MGM MIRAGE
Form S-4
October 17, 2005

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As filed with the Securities and Exchange Commission on October 17, 2005
Registration No. 333-

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form S-4
REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933
MGM MIRAGE
(Exact name of registrant as specified in its charter)

Delaware	**7990**	**88-0215232**
(State or other jurisdiction of incorporation or organization)	*(Primary Standard Industrial Classification Code Number)*	*(I.R.S. Employer Identification No.)*

SUBSIDIARY GUARANTOR REGISTRANTS LISTED ON FOLLOWING PAGE
3600 Las Vegas Boulevard South
Las Vegas, Nevada 89109
(702) 693-7120
(Address, including zip code, and telephone number, including area code, of registrant s principal executive offices)

Gary N. Jacobs, Esq.
3600 Las Vegas Boulevard South
Las Vegas, Nevada 89109
(702) 693-7120
(Name, address, including zip code, and telephone number, including area code, of agent for service)

Copies to:

Janet S. McCloud, Esq.
Christensen, Miller, Fink, Jacobs,
Glaser, Weil & Shapiro, LLP
10250 Constellation Blvd., 19th Floor
Los Angeles, California 90067

Jonathan K. Layne, Esq.
Gibson, Dunn & Crutcher, LLP
2029 Century Park East
Los Angeles, California 90067

Approximate date of commencement of proposed sale to the public: As soon as practicable after this Registration Statement becomes effective.

If any of the securities being registered on this Form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box. o

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. o

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. o

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to Be Registered	Amount to Be Registered	Proposed Maximum Offering Price per Unit(1)	Proposed Maximum Aggregate Offering Price(1)	Amount of Registration Fee(1)
6.625% Senior Notes due 2015(2)	$500,000,000	100%	$500,000,000	$58,850
Guarantees of Subsidiaries of 6.625% Senior Notes due 2015	$500,000,000	N/A(3)	N/A(3)	N/A(3)

(1) The registration fee has been calculated pursuant to Rule 457(a), Rule 457(f)(2) and Rule 457(n) under the Securities Act of 1933, as amended. The Proposed Maximum Aggregate Offering Price is estimated solely for the purpose of calculating the registration fee.

(2) The 6.625% Senior Notes due 2015 will be obligations of MGM MIRAGE.

(3) No separate fee is payable pursuant to Rule 457(n). The guarantees are not traded separately.

The Registrants hereby amend this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrants shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until this Registration Statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to said Section 8(a), may determine.

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ADDITIONAL REGISTRANTS

Exact Name of Registrant as Specified in its Charter	State or Other Jurisdiction of Incorporation or Organization	Primary Standard Industrial Classification Code Number	I.R.S. Employer
AC HOLDING CORP.	Nevada	7990	88-0220212
AC HOLDING CORP. II	Nevada	7990	88-0220229
THE APRIL COOK COMPANIES	Nevada	7990	88-0401505
BEAU RIVAGE DISTRIBUTION CORP.	Mississippi	7990	64-0898763
BEAU RIVAGE RESORTS, INC.	Mississippi	7990	88-0340296
BELLAGIO, LLC	Nevada	7990	94-3373852
BELLAGIO II, LLC	Nevada	7990	47-0880256
BOARDWALK CASINO, INC.	Nevada	7990	88-0304201
BUNGALOW, INC.	Mississippi	7990	64-0410882
CIRCUS CIRCUS CASINOS, INC.	Nevada	7990	88-0191825
CIRCUS CIRCUS MISSISSIPPI, INC.	Mississippi	7990	64-0831942
COLORADO BELLE CORP.	Nevada	7990	88-0218026
COUNTRY STAR LAS VEGAS, LLC	Nevada	7990	88-0352410
DESTRON, INC.	Nevada	7990	88-0234293
DIAMOND GOLD, INC.	Nevada	7990	88-0242688
EDGEWATER HOTEL CORPORATION	Nevada	7990	88-0166025
GALLEON, INC.	Nevada	7990	88-0307225
GOLD STRIKE AVIATION, INCORPORATED	Nevada	7990	88-0257273
GOLD STRIKE FUEL COMPANY	Nevada	7990	88-0230231
GOLD STRIKE, L.V.	Nevada	7990	88-0343891
GOLDSTRIKE FINANCE COMPANY, INC.	Nevada	7990	88-0312944
GOLDSTRIKE INVESTMENTS, INCORPORATED	Nevada	7990	88-0142076
GRAND LAUNDRY, INC.	Nevada	7990	88-0298834
JEAN DEVELOPMENT COMPANY	Nevada	7990	88-0223200
JEAN DEVELOPMENT WEST	Nevada	7990	88-0241415
JEAN FUEL COMPANY WEST	Nevada	7990	88-0269160
LAST CHANCE INVESTMENTS, INCORPORATED	Nevada	7990	88-0145908
LV CONCRETE CORP.	Nevada	7990	88-0337406
MAC, CORP.	New Jersey	7990	22-3424950
MANDALAY CORP.	Nevada	7990	88-0384693
MANDALAY MARKETING AND EVENTS	Nevada	7990	88-0350241
MANDALAY PLACE	Nevada	7990	88-0383769
MANDALAY RESORT GROUP	Nevada	7990	88-0121916
METROPOLITAN MARKETING, LLC	Nevada	7990	22-3756320
MGM GRAND ATLANTIC CITY, INC.	New Jersey	7990	88-0354792
MGM GRAND CONDOMINIUMS, LLC	Nevada	7990	55-0806676
MGM GRAND CONDOMINIUMS II, LLC	Nevada	7990	20-2116101
MGM GRAND CONDOMINIUMS III, LLC	Nevada	7990	05-0627790
MGM GRAND DETROIT, INC.	Delaware	7990	91-1829051
MGM GRAND HOTEL, LLC	Nevada	7990	94-3373856

MGM GRAND NEW YORK, LLC	Nevada	7990	03-0524149
MGM GRAND RESORTS, LLC	Nevada	7990	88-0491101
MGM GRAND RESORTS DEVELOPMENT	Nevada	7990	88-0325809
MGM MIRAGE ADVERTISING, INC.	Nevada	7990	88-0162200
MGM MIRAGE AIRCRAFT HOLDINGS, LLC	Nevada	7990	11-3739807
MGM MIRAGE AVIATION CORP.	Nevada	7990	88-0173596
MGM MIRAGE CORPORATE SERVICES	Nevada	7990	88-0225681
MGM MIRAGE DESIGN GROUP	Nevada	7990	88-0406202
MGM MIRAGE DEVELOPMENT, INC.	Nevada	7990	88-0368826
MGM MIRAGE ENTERTAINMENT AND SPORTS	Nevada	7990	88-0245169
MGM MIRAGE INTERNATIONAL	Nevada	7990	86-0868640
MGM MIRAGE MANUFACTURING CORP.	Nevada	7990	88-0195439
MGM MIRAGE OPERATIONS, INC.	Nevada	7990	88-0471660
MGM MIRAGE RETAIL	Nevada	7990	88-0385232
MH, INC.	Nevada	7990	88-0245162

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Exact Name of Registrant as Specified in its Charter	State or Other Jurisdiction of Incorporation or Organization	Primary Standard Industrial Classification Code Number	I.R.S. Employer
M.I.R. TRAVEL	Nevada	7990	88-0276369
THE MIRAGE CASINO-HOTEL	Nevada	7990	88-0224157
MIRAGE LAUNDRY SERVICES CORP.	Nevada	7990	88-0287118
MIRAGE LEASING CORP.	Nevada	7990	88-0424843
MIRAGE RESORTS, INCORPORATED	Nevada	7990	88-0058016
MMNY LAND COMPANY, INC.	New York	7990	33-1043606
MRG VEGAS PORTAL, INC.	Nevada	7990	26-0047314
MRGS CORP.	Nevada	7990	88-0321295
M.S.E. INVESTMENTS, INCORPORATED	Nevada	7990	88-0142077
NEVADA LANDING PARTNERSHIP	Illinois	7990	88-0311065
NEW CASTLE CORP.	Nevada	7990	88-0239831
NEW PRMA LAS VEGAS, INC.	Nevada	7990	88-0430015
NEW YORK NEW YORK HOTEL & CASINO, LLC	Nevada	7990	88-0329896
NEW YORK NEW YORK TOWER, LLC	Nevada	7990	84-1646058
OASIS DEVELOPMENT COMPANY, INC.	Nevada	7990	88-0238317
PLANE TRUTH, LLC	Nevada	7990	88-0121916
THE PRIMADONNA COMPANY, LLC	Nevada	7990	88-0430016
PRMA, LLC	Nevada	7990	88-0430017
PRMA LAND DEVELOPMENT COMPANY	Nevada	7990	88-0325842
PROJECT CC, LLC	Nevada	7990	84-1669056
RAILROAD PASS INVESTMENT GROUP	Nevada	7990	88-0208350
RAMPARTS INTERNATIONAL	Nevada	7990	88-0371416
RAMPARTS, INC.	Nevada	7990	88-0237030
RESTAURANT VENTURES OF NEVADA, INC.	Nevada	7990	88-0376749
SLOTS-A-FUN, INC.	Nevada	7990	88-0124979
TREASURE ISLAND CORP.	Nevada	7990	88-0279092
VICTORIA PARTNERS	Nevada	7990	88-0346764
VIDIAD	Nevada	7990	88-0428375

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The information in this prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and we are not soliciting offers to buy these securities in any state where the offer or sale is not permitted.

SUBJECT TO COMPLETION, DATED OCTOBER 17, 2005

PROSPECTUS

MGM MIRAGE

Offer to Exchange $500,000,000 in aggregate principal amount of its 6.625% Senior Notes due 2015 for $500,000,000 in aggregate principal amount of its outstanding 6.625% Senior Notes due 2015

Information about the exchange offer:

We are offering to exchange $500,000,000 in aggregate principal amount of our outstanding 6.625% senior notes due 2015 issued in a private placement on June 20, 2005 (old notes) under an indenture entered into by and among U.S. Bank National Association, as the trustee, and us on June 20, 2005 for our registered 6.625% senior notes due 2015 (new notes) to be issued under the same indenture under which the old notes were issued. The terms of the new notes are substantially identical to the terms of the old notes except that the new notes are registered under the Securities Act of 1933, as amended (the Securities Act), and, therefore, do not have transfer restrictions.

The exchange offer expires at 5:00 p.m., New York City time, on _____, 2005, unless extended. The exchange offer is subject to customary conditions, including the condition that the exchange offer not violate any applicable law or any interpretation of applicable law by the staff of the Securities and Exchange Commission (SEC). Tenders of outstanding old notes may be withdrawn at any time before 5:00 p.m., New York City time, on the expiration date of the exchange offer. All outstanding old notes that are validly tendered prior to the expiration of the exchange offer and not validly withdrawn will be exchanged.

The exchange of old notes for new notes will not be a taxable exchange for U.S. federal income tax purposes.

We will not receive any proceeds from the exchange offer.

All broker-dealers must comply with the registration and prospectus delivery requirements of the Securities Act. See Plan of Distribution.

Information about the new notes:

We will pay interest on the new notes semi-annually in cash in arrears on January 15 and July 15 of each year. You will receive interest on the new notes starting from the date interest was last paid on your old notes. If no interest was paid on your old notes, you will receive interest on your new notes from June 20, 2005. If your old notes are exchanged for new notes, you will not receive any accrued interest on your old notes. The new notes will mature on July 15, 2015. We may redeem the new notes in whole or in part at any time prior to their maturity at a make whole premium.

The new notes will rank equally with or senior to all existing or future indebtedness of MGM MIRAGE and each guarantor, respectively.

There is no established trading market for the new notes, and we do not intend to apply for listing of the new notes on any securities exchange.

For a discussion of factors that you should consider in connection with the exchange offer and the new notes, see Risk Factors beginning on page 13 of this prospectus.

Neither the SEC nor any state securities regulator has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

None of the Nevada Gaming Commission, the Nevada State Gaming Control Board, the New Jersey Casino Control Commission, the New Jersey Division of Gaming Enforcement, the Michigan Gaming Control Board, the Mississippi Gaming Commission, the Illinois Gaming Board nor any other gaming authority has passed

upon the accuracy or adequacy of this prospectus or the investment merits of the securities offered. Any representation to the contrary is unlawful. The Attorney General of the State of New York has not passed upon or endorsed the merits of this offering. Any representation to the contrary is unlawful.

The date of this prospectus is October 17, 2005

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You should rely only on the information or representations incorporated by reference or provided in this prospectus. We have not authorized anyone to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. You may obtain copies of the Registration Statement, or any document which we have filed as an exhibit to the Registration Statement or to any other SEC filing, either from the SEC or from the Secretary of MGM MIRAGE as described under Where You Can Find More Information. We are not making an offer to sell these securities in any jurisdiction where the offer or sale is not permitted. You should not assume that the information in this prospectus is accurate as of any date other than the date printed on the front of this prospectus.

Each broker-dealer that receives new notes for its own account pursuant to the exchange offer must acknowledge that it will deliver a prospectus in connection with any resale of such new notes. The letter of transmittal accompanying this prospectus states that by so acknowledging and by delivering a prospectus, a broker-dealer will not be deemed to admit that it is an underwriter within the meaning of the Securities Act. This prospectus, as it may be amended or supplemented from time to time, may be used by a broker-dealer in connection with resales of the new notes received in exchange for old notes where such old notes were acquired by such broker-dealer as a result of

market-making activities or other trading activities. See Plan of Distribution.

WHERE YOU CAN FIND MORE INFORMATION

We file annual, quarterly and special reports, proxy statements and other information with the SEC. Prior to our merger with Mandalay Resort Group, Mandalay also filed annual, quarterly and special reports, proxy statements and other information with the SEC. You may read and copy, at prescribed rates, any document we or Mandalay have filed at the SEC s public reference room in Washington, D.C. Please call the SEC at 1-800-SEC-0330 (1-800-732-0330) for further information on the public reference room. The SEC also maintains a website that contains reports, proxy and information statements and other information regarding registrants that file electronically with the SEC (http://www.sec.gov). You also may read and copy reports and other information filed by us or Mandalay Resort Group at the office of the New York Stock Exchange, Inc., 20 Broad Street, New York, New York 10005.

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We have filed a registration statement and related exhibits with the SEC under the Securities Act. The registration statement contains additional information about us and our securities. You may inspect the registration statement and its exhibits without charge at the office of the SEC at 450 Fifth Street, N.W., Washington, D.C. 20549, and obtain copies, at prescribed rates, from the SEC.

INCORPORATION OF CERTAIN INFORMATION BY REFERENCE

The SEC allows us to incorporate by reference information filed with it, which means that we can disclose important information to you by referring you to the documents containing such information. The information incorporated by reference is an important part of this prospectus, and information filed later by us with the SEC will automatically update and supersede this information.

We incorporate by reference the documents listed below and any future filings made with the SEC by us or Mandalay Resort Group under Sections 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934 (the Exchange Act):

MGM MIRAGE:

Our Annual Report on Form 10-K for the year ended December 31, 2004;

Our Quarterly Report on Form 10-Q for the fiscal quarter ended March 31, 2005;

Our Quarterly Report on Form 10-Q for the fiscal quarter ended June 30, 2005;

Our Current Reports on Form 8-K dated January 4, 2005, January 11, 2005, March 22, 2005, April 19, 2005, April 25, 2005, April 25, 2005 (as amended by Form 8K/ A filed on May 3, 2005), June 7, 2005, June 15, 2005, June 20, 2005 (as amended by Form 8K/ A filed on June 24, 2005), July 6, 2005, September 2, 2005, September 9, 2005, and September 16, 2005; and

Our Definitive Proxy Statement filed with the SEC on April 8, 2005.

Mandalay Resort Group:

Annual Report of Mandalay Resort Group on Form 10-K for the year ended January 31, 2005; and

Current Reports of Mandalay Resort Group on Form 8-K dated February 16, 2005, March 22, 2005, April 4, 2005, April 13, 2005, April 19, 2005, and April 21, 2005.

All documents and reports filed by us pursuant to Section 13(a), 13(c), 14, or 15(d) of the Exchange Act after the date of this prospectus and on or prior to the termination of the exchange offer are deemed to be incorporated by reference in this prospectus from the date of filing of such documents or reports, except as to any portion of any future annual or quarterly reports or proxy statements which is not deemed to be filed under those sections. Any statement contained in a document incorporated or deemed to be incorporated by reference in this prospectus will be deemed to be modified or superseded for purposes of this prospectus to the extent that any statement contained herein or in any other subsequently filed document which also is or is deemed to be incorporated by reference in this prospectus modifies or supersedes such statement. Any statement so modified or superseded will not be deemed, except as so modified or superseded, to constitute a part of this prospectus.

Any person receiving a copy of this prospectus may obtain, without charge, upon written or oral request, a copy of any of the documents incorporated by reference except for the exhibits to such documents (other than the exhibits expressly incorporated in such documents by reference). Requests should be directed to: Gary N. Jacobs, Executive Vice President, General Counsel and Secretary, MGM MIRAGE, 3600 Las Vegas Boulevard South, Las Vegas, Nevada 89109; telephone number: (702) 693-7120. A copy will be provided by first class mail or other equally prompt means within one business day after receipt of your request. **To obtain timely delivery of any of this information, you must make your request at least five business days prior to the expiration of the exchange offer. The date by which you must make your request is _____, 2005.**

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PROSPECTUS SUMMARY

This summary is not complete and may not contain all of the information that may be important to you. You should read the entire prospectus carefully, including the financial data and related notes, as well as the documents incorporated by reference, for a more complete understanding of this exchange offer and the new notes. In this prospectus, except where the context otherwise requires, we will collectively refer to MGM MIRAGE (formerly known as MGM Grand, Inc.) and its direct and indirect subsidiaries as MGM MIRAGE, we, our and us.

MGM MIRAGE

We are one of the leading gaming companies in the world. We own what we believe to be the world s finest collection of casino resorts. We own and operate Bellagio, MGM Grand, Mandalay Bay, The Mirage, Luxor, Treasure Island (TI), New York-New York Hotel and Casino, Excalibur, Monte Carlo Resort and Casino, Circus Circus-Las Vegas, Slots-A-Fun, and the Boardwalk Hotel and Casino, located in Las Vegas, Nevada. We also own and operate the Primm Valley Resorts (Whiskey Pete s, Buffalo Bill s and the Primm Valley Resort), located in Primm, Nevada, Circus Circus-Reno, located in Reno, Nevada, Colorado Belle and Edgewater, located in Laughlin, Nevada, Gold Strike and Nevada Landing, located in Jean, Nevada, Railroad Pass, located in Henderson, Nevada, MGM Grand Detroit, located in Detroit, Michigan, Beau Rivage, a beachfront resort located in Biloxi, Mississippi (closed indefinitely due to extensive damage from Hurricane Katrina), and Gold Strike, located in Tunica County, Mississippi. We are also a 50% owner of Silver Legacy, located in Reno, Nevada, and a 50% owner of Borgata, a destination casino resort on Renaissance Pointe in Atlantic City, New Jersey. In addition, through our subsidiary, Nevada Landing Partnership, we own a 50% interest in Grand Victoria, a riverboat casino in Elgin, Illinois. We also have an investment in the United Kingdom and have a 50% interest in the MGM Grand Paradise Limited hotel/casino under construction in Macau S.A.R. We have also announced plans to develop Project CityCenter, a multi-billion dollar mixed-use urban development project on the Las Vegas Strip. In addition, our other operations include the Shadow Creek golf course in North Las Vegas, two golf courses at the Primm Valley Resorts, and a 50% investment in The Residences at MGM Grand, a hotel condominium development in Las Vegas, Nevada.

On April 25, 2005, we consummated our acquisition (the Merger) of Mandalay Resort Group, a Nevada corporation (Mandalay). As consideration for the Merger, the Company paid to Mandalay s stockholders $71.00 in cash for each share of Mandalay common stock outstanding at the time of the Merger. The total merger consideration, excluding approximately $110 million of transaction costs, included equity value of approximately $4.8 billion and the assumption or repayment of outstanding Mandalay debt with a fair value of approximately $2.9 billion, offset by the $520 million received by Mandalay from the sale of its interest in the MotorCity Casino in Detroit, Michigan. The consideration for the Merger was funded from available borrowings under the Company s $7.0 billion credit facility (comprised of a $5.5 billion senior revolving credit facility and a $1.5 billion senior term loan facility) which was made available concurrently with the Merger. We believe that the acquisition enhances our portfolio of resorts on the Las Vegas Strip, provides additional sites for future development, and expands our employee and customer bases significantly.

Our principal executive office is located at 3600 Las Vegas Boulevard South, Las Vegas, Nevada 89109. Our telephone number is (702) 693-7120.

The Exchange Offer

We sold $500 million of our 6.625% senior notes due 2015 to certain initial purchasers on June 20, 2005. The initial purchasers resold those notes in reliance on Rule 144A and Regulation S under the Securities Act.

We entered into a registration rights agreement with the initial purchasers on June 20, 2005 in which we agreed, among other things, to:

- file a registration statement with the SEC relating to the exchange offer on or before 120 days from June 20, 2005;

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deliver to you this prospectus;

use our best efforts to cause the registration statement, which includes this prospectus, to become effective on or before 180 days from June 20, 2005; and

complete the exchange offer within 30 business days after the registration statement becomes effective.

You are entitled to exchange your old notes for new registered 6.625% senior notes due 2015 with substantially identical terms as the old notes, except that the offer and sale of the new notes is registered under the Securities Act and, therefore, the new notes do not have transfer restrictions. If we do not complete the exchange offer on or before 221 days from June 20, 2005, the interest rate on your old notes will be increased. You should read the discussion under the heading The Exchange Offer Purpose and Effect; Registration Rights and Description of the New Notes for further information regarding the new notes that we are offering in exchange for your old notes.

We believe that you may resell the new notes issued in the exchange offer without compliance with the registration and prospectus delivery provisions of the Securities Act, subject to the conditions described under The Exchange Offer. You should read that section for further information regarding the exchange offer. In addition, you should refer to Certain United States Federal Income Tax Considerations on page 66 for a discussion on certain tax considerations related to the exchange offer.

Recent Developments

On September 9, 2005, we sold, through a private placement exempt from the registration requirements under the Securities Act, $375 million in aggregate principal amount of 6.625% senior notes due 2015. We used the net proceeds of such offering, approximately $377 million after commissions and offering expenses and excluding amounts representing accrued interest, primarily to repay a portion of the borrowings under our $7.0 billion credit facility. On October 17, 2005, we filed with the SEC a registration statement on Form S-4 in connection with a registered offering of $375 million in aggregate principal amount of our 6.625% senior notes due 2015 in exchange for the notes issued in the private placement on September 9, 2005.

In preparation for, and in advance of, Hurricane Katrina, we suspended our operations at, and evacuated our employees and guests from, our Beau Rivage resort located in Biloxi, Mississippi. As a result of Hurricane Katrina, Beau Rivage suffered significant property damage and our operations at that property will continue to be suspended for the foreseeable future. We have assembled an internal team to assess the property damage and the anticipated duration of interruption to our operations at Beau Rivage, and this assessment is ongoing. It is our intention to rebuild the Beau Rivage resort. We believe that repair and rebuilding costs and the costs associated with the interruption of business at Beau Rivage will be substantially recoverable under our insurance policies; however, the timing of the receipt of such proceeds is unknown and we cannot assure you that the insurance carriers will pay all amounts due on account of our claims. We continue to work closely with insurance adjustors to ascertain the full amount due to us as a result of the damages and losses suffered. In addition, the impact of Hurricane Katrina on the surrounding area, including damage to, and closing of, major roads and highways, damage to residential and commercial properties, and interruption of basic services, will most likely negatively impact the local gaming industry and tourism for an extended period of time, which may extend beyond the period of time for which business interruption is covered under our insurance policies.

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Summary of the Terms of the Exchange Offer

The following is a brief summary of some of the terms of the exchange. For a more complete description of the terms of the exchange offer, see Exchange Offer in this prospectus.

Exchange Offer	$1,000 principal amount of registered 6.625% senior notes due 2015 in exchange for each $1,000 principal amount of 6.625% senior notes due 2015 issued in a private placement on June 20, 2005. As of the date hereof, old notes representing $500 million aggregate principal amount are outstanding. The terms of the new notes and the old notes are substantially identical, except: the sale of the new notes in the exchange offer has been registered under the Securities Act; and upon expiration of the exchange offer, your rights under the registration rights agreement pertaining to the old notes will terminate, except under limited circumstances.
Expiration Date	You have until 5:00 p.m., New York City time, on _____, 2005 to validly tender your old notes if you want to exchange your old notes for new notes. We may extend that date under certain conditions.
Withdrawal	The tender of the old notes pursuant to the exchange offer may be withdrawn at any time prior to the expiration date. Any old notes not accepted for exchange for any reason will be returned without expense as soon as practicable after the expiration or termination of the exchange offer.
Interest	You will receive interest on the new notes starting from the date interest was last paid on your old notes. If no interest was paid on your old notes, you will receive interest on the new notes from June 20, 2005. If your old notes are exchanged for new notes, you will not receive any accrued interest on your old notes.
Conditions of the Exchange Offer; Extensions; Amendments	The exchange offer is subject to customary conditions, including the condition that the exchange offer not violate applicable law or any applicable interpretation of the staff. See The Exchange Offer Conditions of The Exchange Offer. The exchange offer is not conditioned on any minimum aggregate principal amount of old notes being tendered in the exchange offer. If we materially amend the exchange offer, we will notify you. We may also delay or extend the exchange offer and, if the conditions to the exchange offer are not met, we may terminate the exchange offer. We will notify you of any delay, extension or termination of the exchange offer. Under certain circumstances specified in the registration rights agreement, we may be required to file a shelf registration statement for the old notes for a continuous offering under Rule 415 under the Securities Act.

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Procedures for Tendering Old Notes; Special Procedures for Beneficial Owners	If you want to participate in the exchange offer, you must transmit a properly completed and signed letter of transmittal, and all other documents required by the letter of transmittal, to the exchange agent. Please send these materials to the exchange agent at the address set forth in the accompanying letter of transmittal prior to 5:00 p.m., New York City time, on the expiration date. You must also send one of the following: certificates for your old notes; a timely confirmation of book-entry transfer of your old notes into the exchange agent s account at The Depository Trust Company; or the items required by the guaranteed delivery procedures described below. If you are a beneficial owner of your old notes, and your old notes are registered in the name of a nominee, such as a broker, dealer, commercial bank or trust company, and you wish to tender your old notes in the exchange offer, you should instruct your nominee to promptly tender the old notes on your behalf. If you are a beneficial owner and you want to tender your old notes on your own behalf, you must, before completing and executing the letter of transmittal and delivering your old notes, make appropriate arrangements to either register ownership of your old notes in your name or obtain a properly completed bond power from the registered holder of your old notes. By executing the letter of transmittal, you will represent to us that: you are not our affiliate (as defined in Rule 405 under the Securities Act); you will acquire the new notes in the ordinary course of your business; you are not a broker-dealer that acquired your old notes directly from us in order to resell them pursuant to Rule 144A under the Securities Act or any other available exemption under the Securities Act; if you are a broker-dealer that acquired your new notes as a result of market-making or other trading activities, you will deliver a prospectus in connection with any resale of new notes; and you are not participating, do not intend to participate and have no arrangement or understanding with any person to participate in the distribution of the new notes.
Guaranteed Delivery Procedures	If you wish to tender your old notes and: your old notes are not immediately available;

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	you are unable to deliver on time your old notes or any other document that you are required to deliver to the exchange agent; or you cannot complete the procedures for delivery by book-entry transfer on time; then you may tender your old notes according to the guaranteed delivery procedures that are discussed in the letter of transmittal and in The Exchange Offer Guaranteed Delivery Procedures.
The Exchange Agent	U.S. Bank National Association is the exchange agent. Its address and telephone number are set forth in The Exchange Offer The Exchange Agent; Assistance.
Resales of New Notes	Based on interpretations by the staff of the Commission, as set forth in no-action letters issued to certain third parties unrelated to us, we believe that new notes issued pursuant to the exchange offer in exchange for old notes may be offered for resale, resold or otherwise transferred by you without compliance with the registration and prospectus delivery requirements of the Securities Act, unless you: are our affiliate (as defined in Rule 405 under the Securities Act); acquired the new notes other than in the ordinary course of your business; are a broker-dealer that acquired your old notes directly from us in order to resell them pursuant to Rule 144A under the Securities Act or any other available exemption under the Securities Act; or are participating, intend to participate or have an arrangement or understanding with any person to participate in the distribution of the new notes. However, the SEC has not considered the exchange offer in the context of a no-action letter and we cannot be sure that the staff of the SEC would make a similar determination with respect to the exchange offer as in such other circumstances. All broker-dealers that are issued new notes for their own accounts in exchange for old notes that were acquired as a result of market-making or other trading activities must acknowledge that they will deliver a prospectus meeting the requirements of the Securities Act in connection with any resale of the new notes. If you are a broker-dealer and are required to deliver a prospectus, you may use this prospectus for an offer to resell, a resale or other transfer of the new notes.
Certain Tax Considerations	The issuance of the new notes will not constitute a taxable exchange for U.S. federal income tax purposes. You will not recognize any gain or loss upon receipt of the new notes. See Certain United States Federal Income Tax Considerations.
Registration Rights Agreement	In connection with the sale of the old notes in a private placement in reliance on Section 4(2) of the Securities Act, we entered into a

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	registration rights agreement with the initial purchasers of the old notes that grants the holders of the old notes registration rights. The old notes were immediately resold by the initial purchasers in reliance on Rule 144A and Regulation S under the Securities Act. As a result of making and consummating this exchange offer, we will have fulfilled most of our obligations under the registration rights agreement. If you do not tender your old notes in the exchange offer, you will not have any further registration rights under the registration rights agreement or otherwise unless you were not eligible to participate in the exchange offer or do not receive freely transferable new notes in the exchange offer. See The Exchange Offer Purpose and Effect; Registration Rights.
Effect of Not Tendering	If you do not exchange your old notes for new notes in the exchange offer, your old notes will continue to be subject to the restrictions on transfer contained in the legend on the old notes. In general, the old notes may not be offered or sold unless they are registered under the Securities Act. However, you may offer or sell your old notes under an exemption from, or in a transaction not subject to, the Securities Act and applicable state securities laws. We do not currently anticipate that we will register the old notes under the Securities Act.

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Summary of the Terms of the New Notes

The following is a brief summary of some of the terms of the new notes. For a more complete description of the terms of the new notes, see Description of the New Notes in this prospectus.

Issuer	MGM MIRAGE.
Notes offered	$500,000,000 aggregate principal amount of 6.625% senior notes due 2015.
Maturity	July 15, 2015.
Interest payment dates	January 15 and July 15 of each year after the date of issuance of the new notes. You will receive interest on the new notes starting from the date interest was last paid on your old notes. If no interest was paid on your old notes, you will receive interest from June 20, 2005. If your old notes are exchanged for new notes, you will not receive any accrued interest on your old notes.
Guarantees	The new notes will be unconditionally guaranteed, jointly and severally, on a senior basis by substantially all of our wholly owned U.S. subsidiaries except for U.S. holding companies of our foreign subsidiaries.
Ranking	The new notes and guarantees will be general unsecured senior obligations of MGM MIRAGE and each guarantor, respectively, and will rank equally with or senior to all existing or future indebtedness of MGM MIRAGE and each guarantor, respectively. See Description of the New Notes Ranking.
Optional redemption	We may redeem the new notes in whole or in part at any time prior to their maturity at the redemption price described in the section Description of the New Notes Optional Redemption.
Covenants	The indenture contains covenants that, among other things, will limit our ability and, in certain instances, the ability of our subsidiaries to: incur liens on assets to secure debt; enter into certain sale and lease-back transactions; and merge or consolidate with another company or sell substantially all assets. These covenants are subject to a number of important qualifications and exceptions. See Description of the New Notes Additional Covenants of MGM MIRAGE.
Use of proceeds	We will not receive any proceeds from the exchange offer and the corresponding issuance of the new notes.
Risk factors	See Risk Factors and the other information in this prospectus for a discussion of the factors you should carefully consider in connection with the exchange offer and the new notes.
Simultaneous Exchange Offer	Simultaneous with the filing of the registration statement, of which this prospectus is a part, we filed a separate registration statement on Form S-4 with the SEC in

connection with a registered offering of $375 million in aggregate principal amount of our 6.625% senior notes due 2015 in exchange for $375 million in aggregate principle amount of 6.625% senior notes due 2015 issued in a private placement on September 9, 2005 under the same indenture under which the old notes were issued.

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SUMMARY SELECTED CONSOLIDATED FINANCIAL AND OTHER DATA
MGM MIRAGE

Our selected consolidated financial and other data presented below as of and for the five years ended December 31, 2004 have been derived from our audited consolidated financial statements. Our consolidated financial statements for these periods were audited by Deloitte & Touche LLP, an independent registered public accounting firm. The summary selected consolidated financial and other data as of and for the six months ended June 30, 2004 and June 30, 2005 has been derived from our unaudited consolidated financial statements for those periods, which, in the opinion of management, include all adjustments, consisting only of normal recurring adjustments, necessary for a fair presentation of the results of operations and financial position. The results for the six months ended June 30, 2005 are not necessarily indicative of results that may be expected for the entire year. The table should be read together with our consolidated financial statements and accompanying notes, as well as management s discussion and analysis of results of operations and financial condition, all of which can be found in publicly available documents.

	For the Years Ended December 31,					Six Months Ended June 30,	
	2000	2001	2002	2003	2004	2004	2005
	(In thousands, except per share data)						
Income Statement Data:							
Net revenues	$ 2,910,580	$ 3,699,852	$ 3,756,928	$ 3,862,743	$ 4,238,104	$ 2,138,961	$ 2,920,091
Operating income	515,197	599,892	746,538	699,729	950,860	515,263	671,105
Income from continuing operations	153,585	160,440	289,476	230,273	349,856	198,803	252,247
Net income	160,744	169,815	292,435	243,697	412,332	210,565	252,247
Basic earnings per share							
Income from continuing operations	$ 0.53	$ 0.51	$ 0.92	$ 0.77	$ 1.25	$ 0.71	$ 0.89
Net income per share	$ 0.55	$ 0.53	$ 0.93	$ 0.82	$ 1.48	$ 0.75	$ 0.89
Weighted average number of shares	290,600	317,542	315,618	297,860	279,326	282,035	284,031
Diluted earnings per share							
Income from continuing operations	$ 0.52	$ 0.50	$ 0.90	$ 0.76	$ 1.21	$ 0.68	$ 0.85
Net income per share	$ 0.54	$ 0.53	$ 0.91	$ 0.80	$ 1.43	$ 0.72	$ 0.85

Weighted average number of shares	295,802	321,644	319,880	303,184	289,332	291,611	295,685
Other Financial Data:							
Cash dividends per share(1)	$ 0.05	$	$	$	$	$	

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	For the Years Ended December 31,					Six Months Ended June 30,	
	2000	2001	2002	2003	2004	2004	2005
	(In thousands, except per share data)						
Ratio of earnings to fixed charges(2)	1.47x	1.43x	2.09x	1.86x	2.27x	2.52x	2.31x
Balance Sheet Data (end of period):							
Total assets	$ 10,785,720	$ 10,542,568	$ 10,568,698	$ 10,811,269	$ 11,115,029	$ 10,704,208	$ 20,506,615
Total debt, including capital leases	5,880,819	5,465,608	5,222,195	5,533,462	5,463,619	5,538,558	12,272,885
Stockholders equity	2,382,445	2,510,700	2,664,144	2,533,788	2,771,704	2,509,340	3,176,014
Stockholders equity per share	$ 7.49	$ 7.98	$ 8.62	$ 8.85	$ 9.87	$ 9.05	$ 11.06
Number of shares outstanding	318,260	314,792	309,148	286,192	280,740	277,368	287,273

(1) On December 13, 1999 the Board of Directors approved an initial quarterly cash dividend of $0.05 per share to stockholders of record on February 10, 2000. The dividend was paid on March 1, 2000. As a result of the acquisition of Mirage Resorts, Incorporated, we announced on April 19, 2000 that the quarterly dividend policy was discontinued.

(2) Earnings consist of income from continuing operations before income taxes and fixed charges, adjusted to exclude capitalized interest. Fixed charges consist of interest, whether expensed or capitalized, amortization of debt discount and issuance costs, and our proportionate share of interest cost of unconsolidated affiliates.

The Mirage acquisition occurred on May 31, 2000. In June 2003, we ceased operations of PLAYMGMMIRAGE.com, our online gaming website (Online). In January 2004, we sold the Golden Nugget Las Vegas and the Golden Nugget Laughlin including substantially all of the assets and liabilities of those resorts (the Golden Nugget Subsidiaries). In July 2004, we sold the subsidiaries that own and operate MGM Grand Australia. The results of Online, the Golden Nugget Subsidiaries and MGM Grand Australia are classified as discontinued operations for all periods presented. The Mandalay acquisition occurred on April 25, 2005.

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MANDALAY RESORT GROUP

The selected consolidated financial and other data of Mandalay presented below as of and for the five fiscal years ended January 31, 2005 have been derived from the audited consolidated financial statements of Mandalay, which were audited by Deloitte & Touche LLP. The table should be read together with Mandalay s consolidated financial statements and accompanying notes, as well as management s discussion and analysis of results of operations and financial condition, all of which can be found in publicly available documents.

	Fiscal Year Ended January 31,				
	2001	2002	2003	2004	2005
	(In thousands, except per share amounts, ratios and statistical measures)				
Income Statement Data:					
Net revenues(1)	$ 2,381,139	$ 2,348,512	$ 2,354,118	$ 2,491,099	$ 2,809,143
Income from operations	431,534	351,060	452,306	490,441	613,432
Income before cumulative effect of change in accounting principal	119,700	53,044	117,465	149,847	229,062
Net income(2)	119,700	53,044	115,603	149,847	229,062
Basic earnings per share(2)					
Income before cumulative effect of change in accounting principle	$ 1.53	$ 0.73	$ 1.74	$ 2.40	$ 3.41
Net income	$ 1.53	$ 0.73	$ 1.71	$ 2.40	$ 3.41
Diluted earnings per share(2)					
Income before cumulative effect of change in accounting principle	$ 1.50	$ 0.71	$ 1.68	$ 2.31	$ 3.31
Net income	$ 1.50	$ 0.71	$ 1.65	$ 2.31	$ 3.31
Ratio of earnings to fixed charges(3)	1.85x	1.50x	1.91x	2.30x	3.12x

	As of January 31, 2005
	(In thousands)
Balance Sheet Data:	
Cash and cash equivalents	$ 169,738
Total assets	4,722,115
Long-term debt, net of current portion	2,646,986
Stockholders equity	1,239,230

(1) During fiscal 2003, Mandalay reclassified equity in earnings of unconsolidated affiliates from revenues to a separate component within income from operations. Prior fiscal years have been reclassified to conform to the new presentation. This reclassification had no impact on previously reported income from operations or net income.

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(2) In accordance with the adoption of Statement of Financial Accounting Standards No. 142, Goodwill and Other Intangible Assets (SFAS 142) on February 1, 2002, Mandalay no longer amortizes goodwill. The following table presents Mandalay s results for fiscal years ended January 31, 2001 and 2002 as if the non-amortization provisions of SFAS 142 had been applied. All goodwill amortization was related to continuing operations.

	Fiscal Year Ended January 31,	
	2001	2002
	(In thousands, except per share data)	
Net income as reported	$ 119,700	$ 53,044
Goodwill amortization adjustment	11,801	11,801
Adjusted net income	$ 131,501	$ 64,845
Basic net income per share as reported	$ 1.53	$ 0.73
Goodwill amortization adjustment	0.15	0.16
Adjusted basic net income per share	$ 1.68	$ 0.89
Diluted net income per share as reported	$ 1.50	$ 0.71
Goodwill amortization adjustment	0.15	0.16
Adjusted diluted net income per share	$ 1.65	$ 0.87

(3) For purposes of determining the ratio of earnings to fixed charges, earnings are defined as net income before fixed charges, income taxes and minority interest, adjusted to exclude capitalized interest. Fixed charges consist of interest, whether expensed or capitalized, amortization of debt discount and issuance costs, Mandalay s proportionate share of the interest cost of 50%-owned ventures, and the estimated interest component of rental expense.

On April 25, 2005, immediately prior to the Merger, Mandalay s ownership interest in MotorCity Casino was sold to a third party. See Regulation and Licensing Michigan Government Regulation and Taxation.

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SUMMARY UNAUDITED PRO FORMA FINANCIAL AND OTHER DATA

The summary unaudited pro forma financial and other data presented below give effect to the acquisition by MGM MIRAGE of Mandalay, and are derived from our historical financial statements and the historical financial statements of Mandalay, which are incorporated by reference in this prospectus, and the historical financial statements of Monte Carlo, a joint venture between us and Mandalay. The summary pro forma financial and other data presented below is only a summary of the unaudited pro forma condensed combined financial statements presented on pages 20 to 25, and should be read in conjunction with our historical financial statements and other information incorporated herein by reference.

The historical financial statements have been adjusted as described in the notes to the unaudited pro forma condensed combined financial statements beginning on page 23. The summary pro forma financial and other data presented below should not be considered representative of our future consolidated results of operations or financial position.

	Year Ended December 31, 2004	Six Months Ended June 30, 2005
	(In thousands, except per share data)	
Income Statement Data:		
Net revenues	$ 6,897,067	$ 3,821,632
Operating income	1,409,035	833,804
Income from continuing operations	406,476	274,849
Basic earnings per share Income from continuing operations	$ 1.46	$ 0.97
Diluted earnings per share Income from continuing operations	$ 1.40	$ 0.93
Other Financial Data:		
Ratio of earnings to fixed charges	1.79x	2.02x

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RISK FACTORS

Before you participate in the exchange offer for the new notes, you should be aware that investment in the new notes carries various risks, including those described below. We urge you to carefully consider these risk factors, together with all of the other information included and incorporated by reference in this prospectus, before you decide to participate in the exchange offer for the new notes.

Risks Related to the Exchange Offer and the New Notes

Restrictions on transfer If you do not properly tender your old notes, your ability to transfer such old notes will be adversely affected.

We will only issue new notes in exchange for old notes that are timely received by the exchange agent, together with all required documents, including a properly completed and signed letter of transmittal. Therefore, you should allow sufficient time to ensure timely delivery of the old notes and you should carefully follow the instructions on how to tender your old notes. Neither we nor the exchange agent are required to tell you of any defects or irregularities with respect to your tender of the old notes. If you do not tender your old notes or if we do not accept your old notes because you did not tender your old notes properly, then, after we consummate the exchange offer, you may continue to hold old notes that are subject to the existing transfer restrictions. In addition, if you tender your old notes for the purpose of participating in a distribution of the new notes, you will be required to comply with the registration and prospectus delivery requirements of the Securities Act in connection with any resale of the new notes. If you are a broker-dealer that receives new notes for your own account in exchange for old notes that you acquired as a result of market-making activities or any other trading activities, you will be required to acknowledge that you will deliver a prospectus in connection with any resale of such exchange notes. After the exchange offer is consummated, if you continue to hold any old notes, you may have difficulty selling them because there will be fewer old notes outstanding. In addition, if a large amount of old notes are not tendered or are tendered improperly, the limited amount of new notes that would be issued and outstanding after we consummate the exchange offer could lower the market price of such new notes.

Our substantial indebtedness could adversely affect our operations and financial results and impair our ability to satisfy our obligations under the new notes.

We had approximately $12.3 billion of indebtedness as of June 30, 2005. See Capitalization. The interest rate on a large portion of our long-term debt is subject to fluctuation based on changes in short-term interest rates, changes in our financial condition and the ratings that national rating agencies assign to our outstanding debt securities.

The new notes will not restrict our ability to borrow substantial additional funds in the future that may be either *pari passu* with or subordinated to the new notes, and the new notes provide holders only limited protection should we be involved in a highly leveraged transaction. If we incur additional indebtedness, it could increase the related risks that we face.

Our indebtedness could have important consequences to you. For example, it could:

increase our vulnerability to general adverse economic and industry conditions;

require us to dedicate a substantial portion of our cash flow from operations to payments on our indebtedness, thereby reducing the availability of our cash flow to fund working capital, capital expenditures and other general corporate activities;

limit our flexibility in planning for, or reacting to, changes in our business and industry;

limit our ability to borrow additional funds; and

place us at a competitive disadvantage compared to other less leveraged competitors.

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Servicing our indebtedness will require a significant amount of cash and our ability to generate sufficient cash depends on many factors, some of which are beyond our control.

Our ability to make payments on and to refinance our indebtedness and to fund planned capital expenditures depends on our ability to generate cash flow in the future. This, to some extent, is subject to general economic, financial, competitive, legislative and regulatory factors and other factors that are beyond our control. In addition, our ability to borrow funds under our senior credit facility in the future will depend on our meeting the financial covenants in the agreements, including a minimum interest coverage test and a maximum leverage ratio test. We cannot assure you that our business will generate cash flow from operations or that future borrowings will be available to us under our senior credit facility in an amount sufficient to enable us to pay our indebtedness or to fund our other liquidity needs. As a result, we may need to refinance all or a portion of our indebtedness on or before maturity. We cannot assure you that we will be able to extend or refinance any of our indebtedness on favorable terms or at all. Our inability to generate sufficient cash flow or refinance our indebtedness on favorable terms could have a material adverse effect on our financial condition.

Fraudulent conveyance statutes allow courts, under specific circumstances, to avoid subsidiary guarantees.

Various fraudulent conveyance and similar laws have been enacted for the protection of creditors and may be utilized by courts to avoid or limit the guarantees of the new notes by our subsidiaries. The requirements for establishing a fraudulent conveyance vary depending on the law of the jurisdiction that is being applied. Generally, if in a bankruptcy, reorganization or other judicial proceeding, a court were to find that the guarantor received less than reasonably equivalent value or fair consideration for incurring indebtedness evidenced by guarantees, and either

was insolvent at the time of the incurrence of such indebtedness,

was rendered insolvent by reason of incurring such indebtedness,

was at such time engaged or about to engage in a business or transaction for which its assets constituted unreasonably small capital, or

intended to incur, or believed that it would incur, debts beyond its ability to pay such debts as they matured,

such court could, with respect to the guarantor, declare void in whole or in part the obligations of such guarantor under the guarantees. Any payment by such guarantor pursuant to its guarantee could also be required to be returned to it, or to a fund for the benefit of its creditors. Generally, an entity will be considered insolvent if the sum of its respective debts is greater than the fair saleable value of all of its property at a fair valuation or if the present fair saleable value of its assets is less than the amount that will be required to pay its probable liability on its existing debts, as they become absolute and mature.

We, meaning only MGM MIRAGE, have no operations of our own and derive all of our revenue from our subsidiaries. If a guarantee of the new notes by a subsidiary were avoided as a fraudulent transfer, holders of other indebtedness of, and trade creditors of, that subsidiary would generally be entitled to payment of their claims from the assets of the subsidiary before such assets could be made available for distribution to us to satisfy our own obligations. The indenture for the new notes will not limit the incurrence of additional indebtedness by us and our subsidiaries or limit investments by us in our subsidiaries.

We may require you to dispose of your new notes or redeem your new notes if any gaming authority finds you unsuitable to hold them.

We may require you to dispose of your new notes or redeem your new notes if any gaming authority finds you unsuitable to hold them or in order to otherwise comply with any gaming laws to which we or any of our subsidiaries are or may become subject, as more fully described in the sections entitled Regulation and Licensing and Description of the New Notes Mandatory Disposition Pursuant to Gaming Laws.

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An active trading market may not develop for these new notes.

The new notes do not have an established trading market, and none may develop. We do not intend to apply for listing of the new notes on any securities exchange or for quotation on any automated dealer quotation system. The liquidity of any market for the new notes will depend on the number of holders of the new notes, the interest of securities dealers in making a market in the new notes and other factors. The initial purchasers of the old notes are under no obligation to make a market in the new notes, even if permitted by applicable laws and regulations. At their discretion, the initial purchasers could discontinue any market-making efforts at any time without notice. Accordingly, we cannot assure you as to the development or liquidity of any market for the new notes. If an active trading market does not develop, the market price and liquidity of the new notes may be adversely affected. If the new notes are traded, they may trade at a discount from their initial offering price of the old notes depending upon prevailing interest rates, the market for similar securities, general economic conditions, our performance and business prospects and certain other factors.

Risks Related to MGM MIRAGE and the Gaming Industry

The gaming industry is highly competitive.

Our casinos in Las Vegas and elsewhere are destination resorts that compete with other destination travel locations throughout the United States and the world. We do not believe that our competition is limited to a particular geographic area, and gaming operations in other states or countries could attract our customers. To the extent that new casinos enter our markets or hotel room capacity is expanded by others in major destination locations, competition will increase. Major competitors, including new entrants, have either recently expanded their hotel room capacity or are currently constructing new rooms in Las Vegas. Also, the recent growth of gaming in areas outside Las Vegas, including California, has increased the competition faced by our operations in Las Vegas and elsewhere. In particular, as additional large scale gaming operations in Native American tribal lands increase, competition will increase.

The expansion of gaming in California has impacted our operations and could have a material adverse effect on our business.

Voters in California approved an amendment to the California constitution on March 7, 2000 that gave Native American tribes in California the right to offer a limited number of slot machines and a range of house-banked card games. A number of Native American tribes have already signed and others have begun signing gaming compacts with the State of California. More than 60 compacts had been approved by the federal government as of December 31, 2004, and casino-style gaming is legal in California on those tribal lands. According to the California Gambling Control Commission, there are more than 50 operating tribal casinos in California. The expansion of Native American gaming in California has already impacted our operations. Several additional initiatives have been proposed which would, if approved, materially expand the scope of gaming in California. In addition, several Native American tribes in California recently reached agreements with the state of California that allow for increased number of gaming machines within such tribes in exchange for a revenue-based payment to the state. Such expansion of gaming in California could have an adverse impact on our results of operations.

The gaming industry is highly regulated, and we must adhere to various regulations, maintain our licenses and pay gaming taxes to continue our operations.

The ownership and operation of gaming facilities are subject to extensive federal, state, provincial, tribal and/or local laws, regulations and ordinances, which are administered by the relevant regulatory agencies in each jurisdiction. These laws, regulations and ordinances vary from jurisdiction to jurisdiction, but generally concern the responsibility, financial stability and character of the owners and managers of gaming operations as well as persons financially interested or involved in gaming operations. For a summary of gaming regulations that affect our business, see Regulation and Licensing. The regulatory environment in any particular jurisdiction may change in the future and any such change could have a material adverse effect on our results of operations. In addition, we are subject to various gaming taxes, which are subject to possible

increase at any time. For instance, in 2004, the Michigan legislature approved an increase to the gaming tax rate in Michigan. See Regulations and Licensing Michigan Government Regulation and Taxation.

We may experience difficulties integrating Mandalay into our operations.

We acquired Mandalay on April 25, 2005. Acquisitions generally involve significant risks, including difficulties in the assimilation of the operations, services and corporate culture of the acquired company, diversion of management s attention from other business concerns, and overvaluation of the acquired company. We are currently in the process of integrating the operations of Mandalay into ours. We cannot assure you that we will be able to integrate these operations without encountering different business strategies with respect to marketing, integrating personnel with disparate business backgrounds and corporate cultures, integrating different reservations systems and other technology and managing relationships with other business partners. For these reasons, we cannot assure you that we will be able to integrate successfully the Mandalay operations into our own. Furthermore, the integration of operations may temporarily distract management from our day-to-day business. In addition, the anticipated benefits from the acquisition of Mandalay are based on projections and assumptions and not on actual results. As a result, we cannot assure you that we will realize the anticipated benefits. Our ability to realize these benefits could be adversely impacted by difficulties in integrating Mandalay s operations with our operations and by any inability to achieve certain economies of scale.

We rely on customers who travel to our resorts, and if our customers ability to travel is impeded, it could negatively affect our operating results.

Many of our customers travel by air. As a result, the cost and availability of air service and the impact of events like those of September 11, 2001, can affect our business. Additionally, there is one principal interstate highway between Las Vegas and Southern California, where a large number of our customers reside. Capacity restraints of that highway or any other traffic disruptions, as well as the increasing cost of fuel, may affect the number of customers who visit our facilities.

Terrorist attacks may cause significant disruption to our business.

The events of September 11, 2001, and the potential for future terrorist attacks or acts of war or hostility, have created many economic and political uncertainties that could adversely impact our business levels and results of operations. Leisure and business travel, especially travel by air, remain particularly susceptible to global geopolitical events. Furthermore, although we have been able to purchase some insurance coverage for certain types of terrorist acts, insurance coverage against loss or business interruption resulting from war and some forms of terrorism continues to be unavailable.

Extreme weather conditions may cause significant property damage and interruption of our operations in certain areas.

Certain of our casino properties are located in areas that may be subject to extreme weather conditions, including, but not limited to, hurricanes. Such extreme weather conditions may interrupt our operations, damage our properties, and reduce the number of customers who visit our facilities in such areas. Although we maintain both property and business interruption insurance coverage for certain extreme weather conditions, such coverage is subject to deductibles and limits on maximum benefits, including limitation on the coverage period for business interruption, and we cannot assure you that we will be able to fully collect, if at all, on claims resulting from such extreme weather conditions. Furthermore, such extreme weather conditions may interrupt or impede access to our affected properties and may cause visits to our affected properties to decrease for an indefinite period. In August 2005, Hurricane Katrina caused significant damage to our Beau Rivage resort. See Prospectus Summary Recent Developments.

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Our pending joint venture for the construction and operation of a hotel-casino in Macau S.A.R., as well as our pending strategic joint ventures and other transactions in other foreign jurisdictions, involve significant risks.

In June 2004, we announced that we entered into a joint venture agreement with Pansy Ho Chiu-king to develop, build and operate a major hotel-casino resort in Macau S.A.R. The facility, which will use the MGM Grand name, will be 50/50 owned and jointly operated by the two shareholders. The facility s operations will be subject to unique risks, including risks related to: (a) Macau s regulatory framework; (b) our ability to adapt to the different regulatory and gaming environment in Macau while remaining in compliance with the requirements of the gaming regulatory authorities in the jurisdictions in which we currently operate, as well as other applicable federal, state, or local laws in the United States and Macau; (c) the transition of Macau from a Portuguese colony to a special administrative region of the People s Republic of China; and (d) the extreme weather conditions in the region.

Furthermore, any such operations in Macau or any future operations in which we may engage in any other foreign territories are subject to risk pertaining to international operations, including foreign currency risks, foreign government regulations that may make it difficult for us to operate in a profitable manner in such jurisdiction, inability to adequately enforce our rights in such jurisdiction, general geopolitical risks such as political and economic instability, hostilities with neighboring countries and changes in diplomatic and trade relationships, and potentially adverse tax consequences.

We are planning significant construction projects in the near future, which exposes us to several significant risks.

Our plans for future construction can be affected by a number of factors, including time delays in obtaining necessary governmental permits and approvals and legal challenges. We may make changes in project scope, budgets and schedules for competitive, aesthetic or other reasons, and these changes may also result from circumstances beyond our control. These circumstances include weather interference, shortages of materials and labor, work stoppages, labor disputes, unforeseen engineering, environmental or geological problems and unanticipated cost increases. Any of these circumstances could give rise to delays or cost overruns. Major expansion projects at our existing resorts can also result in disruption of our business during the construction period.

We are a large consumer of electricity and other energy and costs for energy may increase substantially.

Increases in energy costs have a negative impact on our operating results. Additionally, higher energy and gasoline prices which affect our customers may result in reduced visitation to our resorts and a reduction in our revenues.

Tracinda Corporation owns a majority of our common stock and may influence our Board of Directors and affairs.

Tracinda Corporation and its sole stockholder beneficially owned approximately 55% of our outstanding common stock at June 30, 2005. Tracinda has the ability to elect our entire Board of Directors and determine the outcome of other matters submitted to our stockholders, such as the approval of significant transactions.

FORWARD-LOOKING STATEMENTS

This prospectus includes forward-looking statements that are subject to risks and uncertainties. In portions of this prospectus, the words anticipates, believes, estimates, seeks, expects, plans, intends and similar expressions relate to us or our management, are intended to identify forward-looking statements. Although we believe that the expectations reflected in such forward-looking statements are reasonable, and have based these expectations on our beliefs as well as assumptions we have made, such expectations may prove to be incorrect. Important factors that could cause actual results to differ materially

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from such expectations are disclosed in this prospectus, including, without limitation, those set forth under Risk Factors, beginning on page 13, as well as the following factors:

- recent and future mergers and acquisitions;
- development and construction activities;
- dependence on existing management;
- leverage and debt service, including sensitivity to fluctuations in interest rates;
- domestic or international economic conditions, including sensitivity to fluctuations in foreign currencies;
- competition and changes in customer demand;
- ability to achieve certain cost savings, asset sales and revenue enhancements;
- changes or uncertainties in federal or state tax laws or the administration of such laws;
- changes or uncertainties in gaming laws or regulations, including legalization of gaming in certain jurisdictions; and
- any requirement to apply for licenses and approvals under applicable laws, including gaming laws, on our part or on the part of our suppliers.

All subsequent written and oral forward-looking statements attributable to us or persons acting on our behalf are expressly qualified in their entirety by our cautionary statements. The forward-looking statements included or incorporated herein are made only as of the date of this prospectus, or as of the date of the documents incorporated by reference. We do not intend, and undertake no obligation, to update these forward-looking statements.

USE OF PROCEEDS

We will not receive any proceeds from the exchange offer. In consideration for issuing the new notes, we will receive outstanding old notes in like original principal amount at maturity. All old notes received in the exchange offer will be cancelled. Because we are exchanging the new notes for the old notes, which have substantially identical terms, the issuance of the new notes will not result in any increase in our indebtedness. The exchange offer is intended to satisfy our obligations under the registration rights agreements executed in connection with the sale of the old notes.

The net proceeds from the offering of the old notes (approximately $496 million after commissions and offering expenses) were used to repay a portion of the outstanding amount under our $7.0 billion credit facility, to pay fees and expenses related to the offering of the old notes and for general corporate purposes. The $7.0 billion credit facility matures on April 25, 2010 and bears interest (5.1% as of July 31, 2005) based upon the bank reference rate or reserve adjusted LIBOR rate plus an applicable margin ranging from 0.75% to 1.75%. As of June 30, 2005, there was approximately $4.8 billion outstanding under the $7.0 billion credit facility. See Capitalization.

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CAPITALIZATION

The following table sets forth our unaudited consolidated capitalization as of June 30, 2005 on a historical basis and on an as adjusted basis to give effect to the issuance of the $375 million aggregate principal amount of our 6.625% senior notes due 2015 issued in a private offering on September 9, 2005 and the application of the proceeds therefrom. The information presented in the table below should be read in conjunction with Use of Proceeds and Selected Consolidated Financial and Other Data included elsewhere in this prospectus as well as the consolidated historical financial statements and notes thereto incorporated in this prospectus by reference.

	As of June 30, 2005	
	Actual	As Adjusted
	(In millions)	
Cash and cash equivalents	$ 306.5	$ 306.5
Long-term debt (including current maturities):		
Senior credit facility	$ 4,750.0	$ 4,372.9
MGM MIRAGE:		
9.75% senior subordinated notes due 2007, net	707.6	707.6
6% senior notes due 2009, net	1,055.8	1,055.8
8.50% senior notes due 2010, net	822.5	822.5
8.375% senior subordinated notes due 2011	400.0	400.0
6.75% senior notes due 2012	550.0	550.0
5.875% senior notes due 2014, net	522.5	522.5
6.625% senior notes due 2015	500.0	880.2
Mirage Resorts, Incorporated:		
7.25% senior notes due 2006, net	237.9	237.9
6.75% senior notes due 2007, net	191.0	191.0
6.75% senior notes due 2008, net	170.5	170.5
7.25% senior debentures due 2017, net	82.3	82.3
Mandalay Resort Group:		
6.45% senior notes due 2006, net	201.5	201.5
10.25% senior subordinated notes due 2007, net	538.6	538.6
9.50% senior notes due 2008, net	215.8	215.8
6.50% senior notes due 2009, net	228.8	228.8
9.375% senior subordinated notes due 2010, net	328.2	328.2
6.375% senior notes due 2011, net	133.8	133.8
7.625% senior subordinated debentures due 2013, net	156.3	156.3
Floating rate convertible senior debentures due 2033(1)	315.3	315.3
7% debentures due 2036, net	156.0	156.0
6.7% debentures due 2096	4.3	4.3
Other notes	0.2	0.2
Total long-term debt (including current maturities)	12,268.9	12,272.0
Total stockholders equity	3,176.0	3,176.0
Total capitalization	$ 15,444.9	$ 15,448.0

(1) In connection with the Merger, holders of Mandalay s floating rate convertible senior debentures due 2033 were entitled to convert until June 30, 2005 such debentures at a settlement price equal to approximately $1,434.71 per $1,000.00 in principal amount of such debentures, with settlement price deemed to include payment for all accrued but unpaid interest thereon. Immediately following the acceptance and subsequent payment of all such debentures surrendered for conversion, $5.9 million in aggregate principal amount (carrying value of $8.5 million) of such debentures remained outstanding.

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UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL STATEMENTS

The following unaudited pro forma condensed combined financial statements have been prepared to give effect to the acquisition by MGM MIRAGE of Mandalay, and are derived from our historical financial statements, the historical financial statements of Mandalay, the historical financial statements of MotorCity Casino, 53.5% owned by Mandalay and sold in connection with the merger, and the historical financial statements of Monte Carlo, a joint venture between us and Mandalay. The historical financial statements have been adjusted as described in the notes to the unaudited pro forma condensed combined financial statements.

The unaudited pro forma condensed combined financial statements are prepared in accordance with Article 11 of Regulation S-X. The statement of income for MGM MIRAGE for the six months ended June 30, 2005 includes the results of Mandalay and Monte Carlo since April 25, 2005, the date of acquisition. Mandalay has historically had a fiscal year-end of January 31. Therefore, the full-year historical Mandalay and MotorCity statements of income are for the year ended January 31, 2005. The statements of income for Mandalay and MotorCity for the six months ended June 30, 2005 include the results of those entities from January 1, 2005 through April 25, 2005. Monte Carlo s financial statements are as of and for the same periods as ours, because Monte Carlo has a calendar-year reporting period, and the 2005 results for Monte Carlo include results through April 25, 2005.

For purposes of the unaudited pro forma condensed combined statements of income, we assumed the acquisition occurred on January 1, 2004. We applied the purchase method of accounting, which requires an allocation of the purchase price to the assets acquired and liabilities assumed, at fair value.

The purchase price allocation reflected in the unaudited condensed combined financial statements is preliminary and is subject to revision. The final purchase price allocation will be based on formal valuations of tangible assets, identification and valuation of identifiable intangible assets, and an analysis of the value of liabilities assumed. The final purchase price allocation may differ materially from the preliminary estimate due to different valuations and differences in useful lives and amortization methods applied to tangible and intangible assets. Therefore, the unaudited pro forma condensed combined financial statements are for informational purposes only and are not intended to represent or be indicative of the consolidated results of operations that we would have reported had the acquisition of Mandalay been completed as of the dates presented. Additionally, the unaudited pro forma condensed combined financial statements should not be considered representative of our future consolidated results of operations.

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UNAUDITED PRO FORMA CONDENSED COMBINED STATEMENT OF INCOME
For the Six Months Ended June 30, 2005

	MGM MIRAGE Historical	Mandalay Historical	Monte Carlo Historical(a)	MotorCity Disposition(b)	Pro Forma Adjustments	MGM MIRAGE Pro Forma
			(In thousands, except per share data)			
Revenues						
Casino	$ 1,379,191	$ 435,316	$ 33,802	$ (138,668)	$	$ 1,709,641
Rooms	729,815	283,390	46,987			1,060,192
Food and beverage	595,662	174,390	15,052	(14,505)		770,599
Entertainment, retail and other	486,008	115,927	10,013	(4,594)	(1,118)(c)	606,236
	3,190,676	1,009,023	105,854	(157,767)	(1,118)	4,146,668
Less: Promotional allowances	(270,585)	(63,038)	(4,783)	13,370		(325,036)
	2,920,091	945,985	101,071	(144,397)	(1,118)	3,821,632
Expenses						
Casino	700,556	239,422	17,531	(75,983)		881,526
Rooms	194,884	87,954	11,748			294,586
Food and beverage	354,777	113,131	10,858	(5,850)		472,916
Entertainment, retail and other	323,665	67,256	5,459	(1,506)		394,874
General and administrative	408,077	169,138	13,992	(17,107)		574,100
Corporate expense	58,442	27,497				85,939
Preopening and start-up expenses	6,421					6,421
Restructuring costs (credit)	(70)					(70)
Property transactions, net	5,996	(164)	(9)	15		5,838
Depreciation and amortization	262,168	59,749	5,433	(2,487)	5,472(d)	330,335
	2,314,916	763,983	65,012	(102,918)	5,472	3,046,465
Income from unconsolidated affiliates	65,930	28,198			(35,657)(a) 166(e)	58,637
Operating income	671,105	210,200	36,059	(41,479)	(42,081)	833,804

Non-operating income (expense)						
Interest income	7,016	233	93			7,342
Interest expense, net	(268,816)	(65,198)		868	(57,854)(f)	(391,000)
Non-operating items from unconsolidated affiliates	(7,191)	(2,598)			418(e)	(9,371)
Other, net	(17,472)	4,107				(13,365)
	(286,463)	(63,456)	93	868	(57,436)	(406,394)
Minority interest		(18,873)		18,873		
Income from continuing operations before income taxes	384,642	127,871	36,152	(21,738)	(99,517)	427,410
Provision for income taxes	(132,395)	(49,953)		7,609	22,178(g)	(152,561)
Income from continuing operations	$ 252,247	$ 77,918	$ 36,152	$ (14,129)	$ (77,339)	$ 274,849
Basic earnings per share						
Income from continuing operations	$ 0.89					$ 0.97
Shares used in calculation	284,031					284,031
Diluted earnings per share						
Income from continuing operations	$ 0.85					$ 0.93
Shares used in calculation	295,685					295,685

The accompanying notes are an integral part of these unaudited pro forma condensed combined financial statements.

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UNAUDITED PRO FORMA CONDENSED COMBINED STATEMENT OF INCOME
For the Year Ended December 31, 2004

	MGM MIRAGE Historical	Mandalay Historical	Monte Carlo Historical(a)	MotorCity Disposition(b)	Pro Forma Adjustments	MGM MIRAGE Pro Forma
			(In thousands, except per share data)			
Revenues						
Casino	$ 2,223,965	$ 1,331,009	$ 104,299	$ (418,778)	$	$ 3,240,495
Rooms	911,259	792,524	121,428			1,825,211
Food and beverage	841,147	502,975	45,210	(44,858)		1,344,474
Entertainment, retail and other	696,117	372,708	33,990	(10,929)	(3,354)(c)	1,088,532
	4,672,488	2,999,216	304,927	(474,565)	(3,354)	7,498,712
Less: Promotional allowances	(434,384)	(190,073)	(14,704)	37,516		(601,645)
	4,238,104	2,809,143	290,223	(437,049)	(3,354)	6,897,067
Expenses						
Casino	1,102,513	697,231	54,652	(218,293)		1,636,103
Rooms	247,387	272,757	35,247			555,391
Food and beverage	482,417	354,654	32,927	(18,619)		851,379
Entertainment, retail and other	456,949	224,744	16,499	(4,287)		693,905
General and administrative	612,615	475,437	43,241	(50,709)		1,080,584
Corporate expense	77,910	64,372				142,282
Preopening and start-up expenses	10,276					10,276
Restructuring costs	5,625					5,625
Property transactions, net	8,665	4,507	(121)	(11)		13,040
Depreciation and amortization	402,545	189,786	15,193	(11,436)	17,004(d)	613,092
	3,406,902	2,283,488	197,638	(303,355)	17,004	5,601,677
Income from unconsolidated affiliates	119,658	83,269			(89,781)(a) 499(e)	113,645
Operating income	950,860	608,924	92,585	(133,694)	(109,640)	1,409,035
Non-operating income (expense)						

Interest income	5,664	8,498	90	(23)		14,229
Interest expense, net	(378,386)	(188,441)	(12)	1,976	(179,051)(f)	(743,914)
Non-operating items from unconsolidated affiliates	(12,298)	(8,245)			1,254(e)	(19,289)
Other, net	(10,025)					(10,025)
	(395,045)	(188,188)	78	1,953	(177,797)	(758,999)
Minority interest		(61,220)		61,220		
Income from continuing operations before income taxes	555,815	359,516	92,663	(70,521)	(287,437)	650,036
Provision for income taxes	(205,959)	(130,454)		24,682	68,171(g)	(243,560)
Income from continuing operations	$ 349,856	$ 229,062	$ 92,663	$ (45,839)	$ (219,266)	$ 406,476
Basic earnings per share						
Income from continuing operations	$ 1.25					$ 1.46
Shares used in calculation	279,326					279,326
Diluted earnings per share						
Income from continuing operations	$ 1.21					$ 1.40
Shares used in calculation	289,332					289,332

The accompanying notes are an integral part of these unaudited pro forma condensed combined financial statements.

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NOTES TO UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL STATEMENTS

1. Basis of presentation

The accompanying unaudited pro forma condensed combined financial statements present the pro forma results of operations of MGM MIRAGE and Mandalay Resort Group (Mandalay) on a combined basis based on the historical financial information of each company and after giving effect to the acquisition of Mandalay by MGM MIRAGE. The acquisition has been recorded using the purchase method of accounting, with MGM MIRAGE as the acquirer.

The statement of income for MGM MIRAGE for the six months ended June 30, 2005 includes the results of Mandalay and Monte Carlo since April 25, 2005, the date of acquisition. Mandalay has historically had a fiscal year-end of January 31. Therefore, the full-year historical Mandalay and MotorCity statements of income are for the year ended January 31, 2005. The statements of income for Mandalay and MotorCity for the six months ended June 30, 2005 include the results of those entities from January 1, 2005 through April 25, 2005. The statement of income for Mandalay for the six months ended June 30, 2005 excludes the gain on sale of MotorCity and restructuring costs recognized at the date of acquisition. Monte Carlo s financial statements are as of and for the same periods as ours, because Monte Carlo has a calendar-year reporting period, and the 2005 results for Monte Carlo include results through April 25, 2005.

The share and per share amounts in the accompanying unaudited pro forma condensed combined financial statements for the year ended December 31, 2004 have been revised to reflect a stock split effected in the form of a 100% stock dividend distributed on May 18, 2005. Certain reclassifications have been made to the historical Mandalay financial statements to conform to the presentation used in the MGM MIRAGE historical financial statements. Such reclassifications had no effect on Mandalay s previously reported income from continuing operations.

For purposes of the unaudited pro forma condensed combined statements of income, we assumed the acquisition occurred on January 1, 2004.

2. Preliminary Purchase Price Allocation

The following table sets forth the determination of the consideration paid for Mandalay at the date of acquisition, April 25, 2005 (in thousands, except per share amounts):

Cash consideration for outstanding Mandalay shares and stock options	$	4,831,944
Estimated fair value of Mandalay long-term debt		2,849,225
Transaction costs and expenses		111,127
		7,792,296
Less: Proceeds from the sale of MotorCity Casino		(519,685)
	$	7,272,611

The following table sets forth the preliminary allocation of purchase price (in thousands):

Current assets (including cash of $134,245)	$	414,207
Property and equipment		7,229,492
Goodwill		1,199,301
Other intangible assets		245,940
Other assets		283,930
Assumed liabilities, excluding long-term debt		(597,372)
Deferred taxes		(1,502,887)
	$	7,272,611

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The amount allocated to intangible assets includes existing Mandalay intangible assets and the recognition of customer lists with an estimated value of $12 million and an estimated useful life of 5 years and trade names and trademarks with an estimated value of $234 million and an indefinite life.

3. Pro Forma Adjustments

The following are brief descriptions of each of the pro forma adjustments included in the unaudited pro forma condensed combined financial statements:

(a) To reflect the historical results of operations of Monte Carlo as if it were a consolidated subsidiary and to reflect the elimination of income from unconsolidated affiliate from the MGM MIRAGE and Mandalay historical financial statements. The income statement impacts of purchase price adjustments related to recording the assets and liabilities of Monte Carlo at fair value are included in the pro forma adjustments. Monte Carlo is a partnership and therefore does not record a provision for income taxes. An adjustment to reflect an income tax provision on Monte Carlo s income is included in pro forma adjustment (g) below.

(b) To reflect the disposition of MotorCity Casino, of which Mandalay held a 53.5% interest and consolidated. Proceeds from the sale of MotorCity are assumed to be used to reduce outstanding borrowings, thereby reducing interest expense (reflected in the pro forma adjustment column see pro forma adjustment (f)).

(c) To eliminate intercompany payments from MGM MIRAGE to Monte Carlo related to the temporary removal from service of the tram connecting Bellagio and Monte Carlo to facilitate the construction of the Bellagio expansion.

(d) To reflect adjustments to depreciation and amortization related to the recognition of depreciable property and equipment at fair value and the recognition of definite-lived intangible assets in the preliminary purchase price allocation.

(e) To reflect the income statement impacts of adjustments to the value of Mandalay s investments in unconsolidated affiliates other than Monte Carlo.

(f) To reflect the pro forma interest expense resulting from the merger. The pro forma interest expense reflects the interest on $4.6 billion of incremental new borrowings and amortization of debt issuance costs related to the new borrowings, offset by the amortization of the premium resulting from recording the Mandalay debt assumed in the transaction at fair value. We entered into a $7 billion bank credit facility to finance the Mandalay merger. The bank credit facility consists of entirely variable rate borrowings, with an assumed weighted average interest rate of 4.8% (based on LIBOR at April 25, 2005). A 0.125% change in the estimated interest rate would result in a $5.7 million change in annual pro forma interest expense.

(g) To reflect the tax effect of the pro forma adjustments at the 35% statutory rate. Also included in this amount is an adjustment to reflect an income tax provision on Monte Carlo s income at the 35% statutory rate. See also pro forma adjustment (a) above.

4. Cost Savings, Merger-related Charges, and Disposals of Long-lived Assets

The unaudited pro forma condensed combined financial statements do not reflect any cost savings of duplicative departments and redundant infrastructure, the benefit of operational efficiencies, or the benefit of revenue enhancements which may be achieved as a result of the Mandalay acquisition.

The unaudited pro forma condensed combined financial statements do not reflect any restructuring or other merger-related charges and liabilities resulting from actions taken as a result of the integration of Mandalay, such as certain exit activities, contract terminations or severance, some of which have already occurred.

The unaudited pro forma condensed combined financial statements reflect the disposition of Mandalay s interest in MotorCity Casino in Detroit, Michigan. The unaudited pro forma condensed combined financial statements do not

reflect any other disposals of long-lived assets. We do not currently intend to dispose of any other operating casino resorts. We may dispose of other long-lived assets, such as undeveloped land or certain corporate assets, such as airplanes, but no assurance can be given as to if and when such disposals will occur.

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REGULATION AND LICENSING

Nevada Gaming Regulation

The ownership and operation of casino gaming facilities in Nevada are subject to the Nevada Gaming Control Act and the related regulations and various local regulations. The gaming operations of MGM MIRAGE in Nevada are subject to the licensing and regulatory control of the Nevada Gaming Commission (the Nevada Commission), the Nevada State Gaming Control Board (the Nevada Board) and the Clark County Liquor and Gaming Licensing Board.

The laws, regulations and supervisory procedures of the Nevada gaming authorities are based upon declarations of public policy that are concerned with, among other things:

- the prevention of unsavory or unsuitable persons from having a direct or indirect involvement with gaming at any time or in any capacity;
- the establishment and maintenance of responsible accounting practices and procedures;
- the maintenance of effective controls over the financial practices of licensees, including the establishment of minimum procedures for internal fiscal affairs and the safeguarding of assets and revenues;
- providing reliable record keeping and requiring the filing of periodic reports with the Nevada gaming authorities;
- the prevention of cheating and fraudulent practices; and
- providing a source of state and local revenues through taxation and licensing fees.

Any change in such laws, regulations and procedures could have an adverse effect on our gaming operations.

MGM Grand Hotel, LLC, dba MGM Grand Hotel/ Casino, New York-New York Hotel & Casino, LLC, dba New York-New York Hotel & Casino, The Primadonna Company, LLC, dba Primm Valley Resort and Casino, Buffalo Bill s Resort and Casino and Whiskey Pete s Hotel & Casino, THE MIRAGE CASINO-HOTEL, dba The Mirage, Bellagio, LLC, dba Bellagio, Treasure Island Corp., dba TI, Boardwalk Casino, Inc., dba Boardwalk Hotel and Casino, Victoria Partners, dba the Monte Carlo Resort & Casino, Circus Circus Casinos, Inc., dba Circus Circus Hotel and Casino, Reno, and dba Circus Circus Hotel and Casino, Las Vegas, Slots-A-Fun, Inc., dba Slots-A-Fun, Edgewater Hotel Corporation, dba Edgewater Hotel & Casino, Colorado Belle Corp., dba Colorado Belle Hotel & Casino, New Castle Corp., dba Excalibur Hotel & Casino, Ramparts, Inc., dba Luxor Hotel and Casino, Mandalay Corp., dba Mandalay Bay Resort & Casino, Railroad Pass Investment Group, dba Railroad Pass Hotel and Casino, Jean Development Company, dba Gold Strike Hotel and Gambling Hall, Jean Development West, dba Nevada Landing, Gold Strike Fuel Company, dba Gold Strike Auto Truck Plaza, and Jean Fuel Company West (collectively referred to as the casino licensees), operate casinos and are required to be licensed by the Nevada gaming authorities. Each gaming license requires the periodic payment of fees and taxes and is not transferable. MGM Grand Hotel, New York-New York, The Primadonna Company, MGM MIRAGE Manufacturing Corp. and Revive Partners, LLC are also licensed as manufacturers and distributors of gaming devices and the Boardwalk is licensed as a distributor of gaming devices. MGM MIRAGE and certain of our subsidiaries are also licensed as shareholders, partners, members and/or managers of certain corporate, general partnership, and limited liability company casino licensees. Our subsidiary, Galleon, Inc., is licensed as a 50% general partner of Circus and Eldorado Joint Venture, the general partnership and joint venture with Eldorado LLC that owns and operates the Silver Legacy Resort Casino. Our subsidiaries, MRGS, Corp. and Gold Strike L.V., are each licensed as 50% general partners of Victoria Partners, the joint venture with Mandalay Resort Group that owns and operates the Monte Carlo. MGM MIRAGE, Mirage and Mandalay Resort Group are also each required to be registered by the Nevada Commission as publicly traded corporations and as such, each is required periodically to submit detailed financial and operating reports to the Nevada Commission and furnish any other information that the Nevada Commission may require. No person may become a stockholder, partner or member of, or receive any percentage of profits from the casino licensees, MGM MIRAGE Manufacturing,

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Galleon, Inc., Revive Partners, LLC, Gold Strike Aviation, Inc. or MRGS without first obtaining licenses and approvals from the Nevada gaming authorities. MGM MIRAGE, Mirage, Mandalay Resort Group and the foregoing subsidiaries have obtained from the Nevada gaming authorities the various registrations, approvals, permits and licenses required in order to engage in gaming activities in Nevada.

The Nevada Commission may, in its discretion, require the holder of any debt security of MGM MIRAGE, including the new notes, to file an application and it may investigate any such holder to determine whether such holder is suitable to own such debt security. The applicant for a finding of suitability as the holder of such a debt security must pay all the costs of investigation incurred by the Nevada gaming authorities. If the Nevada Commission determines that such holder is unsuitable to own such debt security, then under the Nevada gaming laws we can be disciplined, including the loss of our approvals, if we without the prior approval of the Nevada Commission:

pay that person any dividend, interest or any distribution whatsoever;

allow that person to exercise, directly or indirectly, any voting right conferred through such debt securities held by that person;

pay remuneration in any form to that person; or

make any payment to such unsuitable person by way of principal, redemption, conversion, exchange, liquidation or similar transaction.

If any notes are held in trust by an agent or by a nominee, the record holder of such notes may be required to disclose the identity of the beneficial owner of such notes to the Nevada Board and the Nevada Commission. A failure to make such disclosure may be grounds for finding the record holder unsuitable. We are also required to render maximum assistance in determining the identity of the beneficial owner.

We may not make a public offering of any securities without the prior approval of the Nevada Commission if the securities or the proceeds therefrom are intended to be used to construct, acquire or finance gaming facilities in Nevada, or to retire or extend obligations incurred for such purposes. On July 28, 2005, the Nevada Commission granted us prior approval to make public offerings for a period of 2 years, subject to certain conditions. The shelf approval includes prior approval by the Nevada Commission of restrictions on the transfer of the equity securities of MGM MIRAGE s corporate and/or registered subsidiaries licensed and/ or registered in Nevada and agreements not to encumber such equity securities. However, the shelf approval may be rescinded for good cause without prior notice upon the issuance of an interlocutory stop order by the Chairman of the Nevada Board. The exchange offer to exchange the old notes for the new notes will be made pursuant to the shelf approval. The shelf approval does not constitute a finding, recommendation or approval by the Nevada Commission or the Nevada Board as to the accuracy or adequacy of the prospectus or the investment merits of the securities offered. Any representation to the contrary is unlawful.

For a more detailed description of the various Nevada gaming regulatory requirements applicable to us, see Item 1. Business Regulation and Licensing Nevada Government Regulation in MGM MIRAGE s Annual Report on Form 10-K for the fiscal year ended December 31, 2004 and Item 1. Business Regulation and Licensing Nevada Gaming Laws in Mandalay Resort Group s Annual Report on Form 10-K for the fiscal year ended January 31, 2005.

Michigan Government Regulation and Taxation

The Michigan Gaming Control and Revenue Act (the Michigan Act) subjects the ownership and operation of casino gaming facilities to extensive state licensing and regulatory requirements. The Michigan Act also authorizes local regulation of casino gaming facilities by the City of Detroit, provided that any such local ordinances regulating casino gaming are consistent with the Michigan Act and rules promulgated to implement it.

The Michigan Act creates the Michigan Gaming Control Board (the Michigan Board) and authorizes it to grant casino licenses to not more than three applicants who have entered into development agreements

with the City of Detroit. The Michigan Board is granted extensive authority to conduct background investigations and determine the suitability of casino license applicants, affiliated companies, officers, directors, or managerial employees of applicants and affiliated companies and persons or entities holding a one percent or greater direct or indirect interest in an applicant or affiliated company. Institutional investors holding less than certain specified amounts of debt or equity securities are exempted from meeting the suitability requirements of the Michigan Act, provided such securities are issued by a publicly traded corporation, such as MGM MIRAGE, and the securities were purchased for investment purposes only and not for the purpose of influencing or affecting the affairs of the issuer. Any person who supplies goods or services to a casino licensee which are directly related to, used in connection with, or affect gaming, and any person who supplies other goods or services to a casino licensee on a regular and continuing basis, must obtain a supplier s license from the Michigan Board. In addition, any individual employed by a casino licensee or by a supplier licensee whose work duties are related to or involved in the gambling operation or are performed in a restricted area or gaming area of a casino must obtain an occupational license from the Michigan Board.

The Michigan Act imposes the burden of proof on the applicant for a casino license to establish its suitability to receive and hold the license. The applicant must establish its suitability as to integrity, moral character and reputation, business probity, financial ability and experience, responsibility, and other criteria deemed appropriate by the Michigan Board. The Michigan Board may refuse to renew a license upon a determination that the licensee no longer meets the requirements for licensure.

In addition to restriction, suspension or revocation of a casino license, the Michigan Board may impose substantial fines or forfeiture of assets upon licensees for violation of gaming or liquor laws or rules. In the event that a casino license is revoked or suspended for more than 120 days, the Michigan Act provides for the appointment of a conservator who, among other things, is required to sell or otherwise transfer the assets of the casino licensee or former licensee to another person or entity who meets the requirements of the Michigan Act for licensure, subject to certain approvals and consultations.

The Michigan Board has adopted administrative rules, which became effective on June 23, 1998, to implement the terms of the Michigan Act. Among other things, the rules impose more detailed substantive and procedural requirements with respect to casino licensing and operations. Included are requirements regarding such things as licensing investigations and hearings, record keeping and retention, contracting, reports to the Michigan Board, internal control and accounting procedures, security and surveillance, extensions of credit to gaming patrons, conduct of gaming, and transfers of ownership interests in licensed casinos. The rules also establish numerous Michigan Board procedures regarding licensing, disciplinary and other hearings, and similar matters. The rules have the force of law and are binding on the Michigan Board as well as on applicants for or holders of casino licenses.

The Michigan Liquor Control Commission licenses, controls and regulates the sale of alcoholic beverages by the MGM Grand Detroit casino pursuant to the Michigan Liquor Control Act. The Michigan Act also requires that casinos sell and distribute alcoholic beverages in a manner consistent with the Michigan Liquor Control Act.

The Detroit City Council enacted an ordinance entitled Casino Gaming Authorization and Casino Development Agreement Certification and Compliance. The ordinance authorizes casino gaming only by operators who are licensed by the Michigan Board and are parties to a development agreement which has been approved and certified by the City Council and is currently in effect, or are acting on behalf of such parties. The development agreement between MGM Grand Detroit, LLC, Detroit and the Economic Development Corporation of Detroit has been so approved and certified and is currently in effect. The ordinance requires each casino operator to submit to the Mayor of Detroit and to the City Council periodic reports regarding the operator s compliance with its development agreement or, in the event of non-compliance, reasons for non-compliance and an explanation of efforts to comply. The ordinance requires the Mayor of Detroit to monitor each casino operator s compliance with its development agreement, to take appropriate enforcement action in the event of default and to notify the City Council of defaults and enforcement action taken; and, if a development agreement is terminated, it requires the City Council to transmit notice of such action to the Michigan Board within five business days along with Detroit s request that the Michigan Board revoke the

relevant operator s certificate of suitability or casino license. If a development agreement is terminated, the Michigan Act requires the Michigan Board to revoke the relevant operator s casino license upon the request of Detroit.

The administrative rules of the Michigan Board prohibit a casino licensee or a holding company or affiliate that has control of a casino licensee in Michigan from entering into a debt transaction affecting the capitalization or financial viability of its Michigan casino operation without prior approval from the Michigan Board. On October 14, 2003, the Michigan Board authorized MGM Grand Detroit, LLC to borrow under the Company s credit facility for the purposes of financing the development of its permanent casino and the future expansion thereof, maintenance capital expenditures for its temporary and permanent casinos and the cost of renovating the temporary casino facility for adaptive re-use and/or sale following the completion of the permanent casino and to secure such borrowings with liens upon substantially all of its assets. In the same order, the Michigan Board authorized MGM Grand Detroit, Inc. to pledge its equity interest in MGM Grand Detroit, LLC to secure such borrowings.

The Michigan Act effectively provides that each of the three casinos in Detroit shall pay a wagering tax equal to 24% of its adjusted gross receipts (up from 18% prior to September 1, 2004 and subject to adjustment as described below), which tax is shared between Michigan and Detroit, an annual municipal service fee equal to the greater of $4 million or 1.25% of its adjusted gross receipts to be paid to Detroit to defray its cost of hosting casinos and an annual assessment, as adjusted based upon a consumer price index, in the initial amount of approximately $8.3 million to be paid by each casino to Michigan to defray its regulatory enforcement and other casino-related costs. These payments are in addition to the taxes, fees and assessments customarily paid by business entities situated in Detroit. The development agreement between it and Detroit also obligated MGM Grand Detroit, LLC to pay $34 million to Detroit and $10 million to Detroit s Minority Business Development Fund, both of which have been made. From and after January 1, 2006, MGM Grand Detroit, LLC is also obligated to pay 1% of its adjusted gross receipts to Detroit, to be increased to 2% of its adjusted gross receipts in any calendar year in which they exceed $400 million. Once our subsidiary has operated a permanent casino complex for 30 consecutive days and is determined to be in compliance with its development agreement with Detroit, the wagering tax rate effective under the Michigan Act will be reduced from 24% to 19%. However if it does not commence such operations by July 1, 2009, the rate will increase annually on a graduated basis to a maximum of 27% until such operations have commenced.

Mississippi Government Regulation

We conduct our Mississippi gaming operations through two indirect subsidiaries, Beau Rivage Resorts, Inc., which owns and operates the Beau Rivage casino in the City of Biloxi, Mississippi, and Circus Circus Mississippi, Inc., which owns and operates the Gold Strike casino in Tunica County, Mississippi. The ownership and operation of casino facilities in Mississippi are subject to extensive state and local regulation, but primarily the licensing and regulatory control of the Mississippi Gaming Commission and the Mississippi State Tax Commission.

The Mississippi Gaming Control Act (the Mississippi Act), which legalized dockside casino gaming in Mississippi, was enacted on June 29, 1990. Although not identical, the Mississippi Act is similar to the Nevada Gaming Control Act. Effective October 29, 1991, the Mississippi Gaming Commission adopted regulations in furtherance of the Mississippi Act which are also similar in many respects to the Nevada gaming regulations.

The laws, regulations and supervisory procedures of Mississippi and the Mississippi Gaming Commission seek to:

prevent unsavory or unsuitable persons from having any direct or indirect involvement with gaming at any time or in any capacity;

establish and maintain responsible accounting practices and procedures;

maintain effective control over the financial practices of licensees, including establishing minimum procedures for internal fiscal affairs and safeguarding of assets and revenues, providing reliable record keeping and making periodic reports to the Mississippi Gaming Commission;

prevent cheating and fraudulent practices;

provide a source of state and local revenues through taxation and licensing fees; and

ensure that gaming licensees, to the extent practicable, employ Mississippi residents.

The regulations are subject to amendment and interpretation by the Mississippi Gaming Commission. Changes in Mississippi law or the regulations or the Mississippi Gaming Commission s interpretations thereof may limit or otherwise materially affect the types of gaming that may be conducted, and could have a material adverse effect on us and our Mississippi gaming operations.

The Mississippi Act provides for legalized dockside gaming at the discretion of the 14 counties that either border the Gulf Coast or the Mississippi River, but only if the voters in such counties have not voted to prohibit gaming in that county. As of September 1, 2005, dockside gaming was permissible in nine of the 14 eligible counties in the state and gaming operations had commenced in Adams, Coahoma, Hancock, Harrison, Tunica, Warren and Washington counties. Under Mississippi law, gaming vessels must be located on the Mississippi River or on navigable waters in eligible counties along the Mississippi River, or in the waters of the State of Mississippi lying south of the state in eligible counties along the Mississippi Gulf Coast. The law permits unlimited stakes gaming on permanently moored vessels on a 24-hour basis and does not restrict the percentage of space which may be utilized for gaming. There are no limitations on the number of gaming licenses which may be issued in Mississippi. The legal age for gaming in Mississippi is 21.

Beau Rivage Resorts, Beau Rivage Distribution Corp. (BRDC), a subsidiary of Beau Rivage Resorts, and Circus Circus Mississippi are subject to the licensing and regulatory control of the Mississippi Gaming Commission. Beau Rivage Resorts and Circus Circus Mississippi are licensed as Mississippi gaming operators, and BRDC is licensed as a Mississippi distributor of gaming devices. Gaming licenses require the periodic payment of fees and taxes and are not transferable. Gaming licenses are issued for a maximum term of three years and must be renewed periodically thereafter. Beau Rivage Resorts received its Mississippi gaming license on June 20, 1996 and a renewal on June 21, 1998. BRDC received its Mississippi distributor s license on August 20, 1998. On May 18, 2000, the Mississippi Gaming Commission renewed the licenses of both Beau Rivage Resorts and BRDC for terms of three years each, effective June 22, 2000. On May 21, 2003, the Mississippi Gaming Commission renewed the licenses of Beau Rivage Resorts and BRDC effective June 23, 2003 through June 22, 2006. Circus Circus Mississippi received its Mississippi gaming license on August 18, 1994 and renewals effective August 19, 1996, August 20, 1998, August 21, 2000 and August 22, 2003. The current license of Circus Circus Mississippi is effective through August 21, 2006.

The Mississippi Gaming Commission has registered MGM MIRAGE under the Mississippi Act as a publicly traded holding corporation of Beau Rivage Resorts, BRDC and Circus Circus Mississippi. As a registered publicly traded corporation, MGM MIRAGE is subject to the licensing and regulatory control of the Mississippi Gaming Commission, and is required periodically to submit detailed financial, operating and other reports to the Mississippi Gaming Commission and furnish any other information which the Mississippi Gaming Commission may require. If MGM MIRAGE is unable to satisfy the registration requirements of the Mississippi Act, MGM MIRAGE and licensed subsidiaries thereof cannot own or operate gaming facilities in Mississippi. Beau Rivage Resorts, BRDC and Circus Circus Mississippi are also required periodically to submit detailed financial, operating and other reports to the Mississippi Gaming Commission and the Mississippi State Tax Commission and to furnish any other information required thereby. No person may become a stockholder of or receive any percentage of profits from a licensed subsidiary of a holding company without first obtaining licenses and approvals from the Mississippi Gaming Commission.

Certain of our officers, directors and employees must be found suitable or be licensed by the Mississippi Gaming Commission. We believe that we have applied for all necessary findings of suitability with respect to these persons,

although the Mississippi Gaming Commission, in its discretion, may require additional persons to file applications for findings of suitability. In addition, any person having a material relationship or

involvement with us may be required to be found suitable, in which case those persons must pay the costs and fees associated with the investigation.

We may be required to disclose to the Mississippi Gaming Commission upon request the identities of the holders of any debt or other securities. In addition, under the Mississippi Act, the Mississippi Gaming Commission may, in its discretion:

require holders of debt securities of registered corporations to file applications;

investigate the holders; and

require the holders to be found suitable to own the debt securities.

Although the Mississippi Gaming Commission generally does not require the individual holders of obligations such as the notes to be investigated and found suitable, the Mississippi Gaming Commission retains the discretion to do so for any reason, including but not limited to a default, or where the holder of the debt instrument exercises a material influence over the gaming operations of the entity in question. Any holder of debt securities required to apply for a finding of suitability must pay all investigative fees and costs of the Mississippi Gaming Commission in connection with the investigation. A finding of suitability requires submission of detailed personal financial information followed by a thorough investigation. There can be no assurance that a person who is subject to a finding of suitability will be found suitable by the Mississippi Gaming Commission. The Mississippi Gaming Commission may deny an application for a finding of suitability for any cause that it deems reasonable. Findings of suitability must be periodically renewed.

If any of our securities are held in trust by an agent or by a nominee, the record holder may be required to disclose the identity of the beneficial owner to the Mississippi Gaming Commission. A failure to make that disclosure may be grounds for finding the record holder unsuitable. We must also render maximum assistance in determining the identity of the beneficial owner.

Any person who fails or refuses to apply for a finding of suitability or a license within 30 days after being ordered to do so by the Mississippi Gaming Commission may be found unsuitable. Any person found unsuitable and who holds, directly or indirectly, any beneficial ownership of our debt securities beyond the time that the Mississippi Gaming Commission prescribes, may be guilty of a misdemeanor. We will be subject to disciplinary action if, after receiving notice that a person is unsuitable to be a holder of its debt securities, we:

pay the unsuitable person any dividend, interest or other distribution whatsoever;

recognize the exercise, directly or indirectly, or any voting rights conferred through such debt securities held by the unsuitable person;

pay the unsuitable person any remuneration in any form, except in limited and specific circumstances; or

make any payment to the unsuitable person by way of principal, redemption, conversion, exchange, liquidation or similar transaction.

The Mississippi Act requires that the certificates representing securities of a registered publicly traded corporation bear a legend to the general effect that the securities are subject to the Mississippi Act and the regulations of the Mississippi Gaming Commission. On May 18, 2000, the Mississippi Gaming Commission granted us a waiver of this legend requirement. The Mississippi Gaming Commission has the power to impose additional restrictions on us and the holders of our securities at any time.

Substantially all loans, leases, sales of securities and similar financing transactions by a licensed gaming subsidiary must be reported to or approved by the Mississippi Gaming Commission. A licensed gaming subsidiary may not make a public offering of its securities, but may pledge or mortgage casino facilities if it obtains the prior approval of the Mississippi Gaming Commission. We may not make a public offering of our securities without the prior approval of the Mississippi Gaming Commission if any part of the proceeds of the offering is to be used to

finance the construction, acquisition or operation of gaming facilities in Mississippi or

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to retire or extend obligations incurred for those purposes. The approval, if given, does not constitute a recommendation or approval of the accuracy or adequacy of the prospectus or the investment merits of the securities subject to the offering. On September 29, 2005, the Mississippi Gaming Commission granted us a waiver of the prior approval requirement for our securities offerings for a period of two years, subject to certain conditions. The waiver may be rescinded for good cause without prior notice upon the issuance of an interlocutory stop order by the Executive Director of the Mississippi Gaming Commission.

Under the regulations of the Mississippi Gaming Commission, Beau Rivage Resorts, BRDC and Circus Circus Mississippi may not guarantee a security issued by MGM MIRAGE pursuant to a public offering, or pledge their assets to secure payment or performance of the obligations evidenced by such a security issued by MGM MIRAGE, without the prior approval of the Mississippi Gaming Commission. Similarly, MGM MIRAGE may not pledge the stock or other ownership interests of Beau Rivage Resorts, BRDC or Circus Circus Mississippi, nor may the pledgee of such ownership interests foreclose on such a pledge, without the prior approval of the Mississippi Gaming Commission. Moreover, restrictions on the transfer of an equity security issued by Beau Rivage Resorts, BRDC or Circus Circus Mississippi and agreements not to encumber such securities granted by MGM MIRAGE are ineffective without the prior approval of the Mississippi Gaming Commission. The waiver of the prior approval requirement for MGM MIRAGE s securities offerings received from the Mississippi Gaming Commission includes a waiver of the prior approval requirement for such guarantees, pledges and restrictions of Beau Rivage Resorts, BRDC and Circus Circus Mississippi, subject to certain conditions.

None of MGM MIRAGE, Beau Rivage Resorts or Circus Circus Mississippi may engage in gaming activities in Mississippi while MGM MIRAGE, Beau Rivage Resorts, Circus Circus Mississippi and/or persons found suitable to be associated with the gaming license of Beau Rivage Resorts and Circus Circus Mississippi conduct gaming operations outside of Mississippi without approval of the Mississippi Gaming Commission. The Mississippi Gaming Commission may require that it have access to information concerning MGM MIRAGE s and its affiliates out-of-state gaming operations. Gaming operations in Nevada were approved when Beau Rivage Resorts was first licensed in Mississippi. MGM MIRAGE has since received waivers of foreign gaming approval from the Mississippi Gaming Commission for the conduct of gaming operations in Illinois, Michigan, New Jersey, California, New York, Macau and the United Kingdom, and for cruises with Royal Caribbean Cruise Lines or Carnival Cruise Lines which originate from the United States or British Columbia, Canada, and may be required to obtain the approval or a waiver of such approval from the Mississippi Gaming Commission before engaging in any additional future gaming operations outside of Mississippi.

The Mississippi Gaming Commission adopted a regulation in 1994 requiring as a condition of licensure or license renewal that a gaming establishment s plan include a 500-car parking facility in close proximity to the casino complex and infrastructure facilities which will amount to at least 25% of the casino cost. Infrastructure facilities are defined in the regulation to include a hotel with at least 250 rooms, theme park, golf course and other similar facilities. With the opening of their resort hotels and other amenities, Beau Rivage Resorts and Circus Circus Mississippi are in compliance with this requirement. On January 21, 1999, the Mississippi Gaming Commission adopted an amendment to this regulation which increased the infrastructure requirement to 100% from the existing 25%; however, the regulation grandfathers existing licensees and applies only to new casino projects and casinos that are not operating at the time of acquisition or purchase, and would therefore not apply to Beau Rivage Resorts or Circus Circus Mississippi. In any event, both Beau Rivage Resorts and Circus Circus Mississippi would comply with such requirement.

New Jersey Government Regulation

The ownership and operation of hotel-casino facilities and gaming activities in Atlantic City, New Jersey are subject to extensive state regulation under the New Jersey Casino Control Act (the New Jersey Act) and the regulations of the New Jersey Casino Control Commission (the New Jersey Commission) and other applicable laws. The New Jersey Act also established the New Jersey Division of Gaming Enforcement to investigate all license applications, enforce the provisions of the New Jersey Act and regulations and

prosecute all proceedings for violations of the New Jersey Act and regulations before the New Jersey Commission. In order to own or operate a hotel-casino property in New Jersey, a company must obtain a license or other approvals from the New Jersey Commission and obtain numerous other licenses, permits and approvals from other state as well as local governmental authorities.

The New Jersey Commission has broad discretion regarding the issuance, renewal, revocation and suspension of casino licenses and may impose conditions on the issuance or renewal of licenses. The New Jersey Act and regulations concern primarily the good character, honesty, integrity and financial stability of casino licensees, their intermediary and holding companies, their employees, their security holders and others financially interested in casino operations; financial and accounting practices used in connection with casino operations; rules of games, levels of supervision of games and methods of selling and redeeming chips; manner of granting credit, duration of credit and enforceability of gaming debts; and distribution of alcoholic beverages.

On June 11, 2003, the New Jersey Commission issued a casino license to Borgata and found MGM MIRAGE and certain of our wholly-owned subsidiaries and their then officers, directors, and 5% or greater shareholders suitable. On June 23, 2004, the New Jersey Commission renewed the casino license of Borgata for a one year term ending June 30, 2005, and again found MGM MIRAGE and certain of our wholly-owned subsidiaries and certain of their then officers, directors, and 5% or greater shareholders suitable. Borgata s casino license was renewed again by the New Jersey Commission on June 22, 2005, for a term expiring June 30, 2010.

The New Jersey Act further provides that each person who directly or indirectly holds any beneficial interest or ownership of the securities issued by a casino licensee or any of its intermediary or holding companies, those persons who, in the opinion of the New Jersey Commission, have the ability to control the casino licensee or its intermediary or holding companies or elect a majority of the board of directors of such companies, other than a banking or other licensed lending institution which makes a loan or holds a mortgage or other lien acquired in the ordinary course of business, lenders and underwriters of such companies are required to be qualified by the New Jersey Commission. However, with respect to a holding company such as MGM MIRAGE, a waiver of qualification may be granted by the New Jersey Commission, with the concurrence of the Director of the New Jersey Division, if the New Jersey Commission determines that such persons or entities are not significantly involved in the activities of a casino licensee and, in the case of security holders, do not have the ability to control MGM MIRAGE or elect one or more of its directors. There exists a rebuttable presumption that any person holding 5% or more of the equity securities of a casino licensee s intermediary or holding company or a person having the ability to elect one or more of the directors of such a company has the ability to control the company and thus must obtain qualification from the New Jersey Commission.

Notwithstanding this presumption of control, the New Jersey Act provides for a waiver of qualification for passive institutional investors, as defined by the New Jersey Act, if the institutional investor purchased publicly traded securities for investment purposes only and where such securities constitute less than 10% of the equity securities of a casino licensee s holding or intermediary company or debt securities of a casino licensee s holding or intermediary company representing a percentage of the outstanding debt of such company not exceeding 20% or a percentage of any issue of the outstanding debt of such company not exceeding 50%. The waiver of qualification is subject to certain conditions including, upon request of the New Jersey Commission, filing a certified statement that the institutional investor has no intention of influencing or affecting the affairs of the issuer, except that an institutional investor holding voting securities shall be permitted to vote on matters put to a vote of the holders of outstanding voting securities. Additionally, a waiver of qualification may also be granted to institutional investors holding a higher percentage of securities of a casino licensee s holding or intermediary company upon a showing of good cause.

The New Jersey Act requires the certificate of incorporation of a publicly traded holding company to provide that any securities of such a corporation are held subject to the condition that if a holder is found to be disqualified by the New Jersey Commission pursuant to the New Jersey Act, such holder shall dispose of his interest in such company. Accordingly, we amended our certificate of incorporation to provide that a holder of

our securities must dispose of such securities if the holder is found disqualified under the New Jersey Act. In addition, we amended our certificate of incorporation to provide that we may redeem the stock of any holder found to be disqualified. The New Jersey Act also requires the certificate of incorporation of a non-publicly traded holding company to establish the right of the New Jersey Commission to prior approval of transfers of securities and other interests in the company. The certificates of incorporation of Mirage Resorts, Incorporated and MAC, CORP. contain such provisions.

If the New Jersey Commission should find a security holder to be unqualified to be a holder of securities of a casino licensee or holding company, not only must the disqualified holder dispose of such securities but in addition, commencing on the date the New Jersey Commission serves notice upon such a company of the determination of disqualification, it shall be unlawful for the disqualified holder to:

receive any dividends or interest upon any such securities;

exercise, directly or through any trustee or nominee, any right conferred by such securities; or

receive any remuneration in any form from the licensee for services rendered or otherwise.

If the New Jersey Commission should find a security holder to be unqualified to be a holder of securities of a casino licensee or holding company, the New Jersey Commission shall take any necessary action to protect the public interest, including the suspension or revocation of the casino license, except that if the disqualified person is the holder of securities of a publicly traded holding company, the New Jersey Commission shall not take action against the casino license if:

the holding company has the corporate charter provisions concerning divestiture of securities by disqualified owners required by the New Jersey Act;

the holding company has made good faith efforts, including the pursuit of legal remedies, to comply with any order of the New Jersey Commission; and

the disqualified holder does not have the ability to control the company or elect one or more members of the company s board of directors.

If the New Jersey Commission determines that a casino licensee has violated the New Jersey Act or regulations, or if any security holder of MGM MIRAGE or a casino licensee who is required to be qualified under the New Jersey Act is found to be disqualified but does not dispose of the securities, a casino licensee could be subject to fines or its license could be suspended or revoked. The New Jersey Commission may reopen licensing hearings at any time and shall reopen licensing hearings at the request of the New Jersey Division of Gaming Enforcement. If a casino licensee s license is revoked after issuance, the New Jersey Commission could appoint a conservator to operate and to dispose of the hotel-casino facilities operated by such casino licensee. Net proceeds of a sale by a conservator and net profits of operations by a conservator, at least up to an amount equal to a fair return on investment which is reasonable for casinos or hotels, would be paid to us.

The New Jersey Act imposes an annual tax of 8% on gross casino revenues, as defined in the New Jersey Act, a 4.25% tax that declines periodically and will be eliminated on June 30, 2009, on the difference between the amount charged and the value of rooms, food, beverage or entertainment provided at no cost or a reduced price, a $3.00 tax per day on each occupied hotel room, a $3.00 parking tax per day and, through June 30, 2006, a 7.5% tax on adjusted net income, as defined in the New Jersey Act, subject to certain minimums and limitations. In addition, casino licensees are required to invest 1.25% of gross casino revenues for the purchase of bonds to be issued by the Casino Reinvestment Development Authority or make other approved investments equal to that amount. In the event the investment requirement is not met, the casino licensee is subject to a tax in the amount of 2.5% on gross casino revenues. The New Jersey Commission has established fees for the issuance or renewal of casino licenses and hotel-casino alcoholic beverage licenses and an annual license fee on each slot machine.

In addition to compliance with the New Jersey Act and regulations relating to gaming, any property built in Atlantic City by us must comply with the New Jersey and Atlantic City laws and regulations relating to,

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among other things, the Coastal Area Facilities Review Act, construction of buildings, environmental considerations and the operation of hotels. Any changes to such laws or the laws regarding gaming could have an adverse effect on us.

Illinois Government Regulation

MGM MIRAGE s 50% joint venture ownership interest in Grand Victoria Riverboat Casino, located in Elgin, Illinois (the Grand Victoria) is subject to extensive state regulation under the Illinois Riverboat Gambling Act (the Illinois Act) and the regulations of the Illinois Gaming Board (the Illinois Board).

In February 1990, the State of Illinois legalized riverboat gambling. The Illinois Act authorizes the Illinois Board to issue up to ten riverboat gaming owners licenses on navigable streams within or forming a boundary of the State of Illinois except for Lake Michigan and any waterway in Cook County, which includes Chicago. Pursuant to the initial Illinois Act, a licensed owner who holds greater than a 10% interest in one riverboat operation located in Illinois, could hold no more than a 10% interest in any other riverboat operation located in Illinois. In addition, the initial Illinois Act restricted the location of certain of the ten owners licenses. Four of the licenses were to be located on the Mississippi River, one license was to be at a location on the Illinois River south of Marshall County and one license had to be located on the Des Plaines River in Will County. The remaining licenses were not restricted as to location. Currently, nine owner s licenses are in operation in Alton, Aurora, East Peoria, East St. Louis, Elgin, Metropolis, Rock Island and two licenses in Joliet. The tenth license, which was initially granted to an operator in East Dubuque, was not renewed by the Illinois Board and has been the subject of on-going litigation. The Illinois Board entered into a settlement agreement with the current operator pursuant to which the Illinois Board used a competitive bid process to select a new operator to acquire the entity that possesses the tenth license. The Illinois Board selected Isle of Capri as the winning bidder. Isle of Capri s bid provided that it would locate its gaming operation in Rosemont, Illinois. The closing of this transaction is contingent upon the settlement of outstanding litigation (including approval of the transaction by the Bankruptcy Court in the Northern District of Illinois), the Illinois Board finding Isle of Capri suitable for licensure and the Illinois Attorney General s final approval of the settlement agreement between the Illinois Board and the current operator of the tenth license. Notwithstanding the settlement agreement, the Illinois Board recently renewed administrative proceedings to revoke the current operator s owner s license, and several lawsuits have been filed by various parties in connection with the tenth license. In addition, the current holder of the tenth license has filed for bankruptcy. The initial Illinois Act also provided that no gambling could be conducted while a riverboat was docked and included several provisions regarding the duration of each riverboat cruise and the manner in which the cruises were conducted.

In June 1999, amendments to the Illinois Act were passed by the legislature and signed into law by the Governor. The amended Illinois Act redefined the conduct of gaming in Illinois. Pursuant to the amended Illinois Act, riverboats may conduct gambling without cruising and passengers can enter and leave a riverboat at any time. In addition, riverboats currently may be located upon any water within Illinois and not just navigable waterways. There is no longer any prohibition of a riverboat being located in Cook County. Riverboats are now defined as self-propelled excursion boats or permanently moored barges. The amended Illinois Act requires that only three, rather than four owner s licenses, be located on the Mississippi River. The 10% ownership prohibition has also been removed. Therefore, subject to certain Illinois Board rules, individuals or entities could own more than one riverboat operation in Illinois.

The amended Illinois Act also allows for the relocation of a riverboat home dock. A licensee that was not conducting riverboat gambling on January 1, 1998, may apply to the Illinois Board for renewal and approval of relocation to a new home dock and the Illinois Board shall grant the application and approval of the new home dock upon the licensee providing to the Illinois Board authorization from the new dockside community. It was pursuant to this particular provision of the amended Illinois Act that the former owner of the East Dubuque riverboat applied for relocation of its operation to Rosemont, and it is this license that was the subject of the recent competitive bid process and currently subject to revocation proceedings. Any licensee that relocates in accordance with the provisions of the amended Illinois Act, must attain a level of at least 20% minority and female ownership at its gaming operation.

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The constitutionality of the relocation provisions of the amended Illinois Act was challenged, but the Illinois Supreme Court recently upheld these provisions.

The Illinois Act strictly regulates the facilities, persons, associations and practices related to gaming operations. It grants the Illinois Board specific powers and duties, and all other powers necessary and proper to fully and effectively execute the Illinois Act for the purpose of administering, regulating and enforcing the system of riverboat gaming. The Illinois Board has authority over every person, association, corporation, partnership and trust involved in riverboat gaming operations in the State of Illinois.

The Illinois Act requires the owner of a riverboat gaming operation to hold an owner s license issued by the Illinois Board. Each owner s license permits the holder to own up to two riverboats as part of its gaming operation, however, gaming participants are limited to 1,200 for any owner s license. The number of gaming participants will be determined by the number of gaming positions available at any given time. Gaming positions are counted as follows:

positions for electronic gaming devices will be determined as 90% of the total number of devices available for play;

craps tables will be counted as having ten gaming positions; and

games utilizing live gaming devices, except for craps, will be counted as having five gaming positions.

Each owner s license initially runs for a period of three years. Thereafter, the license must be renewed annually. Under the amended Illinois Act, the Board may renew an owner s license for up to four years. An owner licensee is eligible for renewal upon payment of the applicable fee and a determination by the Illinois Board that the licensee continues to meet all of the requirements of the Illinois Act and Illinois Board rules. The owner s license for Grand Victoria was issued in October 1994 and was valid for three years. Since that time, the license has been renewed annually, and in October 2000, the license was renewed for four years. Mandalay and its joint venture partner submitted to the Illinois Board their application to renew the Grand Victoria s license again in October 2004. The Grand Victoria appeared before the Illinois Board in May 2005 for the Illinois Board s initial consideration of its request to renew its owner s license, and, in June 2005, the Illinois Board renewed Grand Victoria s owner s license for an additional four-year period. An ownership interest in an owner s license may not be transferred or pledged as collateral without the prior approval of the Illinois Board.

Pursuant to the amended Illinois Act, which lifted the 10% ownership prohibition, the Illinois Board established certain rules to follow in deciding whether to approve direct or indirect ownership or control of an owner s license. The Illinois Board must consider the impact of any economic concentration of the ownership or control. No direct or indirect ownership or control may be approved which will result in undue economic concentration of the ownership of a riverboat gambling operation in Illinois. Undue economic concentration means that a person or entity would have actual or potential domination of riverboat gambling in Illinois sufficient to:

substantially impede or suppress competition among holders of owner s licenses;

adversely impact the economic stability of the riverboat casino industry in Illinois; or

negatively impact the purposes of the Illinois Act, including tourism, economic development, benefits to local communities and state and local revenues.

The Illinois Board will consider the following criteria in determining whether the approval of the issuance, transfer or holding of a license will create undue economic concentration:

percentage share of the market presently owned or controlled by the person or entity;

estimated increase in the market share if the person or entity is approved to hold the owner s license;

relative position of other persons or entities that own or control owner s licenses in Illinois;

current and projected financial condition of the riverboat gaming industry;

current market conditions, including proximity and level of competition, consumer demand, market concentration and any other relevant characteristics of the market;

whether the license to be approved has separate organizational structures or other independent obligations;

potential impact on the projected future growth and development of the riverboat gambling industry, the local communities in which licenses are located and the State of Illinois;

barriers to entry into the riverboat gambling industry and if the approval of the license will operate as a barrier to new companies and individuals desiring to enter the market;

whether the approval of the license is likely to result in enhancing the quality and customer appeal of products and services offered by riverboat casinos in order to maintain or increase their respective market shares;

whether a restriction on the approval of the additional license is necessary in order to encourage and preserve competition in casino operations; and

any other relevant information.

The Illinois Act does not limit the maximum bet or per patron loss. Minimum and maximum wagers on games are set by the holder of the owner s license. Wagering may not be conducted with money or other negotiable currency. No person under the age of 21 is permitted to wager and wagers only may be received from a person present on the riverboat. With respect to electronic gaming devices, the payout percentage may not be less than 80% nor more than 100%.

An admission tax is imposed on the owner of a riverboat operation. Beginning August 23, 2005, the admission tax is $2.00 per person for an owner licensee that admitted 1,000,000 persons or fewer in the 2004 calendar year, and $3.00 per person for all other owner licensees (including Grand Victoria).

Additionally, a wagering tax is imposed on the adjusted gross receipts, as defined in the initial Illinois Act, of a riverboat operation. As of August 23, 2005, the wagering tax was reduced as follows:

15.0% of adjusted gross receipts up to and including $25.0 million;

22.5% of adjusted gross receipts in excess of $25.0 million but not exceeding $50.0 million;

27.5% of adjusted gross receipts in excess of $50.0 million but not exceeding $75.0 million;

32.5% of adjusted gross receipts in excess of $75.0 million but not exceeding $100.0 million;

37.5% of adjusted gross receipts in excess of $100.0 million but not exceeding $150.0 million;

45.0% of adjusted gross receipts in excess of $150.0 million but not exceeding $200.0 million; and

50.0% of adjusted gross receipts in excess of $200.0 million.

In addition, the Illinois Act also provides for a privilege tax which will require most Illinois casinos (including Grand Victoria) to pay wagering tax in each of the next two fiscal years in an amount that is not lower than the amount the casino paid from July 1, 2004 through June 30, 2005. The privilege tax would terminate no later than July 1, 2007. The owner licensee is required, on a daily basis, to wire the wagering tax payment to the Illinois Board.

In addition to owner s licenses, the Illinois Board also requires licensing for all vendors of gaming supplies and equipment and for all employees of a riverboat gaming operation. The Illinois Board is authorized to conduct investigations into the conduct of gaming and into alleged violations of the Illinois Act and the Illinois Board rules. Employees and agents of the Illinois Board have access to and may inspect any facilities relating to the riverboat

gaming operation.

A holder of any license is subject to imposition of fines, suspension or revocation of such license, or other action for any act or failure to act by himself or his agents or employees, that is injurious to the public health,

safety, morals, good order and general welfare of the people of the State of Illinois, or that would discredit or tend to discredit the Illinois gaming industry or the State of Illinois. Any riverboat operations not conducted in compliance with the Illinois Act may constitute an illegal gaming place and consequently may be subject to criminal penalties, including possible seizure, confiscation and destruction of illegal gaming devices and seizure and sale of riverboats and dock facilities to pay any unsatisfied judgment that may be recovered and any unsatisfied fine that may be levied. The Illinois Act also provides for civil penalties, equal to the amount of gross receipts derived from wagering on the gaming, whether unauthorized or authorized, conducted on the day of any violation. The Illinois Board may revoke or suspend licenses, as the Illinois Board may see fit and in compliance with applicable laws of the State of Illinois regarding administrative procedures and may suspend an owner s license, without notice or hearing, upon a determination that the safety or health of patrons or employees is jeopardized by continuing a riverboat s operation. The suspension may remain in effect until the Illinois Board determines that the cause for suspension has been abated and it may revoke the owner s license upon a determination that the owner has not made satisfactory progress toward abating the hazard.

If the Illinois Board has suspended, revoked or refused to renew the license of an owner or if a riverboat gambling operation is closing and the owner is voluntarily surrendering its owner s license, the Illinois Board may petition the local circuit court in which the riverboat is situated for appointment of a receiver. The circuit court shall have sole jurisdiction over any and all issues pertaining to the appointment of a receiver. The Illinois Board shall specify the specific powers, duties and limitations for the receiver, including but not limited to the authority to:

hire, fire, promote and discipline personnel and retain outside employees or consultants;

take possession of any and all property, including but not limited to its books, records, papers;

preserve and/or dispose of any and all property;

continue and direct the gaming operations under the monitoring of the Board;

discontinue and dissolve the operation;

enter into and cancel contracts;

borrow money and pledge, mortgage or otherwise encumber the property;

pay all secured and unsecured obligations;

institute or define actions by or on behalf of the holder of an Owner s license; and

distribute earnings derived from gaming operations in the same manner as admission wagering taxes are distributed under Sections 12 and 13 of the Illinois Act.

The Illinois Board shall submit at least three nominees to the court. The nominees may be individuals or entities selected from an Illinois Board approved list of pre-qualified receivers who meet the same criteria for a finding of preliminary suitability for licensure under Illinois Board rules. In the event that the Illinois Board seeks the appointment of a receiver on a emergency basis, the Illinois Board shall issue a temporary operating permit to the receiver appointed by the court. A receiver, upon appointment by the court, shall before assuming his or her duties, execute and post the same bond as an owner s licensee pursuant to the Illinois Act.

The receiver shall function as an independent contractor, subject to the direction of the court. However, the receiver shall also provide to the Illinois Board regular reports and provide any information deemed necessary for the Illinois Board to ascertain the receiver s compliance with all applicable rules and laws. From time to time, the Illinois Board may, at its sole discretion, report to the court on the receiver s level of compliance and any other information

deemed appropriate for disclosure to the court. The term and compensation of the receiver shall be set by the court. The receiver shall provide to the court and the Illinois Board at least 30 days written notice of any intent to withdraw from the appointment or to seek modification of the appointment. Except as otherwise provided by action to the Illinois Board the gaming operation shall be deemed a licensed operation subject to all rules of the Illinois Board during the tenure of any receivership.

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The Illinois Board requires that a Key Person of an owner licensee submit a Personal Disclosure or Business Entity Form and be investigated and approved by the Illinois Board. The Illinois Board shall certify for each applicant for or holder of an owner s license each position, individual or Business Entity that is to be approved by the Board and maintain suitability as a Key Person.

With respect to an applicant for or the holder of an owner s license, a Key Person shall include:

- any Business Entity and any individual with an ownership interest or voting rights of more than 5% in the licensee or applicant and the trustee of any trust holding such ownership interest or voting rights;
- the directors of the licensee or applicant and its chief executive officer, president and chief operating officer or their functional equivalents; and
- all other individuals or Business Entities that, upon review of the applicant s or licensees Table of Organization, Ownership and Control the Board determines hold a position or a level of ownership, control or influence that is material to the regulatory concerns and obligations of the Illinois Board for the specified licensee or applicant.

In order to assist the Illinois Board in its determination of Key Persons, applicants for or holders of an owner s license must provide to the Illinois Board a Table of Organization, Ownership and Control (the Table). The Table must identify in sufficient detail the hierarchy of individuals and Business Entities that, through direct or indirect means, manage, own or control the interest and assets of the applicant or licensee holder. If a Business Entity identified in the Table is a publicly traded company, the following information must be provided in the Table:

- the name and percentage of ownership interest of each individual or Business Entity with ownership of more than 5% of the voting shares of the entity, to the extent this information is known or contained in Schedule 13D or 13G SEC filings;
- to the extent known, the names and percentage of interest of ownership of persons who are relatives of one another and who together (as individuals or through trusts) exercise control over or own more than 10% of the voting shares of the entity; and
- any trust holding more than 5% ownership or voting interest in the entity, to the extent this information is known or contained in Schedule 13D or 13G SEC filings.

The Table may be disclosed under the Freedom of Information Act.

Each owner licensee must provide a means for the economic disassociation of a Key Person in the event such economic disassociation is required by an order of the Illinois Board. Based upon findings from an investigation into the character, reputation, experience, associations, business probity and financial integrity of a Key Person, the Illinois Board may enter an order upon the licensee or require the economic disassociation of the Key Person.

Furthermore, each applicant or owner licensee must disclose the identity of every person, association, trust or corporation having a greater than 1% direct or indirect pecuniary interest in an owner licensee or in the riverboat gaming operation with respect to which the license is sought. The Illinois Board also may require an applicant or owner licensee to disclose any other principal or investor and require the investigation and approval of these individuals.

The Illinois Board (unless the investor qualifies as an institutional investor) requires a Personal Disclosure Form or a Business Entity Form from any person or entity who or which, individually or in association with others, acquires directly or indirectly, beneficial ownership of more than 5% of any class of voting securities or non-voting securities convertible into voting securities of a publicly-traded corporation which holds an ownership interest in the holder of an owner s license. If the Illinois Board denies an application for such a transfer and if no hearing is requested, the applicant for the transfer of ownership interest must promptly divest those shares in the publicly-traded parent corporation. The holder of an owner s license would not be able to distribute profits to a publicly-traded parent corporation until such shares have

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been divested. If a hearing is requested, the shares need not be divested and profits may be distributed to a publicly-held parent corporation pending the issuance of a final order from the Illinois Board.

An institutional investor that individually or jointly with others, cumulatively acquires, directly or indirectly, 5% or more of any class of voting securities of a publicly-traded licensee or a licensee s publicly-traded parent corporation shall, within no less than ten days after acquiring these securities, notify the Administrator of the Illinois Board of such ownership and shall provide any additional information as may be required. If an institutional investor (as specified above) acquires 10% or more of any class of voting securities of a publicly-traded licensee or a licensee s publicly-traded parent corporation it shall file an Institutional Investor Disclosure Form within 45 days after acquiring this level of ownership interest. The owner licensee shall notify the Administrator as soon as possible after it bec