

Caesars Entertainment to buy affiliate

By Associated Press

NEW YORK — Caesars Entertainment, parent company of Harrah's Lake Tahoe and Harveys at Stateline, will buy an affiliate as it tries to smooth the reorganization of a struggling division and balance its debt load.

The Las Vegas company will take Caesar's Acquisition in an all-stock deal, giving its shareholders an approximately 62 percent in the combined company.

Shares jumped 24 percent heavy trading before the opening bell Monday.

Chairman and CEO Gary Loveman says the maneuver will result in a simpler and more straightforward corporate structure.

Caesars Entertainment Operating Co. received a default notice earlier this month, although it disagreed that a default had occurred. Last month, Caesars said it was in discussions with its creditors to lower its \$24.2 billion in debt.

Caesar's Entertainment Operating Co. will file for bankruptcy as part of the deal announced Monday.

The new company will have \$1.7 billion in cash and operate its casinos in addition properties like Planet Hollywood and online gambling.

Shares of Caesars Entertainment Operating Co. rose \$3.21 to \$16.70 in premarket trading.