

UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

In re:)	Chapter 11
)	
CAESARS ENTERTAINMENT)	No. 15 B 1145
OPERATING CO., INC., <i>et al.</i> ,)	(Jointly administered)
)	
Debtors.)	
<hr/>		
CAESARS ENTERTAINMENT)	
OPERATING CO., INC., <i>et al.</i> ,)	
)	
Plaintiffs,)	
)	
v.)	No. 15 A 149
)	
BOKF, N.A., <i>et al.</i> ,)	
)	
Defendants.)	Judge Goldgar

**ORDER GRANTING MOTION FOR SECTION 105 INJUNCTION
BARRING DEFENDANTS FROM PROSECUTING GUARANTY ACTIONS**

This matter came before the court on the motion of the above-captioned debtors and debtors in possession for entry of an order enjoining the continued prosecution of six actions in federal and state courts between holders of the debtors' second lien or unsecured debt (or trustees representing those holders) and Caesars Entertainment Corporation. The court having heard evidence, and having made findings of fact and conclusions of law on the record in accordance with Rule 52(a)(2) of the Federal Rules of Civil Procedure, Fed. R. Civ. P. 52(a)(2) (made applicable by Fed. R. Bankr. P. 7052), IT IS HEREBY ORDERED:

1. The motion is granted, and the injunction will be issued for the following reasons, *see* Fed. R. Civ. P. 65(d)(1)(A) (made applicable by Fed. R. Bankr. P. 7065). All of the defendants,

plaintiffs in the actions to be enjoined, have consented to entry of the injunction, except for Trilogy Portfolio Company. Caesars Entertainment, a non-party and defendant in the actions, has also consented to be bound by the injunction. As discussed in greater detail on the record, the evidence established each of the elements necessary for injunctive relief against Trilogy (and the other defendants) under section 105(a) of the Bankruptcy Code, 11 U.S.C. § 105(a).

(a) The debtors have a likelihood of a successful reorganization. They have a strong business that continues to exceed projections.

(b) Permitting Trilogy -- the only guaranty plaintiff not to have entered into a restructuring support agreement with the debtors and not consenting to the injunction -- to continue its action in the New York district court threatens the reorganization. Confirmation of the debtors' third amended plan now appears not only possible but probable. If either CEC or Trilogy prevails on summary judgment in the action, it could destabilize and ultimately shatter the fragile agreement the debtors have finally managed to assemble after more than twenty months of litigation, putting confirmation of the plan at risk.

(c) The equities weigh heavily in the debtors' favor. These are \$18 billion bankruptcy cases. In that context, Trilogy is a comparatively small unsecured creditor, owed just \$9.4 million. If an injunction is not entered, the harm to the debtors could be severe. If an injunction is entered, Trilogy will be deprived of its guaranty claim under the debtors' confirmed plan but will receive a 65% percent distribution on its claim in the plan -- 115% if it enters into an RSA with the debtors.

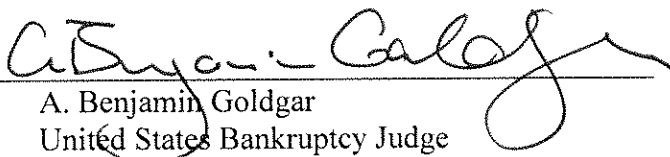
(d) The public interests in settlement and in successful reorganizations favor issuance of the injunction.

2. Pursuant to section 105(a) of the Bankruptcy Code, 11 U.S.C. § 105(a), the defendants

and Caesars Entertainment Corporation are hereby enjoined from continuing to prosecute in any way the guaranty actions styled: *Wilmington Savings Fund Society, FSB v. Caesars Entertainment Corp., C.A.*, No. 10004 VCG (Del. Ch.); *BOKF, N.A. v. Caesars Entertainment Corp.*, No. 15-cv-1561 (JSR) (S.D.N.Y.); *Trilogy Portfolio Co., LLC v. Caesars Entertainment Corp.*, No. 14-cv-07091 (JSR) (S.D.N.Y.); *Danner v. Caesars Entertainment Corp.*, No. 14-cv-07093 (JSR) (S.D.N.Y.); *UMB Bank, N.A. v. Caesars Entertainment Corp.*, No. 15-cv-04634 (JSR) (S.D.N.Y.); and *Wilmington Trust, N.A. v. Caesars Entertainment Corp.*, No. 15-cv-08280 (JSR) (S.D.N.Y.).^{1/} The injunction will remain in effect until the earlier of (a) the first omnibus hearing after the court issues its decision confirming or denying confirmation of the plan (as may be amended from time to time), (b) the termination of any restructuring support agreement with the Official Committee of Second Priority Noteholders, or (c) further order of the court.

3. Notwithstanding Bankruptcy Rule 6004(h), Fed. R. Bankr. P. 6004(h), this order is immediately effective and enforceable upon its entry.

Dated: October 5, 2016


A. Benjamin Goldgar
United States Bankruptcy Judge

^{1/} The debtors' uncontested motion to join UMB Bank, N.A. and Wilmington Trust, N.A., as defendants was granted at the beginning of the hearing.