

UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

)		
In re:)	Chapter 11	
)		
CAESARS ENTERTAINMENT OPERATING COMPANY, INC., <i>et al.</i> , ¹)	Case No. 15-01145 (ABG)	
)		
Debtors.)	(Jointly Administered)	
)		

**RESPONSE OF AD HOC COMMITTEE
OF FIRST LIEN BANK LENDERS IN SUPPORT OF DEBTORS’
MOTION TO FURTHER EXTEND THEIR EXCLUSIVE PERIODS TO
FILE A CHAPTER 11 PLAN AND SOLICIT ACCEPTANCES THEREOF**

The ad hoc committee (the “Ad Hoc Bank Lender Committee”) of beneficial holders, or the investment advisors or managers for certain beneficial holders, of first lien bank debt issued by the Debtors (the “First Lien Bank Lenders”), by and through its undersigned counsel, hereby files this response (this “Response”) in support of the *Debtors’ Motion to Further Extend Their Exclusive Periods to File a Chapter 11 Plan and Solicit Acceptances Thereof*, ECF No. 2404 (the “Exclusivity Extension Motion”)², and respectfully states as follows:

1. For the reasons set forth herein, the Ad Hoc Bank Lender Committee supports the relief the Debtors are seeking in the Exclusivity Extension Motion to further extend their

¹ The last four digits of Caesars Entertainment Operating Company, Inc.’s (“CEOC”) tax identification number are 1623. Due to the large number of debtors (the “Debtors”) in these chapter 11 cases (these “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 on the website of the Debtors’ claims and noticing agent at <https://cases.primeclerk.com/CEOC>.

² Each capitalized term that is not defined herein shall have the meaning ascribed to such term in the Exclusivity Extension Motion.

exclusive right to file a chapter 11 plan through and including March 15, 2016 and to solicit votes thereon through and including May 15, 2016.

2. Although the Ad Hoc Bank Lender Committee is reviewing the draft Amended Plan (and accompanying disclosure statement) and the fifth amended and restated Bond RSA in order to determine whether the documents comply with the terms of the Bank RSA (defined below) in all respects, the Ad Hoc Bank Lender Committee believes that the Debtors have made progress in these Chapter 11 Cases that warrants a further exclusivity extension.

3. The Bankruptcy Code gives a court discretion to extend a debtor's exclusivity period "for cause", including to drive consensus around a reorganization process. 11 U.S.C. § 1121(d); see generally, 203 N. LaSalle St. P'ship v. Bank of Am. Nat'l Ass'n, No. 99-7110 (PEP), 1999 WL 1206619, at *4 (N.D. Ill. Dec. 13, 1999). To that end, since the Court granted the Debtors' initial request to extend the Exclusivity Periods on May 27, 2015, the Debtors and the Ad Hoc Bank Lender Committee were able to reach consensus on a framework for a workable plan of reorganization—the terms of which were memorialized in a restructuring support agreement among the Debtors, CEC and now over 90% of the First Lien Bank Lenders (the "Bank RSA"). A further extension of the Exclusivity Periods will provide the Debtors with time to continue to reach consensus with other major constituencies free from the distraction caused by a competing plan process and the turmoil caused to its operations as a result thereof.

4. Indeed, these Chapter 11 Cases are complex, and for the Court to curtail the Debtors' exclusivity now, while the debtors are making progress in the cases, would have broader business and regulatory implications that would undoubtedly be value destructive for all of the Debtors' constituents. Accordingly, the Ad Hoc Bank Lender Committee supports the relief sought in the Exclusivity Extension Motion as reasonable under the circumstances.

WHEREFORE, for the reasons set forth above, the Ad Hoc Bank Lender Committee respectfully requests that the Exclusivity Extension Motion be granted, and for such other relief as this Court may deem just, proper and equitable.

Dated: October 14, 2015
Chicago, Illinois

Respectfully submitted,

/s/ Brian L. Shaw

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