

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.)	(Jointly Administered)
)	
CAESARS ENTERTAINMENT OPERATING)	
COMPANY, INC., <u>et al.</u> ,)	
)	
Movants,)	
)	
-against-)	
)	
STATUTORY UNSECURED CLAIMHOLDERS')	
COMMITTEE,)	
)	
Respondent.)	
)	

**LIMITED OMNIBUS OBJECTION OF STATUTORY UNSECURED
CLAIMHOLDERS' COMMITTEE OF CAESARS ENTERTAINMENT
OPERATING COMPANY, INC., ET AL. TO CERTAIN FIRST DAY MOTIONS**

To the Honorable A. Benjamin Goldgar, United States Bankruptcy Judge:

The statutory unsecured claimholders' committee (the "UCC") of Caesars Entertainment Operating Company, Inc., *et al.* (the "Debtors") respectfully submits this limited objection (the "Limited Objection") to the Debtors' First Day Motions (as defined below), as follows:

¹ 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 is not provided herein. A complete list of such information may be obtained at <https://cases.primeclerk.com/CEOC>.

Procedural History

1. On January 12, 2015, certain second lien noteholders filed an involuntary chapter 11 petition against Caesars Entertainment Operating Company, Inc. (“CEOC”) with the United States Bankruptcy Court for the District of Delaware. The Debtors commenced these chapter 11 cases on January 15, 2015. The involuntary petition is now pending in this Court.

2. The United States Trustee appointed the UCC and the statutory second priority noteholders’ committee (the “Second Priority Committee”) on February 5, 2015.

3. First Day Motions. On January 15, 2015, the Debtors filed several motions (the “First Day Motions”), including:

- *Debtors’ Motion for Entry of Interim and Final Orders (i) Authorizing the Debtors to Pay Certain Prepetition (a) Wages, Salaries, and Other Compensation, (b) Reimbursable Employee Expenses, and (c) Obligations Relating to Medical and Other Benefits Programs, and (ii) Granting Related Relief [ECF No. 7] (the “Wages Motion”);*
- *Debtors’ Motion for Entry of Interim and Final Orders (i) Authorizing the Debtors to (a) Continue Using Their Cash Management System, (b) Maintain Their Existing Bank Accounts and Business Forms, and (c) Continue Intercompany Transactions, and (ii) Granting Related Relief [ECF No. 8] (the “Cash Management Motion”);*
- *Debtors’ Motion for Entry of Interim and Final Orders (i) Authorizing Payment of (a) Prepetition Claims of Certain Lien Claimants, (b) Section 503(b)(9) Claims, and (c) Foreign Vendor Claims, (ii) Approving Procedures Related Thereto, and (iii) Granting Related Relief [ECF No. 9] (the “503(b)(9) Motion”);*
- *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 [ECF No. 10] (the “PACA Motion”);*
- *Debtors’ Motion for Entry of Interim and Final Orders (i) Authorizing Payment of Prepetition Claims of Certain Vendors, (ii) Approving and Authorizing Procedures Related Thereto, and (iii) Granting Related Relief [ECF No. 11] (the “Critical Vendor Motion”);*
- *Debtors’ Motion for Entry of an Order (i) Authorizing the Debtors to Maintain and Administer Their Existing Customer Programs and Honor Certain Prepetition Obligations Related Thereto, and (ii) Granting Related Relief [ECF No. 12] (the “Customer Programs Motion”);*

- *Debtors' Motion for Entry of Interim and Final Orders (i) Authorizing The Debtors to Pay Certain Prepetition Taxes and Fees, and (ii) Granting Related Relief* [ECF No. 13] (the "Taxes Motion");
- *Debtors' Motion for Entry of an Order (i) Authorizing the Debtors to (a) Continue Their Prepetition Insurance Coverage, (b) Satisfy Payment of Prepetition Obligations Related to That Insurance Coverage in the Ordinary Course of Business, and (c) Renew, Supplement, or Enter Into New Insurance Coverage in The Ordinary Course of Business, and (ii) Granting Related Relief* [ECF No. 14] (the "Insurance Motion");
- *Debtors' Motion for Entry of an Order (i) Approving Continuation of Surety Bond Program, and (ii) Granting Related Relief* [ECF No. 15] (the "Surety Motion");
- *Debtors' Application for Entry of an Order (i) Authorizing the Debtors to Employ and Retain Prime Clerk LLC as Notice, Claims, and Solicitation Agent, Effective Nunc Pro Tunc to the Petition Date, and (ii) Granting Related Relief* [ECF No. 16] (the "Claims Agent Retention");
- *Debtors' Motion for Entry of an Order (i) Directing Joint Administration of Related Chapter 11 Cases, and (ii) Granting Related Relief* [ECF No. 21] (the "Joint Administration Motion"); and
- *Debtors' Motion for Entry of Interim and Final Orders (i) Authorizing Use of Cash Collateral, (ii) Granting Adequate Protection, (iii) Modifying the Automatic Stay to Permit Implementation, (iv) Scheduling a Final Hearing, and (v) Granting Related Relief* [ECF No. 22] (the "Cash Collateral Motion").

4. On January 15, 2015, the Delaware Court limited the relief sought in the First Day Motions to interim relief only and barred future CEOC-related motions until the resolution of the venue dispute. Accordingly, on January 15 and 16, 2015, the Court entered final orders approving the: (i) Joint Administration Motion [ECF No. 43]; (ii) Customer Programs Motion [ECF No. 49]; (iii) Surety Motion [ECF No. 50]; and (iv) Claims Agent Retention [ECF No. 51]; and approved the following First Day Motions on an interim basis: (i) the Cash Collateral Motion [ECF No. 47]; (ii) the Wages Motion [ECF No. 54]; (iii) the 503(b)(9) Motion [ECF No. 55]; (iv) the PACA Motion [ECF No. 56]; (v) the Critical Vendor Motion [ECF NO. 57]; (vi) the Taxes Motion [ECF No. 58]; (vii) the Cash Management Motion [ECF No. 59]; and (viii) the Insurance Motion [ECF No. 91].

Limited Objection

5. The UCC has no objection to the following First Day Motions:

- Joint Administration Motion;
- Customer Programs Motion;
- Surety Motion;
- Claims Agent Retention; and
- PACA Motion.²

6. Immediately after their selection, the UCC professionals began their due diligence and engaged in a series of discussions with the Debtors' professionals with respect to the First Day Motions. The UCC has requested further information with respect to the following First Day Motions: (i) Cash Management Motion; (ii) Insurance Motion; (iii) Wages Motion; (iv) 503(b)(9) Motion; (v) Critical Vendor Motion; and (vi) Taxes Motion (collectively, the "Unresolved First Day Motions"). Despite the Debtors' cooperation, certain diligence items still have to be provided. The UCC hopes and anticipates that, before the March 4 hearing, this information gap will be remedied, and the UCC will be able to complete its analysis and inform this Court of its position on each Unresolved First Day Motion.

7. In addition, the UCC has provided the Debtors with comments to the proposed final orders related to the Unresolved First Day Motions. The discussions with the Debtors regarding the UCC's comments remain ongoing. Because no firm agreement on the final form of the proposed orders has been reached, the UCC objects to the current form of the proposed final orders and reserves all rights related to the Unresolved First Day Motions:

² At present, the UCC has no objections or proposed revisions to the form of the interim order approving the PACA Motion, but reserves all rights to object to the extent the Debtors submit a proposed final order that differs from the interim order.

- Cash Management Motion;
- Insurance Motion;
- Wages Motion;
- 503(b)(9) Motion;
- Critical Vendor Motion; and
- Taxes Motion.

8. Contemporaneously herewith, the UCC is filing its objection to the Cash Collateral Motion and other motions filed after the First Day Motions.

RESERVATION OF RIGHTS

9. The UCC reserves the right to raise further and other objections or responses to the First Day Motions and any other form of order presented by the Debtors prior to or at the final hearing to approve the First Day Motions. All rights and remedies are hereby expressly reserved.

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CONCLUSION

WHEREFORE the UCC respectfully requests that the Court (i) refrain from hearing and granting the Unresolved First Day Motions identified above for which the UCC is still awaiting data from the Debtors or negotiating final proposed orders on March 4, 2015, (ii) set briefing and hearing dates for the Unresolved First Day Motions, if any, the UCC subsequently indicates it has objections to after receiving the data it needs from the Debtors, and (iii) grant the UCC such other and further relief as it deems just and proper.

Dated: February 25, 2015
Chicago, Illinois

By: /s/ Paul V. Possinger
One of its attorneys

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