

Caesars reaches deal with second-tier creditors

By Howard Stutz, Las Vegas Review-Journal

Caesars Entertainment Corp. struck an agreement with a large group of the casino company's second-tier debt holders, which gives the creditors "a substantial improvement in recoveries" once the bankruptcy restructuring of its largest operating division is completed.

In a statement released late Monday night, Caesars said the agreement with the creditors, who are owed billions of dollars, is effective once 50 percent of the holders have signed on to the plan. Caesars did not say what percentage of the group had approved of the deal.

Caesars owns Harrah's Lake Tahoe and Harveys.

Under the agreement, the bond holders signing onto to the plan will receive a forbearance fee of at least \$200 million in convertible debt to be issued by Caesars Entertainment "in consideration for forbearing in respect to certain alleged defaults."

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