Bondholders say Caesars defaulted on debt terms

By Eli Segall, Las Vegas Sun

Bondholders are ratcheting up pressure on Caesars Entertainment Corp., saying the debt-laden casino giant defaulted on the terms of possibly more than $1 billion in debt when it sold four casinos to an affiliate this year.

Las Vegas-based Caesars, which received the default notice Thursday, rejected the claim as “baseless” and said the company would “defend itself vigorously against any action” the creditors take.

Caesars did not say which bondholders filed the notice against subsidiary Caesars Entertainment Operating Co., nor did it explicitly say how much debt the creditors claim is at stake.

However, the lenders say they hold 30 percent of $3.7 billion in bonds that were issued in 2009, according to Caesars.

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