

CAESARS ENTERTAINMENT INC
 Form 4
 June 15, 2005

FORM 4

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION
 Washington, D.C. 20549**

OMB APPROVAL

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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person *
 Allison Wesley D

2. Issuer Name and Ticker or Trading Symbol
 CAESARS ENTERTAINMENT INC [cZR]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)
 3930 HOWARD HUGHES PARKWAY

3. Date of Earliest Transaction (Month/Day/Year)
 06/13/2005

____ Director
 Officer (give title below) _____ Other (specify below)
 SVP & Interim CFO

(Street)
 LAS VEGAS, NV 89109

4. If Amendment, Date Original Filed (Month/Day/Year)

6. Individual or Joint/Group Filing (Check Applicable Line)
 Form filed by One Reporting Person
 Form filed by More than One Reporting Person

(City) (State) (Zip)

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

| 1. Title of Security (Instr. 3) | 2. Transaction Date (Month/Day/Year) | 2A. Deemed Execution Date, if any (Month/Day/Year) | 3. Transaction Code (Instr. 8) | 4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5) | 5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4) | 6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 7. Nature of Indirect Beneficial Ownership (Instr. 4) | |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|---|---|
| | | | | (A) or (D) | Price | | | |
| | | | | Code V | Amount | | | |
| Common Stock | 06/13/2005 | | D | 673 | D | (1) | 0 | D |
| Common Stock SRU | 06/13/2005 | | D | 20,000 | D | (2) | 0 | D |
| Performance Award | 06/13/2005 | | D | 5,000 | D | (3) | 0 | D |
| Restricted Stock Units | 06/13/2005 | | D | 13,600 | D | (4) | 0 | D |

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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(9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(e.g., puts, calls, warrants, options, convertible securities)

| 1. Title of Derivative Security (Instr. 3) | 2. Conversion or Exercise Price of Derivative Security | 3. Transaction Date (Month/Day/Year) | 3A. Deemed Execution Date, if any (Month/Day/Year) | 4. Transaction Code (Instr. 8) | 5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5) | 6. Date Exercisable and Expiration Date (Month/Day/Year) | 7. Title and Amount of Underlying Security (Instr. 3 and 4) |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|
| Non-Qualified Stock Option (right to buy) | \$ 14.935 | 06/13/2005 | | D | 10,100 | 01/20/2005 01/20/2014 | Common Stock 10 |
| Non-Qualified Stock Option (right to buy) | \$ 19.11 | 06/13/2005 | | D | 26,600 | 06/13/2005 01/28/2015 | Common Stock 10 |

Reporting Owners

Reporting Owner Name / Address

Relationships

Director 10% Owner Officer Other

Allison Wesley D
3930 HOWARD HUGHES PARKWAY
LAS VEGAS, NV 89109

SVP & Interim CFO

Signatures

WES ALLISON 06/13/2005

**Signature of Reporting Person

Date

Explanation of Responses:

* If the form is filed by more than one reporting person, see Instruction 4(b)(v).

** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

Pursuant to the Agreement and Plan or Merger, dated as of July 14, 2004 (the "Merger Agreement"), by and among Caesars, Harrah's Entertainment Inc. ("Harrah's") and Harrah's Operating Company, Inc., at the effective time of the merger contemplated therein, each outstanding share of Caesars common stock was converted into the right to receive either 0.3247 shares of Harrah's common stock or

(1) \$17.75 in cash, at each stockholder's election and subject to proration as described in the Merger Agreement. As a result of the proration calculations that have not yet been completed as of the date of this filing, it is not possible to determine the exact amount of merger consideration to be received by the reporting person for each share of Caesars common stock disposed of in the merger. Harrah's will issue a press release announcing the final merger consideration when it is determined.

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- (2) Disposed of pursuant to merger agreement between issuer and Harrah's Entertainment Inc. in exchange for 6,494 shares of HET common stock with a market value of \$73.17/share on the effective date of the merger.
- (3) Disposed of pursuant to merger agreement between issuer and Harrah's Entertainment Inc. in exchange for 1,624 shares of HET common stock with a market value of \$73.17/share on the effective date of the merger.
- (4) Disposed of pursuant to merger agreement between issuer and Harrah's Entertainment Inc. in exchange for 4,416 shares of HET common stock with a market value of \$73.17/share on the effective date of the merger.
- (5) This option, which provided for vesting in four equal annual installments beginning January 20, 2006, was assumed by Harrah's in the merger and replaced with an option to purchase 3,279 shares of HET common stock for \$46 per share.
- (6) This option, which provided for vesting in four equal annual installments beginning January 28, 2005, was assumed by Harrah's in the merger and replaced with an option to purchase 8,637 shares of HET common stock for \$58.86 per share.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.

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