

Caesars another step closer to bankruptcy

By Travis Hoiium, Motley Fool

It appears that Caesars Entertainment Corp. is finally heading toward bankruptcy, an ending that has seemed imminent since the company's IPO in 2012. A judge ruled this week that lawsuits challenging the formation of Caesars Entertainment Operating Company and Caesars Growth Partners could move forward while the CEOC subsidiary is in bankruptcy protection.

In essence, this means that Caesars won't be able to protect assets in Caesars Growth Partners from debt holders in CEOC, who argue that they have a claim to those assets. That should pull the entire company into bankruptcy proceedings, where shareholders will likely lose everything and debt holders will restructure or split up the company.

Caesars is the parent company of Harrah's Lake Tahoe and Harveys in Stateline.

In 2013, Caesars Entertainment and its private equity owners started to position the company for a potential bankruptcy filing, setting up the battle we see today.

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