

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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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 *
 SHANKS VIRGINIA E

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
 Officer (give title below) Sr. VP Brand Management
 ____ 10% Owner
 ____ Other (specify below)

C/O HARRAH'S ENTERTAINMENT, INC, 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 Ownership (Instr. 4)
Common Stock	01/28/2008		D	(A) or (D) 5,099 (1) D (1)	\$ 90 (1) 0	I	By 401(k)

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

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SEC 1474 (9-02)

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

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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)	\$ 73.95	01/28/2008		D	26,667	<u>(2)</u> (4) 06/17/2012	Common Stock	26,667
Stock Option (right to buy)	\$ 63.96	01/28/2008		D	50,000	<u>(2)</u> (5) 11/09/2012	Common Stock	50,000
Stock Appreciation Right	\$ 64.97	01/28/2008		D	18,239	<u>(3)</u> (6) 07/19/2013	Common Stock	18,239

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
SHANKS VIRGINIA E C/O HARRAH'S ENTERTAINMENT, INC ONE CAESARS PALACE DRIVE LAS VEGAS, NV 89119			Sr. VP Brand Management	

Signatures

Virginia E. Shanks 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) The options were exercisable in three equal installments on 1/1/06, 1/1/07 and 1/1/08.
- (5) The options were exercisable in three installments on 1/1/08, 1/1/09 and 1/1/10 in the following amounts: 12,500, 12,500 and 50,000 respectively.
- (6) The stock appreciation rights were exercisable in three equal installments on 6/30/07, 6/30/08 and 6/30/09.

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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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