

UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

In re:

CAESARS ENTERTAINMENT OPERATING
COMPANY, INC., et al.,¹

Debtors.

Chapter 11

Case No. 15-01145 (ABG)

(Jointly Administered)

**RESPONSE OF THE AD HOC GROUP OF 5.75% AND 6.50% NOTES TO
EXAMINER'S REVISED PROPOSED ORDER TEMPORARILY AUTHORIZING
FILING OF REDACTED VERSIONS OF THE EXAMINER'S REPORT AND
CERTAIN DOCUMENTS AND RELATED PROCEDURES**

Relative Value-Long/Short Debt Portfolio, a Series of Underlying Funds Trust (“Relative”), Trilogy Capital Management, LLC (as investment advisor for certain funds, including Trilogy Portfolio Company, LLC) (“Trilogy”), BBT Capital Management, LLC (as investment manager for each of BBT Fund, L.P. and BBT Master Fund, L.P.) (“BBT”), and Douglas Kidd (“Kidd”) (collectively, the “Ad Hoc Group of 5.75% and 6.50% Notes”), each a noteholder of Caesars Entertainment Operating Company, Inc., *et al.* (the “Debtors”), respectfully submit this response to the *Examiner’s Revised Proposed Order Temporarily Authorizing the Filing of the Examiner’s Report and Certain Documents Under Seal and Related Procedures*, filed on January 29, 2016 [ECF No. 3158] (the “Revised Proposed Order”), and state as follows:

Response

1. Following consideration of the *Examiner’s Motion for Order Temporarily Authorizing the Filing of the Examiner’s Report and Certain Documents Under Seal and Related Procedures* [ECF No. 2834] at the January 20, 2016 omnibus hearing, the Examiner was directed

¹ A complete list of the Debtors and the last four digits of their federal tax identification numbers may be obtained at <https://cases.primeclerk.com/CEOC>.

to file a revised proposed order for the Court to enter. On January 27, 2016, the Examiner circulated the Revised Proposed Order and informed parties that it would not engage in any negotiations regarding changes to the proposed order, and to the extent a party disagreed with the proposed terms of the order, such party should alert the Examiner by 4 p.m. on January 28, 2016, and file an objection to the proposed order. Pursuant to the Examiner's request, the Ad Hoc Group of 5.75% and 6.50% Notes duly advised the Examiner of its objections to the Revised Proposed Order prior to 4 p.m. on January 28, 2016.

2. The Ad Hoc Group of 5.75% and 6.50% Notes objects to the Revised Proposed Order because it promotes delay by first engaging in a "behind the scenes" negotiation between the Examiner and any parties asserting privilege or confidentiality. These negotiations will only serve to further the time in which the creditors are kept in the dark while the Debtors' parent company attempts to negotiate changes to the Examiner's final report.²

3. Thus, the Ad Hoc Group of 5.75% and 6.50% Notes proposes a streamlined process to eliminate the delay associated with the negotiation stage of the process. A blackline evidencing the Ad Hoc Group of 5.75% and 6.50% Notes' proposed changes to the Revised Proposed Order is attached hereto as Exhibit A.

WHEREFORE, the Ad Hoc Group of 5.75% and 6.50% Notes respectfully requests that this Court enter an order substantially similar to the proposed order attached hereto as Exhibit A.

² Counsel for CEC told the Court at the hearing on January 20, 2016: "When we see the report, we can either work out whether we are going to continue to assert privilege on some of these materials or there will be lots of ways, I think, when we see the wording of the report perhaps to change the wording or change a document reference so that we don't need to get to the issue of privilege." Jan. 20, 2016 Hr'g Tr. 16:16-22.

Dated: January 30, 2016
Chicago, Illinois

DRINKER BIDDLE & REATH LLP

By: /s/ Timothy R. Casey
Timothy R. Casey (ARDC # 6180828)
191 N. Wacker Drive, Ste. 3700
Chicago, IL 60606
Telephone: (312) 569-1201
Facsimile: (312) 569-3201
timothy.casey@dbr.com

-and-

James H. Millar
Kristin K. Going (admitted *pro hac vice*)
1177 Avenue of the Americas
41st Floor
New York, NY 10036
Telephone: (212) 248-3140
Facsimile: (212) 248-3141
james.millar@dbr.com
kristin.going@dbr.com

Counsel to the Ad Hoc Group of 5.75% and 6.50% Notes

84416047.2

Exhibit A

UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

| | | |
|--|---|--------------------------------|
| |) | |
| In re: |) | Chapter 11 |
| |) | |
| CAESARS ENTERTAINMENT |) | Case No. 15-01145 (ABG) |
| OPERATING COMPANY, INC. et al.,¹ |) | (Jointly Administered) |
| |) | |
| Debtors. |) | Hon. A. Benjamin Goldgar |
| |) | |
| |) | Re: Docket No. 2834 |

**ORDER TEMPORARILY AUTHORIZING THE FILING OF
~~REDACTED VERSIONS OF~~ THE EXAMINER'S REPORT AND
CERTAIN DOCUMENTS UNDER SEAL AND RELATED
PROCEDURES**

Upon consideration of the *Examiner's Motion for Order Temporarily Authorizing the Filing of the Examiner's Report and Certain Documents Under Seal and Related Procedures* (the "Motion"),² and the Court being fully advised in the premises and a hearing having been held before the Court to consider the Motion (the "Hearing"), and after due deliberation thereon, it is hereby

ORDERED, ADJUDGED AND DECREED THAT:

1. The Motion is GRANTED to the extent set forth herein.
2. The Examiner is authorized and directed initially to file a version of the Final Report on the public docket in the above-captioned case that is redacted to exclude all

¹ The last four digits of Caesars Entertainment Operating Company, Inc.'s tax identification number are 1623. 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 available at <https://cases.primeclerk.com/CEOC>.

² Capitalized terms used but not defined herein shall have the meaning ascribed to them in the Motion.

references to information and documents that are designated as Confidential, Advisors' Eyes Only or Privilege – Examiner's Eyes Only pursuant to the Agreed Protective Order entered May 18, 2015 [Docket No. 1575]. The Examiner will work in good faith with the Designating Parties to avoid or minimize the number of redactions and related disputes over privilege and confidentiality that may need to be resolved by the Court.

3. Notwithstanding the terms of Paragraph 16 of the Protective Order, the Examiner is authorized and directed to employ the following process in order to minimize the redactions in the final version of the Final Report:

- a. ~~The~~ Within 10 days from the filing of the redacted Final Report as set forth in Paragraph 2 above, the Examiner will provide to each designating party (or the party to which the confidentiality and/or privilege is asserted to reside) (each, a "Designating Party") a letter detailing the proposed documents and/or information that the Examiner wishes to publicly disclose as contained in the Final Report (the "Disclosure Letter"), including:
 - i. Information, such as BATES stamp or relevant transcript excerpts, sufficient for the party to identify the document(s) and/or information at issue; and
 - ii. Excerpts from the draft Final Report in which the document(s) or information is cited or quoted.

In the event the Examiner wishes to publicly disclose the Comenity Documents (as defined in the Agreed Protective Order (Docket No. 1575)) and/or any information expressly derived from the Comenity Documents, then the Examiner will provide the Disclosure Letter via e-mail to Comenity

Bank (c/o Eric L. Robinson at eric.robinson@alliancedata.com) and counsel for Comenity Bank (c/o Robert B. Berner at robert.berner@baileycavalieri.com and Matthew T. Schaeffer at matthew.schaeffer@baileycavalieri.com).

~~b. Within 14 days of receipt of a Disclosure Letter, each Designating Party must provide a written response to the proposed disclosures stating with specificity, and in reasonable detail, the grounds for any objection to the proposed disclosures. Any objections not specifically raised in reasonable detail, in writing, within 14 days of receipt of a Disclosure Letter will be deemed waived by the Designating Party.~~

~~b. e. If, after receiving a timely written objection as described in paragraph 3(b), the Examiner is unable to negotiate an acceptable arrangement with any Designating Party whereby he may publicly disclose the documents and/or information in his Final Report, the Examiner will notify the Designating Party in writing of the Examiner's intention to disclose the disputed material in the Final Report. The Designating Party will then have five¹⁴ days to file a motion setting the dispute for hearing. Notice of any such motion shall not be governed by the Case Management Procedures Order entered in these Chapter 11 Cases; instead, the notice requirements for motions pursuant to Local Bankruptcy Rule 9013-1 shall apply. Any such motion will be noticed for hearing on the next available day the court ordinarily hears motions in chapter 11 cases contesting the Examiner's proposed disclosures set forth in the Disclosure Letter and stating with~~

| specificity, and in reasonable detail, the grounds for any objection to the
| proposed disclosures. Such motion must also request a hearing on an
| expedited basis in accordance with the Court's procedures (i.e., on the next
available Monday or Wednesday at 9:30 AM CST that provides at least
three (3) business days' notice). Any Designating Party who fails to file
| such a motion within ~~five~~fourteen days of receipt of such ~~written~~
| ~~notice~~Disclosure Letter will be deemed to waive any objection to the
disclosure of the disputed material.

| ~~d.~~ Prior to the scheduled hearing, the Designating Party must file the asserted
confidential materials under seal for the Court's review and consideration.

Dated: _____, 2016

Honorable A. Benjamin Goldgar
United States Bankruptcy Judge

| Summary report: | |
|---|-----------|
| Litéra® Change-Pro TDC 7.5.0.50 Document comparison done on 1/30/2016 9:21:49 AM | |
| Style name: DBR Default Style | |
| Intelligent Table Comparison: Active | |
| Original DMS: iw://WORKSITE/ACTIVE/84477259/1 | |
| Modified DMS: iw://WORKSITE/ACTIVE/84431459/3 | |
| Changes: | |
| Add | 9 |
| Delete | 14 |
| Move From | 1 |
| Move To | 1 |
| Table Insert | 0 |
| Table Delete | 0 |
| Table moves to | 0 |
| Table moves from | 0 |
| Embedded Graphics (Visio, ChemDraw, Images etc.) | 0 |
| Embedded Excel | 0 |
| Format Changes | 0 |
| Total Changes: | 25 |