

UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

In re:)	Chapter 11
CAESARS ENTERTAINMENT OPERATING)	Case No. 15-01145 (ABG)
COMPANY, INC., et al., ²)	
Debtors.)	(Jointly Administered)
)	Re: Docket No. 616

**REPORT BY AP SERVICES, LLC
OF COMPENSATION EARNED AND EXPENSES INCURRED
FOR THE PERIOD FROM AUGUST 1, 2016 THROUGH AUGUST 31, 2016**


Exhibit A – Summary of Compensation and Expenses

Exhibit B – Summary of Professionals and Fees

Exhibit C – Summary of Expenses Incurred

Exhibit D – Summary of Services by Function

Dated: September 30, 2016


 Randall S. Eisenberg
 Authorized Representative
 AP Services, LLC

2 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 jointly-administered chapter 11 cases, a complete list of the Debtors and the last four digits of their federal tax identification numbers may be obtained on the website of the Debtors' claims and noticing agent at <https://cases.primeclerk.com/CEOC>.

AP Services, LLC
Summary of Compensation and Expenses – Caesars Entertainment Operating Company, Inc., et al.
August 1, 2016 – August 31, 2016

	Professional Fees	Hosting Fees	Expenses	Less Voluntary Accommodation ⁽¹⁾	TOTAL
Total Accrued: Aug. 1 - Aug. 31, 2016	\$ 1,621,783.50	\$ 10,000.00	\$ 58,503.96	\$ (70,000.00)	\$ 1,620,287.46

Notes

(1) The voluntary accommodation incorporates a 50% reduction of fees associated with non-working travel.

AP Services, LLC
 Summary of Professionals and Fees – Caesars Entertainment Operating Company, Inc., et al.
 August 1, 2016 – August 31, 2016

Temporary Staff Employees -- Officer Positions				
Name	Description of Primary Functions	Hourly Rate	Aug 2016	Total Compensation
Randall S. Eisenberg	Chief Restructuring Officer	\$1,070	140.9	\$ 150,763.00
Temporary Staff Employees -- Non-Officer Positions				
Name	Description of Primary Functions	Hourly Rate	Aug 2016	Total Compensation
Eva Anderson	Operating Plan / Plan of Reorganization Teams	\$880	156.2	137,456.00
Jim Guglielmo	Creditor Constituency / Emergence Planning Teams	\$830	135.4	112,382.00
Mike DeGraf	Claims Management / Plan of Reorganization / Accounting & Finance Teams	\$770	201.5	155,155.00
Robb McWilliams	Claims Management / Plan of Reorganization / Chapter 11 Reporting Teams	\$770	146.0	112,420.00
Kent Percy	Plan of Reorganization / Emergence Planning Teams	\$770	188.7	145,299.00
Scott Tandberg	Procurement Team	\$720	6.0	4,320.00
Peter Baldwin	Plan of Reorganization Team	\$635	194.1	123,253.50
Ben Chesters	Creditor Constituency / Emergence Planning Teams	\$635	164.0	104,140.00
Brian Maloney	Operating Plan / Plan of Reorganization Teams	\$635	177.6	112,776.00
Chris Brokmeier	Operating Plan / Plan of Reorganization Teams	\$585	41.4	24,219.00
Candice Lang	Plan of Reorganization Team	\$585	17.1	10,003.50
Mark Ray	Plan of Reorganization Team	\$585	4.3	2,515.50
Jarod Clarrey	Claims Management / Plan of Reorganization / Chapter 11 Reporting Teams	\$530	179.7	95,241.00
Luke Ericson	Treasury & Cash Management / Plan of Reorganization Teams	\$530	24.4	12,932.00
Jen McConnell	Treasury & Cash Management Team	\$530	197.7	104,781.00
Jeremy Dioso	Claims Management / Plan of Reorganization Teams	\$400	192.8	77,120.00
Alec Bear	Operating Plan / Plan of Reorganization Teams	\$365	176.6	64,459.00
Mark Barnett	Claims Management / Plan of Reorganization Teams	\$315	179.3	56,479.50
Allen Wong	Plan of Reorganization Team	\$315	33.1	10,426.50
Kenny Truong	Plan of Reorganization Team	\$260	21.7	5,642.00
			Subtotal Non-Officer	1,471,020.50
			Officer and Non-Officer Total	1,621,783.50
			Plus: GL Variance Hosting Fee	10,000.00
			Total	<u>\$1,631,783.50</u>

AP Services, LLC
Summary of Expenses Incurred – Caesars Entertainment Operating Company, Inc., et al.⁽¹⁾
August 1, 2016 – August 31, 2016

Expenses	Aug 2016
Airfare	\$ 34,070.08
Ground Transportation	8,085.30
Lodging	5,015.75
Conference Calls	331.32
Internet Access	821.53
Out-of-Town Meals	7,323.59
Parking & Tolls / Mileage	602.00
Rental Car	2,193.81
Other	60.58
Total Expenses	\$ 58,503.96

Notes

(1) Certain expenses may relate to prior periods.

AP Services, LLC
Summary of Services by Function – Caesars Entertainment Operating Company, Inc., et al.
August 1, 2016 – August 31, 2016

- The Office of the Chief Restructuring Officer:
 - Met weekly with senior management to coordinate and align restructuring work streams and goals with the Company’s overall business operations and strategies
 - Met with the Restructuring Committee of the CEOC Board of Directors periodically to provide updates regarding the status of the restructuring process
 - Provided senior-level guidance on the restructuring process, working with the senior management team and advisors to design and implement business and restructuring strategies
 - Interfaced with various creditor constituents’ professionals to respond, in a timely and inclusive manner, to their diligence inquiries and requests for information about the Company’s financial results, and the rationale and support for restructuring-related decisions
 - Coordinated and directed engagement activities and priorities of working teams across multiple work streams
 - Oversaw emergence planning for establishment of the REIT
 - Oversaw completion and release of materials pertaining to the restructuring for presentation to the CEOC Board of Directors at August 4, 2016 Board Meeting
 - Reviewed and provided input on various documents to be included in the Plan Supplement
- The Treasury and Cash Management Team:
 - Provided guidance to Debtors in matters specific to cash management procedures
 - Addressed internal and external requests related to cash management matters
 - Developed and prepared informational 13-week cash receipts and disbursements forecast as required per the final cash collateral order
 - Prepared weekly variance analyses of actual cash receipts and disbursements
 - Responded to requests and inquiries from advisors to the four primary creditor constituents related to the controlling cash budget and weekly cash variances
 - In conjunction with management, prepared various deliverables required under the final cash management, cash collateral and letter of credit orders

AP Services, LLC
Summary of Services by Function – Caesars Entertainment Operating Company, Inc., et al.
August 1, 2016 – August 31, 2016

- Held regular cash reporting calls with advisors to the creditor constituents
- Prepared schedule of professional fee payments for incorporation into the July Monthly Operating Report (“MOR”)
- The Procurement Team:
 - Continued vendor management program to maintain continuity of supply and service so as to not adversely impact the customer experience, including the design and implementation of a customized escalation process and a database to track vendor inquiries
 - Tracked disbursements related to first day orders to ensure compliance with Court orders related to post-petition payments of pre-petition obligations
 - Facilitated communication and payments to vendors to ensure continuity of service and supply
 - Continued to support the Company’s procurement team on vendor and contract negotiations, providing consultation on negotiation strategies and related analysis
 - Provided reporting as agreed under the various first day vendor related orders, and responded to related inquiries from the advisors to the various creditor constituents
- The Accounting & Finance Team:
 - Developed analyses and materials for discussions with internal and external parties regarding intercompany transactions
- The Operating Plan Team:
 - Developed and released an extensive monthly financial information report to creditors for the period ended July 31, 2016
 - Provided status updates regarding actual performance versus budget and held diligence sessions regarding same
 - Continued tracking of significant cost savings initiatives and reporting versus budget
 - Responded to information requests received from and interfaced with advisors to the various Official and Ad Hoc Committees

AP Services, LLC

Summary of Services by Function – Caesars Entertainment Operating Company, Inc., et al.
August 1, 2016 – August 31, 2016

- Assisted with the assessment of various development opportunities, including evaluation of investment thesis and preparation of presentation materials for review by the Governance Committee and advisors to creditor constituents
- Assisted with finalizing materials regarding the 2016 long-term incentive plan for presentation to creditor advisors and addressed follow-up diligence items relating thereto
- Completed and released materials for presentation to CEOC Board of Directors at August 4, 2016 Board Meeting
- The Emergence Planning Team:
 - Working with management, continued advancement of work streams for the establishment of the REIT upon emergence
 - Attended various meetings and conference calls with Debtors' management team, Debtors' advisors, and First Lien Bondholder Committee advisors regarding REIT financing topics
 - Provided guidance in establishing proposed covenant levels and basket sizes for incorporation into definitive PropCo financing documents
 - Assisted in the development of materials to support the OpCo and CPLV Sub new money financing processes and participated in follow-up diligence calls with prospective underwriters
 - Continued to develop long-term financial projection and operating model for CEOC golf course operations to be transferred into Taxable REIT Subsidiary
 - Held weekly meetings with golf course management teams regarding stand-up efforts
 - Held conference calls and responded to various diligence requests from First Lien Bondholder Committee advisors on the golf course projections
 - Participated in a REIT formation update session on August 24, 2016 with the advisors to the First Lien Bondholders
- The Chapter 11 Reporting Team:
 - Advised and assisted the Debtors with the development of the July MOR under Chapter 11 reporting guidelines
 - Coordinated efforts to produce report within existing reporting and accounting frameworks and timelines, including final preparation, review and approval

AP Services, LLC
Summary of Services by Function – Caesars Entertainment Operating Company, Inc., et al.
August 1, 2016 – August 31, 2016

- Facilitated timely filing of the July MOR on August 30, 2016
- Responded to questions raised by advisors to the Official and Ad Hoc Committees regarding chapter 11 reporting
- The Creditor Constituency Team:
 - Coordinated all diligence requests from advisors to the following constituents:
 - First Lien Lender Committee
 - First Lien Bondholder Committee
 - Unsecured Creditors Committee
 - Second Lien Noteholder Committee
 - Coordinated internal review and sign-off of materials prior to loading in the data rooms, facilitating the release of 33 unique documents in the month of August
 - Employed tracking system for 1,750 information requests received to date from all creditor constituents as part of the extensive due diligence being undertaken
 - With the assistance of APS, the Debtors have addressed 1,747 of the information requests through August 31, 2016, with ongoing efforts to address the remaining open requests
 - Located and developed materials responsive to requests made by the various committees' advisors
 - Coordinated regular diligence status meetings with the senior management team to provide updates on all new or open requests, discuss manner in which information will be accumulated or developed, assign a responsible party and set target date for completion
 - Participated in numerous meetings and teleconferences with advisors to the various committees and prepared supporting analyses when needed
- The Claims Management Team:
 - Maintained a bankruptcy claims database to coordinate the tracking of filed and scheduled claims
 - Continued a comprehensive review of approximately 5,800 filed claims to categorize and match with scheduled liabilities

AP Services, LLC

Summary of Services by Function – Caesars Entertainment Operating Company, Inc., et al.
August 1, 2016 – August 31, 2016

- Further refined the claims estimations, involving personnel in the Company's finance, accounting, legal, tax, vendor and employee teams
- Continued a detailed claims review and reconciliation process with the Company's trade payables team to identify opportunities to resolve claims consensually through settlements
 - Continued the trade vendor settlement process to consensually resolve proofs of claim filed in these chapter 11 cases
 - Mailed 54 settlement offers seeking to resolve 161 claims
 - Received signed settlement agreements for 68 vendors, addressing 123 claims for a proposed reduction of \$0.24 million
 - Through August 2016, 761 vendors have submitted signed settlement agreements, resolving 1,641 claims for a proposed reduction of \$11.9 million
- Reviewed information provided by the Company in support of claims estimations, and updated claims model to incorporate
- Continued the preparation of additional substantive and omnibus claims objections with counsel and the Debtors
 - To date, 423 claims have been eliminated from the register through omnibus and individual objections, totaling approximately \$6.65 billion
- Prepared various analyses and claims estimation reports to support creditor diligence inquiries
- Provided timely updates to Debtors' counsel to ensure proper classification and estimation of claim ranges for each Plan class based on evolving plan structure
- Continued management of the contracts database and website
- Continued to support the strategic sourcing team with the planning and coordinating of vendor negotiations
- Continued to support and coordinate with Accounts Payable regarding the analysis of pre-petition invoices and computation of cure estimates
- Coordinated the process required to resolve disputes with respect to the Executory Contract exhibits filed with the Plan Supplement

AP Services, LLC
Summary of Services by Function – Caesars Entertainment Operating Company, Inc., et al.
August 1, 2016 – August 31, 2016

- Developed tracking and reporting process for all responses and objections received in regard to Executory Contract exhibits
- Commenced procedures required to develop appropriate responses
- The Plan of Reorganization Team:
 - Commenced development of various expert reports in connection with the Debtors' efforts to confirm its chapter 11 plan of reorganization
- The Market Test Team:
 - Performed review of updated marketing information document developed to support marketing process, identified required updates, and facilitated incorporation of revisions prior to release
 - Performed review of updated CIM document developed to support marketing process, identified required updates, and facilitated incorporation of revisions prior to release