

UNITED STATES BANKRUPTCY COURT  
NORTHERN DISTRICT OF ILLINOIS  
EASTERN DIVISION

In re:

CAESARS ENTERTAINMENT OPERATING  
COMPANY, INC., et al.,<sup>1</sup>

Debtors.

Chapter 11

Case No. 15-01145 (ABG)

(Jointly Administered)

**PRELIMINARY OBJECTION OF THE AD HOC GROUP OF 5.75%  
AND 6.50% NOTES TO THE DEBTORS' EMERGENCY MOTION TO  
CONTINUE THE MOTION OF THE NOTEHOLDER COMMITTEE FOR AN  
ORDER GRANTING IT STANDING TO COMMENCE, PROSECUTE, AND  
SETTLE CLAIMS ON BEHALF OF THE DEBTORS' ESTATE OR, IN THE  
ALTERNATIVE, MODIFY THE ORDER SETTING A BRIEFING SCHEDULE**

Trilogy Capital Management, LLC (as investment advisor for certain funds, including Trilogy Portfolio Company, LLC), Relative Value-Long/Short Debt Portfolio, a Series of Underlying Funds Trust, BBT Capital Management, LLC (as investment manager for BBT Fund, L.P.), and Douglas Kidd (collectively, the "Ad Hoc Group of 5.75% and 6.50% Notes"), each a noteholder of Caesars Entertainment Operating Company, Inc., one of the above debtors and debtors-in-possession (collectively, the "Debtors"), respectfully submit this objection (the "Objection") to the Debtors' Emergency Motion to Continue the Motion of the Noteholder Committee for an Order Granting it Standing to Commence, Prosecute, and Settle Claims on Behalf of the Debtors' Estate, or in the alternative, Modify the Order Setting a Briefing Schedule [Docket No. 3837] (the "Emergency Motion"), and state as follows:

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<sup>1</sup> 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>.

**OBJECTION**

By way of the Emergency Motion, the Debtors request that the Court continue the Motion of Noteholder Committee For Order Granting Standing To Commence, Prosecute, And Settle Claims On Behalf Of The Debtors' Estates [Docket No. 3694] (the "Standing Motion") until the Court decides whether to approve the Debtors' proposed settlement of the claims set forth in the draft complaint attached as Exhibit A to the Standing Motion (the "Complaint"). Alternatively, the Debtors request that the Court amend the current briefing schedule (whereby objections are due June 15, replies are due June 29, and the Standing Motion will be heard on July 20) to provide for an objection deadline of September 14, a reply deadline of September 28, and a hearing on October 19. Neither request should be granted.

The Court should not defer consideration of the Standing Motion until after the Court's decision on plan confirmation. The statute of limitations for many of the claims set forth in the Complaint will expire on January 12 or 15, 2017 (depending on the outcome of the involuntary trial). *See* 11 U.S.C. § 108(a). The Debtors' proposed confirmation schedule, which provides for commencement of the confirmation hearing on November 7, is the subject of numerous objections. Regardless of whether the confirmation hearing starts in November, December or even later, it is certain to be contentious, will require a significant amount of time and the likelihood of confirmation is uncertain.

The Official Committee of Second Priority Noteholders and other honest brokers that might seek to obtain derivative standing must be allowed to finalize (and, ultimately, file) the Complaint now, rather than wait for a decision which could come after the statute of limitations deadline. The revised briefing schedule proposed by the Debtors also leaves insufficient time, as it creates a situation where those seeking derivative standing may not know whether or not they

have standing to bring the claims set forth in the Complaint or other causes of action until immediately before the limitations deadline.

**CONCLUSION**

For the foregoing reasons, the Court should deny the Emergency Motion, and grant such other and further relief as the Court deems just and proper.

Dated: June 6, 2016  
Chicago, IL

Respectfully submitted,

**DRINKER BIDDLE & REATH LLP**

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