

**UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION**

In re:) Chapter 11
)
CAESARS ENTERTAINMENT,) No. 15 B 1145
OPERATING CO., INC., *et al.*,) (Jointly administered)
)
Debtors.) Judge Goldgar

**ORDER GRANTING IN PART AND DENYING IN
PART MOTIONS TO APPOINT EXAMINER**

This matter is before the court on (1) the motion of debtors Caesars Entertainment Operating Co., Inc. (“CEOC”), and certain subsidiaries (“Debtors”) for an order appointing an examiner and other relief (Dkt. No. 363), and (2) the motion of the Official Committee of Second Priority Noteholders (the “Noteholders’ Committee”) for appointment of examiner with access to and authority to disclose privileged materials (Dkt. No. 367). The court having carefully considered the arguments of the movants as well as the arguments other parties in interest in the written joinders and objections to the motions,^{1/} IT IS HEREBY ORDERED:

^{1/} Specifically, (1) the objection of the Statutory Unsecured Claimholders’ Committee (the “Creditors’ Committee”) to both motions; (2) the objection of the Noteholders’ Committee to the Debtors’ motion; (3) the Debtors’ preliminary and supplemental objections to the motion of the Noteholders’ Committee; (4) the limited objection of Wilmington Trust, N.A., as successor indenture trustee for the 10.75% senior unsecured notes, to the motion of the Noteholders’ Committee and objection to the Debtors’ motion; (5) the objection of BOKF, N.A., successor trustee for the 12.75% second-priority senior secured notes due 2018, to the Debtors’ motion and joinder in the motion of the Noteholders’ Committee; (6) response of the U.S. trustee to both motions; (7) response of the Ad Hoc Committee of First Lien Bank Lenders to both motions; (8) response of the Ad Hoc Committee of First Lien Noteholders to both motions; (9) response of Caesars Entertainment Corporation (“CEC”) to both motions; (10) joinder of the Ad Hoc Committee of Holders of the 12.75% Second Priority Senior Secured Notes due 2018 in (a) the motion of the Noteholders’ Committee and (b) the Noteholders’ Committee objection to the Debtors’ motion; (11) statement of UMB Bank, N.A., as successor indenture trustee under the First Lien Indentures, in support of the Debtors’ motion and in response to the motion of the Noteholders’ Committee; (12) response to the Debtors’ motion of certain New York federal court

The motions are granted insofar as each seeks appointment of an examiner. In all other respects, the motions are denied.

1. Appointment. In accordance with section 1104(d) of the Bankruptcy Code, the U.S. trustee is directed to appoint an examiner for these jointly administered cases.

Within ten (10) days of the entry of this order, the U.S. trustee must file a motion seeking approval of the examiner under section 1104(d) and Bankruptcy Rule 2007.1(c). The motion need not be noticed for presentment at an omnibus hearing but may be noticed for presentment in accordance with the Local Rules on any day the court hears motions in chapter 11 cases.

2. Duties and Powers. The examiner will have the duties, powers, and responsibilities of an examiner under sections 1106(a)(3) and (4) as limited by or otherwise defined in this order.

3. Scope of Investigation. The examiner is directed to investigate (a) the transactions described as the “Challenged Transactions” in the Debtors’ motion; (b) the transactions described as the “Insider Transactions” in the proposed order accompanying the motion of the Noteholders’ Committee; (c) any other transactions involving the Debtors, to the extent those transactions suggest potential claims belonging to the estates, including causes of action against any current officers or directors of the Debtors, any former officers or directors of the Debtors, or any affiliates of the Debtors; and (d) any apparent self-dealing or conflicts of interest involving the Debtors or their affiliates.

If the examiner or any other party in interest concludes that expanding the scope of the examiner’s investigation is reasonably likely to lead to the discovery of potential claims

plaintiffs; and (13) response to the Debtors’ motion of Frederick Barton Danner, proposed class plaintiff in another New York federal court action.

belonging to the estates, the examiner or party in interest may file a motion to modify this order.

Any party in interest may file a motion to modify this order to limit the scope of the investigation for good cause. However, no motion to modify this order to limit the scope of the investigation may be filed until after the examiner has filed his second interim report as required in paragraph 5.

4. Retention of Professionals and Compensation. If the examiner determines that the retention professionals is necessary to perform the examiner's duties, the examiner may retain counsel and other professionals subject to court approval under section 327(a).

The examiner and any professionals the examiner retains will be compensated in accordance section 330(a). Compensation of the examiner and any professionals the examiner retains is subject to the procedures for interim and final compensation.

5. Reports. The examiner must file with the court interim reports on the investigation every forty-five (45) days from the date his appointment is approved. The examiner must file with the court a final report no later than sixty (60) days after the conclusion of the investigation.

6. Discovery and Privilege Issues. Subject to paragraph 3 of this order, the examiner is authorized without further order of court to take discovery under Rule 2004 of the Debtors or any other person or entity through the issuance of subpoenas under Rule 45 of the Federal Rules of Civil Procedure (made applicable by Bankruptcy Rule 9016). Discovery disputes, including disputes raising questions of privilege, will be addressed in accordance with Rule 45.

7. Cooperation. The Debtors, CEC, the Debtors' non-debtor affiliates and subsidiaries, the Creditors' Committee, the Noteholders' Committee, and all other parties in interest must cooperate fully with the examiner in connection with the investigation and the performance of

the examiner's duties. That cooperation includes the prompt production of all non-privileged documents and information that the examiner requests relevant to the investigation.

8. Coordination. The examiner, the Debtors, the Creditors' Committee, and the Noteholders' Committee must use their best efforts to coordinate their investigations and avoid interference or needless duplication. Those efforts include but are not limited to the sharing of documents and other information.

Dated: March 12, 2015


A. Benjamin Goldgar
United States Bankruptcy Judge