

HARRAHS ENTERTAINMENT INC
 Form 4
 January 30, 2008

FORM 4

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

OMB APPROVAL

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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 *
 Payne John W R

2. Issuer Name and Ticker or Trading Symbol
 HARRAHS ENTERTAINMENT INC [HET]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)

3. Date of Earliest Transaction (Month/Day/Year)
 01/28/2008

____ Director _____ 10% Owner
 Officer (give title below) _____ Other (specify below)
 President, Central Division

C/O HARRAH'S ENTERTAINMENT, ONE CAESARS PALACE DRIVE

(Street)

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

LAS VEGAS, NV 89119

(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)
			Code	V	Amount or Price		
Common Stock	01/28/2008		D		7,897 ⁽¹⁾ ₍₄₎	D	
Common Stock	01/28/2008		D		11,762	D	
Non-Voting Common Stock	01/28/2008		A		7,108.78	D	
Non-Voting Preferred	01/28/2008		A		3,477.02	D	

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Stock

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 Securities (Instr. 3 and 4)	Amount or Number of Shares
Stock Option (right to buy)	\$ 43.495	01/28/2008		D	10,121	<u>(2)(5)</u> 06/18/2010	Common Stock	10,121
Stock Option (right to buy)	\$ 52.585	01/28/2008		D	20,183	<u>(2)(6)</u> 06/16/2011	Common Stock	20,183
Stock Option (right to buy)	\$ 73.95	01/28/2008		D	35,000	<u>(2)(7)</u> 06/17/2012	Common Stock	35,000
Stock Appreciation Right	\$ 64.97	01/28/2008		D	30,476	<u>(3)(8)</u> 07/19/2013	Common Stock	30,476

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Payne John W R C/O HARRAH'S ENTERTAINMENT ONE CAESARS PALACE DRIVE LAS VEGAS, NV 89119			President, Central Division	

Signatures

John Payne by Angela P. Winter,
Attorney-in-Fact

01/28/2008

__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).
- (1) Disposed of pursuant to the merger agreement (the "Merger Agreement") among the Issuer, Hamlet Holdings LLC, ("Parent") and Hamlet Merger Inc. a wholly-owned subsidiary of Parent (the "Merger"), which provides for the cancellation of shares of Common Stock of the Issuer in exchange for \$90.00 per share (the "Merger Consideration").
 - (2) All vested and unvested options were cancelled pursuant to the Merger Agreement in exchange for cash consideration equal to the Merger Consideration less the exercise price per share.
 - (3) All vested and unvested stock appreciation rights were cancelled pursuant to the Merger Agreement in exchange for cash consideration equal to the Merger Consideration less the exercise price per share.
 - (4) Includes 4,514 shares of restricted stock.
 - (5) The options were exercisable in three equal installments on 1/1/04, 1/1/05 and 1/1/06.
 - (6) The options were exercisable in three equal installments on 1/1/05, 1/1/06 and 1/1/07.
 - (7) The options were exercisable in three equal installments on 1/1/06, 1/1/07 and 1/1/08.
 - (8) The stock appreciation rights were exercisable on three equal installments on 6/30/07, 6/30/08 and 6/30/09.
 - (9) Exchanged in connection with the Merger, for 7,108.78 shares of non-voting common stock and 3,477.02 shares of non-voting preferred stock of surviving corporation, each having a market value of \$100 per share.
 - (10) 7,108.78 shares of non-voting common stock and 3,477.02 shares of non-voting preferred stock acquired through exchange described in footnote 9.

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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