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Jeffrey - this article is a good summary as to where A is - there may be court ruling today - Nick

### **Caesars shares plummet as it faces \$11 billion in bondholder lawsuits**

By [Tracy Rucinski](#) | CHICAGO

[DEALS](#) | Mon Aug 29, 2016 12:38pm EDT

Shares in Caesars Entertainment Corp ([CZR.O](#)) shed 16 percent on Monday after a U.S. judge cleared the way for billions of dollars in bondholder lawsuits against the casino group to proceed, setting up a possible judgment as soon as Tuesday in New York.

U.S. District Judge Jed Rakoff in Manhattan will hear oral arguments on Tuesday afternoon from several bondholders that accuse Caesars of renegeing on guarantees of bonds issued by its subsidiary, Caesars Entertainment Operating Co Inc. The operating unit filed for bankruptcy in January 2015 with \$18 billion in debt.

While Caesars had denied any wrongdoing, it warned in May that a ruling in favor of the bondholders could plunge it into bankruptcy alongside its operating unit.

Caesars, created from the 2008 buyout of Harrah's, has been shielded from the bondholder litigation since February. On Friday U.S. Bankruptcy Judge Benjamin Goldgar in Chicago declined a request from the operating unit to stay the lawsuits until its bankruptcy confirmation trial in January. [nL1N1B71RZ]

Lawyers for the operating unit argued that the shield was critical to protecting its parent company's \$4 billion contribution to its reorganization plan.

Jim Millstein, a financial adviser to the bankrupt operating unit, testified in June that billions of dollars in damages from the bondholder cases could push the parent into bankruptcy, creating one of the "biggest corporate messes of our time."

Caesars faces \$7.7 billion in claims in New York and \$3.7 billion in Delaware from the bondholder lawsuits.

The bankruptcy has embroiled some of the largest funds on Wall Street, pitting Caesars' controlling investors Apollo Global Management ([REDACTED]) and TPG Capital Management [TPG.UL] against bondholders, led by hedge fund Appaloosa Management.

Appaloosa has accused Caesars of stripping its operating unit of its best assets prior to the 2015 bankruptcy filing, allegations that were backed by an independent examiner's report in March. Caesars has denied the allegations.

Shares of the Nevada-based gaming company were trading at \$6.31 by 11:05 [REDACTED] ET (1506 GMT), recovering from a year low of \$5.39 hit in initial trading.

Caesars filed an appeal against Goldgar's decision with United States District Court for the Northern District of Illinois on Friday. The current injunction expires on Monday.

The chances of winning an appeal are minimal to null, said retired U.S. Bankruptcy Judge Bruce Markell, who teaches law at Northwestern University.

(Reporting by Tracy Rucinski; Editing by Tom Hals and Meredith Mazzilli)