IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

In re:	)	Chapter 11
	)	
	)	Case No. 15-01145 (ABG)
CAESARS ENTERTAINMENT OPERATING COMPANY, INC., *et al.*,[1]	)	
	)	Hon. A. Benjamin Goldgar
Debtors.	)	

LIMITED OBJECTION OF THE 10.75% NOTES TRUSTEE TO (A) DEBTORS' MOTION FOR THE ENTRY OF AN ORDER APPROVING APPOINTMENT OF A MEDIATOR TO MEDIATE ISSUES RELATED TO A CHAPTER 11 PLAN OF REORGANIZATION AND (B) DEBTORS' MOTION TO FURTHER EXTEND THEIR EXCLUSIVE PERIODS TO FILE A CHAPTER 11 PLAN AND SOLICIT ACCEPTANCES THEREOF

Wilmington Trust, National Association, as Successor Indenture Trustee (the "10.75% Notes Trustee") for the 10.75% Senior Unsecured Notes (the "10.75% Notes") issued by Caesars Entertainment Operating Company, Inc. ("CEOC," and, together with its affiliated debtors, the "Debtors"), and guaranteed by 137 wholly-owned domestic Debtor subsidiaries of CEOC (the "Subsidiary Guarantors") under that certain indenture dated February 1, 2008, by and through its undersigned counsel, files this limited objection in response to (A) *Debtors' Motion For The Entry Of An Order Approving Appointment Of A Mediator To Mediate Issues Related To A Chapter 11 Plan Of Reorganization* (the "Mediation Motion") [Dkt. No. 3195] and (B) *Debtors' Motion To Further Extend Their Exclusive Periods To File A Chapter 11 Plan And Solicit*

[1] A complete list of the Debtors and the last four digits of their federal tax identification numbers may be obtained at https://cases.primeclerk.com/CEOC.

Acceptances Thereof (the "Exclusivity Motion") [Dkt. No. 3197] (together, the "Motions")[2] and represents as follows:

LIMITED OBJECTION

1. To date, the reorganization efforts of CEOC and its 172 Debtor subsidiaries have focused solely on the pursuit of a global CEC-sponsored plan without support from any key creditor constituency (aside from those creditors being promised payment in full). That strategy has, to date, failed to achieve any consensus in these cases. Instead, it has generated significant litigation, both before this Court and in the District Court for the Southern District of New York with respect to CEC, and has resulted in the Debtors having no clear path to exit with only five (5) months of exclusivity left. The fact that the Debtors have petitioned the Court to appoint a plan mediator, without their ever having sought on their own to bring all key creditor constituencies into a room, perhaps says all the Court needs to know about the halting progress of their agenda to have their exit from chapter 11 tied to a final resolution of all CEC-related issues.

2. Nonetheless, extending the Debtors' exclusive period for filing plans, coupled with mediation among the estates' various key stakeholders, could create momentum towards a meaningful engagement on substantive plan issues. As the largest petition date unsecured creditor of each of the 137 Subsidiary Guarantors (and, depending on the result of the section 1111(b) trial, perhaps the only unsecured creditor of certain estates), the 10.75% Notes Trustee understands that it is being invited to participate in the mediation in all respects, and appreciates the Debtors' overture. See Mediation Motion ¶ 8.

3. Even though it is not objecting to the Motions, the 10.75% Notes Trustee urges

[2] Capitalized terms used but not otherwise defined herein have the meanings ascribed to them in the Motions.

each Debtor to approach this critical juncture in its case with a careful eye to its particular duties and obligations to its creditors, independently of its prepetition duties to CEC, its ultimate parent. Throughout the past year of these cases, the 10.75% Notes Trustee has had no substantive communications regarding potential plan structures with any business-side person representing any subsidiary Debtor or, for that matter, with any fiduciary solely representing those estates' interests. Rather, all communications have been through CEOC or its non-Debtor parent, CEC. Hopefully, mediation will change that dynamic.

4. It may be that a global CEC-sponsored plan is the best, most value-accretive plan for the subsidiary Debtors (which collectively own nearly all of the assets of the CEOC enterprise). It may also be the case that CEOC's warring creditors can set aside their differences and agree on a resolution of that particular holding company estate, such that a global plan may become possible. But, the mediation process and an extension of exclusivity should not, in the 10.75% Notes Trustee's view, be seen as an endorsement of the Debtors' present strategy of tying resolution of the operating cases to that of the more difficult holding company. Whether (and to what extent) it is appropriate for each Subsidiary Guarantor to pursue, with sole focus, the plan process currently contemplated by the "Debtors" should not be decided at this time. In light of the foregoing, the 10.75% Notes Trustee believes that the Court should require that, unless the mediator believes otherwise, representatives of the Subsidiary Guarantors should be in attendance and engaged in the process of resolving their cases.

Dated: February 10, 2016
Chicago, Illinois

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