

CAESARS ENTERTAINMENT Corp

Form S-4

June 04, 2013

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As filed with the Securities and Exchange Commission on June 4, 2013

Registration No. 333-

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM S-4
REGISTRATION STATEMENT

UNDER

THE SECURITIES ACT OF 1933

CAESARS ENTERTAINMENT CORPORATION

(Exact name of registrant as specified in its charter)

Delaware
(State of other jurisdiction of
incorporation or organization)

7993
(Primary Standard Industrial
Classification Code Number)

62-1411755
(I.R.S. Employer
Identification No.)

One Caesars Palace Drive

Las Vegas, NV 89109

(702) 407-6000

(Address, Including Zip Code, and Telephone Number including Area Code, of Registrant's Principal Executive Offices)

CAESARS ENTERTAINMENT OPERATING COMPANY, INC.

(Exact name of registrant as specified in its charter)

Delaware
(State of other jurisdiction of
incorporation or organization)

7993
(Primary Standard Industrial
Classification Code Number)

75-1941623
(I.R.S. Employer
Identification No.)

One Caesars Palace Drive

Las Vegas, NV 89109

(702) 407-6000

(Address, Including Zip Code, and Telephone Number including Area Code, of Registrant's Principal Executive Offices)

Michael D. Cohen, Esq.

Senior Vice President, Deputy General Counsel and Corporate Secretary

Caesars Entertainment Corporation

One Caesars Palace Drive

Las Vegas, NV 89109

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(702) 407-6000

(Name, Address, Including Zip Code, and Telephone Number, Including Area Code, of Agent for Service)

With a copy to:

Monica K. Thurmond, Esq.

Paul, Weiss, Rifkind, Wharton & Garrison LLP

1285 Avenue of the Americas

New York, New York 10019-6064

Telephone: 212-373-3000

Approximate Date of commencement of proposed sale to the public: As soon as practicable after this Registration Statement becomes effective.

If any securities being registered on this Form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box. "

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. "

If this form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. "

CALCULATION OF REGISTRATION FEE

Title of each Class of	Amount	Proposed	Proposed	
	to be	Maximum	Maximum	
Securities to be Registered	Registered	Per Note	Offering Price(1)	Registration Fee(2)
9% Senior Secured Notes due 2020	\$1,500,000,000	100%	\$1,500,000,000	\$204,600
Guarantee of 9% Senior Secured Notes due 2020(3)				(4)
9% Senior Secured Notes due 2020	\$1,500,000,000	100%	\$1,500,000,000	\$204,600
Guarantee of 9% Senior Secured Notes due 2020(3)				(4)

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- (1) Estimated solely for the purpose of calculating the registration fee pursuant to Rule 457(a) under the Securities Act of 1933, as amended (the Securities Act).
- (2) Calculated pursuant to Rule 457(f) of the rules and regulations of the Securities Act.
- (3) Caesars Entertainment Corporation unconditionally guarantees both series of 9% Senior Secured Notes due 2020.
- (4) Pursuant to Rule 457(n) of the rules and regulations under the Securities Act, no separate fee for the guarantee is payable.

The registrants hereby amend this registration statement on such date or dates as may be necessary to delay its effective date until the registrants shall file a further amendment which specifically states that this registration statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the registration statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

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The information in this prospectus is not complete and may be changed. We may not complete the exchange offers and issue these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell securities and it is not soliciting an offer to buy these securities in any state where the offer is not permitted.

Subject to Completion, dated June 4, 2013

PRELIMINARY PROSPECTUS

Caesars Entertainment Operating Company, Inc.

OFFERS TO EXCHANGE

\$1,500,000,000 aggregate principal amount of its 9% Senior Secured Notes due 2020 and \$1,500,000,000 aggregate principal amount of its 9% Senior Secured Notes due 2020, the issuance of each of which has been registered under the Securities Act of 1933, as amended,

for

any and all of its outstanding 9% Senior Secured Notes due 2020 and 9% Senior Secured Notes due 2020, respectively.

Caesars Entertainment Operating Company, Inc. (the **Issuer** or **CEOC**) hereby offers, upon the terms and subject to the conditions set forth in this prospectus and the accompanying letter of transmittal (which together constitute the **exchange offers**), to exchange up to \$1,500,000,000 in aggregate principal amount of its registered 9% Senior Secured Notes due 2020 (the **2020(1) Exchange Notes**) and the guarantee thereof, and \$1,500,000,000 in aggregate principal amount of its registered 9% Senior Secured Notes due 2020 (the **2020(2) Exchange Notes**, and together with the 2020(1) Exchange Notes, the **exchange notes**) and the guarantee thereof, for a corresponding and like aggregate principal amount of its outstanding 9% Senior Secured Notes due 2020 (the **Original 2020(1) Notes**) and 9% Senior Secured Notes due 2020 (the **Original 2020(2) Notes**, and together with the Original 2020(1) Notes, the **original notes**), respectively. We refer to the Original 2020(1) Notes and the 2020(1) Exchange Notes collectively as the **2020(1) notes**. We refer to the Original 2020(2) Notes and the 2020(2) Exchange Note collectively as the **2020(2) notes**. We refer to the original notes and exchange notes collectively as the **notes**. The terms of the exchange notes and the guarantees thereof are identical to the terms of the related original notes and the guarantees thereof in all material respects, except for the elimination of some transfer restrictions, registration rights and additional interest provisions relating to the original notes. The notes are irrevocably and unconditionally guaranteed by Caesars Entertainment Corporation and are secured by first-priority liens, subject to permitted liens, on certain assets of the Issuer and certain wholly owned, domestic subsidiaries of the Issuer that pledge their assets to secure the Issuer's senior secured credit facilities (the **Subsidiary Pledgors**). Subject to the limitations described below and herein, the notes are secured by the pledge of the capital stock of the Issuer and the capital stock of the Subsidiary Pledgors. The notes will be exchanged in denominations of \$2,000 and in integral multiples of \$1,000.

We will exchange any and all original notes that are validly tendered and not validly withdrawn prior to 5:00 p.m., New York City time, on _____, 2013 (the **expiration date), unless extended.**

We have not applied, and do not intend to apply, for listing of the notes on any national securities exchange or automated quotation system.

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We have not authorized anyone to give you any information or to make any representations about us or the transactions we discuss in this prospectus other than those contained in this prospectus. If you are given any information or representations about these matters that is not discussed in this prospectus, you must not rely on that information. This prospectus is not an offer to sell or a solicitation of an offer to buy securities anywhere or to anyone where or to whom we are not permitted to offer or sell securities under applicable law. The delivery of this prospectus does not, under any circumstances, mean that there has not been a change in our affairs since the date of this prospectus. Subject to our obligation to amend or supplement this prospectus as required by law and the rules of the Securities and Exchange Commission (the "SEC"), the information contained in this prospectus is correct only as of the date of this prospectus, regardless of the time of delivery of this prospectus or any sale of these securities.

The notes may not be offered or sold in or into the United Kingdom by means of any document except in circumstances that do not constitute an offer to the public within the meaning of the Public Offers of Securities Regulations 1995. All applicable provisions of the Financial Services and Markets Act 2000 must be complied with in respect of anything done in relation to the notes in, from or otherwise involving or having an effect in the United Kingdom.

The notes have not been and will not be qualified under the securities laws of any province or territory of Canada. The notes are not being offered or sold, directly or indirectly, in Canada or to or for the account of any resident of Canada in contravention of the securities laws of any province or territory thereof.

We have proprietary rights to a number of trademarks used in this prospectus that are important to our business, including, without limitation, Caesars Entertainment, Caesars Palace, Harrah's, Total Rewards, World Series of Poker, Horseshoe, Paris Las Vegas, Flamingo Las Vegas and Bally's Las Vegas. We have omitted the® and trademark designations for such trademarks named in this prospectus.

Until _____, 2013 (90 days after the date of this prospectus), all dealers effecting transactions in the exchange notes, whether or not participating in the exchange offers, may be required to deliver a prospectus.

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PROSPECTUS SUMMARY

The following summary contains information about Caesars Entertainment Corporation, Caesars Entertainment Operating Company, Inc. and the notes. It does not contain all of the information that may be important to you in making a decision to participate in the exchange offers. For a more complete understanding of Caesars Entertainment Corporation, Caesars Entertainment Operating Company, Inc. and the notes, we urge you to read this prospectus carefully, including the sections entitled Risk Factors, Cautionary Statements Concerning Forward Looking Statements and Where You Can Find More Information. Unless otherwise noted or indicated by the context, the terms Caesars, Caesars Entertainment and CEC refer to Caesars Entertainment Corporation, and the Company, we, us and our refer to Caesars and its consolidated subsidiaries, and Caesars Operating, CEOC and the Issuer refer to Caesars Entertainment Operating Company, Inc.

As of March 31, 2013, CEC owned, operated or managed 52 casinos through its subsidiaries. In connection with the financing of the Acquisition described under Our History, six casinos were spun or transferred out of CEOC to entities that are side-by-side with CEOC (the spin-off and transfer are hereinafter referred to as the CMBS Transactions). In addition, in connection with the Acquisition, London Clubs and its subsidiaries became subsidiaries of CEOC (hereinafter referred to as the London Clubs Transfer). CEOC has remained a direct, wholly owned subsidiary of CEC and, as of March 31, 2013, owned, operated or managed, through subsidiaries, 46 of our 52 casinos. Notwithstanding these spin-offs and transfers, management of CEC continues to manage all of the properties of CEOC and those held by its sister subsidiaries as one company, but CEOC is not entitled to receive any direct contribution or proceeds from its sister subsidiaries operations. CEC will guarantee the notes; the CMBS Borrowers (as defined below) will not. As a result, you should refer to the financial and pro forma financial information of CEC as well as financial information of CEOC which give a meaningful and complete presentation of the CMBS Transactions and the London Clubs Transfer, among others.

Our Company

We are the world's most diversified casino-entertainment provider and the most geographically diverse U.S. casino-entertainment company. As of March 31, 2013, we owned, operated, or managed, through various subsidiaries, 52 casinos in 13 U.S. states and seven countries. Of the 52 casinos, 38 are in the United States, including 19 land-based casinos, 11 riverboat or dockside casinos, three managed casinos on Indian lands, two managed casinos in Ohio, one casino combined with a greyhound racetrack, one casino combined with a thoroughbred racetrack, and one casino combined with a harness racetrack. Our 14 international casinos are comprised of eight land-based casinos in England, two in Egypt, one in Scotland, one in South Africa, one in Uruguay and one in Canada. As of March 31, 2013, our facilities had an aggregate of approximately three million square feet of gaming space and approximately 43,000 hotel rooms. Our industry-leading customer loyalty program, Total Rewards, has over 45 million members. We use the Total Rewards system to market promotions and to generate customer play across our network of properties. In addition, through Caesars Interactive Entertainment, Inc. (CIE), a majority-owned subsidiary, we own an online gaming business, providing for real money casino, bingo, and poker games in the United Kingdom, alliances with online gaming providers in Italy and France, play for fun offerings in other jurisdictions, and social games on Facebook and other social media websites and mobile application platforms. Also through CIE, we own the World Series of Poker tournament and brand.

Our History

We were incorporated on November 2, 1989 in Delaware and operated under predecessor companies prior to such date.

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On January 28, 2008, Caesars was acquired by affiliates of Apollo Global Management, LLC (Apollo) and affiliates of TPG Capital, LP (together with such affiliates, TPG and, together with Apollo, the Sponsors) in an all-cash transaction, hereinafter referred to as the Acquisition, valued at approximately \$30.7 billion, including the assumption of \$12.4 billion of debt, and the incurrence of approximately \$1.0 billion of acquisition costs. Subsequent to the Acquisition, CEC's stock was no longer publicly traded.

Effective February 8, 2012, as the result of CEC's public offering (the Public Offering), CEC's common stock trades on the NASDAQ Global Select Market under the symbol CZR.

Our Sponsors

Apollo

Founded in 1990, Apollo is a leading global alternative asset manager with offices in New York, Los Angeles, London, Frankfurt, Luxembourg, Singapore, Hong Kong and Mumbai. As of March 31, 2013, Apollo had assets under management of approximately \$114.3 billion in its private equity, credit and real estate businesses.

TPG

TPG is a leading global private investment firm founded in 1992 with approximately \$54.7 billion of capital under management and offices in San Francisco, Beijing, Fort Worth, Hong Kong, London, Luxembourg, Melbourne, Moscow, Mumbai, New York, Paris, Shanghai, Singapore and Tokyo. TPG has extensive experience with global public and private investments executed through leveraged buyouts, recapitalizations, spinouts, growth investments, joint ventures and restructurings.

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Organizational Structure

The chart below is a summary of the organizational structure of CEC and CEOC and illustrates the long-term debt that will be outstanding following the exchange offers.

- (1) Shares held by funds affiliated with and controlled by the Sponsors and their co-investors, representing 69.9% of CEC's outstanding common stock, are subject to the irrevocable proxy that gives Hamlet Holdings LLC, the members of which are comprised of an equal number of individuals affiliated with the Sponsors, sole voting and sole dispositive power with respect to such shares.
- (2) CEC currently guarantees all of the debt securities of CEOC and the senior secured credit facilities. In addition, it has provided a payment guarantee of the operating leases under our \$4,664.1 million face value of mortgage loans and related mezzanine financing (the CMBS Financing). The guarantee by CEC of the obligations under all of the debt of CEOC set forth above is structurally subordinated to our CMBS Financing.
- (3) Includes captive insurance subsidiaries, Harrah's BC, Inc. (HBC) and Caesars Interactive Entertainment, Inc. and its subsidiaries.

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- (4) The subsidiaries of CEC that are borrowers under our CMBS Financing (the CMBS Borrowers) and their respective subsidiaries do not guarantee, or pledge their assets as security for, the notes and do not guarantee any of CEOC s debt securities set forth above or the senior secured credit facilities or any other indebtedness of CEOC and are not directly liable for any obligations thereunder.
- (5) Upon the closing of the Acquisition, we entered into the senior secured credit facilities, which include a \$2,000 million revolving credit facility that was reduced to \$140.5 million due to debt retirements and the conversion of a portion of the revolving credit facility into an extended term loan subsequent to the closing of the Acquisition. As of March 31, 2013, after giving pro forma effect to the Extended Revolver Commitments Closing (as defined below), \$128.7 million of additional borrowing capacity was available under our revolving credit facility, with an additional \$86.8 million committed to back outstanding letters of credit, all of which is secured on a first priority basis.
- (6) Includes (a) the 12.75% second-priority senior notes due 2018 issued under an indenture dated April 16, 2010, (b) the 10.00% second-priority senior notes due 2018 and the 10.00% second-priority senior notes due 2015 issued under a separate indenture on December 24, 2008 and (c) the 10.00% second-priority senior notes due 2018 issued under a separate indenture on April 15, 2009 (collectively, the Second Lien Notes).
- (7) Excludes notes currently held by HBC.
- (8) This amount excludes amounts payable by CEOC to CEC on an Intercompany Note Payable and excludes the notes currently held by HBC.
- (9) The senior secured credit facilities, the 11.25% Senior Secured Notes due 2017 (the 11.25% notes), the 8.5% Senior Secured Notes due 2020 (the 8.5% notes), the Second Lien Notes and the notes are secured by a pledge of assets by the same wholly owned domestic subsidiaries of CEOC, provided, however, that the equity interests of CEOC and of CEOC s subsidiaries that have been pledged to secure CEOC s obligations under its first lien indebtedness have not been pledged to secure CEOC s obligations under the Second Lien Notes.
- (10) Includes non-domestic subsidiaries, non-wholly owned subsidiaries (including Chester Downs and Marina, LLC (Chester Downs), qualified non-recourse subsidiaries, including Corner Investments Propco LLC (Corner) and unrestricted subsidiaries (including PHW Las Vegas, LLC, Octavius Linq Holding Co., LLC, Caesars Operating Escrow LLC and Caesars Escrow Corporation). None of these entities is a borrower under CEOC s senior secured credit facilities or a guarantor of, or pledgor with respect to, any other existing debt of CEOC. The Planet Hollywood Loan, the 9.25% Senior Secured Notes due 2020 of Chester Downs, the \$450.0 million Octavius Linq Holding Co., LLC senior secured loan and the Bill s Gamblin Hall & Saloon credit facility are non-recourse to CEOC, CEC or any other subsidiaries of CEC.

Recent Developments

Extended Revolver Commitments

In April 2013, we received regulatory approvals for the additional \$75.0 million of extended revolving facility commitments with a maturity of January 28, 2017 that were obtained as part of the amendment to CEOC s senior secured credit facilities that consummated on March 27, 2013 (the Extended Revolver Commitments Closing).

Caesars Growth Partners

On April 23, 2013, CEC s board of directors approved the material terms of a proposed strategic transaction, pursuant to which CEC will form a new growth-oriented entity, Caesars Growth Partners, LLC (Growth Partners), to be owned by CEC and participating CEC stockholders, including the Sponsors. Participating CEC stockholders will own their interests in Growth Partners through Caesars Acquisition Company (CAC), a new company created to facilitate the transaction. CAC will hold all of the voting units of Growth Partners. The Sponsors have advised CEC that they each intend to invest \$250 million in CAC, though they have not entered into any agreement to do so. Consummation of the transaction will be contingent on such investment by the Sponsors. Neither CAC nor CEC may sell or transfer any units of Growth Partners without the prior consent of

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the other prior to the fifth anniversary of the issuance. From and after the fifth anniversary of the issuance, CAC or CEC may transfer units of Growth Partners to a non-competitor of CEC. CAC shall have the right of first offer with respect to any transfer by CEC. In addition, after the fifth anniversary of the issuance, the non-voting units of Growth Partners will be exchangeable into non-voting shares of CAC with terms equivalent to the non-voting units and with rights to have such shares registered under the Securities Act.

CEC intends to distribute subscription rights at no charge to CEC stockholders on a pro rata basis. The subscription rights will afford each stockholder of CEC the right to acquire for cash at least the same pro rata ownership interest in CAC as such stockholder holds in CEC. CAC will use the proceeds from its sale of shares to acquire all of the voting interests in Growth Partners. CEC and its subsidiaries will contribute their shares of CIE and approximately \$1.1 billion face value of senior notes previously issued by CEOC (CEOC Notes) that are owned by another subsidiary of CEC, which together have been valued at \$1.275 billion, to Growth Partners in exchange for non-voting units. This valuation may be increased by up to \$225 million if earnings from CIE's social and mobile games business exceed a specified amount in 2015, in which case CEC or its subsidiaries will receive additional non-voting units of Growth Partners. As a result of these asset contributions, CEC's economic interest in Growth Partners at the closing of the transaction will be at least 57%, and may be as much as 77%, depending on the amount of proceeds raised by CAC through its sale of shares, prior to any potential valuation increase and certain other potential adjustments. Additionally, Growth Partners intends to use \$360 million of proceeds received from CAC to purchase from a CEC subsidiary the Planet Hollywood Resort & Casino in Las Vegas, CEC's joint venture interests in a casino under development in Baltimore (Horseshoe Baltimore) and a financial stake in the management fee stream for both of those properties, equal to 50% of the management fee. A subsidiary of Growth Partners will assume the current debt outstanding of \$515.5 million related to Planet Hollywood, subject to lender approval. CEC and its affiliated companies will continue to manage Planet Hollywood and Horseshoe Baltimore. Growth Partners will enter into a management services agreement with CEC and certain of its subsidiaries for access to advisory and business management services and corporate shared services, on arm's length terms. CEC and Growth Partners will have the opportunity to work together to develop future projects. CEC will have the option to (1) pursue any potential project itself or (2) decline the project for itself, after which Growth Partners may elect or decline to pursue the project. A committee of the board of directors of CEC consisting of disinterested directors will make determinations on behalf of CEC with respect to any new investment and acquisition opportunities. Each opportunity will be negotiated separately by CEC and Growth Partners, but the assumption for these transactions will be that Growth Partners will receive 50% of the ongoing management fee. CEC will have the first right to make an offer if Growth Partners plans to sell any assets acquired from CEC.

The transaction will include certain value-related adjustments at closing, as follows.

Value of the CEOC Notes. The actual value of the CEOC Notes will be recalculated on the closing date of the transaction using the 90 day trading average closing price for each tranche of the CEOC Notes for the period ended on the closing date of the transaction, net of certain costs, commissions and discounts. The ownership percentages of CEC and CAC in Growth Partners will be recalculated accordingly.

Restoration of fair market value of the rights. The aggregate value (the rights value), if any, of the CAC subscription rights that are distributed by CEC will be returned to CEC by Growth Partners in the form of CEOC Notes with equivalent value to the rights value. To determine the number of CEOC Notes to be returned to CEC, the value of the CEOC Notes will be recalculated based on the same methodology originally used to calculate the currently-agreed valuation of the CEOC Notes, but determined as of the date of the restoration. This transfer will not reduce the number of CEC non-voting units of Growth Partners or CAC's voting units of Growth Partners, but it will reduce CAC's capital account balance.

After the third anniversary of the closing of the transaction, CEC and/or its subsidiaries will have the right to acquire the voting units of Growth Partners, or at the election of CAC, the shares of CAC. The call right may

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be exercised, at CEC's option, for either cash or registered listed common stock of CEC or a combination thereof, provided that the cash portion of the consideration may not exceed 50% of the total consideration delivered in connection with any exercise of the call right. The call right may be exercisable in part by CEC (up to three times), but until the call right is exercised in full, any voting units acquired by CEC will be converted into non-voting units. Additionally, the call right may only be exercised if the following conditions are met: (x) CEC's common stock (i) is registered with the Securities and Exchange Commission, (ii) is listed for trading and trades on a national securities exchange and (iii) issuable upon exercise of the call will represent, in the aggregate, not more than 1/2 of the total CEC's common stock issued and outstanding giving effect to the exercise of the call; (y) CEC has a minimum liquidity of \$1 billion and a maximum net debt leverage ratio of 9.00 to 1.00; and (z) no event of default has occurred and is in effect under any financing agreement of CEC or its subsidiaries. The call price will be the greater of (a) CAC's pro rata share of the fair market value of the purchased shares at the time of the exercise of the call right and (b) CAC's net capital invested plus a 10.5% internal rate of return; however, the maximum internal rate of return that may be earned by CAC upon the exercise of the call right is 25%. Further, in the event that a stockholder vote of CEC is required in connection with the exercise of the call right, receipt of affirmative approval of such vote will be a condition to the exercise of the call right and at closing the Sponsors will enter into a voting support agreement in favor of any such stockholder approval. In addition, a majority of the independent directors of the board of directors of CEC must approve the exercise of the call right by CEC and/or its subsidiaries. The call right will be transferable by CEC to a transferee that also receives a transfer of all of the non-voting units of Growth Partners held by CEC and will be exercisable by the transferee upon the same terms and conditions that apply to CEC.

Following the fifth anniversary of the closing of the transaction and until the eight years and six months anniversary of the closing of the transaction, the board of directors of CAC will have the right to cause a liquidation of Growth Partners, which means the sale or winding up of Growth Partners, or other monetization of all of its assets and the distribution of the proceeds remaining after satisfaction of all liabilities of Growth Partners to the holders of Growth Partners' units. Unless otherwise agreed by the holders of the non-voting units, on the eight years and six months anniversary of the closing of the transaction, if CAC has not previously exercised its liquidation right, Growth Partners shall liquidate as described above. Upon a liquidation, all net cash and other assets of Growth Partners that are not monetizable shall, subject to applicable gaming regulatory laws, be distributed as follows: (i) first, to all units held by CAC until amounts distributed equal return of capital plus a 10.5% per annum return on investment (such return to begin accruing on the proceeds in excess of the purchase price of Planet Hollywood and Horseshoe Baltimore only upon the investment of such excess proceeds by Growth Partners); (ii) second, to all units held by CEC and/or its subsidiaries until CEC catches up to its respective amount distributed pursuant to clause (i) (including the 10.5% per annum return on investment) and (iii) third, to all holders of units pro rata.

Conrad Punta Del Este Resort & Casino

In November 2012, CEC announced that it had entered into a definitive agreement with Enjoy S.A. ("Enjoy") to form a strategic relationship in Latin America. On May 31, 2013, Enjoy acquired 45% of Baluma S.A., a subsidiary of CEC which owns and operates the Conrad Punta Del Este Resort & Casino located in Punta Del Este, Uruguay (the "Conrad"), and CEC acquired a 4.5% equity stake in Enjoy. Enjoy has assumed primary responsibility for management of the Conrad, and Enjoy will have the option to acquire the remaining stake in Baluma S.A. between years three and five following closing.

Additional Information

Our principal executive offices are located at One Caesars Palace Drive, Las Vegas, Nevada 89109, and our telephone number is (702) 407-6000. The address of our internet site is www.caesars.com. This internet address is provided for informational purposes only and is not intended to function as a hyperlink. Accordingly, no information contained in this internet address is included or incorporated by reference herein.

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Summary of the Terms of the Exchange Offers

In connection with the issuance of the original notes, CEOC entered into registration rights agreements with the initial purchasers of the original notes. You are entitled to exchange in the exchange offers your original notes for exchange notes, which are identical in all material respects to the original notes except that:

the exchange notes have been registered under the Securities Act and will be freely tradable by persons who are not affiliated with us;

the exchange notes are not entitled to the registration rights applicable to the original notes under the registration rights agreements; and

our obligation to pay additional interest on the original notes due to the failure to consummate the exchange offers by a prior date does not apply to the exchange notes.

Original Notes

Original 2020(1) Notes	\$1,500,000,000 aggregate principal amount of 9% Senior Secured Notes due 2020 (the Original 2020(1) Notes).
Original 2020(2) Notes	\$1,500,000,000 aggregate principal amount of 9% Senior Secured Notes due 2020 (the Original 2020(2) Notes). We refer to the Original 2020(1) Notes and the Original 2020(2) Notes collectively as the original notes.

Notes Offered

2020(1) Exchange Notes	9% Senior Secured Notes due 2020 (the 2020(1) Exchange Notes). The terms of the 2020(1) Exchange Notes are substantially identical to those terms of the Original 2020(1) Notes, except that the transfer restrictions, registration rights and provisions for additional interest relating to the Original 2020(1) Notes do not apply to the 2020(1) Exchange Notes.
2020(2) Exchange Notes	9% Senior Secured Notes due 2020 (the 2020(2) Exchange Notes). The terms of the 2020(2) Exchange Notes are substantially identical to those terms of the Original 2020(2) Notes, except that the transfer restrictions, registration rights and provisions for additional interest relating to the Original 2020(2) Notes do not apply to the 2020(2) Exchange Notes. We refer to the 2020(1) Exchange Notes and the 2020(2) Exchange Notes collectively as the exchange notes.
Exchange Offers	CEOC is offering to exchange up to \$1,500,000,000 aggregate principal amount of its 2020(1) Exchange Notes, which have been registered under the Securities Act, for an equal amount of its Original 2020(1) Notes; and

up to \$1,500,000,000 aggregate principal amount of its 2020(2) Exchange Notes, which have been registered under the Securities Act, for an equal amount of its Original 2020(2) Notes.

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CEOC is also offering to satisfy certain of its obligations under the registration rights agreements that CEOC entered into in connection with the issuance of the original notes in transactions exempt from registration under the Securities Act.

In order to exchange your original notes, you must properly tender them and we must accept your tender. We will exchange all outstanding original notes that are validly tendered and not validly withdrawn. Original notes may be exchanged only in denominations of \$2,000 and integral multiples of \$1,000 in excess thereof.

Expiration Date; Withdrawal of Tenders

Each exchange offer will expire at 5:00 p.m., New York City time, on _____, 2013, or such later date and time to which CEOC extends it. CEOC does not currently intend to extend the expiration date. A tender of original notes pursuant to the exchange offers may be withdrawn at any time prior to the expiration date. Any original notes not accepted for exchange for any reason will be returned without expense to the tendering holder promptly after the expiration or termination of the exchange offers.

Conditions to the Exchange Offers

The exchange offers are subject to customary conditions, some of which CEOC may waive. For more information, see [The Exchange Offers](#) [Certain Conditions to the Exchange Offers](#).

Procedures for Tendering Original Notes

If you wish to accept the exchange offers, you must complete, sign and date the accompanying letter of transmittal, or a copy of the letter of transmittal, according to the instructions contained in this prospectus and the letter of transmittal. You must also mail or otherwise deliver the letter of transmittal, or the copy, together with the original notes and any other required documents, to the exchange agent at the address set forth on the cover of the letter of transmittal. If you hold original notes through The Depository Trust Company (DTC) and wish to participate in the exchange offers, you must comply with the Automated Tender Offer Program procedures of DTC, by which you will agree to be bound by the letter of transmittal.

By signing or agreeing to be bound by the letter of transmittal, you will represent to us that, among other things:

any exchange notes that you receive will be acquired in the ordinary course of your business;

you have no arrangement or understanding with any person or entity, including any of our affiliates, to participate in the distribution of the exchange notes;

if you are a broker-dealer that will receive exchange notes for your own account in exchange for original notes that were acquired as a result of market-making activities, that you will deliver a prospectus, as required by law, in connection with any resale of the exchange notes; and

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you are not our affiliate as defined in Rule 405 under the Securities Act, or, if you are an affiliate, you will comply with any applicable registration and prospectus delivery requirements of the Securities Act.

Guaranteed Delivery Procedures

If you wish to tender your original notes and your original notes are not immediately available or you cannot deliver your original notes, the letter of transmittal or any other documents required by the letter of transmittal or comply with the applicable procedures under DTC's Automated Tender Offer Program prior to the expiration date, you must tender your original notes according to the guaranteed delivery procedures set forth in this prospectus under The Exchange Offers Guaranteed Delivery Procedures.

Effect on Holders of Original Notes

As a result of the making of, and upon acceptance for exchange of all validly tendered original notes pursuant to the terms of, the exchange offers, CEOC will have fulfilled a covenant contained in each of the registration rights agreements for the original notes and, accordingly, CEOC will not be obligated to pay additional interest as described in the registration rights agreements. If you are a holder of original notes and do not tender your original notes in the exchange offers, you will continue to hold such original notes and you will be entitled to all the rights and limitations applicable to the original notes in the indentures governing the original notes, except for any rights under the registration rights agreements that, by their terms, terminate upon the consummation of the exchange offers.

Consequences of Failure to Exchange

All untendered original notes will continue to be subject to the restrictions on transfer provided for in the original notes and in the indentures governing the original notes. In general, the original notes may not be offered or sold unless registered under the Securities Act, except pursuant to an exemption from, or in a transaction not subject to, the Securities Act and applicable state securities laws. Other than in connection with the exchange offers, CEOC does not currently anticipate that it will register the original notes under the Securities Act.

Resale of the Exchange Notes

Based on an interpretation by the staff of the SEC set forth in no-action letters issued to third parties, we believe that the exchange notes issued pursuant to the exchange offers in exchange for original notes may be offered for resale, resold and otherwise transferred by you (unless you are our affiliate within the meaning of Rule 405 under the Securities Act) without compliance with the registration and prospectus delivery provisions of the Securities Act, provided that you:

are acquiring the exchange notes in the ordinary course of business; and

have not engaged in, do not intend to engage in, and have no arrangement or understanding with any person or entity, including any of Caesars' affiliates, to participate in, a distribution of the exchange notes.

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In addition, each participating broker-dealer that receives exchange notes for its own account pursuant to the exchange offers in exchange for original notes that were acquired as a result of market-making or other trading activity must also acknowledge that it will deliver a prospectus in connection with any resale of the exchange notes. For more information, see Plan of Distribution. Any holder of original notes, including any broker-dealer, who:

is our affiliate,

does not acquire the exchange notes in the ordinary course of its business, or

tenders in the exchange offers with the intention to participate, or for the purpose of participating, in a distribution of exchange notes,

cannot rely on the position of the staff of the Commission expressed in Exxon Capital Holdings Corporation, Morgan Stanley & Co., Incorporated or similar no-action letters and, in the absence of an exemption, must comply with the registration and prospectus delivery requirements of the Securities Act in connection with the resale of the exchange notes.

U.S. Federal Income Tax Considerations

The exchange of original notes for exchange notes in the exchange offers will not be a taxable event for U.S. federal income tax purposes. For more information, see Certain U.S. Federal Tax Considerations.

Use of Proceeds

We will not receive any cash proceeds from the issuance of the exchange notes in the exchange offers.

Exchange Agent

U.S. Bank National Association is the exchange agent for the exchange offers. The address and telephone number of the exchange agent are set forth in the section captioned The Exchange Offers Exchange Agent.

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Summary of the Terms of the 2020(1) Exchange Notes

The following summary highlights the material information regarding the 2020(1) Exchange Notes contained elsewhere in this prospectus.

Issuer	Caesars Entertainment Operating Company, Inc.
<u>2020(1) Exchange Notes</u>	\$1,500,000,000 aggregate principal amount of 9% Senior Secured Notes due 2020.
Maturity Date	The 2020(1) Exchange Notes will mature on February 15, 2020.
Interest Rate	Interest on the 2020(1) Exchange Notes will be payable in cash and will accrue from the issue date of the 2020(1) Exchange Notes at a rate of 9% per annum.
Interest Payment Dates	February 15 and August 15 of each year, commencing on February 15, 2013.
Ranking	<p>The 2020(1) Exchange Notes:</p> <p>will be senior indebtedness of CEOC;</p> <p>will rank pari passu in right of payment with all existing and future senior indebtedness of CEOC,</p> <p>will be senior in right of payment to all existing and future subordinated indebtedness of CEOC, and</p> <p>will be effectively senior in right of payment to all senior indebtedness of CEOC that is unsecured or that is secured by a lien ranking junior in priority to the liens securing the 2020(1) Exchange Notes, in each case to the extent of the value of the assets securing the 2020(1) Exchange Notes, and</p> <p>will be structurally subordinated in right of payment to all existing and future indebtedness and liabilities of subsidiaries of CEOC that are not Subsidiary Pledgors.</p> <p>The 2020(1) Exchange Notes will have the benefit of a security interest in the collateral that will be first in priority and pari passu with the senior secured credit facilities, the 11.25% notes, the 8.5% notes and the 2020(2) notes, subject to permitted liens and exceptions described under Description of 2020(1) Exchange Notes Security for the Notes. All of CEOC's domestic wholly owned subsidiaries that pledge their assets and property to secure the loans under the senior secured credit facilities, the 11.25% notes, the 8.5% notes, the 2020(2) notes and other first priority lien obligations, if any, will</p>

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become Subsidiary Pledgors with respect to the 2020(1) Exchange Notes, and their assets and property will secure the 2020(1) Exchange Notes to the extent described under Description of 2020(1) Exchange Notes Security for the Notes.

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As of March 31, 2013, on a pro forma basis after giving effect to the Extended Revolver Commitments Closing, the 2020(1) Exchange Notes would have ranked (1) effectively pari passu in right of payment to \$9,265.4 million of senior secured credit facilities and other first lien debt (including the 11.25% notes, the 8.5% notes and the 2020(2) notes), (2) effectively senior in right of payment to \$5,517.9 million of second lien notes and (3) effectively senior in right of payment to \$2,522.3 million of senior unsecured indebtedness, in each case, to the extent of the value of the collateral securing the 2020(1) Exchange Notes, of which \$1,146.3 million is owed to CEC. In addition, as of March 31, 2013, on a pro forma basis after giving effect to the Extended Revolver Commitments Closing, CEOC would have had \$128.7 million of unutilized capacity under its senior secured revolving credit facility after giving effect to approximately \$86.8 million committed to back letters of credit. As of March 31, 2013, subsidiaries of CEOC that are not Subsidiary Pledgors are obligors of \$1,479.6 million of indebtedness (excluding intercompany liabilities).

Substantially all of the operations of CEOC are conducted through its subsidiaries. The 2020(1) Exchange Notes will be effectively subordinated to holders of indebtedness and other creditors (including trade creditors) and preferred stockholders (if any) of subsidiaries of CEOC that are not Subsidiary Pledgors. See note 22 to our audited consolidated financial statements as of December 31, 2012 and note 20 to our unaudited consolidated condensed financial statements as of March 31, 2013 incorporated by reference in this prospectus for financial information regarding certain of our subsidiaries that are not subsidiary guarantors of certain other obligations of CEOC. As those subsidiary guarantors are identical to the Subsidiary Pledgors, information related to the assets and liabilities of the Subsidiary Pledgors and non-Subsidiary Pledgors can be found therein. Further, holders of the 2020(1) Exchange Notes will have recourse to the collateral pledged by the Subsidiary Pledgors, but they will have no direct recourse to the Subsidiary Pledgors themselves.

Collateral

The 2020(1) Exchange Notes will be secured by a first priority security interest in the collateral granted to the collateral agent for the benefit of the holders of the 2020(1) Exchange Notes and other future parity lien debt that may be issued in compliance with the terms of the indenture governing the 2020(1) Exchange Notes. The collateral securing the 2020(1) Exchange Notes is the same as the collateral securing the senior secured credit facilities, the 11.25% notes, the 8.5% notes and the 2020(2) notes. The liens securing the 2020(1) Exchange Notes are pari passu in priority to the liens on the collateral securing the senior secured credit facilities, the 11.25% notes, the 8.5% notes and the 2020(2) notes. The liens securing the 2020(1) Exchange Notes and other first priority lien obligations will be held by the collateral agent under the senior secured credit facilities.

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While the 2020(1) Exchange Notes will initially be secured by the pledge of CEOC's capital stock and the capital stock of the Subsidiary Pledgors, these pledges will be released to the extent that separate financial statements pursuant to Rule 3-16 of Regulation S-X would be required in connection with the filing of the registration statement, of which this prospectus forms a part, relating to the 2020(1) Exchange Notes. We expect that, as a result, a substantial portion of the capital stock of CEOC will be released. See Description of the 2020(1) Exchange Notes Security for the Notes.

Except as set forth above, the collateral securing the 2020(1) Exchange Notes is substantially all of CEOC's and the Subsidiary Pledgors' property and assets that secure the senior secured credit facilities, the 11.25% notes, the 8.5% notes and the 2020(2) notes, which excludes: (i) any property or assets owned by any foreign subsidiaries, (ii) certain real property and vessels, (iii) any vehicles, (iv) cash, deposit accounts and securities accounts (to the extent that a lien thereon must be perfected by any action other than the filing of customary financing statements), (v) subject to limited exceptions, any assets or any right, title or interest in any license, contract or agreement to the extent that taking a security interest in any of them would violate any applicable law or regulation (including gaming regulations) or any enforceable contractual obligation binding on the assets or would violate the terms of any such license, contract or agreement, and (vi) certain other limited exclusions. For more information, see Description of 2020(1) Exchange Notes Security for the Notes.

Parent Guarantee

The 2020(1) Exchange Notes will be irrevocably and unconditionally guaranteed by Caesars, subject to certain limitations. See Description of 2020(1) Exchange Notes Parent Guarantee.

Optional Redemption

CEOC may redeem the 2020(1) Exchange Notes, in whole or in part, at any time prior to February 15, 2016, at a price equal to 100% of the principal amount of the 2020(1) Exchange Notes plus accrued and unpaid interest to the date of redemption and an applicable make-whole premium. Thereafter, the 2020(1) Exchange Notes may be redeemed at the option of CEOC on the redemption dates and at the redemption prices specified under Description of 2020(1) Exchange Notes Optional Redemption.

Optional Redemption After Certain Equity Offerings

On or prior to February 15, 2015, CEOC may redeem up to 35% of the aggregate principal amount of 2020(1) Exchange Notes with the net cash proceeds of one or more equity offerings at the redemption price specified under Description of 2020(1) Exchange Notes Optional Redemption.

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Change of Control

If CEOC experiences a change of control (as defined in the indenture governing the 2020(1) Exchange Notes), CEOC will be required to make a