**SWANN LYNN C** Form 4 August 23, 2012

### FORM 4

# UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Check this box if no longer subject to Section 16. Form 4 or Form 5

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF **SECURITIES** 

obligations may continue. See Instruction

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

2. Issuer Name and Ticker or Trading

CAESARS ENTERTAINMENT

1(b).

(Last)

(Instr. 3)

(Print or Type Responses)

1. Name and Address of Reporting Person \*

SWANN LYNN C

(First) (Middle)

3. Date of Earliest Transaction

(Month/Day/Year) 08/21/2012

Corp [CZR]

(Street)

ONE CAESARS PALACE DRIVE

4. If Amendment, Date Original

Symbol

Filed(Month/Day/Year)

**OMB APPROVAL** 

OMB Number:

3235-0287

2005

January 31, Expires:

Estimated average burden hours per

response...

0.5

5. Relationship of Reporting Person(s) to

Issuer

(Check all applicable)

X\_ Director 10% Owner Other (specify Officer (give title

below)

6. Individual or Joint/Group Filing(Check

Applicable Line)

\_X\_ Form filed by One Reporting Person Form filed by More than One Reporting

Person

5. Amount of

(City) (State) (Zip) Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

2. Transaction Date 2A. Deemed 1.Title of Security (Month/Day/Year)

LAS VEGAS, NV 89109

Execution Date, if (Month/Day/Year)

3. 4. Securities TransactionAcquired (A) or Code (Instr. 8)

Disposed of (D) (Instr. 3, 4 and 5)

Code V Amount (D) Price

(A)

or

Securities Beneficially Owned Following Reported Transaction(s)

6. Ownership Form: Direct (D) or Indirect Beneficial (I) (Instr. 4)

7. Nature of Indirect Ownership (Instr. 4)

(Instr. 3 and 4)

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

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

1. Title of Derivative Conversion Security or Exercise

3. Transaction Date 3A. Deemed (Month/Day/Year)

Execution Date, if any

4. 5. Number of TransactionDerivative Code Securities

6. Date Exercisable and **Expiration Date** (Month/Day/Year)

7. Title and Amount of **Underlying Securities** (Instr. 3 and 4)

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(Instr. 3)	Price of Derivative Security		(Month/Day/Year)	(Instr.	8)	Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)					
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Stock Option	(1)	08/21/2012		D			3,688 (3)	<u>(1)</u>	07/01/2018	Common Stock	3,688
Stock Option	(2)	08/21/2012		D			1,002 (3)	(2)	01/10/2021	Common Stock	1,002
Stock Option	<u>(4)</u>	08/21/2012		A		4,690		(5)	08/21/2022	Common Stock	4,690

### **Reporting Owners**

Reporting Owner Name / Address

Director 10% Owner Officer Other

SWANN LYNN C
ONE CAESARS PALACE DRIVE X
LAS VEGAS, NV 89109

## **Signatures**

/s/ Lynn Swann, by Jill Eaton, Attorney-in-Fact

08/23/2012

\*\*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).

As a result of a re-pricing in July 2011 and after giving effect to the Issuer's subsequent stock split, the shares became vested and exercisable at an exercise price per share of \$20.09 with respect to 20% of the award on July 8, 2011, with the remainder to vest in four equal annual installments commencing on the 2012 anniversary of the original grant date. Alternatively, the Reporting Person could elect to exercise the vested portion of the option grant (based on the original vesting schedule of the option to purchase shares, which provided for the shares to vest in five equal annual installments commencing on the first anniversary of original grant date) at an exercise price per share of \$57.41 at any time prior to the expiration date.

As a result of a re-pricing in July 2011 and after giving effect to the Issuer's subsequent stock split, the shares became vested and exercisable at an exercise price per share of \$20.09 in six equal annual installments commencing on the 2012 anniversary of the original grant date of January 10, 2011. Alternatively, the Reporting Person could elect to exercise the vested portion of the option grant (based on the original vesting schedule of the option to purchase shares, which provided for the shares to vest in five equal annual installments commencing on the first anniversary of the original grant date) at an exercise price per share of \$37.89 at any time prior to the expiration date.

- (3) Gives effect to the Issuer's 1.742-for-1 stock split on February 8, 2012.
- (4) On August 21, 2012, pursuant to the Issuer's Option Exchange, the Issuer canceled the option to purchase shares reported as disposed in Table II. In exchange, the reporting person received an equal replacement option to purchase shares, which is reported as acquired in Table II above. 20% of the shares represented here vested immediately upon grant and are exercisable at \$8.22 per share. The portion of the shares vesting on or before August 21, 2014 will be exercisable at \$20.09 per share until August 21,2014. After such date, the shares

Reporting Owners 2

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underlying the option will be exercisable at \$8.22 per share. Any remaining shares underlying the option vesting after August 21, 2014 will be exercisable at \$8.22 per share.

(5) 20% of the shares underlying the option vested immediately upon grant with the remainder vesting in four equal annual installments commencing on August 21,2013.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.