

Caesars gets reprieve in N.Y. lawsuit ruling

By Kimberly Pierceall, AP

Caesars Entertainment Corp. can breathe a bit easier after a New York federal judge denied the company's bondholders a quick judgment in their pursuit for nearly \$7 billion they say they're owed.

On Thursday, New York Judge Shira Scheindlin denied bondholders their motion for partial summary judgment in the case giving Caesars a reprieve for now. The ruling doesn't stop the case from proceeding against the casino giant.

The bondholders suing Caesars have claimed the company illegally took away a guarantee on their sizeable debt in Caesars' operating subsidiary by making a series of asset transfers and stock offers that released the parent company from its obligations. The operating subsidiary filed for bankruptcy protection in January.

In her ruling, Judge Scheindlin says there's no ambiguity in the guarantee's language promising full payment to creditors if the operating company were to default. She says, though, that creditors did not offer enough proof at this stage that the federal Trust Indenture Act was violated.