

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 INTERIM AND FINAL
ORDERS (I) AUTHORIZING THE DEBTORS TO PAY CLAIMS
ARISING UNDER THE PERISHABLE AGRICULTURAL
COMMODITIES ACT, AND (II) GRANTING RELATED RELIEF**

The above-captioned debtors and debtors in possession (collectively, the “Debtors”) file this motion (this “Motion”) for entry of interim and final orders (the “Interim Order” and “Final Order,” respectively), substantially in the forms attached hereto as **Exhibit A** and **Exhibit B**, respectively, (I) authorizing the Debtors to pay all claims arising under the Perishable Agricultural Commodities Act of 1930 (“PACA”) to PACA vendors (the “PACA Vendors,” whose claims shall be identified as “PACA Claims”), 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 sections 105(a), 363, 1107(a), and 1108 of title 11 of chapter 11 of the United States Code, 11 U.S.C. §§ 101–1532 (the “Bankruptcy Code”), and rule 6003 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”).

Relief Requested

4. The Debtors seek entry of an Interim Order and a Final Order (a) authorizing, but not directing, the Debtors to pay all PACA Claims, and (b) granting related relief. In addition, the Debtors request that the Court schedule a final hearing (the “Final Hearing”) within approximately 25 days of the commencement of these chapter 11 cases to consider approval of this Motion on a final basis.

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

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.

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 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.

PACA Trust Claims

8. As set forth above, the Debtors own and operate or manage 38 gaming and resort properties in 14 U.S. states and 5 countries. These casinos and hotels not only provide customers with high-quality casino entertainment and hospitality experiences, but also offer first-class fine and casual dining choices, which include restaurants, bars, and catering and in-room dining

services to approximately 42,000 hotel rooms. In connection therewith, the Debtors purchase a variety of consumable goods, including goods that may be deemed “perishable agricultural commodities” under PACA. The PACA Vendors are intimately familiar with the Debtors’ businesses, restaurants, and food-service amenities, and in many cases, make deliveries to the Debtors’ numerous locations on a daily basis. To ensure the uninterrupted supply of the necessary fresh produce, the Debtors seek authority to continue to pay PACA Vendors in the ordinary course of business and consistent with historical practices.³ The Debtors estimate they owe PACA Vendors approximately \$400,000 in the aggregate for goods covered under PACA delivered prior to the Petition Date.

9. Congress enacted PACA to regulate the sale of “perishable agricultural commodities.” 7 U.S.C. § 499a; see also Patterson Frozen Foods, Inc. v. Crown Foods Int’l, Inc., 307 F.3d 666, 669 (7th Cir. 2002). Under PACA, the term “perishable agricultural commodity” is defined as “fruits and fresh vegetables of every kind and character [whether or not frozen or packed in ice].” 7 U.S.C. § 499a(b)(4). PACA provides various protections to fresh fruit and vegetable sellers, including the establishment of a statutory constructive trust (“PACA Trust”) consisting of a purchaser’s entire inventory of food or other derivatives of perishable agricultural commodities, the products derived therefrom, and the proceeds related to any sale of the commodities or products (collectively, the “PACA Trust Assets”). 7 U.S.C. § 499e(c)(2). Assets subject to a PACA Trust are preserved as a non-segregated floating trust and may be commingled with non-trust assets.

³ The Debtors do not believe that any vendors have delivered to the Debtors any “livestock,” “poultry,” or any other eligible goods covered by the Packers and Stockyards Act of 1921, 7 U.S.C. § 181 *et seq.* (as amended, “PASA”). Consequently, there should be no valid PASA claims (the “PASA Claims”) against the Debtors. As a protective measure, however, the Debtors seek authority to address and resolve valid PASA Claims pursuant to this Motion in the event that vendors have any rights under PASA.

10. PACA requires sellers of perishable agricultural commodities to take certain procedural steps to preserve its rights as a trust beneficiary. Specifically, a PACA Vendor must provide written notice (a “PACA Notice”) to the purchaser of such goods and its intent to preserve the benefits of the PACA Trust. See Greg Orchards & Produce, Inc. v. Roncone, 180 F.3d 888, 890 (7th Cir. 1999). Written notice under PACA may be accomplished by either (a) including the statutorily-mandated language on the face of the vendor’s invoices or (b) providing written notice to the purchaser of the PACA goods within 30 days after the time payment is due. 7 U.S.C. § 499e(c)(4); see also In re Ebro Foods, Inc., 449 B.R. 759, 763 (Bankr. N.D. Ill. 2011). Beneficiaries of a PACA Trust that adhere to the statutory notice requirements are entitled to prompt payment from the PACA Trust Assets ahead of secured and unsecured creditors of a debtor’s estate. See e.g. Patterson Frozen Foods, 307 F.3d at 669. A PACA Vendor who fails to comply with the notice requirements, however, is only entitled to a general unsecured claim in a debtor’s chapter 11 case.

11. PACA’s application is limited to sales to commission merchants, brokers, and dealers. 7 U.S.C. § 499e(c). “Dealer,” as such term is defined in PACA, is “any person engaged in the business of buying or selling in wholesale or jobbing quantities, as defined by the Secretary, any perishable agricultural commodity in interstate or foreign commerce.” 7 U.S.C. §499a(b)(6). Numerous courts have held that restaurants who purchase fresh fruits and vegetables (in excess of \$230,000 per year) are “dealers” under PACA. See e.g., In re Magic Rests., Inc., 205 F.3d 108, 114-17 (3d Cir. 2000); Royal Foods Co., Inc. v. RJR Holdings, Inc., 252 F.3d 1102, 1105 (9th Cir. 2001); In re Old Fashioned Enters., Inc., 236 F.3d 422, 425 (8th Cir. 2001).

12. The Debtors are “dealers” under PACA. As a result, insofar as the PACA Vendors abide by the notice requirements of PACA, they can assert PACA Claims granting them priority ahead of all other secured and unsecured creditors in the Debtors’ chapter 11 cases. Therefore, payment of PACA Claims at this time will not prejudice or affect the amount available for distributions to other creditors of the Debtors.

13. It is essential to the Debtors’ operations that the supply of fresh produce continues unimpeded. Any disruptions or delays in that regard would harm the Debtors’ operations and could jeopardize their ability to reorganize successfully.

Basis for Relief

I. Payment of Allowed PACA Claims In the Ordinary Course of Business Is Warranted.

14. The prompt and full payment of PACA Claims should be authorized by this Court. PACA Trust Assets are not property of a debtor’s estate. See In re Kornblum & Co., 81 F.3d 280, 284 (2nd Cir. 1996); Morris Okun, Inc. v. Harry Zimmerman, Inc., 814 F. Supp. 346, 348 (S.D.N.Y. 1993). As a result, the distribution of assets to the holders of PACA Claims falls outside the priority scheme set forth in the Bankruptcy Code, and such holders are entitled to payment from the PACA Trust ahead of the Debtors’ other creditors. See, e.g., Patterson Frozen Foods, 307 F.3d at 669; In re Ebro Foods, 449 B.R. at 762. Moreover, the disposition of PACA Trust Assets is subject to the jurisdiction of the bankruptcy court. See In re Sage Enters., Inc., No. 04 A 03014, 2006 WL 1722582, *2 (Bankr. N.D. Ill. Apr. 28, 2006); Monterey Mushrooms, Inc. v. Carolina Produce Distribs., Inc. (In re Carolina Produce Distribs., Inc.), 110 B.R. 207, 211 (W.D.N.C. 1990); Allied Growers Co-Op, Inc. v. United Fruit and Produce Co. (In re United Fruit and Produce Co.), 86 B.R. 14, 16 (Bankr. D. Conn. 1988). Accordingly, the relief

requested herein does not prejudice the Debtors' creditors or any party in interest in the chapter 11 cases.

15. Furthermore, payment of allowed PACA Claims will inure to the benefit of the Debtors' estates by preserving goodwill between the Debtors and the PACA Vendors. Any delays in satisfying amounts owed to PACA Vendors could adversely affect the Debtors' ability to obtain fresh produce, undercutting the Debtors' reorganization prospects. Failing to pay allowed PACA Claims in the ordinary course of business could subject the Debtors to numerous claims and adversary proceedings, including motions by PACA Vendors for relief from the automatic stay and/or injunctive relief, which would result in the unnecessary expenditure of time, effort, and money by the Debtors.

16. Lastly, in certain circumstances, the controlling officers and directors of a corporate entity who are in a position to control trust assets but breach the fiduciary duty to preserve those assets may be held personally liable under PACA. See Patterson Frozen Foods, 307 F.3d at 669 (citing Golman-Hayden Co., Inc. v. Fresh Source Produce, Inc., 217 F.3d 348, 351 (5th Cir. 2000); see also Sato & Co., LLC v. S & M Produce, Inc., 859 F. Supp. 2d 923, 927 (Bankr. N.D. Ill. 2012) (noting that a court will inquire (a) whether the individual's involvement with the corporation was sufficient to establish legal responsibility and (b) whether the individual, in failing to exercise any appreciable oversight of the corporation's management, breached a fiduciary duty owed to the PACA creditors, to determine personal liability). Thus, to the extent that any valid obligations arising under PACA remain unsatisfied by the Debtors, the Debtors' officers and directors may be subject to lawsuits during the pendency of these chapter 11 cases. Any such lawsuit (and the ensuing potential liability) would distract the Debtors and their officers and directors in their attempt to implement a successful reorganization strategy and,

moreover, could lead to the assertion of substantial indemnification claims under the Debtors' governing documents, employment agreements, and applicable laws to the detriment of all of the Debtors' stakeholders.

17. Courts in this district and others have granted relief similar to the relief requested herein with respect to the treatment of PACA Claims in other chapter 11 cases. See, e.g., In re Select Snacks, Inc., No. 07-18769 (PSH) (Bankr. N.D. Ill. Oct. 18, 2007); In re Sbarro, Inc., No. 11-11527 (SCC) (Bankr. S.D.N.Y. May 4, 2011); In re The Great Atl. & Pac. Tea Co., No. 10-24549 (RDD) (Bankr. S.D.N.Y. Dec. 15, 2010); In re Innkeepers USA Trust, No. 10-13800 (SCC) (Bankr. S.D.N.Y. Aug. 12, 2010); In re Uno Rest. Holdings Corp., No. 10-10209 (MG) (Bankr. S.D.N.Y. Jan. 20, 2010); In re Amicus Wind Down Corp. (f/k/a Friendly Ice Cream Corp.), No. 11-13167 (KG) (Bankr. D. Del. Oct. 6, 2011); In re Tropicana Entm't, LLC., No. 08-10856 (KJC) (Bankr. D. Del. May 30, 2008).

II. Paying PACA Claims Will Not Affect Creditor Recovery.

18. The relief requested herein will not affect the recovery of creditors in these chapter 11 cases. As stated above, assets governed by PACA do not constitute property of the Debtors' estates. Holders of PACA Claims are entitled to payment from the PACA Trust ahead of the Debtors' other creditors. The Debtors' requested relief affects only the timing of the PACA Claims payment and will therefore not prejudice the recovery of other creditors.

III. Cause Exists to Authorize the Debtors' Financial Institutions to Honor Electronic Funds and Transfers.

19. The Debtors have sufficient funds to pay the amounts described herein in the ordinary course of business by virtue of expected cash flows from ongoing business operations and anticipated access to debtor-in-possession financing and cash collateral. Also, under the Debtors' existing cash management system, the Debtors can readily identify checks or wire transfer requests as relating to an authorized payment in respect of the relief requested herein. Accordingly, the Debtors believe that checks or wire transfer requests, other than those relating to authorized payments, will not be honored inadvertently and that this Court should authorize all applicable financial institutions, when requested by the Debtors, to receive, process, honor, and pay any and all checks or wire transfer requests in respect of the relief requested herein, solely to the extent the Debtors have sufficient funds standing to their credit with such financial institution, and such financial institution may rely on the representations of such Debtors as to which checks are issued and authorized and which transfers are authorized to be paid in accordance with this Motion without any duty of further inquiry and without liability for following the Debtors' instructions.

The Requirements of Bankruptcy Rule 6003 Are Satisfied

20. Bankruptcy Rule 6003 empowers a court to grant relief within the first 21 days after the Petition Date "to the extent that relief is necessary to avoid immediate and irreparable harm." For reasons discussed above, authorizing the Debtors to pay prepetition and postpetition PACA Claims in the ordinary course of business and granting the other relief requested herein is integral to the Debtors' ability to transition their operations into these chapter 11 cases. Failure to receive such authorization and other relief during the first 21 days of these chapter 11 cases would severely disrupt the Debtors' operations at this critical juncture. For the reasons discussed

herein, the relief requested is necessary in order for the Debtors to operate their business in the ordinary course and preserve the ongoing value of the Debtors' operations and maximize the value of their estates for the benefit of all stakeholders. Accordingly, the Debtors submit that they have satisfied the "immediate and irreparable harm" standard of Bankruptcy Rule 6003 to support granting the relief requested herein.

Reservation of Rights

21. Nothing contained herein is intended or should be construed as an admission as to the validity of any claim against the Debtors, a waiver of the Debtors' rights to dispute any claim, or an approval or assumption of any agreement, contract, or lease under section 365 of the Bankruptcy Code. The Debtors expressly reserve their right to contest any claim related to the relief sought herein. Likewise, if the Court grants the relief sought herein, any payment made pursuant to an order of the Court is not intended to be nor should it be construed as an admission as to the validity of any claim or a waiver of the Debtors' rights to subsequently dispute such claim.

Waiver of Bankruptcy Rule 6004(a) and 6004(h)

22. To implement the foregoing successfully, the Debtors request that the Court enter an order providing that notice of the relief requested herein satisfies Bankruptcy Rule 6004(a) and that the Debtors have established cause to exclude such relief from the 14-day stay period under Bankruptcy Rule 6004(h).

Notice

23. 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

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

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WHEREFORE, the Debtors respectfully request entry of interim and final orders, substantially in the forms attached hereto as **Exhibit A** and **Exhibit B**, respectively, 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
and Debtors in Possession*

EXHIBIT A

Proposed Interim 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. ___

**INTERIM ORDER (I) AUTHORIZING THE DEBTORS TO PAY
CLAIMS ARISING UNDER THE PERISHABLE AGRICULTURAL
COMMODITIES ACT, 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 interim order (this "Interim Order") (I) authorizing the Debtors to pay all claims arising under the Perishable Agricultural Commodities Act of 1930 ("PACA") to PACA vendors (the "PACA Vendors," whose claims shall be identified as "PACA Claims"), (II) granting related relief, and (III) scheduling a hearing to consider approval of the Motion on a final basis, 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

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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 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 on an interim basis as set forth herein. Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the Motion.

2. The final hearing (the "Final Hearing") on the Motion shall be held on _____, 2015, at ___:___ [a/p].m., prevailing Central Time. Any objections or responses to entry of the final order must be filed on or before _____, 2015, at 4:00 p.m., prevailing Central Time, and served on the following parties: (a) the Debtors, One Caesars Palace Drive, Las Vegas, Nevada 89109, Attn: Timothy J. Lambert; (b) proposed counsel for the Debtors, Kirkland & Ellis LLP, 300 North LaSalle, Chicago, Illinois 60654, Attn: David R. Seligman, P.C. and Jeffrey D. Pawlitz, Esq.; and Kirkland & Ellis LLP, 601 Lexington Avenue, New York, New York 10022, Attn: Nicole L. Greenblatt, Esq.; (c) counsel to Caesars Entertainment Corp., Inc., Paul, Weiss, Rifkind, Wharton & Garrison LLP, 1285 Avenue of the Americas, New York, New York 10019, Attn: Jeffrey D. Saferstein, Esq. and Samuel E. Lovett, Esq.; (d) counsel for the First Lien Note Group, Kramer Levin Naftalis & Frankel LLP, 1177 Avenue of the Americas, New York, New York 10036, Attn: Kenneth H. Eckstein, Esq. and Daniel M. Eggermann, Esq.; (e) counsel for the First Lien Credit Agreement Group, Stroock & Stroock &

Lavan LLP, 180 Maiden Lane, New York, New York 10038, Attn: Kristopher M. Hansen, Esq. and Jonathan D. Canfield, Esq.; (f) counsel for the indenture trustee under the First Lien Notes Indenture, Katten Muchin Rosenman LLP, 575 Madison Avenue, New York, New York 10022, Attn: Craig A. Barbarosh, Esq. and Karen B. Dine, Esq.; (g) the Office of the United States Trustee for the Northern District of Illinois, 219 South Dearborn Street, Suite 873, Chicago, Illinois 60604; (h) counsel to any statutory committee appointed in these chapter 11 cases; and (i) any party that has requested notice pursuant to Bankruptcy Rule 2002. In the event no objections to entry of a final order on the Motion are timely received, this Court may enter such final order without need for the Final Hearing.

3. The Debtors are authorized, but not directed, to pay PACA Claims, including any amounts relating to the period prior to the Petition Date.

4. The Debtors' right to contest the validity or amount of any PACA Claims is unimpaired by this Order.

5. Subject to entry of a final order, any PACA Vendor who accepts payment from the Debtors in satisfaction of its valid PACA Claim will be deemed to have waived any and all claims of whatever type, kind, or priority, against the Debtors, their property, their estates, and any PACA Trust Assets.

6. Notwithstanding the relief granted in this Interim Order and any actions taken pursuant to such relief, nothing in this Interim Order shall be deemed: (a) an admission as to the validity of any prepetition claim against a Debtor entity; (b) a waiver of the Debtors' right to dispute any prepetition claim on any grounds; (c) a promise or requirement to pay any prepetition claim; (d) an implication or admission that any particular claim is of a type specified or defined in this Interim Order or the Motion; (e) a request or authorization to assume any

prepetition agreement, contract, or lease pursuant to section 365 of the Bankruptcy Code; or (f) a waiver of the Debtors' rights under the Bankruptcy Code or any other applicable law.

7. The banks and financial institutions on which checks were drawn or electronic payment requests made in payment of the prepetition obligations approved herein are authorized and directed to receive, process, honor, and pay all such checks and electronic payment requests when presented for payment, and all such banks and financial institutions are authorized to rely on the Debtors' designation of any particular check or electronic payment request as approved by this Interim Order.

8. The Debtors are authorized to issue postpetition checks, or to effect postpetition fund transfer requests, in replacement of any checks or fund transfer requests that are dishonored as a consequence of these chapter 11 cases with respect to prepetition amounts owed in connection with any PACA Claims.

9. Notwithstanding anything to the contrary contained herein, the relief granted in this Interim Order and any payment to be made hereunder shall be subject to the terms of any orders granting the use of cash collateral approved by this Court in these chapter 11 cases (including with respect to any budgets governing or relating to such use), and to the extent there is any inconsistency between the terms of such cash collateral orders and any action taken or proposed to be taken hereunder, the terms of such cash collateral orders shall control.

10. The contents of the Motion satisfy the requirements of Bankruptcy Rule 6003(b).

11. 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 of the United States Court for the Northern District of Illinois are satisfied by such notice.

12. Notwithstanding Bankruptcy Rule 6004(h), the terms and conditions of this

Interim Order are immediately effective and enforceable upon its entry.

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

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

Dated: _____, 2015

Chicago, Illinois

United States Bankruptcy Judge

EXHIBIT B

Proposed Final 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)

**FINAL ORDER (A) AUTHORIZING THE DEBTORS TO
PAY CLAIMS ARISING UNDER THE PERISHABLE AGRICULTURAL
COMMODITIES ACT, AND (B) GRANTING RELATED RELIEF**

Upon the motion (the "Motion") of the above-captioned debtors and debtors in possession (collectively, the "Debtors") for entry of a final order (this "Final Order") (I) authorizing the Debtors to pay all claims arising under the Perishable Agricultural Commodities Act of 1930 ("PACA") to PACA vendors (the "PACA Vendors," whose claims shall be identified as "PACA Claims"), and (II) granting related relief; 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

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appropriate notice of the Motion and the opportunity for a hearing on the Motion under the circumstances; and the 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 on a final basis as set forth herein. Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the Motion.

2. The Debtors are authorized, but not directed, to pay PACA Claims, including any amounts relating to the period prior to the Petition Date.

3. The Debtors' right to contest the validity or amount of any PACA Claims is unimpaired by this Final Order.

4. Any PACA Vendor who accepts payment from the Debtors in satisfaction of its valid PACA Claim will be deemed to have waived any and all claims of whatever type, kind, or priority, against the Debtors, their property, their estates, and any PACA Trust Assets.

5. Notwithstanding the relief granted in this Final Order and any actions taken pursuant to such relief, nothing in this Final Order shall be deemed: (a) an admission as to the validity of any prepetition claim against a Debtor entity; (b) a waiver of the Debtors' right to dispute any prepetition claim on any grounds; (c) a promise or requirement to pay any prepetition claim; (d) an implication or admission that any particular claim is of a type specified or defined in this Final Order or the Motion; (e) a request or authorization to assume any

prepetition agreement, contract, or lease pursuant to section 365 of the Bankruptcy Code; or (f) a waiver of the Debtors' rights under the Bankruptcy Code or any other applicable law.

6. The banks and financial institutions on which checks were drawn or electronic payment requests made in payment of the PACA Claims approved herein are authorized and directed to receive, process, honor, and pay all such checks and electronic payment requests when presented for payment, and all such banks and financial institutions are authorized to rely on the Debtors' designation of any particular check or electronic payment request as approved by this Final Order.

7. The Debtors are authorized to issue postpetition checks, or to effect postpetition fund transfer requests, in replacement of any checks or fund transfer requests that are dishonored as a consequence of these chapter 11 cases with respect to prepetition amounts owed in connection with any PACA Claims.

8. Notwithstanding anything to the contrary contained herein, the relief granted in this Order and any payment to be made hereunder shall be subject to the terms of any orders granting the use of cash collateral approved by this Court in these chapter 11 cases (including with respect to any budgets governing or relating to such use), and to the extent there is any inconsistency between the terms of such cash collateral orders and any action taken or proposed to be taken hereunder, the terms of such cash collateral orders shall control.

9. 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 of the United States Bankruptcy Court for the Northern District of Illinois are satisfied by such notice.

10. Notwithstanding Bankruptcy Rule 6004(h), the terms and conditions of this Final Order are immediately effective and enforceable upon its entry.

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

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

Dated: _____, 2015

Chicago, Illinois

United States Bankruptcy Judge