



State of Utah

DEPARTMENT OF COMMERCE DIVISION OF SECURITIES

Protecting Investors; Promoting Commerce

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December 31, 1998

Victoria C. Phelps, Senior Legal Assistant

Latham & Watkins

633 West Fifth Street, Suite 4000

Los Angeles, CA 90071-2007

Re: Park Place Entertainment Corporation ("Park Place") File # 006-6761-67/B00099827

Dear Ms. Phelps:

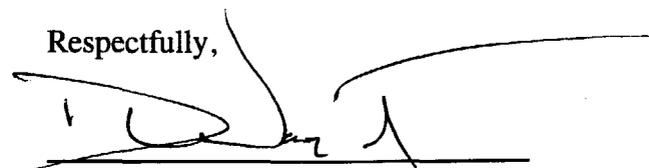
The Utah Division of Securities (the "Division") is responding to your December 10, 1998 request for a no-action letter, pursuant to authority granted by § 61-1-25(5) and § 61-1-24 of the Utah Uniform Securities Act and Utah Administrative Code ("UAC") R164-25-5. Enclosed with your letter was Park Place's U.S. Securities and Exchange Commission Form 10 as filed October 23, 1998 ("Form 10"). The transaction described therein is the tax-free distribution to holders of common stock of Hilton Hotels Corporation ("Hilton") of all outstanding shares of Park Place, an indirect, wholly owned subsidiary of Hilton which will be a new public held corporation that will own and operated Hilton's gaming business. The Division understands from the Form 10 that Hilton is listed on the New York Stock Exchange ("NYSE") and that Park Place has applied for listing on the NYSE.

Based on the facts presented in your request, the Staff of the Utah Division of Securities ("Division") will not recommend any enforcement or administrative action should the transaction proceed as outlined in your request. To avoid unnecessary restatement or summarization of the facts set forth in your request, the Division's response is attached to a photocopy of your request.

This response does not purport to express any legal conclusions regarding the applicability of statutory or regulatory provisions of federal or state securities laws to the questions presented. It merely expresses the opinion of the Division Staff on enforcement or other administrative actions.

As this recommendation is based upon the representations made to the Division, any different facts or conditions of a material nature might require a different conclusion. Furthermore, this No-Action Letter relates only to the transaction described above and will have no value for future similar transactions and does not absolve any party involved from complying with the anti-fraud provisions contained in § 61-1-1 of the Act.

Respectfully,



David H.T. Wayment
Senior Legal Counsel

LATHAM & WATKINS

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FILE NO. 021870-0036

VIA FEDERAL EXPRESS

Department of Commerce
Division of Securities
160 East 300 South
2nd Floor
Salt Lake City, Utah 84111

Re: Park Place Entertainment Corporation
Request for No-Action

Ladies and Gentlemen:

As counsel to Hilton Hotels Corporation, a Delaware corporation ("Hilton"), and Park Place Entertainment Corporation, a Delaware corporation and an indirect wholly-owned subsidiary of Hilton ("Park Place"), we are submitting this letter in connection with a proposed distribution (the "Distribution") to common stockholders of Hilton of all of the outstanding common stock of Park Place, par value \$.01 per share (the "Park Place Common Stock"). On behalf of Hilton, we respectfully request that the Utah Division of Securities (the "Division") confirm that either (a) it concurs with Hilton's belief that the Distribution would not constitute a "sale" of the Park Place Common Stock to the holders of Hilton common stock, par value \$2.50 per share (the "Hilton Common Stock"), under Section 61-1-13(22) of the Utah Uniform Securities Act (the "Securities Act"), or (b) it will not take enforcement action if the Distribution is effected without registration of the Park Place Common Stock under the Securities Act.

Hilton is an owner and operator of full service hotels and casino hotels in the United States. Hilton owns, leases and operates major lodging and gaming properties in gateway cities, urban and suburban centers and resort areas. In the Distribution, Hilton will separate its gaming and lodging operations, creating a new publicly held gaming company. Hilton will retain

Department of Commerce

December 10, 1998

Page 2

its lodging operations following the Distribution. The Hilton Board of Directors believes that the Distribution will (i) afford each of the lodging and gaming businesses greater flexibility to pursue business opportunities, including acquisitions, joint ventures or business combinations, (ii) create two strong, well-focused companies, each of which will have a leadership position in its industry, and (iii) afford the lodging business access to a larger pool of capital.

The general terms and conditions relating to the Distribution are set forth in the Distribution Agreement that will be executed on or prior to the Distribution between Hilton and Park Place. The Distribution will be made on the basis of one share of Park Place Common Stock for each share of Hilton Common Stock held as of the close of business on the record date for the Distribution. As of October 31, 1998, there were outstanding 260,772,408 shares of Hilton Common Stock. Based on such number, approximately 261,000,000 shares of Park Place Common Stock will be distributed to Hilton stockholders in the Distribution. The shares of Park Place Common Stock will be fully paid and nonassessable and will trade on the New York Stock Exchange.

Upon consummation of the Distribution, Park Place will become an independent publicly-held corporation. On October 23, 1998, Park Place filed a registration statement on Form 10 under the Securities Exchange Act of 1934, as amended. The Distribution will not occur until the Form 10 has been declared effective by the Securities and Exchange Commission.

Hilton believes that the Distribution will not involve an "offer to sell" or "sale" of a security under Section 61-1-13(22) of the Securities Act because there will be no disposition by Hilton of securities for value and no new investment decision by Hilton stockholders receiving Park Place Common Stock in the Distribution. Furthermore, Hilton's stockholders will not provide any consideration to Hilton for the Park Place Common Stock they will receive as a dividend in the Distribution. Thus, Hilton believes that registration of the Distribution is not required under the Securities Act. We urge the Division to concur in this view. Alternatively, we hereby request that the Division take no enforcement action if the Distribution is effected without registration under the Securities Act.

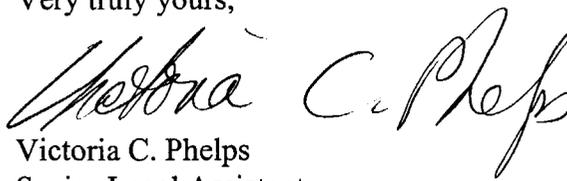
Enclosed for your review is the Form 10 for Park Place. Also enclosed is a check in the amount of \$60 in payment of the required filing fee.

LATHAM & WATKINS

Department of Commerce
December 10, 1998
Page 3

Should you require additional information, please do not hesitate to contact
Angelee Fox at (213) 891-8478 or the undersigned at (213) 891-8397.

Very truly yours,

A handwritten signature in black ink, appearing to read "Victoria C. Phelps". The signature is written in a cursive style with a large, stylized initial "V".

Victoria C. Phelps
Senior Legal Assistant