

UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

In re:)	
)	Chapter 11
)	
CAESARS ENTERTAINMENT OPERATING)	Case No. 15-01145 (ABG)
COMPANY, INC., <u>et al.</u> , ¹)	
)	
Debtors.)	(Joint Administration Requested)

DEBTORS’ MOTION FOR ENTRY OF AN ORDER (I) EXTENDING DEADLINE TO FILE SCHEDULES OF ASSETS AND LIABILITIES, CURRENT INCOME AND EXPENDITURES, AND EXECUTORY CONTRACTS AND UNEXPIRED LEASES AND STATEMENTS OF FINANCIAL AFFAIRS, AND (II) GRANTING RELATED RELIEF

The above-captioned debtors and debtors in possession (collectively, the “Debtors”) file this motion (this “Motion”) for entry of an order, substantially in the form attached hereto as **Exhibit A** (the “Order”), (I) granting the Debtors an extension of 47 days to file their schedules of assets and liabilities, schedules of current income and expenditures, schedules of executory contracts and unexpired leases (collectively, the “Schedules”), and statements of financial affairs (collectively, the “Statements”), and (II) granting related relief. In support of this Motion, the Debtors respectfully state as follows.

Jurisdiction

1. The United States Bankruptcy Court for the Northern District of Illinois (the “Court”) has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334. This matter is a core proceeding within the meaning of 28 U.S.C. § 157(b)(2).

¹ The last four digits of Caesars Entertainment Operating Company, Inc.’s tax identification number are 1623. Due to the large number of Debtors in these chapter 11 cases, for which the Debtors have requested joint administration, a complete list of the Debtors and the last four digits of their federal tax identification numbers is not provided herein. A complete list of such information may be obtained on the website of the Debtors’ proposed claims and noticing agent at <https://cases.primeclerk.com/CEOC>.

2. Venue is proper pursuant to 28 U.S.C. §§ 1408 and 1409.

3. The statutory bases for the relief requested herein are section 521 of title 11 of the United States Code (the “Bankruptcy Code”) and rules 1007 and 9006 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”).

Relief Requested

4. The Debtors request entry of an order (I) extending the date on or before which the Debtors must file their Schedules and Statements to the date that is 47 days from the date hereof, and (II) granting related relief.

Background²

5. Caesars Entertainment Operating Company, Inc. (“CEOC”), together with its Debtor and non-Debtor subsidiaries, provides casino entertainment services and owns, operates, or manages 38 gaming and resort properties in 14 states and five countries, operating primarily under the Caesars[®], Harrahs[®], and Horseshoe[®] brand names. The Debtors represent the largest, majority-owned operating subsidiary of Caesars Entertainment Corporation (“CEC”), a publicly traded company that is the world’s most diversified casino-entertainment provider. CEC, through its ownership and economic interests in CEOC, Caesars Entertainment Resort Properties (“CERP”), and Caesars Growth Partners (“CGP”), owns, operates, or manages 50 casinos in 14 U.S. states and 5 countries, covering 3 million square feet of gaming space, 42,000 hotel rooms, 45 million customer loyalty program participants, and 68,000 employees.

6. The Debtors employ approximately 32,000 people through geographically diverse operations throughout the United States, including seven regional casino properties located in the

² The facts and circumstances supporting this Motion are set forth in the *Declaration of Randall S. Eisenberg, Chief Restructuring Officer of Caesars Entertainment Operating Company, Inc., in Support of First Day Pleadings* (the “First Day Declaration”), filed contemporaneously herewith.

Midwest (across Illinois, Indiana, Iowa, and Missouri); six regional casino properties located in the Southeast (throughout Louisiana, Mississippi, and North Carolina); four casinos located in Arizona, California, Maryland, and Pennsylvania; four casinos located in Nevada, including the world famous Caesars Palace at the heart of the Las Vegas Strip; and two casinos located in Atlantic City, New Jersey. On a consolidated basis, CEOC and its subsidiaries reported approximately \$993 million of Adjusted EBITDA on net revenues of approximately \$5.4 billion for the twelve months ending September 30, 2014.

7. On the date hereof (the “Petition Date”), each of the Debtors filed a petition with this Court under chapter 11 of the Bankruptcy Code. The Debtors continue to operate their businesses and manage their properties as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. Concurrently with the filing of this Motion, the Debtors requested procedural consolidation and joint administration of these chapter 11 cases pursuant to Bankruptcy Rule 1015(b). No party has requested the appointment of a trustee or examiner in these chapter 11 cases, and no committees have been appointed or designated.

Basis for Relief

8. The requirements of section 521(a)(1) of the Bankruptcy Code and Bankruptcy Rule 1007(c) normally require debtors to file their schedules of assets and liabilities, schedules of current income and expenditures, and schedules of executory contracts of executory contracts and unexpired leases, and statements of financial affairs within 14 days after their petition date. Bankruptcy Rule 1007(c), however, further provides that a bankruptcy court may extend a debtor’s time within which to file such schedules and statements for “cause.” See also Fed. R. Bankr. P. 9006(b). Showing “cause” merely requires that the debtor “demonstrate some justification for the issuance of the order” and bankruptcy courts will normally grant such extensions “in the absence of bad faith or prejudice to the adverse party.” See, e.g., Bryant v.

Smith, 165 B.R. 176, 182 (W.D. Va. 1994) (citations and internal quotation marks omitted) (discussing the standard for granting extensions under Bankruptcy Rule 1007).

9. The Debtors submit that ample cause exists to grant the relief requested herein. To prepare their Statements and Schedules, the Debtors will have to compile a voluminous amount of information from books, records, and documents—not centrally located in the Debtors’ organization—relating to a large number of claims, assets, and contracts. Collecting the necessary information will require an enormous expenditure of time and effort on the part of the Debtors, their employees, and their professional advisors. Because focusing the attention of key personnel on critical operational and chapter-11-compliance issues during the early days of these chapter 11 cases will facilitate the Debtors’ smooth transition into chapter 11, the Debtors believe that their request for a 47-day extension of time to file their Schedules and Statements will therefore maximize the value of their estates for the benefit of all parties in interest.

10. Moreover, an extension will not harm creditors or other parties in interest because, even under the extended deadline, the Debtors will file the Schedules and Statements far in advance of any deadline for filing proofs of claim in these chapter 11 cases.³

11. Courts in this jurisdiction regularly have found “cause” to extend the deadline for filing schedules and statement in chapter 11 cases, such as these, involving complex business operations with numerous creditors. See, e.g., In re ITR Concession Co., No. 14-34284 (PSH) (Bankr. N.D. Ill. Sept. 23, 2014) (granting 40-day extension); In re Edison Mission Energy,

³ Indeed, in the *Debtors’ Motion for Entry of an Order (I) Setting Bar Dates for Filing Proofs of Claim, Including Requests for Payment under Section 503(B)(9) of the Bankruptcy Code, (II) Establishing the Amended Schedules Bar Date and the Rejection Damages Bar Date, (II) Approving the Form and Manner for Filing Proofs of Claim, Including 503(B)(9) Requests, (IV) Approving Notice of Bar Dates, and (V) Granting Related Relief*, filed contemporaneously herewith, the Debtors conditioned their proposed bar dates for filing proofs of claim on the Debtors filing their Schedules and Statements within twenty-eight (28) days after entry of an order approving such bar dates. Known creditors identified on the Schedules would, therefore, have no less than twenty-eight (28) days to review the Schedules, reconcile the information contained in the Schedules with their own books and records, and, if necessary, prepare and file proofs of claims.

No. 12-49219 (JPC) (Bankr. N.D. Ill. Dec. 18, 2012) (granting 45-day extension), In re Clare Oaks, Case No. 11-48903 (PSH) (Bankr. N.D. Ill. Dec 8, 2011) (granting 45-day extension); In re GEI-RP (f/k/a Giordano's Enters., Inc.), No. 11-06098 (ERW) (Bankr. N.D. Ill. Mar. 1, 2011) (granting 20-day extension); In re Gas City, Ltd., No. 10-47879 (ERW) (Bankr. N.D. Ill. Nov. 19, 2010) (granting 30-day extension).⁴

Notice

12. The Debtors have provided notice of this Motion to: (a) the Office of the United States Trustee for the Northern District of Illinois; (b) the entities listed on the Consolidated List of Creditors Holding the 50 Largest Unsecured Claims; (c) the administrative agent for the Debtors' credit facility; (d) the indenture trustees for each of the Debtors' secured and unsecured notes; (e) counsel to certain holders of claims against the Debtors regarding each of the foregoing referenced in clauses (c) and (d); (f) the state attorneys general for states in which the Debtors conduct business; (g) the Office of the United States Attorney for the Northern District of Illinois; (h) the Internal Revenue Service; (i) the Securities and Exchange Commission; (j) the gaming commissions for each of the states in which the Debtors operate or manage a casino; (k) counsel to CEC; and (l) any party that has requested notice pursuant to Bankruptcy Rule 2002. The Debtors submit that, in light of the nature of the relief requested, no other or further notice need be given.

No Prior Request

13. No prior request for the relief sought in this Motion has been made to this or any other court.

⁴ Because of the voluminous nature of the orders cited herein, such orders have not been attached to this Motion. Copies of these orders are available upon request to the Debtors' proposed counsel.

WHEREFORE, the Debtors respectfully request entry of an order, substantially in the form attached hereto as **Exhibit A**, granting the relief requested herein and granting such other relief as is just and proper.

Dated: January 15, 2015
Chicago, Illinois

/s/ David R. Seligman, P.C.

James H.M. Sprayregen, P.C.

David R. Seligman, P.C.

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*Proposed Counsel to the Debtors
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EXHIBIT A

Proposed Order

UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

In re:)	
)	Chapter 11
)	
CAESARS ENTERTAINMENT OPERATING)	Case No. 15-01145 (ABG)
COMPANY, INC., <u>et al.</u> , ¹)	
)	
Debtors.)	(Joint Administration Requested)
)	
)	Re: Docket No. ___

**ORDER (I) EXTENDING DEADLINE TO FILE
SCHEDULES OF ASSETS AND LIABILITIES, CURRENT INCOME AND
EXPENDITURES, AND EXECUTORY CONTRACTS AND UNEXPIRED LEASES AND
STATEMENTS OF FINANCIAL AFFAIRS, AND (II) GRANTING RELATED RELIEF**

Upon the motion (the "Motion") of the above-captioned debtors and debtors in possession (collectively, the "Debtors") for entry of an order (this "Order") (I) granting the Debtors an extension of 47 days to file their Schedules and Statements, and (II) granting related relief, all as more fully set forth in the Motion; and upon the First Day Declaration; and the Court having found that the Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334; and the Court having found that this is a core proceeding pursuant to 28 U.S.C. § 157(b)(2); and the Court having found that venue of this proceeding and the Motion in this district is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and the Court having found that the relief requested in the Motion is in the best interests of the Debtors' estates, their creditors, and other parties in interest; and the Court having found that the Debtors provided appropriate notice of the Motion and the opportunity for a hearing on the Motion under the circumstances; and the

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Court having reviewed the Motion and having heard the statements in support of the relief requested therein at a hearing before the Court (the "Hearing"); and the Court having determined that the legal and factual bases set forth in the Motion and at the Hearing establish just cause for the relief granted herein; and upon all of the proceedings had before the Court; and after due deliberation and sufficient cause appearing therefor, it is HEREBY ORDERED THAT:

1. The Motion is granted as set forth herein. Capitalized terms used but not otherwise defined herein have the meanings given to them in the Motion.

2. The time within which the Debtors must file the Schedules and Statements is extended for an additional 47 days (for a total of 61 days after the Petition Date), without prejudice to the Debtors' right to seek an additional extension upon cause shown therefor.

3. The relief granted herein is without prejudice to the Debtors' rights to seek an additional extension for cause.

4. Notice of the Motion as provided therein shall be deemed good and sufficient notice of such Motion and the requirements of Bankruptcy Rule 6004(a) and the Local Rules for the United States Bankruptcy Court for the Northern District are satisfied by such notice.

5. All time periods set forth in this Order will be calculated in accordance with Bankruptcy Rule 9006(a).

6. The Debtors are authorized to take all actions necessary to effectuate the relief granted in this Order in accordance with the Motion.

7. This Court retains exclusive jurisdiction with respect to all matters arising from or related to the implementation, interpretation, and enforcement of this Order.

Dated: _____, 2015
Chicago, Illinois

United States Bankruptcy Judge