

IH-32

Rev: 2014-1

United States District Court
for the
Southern District of New York
Related Case Statement

Full Caption of Later Filed Case:

UMB BANK, N.A. solely in its capacity as Indenture Trustee under those certain indentures, dated as of June 10, 2009, governing Caesars Entertainment Operating Company, Inc.'s 11.25% Notes due 2017; dated as of February 14, 2012, governing Caesars Entertainment Operating Company, Inc.'s 8.5% Senior Secured Notes due 2020; dated August 22, 2012, governing Caesars Entertainment Operating Company, Inc.'s 9% Senior Secured Notes due 2020; dated February 15, 2013, governing Caesars Entertainment Operating Company, Inc.'s 9% Senior Secured Notes due 2020,

Plaintiff

Case Number

vs.

CAESARS ENTERTAINMENT
CORPORATION

Defendant

Full Caption of Earlier Filed Case:

(including in bankruptcy appeals the relevant adversary proceeding)

MEEHANCOMBS GLOBAL CREDIT OPPORTUNITIES FUND, LP, RELATIVE VALUE-LONG/SHORT DEBT, A SERIES OF UNDERLYING FUNDS TRUST, SB 4 CF LLC, CFIP ULTRA MASTER FUND, LTD., and TRILOGY PORTFOLIO COMPANY LLC,

Plaintiff

Case Number

vs.

14 CV 7091 (SAS)

CAESARS ENTERTAINMENT
CORPORATION and CAESARS
ENTERTAINMENT OPERATING
COMPANY, INC.

Defendant

IH-32

Rev: 2014-1

Status of Earlier Filed Case:

Closed

(If so, set forth the procedure which resulted in closure, e.g., voluntary dismissal, settlement, court decision. Also, state whether there is an appeal pending.)

Open

(If so, set forth procedural status and summarize any court rulings.)


Plaintiffs in the MeehanCombs action brought their Complaint on September 3, 2014. Defendants moved to dismiss on November 12, 2014. The action against Defendant Caesars Entertainment Operating Company, Inc., was stayed as a result of its pending bankruptcy action. In ruling on Defendant Caesars Entertainment Corporation's ("CEC") motion to dismiss, the Court found that Plaintiffs had stated a claim for violation of section 316(b) of the Trust Indenture Act and for breach of the indentures based on certain out-of-court restructuring activities of the Defendant, including a claim by CEC that its guarantee of the indentures subject to the litigation had been eliminated. Plaintiffs have filed an Amended Complaint, Defendant CEC filed an Answer, and the parties have now commenced discovery.

Explain in detail the reasons for your position that the newly filed case is related to the earlier filed case.

Plaintiff UMB Bank, N.A., ("UMB") brings this action as successor indenture trustee (the "Trustee") for \$6.345 billion principal amount of First-Priority Senior Secured Notes (the "First Lien Notes") issued by Caesars Entertainment Operating Company, Inc. ("CEOC") and guaranteed by Defendant Caesars Entertainment Corporation ("CEC"), the same Defendant from the MeehanCombs action. The Trustee has filed a complaint (the "Complaint"), in which the Trustee asserted claims against CEC for, among other things, breach of the First Lien Indentures, including CEC's attempt to disclaim its guarantee of the First Lien Notes, and violations of the Trust Indenture Act of 1939 ("TIA") arising from certain of the very same out-of-court restructuring activities by which CEC purported to release its guarantee of notes relating to the MeehanCombs Indentures.

Additionally, BOKF, N.A., in its capacity as indenture trustee ("BOKF") for CEOC's 12.75% Second-Priority Senior Secured Notes (the "Second Lien Notes"), also filed a complaint alleging breaches of the Second Lien Notes indenture and the TIA in connection with CEC's alleged release of its guarantee of the Second Lien Notes (Case No. 15-cv-1561). That case has been designated as related to the MeehanCombs case. The provisions in the respective indentures governing the First and Second Lien Notes setting forth CEC's guarantee obligations with respect to those notes are identical, as are the transactions giving rise to CEC's claims that these guarantee obligations have been released. The allegations of misconduct against CEC raised by BOKF in respect of the purported release of CEC's guarantee of the Second Lien Notes are equally applicable to the release of the First Lien Notes guarantee, and UMB, as Trustee, shares in them. The only functional difference between the First and Second Lien Notes in this context is that the First Lien Notes have superior interests in shared collateral securing both the First and Second Lien Notes. The First Lien Notes Trustee and Second Lien Notes Trustee are party to that certain Intercreditor Agreement dated June 10, 2009.

Thus the claims in the Trustee's Complaint are premised on the same course of conduct by the same Defendant in the MeehanCombs case. The claims are also premised on the same causes of action – violation of the TIA and breach of the indentures themselves. Accordingly, to avoid the possibility of receiving inconsistent judgments and rulings relating to effectively the same causes of action, arising from the same factual allegations involved in the related MeehanCombs and BOKF cases, the Trustee's complaint should be considered a related case to MeehanCombs' (and BOKF's) actions.

Signature: 

Date: 6/15/2015

Katten Muchin Rosenman LLP

Firm: _____