquidation proceeding.

In addition, we currently have $2,095.0 million of 11.25% notes outstanding and $1,250.0 million of 8.5% notes outstanding. The senior secured credit facilities, the indenture governing the 11.25% notes, the indenture governing the 8.5% notes and the indentures governing the notes permit us to issue additional series of notes or other debt that also have a first-priority lien on the same collateral. At any time that the representative of the lenders under our senior secured credit facilities does not have the right to take actions with respect to the

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collateral pursuant to the first lien intercreditor agreement, that right passes to the authorized representative of the holders of the next largest outstanding principal amount of indebtedness secured by a first-priority lien on the collateral. As of the issue date of the exchange notes, that would be the authorized representative for the 11.25% notes and, if we issue additional first lien notes or other debt in the future in a greater principal amount than the notes, then the authorized representative for those additional notes or other debt would be next in line to exercise rights under the first lien intercreditor agreement, rather than the authorized representative for the notes.

Under the first lien intercreditor agreement, the authorized representative of the holders of the notes may not object following the filing of a bankruptcy petition to any debtor-in-possession financing or to the use of the shared collateral to secure that financing, subject to conditions and limited exceptions. After such a filing, the value of this collateral could materially deteriorate, and holders of the notes would be unable to raise an objection.

The collateral that secures the notes on a first-priority basis is also subject to any and all exceptions, defects, encumbrances, liens and other imperfections as may be accepted by the authorized representative of the lenders under our senior secured credit facilities or, if our senior secured credit facilities have been discharged, the authorized representative for the series of first priority lien obligations representing the largest outstanding principal amount of indebtedness secured by a first priority lien on the collateral, during any period that such authorized representative controls actions with respect to the collateral pursuant to the first lien intercreditor agreement. The existence of any such exceptions, defects, encumbrances, liens and other imperfections could adversely affect the value of the collateral securing the notes as well as the ability of the collateral agent to realize or foreclose on such collateral for the benefit of the holders of the notes. The initial purchasers of the original notes have neither analyzed the effect of, nor participated in any negotiations relating to, such exceptions, defects, encumbrances, liens and imperfections, and the existence thereof could adversely affect the value of the collateral that secures the notes as well as the ability of the collateral agent to realize or foreclose on such collateral for the benefit of the holders of the notes.

We will in most cases have control over the collateral, and the sale of particular assets by us could reduce the pool of assets securing the notes.

The collateral documents allow us to remain in possession of, retain exclusive control over, freely operate, and collect, invest and dispose of any income from, the collateral securing the notes, except, under certain circumstances, cash transferred to accounts controlled by the administrative agent under our senior secured credit facilities.

In addition, we will not be required to comply with all or any portion of Section 314(d) of the Trust Indenture Act of 1939 (the Trust Indenture Act) if we determine, in good faith based on advice of counsel, that, under the terms of that Section and/or any interpretation or guidance as to the meaning thereof of the SEC and its staff, including no action letters or exemptive orders, all or such portion of Section 314(d) of the Trust Indenture Act is inapplicable to the released collateral. For example, so long as no default or event of default under the indenture would result therefrom and such transaction would not violate the Trust Indenture Act, we may, among other things, without any release or consent by the indenture trustee, conduct ordinary course activities with respect to collateral, such as selling, factoring, abandoning or otherwise disposing of collateral and making ordinary course cash payments (including repayments of indebtedness). See Description of 2020(1) Exchange Notes and Description of 2020(2) Exchange Notes.

The pledge of the capital stock, other securities and similar items of our subsidiaries that secure the notes will automatically be released from the lien on them and no longer constitute collateral to the extent and for so long as the pledge of such capital stock or such other securities would require the filing of separate financial statements with the SEC for the subsidiary.

The notes and the guarantee are secured by a pledge of the stock of CEOC and certain of its subsidiaries. Under the SEC regulations in effect as of the issue date of the notes, if the par value, book value as carried by us or market value (whichever is greatest) of the capital stock, other securities or similar items of a subsidiary

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pledged as part of the collateral is greater than or equal to 20% of the aggregate principal amount of the notes then outstanding, such subsidiary would be required to provide separate financial statements to the SEC. Therefore, the indenture and the collateral documents provide that any capital stock and other securities of any of our subsidiaries will be excluded from the collateral to the extent and for so long as the pledge of such capital stock or other securities to secure the notes would cause such subsidiary to be required to file separate financial statements with the SEC pursuant to Rule 3-16 of Regulation S-X (as in effect from time to time). We expect that, as a result, a substantial portion of the capital stock of CEOC will be released.

In addition, the absence of a lien on a portion of the capital stock of a subsidiary pursuant to this provision in certain circumstances could result in less than a majority of the capital stock of a subsidiary being pledged to secure the notes, which could impair the ability of the collateral agent, acting on behalf of the holders of the notes, to sell a controlling interest in such subsidiary or to otherwise realize value on its security interest in such subsidiary s stock or assets.

As a result, holders of the notes could lose a portion or all of their security interest in the capital stock or other securities of those subsidiaries during such period. It may be more difficult, costly and time-consuming for holders of the notes to foreclose on the assets of a subsidiary than to foreclose on its capital stock or other securities, so the proceeds realized upon any such foreclosure could be significantly less than those that would have been received upon any sale of the capital stock or other securities of such subsidiary See Description of 2020(1) Exchange Notes Security for the Notes and Description of 2020(2) Exchange Notes Security for the Notes.

There are circumstances other than repayment or discharge of the notes under which the collateral securing the notes will be released automatically, without your consent or the consent of the trustee.

Under various circumstances, collateral securing the notes will be released automatically, including:

- a sale, transfer or other disposal of such collateral in a transaction not prohibited under the indenture;

- to release excess proceeds and collateral excess proceeds that remain unexpended after the conclusion of an asset sale offer or a collateral asset sale offer conducted in accordance with the indenture;

- in respect of the property and assets of a Subsidiary Pledgor, upon the designation of such Subsidiary Pledgor to be an unrestricted subsidiary in accordance with the terms of the indenture;

- in respect of the property and assets of a Subsidiary Pledgor, upon the release or discharge of the pledge by such Subsidiary Pledgor of the credit agreement or other indebtedness or the guarantee of any other indebtedness which resulted in the obligation to become a Subsidiary Pledgor other than (x) in connection with a release or discharge by or as a result of payment in respect of the senior secured credit facilities or such other indebtedness or guarantees or (y) at any time that the senior secured credit facilities or such other indebtedness or guarantees does not constitute a majority of the aggregate principal amount of first lien obligations outstanding at such time; and

- with respect to the collateral upon which the notes have a first-priority lien, upon any release in connection with a foreclosure or exercise of remedies with respect to that collateral directed by the authorized representative then in control of actions with respect to the collateral pursuant to the first lien intercreditor agreement. Even though the holders of the notes share ratably with the lenders under our senior secured credit facilities and holders of our 11.25% notes, the authorized representative of the lenders under our senior secured credit facilities will initially control actions with respect to the collateral, whether or not the holders of the notes agree or disagree with those actions and, following the discharge of our obligations under our senior secured credit facilities, control will pass to the authorized representative under the agreement governing the largest outstanding principal amount of indebtedness secured by a first priority lien on the collateral, which may not be the Collateral Agent for the notes. See Even though the holders of the notes benefit from a first-priority lien on the collateral

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that secures our senior secured credit facilities, our 11.25% notes and our 8.5% notes, the representative of the lenders under the senior secured credit facilities initially controls actions with respect to that collateral.

While the notes are initially secured by the pledge of CEOC s capital stock and the capital stock of the Subsidiary Pledgors, these pledges will be released to the extent that separate financial statements pursuant to Rule 3-16 of Regulation S-X would be required in connection with the filing of the registration statement related to the notes to which this prospectus forms a part. We expect that, as a result, a substantial portion of the capital stock of CEOC will be released. See Description of 2020(1) Exchange Notes Security for the Notes and Description of 2020(2) Exchange Notes Security for the Notes.

The indentures governing the notes permit us to designate one or more of our restricted subsidiaries that is a Subsidiary Pledgor of the notes as an unrestricted subsidiary. If we designate a Subsidiary Pledgor as an unrestricted subsidiary for purposes of the indentures governing the notes, all of the liens on any collateral owned by such subsidiary or any of its subsidiaries will be released under the indentures but not necessarily under our senior secured credit facilities. Designation of a Subsidiary Pledgor as an unrestricted subsidiary will reduce the aggregate value of the collateral securing the notes to the extent that liens on the assets of the unrestricted subsidiary and its subsidiaries are released. In addition, the creditors of the unrestricted subsidiary and its subsidiaries will have a senior claim on the assets of such unrestricted subsidiary and its subsidiaries. See Description of 2020(1) Exchange Notes and Description of 2020(2) Exchange Notes.

The rights of holders of notes to the collateral securing the notes may be adversely affected by the failure to perfect security interests in the collateral and other issues generally associated with the realization of security interests in collateral.

Applicable law requires that a security interest in certain tangible and intangible assets can only be properly perfected and its priority retained through certain actions undertaken by the secured party. The liens in the collateral securing the notes may not be perfected with respect to the claims of the notes if the collateral agent is not able to take the actions necessary to perfect any of these liens on or prior to the date of the issuance of the notes. In addition, applicable law requires that certain property and rights acquired after the grant of a general security interest, such as real property, can only be perfected at the time such property and rights are acquired and identified and additional steps to perfect in such property and rights are taken. CEOC and the Subsidiary Pledgors have limited obligations to perfect the security interest of the holders of the notes in specified collateral. There can be no assurance that the trustee or the collateral agent for the notes will monitor, or that CEOC will inform such trustee or collateral agent of, the future acquisition of property and rights that constitute collateral, and that the necessary action will be taken to properly perfect the security interest in such after-acquired collateral. The collateral agent for the notes has no obligation to monitor the acquisition of additional property or rights that constitute collateral or the perfection of any security interest. Such failure may result in the loss of the security interest in the collateral or the priority of the security interest in favor of the notes against third parties.

In addition, the security interest of the collateral agent will be subject to practical challenges generally associated with the realization of security interests in collateral. For example, the collateral agent may need to obtain the consent of third parties and make additional filings. If we are unable to obtain these consents or make these filings, the security interests may be invalid and the holders will not be entitled to the collateral or any recovery with respect thereto. We cannot assure you that the collateral agent will be able to obtain any such consent. We also cannot assure you that the consents of any third parties will be given when required to facilitate a foreclosure on such assets. Accordingly, the collateral agent may not have the ability to foreclose upon those assets and the value of the collateral may significantly decrease.

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In the event of our bankruptcy, the ability of the holders of notes to realize upon the collateral will be subject to certain bankruptcy law limitations.

The ability of holders of the notes to realize upon the collateral will be subject to certain bankruptcy law limitations in the event of our bankruptcy. Under federal bankruptcy law, secured creditors are prohibited from repossessing their security from a debtor in a bankruptcy case, or from disposing of security repossessed from such a debtor, without bankruptcy court approval, which may not be given. Moreover, applicable federal bankruptcy laws generally permit the debtor to continue to use and expend collateral, including cash collateral, and to provide liens senior to the collateral agent for the notes liens to secure indebtedness incurred after the commencement of a bankruptcy case, provided that the secured creditor either consents or is given adequate protection. Adequate protection could include cash payments or the granting of additional security, if and at such times as the presiding court in its discretion determines, for any diminution in the value of the collateral as a result of the stay of repossession or disposition of the collateral during the pendency of the bankruptcy case, the use of collateral (including cash collateral) and the incurrence of such senior indebtedness. In view of the broad discretionary powers of a bankruptcy court, it is impossible to predict how long payments under the notes could be delayed following commencement of a bankruptcy case, whether or when the collateral agent would repossess or dispose of the collateral, or whether or to what extent holders of the notes would be compensated for any delay in payment of loss of value of the collateral through the requirements of adequate protection. Furthermore, in the event the bankruptcy court determines that the value of the collateral is not sufficient to repay all amounts due on the notes, the indebtedness under the notes would be undersecured and the holders of the notes would have unsecured claims as to the difference. Federal bankruptcy laws do not permit the payment or accrual of interest, costs, and attorneys fees on undersecured indebtedness during the debtor s bankruptcy case.

The collateral securing the notes may be diluted under certain circumstances.

The collateral that secures the notes also secures our obligations under the senior secured credit facilities, the 11.25% notes and the 8.5% notes. This collateral may secure on a first priority basis additional senior indebtedness that CEOC or certain of its subsidiaries incurs in the future, subject to restrictions on their ability to incur debt and liens under the senior secured credit facilities, the indenture governing the 11.25% notes, the indenture governing the 8.5% notes and the indentures governing the notes. Your rights to the collateral would be diluted by any increase in the indebtedness secured on a first priority basis by this collateral.

Federal and state statutes allow courts, under specific circumstances, to void notes and pledges securing such notes and require note holders to return payments received.

If CEOC or any Subsidiary Pledgor becomes a debtor in a case under the U.S. Bankruptcy Code or encounters other financial difficulty, under federal or state fraudulent transfer law, a court may void, subordinate or otherwise decline to enforce the notes or such Subsidiary Pledgor s pledge of assets securing (or, if applicable, guarantee of) the notes. A court might do so if it found that when CEOC issued the notes or the Subsidiary Pledgor made its pledge (or guarantee, if applicable), or in some states when payments became due under the notes, the Subsidiary Pledgor or CEOC received less than reasonably equivalent value or fair consideration and either:

- was insolvent or rendered insolvent by reason of such incurrence; or
- was left with inadequate capital to conduct its business; or
- believed or reasonably should have believed that it would incur debts beyond its ability to pay.

The court might also void an issuance of notes or a related pledge (or guarantee, if applicable) by a Subsidiary Pledgor, without regard to the above factors, if the court found that CEOC issued the notes or the applicable Subsidiary Pledgor made its pledge (or guarantee, if applicable) with actual intent to hinder, delay or defraud its creditors.

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A court would likely find that CEOC or a Subsidiary Pledgor did not receive reasonably equivalent value or fair consideration for the notes or its pledge securing the notes (or guarantee, if applicable), if CEOC or a Subsidiary Pledgor did not substantially benefit directly or indirectly from the issuance of the notes. If a court were to void the issuance of the notes or any pledge (or guarantee, if applicable) you would no longer have any claim against CEOC or the applicable Subsidiary Pledgor. Sufficient funds to repay the notes may not be available from other sources, including the remaining obligors, if any. In addition, the court might direct you to repay any amounts that you already received from CEOC or a Subsidiary Pledgor.

The measures of insolvency for purposes of these fraudulent transfer laws will vary depending upon the law applied in any proceeding to determine whether a fraudulent transfer has occurred. Generally, however, a Subsidiary Pledgor would be considered insolvent if:

- the sum of its debts, including contingent liabilities, was greater than the fair saleable value of all of its assets; or
- if the present fair saleable value of its assets was less than the amount that would be required to pay its probable liability on its existing debts, including contingent liabilities, as they become absolute and mature; or
- it could not pay its debts as they become due.

On the basis of historical financial information, recent operating history and other factors, we believe that each Subsidiary Pledgor, after giving effect to its pledge securing (or guarantee of, if applicable) the notes, will not be insolvent, will not have unreasonably small capital for the business in which it is engaged and will not have incurred debts beyond its ability to pay such debts as they mature. We cannot assure you, however, as to what standard a court would apply in making these determinations or that a court would agree with our conclusions in this regard.

Delivery of security interests in collateral after the issue date of the original notes increases the risk that the other security interests could be avoidable in bankruptcy.

Certain collateral, including mortgages on real property, was, or will be, granted as security after the issue date of the original notes. If the grantor of such security interest were to become subject to a bankruptcy proceeding, any mortgage or security interest in collateral delivered after the issue date of the original notes would face a greater risk than security interests in place on the issue date of being avoided by the pledgor (as debtor in possession) or by its trustee in bankruptcy as a preference under bankruptcy law if certain events or circumstances exist or occur, including if the pledgor is insolvent at the time of the pledge, the pledge permits the holders of the notes to receive a greater recovery than if the pledge had not been given and a bankruptcy proceeding in respect of the pledgor is commenced within 90 days following the pledge, or, in certain circumstances, a longer period. To the extent that the grant of any such security interest is voided as a preference, you would lose the benefit of the security interest.

CEOC may not be able to repurchase the notes upon a change of control.

Upon the occurrence of certain specific kinds of change of control events, CEOC will be required to offer to repurchase all outstanding notes at 101% of the principal amount thereof plus, without duplication, accrued and unpaid interest and additional interest, if any, to the date of repurchase. However, it is possible that CEOC will not have sufficient funds at the time of the change of control to make the required repurchase of or that restrictions in our senior secured credit facilities will not allow such repurchases. In addition, certain important corporate events, such as leveraged recapitalizations that would increase the level of our indebtedness, would not constitute a Change of Control under the indentures governing the notes. See Description of 2020(1) Exchange Notes Change of Control and Description of 2020(2) Exchange Notes Change of Control.

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The 2020(2) Exchange Notes will be treated as issued with original issue discount for United States federal income tax purposes.

The 2020(2) Exchange Notes will be treated as issued with original issue discount (OID) for U.S. federal income tax purposes. Holders subject to U.S. federal income tax will be required to include such OID in gross income on a constant yield basis for U.S. federal income tax purposes in advance of the receipt of cash payments to which such income is attributable, regardless of such holder s method of accounting for U.S. federal income tax purposes. See Certain U.S. Federal Income Tax Considerations.

Our substantial indebtedness and the fact that a significant portion of our cash flow is used to make interest payments could adversely affect our ability to raise additional capital to fund our operations and limit our ability to react to changes in the economy or our industry.

We are a highly leveraged company. As of March 31, 2013, on a pro forma basis after giving effect to the Extended Revolver Commitments Closing, CEOC had $20,860.1 million face value of outstanding indebtedness. This amount includes $1,146.3 million of notes that are held by HBC, all of which are deemed outstanding by CEOC but not by CEC. Assuming constant outstanding balances and interest rates, CEOC s debt service obligation for the next 12 months is $2,073.3 million, which includes required interest payments of $1,923.8 million.

Our substantial indebtedness could:

- limit our ability to borrow money for our working capital, capital expenditures, development projects, debt service requirements, strategic initiatives or other purposes;
- make it more difficult for us to satisfy our obligations with respect to our indebtedness, and any failure to comply with the obligations of any of our debt instruments, including restrictive covenants and borrowing conditions, could result in an event of default under the agreements governing our indebtedness;
- require us to dedicate a substantial portion of our cash flow from operations to the repayment of our indebtedness thereby reducing funds available to us for other purposes;
- limit our flexibility in planning for, or reacting to, changes in our operations or business;
- make us more highly leveraged than some of our competitors, which may place us at a competitive disadvantage;
- make us more vulnerable to downturns in our business or the economy;
- restrict us from making strategic acquisitions, developing new gaming facilities, introducing new technologies or exploiting business opportunities;
- affect our ability to renew gaming and other licenses;
- limit, along with the financial and other restrictive covenants in our indebtedness, among other things, our ability to borrow additional funds or dispose of assets; and
- expose us to the risk of increased interest rates as certain of our borrowings are at variable rates of interest.

Any of the foregoing could have a material adverse effect on our business, financial condition, results of operations, prospects and ability to satisfy our obligations under the notes.

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Despite our substantial indebtedness, we may still be able to incur significantly more debt. This could intensify the risks described above.

We and our subsidiaries may be able to incur substantial indebtedness at any time, and from time to time, including in the near future. Although the terms of the agreements governing our indebtedness contain restrictions on our ability to incur additional indebtedness, these restrictions are subject to a number of important qualifications and exceptions, and the indebtedness incurred in compliance with these restrictions could be substantial.

For example, as of March 31, 2013, on a pro forma basis after giving effect to the Extended Revolver Commitments Closing, $128.7 million of additional borrowing capacity was available under our revolving credit facility, with an additional $86.8 million committed to back outstanding letters of credit, all of which is secured on a first priority basis. None of our existing indebtedness limits the amount of debt that may be incurred by CEC. Our senior secured credit facilities allow for one or more future issuances of additional secured notes or loans, which may include, in each case, indebtedness secured on a pari passu basis with the obligations under the senior secured credit facilities, the 11.25% notes, the 8.5% notes and the notes. This indebtedness could be used for a variety of purposes, including financing capital expenditures, refinancing or repurchasing our outstanding indebtedness, including existing unsecured indebtedness, or for general corporate purposes. We have raised and expect to continue to raise debt, including secured debt, to directly or indirectly refinance our outstanding unsecured debt on an opportunistic basis, as well as development and acquisition opportunities.

Our debt agreements contain restrictions that limit our flexibility in operating our business.

Our senior secured credit facilities, the commercial mortgage-backed securities (CMBS) mortgage loan and/or related mezzanine loans the (CMBS Loans), the indentures governing most of our existing notes, the senior secured loans related to the development of Octavius Tower at Caesars Palace Las Vegas and Project Linq (as defined below), the senior secured loan of PHW Las Vegas, LLC (PHW Las Vegas), the senior secured notes of Chester Downs and the senior secured loans related to the redevelopment of Bill s Gamblin Hall & Saloon contain, and any future indebtedness of ours would likely contain, a number of covenants that impose significant operating and financial restrictions on us, including restrictions on our and our subsidiaries ability to, among other things:

- incur additional debt or issue certain preferred shares;
- pay dividends on or make distributions in respect of our capital stock or make other restricted payments;
- make certain investments;
- sell certain assets;
- create liens on certain assets;
- consolidate, merge, sell or otherwise dispose of all or substantially all of our assets;
- enter into certain transactions with our affiliates; and
- designate our subsidiaries as unrestricted subsidiaries.

As a result of these covenants, we are limited in the manner in which we conduct our business, and we may be unable to engage in favorable business activities or finance future operations or capital needs.

We have pledged and will pledge a significant portion of our assets as collateral under our senior secured credit facilities, our CMBS Loans, our first lien notes, our second lien notes, the senior secured loan of PHW Las Vegas, the senior secured loan related to the developments of the Octavius Tower at Caesars Palace Las Vegas, Bill s Gamblin Hall & Saloon, and a retail, dining and entertainment corridor located between The Quad

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Resort & Casino and the Flamingo Las Vegas on the Las Vegas strip (Project Linq), or the senior secured notes of Chester Downs. If any of these lenders accelerate the repayment of borrowings, there can be no assurance that we will have sufficient assets to repay our indebtedness.

Under our senior secured credit facilities, we are required to satisfy and maintain specified financial ratios. Specifically, our senior secured credit facilities requires us to maintain a senior secured leverage ratio of no more than 4.75 to 1.0, which is the ratio of our senior first priority secured debt to LTM-Adjusted EBITDA Pro Forma. This ratio excludes up to $3,700.0 million of first priority senior secured notes and up to $350.0 million aggregate principal amount of consolidated debt of subsidiaries that are not wholly owned. For purposes of calculating the senior secured leverage ratio, the amount of senior first priority secured debt is reduced by the amount of unrestricted cash on hand. As of March 31, 2013, the senior secured leverage ratio was 3.82 to 1.0. In addition, under certain circumstances, our senior secured credit facilities allow us to apply cash contributions received by us as an increase to LTM-Adjusted EBITDA Pro Forma if we are unable to meet its senior secured leverage ratio. Many factors affect our continuing ability to comply with the covenant, including (a) changes in gaming trips, spend per trip and hotel metrics, which are correlated to a consumer recovery, (b) increases in cost-savings actions, (c) asset sales, (d) issuing additional second lien or unsecured debt, (e) equity financings, (f) delays in investments in new developments, or (g) a combination thereof. Our ability to meet those financial ratios can be affected by events beyond our control, and there can be no assurance that we will meet those ratios.

A failure to comply with the covenants contained in our senior secured credit facilities or our other indebtedness could result in an event of default under the facilities or the existing agreements, which, if not cured or waived, could have a material adverse effect on our business, financial condition and results of operations. In the event of any default under our senior secured credit facilities or our other indebtedness, the lenders thereunder:

- will not be required to lend any additional amounts to us;
- could elect to declare all borrowings outstanding, together with accrued and unpaid interest and fees, to be due and payable and terminate all commitments to extend further credit; or
- require us to apply all of our available cash to repay these borrowings.

Such actions by the lenders could cause cross defaults under our other indebtedness. If we were unable to repay those amounts, the lenders under our senior secured credit facilities, our CMBS Loans and our first and second lien notes could proceed against the collateral granted to them to secure that indebtedness.

If the indebtedness under our first and second lien notes, senior secured credit facilities, CMBS Loans or our other indebtedness were to be accelerated, there can be no assurance that our assets would be sufficient to repay such indebtedness in full.

We may be unable to generate sufficient cash to service all of our indebtedness, and may be forced to take other actions to satisfy our obligations under our indebtedness that may not be successful. If we are unable to satisfy or refinance our debt obligations as they come due, your interests as a noteholder may be adversely affected.

Our ability to satisfy our debt obligations will depend upon, among other things:

- our future financial and operating performance, which will be affected by prevailing economic conditions and financial, business, regulatory and other factors, many of which are beyond our control; and
- our future ability to borrow under our senior secured credit facilities, the availability of which depends on, among other things, our complying with the covenants in our senior secured credit facilities.

We may be unable to generate sufficient cash flow from operations, or unable to draw under our senior secured credit facilities or otherwise, in an amount sufficient to fund our liquidity needs. Our ability to restructure or refinance our debt will depend on the condition of the capital markets and our financial condition at such time. As of March 31, 2013, on a pro forma basis after giving effect to the Extended Revolver Commitments Closing, approximately $1,767.6 million face value of CEOC s indebtedness is scheduled to mature in 2015 (assuming the extension options with respect to the CMBS Financing and PHW Las Vegas senior secured loan are exercised), representing 8% of the total face value of our debt. For a discussion of our debt maturities, see Management s Discussion and Analysis of Financial Condition and Results of Operations Liquidity and Capital Resources Guarantees of Third-Party Debt and Other Obligations and Commitments Contractual Obligations incorporated in this prospectus by reference to the Annual Report on Form 10-K for the year ended December 31, 2012 (as amended).

We do not expect that our cash flow from operations will be sufficient to repay this indebtedness, and we will have to seek a refinancing. We cannot predict at this time whether we will be able to secure any such refinancing, even if market conditions and our financial condition improve between now and then. Even if refinancing alternatives were available to us, we may not find them suitable or at comparable interest rates to the indebtedness being refinanced. In addition, the terms of existing or future debt agreements may restrict us from securing a refinancing on terms that are available to us at that time. In the absence of such operating results and resources, we would face substantial liquidity problems and would likely be required to dispose of material assets or operations to meet our debt service and other obligations. We may not be able to consummate those dispositions for fair market value or at all. Furthermore, any proceeds that we could realize from any such dispositions may not be adequate to meet our debt service obligations then due. We could also be required to reorganize our company in its entirety. CEC is pursuing a strategic transaction that contemplates the transfer of certain of its assets that are not part of the collateral package for the senior secured credit facilities or the secured notes issued by CEOC, including unencumbered assets of CEC and unrestricted subsidiaries of CEOC, to a newly created entity, Growth Partners, which is anticipated to be controlled by common parties that control CEC. For a discussion of the Growth Partners transaction, see Recent Developments Caesars Growth Partners and the Current Report on Form 8-K filed with the SEC on April 23, 2013, incorporated by reference in this prospectus. Growth Partners would be a growth oriented vehicle focused on projects that are complementary to CEC s existing properties. We anticipate that CEC would own a significant portion of Growth Partners s equity interests and that subsidiaries of CEC would manage new casino properties owned by Growth Partners. We are pursuing this transaction because we believe it will improve our liquidity and credit profile, enhance our distribution network and provide additional support for potential new ventures. The transaction would require the approval of regulators and other third parties, which we may not be able to obtain. Therefore, we cannot assure you that any such transaction will be entered into or consummated or, if consummated, describe the impact the transaction would have on us. Consequently, there can be no assurances that we will receive any cash from the Growth Partners transaction as a result of our ownership of Growth Partner s equity interests or in the form of management fees. Neither the Sponsors nor any of their respective affiliates has any continuing obligation to provide us with debt or equity financing. Even if we are able to refinance our debt, any refinancing could be at higher interest rates and may require us to comply with more onerous covenants, which could further restrict our business operations. For example, the interest rates on our first and second lien notes are substantially higher than the interest rates under our senior secured credit facility, and the interest rates on our first lien notes, the proceeds of which were used to refinance term loans under our senior secured credit facilities, are substantially higher than the interest rates applicable to such term loans. If we are unable to service our debt obligations generally, and if we are unable to refinance our debt obligations that mature in 2015 or thereafter, we cannot assure you that our company will continue in its current state or that your investment in our company will retain any value.

Repayment of our debt, including required principal and interest payments on the notes, is dependent on cash flow generated by our subsidiaries.

Our subsidiaries own substantially all of our assets and conduct a significant portion of our operations. Accordingly, repayment of our indebtedness, including the notes, is dependent, to a significant extent, on the generation of cash flow by our subsidiaries and their ability to make such cash available to us, by dividend, debt repayment or otherwise. Our subsidiaries do not have any obligation to pay amounts due on the notes or to make funds available for that purpose. Our subsidiaries may not be able to, or may not be permitted to, make distributions to enable us to make payments in respect of our indebtedness, including the notes. Each subsidiary is a distinct legal entity and, under certain circumstances, legal and contractual restrictions may limit our ability to obtain cash from our subsidiaries. While the indentures governing the notes limits the ability of our subsidiaries to incur consensual restrictions on their ability to pay dividends or make other intercompany payments to us, these limitations are subject to certain qualifications and exceptions. In the event that we do not receive distributions from our subsidiaries, we may be unable to make required principal and interest payments on our indebtedness, including the notes.

If CEOC defaults on its obligations to pay its other indebtedness, CEOC may not be able to make payments on the notes.

Any default under the agreements governing the indebtedness of CEOC, including a default under the senior secured credit facilities that is not waived by the required lenders, and the remedies sought by the holders of such indebtedness could leave CEOC unable to pay principal, premium, if any, or interest on the notes and could substantially decrease the market value of the notes. If CEOC is unable to generate sufficient cash flow and is otherwise unable to obtain funds necessary to meet required payments of principal, premium, if any, or interest on its indebtedness, or if CEOC otherwise fails to comply with the various covenants, including financial and operating covenants, in the instruments governing its indebtedness (including the senior secured credit facilities), CEOC could be in default under the terms of the agreements governing such indebtedness. In the event of such default, the holders of such indebtedness could elect to declare all the funds borrowed thereunder to be due and payable, together with accrued and unpaid interest, the lenders under the revolving credit facility could elect to terminate their commitments, cease making further loans and institute foreclosure proceedings against the assets of CEOC, and CEOC could be forced into bankruptcy or liquidation. If the operating performance of CEOC declines, CEOC may in the future need to seek waivers from the required lenders under the senior secured credit facilities to avoid being in default. If CEOC breaches its covenants under the senior secured credit facilities and seeks a waiver, CEOC may not be able to obtain a waiver from the required lenders. If this occurs, CEOC would be in default under the senior secured credit facilities, the lenders could exercise their rights as described above, and CEOC could be forced into bankruptcy or liquidation.

Risks Related to Our Business

If we are unable to effectively compete against our competitors, our profits will decline.

The gaming industry is highly competitive and our competitors vary considerably in size, quality of facilities, number of operations, brand identities, marketing, and growth strategies, financial strength and capabilities, level of amenities, management talent, and geographic diversity. We also compete with other non-gaming resorts and vacation areas, and with various other entertainment businesses. Our competitors in each market that we participate may have substantially greater financial, marketing, or other resources than we do, and there can be no assurance that they will not, in the future, engage in aggressive pricing action to compete with us. Although we believe we are currently able to compete effectively in each of the various markets in which we participate, we cannot assure you that we will be able to continue to do so or that we will be capable of maintaining or further increasing our current market share. Our failure to compete successfully in our various markets could adversely affect our business, financial condition, results of operations, and cash flow.

In recent years, many casino operators have been reinvesting in existing markets to attract new customers or to gain market share, thereby increasing competition in those markets. As companies have completed new expansion projects, supply has typically grown at a faster pace than demand in some markets, including Las Vegas, our largest market, and competition has increased significantly. For example, CityCenter, a large development of resorts and residences, opened in December 2009 in Las Vegas, and Revel, a resort and casino in Atlantic City, opened in May 2012. The expansion of existing casino entertainment properties, the increase in the

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number of properties and the aggressive marketing strategies of many of our competitors have increased competition in many markets in which we operate, and this intense competition is expected to continue. These competitive pressures have and are expected to continue to adversely affect our financial performance in certain markets, including Atlantic City.

In particular, our business may be adversely impacted by the additional gaming and room capacity in Nevada, New Jersey, New York, Connecticut, Pennsylvania, Mississippi, Missouri, Maryland, Michigan, Indiana, Iowa, Kansas, Illinois, Ohio, Louisiana, Ontario, South Africa, Uruguay, United Kingdom, Egypt, and/or other projects not yet announced which may be competitive in the other markets where we operate or intend to operate. Several states, such as Kentucky, Texas and Indian tribes are also considering enabling the development and operation of casinos or casino-like operations in their jurisdictions. In addition, our operations located in New Jersey may be adversely impacted by the expansion of gaming in Maryland, New York and Pennsylvania, and our operations located in Nevada may be adversely impacted by the expansion of gaming in California, respectively.

The downturn in the national economy over the past few years, the volatility and disruption of the capital and credit markets, and adverse changes in the global economy could negatively impact our financial performance and our ability to access financing.

The severe economic downturn over the past few years and adverse conditions in the local, regional, national and global markets have negatively affected our operations, and may continue to negatively affect our operations in the future. During periods of economic contraction such as recently experienced, our revenues may decrease while most of our costs remain fixed and some costs even increase, resulting in decreased earnings. Gaming and other leisure activities we offer represent discretionary expenditures and participation in such activities may decline during economic downturns, during which consumers generally earn less disposable income. For example, key determinants of our revenues and operating performance include hotel Average Daily Rate (ADR), number of gaming trips and average spend per trip by our customers. Given that 2007 was the peak year for our financial performance and the gaming industry in the United States in general, we may not attain those financial levels in the near term, or at all. If we fail to increase ADR or any other similar metric in the near term, our revenues may not increase and, as a result, we may not be able to pay down our existing debt, fund our operations, fund planned capital expenditures or achieve expected growth rates, all of which could have a material adverse effect on our business, financial condition, results of operations and cash flow. Even an uncertain economic outlook may adversely affect consumer spending in our gaming operations and related facilities, as consumers spend less in anticipation of a potential economic downturn. Furthermore, other uncertainties, including national and global economic conditions, terrorist attacks or other global events, could adversely affect consumer spending and adversely affect our operations.

We are subject to extensive governmental regulation and taxation policies, the enforcement of which could adversely impact our business, financial condition, and results of operations.

We are subject to extensive gaming regulations and political and regulatory uncertainty. Regulatory authorities in the jurisdictions where we operate have broad powers with respect to the licensing of casino operations and may revoke, suspend, condition or limit our gaming or other licenses, impose substantial fines and take other actions, any one of which could adversely impact our business, financial condition and results of operations. For example, revenues and income from operations were negatively impacted during July 2006 in Atlantic City by a three-day government-imposed casino shutdown. Furthermore, in many jurisdictions where we operate, licenses are granted for limited durations and require renewal from time to time. For example, in Iowa, our ability to continue our gaming operations is subject to a referendum every eight years or at any time upon petition of the voters in the county in which we operate; the most recent referendum which approved our ability to continue to operate our casinos occurred in November 2010. In Maryland, we will have to reapply for our license in 15 years. There can be no assurance that continued gaming activity will be approved in any referendum in the future. If we do not obtain the requisite approval in any future referendum, we will not be able to operate our gaming operations in Iowa, which would negatively impact our future performance.

From time to time, individual jurisdictions have also considered legislation or referendums, such as bans on smoking in casinos and other entertainment and dining facilities, which could adversely impact our operations. For example, the City Council of Atlantic City passed an ordinance in 2007 requiring that we segregate at least 75% of the casino gaming floor as a nonsmoking area, leaving no more than 25% of the casino gaming floor as a smoking area. Illinois also passed the Smoke Free Illinois Act which became effective January 1, 2008, and bans smoking in nearly all public places, including bars, restaurants, work places, schools and casinos. The Act also bans smoking within 15 feet of any entrance, window or air intake area of these public places. These smoking bans have adversely affected revenues and operating results at our properties. The likelihood or outcome of similar legislation in other jurisdictions and referendums in the future cannot be predicted, though any smoking ban would be expected to negatively impact our financial performance.

The casino entertainment industry represents a significant source of tax revenues to the various jurisdictions in which casinos operate. From time to time, various state and federal legislators and officials have proposed changes in tax laws, or in the administration of such laws, including increases in tax rates, which would affect the industry. If adopted, such changes could adversely impact our business, financial condition and results of operations.

The acquisition, development and construction of new hotels, casinos and gaming and non-gaming venues and the expansion of existing ones could have an adverse effect on our business, financial condition and results of operations due to various factors including delays, cost overruns and other uncertainties.

We intend to develop, construct and open or acquire new hotels, casinos and other gaming venues, as well as develop and manage non-gaming venues, in response to opportunities that may arise. Future development projects and acquisitions may require significant capital commitments, the incurrence of additional debt, guarantees of third party debt, the incurrence of contingent liabilities and an increase in depreciation and amortization expense, which could have an adverse effect upon our business, financial condition, results of operations and cash flow. The development and construction of new hotels, casinos and gaming venues and the expansion of existing ones, such as our recent construction of the Octavius Tower and redevelopment of the Nobu Tower at Caesars Palace in Las Vegas, the planned redevelopment of Bill s Gamblin Hall in Las Vegas, the planned construction of Horseshoe Baltimore, as well as the development and construction of non-gaming venues such as Project Linq in Las Vegas and Caesars Palace Longmu Bay in China, are susceptible to various risks and uncertainties, such as:

- the existence of acceptable market conditions and demand for the completed project;
- general construction risks, including cost overruns, change orders and plan or specification modification, shortages of equipment, materials or skilled labor, labor disputes, unforeseen environmental, engineering or geological problems, work stoppages, fire and other natural disasters, construction scheduling problems, and weather interferences;
- changes and concessions required by governmental or regulatory authorities;
- the ability to finance the projects, especially in light of our substantial indebtedness;
- delays in obtaining, or inability to obtain, all licenses, permits and authorizations required to complete and/or operate the project; and
- disruption of our existing operations and facilities.

Moreover, our development and expansion projects are sometimes jointly pursued with third parties or by licensing our brands to third parties. These joint development, expansion projects or license agreements are subject to risks, in addition to those disclosed above, as they are dependent on our ability to reach and maintain agreements with third parties.

For example, we made a bid with Rock Gaming LLC and other local investors for a video lottery terminal facility in Suffolk County Massachusetts and we can give no assurances that the bid will be awarded to us, that we will reach definitive agreements with the other parties that comprise the bid, or that the development project will be undertaken.

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Our failure to complete any new development or expansion project, or consummate any joint development, expansion projects or projects where we license our brands, as planned, on schedule, within budget or in a manner that generates anticipated profits, could have an adverse effect on our business, financial condition, results of operations and cash flow.

We may sell or divest different properties or assets as a result of our evaluation of our portfolio of businesses. Such sales or divestitures would affect our costs, revenues, profitability and financial position.

From time to time, we evaluate our properties and our portfolio of businesses and may, as a result, sell or attempt to sell, divest or spin-off different properties or assets. For example, in November 2012, we sold our Harrah s St. Louis property. We plan to dispose of the subsidiaries that hold our land concession in Macau and in the fourth quarter 2012, began discussions with interested investors regarding sale of those entities. In addition, on April 23, 2013, CEC s board of directors approved the material terms of the proposed Growth Partners strategic transaction. We intend to contribute certain assets to Growth Partners as described in further detail above in Recent Developments Caesars Growth Partners. These sales or divestitures affect our costs, revenues, profitability and financial position.

Divestitures have inherent risks, including possible delays in closing transactions (including potential difficulties in obtaining regulatory approvals), the risk of lower-than-expected sales proceeds for the divested businesses, and potential post-closing claims for indemnification. In addition, current economic conditions and relatively illiquid real estate markets may result in fewer potential bidders and unsuccessful sales efforts. Expected costs savings, which are offset by revenue losses from divested properties, may also be difficult to achieve or maximize due to our fixed cost structure.

Growth Partners interests may conflict with our interests.

The interests of Growth Partners could conflict with our interests. Growth Partners is in a similar business to us and is required to first provide any potential development opportunities to us. However, we may decide to decline the opportunity for CEC s business or CEOC s business and permit Growth Partners to pursue the development opportunity. A committee of CEC s board of directors comprised of disinterested directors will consider potential development opportunities provided to us by Growth Partners. If the committee declines an opportunity, that opportunity will be available to Growth Partners and will not be available to our businesses. As a result, our business and growth prospects could be negatively impacted. Furthermore, the consideration of business opportunities may create potential or perceived conflicts of interests between our and Growth Partners businesses. While CEC may retain a portion of the financial stake in any management fee to be received in connection with an opportunity provided to Growth Partners, there can be no assurances that such opportunity will be successful or that we will receive the expected fees from any opportunity.

Although certain employees of each of the Sponsors are on the boards of directors of CEC and CAC, the certificates of incorporation of both companies provide that neither the Sponsors nor directors have any obligation to present any corporate opportunity to CEC or CAC. Accordingly, the Sponsors may pursue gaming, entertainment or other activities outside of CEC or CAC and have no obligation to present such opportunity to CEC or CAC.

There may be a significant degree of difficulty in operating Growth Partners business separately from our business, and managing that process effectively could require a significant amount of management s time.

The separation from Growth Partners business from our business could cause an interruption of, or loss of momentum in, the operation of our businesses. Management may be required to devote considerable amounts of time to the separation, which will decrease the time they will have to manage their ordinary responsibilities. If management is not able to manage the separation effectively, or if any significant business activities are interrupted as a result of the separation, our businesses and operating results could suffer.

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We will provide corporate services, back-office support and advisory and business management services through a management services agreement to Growth Partners, which may require a significant amount of our resources and management to devote its time to efforts other than our business, which could negatively impact our business and prospects.

Pursuant to a management services agreement, we will provide corporate services, back-office support and advisory business management services to CAC and Growth Partners. CAC has few, and Growth Partners has no, employees and neither has any history of operating casinos or online entertainment. Therefore, the business and operations of CAC and Growth Partners are dependent on the services provided by us and may require a significant amount of our resources and devotion of our management s time. The additional demands associated with our providing advisory and management services to CAC and Growth Partners may impact regular operations of our business by diverting our resources and the attention of some of our senior management team away from revenue producing activities, adversely affecting our ability to attract and complete business opportunities and increasing the difficulty in both retaining professionals and managing and growing our businesses. Any of these effects could harm our business, financial condition and results of operations.

We may incur impairments to goodwill, indefinite-lived intangible assets, or long-lived assets which could negatively affect our future profits.

Each year, we perform a preliminary annual assessment of goodwill as of September 30, or more frequently if impairment indicators exist. For our preliminary assessment, we determine the estimated fair value of each reporting unit as a function, or multiple, of earnings before interest, taxes, depreciation and amortization (EBITDA), combined with estimated future cash flows discounted at rates commensurate with the capital structure and cost of capital of comparable market participants, giving appropriate consideration to the prevailing borrowing rates within the casino industry in general. We also evaluate the aggregate fair value of all of our reporting units and other non-operating assets in comparison to our aggregate debt and equity market capitalization at September 30. Both EBITDA multiples and discounted cash flows are common measures used to value and buy or sell businesses in our industry. In the fourth quarter, we finalize our assessment of goodwill once we complete our fair value analysis for reporting units where a step two impairment test is required.

Each year, we perform an annual impairment assessment of other non-amortizing intangible assets as of September 30, or more frequently if impairment indicators exist. We determine the estimated fair value of our non-amortizing intangible assets by primarily using the Relief From Royalty Method and excess Earnings Method under the income approach.

We review the carrying value of our long-lived assets whenever events and circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. When performing this assessment, we consider current operating results, trends and prospects, as well as the effect of obsolescence, demand, competition, and other economic, legal, and regulatory factors.

We are dependent upon our properties for future cash flows and our continued success depends on our ability to draw customers to our properties. Significant negative industry or economic trends, reduced estimates of future cash flows, disruptions to our business, slower growth rates or lack of growth in our business have resulted in significant write-downs and impairment charges during the years ended December 31, 2012, 2011 and 2010, and, if one or more of such events occurs in the future, additional impairment charges may be required in future periods. If we are required to record additional impairment charges, this could have a material adverse impact on our consolidated financial statements.

Acts of terrorism and war, natural disasters and severe weather may negatively impact our future profits.

Terrorist attacks and other acts of war or hostility have created many economic and political uncertainties. For example, a substantial number of our customers for our properties in Las Vegas use air travel. On

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September 11, 2001, acts of terrorism occurred in New York City, Pennsylvania and Washington, D.C. As a result of these terrorist acts, domestic and international travel was severely disrupted, which resulted in a decrease in customer visits to our properties in Las Vegas. We cannot predict the extent to which disruptions in air or other forms of travel as a result of any further terrorist act, security alerts or war, uprisings, or hostilities in places such as Iraq and Afghanistan, other countries throughout the world will continue to directly or indirectly impact our business and operating results. For example, our operations in Cairo, Egypt were negatively affected from the uprising there in January 2011. As a consequence of the threat of terrorist attacks and other acts of war or hostility in the future, premiums for a variety of insurance products have increased, and some types of insurance are no longer available. Given current conditions in the global insurance markets, we are substantially underinsured for losses and interruptions caused by terrorist acts and acts of war. If any such event were to affect our properties, we would likely be adversely impacted.

In addition, natural and man-made disasters such as major fires, floods, hurricanes, earthquakes and oil spills could also adversely impact our business and operating results. For example, four of our properties in Louisiana and Mississippi were closed for an extended period of time due to the damage sustained from Hurricanes Katrina and Rita in August and September 2005, respectively. Such events could lead to the loss of use of one or more of our properties for an extended period of time and disrupt our ability to attract customers to certain of our gaming facilities. If any such event were to affect our properties, we would likely be adversely impacted. Seven of our properties were closed during the first half of 2011 due to flooding and severe weather conditions. Additionally, in August 2011, our casinos in Atlantic City were closed during a busy summer weekend due to Hurricane Irene.

Our properties in Atlantic City were closed for five days and our property in Philadelphia was closed for two days in October and November 2012 due to Hurricane Sandy. Further, certain of these properties sustained minor damage from the storm, which totaled approximately $1 million. In addition, Hurricane Sandy significantly affected Atlantic City and surrounding areas in the northeast through flooding, wind and other water damage to properties and infrastructure, loss of power to residences and businesses and by creating a fuel shortage in New Jersey and surrounding areas. The regional storm damage in the northeast is likely to deter customers from visiting Atlantic City and our Atlantic City properties for some period of time. Our covered losses from property damage and business interruption did not exceed our deductible on this storm. Our results of operations in this region were significantly affected in the fourth quarter of 2012, with an estimated reduction in revenues of between $40 million and $45 million and a related reduction in operating income of between $35 million and $40 million.

In most cases, we have insurance that covers portions of any losses from a natural disaster, but in many cases it is subject to deductibles and maximum payouts. Although we may be covered by insurance from a natural disaster, the timing of our receipt of insurance proceeds, if any, is out of our control. In some cases, however, we may receive no proceeds from insurance, such as our August 2011 and October and November 2012 closings in Atlantic City.

Additionally, a natural disaster affecting one or more of our properties may affect the level and cost of insurance coverage we may be able to obtain in the future, which may adversely affect our financial position.

As our operations depend in part on our customers ability to travel, severe or inclement weather can also have a negative impact on our results of operations.

While we believe that we will continue to be in compliance with the senior secured leverage ratio under our senior secured credit facilities and meet our cash flow needs during the next twelve months, there can be no assurances that we will be able to do so. We continue to assess the impact of Hurricane Sandy on our forecasted results of operations and Property EBITDA in the Atlantic City region, which includes three properties in Atlantic City and Harrah s Philadelphia that are owned by CEOC s subsidiaries.

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Our business is particularly sensitive to energy prices and a rise in energy prices could harm our operating results.

We are a large consumer of electricity and other energy and, therefore, higher energy prices may have an adverse effect on our results of operations. Accordingly, increases in energy costs may have a negative impact on our operating results. Additionally, higher electricity and gasoline prices which affect our customers may result in reduced visitation to our resorts and a reduction in our revenues. We may be indirectly impacted by regulatory requirements aimed at reducing the impacts of climate change directed at up-stream utility providers, as we could experience potentially higher utility, fuel, and transportation costs.

Work stoppages and other labor problems could negatively impact our future profits.

Some of our employees are represented by labor unions. A lengthy strike or other work stoppage at one of our casino properties or construction projects could have an adverse effect on our business and results of operations. From time to time, we have also experienced attempts to unionize certain of our non-union employees. While these efforts have achieved only limited success to date, we cannot provide any assurance that we will not experience additional and more successful union activity in the future. There has been a trend towards unionization for employees in Atlantic City and Las Vegas. The impact of this union activity is undetermined and could negatively impact our profits.

Our insurance coverage may not be adequate to cover all possible losses that our properties could suffer. In addition, our insurance costs may increase and we may not be able to obtain the same insurance coverage in the future.

We have comprehensive property and liability insurance policies for our properties in operation as well as those in the course of construction with coverage features and insured limits that we believe are customary in their breadth and scope. Market forces beyond our control may nonetheless limit the scope of the insurance coverage we can obtain or our ability to obtain coverage at reasonable rates. Certain types of losses, generally of a catastrophic nature, such as earthquakes, hurricanes and floods, or terrorist acts, or certain liabilities may be uninsurable or too expensive to justify obtaining insurance. As a result, we may not be successful in obtaining insurance without increases in cost or decreases in coverage levels. In addition, in the event of a substantial loss, the insurance coverage we carry may not be sufficient to pay the full market value or replacement cost of our lost investment or in some cases could result in certain losses being totally uninsured. As a result, we could lose some or all of the capital we have invested in a property, as well as the anticipated future revenue from the property, and we could remain obligated for debt or other financial obligations related to the property.

Compromises of our information systems or unauthorized access to confidential information or our customers personal information could materially harm our reputation and business.

We collect and store confidential, personal information relating to our customers for various business purposes, including marketing and financial purposes, and credit card information for processing payments. For example, we handle, collect and store personal information in connection with our customers staying at our hotels and enrolling in our Total Rewards program. We may share this personal and confidential information with vendors or other third parties in connection with processing of transactions, operating certain aspects of our business or for marketing purposes. Our collection and use of personal data are governed by state and federal privacy laws and regulations as well as the applicable laws and regulations in other countries in which we operate. Privacy law is an area that changes often and varies significantly by jurisdiction. We may incur significant costs in order to ensure compliance with the various applicable privacy requirements. In addition, privacy laws and regulations may limit our ability to market to our customers.

We assess and monitor the security of collection, storage and transmission of customer information on an ongoing basis. We utilize commercially available software and technologies to monitor, assess and secure our network. Further, the systems currently used for transmission and approval of payment card transactions, and the technology utilized in payment cards themselves, all of which can put payment card data at risk, are determined and controlled by the payment card industry, not us. Although we have taken steps designed to safeguard our customers confidential personal information, our network and other systems and those of third parties, such as service providers, could be compromised by a third party breach of our system security or that of a third party provider or as a result by purposeful or accidental actions of third parties, our employees or those employees of a third party. Advances in computer and software capabilities and encryption technology, new tools and other developments may increase the risk of such a breach. As a result of any security breach, customer information or other proprietary data may be accessed or transmitted by or to a third party. Despite these measures, there can be no assurance that we are adequately protecting our information.

Any loss, disclosure or misappropriation of, or access to, customers or other proprietary information or other breach of our information security could result in legal claims or legal proceedings, including regulatory investigations and actions, or liability for failure to comply with privacy and information security laws, including for failure to protect personal information or for misusing personal information, which could disrupt our operations, damage our reputation and expose us to claims from customers, financial institutions, regulators, payment card associations, employees and other persons, any of which could have an adverse effect on our financial condition, results of operations and cash flow.

Our obligation to fund multi-employer pension plans to which we contribute may have an adverse impact on us.

We contribute to and participate in various multi-employer pension plans for employees represented by certain unions. We are required to make contributions to these plans in amounts established under collective bargaining agreements. We do not administer these plans and, generally, are not represented on the boards of trustees of these plans. The Pension Protection Act enacted in 2006, or the PPA, requires under-funded pension plans to improve their funding ratios. Based on the information available to us, some of the multi-employer plans to which we contribute are either critical or endangered as those terms are defined in the PPA. We cannot determine at this time the amount of additional funding, if any, we may be required to make to these plans. However, plan assessments could have an adverse impact on our results of operations or cash flows for a given period. Furthermore, under current law, upon the termination of a multi-employer pension plan, or in the event of a withdrawal by us, which we consider from time to time, or a mass withdrawal or insolvency of contributing employers, we would be required to make payments to the plan for our proportionate share of the plan s unfunded vested liabilities. Any termination of a multi-employer plan, or mass withdrawal or insolvency of contributing employers, could require us to contribute an amount under a plan of rehabilitation or surcharge assessment that would have a material adverse impact on our consolidated financial condition, results of operations and cash flows.

We extend credit to a portion of our customers and we may not be able to collect gaming receivables from our credit players.

We conduct our gaming activities on a credit and cash basis at many of our properties. Any such credit we extend is unsecured. Table games players typically are extended more credit than slot players, and high-stakes players typically are extended more credit than customers who tend to wager lower amounts. High-end gaming is more volatile than other forms of gaming, and variances in win-loss results attributable to high-end gaming may have a significant positive or negative impact on cash flow and earnings in a particular quarter. We extend credit to those customers whose level of play and financial resources warrant, in the opinion of management, an extension of credit. These large receivables could have a significant impact on our results of operations if deemed uncollectible. While gaming debts evidenced by a credit instrument, including what is commonly referred to as a marker, and judgments on gaming debts are enforceable under the current laws of the jurisdictions in which we allow play on a credit basis and judgments in such jurisdictions on gaming debts are enforceable in all states under the Full Faith and Credit Clause of the U.S. Constitution, other jurisdictions may determine that enforcement of gaming debts is against public policy. Although courts of some foreign nations will enforce gaming debts directly and the assets in the U.S. of foreign debtors may be reached to satisfy a judgment, judgments on gaming debts from U.S. courts are not binding on the courts of many foreign nations.

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We may not realize all of the anticipated benefits of current or potential future acquisitions.

Our ability to realize the anticipated benefits of acquisitions will depend, in part, on our ability to integrate the businesses of such acquired company with our businesses. The combination of two independent companies is a complex, costly and time consuming process. This process may disrupt the business of either or both of the companies, and may not result in the full benefits expected. The difficulties of combining the operations of the companies, including our recent acquisitions of Planet Hollywood in Las Vegas and Playtika Ltd., include, among others:

- coordinating marketing functions;
- undisclosed liabilities;
- unanticipated issues in integrating information, communications and other systems;
- unanticipated incompatibility of purchasing, logistics, marketing and administration methods;
- retaining key employees;
- consolidating corporate and administrative infrastructures;
- the diversion of management s attention from ongoing business concerns; and
- coordinating geographically separate organizations.

We may be unable to realize in whole or in part the benefits anticipated for any current or future acquisitions.

We may not realize any or all of our projected cost savings, which would have the effect of reducing our LTM Adjusted EBITDA Pro Forma, which would have a negative effect on our results of operations and negatively impact our covenant calculation and could have a negative effect on our securities.

Beginning in the third quarter of 2008, we initiated a company-wide cost savings plan in an effort to align our expenses with current revenue levels. In addition, we embarked on Project Renewal in the fourth quarter of 2010 to identify the optimum way of structuring our business given our breadth and scale of product offerings. While these efforts have allowed us to realize substantial savings since we initiated our cost savings plan, our continued reduction efforts may fail to achieve similar or continued savings. Although we believe, as of March 31, 2013, once fully implemented, these cost savings programs will produce additional estimated annual cost savings of $154.9 million, of which $110.9 million relate to CEOC, we may not realize some or all of these projected savings without impacting our revenues. Our cost savings plans are intended to increase our effectiveness and efficiency in our operations without impacting our revenues and margins. Our cost savings plan is subject to numerous risks and uncertainties that may change at any time, and, therefore, our actual savings may differ materially from what we anticipate. For example, cutting advertising or marketing expenses may have an unintended negative affect on our revenues. In addition, our expected savings from procurement of goods may be affected by unexpected increases in the cost of raw materials. Furthermore, because we use our projected yet-to-be realized cost savings as a pro forma adjustment to calculate our LTM Adjusted EBITDA Pro Forma provided in the Summary Historical Condensed Consolidated Financial Data of Caesars Entertainment Operating Company, Inc., our actual LTM Adjusted EBITDA Pro Forma would be reduced to the extent of the cost savings we do not achieve.

We may be required to pay our future tax obligation on our deferred cancellation of debt income.

Under the American Recovery and Reinvestment Act of 2009, or the ARRA, we received temporary federal tax relief under the Delayed Recognition of Cancellation of Debt Income, or CODI, rules. The ARRA contains a provision that allows for a deferral for tax purposes of CODI for debt reacquired in 2009 and 2010, followed by recognition of CODI ratably from 2014 through 2018. In connection with the debt that we reacquired in 2009 and 2010, we have deferred related CODI of $3.5 billion for tax purposes (net of Original Issue Discount (OID)

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interest expense, some of which must also be deferred to 2014 through 2018 under the ARRA). We are required to include one-fifth of the deferred CODI, net of deferred and regularly scheduled OID, in taxable income each year from 2014 through 2018. Alternatively, the deferred CODI, net of deferred OID, could be accelerated into taxable income in a year an impairment transaction occurs. To the extent that our federal taxable income exceeds our available federal net operating loss carry forwards in those years, we will have a cash tax obligation. Our tax obligations related to CODI could be substantial and could materially and adversely affect our cash flows as a result of tax payments. For more information on the debt that we reacquired in 2009 and 2010, see Management s Discussion and Analysis of Financial Condition and Results of Operation Other Factors Affecting Net Income incorporated in this prospectus by reference to the Current Report on Form 8-K filed with the SEC on December 5, 2012.

The risks associated with our international operations could reduce our profits.

Some of our properties are located outside the United States, and our 2006 acquisition of London Clubs has increased the percentage of our revenue derived from operations outside the United States. International operations are subject to inherent risks including:

- political and economic instability;
- variation in local economies;
- currency fluctuation;
- greater difficulty in accounts receivable collection;
- trade barriers; and
- burden of complying with a variety of international laws.

For example, the political instability in Egypt due to the uprising in January 2011 has negatively affected our properties there.

The loss of the services of key personnel could have a material adverse effect on our business.

The leadership of our chief executive officer, Mr. Loveman, and other executive officers has been a critical element of our success. The death or disability of Mr. Loveman or other extended or permanent loss of his services, or any negative market or industry perception with respect to him or arising from his loss, could have a material adverse effect on our business. Our other executive officers and other members of senior management have substantial experience and expertise in our business and have made significant contributions to our growth and success. The unexpected loss of services of one or more of these individuals could also adversely affect us. We are not protected by key man or similar life insurance covering members of our senior management. We have employment agreements with our executive officers, but these agreements do not guarantee that any given executive will remain with us.

If we are unable to attract, retain and motivate employees, we may not be able to compete effectively and will not be able to expand our business.

Our success and ability to grow are dependent, in part, on our ability to hire, retain and motivate sufficient numbers of talented people, with the increasingly diverse skills needed to serve clients and expand our business, in many locations around the world. Competition for highly qualified, specialized technical and managerial, and particularly consulting, personnel, is intense. Recruiting, training, retention and benefit costs place significant demands on our resources. Additionally, our substantial indebtedness and the recent downturn in the gaming, travel and leisure sectors have made recruiting executives to our business more difficult. The inability to attract qualified employees in sufficient numbers to meet particular demands or the loss of a significant number of our employees could have an adverse effect on us.

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We are controlled by the Sponsors, whose interests may not be aligned with ours.

Hamlet Holdings, the members of which are comprised of an equal number of individuals affiliated with each of the Sponsors, beneficially owns approximately 69.9% of our common stock pursuant to an irrevocable proxy providing Hamlet Holdings with sole voting and sole dispositive power over those shares. As a result, the Sponsors have the power to elect all of our directors. Therefore, the Sponsors have the ability to vote on any transaction that requires the approval of our Board or our stockholders, including the approval of significant corporate transactions such as mergers and the sale of substantially all of our assets. The interests of the Sponsors could conflict with or differ from the interests of other holders of our securities. For example, the concentration of ownership held by the Sponsors could delay, defer or prevent a change of control of us or impede a merger, takeover or other business combination which another stockholder may otherwise view favorably. Furthermore, the Sponsors will also control CAC and, as a result, potential or perceived conflicts of interest may arise. Additionally, the Sponsors are in the business of making or advising on investments in companies it holds, and may from time to time in the future acquire interests in or provide advice to businesses that directly or indirectly compete with certain portions of our business or are suppliers or customers of ours. One or both of the Sponsors may also pursue acquisitions that may be complementary to our business, and, as a result, those acquisition opportunities may not be available to us. So long as Hamlet Holdings continues to hold the irrevocable proxy, they will continue to be able to strongly influence or effectively control our decisions.

In addition, we have an executive committee that serves at the discretion of our Board and is authorized to take such actions as it reasonably determines appropriate. Currently, the executive committee may act by a majority of its members, provided that at least one member affiliated with TPG and Apollo must approve any action of the executive committee.

Use of the Caesars brand name, or any of our other brands, by entities other than us could damage the brands and our operations and adversely affect our business and results of operations.

Our Caesars brand remains the most recognized casino brand in the world and our operations benefit from the global recognition and reputation generated by our brands. Generally and through Caesars Global Living, we are actively pursuing gaming and non-gaming management, branding, and development opportunities in Asia and other parts of the world where our brands and reputation are already well-recognized assets. In September 2011, we announced a management and branding agreement for a non-gaming development, whose equity will be provided by a third party, which will be called Caesars Palace Longmu Bay. In addition, we will continue to expand our World Series of Poker tournaments to international jurisdictions where we believe there is a likelihood of legalization of online gaming, in order to grow the brand s awareness. In connection with such opportunities, we intend to grant third parties licenses to use our brands. Our business and results of operations may be adversely affected by the management or the enforcement of the Caesars and the World Series of Poker brand names, or any of our other brands, by third parties outside of our exclusive control.

Any failure to protect our trademarks could have a negative impact on the value of our brand names and adversely affect our business.

The development of intellectual property is part of our overall business strategy, and we regard our intellectual property to be an important element of our success. For example, we own and manage the World Series of Poker tournaments, and we license trademarks for a variety of products and businesses related to this brand. While our business as a whole is not substantially dependent on any one trademark or combination of several of our trademarks or other intellectual property, we seek to establish and maintain our proprietary rights in our business operations and technology through the use of patents, copyrights, trademarks and trade secret laws. We file applications for and obtain patents, copyrights and trademarks in the United States and in foreign countries where we believe filing for such protection is appropriate. We also seek to maintain our trade secrets and confidential information by nondisclosure policies and through the use of appropriate confidentiality agreements. Despite our efforts to protect our proprietary rights, parties may infringe our trademarks and use information that we regard as proprietary and our rights may be invalidated or unenforceable. The laws of some foreign countries do not protect proprietary rights to as great an extent as do the laws of the United States.

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Monitoring the unauthorized use of our intellectual property is difficult. Litigation may be necessary to enforce our intellectual property rights or to determine the validity and scope of the proprietary rights of others. Litigation of this type could result in substantial costs and diversion of resource. We cannot assure you that all of the steps we have taken to protect our trademarks in the United States and foreign countries will be adequate to prevent imitation of our trademarks by others. The unauthorized use or reproduction of our trademarks could diminish the value of our brand and our market acceptance, competitive advantages or goodwill, which could adversely affect our business.

Any violation of the Foreign Corrupt Practices Act or other similar laws and regulations could have a negative impact on us.

We are subject to risks associated with doing business outside of the United States, which exposes us to complex foreign and U.S. regulations inherent in doing business cross-border and in each of the countries in which it transacts business. We are subject to regulations imposed by the Foreign Corrupt Practices Act (the FCPA), and other anti-corruption laws that generally prohibit U.S. companies and their intermediaries from offering, promising, authorizing or making improper payments to foreign government officials for the purpose of obtaining or retaining business. Violations of the FCPA and other anti-corruption laws may result in severe criminal and civil sanctions as well as other penalties and the SEC and U.S. Department of Justice have increased their enforcement activities with respect to the FCPA. Internal control policies and procedures and employee training and compliance programs that we have implemented to deter prohibited practices may not be effective in prohibiting our employees, contractors or agents from violating or circumventing our policies and the law. If our employees or agents fail to comply with applicable laws or company policies governing our international operations, we may face investigations, prosecutions and other legal proceedings and actions which could result in civil penalties, administrative remedies and criminal sanctions. Any determination that we have violated the FCPA could have a material adverse effect on our financial condition. Compliance with international and U.S. laws and regulations that apply to our international operations increases our cost of doing business in foreign jurisdictions. We also deal with significant amounts of cash in our operations and are subject to various reporting and anti-money laundering regulations. Any violation of anti-money laundering laws or regulations by any of our resorts could have a negative effect on our results of operations.

We are or may become involved in legal proceedings that, if adversely adjudicated or settled, could impact our financial condition.

From time to time, we are defendants in various lawsuits or other legal proceedings relating to matters incidental to our business. The nature of our business subjects us to the risk of lawsuits filed by customers, past and present employees, competitors, business partners, Indian tribes and others in the ordinary course of business. As with all legal proceedings, no assurance can be provided as to the outcome of these matters and in general, legal proceedings can be expensive and time consuming. For example, we may have potential liability arising from a class action lawsuit against Hilton Hotels Corporation relating to employee benefit obligations. We may not be successful in the defense or prosecution of these lawsuits, which could result in settlements or damages that could significantly impact our business, financial condition and results of operations.

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CAUTIONARY STATEMENTS CONCERNING FORWARD-LOOKING STATEMENTS

This prospectus contains or may contain forward-looking statements intended to qualify for the safe harbor from liability established by the Private Securities Litigation Reform Act of 1995. These statements can be identified by the fact that they do not relate strictly to historical or current facts. We have based these forward-looking statements on our current expectations about future events. Further, statements that include words such as may, will, project, might, expect, believe, anticipate, intend, could, would, estimate, continue or pursue words or other words or expressions of similar meaning may identify forward-looking statements. These forward-looking statements are found at various places throughout the prospectus. These forward-looking statements, including, without limitation, those relating to future actions, new projects, strategies, future performance, the outcome of contingencies such as legal proceedings, and future financial results, wherever they occur in this prospectus, are necessarily estimates reflecting the best judgment of our management and involve a number of risks and uncertainties that could cause actual results to differ materially from those suggested by the forward-looking statements. These forward-looking statements should, therefore, be considered in light of various important factors set forth under Risk Factors and elsewhere in this prospectus, including, without limitation, forward-looking statements included in this prospectus. All subsequent written and oral forward-looking statements attributable to us, or persons acting on our behalf, are expressly qualified in their entirety by the cautionary statements.

We disclose important factors that could cause actual results to differ materially from our expectations under Risk Factors herein and under Item 1A. Risk Factors in our Annual Report on Form 10-K for the year ended December 31, 2012 (as amended), which is incorporated by reference in this prospectus, and elsewhere in this prospectus, including, without limitation, in conjunction with the forward looking statements included in this prospectus. All subsequent written and oral forward looking statements attributable to us, or persons acting on our behalf, are expressly qualified in their entirety by the cautionary statements. Some of the factors that we believe could materially affect our results include:

- the ability to satisfy the conditions to the closing of the Caesars Growth Partners transaction described herein, including receipt of required regulatory approvals;
- the Caesars Growth Partners transaction may not consummate on the terms contemplated or at all;
- the impact of our substantial indebtedness;
- the effects of local and national economic, credit and capital market conditions on the economy in general, and on the gaming industry in particular;
- our ability to realize the expense reductions from our cost savings programs;
- access to available and reasonable financing on a timely basis;
- the ability of our customer-tracking, customer loyalty and yield-management programs to continue to increase customer loyalty and same-store or hotel sales;
- changes in laws, including increased tax rates, smoking bans, regulations or accounting standards, third-party relations and approvals, and decisions, disciplines and fines of courts, regulators and governmental bodies;
- the ability to recoup costs of capital investments through higher revenues;

abnormal gaming holds (gaming hold is the amount of money that is retained by the casino from wagers by customers);

the effects of competition, including locations of competitors, competition for new licenses and operating and market competition;

the ability to timely and cost-effectively integrate companies that we acquire into our operations;

the potential difficulties in employee retention and recruitment as a result of our substantial indebtedness, the ongoing downturn in the gaming industry, or any other factor;

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construction factors, including delays, increased costs of labor and materials, availability of labor and materials, zoning issues, environmental restrictions, soil and water conditions, weather and other hazards, site access matters and building permit issues;

litigation outcomes and judicial and governmental body actions, including gaming legislative action, referenda, regulatory disciplinary actions and fines and taxation;

acts of war or terrorist incidents, severe weather conditions, uprisings or natural disasters, including losses therefrom, including losses in revenues and damage to property, and the impact of severe weather conditions on our ability to attract customers to certain of our facilities, such as the amount of losses and disruption to our company as a result of Hurricane Sandy in late October 2012;

the effects of environmental and structural building conditions relating to our properties;

access to insurance on reasonable terms for our assets;

the impact, if any, of unfunded pension benefits under multi-employer pension plans; and

the other factors set forth under Risk Factors herein and under Item 1A. Risk Factors in our Annual Report on Form 10-K for the year ended December 31, 2012 (as amended), which is incorporated by reference in this prospectus.

You are cautioned to not place undue reliance on these forward-looking statements, which speak only as of the date of this prospectus. We undertake no obligation to publicly update or release any revisions to these forward-looking statements to reflect events or circumstances after the date of this prospectus or to reflect the occurrence of unanticipated events, except as required by law.

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THE EXCHANGE OFFERS

Purpose and Effect of the Exchange Offers

We have entered into registration rights agreements with the initial purchasers of the original notes, in which we agreed to file a registration statement relating to an offer to exchange each series of the original notes for exchange notes. The registration statement of which this prospectus forms a part was filed in compliance with this obligation. We also agreed to use our commercially reasonable efforts to file such a registration statement with the SEC and to cause it to become effective under the Securities Act. The exchange notes will have terms substantially identical to the original notes except that the exchange notes will not contain terms with respect to transfer restrictions and registration rights and additional interest payable for the failure to consummate the exchange offers by the date set forth in the registration rights agreements. Original 2020(1) Notes in aggregate principal amounts of $750,000,000 and $750,000,000 were issued on August 22, 2012 and December 13, 2012, respectively, and remain outstanding. Original 2020(2) Notes in an aggregate principal amount of $1,500,000,000 were issued on February 15, 2013 and remain outstanding.

Under the circumstances set forth below, we will use our commercially reasonable efforts to cause the SEC to declare effective a shelf registration statement with respect to the resale of the original notes and to keep the shelf registration statement effective for up to two years after the effective date of the shelf registration statement. These circumstances include:

- the exchange offers are not permitted by applicable law or SEC policy;
- prior to the consummation of the exchange offers, existing SEC interpretations are changed such that the debt securities received by the holders in the exchange offers would not be transferable without restriction under the Securities Act;
- if any initial purchaser so requests on or prior to the 60th day after consummation of these exchange offers with respect to original notes not eligible to be exchanged for the exchange notes and held by it following the consummation of these exchange offers; or
- if any holder that participates in these exchange offers does not receive freely transferable exchange notes in exchange for tendered original notes and so requests on or prior to the 60th day after the consummation of the exchange offers.

Each holder of original notes that wishes to exchange such original notes for transferable exchange notes in the exchange offers will be required to make the following representations:

- any exchange notes to be received by it will be acquired in the ordinary course of the holder s business;
- the holder has no arrangement or understanding with any person or entity, including any of our affiliates, to participate in the distribution (within the meaning of Securities Act) of the exchange notes in violation of the Securities Act;
- the holder is not our affiliate, as defined in Rule 405 under the Securities Act, or, if it is an affiliate, that it will comply with applicable registration and prospectus delivery requirements of the Securities Act; and
- if such holder is not a broker-dealer, that it is not engaged in, and does not intend to engage in, the distribution of the exchange notes and if such holder is a broker-dealer, that it will receive exchange notes for its own account in exchange for original notes that were acquired as a result of market-making activities or other trading activities and such holder will acknowledge that it will deliver a prospectus in connection with any resale of such exchange notes.

In addition, each broker-dealer that receives exchange notes for its own account in exchange for original notes, where such original notes were acquired by such broker-dealer as a result of market-making activities or other trading activities, must acknowledge that it will deliver a prospectus in connection with any resale of such exchange notes. See Plan of Distribution.

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Resale of Exchange Notes

Based on interpretations of the SEC staff set forth in no action letters issued to unrelated third parties, we believe that exchange notes issued in the exchange offers in exchange for original notes may be offered for resale, resold and otherwise transferred by any exchange note holder without compliance with the registration and prospectus delivery provisions of the Securities Act, if:

- such holder is not an affiliate of ours within the meaning of Rule 405 under the Securities Act;
- such exchange notes are acquired in the ordinary course of the holder s business; and
- the holder does not intend to participate in the distribution of such exchange notes.

Any holder who tenders in the exchange offers with the intention of participating in any manner in a distribution of the exchange notes:

- cannot rely on the position of the staff of the SEC set forth in Exxon Capital Holdings Corporation or similar interpretive letters; and
- must comply with the registration and prospectus delivery requirements of the Securities Act in connection with a secondary resale transaction.

If, as stated above, a holder cannot rely on the position of the staff of the SEC set forth in Exxon Capital Holdings Corporation or similar interpretive letters, any effective registration statement used in connection with a secondary resale transaction must contain the selling security holder information required by Item 507 of Regulation S-K under the Securities Act.

This prospectus may be used for an offer to resell, for the resale or for other retransfer of exchange notes only as specifically set forth in this prospectus. With regard to broker-dealers, only broker-dealers that acquired the original notes as a result of market-making activities or other trading activities may participate in the exchange offers. Each broker-dealer that receives exchange notes for its own account in exchange for original notes, where such original notes were acquired by such broker-dealer as a result of market-making activities or other trading activities, must acknowledge that it will deliver a prospectus in connection with any resale of the exchange notes. Please read the section captioned Plan of Distribution for more details regarding these procedures for the transfer of exchange notes. We have agreed that, starting on the expiration date of the exchange offers and ending on the close of business one year after the expiration date, we will make this prospectus, as amended or supplemented, available to any broker-dealer for use in connection with any resale of the exchange notes.

Terms of the Exchange Offers

Upon the terms and subject to the conditions set forth in this prospectus and in the letter of transmittal, we will accept for exchange any original notes properly tendered and not withdrawn prior to the expiration date. We will issue $1,000 principal amount of exchange notes in exchange for each $1,000 principal amount of original notes surrendered under the exchange offers. Original notes may be tendered only in denominations of $2,000 and in integral multiples of $1,000.

The form and terms of the exchange notes will be substantially identical to the form and terms of the original notes except the exchange notes will be registered under the Securities Act, will not bear legends restricting their transfer and will not provide for any additional interest upon our failure to fulfill our obligations under the registration rights agreements to file, and cause to become effective, a registration statement. The exchange notes will evidence the same debt as the original notes. The exchange notes will be issued under and entitled to the benefits of the same indenture that authorized the issuance of the outstanding original notes. Consequently, both series of notes will be treated as a single class of debt securities under the indenture.

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The exchange offers are not conditioned upon any minimum aggregate principal amount of original notes being tendered for exchange.

As of the date of this prospectus, (a) $1,500,000,000 in aggregate principal amount of Original 2020(1) Notes was outstanding and there was one registered holder, CEDE & Co., a nominee of DTC, and (b) $1,500,000,000 in aggregate principal amount of Original 2020(2) Notes was outstanding and there was one registered holder, CEDE & Co., a nominee of DTC. This prospectus and the letters of transmittal are being sent to all registered holders of original notes. There will be no fixed record date for determining registered holders of original notes entitled to participate in the exchange offers.

We will conduct the exchange offers in accordance with the provisions of the registration rights agreements, the applicable requirements of the Securities Act and the Securities Exchange Act of 1934, as amended (the Exchange Act), and the rules and regulations of the SEC. Original notes that are not tendered for exchange in the exchange offers will remain outstanding and continue to accrue interest and will be entitled to the rights and benefits such holders have under the indenture relating to the original notes.

We will be deemed to have accepted for exchange properly tendered original notes when we have given oral or written notice of the acceptance to the exchange agent. The exchange agent will act as agent for the tendering holders for the purposes of receiving the exchange notes from us and delivering exchange notes to such holders. Subject to the terms of the registration rights agreements, we expressly reserve the right to amend or terminate the exchange offers, and not to accept for exchange any original notes not previously accepted for exchange, upon the occurrence of any of the conditions specified below under the caption Certain Conditions to the Exchange Offers.

Holders who tender original notes in the exchange offers will not be required to pay brokerage commissions or fees, or, subject to the instructions in the letters of transmittal, transfer taxes with respect to the exchange of original notes. We will pay all charges and expenses, other than those transfer taxes described below, in connection with the exchange offers. It is important that you read the section labeled Fees and Expenses below for more details regarding fees and expenses incurred in the exchange offers.

Expiration Date; Extensions; Amendments

Each exchange offer will expire at 5:00 p.m., New York City time, on July 31, 2013 unless we extend it in our sole discretion.

In order to extend the exchange offers, we will notify the exchange agent orally or in writing of any extension. We will notify in writing or by public announcement the registered holders of original notes of the extension no later than 9:00 a.m., New York City time, on the business day after the previously scheduled expiration date.

We reserve the right, in our sole discretion:

- to delay accepting for exchange any original notes in connection with the extension of the exchange offers;

- to extend the exchange offers or to terminate the exchange offers and to refuse to accept original notes not previously accepted if any of the conditions set forth below under Certain Conditions to the Exchange Offers have not been satisfied, by giving oral or written notice of such delay, extension or termination to the exchange agent; or

- subject to the terms of the registration rights agreements, to amend the terms of the exchange offers in any manner, provided that in the event of a material change in the exchange offers, including the waiver of a material condition, we will extend the exchange offer period, if necessary, so that at least five business days remain in the exchange offers following notice of the material change.

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Any such delay in acceptance, extension, termination or amendment will be followed as promptly as practicable by written notice or public announcement thereof to the registered holders of original notes. If we amend the exchange offers in a manner that we determine to constitute a material change, we will promptly disclose such amendment in a manner reasonably calculated to inform the holders of original notes of such amendment, provided that in the event of a material change in the exchange offers, including the waiver of a material condition, we will extend the exchange offer period, if necessary, so that at least five business days remain in the exchange offers following notice of the material change. If we terminate these exchange offers as provided in this prospectus before accepting any original notes for exchange or if we amend the terms of these exchange offers in a manner that constitutes a fundamental change in the information set forth in the registration statement of which this prospectus forms a part, we will promptly file a post-effective amendment to the registration statement of which this prospectus forms a part. In addition, we will in all events comply with our obligation to make prompt payment for all original notes properly tendered and accepted for exchange in the exchange offers.

Without limiting the manner in which we may choose to make public announcements of any delay in acceptance, extension, termination or amendment of the exchange offers, we shall have no obligation to publish, advertise, or otherwise communicate any such public announcement, other than by issuing a timely press release to a financial news service.

Certain Conditions to the Exchange Offers

Despite any other term of the exchange offers, we will not be required to accept for exchange, or exchange any exchange notes for, any original notes, and we may terminate the exchange offers as provided in this prospectus before accepting any original notes for exchange if in our reasonable judgment:

- the exchange notes to be received will not be tradable by the holder without restriction under the Securities Act or the Exchange Act, and without material restrictions under the blue sky or securities laws of substantially all of the states of the United States;

- the exchange offers, or the making of any exchange by a holder of original notes, would violate applicable law or any applicable interpretation of the staff of the SEC; or

- any action or proceeding has been instituted or threatened in any court or by or before any governmental agency with respect to the exchange offers that, in our judgment, would reasonably be expected to impair our ability to proceed with the exchange offers.

In addition, we will not be obligated to accept for exchange the original notes of any holder that has not made:

- the representations described under Purpose and Effect of the Exchange Offers, Procedures for Tendering and Plan of Distribution, and

- such other representations as may be reasonably necessary under applicable SEC rules, regulations or interpretations to make available to us an appropriate form for registration of the exchange notes under the Securities Act.

We expressly reserve the right, at any time or at various times on or prior to the scheduled expiration date of the exchange offers, to extend the period of time during which the exchange offers are open. Consequently, we may delay acceptance of any original notes by giving written notice of such extension to the registered holders of the original notes. During any such extensions, all original notes previously tendered will remain subject to the exchange offers, and we may accept them for exchange unless they have been previously withdrawn. We will return any original notes that we do not accept for exchange for any reason without expense to their tendering holder promptly after the expiration or termination of the exchange offers.

We expressly reserve the right to amend or terminate the exchange offers on or prior to the scheduled expiration date of the exchange offers, and to reject for exchange any original notes not previously accepted for

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exchange, upon the occurrence of any of the conditions of the exchange offers specified above. We will give written notice or public announcement of any extension, amendment, non-acceptance or termination to the registered holders of the original notes as promptly as practicable. In the case of any extension, such notice will be issued no later than 9:00 a.m., New York City time, on the business day after the previously scheduled expiration date.

These conditions are for our sole benefit and we may, in our sole discretion, assert them regardless of the circumstances that may give rise to them or waive them in whole or in part at any or at various times except that all conditions to the exchange offers must be satisfied or waived by us prior to the expiration of the exchange offers. If we fail at any time to exercise any of the foregoing rights, that failure will not constitute a waiver of such right. Each such right will be deemed an ongoing right that we may assert at any time or at various times prior to the expiration of the exchange offers. Any waiver by us will be made by written notice or public announcement to the registered holders of the notes.

In addition, we will not accept for exchange any original notes tendered, and will not issue exchange notes in exchange for any such original notes, if at such time any stop order is threatened or in effect with respect to the registration statement of which this prospectus constitutes a part or the qualification of the indenture under the Trust Indenture Act.

Procedures for Tendering

Only a holder of original notes may tender such original notes in the exchange offers. To tender in the exchange offers, a holder must make:

- the representations described under Purpose and Effect of the Exchange Offers, Procedures for Tendering and Plan of Distribution, and
- such other representations as may be reasonably necessary under applicable SEC rules, regulations or interpretations to make available to us an appropriate form for registration of the exchange notes under the Securities Act.

In addition, either:

- the exchange agent must receive original notes along with the letter of transmittal; or
- the exchange agent must receive, prior to the expiration date, a timely confirmation of book-entry transfer of such original notes into the exchange agent s account at DTC according to the procedures for book-entry transfer described below or a properly transmitted agent s message; or
- the holder must comply with the guaranteed delivery procedures described below.

To be tendered effectively, the exchange agent must receive any physical delivery of the letter of transmittal and other required documents at the address set forth below under Exchange Agent prior to the expiration date.

The tender by a holder that is not withdrawn prior to the expiration date will constitute an agreement between such holder and us in accordance with the terms and subject to the conditions set forth in this prospectus and in the letters of transmittal.

The method of delivery of original notes, the letters of transmittal and all other required documents to the exchange agent is at the holder s election and risk. Rather than mail these items, we recommend that holders use an overnight or hand delivery service. In all cases, holders should allow sufficient time to assure delivery to the exchange agent before the expiration date. Holders should not send us the letters of transmittal or original notes. Holders may request their respective brokers, dealers, commercial banks, trust companies or other nominees to effect the above transactions for them.

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Any beneficial owner whose original notes are registered in the name of a broker, dealer, commercial bank, trust company or other nominee and who wishes to tender should contact the registered holder promptly and instruct it to tender on the owners behalf. If such beneficial owner wishes to tender on its own behalf, it must, prior to completing and executing the letter of transmittal and delivering its original notes, either:

- make appropriate arrangements to register ownership of the original notes in such owner s name; or
- obtain a properly completed bond power from the registered holder of original notes.

The transfer of registered ownership may take considerable time and may not be completed prior to the expiration date.

Signatures on a letter of transmittal or a notice of withdrawal described below must be guaranteed by a member firm of a registered national securities exchange or of the Financial Industry Regulatory Authority, Inc., a commercial bank or trust company having an office or correspondent in the United States or another eligible institution within the meaning of Rule 17Ad-15 under the Exchange Act, unless the original notes tendered pursuant thereto are tendered:

- by a registered holder who has not completed the box entitled Special Issuance Instructions or Special Delivery Instructions on the letter of transmittal; or
- for the account of an eligible institution.

If the letter of transmittal is signed by a person other than the registered holder of any original notes listed on the original notes, such original notes must be endorsed or accompanied by a properly completed bond power. The bond power must be signed by the registered holder as the registered holder s name appears on the original notes and an eligible institution must guarantee the signature on the bond power.

If a letter of transmittal or any original notes or bond powers are signed by trustees, executors, administrators, guardians, attorneys-in-fact, officers of corporations or others acting in a fiduciary or representative capacity, such persons should so indicate when signing. Unless waived by us, they should also submit evidence satisfactory to us of their authority to deliver the letter of transmittal.

The exchange agent and DTC have confirmed that any financial institution that is a participant in DTC s system may use DTC s Automated Tender Offer Program to tender. Participants in the program may, instead of physically completing and signing the letter of transmittal and delivering it to the exchange agent, transmit their acceptance of the exchange offers electronically. They may do so by causing DTC to transfer the original notes to the exchange agent in accordance with its procedures for transfer. DTC will then send an agent s message to the exchange agent. The term agent s message means a message transmitted by DTC, received by the exchange agent and forming part of the book-entry confirmation, to the effect that:

- DTC has received an express acknowledgment from a participant in its Automated Tender Offer Program that is tendering original notes that are the subject of such book-entry confirmation;
- such participant has received and agrees to be bound by the terms of the letter of transmittal (or, in the case of an agent s message relating to guaranteed delivery, that such participant has received and agrees to be bound by the applicable notice of guaranteed delivery); and
- the agreement may be enforced against such participant.

We will determine in our sole discretion all questions as to the validity, form, eligibility (including time of receipt), acceptance of tendered original notes and withdrawal of tendered original notes. Our determination will be final and binding. We reserve the absolute right to reject any original notes not properly tendered or any original notes the acceptance of which would, in the opinion of our counsel, be unlawful. Our interpretation of the terms and conditions of the exchange offers (including the instructions in the letter of transmittal) will be final and binding on all parties. Unless waived, any defects or irregularities in connection with tenders of original

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notes must be cured within such time as we shall determine. Although we intend to notify holders of defects or irregularities with respect to tenders of original notes, neither we, the exchange agent nor any other person will incur any liability for failure to give such notification. Tenders of original notes will not be deemed made until such defects or irregularities have been cured or waived. Any original notes received by the exchange agent that are not properly tendered and as to which the defects or irregularities have not been cured or waived will be returned to the exchange agent without cost to the tendering holder, unless otherwise provided in the letter of transmittal, promptly following the expiration date or termination of the exchange offers, as applicable.

In all cases, we will issue exchange notes for original notes that we have accepted for exchange under the exchange offers only after the exchange agent timely receives:

- original notes or a timely book-entry confirmation of such original notes into the exchange agent s account at DTC; and
- a properly completed and duly executed letter of transmittal and all other required documents or a properly transmitted agent s message.

By signing the letter of transmittal, each tendering holder of original notes will represent that, among other things:

- any exchange notes that the holder receives will be acquired in the ordinary course of its business;
- the holder has no arrangement or understanding with any person or entity, including any of our affiliates, to participate in the distribution of the exchange notes;
- if the holder is not a broker-dealer, that it is not engaged in and does not intend to engage in the distribution of the exchange notes;
- if the holder is a broker-dealer that will receive exchange notes for its own account in exchange for original notes that were acquired as a result of market-making activities, that it will deliver a prospectus, as required by law, in connection with any resale of such exchange notes; and
- the holder is not our affiliate, as defined in Rule 405 of the Securities Act, or, if it is an affiliate, that it will comply with applicable registration and prospectus delivery requirements of the Securities Act.

In addition, each broker-dealer that receives exchange notes for its own account in exchange for original notes, where such original notes were acquired by such broker-dealer as a result of market-making activities or other trading activities, must acknowledge that it will deliver a prospectus in connection with any resale of such exchange notes. See Plan of Distribution.

Book-Entry Transfer

The exchange agent will make a request to establish an account with respect to the original notes at DTC for purposes of the exchange offers promptly after the date of this prospectus; and any financial institution participating in DTC s system may make book-entry delivery of original notes by causing DTC to transfer such original notes into the exchange agent s account at DTC in accordance with DTC s procedures for transfer. Holders of original notes who are unable to deliver confirmation of the book-entry tender of their original notes into the exchange agent s account at DTC or all other documents of transmittal to the exchange agent on or prior to the expiration date must tender their original notes according to the guaranteed delivery procedures described below.

Guaranteed Delivery Procedures

Holders wishing to tender their original notes but whose original notes are not immediately available or who cannot deliver their original notes, the letter of transmittal or any other required documents to the exchange agent

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or comply with the applicable procedures under DTC s Automated Tender Offer Program prior to the expiration date may tender if:

- the tender is made through an eligible institution;
- prior to the expiration date, the exchange agent receives from such eligible institution either a properly completed and duly executed notice of guaranteed delivery by facsimile transmission, mail or hand delivery or a properly transmitted agent s message and notice of guaranteed delivery:
  - setting forth the name and address of the holder, the registered number(s) of such original notes and the principal amount of original notes tendered;
  - stating that the tender is being made thereby; and
  - guaranteeing that, within three New York Stock Exchange trading days after the expiration date, the letter of transmittal or facsimile thereof together with the original notes or a book-entry confirmation, and any other documents required by the letter of transmittal will be deposited by the eligible institution with the exchange agent; and
- the exchange agent receives such properly completed and executed letter of transmittal or facsimile thereof, as well as all tendered original notes in proper form for transfer or a book-entry confirmation, and all other documents required by the letter of transmittal, within three New York Stock Exchange trading days after the expiration date.

Upon request to the exchange agent, a notice of guaranteed delivery will be sent to holders who wish to tender their original notes according to the guaranteed delivery procedures set forth above.

Withdrawal of Tenders

Except as otherwise provided in this prospectus, holders of original notes may withdraw their tenders at any time prior to the expiration date.

For a withdrawal to be effective:

- the exchange agent must receive a written notice of withdrawal, which notice may be by telegram, telex, facsimile transmission or letter, at one of the addresses set forth below under Exchange Agent ; or
- holders must comply with the appropriate procedures of DTC s Automated Tender Offer Program system.

Any such notice of withdrawal must:

- specify the name of the person who tendered the original notes to be withdrawn;
- identify the original notes to be withdrawn, including the principal amount of such original notes; and

where certificates for original notes have been transmitted, specify the name in which such original notes were registered, if different from that of the withdrawing holder.

If certificates for original notes have been delivered or otherwise identified to the exchange agent, then, prior to the release of such certificates, the withdrawing holder must also submit:

the serial numbers of the particular certificates to be withdrawn; and

a signed notice of withdrawal with signatures guaranteed by an eligible institution unless such holder is an eligible institution.

If original notes have been tendered pursuant to the procedure for book-entry transfer described above, any notice of withdrawal must specify the name and number of the account at DTC to be credited with the withdrawn

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original notes and otherwise comply with the procedures of such facility. We will determine all questions as to the validity, form and eligibility, including time of receipt, of such notices, and our determination shall be final and binding on all parties. We will deem any original notes so withdrawn not to have been validly tendered for exchange for purposes of the exchange offers. Any original notes that have been tendered for exchange but which are not exchanged for any reason will be returned to the holder thereof without cost to such holder (or, in the case of original notes tendered by book-entry transfer into the exchange agent s account at DTC according to the procedures described above, such original notes will be credited to an account maintained with DTC for original notes) promptly after withdrawal, rejection of tender or termination of the exchange offers. Properly withdrawn original notes may be retendered by following one of the procedures described under Procedures for Tendering above at any time prior to the expiration date.

Exchange Agent

U.S. Bank National Association has been appointed as exchange agent for the exchange offers. You should direct questions and requests for assistance, requests for additional copies of this prospectus or of the letter of transmittal and requests for the notice of guaranteed delivery to the exchange agent addressed as follows:

U.S. Bank National Association

(Exchange Agent/Depositary addresses)

By Registered & Certified Mail:

U.S. BANK NATIONAL ASSOCIATION
Corporate Trust Services
EP-MN-WS3C
60 Livingston Avenue
St. Paul, Minnesota 55107-1419

Regular Mail or Overnight Courier:

U.S. BANK NATIONAL ASSOCIATION
60 Livingston Avenue
St. Paul, Minnesota 55107
Attention: Specialized Finance

In Person by Hand Only:

U.S. BANK NATIONAL ASSOCIATION
60 Livingston Avenue
1st Floor Bond Drop Window
St. Paul, Minnesota 55107-1419

By Facsimile (for Eligible Institutions only):

(651) 466-7372

For Information or Confirmation by Telephone:

1-800-934-6802

DELIVERY OF THE LETTER OF TRANSMITTAL TO AN ADDRESS OTHER THAN AS SET FORTH ABOVE OR TRANSMISSION VIA FACSIMILE OTHER THAN AS SET FORTH ABOVE DOES NOT CONSTITUTE A VALID DELIVERY OF SUCH LETTER OF TRANSMITTAL.

Fees and Expenses

We will bear the expenses of soliciting tenders. The principal solicitation is being made by mail, however, we may make additional solicitations by telephone or in person by our officers and regular employees and those of our affiliates.

We have not retained any dealer-manager in connection with the exchange offers and will not make any payments to broker-dealers or others soliciting acceptances of the exchange offers. We will, however, pay the exchange agent reasonable and customary fees for its services and reimburse it for its related reasonable out-of-pocket expenses.

Our expenses in connection with the exchange offers include:

SEC registration fees;

fees and expenses of the exchange agent and trustee;

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- accounting and legal fees and printing costs; and

- related fees and expenses.

Transfer Taxes

We will pay all transfer taxes, if any, applicable to the exchange of original notes under the exchange offers. The tendering holder, however, will be required to pay any transfer taxes, whether imposed on the registered holder or any other person, if:

- certificates representing original notes for principal amounts not tendered or accepted for exchange are to be delivered to, or are to be issued in the name of, any person other than the registered holder of original notes tendered;

- tendered original notes are registered in the name of any person other than the person signing the letter of transmittal; or

- a transfer tax is imposed for any reason other than the exchange of original notes under the exchange offers.

If satisfactory evidence of payment of such taxes is not submitted with the letter of transmittal, the amount of such transfer taxes will be billed to that tendering holder.

Holders who tender their original notes for exchange will not be required to pay any transfer taxes. However, holders who instruct us to register exchange notes in the name of, or request that original notes not tendered or not accepted in the exchange offers be returned to, a person other than the registered tendering holder will be required to pay any applicable transfer tax.

Consequences of Failure to Exchange

Holders of original notes who do not exchange their original notes for exchange notes under the exchange offers, including as a result of failing to timely deliver original notes to the exchange agent, together with all required documentation, including a properly completed and signed letter of transmittal, will remain subject to the restrictions on transfer of such original notes:

- as set forth in the legend printed on the original notes as a consequence of the issuance of the original notes pursuant to the exemptions from, or in transactions not subject to, the registration requirements of the Securities Act and applicable state securities laws; and

- otherwise as set forth in the prospectus distributed in connection with the private offering of the original notes.

In addition, you will no longer have any registration rights or be entitled to additional interest with respect to the original notes.

In general, you may not offer or sell the original notes unless they are registered under the Securities Act, or if the offer or sale is exempt from registration under the Securities Act and applicable state securities laws. Except as required by the registration rights agreements, we do not intend to register resales of the original notes under the Securities Act. Based on interpretations of the SEC staff, exchange notes issued pursuant to the exchange offers may be offered for resale, resold or otherwise transferred by their holders, other than any such holder that is our affiliate within the meaning of Rule 405 under the Securities Act, without compliance with the registration and prospectus delivery provisions of the Securities Act, provided that the holders acquired the exchange notes in the ordinary course of the holders business and the holders have no arrangement or understanding with respect to the distribution of the exchange notes to be acquired in the exchange offers. Any holder who tenders in the exchange offers for the purpose of participating in a distribution of the exchange notes:

could not rely on the applicable interpretations of the SEC; and

must comply with the registration and prospectus delivery requirements of the Securities Act in connection with a secondary resale transaction.

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After the exchange offers are consummated, if you continue to hold any original notes, you may have difficulty selling them because there will be fewer original notes outstanding.

Accounting Treatment

We will record the exchange notes in our accounting records at the same carrying value as the original notes, as reflected in our accounting records on the date of exchange. Accordingly, we will not recognize any gain or loss for accounting purposes in connection with the exchange offers.

Other

Participation in the exchange offer is voluntary, and you should carefully consider whether to accept. You are urged to consult your financial and tax advisors in making your own decision on what action to take.

We may in the future seek to acquire untendered original notes in the open market or privately negotiated transactions, through subsequent exchange offers or otherwise. We have no present plans to acquire any original notes that are not tendered in the exchange offers or to file a registration statement to permit resales of any untendered original notes.

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USE OF PROCEEDS

These exchange offers are intended to satisfy certain of our obligations under the registration rights agreements entered into in connection with the issuance of the original notes. We will not receive any proceeds from the issuance of the exchange notes in the exchange offers. In exchange for each of the exchange notes, CEOC will receive original notes in like principal amount. CEOC will retire or cancel all of the original notes tendered in the exchange offers. Accordingly, issuance of the exchange notes will not result in any change in our capitalization.

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CAPITALIZATION

The following table sets forth as of March 31, 2013:

(1) CEOC s cash and cash equivalents and capitalization on an actual basis; and

(2) CEOC s cash and cash equivalents and capitalization on an as adjusted basis to give effect to the Extended Revolver Commitments Closing.

	As of March 31, 2013	
	Actual	As adjusted for the Extended Revolver Commitments Closing
	(in millions)	
Cash and cash equivalents(1)	$ 1,847.7	$ 1,847.7
Debt:		
Revolving credit facility(2)	$	$
Term loan(3)	4,365.7	4,365.7
First lien notes(4)	6,262.3	6,262.3
Second lien notes(5)	3,218.2	3,218.2
Linq/Octavius senior secured loan(6)	446.7	446.7
PHW Las Vegas senior secured loan(6)	455.3	455.3
Chester Downs senior secured notes(6)	330.0	330.0
Bill s Gamblin Hall & Saloon credit facility(6)	181.4	181.4
Subsidiary guaranteed unsecured senior debt(7)	492.5	492.5
Unsecured senior notes(8)	1,667.8	1,667.8
Other(9)	574.9	574.9
Total debt, including current portion	17,994.8	17,994.8
Stockholder s deficit	(3,191.0)	(3,191.0)
Total capitalization	$ 14,803.8	$ 14,803.8

(1) Excludes restricted cash.

(2) Upon the closing of the Acquisition, CEOC entered into the senior secured credit facilities, which included a $2,000.0 million revolving credit facility that was reduced to $215.5 million due to debt retirements and the conversion of a portion of the revolving credit facility to an extended term loan subsequent to the closing of the Acquisition. As of March 31, 2013, after giving pro forma effect to the Extended Revolver Commitments Closing, $128.7 million of additional borrowing capacity was available under our revolving credit facility, with an additional $86.8 million committed to back outstanding letters of credit. CEC guarantees this facility, and all of the material wholly owned domestic subsidiaries of CEOC, other than Planet Hollywood, Chester Downs, Caesars Octavius, Caesars Linq and Corner, have pledged their assets to secure this facility.

(3) Upon the closing of the Acquisition, CEOC entered into a seven-year $7,250.0 million term loan facility, all of which was drawn at the closing of the Acquisition. The outstanding borrowings under the term loan have been increased by an incremental term loan drawn in October 2009 and $1,015.0 million of revolver commitments converted to extended term loans. The outstanding borrowings have been reduced by payments made subsequent to the Acquisition. CEC guarantees this facility, and all of the material wholly owned domestic subsidiaries of CEOC, other than Planet Hollywood, Chester Downs, Caesars Octavius, Caesars Linq and Corner, have pledged their assets to secure this facility.

(4)

Consists of the book value of the $2,095.0 million aggregate principal amount of 11.25% notes, the $1,250.0 million aggregate principal amount of 8.5% notes, the $1,500.0 million aggregate principal amount of 2020(1) notes and the $1,500.0 million aggregate principal amount of 2020(2) notes.

(5) Consists of the book values of $750.0 million face value of 12.75% Second-Priority Notes due 2018, book values of $214.8 million face value of 10.0% Second-Priority Notes due 2015, book values of $847.6

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million face value of 10.0% Second-Priority Notes due 2018 issued in connection with the exchange offers that were consummated on December 24, 2008, and book values of $3,705.5 million face value of 10.0% Second-Priority Notes due 2018 issued in connection with the exchange offers that were consummated on April 15, 2009. Such amounts are inclusive of amounts paid in fees in connection with such exchange offers. The aggregate face value of such notes is $5,517.9 million.

(6) The Planet Hollywood Loan, the 9.25% Senior Secured Notes due 2020 of Chester Downs, the $450.0 million Octavius Linq Holding Co., LLC senior secured loan and the Bill s Gamblin Hall & Saloon credit facility with an aggregate face value of $1,479.6 million as of March 31, 2013 are non-recourse to CEOC, CEC or any other subsidiaries of CEC.

(7) Consists of $478.6 million of 10.75% Senior Notes due 2016 and $13.9 million of 10.75%/11.5% Senior PIK Toggle Notes due 2018. All of this indebtedness is guaranteed on a joint and several basis by CEC and all of the material wholly owned domestic subsidiaries of CEOC, other than Planet Hollywood, Chester Downs, Caesars Octavius, Caesars Linq and Corner, that have pledged their assets to secure the senior secured credit facilities. Of these notes, $3.6 million face value of the outstanding 10.75%/11.5% Senior PIK Toggle Notes due 2018 are owned by HBC.

(8) The Actual unsecured senior notes consist of the book values of the following notes: $125.2 million face value of 5.375% Senior Notes due 2013, $791.8 million face value of 5.625% Senior Notes due 2015, $538.8 million face value of 5.75% Senior Notes due 2017, $573.2 million face value of 6.5% Senior Notes due 2016, $0.6 million face value of 7% Senior Notes due 2013 and $0.2 million face value of Floating Rate Contingent Convertible Senior Notes due 2024, all of which are obligations of CEOC and guaranteed by CEC. The aggregate face value of such notes is $2,029.8 million. Of these notes, $427.3 million face value of the outstanding 5.625% Senior Notes due 2015, $390.9 million face value of the outstanding 5.75% Senior Notes due 2017 and $324.5 million face value of the outstanding 6.5% Senior Notes due 2016 are owned by HBC.

(9) Consists of the book values of $64.3 million of principal obligations to fund Clark County, Nevada, Special Improvement District bonds, $485.4 million due to CEC and $25.2 million of miscellaneous other indebtedness.

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DESCRIPTION OF OTHER INDEBTEDNESS

Senior Secured Credit Facilities

Overview. In connection with the Acquisition, CEOC entered into the senior secured credit facilities (the Credit Facilities). This financing is neither secured nor guaranteed by Caesars s other direct, wholly owned subsidiaries, including the subsidiaries that own properties that are security for the CMBS Financing and certain of CEOC s subsidiaries that are unrestricted subsidiaries. In late 2009, CEOC completed cash tender offers for certain of its outstanding debt, and in connection with these tender offers, CEOC borrowed $1,000.0 million of new term loans (the Incremental Loans) under the Credit Facilities pursuant to an incremental amendment. In May 2011 and March 2012, CEOC amended the Credit Facilities. Pursuant to the amendments, CEOC extended the maturity of a portion of the term loans held by consenting lenders to January 28, 2018 (the extended maturity term loans), converted a portion of the revolver commitments into extended maturity term loans, extended the maturity of a portion of the revolver commitments and increased the interest rate with respect to the extended maturity term loans.

In connection with the offering of the Original 2020(2) Notes, CEOC amended its Credit Facilities in February 2013 to, among other things: (i) use the net cash proceeds of the offering of the Original 2020(2) Notes to repay a portion of CEOC s existing term loans; (ii) obtain up to $75.0 million of extended revolving facility commitments with a maturity of January 28, 2017, (iii) increase the accordion capacity under the Credit Facilities by an additional $650.0 million (which may be used to, among other things, establish extended revolving facility commitments under the Credit Facilities); (iv) modify the calculation of the senior secured leverage ratio for purposes of the maintenance test under the Credit Facilities to exclude the Original 2020(2) Notes; and (v) modify certain other provisions of the Credit Facilities (such amendments, collectively, the February 2013 Amendments).

As of March 31, 2013, after giving pro forma effect to the Extended Revolver Commitments Closing, our Credit Facilities provide for senior secured financing of up to $4,635.9 million, consisting of (i) senior secured term loans in an aggregate principal amount of $4,420.4 million, comprised of $29.1 million maturing on January 28, 2015, $967.5 million maturing on October 31, 2016, and $3,423.8 million maturing on January 28, 2018, and (ii) a senior secured revolving credit facility in an aggregate principal amount of up to $215.5 million, with $109.4 million maturing January 28, 2014 and $106.1 million maturing on January 28, 2017, including both a letter of credit sub-facility and a swingline loan sub-facility. The term loans under the Credit Facilities require scheduled quarterly payments of $2.5 million, with the balance due at maturity. As of March 31, 2013, after giving pro forma effect to the Extended Revolver Commitments Closing, $86.8 million of the revolving credit facility is committed to outstanding letters of credit. After consideration of the letter of credit commitments, $128.7 million of additional borrowing capacity was available to CEOC under its revolving credit facility as of March 31, 2013.

The Credit Facilities allow us to request one or more incremental term loan facilities and/or increase commitments under our revolving facility in an aggregate amount of up to $1,400.0 million (after giving effect to the February 2013 Amendments), subject to certain conditions and receipt of commitments by existing or additional financial institutions or institutional lenders.

All borrowings under the Credit Facilities are subject to the satisfaction of customary conditions, including the absence of a default and the accuracy of representations and warranties, and the requirement that such borrowing does not reduce the amount of obligations otherwise permitted to be secured under our new senior secured credit facilities without ratably securing the retained notes.

Proceeds from the term loans drawn on the closing date were used to refinance existing debt and pay expenses related to the Acquisition. Proceeds of the revolving loan draws, swingline and letters of credit will be used for working capital and general corporate purposes. Proceeds from the Incremental Loans were used to refinance or retire existing debt and to provide additional liquidity.

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Interest and Fees. Borrowings under the Credit Facilities, other than borrowings under the Incremental Loans, bear interest at a rate equal to the then-current LIBOR rate or at a rate equal to the alternate base rate, in each case plus an applicable margin. The Incremental Loans bear interest at a rate equal to the greater of the then current LIBOR rate subject to a 2.00% floor or at a rate equal to the alternate base rate, in each case plus an applicable margin. In addition, on a quarterly basis, we are required to pay each lender (i) a commitment fee in respect of any unused commitments under the revolving credit facility and (ii) a letter of credit fee in respect of the aggregate face amount of outstanding letters of credit under the revolving credit facility. As of March 31, 2013, the Credit Facilities, other than borrowings under the Incremental Loans, bore interest at LIBOR plus 300 basis points for the original maturity term loans and a portion of the revolver loan, at LIBOR plus 425 basis points for the extended maturity term loans, at alternate base rate plus 150 basis points for the swingline loan and at the alternate base rate plus 200 basis points for the remainder of the revolver loan, and bore a commitment fee for unborrowed amounts of 50 basis points. The borrowings under the Incremental Loans bore interest at the minimum base rate of 2.0% plus 750 basis points as of March 31, 2013.

Collateral and Guarantors. CEOC s Credit Facilities are guaranteed by CEC, and are secured by a pledge of CEOC s capital stock, and by substantially all of the existing and future property and assets of CEOC and its material, wholly owned domestic subsidiaries other than certain unrestricted subsidiaries, including a pledge of the capital stock of CEOC s material, wholly owned domestic subsidiaries and 65% of the capital stock of the first-tier foreign subsidiaries, in each case subject to exceptions. The following casino properties have mortgages under the Credit Facilities.