Caesars bankruptcy heads to showdown

By Tracy Rucinski, Reuters

The U.S. government's bankruptcy watchdog objected on Monday to a Caesars Entertainment Corp (CZR.O) subsidiary's proposal to exit Chapter 11, threatening to derail a largely consensual plan to slash $10 billion of debt.

The Caesars subsidiary, Caesars Entertainment Operating Co Inc (CEOC), filed an $18 billion bankruptcy in January 2015 amid allegations by creditors that its private equity-backed parent had looted the unit of its best assets and stripped debt guarantees.

Feuding parties made a peace deal in September that included a $5 billion contribution by Caesars to the unit's reorganization plan in exchange for releases from billions of dollars in potential legal claims.

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

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