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January 27, 2016

By ECF and Hand Delivery

The Honorable Shira A. Scheindlin
United States District Court Judge
United States District Court for the Southern District of New York
Daniel Patrick Moynihan United States Courthouse
500 Pearl Street, Room 1620
New York, NY 10007

Re: *MeehanCombs Global Credit Opportunities Master Fund, LP, et al.* v. *Caesars Entm't Corp., et al.*, No. 14-cv-7091 (SAS)

Dear Judge Scheindlin:

On behalf of the Plaintiffs in the above-referenced action, we write concerning the trials currently scheduled for the BOKF and UMB Plaintiffs (set to begin on March 14, 2016) and the MeehanCombs and Danner Plaintiffs (set to begin on May 9, 2016). Specifically, we write to address potential collateral estoppel issues arising from the possible overlap in factual questions to be adjudicated at the two trials.

As Your Honor is aware, one of the central themes of the BOKF and UMB case-in-chief is that Caesars engaged in an out-of-court restructuring in May 2014 in an attempt to release CEC's guarantee on the BOKF and UMB bonds, thereby violating those bondholders' rights to payment under the Trust Indenture Act (the "TIA"). In contrast, the MeehanCombs case-in-chief will focus on the August 2014 transaction pursuant to which CEC amended the indenture governing the MeehanCombs bonds to strip out CEC's parent guarantee of those securities. CEC, for its part, has raised the affirmative defense in the MeehanCombs case that the guarantee for the MeehanCombs bonds was released as a result of the "May transaction," which thereby raises specific issues under our indenture concerning SEC Regulation S-X.

We believe based on the Court's recent summary judgment rulings[1] that issues potentially relevant to the MeehanCombs case may arise in the BOKF/UMB trial. Although we believe that MeehanCombs/Danner factual questions may ultimately prove irrelevant to the BOKF/UMB jury's verdict—depending on how the jury resolves both the "out of court restructuring" issue and what has been referred to as the "and/or"

[1] *See* Mem. Op. and Order, Jan. 5, 2016 [*BOKF* ECF No. 76; *UMB* ECF No. 81]; Op. and Order, Dec. 29, 2015 [*MeehanCombs* ECF No. 88; *Danner* ECF No. 84].

issue—there nonetheless is a chance that the BOKF/UMB jury may hear evidence relating to the MeehanCombs indenture.

When the Court raised the issue of trial dates with the parties at the November 10, 2015 status conference, a colloquy followed in which the parties and the Court discussed whether separate trials would involve overlapping issues under the TIA. At the time, which was prior to the Court's summary judgment rulings, we believed that any overlap in TIA issues would relate to the out-of-court restructuring theory pursued by BOKF and UMB—a theory that is present in our case but is the lead theory of liability only for BOKF and UMB. Based on that understanding, we stated at the conference that we would agree to be bound by the resolution of factual issues in the BOKF/UMB trial to the extent they were "identical" to fact issues raised in our case. The MeehanCombs Plaintiffs continue to agree to be bound by findings of fact specific to the out-of-court restructuring issue from the BOKF and UMB trial.

However, because the MeehanCombs Plaintiffs will not be participating in the BOKF and UMB trial, we cannot agree to be bound by any findings regarding factual issues specific to the MeehanCombs indenture. These issues include, without limitation: (i) whether the parent guarantee included in the MeehanCombs indenture constitutes a "core term" of the indenture such that its removal in August 2014 constituted a violation of the TIA; and (ii) whether CEOC ceased to be a "wholly owned subsidiary" as defined in Regulation S-X as a result of the May 2014 transactions. These specific issues were not discussed at the November 10 status conference, and our clients are not prepared to forego their ability to be heard directly by the jury with respect to issues at the core of their case.

At the end of the November 10 conference, Your Honor stated that Plaintiffs could further consider the joint trial issue and come back to the Court if their views changed after further analysis. Consistent with the Court's invitation, we raise the foregoing in an effort to ensure that there is as much clarity as possible concerning the effects of the March 14 trial on the issues that will need to be adjudicated starting on May 9. We are available to discuss these matters further at any time convenient for the Court.

Respectfully submitted,

Clay J. Pierce

cc: All counsel of record (via ECF)