

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549
FORM 10-K**

(Mark One)

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the Fiscal Year Ended December 31, 2019

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Commission File No. 001-10410

CAESARS ENTERTAINMENT CORPORATION

(Exact name of registrant as specified in its charter)

Delaware

(State of incorporation)

62-1411755

(I.R.S. Employer Identification No.)

**One Caesars Palace Drive
Las Vegas, Nevada 89109**
Address of principal executive offices

Registrant's telephone number, including area code:
(702) 407-6000

Securities registered pursuant to Section 12(b) of the Act:

Title of each class

Trading Symbol(s)

Name of each exchange on which registered

Common stock, \$0.01 par value

CZR

NASDAQ Global Select Market

Securities registered pursuant to Section 12(g) of the Act:

None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer

Accelerated filer

Non-accelerated filer

Smaller reporting company

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes No

The aggregate market value of common stock held by non-affiliates of the registrant as of June 30, 2019 was \$6.8 billion.

As of February 21, 2020, the registrant had 682,268,726 shares of common stock outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the Registrant's definitive Proxy Statement for our 2020 Annual Meeting of Stockholders are incorporated by reference into Part III of this Form 10-K, provided that if the Registrant does not file such Proxy Statement on or before April 29, 2020, such information will be included in an amendment to this Form 10-K filed on or before such date.

CAESARS ENTERTAINMENT CORPORATION
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PART I

In this filing, the name “CEC” refers to the parent holding company, Caesars Entertainment Corporation, exclusive of its consolidated subsidiaries and variable interest entities, unless otherwise stated or the context otherwise requires. The words “Company,” “Caesars,” “Caesars Entertainment,” “we,” “our,” and “us” refer to Caesars Entertainment Corporation, inclusive of its consolidated subsidiaries and variable interest entities, unless otherwise stated or the context otherwise requires.

We also refer to (i) our Consolidated Financial Statements as our “Financial Statements,” (ii) our Consolidated Statements of Operations and Consolidated Statements of Comprehensive Income/(Loss) as our “Statements of Operations,” (iii) our Consolidated Balance Sheets as our “Balance Sheets,” and (iv) our Consolidated Statements of Cash Flows as our “Statements of Cash Flows.” References to numbered “Notes” refer to Notes to our Consolidated Financial Statements included in Item 8.

ITEM 1. Business

Overview

Caesars Entertainment is a casino-entertainment and hospitality services provider with one of the world’s most diversified portfolios. We have established a rich history of industry-leading growth and expansion since we commenced operations in 1937. Our facilities typically include gaming offerings, food and beverage outlets, hotel and convention space, and non-gaming entertainment options. In addition to our brick and mortar assets, we operate an online gaming business that provides real money games in certain jurisdictions and offers retail sports wagering in certain jurisdictions.

CEC is primarily a holding company with no independent operations of its own. CEC operates the business primarily through its wholly owned subsidiaries CEOC, LLC (“CEOC LLC”) and Caesars Resort Collection, LLC (“CRC”).

We lease certain real property assets from third parties, including VICI Properties Inc. and/or its subsidiaries (collectively, “VICI”).

Significant Transactions in 2019

Proposed Merger of Caesars Entertainment Corporation with Eldorado Resorts, Inc.

On June 24, 2019, Caesars, Eldorado Resorts, Inc., a Nevada corporation (“Eldorado”), and Colt Merger Sub, Inc., a Delaware corporation and a direct wholly owned subsidiary of Eldorado (“Merger Sub”), entered into an Agreement and Plan of Merger (as amended by Amendment No. 1 to Agreement and Plan of Merger, dated as of August 15, 2019, and as it may be further amended from time to time, the “Merger Agreement”), pursuant to which, on the terms and subject to the conditions set forth therein, Merger Sub will merge with and into Caesars (the “Merger”), with Caesars continuing as the surviving corporation and a direct wholly owned subsidiary of Eldorado. On November 15, 2019, the respective stockholders of Caesars and Eldorado voted to approve the Merger. The transaction is expected to close in the first half of 2020. In connection with the Merger, Eldorado will change its name to Caesars Entertainment, Inc. See Note 1.

Rio All-Suite Hotel & Casino Disposition

On September 20, 2019, Rio Properties, LLC, a subsidiary of CEC, entered into a Purchase and Sale Agreement and Joint Escrow Instructions for certain assets of Rio All-Suite Hotel & Casino (“Rio”). During the quarter ended September 30, 2019, we recorded an impairment charge of \$380 million, which included \$6 million related to selling costs, as the carrying value was higher than the fair value. On December 5, 2019, the transaction was completed for a sales price of approximately \$516 million. The sales price received includes \$40 million in seller financing that we provided the buyer at a 9% interest rate, that is due to us in two years unless extended for an additional year. Interest may be paid monthly, or paid-in-kind at the option of the buyer. We received \$470 million in cash proceeds, net of selling costs. In connection with the closing of the sale, we entered into a lease and trademark license under which we will continue to operate the property under the Rio trademark for an initial term of two years at an initial annual rent amount of approximately \$45 million. See Note 1.

Consolidation of Korea Joint Venture

CEC has a joint venture to acquire, develop, own, and operate a casino resort project in Incheon, South Korea (the “Korea JV”). We determined that the Korea JV is a VIE and CEC is the primary beneficiary, and therefore, we consolidate the Korea JV into our financial statements. As of December 31, 2019, the construction schedule for the project has been delayed and discussions regarding the project costs between us and our joint venture partner remain ongoing. On February 11, 2020, the primary subcontractor notified us that construction on the project has ceased pending resolution of the go-forward options as explained below. In addition, the external debt financing by the Korea JV has also been delayed, which has impacted the timing of equity

capital contributions by us, and our joint venture partner, in accordance with our joint venture agreement. We are currently in discussions with our joint venture partner regarding the project costs and financing plan for the project, as well as evaluating all of our options under the terms of the joint venture agreement. Possible outcomes include completing the project and related financing as originally budgeted, adding an additional equity partner, selling all, or part, of the parties' ownership interest in the Korea JV, liquidating the joint venture or taking any other steps including those that we may agree with our joint venture partner. These possible outcomes could result in a material impairment of assets of the Korea JV and could also change our conclusion that we are the primary beneficiary of the joint venture, which could result in a material charge upon deconsolidating the joint venture. As reported by the joint venture and consolidated in our financial statements, as of December 31, 2019, total net assets of \$133 million was primarily composed of property and equipment valued on a cost basis, net of construction payable, of which we have a 50% interest.

Emerald Resort & Casino, South Africa Disposition

In May 2019, we entered into an agreement to sell Emerald Resort & Casino located in South Africa for total proceeds of approximately \$51 million. We own 70% of this property while the remaining 30% is owned by local minority partners. Total cash proceeds for our 70% ownership and other adjustments total approximately \$41 million. The transaction is expected to close in 2020, subject to regulatory approvals and other customary closing conditions. Subsequent to December 31, 2019, the seller informed us that pursuant to certain conditions in the agreement that they wished to renegotiate the previously agreed upon sales price. We still believe the transaction will close in 2020 and therefore still meets the criteria of assets as held for sale as of the balance sheet date. See Note 2.

Other Significant Transactions and Significant Events

CEO Transition

In April 2019, our Board of Directors named Tony Rodio as our Chief Executive Officer, replacing Mark P. Frissora, our former President and Chief Executive Officer, who served until April 30, 2019. Mr. Rodio's appointment became effective on May 6, 2019. Immediately prior to joining the Company, he served as Chief Executive Officer of Affinity Gaming, and prior to that, he served as President, Chief Executive Officer and a member of the Board of Directors of Tropicana Entertainment Inc. ("Tropicana") for over seven years. Mr. Rodio has nearly four decades of experience in the gaming industry.

CEOC's Emergence from Bankruptcy and CEC's Merger with Caesars Acquisition Company

Caesars Entertainment Operating Company, Inc. ("CEOC") and certain of its U.S. subsidiaries (collectively, the "Debtors") voluntarily filed for reorganization on January 15, 2015 (the "Petition Date"), at which time CEC deconsolidated CEOC. The Debtors emerged from bankruptcy and consummated their reorganization pursuant to their third amended joint plan of reorganization (the "Plan") on October 6, 2017 (the "Effective Date"). As part of its emergence from bankruptcy, CEOC reorganized into an operating company ("OpCo") separate from its real property assets ("PropCo"). OpCo was acquired by CEC on the Effective Date and immediately merged with and into CEOC LLC. CEOC LLC operates the properties and facilities formerly held by CEOC and leases the properties and facilities from VICI. See Note 4 for additional information.

On the Effective Date, Caesars Acquisition Company ("CAC") merged with and into CEC, with CEC as the surviving company (the "CAC Merger"). See Note 4 for additional information. The CAC Merger was accounted for as a reorganization of entities under common control, which resulted in CAC being consolidated into Caesars at book value as an equity transaction for all periods presented.

Organizational Structure

As of December 31, 2019, through our consolidated entities and managed properties, we had a total of 53 properties, four of which do not have casinos, including one non-operational property, in 14 U.S. states and five countries outside of the U.S. In addition, we authorize the use of our brands and marks to a tribal casino property. Our facilities have an aggregate of over 3 million square feet of gaming space and approximately 40,000 hotel rooms. Of the 49 casinos, 36 are in the United States and primarily consist of land-based and riverboat or dockside casinos. Our 13 international casinos are land-based casinos, most of which are located in the United Kingdom.

We view each property as an operating segment and aggregate them into three regionally-focused reportable segments: (i) Las Vegas, (ii) Other U.S., and (iii) All Other, which is consistent with how we manage the business. Within these segments, our properties are primarily categorized as Leased (where we lease real property assets from third parties, including VICI), Owned-Domestic, Owned-International, and Managed. See Item 2, "Properties," for more information about our properties.

Our All Other segment includes managed and international properties as well as other businesses, such as Caesars Interactive Entertainment (“CIE”).

Business Operations

Our consolidated business is composed of five complementary businesses that reinforce, cross-promote, and build upon each other: casino entertainment, food and beverage, rooms and hotel, casino management services, and entertainment and other business operations, including mobile sports betting. Upon CEOC’s emergence from bankruptcy on the Effective Date, the majority of its real property assets were sold to VICI and simultaneously leased back to us as part of the plan of reorganization. Additional transactions with VICI were subsequently completed to finance acquisitions and working capital purposes, resulting in cash proceeds and corresponding financing obligations. See Note 10 for additional information.

Casino Entertainment Operations

Our casino entertainment operations generate revenues from approximately 38,000 slot machines and 2,700 table games, as well as other games such as keno, poker, and race and sports books, all of which comprised approximately 51% of our total net revenues in 2019. Slot revenues generate the majority of our gaming revenues, particularly in our properties located outside of Las Vegas and Atlantic City.

Food and Beverage Operations

Our food and beverage operations generate revenues from approximately 220 buffets, restaurants, bars, nightclubs, and lounges located throughout our casinos, as well as banquets and room service, and represented approximately 19% of our total net revenues in 2019. Many of our properties include several dining options, ranging from upscale dining experiences to moderately-priced restaurants and buffets.

Rooms and Hotel Operations

Rooms and hotel operations generate revenues from hotel stays at our properties in our approximately 36,000 guest rooms and suites worldwide and represented approximately 18% of our total net revenues in 2019. Our properties operate at various price and service points, allowing us to host a variety of casino guests who are visiting our properties for gaming and other casino entertainment options and non-casino guests who are visiting our properties for other purposes, such as vacation travel or conventions.

We have engaged in large capital reinvestment projects in recent years focusing primarily on our room product across the United States, including renovating over 19,000 rooms in Las Vegas since 2015 at properties such as Caesars Palace, Planet Hollywood Resort & Casino (“Planet Hollywood”), Flamingo Las Vegas, Bally’s Las Vegas, Harrah’s Las Vegas, and Paris Las Vegas. In addition, we continue to roll out self-check-in kiosks in order to help reduce customer wait times and improve labor efficiencies.

Management Services

We earn revenue from fees paid for the management of eight casinos. Managed properties represent Caesars-branded properties where Caesars Entertainment provides staffing and management services under management agreements. In 2018, we opened our first non-gaming properties, including two beachfront luxury resorts, a beach club, and a residential tower on Meraas’ Bluewaters Island in Dubai.

Entertainment and Other Non-Gaming Operations

We provide a variety of retail and entertainment offerings at our properties. We operate various entertainment venues across the United States, including the Colosseum at Caesars Palace and Zappos Theater at Planet Hollywood, both of which were ranked among the top theater venues in the United States in 2019 based on ticket sales. These award-winning theaters host prominent headliners, such as Mariah Carey, Christina Aguilera, Keith Urban, Gwen Stefani, Rod Stewart and Shania Twain.

The LINQ Promenade and our retail stores offer guests a wide range of options from high-end brands and accessories to souvenirs and decorative items. The LINQ Promenade is an open-air dining, entertainment, and retail development located between The LINQ Hotel & Casino and Flamingo Las Vegas, and it features The High Roller, a 550-foot observation wheel, and Fly LINQ, the first and only zipline on the Las Vegas Strip.

In 2018, we broke ground on CAESARS FORUM, a 550,000 square-foot conference center located at the center of the Las Vegas Strip. Scheduled to officially open in March 2020, CAESARS FORUM will feature 300,000 square feet of flexible meeting space, the two largest pillarless ballrooms in the world, LEED silver-rating, and FORUM Plaza, the first 100,000 square-foot outdoor meeting and event space in Las Vegas.

Sports-Related Business Operations

The Company is now live with retail sports wagering across seven U.S. states, including Nevada, New Jersey, Pennsylvania, Mississippi, Iowa, Indiana and New York. The Company also operates the Caesars Casino & Sports app for mobile sports betting, which allows players in New Jersey and Nevada who download the app to place bets on sporting events. The players can also play over 400 casino games including slots, table games, and video poker. This product is expected to be launched in 2020 in Pennsylvania, where regulatory approval is pending, and is planned to launch in other states subject to receipt of regulatory approval there.

The Company continues to solidify local and national partnerships that align our casinos, resorts and brands with sports fans. In 2019, we announced high-profile exclusive sports entertainment partnerships with the NFL, making Caesars the first-ever “Official Casino Sponsor” in the history of the league. This historic partnership combines the NFL’s legendary events with our properties to bring unique experiences to Caesars patrons. This includes exclusive rights to use NFL trademarks in the U.S. and U.K. to promote our properties, also enabling Caesars to host exclusive special events and experiences. For example, in April 2019, Caesars and the NFL hosted the NFL Alumni Las Vegas Draft Party with exclusive fan access to an autograph session with NFL Legends, giveaways and an open bar at the LINQ Hotel & Casino. Caesars will continue to host brand activations at prominent, high-profile NFL events, including the NFL Draft, NFL playoffs, and the Super Bowl during this multi-year partnership.

Additionally, in 2019, the Company entered into an agreement with ESPN pursuant to which, among other things, a new ESPN-branded studio will be built at the LINQ Hotel & Casino in Las Vegas where ESPN will broadcast sports betting-themed content and other programming. The new studio is expected to open in 2020. Under the agreement, Caesars has also been designated as ESPN’s “Official Odds Provider,” ESPN will produce and distribute certain content across ESPN’s media platforms that will feature Caesars branding, and Caesars will purchase advertising across ESPN and its affiliated advertising platforms, among other terms.

The Company also entered into an agreement in 2019 with Turner Sports, owner of Bleacher Report. Under the agreement, a Bleacher Report-branded studio has been established inside the sports book at Caesars Palace Las Vegas for the creation of a wide assortment of programming and editorial content to be regularly distributed through Bleacher Report and the B/R App. The agreement further provides for Caesars branding to be featured in certain Turner Sports and Bleacher Report programming and content, and for the parties to pursue other sponsorship, marketing and content opportunities together.

Our subsidiary, CIE operates regulated online real money gaming businesses in certain authorized jurisdictions, including in Nevada and New Jersey, owns the World Series of Poker (“WSOP”) brand, and licenses the WSOP trademarks for a variety of products and services.

Sales and Marketing

On January 30, 2019, Caesars announced the rebranding of Total Rewards, the Company’s industry-leading loyalty program, to Caesars Rewards effective February 1, 2019. The new program leverages the premium Caesars brand to better connect Caesars’ elevated standard and prestige with the Company’s global destinations.

We believe Caesars Rewards enables us to compete more effectively and capture a larger share of our customers’ entertainment spending when they travel among regions versus that of a standalone property, which is core to our cross-market strategy. We believe that operating multiple properties in the center of the Las Vegas Strip generates greater revenues than would be generated if the properties were operated separately.

Members who have joined Caesars Rewards can earn Reward Credits for qualifying gaming activity and qualifying hotel, dining and retail spending at all Caesars-affiliated properties in the United States, Canada, the United Kingdom, and Dubai. Members can also earn additional Reward Credits when they use their Caesars Rewards VISA credit card or make a purchase through a Caesars Rewards partner. Members can redeem their earned Reward Credits with Caesars for hotel amenities, casino free play and other items such as merchandise, gift cards, and travel.

Caesars Rewards is structured in tiers (designated as Gold, Platinum, Diamond or Seven Stars), each with increasing member benefits and privileges. Members are provided promotional offers based on their Tier Level, their engagement with Caesars-affiliated properties, aspects of their casino gaming play, and their preferred spending choices outside of gaming. Member information is also used in connection with various marketing promotions, including campaigns involving direct mail, email, our websites, mobile devices, social media, and interactive slot machines.

Intellectual Property

The development of intellectual property is part of our overall business strategy. We regard our intellectual property to be an important element of our success. While our business as a whole is not substantially dependent on any one patent, trademark,

copyright, or combination of several of our intellectual property rights, we seek to establish and maintain our proprietary rights in our business operations and technology through the use of patents, trademarks, copyrights, and trade secret laws. We file applications for and obtain patents, trademarks, and copyrights in the United States and foreign countries where we believe filing for such protection is appropriate, including United States and foreign patent applications covering certain proprietary technology of Caesars Enterprise Services, LLC (“CES”). We also seek to maintain our trade secrets and confidential information by nondisclosure policies and through the use of appropriate confidentiality agreements. CES’ United States patents have varying expiration dates.

We have not applied for the registration of all of our trademarks, copyrights, proprietary technology, or other intellectual property rights, as the case may be, and may not be successful in obtaining all intellectual property rights for which we have applied. Despite our efforts to protect our proprietary rights, parties may infringe upon our intellectual property and use information that we regard as proprietary, and our rights may be invalidated or unenforceable. The laws of some foreign countries do not protect proprietary rights or intellectual property to as great an extent as do the laws of the United States. In addition, others may independently develop substantially equivalent intellectual property.

We own or have the right to use proprietary rights to a number of trademarks that we consider, along with the associated name recognition, to be valuable to our business, including Bally’s, Caesars, Flamingo, Harrah’s, Horseshoe, Paris, Caesars Rewards, WSOP, and licenses for the Planet Hollywood trademark used in connection with the Planet Hollywood in Las Vegas and for the Rio trademark used in connection with the Rio in Las Vegas.

Competition

The casino entertainment business is highly competitive. The industry is comprised of a diverse group of competitors that vary considerably in size and geographic diversity, quality of facilities and amenities available, marketing and growth strategies, and financial condition. In most regions, we compete directly with other casino facilities operating in the immediate and surrounding areas. In Las Vegas, our largest jurisdiction, competition is expected to increase significantly in the coming years. For example, the Genting Group is developing a casino and hotel called Resorts World Las Vegas, which is expected to open in 2021, and Marriott International and New York-based global real estate firm Witkoff are developing a casino and hotel called The Drew Las Vegas, which is expected to open in 2022. Both are located on the northern end of the Las Vegas Strip. In response to changing trends, Las Vegas operators have been focused on expanding their non-gaming offerings, including upgrades to hotel rooms, new food and beverage offerings, and new entertainment offerings. In May 2018, MGM rebranded the Monte Carlo Hotel and Casino as Park MGM, which underwent non-gaming renovations focused on room, food and beverage, and entertainment enhancements. There have also been proposals for other large scale non-gaming development projects in Las Vegas by various other developers. Our Las Vegas Strip hotels and casinos also compete, in part, with each other.

In recent years, many casino operators, including us, have been reinvesting in existing facilities, developing new casinos or complementary facilities, and acquiring established facilities. These reinvestment and expansion efforts combined with aggressive marketing strategies by us and many of our competitors have resulted in increased competition in many regions. As companies have completed new expansion projects, supply has typically grown at a faster pace than demand in some areas. For example, in Baltimore, Maryland, the opening of MGM Resorts National Harbor Resort & Casino and the addition of smoking patios at Maryland Live! has resulted in significant declines in revenue at our Horseshoe Baltimore property. The expansion of properties and entertainment venues into new jurisdictions also presents competitive issues. Atlantic City, in particular, has seen a significant decline primarily due to the addition of gaming and room capacity associated with the expansion of gaming in Maryland, New York, and Pennsylvania as well as the opening of new properties. This has resulted in several casino closings in recent years. In addition, Hard Rock Hotel Atlantic City and Ocean Resort Casino were introduced into the Atlantic City market in 2018, causing increased competition in the market.

Our properties also compete with legalized gaming from casinos located on Native American tribal lands. While the competitive impact on operations in Las Vegas from the continued growth of Native American gaming establishments in California remains uncertain, the proliferation of gaming in California and other areas located in the same regions as our properties could have an adverse effect on our results of operations. In addition, certain states have legalized, and others may legalize, casino gaming in specific areas, including metropolitan areas from which we traditionally attract customers.

We also compete with other non-gaming resorts and vacation areas, various other entertainment businesses, and other forms of gaming, such as state lotteries, on- and off-track wagering, video lottery terminals, and card parlors. Our non-gaming offerings also compete with other retail facilities, amusement attractions, food and beverage offerings, and entertainment venues. While we do not believe it to be the case, some have suggested that internet gaming and sports betting could also create additional competition for us and could adversely affect our brick-and-mortar operations. We believe that internet gaming and sports betting complements brick-and-mortar operations.

See Item 7, “Management’s Discussion and Analysis of Financial Condition and Results of Operations.” See also Exhibit 99.1, “Gaming Overview,” to this Form 10-K.

Seasonality

We believe that business at our regional properties outside of Las Vegas is subject to seasonality, including seasonality based on the weather in the markets in which they operate and the travel habits of visitors. Business in our properties can also fluctuate due to specific holidays or other significant events, such as Easter (particularly when the holiday falls in a different quarter than the prior year), the WSOP tournament (with respect to our Las Vegas properties), city-wide conventions, a large sporting event or a concert, or visits by our premium players. We also believe that any seasonality, holiday, or other significant event may affect our various properties or regions differently.

Governmental Regulation

The gaming industry is highly regulated, and we must maintain our licenses and pay gaming taxes to continue our operations. Each of our casinos is subject to extensive regulation under the laws, rules, and regulations of the jurisdiction in which it is located. These laws, rules, and regulations generally concern the responsibility, financial stability, and character of the owners, managers, and persons with financial interests in the gaming operations. Violations of laws in one jurisdiction could result in disciplinary action in other jurisdictions. A more detailed description of the regulations to which we are subject is contained in Exhibit 99.1, “Gaming Overview,” to this Form 10-K.

Our businesses are subject to various foreign, federal, state, and local laws and regulations, in addition to gaming regulations. These laws and regulations include, but are not limited to, restrictions and conditions concerning alcoholic beverages, smoking, environmental matters, employees, currency transactions, taxation, zoning and building codes, construction, land use, and marketing and advertising. We also deal with significant amounts of cash in our operations and are subject to various reporting and anti-money laundering regulations. Such laws and regulations could change or could be interpreted differently in the future, or new laws and regulations could be enacted. Material changes, new laws or regulations, or material differences in interpretations by courts or governmental authorities could adversely affect our operating results. See Item 1A, “Risk Factors,” for additional discussion.

Employee Relations

We have approximately 64,000 employees throughout our organization. Approximately 27,000 of our employees are covered by collective bargaining agreements with certain of our subsidiaries relating to certain casino, hotel, and restaurant employees. The majority of these employees are covered by the following agreements:

Employee Group	Approximate Number of Active Employees Represented	Union	Date on which Collective Bargaining Agreement Becomes Amendable
Las Vegas Culinary Employees	12,500	Culinary Workers Union, Local 226	May 31, 2023
Atlantic City Food & Beverage and Hotel Employees	3,000	UNITE HERE, Local 54	February 28, 2020
Las Vegas Bartenders	1,200	Bartenders Union, Local 165	May 31, 2023
Las Vegas Dealers	2,400	United Auto Workers	N/A - Currently in negotiations

Corporate Social Responsibility, Citizenship and Sustainability

CEC's Board of Directors and senior executives view Corporate Social Responsibility ("CSR") as an integral element in the way we do business, in the belief that being a good corporate citizen helps protect the company against risk, contributes to improved performance and helps foster positive relationships with all those with whom we connect. The Board of Directors and our executive management are committed to being an industry leader in CSR (which includes diversity, equity and inclusion, social impact, and environmental sustainability). In 2019, we continued to engage with our CEO-level external Corporate Social Responsibility Advisory board with experts representing diversity, business strategy, academia, and investors, and used their guidance to confirm our CSR priorities. These priorities are reflected in our tenth annual CSR report, published in 2019 in accordance with Global Reporting Initiative Standards.

Code of Commitment

Our Code of Commitment is our public pledge to our guests, team members, communities, business partners and all those we reach that we will honor the trust they have placed in us through ethical conduct and integrity. PEOPLE PLANET PLAY is the framework underpinning our CSR strategy and our support for the United Nations Sustainable Development Goals, aligning all our properties and corporate functions behind a common language and programs that support sustainable, ethical and profitable business growth. PEOPLE PLANET PLAY is also the organizing framework for the Code of Commitment in which we commit to:

- People: supporting the wellbeing of our team members, guests and local communities.
- Planet: taking care of the world we all call home.
- Play: creating memorable experiences for our guests and leading Responsible Gaming practices in the industry.

Our PEOPLE PLANET PLAY strategy includes multi-year targets in key areas of impact, including science-based emissions-reduction, formally approved by the Science Based Targets Initiative ("SBTi"), aligning with global best practices on climate change action.

Responsible Gaming

In 2019 Caesars celebrated the 30th anniversary of its Responsible Gaming ("RG") program. We train tens of thousands of team members each year and a cadre of RG Ambassadors throughout our properties to identify guests in need of assistance and provide support. In recent years, Caesars has contributed more than \$1 million to the National Center for Responsible Gaming, the National Council on Problem Gaming and other state programs to help advance responsible practices in the gaming industry.

Environmental Stewardship

We take a proactive approach to environmental sustainability through our CodeGreen strategy established in 2007, consistently improving our performance across energy and greenhouse gas emissions efficiencies, reduction of water consumption and increasing waste diversion from landfills. Between 2011 and 2018, we reduced our absolute Scope 1 & 2 greenhouse gas ("GHG") emissions by 24%. Last year, we further committed to mitigating our impact on climate change by updating our previously approved science based targets to be in line with well below 2 degrees Celsius per SBTi: (i) reducing absolute Scope 1 and 2 GHG emissions by 35% by 2025, and 100% by 2050 from a 2011 base-year and (ii) having 60% of suppliers by spend institute science-based GHG reduction targets for their operations by 2023. Additionally, between 2008 and 2018, we reduced our annual water consumption by 10% and increased our waste diversion rate to 49% in 2018.

In 2020, 100% of our owned or managed North American hotel resort properties once again achieved a 4 Green Key Hotel rating out of 5. Through 2019, our Las Vegas, Lake Tahoe and Atlantic City convention spaces received Green Key Meetings certification at the 4 key level, with Bally's Atlantic City receiving 5 keys, the highest possible rating. Green Key is a rigorous program recognized by the Global Sustainable Tourism Council that ranks, certifies and inspects sustainable practices at hotels and resorts.

For our management, disclosure and engagement around Caesars environmental impacts, in 2019, Caesars Entertainment made the A Lists for climate and supplier engagement and received an A-score for water security from the CDP, an international nonprofit that drives sustainable economies. Just 3% of companies assessed are included on CDP's Supplier Engagement Leader Board and 2% of companies disclosing climate impacts are included in the Climate A List.

In order to engage guests in our CSR efforts, we have branded our hotel rooms with our PEOPLE PLANET PLAY messaging, inviting guests to play a role by using water, air-conditioning and towels with the environment in mind. We promote sustainable sourcing of key food ingredients for our menus from sustainably managed farms and fisheries, and we are currently transitioning

to sourcing 100% cage free eggs by 2025. In 2019, we further committed to sourcing, by 2024, chicken certified by the Global Animal Partnership which supports human animal welfare practices.

Employee Engagement, Development, Safety and Wellbeing

We aim to inspire our team members through our mission, vision and values, and our Code of Commitment. We invest in training and development for our team members and we reward them with opportunities to earn substantial rewards based on merit. Team members earn rewards each year in our Total Return program that acknowledges great service. We place utmost importance on creating a safe workplace for our team members, embedding standards and procedures so that all our colleagues have the awareness, knowledge and tools to make safe working a habit. We maintain a Wellness Rewards program to help our team members improve their health and wellbeing that has demonstrated improved health metrics for participating employees and their spouses/domestic partners, helping reduce the cost of healthcare for team members and for the Company.

Diversity, Equity and Inclusion

We embrace diversity and aim to create an inclusive working environment that celebrates all our team members as individuals. Our diversity, equity and inclusion (“DEI”) framework identifies five pillars of activity: advocacy, workplace, suppliers, communities and guests for a holistic approach to embedding DEI in everything we do. In 2018, 43% of leadership roles were held by women and 35% of our manager roles were held by employees of color. Caesars received a perfect 100% score on the 2020 Human Rights Campaign Foundation Corporate Equality Index for the 13th year in a row. Furthermore, more than 13% of our addressable spend was with diverse suppliers in 2018. We maintain extensive outreach to discover diverse suppliers and support them through mentoring programs to gain business and grow with Caesars.

Human Trafficking

We take a strong stance against human trafficking and commercial sex exploitation and have invested significantly in recent years to raise awareness among team members, creating a suite of educational materials including a dedicated online portal for team members, a toolkit and action guides. We trained customer-facing and security team members across our properties and have appointed several hundred volunteer Community Engagement Ambassadors as leaders in addressing sex trafficking and commercial sexual exploitation. We continue to work as part of industry-wide partnerships to augment our efforts to eliminate all forms of exploitation from our operations and our supply chain.

Community Investment

Caesars Entertainment contributes extensively to our local communities to help them develop and prosper, through funding community projects, employee volunteering and cash donations from the Caesars Foundation, a private foundation funded from our operating income. In 2018, we contributed \$69 million to communities through all these channels, including 343,050 reported employee volunteer hours. Many of our contributions are long-term collaborations, for example, our 17 years of partnership with Meals on Wheels America (“MOWA”) to combat the issues of senior hunger and isolation. Also, in 2019, we held our first Economic Equity Tour in six cities across the U.S. with a goal of helping create thriving communities by hosting educational workshops and expert-led webinars and providing resources in the areas of financial empowerment, nonprofit organization development, and entrepreneurship.

Available Information

Our Internet address is www.caesars.com. We make available free of charge, on or through our website, our annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, and amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), as soon as reasonably practicable after we electronically file such material with, or furnish it to, the Securities and Exchange Commission (the “SEC”). We also make available through our website all filings of our executive officers and directors on Forms 3, 4, and 5 under Section 16 of the Exchange Act. These filings are also available on the SEC’s website at www.sec.gov. Our Code of Business Conduct and Ethics is available on our website under the “Investor Relations” link. We will provide a copy of these documents without charge to any person upon receipt of a written request addressed to Caesars Entertainment Corporation, Attn: Corporate Secretary, One Caesars Palace Drive, Las Vegas, Nevada 89109. Reference in this document to our website address does not constitute incorporation by reference of the information contained on the website.

ITEM 1A. Risk Factors

Risks Related to Our Business

Our substantial indebtedness and the fact that a significant portion of our cash flow is used to make interest payments and rent payments under the Lease Agreements (defined below) could adversely affect our ability to raise additional capital to fund our operations, limit our ability to react to changes in the economy or our industry and prevent us from making debt service payments and rent payments.

Caesars Entertainment is a highly-leveraged company and had \$8.7 billion in face value debt outstanding under credit facilities and notes (including our convertible notes) as of December 31, 2019. As a result, a significant portion of our liquidity needs are for debt service on such indebtedness, including significant interest payments. Our estimated debt service (including principal and interest) on our credit facilities and notes (including our convertible notes) is \$494 million for 2020 and \$10.3 billion thereafter to maturity for our currently outstanding indebtedness under our credit facilities and notes (including our convertible notes).

See Note 12 for details of our debt outstanding and related restrictive covenants.

Our substantial indebtedness and the restrictive covenants under the agreements governing such indebtedness could:

- limit our ability to borrow money for our working capital, capital expenditures, development projects, debt service requirements, rent payment requirements, strategic initiatives or other purposes;
- make it more difficult for us to satisfy our obligations with respect to our indebtedness and the Lease Agreements, and any failure to comply with the obligations of any of our debt instruments or Lease Agreements, including restrictive covenants and borrowing conditions, could result in an event of default under the agreements governing our indebtedness or such Lease Agreements;
- require that a substantial portion of our cash flow from operations be dedicated to the payment of rent and interest and repayment of our indebtedness, thereby reducing funds available to us for other purposes;
- limit our flexibility in planning for or reacting to changes in our operations or business;
- make us more highly-leveraged than certain of our competitors, which may place us at a competitive disadvantage;
- make us more vulnerable to downturns in our business or the economy;
- restrict the availability for us to make strategic acquisitions, develop new gaming facilities, introduce new technologies or exploit business opportunities;
- affect our ability to renew certain gaming and other licenses;
- limit, along with the financial and other restrictive covenants in our indebtedness and the Lease Agreements, among other things, our ability to borrow additional funds or dispose of assets; and
- expose us to the risk of increased interest rates as certain of our borrowings are at variable rates of interest.

Any of the foregoing could have a material adverse effect on our business, financial condition, results of operations, prospects and ability to satisfy our outstanding debt obligations and lease obligations.

Our ability to satisfy our debt obligations and lease obligations will depend upon, among other things:

- our future financial and operating performance, which will be affected by prevailing economic conditions and financial, business, regulatory and other factors, many of which are beyond our control; and
- our future ability to borrow under our credit facilities, the availability of which depends on, among other things, our complying with the covenants thereunder.

Our debt agreements contain restrictions that limit our flexibility in operating our business.

Our debt agreements contain, and the agreements governing any future indebtedness of ours would likely contain, a number of covenants that impose significant operating and financial restrictions, including restrictions on our ability to, among other things:

- incur additional debt or issue certain preferred shares;

- pay dividends on or make distributions in respect of our capital stock or make other restricted payments;
- make certain investments;
- sell certain assets;
- create liens on certain assets;
- consolidate, merge, sell or otherwise dispose of all or substantially all of our assets;
- enter into certain transactions with our affiliates; and
- designate our subsidiaries as unrestricted subsidiaries.

As a result of these covenants, we are limited in the manner in which we conduct our business, and we may be unable to engage in favorable business activities or finance future operations or capital needs.

We have pledged a significant portion of our assets as collateral under our subsidiaries' secured debt agreements. If any of our lenders accelerate the repayment of borrowings, there can be no assurance that we will have sufficient assets to repay our indebtedness.

We are required to satisfy and maintain specified financial ratios under the agreements governing our revolving credit facilities if and when specified amounts are drawn and outstanding under our revolving credit facilities. See Note 12 for further information. Our ability to meet the financial ratios under our debt agreements can be affected by events beyond our control, and there can be no assurance that we will be able to continue to meet those ratios.

A failure to comply with the covenants contained in the agreements that govern our indebtedness could result in an event of default thereunder, which, if not cured or waived, could have a material adverse effect on our business, financial condition and results of operations. In the event of any default under the indebtedness of CEC, CRC or CEOC LLC, the lenders or noteholders thereunder:

- will not be required to lend any additional amounts to such borrowers;
- could elect to declare all indebtedness outstanding, together with accrued and unpaid interest and fees, to be due and payable and terminate all commitments to extend further credit; or
- require such borrowers to apply all of our available cash to repay such indebtedness.

Such actions by the lenders or noteholders under CEC's, CRC's or CEOC LLC's indebtedness could cause cross defaults under the other indebtedness of CEC, CRC or CEOC LLC, respectively, and in the case of lenders or noteholders under CRC's or CEOC LLC's indebtedness, could cause additional cross defaults under CEC's indebtedness. If we are unable to repay amounts under our secured credit facilities, the lenders under such secured credit facilities could proceed against the collateral granted to them to secure that indebtedness.

If the indebtedness under CEC's, CRC's or CEOC LLC's credit facilities or other indebtedness were to be accelerated, there can be no assurance that their assets would be sufficient to repay such indebtedness in full.

The phase-out of the London Interbank Offered Rate ("LIBOR"), or the replacement of LIBOR with a different reference rate or modification of the method used to calculate LIBOR, may adversely affect interest rates which may have an adverse impact on us.

LIBOR is an interest rate benchmark used as a reference rate for a wide range of financial transactions, including derivatives and loans. In July 2017, the United Kingdom's Financial Conduct Authority, which regulates LIBOR, announced that it intends to stop compelling banks to submit LIBOR rates after 2021. It is unclear whether or not LIBOR will cease to exist at that time (and if so, what reference rate will replace it) or if new methods of calculating LIBOR will be established such that it continues to exist after 2021. The Alternative Reference Rates Committee ("ARRC") has proposed that the Secured Overnight Financing Rate ("SOFR") is the rate that represents best practice as the alternative to LIBOR for use in financial and other derivatives contracts that are currently indexed to United States dollar LIBOR. ARRC has proposed a paced market transition plan to SOFR from LIBOR and organizations are currently working on industry wide and company specific transition plans as it relates to financial and other derivative contracts exposed to LIBOR. Uncertainty exists as to the transition process and broad acceptance of SOFR as the primary alternative to LIBOR. We have material borrowing contracts (including our term loans and revolving credit facilities) and derivatives that are indexed to LIBOR. At this time, we cannot predict the future impact of a departure from LIBOR as a reference rate. If

future rates based upon the successor reference rate (or a new method of calculating LIBOR) are higher than LIBOR rates as currently determined, however, they may have a material adverse effect on our financial condition and results of operations.

CEC, CEOC LLC, CRC and/or their respective subsidiaries are parties to certain leasing and related arrangements that may have a negative effect on CEC's business and operations.

CEC, CEOC LLC, CRC and certain of their subsidiaries are parties to certain leasing and financial commitments, including three lease agreements relating to properties operated by CEOC LLC or its subsidiaries (the "CEOC LLC Lease Agreements"), three related management and lease support agreements, a lease agreement relating to a property operated by a subsidiary of CRC (the "HLV Lease Agreement" and collectively with the CEOC LLC Lease Agreements, the "Lease Agreements") and related guaranties (collectively, the "Lease Documents"). Pursuant to the CEOC LLC Lease Agreements, VICI leases properties to CEOC LLC (or the applicable subsidiaries of CEOC LLC) and CEOC LLC (or the applicable subsidiaries of CEOC LLC) is responsible for lease payments and other obligations for: (i) Caesars Palace Las Vegas; (ii) substantially all domestic properties owned by CEOC LLC and its subsidiaries other than Caesars Palace Las Vegas; and (iii) Harrah's Joliet Hotel & Casino in Joliet, Illinois. CEC guarantees the payment and performance of all monetary obligations of CEOC LLC and its subsidiaries under the CEOC LLC Lease Agreements. Pursuant to the HLV Lease Agreement, VICI leases Harrah's Las Vegas to a subsidiary of CRC, which is responsible for lease payments and other obligations for Harrah's Las Vegas. CRC guarantees the payment and performance of all monetary obligations of its subsidiary under the HLV Lease Agreement.

CEC has entered into call right agreements with VICI pursuant to which VICI has the right for five years from October 6, 2017, the date of those agreements, to purchase and lease to CEC or one of its subsidiaries interests in the real property assets associated with Harrah's Laughlin, Harrah's Atlantic City and Harrah's Atlantic City Waterfront Conference Center and Harrah's New Orleans, which could also impose additional lease payments and other obligations on CEC and its subsidiaries. CEC and VICI also entered into a right of first refusal agreement that provides, among other things, for (a) a grant by CEC (on behalf of itself and all of its majority owned subsidiaries) to VICI (on behalf of itself and all of its majority owned subsidiaries) of a right of first refusal to own and lease to an affiliate of CEC certain non-Las Vegas domestic real estate that CEC or its affiliates may have the opportunity to acquire or develop and (b) a grant by VICI to CEC of a right of first refusal to lease and manage certain non-Las Vegas domestic real estate that VICI may have the opportunity to acquire or develop.

Pursuant to the Lease Agreements, as amended in December 2018, CEC's subsidiaries are obligated to pay, in the aggregate, approximately \$773 million in fixed annual rents, subject to certain escalators and adjustments beginning at various points in the initial term and continuing through the renewal terms. If CEC's businesses and properties fail to generate sufficient earnings, the payments required to service these leasing commitments may materially and adversely limit the ability of CEC to make investments to maintain and grow its portfolio of businesses and properties. Additionally, CEC may be subject to other significant obligations under its guarantees if its subsidiaries are unable to satisfy their lease payments and other monetary obligations which could materially and adversely affect CEC's business and operating results.

CEC's guarantees of the CEOC LLC Lease Agreements impose restrictions on certain business activities of CEC, including restrictions on sales of assets and making dividends and distributions. The Lease Documents generally impose restrictions on the business activities of CEOC LLC, CRC and their applicable subsidiaries, including restrictions on transfers of the leased properties, requirements to make specified minimum levels of capital expenditures and limitations regarding how the leased properties may be operated. Compliance with the restrictions in the Lease Documents may constrain the ability of CEC to implement any growth plans as well as its flexibility to react and adapt to unexpected operational challenges and adverse changes in economic and legal conditions. Additionally, with respect to properties leased pursuant to the Lease Agreements, CEOC LLC or CRC (or their applicable subsidiaries), generally, will be required to restore properties that are damaged by casualties regardless of whether any insurance proceeds are sufficient to pay for the restoration.

Each of CEOC LLC, CRC and/or their respective subsidiaries are required to pay a significant portion of their cash flow from operations to VICI pursuant to and subject to the terms and conditions of the Lease Agreements, which could adversely affect our ability to fund our operations or development projects, raise capital, make acquisitions, and otherwise respond to competitive and economic changes.

Each of CEOC LLC, CRC and/or their applicable subsidiaries are required to pay a significant portion of their cash flow from operations to VICI pursuant to and subject to the terms and conditions of the Lease Agreements. As a result of this commitment, their ability to fund their own operations or development projects, raise capital, make acquisitions and otherwise respond to competitive and economic changes may be adversely affected. For example, their obligations under the Lease Agreements may:

- make it more difficult for the applicable entity to satisfy their obligations with respect to their indebtedness and to obtain additional indebtedness;

- increase the applicable entity’s vulnerability to general or regional adverse economic and industry conditions or a downturn in its business;
- require the applicable entity to dedicate a substantial portion of its cash flow from operations to making lease payments, thereby reducing the availability of its cash flow to fund working capital, capital expenditures and other general corporate purposes;
- limit the applicable entity’s flexibility in planning for, or reacting to, changes in its business and the industry in which it operates; and
- restrict the applicable entity’s ability to raise capital, make acquisitions and divestitures and engage in other significant transactions.

In addition, the annual rent escalations under the Lease Agreements will continue to apply regardless of the amount of cash flows generated by the properties that are subject to the Lease Agreements (subject to certain earnings before interest, taxes, depreciation, amortization and rent [“EBITDAR”] to rent ratio-based caps). Accordingly, if the cash flows generated by such properties decrease, or do not increase at the same rate as the rent escalations, the rents payable under the Lease Agreements could comprise a higher percentage of the cash flows generated by the applicable entity, which could exacerbate, perhaps materially, the issues described above.

Any of the above listed factors could have a material adverse effect on CEOC LLC’s and CRC’s respective business, financial condition, and results of operations.

The CEC Convertible Notes are exercisable for shares of our common stock. The exercise of such equity instruments would have a dilutive effect to stockholders of CEC.

The \$1.1 billion aggregate principal amount of 5.00% convertible senior notes maturing in 2024 (the “CEC Convertible Notes”) are exercisable for shares of our common stock. The exercise of such equity instruments would have a dilutive effect to stockholders of CEC. In accordance with the terms of the Plan, on the Effective Date, we issued approximately \$1.1 billion aggregate principal amount of CEC Convertible Notes that are convertible at the option of holders into a number of shares of our common stock that is initially equal to 0.139 shares of our common stock per \$1.00 principal amount of CEC Convertible Notes, or approximately 156 million shares, of which 151 million shares are net of amounts held by CEC. If all the shares were issued on the Effective Date, they would have represented approximately 17.9% of the shares of our common stock outstanding after giving effect to the shares issued in accordance with the Plan. The CEC Convertible Notes are subject to conversion at our option beginning in October 2020 if the last reported sale price of our common stock equals or exceeds 140% of the conversion price for the CEC Convertible Notes in effect on each of at least 20 trading days during any 30 consecutive trading day period. CEC does not have any other redemption rights for the CEC Convertible Notes. As of December 31, 2019, the remaining life of the CEC Convertible Notes is 4.75 years.

Most of CEOC LLC’s U.S. gaming facilities, as well as Harrah’s Las Vegas, are leased and could experience risks associated with leased property, including risks relating to lease termination, lease extensions, consents and approvals, charges and our relationship with VICI, which could have a material adverse effect on our business, financial position or results of operations.

Most of CEOC LLC’s U.S. gaming facilities are leased and could experience risks associated with leased property, including risks relating to lease termination, lease extensions, consents and approvals, charges and our relationship with VICI, which could have a material adverse effect on our business, financial position, or results of operations. CEOC LLC and its subsidiaries lease most of the gaming facilities they operate pursuant to the CEOC LLC Lease Agreements. Termination of any or all of the CEOC LLC Lease Agreements would result in CEOC LLC or its applicable subsidiaries losing some or all of their rights with respect to the applicable properties, could result in a default under CEOC LLC’s debt agreements, and could have a material adverse effect on CEOC LLC’s business, financial position, or results of operations. In the event of certain terminations of the CEOC LLC Lease Agreements, CEOC LLC or its applicable subsidiaries may be required to cooperate to transfer all personal property located at the applicable facility to a designated successor. Moreover, since as a lessee CEOC LLC and its subsidiaries do not completely control the land and improvements underlying their operations, VICI, as lessor, could take certain actions to disrupt CEOC LLC and its subsidiaries’ rights in the facilities leased under the CEOC LLC Lease Agreements, which are beyond our control. If VICI chose to disrupt CEOC LLC and its subsidiaries’ use either permanently or for a significant period of time, then the value of their assets could be impaired and their business and operations could be adversely affected. There can also be no assurance that CEOC LLC and its subsidiaries will be able to comply with their obligations under the CEOC LLC Lease Agreements in the future. In addition, if VICI has financial, operational, regulatory or other challenges, there can be no assurance that VICI will be able to comply with its obligations under its agreements with CEC, CEOC LLC, or their subsidiaries.

CRC's subsidiary leases Harrah's Las Vegas from VICI pursuant to the HLV Lease Agreement on terms that are similar to those of the CEOC LLC Lease Agreements. CRC and its subsidiary, therefore, are subject to many of the same risks described above with respect to Harrah's Las Vegas.

The Lease Agreements are a type of lease that is commonly known as a triple net lease. Accordingly, in addition to rent, the tenants under the Lease Agreements are required to pay all operating costs associated with the respective facilities, including the payment of taxes, insurance, and all repairs, and providing indemnities to VICI against liabilities associated with the operations of each facility. CEC's applicable subsidiaries are responsible for incurring the costs described in the preceding sentence notwithstanding the fact that many of the benefits received in exchange for such costs may in part accrue to VICI as owner of the associated facilities. In addition, if some of the leased facilities should prove to be unprofitable, CEOC LLC and its subsidiaries or CRC's subsidiary, as applicable, could remain obligated for lease payments and other obligations under the Lease Agreements even if they decided to withdraw from those locations, and consequently, CEC and CRC would remain obligated under the corresponding lease guarantees. CEOC LLC and its subsidiaries or CRC's subsidiary, as applicable, could incur special charges relating to the closing of such facilities including lease termination costs, impairment charges, and other special charges that would reduce their net income and could have a material adverse effect on our business, financial condition and results of operations.

We may be unable to generate sufficient cash to service all of our indebtedness and lease commitments, and may be forced to take other actions to satisfy our obligations under our indebtedness and lease commitments that may not be successful.

We may be unable to generate sufficient cash flow from operations, or may be unable to draw under our credit facilities or otherwise, in an amount sufficient to fund our liquidity needs. Our operating cash inflows are typically used for operating expenses, debt service costs, lease payments, working capital needs, and capital expenditures in the normal course of business. Our estimated debt service (including principal and interest) is \$494 million for 2020 and \$10.3 billion thereafter to maturity for our outstanding indebtedness and our estimated financing obligations are \$733 million for 2020 and \$36.5 billion thereafter to maturity for our outstanding lease arrangements. If we are unable to service our debt obligations or pay our financing obligations, there can be no assurances that our business will continue in its current state. See Note 12 for details of our debt outstanding and Note 10 for details of our lease commitments.

We may incur additional indebtedness and lease commitments, which could adversely affect our ability to pursue certain business opportunities.

We and our subsidiaries may incur additional indebtedness and lease commitments at any time subject to the restrictions set forth in the Merger Agreement. Although the terms of the agreements governing our indebtedness and lease commitments contain restrictions on our ability to incur additional indebtedness and certain types of lease commitments, these restrictions are subject to a number of important qualifications and exceptions, and the indebtedness and lease commitments incurred in compliance with these restrictions could be substantial. For example, as of December 31, 2019, CRC had \$975 million of additional borrowing capacity available under its senior secured credit facility, net of \$25 million committed to outstanding letters of credit, and CEOC LLC had a total of \$161 million of additional borrowing capacity available under its senior secured credit facility, net of \$39 million committed to outstanding letters of credit. We may consider incurring additional indebtedness in the future to fund our growth strategy.

Our subsidiary debt agreements allow for limited future issuances of additional secured or unsecured indebtedness, which may include, in each case, indebtedness secured on a pari passu basis with the obligations under CRC's or CEOC LLC's credit facilities. This indebtedness could be used for a variety of purposes, including financing capital expenditures, refinancing or repurchasing our outstanding indebtedness, including existing unsecured indebtedness, or for general corporate purposes. We have raised and expect to continue to raise debt, including secured debt, to directly or indirectly refinance our outstanding unsecured debt on an opportunistic basis, as well as development and acquisition opportunities. Additional indebtedness would require greater servicing payments, and accordingly, may affect our future liquidity and limit our ability to pursue certain opportunities and implement any growth plans in the future.

Repayment of our and our subsidiaries' debt is dependent on cash flow generated by our subsidiaries.

Our subsidiaries currently own a significant portion of our assets and conduct a significant portion of our operations. Accordingly, repayment of our and our subsidiaries' indebtedness is dependent, to a significant extent, on the generation of cash flow by our subsidiaries, and in the case of CEC's debt, their ability to make such cash available to us by dividend, if needed, or otherwise. Our ability to repay debt is also subject to the restrictions set forth in our Merger Agreement. Our subsidiaries do not have any obligation to pay amounts due on our other subsidiaries' indebtedness or to make funds available for that purpose (other than with respect to subsidiary guarantees granted by certain subsidiaries of CEOC LLC to guarantee CEOC LLC's indebtedness and by certain subsidiaries of CRC to guarantee CRC's indebtedness). Our subsidiaries may not be able to, or may not be permitted to, make distributions to enable us to make payments in respect of our or our other subsidiaries' indebtedness. Each subsidiary is a

distinct legal entity, and under certain circumstances, legal and contractual restrictions may limit our ability to obtain cash from our subsidiaries.

Our business and results of operations could be negatively affected as a result of the actions of activist stockholders, which could impact our stock price.

We have been the subject of actions taken by activist stockholders. For instance, on February 19, 2019, Carl C. Icahn and various affiliated entities (collectively, “Icahn”) filed with the SEC a Schedule 13D indicating that, among other things, Icahn had spoken to, and intended to continue to speak with, our Board of Directors and management regarding seeking board representation, including, if necessary, by nominating a slate of directors at the 2019 Annual Meeting. On March 1, 2019, the Company and Icahn entered into a Director Appointment and Nomination Agreement, which was amended on March 28, 2019, regarding, among other things, the membership and composition of our Board of Directors. The Schedule 13D also indicated that Icahn believed our Board of Directors should conduct a strategic process to comprehensively assess the best path forward for the Company and Icahn’s belief that stockholder value might be best served, and enhanced, by selling the Company. The Company subsequently initiated a strategic process and as a result entered into the Merger Agreement with Eldorado on June 24, 2019.

While we strive to maintain constructive, ongoing communications with all of our stockholders, and welcome their views and opinions with the goal of enhancing value for all stockholders, activist stockholders may, from time to time, engage in proxy solicitations or advance stockholder proposals, or otherwise attempt to effect changes and assert influence on our Board of Directors and management. Responding to proposals by activist stockholders may, and responding to a proxy contest instituted by stockholders would, require us to incur significant legal and advisory fees, proxy solicitation expenses (in the case of a proxy contest) and administrative and associated costs and require significant time and attention by our Board of Directors and management, diverting their attention from the pursuit of our business strategy. Any perceived uncertainties as to our future direction and control, our ability to execute on our strategy or changes to the composition of our Board of Directors or senior management team arising from proposals by activist stockholders or a proxy contest could lead to the perception of a change in the direction of our business or instability which may be exploited by our competitors, result in the loss of potential business opportunities and make it more difficult to pursue our strategic initiatives or attract and retain qualified personnel and business partners, any of which could have a material adverse effect on our business and operating results. In addition, stockholder activism and potential resulting changes in governance may have implications under the various gaming laws to which we are subject, and could have an adverse impact on our gaming licenses. We may choose to initiate, or may become subject to, litigation as a result of proposals by activist stockholders or proxy contests or matters relating thereto, which would serve as a further distraction to our Board of Directors and management and could require us to incur significant additional costs.

In addition, actions such as those described above could cause significant fluctuations in the trading prices of our common stock, based on temporary or speculative market perceptions or other factors that do not necessarily reflect the underlying fundamentals and prospects of our business.

Likewise, as a result of our having implemented any proposals made by Icahn, or to the extent that we implement any future proposals made by Icahn or any other activist stockholder, to change the composition of our Board of Directors, engage in particular transactions or change certain aspects of our strategy, the resulting changes in our business, assets, results of operations and financial condition may be material and may have an impact, which may be material, on the market prices of our common stock, and may also cause substantial volatility in the trading price of those securities.

It is unclear what impact our business structure will have on our key business relationships and our ability to compete with other gaming operators.

As a result of the consummation of the Plan, we are among a few gaming operators that lease a significant portion of its properties from a single lessor under lease arrangements. As a result, it is difficult to predict whether and to what extent our relationship with VICI, including any actual or perceived conflicts of interest, will affect our relationships with suppliers, customers, or regulators or our ability to compete with other gaming operators that are not subject to a master lease arrangement with a single lessor. In addition, VICI has numerous consent, audit, and other rights under the Lease Documents. As a result, a number of CEOC LLC’s and CRC’s strategic and operational decisions are subject to review and/or agreement with VICI, and there can be no assurance that VICI’s exercise of its rights under the Lease Documents will not be adverse to CEOC LLC’s or CRC’s business or operations, particularly where our interests and the interests of VICI (or those who control it) are not aligned.

The development and construction of new hotels, casinos, and gaming and non-gaming venues and the expansion of existing ones could have an adverse effect on our business, financial condition, and results of operations due to various factors including delays, cost overruns, and other uncertainties.

Development projects may require significant capital commitments, the incurrence of additional debt, guarantees of third-party debt, the incurrence of contingent liabilities and an increase in depreciation and amortization expense, which could have an adverse effect upon our business, financial condition, results of operations, and cash flow. In addition, the development and construction of new hotels, casinos and gaming venues and the expansion of existing ones is susceptible to various risks and uncertainties, such as:

- the existence of acceptable market conditions and demand for the completed project;
- general construction risks, including cost overruns, change orders and plan or specification modification, shortages of construction resources, labor disputes, unforeseen environmental, engineering or geological problems, work stoppages, fire and other natural disasters, construction scheduling problems, and weather interferences;
- changes and concessions required by governmental or regulatory authorities;
- the ability to finance the projects, especially in light of our substantial indebtedness and certain restrictions contained in the Merger Agreement;
- delays in obtaining, or inability to obtain, all licenses, permits and authorizations required to complete and/or operate the project; and
- disruption of our existing operations and facilities.

Moreover, our development and expansion projects are sometimes jointly pursued with third parties or by licensing our brands to third parties. These joint development, expansion project, or license agreements are subject to risks, in addition to those disclosed above, as they are dependent on our ability to reach and maintain agreements with third parties and the Merger Agreement contains certain restrictions that may limit our ability to enter into such agreements absent Eldorado's prior written consent.

Our failure to complete any new development or expansion project, or complete any joint development or expansion projects or projects where we license our brands, as planned, on schedule, within budget, or in a manner that generates anticipated profits, could have an adverse effect on our business, financial condition, results of operations, and cash flow.

The risks associated with our existing and potential future international operations could reduce our profits.

Some of our properties are located outside the United States. International operations are subject to inherent risks including:

- political and economic instability;
- variation in local economies;
- currency fluctuation;
- greater difficulty in accounts receivable collection;
- trade barriers; and
- burden of complying with a variety of international laws.

We are or may become involved in legal proceedings that, if adversely adjudicated or settled, could have a material adverse effect on our business, financial condition, results of operations, and prospects.

From time to time, we are a defendant in various lawsuits or other legal proceedings relating to matters incidental to our business. Some of these matters involve commercial or contractual disputes, intellectual property claims, legal compliance, personal injury claims, and employment claims. As with all legal proceedings, no assurance can be provided as to the outcome of these matters and, in general, legal proceedings can be expensive and time consuming. We may not be successful in the defense or prosecution of these lawsuits, which could result in settlements or damages that could significantly impact our business, financial condition, and results of operations. In addition, the Merger Agreement contains certain restrictions that may limit our ability to settle certain lawsuits, even if doing so would be favorable to us, absent Eldorado's prior written consent.

Compromises of our information systems or unauthorized access to confidential information or our customers' personal information could materially harm our reputation and business.

We collect and store confidential, personal information relating to our customers for various business purposes, including marketing and financial purposes, and credit card information for processing payments. For example, we handle, collect and store personal

information in connection with our customers staying at our hotels and enrolling in Caesars Rewards. We may share this personal and confidential information with vendors or other third parties in connection with processing of transactions, operating certain aspects of our business, or for marketing purposes. Our collection and use of personal data are governed by state and federal privacy laws and regulations as well as the applicable laws and regulations in other countries in which we operate. Privacy law is subject to frequent changes and varies significantly by jurisdiction. We may incur significant costs in order to ensure compliance with the various applicable privacy requirements. In addition, privacy laws and regulations may limit our ability to market to our customers.

We assess and monitor the security of collection, storage, and transmission of customer information on an ongoing basis. We utilize commercially available software and technologies to monitor, assess and secure our network. Further, some of the systems currently used for transmission and approval of payment card transactions and the technology utilized in payment cards themselves, all of which can put payment card data at risk, are determined and controlled by the payment card industry, and other such systems are determined and controlled by us. Although we have taken steps designed to safeguard our customers' confidential personal information and important internal company data, our network and other systems and those of third parties, such as service providers, could be compromised, damaged, or disrupted by a third-party breach of our system security or that of a third-party provider or as a result of purposeful or accidental actions of third parties, our employees, or those employees of a third party, power outages, computer viruses, system failures, natural disasters, or other catastrophic events. Our third-party information system service providers face risks relating to cybersecurity similar to ours, and we do not directly control any of such parties' information security operations. Advances in computer and software capabilities, encryption technology, new tools, and other developments may increase the risk of a security breach. As a result of any security breach, customer information or other proprietary data may be accessed or transmitted by or to a third party. Despite the measures we have implemented to safeguard our information, there can be no assurance that we are adequately protecting our information.

Any loss, disclosure of, misappropriation of, or access to customers' or other proprietary information or other breach of our information security could result in legal claims or legal proceedings, including regulatory investigations and actions, or liability for failure to comply with privacy and information security laws, including for failure to protect personal information or for misusing personal information, which could disrupt our operations, damage our reputation, and expose us to claims from customers, financial institutions, regulators, payment card associations, employees, and other persons, any of which could have an adverse effect on our financial condition, results of operations, and cash flow.

We have cybersecurity insurance to respond to a breach which is designed to cover expenses around notification, credit monitoring, investigation, crisis management, public relations and legal advice. We also carry other insurance which may cover ancillary aspects of the event. However, damage and claims arising from a breach may not be completely covered or may exceed the amount of any insurance available.

Our reliance on our computer systems and software could expose us to great financial harm if any of our computer systems or software were subject to any material disruption or corruption.

We rely significantly on our computer systems and software to receive and properly process internal and external data, including data related to Caesars Rewards. A disruption or corruption of the proper functioning of our computer systems or software could cause us to lose data or record erroneous data, which could result in material losses. We cannot guarantee that our efforts to maintain competitive computer systems and software will be successful. Our computer systems and software may fail or be subject to bugs or other errors, resulting in service interruptions or other unintended consequences. If any of these risks materialize, they could have a material adverse effect on our business, financial condition, and results of operations.

We may sell or divest different properties or assets as a result of our evaluation of our portfolio of businesses. Such sales or divestitures could affect our costs, revenues, profitability, and financial position.

From time to time, we evaluate our properties and our portfolio of businesses and may, as a result, sell or attempt to sell, divest, or spin-off different properties or assets (subject to any restrictions in the agreements governing our indebtedness and leases and our Merger Agreement). These sales or divestitures affect our costs, revenues, profitability, financial position, liquidity, and our ability to comply with our debt covenants. Divestitures have inherent risks, including possible delays in closing transactions (including potential difficulties in obtaining regulatory approvals), the risk of lower-than-expected sales proceeds for the divested businesses, and potential post-closing claims for indemnification. Expected costs savings, which are offset by revenue losses from divested properties, may also be difficult to achieve or maximize due to our fixed cost structure.

Reduction in discretionary consumer spending resulting from a downturn in the national economy, the volatility and disruption of the capital and credit markets, adverse changes in the global economy, and other factors could negatively impact our financial performance and our ability to access financing.

Changes in discretionary consumer spending or consumer preferences are driven by factors beyond our control, such as perceived or actual general economic conditions; high energy, fuel and other commodity costs; the cost of travel; the potential for bank failures; a soft job market; an actual or perceived decrease in disposable consumer income and wealth; increases in payroll taxes; increases in gaming taxes or fees; fears of recession and changes in consumer confidence in the economy; and terrorist attacks or other global events. Our business is susceptible to any such changes because our properties offer a highly-discretionary set of entertainment and leisure activities and amenities. Gaming and other leisure activities we offer represent discretionary expenditures and participation in such activities may decline if discretionary consumer spending declines, including during economic downturns, during which consumers generally earn less disposable income. Particularly, we have business concentrations in gaming offerings and in Las Vegas, which are sensitive to declines in discretionary consumer spending and changes in consumer preferences. During periods of economic contraction, our revenues may decrease while most of our costs remain fixed and some costs even increase, resulting in decreased earnings.

We are subject to significant risks associated with joint ventures, strategic alliances and other third-party collaborations.

We pursue certain of our new license opportunities, development projects and other strategic business opportunities through third-party collaborations such as joint ventures, license arrangements and other alliances. Examples include our joint ventures for Horseshoe Baltimore, our development project in Korea, our agreements relating to gaming-related sports content, and other sports-related opportunities.

Our joint ventures are governed by mutually established agreements that we entered into with our partners. As such, we do not unilaterally control the joint ventures or other initiatives. The terms of the joint venture and the rights of our joint venture partners may preclude us from taking actions that we believe to be in the best interests of the Company. Alternatively, our joint venture partners could take actions binding on the joint venture without our consent. Disagreements with our joint venture partners could result in delays in project development, including construction delays, and ultimate failure of the project. Moreover, our joint venture partners may not be able to provide capital to the joint venture on the terms agreed to or at all, and the joint venture may be unable to obtain external financing to finance its operations. Also, our ability to exit the joint venture may be subject to contractual and other limitations, including as a result of certain restrictions contained in the Merger Agreement.

With any third-party collaboration, there is a risk that our partners' economic, business or legal interests or objectives may not be aligned with ours, leading to potential disagreements and/or failure of the applicable project or initiative. Additionally, we are subject to the risks relating to our partners' failure to satisfy contractual obligations, conflicts arising between us and any of our partners and changes in the ownership of any of our partners.

Any of the foregoing with respect to our third-party collaborations could adversely affect our financial condition, operating results and cash flows.

We are subject to extensive governmental regulation and taxation policies, and the enforcement of or any changes in such regulation or policy could adversely impact our business, financial condition, and results of operations.

We are subject to extensive gaming regulations and political and regulatory uncertainty. Regulatory authorities in the jurisdictions where we operate have broad powers with respect to the licensing of casino operations and may revoke, suspend, condition, or limit our gaming or other licenses, impose substantial fines and take other actions, any one of which could adversely impact our business, financial condition, and results of operations. Furthermore, in many jurisdictions where we operate, licenses are granted for limited durations and require renewal from time to time. There can be no assurance that continued gaming activity will be approved in any referendum in the future. If we do not obtain the requisite approval in any future referendum, we will not be able to operate our gaming operations in the affected jurisdiction, which would negatively impact our future performance. In addition, the gaming and other laws and regulations to which we are subject could change or could be interpreted differently in the future, or new laws and regulations could be enacted. For example, in 2018, the U.S. Department of Justice ("DOJ") reversed its previously-issued opinion published in 2011, which stated that interstate transmissions of wire communications that do not relate to a "sporting event or contest" fall outside the purview of the Wire Act of 1961 (the "Wire Act"). The DOJ's updated opinion, which is still being evaluated by industry members, concluded instead that the Wire Act was not uniformly limited to gaming relating to sporting events or contests and that certain of its provisions apply to non-sports-related wagering activity. The DOJ's opinion was set aside by the United States District Court for the District of New Hampshire in June of 2019. At this time, appellate litigation is ongoing, and we are unable to determine whether the DOJ's January 2019 opinion will remain in effect or what its impact will be on our business. The DOJ filed an appellate brief in December 2019, and we are continuing to evaluate the impact of this litigation. Any

such material changes, new laws or regulations, or material differences in interpretations by courts or governmental authorities could adversely affect our business and operating results.

From time to time, individual jurisdictions have also considered legislation or referendums, such as bans on smoking in casinos and other entertainment and dining facilities, which could adversely impact our operations. These smoking bans have adversely affected revenues and operating results at our properties. The likelihood or outcome of similar legislation in other jurisdictions and referendums in the future cannot be predicted, though any smoking ban would be expected to negatively impact our financial performance.

Furthermore, because we are subject to regulation in each jurisdiction in which we operate, and because regulatory agencies within each jurisdiction review our compliance with gaming laws in other jurisdictions, it is possible that gaming compliance issues in one jurisdiction may lead to reviews and compliance issues in other jurisdictions.

The casino entertainment industry represents a significant source of tax revenues to the various jurisdictions in which casinos operate. From time to time, various state and federal legislators and officials have proposed changes in tax laws, or in the administration of such laws, including increases in tax rates, which would affect the industry. If adopted, such changes could adversely impact our business, financial condition, and results of operations.

Our ability to utilize net operating loss (“NOL”) carryforwards may be limited as a result of any future stock ownership changes.

In general, Section 382 of the Internal Revenue Code provides an annual limitation with respect to the ability of a corporation to utilize its net operating loss carryovers, as well as certain built-in losses, against future taxable income in the event of a change in ownership. CEOC’s emergence from bankruptcy and the CAC Merger resulted in a change in ownership for purposes of Section 382, making its provisions applicable to the Company. It is unlikely that the annual limitation caused as a result of the CAC Merger and CEOC’s emergence from bankruptcy will adversely affect the Company’s ability to utilize its net operating loss carryovers against its future taxable income. However, if the Company undergoes another ownership change before all the net operating loss carryovers have offset taxable income, a future limitation may restrict the Company’s ability to utilize its net operating loss carryover prospectively.

Any violation of the Bank Secrecy Act or other similar anti-money laundering (“AML”) laws and regulations could have a negative impact on us.

We deal with significant amounts of cash in our operations and are subject to various reporting and AML regulations. In recent years, governmental authorities have been increasingly focused on AML policies and procedures, with a particular focus on the gaming industry. For example, in June 2019, the British Gambling Commission (“UKGC”) informed Caesars Entertainment UK (“CEUK”) that it was initiating a license review of its British properties. The review relates to certain potential inadequacies in implementation of the CEUK Anti-Money Laundering policies and in CEUK’s social responsibility policy and customer monitoring. CEC is taking all necessary steps to remedy issues identified in its own review and disclosed to the Commission and expects to enter into a settlement with the UKGC in connection with such violations. This and other similar violations of AML or regulations at any of our properties could have a negative effect on our results of operations.

Any violation of the Foreign Corrupt Practices Act or other similar anti-corruption laws and regulations could have a negative impact on us.

We are subject to risks associated with doing business outside of the United States, which exposes us to complex foreign and U.S. regulations inherent in doing business cross-border and in each of the countries in which we conduct business. We are subject to requirements imposed by the Foreign Corrupt Practices Act (“FCPA”) and other anti-corruption laws that generally prohibit U.S. companies and their affiliates from offering, promising, authorizing, or making improper payments to foreign government officials for the purpose of obtaining or retaining business. Violations of the FCPA and other anti-corruption laws may result in severe criminal and civil sanctions and other penalties, and the SEC and DOJ have increased their enforcement activities with respect to the FCPA. Policies and procedures and employee training and compliance programs that we have implemented to deter prohibited practices may not be effective in prohibiting our employees, contractors, or agents from violating or circumventing our policies and the law. If our employees or agents fail to comply with applicable laws or company policies governing our international operations, we may face investigations, prosecutions, and other legal proceedings and actions that could result in civil penalties, administrative remedies, and criminal sanctions. Any determination that we have violated any anti-corruption laws could have a material adverse effect on our financial condition. Compliance with international and U.S. laws and regulations that apply to our international operations increases our cost of doing business in foreign jurisdictions.

Our stockholders are subject to extensive governmental regulation, and if a stockholder is found unsuitable by the gaming authority, that stockholder would not be able to beneficially own our common stock directly or indirectly.

In many jurisdictions, gaming laws can require any of our stockholders to file an application, be investigated, and qualify or have his, her or its suitability determined by gaming authorities. Gaming authorities have very broad discretion in determining whether an applicant should be deemed suitable. For any cause deemed reasonable by the gaming authorities, subject to certain administrative proceeding requirements, the gaming regulators have the authority to deny any application; limit, condition, restrict, revoke, or suspend any license, registration, finding of suitability or approval; or fine any person licensed, registered, or found suitable or approved. For additional information on the criteria used in making determinations regarding suitability, see Item 1, “Business—Governmental Regulation.”

For example, under Nevada gaming laws, each person who acquires, directly or indirectly, beneficial ownership of any voting security, or beneficial or record ownership of any non-voting security or any debt security, in a public corporation that is registered with the Nevada Gaming Commission (“NGC”), may be required to be found suitable if the NGC has reason to believe that his or her acquisition of that ownership, or his or her continued ownership in general, would be inconsistent with the declared public policy of Nevada, in the sole discretion of the NGC. Any person required by the NGC to be found suitable must apply for a finding of suitability within 30 days after the NGC’s request that he or she should do so and, together with his or her application for suitability, deposit with the Nevada Gaming Control Board (“NGCB”) a sum of money which, in the sole discretion of the NGCB, will be adequate to pay the anticipated costs and charges incurred in the investigation and processing of that application for suitability, and deposit such additional sums as are required by the NGCB to pay final costs and charges.

Furthermore, any person required by a gaming authority to be found suitable, who is found unsuitable by the gaming authority, may not hold, directly or indirectly, the beneficial ownership of any voting security or the beneficial or record ownership of any non-voting security or any debt security of any public corporation that is registered with the gaming authority beyond the time prescribed by the gaming authority. A violation of the foregoing may constitute a criminal offense. A finding of unsuitability by a particular gaming authority impacts that person’s ability to associate or affiliate with gaming licensees in that particular jurisdiction and could impact the person’s ability to associate or affiliate with gaming licensees in other jurisdictions.

Many jurisdictions also require any person who acquires beneficial ownership of more than a certain percentage of voting securities of a gaming company and, in some jurisdictions, non-voting securities, typically 5%, to report the acquisition to gaming authorities, and gaming authorities may require such holders to apply for qualification or a finding of suitability, subject to limited exceptions for “institutional investors” that hold a company’s voting securities for investment purposes only. Under Maryland gaming laws, we may not sell or otherwise transfer more than 5% of the legal or beneficial interest in Horseshoe Baltimore without the approval of the Maryland Lottery and Gaming Control Commission if it determines that the transferee is qualified or grants the transferee an institutional investor waiver.

Some jurisdictions may also limit the number of gaming licenses in which a person may hold an ownership or a controlling interest. For example, in Indiana, a person may not have an ownership interest in more than two Indiana riverboat owner’s licenses, and in Maryland, an individual or business entity may not own an interest in more than one video lottery facility.

If we are unable to effectively compete against our competitors, our profits will decline.

The gaming industry is highly competitive and our competitors vary considerably in size, quality of facilities, number of operations, brand identities, marketing and growth strategies, financial strength and capabilities, and geographic diversity. We also compete with other non-gaming resorts and vacation areas, and with various other entertainment businesses. Our competitors in each region in which we participate may have greater financial, marketing, or other resources than we do, and there can be no assurance that they will not engage in aggressive pricing action to compete with us. Although we believe we are currently able to compete effectively in each of the various regions in which we participate, we cannot ensure that we will be able to continue to do so or that we will be capable of maintaining or further increasing our current market share. Our failure to compete successfully in our various regions could adversely affect our business, financial condition, results of operations, and cash flow.

In recent years, many casino operators, including us, have been reinvesting in existing jurisdictions to attract new customers or to gain market share, thereby increasing competition in those jurisdictions. As companies have completed new expansion projects, supply has typically grown at a faster pace than demand in some areas. For example, in Baltimore, Maryland, the opening of MGM Resorts National Harbor Resort & Casino has resulted in significant declines in revenue at our Horseshoe Baltimore property. In Las Vegas, our largest jurisdiction, competition has increased significantly. For example, the Genting Group is developing a casino and hotel called Resorts World Las Vegas, and Marriott International and New York-based global real estate firm Witkoff are developing a casino and hotel called The Drew Las Vegas. Both are expected to open in 2020 on the northern end of the Las Vegas Strip. In response to changing trends, Las Vegas operators have been focused on expanding their non-gaming offerings, including upgrades to hotel rooms, new food and beverage offerings, and new entertainment offerings. In May 2018, MGM rebranded the

Monte Carlo Hotel and Casino as Park MGM, which underwent non-gaming renovations focused on room, food and beverage, and entertainment enhancements. There have also been proposals for other large scale non-gaming development projects in Las Vegas by various other developers. The expansion of existing casino entertainment properties, the increase in the number of properties, and the aggressive marketing strategies of many of our competitors have increased competition in many markets in which we operate, and this intense competition is expected to continue. These competitive pressures have and are expected to continue to adversely affect our financial performance in certain areas, including Atlantic City, where Hard Rock Hotel Atlantic City and Ocean Resort Casino were introduced into the market in 2018, causing increased competition in the market. Growth in consumer demand for non-gaming offerings could also negatively impact our gaming revenue.

In particular, our business may be adversely impacted by the additional gaming and room capacity in Nevada, Louisiana, and Atlantic City and by the initiation and growth of online gaming in Nevada, Louisiana and other states. In addition, our operations located in New Jersey may be adversely impacted by the expansion of gaming in Maryland, New York, and Pennsylvania, our operations in Louisiana may be adversely impacted by the expansion of gaming in Mississippi and the Gulf Coast, and our operations located in Nevada may be adversely impacted by the expansion of gaming in California.

In addition, the gaming industry has expanded into new jurisdictions in which gaming was not previously permitted. This growth is likely to continue in the future and will result in increased competition for our facilities in the jurisdictions in which we operate.

The loss of the services of key personnel could have a material adverse effect on our business.

We believe that the leadership of our executive officers has been a critical element of our success. Our executive officers and other members of senior management have substantial experience and expertise in our businesses that we believe make significant contributions to our growth and success. The unexpected loss of services of one or more of these individuals could also adversely affect us. We do not have key man or similar life insurance policies covering members of our senior management. We have employment agreements with our executive officers, but these agreements do not guarantee that any given executive will remain with us, and there can be no assurance that any such officers will remain with us.

Our business may be subject to seasonal fluctuations that could result in volatility and have an adverse effect on our operating results.

Our business may be subject to some degree of seasonality. Weather conditions may deter or prevent customers from reaching the facilities or undertaking trips. Such conditions would particularly affect customers who are traveling longer distances to visit our properties. Seasonality may cause our properties working capital cash flow requirements to vary from quarter to quarter depending on the variability in the volume and timing of sales. Business in our properties can also fluctuate due to specific holidays or other significant events, such as Easter (particularly when the holiday falls in a different quarter than the prior year), the World Series of Poker tournament (with respect to our Las Vegas properties), city-wide conventions, a large sporting event or a concert, or visits by our premium players. We also believe that any seasonality, holiday, or other significant event may affect our various properties or regions differently. These factors, among other things, make forecasting more difficult and may adversely affect our properties' ability to manage working capital and to predict financial results accurately, which could adversely affect our business, financial condition, and operating results.

Our business is particularly sensitive to energy prices and a rise in energy prices could harm our operating results.

We are a large consumer of electricity and other energy and, therefore, higher energy prices may have an adverse effect on our results of operations. Accordingly, increases in energy costs may have a negative impact on our operating results. Additionally, higher electricity and gasoline prices that affect our customers may result in reduced visitation to our resorts and a reduction in our revenues. We may be indirectly impacted by regulatory requirements aimed at reducing the impacts of climate change directed at up-stream utility providers, as we could experience potentially higher utility, fuel, and transportation costs.

Win rates (hold rates) for our casino operations depend on a variety of factors, some of which are beyond our control.

The gaming industry is characterized by an element of chance. Accordingly, we employ theoretical win rates to estimate what a certain type of game, on average, will win or lose in the long run. In addition to the element of chance, win rates (hold percentages) are also affected by the spread of table limits and factors that are beyond our control, such as a player's skill, experience, and behavior, the mix of games played, the financial resources of players, the volume of bets placed, and the amount of time players spend gambling. As a result of the variability in these factors, the actual win rates at our casinos may differ from the theoretical win rates we have estimated and could result in the winnings of our gaming customers exceeding those anticipated. The variability of win rates (hold rates) also have the potential to negatively impact our financial condition, results of operations, and cash flows.

We face the risk of fraud, theft, and cheating.

We face the risk that gaming customers may attempt or commit fraud or theft or cheat in order to increase winnings. Such acts of fraud, theft, or cheating could involve the use of counterfeit chips or other tactics, possibly in collusion with our employees. Internal acts of cheating could also be conducted by employees through collusion with dealers, surveillance staff, floor managers, or other casino or gaming area staff. Additionally, we also face the risk that customers may attempt or commit fraud or theft with respect to our non-gaming offerings or against other customers. Such risks include stolen credit or charge cards or cash, falsified checks, theft of retail inventory and purchased goods, and unpaid or counterfeit receipts. Failure to discover such acts or schemes in a timely manner could result in losses in our operations. Negative publicity related to such acts or schemes could have an adverse effect on our reputation, potentially causing a material adverse effect on our business, financial condition, results of operations, and cash flows.

We may not be able to protect the intellectual property rights we own or may be prevented from using intellectual property necessary for our business.

The development of intellectual property is part of our overall business strategy, and we regard our intellectual property to be an important element of our success. We rely primarily on trade secret, trademark, domain name, copyright, and contract law to protect the intellectual property and proprietary technology we own. We also actively pursue business opportunities in the United States and in international jurisdictions involving the licensing of our trademarks to third parties, subject to certain restrictions contained in the Merger Agreement. It is possible that third parties may copy or otherwise obtain and use our intellectual property or proprietary technology without authorization or otherwise infringe on our rights. For example, while we have a policy of entering into confidentiality, intellectual property invention assignment, and/or non-competition and non-solicitation agreements or restrictions with our employees, independent contractors, and business partners, such agreements may not provide adequate protection or may be breached, or our proprietary technology may otherwise become available to or be independently developed by our competitors. The laws of some foreign countries may not protect proprietary rights or intellectual property to as great an extent as do the laws of the United States. Despite our efforts to protect our proprietary rights, the unauthorized use or reproduction of our trademarks could diminish the value of our trademarks and our market acceptance, competitive advantages, or goodwill, which could adversely affect our business.

Third parties have alleged and may in the future allege that we are infringing, misappropriating, or otherwise violating their intellectual property rights. Third parties may initiate litigation against us without warning or may send us letters or other communications that make allegations without initiating litigation. We may elect not to respond to these letters or other communications if we believe they are without merit, or we may attempt to resolve these disputes out of court by negotiating a license, but in either case it is possible that such disputes will ultimately result in litigation. Any such claims could interfere with our ability to use technology or intellectual property that is material to the operation of our business. Such claims may be made by competitors seeking to obtain a competitive advantage or by other parties, such as entities that purchase intellectual property assets for the purpose of bringing infringement claims. We also periodically employ individuals who were previously employed by our competitors or potential competitors, and we may therefore be subject to claims that such employees have used or disclosed the alleged trade secrets or other proprietary information of their former employers.

At any time, we may have to rely on litigation to enforce our intellectual property rights, protect our trade secrets, determine the validity and scope of the proprietary rights of others, or defend against claims of infringement or invalidity. Any such litigation, whether successful or unsuccessful, could result in substantial costs and the diversion of resources and the attention of management. If unsuccessful, such litigation could result in the loss of important intellectual property rights, require us to pay substantial damages, subject us to injunctions that prevent us from using certain intellectual property, require us to make admissions that affect our reputation in the marketplace, and require us to enter into license agreements that may not be available on favorable terms or at all. The Merger Agreement also contains certain restrictions that may limit our ability to resolve such disputes absent Eldorado's prior written consent. Finally, even if we prevail in any litigation, the remedy may not be commercially meaningful or fully compensate us for the harm we suffer or the costs we incur. Any of the foregoing could have a material adverse effect on our business, financial condition and results of operations.

We cannot assure you that we will be able to retain our performers and other entertainment offerings on acceptable terms or at all.

Our properties' entertainment offerings are only under contract for a limited time. For example, Celine Dion, Backstreet Boys, and Donny and Marie's contract expired in 2019 and the contract for Gwen Stefani is scheduled to end in 2020. These and other of our performers draw customers to our properties and are a significant source of our revenue. We cannot assure you that we will be able to retain our performers or other shows on acceptable terms or at all. In addition, the third parties that we depend on for our properties' entertainment offerings may become incapable or unwilling to provide their services at the level agreed upon or at all.

We extend credit to a portion of our customers, and we may not be able to collect gaming receivables from our credit customers.

We conduct our gaming activities on a credit and cash basis at many of our properties. Any such credit we extend is unsecured. Table games players typically are extended more credit than slot players, and high-stakes players typically are extended more credit than customers who tend to wager lower amounts. High-end gaming is more volatile than other forms of gaming, and variances in win-loss results attributable to high-end gaming may have a significant positive or negative impact on cash flow and earnings in a particular quarter. We extend credit to those customers whose level of play and financial resources warrant, in the opinion of management, an extension of credit. These large receivables could have a significant impact on our results of operations if deemed uncollectible. Gaming debts evidenced by a credit instrument, including what is commonly referred to as a "marker," and judgments on gaming debts are enforceable under the current laws of the jurisdictions in which we allow play on a credit basis, and judgments on gaming debts in such jurisdictions are enforceable in all U.S. states under the Full Faith and Credit Clause of the U.S. Constitution. However, other jurisdictions may determine that enforcement of gaming debts is against public policy. Although courts of some foreign nations will enforce gaming debts directly and the assets in the U.S. of foreign debtors may be reached to satisfy a judgment, judgments on gaming debts from U.S. courts are not binding on the courts of many foreign nations.

In addition, in November 2017, the Chinese government adopted new rules to control the cross-border transportation of cash and bearer negotiable instruments, specifically to reduce the international transfer of cash in connection with activities that are illegal in China, including gambling. The Chinese government has recently taken steps to prohibit the transfer of cash for the payment of gaming debts. These developments may have the effect of reducing the collectability of gaming debts of players from China. It is unclear whether these and other measures will continue to be in effect or become more restrictive in the future. These and any future foreign currency control policy developments that may be implemented by foreign jurisdictions could significantly impact our business, financial condition and results of operations.

Acts of terrorism, war, natural disasters, severe weather, and political, economic and military conditions may impede our ability to operate or may negatively impact our financial results.

Terrorist attacks and other acts of war or hostility have created many economic and political uncertainties. For example, a substantial number of the customers of our properties in Las Vegas use air travel. As a result of terrorist acts that occurred on September 11, 2001, domestic and international travel was severely disrupted, which resulted in a decrease in customer visits to our properties in Las Vegas. Visitation to Las Vegas also declined for a period of time following the mass shooting tragedy on October 1, 2017. We cannot predict the extent to which disruptions in air or other forms of travel as a result of any further terrorist act, security alerts or war, uprisings, or hostilities in places such as Iraq, Afghanistan, and/or Syria or other countries throughout the world, and governmental responses to those acts or hostilities, will directly or indirectly impact our business and operating results. For example, our operations in Cairo, Egypt, were negatively affected from the uprising there in January 2011. As a consequence of the threat of terrorist attacks and other acts of war or hostility in the future, premiums for a variety of insurance products have increased, and some types of insurance are no longer available. If any such event were to affect our properties, we would likely be adversely affected.

In addition, natural and man-made disasters such as major fires, floods, severe snowstorms, hurricanes, earthquakes, and oil spills could also adversely impact our business and operating results. Such events could lead to the loss of use of one or more of our properties for an extended period of time and disrupt our ability to attract customers to certain of our gaming facilities. For example, Harrah's Metropolis Hotel & Casino and Horseshoe Southern Indiana (rebranded in 2019 to Caesars Southern Indiana) each closed in late February 2018 for an extended period of time due to flooding from the Ohio River. In most cases, we have insurance that covers portions of any losses from a natural disaster, but it is subject to deductibles and maximum payouts in many cases. Although we may be covered by insurance from a natural disaster, the timing of our receipt of insurance proceeds, if any, may be out of our control. In some cases, however, we may receive no proceeds from insurance.

Additionally, a natural disaster affecting one or more of our properties may affect the level and cost of insurance coverage we may be able to obtain in the future, which may adversely affect our financial position.

As our operations depend in part on our customers' ability to travel, severe or inclement weather can also have a negative impact on our results of operations.

Our business may be adversely affected by the recent coronavirus outbreak.

In December 2019, a novel strain of coronavirus was reported to have surfaced in Wuhan, China. In January 2020, this coronavirus spread to other countries, including the United States, and efforts to contain the spread of this coronavirus intensified. The outbreak and any preventative or protective actions that governments or we may take in respect of this coronavirus may result in a period of business disruption, reduced customer traffic and reduced operations. Any resulting financial impact cannot be reasonably estimated at this time but may materially affect our business, financial condition and results of operations. The extent to which

the coronavirus impacts our results will depend on future developments, which are highly uncertain and cannot be predicted, including new information which may emerge concerning the severity of the coronavirus and the actions to contain the coronavirus or treat its impact, among others.

We have in the past and may in the future incur impairments to goodwill, indefinite-lived intangible assets, or long-lived assets, which could negatively affect our future profits.

We perform our annual goodwill impairment assessment as of October 1. We perform this assessment more frequently if impairment indicators exist. We performed our annual goodwill impairment test by comparing the fair value of each reporting unit with its carrying amount. We determine the estimated fair value of each reporting unit based on a combination of earnings before interest, taxes, depreciation, and amortization (“EBITDA”), valuation multiples, and estimated future cash flows discounted at rates commensurate with the capital structure and cost of capital of comparable market participants, giving appropriate consideration to the prevailing borrowing rates within the casino industry in general. We also evaluate the aggregate fair value of all of our reporting units and other non-operating assets in comparison to our aggregate debt and equity market capitalization at the test date. EBITDA multiples and discounted cash flows are common measures used to value businesses in our industry.

We perform our annual impairment assessment of other non-amortizing intangible assets as of October 1. We perform this assessment more frequently if impairment indicators exist. We determine the estimated fair value of our non-amortizing intangible assets by primarily using the Relief from Royalty Method and Excess Earnings Method under the income approach.

We review the carrying value of our long-lived assets whenever events and circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. As necessary, we typically estimate the fair value of assets starting with a Replacement Cost New approach and then deduct appropriate amounts for both functional and economic obsolescence to arrive at the fair value estimates. Other factors considered by management in performing this assessment may include current operating results, trends, prospects, and third-party appraisals, as well as the effect of demand, competition, and other economic, legal, and regulatory factors.

Downward adjustments to expectations of future performance at certain of our properties outside of Las Vegas resulted in impairment charges during the years ended December 31, 2019. If significant negative industry or economic trends, reduced estimates of future cash flows, disruptions to our business, slower growth rates or lack of growth in our business, or property closures or divestitures occur, we may be required to record additional impairment charges in future periods which may be material.

Work stoppages and other labor problems could negatively impact our future profits.

Some of our employees are represented by labor unions and, accordingly, we are subject to the risk of work stoppages or other labor disruptions from time to time. Approximately half of our hourly team members employed in the U.S. are covered by a collective bargaining agreement (“CBA”). Our CBAs are the product of good faith negotiations with the respective unions that represent employees in many of our facilities.

We currently have one CBA, represented by one union and covering various employees, in Las Vegas expiring in 2020. Thirty-four agreements covering employees within Las Vegas were set to expire in 2019. We successfully negotiated renewal agreements for 23 agreements, and the renewal terms expire in 2024. We are currently negotiating eight of the agreements which expired in 2019. Additionally, we are negotiating five new agreements. All agreements are subject to automatic extension unless one party gives 60 days’ prior notice of intent to terminate. No such notice has been given. We intend to negotiate renewal agreements or agree to extensions for all CBAs expiring, subject to certain restrictions contained in the Merger Agreement, and are hopeful that we will be able to reach agreements with the respective unions without any work stoppage. Work stoppages and other labor disruptions could have a material adverse impact on our operations.

From time to time, we have also experienced attempts by labor organizations to organize certain of our non-union employees. These efforts have achieved some success to date. We cannot provide any assurance that we will not experience additional and successful union activity in the future. The impact of this union activity is undetermined and could negatively impact our profits.

Any deterioration in our reputation or the reputation of our brands could adversely impact our business, financial condition, or results of operations.

Our business is dependent on the quality and reputation of our Company and brands. Events beyond our control could affect the reputation of one or more of our properties or more generally impact our corporate or brand image. Other factors that could influence our reputation include the quality of the services we offer and our actions with regard to social issues such as diversity, human rights and support for local communities. Broad access to social media makes it easy for anyone to provide public feedback that can influence perceptions of us, our brands or our properties. It may be difficult to control or effectively manage negative publicity, regardless of whether it is accurate. Negative events and publicity could quickly and materially damage perceptions of us, our

brands or our properties, which, in turn, could adversely impact our business, financial condition or results of operations through loss of customers, loss of business opportunities, lack of acceptance of our company to operate in host communities, employee retention or recruiting difficulties or other difficulties.

We may be subject to material environmental liability, including as a result of unknown environmental contamination.

Our business is subject to certain federal, state, and local environmental, health, and safety laws, regulations, and ordinances that govern activities or operations that may have adverse environmental effects, such as emissions to air, discharges to streams and rivers, and releases of hazardous substances and pollutants into the environment, as well as handling and disposal from municipal/non-hazardous waste, and that also apply to current and previous owners or operators of real estate generally. Federal examples of these laws include the Clean Air Act, the Clean Water Act, the Resource Conservation Recovery Act, the Comprehensive Environmental Response, Compensation and Liability Act, and the Oil Pollution Act of 1990. Our failure to comply with these laws, including any required permits or licenses, could result in substantial fines or possible revocation of our authority to conduct some of our operations. Certain of these laws may impose cleanup responsibility and liability without regard to whether the owner or operator knew of or caused particular contamination or release of hazardous substances and regardless of whether the practices that resulted in the contamination were legal at the time that they occurred. Should unknown contamination be discovered on any of our properties, or should a release of hazardous substances occur on any of our properties, we could be required to investigate and clean up the contamination and could also be held responsible to a governmental entity or third parties for property damage, personal injury, or investigation and cleanup costs incurred in connection with the contamination or release, which may be substantial. Moreover, such contamination may also impair our ability to use or develop the affected property. Such liability could be joint and several in nature, regardless of fault, and could affect us even if such property is vacated. The potential for substantial costs and an inability to use the property could adversely affect our business. New and more stringent environmental, health, and safety regulations and permit requirements or stricter interpretations of current laws or regulations, such as those related to climate change, could also impose substantial additional costs on our business.

Our insurance coverage may not be adequate to cover all possible losses we could suffer, and, in the future, our insurance costs may increase significantly, or we may be unable to obtain the same level of insurance coverage.

We may suffer damage to our property caused by a casualty loss (such as fire, natural disasters, and acts of war or terrorism) that could severely disrupt our business or subject it to claims by third parties who are injured or harmed. Although we maintain insurance (including property, casualty, terrorism, and business interruption), it may be inadequate or unavailable to cover all of the risks to which our business and assets may be exposed. In several cases, we maintain extremely high deductibles or self-insure against specific losses. Should an uninsured loss (including a loss that is less than our deductible) or loss in excess of insured limits occur, it could have a significant adverse impact on our operations and revenues.

We generally renew our insurance policies on an annual basis. If the cost of coverage becomes too high, we may need to reduce our policy limits or agree to certain exclusions from our coverage in order to reduce the premiums to an acceptable amount. Among other factors, homeland security concerns, other catastrophic events, or any change in the current U.S. statutory requirement that insurance carriers offer coverage for certain acts of terrorism could adversely affect available insurance coverage and result in increased premiums on available coverage (which may cause us to elect to reduce our policy limits) and additional exclusions from coverage. Among other potential future adverse changes, in the future we may elect to not, or may be unable to, obtain any coverage for losses due to acts of terrorism.

The success of third parties adjacent to our properties is important to our ability to generate revenue and operate our business and any deterioration to their success could materially adversely affect our revenue and result of operations.

In certain cases, we do not own the businesses and amenities adjacent to our properties. However, the adjacent third-party businesses and amenities stimulate additional traffic through our complexes, including the casinos, which are our largest generators of revenue. Any decrease in the popularity of, or the number of customers visiting, these adjacent businesses and amenities may lead to a corresponding decrease in the traffic through our complexes, which would negatively affect our business and operating results. Further, if newly opened properties are not as popular as expected, we will not realize the increase in traffic through our properties that we expect as a result of their opening, which would negatively affect our business projections.

We may require additional capital to support business growth, and this capital might not be available on acceptable terms or at all.

We intend to continue to make significant investments to support our business growth and may require additional funds to respond to business challenges, expand into new markets, improve our operating infrastructure, or acquire complementary businesses, personnel, and technologies. Accordingly, subject to the restrictions set forth in our Merger Agreement, we may need to engage in equity or debt financings to secure additional funds. Any debt financing we secure in the future could involve restrictive covenants

relating to capital raising activities and other financial and operational matters, which may make it more difficult to obtain additional capital and to pursue business opportunities. We may not be able to obtain additional financing on favorable terms, if at all. There can be no assurances that we could pursue a future offering of securities or enter into a new credit facility at an appropriate price and/or terms to raise the necessary financing. If we are unable to obtain adequate financing or financing on terms satisfactory to us when required, our ability to continue to support our business growth and to respond to business challenges could be significantly impaired, which could have a material adverse effect on our business, financial condition, and operating results.

Our obligation to contribute to multi-employer pension plans, or discontinuance of such obligations, may have an adverse impact on us.

We contribute to and participate in various multi-employer pension plans for employees represented by certain unions. We are required to make contributions to these plans in amounts established under CBAs. We do not administer these plans and, generally, are not represented on the boards of trustees of these plans. The Pension Protection Act enacted in 2006 (the “PPA”) requires underfunded pension plans to improve their funding ratios. Based on the information available to us, some of the multi-employer plans to which we contribute are either “critical” or “endangered” as those terms are defined in the PPA. Specifically, the HEREIU Intermediary Plan (a spin-off of the Pension Plan of the UNITE HERE National Retirement Fund, effective January 1, 2018) is less than 65% funded. We cannot determine at this time the amount of additional funding, if any, we may be required to make to these plans. However, plan assessments could have an adverse impact on our results of operations or cash flows for a given period. Furthermore, under current law, upon the termination of a multi-employer pension plan, due to the withdrawal of all its contributing employers (a mass withdrawal), or in the event of a withdrawal by us, which we consider from time to time, we would be required to make payments to the plan for our proportionate share of the plan’s unfunded vested liabilities, and that would have a material adverse impact on our consolidated financial condition, results of operations, and cash flows.

Future sales or the possibility of future sales of a substantial amount of our common stock may depress the price of shares of our common stock.

The availability for sale of substantial amounts of our common stock in the public market could adversely affect the prevailing market price of our common stock and could impair our ability to raise capital through future sales of equity securities.

As of February 21, 2020, there were 682 million shares of our common stock outstanding, all of which are the same class of voting common stock. All of the outstanding shares of our common stock will be eligible for resale under Rule 144 or Rule 701 of the Securities Act of 1933, as amended (“Securities Act”), subject to volume limitations, applicable holding period requirements or other contractual restrictions.

In connection with the CAC Merger, the Plan, and CEOC’s emergence from bankruptcy, we issued a significant number of shares of our common stock and a significant amount of notes that are convertible into shares of our common stock, subject to the restrictions set forth in our Merger Agreement. We may issue shares of common stock or other securities from time to time as consideration for future acquisitions and investments or for any other reason that our Board of Directors deems advisable. If any such acquisition or investment is significant, the number of shares of our common stock, or the number or aggregate principal amount, as the case may be, of other securities that we may issue may in turn be substantial. We may also grant registration rights covering those shares of common stock or other securities in connection with any such acquisitions and investments.

We cannot predict the size of future issuances of our common stock or other securities or the effect, if any, that future issuances and sales of our common stock or other securities would have on the market price of our common stock. Sales of substantial amounts of common stock (including shares of common stock issued in connection with an acquisition), or the perception that such sales could occur, may adversely affect prevailing market prices for our common stock.

The price and trading volume of our common stock may fluctuate significantly.

The market price of our common stock may be highly volatile and could be subject to wide fluctuations. In addition, the trading volume of our common stock may fluctuate and cause significant price variations to occur. Volatility in the market price of our common stock may prevent a holder of our common stock from being able to sell their shares. The market price for our common stock could fluctuate significantly for various reasons, including:

- the pendency of, or our failure to complete, the Merger;
- our operating and financial performance and prospects;
- our quarterly or annual earnings or those of other companies in our industry;
- conditions that impact demand for our products and services;

- the public's reaction to our press releases, other public announcements and filings with the SEC;
- changes in earnings estimates or recommendations by securities analysts who track our common stock;
- market and industry perception of our success, or lack thereof, in pursuing our growth strategy;
- strategic actions by us or our competitors, such as acquisitions or restructurings;
- changes in government and environmental regulation, including gaming taxes;
- changes in accounting standards, policies, guidance, interpretations, or principles;
- arrival and departure of key personnel;
- changes in our capital structure;
- sales of common stock by us or members of our management team;
- the expiration of contractual lockup agreements; and
- changes in general market, economic, and political conditions in the United States and global economies or financial markets, including those resulting from natural disasters, terrorist attacks, acts of war, and responses to such events.

In addition, the stock market experiences significant price and volume fluctuations. This volatility has had a significant impact on the market price of securities issued by many companies, including companies in the gaming, lodging, hospitality, and entertainment industries. The changes frequently appear to occur without regard to the operating performance of the affected companies. Hence, the price of our common stock could fluctuate based upon factors that have little or nothing to do with us, and these fluctuations could materially reduce our share price.

Holders of our common stock should not expect to receive dividends on shares of our common stock.

We have no present plans to pay cash dividends to our stockholders and, for the foreseeable future, intend to retain all of our earnings for use in our business. Subject to the restrictions on dividends set forth in our Merger Agreement, the declaration of dividends by us is within the discretion of our Board of Directors and would be dependent on our earnings, financial condition and capital requirements, as well as any other factors deemed relevant by our Board of Directors.

Our actual financial results after CEOC's emergence from bankruptcy may not be comparable to our historical financial information as a result of the implementation of the Plan and the transactions contemplated thereby.

In connection with the disclosure statement CEOC filed with the Bankruptcy Court, and the hearing to consider confirmation of the Plan, CEOC prepared projected financial information to demonstrate to the Bankruptcy Court the feasibility of the Plan and CEOC's ability to continue operations upon its emergence from bankruptcy. In connection with the proxy statement/prospectus relating to the merger of CAC and CEC filed with the SEC, we also disclosed certain projections. These projections were prepared solely for the purpose for which they were filed and have not been, and will not be, updated on an ongoing basis and should not be relied upon by investors. Although the financial projections disclosed in the disclosure statement filed with the Bankruptcy Court and the proxy statement/prospectus relating to the merger of CAC and CEC represented certain views based on then current known facts and assumptions about the future operations of CEOC and the Company, there is no guarantee that the financial projections will be realized. We may not be able to meet the projected financial results or achieve projected revenues and cash flows assumed in projecting future business prospects. To the extent we do not meet the projected financial results or achieve projected revenues and cash flows, we may lack sufficient liquidity to continue operating as planned and may be unable to service our debt obligations as they come due or may not be able to meet our operational needs. Any one of these failures may preclude us from, among other things: (a) taking advantage of future opportunities; (b) growing our businesses; or (c) responding to future changes in the gaming industry. Further, our failure to meet the projected financial results or achieve projected revenues and cash flows could lead to cash flow and working capital constraints, which constraints may require us to seek additional working capital. We may not be able to obtain such working capital, when it is required.

Risks Relating to the Merger

The Merger remains subject to a number of conditions, and, if these conditions are not satisfied or waived on a timely basis, the Merger Agreement may be terminated and the Merger may not be completed.

On June 24, 2019, we entered into the Merger Agreement with Eldorado and Merger Sub, pursuant to which Merger Sub will merge with and into Caesars with Caesars continuing as the surviving corporation and direct wholly owned subsidiary of Eldorado. The Merger Agreement was amended on August 15, 2019.

Each of Eldorado's and Caesars' obligation to complete the Merger remains subject to the satisfaction or waiver of certain conditions, including, among others, (1) the expiration or termination of any applicable waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended (the "HSR Act") and receipt of required gaming approvals, (2) the absence of any governmental order or law prohibiting the completion of the Merger, (3) absence of a material adverse effect on the other party, (4) the accuracy of the other party's representations and warranties, subject to customary materiality standards and (5) compliance of the other party with its respective covenants under the Merger Agreement in all material respects. Other conditions to completing the Merger, such as obtaining stockholder approvals with respect to the Merger from each party's stockholders and effecting certain amendments to the indenture governing the CEC Convertible Notes, have been satisfied.

The failure to satisfy all of the required conditions, or having to make significant changes to the structure, terms or conditions of the Merger to obtain any required regulatory approvals, could delay the completion of the Merger by a significant period of time, increase the costs associated with completing the Merger or prevent the Merger from occurring. Any delay in completing the Merger could cause the parties to not realize some or all of the benefits that are expected to be achieved if the Merger is successfully completed within the expected timeframe. There can be no assurance that the conditions to completion of the Merger will be satisfied or waived, and if satisfied or waived, when they will be satisfied or waived. In addition, other factors, such as delays, challenges and expenses associated with the indebtedness planned to be incurred in connection with the Merger, may affect when and whether the Merger will occur. The Merger Agreement contains termination rights for each of Caesars and Eldorado if the Merger is not completed by June 24, 2020, which date will be extended automatically until September 24, 2020 and thereafter until December 24, 2020, if all conditions precedent, other than the expiration of the waiting period under the HSR Act and/or receipt of required gaming approvals, have been satisfied or are capable of being satisfied.

Our stockholders cannot be certain of the date they will receive the merger consideration or of the aggregate value of the merger consideration they will receive.

The date that our stockholders will receive the merger consideration depends on the Closing Date, which is uncertain. On the date of the special meeting of our stockholders to approve the Merger, our stockholders did not know the exact market value of the Eldorado Common Stock that they may receive upon completion of the Merger.

Upon completion of the Merger, each share of Caesars Common Stock will be converted into merger consideration consisting of either cash consideration or stock consideration in the form of shares of Eldorado Common Stock, or a mix of both, pursuant to the terms of the Merger Agreement.

The amount of and value of the merger consideration that our stockholders will receive will fluctuate based on the market price of shares of Eldorado Common Stock, regardless of whether they receive cash consideration or stock consideration, or a mix of both. The merger consideration that our stockholders will receive for each share of Caesars Common Stock will be based on the Eldorado Common Stock VWAP. Both the closing price of shares of Eldorado Common Stock on the Closing Date and the Eldorado Common Stock VWAP may vary from the closing price of shares of Eldorado Common Stock on the date that Caesars and Eldorado announced the Merger, on the date of the special meeting of our stockholders to approve the Merger, on the date of this report, on the date that a stockholder elects to receive cash consideration or stock consideration in the Merger or on any other date. Any change in the market price of shares of Eldorado Common Stock prior to the completion of the Merger will affect the value of the merger consideration that our stockholders will receive upon completion of the Merger. Stock price changes may result from a variety of factors, including general market and economic conditions, changes in Caesars' and Eldorado's respective businesses, operations and prospects, and regulatory considerations, among other things. Many of these factors are beyond our control. Accordingly, at the time that our stockholders make elections to receive cash consideration or stock consideration in the Merger, our stockholders will not know or be able to calculate the amount of the cash consideration or stock consideration they would receive or the value of the shares of Eldorado Common Stock they would receive upon completion of the Merger.

Our stockholders may receive a form of consideration different from what they elect.

Although each holder of shares of Caesars Common Stock may elect to receive all cash or all shares of Eldorado Common Stock in the Merger, or cash for certain shares of Caesars Common Stock and shares of Eldorado Common Stock for other shares, the

pool of the aggregate cash and shares of Eldorado Common Stock representing the merger consideration for all of our stockholders is fixed. As a result, if either the aggregate cash elections or the aggregate stock elections exceed the maximum available, and certain of our stockholders choose the consideration election that exceeds the maximum available, some or all of their consideration may be in a form that they did not choose.

The Merger Agreement limits our ability to pursue alternative transactions to the Merger and, in certain circumstances, could require us to pay a termination fee to Eldorado.

The Merger Agreement prohibits Caesars and Eldorado from soliciting competing acquisition proposals, which limits our ability to affirmatively seek offers from other possible acquirers that may be superior to the Merger. If we receive an acquisition proposal, the Merger Agreement is later terminated by Eldorado in certain circumstances relating to our breach of the Merger Agreement and within 12 months after termination we enter into a definitive agreement with respect to or consummate an alternative transaction, we will be required to pay Eldorado a termination fee of approximately \$418.4 million. This termination fee may make it less likely that a third party will make an alternative acquisition proposal for us. Payment of this termination fee may also require us to use available cash that would have otherwise been available for general corporate purposes and other matters.

While the Merger is pending, we are subject to business uncertainties and contractual restrictions that could materially and adversely affect our stock and/or bond prices, operating results, financial position and/or cash flows or result in a loss of employees, customers, members, providers or suppliers.

The Merger Agreement includes restrictions on the conduct of our business prior to the completion of the Merger or termination of the Merger Agreement, generally requiring us to conduct our business in the ordinary course and subjecting us to a variety of specified limitations absent Eldorado's prior written consent. We may find that these and other contractual restrictions in the Merger Agreement delay or prevent us from responding, or limit our ability to respond, effectively to competitive pressures, industry developments and future business opportunities that may arise during such period, even if our management believes they may be advisable. The pendency of the Merger may also divert management's attention and our resources from ongoing business and operations.

Our employees, customers, members, providers and suppliers may experience uncertainties about the effects of the Merger. In connection with the Merger, it is possible that some customers, members, providers, suppliers and other parties with whom we have, or seek to establish, a business relationship may delay or defer certain business decisions or might decide to seek to terminate, change or renegotiate their relationship or key commercial agreements with us, or not to establish a relationship with us, as a result of the Merger. Similarly, current and prospective employees may experience uncertainty about their future roles with us following the completion of the Merger, which may materially and adversely affect our ability to attract and retain key employees, and current employees may lose productivity as a result of such uncertainty. If any of these effects were to occur, it could materially and adversely impact our stock and/or bond prices, operating results, financial position and/or cash flows.

Failure to complete the Merger could negatively impact our stock and/or bond prices, operating results, financial position and/or cash flows.

If the Merger is not completed for any reason, our ongoing businesses may be materially and adversely affected, we will not have realized any of the potential benefits of having completed the Merger, and we will be subject to a number of risks, including the following:

- we may experience negative reactions from the financial markets, including negative impacts on our stock and/or bond prices, which may reflect a market assumption that the Merger will be completed, and from our customers, vendors, joint-venture partners, other third parties, regulators and employees;
- we may lose key employees during the period in which we and Eldorado are pursuing the Merger, which may adversely affect us in the future if we are not able to hire and retain qualified personnel to replace departing employees;
- matters relating to the Merger (including integration planning) may require substantial commitments of time and resources by our management and key employees, which could otherwise have been devoted to other opportunities that may have been beneficial to us;
- we may not be able to respond effectively to competitive pressures, industry developments and future business opportunities;
- in certain circumstances, we may be required to pay a \$418.4 million termination fee to Eldorado;
- we would have incurred significant expenses relating to the Merger that we may be unable to recover; and

- we could be subject to litigation related to our failure to complete the Merger or to perform our obligations under the Merger Agreement.

There can be no assurance that the risks described above will not materialize. If any of those risks materialize, they may materially and adversely affect our stock and/or bond prices, operating results, financial position and/or cash flows.

We have incurred, and will continue to incur, substantial transaction fees and Merger-related costs in connection with the Merger.

We have incurred, and will continue to incur, non-recurring transaction fees, which include legal and advisory fees and substantial Merger-related costs associated with completing the Merger, combining the operations of the two companies and achieving desired synergies. Additional unanticipated costs may be incurred in the course of the integration of the businesses of Caesars and Eldorado. The companies cannot be certain that the realization of other benefits related to the integration of the two businesses will offset the transaction and Merger-related costs in the near term, or at all.

Upon completion of the Merger, holders of shares of Caesars Common Stock will become holders of shares of Eldorado Common Stock and the market price for Eldorado Common Stock may be affected by factors different from those that historically have affected Caesars.

Upon completion of the Merger, holders of shares of Caesars Common Stock will become holders of shares of Eldorado Common Stock. Eldorado's businesses differ from those of Caesars, and accordingly the results of operations of Eldorado will be affected by some factors that are different from those currently affecting the results of operations of Caesars. For a discussion of risk factors to consider in connection with Eldorado's businesses, see Part I, Item 1A of Eldorado's Annual Report on Form 10-K for the year ended December 31, 2018 and Part II, Item 1A of Eldorado's Quarterly Reports on Form 10-Q for the quarters ended June 30, 2019 and September 30, 2019.

Litigation against Caesars, Eldorado and/or the members of their respective boards of directors challenging the Merger could prevent or delay the completion of the Merger or result in the payment of damages following completion of the Merger.

Stockholders of Caesars and/or Eldorado have filed, and may file, lawsuits challenging the Merger or the other transactions contemplated by the Merger Agreement naming Caesars, Eldorado and/or the members of their respective boards of directors as defendants. See Note 11. The outcome of such lawsuits cannot be assured, including the amount of costs associated with defending these claims or any other liabilities that may be incurred in connection with the litigation of these claims. If plaintiffs are successful in obtaining an injunction prohibiting the parties from completing the Merger on the agreed-upon terms, such an injunction may delay completion of the Merger in the expected timeframe, or may prevent the Merger from being completed at all. Whether or not any plaintiff's claim is successful, this type of litigation can result in significant costs and divert management's attention and resources from the completion of the Merger and ongoing business activities, which could adversely affect the operation of our business.

One of the conditions to completion of the Merger is the absence of any governmental order or law prohibiting the completion of the Merger. Accordingly, if a plaintiff is successful in obtaining an order prohibiting the completion of the Merger, then such order may prevent the Merger from being completed, or from being completed within the expected timeframe.

Following the Merger, the combined company will be subject to a number of uncertainties and risks that could affect its stock price, operating results, financial position and/or cash flows.

Following the Merger, the combined company will be subject to a number of uncertainties and risks, including the following:

- the integration of Caesars and Eldorado following the Merger may present significant challenges, and we cannot be sure that the combined company will be able to realize the anticipated benefits of the Merger in the anticipated time frame or at all;
- the combined company may be unable to realize anticipated cost synergies to the extent and within the time expected, and may incur additional costs in order to realize these cost synergies;
- the combined company will have a substantial amount of indebtedness outstanding following the Merger and may incur additional indebtedness in the future, which could restrict the combined company's ability to pay dividends and fund working capital and planned capital expenditures;
- the composition of the combined company's board of directors will be different than the composition of Caesars' current board of directors, which may affect the strategy and operations of the combined company;

- regulatory agencies may impose terms and conditions on approvals of the Merger that could adversely affect the projected financial results of the combined company;
- substantial costs will be incurred in connection with the Merger, including costs associated with integrating the businesses of Caesars and Eldorado and transaction expenses arising from the Merger, which could adversely affect the projected financial results of the combined company;
- following the Merger and the transactions contemplated by the Master Transaction Agreement, dated as of June 24, 2019, by and between Eldorado and VICI, the combined company and its subsidiaries will be required to pay a significant portion of their cash flow from operations to third parties pursuant to leasing and related arrangements;
- the announcement or completion of the Merger may trigger change in control or other provisions in certain of Caesars' and Eldorado's commercial agreements, which could adversely affect the projected financial results of the combined company;
- Caesars' stockholders will have a reduced ownership and voting interest in the combined company and, as a result, will exercise less influence over management;
- Caesars' stockholders will have different rights under the combined company's governing documents than they do currently under Caesars' governing documents;
- the market price of the combined company's common stock may be affected by factors different from those affecting Caesars Common Stock prior to the completion of the Merger, and may decline as a result of the Merger; and
- business may suffer if the combined company does not succeed in attracting and retaining existing and additional personnel.

The integration process for the combined company will require significant time and resources, require significant attention from management and disrupt the ordinary functioning of our business. There can be no assurance that the risks described above, or other risks and challenges inherent in the combination of two businesses of the size, scope and complexity of Caesars and Eldorado, will not materialize. If any of those risks materialize, they may materially and adversely affect the combined company's stock and/or bond prices, operating results, financial position and/or cash flows.

PRIVATE SECURITIES LITIGATION REFORM ACT

This Form 10-K contains or may contain “forward-looking statements” intended to qualify for the safe harbor from liability established by the Private Securities Litigation Reform Act of 1995. These statements can be identified by the fact that they do not relate strictly to historical or current facts. We have based these forward-looking statements on our current expectations about future events. Further, statements that include words such as “may,” “will,” “project,” “might,” “expect,” “believe,” “anticipate,” “intend,” “could,” “would,” “estimate,” “continue,” “present,” “plan,” or “pursue,” or the negative of these words or other words or expressions of similar meaning may identify forward-looking statements. These forward-looking statements are found at various places throughout this report. These forward-looking statements, including, without limitation, those relating to the Merger, future actions, new projects, strategies, future performance, the outcome of contingencies such as legal proceedings, and future financial results, wherever they occur in this report, are necessarily estimates reflecting the best judgment of our management and involve a number of risks and uncertainties that could cause actual results to differ materially from those suggested by the forward-looking statements. These forward-looking statements should, therefore, be considered in light of various important factors set forth above and from time to time in our filings with the Securities and Exchange Commission.

In addition to the risk factors set forth above, important factors that could cause actual results to differ materially from estimates or projections contained in the forward-looking statements include without limitation:

- risks related to the Merger, including, but not limited to: (1) the inability to complete the Merger due to the failure to satisfy certain conditions to completion of the Merger, including the receipt of all gaming and other regulatory approvals related to the Merger; (2) uncertainties as to the timing of the completion of the Merger and the ability of each party to complete the Merger; (3) disruption of our current plans and operations; (4) the inability to retain and hire key personnel; (5) competitive responses to the Merger; (6) termination fees and unexpected costs, charges or expenses resulting from the Merger; (7) the outcome of any legal proceedings instituted against us or our directors related to the Merger Agreement; (8) potential adverse reactions or changes to business relationships resulting from the announcement or completion of the Merger; (9) the inability to obtain, or delays in obtaining, cost savings and synergies from the Merger; (10) delays, challenges and expenses associated with integrating the combined companies’ existing businesses and the indebtedness planned to be incurred in connection with the Merger; and (11) legislative, regulatory and economic developments;
- our ability to respond to changes in the industry, particularly digital transformation, and to take advantage of the opportunity for legalized sports betting in multiple jurisdictions in the United States (which may require third-party arrangements and/or regulatory approval);
- development of our announced convention center in Las Vegas, CAESARS FORUM, and certain of our other announced projects are subject to risks associated with new construction projects, including those described below;
- we may not be able to realize the anticipated benefits of our acquisition of Centaur Holdings, LLC;
- the impact of our operating structure following CEOC’s emergence from bankruptcy;
- the effects of local and national economic, credit, and capital market conditions on the economy, in general, and on the gaming industry, in particular;
- the effect of reductions in consumer discretionary spending due to economic downturns or other factors and changes in consumer demands;
- foreign regulatory policies, particularly in mainland China or other countries in which our customers reside or where we have operations, including restrictions on foreign currency exchange or importation of currency, and the judicial enforcement of gaming debts;
- the ability to realize improvements in our business and results of operations through our property renovation investments, technology deployments, business process improvement initiatives, and other continuous improvement initiatives;
- the ability to take advantage of opportunities to grow our revenue;
- the ability to use net operating losses to offset future taxable income as anticipated;
- the ability to realize all of the anticipated benefits of current or potential future acquisitions or divestitures;
- the ability to effectively compete against our competitors;
- the financial results of our consolidated businesses;

- the impact of our substantial indebtedness, including its impact on our ability to raise additional capital in the future and react to changes in the economy, and lease obligations and the restrictions in our debt and lease agreements;
- the ability to access available and reasonable financing or additional capital on a timely basis and on acceptable terms or at all, including our ability to refinance our indebtedness on acceptable terms;
- the ability of our customer tracking, customer loyalty, and yield management programs to continue to increase customer loyalty and hotel sales;
- changes in the extensive governmental regulations to which we are subject and (i) changes in laws, including increased tax rates, smoking bans, regulations, or accounting standards; (ii) third-party relations; and (iii) approvals, decisions, disciplines and fines of courts, regulators, and governmental bodies;
- compliance with the extensive laws and regulations to which we are subject, including applicable gaming laws, the Foreign Corrupt Practices Act and other anti-corruption laws, and the Bank Secrecy Act and other anti-money laundering laws;
- our ability to recoup costs of capital investments through higher revenues;
- growth in consumer demand for non-gaming offerings;
- abnormal gaming holds (“gaming hold” is the amount of money that is retained by the casino from wagers by customers);
- the effects of competition, including locations of competitors, growth of online gaming, competition for new licenses, and operating and market competition;
- our ability to protect our intellectual property rights and damages caused to our brands due to the unauthorized use of our brand names by third parties in ways outside of our control;
- the ability to timely and cost-effectively integrate companies that we acquire into our operations;
- the ability to execute on our brand licensing and management strategy is subject to third-party agreements and other risks associated with new projects;
- not being able to realize all of our anticipated cost savings;
- our ability to attract, retain, and motivate employees, including in connection with the Merger;
- our ability to retain our performers or other entertainment offerings on acceptable terms or at all;
- the risk of fraud, theft, and cheating;
- seasonal fluctuations resulting in volatility and an adverse effect on our operating results;
- any impairments to goodwill, indefinite-lived intangible assets, or long-lived assets that we may incur;
- construction factors, including delays, increased costs of labor and materials, availability of labor and materials, zoning issues, environmental restrictions, soil and water conditions, weather and other hazards, site access matters, and building permit issues;
- the impact of adverse legal proceedings and judicial and governmental body actions, including gaming legislative action, referenda, regulatory disciplinary actions (such as the outcome of the British Gambling Commission’s review of CEUK operations), and fines and taxation;
- acts of war or terrorist incidents, severe weather conditions, uprisings, or natural disasters, including losses therefrom, losses in revenues and damage to property, and the impact of severe weather conditions on our ability to attract customers to certain facilities of ours;
- fluctuations in energy prices;
- work stoppages and other labor problems;
- our ability to collect on credit extended to our customers;

- the effects of environmental and structural building conditions relating to our properties and our exposure to environmental liability, including as a result of unknown environmental contamination;
- a disruption, failure, or breach of our network, information systems, or other technology, or those of our vendors, on which we are dependent;
- risks and costs associated with protecting the integrity and security of internal, employee, and customer data;
- access to insurance for our assets on reasonable terms;
- the impact, if any, of unfunded pension benefits under multi-employer pension plans; and
- the other factors set forth under Item 1A, “Risk Factors.”

You are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this Form 10-K. We undertake no obligation to publicly update or release any revisions to these forward-looking statements to reflect events or circumstances after the date of this Form 10-K or to reflect the occurrence of unanticipated events, except as required by law.

ITEM 1B. Unresolved Staff Comments

None.

ITEM 2. Properties

As of December 31, 2019, the following are our properties. All amounts are approximations.

Property	Location	Casino Space— Sq. Ft.	Slot Machines	Table Games	Hotel Rooms and Suites
Las Vegas Segment					
<i>Owned-Domestic</i>					
Bally's Las Vegas	Las Vegas, NV	68,400	940	70	2,810
The Cromwell	Las Vegas, NV	41,600	360	50	190
Flamingo Las Vegas	Las Vegas, NV	72,300	1,120	110	3,450
The LINQ Hotel & Casino	Las Vegas, NV	32,900	780	60	2,250
The LINQ Promenade ⁽¹⁾	Las Vegas, NV	—	—	—	—
Paris Las Vegas	Las Vegas, NV	95,300	980	100	2,920
Planet Hollywood Resort & Casino	Las Vegas, NV	64,500	1,070	110	2,500
<i>Leased</i>					
Caesars Palace Las Vegas	Las Vegas, NV	124,200	1,490	170	3,970
Harrah's Las Vegas	Las Vegas, NV	88,800	1,250	90	2,540
Rio All-Suite Hotel & Casino ⁽²⁾	Las Vegas, NV	117,300	1,050	70	2,520
Other U.S. Segment					
<i>Owned-Domestic</i>					
Harrah's Atlantic City	Atlantic City, NJ	156,300	2,050	170	2,590
Harrah's Laughlin	Laughlin, NV	56,400	880	40	1,510
Harrah's New Orleans	New Orleans, LA	101,100	1,490	160	450
Hoosier Park ⁽³⁾	Anderson, IN	55,300	1,490	—	—
Indiana Grand ⁽⁴⁾	Shelbyville, IN	105,100	2,000	—	—
<i>Leased from VICI Properties Inc.</i>					
Bally's Atlantic City	Atlantic City, NJ	127,200	1,770	160	1,210
Bluegrass Downs ⁽⁵⁾	Paducah, KY	—	—	—	—
Caesars Atlantic City	Atlantic City, NJ	115,900	1,890	130	1,140
Caesars Southern Indiana	Elizabeth, IN	74,400	1,200	90	500
Harrah's Council Bluffs	Council Bluffs, IA	21,400	520	20	250
Harrah's Gulf Coast	Biloxi, MS	30,800	770	30	500
Harrah's Joliet	Joliet, IL	39,000	1,090	40	200
Harrah's Lake Tahoe	Lake Tahoe, NV	53,800	770	60	510
Harrah's Louisiana Downs	Bossier City, LA	12,000	820	—	—
Harrah's Metropolis	Metropolis, IL	24,300	840	30	260
Harrah's North Kansas City	N. Kansas City, MO	60,100	1,240	60	390
Harrah's Philadelphia	Chester, PA	110,500	2,270	110	—
Harrah's Reno ⁽⁶⁾	Reno, NV	42,800	590	20	930
Harveys Lake Tahoe	Lake Tahoe, NV	51,100	610	50	740
Horseshoe Bossier City	Bossier City, LA	28,300	1,150	70	600
Horseshoe Council Bluffs	Council Bluffs, IA	59,900	1,370	70	150
Horseshoe Hammond	Hammond, IN	116,500	2,140	150	—
Horseshoe Tunica	Tunica, MS	63,000	1,030	100	510
Tunica Roadhouse ⁽⁷⁾	Tunica, MS	—	—	—	140

Property	Location	Casino Space—Sq. Ft.	Slot Machines	Table Games	Hotel Rooms and Suites
All Other Segment					
<u>Owned-International</u>					
Caesars Cairo	Egypt	6,500	30	20	—
Ramses Casino	Egypt	2,700	40	20	—
Emerald Casino Resort ⁽⁸⁾	South Africa	37,700	410	20	190
Alea Glasgow	United Kingdom	22,000	50	30	—
Alea Nottingham	United Kingdom	15,200	50	20	—
The Empire Casino	United Kingdom	20,400	130	50	—
Manchester235	United Kingdom	17,600	50	40	—
Playboy Club London	United Kingdom	10,000	20	20	—
Rendezvous Brighton	United Kingdom	15,000	50	20	—
Rendezvous Southend-on-Sea	United Kingdom	10,300	40	20	—
The Sportsman	United Kingdom	5,800	40	20	—
<u>Managed</u>					
Harrah's Ak-Chin	Phoenix, AZ	65,200	1,150	30	530
Harrah's Cherokee	Cherokee, NC	176,800	3,130	160	1,110
Harrah's Cherokee Valley River	Murphy, NC	65,000	1,020	60	300
Harrah's Resort Southern California	Funfun, CA	72,900	1,630	70	1,090
Horseshoe Baltimore ⁽⁹⁾	Baltimore, MD	122,000	2,200	210	—
Caesars Windsor	Canada	100,000	2,290	90	760
Kings & Queens Casino	Egypt	2,100	30	10	—
Caesars Dubai	United Arab Emirates	—	—	—	580

⁽¹⁾ The LINQ Promenade is an open-air dining, entertainment, and retail promenade located on the east side of the Las Vegas Strip. It also features the High Roller, a 550-foot observation wheel, and the Fly LINQ Zipline attraction.

⁽²⁾ Rio was sold on December 5, 2019 and Caesars continues to operate the property under a lease for an initial term of 2 years.

⁽³⁾ Hoosier Park includes operations of our off-track betting locations, Winner's Circle Indianapolis and Winner's Circle New Haven.

⁽⁴⁾ Indiana Grand includes operations of our off-track betting location, Winner's Circle Clarksville.

⁽⁵⁾ Bluegrass Downs ceased operations on October 1, 2019.

⁽⁶⁾ In December 2019, we entered into an agreement to sell Harrah's Reno, contingent upon the Merger.

⁽⁷⁾ Tunica Roadhouse ceased gaming operations in January 2019. Hotel operations continued until it closed in January 2020.

⁽⁸⁾ In May 2019, we entered into an agreement to sell Emerald Resort & Casino. As of December 31, 2019, the property's assets and liabilities were classified as held for sale.

⁽⁹⁾ As of December 31, 2019, Horseshoe Baltimore was 44.3% owned and held as an equity-method investment.

In addition to our properties listed above, other domestic and international properties, including Harrah's Northern California, are authorized to use the brands and marks of Caesars Entertainment Corporation.

ITEM 3. Legal Proceedings

From time to time, we are a defendant in various lawsuits or other legal proceedings relating to matters incidental to our business. Some of these matters involve commercial or contractual disputes, intellectual property claims, legal compliance, personal injury claims, and employment claims. As with all legal proceedings, no assurance can be provided as to the outcome of these matters and in general, legal proceedings can be expensive and time consuming. We may not be successful in the defense or prosecution of these lawsuits, which could result in settlements or damages that could significantly impact our business, financial condition, and results of operations.

On September 5, 2019, a complaint was filed against Caesars and each member of the Caesars board of directors (the “Caesars Board”) in the United States District Court for the District of Delaware. The lawsuit, captioned *Stein v. Caesars Entertainment Corp., et al.*, Civil Action No. 1:19-cv-01656, alleges violations of Sections 14(a) and 20(a) of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), and Rule 14a-9 promulgated thereunder, and 17 C.F.R. § 244.100, against the defendants for allegedly disseminating a false and misleading proxy statement in connection with the Merger. The complaint alleges, among other things, that Caesars violated the securities laws by failing to disclose (i) certain information about the process leading up to the approval of the Merger by the Caesars Board; and (ii) certain financial information relating to the financial advisors’ analyses of the transaction. The plaintiff seeks (i) to enjoin the defendants from proceeding with, consummating or closing the Merger, unless and until Caesars discloses to its stockholders the allegedly material information discussed in the complaint, (ii) if the Merger is consummated, rescission of the Merger or rescissory damages and (iii) an accounting to plaintiff for all damages suffered as a result of defendants’ alleged wrongdoing. The plaintiff also seeks an award of costs and disbursements incurred in the action, including a reasonable allowance for expert fees and attorneys’ fees.

On September 9, 2019, a class action complaint was filed against Caesars, each member of the Caesars Board, Eldorado and Merger Sub in the United States District Court for the District of Delaware. The lawsuit, captioned *Palkon v. Caesars Entertainment Corp., et al.*, Civil Action No. 1:19-cv-01679, alleges violations of Sections 14(a) and 20(a) of the Exchange Act and Rule 14a-9 promulgated thereunder, against the defendants for allegedly disseminating a false and misleading proxy statement in connection with the Merger. The complaint alleges, among other things, that Caesars and/or Eldorado violated the securities laws by failing to disclose (i) certain information about the process leading up to the approval of the Merger by the Caesars Board; (ii) certain financial information relating to the financial advisors’ analyses of the transaction; and (iii) certain information regarding potential conflicts of interest of the financial advisor. The plaintiff seeks, among other things, (i) to enjoin the defendants from proceeding with, consummating or closing the Merger, unless and until Caesars discloses to its stockholders the allegedly material information discussed in the complaint and (ii) if the Merger is consummated, rescission of the Merger or rescissory damages suffered as a result of defendants’ alleged wrongdoing. The plaintiff also seeks an award of costs incurred in the action, including a reasonable allowance for expert fees and attorneys’ fees.

On September 11, 2019, a complaint was filed against Caesars and each member of the Caesars Board in the United States District Court for the District of New Jersey. The lawsuit, captioned *Romaniuk v. Caesars Entertainment Corp., et al.*, Civil Action No. 1:19-cv-17871, alleged violations of Sections 14(a) and 20(a) of the Exchange Act and Rule 14a-9 promulgated thereunder, against the defendants for allegedly disseminating a false and misleading proxy statement in connection with the Merger. The complaint alleged, among other things, that Caesars violated the securities laws by failing to disclose (i) certain information about the process leading up to the approval of the Merger by the Caesars Board; (ii) certain financial information relating to the financial advisors’ analyses of the transaction; and (iii) certain information regarding potential conflicts of interest of the financial advisor. The plaintiff sought (i) to enjoin the defendants from proceeding with, consummating or closing the Merger, unless and until Caesars discloses to its stockholders the allegedly material information discussed in the complaint and (ii) if the Merger is consummated, rescission of the Merger or rescissory damages. The plaintiff also sought an award of costs and expenses incurred in the action, including a reasonable allowance for expert fees and attorneys’ fees. On December 7, 2019, the Romaniuk complaint was voluntarily dismissed.

On September 12, 2019, a class action complaint was filed against Caesars, each member of the Caesars Board and Eldorado in the United States District Court for the District of Delaware. The lawsuit, captioned *Gershman v. Caesars Entertainment Corp., et al.*, Civil Action No. 1:19-cv-01720, alleges violations of Sections 14(a) and 20(a) of the Exchange Act and Rule 14a-9 promulgated thereunder, against the defendants for allegedly disseminating a false and misleading proxy statement in connection with the Merger. The complaint alleges, among other things, that Caesars violated the securities laws by failing to (i) disclose certain information about the process leading up to the approval of the Merger by the Caesars Board; (ii) disclose certain financial information relating to the financial advisors’ analyses of the transaction; and (iii) obtain a proper valuation for Caesars. The plaintiff seeks (i) to enjoin the defendants from proceeding with filing an amendment to the Eldorado S-4 (as defined below) and consummating the Merger, unless and until Caesars discloses to its stockholders the allegedly material information discussed in the complaint and (ii) if the Merger is consummated, rescission of the Merger or rescissory damages. The plaintiff also seeks an award of costs and disbursements incurred in the action, including a reasonable allowance for expert fees and attorneys’ fees.

On September 13, 2019, a class action complaint was filed against Caesars, each member of the Caesars Board and Eldorado in the Eighth Judicial District Court for Clark County, Nevada. The lawsuit, captioned Cazer v. Caesars Entertainment Corp., et al., Civil Action No. A-19-801900-C, asserts claims for breach of fiduciary duties against the Caesars Board and aiding and abetting breach of fiduciary duties against Caesars in connection with the Merger. The complaint alleges, among other things, that the members of the Caesars Board breached their fiduciary duties, and Caesars aided and abetted such breaches of fiduciary duties, by failing to disclose (i) certain information about the process leading up to the approval of the Merger by the Caesars Board; and (ii) certain financial information relating to the financial advisors' analyses of the transaction. The plaintiff seeks (i) to compel the defendants to exercise their fiduciary duties to Caesars stockholders in connection with the Merger in accordance with the information discussed in the complaint and (ii) an accounting to plaintiff for all damages suffered as a result of defendants' alleged wrongdoing. The plaintiff also seeks an award of costs and disbursements incurred in the action, including a reasonable allowance for expert fees and attorneys' fees.

Also on September 13, 2019, a complaint was filed against Caesars and each member of the Caesars Board in the United States District Court for the Southern District of New York. The lawsuit, captioned Biasi v. Caesars Entertainment Corp., et al., Civil Action No. 1:19-cv-08547, alleged violations of Sections 14(a) and 20(a) of the Exchange Act and Rule 14a-9 promulgated thereunder, and 17 C.F.R. § 229.1015, against the defendants for allegedly disseminating a false and misleading proxy statement in connection with the Merger. The complaint alleged, among other things, that Caesars violated the securities laws by failing to disclose (i) certain information about the process leading up to the approval of the Merger by the Caesars Board; (ii) certain financial information relating to the financial advisors' analyses of the transaction; and (iii) certain information regarding potential conflicts of interest of the financial advisor. The plaintiff sought (i) to enjoin the defendants from proceeding with the special meeting of Caesars' stockholders to, among other things, adopt the Merger Agreement and consummating the Merger, unless and until Caesars discloses to its stockholders the allegedly material information discussed in the complaint and (ii) an accounting to plaintiff for all damages suffered as a result of defendants' alleged wrongdoing. The plaintiff also sought an award of costs and expenses incurred in the action, including reasonable expert fees and attorneys' fees. On November 15, 2019, the Biasi complaint was voluntarily dismissed.

On September 26, 2019, a complaint was filed against Caesars and each member of the Caesars Board in the United States District Court for the Southern District of New York. The lawsuit, captioned Marathon Capital LLC v. Caesars Entertainment Corp., et al., Civil Action No. 1:19-cv-08971, alleged violations of Sections 14(a) and 20(a) of the Exchange Act and Rule 14a-9 promulgated thereunder, against the defendants for allegedly disseminating a false and misleading proxy statement in connection with the Merger. The complaint alleged, among other things, that Caesars violated the securities laws by failing to disclose (i) certain information about the process leading up to the approval of the Merger by the Caesars Board; and (ii) certain financial information relating to the financial advisors' analyses of the transaction. The plaintiff sought (i) to enjoin the defendants from proceeding with, consummating or closing the Merger, unless and until Caesars discloses to its stockholders the allegedly material information discussed in the complaint and (ii) if the Merger is consummated, rescission of the Merger or rescissory damages. The plaintiff also sought an award of costs and expenses incurred in the action, including a reasonable allowance for expert fees and attorneys' fees. On November 22, 2019, the Marathon Capital LLC complaint was voluntarily dismissed.

On October 18, 2019, a complaint was filed against Caesars and each member of the Caesars Board in the United States District Court for the Southern District of New York. The lawsuit, captioned Yarbrough v. Caesars Entertainment Corp., et al., Case No. 1:19-cv-09650 (S.D.N.Y.), alleged violations of Sections 14(a) and 20(a) of the Exchange Act and Rule 14a-9 promulgated thereunder, against the defendants for allegedly disseminating a false and misleading definitive registration statement in connection with the Merger. The complaint alleged, among other things, that Caesars violated the securities laws by failing to disclose material information regarding: (i) certain information about the process leading up to the approval of the Merger by the Caesars Board; and (ii) certain financial information relating to the financial advisors' analyses of the transaction. The plaintiff sought (i) to enjoin the shareholder vote on the Merger or consummation of the Merger; and (ii) rescission of the Merger, to the extent it closes. The plaintiff also sought an award of costs and disbursements incurred in the action, including a reasonable allowance for expert fees and attorneys' fees. On February 14, 2020, the Yarbrough complaint was voluntarily dismissed.

We believe the claims asserted in each of the above described complaints are without merit and intend to vigorously defend against them to the extent they have not already been dismissed. It is not probable that litigation discussed above, to the extent it was not already dismissed as of December 31, 2019, will result in a material effect on our financial statements.

ITEM 4. Mine Safety Disclosures

Not applicable.

PART II

ITEM 5. Market for the Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

Our common stock trades on The NASDAQ Stock Market under the ticker symbol "CZR."

As of February 21, 2020, there were 682,268,726 shares of common stock issued and outstanding that were held by approximately 1,140 stockholders of record.

Except as described below, there have not been any sales by CEC of equity securities during the years ended December 31, 2019, 2018, or 2017 that have not been registered under the Securities Act.

Purchases of Equity Securities by the Issuer and Affiliated Purchasers

On May 2, 2018, the Company announced that our Board of Directors authorized a Share Repurchase Program (the "Repurchase Program") to repurchase up to \$500 million of the Company's common stock. On August 10, 2018, the Company announced that our Board of Directors increased its share repurchase authorization to \$750 million of our common stock. Repurchases may be made at the Company's discretion from time to time on the open market or in privately negotiated transactions. The Repurchase Program has no time limit, does not obligate the Company to make any repurchases, and may be suspended for periods or discontinued at any time. Any shares acquired are available for general corporate purposes. During the year ended December 31, 2019, there were no shares repurchased under the program. During the year ended December 31, 2018, we repurchased approximately 31 million shares for approximately \$311 million under the program recorded in Treasury stock. As of December 31, 2019, the maximum dollar value that may still be purchased under the program was \$439 million.

Pursuant to the Merger Agreement, prior to the completion of the Merger or termination of the Merger Agreement, we may not, absent Eldorado's prior written consent, repurchase shares of our common stock (subject to limited exceptions related to stock options or settlement of other awards and the CEC Convertible Notes).

Performance Graph

The graph depicted below compares the cumulative total stockholder return on our common stock with the cumulative total return on the Standard & Poor's 500 Stock Index ("S&P 500") and the Dow Jones U.S. Gambling Total Stock Market Index ("Dow Jones U.S. Gambling") for the period beginning on December 31, 2014 and ending on December 31, 2019. NASDAQ OMX furnished the data. The performance graph assumes a \$100 investment in our stock and each of the two indices, respectively, on December 31, 2014, and that all dividends were reinvested. Stock price performance, presented for the period from December 31, 2014 to December 31, 2019, is not necessarily indicative of future results.

2019 Performance Graph



As of December 31,

	2014	2015	2016	2017	2018	2019
CZR	\$ 100.00	\$ 50.29	\$ 54.17	\$ 80.62	\$ 43.28	\$ 86.68
S&P 500 Index	100.00	101.38	113.51	138.29	132.23	173.86
Dow Jones U.S. Gambling	100.00	83.32	105.68	158.5	111.73	162.28

The performance graph should not be deemed filed or incorporated by reference into any other of our filings under the Securities Act or the Exchange Act, unless we specifically incorporate the performance graph by reference therein.

Equity Compensation Plan Information

We maintain a long-term incentive plan for management, other personnel, and key service providers. The plan allows for granting stock-based compensation awards, including time-based and performance-based stock options, restricted stock units (“RSUs”), performance stock units (“PSUs”), market-based stock units (“MSUs”), restricted stock awards, stock grants, or a combination of awards. See Note 16 for a description of our stock-based compensation plan. The following table provides information relating to shares of our common stock that are authorized for issuance under the Company’s equity compensation plan as of December 31, 2019.

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights ⁽¹⁾ (a)	Weighted-average exercise price of outstanding options, warrants and rights ⁽²⁾ (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by security holders	12,368,484	\$ 14.67	8,345,490

⁽¹⁾ Includes (a) 2,147,750 shares of common stock issuable upon exercise of outstanding options with a weighted-average exercise price of \$14.67, and (b) 10,220,734 unvested RSUs, PSUs, and MSUs.

⁽²⁾ RSUs, PSUs, and MSUs do not have an exercise price and therefore are not included in the calculation of the weighted-average exercise price.

Issuance of CEC Common Stock to Certain Creditors of the Debtors

Consideration to support the reorganization of CEOC that was provided by CEC as of the Effective Date included 268 million shares of CEC common stock (valued at \$12.80 per share), consideration provided by CEC to acquire OpCo on the Effective Date included 139 million shares of CEC common stock (valued at \$12.80 per share), and CEC deposited approximately 8 million shares of CEC common stock (valued at \$12.80 per share) into an escrow account in order to satisfy obligations related to unresolved claims that are subject to the bankruptcy claims reconciliation process to be distributed to unsecured claims (excluding debt claims) as they become allowed. These transactions were not registered under the Securities Act and are exempt from the registration requirements of the Securities Act pursuant to Section 1145 of the Bankruptcy Reform Act of 1978 (the “Bankruptcy Code”). See Note 1 for additional information.

Transactions Related to our CEC Convertible Notes

On the Effective Date, CEC issued \$1.1 billion aggregate principal amount of 5.00% convertible senior notes maturing in 2024 to the creditors of CEOC pursuant to the terms of the Plan. The CEC Convertible Notes were issued pursuant to the indenture, dated as of October 6, 2017, between CEC and Delaware Trust Company, as trustee. On December 2, 2019, we paid \$28 million to the holders of the CEC Convertible Notes, whose consents were validly delivered and not validly revoked, to modify the CEC Convertible Notes. The consent fee is recognized as an additional discount to our debt and will be amortized over the remaining life of the CEC Convertible Notes. The consent amended the indenture governing the CEC Convertible Notes to expressly permit the Merger and the other transactions contemplated by the Merger Agreement. See Note 12 for additional information. As of December 31, 2019, an immaterial amount of the CEC Convertible Notes was converted into shares of CEC common stock. The issuance of the CEC Convertible Notes and the CEC common stock issued upon conversion thereof were not registered under the Securities Act and are exempt from the registration requirements of the Securities Act pursuant to Section 1145 of the Bankruptcy Code.

ITEM 6. Selected Financial Data

The following selected financial data should be read in conjunction with the consolidated financial statements and Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations," of this Form 10-K.

<i>(In millions, except per share data)</i>	2019	2018	2017 ⁽¹⁾	2016	2015 ⁽²⁾
OPERATING DATA					
Net revenues	\$ 8,742	\$ 8,391	\$ 4,868	\$ 3,877	\$ 3,957
Impairment of goodwill	27	43	—	—	—
Impairment of tangible and other intangible assets	441	35	—	—	—
Income from operations	618	739	537	226	318
Interest expense ⁽³⁾⁽⁴⁾	(1,370)	(1,346)	(773)	(599)	(683)
Gain on deconsolidation of subsidiaries	—	—	31	—	7,125
Restructuring and support expenses ⁽⁵⁾	—	—	(2,028)	(5,729)	(1,017)
Loss on extinguishment of debt	—	(1)	(232)	—	—
Other income/(loss)	(587)	791	95	(29)	7
Income/(loss) from continuing operations, net of income taxes	(1,198)	304	(375)	(6,458)	5,856
Discontinued operations, net of income taxes ⁽⁶⁾	—	—	—	3,380	155
Net income/(loss)	(1,198)	304	(375)	(3,078)	6,011
Net income/(loss) attributable to Caesars	(1,195)	303	(368)	(3,049)	6,012
COMMON STOCK DATA					
Basic earnings/(loss) per share from:					
Continuing operations	\$ (1.77)	\$ 0.44	\$ (1.32)	\$ (43.96)	\$ 40.44
Discontinued operations ⁽⁶⁾	—	—	—	23.11	1.07
Net income/(loss)	\$ (1.77)	\$ 0.44	\$ (1.32)	\$ (20.85)	\$ 41.51
Diluted earnings/(loss) per share from:					
Continuing operations ⁽⁷⁾	\$ (1.77)	\$ (0.25)	\$ (1.32)	\$ (43.96)	\$ 39.83
Discontinued operations ⁽⁶⁾	—	—	—	23.11	1.06
Net income/(loss) ⁽⁷⁾	\$ (1.77)	\$ (0.25)	\$ (1.32)	\$ (20.85)	\$ 40.89
FINANCIAL POSITION DATA					
Total assets	\$ 25,345	\$ 25,775	\$ 25,436	\$ 14,936	\$ 12,251
Current portion of long-term debt ⁽⁴⁾	64	164	64	89	187
Long-term debt ⁽⁴⁾	8,478	8,801	8,849	6,749	6,777
Current portion of financing obligations ⁽³⁾	21	20	9	—	—
Financing obligations ⁽³⁾	10,070	10,057	9,355	—	—
Noncontrolling interests	80	88	71	53	80
Stockholders' equity/(deficit)	2,131	3,250	3,226	(1,660)	1,962

⁽¹⁾ 2017 reflects the consolidation of CEOC's successor operating company subsequent to the Effective Date.

⁽²⁾ 2015 reflects the deconsolidation of CEOC.

⁽³⁾ See Note 10 related to financing obligations and related interest expense.

⁽⁴⁾ See Note 12 related to long-term debt and related interest expense.

⁽⁵⁾ Reflects financial support costs for the reorganization of CEOC.

⁽⁶⁾ Reflects the sale of CIE's social and mobile games business (the "SMG Business") on September 23, 2016.

⁽⁷⁾ See Note 14 for discussion regarding the correction of 2018 Diluted loss per share.

ITEM 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

In this filing, the name "CEC" refers to the parent holding company, Caesars Entertainment Corporation, exclusive of its consolidated subsidiaries and variable interest entities, unless otherwise stated or the context otherwise requires. The words "Company," "Caesars," "Caesars Entertainment," "we," "our," and "us" refer to Caesars Entertainment Corporation, inclusive of its consolidated subsidiaries and variable interest entities, unless otherwise stated or the context otherwise requires.

We also refer to (i) our Consolidated Financial Statements as our "Financial Statements," (ii) our Consolidated Statements of Operations and Consolidated Statements of Comprehensive Income/(Loss) as our "Statements of Operations," (iii) our Consolidated Balance Sheets as our "Balance Sheets," and (iv) our Consolidated Statements of Cash Flows as our "Statements of Cash Flows." References to numbered "Notes" refer to Notes to our Consolidated Financial Statements included in Item 8.

The following discussion should be read in conjunction with, and is qualified in its entirety by, the audited consolidated financial statements and the notes thereto and other financial information included elsewhere in this Form 10-K.

The statements in this discussion regarding our expectations of our future performance, liquidity and capital resources, and other non-historical statements are forward-looking statements. These forward-looking statements are subject to numerous risks and uncertainties. Our actual results may differ materially from those contained in or implied by any forward-looking statements. See Item 1A, "Risk Factors—PRIVATE SECURITIES LITIGATION REFORM ACT," of this report.

Overview

CEC is primarily a holding company with no independent operations of its own. CEC operates its business primarily through its wholly owned subsidiaries CEOC, LLC ("CEOC LLC") and Caesars Resort Collection, LLC ("CRC").

We lease certain real property assets from third parties, including VICI Properties Inc. and/or its subsidiaries (collectively, "VICI").

We view each property as an operating segment and aggregate such properties into three regionally-focused reportable segments: (i) Las Vegas, (ii) Other U.S., and (iii) All Other, which is consistent with how we manage the business. The way in which Caesars management assesses results and allocates resources is aligned with these segments. See Part I, Item 2, "Properties" and Note 20.

Summary of Significant Events

The following are the significant events and drivers of performance. Accordingly, the remainder of the discussion and analysis of results in this Item 7 should be read in conjunction with this summary.

Year Ended December 31, 2019

Proposed Merger of Caesars Entertainment Corporation with Eldorado Resorts, Inc.

On June 24, 2019, Caesars, Eldorado Resorts, Inc., a Nevada corporation ("Eldorado"), and Colt Merger Sub, Inc., a Delaware corporation and a direct wholly owned subsidiary of Eldorado ("Merger Sub"), entered into an Agreement and Plan of Merger (as amended by Amendment No. 1 to Agreement and Plan of Merger, dated as of August 15, 2019, and as it may be further amended from time to time, the "Merger Agreement"), pursuant to which, on the terms and subject to the conditions set forth therein, Merger Sub will merge with and into Caesars (the "Merger"), with Caesars continuing as the surviving corporation and a direct wholly owned subsidiary of Eldorado. On November 15, 2019, the respective stockholders of Caesars and Eldorado voted to approve the Merger. The transaction is expected to close in the first half of 2020. In connection with the Merger, Eldorado will change its name to Caesars Entertainment, Inc. See Note 1.

The Merger may have significant effects on us, including, among others, the significant diversion of management and employee attention from ordinary course matters. For a more extensive discussion of those and other possible effects, please refer to "Risk Factors" in Part I, Item 1A of this report.

Rio All-Suite Hotel & Casino Disposition

On September 20, 2019, Rio Properties, LLC, a subsidiary of CEC, entered into a Purchase and Sale Agreement and Joint Escrow Instructions for certain assets of Rio. During the quarter ended September 30, 2019, we recorded an impairment charge of \$380 million, which included \$6 million related to selling costs, as the carrying value was higher than the fair value. On December 5, 2019, the transaction was completed for a sales price of approximately \$516 million. The sales price received includes \$40 million in seller financing that we provided the buyer at a 9% interest rate, that is due to us in two years unless extended for an additional

year. Interest may be paid monthly, or paid-in-kind at the option of the buyer. We received \$470 million in cash proceeds, net of selling costs. In connection with the closing of the sale, we entered into a lease and trademark license under which we will continue to operate the property under the Rio trademark for an initial term of two years at an annual rent amount of approximately \$45 million. See Note 1.

Adoption of New Lease Accounting Standard

On January 1, 2019, we adopted the new accounting standard Accounting Standards Update 2016-02, *Leases (Topic 842)*, and all related amendments. See Note 10 for additional information and details on the effects of adopting the new standard.

Year Ended December 31, 2018

Failed Sale-Leaseback Financing Obligations

Our leases with VICI were evaluated as a sale-leaseback of real estate, and we determined that these transactions did not qualify for sale-leaseback accounting. The amount recognized for depreciation expense and interest expense substantially exceeds our periodic rental payments, for most of our leases with VICI, as a result of the majority of the failed sale-leaseback obligations being initially recognized at an amount equal to the fair value of the leased properties when one of our subsidiaries emerged from bankruptcy. The table below presents the activity for the periods.

<i>(In millions)</i>	Years Ended December 31,	
	2019	2018
Depreciation expense	\$ 473	\$ 490
Interest expense	898	878
Rental payments ⁽¹⁾	812	725

⁽¹⁾ Reflects cash paid for interest and principal related to our failed sale-leaseback financing obligations.

2018 Transactions with VICI

On July 11, 2018, we sold Octavius Tower at Caesars Palace (“Octavius Tower”) to VICI for \$508 million in cash. Proceeds from the transaction were used to partially fund the closing of CEC’s acquisition of Centaur Holdings, LLC (“Centaur”). On December 26, 2018, we sold all land and real property improvements used in the operation of Harrah’s Philadelphia Casino and Racetrack (“Harrah’s Philadelphia”) as part of a sale and leaseback transaction with VICI for \$242 million. We continue to operate under the long-term lease agreement terms for both Octavius Tower and Harrah’s Philadelphia.

These transactions did not qualify for sale-leaseback accounting, which resulted in the assets remaining on our Balance Sheet at their historical net book value and the assets being depreciated over their remaining useful lives. A financing obligation was recognized for the proceeds received.

Additionally, on December 26, 2018, we consummated modifications to certain of our existing lease agreements with VICI for consideration of \$159 million, which reduced the purchase price we paid for Harrah’s Philadelphia and our financing obligation. The modifications, among other things, bring certain of the lease terms into alignment with other master leases in the sector and the long-term performance of the properties and create additional flexibility to facilitate our future development strategies.

Acquisition of Centaur Holdings, LLC

On July 16, 2018, we completed the acquisition of Centaur. Centaur operated Hoosier Park Racing & Casino (“Hoosier Park”) in Anderson, Indiana, and Indiana Grand Racing & Casino (“Indiana Grand”) in Shelbyville, Indiana. See Note 4 for additional information.

Share Repurchase Program

On May 2, 2018, the Company announced that our Board of Directors authorized a Share Repurchase Program (“Repurchase Program”) to repurchase up to \$500 million of our common stock. On August 10, 2018, the Company announced that our Board of Directors increased its share repurchase authorization to \$750 million of our common stock. Repurchases may be made at the Company’s discretion from time to time on the open market or in privately negotiated transactions. The Repurchase Program has no time limit, does not obligate the Company to make any repurchases, and may be suspended for periods or discontinued at any time. Any shares acquired are available for general corporate purposes. During the year ended December 31, 2019, there were no

shares repurchased under the program. During the year ended December 31, 2018, we repurchased approximately 31 million shares for approximately \$311 million under the program recorded in Treasury stock.

Pursuant to the Merger Agreement, prior to the completion of the Merger or termination of the Merger Agreement, we may not, absent Eldorado's prior written consent, repurchase shares of our common stock (subject to limited exceptions related to stock options or settlement of other awards and the CEC Convertible Notes).

Year Ended December 31, 2017

CEOC's Emergence from Bankruptcy and CEC's Merger with Caesars Acquisition Company

CEOC and certain of its U.S. subsidiaries emerged from bankruptcy and consummated their reorganization pursuant to their third amended joint plan of reorganization (the "Plan") on October 6, 2017 (the "Effective Date"). As part of its emergence from bankruptcy, CEOC reorganized into an operating company ("OpCo") separate from its real property assets. OpCo was acquired by CEC on the Effective Date and immediately merged with and into CEOC LLC. CEOC LLC operates the properties and facilities formerly held by CEOC and leases the properties and facilities from VICI, which are accounted for as failed sale-leaseback transactions (see Failed Sale-Leaseback Financing Obligations above). As a result of CEC's acquisition of the operating company and the subsequent merger of the operating company with and into CEOC LLC, CEC's consolidated financial results include the results of the operating company subsequent to the Effective Date. See Note 1. The partial year impact in 2017 is summarized in the table below.

CEOC LLC Operating Results

<i>(Dollars in millions)</i>	October 6, 2017 - December 31, 2017	
Casino	\$	628
Food and beverage		173
Rooms		118
Other revenue		47
Management fees		15
Reimbursed management costs		48
Net revenues	\$	<u>1,029</u>
Income from operations	\$	52
Interest expense		(208)
Restructuring and support expenses		(9)
Other income		2
Net loss, net of income taxes		(164)
Net loss attributable to Caesars		(164)

On the Effective Date, Caesars Acquisition Company ("CAC") merged with and into CEC, with CEC as the surviving company (the "CAC Merger"). The CAC Merger was accounted for as a reorganization of entities under common control, which resulted in CAC being consolidated into Caesars at book value as an equity transaction for all periods presented.

Other Events and Transactions

On December 22, 2017, we sold the real estate assets of Harrah's Las Vegas for approximately \$1.1 billion as part of a sale and leaseback transaction with VICI.

2017 Debt Activity

During the year ended December 31, 2017, proceeds received from the issuance of new debt was \$7.6 billion and cash paid to extinguish debt was \$7.8 billion. In addition, as part of the acquisition of OpCo, we assumed \$1.2 billion in debt that was issued in connection with CEOC's emergence from bankruptcy.

Horseshoe Baltimore Deconsolidation

As of August 31, 2017, Horseshoe Baltimore was deconsolidated and is accounted for as an equity method investment subsequent to the deconsolidation. Upon deconsolidation, we derecognized total assets and liabilities of \$350 million and \$356 million, respectively, including long-term debt totaling \$294 million. The equity method investment was recorded at its estimated fair value of \$28 million, and we recognized a gain on deconsolidation of \$31 million. See Note 2 for further details.

Horseshoe Baltimore Operating Results through August 31, 2017

<i>(In millions)</i>	2017	
Casino	\$	168
Food and beverage		13
Other revenue		9
Net revenues	\$	190
Income from operations	\$	16
Interest expense		(18)
Loss on extinguishment of debt		(12)
Net loss		(14)
Net loss attributable to Caesars		(7)

Discussion of Operating Results

Segment results in this Management's Discussion and Analysis of Financial Condition and Results of Operations are presented consistent with the way Caesars' management assesses the Company's results and allocates resources, which is a consolidated view that adjusts for the effect of certain transactions related to reportable segments within Caesars. We view each property as an operating segment and aggregate such properties into three regionally-focused reportable segments: (i) Las Vegas, (ii) Other U.S., and (iii) All Other. "All Other" includes managed, international and other properties as well as parent and other adjustments to reconcile to consolidated Caesars results.

Analysis of Key Drivers of Consolidated Operating Results

The following represents the discussion and analysis of the results of operations and key metrics focusing on the key drivers of performance.

Consolidated Operating Results

<i>(Dollars in millions)</i>	Years Ended December 31,			2019 vs. 2018		2018 vs. 2017	
	2019	2018	2017	Fav/(Unfav)		Fav/(Unfav)	
Net revenues	\$ 8,742	\$ 8,391	\$ 4,868	\$ 351	4.2 %	\$ 3,523	72.4 %
Income from operations	618	739	537	(121)	(16.4)%	202	37.6 %
Interest expense	(1,370)	(1,346)	(773)	(24)	(1.8)%	(573)	(74.1)%
Gain on deconsolidation of subsidiaries	—	—	31	—	*	(31)	(100.0)%
Restructuring and support expenses	—	—	(2,028)	—	*	2,028	100.0 %
Loss on extinguishment of debt	—	(1)	(232)	1	100.0 %	231	99.6 %
Other income/(loss)	(587)	791	95	(1,378)	*	696	*
Net income/(loss)	(1,198)	304	(375)	(1,502)	*	679	*
Net income/(loss) attributable to Caesars	(1,195)	303	(368)	(1,498)	*	671	*
Adjusted EBITDA ⁽¹⁾	2,405	2,308	1,361	97	4.2 %	947	69.6 %
Operating margin ⁽²⁾	7.1%	8.8%	11.0%	—	(1.7) pts	—	(2.2) pts

* Not meaningful.

⁽¹⁾ See the "Reconciliation of Non-GAAP Financial Measures" discussion later in this Management's Discussion and Analysis of Financial Condition and Results of Operations for a reconciliation of Adjusted EBITDA.

⁽²⁾ Operating margin is calculated as income from operations divided by net revenues.

Analysis of Key Drivers of Revenue Performance

Our gaming-related revenues, rooms revenues, and operating performance are dependent upon the volume and spend behavior of customers at our resort properties, which affects the price we can charge for our hotel rooms and other amenities, and directly affects our gaming volumes. Our food and beverage revenues are generated primarily from our buffets, restaurants, bars, nightclubs, and lounges located throughout our casinos, as well as banquets and room service. Our other revenues are generated primarily from third-party real estate leasing arrangements at our properties, revenue from company-operated retail stores, revenue from parking, revenue from our entertainment venues, including The High Roller observation wheel, and subsequent to the Effective Date, revenue earned from our casino management service fees and reimbursed management costs charged to third parties.

Net Revenues – Consolidated

(Dollars in millions)	Years Ended December 31,			2019 vs. 2018		2018 vs. 2017	
	2019	2018	2017	Fav/(Unfav)		Fav/(Unfav)	
Casino	\$ 4,448	\$ 4,247	\$ 2,168	\$ 201	4.7 %	\$ 2,079	95.9%
Food and beverage	1,618	1,574	982	44	2.8 %	592	60.3%
Rooms	1,581	1,519	1,074	62	4.1 %	445	41.4%
Other revenue	824	789	584	35	4.4 %	205	35.1%
Management fees	59	60	12	(1)	(1.7)%	48	*
Reimbursed management costs	212	202	48	10	5.0 %	154	*
Net revenues	\$ 8,742	\$ 8,391	\$ 4,868	\$ 351	4.2 %	\$ 3,523	72.4%

* Not meaningful.

Complimentaries

As part of our normal business operations, we often provide lodging, transportation, food and beverage, entertainment and other goods and services to our customers at no additional charge. Alternatively, Caesars Rewards (our customer loyalty program) Reward Credits can be redeemed for these services. Both are considered complimentaries. Such complimentaries are provided in conjunction with other revenue-earning activities and are generally provided to encourage additional customer spending on those activities. The table below represents the amounts recorded within net revenues above relating to these complimentaries.

Retail Value of Complimentaries

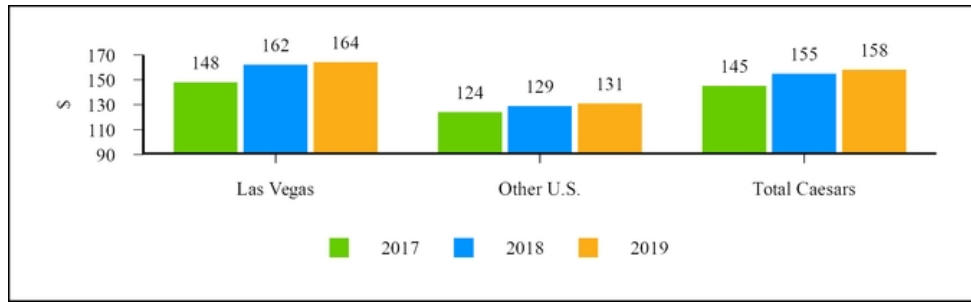
(In millions)	Years Ended December 31,		
	2019	2018	2017
Food and beverage	\$ 594	\$ 589	\$ 364
Rooms	490	489	307
Other	114	106	62
Total complimentaries	1,198	1,184	733
CEOC complimentaries ⁽¹⁾	—	—	427
Total complimentaries with CEOC	\$ 1,198	\$ 1,184	\$ 1,160

⁽¹⁾ Complimentaries recognized by CEOC prior to the Effective Date.

Net Revenues - Segment

(Dollars in millions)	Years Ended December 31,			2019 vs. 2018		2018 vs. 2017	
	2019	2018	2017	Fav/(Unfav)		Fav/(Unfav)	
Las Vegas	\$ 3,919	\$ 3,753	\$ 2,902	\$ 166	4.4%	\$ 851	29.3%
Other U.S.	4,225	4,047	1,758	178	4.4%	2,289	130.2%
All Other	598	591	208	7	1.2%	383	184.1%
Net revenues	\$ 8,742	\$ 8,391	\$ 4,868	\$ 351	4.2%	\$ 3,523	72.4%

Cash ADR ⁽¹⁾
Years Ended December 31, 2017, 2018, and 2019



⁽¹⁾ Cash average daily rate ("cash ADR") is a key indicator by which we evaluate the performance of our properties and is determined by rooms revenues and rooms occupied. 2017 excludes CEOC's results prior to the Effective Date.

Year Ended December 31, 2019 versus 2018

Net revenue increased \$351 million, or 4.2%, in 2019 compared with 2018 primarily due to the following:

- Additional net revenue of \$283 million associated with an extra six and a half months of operations in 2019 with the acquisition of Centaur on July 16, 2018.
- Rooms revenues increased \$62 million in 2019 compared with 2018 and Caesars cash ADR increased from \$155 in 2018 to \$158 in 2019, primarily due to an increase in occupancy rates and higher resort fee revenue in the Las Vegas region.
- Other revenue, excluding Centaur, increased \$28 million in 2019 compared with 2018 primarily due to increases in parking, licensing, and commission revenues in 2019.
- Food and beverage revenues, excluding Centaur, increased \$26 million in 2019 compared with 2018 primarily due to higher occupancy rates, newly opened food and beverage outlets in 2019 and increased revenues from venues opened in 2018 in the Las Vegas region.
- Offsetting the increases was a decline in Casino revenues, excluding Centaur, of \$57 million in 2019 compared with 2018 primarily due to a decrease of \$94 million in our Other U.S. segment. The decrease was largely due to unfavorable hold and lower gaming volume from increased competition in Atlantic City, the closing of Tunica Roadhouse in January 2019, and inclement weather across some of our properties, which resulted in prolonged closures at certain properties. An increase of \$45 million in our Las Vegas segment from higher gaming volumes and favorable hold offset the decline in our Other U.S. segment.

Year Ended December 31, 2018 versus 2017

Net revenue increased \$3.5 billion, or 72.4%, in 2018 compared with 2017 primarily due to the consolidation of CEOC LLC's results following the Effective Date, which contributed an incremental \$3.5 billion to net revenues, partially offset by a decrease of \$190 million in net revenue due to the deconsolidation of Horseshoe Baltimore's results subsequent to August 31, 2017. In addition to the effect of CEOC LLC and Horseshoe Baltimore, net revenues increased \$228 million primarily due to the following:

- Casino revenues increased \$178 million in 2018 compared with 2017 primarily due to the acquisition of Centaur, which contributed \$209 million in the Other U.S. region. This was partially offset by a decrease in the Las Vegas region primarily due to higher complimentarys.
- Other revenue increased \$39 million in 2018 compared with 2017 primarily due to increases in valet and self-parking revenues as well as increases in retail and lease revenues in the Las Vegas region.
- Rooms revenues increased \$4 million in 2018 compared with 2017 and Caesars cash ADR increased from \$145 in 2017 to \$155 in 2018, primarily due to an increase in resort fee revenue in the Las Vegas region.

Analysis of Key Drivers of Income from Operations Performance

Income from Operations by Category - Consolidated

(Dollars in millions)	Years Ended December 31,			2019 vs. 2018		2018 vs. 2017	
	2019	2018	2017	Fav/(Unfav)		Fav/(Unfav)	
Net revenues	\$ 8,742	\$ 8,391	\$ 4,868	\$ 351	4.2 %	\$ 3,523	72.4 %
Operating expenses							
Casino	2,511	2,380	1,202	(131)	(5.5)%	(1,178)	(98.0)%
Food and beverage	1,113	1,092	682	(21)	(1.9)%	(410)	(60.1)%
Rooms	486	472	353	(14)	(3.0)%	(119)	(33.7)%
Property, general, administrative, and other	1,882	1,796	1,153	(86)	(4.8)%	(643)	(55.8)%
Reimbursable management costs	212	202	48	(10)	(5.0)%	(154)	*
Depreciation and amortization	1,021	1,145	626	124	10.8 %	(519)	(82.9)%
Impairment of goodwill	27	43	—	16	37.2 %	(43)	*
Impairment of tangible and other intangible assets	441	35	—	(406)	*	(35)	*
Corporate expense	295	332	202	37	11.1 %	(130)	(64.4)%
Other operating costs	136	155	65	19	12.3 %	(90)	(138.5)%
Total operating expenses	8,124	7,652	4,331	(472)	(6.2)%	(3,321)	(76.7)%
Income from operations	\$ 618	\$ 739	\$ 537	\$ (121)	(16.4)%	\$ 202	37.6 %

* Not meaningful.

Income from Operations - Segment

(Dollars in millions)	Years Ended December 31,			2019 vs. 2018		2018 vs. 2017	
	2019	2018	2017	Fav/(Unfav)		Fav/(Unfav)	
Las Vegas	\$ 560	\$ 716	\$ 549	\$ (156)	(21.8)%	\$ 167	30.4 %
Other U.S.	525	434	199	91	21.0 %	235	118.1 %
All Other	(467)	(411)	(211)	(56)	(13.6)%	(200)	(94.8)%
Income from operations	\$ 618	\$ 739	\$ 537	\$ (121)	(16.4)%	\$ 202	37.6 %

Year Ended December 31, 2019 versus 2018

Income from operations decreased \$121 million, or 16.4%, in 2019 compared with 2018 due to an increase in net revenues of \$351 million as explained above and offset by an increase in operating expenses of \$472 million in 2019 compared with 2018 primarily due to the following:

- Impairment of tangible and other intangible assets increased by \$406 million due to impairment charges in 2019 related to land and buildings at Rio, as well as gaming rights at Horseshoe Hammond and our CEUK properties.
- Higher operating expenses of \$223 million resulting from our acquisition of Centaur in 2018.
- Property, general, administrative, and other increased by \$47 million, excluding Centaur, in 2019 due to higher costs in support of our technology infrastructure and expenses related to our sports partnerships.
- The increases were partially offset by a decrease of \$151 million of Depreciation and amortization, excluding Centaur, primarily due to disposals of property and equipment related to renovation projects and accelerated depreciation of assets revalued on the Effective Date, which were recorded in 2018.
- The increases were also partially offset by a decrease of \$20 million, excluding Centaur, in Other operating costs primarily as a result of nonrecurring contract termination fees and acquisition costs in 2018.
- Corporate expense decreased by \$37 million in 2019 primarily due to a decrease in consulting fees for 2018 projects, corporate payroll and retention bonus expenses.

Year Ended December 31, 2018 versus 2017

Income from operations increased \$202 million, or 37.6%, in 2018 compared with 2017 primarily due to the consolidation of CEOC LLC's results following the Effective Date, which contributed an incremental \$219 million to income from operations, partially offset by a decrease of \$16 million in income from operations due to the deconsolidation of Horseshoe Baltimore's results subsequent to August 31, 2017. In addition to the effect of CEOC LLC and Horseshoe Baltimore, income from operations decreased \$1 million primarily due to the following:

- Net revenues increased \$228 million in 2018 compared with 2017 as explained above.
- This increase was offset by an increase in operating expenses of \$229 million in 2018 compared with 2017 primarily due to the acquisition of Centaur which contributed \$177 million to the increase. In addition to the effect of Centaur, operating expenses increased \$52 million due to the following:
 - Other operating costs increased \$54 million primarily due to \$20 million related to lease termination costs, a \$10 million loss on asset sales in 2018, and \$8 million in acquisition costs for Centaur. In addition, during 2017, CEC benefitted from the reimbursement of \$19 million for amounts related to the Korea joint venture development that were previously written off. These were partially offset by a decrease in legal fees of \$10 million in 2018 compared with 2017.
 - Depreciation and amortization increased \$23 million primarily due to significant additions to property and equipment that began depreciating upon the completion of major renovation projects at certain Las Vegas properties in 2018.
 - These increases were partially offset by a decrease of \$36 million in direct expenses primarily due to operating efficiencies driven by lower marketing and labor costs.

Other Factors that Affect Net Income/(Loss)

Other Factors Affecting Net Income/(Loss) - Consolidated

<i>(Dollars in millions)</i>	Years Ended December 31,			2019 vs. 2018		2018 vs. 2017	
	2019	2018	2017	Fav/(Unfav)		Fav/(Unfav)	
Interest expense	\$ (1,370)	\$ (1,346)	\$ (773)	\$ (24)	(1.8)%	\$ (573)	(74.1)%
Gain on deconsolidation of subsidiaries	—	—	31	—	*	(31)	(100.0)%
Restructuring and support expenses	—	—	(2,028)	—	*	2,028	100.0 %
Loss on extinguishment of debt	—	(1)	(232)	1	100.0 %	231	99.6 %
Other income/(loss)	(587)	791	95	(1,378)	*	696	*
Income tax benefit	141	121	1,995	20	16.5 %	(1,874)	(93.9)%

* Not meaningful.

Interest Expense

(Dollars in millions)	Years Ended December 31,			2019 vs. 2018		2018 vs. 2017	
	2019	2018	2017	Fav/(Unfav)		Fav/(Unfav)	
Failed sale-leasebacks	\$ 898	\$ 878	\$ 187	\$ (20)	(2.3)%	\$ (691)	*
CEOC LLC Term Loan	63	65	12	2	3.1 %	(53)	*
Golf Course Use Agreement	13	11	2	(2)	(18.2)%	(9)	*
Chester Downs Senior Secured Notes	—	—	6	—	*	6	100.0 %
Horseshoe Baltimore	—	—	18	—	*	18	100.0 %
CRC Term Loan	250	232	199	(18)	(7.8)%	(33)	(16.6)%
CRC Notes	93	92	309	(1)	(1.1)%	217	70.2 %
CEC Convertible Notes	54	53	13	(1)	(1.9)%	(40)	*
Other interest expense ⁽¹⁾	(1)	15	27	16	*	12	44.4 %
Total interest expense	\$ 1,370	\$ 1,346	\$ 773	\$ (24)	(1.8)%	\$ (573)	(74.1)%

* Not meaningful.

⁽¹⁾ Includes the effect of capitalized interest of \$29 million, \$8 million, and \$6 million for the years ended December 31, 2019, 2018, and 2017, respectively. Significant projects in 2019 primarily related to the construction of the Forum Convention Center and the Southern Indiana land-based Casino project.

Interest expense increased \$24 million, or 1.8%, in 2019 compared with 2018 primarily due to the following:

- Failed sale-leaseback interest expense increased \$20 million primarily as a result of the failed sale-leaseback financing obligations established for Octavius Tower at Caesars Palace and Harrah's Philadelphia Casino and Racetrack, which were sold to VICI in the second half of 2018.
- Increase in the floating one-month London Interbank Offered Rate ("LIBOR") and additional interest rate swaps becoming effective in 2019 contributed to the CRC Term Loan interest expense increase of \$18 million.
- The increases in interest expense were partially offset by an increase in capitalized interest of \$21 million related to construction of the Forum Convention Center and the Caesars Southern Indiana land-based casino project in 2019.

Interest expense increased \$573 million, or 74.1% in 2018 compared with 2017 primarily due to the consolidation of CEOC LLC's results following the Effective Date. CEOC LLC contributed \$658 million to the increase in interest expense as a result of (i) a \$602 million increase in interest expense related to CEOC LLC's lease agreements with VICI that are accounted for as failed sale-leaseback financing obligations, (ii) a \$53 million increase in interest expense recognized for the CEOC LLC Term Loan and (iii) a \$9 million increase in interest expense related to the Golf Course Use Agreement (as described in Note 11), and (iv) offset by non-recurring interest expense of \$6 million in the prior year for the Chester Downs Senior Secured Notes. The increase was partially offset by an \$18 million decrease in interest expense related to the Horseshoe Baltimore debt resulting from the deconsolidation of Horseshoe Baltimore in August 2017. In addition to the effect of CEOC LLC and Horseshoe Baltimore, interest expense decreased by \$67 million primarily due to the following:

- A \$184 million decrease in interest expense resulting from lower interest rates due to the refinancing of debt as well as repayment of loans in 2017 and a \$12 million decrease in other interest expense.
- These decreases were partially offset by an increase of \$75 million in interest expense related to the Harrah's Las Vegas lease agreement with VICI and \$14 million of interest expense for Octavius Tower related to CEOC LLC's lease agreements with VICI, which are accounted for as failed sale-leaseback financing obligations, and \$40 million in interest expense recognized for the \$1.1 billion aggregate principal amount of 5.00% convertible senior notes maturing in 2024 (the "CEC Convertible Notes"), which were not outstanding until the fourth quarter of 2017.

Gain on Deconsolidation of Subsidiaries

As described in Note 2, we deconsolidated Horseshoe Baltimore in 2017 and recognized a gain of \$31 million.

Restructuring and Support Expenses

As described in Note 1, we recognized certain obligations that were ultimately settled upon CEOC's emergence from bankruptcy on the Effective Date. Restructuring and support expenses for the year ended December 31, 2017 was \$2.0 billion. This was primarily composed of accruals for (i) forbearance fees and other payments to CEOC's creditors that were settled in cash, (ii) a bankruptcy settlement related to the modification of CEC's guarantee under CEOC's senior secured credit facilities that was

settled in cash, (iii) payments of CEOC's creditors' expenses, settlement charges, and other fees that were settled in cash, (iv) the issuance of CEC common stock, (v) the issuance of the CEC Convertible Notes (see Note 8 and Note 12), and (vi) the VICI Call Right to purchase and leaseback the real property assets associated with three of our properties as other consideration (see Note 9). A portion of the obligations we recognized reflected our estimates of the fair value of the consideration CEC agreed to provide in exchange for the resolution of litigation claims and potential claims against CEC and its affiliates.

Loss on Extinguishment of Debt

We recognized losses on extinguishment of debt totaling \$232 million in 2017 relating to early debt redemption charges as well as the write-off of debt discounts and deferred financing costs associated with the extinguishment of the outstanding debt of Caesars Growth Properties Holdings, LLC and Caesars Entertainment Resort Properties, LLC in conjunction with the refinancing during the year.

Other Income/(Loss)

Other loss in 2019 primarily relates to a loss of \$620 million due to a change in fair value of the derivative liability related to the conversion option of the CEC Convertible Notes which was primarily driven by the increase in the share price of our common stock. The change was partially offset by proceeds from a legal settlement of \$14 million and dividend and interest income of \$17 million related to our investments.

Other income in 2018 primarily relates to a gain of \$697 million due to a change in fair value of the derivative liability related to the conversion option of the CEC Convertible Notes and a gain of \$24 million due to a change in the fair value of the disputed claims liability related to the CEC Convertible Notes and CEC common stock estimated to be used to settle those claims. In 2018, we also recorded a gain of \$31 million for claims that were expunged (see Note 8 for further details), recognized dividend and interest income of \$21 million, and recognized \$19 million in income related to an adjustment to our pension obligation for employees of our London Clubs International subsidiary (see Note 17 for further details).

Other income in 2017 primarily relates to a gain of \$64 million due to a change in fair value of the derivative liability related to the conversion option of the CEC Convertible Notes (see Note 8 for further details), a \$17 million gain for an interest swap payment CEC made on behalf of CEOC that was recovered with interest, and \$14 million for interest income earned on the proceeds from the sale of the SMG Business.

Income Tax Benefit

The effective tax rate was 10.6% for 2019, negative 66.1% for 2018, and 84.2% for 2017. The effective tax rate in 2019 differed from the statutory rate of 21% primarily due to an increase in federal valuation allowance from losses not tax benefitted, nondeductible stock-based compensation expense, nondeductible fines, and nondeductible impairment of goodwill. The effective tax rate in 2018 differed from the statutory rate of 21% primarily due to the deferred tax benefit from the partial release of the federal valuation allowance upon the acquisition of Centaur and from revisions to the estimated deferred tax balances as of December 31, 2017 as a result of the Tax Act (defined below) offset by state income taxes and nondeductible expenses. The effective tax rate in 2017 differed from the statutory rate of 35% primarily due to nondeductible restructuring expenses, the acquisition of OpCo and the Tax Act passed in 2017.

On December 22, 2017, the U.S. government enacted comprehensive tax legislation commonly referred to as the Tax Cuts and Jobs Act (the "Tax Act"). The Tax Act makes broad and complex changes to the U.S. tax code that affected our year ended December 31, 2017, including, but not limited to (i) reducing the U.S. federal corporate tax rate, (ii) changing rules related to uses and limitations of net operating loss carryforwards created in tax years beginning after December 31, 2017, (iii) bonus depreciation that will allow for full expensing of qualified property, (iv) generally eliminating U.S. federal income taxes on dividends from foreign subsidiaries, (v) a one-time transition tax on the mandatory deemed repatriation of cumulative foreign earnings accumulated post 1986 through 2017 that were previously deferred from U.S. income taxes, and (vi) a tax on Global Intangible Low-Taxed Income which imposes taxes on foreign income in excess of a deemed return on tangible assets of foreign corporations.

As of December 31, 2018, the Company completed the accounting for the tax effects of the Tax Act. In 2017, the Company made a reasonable estimate of the effects on the existing deferred tax balances and accrued a provisional income tax benefit of approximately \$1.2 billion which was recorded in the period ended December 31, 2017. The amount of the estimated income tax benefit was (i) \$797 million related to the net deferred tax benefit of the corporate rate reduction and (ii) \$442 million related to the net deferred tax benefit of deferred tax assets which were realizable due to the changing rules related to uses and limitations of net operating loss carryforwards created in tax years beginning after December 31, 2017. During the year ended December 31, 2018, the Company revised its estimate of the effects on the existing deferred tax balances as of December 31, 2017, and accrued an additional provisional income tax benefit of \$82 million. The total amount of the revised estimated income tax

benefit is (i) \$710 million related to the net deferred tax benefit of the corporate rate reduction, (ii) \$569 million related to the net deferred tax benefit of deferred tax assets, which are now realizable due to the changing rules related to uses and limitations of net operating loss carryforwards created in tax years beginning after December 31, 2017, and (iii) \$42 million relating to the net deferred tax benefit of state deferred tax assets, which are now realizable due to the changing rules related to interest expense disallowance for those states which conform to the Tax Act.

Reconciliation of Non-GAAP Financial Measures

Adjusted earnings before interest, taxes, depreciation and amortization (“EBITDA”) is presented as a measure of the Company’s performance. Adjusted EBITDA is defined as revenues less operating expenses and is comprised of net income/(loss) before (i) interest expense, net of interest capitalized and interest income, (ii) income tax (benefit)/provision, (iii) depreciation and amortization, and (iv) certain items that we do not consider indicative of its ongoing operating performance at an operating property level. Included in Adjusted EBITDA is property rent expense of \$12 million for the year ended December 31, 2019, related to certain land parcels leased from VICI.

In evaluating Adjusted EBITDA you should be aware that, in the future, we may incur expenses that are the same or similar to some of the adjustments in this presentation. The presentation of Adjusted EBITDA should not be construed as an inference that future results will be unaffected by unusual or unexpected items.

Adjusted EBITDA is a non-GAAP financial measure commonly used in our industry and should not be construed as an alternative to net income/(loss) as an indicator of operating performance or as an alternative to cash flow provided by operating activities as a measure of liquidity (as determined in accordance with generally accepted accounting principles, “GAAP”). Adjusted EBITDA may not be comparable to similarly titled measures reported by other companies within the industry. Adjusted EBITDA is included because management uses Adjusted EBITDA to measure performance and allocate resources, and believes that Adjusted EBITDA provides investors with additional information consistent with that used by management.

Reconciliation of Adjusted EBITDA

(In millions)	Years Ended December 31,		
	2019	2018	2017
Net income/(loss) attributable to Caesars	\$ (1,195)	\$ 303	\$ (368)
Net income/(loss) attributable to noncontrolling interests	(3)	1	(7)
Income tax benefit	(141)	(121)	(1,995)
Gain on deconsolidation of subsidiaries	—	—	(31)
Restructuring and support expenses	—	—	2,028
Loss on extinguishment of debt	—	1	232
Other (income)/loss ⁽¹⁾	587	(791)	(95)
Interest expense	1,370	1,346	773
Depreciation and amortization	1,021	1,145	626
Impairment of goodwill	27	43	—
Impairment of tangible and other intangible assets	441	35	—
Other operating costs ⁽²⁾	136	155	65
Stock-based compensation expense	88	79	43
Other items ⁽³⁾	74	112	90
Adjusted EBITDA	\$ 2,405	\$ 2,308	\$ 1,361

⁽¹⁾ Amounts include changes in fair value of the derivative liability related to the conversion option of the CEC Convertible Notes and the disputed claims liability as well as interest and dividend income.

⁽²⁾ Amounts primarily represent costs incurred in connection with development activities and reorganization activities, and/or recoveries associated with such items, including acquisition and integration costs, contract exit fees (including exiting the fully bundled sales system of NV Energy for electric service at our Nevada properties), lease termination costs, regulatory settlements, weather related property closure costs, severance costs, gains and losses on asset sales, demolition costs, and project opening costs.

⁽³⁾ Amounts include other add-backs and deductions to arrive at Adjusted EBITDA but not separately identified such as professional and consulting services, sign-on and retention bonuses, business optimization expenses and transformation expenses, litigation awards and settlements, permit remediation costs, and costs associated with CEOC’s restructuring and related litigation.

Segment Adjusted EBITDA ⁽¹⁾

<i>(Dollars in millions)</i>	Years Ended December 31,			2019 vs. 2018		2018 vs. 2017	
	2019	2018	2017	Fav/(Unfav)		Fav/(Unfav)	
Las Vegas	\$ 1,468	\$ 1,362	\$ 1,007	\$ 106	7.8 %	\$ 355	35.3 %
Other U.S.	1,052	1,014	398	38	3.7 %	616	154.8 %
All Other	(115)	(68)	(44)	(47)	(69.1)%	(24)	(54.5)%
Adjusted EBITDA	\$ 2,405	\$ 2,308	\$ 1,361	\$ 97	4.2 %	\$ 947	69.6 %

⁽¹⁾ See reconciliation of Net income/(loss) attributable to Caesars to Adjusted EBITDA by segment in Note 20.

Liquidity and Capital Resources

Liquidity Discussion and Analysis

CEC has no requirement to fund the operations of CRC, CEOC LLC, or their subsidiaries; however, the payment of all monetary obligations under CEOC LLC's leases with VICI is guaranteed by CEC and the payment of all monetary obligations under the Harrah's Las Vegas lease is guaranteed by CRC. CEC cash outflows are primarily used for corporate development opportunities, other corporate-level activity, litigation, and discretionary investments into our subsidiaries. In addition, because CEC has no operations of its own and due to the restrictions under its subsidiaries' lending arrangements, CEC has limited ability to raise additional capital.

Cash and cash equivalents as of December 31, 2019, as shown in the table below, includes amounts held by CRC and CEOC LLC, which are not readily available to CEC. Other primarily includes \$102 million in cash at CEC (the parent holding company), \$125 million related to insurance captives, and \$62 million related to the casino resort project in Incheon, South Korea (see Note 2).

Summary of Cash and Revolver Capacity

<i>(In millions)</i>	December 31, 2019			
	CRC	CEOC LLC	Other	Caesars
Cash and cash equivalents	\$ 960	\$ 434	\$ 361	\$ 1,755
Revolver capacity	1,000	200	—	1,200
Revolver capacity committed to letters of credit	(25)	(39)	—	(64)
Total	\$ 1,935	\$ 595	\$ 361	\$ 2,891

CRC and CEOC LLC's sources of liquidity are independent of one another and primarily include currently available cash and cash equivalents, cash flows generated from their operations, and borrowings under their separate revolving credit facilities (see Note 12). Operating cash inflows are typically used for operating expenses, debt service costs, lease payments and working capital needs. CRC and CEOC LLC are highly leveraged, and a significant portion of their liquidity needs are for debt service and financing obligations, as summarized below.

During the year ended December 31, 2019, our operating activities yielded consolidated operating cash inflows of \$1.0 billion, which is an increase of \$221 million from the year ended December 31, 2018 primarily due to an increase in net revenues of \$351 million offset by an increase in direct expenses of \$166 million. We believe that our cash flows from operations are sufficient to cover planned capital expenditures for ongoing property renovations and our total estimated financing activities during the next 12 months. In addition, restrictions under our lending arrangements generally prevent the distribution of cash from our subsidiaries to CEC, except for certain restricted payments. We were required to contribute to an FF&E reserve under terms of, and defined by, our lease agreement until December 2019, at which time approximately \$43 million was returned to us as unrestricted cash.

In 2019, we paid \$1.3 billion in interest, which includes \$459 million of interest associated with our debt and \$800 million of interest related to our financing obligations and Golf Course Use Agreement. Our capital expenditures were \$829 million during 2019 in support of our ongoing property renovations and development projects, see "Capital Spending and Development" section below.

On September 13, 2019, we made a voluntary payment of \$250 million toward the outstanding principal balance of our CEOC LLC Term Loan.

On December 2, 2019 we paid a consent fee of approximately \$28 million to holders of the CEC Convertible Notes, whose consents were validly delivered and not validly revoked. The consent amended the indenture governing the CEC Convertible Notes to expressly permit the Merger and the other transactions contemplated by the Merger Agreement.

On December 5, 2019, the sale of certain assets of Rio was completed for a sales price of approximately \$516 million. The sales price received included \$40 million in seller financing that we provided the buyer at a 9% interest rate, that is due to us in two years unless extended for an additional year. Interest may be paid monthly, or paid-in-kind at the option of the buyer. We received \$470 million in cash proceeds, net of selling costs. In connection with the closing of the sale, we entered into a lease under which we will continue to operate the property for an initial term of two years at an annual rent amount of approximately \$45 million.

Our ability to fund operations, pay debt and financing obligations, and fund planned capital expenditures depends, in part, upon economic and other factors that are beyond our control, and disruptions in capital markets and restrictive covenants related to our existing debt could impact our ability to fund liquidity needs, pay indebtedness and financing obligations, and secure additional funds through financing activities.

The foregoing liquidity discussions are forward-looking statements based on assumptions as of the date of this filing that may or may not prove to be correct. Actual results may differ materially from our present expectations. Factors that may cause actual results to differ materially from present expectations include, without limitation, the positive or negative changes in the operational and other matters assumed in preparing our forecasts.

Debt and Lease-Related Obligations

As noted above, we are a highly-leveraged company and had \$8.7 billion in face value of debt outstanding and \$10.1 billion of failed sale-leaseback financing obligations as of December 31, 2019. As a result, a significant portion of our liquidity needs are for debt service, including significant interest and principal payments associated with our financing obligations. As detailed in the table below, our estimated debt service (including principal and interest) is \$494 million for 2020 and \$10.3 billion thereafter to maturity and our estimated financing obligations are \$733 million for 2020 and \$36.5 billion thereafter to maturity.

Financing Activities as of December 31, 2019

<i>(In millions)</i>	Years Ended December 31,						
	2020	2021	2022	2023	2024	Thereafter	Total
Annual maturities of long-term debt	\$ 64	\$ 64	\$ 64	\$ 64	\$ 6,666	\$ 1,743	\$ 8,665
Estimated interest payments	430	410	400	390	380	100	2,110
Total debt service payments ⁽¹⁾	494	474	464	454	7,046	1,843	10,775
Financing obligations - principal	21	26	29	33	37	8,468	8,614
Financing obligations - interest	712	787	799	814	830	24,683	28,625
Total financing obligation payments ⁽²⁾	733	813	828	847	867	33,151	37,239
Total financing activities	\$ 1,227	\$ 1,287	\$ 1,292	\$ 1,301	\$ 7,913	\$ 34,994	\$ 48,014

⁽¹⁾ Debt principal payments are estimated amounts based on maturity dates and borrowings under our revolving credit facility, if any. Interest payments are estimated based on the forward-looking London Interbank Offered Rate ("LIBOR") curve and include the estimated impact of the ten interest rate swap agreements (see Note 12). Actual payments may differ from these estimates.

⁽²⁾ Financing obligation principal and interest payments are estimated amounts based on the future minimum lease payments and certain estimates based on contingent rental payments (as described below under Lease-Related Obligations). Actual payments may differ from the estimates.

Debt Activity

See Note 12 for cash paid to extinguish debt, as well as a table presenting details on our individual borrowings outstanding, interest rates and restrictive covenants related to certain of our borrowings as of December 31, 2019 and 2018. See Note 8 for details regarding our use of interest rate swap derivatives to manage the mix of our debt between fixed and variable rate instruments.

We are party to a joint venture referred to as the Korea JV that we consolidate into our financial statements. The purpose of the Korea JV is to develop, acquire, own and operate a resort casino in Incheon, South Korea. To finance construction of the project, the Korea JV may incur debt to supplement the equity capital contributed by us and our joint venture partner. This debt will, when incurred, be included on our Balance Sheets, but will have no associated net income impact until the project is completed. See Note 2.

Lease-Related Obligations

As described in Note 10, we have entered into various leases for our properties with VICI. During 2018, we received a net amount of \$591 million related to our transactions with VICI and proceeds from the transactions were used to partially fund the closing of CEC's acquisition of Centaur (see Note 1). On the Effective Date, in accordance with the Plan, VICI received a call right (the "VICI Call Right") for up to five years to purchase and leaseback the real property assets associated with Harrah's Atlantic City, Harrah's Laughlin, and Harrah's New Orleans for a cash purchase price of ten times the agreed upon annual rent for each property. The VICI Call Right is subject to the terms of the CRC Credit Agreement (see Note 9 and Note 12).

Each lease agreement provides for fixed rent (subject to escalation) during an initial period, then rent consisting of both base rent and variable rent elements, and has a 15-year initial term and four five-year renewal options. We assume the renewal is probable and include renewal commitments in the estimated financing obligations in the table above. In addition, the future lease payment amounts included in the table above represent the contractual lease payments adjusted for estimated escalations, as determined by the underlying lease agreements. The estimates are based on the terms and conditions known at the inception of the leases. However, a portion of the actual payments will be determined in the period in which they are due, and therefore, actual lease payments may differ from our estimates.

CEC determined that these transactions do not qualify for sale-leaseback accounting based on the terms of the lease agreements; therefore, the Company will be accounting for these transactions as a financing. We do not recognize lease expense related to the leases, but we have recorded a liability for the financing obligations and the majority of the periodic lease payments are recognized as interest expense. In the initial periods, cash payments are less than the interest expense recognized in the Statements of Operations, which causes the related sale-leaseback liability to increase during the beginning of the lease term.

Capital Spending and Development

We incur capital expenditures in the normal course of business, and we perform ongoing refurbishment and maintenance at our properties to maintain our quality standards. We also continue to pursue development and acquisition opportunities for additional casino entertainment and other hospitality facilities, and online businesses that meet our strategic and return on investment criteria. Cash used for capital expenditures in the normal course of business is typically made available from cash flows generated by our operating activities and established debt programs, while cash used for development projects is typically funded from our established debt programs, specific project financing, and additional debt offerings.

Under our lease agreements with VICI, we are required to spend certain minimum amounts on capital expenditures. Our capital expenditure projection excludes expenditures related to the Korea Joint Venture due to the uncertainty and status of the project in 2020. See Note 2 for further discussion of the Korea Joint Venture.

Summary of Consolidated Capital Expenditures

<i>(In millions)</i>	Years Ended December 31,			Increase/(Decrease)	
	2019	2018	2017	2019 vs. 2018	2018 vs. 2017
Maintenance	\$ 556	\$ 419	\$ 597	\$ 137	\$ (178)
Development	273	146	1	127	145
Total capital expenditures	<u>\$ 829</u>	<u>\$ 565</u>	<u>\$ 598</u>	<u>\$ 264</u>	<u>\$ (33)</u>
Included in capital expenditures:					
Capitalized payroll costs	\$ 11	\$ 9	\$ 4		
Capitalized interest	29	8	6		

During the year ended December 31, 2019, capital expenditures were primarily related to hotel renovation projects at Caesars Southern Indiana, Harrah's Atlantic City, Harrah's Las Vegas, and Paris Las Vegas, and a new convention center in Las Vegas ("CAESARS FORUM"). During the year ended December 31, 2018, capital expenditures were primarily related to hotel renovation projects at Flamingo Las Vegas, Bally's Las Vegas, Harrah's Atlantic City, and Paris Las Vegas, construction of the Fly LINQ Zipline, and the development of a casino resort project in Incheon, South Korea and CAESARS FORUM. During the year ended December 31, 2017, capital expenditures were primarily related to hotel renovation projects at Caesars Palace, Bally's Las Vegas, Planet Hollywood, Flamingo Las Vegas and Harrah's Las Vegas.

Cash paid for capital expenditures was \$829 million during 2019. Our projected capital expenditures for 2020 range from \$655 million to \$735 million. We expect to fund capital expenditures from cash flows generated by operating activities.

Our projected maintenance capital expenditures for 2020 range from \$460 million to \$510 million and include estimates for:

- Hotel remodeling projects at Caesars Palace Las Vegas, Flamingo Las Vegas, Harrah's Atlantic City, Harrah's Las Vegas, Harveys Lake Tahoe, and Horseshoe Bossier City; and
- Information technology, marketing, analytics, accounting, payroll, and other projects that benefit the operating structures.

Our projected development capital expenditures for 2020 range from \$195 million to \$225 million and are primarily related to the development of CAESARS FORUM, Sportsbooks in various states, and the expansion of table games within our Hoosier Park and Indiana Grand properties.

Our planned development projects, if they proceed, will require significant capital commitments, individually and in the aggregate, and, if completed, may result in significant additional revenues. The commitment of capital, the timing of completion, and the commencement of operations of development projects are contingent upon, among other things, negotiation of final agreements and receipt of approvals from the appropriate political and regulatory bodies. We must also comply with covenants and restrictions set forth in our debt agreements.

There are various risks and uncertainties and the expected capital expenditures set forth above may change for various reasons, including our financial performance and market conditions.

We are considering divestiture opportunities of non-strategic assets and properties. If the completion of a sale is more likely than not to occur, we may recognize impairment charges for certain of our properties to the extent current expected proceeds are below our carrying value and such impairments may be material.

Related Party Transactions

For a description of the nature and extent of related party transactions, see Note 19.

Critical Accounting Policies and Estimates

We prepare our financial statements in conformity with GAAP. In preparing our financial statements, we have made our best estimates and judgments of the amounts and disclosures included in the financial statements, giving regard to materiality. When more than one accounting principle, or method of its application, is generally accepted, we select the principle or method that we consider to be the most appropriate under specific circumstances. Application of these accounting principles requires us to make estimates about the future resolution of existing uncertainties. Certain of our accounting policies, including the estimated lives assigned to our assets, the determination of bad debt, asset impairments, the fair value of derivative instruments, self-insurance reserves, the purchase price allocations made in connection with our acquisitions/mergers, the calculation of our income tax liabilities, and the determination of whether to consolidate a variable interest entity require that we apply significant judgment in defining the appropriate assumptions for calculating financial estimates.

We consider accounting estimates to be critical accounting policies when:

- the estimates involve matters that are highly uncertain at the time the accounting estimate is made; and
- different estimates or changes to estimates could have a material impact on the reported financial position, changes in financial position, or results of operations.

By their nature, these judgments and estimates are subject to an inherent degree of uncertainty. Our judgments and estimates are based on our historical experience, terms of existing contracts, observance of trends in the industry, information gathered from customer behavior, and information available from other outside sources, as appropriate. Due to the inherent uncertainty involving judgments and estimates, actual results may differ from those estimates.

Long-Lived Assets

We have significant capital invested in our long-lived assets, and judgments are made in determining the estimated useful lives of assets, salvage values to be assigned to assets, and if or when an asset has been impaired. The accuracy of these estimates affects the amount of depreciation and amortization expense recognized in our financial results and whether we have a gain or loss on the disposal of an asset. We assign lives to our assets based on our standard policy, which is established by management as representative of the useful life of each category of asset. We review the carrying value of our long-lived assets whenever events and circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. The factors considered by management in performing this assessment include current

operating results, trends and prospects, planned construction and renovation projects, as well as the effect of obsolescence, demand, competition, and other economic, legal, and regulatory factors. In estimating expected future cash flows for determining whether an asset is impaired, assets are grouped at the lowest level of identifiable cash flows, which, for most of our assets, is the individual property. See Note 6 for additional information.

Goodwill and Other Non-Amortizing Intangible Assets

The evaluation of goodwill and other non-amortizing intangible assets requires the use of estimates about future revenues and EBITDA, valuation multiples, and discount rates to determine their estimated fair value. Our future revenues and EBITDA assumptions are determined based upon actual results giving effect to expected changes in operating results in future years. Estimates are made at the lowest level of identifiable cash flows which, for most of our assets, is the individual property. Our valuation multiples and discount rates are based upon market participant assumptions using a defined gaming peer group. Changes in these assumptions can materially affect these estimates. Thus, to the extent the gaming volumes deteriorate in the near future, discount rates increase significantly, or we do not meet our projected performance, we could recognize impairments, and such impairments could be material. This is especially true for any of our properties where goodwill and other non-amortizing intangible assets have been partially impaired as a result of a recent impairment analysis, and for our Las Vegas properties, which comprise a significant portion of our remaining goodwill balance.

As of December 31, 2019, we had approximately \$4.0 billion in goodwill and \$2.6 billion of other non-amortizing intangible assets. During 2019, as a result of declines in recent performance, downgraded expectations for future cash flows and increased competition, we recognized impairment charges related to goodwill of \$27 million and \$11 million related to gaming rights in a reporting unit within our Other U.S. segment. Additionally, we recognized impairment charges related to gaming rights of \$50 million in a reporting unit within our All Other segment.

Goodwill associated with one of our properties in the Other U.S. segment was \$139 million as of December 31, 2019. The fair value of the reporting unit exceeded the carrying value. The estimated fair value of the reporting unit exceeded its carrying value by a margin of approximately 13%. To the extent gaming volumes deteriorate in the near future, discount rates increase significantly, or we do not meet our projected performance, we may recognize further impairments, and such impairments could be material to our performance.

Goodwill associated with our UK reporting units in the All Other segment was \$27 million as of December 31, 2019. The fair value of these reporting units exceeded their carrying value. The estimated fair value of the reporting units exceeded their carrying value by a margin of approximately 9%. To the extent gaming volumes deteriorate in the near future, discount rates increase significantly, or we do not meet our projected performance, we may recognize further impairments, and such impairments could be material to our performance. See Note 7 for additional information.

Allowance for Doubtful Accounts - Gaming

We reserve an estimated amount for gaming receivables that may not be collected to reduce the Company's receivables to their net carrying amount. Methodologies for estimating the allowance for doubtful accounts range from specific reserves to various percentages applied to aged receivables. Historical collection rates are considered, as are customer relationships, in determining specific reserves. As with many estimates, management must make judgments about potential actions by third parties in establishing and evaluating our reserves for allowance for doubtful accounts. As of December 31, 2019, a 5% increase or decrease to the allowance determined based on a percentage of aged receivables would change the reserve by approximately \$13 million.

Self-Insurance Accruals

We are self-insured for workers' compensation and other risk products through our captive insurance subsidiaries. Our insurance claims and reserves include accruals of estimated settlements for known claims, as well as accruals of actuarial estimates of incurred but not reported claims. In estimating these reserves, historical loss experience and judgments about the expected levels of costs per claim are considered. We also utilize consultants to assist in the determination of certain estimated accruals. These claims are accounted for based on actuarial estimates of the undiscounted claims, including those claims incurred but not reported. We believe the use of actuarial methods to account for these liabilities provides a consistent and effective way to measure these highly judgmental accruals; however, changes in health care costs, accident frequency and severity, and other factors can materially affect the estimates for these liabilities. We regularly monitor the potential for changes in estimates, evaluate our insurance accruals, and adjust our recorded provisions.

Fair Value Measurements

The CEC Convertible Notes contain derivative features that require bifurcation. We estimate the fair value of the CEC Convertible Notes using a market-based approach that incorporates the value of both straight debt and conversion features of the notes. The

valuation model incorporates actively traded prices of the CEC Convertible Notes as of the reporting date, the value of CEC's equity into which these notes could convert, and assumptions regarding the incremental cost of borrowing for CEC. The fair value of the CEC Convertible Notes derivative liability is subject to interest rate and market price risk due to the conversion features of the notes and other factors. Generally, as the fair value of fixed interest rate debt increases (due to a decrease in interest rates) the derivative liability decreases and as the fair value of fixed interest rate debt decreases (due to an increase in interest rates) the derivative liability increases. The fair value of the CEC Convertible Notes derivative liability may also increase as the market price of our stock rises or due to increased volatility in our stock price which will result in an expense recognized in our Statement of Operations, and decrease as the market price of our stock falls or due to decreased volatility in our stock price which will result in income recognized in our Statement of Operations. Upon issuance on the Effective Date, the CEC Convertible Notes had a fair value of \$1.1 billion when the price per share of CEC common stock was \$12.80. As of December 31, 2018, the fair value of the convertible notes was \$324 million when the price per share of CEC common stock was \$6.79. During the year ended December 31, 2019, we recognized a loss of \$620 million due to the increase in the fair value of the CEC Convertible Notes to \$944 million as the price per share of CEC common stock increased to \$13.60 as of December 31, 2019.

We use interest rate swaps, which are derivative instruments classified as hedging transactions, to limit our exposure to interest rate risk. Derivative instruments are recognized in the financial statements at fair value. The estimated fair values of our derivative instruments are based on market prices obtained from dealer quotes. Such quotes represent the estimated amounts we would receive or pay to terminate the contracts. Our derivative instruments contain a credit risk that the counterparties may be unable to meet the terms of the agreements. We minimize that risk by evaluating the creditworthiness of our counterparties, which are limited to major banks and financial institutions. The fair values of our derivative instruments are adjusted for the credit rating of the counterparty, if the derivative is an asset, or adjusted for the credit rating of the Company, if the derivative is a liability.

See Note 8 for more details regarding fair value measurements and Item 7A for quantitative and qualitative disclosures about market risk.

Income Taxes

We are subject to income taxes in the United States (including federal and state) and numerous foreign jurisdictions in which we operate. We record income taxes under the asset and liability method, whereby deferred tax assets and liabilities are recognized based on the expected future tax consequences of temporary differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases, and as attributable to operating loss and tax credit carryforwards. We reduce the carrying amounts of deferred tax assets by a valuation allowance if, based on the available evidence, it is more likely than not that such assets will not be realized. Accordingly, the need to establish valuation allowances for deferred tax assets is assessed periodically based on the "more likely than not" realization threshold. This assessment considers, among other matters, the nature, frequency, and severity of current and cumulative losses, forecasts of future profitability, the duration of statutory carryforward periods, our experience with operating loss and tax credit carryforwards not expiring unused, and tax planning alternatives.

The effect on the income tax provision and deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date. We have provided a valuation allowance on certain foreign and state net operating losses ("NOLs"), and other federal, state, and foreign deferred tax assets. NOLs and other federal, state, and foreign deferred tax assets were not deemed realizable based upon the Company's recent history of losses.

We report unrecognized tax benefits within Accrued expenses other current liabilities and Deferred credits and other liabilities on our Balance Sheets, separate from any related income tax payable, which is also reported within Accrued expenses and other current liabilities or Deferred income taxes. Reserve amounts relate to any potential income tax liabilities resulting from uncertain tax positions, as well as potential interest or penalties associated with those liabilities.

We file income tax returns, including returns for our subsidiaries, with federal, state, and foreign jurisdictions. We are under regular and recurring audit by the Internal Revenue Service and various state taxing authorities on open tax positions, and in general, it is possible that the amount of the liability for unrecognized tax benefits could change during the next 12 months.

Recently Issued and Proposed Accounting Standards

See Note 5 for discussions of the adoption and potential impact of recently issued accounting standards.

Contractual Obligations and Commitments

The table below summarizes Caesars Entertainment's contractual obligations and other commitments through their respective maturity or ending dates as of December 31, 2019.

(In millions)	Payments due by Period ⁽¹⁾				
	Total	Less than 1 year	1-3 years	3-5 years	After 5 years
Debt, face value	\$ 8,665	\$ 64	\$ 128	\$ 6,730	\$ 1,743
Estimated interest payments ⁽²⁾	2,110	430	810	770	100
Financing obligations - principal	8,614	21	55	70	8,468
Financing obligations - interest	28,625	712	1,586	1,644	24,683
Golf course use obligations	667	15	30	31	591
Operating lease obligations	1,269	105	206	121	837
Purchase order obligations	807	608	177	15	7
Sports sponsorship and partnership obligations	246	65	102	17	62
Community reinvestment	35	7	15	13	—
Entertainment obligations ⁽³⁾	11	6	4	1	—
Other contractual obligations ⁽⁴⁾	631	69	85	64	413
Total contractual obligations ⁽⁵⁾	\$ 51,680	\$ 2,102	\$ 3,198	\$ 9,476	\$ 36,904

⁽¹⁾ In addition to the contractual obligations disclosed in this table, we have unrecognized tax benefits for which, based on uncertainties associated with the items, we are unable to make reasonably reliable estimates of the period of potential cash settlements, if any, with taxing authorities.

⁽²⁾ Estimated interest for variable-rate debt included in this table is based on the 1-month LIBOR curve available as of December 31, 2019. Estimated interest includes the estimated impact of the ten interest rate swap agreements (see Note 8). Actual payments may differ from these estimates.

⁽³⁾ Entertainment obligations represent obligations to pay performers that have contracts for future performances. This amount does not include estimated obligations for future performances where payment is only guaranteed when the performances occur and/or is based on factors contingent upon the profitability of the performances.

⁽⁴⁾ Primarily includes licensing, management and other fees.

⁽⁵⁾ Contractual obligations do not include amounts that we have not yet incurred under the CEOC LLC and Harrah's Las Vegas leases. Under the CEOC LLC leases, we are required to spend an amount equal to at least 1% of CEOC LLC's net revenue for the prior lease year and \$912 million for every three-year period. Under the Harrah's Las Vegas lease, we are required to spend \$171 million in capital expenditures for the period from January 1, 2017 through December 31, 2021, and thereafter, spend an amount equal to at least 1% of Harrah's Las Vegas net revenue for the prior lease year.

ITEM 7A. Quantitative and Qualitative Disclosures About Market Risk

Market risk is the risk of loss arising from adverse changes in market rates and prices, such as interest rates, foreign currency exchange rates, and commodity prices. Our primary exposure to market risk is interest rate risk associated with our debt. We attempt to limit our exposure to interest rate risk by managing the mix of our debt between fixed rate and variable rate obligations. While we may enter into agreements limiting our exposure to higher interest rates, any such agreements may not offer complete protection from this risk. As of December 31, 2019, the face value of long-term debt was \$8.7 billion, including \$5.8 billion of variable rate obligations.

We have entered into ten interest rate swap agreements to fix the interest rate on \$3.0 billion of variable rate debt, three that became effective on December 31, 2018, four that became effective on January 1, 2019, and three that became effective on January 2, 2019. As of December 31, 2019, \$2.8 billion of debt remains subject to variable interest rates for the term of the agreement. See Note 8 for additional information. The difference to be paid or received under the terms of the interest rate swap agreements is accrued as interest rates change and recognized as an adjustment to interest expense as settlements occur. Changes in the variable interest rates to be received pursuant to the terms of the interest rate swap agreements will have a corresponding effect on future cash flows.

We do not purchase or hold any derivative financial instruments for trading purposes.

The table below provides information as of December 31, 2019 about our financial instruments that are sensitive to changes in interest rates including the cash flows associated with amortization, the notional amounts of interest rate derivative instruments, and related weighted average interest rates. Principal amounts are used to calculate the payments to be exchanged under the related agreements and weighted average variable rates are based on implied forward rates in the yield curve as of December 31, 2019.

(Dollars in millions)	Expected Maturity Date						Total	Fair Value
	2020	2021	2022	2023	2024	Thereafter		
Liabilities								
Long-term debt								
Fixed rate	\$ 2	\$ 2	\$ 2	\$ 2	\$ 1,088	\$ 1,743	\$ 2,839	\$ 2,961
Average interest rate	5.4%	5.4%	5.4%	5.2%	6.4%	5.9%	5.6%	
Variable rate	\$ 62	\$ 62	\$ 62	\$ 62	\$ 5,578	\$ —	\$ 5,826	\$ 5,860
Average interest rate	4.4%	4.2%	4.2%	4.3%	4.8%	—%	4.4%	
Interest Rate Derivatives								
Interest rate swaps								
Variable to fixed ⁽¹⁾	\$ 700	\$ 1,050	\$ 1,250	\$ —	\$ —	\$ —	\$ 3,000	\$ —
Average pay rate	2.6%	2.7%	2.7%	—%	—%	—%	2.7%	
Average receive rate	1.6%	1.4%	1.4%	—%	—%	—%	1.8%	

⁽¹⁾ These amounts represent the interest rate swap notional amounts that mature at the end of each respective year. See Note 8 for additional information.

As of December 31, 2019, our long-term variable rate debt reflects borrowings under our credit facilities provided to us by a consortium of banks of \$5.8 billion with \$1.1 billion available under our revolving credit facilities. The interest rates charged on borrowings under these facilities are a function of LIBOR. As such, the interest rates charged to us for borrowings under the facilities are subject to change as LIBOR changes. Assuming a constant outstanding balance for our variable rate long-term debt and the effect of our interest rate swaps, a hypothetical 1% increase in interest rates would increase interest expense approximately \$28 million while a hypothetical 1% decrease in interest rates would decrease interest expense approximately \$28 million.

The fair value of the CEC Convertible Notes is subject to interest rate and market price risk due to the conversion features of the notes and other factors. Generally, the fair value of fixed interest rate debt will increase as interest rates fall and decrease as interest rates rise. The fair value of the notes may also increase as the market price of our stock rises or due to increased volatility in our stock price, and decrease as the market price of our stock falls or due to decreased volatility in our stock price. Interest rate and market value changes affect the fair value of the notes, and may affect the prices at which we would be able to repurchase such notes were we to do so.

ITEM 8. Financial Statements and Supplementary Data

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the stockholders and the Board of Directors of
Caesars Entertainment Corporation:

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Caesars Entertainment Corporation and subsidiaries (the “Company”) as of December 31, 2019 and 2018, the related consolidated statements of operations and comprehensive income/(loss), stockholders’ equity/(deficit), and cash flows for each of the three years in the period ended December 31, 2019, and the related notes and the schedule listed in the Index at Item 15 (collectively referred to as the “financial statements”). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2019 and 2018, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2019, in conformity with accounting principles generally accepted in the United States of America.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company’s internal control over financial reporting as of December 31, 2019, based on criteria established in *Internal Control — Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated February 25, 2020, expressed an unqualified opinion on the Company’s internal control over financial reporting.

Basis for Opinion

These financial statements are the responsibility of the Company’s management. Our responsibility is to express an opinion on the Company’s financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current-period audit of the financial statements that was communicated or required to be communicated to the audit committee and that (1) relates to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Goodwill and Other Intangible Assets — Refer to Note 7 to the Financial Statements

Critical Audit Matter Description

The Company’s evaluation of goodwill and indefinite-lived intangible assets (“intangible assets”) for impairment involves the comparison of the fair value of each reporting unit or intangible asset to its respective carrying value.

The Company determines the estimated fair value of its reporting units based on a combination of earnings before interest, taxes, depreciation, and amortization (“EBITDA”), valuation multiples, and estimated future cash flows discounted at rates commensurate with the capital structure and cost of capital of comparable market participants, giving appropriate consideration to the prevailing borrowing rates within the casino industry in general. The Company determines the fair value of its intangible assets using either the relief from royalty method or excess earnings method under the income approach. The determination of fair value of its

reporting units and intangible assets requires management to make significant assumptions and estimates about revenues and EBITDA giving effect to expected changes in operating results in future years (collectively the “financial projections”). Changes in these estimates could have a significant impact on the fair value of the Company’s reporting units and intangible assets and the amount of a goodwill or intangible asset impairment charge, if any.

The Company’s goodwill balance was \$4,012 million as of December 31, 2019, of which \$896 million was related to reporting units within the Other U.S. segment and \$27 million was related to the UK reporting units in the All Other segment. The Company performed its annual goodwill impairment assessment as of October 1, 2019 and determined that the fair value of each reporting unit within the Other U.S. segment, was in excess of its carrying value, except for the Horseshoe Hammond reporting unit, for which the Company recorded a \$27 million impairment charge for the year ended December 31, 2019. Additionally, another reporting unit within the Other U.S. segment and a reporting unit within the All Other segment had estimated fair values that exceeded their respective carrying values by a margin of 13% % and 9%, respectively.

The Company’s intangible assets balance was \$2,554 million as of December 31, 2019, including \$1,525 million of gaming rights. The fair value of each of the Company’s gaming rights was in excess of its carrying value, except for the Caesars Entertainment UK (“CEUK”) and Horseshoe Hammond gaming rights, for which the Company recorded a \$50 million impairment charge and an \$11 million impairment charge, respectively, for the year ended December 31, 2019.

Management’s financial projections used to determine the fair value of these reporting units and intangible assets within the Other U.S. and All Other segments involve significant assumptions and estimates regarding future revenue growth and EBITDA. Therefore, our audit procedures to evaluate the reasonableness of management’s financial projections required a higher degree of auditor judgment as well as an increased level of audit effort and the need to use more experienced audit professionals.

How the Critical Audit Matter Was Addressed in the Audit

Our audit procedures related to management’s financial projections for these reporting units and intangible assets within the Other U.S. and All Other segments, included the following, among others:

- We tested the effectiveness of the Company’s internal controls over goodwill and intangible assets, including internal controls over management’s financial projections.
- We evaluated management’s ability to estimate financial projections by comparing actual results to management’s historical financial projections.
- We assessed the sensitivity of goodwill and intangible asset impairment conclusions to changes in assumptions and estimates used in management’s financial projections.
- We compared management’s assumptions and estimates related to the regional gaming industry and expected economic trends to information in analyst and gaming industry reports.
- For certain reporting units within the Other U.S. segment we evaluated the assumptions and estimates included in management’s financial projections by: (1) conducting corroborative inquiries with regional and property management and other relevant departments; (2) comparing management’s projected cost savings, synergies, and earnings growth estimates with historical results achieved; (3) evaluating management’s estimate of the impact of new competitive pressures by analyzing recent competitive pressures at comparable properties; and (4) evaluating management’s estimate of the impact of the expansion of gaming activities by analyzing trends at comparable properties.
- For the CEUK reporting unit we performed quantitative analysis and corroborative inquiries to evaluate management’s estimate of the impact of legal and regulatory matters.

/s/ DELOITTE & TOUCHE LLP

Las Vegas, Nevada

February 25, 2020

We have served as the Company’s auditor since 2002.

CAESARS ENTERTAINMENT CORPORATION
CONSOLIDATED BALANCE SHEETS

<i>(In millions, except par value)</i>	As of December 31,	
	2019	2018
Assets		
Current assets		
Cash and cash equivalents (\$8 and \$14 attributable to our VIEs)	\$ 1,755	\$ 1,491
Restricted cash	117	115
Receivables, net	437	457
Due from affiliates, net	41	6
Prepayments and other current assets (\$4 and \$6 attributable to our VIEs)	174	155
Inventories	35	41
Assets held for sale	50	—
Total current assets	2,609	2,265
Property and equipment, net (\$212 and \$137 attributable to our VIEs)	14,976	16,045
Goodwill	4,012	4,044
Intangible assets other than goodwill	2,824	2,977
Restricted cash	12	51
Deferred income taxes	2	10
Deferred charges and other assets (\$26 and \$35 attributable to our VIEs)	910	383
Total assets	\$ 25,345	\$ 25,775
Liabilities and Stockholders' Equity		
Current liabilities		
Accounts payable (\$97 and \$41 attributable to our VIEs)	\$ 444	\$ 399
Accrued expenses and other current liabilities (\$2 and \$1 attributable to our VIEs)	1,323	1,217
Interest payable	33	56
Contract liabilities	178	144
Current portion of financing obligations	21	20
Current portion of long-term debt	64	164
Total current liabilities	2,063	2,000
Financing obligations	10,070	10,057
Long-term debt	8,478	8,801
Deferred income taxes	555	730
Deferred credits and other liabilities (\$18 and \$5 attributable to our VIEs)	1,968	849
Total liabilities	23,134	22,437
Commitments and contingencies (See Note 11)		
Stockholders' equity		
Common stock: voting, \$0.01 par value, 682 and 670 shares issued, respectively	7	7
Treasury stock: 48 and 46 shares, respectively	(510)	(485)
Additional paid-in capital	14,262	14,124
Accumulated deficit	(11,567)	(10,372)
Accumulated other comprehensive loss	(61)	(24)
Total Caesars stockholders' equity	2,131	3,250
Noncontrolling interests	80	88
Total stockholders' equity	2,211	3,338
Total liabilities and stockholders' equity	\$ 25,345	\$ 25,775

See accompanying Notes to Consolidated Financial Statements.

CAESARS ENTERTAINMENT CORPORATION
CONSOLIDATED STATEMENTS OF OPERATIONS

<i>(In millions, except per share data)</i>	Years Ended December 31,		
	2019	2018	2017
Revenues			
Casino	\$ 4,448	\$ 4,247	\$ 2,168
Food and beverage	1,618	1,574	982
Rooms	1,581	1,519	1,074
Other revenue	824	789	584
Management fees	59	60	12
Reimbursed management costs	212	202	48
Net revenues	8,742	8,391	4,868
Operating expenses			
Direct			
Casino	2,511	2,380	1,202
Food and beverage	1,113	1,092	682
Rooms	486	472	353
Property, general, administrative, and other	1,882	1,796	1,153
Reimbursable management costs	212	202	48
Depreciation and amortization	1,021	1,145	626
Impairment of goodwill	27	43	—
Impairment of tangible and other intangible assets	441	35	—
Corporate expense	295	332	202
Other operating costs	136	155	65
Total operating expenses	8,124	7,652	4,331
Income from operations	618	739	537
Interest expense	(1,370)	(1,346)	(773)
Gain on deconsolidation of subsidiaries	—	—	31
Restructuring and support expenses	—	—	(2,028)
Loss on extinguishment of debt	—	(1)	(232)
Other income/(loss)	(587)	791	95
Income/(loss) before income taxes	(1,339)	183	(2,370)
Income tax benefit	141	121	1,995
Net income/(loss)	(1,198)	304	(375)
Net (income)/loss attributable to noncontrolling interests	3	(1)	7
Net income/(loss) attributable to Caesars	\$ (1,195)	\$ 303	\$ (368)
Earnings/(loss) per share - basic and diluted (see Note 14)			
Basic earnings/(loss) per share	\$ (1.77)	\$ 0.44	\$ (1.32)
Diluted loss per share	\$ (1.77)	\$ (0.25)	\$ (1.32)
Weighted-average common shares outstanding - basic	676	686	279
Weighted-average common shares outstanding - diluted	676	841	279

See accompanying Notes to Consolidated Financial Statements.

CAESARS ENTERTAINMENT CORPORATION
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME/(LOSS)

<i>(In millions)</i>	Years Ended December 31,		
	2019	2018	2017
Net income/(loss)	\$ (1,198)	\$ 304	\$ (375)
Foreign currency translation adjustments	(3)	(22)	9
Change in fair market value of interest rate swaps, net of tax	(41)	(13)	—
Other	2	1	(3)
Other comprehensive income/(loss), net of income taxes	(42)	(34)	6
Comprehensive income/(loss)	(1,240)	270	(369)
Amounts attributable to noncontrolling interests:			
Net (income)/loss attributable to noncontrolling interests	3	(1)	7
Foreign currency translation adjustments	5	4	—
Comprehensive loss attributable to noncontrolling interests	8	3	7
Comprehensive income/(loss) attributable to Caesars	\$ (1,232)	\$ 273	\$ (362)

See accompanying Notes to Consolidated Financial Statements.

CAESARS ENTERTAINMENT CORPORATION
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY/(DEFICIT)

<i>(In millions)</i>	Caesars Stockholders' Equity/(Deficit)							
	Common Stock	Treasury Stock	Additional Paid-in- Capital	Accumulated Deficit	Accumulated Other Comprehensive Income/(Loss)	Total Caesars Stockholders' Equity/(Deficit)	Non controlling Interests	Total Equity/(Deficit)
Balance as of January 1, 2017	\$ 1	\$ (29)	\$ 8,676	\$ (10,307)	\$ (1)	\$ (1,660)	\$ 53	\$ (1,607)
Net loss	—	—	—	(368)	—	(368)	(7)	(375)
Stock-based compensation	—	(9)	53	—	—	44	—	44
Bankruptcy emergence and acquisition of OpCo ⁽¹⁾	4	(114)	5,321	—	—	5,211	(35)	5,176
CAC Merger ⁽²⁾	2	—	(2)	—	—	—	—	—
Consolidation of Korea Joint Venture ⁽²⁾	—	—	—	—	1	1	57	58
Other comprehensive income, net of tax	—	—	—	—	6	6	—	6
Change in noncontrolling interest, net of distributions and contributions	—	—	—	—	—	—	3	3
Other	—	—	(8)	—	—	(8)	—	(8)
Balance as of December 31, 2017	7	(152)	14,040	(10,675)	6	3,226	71	3,297
Net income	—	—	—	303	—	303	1	304
Stock-based compensation	—	(22)	84	—	—	62	—	62
Repurchase of common stock	—	(311)	—	—	—	(311)	—	(311)
Other comprehensive loss, net of tax	—	—	—	—	(30)	(30)	(4)	(34)
Change in noncontrolling interest, net of distributions and contributions	—	—	—	—	—	—	20	20
Balance as of December 31, 2018	7	(485)	14,124	(10,372)	(24)	3,250	88	3,338
Net loss	—	—	—	(1,195)	—	(1,195)	(3)	(1,198)
Stock-based compensation	—	(28)	138	—	—	110	—	110
Other comprehensive loss, net of tax	—	—	—	—	(37)	(37)	(5)	(42)
Other	—	3	—	—	—	3	—	3
Balance as of December 31, 2019	\$ 7	\$ (510)	\$ 14,262	\$ (11,567)	\$ (61)	\$ 2,131	\$ 80	\$ 2,211

⁽¹⁾ See Note 1.

⁽²⁾ See Note 2.

See accompanying Notes to Consolidated Financial Statements.

CAESARS ENTERTAINMENT CORPORATION
CONSOLIDATED STATEMENTS OF CASH FLOWS

<i>(In millions)</i>	Years Ended December 31,		
	2019	2018	2017
Cash flows from operating activities			
Net income/(loss)	\$ (1,198)	\$ 304	\$ (375)
Adjustments to reconcile net income/(loss) to cash flows from operating activities:			
Non-cash change in restructuring accrual	—	—	2,065
Interest accrued on financing obligations	131	142	27
Deferred income taxes	(152)	(145)	(1,858)
Gain on deconsolidation of subsidiaries	—	—	(31)
Depreciation and amortization	1,021	1,145	626
Loss on extinguishment of debt	—	1	232
Change in fair value of derivative liability	620	(697)	(64)
Operating lease expense	35	—	—
Stock-based compensation expense	88	79	43
Amortization of deferred finance costs and debt discount/premium	17	15	26
Provision for doubtful accounts	26	21	8
Impairment of goodwill	27	43	—
Impairment of intangible and tangible assets	441	35	—
Other non-cash adjustments to net income/(loss)	17	(28)	32
Net changes in:			
Accounts receivable	(9)	14	(75)
Due from affiliates, net	(35)	5	(55)
Inventories, prepayments and other current assets	(14)	76	64
Deferred charges and other assets	20	(69)	(26)
Accounts payable	6	(78)	(4)
Interest payable	(24)	19	(35)
Accrued expenses	11	(101)	15
Contract liabilities	47	18	3
Operating lease liability	(34)	—	—
Restructuring accruals	—	—	(2,880)
Deferred credits and other liabilities	(42)	(6)	(63)
Other	8	(7)	2
Cash flows provided by/(used in) operating activities	1,007	786	(2,323)
Cash flows from investing activities			
Acquisition of property and equipment, net of change in related payables	(829)	(565)	(598)
Acquisition of businesses, net of cash and restricted cash acquired	—	(1,578)	561
Deconsolidation of subsidiary cash	—	—	(57)
Consolidation of Korea Joint Venture	—	—	19
Proceeds from sale of Rio	470	—	—
Payments to acquire certain gaming rights	—	(20)	—
Payments to acquire investments	(13)	(22)	(12)
Proceeds from the sale and maturity of investments	32	43	33
Other	12	7	(1)
Cash flows used in investing activities	(328)	(2,135)	(55)

<i>(In millions)</i>	Years Ended December 31,		
	2019	2018	2017
Cash flows from financing activities			
Proceeds from long-term debt and revolving credit facilities	—	1,167	7,550
Debt issuance and extension costs and fees	(28)	(5)	(288)
Repayments of long-term debt and revolving credit facilities	(414)	(1,130)	(7,846)
Proceeds from sale-leaseback financing arrangement	—	745	1,136
Proceeds from the issuance of common stock	47	6	11
Repurchase of common stock	—	(311)	—
Distribution of CIE sale proceeds	—	—	(63)
Taxes paid related to net share settlement of equity awards	(28)	(22)	(11)
Financing obligation payments	(22)	(173)	(54)
Contributions from noncontrolling interest owners	—	20	—
Distributions to noncontrolling interest owners	(1)	—	(6)
Cash flows provided by/(used in) financing activities	(446)	297	429
Change in cash, cash equivalents, and restricted cash classified as assets held for sale	(6)	—	—
Net increase/(decrease) in cash, cash equivalents, and restricted cash	227	(1,052)	(1,949)
Cash, cash equivalents, and restricted cash, beginning of period	1,657	2,709	4,658
Cash, cash equivalents, and restricted cash, end of period	\$ 1,884	\$ 1,657	\$ 2,709
Supplemental Cash Flow Information			
Cash paid for interest	\$ 1,259	\$ 1,169	\$ 749
Cash paid for income taxes	6	8	7
Non-cash settlement of accrued restructuring and support expenses			
Issuance of convertible notes and call right	—	—	2,349
Issuance of CEC common stock	—	—	3,435
Other non-cash investing and financing activities:			
ROU assets obtained in exchange for new operating lease liabilities	104	—	—
Change in accrued capital expenditures	62	149	(6)
Deferred consideration for acquisition of Centaur	—	66	—
Financing for sale of Rio	34	—	—

See accompanying Notes to Consolidated Financial Statements.

CAESARS ENTERTAINMENT CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

In this filing, the name “CEC” refers to the parent holding company, Caesars Entertainment Corporation, exclusive of its consolidated subsidiaries and variable interest entities, unless otherwise stated or the context otherwise requires. The words “Company,” “Caesars,” “Caesars Entertainment,” “we,” “our,” and “us” refer to Caesars Entertainment Corporation, inclusive of its consolidated subsidiaries and variable interest entities, unless otherwise stated or the context otherwise requires.

We also refer to (i) our Consolidated Financial Statements as our “Financial Statements,” (ii) our Consolidated Statements of Operations and Consolidated Statements of Comprehensive Income/(Loss) as our “Statements of Operations,” (iii) our Consolidated Balance Sheets as our “Balance Sheets,” and (iv) our Consolidated Statements of Cash Flows as our “Statements of Cash Flows.” References to numbered “Notes” refer to Notes to our Consolidated Financial Statements included herein.

Note 1 — Description of Business

Organization

CEC is primarily a holding company with no independent operations of its own. Caesars Entertainment operates the business primarily through its wholly owned subsidiaries CEOC, LLC (“CEOC LLC”) and Caesars Resort Collection, LLC (“CRC”). As of December 31, 2019, Caesars Entertainment has a total of 53 properties in 14 U.S. states and five countries outside of the U.S., including 49 casino properties. Nine casinos are in Las Vegas, which represented 45% of net revenues for the year ended December 31, 2019. In addition to our properties, other domestic and international properties, including Harrah’s Northern California, are authorized to use the brands and marks of Caesars Entertainment Corporation.

We lease certain real property assets from third parties, including VICI Properties Inc. and/or its subsidiaries (collectively, “VICI”). See Note 10.

Proposed Merger of Caesars Entertainment Corporation with Eldorado Resorts, Inc.

On June 24, 2019, Caesars, Eldorado Resorts, Inc., a Nevada corporation (“Eldorado”), and Colt Merger Sub, Inc., a Delaware corporation and a direct wholly owned subsidiary of Eldorado (“Merger Sub”), entered into an Agreement and Plan of Merger (as amended by Amendment No. 1 to Agreement and Plan of Merger, dated as of August 15, 2019, and as it may be further amended from time to time, the “Merger Agreement”), pursuant to which, on the terms and subject to the conditions set forth therein, Merger Sub will merge with and into Caesars (the “Merger”), with Caesars continuing as the surviving corporation and a direct wholly owned subsidiary of Eldorado. On November 15, 2019, the respective stockholders of Caesars and Eldorado voted to approve the Merger. The transaction is expected to close in the first half of 2020. In connection with the Merger, Eldorado will change its name to Caesars Entertainment, Inc.

Based on the terms and subject to the conditions set forth in the Merger Agreement, the aggregate consideration payable by Eldorado in respect of outstanding shares of common stock of Caesars (“Caesars Common Stock”) will be (a) an amount of cash equal to (i) the sum of (A) \$8.40 plus (B) if the applicable closing conditions set forth in the Merger Agreement are not satisfied by March 25, 2020, an amount equal to \$0.003333 for each day from March 25, 2020 until the closing date of the Merger (the “Closing Date”), multiplied by (ii) a number of shares of Caesars Common Stock (the “Aggregate Caesars Share Amount”) equal to (A) 682,161,838 (which includes 8,271,660 shares being held in escrow trust to satisfy unsecured claims pursuant to the Third Amended Joint Plan of Reorganization, filed with the U.S. Bankruptcy Court for the Northern District of Illinois in Chicago on January 13, 2017, at Docket No. 6318) plus (B) the number of shares of Caesars Common Stock issued after June 24, 2019 and prior to the effective time of the Merger pursuant to the exercise of certain equity awards issued under Caesars stock plans or conversion of the CEC Convertible Notes (as defined below) (the “Aggregate Cash Amount”); and (b) a number of shares of common stock of Eldorado (“Eldorado Common Stock”) equal to 0.0899 multiplied by the Aggregate Caesars Share Amount (the “Aggregate Eldorado Share Amount”). Each holder of shares of Caesars Common Stock will be entitled to elect to receive, for each share of Caesars Common Stock held by such holder, either an amount of cash or a number of shares of Eldorado Common Stock, with value (based on the Eldorado Common Stock VWAP, as defined below) equal to the Per Share Amount. The “Per Share Amount” is equal to (a) (i) the Aggregate Cash Amount, plus (ii) the product of (A) the Aggregate Eldorado Share Amount and (B) the volume weighted average price of a share of Eldorado Common Stock for a ten trading day period, starting with the opening of trading on the 11th trading day prior to the anticipated Closing Date to the closing of trading on the second to last trading day prior to the anticipated Closing Date (the “Eldorado Common Stock VWAP”), divided by (b) the Aggregate Caesars Share Amount.

Elections by Caesars stockholders are subject to proration such that the aggregate amount of cash paid in exchange for outstanding shares of Caesars Common Stock in the Merger will not exceed the Aggregate Cash Amount and the aggregate number of shares of Eldorado Common Stock issued in exchange for shares of Caesars Common Stock in the Merger will not exceed the Aggregate

CAESARS ENTERTAINMENT CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Eldorado Share Amount. Based on the number of shares of Eldorado Common Stock and Caesars Common Stock, and the principal amount of the CEC Convertible Notes, outstanding as of December 31, 2019, and assuming the Merger occurred on that date, Caesars stockholders who receive shares of Eldorado Common Stock in exchange for their shares of Caesars Common Stock in the Merger and holders of the CEC Convertible Notes (assuming that all CEC Convertible Notes are converted immediately following consummation of the Merger into \$8.40 in cash and 0.0899 shares of Eldorado Common Stock for each share of Caesars Common Stock into which such CEC Convertible Notes were convertible immediately prior to the Merger) would be issued an aggregate of approximately 76 million shares of Eldorado Common Stock and would hold approximately 49.5%, in the aggregate, of the issued and outstanding shares of Eldorado Common Stock.

Outstanding options and other equity awards issued under Caesars' stock plans will be treated in the manner set forth in the Merger Agreement. Upon completion of the Merger, any unexercised, vested, in-the-money stock options that are outstanding will be canceled in exchange for the Per Share Amount (or applicable portion thereof) in cash, reduced by the applicable exercise price. Unvested service-vesting stock options and restricted stock units will be converted into stock options and restricted stock units for Eldorado Common Stock and will retain their original vesting schedules. Performance-based stock options are expected to be canceled in connection with the consummation of the Merger. Performance stock units that are subject to total stockholder return performance-vesting conditions will be converted into performance stock units for Eldorado Common Stock and will continue to vest in accordance with their original terms, except the total stockholder return vesting conditions will be adjusted to be based on Eldorado's total stockholder return performance. Performance stock units that are tied to earnings before interest, taxes, depreciation and amortization ("EBITDA") and earnings before interest, taxes, depreciation, amortization and rent ("EBITDAR") performance conditions will vest at closing and be exchanged for the Per Share Amount (or applicable portion thereof) in cash. For EBITDA- and EBITDAR-based performance stock units that are eligible to vest in respect of performance achieved during the year in which the closing occurs, such vesting will be based on performance of applicable goals through the end of the month prior to the close and extrapolated through the remainder of the performance period and for EBITDA- and EBITDAR-based performance stock units that are eligible to vest in respect of a performance period that has not yet commenced as of the Closing Date, such vesting will be based on target-level performance.

The Merger Agreement contains customary representations and warranties by each of Caesars and Eldorado, and each party has agreed to customary covenants. Each of Caesars' and Eldorado's obligation to consummate the Merger remains subject to the satisfaction or waiver of certain conditions, including among others, the expiration or termination of any applicable waiting period under the HSR Act, the receipt of required regulatory approvals and other customary closing conditions. Other conditions to completing the Merger, such as obtaining stockholder approvals with respect to the Merger from each party's stockholders and effecting certain amendments to the indenture governing the CEC Convertible Notes, have been satisfied.

The Merger Agreement also contains termination rights for each of Caesars and Eldorado under certain circumstances. If the Merger Agreement is terminated in certain circumstances relating to entry by Caesars into an alternative transaction, Caesars will be required to pay Eldorado a termination fee of approximately \$418.4 million. The Merger Agreement also provides that Eldorado will be obligated to pay a termination fee of approximately \$836.8 million to Caesars if the Merger Agreement is terminated (i) due to a law or order relating to gaming or antitrust laws that prohibits or permanently enjoins the consummation of the transactions, (ii) because the required regulatory approvals were not obtained prior to June 24, 2020 (subject to extension to a date no later than December 24, 2020 pursuant to the Merger Agreement) or (iii) due to Eldorado willfully and materially breaching certain obligations with respect to the actions required to be taken by Eldorado to obtain required antitrust approvals.

Pursuant to the terms of the indenture governing the CEC Convertible Notes, on November 27, 2019, Caesars entered into a supplemental indenture to provide for conversion of the CEC Convertible Notes at and after the effective time of the Merger into the weighted average, per share of Caesars Common Stock, of the types and amounts of the merger consideration received by holders of Caesars Common Stock who affirmatively make a merger consideration election (or, if no holders of Caesars Common Stock make such an election, the types and amounts of merger consideration actually received by such holders of Caesars Common Stock). See Note 12 for additional information.

Rio All-Suite Hotel & Casino Disposition

On September 20, 2019, Rio Properties, LLC, a subsidiary of CEC, entered into a Purchase and Sale Agreement and Joint Escrow Instructions for certain assets of Rio All-Suite Hotel & Casino ("Rio"). During the quarter ended September 30, 2019, we recorded an impairment charge of \$380 million, which included \$6 million related to selling costs, as the carrying value was higher than the fair value. On December 5, 2019, the transaction was completed for a sales price of approximately \$516 million. The sales price received includes \$40 million in seller financing that we provided the buyer at a 9% interest rate, that is due to us in two years unless extended for an additional year. Interest may be paid monthly, or paid-in-kind at the option of the buyer. We received

CAESARS ENTERTAINMENT CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

\$470 million in cash proceeds, net of selling costs. In connection with the closing of the sale, we entered into a lease and trademark license under which we will continue to operate the property under the Rio trademark for an initial term of two years at an annual rent amount of approximately \$45 million.

2018 Transactions with VICI

On July 11, 2018, we sold Octavius Tower at Caesars Palace (“Octavius Tower”) to VICI for \$508 million in cash. Proceeds from the transaction were used to partially fund the closing of CEC’s acquisition of Centaur Holdings, LLC (“Centaur”). On December 26, 2018, we sold all land and real property improvements used in the operation of Harrah’s Philadelphia Casino and Racetrack (“Harrah’s Philadelphia”) as part of a sale and leaseback transaction with VICI for \$242 million. We continue to operate under the long-term lease agreement terms for both Octavius Tower and Harrah’s Philadelphia.

These transactions did not qualify for sale-leaseback accounting resulting in the assets remaining on our Balance Sheet at their historical net book value and are depreciated over their remaining useful lives, while a financing obligation was recognized for the proceeds received.

Additionally, on December 26, 2018, we consummated modifications to certain of our existing lease agreements with VICI for consideration of \$159 million, which reduced the purchase price we paid for Harrah’s Philadelphia and our financing obligation. The modifications, among other things, bring certain of the lease terms into alignment with other master leases in the sector and the long-term performance of the properties and create additional flexibility to facilitate our future development strategies.

Acquisition of Centaur Holdings, LLC

On July 16, 2018, we completed the acquisition of Centaur. Centaur operated Hoosier Park Racing & Casino (“Hoosier Park”) in Anderson, Indiana, and Indiana Grand Racing & Casino (“Indiana Grand”) in Shelbyville, Indiana. See Note 4 for additional information.

CEOC’s Emergence from Bankruptcy and CEC’s Merger with Caesars Acquisition Company

Caesars Entertainment Operating Company, Inc. (“CEOC”) and certain of its U.S. subsidiaries (collectively, the “Debtors”) voluntarily filed for reorganization on January 15, 2015 (the “Petition Date”), at which time CEC deconsolidated CEOC. The Debtors emerged from bankruptcy and consummated their reorganization pursuant to their third amended joint plan of reorganization (the “Plan”) on October 6, 2017 (the “Effective Date”). As part of its emergence from bankruptcy, CEOC reorganized into an operating company (“OpCo”) separate from its real property assets (“PropCo”). OpCo was acquired by CEC on the Effective Date and immediately merged with and into CEOC LLC. See Note 4 for additional information. CEOC LLC operates the properties and facilities formerly held by CEOC and leases the properties and facilities from VICI.

On the Effective Date, Caesars Acquisition Company (“CAC”) merged with and into CEC, with CEC as the surviving company (the “CAC Merger”). See Note 4 for additional information. The CAC Merger was accounted for as a reorganization of entities under common control, which resulted in CAC being consolidated into Caesars at book value as an equity transaction for all periods presented.

Summary of CAC Merger and CEOC Emergence Transactions

<i>(In millions)</i>	CAC Merger	Restructuring Support Settlement	OpCo Acquisition	Total
Cash	\$ —	\$ 2,787	\$ 700	\$ 3,487
CEC common stock (value)	2,894	3,435	1,774	8,103
CEC convertible notes (fair value)	—	2,172	—	2,172
Other consideration	—	177	—	177
Total consideration	<u>\$ 2,894</u>	<u>\$ 8,571</u>	<u>\$ 2,474</u>	<u>\$ 13,939</u>
CEC common stock (shares)	226	268	139	633

CAESARS ENTERTAINMENT CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Restructuring and Support Expenses

Prior to the Effective Date, CEC made material financial commitments to support the reorganization of CEOC as described in the Plan. Our estimate of restructuring and support expenses was determined based on the total value of the consideration that was required by CEC to resolve claims and potential claims related to the reorganization.

Restructuring and support expenses for the year ended December 31, 2017 was \$2.0 billion, recorded in the Statements of Operations. These were primarily composed of accruals for (i) forbearance fees and other payments to CEOC's creditors that were settled in cash, (ii) a bank guaranty settlement related to the modification of CEC's guarantee under CEOC's senior secured credit facilities that was settled in cash, (iii) payments of CEOC's creditors' expenses, settlement charges, and other fees that were settled in cash, (iv) the issuance of CEC common stock, (v) the issuance of the \$1.1 billion aggregate principal amount of 5.00% convertible senior notes maturing in 2024 (the "CEC Convertible Notes") (see Note 8 and Note 12), and (vi) the call right to purchase and leaseback the real property assets associated with Harrah's Atlantic City, Harrah's Laughlin, and Harrah's New Orleans (the "VICI Call Right") as other consideration (see Note 9). The total value of the consideration that was provided by CEC as of the Effective Date was \$8.6 billion. See Restructuring Support Settlement in the table above.

Potential Divestitures

We are considering divestiture opportunities of non-strategic assets and properties. If the completion of a sale is more likely than not to occur, we may recognize impairment charges for certain of our properties to the extent current expected proceeds are below our carrying value.

Note 2 — Basis of Presentation and Principles of Consolidation

Basis of Presentation and Use of Estimates

Our consolidated financial statements are prepared in accordance with accounting principles generally accepted in the United States ("GAAP"), which require the use of estimates and assumptions that affect the reported amounts of assets, liabilities, revenues, and expenses and the disclosure of contingent assets and liabilities. Management believes the accounting estimates are appropriate and reasonably determined. Actual amounts could differ from those estimates.

In order to conform to the current year's presentation, for the years ended December 31, 2018 and 2017, \$35 million and \$29 million, respectively, were reclassified from Direct operating expenses to Property, general, administrative, and other on our Statements of Operations with no effect on Net income/(loss).

Adoption of New Lease Accounting Standard

On January 1, 2019, we adopted the new accounting standard Accounting Standards Update ("ASU") 2016-02, *Leases (Topic 842)*, and all related amendments. See Note 10 for additional information and details on the effects of adopting the new standard.

Reportable Segments

We view each property as an operating segment and aggregate all such properties into three regionally-focused reportable segments: (i) Las Vegas, (ii) Other U.S., and (iii) All Other, which is consistent with how we manage the business. See Note 20.

Consolidation of Subsidiaries and Variable Interest Entities

Our consolidated financial statements include the accounts of Caesars Entertainment and its subsidiaries after elimination of all intercompany accounts and transactions.

We consolidate all subsidiaries in which we have a controlling financial interest and variable interest entities ("VIEs") for which we or one of our consolidated subsidiaries is the primary beneficiary. Control generally equates to ownership percentage, whereby (i) affiliates that are more than 50% owned are consolidated; (ii) investments in affiliates of 50% or less but greater than 20% are generally accounted for using the equity method where we have determined that we have significant influence over the entities; and (iii) investments in affiliates of 20% or less are generally accounted for using the cost method.

We consider ourselves the primary beneficiary of a VIE when we have both the power to direct the activities that most significantly affect the results of the VIE and the right to receive benefits or the obligation to absorb losses of the entity that could be potentially significant to the VIE. We review our investments for VIE consideration if a reconsideration event occurs to determine if the

CAESARS ENTERTAINMENT CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

investment continues to qualify as a VIE. If we determine an investment no longer qualifies as a VIE, there may be a material impact to our financial statements.

Consolidation of Korea Joint Venture

CEC has a joint venture to acquire, develop, own, and operate a casino resort project in Incheon, South Korea (the "Korea JV"). We determined that the Korea JV is a VIE and CEC is the primary beneficiary, and therefore, we consolidate the Korea JV into our financial statements. As of December 31, 2019, the construction schedule for the project has been delayed and discussions regarding the project costs between us and our JV partner remain ongoing. On February 11, 2020, the primary subcontractor notified us that construction on the project has ceased pending resolution of the go-forward options as explained below. In addition, the external debt financing by the Korea JV has also been delayed, which has impacted the timing of equity capital contributions by us, and our joint venture partner, in accordance with our joint venture agreement. We are currently in discussions with our joint venture partner regarding the project costs and financing plan for the project, as well as evaluating all of our options under the terms of the joint venture agreement. Possible outcomes include completing the project and related financing as originally budgeted, adding an additional equity partner, selling all, or part, of the parties' ownership interest in the Korea JV, liquidating the joint venture or taking any other steps including those that we may agree with our joint venture partner. These possible outcomes could result in a material impairment of assets of the Korea JV and could also change our conclusion that we are the primary beneficiary of the joint venture, which could result in a material charge upon deconsolidating the joint venture. As reported by the joint venture and consolidated in our financial statements, as of December 31, 2019, total net assets of \$133 million was primarily composed of property and equipment recorded at cost basis, net of construction payable, of which we have a 50% interest.

Horseshoe Baltimore Casino

Through August 31, 2017, we consolidated Horseshoe Baltimore Casino ("Horseshoe Baltimore") as a VIE for which we were the primary beneficiary. Due to the expiration of certain transfer restrictions, we were no longer considered the primary beneficiary and deconsolidated Horseshoe Baltimore.

Horseshoe Baltimore generated year-to-date net revenues of \$190 million and net loss attributable to Caesars of \$7 million until its deconsolidation effective August 31, 2017. Upon deconsolidation, we recognized a gain on deconsolidation of \$31 million, and are accounting for Horseshoe Baltimore as an equity method investment subsequent to the deconsolidation. We estimated the fair value of the interest in Horseshoe Baltimore by weighting the results of the discounted cash flow method and the guideline public company method.

Horseshoe Baltimore continues to be a managed property of CEOC LLC subsequent to its deconsolidation, and transactions with Horseshoe Baltimore are not eliminated under the equity method of accounting. These related party transactions include but are not limited to items such as casino management fees paid to CEOC LLC, reimbursed management costs, and the allocation of other expenses. See Note 19.

CAESARS ENTERTAINMENT CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Emerald Resort & Casino, South Africa Disposition

In May 2019, we entered into an initial agreement to sell Emerald Resort & Casino located in South Africa for total proceeds of approximately \$51 million. We own 70% of this property while the remaining 30% is owned by local minority partners. Total cash proceeds for our 70% ownership and other adjustments total approximately \$41 million. The transaction is expected to close in 2020, subject to regulatory approvals and other customary closing conditions. Subsequent to December 31, 2019, the seller informed us that pursuant to certain conditions in the agreement that they wished to renegotiate the previously agreed upon sales price. We still believe the transaction will close in 2020 and therefore still meets the criteria of assets as held for sale as of the balance sheet date. The following table summarizes assets and liabilities classified as held for sale within our All Other segment.

<i>(In millions)</i>	December 31, 2019	
Cash and cash equivalents	\$	6
Property and equipment, net		26
Goodwill		5
Intangible assets other than goodwill		11
Other		2
Assets held for sale	\$	50
Current liabilities	\$	2
Deferred credits and other liabilities		4
Liabilities held for sale included in Accrued expenses and other current liabilities	\$	6

Harrah's Reno Disposition

In December 2019, Caesars and VICI entered into an agreement to sell Harrah's Reno to an affiliate of CAI Investments for \$50 million. The proceeds of the transaction are expected to be split 75% to VICI and 25% to Caesars, while the annual rent payments under the Non-CPLV Master Lease between Caesars and VICI will remain unchanged. These assets and liabilities are not presented as held for sale in our Balance Sheets as the sale is contingent upon the closing of the Merger.

Note 3 — Summary of Significant Accounting Policies

Additional significant accounting policy disclosures are provided within the applicable notes to the Financial Statements.

Cash, Cash Equivalents, and Restricted Cash

Cash equivalents are highly liquid investments with original maturities of three months or less from the date of purchase and are stated at the lower of cost or market value. Our cash and cash equivalents as of December 31, 2019 and 2018 includes \$8 million and \$14 million, respectively, held by our consolidated VIE, which is not available for our use to fund operations or satisfy our obligations.

Restricted cash includes cash pledged as collateral for certain operating and capital expenditures in the normal course of business and certain other cash deposits that are for a specific purpose including \$48 million as of December 31, 2019 that is held in the escrow trust for distribution to holders of disputed claims whose claims may ultimately become allowed (see Note 11). The classification of restricted cash between current and non-current is dependent upon the intended use of each particular reserve.

Reconciliation to Statements of Cash Flows

<i>(In millions)</i>	As of December 31,	
	2019	2018
Cash and cash equivalents	\$ 1,755	\$ 1,491
Restricted cash, current	117	115
Restricted cash, non-current	12	51
Total cash, cash equivalents, and restricted cash	\$ 1,884	\$ 1,657

CAESARS ENTERTAINMENT CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Advertising

The Company expenses the production costs of advertising the first time the advertising takes place or in the period when the services are rendered. Costs associated with certain of our recent sports contracts are included in advertising expense. Advertising expense was \$117 million, \$76 million, and \$61 million, respectively, for the years ended December 31, 2019, 2018 and 2017. Advertising expense is included in Property, general, administrative, and other within the Statements of Operations.

Other Operating Costs

Other operating costs primarily includes write-downs, reserves, and project opening costs, net of recoveries, severance and acquisition and integration costs. During 2017, CEC was reimbursed \$19 million for amounts related to the joint venture development in Korea that were previously deemed uncollectible and written off in 2015.

Note 4 — Business Combinations

Acquisition of Centaur Holdings, LLC

As described in Note 1, on July 16, 2018 (the “Centaur Closing Date”), CEC completed its acquisition of all of the voting equity interest of Centaur, for consideration of \$1.7 billion. This acquisition expanded our footprint to the central Indiana region and facilitated broad distribution of the Caesars Rewards customer loyalty program (see Note 7). Acquisition-related costs included in Other operating costs in the Statements of Operations were \$8 million during the year ended December 31, 2018. Consideration transferred was composed of the following:

<i>(In millions)</i>	
Cash paid	\$ 1,636
Deferred consideration ⁽¹⁾	66
Total purchase price	<u>\$ 1,702</u>

⁽¹⁾ Deferred consideration is payable in an installment of \$25 million in 2020 and \$50 million in 2021 with prepayments and right of setoff permitted, subject to the terms and conditions of the Unit Purchase Agreement. \$66 million represented the present value of future expected cash flows, on the Centaur Closing Date.

Additionally, CEC paid a \$50 million license transfer fee on behalf of Hoosier Park Racing & Casino, which was excluded from the purchase price consideration and is an assumed liability.

CAESARS ENTERTAINMENT CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Purchase Price Allocation

The following table summarizes the fair value of assets acquired and liabilities assumed as part of the Centaur acquisition. The intangible assets subject to amortization will be amortized on a straight-line basis over their estimated useful lives as of the acquisition date.

<i>(In millions)</i>	Fair Value	Weighted-Average Useful Life (years)
Assets acquired:		
Cash and cash equivalents	\$ 39	
Receivables, net	2	
Other current assets	26	
Property and equipment	297	
Intangible assets other than goodwill		
Trade names and trademarks	14	2.5
Gaming rights ⁽¹⁾	1,390	
Customer relationships	41	15.0
Total assets	1,809	
Liabilities assumed:		
Current liabilities	(92)	
Deferred income taxes	(290)	
Total liabilities	(382)	
Net identifiable assets acquired	1,427	
Goodwill	275	
Total Centaur equity value	\$ 1,702	

⁽¹⁾ Indefinite-lived intangible assets.

We applied the acquisition method of accounting in accordance with Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") Topic 805, *Business Combinations* ("ASC 805"). Goodwill of \$275 million was recognized as a result of the transaction and relates to (i) the values of acquired assets that do not meet the definition of an identifiable intangible asset under ASC 805, but that do contribute to the value of the acquired business, including the assembled workforce and relationships with customers that are not tracked through their customer loyalty program; (ii) the going-concern value associated with expectations of forging relationships with future customers; (iii) the assemblage value associated with acquiring an on-going business whose value is worth more than simply the sum of its parts; (iv) synergies; and (v) the future potential expansion of table games to the properties. All of the goodwill was assigned to our Other U.S. segment. None of the goodwill recognized is expected to be deductible for income tax purposes.

Unaudited Pro Forma Financial Information

The following unaudited pro forma financial information is presented to illustrate the estimated effects of the acquisition of Centaur as if it had occurred on January 1, 2017, and is not necessarily indicative of either future results of operations or results that might have been achieved had the acquisition been consummated as of this date. The pro forma results include adjustments related to purchase accounting, primarily interest expense related to the legacy debt of Centaur that was not acquired, tax adjustments and amortization of intangible assets. Net loss for the year ended December 31, 2017 below includes a discrete tax benefit of \$185 million, resulting from a partial release of valuation allowance in connection with the acquisition. The net deferred tax liability resulting from the acquisition of Centaur provided a source of additional future taxable income requiring us to reassess the amount of valuation allowance previously recorded. The deferred tax liability considered the 21% corporate tax rate enacted by the Tax Act (defined in Note 18).

CAESARS ENTERTAINMENT CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

<i>(In millions)</i>	(Unaudited)	
	Years Ended December 31,	
	2018	2017
Net revenues	\$ 8,663	\$ 5,357
Net income/(loss) attributable to Caesars	166	(117)

The results of operations for Centaur have been included in the Company's Financial Statements since the acquisition date. The acquired business contributed \$226 million and \$49 million, respectively, to Net revenues and Income from operations to CEC for the period from July 16, 2018 to December 31, 2018.

CEC's Acquisition of OpCo

As described in Note 1, the Debtors emerged from bankruptcy and consummated their reorganization pursuant to the Plan on the Effective Date. As part of its emergence from bankruptcy, CEOC reorganized into OpCo and PropCo, and CEC acquired OpCo on the Effective Date for the total consideration summarized below. The acquisition was accounted for in accordance with ASC 805 with CEC considered the acquirer, which requires, among other things, that the assets acquired and liabilities assumed be recognized on the balance sheet at their fair values as of the acquisition date. The excess of the purchase price over the net fair value of the assets and liabilities was recorded as goodwill. Consideration transferred was composed of the following:

<i>(In millions)</i>	
Cash	\$ 700
CEC common stock ⁽¹⁾	1,774
Total cash and stock consideration	2,474
Settlement of pre-existing relationships	252
Total OpCo equity value	\$ 2,726

⁽¹⁾ Approximately 139 million shares of CEC common stock issued at the Effective Date closing stock price of \$12.80.

CAESARS ENTERTAINMENT CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Purchase Price Allocation

The following table summarizes the assets acquired and liabilities assumed. The intangible assets subject to amortization are being amortized on a straight-line basis over their estimated useful lives as of the acquisition date.

<i>(In millions)</i>	Fair Value	Weighted-Average Useful Life (years)
Assets acquired:		
Cash and cash equivalents	\$ 1,239	
Receivables, net	266	
Other current assets	200	
Property and equipment	8,943	35.0
Intangible assets other than goodwill		
Trade names and trademarks ⁽¹⁾	664	
Gaming rights ⁽¹⁾	207	
Caesars Rewards ⁽¹⁾	253	
Customer relationships	137	14.8
Other non-current assets	180	
Total assets	12,089	
Liabilities assumed:		
Current liabilities	(765)	
Long-term debt	(1,607)	
Financing obligations	(8,310)	
Deferred income taxes	(568)	
Deferred credits and other liabilities	(361)	
Total liabilities	(11,611)	
Noncontrolling interest	41	
Net identifiable assets acquired	519	
Goodwill	2,207	
Total OpCo equity value	\$ 2,726	

⁽¹⁾ Indefinite-lived intangible assets.

As part of the Plan, certain real estate assets were sold to PropCo and leased back to OpCo. The leases were evaluated as a sale-leaseback of real estate. We determined that these transactions did not qualify for sale-leaseback accounting, and we accounted for the transaction as a financing. See Note 10. Additionally, certain golf course properties (the "Golf Course Properties") were sold to VICI. See Note 11.

Goodwill of \$2.2 billion was recognized as a result of the transaction and relates to (i) the values of acquired assets that do not meet the definition of an identifiable intangible asset under ASC 805, but that do contribute to the value of the acquired business, including the assembled workforce and relationships with customers that are not tracked through our customer loyalty program Caesars Rewards; (ii) the going-concern value associated with expectations of forging relationships with future customers; and (iii) the assemblage value associated with acquiring an on-going business whose value is worth more than simply the sum of its parts. Goodwill has been assigned to our three reportable segments. None of the goodwill recognized is expected to be deductible for income tax purposes.

The Company recognized certain deferred tax assets and liabilities resulting from (i) net operating loss ("NOL") carryforwards available to CEC and reorganization of CEOC under the Plan and (ii) the difference between the fair value of the assets and liabilities and their respective tax bases. Due to CEC's recent history of losses, CEC will continue to record a valuation allowance against the excess deferred tax assets that are not offset by deferred tax liabilities. Deferred tax liabilities of \$568 million were recognized in the purchase price allocation of OpCo.

CAESARS ENTERTAINMENT CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Included within liabilities are estimates related to obligations and future resolution of disputed claims pursuant to the Plan. These liabilities assumed were measured at their estimated fair value based on the bankruptcy proceedings and creditor's proof of claim. Refer to Note 11 for additional information.

In connection with the reorganization of CEOC, the income approach was used to estimate the fair value of the noncontrolling interest of \$13 million.

Receivables

Markers acquired as part of the acquisition of OpCo were accounted for at fair value on the Effective Date, with no acquired reserve, and will be accreted to interest income up to their expected realizable value over the life of their expected collectibility. The acquired markers are subject to adjustment if the actual cash collection differs from the expected collectibility. The fair value, which also represents the carrying amount of markers acquired as part of the acquisition of OpCo as of the Effective Date, was \$139 million. As of December 31, 2018 and 2017, the carrying amount of the markers acquired was \$25 million and \$69 million, respectively.

Acquired Markers Accretable Yield

<i>(In millions)</i>	2018	2017
Balance as of January 1 and October 6, respectively	\$ 6	\$ 8
Accretion	(3)	(2)
Balance as of December 31	<u>\$ 3</u>	<u>\$ 6</u>

Unaudited Pro Forma Financial Information

The following unaudited pro forma financial information is presented to illustrate the estimated effects of the acquisition of OpCo as if it had occurred on January 1, 2016, and is not necessarily indicative of either future results of operations or results that might have been achieved had the acquisition been consummated as of this date. The pro forma adjustments, with related tax impacts, are comprised primarily of the following:

- Depreciation and interest expense recognized related to the failed sale-leaseback financing obligations associated with the real estate assets and the financing obligation associated with the Golf Course Properties that were sold to VICI and leased back by CEOC LLC; and
- Interest expense related to the issuance of the CEOC LLC Term Loan, the CEOC LLC Revolving Credit Facility, and the CEC Convertible Notes (see Note 12 for additional information).

<i>(In millions)</i>	(Unaudited)	
	Years Ended December 31,	
	2017	2016
Net revenues	\$ 8,349	\$ 8,529
Net income/(loss) attributable to Caesars	6,401	(2,570)

The results of operations for OpCo have been included in the Company's Financial Statements since the acquisition date. The acquired business contributed \$1 billion and \$52 million, respectively, of net revenues and income from operations to CEC for the period from October 6, 2017 to December 31, 2017.

Merger with CAC

As described in Note 1, pursuant to the Merger Agreement, CAC merged with and into CEC, with CEC as the surviving company and each share of CAC common stock issued and outstanding immediately prior to the Effective Date was converted into, and became exchangeable for, 1.625 shares of CEC common stock on the Effective Date, which resulted in the issuance of 226 million shares of CEC common stock to stockholders of CAC. Hamlet Holdings LLC (see Note 19) beneficially owned a majority of both CEC's and CAC's common stock immediately prior to the CAC Merger. Therefore, the CAC Merger was accounted for as a reorganization of entities under common control, which resulted in CAC being consolidated into the Company at book value as an equity transaction for all periods presented after elimination of all intercompany accounts and transactions. The consolidated financial statements are not necessarily indicative of the results of operations that would have occurred if the Company had

CAESARS ENTERTAINMENT CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

consolidated CAC prior to the Effective Date. In addition, as a result of the CAC Merger, Caesars Growth Partners, LLC (“CGP”) is no longer a VIE and is a wholly owned subsidiary of CEC. The following table summarizes the assets acquired, liabilities assumed and CEC’s noncontrolling interest in CGP and excludes CGP’s results, which were consolidated with CEC as a VIE prior to the Effective Date.

Summary of Merger as of October 6, 2017

<u>(In millions)</u>	<u>Total Value</u>
Assets acquired	\$ 152
Liabilities assumed	(96)
Acquisition of noncontrolling interest in CGP from CAC	1,751
Net book value	\$ 1,807

Note 5 — Recently Issued Accounting Pronouncements

The FASB issued the following authoritative guidance amending the FASB ASC.

In 2019, we adopted the following ASUs:

- ASU 2016-02, *Leases (Topic 842)*, and all related amendments (see Note 10)
- ASU 2018-02, *Income Statement—Reporting Comprehensive Income (Topic 220)* (see Note 18)

The following ASUs were not yet effective as of December 31, 2019:

New Developments

Income Taxes - December 2019: Amended guidance simplifies ASC 740 - Income Taxes by removing scope exceptions including: the incremental approach for intraperiod tax allocation when there is a loss from continuing operations and income or a gain from other items and the general methodology for calculating income taxes in an interim period when a year-to-date loss exceeds the anticipated loss for the year. The amendment also simplifies areas such as franchise tax, step up in tax basis of goodwill in business combination, allocation of deferred tax to legal entities, inclusion of tax laws or rate change impact in annual effective tax rate computation, and income taxes for employee stock ownership plans. The amendments in this update are effective for public entities for fiscal years beginning after December 15, 2020, and interim periods within those fiscal years. Early adoption is permitted. The amendments in this update related to separate financial statements of legal entities that are not subject to tax should be applied on a retrospective basis for all periods presented. The amendments related to franchise taxes that are partially based on income should be applied on either a retrospective basis for all periods presented or a modified retrospective basis through a cumulative-effect adjustment to retained earnings as of the beginning of the fiscal year of adoption. All other amendments should be applied on a prospective basis. We are currently assessing the effect the adoption of this standard will have on our prospective financial statements.

Previously Disclosed

Collaborative Arrangements - November 2018: Amended guidance makes targeted improvements to GAAP for collaborative arrangements including: (i) clarifying that certain transactions between collaborative arrangement participants should be accounted for as revenue under ASC 606 - Revenue from Contracts with Customers (“ASC 606”) when the collaborative arrangement participant is a customer in the context of a unit of account, (ii) adding unit-of-account guidance in ASC 808 - Collaborative Arrangements to align with the guidance in ASC 606 (that is, a distinct good or service) when an entity is assessing whether the collaborative arrangement or a part of the arrangement is within the scope of ASC 606, and (iii) requiring that in a transaction with a collaborative arrangement participant that is not directly related to sales to third parties, presenting the transaction together with revenue recognized under ASC 606 is precluded if the collaborative arrangement participant is not a customer. The amendments in this update are effective for public entities for fiscal years beginning after December 15, 2019, and interim periods within those fiscal years. Early adoption is permitted. The amendments should be applied retrospectively to the date of initial application of ASC 606. An entity may elect to apply the amendments in this ASU retrospectively either to all contracts or only to contracts that are not completed at the date of initial application of ASC 606. An entity should disclose its election. An entity may elect to apply the practical expedient for contract modifications that is permitted for entities using the modified retrospective transition method

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

in ASC 606. We will adopt the new standard on January 1, 2020 and have determined that the effect to our financial statements will not be material.

Intangibles - Goodwill and Other - Internal-Use Software - August 2018: Amended guidance aligns the requirements for capitalizing implementation costs incurred in a hosting arrangement that is a service contract with the requirements for capitalizing implementation costs incurred to develop or obtain internal-use software. The accounting for the service element of a hosting arrangement that is a service contract is not affected. The amendments in this update are effective for public entities for fiscal years beginning after December 15, 2019, and interim periods within those fiscal years. Early adoption is permitted. The amendments in this ASU should be applied either retrospectively or prospectively to all implementation costs incurred after the date of adoption. We will adopt the new standard on January 1, 2020 and have determined that the effect to our financial statements will not be material.

Fair Value Measurement - August 2018: Amended guidance modifies fair value measurement disclosure requirements including (i) removing certain disclosure requirements such as the amount of and reasons for transfers between Level 1 and Level 2 of the fair value hierarchy, (ii) modifying certain disclosure requirements, and (iii) adding certain disclosure requirements such as changes in unrealized gains and losses for the period included in other comprehensive income for recurring Level 3 fair value measurements held at the end of the reporting period. The amendments in this update are effective for fiscal years beginning after December 15, 2019, and interim periods within those fiscal years. Early adoption is permitted. The amendments on changes in unrealized gains and losses, the range and weighted average of significant unobservable inputs used to develop Level 3 fair value measurements, and the narrative description of measurement uncertainty should be applied prospectively for only the most recent interim or annual period presented in the initial fiscal year of adoption. All other amendments should be applied retrospectively to all periods presented upon their effective date. We will adopt the new standard on January 1, 2020 and have determined that the effect to our financial statements will not be material.

Financial Instruments - Credit Losses - June 2016 (amended through February 2020): Amended guidance replaces the incurred loss impairment methodology with a methodology that reflects expected credit losses and requires consideration of a broader range of reasonable and supportable information to inform credit loss estimates. Amendments affect entities holding financial assets and net investments in leases that are not accounted for at fair value through net income. The amendments affect loans, debt securities, trade receivables, net investments in leases, off-balance-sheet credit exposures, reinsurance receivables and any other financial assets not excluded from the scope that have the contractual right to receive cash. Amendments are effective for fiscal years beginning after December 15, 2019, including interim periods within those fiscal years. Early adoption is permitted. An entity will apply the amendments in this ASU through a cumulative-effect adjustment to retained earnings as of the beginning of the first reporting period in which the guidance is effective (that is, a modified-retrospective approach). A prospective transition approach is required for debt securities for which an other-than-temporary impairment had been recognized before the effective date. The effect of a prospective transition approach is to maintain the same amortized cost basis before and after the effective date of this ASU. We will adopt the new standard on January 1, 2020 and have determined that the effect to our financial statements will not be material.

Note 6 — Property and Equipment

We have significant capital invested in our long-lived assets, and judgments are made in determining their estimated useful lives and salvage values and if or when an asset (or asset group) has been impaired. The accuracy of these estimates affects the amount of depreciation and amortization expense recognized in our financial results and whether we have a gain or loss on the disposal of an asset. We assign lives to our assets based on our standard policy, which is established by management as representative of the useful life of each category of asset.

We review the carrying value of our long-lived assets whenever events and circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. As necessary, we typically estimate the fair value of assets starting with a Replacement Cost New approach and then deduct appropriate amounts for both functional and economic obsolescence to arrive at the fair value estimates. Other factors considered by management in performing this assessment may include current operating results, trends, prospects, and third-party appraisals, as well as the effect of demand, competition, and other economic, legal, and regulatory factors. In estimating expected future cash flows for determining whether an asset is impaired, assets are grouped at the lowest level of identifiable cash flows, which, for most of our assets, is the individual property. These analyses are sensitive to management assumptions and the estimates of the obsolescence factors. Changes in these assumptions and estimates could have a material impact on the analyses and the consolidated financial statements.

CAESARS ENTERTAINMENT CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Additions to property and equipment are stated at cost. We capitalize the costs of improvements that extend the life of the asset. We expense maintenance and repair costs as incurred. Gains or losses on the dispositions of property and equipment are recognized in the period of disposal. Interest expense is capitalized on internally constructed assets at the applicable weighted-average borrowing rates of interest. Capitalization of interest ceases when the project is substantially complete or construction activity is suspended for more than a brief period of time. Interest capitalized was \$29 million, \$8 million, and \$6 million, respectively, for the years ended December 31, 2019, 2018, and 2017.

Our property and equipment is subject to various operating leases for which we are the lessor. We lease our property and equipment related to our hotel rooms, convention space and retail space through various short-term and long-term operating leases. See Note 10 for further discussion of our leases.

Useful Lives

Land improvements			12	years
Buildings	5	to	40	years
Building and leasehold improvements	3	to	30	years
Riverboats and barges			30	years
Furniture, fixtures, and equipment	2.5	to	12	years

Property and Equipment, Net

<i>(In millions)</i>	As of December 31,	
	2019	2018
Land	\$ 4,218	\$ 4,871
Buildings, riverboats, and leasehold and land improvements	12,022	12,243
Furniture, fixtures, and equipment	1,762	1,563
Construction in progress	706	406
Total property and equipment	18,708	19,083
Less: accumulated depreciation	(3,732)	(3,038)
Total property and equipment, net	\$ 14,976	\$ 16,045

During 2019, we recorded an impairment charge to land and buildings in the amount of \$380 million, which included \$6 million related to selling costs for the disposition of Rio in our Las Vegas segment. In connection with our sale of Rio, we also recorded a \$6 million loss on the sale of assets which is included in Other operating costs on our Statements of Operations. The impairment and sale resulted in a decrease of the carrying value of our property and equipment of \$879 million. During 2018, we recorded tangible asset impairment charges of \$14 million, which were related to the closure of casino operations at our property Tunica Roadhouse in our Other U.S. segment.

Depreciation Expense and Other Amortization Expense

<i>(In millions)</i>	Years Ended December 31,		
	2019	2018	2017
Depreciation expense	\$ 949	\$ 1,074	\$ 555
Other amortization expense	1	3	4

Depreciation is calculated using the straight-line method over the shorter of the estimated useful life of the asset or the related lease.

Note 7 — Goodwill and Other Intangible Assets

The purchase price of an acquisition is allocated to the underlying assets acquired and liabilities assumed based upon their estimated fair values at the date of acquisition. We determine the estimated fair values after review and consideration of relevant information including discounted cash flows, quoted market prices, and estimates made by management. To the extent the purchase price exceeds the fair value of the net identifiable tangible and intangible assets acquired and liabilities assumed, such excess is recorded as goodwill.

CAESARS ENTERTAINMENT CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

We perform our annual goodwill impairment assessment as of October 1. We perform this assessment more frequently if impairment indicators exist. We performed our annual goodwill impairment test by comparing the fair value of each reporting unit with its carrying amount. We determine the estimated fair value of each reporting unit based on a combination of EBITDA, valuation multiples, and estimated future cash flows discounted at rates commensurate with the capital structure and cost of capital of comparable market participants, giving appropriate consideration to the prevailing borrowing rates within the casino industry in general. We also evaluate the aggregate fair value of all of our reporting units and other non-operating assets in comparison to our aggregate debt and equity market capitalization at the test date. EBITDA multiples and discounted cash flows are common measures used to value businesses in our industry.

We perform our annual impairment assessment of other non-amortizing intangible assets as of October 1. We perform this assessment more frequently if impairment indicators exist. We determine the estimated fair value of our non-amortizing intangible assets by primarily using the Relief from Royalty Method and Excess Earnings Method under the income approach.

The evaluation of goodwill and other non-amortizing intangible assets requires the use of estimates about future operating results, valuation multiples, and discount rates to determine their estimated fair value. Changes in these assumptions can materially affect these estimates. Thus, to the extent gaming volumes deteriorate in the near future, discount rates increase significantly, or we do not meet our projected performance, we could have impairments to record in the future and such impairments could be material.

Changes in Carrying Value of Goodwill by Segment

<i>(In millions)</i>	Las Vegas	Other U.S.	All Other	CEC Total
<u>Gross Goodwill</u>				
Balance as of January 1, 2018	\$ 6,204	\$ 1,002	\$ 61	\$ 7,267
Centaur acquisition ⁽¹⁾	—	275	—	275
Other	—	—	(3)	(3)
Balance as of December 31, 2018	6,204	1,277	58	7,539
<u>Accumulated Impairment</u>				
Balance as of January 1, 2018	(3,115)	(337)	—	(3,452)
Impairment	—	(17)	(26)	(43)
Balance as of December 31, 2018	(3,115)	(354)	(26)	(3,495)
Net carrying value, as of December 31, 2018 ⁽²⁾	\$ 3,089	\$ 923	\$ 32	\$ 4,044
<u>Gross Goodwill</u>				
Balance as of January 1, 2019	\$ 6,204	\$ 1,277	\$ 58	\$ 7,539
Transferred to assets held for sale	—	—	(5)	(5)
Balance as of December 31, 2019	6,204	1,277	53	7,534
<u>Accumulated Impairment</u>				
Balance as of January 1, 2019	(3,115)	(354)	(26)	(3,495)
Impairment	—	(27)	—	(27)
Balance as of December 31, 2019	(3,115)	(381)	(26)	(3,522)
Net carrying value, as of December 31, 2019 ⁽²⁾	\$ 3,089	\$ 896	\$ 27	\$ 4,012

⁽¹⁾ See Note 4 for further details relating to the acquisition of Centaur.

⁽²⁾ \$405 million and \$81 million of goodwill within our Las Vegas and Other U.S. segments, respectively, is associated with reporting units with zero or negative carrying value. Except for Horseshoe Hammond, the fair value of our reporting units exceed their respective carrying values.

CAESARS ENTERTAINMENT CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Changes in Carrying Value of Intangible Assets Other than Goodwill

<i>(In millions)</i>	Amortizing		Non-Amortizing		Total	
	2019	2018	2019	2018	2019	2018
Balance as of January 1	\$ 342	\$ 355	\$ 2,635	\$ 1,254	\$ 2,977	\$ 1,609
Impairments	—	—	(61)	(21)	(61)	(21)
Amortization expense	(71)	(68)	—	—	(71)	(68)
Transferred to assets held for sale	(1)	—	(10)	—	(11)	—
Centaur acquisition ⁽¹⁾	—	55	—	1,390	—	1,445
Other additions ⁽²⁾	—	—	—	20	—	20
Other	—	—	(10)	(8)	(10)	(8)
Balance as of December 31	\$ 270	\$ 342	\$ 2,554	\$ 2,635	\$ 2,824	\$ 2,977

⁽¹⁾ See Note 4 for further details relating to the acquisition of Centaur.

⁽²⁾ Other additions of \$20 million are related to gaming rights.

During 2019, as a result of declines in recent performance and downgraded expectations for future cash flows at the properties of our subsidiary Caesars Entertainment UK (“CEUK”), we recognized an impairment charge related to gaming rights of \$50 million. This impairment was recognized within our All Other segment. In addition, we recognized impairment charges related to goodwill of \$27 million and gaming rights of \$11 million at Horseshoe Hammond, LLC within our Other U.S. segment as a result of downgraded expectations for future cash flows from increased competition in the region.

During 2018, as a result of declines in our stock price and increases in market yields within our industry, which are both factors used to determine the discount rate, along with downward adjustments to expectations of future performance at certain of our properties outside of Las Vegas, we recognized impairment charges related to goodwill of \$43 million and gaming rights of \$21 million for certain of our properties, of which \$12 million was recognized in our Other U.S. segment and \$9 million was recognized in our All Other segment.

We used the Excess Earnings Method and a Cost Approach for estimating fair value for these gaming rights. We utilized an income approach using a discounted cash flow method to determine the fair value of our goodwill.

Gross Carrying Value and Accumulated Amortization of Intangible Assets Other than Goodwill

<i>(Dollars in millions)</i>	December 31, 2019			December 31, 2018			
	Weighted Average Remaining Useful Life (in years)	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Amortizing intangible assets							
Trade names and trademarks	1.0	\$ 14	\$ (8)	\$ 6	\$ 14	\$ (3)	\$ 11
Customer relationships	3.6	1,070	(819)	251	1,071	(756)	315
Contract rights	5.0	3	(2)	1	3	(2)	1
Gaming rights and other	4.5	43	(31)	12	43	(28)	15
		\$ 1,130	\$ (860)	270	\$ 1,131	\$ (789)	342
Non-amortizing intangible assets							
Trademarks				776			790
Gaming rights				1,525			1,592
Caesars Rewards				253			253
				2,554			2,635
Total intangible assets other than goodwill				\$ 2,824			\$ 2,977

The aggregate amortization expense for intangible assets that continue to be amortized was \$71 million, \$68 million, and \$67 million, respectively, for the years ended December 31, 2019, 2018, and 2017.

CAESARS ENTERTAINMENT CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Estimated Five-Year Amortization

<i>(In millions)</i>	Years Ended December 31,				
	2020	2021	2022	2023	2024
Estimated annual amortization expense	\$ 71	\$ 60	\$ 17	\$ 15	\$ 13

Note 8 — Fair Value Measurements

Our assessment of goodwill and other intangible assets for impairment includes an assessment using various Level 2 (EBITDA multiples and discount rate) and Level 3 (forecasted cash flows) inputs. See Note 7 for more information on the application of the use of fair value methodology to measure goodwill and other intangible assets.

Items Measured at Fair Value on a Recurring Basis

The following table shows the fair value of our financial assets and financial liabilities that are required to be measured at fair value as of the date shown:

<i>(In millions)</i>	Balance	Level 1	Level 2	Level 3
December 31, 2019				
Assets				
Government bonds	\$ 13	\$ —	\$ 13	\$ —
Total assets at fair value	<u>\$ 13</u>	<u>\$ —</u>	<u>\$ 13</u>	<u>\$ —</u>
Liabilities				
Derivative instruments - interest rate swaps	\$ 69	\$ —	\$ 69	\$ —
Derivative instruments - CEC Convertible Notes	944	—	944	—
Disputed claims liability	51	—	51	—
Total liabilities at fair value	<u>\$ 1,064</u>	<u>\$ —</u>	<u>\$ 1,064</u>	<u>\$ —</u>
December 31, 2018				
Assets				
Government bonds	\$ 15	\$ —	\$ 15	\$ —
Derivative instruments - interest rate swaps	6	—	6	—
Total assets at fair value	<u>\$ 21</u>	<u>\$ —</u>	<u>\$ 21</u>	<u>\$ —</u>
Liabilities				
Derivative instruments - interest rate swaps	\$ 22	\$ —	\$ 22	\$ —
Derivative instruments - CEC Convertible Notes	324	—	324	—
Disputed claims liability	45	—	45	—
Total liabilities at fair value	<u>\$ 391</u>	<u>\$ —</u>	<u>\$ 391</u>	<u>\$ —</u>

Government Bonds

Investments primarily consist of debt securities held by our captive insurance entities that are traded in active markets, have readily determined market values, and have maturity dates of greater than three months from the date of purchase. These investments primarily represent collateral for several escrow and trust agreements with third-party beneficiaries and are recorded in Deferred charges and other assets while a portion is included in Prepayments and other current assets in our Balance Sheets.

Derivative Instruments

We do not purchase or hold any derivative financial instruments for trading purposes.

CEC Convertible Notes - Derivative Liability

On the Effective Date, CEC issued \$1.1 billion aggregate principal amount of 5.00% convertible senior notes maturing in 2024, see Note 12 for further details.

CAESARS ENTERTAINMENT CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Management analyzed the conversion features for derivative accounting consideration under ASC Topic 815, *Derivatives and Hedging*, (“ASC 815”) and determined that the CEC Convertible Notes contains bifurcated derivative features and qualifies for derivative accounting. In accordance with ASC 815, CEC has bifurcated the conversion features of the CEC Convertible Notes and recorded a derivative liability. The CEC Convertible Notes derivative features are not designated as hedging instruments. The derivative features of the CEC Convertible Notes are carried on CEC’s Balance Sheet at fair value in Deferred credits and other liabilities. The derivative liability is marked-to-market each measurement period and the changes in fair value as a result of fluctuations in the share price of our common stock resulted in a loss of \$620 million and a gain of \$697 million, respectively, which were recorded as a component of Other income/(loss) for the years ended December 31, 2019 and 2018 in the Statements of Operations. The derivative liability associated with the CEC Convertible Notes will remain in effect until such time as the underlying convertible notes are exercised or terminated and the resulting derivative liability will be transitioned from a liability to equity as of such date.

Valuation Methodology

The CEC Convertible Notes have a face value of \$1.1 billion, an initial term of 7 years, a coupon rate of 5%, and are convertible into 156 million shares of CEC common stock, of which 151 million shares are net of amounts held by CEC.

As of December 31, 2019 and December 31, 2018, we estimated the fair value of the CEC Convertible Notes using a market-based approach that incorporated the value of both the straight debt and conversion features of the notes. The valuation model incorporated actively traded prices of the CEC Convertible Notes as of the reporting date, and assumptions regarding the incremental cost of borrowing for CEC. The key assumption used in the valuation model is the actively traded price of CEC Convertible Notes and the incremental cost of borrowing is an indirectly observable input. The fair value for the conversion features of the CEC Convertible Notes is classified as Level 2 measurement.

Key Assumptions as of December 31, 2019 and December 31, 2018:

- Actively traded price of CEC Convertible Notes - \$192.55 and \$122.38, respectively
- Incremental cost of borrowing - 4.0% and 7.0%, respectively

Interest Rate Swap Derivatives

We use interest rate swaps to manage the mix of our debt between fixed and variable rate instruments. As of December 31, 2019, we have entered into ten interest rate swap agreements to fix the interest rate on \$3.0 billion of variable rate debt. The interest rate swaps are designated as cash flow hedging instruments. The difference to be paid or received under the terms of the interest rate swap agreements is accrued as interest rates change and recognized as an adjustment to interest expense at settlement. Changes in the variable interest rates to be received pursuant to the terms of the interest rate swap agreements will have a corresponding effect on future cash flows.

CAESARS ENTERTAINMENT CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

The major terms of the interest rate swap agreements as of December 31, 2019 are as follows:

Effective Date	Notional Amount (In millions)	Fixed Rate Paid	Variable Rate Received as of December 31, 2019	Maturity Date
12/31/2018	250	2.274%	1.691%	12/31/2022
12/31/2018	200	2.828%	1.691%	12/31/2022
12/31/2018	600	2.739%	1.691%	12/31/2022
1/1/2019	250	2.153%	1.691%	12/31/2020
1/1/2019	250	2.196%	1.691%	12/31/2021
1/1/2019	400	2.788%	1.702%	12/31/2021
1/1/2019	200	2.828%	1.691%	12/31/2022
1/2/2019	250	2.172%	1.691%	12/31/2020
1/2/2019	200	2.731%	1.691%	12/31/2020
1/2/2019	400	2.707%	1.691%	12/31/2021

Valuation Methodology

The estimated fair values of our interest rate swap derivative instruments are derived from market prices obtained from dealer quotes for similar, but not identical, assets or liabilities. Such quotes represent the estimated amounts we would receive or pay to terminate the contracts. The interest rate swap derivative instruments are included in either Deferred charges and other assets or Deferred credits and other liabilities on our Balance Sheets. Our derivatives are recorded at their fair values, adjusted for the credit rating of the counterparty if the derivative is an asset, or adjusted for the credit rating of the Company if the derivative is a liability. None of our derivative instruments are offset and all were classified as Level 2.

Financial Statement Impact

The effect of derivative instruments designated as hedging instruments on the Balance Sheet for amounts transferred into Accumulated other comprehensive income/(loss) ("AOCI") before tax was a loss of \$53 million and \$16 million, respectively, for the years ended December 31, 2019 and 2018. AOCI reclassified to Interest expense on the Statements of Operations was \$10 million and zero for the years ended December 31, 2019 and December 31, 2018, respectively. The estimated amount of existing losses that are reported in AOCI at the reporting date that are expected to be reclassified into earnings within the next 12 months is approximately \$29 million.

CAESARS ENTERTAINMENT CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Accumulated Other Comprehensive Income/(Loss)

The changes in AOCI by component, net of tax, for the annual periods through December 31, 2019, 2018 and 2017 are shown below.

<i>(In millions)</i>	Unrealized Net Gains/(Losses) on Derivative Instruments	Foreign Currency Translation Adjustments	Other	Total
Balances as of January 1, 2017	\$ —	\$ —	\$ (1)	\$ (1)
Other comprehensive income/(loss) before reclassifications	—	9	(2)	7
Total other comprehensive income/(loss), net of tax	—	9	(2)	7
Balances as of December 31, 2017	\$ —	\$ 9	\$ (3)	\$ 6
Other comprehensive income/(loss) before reclassifications	(13)	(18)	1	(30)
Total other comprehensive income/(loss), net of tax	(13)	(18)	1	(30)
Balances as of December 31, 2018	\$ (13)	\$ (9)	\$ (2)	\$ (24)
Other comprehensive income/(loss) before reclassifications	(51)	2	2	(47)
Amounts reclassified from accumulated other comprehensive loss	10	—	—	10
Total other comprehensive income/(loss), net of tax	(41)	2	2	(37)
Balances as of December 31, 2019	\$ (54)	\$ (7)	\$ —	\$ (61)

Disputed Claims Liability

CEC and CEOC deposited cash, CEC common stock, and CEC Convertible Notes into an escrow trust to be distributed to satisfy certain remaining unsecured claims (excluding debt claims) as they become allowed (see Note 11). We have estimated the fair value of the remaining liability of those claims. As of December 31, 2019, the fair value of the Disputed claims liability is classified as Level 2.

For the years ended December 31, 2019 and 2018, the changes in fair value related to the disputed claims liability was a loss of \$20 million and a gain of \$24 million, respectively. The change in fair value, which is a result of the increase in the share price of our common stock, was recorded as components of Other income/(loss) in the Statements of Operations.

Note 9 — Accrued Expenses and Other Current Liabilities

<i>(In millions)</i>	As of December 31,	
	2019	2018
Payroll and other compensation	\$ 267	\$ 281
VICI Call Right	177	177
Self-insurance claims and reserves	163	173
Accrued taxes	171	157
Advance deposits	89	92
Disputed claims liability (See Note 11)	51	45
Chip and token liability	38	37
Operating lease liability	66	—
Other accruals	301	255
Total accrued expenses and other current liabilities	\$ 1,323	\$ 1,217

CAESARS ENTERTAINMENT CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Self-Insurance Accruals

We are self-insured for workers' compensation and other risk products through our captive insurance subsidiaries. Our insurance claims and reserves include accruals of estimated settlements for known claims, as well as accruals of actuarial estimates of incurred but not reported claims. In estimating these reserves, historical loss experience and judgments about the expected levels of costs per claim are considered. We also utilize consultants to assist in the determination of certain estimated accruals. These claims are accounted for based on actuarial estimates of the undiscounted claims, including those claims incurred but not reported. We believe the use of actuarial methods to account for these liabilities provides a consistent and effective way to measure these highly judgmental accruals; however, changes in health care costs, accident frequency and severity, and other factors can materially affect the estimates for these liabilities. We regularly monitor the potential for changes in estimates, evaluate our insurance accruals, and adjust our recorded provisions.

VICI Call Right

On the Effective Date, in accordance with the Plan, VICI received the VICI Call Right for up to five years to purchase and leaseback the real property assets associated with Harrah's Atlantic City and Harrah's Atlantic City Waterfront Conference Center, Harrah's Laughlin, and Harrah's New Orleans for a cash purchase price of ten times the agreed upon annual rent for each property. The VICI Call Right is subject to the terms of the CRC Credit Agreement (defined in Note 12). On the Effective Date, the VICI Call Right was transferred to Accrued expenses and other current liabilities on our Balance Sheet at an amount equal to the fair value of the option on the Effective Date. Management does not believe that the liability should continue to be recognized at fair value after initial recognition until the execution or expiration of the option because it is an option related to real estate, not a derivative, and the fair value option has not been elected. Additionally, provided the real estate property assets remain on the Balance Sheets, they will be evaluated for impairment.

Note 10 — Leases

Adoption of New Lease Accounting Standard

In February 2016, the FASB issued a new standard related to leases, ASU 2016-02, *Leases (Topic 842)* ("ASC 842"). We adopted the standard effective January 1, 2019, using the modified retrospective approach applied as of the beginning of the period of adoption. The Company elected to utilize the transition guidance within the new standard that permits us to (i) continue to report under legacy lease accounting guidance for comparative periods consistent with previously issued financial statements; and (ii) carryforward our prior conclusions about lease identification, lease classification, and initial direct costs. The most significant effects of adopting the new standard relate to the recognition of right-of-use ("ROU") assets and liabilities for leases classified as operating leases when the Company is the lessee in the arrangement. Adopting the new standard did not affect our accounting related to leases when the Company is the lessor in the arrangement.

We assess whether an arrangement is or contains a lease at the inception of the agreement. ROU assets represent our right to use an underlying asset for the lease term, and lease liabilities represent our obligation to make lease payments arising from the lease. ROU assets and lease liabilities are recognized at the commencement date based on the present value of lease payments over the lease term using an appropriate incremental borrowing rate, which is consistent with interest rates of similar financing arrangements based on the information available at the commencement date. We determined our incremental borrowing rate based on the interest rates published for unsecured borrowings with credit ratings similar to our unsecured debt, which were then adjusted for the appropriate lease term and effects of full collateralization.

Upon adoption, our ROU assets were also adjusted to include any prepaid lease payments and were reduced by any previously accrued lease liabilities. The terms of our leases used to determine the ROU asset and lease liability take into account options to extend when it is reasonably certain that we will exercise those options. Lease expense is recognized on a straight-line basis over the lease term. Additionally, we have elected the short-term lease measurement and recognition exemption and do not establish ROU assets or lease liabilities for operating leases with terms of 12 months or less.

CAESARS ENTERTAINMENT CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Effect of Adopting New Lease Standard - January 1, 2019 Balance Sheet

<i>(In millions)</i>	Prior to Adoption	Effect of Adoption	Post Adoption
Property and equipment, net ⁽¹⁾	\$ 16,045	\$ (96)	\$ 15,949
Deferred charges and other assets ⁽²⁾⁽³⁾	383	480	863
Accrued expenses and other current liabilities ⁽²⁾	1,217	33	1,250
Financing obligations ⁽¹⁾	10,057	(96)	9,961
Deferred credits and other liabilities ⁽²⁾⁽³⁾	849	447	1,296

⁽¹⁾ Non-operating land assets previously considered as failed sale-leaseback financing obligations were determined to qualify for sale-leaseback accounting and are recognized as operating lease liabilities with corresponding ROU assets.

⁽²⁾ Operating leases previously considered as off-balance sheet obligations are now recognized as operating lease liabilities with corresponding ROU assets.

⁽³⁾ Accruals associated with future obligations for leases not in use have been applied against the carrying amount of the ROU assets.

Lessee Arrangements

Operating Leases

We lease real estate and equipment used in our operations from third parties. As of December 31, 2019, the remaining term of our operating leases ranged from 1 to 72 years with various extension options available, if we elect to exercise them. However, our remaining terms only include extension options that we have determined are reasonably assured as of December 31, 2019. In addition to minimum rental commitments, certain of our operating leases provide for contingent rentals based on a percentage of revenues in excess of specified amounts. We do not include costs associated with our non-lease components in our lease costs disclosed in the table below.

The following are additional details related to leases recorded on our Balance Sheet as of December 31, 2019:

<i>(In millions)</i>	Balance Sheet Classification	December 31, 2019
Assets		
Operating lease ROU assets ⁽¹⁾	Deferred charges and other assets	\$ 550
Liabilities		
Current operating lease liabilities ⁽¹⁾	Accrued expenses and other current liabilities	64
Non-current operating lease liabilities ⁽¹⁾	Deferred credits and other liabilities	545

⁽¹⁾ As noted above, we have elected the short-term lease measurement and recognition exemption and do not establish ROU assets or liabilities for operating leases with terms of 12 months or less.

Maturity of Lease Liabilities

The following table summarizes the future minimum lease obligations of our operating leases as of December 31, 2019 under the new standard:

<i>(In millions)</i>	Operating Leases
2020	\$ 105
2021	106
2022	100
2023	63
2024	58
Thereafter	837
Total	1,269
Less: present value discount	(660)
Lease liability	\$ 609

CAESARS ENTERTAINMENT CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

As previously disclosed in our Annual Report on Form 10-K for the year ended December 31, 2018 and under the old standard, the following table summarizes the future minimum lease obligations of our operating leases as of December 31, 2018:

<i>(In millions)</i>	Operating Leases	
2019	\$	82
2020		70
2021		57
2022		53
2023		51
Thereafter		966
Total	\$	1,279

Lease Costs

<i>(In millions)</i>	December 31, 2019	
Operating lease expense	\$	74
Short-term lease expense		102
Variable lease expense		15
Total lease costs	\$	191

Other Information

<i>(In millions)</i>	December 31, 2019	
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows for operating leases	\$	71

Weighted-Average Details

	December 31, 2019	
Weighted-average remaining lease term (in years)		18.5
Weighted-average discount rate		7.11%

Finance Leases

We have finance leases for certain equipment. As of December 31, 2019, our finance leases had remaining lease terms of up to approximately 5 years, some of which include options to extend the lease terms in one month increments. Our finance lease ROU assets and liabilities were less than a million within our Financial Statements as of December 31, 2019.

Failed Sale-Leaseback Financing Obligations

We lease certain real property assets from VICI (each a "Lease Agreement," and, collectively, the "Lease Agreements"): (i) for Caesars Palace Las Vegas, (ii) for a portfolio of properties at various locations throughout the United States, (iii) for Harrah's Joliet Hotel & Casino and (iv) for Harrah's Las Vegas. The Lease Agreements provide for annual fixed rent (subject to escalation) of \$773 million during an initial period, then rent consisting of both base rent and variable rent elements. The Lease Agreements have a 15-year initial term and four five-year renewal options, subject to certain restrictions on extension applicable to certain of the leased properties. The Lease Agreements include escalation provisions beginning in year two of the initial term and continuing through the renewal terms. The Lease Agreements also include provisions for variable rent payments calculated, in part, based on increases or decreases of net revenue of the underlying lease properties, commencing in year eight of the initial term and continuing through the renewal terms.

The Lease Agreements were evaluated as sale-leasebacks of real estate. We determined that these transactions did not qualify for sale-leaseback accounting, and we have accounted for each of the transactions as a financing.

For these failed sale-leaseback transactions, we continue to reflect the real estate assets on our Balance Sheets in Property and equipment, net as if we were the legal owner, and we continue to recognize depreciation expense over their estimated useful lives.

CAESARS ENTERTAINMENT CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

We do not recognize lease expense related to the Lease Agreements, but we have recorded a liability for the failed sale-leaseback obligations and the majority of the periodic lease payments are recognized as interest expense. In the initial periods, the majority of the cash payments are less than the interest expense recognized in the Statements of Operations, which causes the related failed sale-leaseback financing obligations to increase during the initial periods of the lease term.

Annual Estimated Failed Sale-Leaseback Financing Obligation Service Requirements as of December 31, 2019

<i>(In millions)</i>	Years Ended December 31,						
	2020	2021	2022	2023	2024	Thereafter	Total
Financing obligations - principal	\$ 21	\$ 26	\$ 29	\$ 33	\$ 37	\$ 8,468	\$ 8,614
Financing obligations - interest	712	787	799	814	830	24,683	28,625
Total financing obligation payments ⁽¹⁾	<u>\$ 733</u>	<u>\$ 813</u>	<u>\$ 828</u>	<u>\$ 847</u>	<u>\$ 867</u>	<u>\$ 33,151</u>	<u>\$ 37,239</u>

⁽¹⁾ Financing obligation principal and interest payments are estimated amounts based on the future minimum lease payments and certain estimates based on contingent rental payments. Actual payments may differ from the estimates.

Subject to certain exceptions, the payment of all monetary obligations under the CEOC LLC Lease Agreements are guaranteed by CEC and the payment of all monetary obligations under the Harrah's Las Vegas lease is guaranteed by CRC.

Lessor Arrangements

Lodging Arrangements

Lodging arrangements are considered short-term and generally consist of lease and nonlease components. The lease component is the predominant component of the arrangement and consists of the fees charged for lodging. The nonlease components primarily consist of resort fees and other miscellaneous items. As the timing and pattern of transfer of both the lease and nonlease components are over the course of the lease term, we have elected to combine the revenue generated from lease and nonlease components into a single lease component based on the predominant component in the arrangement. During the year ended December 31, 2019, we recognized approximately \$1.6 billion in lease revenue related to lodging arrangements, which is included in Rooms revenue in the Statement of Operations.

Conventions

Convention arrangements are considered short-term and generally consist of lease and nonlease components. The lease component is the predominant component of the arrangement and consists of fees charged for the use of meeting space. The nonlease components primarily consist of food and beverage and audio/visual services. Revenue from conventions is included in Food and beverage revenue in the Statement of Operations, and during the year ended December 31, 2019, we recognized approximately \$47 million in lease revenue related to conventions.

Real Estate Operating Leases

We enter into long-term real estate leasing arrangements with third-party lessees at our properties. As of December 31, 2019, the remaining terms of these operating leases ranged from 1 to 85 years, some of which include options to extend the lease term for up to 5 years. In addition to minimum rental commitments, certain of our operating leases provide for contingent payments including contingent rentals based on a percentage of revenues in excess of specified amounts and reimbursements for common area maintenance and utilities charges. As the timing and pattern of transfer of both the lease and nonlease components are over the course of the lease term, we have elected to combine the revenue generated from lease and nonlease components into a single lease component based on the predominant component in the arrangement. In addition, to maintain the value of our leased assets, certain leases include specific maintenance requirements of the lessees or maintenance is performed by the Company on behalf of the lessees.

CAESARS ENTERTAINMENT CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Maturity of Lease Receivables as of December 31, 2019

<i>(In millions)</i>	Operating Leases	
2020	\$	70
2021		66
2022		59
2023		54
2024		47
Thereafter		772
Total	\$	1,068

Note 11 — Litigation, Contractual Commitments, and Contingent Liabilities

Litigation

Caesars is party to ordinary and routine litigation incidental to our business. We do not expect the outcome of any such litigation to have a material effect on our consolidated financial position, results of operations, or cash flows, as we do not believe it is reasonably possible that we will incur material losses as a result of such litigation.

Litigation Relating to the Merger

On September 5, 2019, a complaint was filed against Caesars and each member of the Caesars board of directors (the “Caesars Board”) in the United States District Court for the District of Delaware. The lawsuit, captioned *Stein v. Caesars Entertainment Corp., et al.*, Civil Action No. 1:19-cv-01656, alleges violations of Sections 14(a) and 20(a) of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), and Rule 14a-9 promulgated thereunder, and 17 C.F.R. § 244.100, against the defendants for allegedly disseminating a false and misleading proxy statement in connection with the Merger. The complaint alleges, among other things, that Caesars violated the securities laws by failing to disclose (i) certain information about the process leading up to the approval of the Merger by the Caesars Board; and (ii) certain financial information relating to the financial advisors’ analyses of the transaction. The plaintiff seeks (i) to enjoin the defendants from proceeding with, consummating or closing the Merger, unless and until Caesars discloses to its stockholders the allegedly material information discussed in the complaint, (ii) if the Merger is consummated, rescission of the Merger or rescissory damages and (iii) an accounting to plaintiff for all damages suffered as a result of defendants’ alleged wrongdoing. The plaintiff also seeks an award of costs and disbursements incurred in the action, including a reasonable allowance for expert fees and attorneys’ fees.

On September 9, 2019, a class action complaint was filed against Caesars, each member of the Caesars Board, Eldorado and Merger Sub in the United States District Court for the District of Delaware. The lawsuit, captioned *Palkon v. Caesars Entertainment Corp., et al.*, Civil Action No. 1:19-cv-01679, alleges violations of Sections 14(a) and 20(a) of the Exchange Act and Rule 14a-9 promulgated thereunder, against the defendants for allegedly disseminating a false and misleading proxy statement in connection with the Merger. The complaint alleges, among other things, that Caesars and/or Eldorado violated the securities laws by failing to disclose (i) certain information about the process leading up to the approval of the Merger by the Caesars Board; (ii) certain financial information relating to the financial advisors’ analyses of the transaction; and (iii) certain information regarding potential conflicts of interest of the financial advisor. The plaintiff seeks, among other things, (i) to enjoin the defendants from proceeding with, consummating or closing the Merger, unless and until Caesars discloses to its stockholders the allegedly material information discussed in the complaint and (ii) if the Merger is consummated, rescission of the Merger or rescissory damages suffered as a result of defendants’ alleged wrongdoing. The plaintiff also seeks an award of costs incurred in the action, including a reasonable allowance for expert fees and attorneys’ fees.

On September 11, 2019, a complaint was filed against Caesars and each member of the Caesars Board in the United States District Court for the District of New Jersey. The lawsuit, captioned *Romaniuk v. Caesars Entertainment Corp., et al.*, Civil Action No. 1:19-cv-17871, alleged violations of Sections 14(a) and 20(a) of the Exchange Act and Rule 14a-9 promulgated thereunder, against the defendants for allegedly disseminating a false and misleading proxy statement in connection with the Merger. The complaint alleged, among other things, that Caesars violated the securities laws by failing to disclose (i) certain information about the process leading up to the approval of the Merger by the Caesars Board; (ii) certain financial information relating to the financial advisors’ analyses of the transaction; and (iii) certain information regarding potential conflicts of interest of the financial advisor. The plaintiff sought (i) to enjoin the defendants from proceeding with, consummating or closing the Merger, unless and until Caesars discloses to its stockholders the allegedly material information discussed in the complaint and (ii) if the Merger is consummated, rescission

CAESARS ENTERTAINMENT CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

of the Merger or rescissory damages. The plaintiff also sought an award of costs and expenses incurred in the action, including a reasonable allowance for expert fees and attorneys' fees. On December 7, 2019, the Romaniuk complaint was voluntarily dismissed.

On September 12, 2019, a class action complaint was filed against Caesars, each member of the Caesars Board and Eldorado in the United States District Court for the District of Delaware. The lawsuit, captioned Gershman v. Caesars Entertainment Corp., et al., Civil Action No. 1:19-cv-01720, alleges violations of Sections 14(a) and 20(a) of the Exchange Act and Rule 14a-9 promulgated thereunder, against the defendants for allegedly disseminating a false and misleading proxy statement in connection with the Merger. The complaint alleges, among other things, that Caesars violated the securities laws by failing to (i) disclose certain information about the process leading up to the approval of the Merger by the Caesars Board; (ii) disclose certain financial information relating to the financial advisors' analyses of the transaction; and (iii) obtain a proper valuation for Caesars. The plaintiff seeks (i) to enjoin the defendants from proceeding with filing an amendment to the Eldorado S-4 (as defined below) and consummating the Merger, unless and until Caesars discloses to its stockholders the allegedly material information discussed in the complaint and (ii) if the Merger is consummated, rescission of the Merger or rescissory damages. The plaintiff also seeks an award of costs and disbursements incurred in the action, including a reasonable allowance for expert fees and attorneys' fees.

On September 13, 2019, a class action complaint was filed against Caesars, each member of the Caesars Board and Eldorado in the Eighth Judicial District Court for Clark County, Nevada. The lawsuit, captioned Cazer v. Caesars Entertainment Corp., et al., Civil Action No. A-19-801900-C, asserts claims for breach of fiduciary duties against the Caesars Board and aiding and abetting breach of fiduciary duties against Caesars in connection with the Merger. The complaint alleges, among other things, that the members of the Caesars Board breached their fiduciary duties, and Caesars aided and abetted such breaches of fiduciary duties, by failing to disclose (i) certain information about the process leading up to the approval of the Merger by the Caesars Board; and (ii) certain financial information relating to the financial advisors' analyses of the transaction. The plaintiff seeks (i) to compel the defendants to exercise their fiduciary duties to Caesars stockholders in connection with the Merger in accordance with the information discussed in the complaint and (ii) an accounting to plaintiff for all damages suffered as a result of defendants' alleged wrongdoing. The plaintiff also seeks an award of costs and disbursements incurred in the action, including a reasonable allowance for expert fees and attorneys' fees.

Also on September 13, 2019, a complaint was filed against Caesars and each member of the Caesars Board in the United States District Court for the Southern District of New York. The lawsuit, captioned Biasi v. Caesars Entertainment Corp., et al., Civil Action No. 1:19-cv-08547, alleged violations of Sections 14(a) and 20(a) of the Exchange Act and Rule 14a-9 promulgated thereunder, and 17 C.F.R. § 229.1015, against the defendants for allegedly disseminating a false and misleading proxy statement in connection with the Merger. The complaint alleged, among other things, that Caesars violated the securities laws by failing to disclose (i) certain information about the process leading up to the approval of the Merger by the Caesars Board; (ii) certain financial information relating to the financial advisors' analyses of the transaction; and (iii) certain information regarding potential conflicts of interest of the financial advisor. The plaintiff sought (i) to enjoin the defendants from proceeding with the special meeting of Caesars' stockholders to, among other things, adopt the Merger Agreement and consummating the Merger, unless and until Caesars discloses to its stockholders the allegedly material information discussed in the complaint and (ii) an accounting to plaintiff for all damages suffered as a result of defendants' alleged wrongdoing. The plaintiff also sought an award of costs and expenses incurred in the action, including reasonable expert fees and attorneys' fees. On November 15, 2019, the Biasi complaint was voluntarily dismissed.

On September 26, 2019, a complaint was filed against Caesars and each member of the Caesars Board in the United States District Court for the Southern District of New York. The lawsuit, captioned Marathon Capital LLC v. Caesars Entertainment Corp., et al., Civil Action No. 1:19-cv-08971, alleged violations of Sections 14(a) and 20(a) of the Exchange Act and Rule 14a-9 promulgated thereunder, against the defendants for allegedly disseminating a false and misleading proxy statement in connection with the Merger. The complaint alleged, among other things, that Caesars violated the securities laws by failing to disclose (i) certain information about the process leading up to the approval of the Merger by the Caesars Board; and (ii) certain financial information relating to the financial advisors' analyses of the transaction. The plaintiff sought (i) to enjoin the defendants from proceeding with, consummating or closing the Merger, unless and until Caesars discloses to its stockholders the allegedly material information discussed in the complaint and (ii) if the Merger is consummated, rescission of the Merger or rescissory damages. The plaintiff also sought an award of costs and expenses incurred in the action, including a reasonable allowance for expert fees and attorneys' fees. On November 22, 2019, the Marathon Capital LLC complaint was voluntarily dismissed.

On October 18, 2019, a complaint was filed against Caesars and each member of the Caesars Board in the United States District Court for the Southern District of New York. The lawsuit, captioned Yarbrough v. Caesars Entertainment Corp., et al., Case No. 1:19-cv-09650 (S.D.N.Y.), alleged violations of Sections 14(a) and 20(a) of the Exchange Act and Rule 14a-9 promulgated thereunder, against the defendants for allegedly disseminating a false and misleading definitive registration statement in connection

CAESARS ENTERTAINMENT CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

with the Merger. The complaint alleged, among other things, that Caesars violated the securities laws by failing to disclose material information regarding: (i) certain information about the process leading up to the approval of the Merger by the Caesars Board; and (ii) certain financial information relating to the financial advisors' analyses of the transaction. The plaintiff sought: (i) to enjoin the shareholder vote on the Merger or consummation of the Merger; and (ii) rescission of the Merger, to the extent it closes. The plaintiff also sought an award of costs and disbursements incurred in the action, including a reasonable allowance for expert fees and attorneys' fees. On February 14, 2020, the Yarbrough complaint was voluntarily dismissed.

We believe the claims asserted in each of the above described complaints are without merit and intend to vigorously defend against them to the extent they have not already been dismissed. It is not probable that litigation discussed above, to the extent it was not already dismissed as of December 31, 2019, will result in a material effect on our financial statements.

Contractual Commitments

Proposed Extension of Casino Operating Contract for Harrah's New Orleans

On June 7, 2019, the Governor of the State of Louisiana signed into effect legislation that would authorize the Louisiana Gaming Control Board to enter into a 30-year extension of the Harrah's New Orleans casino operating contract to 2054, subject to certain approvals of the amended casino operating contract that would provide for the 30-year extension and provided that such amended casino operating contract includes certain requirements set forth in the legislation, including (without limitation), that (a) Caesars be obligated to make (i) a capital investment of \$325 million on or around the official gaming establishment by July 15, 2024 (subject to extensions for force majeure events), (ii) certain one-time payments totaling \$25 million to the City of New Orleans and State of Louisiana, (iii) certain one-time payments totaling \$40 million to the City of New Orleans and State of Louisiana, (iv) an annual payment to the Louisiana Gaming Control Board in the amount of \$3.4 million (subject to certain adjustments based on changes with respect to the consumer price index), (v) an annual license payment to the Louisiana Gaming Control Board in the amount of \$3 million starting in April 2022, and (vi) an annual payment in the amount of \$6 million (subject to certain adjustments based on changes with respect to the consumer price index) to the City of New Orleans, which annual payment is to be paid in quarterly installments, and (b) the minimum amount of the annual gaming payments made by Caesars to the Louisiana Gaming Control Board increase from \$60 million to \$65 million starting in April 2022.

Exit Cost Accruals

As of December 31, 2019 and 2018, exit costs were included in Accrued expenses and other current liabilities and Deferred credits and other liabilities on the accompanying Balance Sheets for accruals related to the following:

<i>(In millions)</i>	Accrual Obligation End Date	As of December 31,	
		2019	2018
Future obligations under land lease agreements ⁽¹⁾	December 2092	\$ —	\$ 43
Iowa greyhound pari-mutuel racing fund	December 2021	17	33
Permanent closure of international properties ⁽²⁾	January 2032	—	10
Unbundling of electric service provided by NV Energy	February 2024	49	58
Total		\$ 66	\$ 144

⁽¹⁾ Associated with the abandonment of a construction project near the Mississippi Gulf Coast.

⁽²⁾ Properties include Alea Leeds, Golden Nugget and Southend. As a result of the adoption of ASC 842, as of January 1, 2019, accruals associated with future obligations for leases not in use have been applied against the carrying amount of the ROU assets. See Note 10.

NV Energy

In 2017, we elected to exit the fully bundled sales system of NV Energy and purchase energy, capacity, and/or ancillary services from other providers. As a result, we are required to pay an aggregate exit fee and non-bypassable charges related to our Nevada properties until 2024. These fees are recorded in Accrued expenses and other current liabilities and Deferred credits and other liabilities on the Balance Sheets, based on the expected payment date. The amount will be adjusted in the future if actual fees incurred differ from our estimates.

CAESARS ENTERTAINMENT CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Sports Sponsorship/Partnership Obligations

We have agreements with certain professional sports leagues and teams, sporting event facilities and sports television networks for tickets, suites, and advertising, marketing, promotional and sponsorship opportunities. As of December 31, 2019, obligations related to these agreements were \$246 million with contracts extending through 2034. We recognize expenses in the period services are rendered in accordance with the various agreements. In addition, assets or liabilities may be recorded related to the timing of payments as required by the respective agreement.

Golf Course Use Agreement

On October 6, 2017, certain Golf Course Properties were sold to VICI and CEOC LLC entered into a Golf Course Use Agreement with VICI over a 35-year term (inclusive of all renewal periods), pursuant to which we incur (i) an annual payment of \$10 million subject to escalation, (ii) an annual use fee of \$3 million, subject to escalation beginning in the second year, and (iii) per-round fees. All of these payments are guaranteed by CEC.

An obligation of \$145 million is recorded in Deferred credits and other liabilities as of December 31, 2019, which represents the amount that the obligations of \$10 million in annual payments to be made under the Golf Course Use Agreement exceeds the fair value of services being received.

VICI Leases

Under the CEOC LLC Lease Agreements and the Harrah's Las Vegas lease, we are required to spend certain minimum amounts on capital expenditures.

Tribal Casino Management Contracts

The agreements pursuant to which we manage casinos on Indian lands contain provisions required by law that state that a minimum monthly payment must be made to the applicable tribe. This payment obligation has priority over scheduled repayments of borrowings for development costs and over the management fee earned and paid to the manager. In the event that insufficient cash flow is generated by the operations to fund this payment, we must pay the shortfall to the tribe. Subject to certain limitations as to time, such advances, if any, would be repaid to us in future periods in which operations generate cash flow in excess of the required minimum payment. These commitments will terminate upon the occurrence of certain defined events, including termination of the management contract. Our aggregate monthly commitment for the minimum guaranteed payments, pursuant to contracts for the three managed, Indian-owned facilities, is approximately \$1 million. Each of these casinos currently generates sufficient cash flows to cover all of its obligations, including its debt service.

Separation Agreement

On November 1, 2018, the Company announced that Mark P. Frissora, our former President and Chief Executive Officer, was leaving the Company. Subject to the terms of the separation agreement entered into between the Company and Mr. Frissora (as amended, the "Separation Agreement"), Mr. Frissora continued as President and Chief Executive Officer until his termination date of April 30, 2019. In connection with his Separation Agreement, upon his termination date, Mr. Frissora was vested in all unvested equity and cash awards (with vesting of performance stock units and options remaining subject to achievement of applicable targets and options generally exercisable for two years after vesting). As a result of the separation, a total of \$32 million of accelerated compensation expense was recognized through his exit date of April 30, 2019, of which \$13 million was recognized during the year ended December 31, 2019 and \$19 million during the year ended December 31, 2018. As of December 31, 2019 approximately \$5 million was unpaid and recorded in Accrued expenses and other current liabilities.

Voluntary Severance Program

During 2019, in an effort towards achieving greater operational efficiency, the Company initiated a Voluntary Severance Program ("VSP"). The VSP was offered to non-property, US-based corporate employees in management roles, as defined by the program, excluding certain revenue focused departments. For the year ended December 31, 2019, the Company recognized severance and stock-based compensation charges related to this VSP program totaling approximately \$17 million. As of December 31, 2019, approximately \$4 million was unpaid and recorded in Accrued expenses and other current liabilities.

CAESARS ENTERTAINMENT CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Common Parking Area Use Agreement

Planet Hollywood Resort & Casino is party to an agreement for a common parking area for purposes of parking, passage, loading and unloading of motor vehicles and pedestrian traffic. The parking area is owned by a third party to which we make annual fee payments of \$3 million. In addition, certain expenses incurred by the property owner in connection with the operation, management, repair and maintenance are allocated to all parties within the agreement. Our expected obligation, including the annual fee, for each of the next five years is estimated to be \$5 million per year and the term of the agreement continues through December 31, 2097. This expense is recorded within Property, general, administrative, and other on our Statement of Operations.

Contingent Liabilities

Resolution of Disputed Claims

As described in Note 1, CEOC and certain of its U.S. subsidiaries (collectively, the “Debtors”) emerged from bankruptcy and consummated their reorganization pursuant to their third amended joint plan of reorganization on the Effective Date. Any unresolved claims will continue to be subject to the claims reconciliation process under the supervision of the Bankruptcy Court. CEOC LLC will continue the process of reconciling such claims to the amounts listed by the Debtors in their schedules of assets and liabilities, as amended. The amounts submitted by claimants that remain unresolved total approximately \$437 million. We estimate the fair value of these claims to be \$51 million as of December 31, 2019, which is recorded in Accrued expenses and other current liabilities and is based on management’s estimate of the claim amounts that the Bankruptcy Court will ultimately allow and the fair value of the underlying CEC common stock and CEC Convertible Notes held in escrow for the purpose of resolving those claims. See Note 8.

Pursuant to the Plan, CEC and CEOC deposited cash, CEC common stock, and CEC Convertible Notes into an escrow trust to be distributed to satisfy certain remaining unsecured claims (excluding debt claims) as they become allowed. As claims are resolved, the claimants receive distributions of CEC common stock, cash or cash equivalents, and/or CEC Convertible Notes from the reserves on the same basis as if such distributions had been made on or about the Effective Date. To the extent that any of the reserved shares, cash, and convertible notes remain undistributed upon resolution of the remaining disputed claims, such amounts will be returned to CEC.

As of December 31, 2019, approximately \$48 million in cash, 8 million shares of CEC common stock, and \$32 million in principal value of CEC Convertible Notes remain in reserve for distribution to holders of disputed claims whose claims may ultimately become allowed in the escrow trust. The CEC common stock and CEC Convertible Notes held in the escrow trust are treated as not outstanding in CEC’s Financial Statements. We estimate that the number of shares, cash, and CEC Convertible Notes reserved is sufficient to satisfy the Debtors’ obligations under the Plan.

Caesars United Kingdom UKGC Investigation

In June 2019, the British Gambling Commission (the “Commission” or “UKGC”) informed CEUK that it was initiating a license review of its British properties. The review relates to certain potential inadequacies in implementation of the CEUK Anti-Money Laundering policies and in CEUK’s social responsibility policy and customer monitoring. CEC is taking all necessary steps to remedy issues identified in its own review and disclosed to the Commission. At the present time, we believe a regulatory settlement is probable and have recorded a liability of \$17 million recorded in Accrued expenses and other current liabilities. Given the uncertainty of the review, we do not have a better estimate of the outcome of the review or the potential settlement at this time; however, it is possible we will incur a loss that is higher than what we have recorded and the Commission may limit, condition, restrict, revoke, or suspend CEUK’s licenses.

CAESARS ENTERTAINMENT CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Note 12 — Debt

<i>(Dollars in millions)</i>	December 31, 2019			December 31, 2018	
	Final Maturity	Rates	Face Value	Book Value	Book Value
Secured debt					
CRC Revolving Credit Facility	2022	variable ⁽¹⁾	\$ —	\$ —	\$ 100
CRC Term Loan	2024	variable ⁽²⁾	4,606	4,541	4,577
CEOC LLC Revolving Credit Facility	2022	variable ⁽³⁾	—	—	—
CEOC LLC Term Loan	2024	variable ⁽³⁾	1,220	1,218	1,483
Unsecured debt					
CEC Convertible Notes	2024	5.00%	1,086	1,058	1,083
CRC Notes	2025	5.25%	1,700	1,672	1,668
Special Improvement District Bonds	2037	4.30%	53	53	54
Total debt			8,665	8,542	8,965
Current portion of long-term debt			(64)	(64)	(164)
Long-term debt			\$ 8,601	\$ 8,478	\$ 8,801
				\$	\$
Unamortized premiums, discounts and deferred finance charges				123	110
Fair value			\$ 8,821		

⁽¹⁾ London Interbank Offered Rate ("LIBOR") plus 2.13%.

⁽²⁾ LIBOR plus 2.75%.

⁽³⁾ LIBOR plus 2.00%.

Annual Estimated Debt Service Requirements

<i>(In millions)</i>	Years Ended December 31,						
	2020	2021	2022	2023	2024	Thereafter	Total
Annual maturities of long-term debt	\$ 64	\$ 64	\$ 64	\$ 64	\$ 6,666	\$ 1,743	\$ 8,665
Estimated interest payments	430	410	400	390	380	100	2,110
Total debt service obligation ⁽¹⁾	\$ 494	\$ 474	\$ 464	\$ 454	\$ 7,046	\$ 1,843	\$ 10,775

⁽¹⁾ Debt principal payments are estimated amounts based on maturity dates and potential borrowings under our revolving credit facilities. Interest payments are estimated based on the forward-looking LIBOR curve and include the estimated impact of the ten interest rate swap agreements (see Note 8). Actual payments may differ from these estimates.

Current Portion of Long-Term Debt

The current portion of long-term debt as of December 31, 2019 includes the principal payments on the term loans, other unsecured borrowings, and special improvement district bonds that are expected to be paid within 12 months.

Borrowings under the revolving credit facilities are each subject to the provisions of the applicable credit facility agreements, which each have a contractual maturity of greater than one year. Amounts borrowed, if any, under the revolving credit facilities are intended to satisfy short term liquidity needs and would be classified as current.

Debt Discounts or Premiums and Deferred Finance Charges

Debt discounts or premiums and deferred finance charges incurred in connection with the issuance of debt are amortized to interest expense based on the related debt agreements primarily using the effective interest method. Unamortized discounts are written off and included in our gain or loss calculations to the extent we extinguish debt prior to its original maturity date.

Fair Value

The fair value of debt has been calculated primarily based on the borrowing rates available as of December 31, 2019 based on market quotes of our publicly traded debt. We classify the fair value of debt within Level 1 and Level 2 in the fair value hierarchy.

CAESARS ENTERTAINMENT CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

CRC Term Loan and Revolving Credit Facility

On December 22, 2017, CRC entered into a new \$5.7 billion senior secured credit facility (the “CRC Senior Secured Credit Facilities”), including a \$1.0 billion five-year revolving credit facility (the “CRC Revolving Credit Facility”) and a \$4.7 billion seven-year first lien term loan (the “CRC Term Loan”). The CRC Senior Secured Credit Facilities were funded and closed pursuant to the Credit Agreement, dated as of December 22, 2017 (the “CRC Credit Agreement”).

The CRC Term Loan matures in 2024. The CRC Revolving Credit Facility matures in 2022 and includes a letter of credit sub-facility. The CRC Term Loan requires scheduled quarterly principal payments in amounts equal to 0.25% of the original aggregate principal amount, with the balance due at maturity. The CRC Credit Agreement also includes customary voluntary and mandatory prepayment provisions, subject to certain exceptions. As of December 31, 2019 and 2018, approximately \$25 million and \$36 million was committed to outstanding letters of credit, respectively. As of December 31, 2019, there were no borrowings outstanding under the CRC Revolving Credit Facility.

Borrowings under the CRC Credit Agreement bear interest at a rate equal to either (a) LIBOR adjusted for certain additional costs, subject to a floor of 0% or (b) a base rate determined by reference to the highest of (i) the federal funds rate plus 0.50%, (ii) the prime rate as determined by Credit Suisse AG, Cayman Islands Branch, as administrative agent under the CRC Credit Agreement and (iii) the one-month adjusted LIBOR rate plus 1.00%, in each case plus an applicable margin. Such applicable margin shall be (a) with respect to the CRC Term Loan, 2.75% per annum in the case of any LIBOR loan or 1.75% per annum in the case of any base rate loan and (b) in the case of the CRC Revolving Credit Facility, 2.25% per annum in the case of any LIBOR loan and 1.25% per annum in the case of any base rate loan, subject in the case of the CRC Revolving Credit Facility to two 0.125% step-downs based on CRC’s senior secured leverage ratio (“SSLR”), the ratio of first lien senior secured net debt to adjusted earnings before interest, taxes, depreciation and amortization.

In addition, CRC is required to pay a commitment fee in respect of any commitments under the CRC Revolving Credit Facility in the amount of 0.50% of the principal amount of the commitments, subject to step-downs to 0.375% and 0.25% based upon CRC’s SSLR. CRC is also required to pay customary agency fees as well as letter of credit participation fees computed at a rate per annum equal to the applicable margin for LIBOR borrowings on the dollar equivalent of the daily stated amount of outstanding letters of credit, plus such letter of credit issuer’s customary documentary and processing fees and charges and a fronting fee in an amount equal to 0.125% of the daily stated amount of such letter of credit.

CRC Notes

On October 16, 2017, CRC Escrow Issuer LLC (“Escrow Issuer”) and CRC Finco, Inc., then both wholly owned subsidiaries of CEC, issued \$1.7 billion aggregate principal amount of 5.25% senior notes due 2025 (the “CRC Notes”). On December 22, 2017, Escrow Issuer merged with and into CRC, with CRC as the surviving entity and issuer of the CRC Notes.

CEOC LLC Term Loan and Revolving Credit Facility

As part of the acquisition of OpCo on the Effective Date, we assumed debt that was issued in connection with CEOC’s emergence from bankruptcy including a \$1.235 billion term loan (the “CEOC LLC Term Loan”) pursuant to a Credit Agreement dated as of October 6, 2017, and amended on April 16, 2018, (the “CEOC LLC Credit Agreement”). In addition, OpCo had a \$200 million revolving credit facility under the CEOC LLC Credit Agreement (the “CEOC LLC Revolving Credit Facility”). In December 2017, we increased the CEOC LLC Term Loan by \$265 million to \$1.5 billion.

The CEOC LLC Term Loan matures in 2024 and the CEOC LLC Revolving Credit Facility matures in 2022 and includes a letter of credit sub-facility. The CEOC LLC Term Loan requires scheduled quarterly principal payments in amounts equal to 0.25% of the original aggregate principal amount, with the balance due at maturity. The CEOC LLC Credit Agreement also includes customary voluntary and mandatory prepayment provisions, subject to certain exceptions. As of December 31, 2019, there were no borrowings outstanding under the CEOC LLC Revolving Credit Facility and approximately \$39 million was committed to outstanding letters of credit. As of December 31, 2018, approximately \$39 million was committed to outstanding letters of credit.

Borrowings under the CEOC LLC Credit Agreement bear interest at a rate equal to either (a) LIBOR adjusted for certain additional costs, subject to a floor of 0% or (b) a base rate determined by reference to the highest of (i) the federal funds rate plus 0.50%, (ii) the prime rate as determined by Credit Suisse AG, Cayman Islands Branch, as administrative agent under the CEOC LLC Credit Agreement and (iii) the one-month adjusted LIBOR rate plus 1.00%, in each case plus an applicable margin.

CAESARS ENTERTAINMENT CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

The applicable margins under the CEOC LLC Credit Agreement are (a) with respect to the CEOC LLC Term Loan, 2.00% per annum in the case of any LIBOR loan or 1.00% per annum in the case of any base rate loan and (b) in the case of the CEOC LLC Revolving Credit Facility, 2.00% per annum in the case of any LIBOR loan and 1.00% per annum in the case of any base rate loan, subject in the case of the CEOC LLC Revolving Credit Facility to two 0.125% step-downs based on CEOC LLC's SSLR.

In addition, CEOC LLC is required to pay a commitment fee in respect of any commitments under the CEOC LLC Revolving Credit Facility in the amount of 0.50% of the principal amount of the commitments, subject to step-downs to 0.375% and 0.25% based upon CEOC LLC's SSLR. CEOC LLC is also required to pay customary agency fees as well as letter of credit participation fees computed at a rate per annum equal to the applicable margin for LIBOR borrowings on the dollar equivalent of the daily stated amount of outstanding letters of credit, plus such letter of credit issuer's customary documentary and processing fees and charges and a fronting fee in an amount equal to 0.125% of the daily stated amount of such letter of credit.

CEC Convertible Notes

On the Effective Date, CEC issued \$1.1 billion aggregate principal amount of 5.00% convertible senior notes maturing in 2024 to CEOC's creditors pursuant to the terms of the Plan. The CEC Convertible Notes were issued pursuant to the indenture, dated as of October 6, 2017.

The CEC Convertible Notes are convertible at the option of holders into a number of shares of CEC common stock that is equal to approximately 0.139 shares of CEC common stock per \$1.00 principal amount of CEC Convertible Notes, which is equal to an initial conversion price of \$7.19 per share. If all the shares were issued on the Effective Date, they would have represented approximately 17.9% of the shares of CEC common stock outstanding on a fully diluted basis. The holders of the CEC Convertible Notes can convert them at any time after issuance. CEC can convert the CEC Convertible Notes beginning in October 2020 if the last reported sale price of CEC common stock equals or exceeds 140% of the conversion price for the CEC Convertible Notes in effect on each of at least 20 trading days during any 30 consecutive trading day period. CEC does not have any other redemption rights under the CEC Convertible Notes.

On December 2, 2019, we paid \$28 million to the holders of the CEC Convertible Notes, whose consents were validly delivered and not validly revoked, to modify the CEC Convertible Notes (the "Consent"). The consent fee is recognized as an additional discount to our debt and will be amortized over the remaining life of the CEC Convertible Notes. The Consent amended the indenture governing the CEC Convertible Notes to expressly permit the Merger and the other transactions contemplated by the Merger Agreement (including the related financing transactions) and, subject to the consummation of the Merger, delete the negative covenants contained in Sections 4.02 (Reports and Other Information), 4.03 (Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock), 4.04 (Limitation on Restricted Payments), 4.05 (Dividend and Other Payment Restrictions Affecting Subsidiaries) 4.06 (Asset Sales), 4.07 (Transactions with Affiliates), 4.09 (Compliance Certificate), 4.10 (Further Instruments and Acts), 4.12 (Liens), 4.13 (Business Activities), 4.15 (Payments for Consents) and 5.01 (When Issuer may Merge or Transfer Assets) of the indenture for the purpose of providing additional operating flexibility after the consummation of the Merger.

As of December 31, 2019, an immaterial amount of the CEC Convertible Notes was converted into shares of CEC common stock. An aggregate of 156 million shares of CEC common stock, of which 151 million shares are net of amounts held by CEC, are issuable upon conversion of the CEC Convertible Notes. As of December 31, 2019, the remaining life of the CEC Convertible Notes is 4.75 years.

The Company has determined that the CEC Convertible Notes contain derivative features that require bifurcation. We separately account for the liability component and equity conversion option of the CEC Convertible Notes. The portion of the overall fair value allocated to the liability was calculated by using a market-based approach without the conversion features included. The difference between the overall instrument value and the value of the liability component was assumed to be the value of the equity component. See Note 8 for more information on the CEC Convertible Notes' fair value measurements.

CAESARS ENTERTAINMENT CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Summary of Debt and Revolving Credit Facility Cash Flows from Financing Activities in 2019

<u>(In millions)</u>	Repayments	Debt issuance and extension costs and fees
CEC Convertible Notes	\$ —	\$ (28)
CRC Revolving Credit Facility	(100)	—
CRC Term Loan	(47)	—
CEOC LLC Term Loan	(265)	—
Other debt activity	(2)	—
Total	<u>\$ (414)</u>	<u>\$ (28)</u>

Terms of Outstanding Debt

The Company may elect, at its option, to prepay any borrowings outstanding under the CEOC LLC Credit Agreement without premium or penalty (except with respect to any break funding payments which may be payable pursuant to the terms of the CEOC LLC Credit Agreement). On September 13, 2019, we made a voluntary payment of \$250 million toward the outstanding principal balance of our CEOC LLC Term Loan.

Restrictive Covenants

The CRC Credit Agreement, CEOC LLC Credit Agreement, as amended, and the indentures related to the CRC Notes contain covenants which are standard and customary for these types of agreements. These include negative covenants, which, subject to certain exceptions and baskets, limit the ability of CRC and certain of its subsidiaries, and CEOC LLC and certain of its subsidiaries, respectively, to (among other items) incur additional indebtedness, make investments, make restricted payments, including dividends, grant liens, sell assets and make acquisitions. The indenture related to the CEC Convertible Notes contains covenants including negative covenants, which, subject to certain exceptions, limit the Company's ability to (among other items) incur additional indebtedness, make investments, make restricted payments, including dividends, grant liens, sell assets, and make acquisitions. The Consent amended the indenture related to the CEC Convertible Notes to, subject to the consummation of the Merger, delete certain of such negative covenants from the indenture as described above.

The CRC Revolving Credit Facility and CEOC LLC Revolving Credit Facility include maximum first-priority net SSLR financial covenants of 6.35:1 and 3.50:1, respectively, which are applicable solely to the extent that certain testing conditions are satisfied.

Guarantees

The borrowings under the CRC Credit Agreement and CEOC LLC Credit Agreement, as amended, are guaranteed by the material, domestic, wholly owned subsidiaries of CRC and CEOC LLC, respectively, (subject to exceptions) and substantially all of the applicable existing and future property and assets of CRC or CEOC LLC, respectively, and their respective subsidiary guarantors serve as collateral for the respective borrowings.

The CRC Notes are guaranteed on a senior unsecured basis by each wholly owned, domestic subsidiary of CRC that is a subsidiary guarantor with respect to the CRC Senior Secured Credit Facilities.

Restricted Net Assets

Because of the restrictions in our borrowings and other arrangements, the amount of net assets at consolidated subsidiaries not available to be remitted to CEC via dividend, loan or transfer was approximately \$2.1 billion and \$3.2 billion as of December 31, 2019 and 2018, respectively.

Note 13 — Stockholders' Equity

Share Repurchase Program

On May 2, 2018, the Company announced that our Board of Directors authorized a Share Repurchase Program (the "Repurchase Program") to repurchase up to \$500 million of our common stock. On August 10, 2018, the Company announced that our Board of Directors increased its share repurchase authorization to \$750 million of our common stock. Repurchases may be made at the Company's discretion from time to time on the open market or in privately negotiated transactions. The Repurchase Program has no time limit, does not obligate the Company to make any repurchases, and may be suspended for periods or discontinued at any

CAESARS ENTERTAINMENT CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

time. Any shares acquired are available for general corporate purposes. During the year ended December 31, 2019, there were no shares repurchased under the program. During the year ended December 31, 2018, we repurchased approximately 31 million shares for approximately \$311 million under the program recorded in Treasury stock. As of December 31, 2019, the maximum dollar value that may still be purchased under the program was \$439 million.

Pursuant to the Merger Agreement, prior to the completion of the Merger or termination of the Merger Agreement, we may not, absent Eldorado's prior written consent, repurchase shares of our common stock (subject to limited exceptions related to stock options or settlement of other awards and the CEC Convertible Notes).

Note 14 — Earnings Per Share

Basic earnings per share ("EPS") is computed by dividing the applicable income amounts by the weighted-average number of shares of common stock outstanding. Diluted EPS is computed by dividing the applicable income amounts by the sum of weighted-average number of shares of common stock outstanding and dilutive potential common stock.

For a period in which Caesars generated a net loss, the weighted-average basic shares outstanding was used in calculating diluted loss per share because using diluted shares would have been anti-dilutive to loss per share.

Basic and Dilutive Net Earnings Per Share Reconciliation

<i>(In millions, except per share data)</i>	Years Ended December 31,		
	2019	2018 ⁽¹⁾	2017
Net income/(loss) attributable to Caesars	\$ (1,195)	\$ 303	\$ (368)
Dilutive effect of CEC Convertible Notes, net of tax	—	(510)	—
Adjusted net loss attributable to Caesars	<u>\$ (1,195)</u>	<u>\$ (207)</u>	<u>\$ (368)</u>
Weighted-average common shares outstanding - basic	676	686	279
Dilutive potential common shares: Stock-based compensation awards	—	4	—
Dilutive potential common shares: CEC Convertible Notes	—	151	—
Weighted-average common shares outstanding - diluted	<u>676</u>	<u>841</u>	<u>279</u>
Basic earnings/(loss) per share	\$ (1.77)	\$ 0.44	\$ (1.32)
Diluted loss per share	\$ (1.77)	\$ (0.25)	\$ (1.32)

⁽¹⁾ The Company identified an error in the computation of Diluted EPS in the financial statements for the year ended December 31, 2018. The Company did not reverse the changes in fair value of the CEC Convertible Notes, net of tax, which was a gain of \$552 million from Net income/(loss) attributable to Caesars for the purpose of calculation of Diluted EPS. The Dilutive effect of CEC Convertible Notes, net of tax of \$42 million for the year ended December 31, 2018 has been corrected to be \$(510) million. As a result, Diluted EPS for the year ended December 31, 2018 was overstated by \$0.66 per share. Diluted EPS of \$0.41 for the year ended December 31, 2018 has been corrected to Diluted loss per share of \$0.25. This error had no effect on Net Income/(Loss) on our Statements of Operations, our Balance Sheets, Statements of Cash Flows, or Consolidated Statements of Stockholders' Equity/Deficit, as of, and for the year ended December 31, 2018.

Weighted-Average Number of Anti-Dilutive Shares Excluded from Calculation of EPS

<i>(In millions)</i>	Years Ended December 31,		
	2019	2018	2017
Stock-based compensation awards	20	11	21
CEC Convertible Notes	151	—	36
Total anti-dilutive common stock	<u>171</u>	<u>11</u>	<u>57</u>

Note 15 — Revenue Recognition

Accounting Policies

We analyze our revenues based upon the type of services we provide and the geographic location of the related property. We recognize revenue when control over the goods and services we provide has transferred to the customer, which is generally when the services are performed and when we have no substantive performance obligation remaining. Sales and other taxes collected from customers on behalf of governmental authorities are accounted for on a net basis and are not included in net revenues or operating expenses.

Casino Revenues

Casino revenues include revenues generated by our casino operations and casino related activities such as poker, pari-mutuel wagering, and tournaments, less sales incentives and other adjustments. Casino revenues are measured by the aggregate net difference between gaming wins and losses. Jackpots, other than the incremental amount of progressive jackpots, are recognized at the time they are won by customers. We accrue the incremental amount of progressive jackpots as the progressive machine is played, and the progressive jackpot amount increases, with a corresponding reduction to casino revenues. Funds deposited by customers in advance along with chips and slot vouchers in a customer's possession are recorded in Accrued expenses and other current liabilities on our Balance Sheets until such amounts are redeemed or used in gaming play by the customer.

Non-Gaming Revenues

Rooms revenue, food and beverage revenue, and entertainment and other revenue include: (i) the actual amounts paid for such services (less any amounts allocated to unperformed performance obligations, such as Reward Credits described below); (ii) the value of Reward Credits redeemed for such services; and (iii) the portion of the transaction price allocated to complimentary goods or services provided in conjunction with other revenue-generating activities. Rooms revenue is generally recognized over time, consistent with the customer's reservation period. Food and beverage and entertainment and other revenues are recognized at the point in time the services are performed or events are held. Amounts paid in advance, such as advance deposits on rooms and advance ticket sales, are recorded as a liability until the goods or services are provided to the customer (see Contract Liabilities below).

Other Revenue

Other revenue primarily includes revenue from third-party real estate leasing arrangements at our properties. Rental income is recognized ratably over the lease term with contingent rental income being recognized when the right to receive such rental income is established according to the lease agreements.

Reimbursed Management Costs

Reimbursed management costs are presented on a gross basis as revenue and expense, thus resulting in no net impact on operating income.

Caesars Rewards Loyalty Program

On January 30, 2019, Caesars announced the rebranding of Total Rewards, the Company's industry-leading loyalty program, to Caesars Rewards effective February 1, 2019. The new program leverages the premium Caesars brand to better connect Caesars' elevated standard and prestige with the Company's global destinations.

Caesars Rewards grants Reward Credits to Caesars Rewards Members based on on-property spending, including gaming, hotel, dining, and retail shopping at all Caesars-affiliated properties. Members may redeem Reward Credits for complimentary or discounted goods and services such as rooms, food and beverages, merchandise, free play, entertainment, and travel accommodations. Members are able to accumulate Reward Credits over time that they may redeem at their discretion under the terms of the program. A member's Reward Credit balance is forfeited if the member does not earn at least one Reward Credit during a continuous six-month period.

Because of the significance of the Caesars Rewards program and the ability for customers to accumulate Reward Credits based on their past play, we have determined that Reward Credits granted in conjunction with other earning activity represent a performance obligation. As a result, for transactions in which Reward Credits are earned, we allocate a portion of the transaction price to the Reward Credits that are earned based upon the relative standalone selling prices ("SSP") of the goods and services involved. When

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the activity underlying the “earning” of the Reward Credits has a wide range of selling prices and is highly variable, such as in the case of gaming activities, we use the residual approach in this allocation by computing the value of the Reward Credits as described below and allocating the residual amount to the gaming activity. This allocation results in a significant portion of the transaction price being deferred and presented as a Contract liability on our accompanying Balance Sheets. Any amounts allocated to Contract liabilities are recognized as revenue when the Reward Credits are redeemed in accordance with the specific recognition policy of the activity for which the credits are redeemed. This balance is further described below under Contract Liabilities.

Our Caesars Rewards loyalty program includes various tiers that offer different benefits, and members are able to earn credits towards tier status, which generally enables them to receive discounts similar to those provided as complimentary described below. We have determined that any such discounts received as a result of tier status do not represent material rights, and therefore, we do not account for them as distinct performance obligations.

We have determined the SSP of a Reward Credit by computing the redemption value of credits expected to be redeemed. Because Reward Credits are not otherwise independently sold, we analyzed all Reward Credit redemption activity over the preceding calendar year and determined the redemption value based on the fair market value of the goods and services for which the Reward Credits were redeemed. We have applied the practical expedient under the portfolio approach to our Reward Credit transactions because of the similarity of gaming and other transactions and the homogeneity of Reward Credits.

As part of determining the SSP for Reward Credits, we also determined that there is generally an amount of Reward Credits that is not redeemed, which is considered “breakage.” We recognize the expected breakage proportionally with the pattern of revenue recognized related to the redemption of Reward Credits. We periodically reassess our customer behaviors and revise our expectations as deemed necessary on a prospective basis.

Complimentaries

As part of our normal business operations, we often provide discretionary lodging, transportation, food and beverage, entertainment, free play and other goods and services to our customers at no additional charge. Non-discretionary Reward Credits can be redeemed for these services. Both are considered complimentary. Such complimentary are provided in conjunction with other revenue-earning activities and are generally provided to encourage additional customer spending on those activities. Accordingly, we allocate a portion of the transaction price we receive from such customers to the complimentary goods and services. We perform this allocation based on the SSP of the underlying goods and services, which is determined based upon the weighted-average cash sales prices received for similar services at similar points during the year.

Receivables and Contract Liabilities

We issue credit to approved casino customers following investigations of creditworthiness. Business or economic conditions or other significant events could affect the collectability of these receivables. Accounts receivable are non-interest bearing and are initially recorded at cost.

Marker play represents a significant portion of our overall table games volume. We maintain strict controls over the issuance of markers and aggressively pursue collection from those customers who fail to pay their marker balances timely. These collection efforts include the mailing of statements and delinquency notices, personal contacts, the use of outside collection agencies and civil litigation. Markers are generally legally enforceable instruments in the United States. Markers are not legally enforceable instruments in some foreign countries, but the United States assets of foreign customers may be reached to satisfy judgments entered in the United States. We consider the likelihood and difficulty of enforceability, among other factors, when we issue credit to customers who are not residents of the United States.

Accounts are written off when management deems the account to be uncollectible. Recoveries of accounts previously written off are recorded when received. We reserve an estimated amount for gaming receivables that may not be collected to reduce the Company’s receivables to their net carrying amount. Methodologies for estimating the allowance for doubtful accounts range from specific reserves to various percentages applied to aged receivables. Historical collection rates are considered, as are customer relationships, in determining specific reserves. As with many estimates, management must make judgments about potential actions by third parties in establishing and evaluating our reserves for allowance for doubtful accounts. Receivables are reported net of the allowance for doubtful accounts.

CAESARS ENTERTAINMENT CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Receivables

<i>(In millions)</i>	As of December 31,					
	2019		2018		2017	
Casino	\$	186	\$	188	\$	173
Food and beverage and rooms ⁽¹⁾		65		62		59
Entertainment and other		82		77		79
Contract receivables, net		333		327		311
Real estate leases		16		15		11
Other		88		115		172
Receivables, net	\$	437	\$	457	\$	494

⁽¹⁾ As a result of the adoption of ASC 842, as of January 1, 2019, revenue generated from the lease components of lodging arrangements and conventions as well as their associated receivables are no longer considered contract revenue or contract receivables under ASC 606, Revenue from Contracts with Customers. A portion of this balance relates to lease receivables under ASC 842. See Note 10 for further details.

Allowance for Doubtful Accounts

<i>(In millions)</i>	Contracts		Other		Total	
Balance as of January 1, 2017	\$	21	\$	20	\$	41
Provision for doubtful accounts		9		(1)		8
Write-offs less recoveries		14		(32)		(18)
OpCo consolidation ⁽¹⁾		—		20		20
Balance as of December 31, 2017		44		7		51
Provision for doubtful accounts		17		4		21
Write-offs less recoveries		(18)		(7)		(25)
Balance as of December 31, 2018		43		4		47
Provision for doubtful accounts		18		8		26
Write-offs less recoveries		(9)		4		(5)
Balance as of December 31, 2019 ⁽²⁾	\$	52	\$	16	\$	68

⁽¹⁾ See Note 4 for further details relating to the acquisition of OpCo.

⁽²⁾ "Other" includes allowance associated with lease receivables under ASC 842. See Note 10 for further details.

CAESARS ENTERTAINMENT CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Contract Liabilities

<i>(In millions)</i>	Caesars Rewards	Customer Advance Deposits	Total
Balance as of January 1, 2017	\$ —	\$ 63	\$ 63
Amount recognized from the beginning balance	—	(56)	(56)
Amount earned and recognized within the period	(19)	34	15
OpCo consolidation ⁽¹⁾	81	28	109
Balance as of December 31, 2017 ⁽²⁾	62	69	131
Amount recognized during the period ⁽³⁾	(144)	(440)	(584)
Amount accrued during the period	148	454	602
Balance as of December 31, 2018 ⁽⁴⁾	66	83	149
Amount recognized during the period ⁽⁵⁾	(145)	(603)	(748)
Amount accrued during the period	149	646	795
Balance as of December 31, 2019 ⁽⁶⁾	\$ 70	\$ 126	\$ 196

⁽¹⁾ See Note 4 for further details relating to the acquisition of OpCo.

⁽²⁾ \$2 million included within Deferred credits and other liabilities as of December 31, 2017.

⁽³⁾ Includes \$35 million for Caesars Rewards and \$62 million for Customer Advances recognized from the December 31, 2017 Contract liability balances.

⁽⁴⁾ \$5 million included within Deferred credits and other liabilities as of December 31, 2018.

⁽⁵⁾ Includes \$35 million for Caesars Rewards and \$72 million for Customer Advances recognized from the December 31, 2018 Contract liability balances.

⁽⁶⁾ \$18 million included within Deferred credits and other liabilities as of December 31, 2019. Includes lodging arrangement and convention contract liabilities accounted for under ASC 842. See Note 10 for further details.

Generally, customer advances and their corresponding performance obligations are satisfied within 12 months of the date of receipt of advanced payment. While Rewards Credits are generally redeemed by customers over a four-year period from when they were earned, of the total Reward Credits expected to be redeemed, approximately 90% are redeemed within one year and approximately 10% are redeemed beyond one year.

Note 16 — Stock-Based Compensation

Caesars Entertainment Stock-Based Compensation Plans

We maintain long-term incentive plans for management, other personnel, and key service providers. The plans allow for granting stock-based compensation awards, based on CEC common stock (NASDAQ symbol “CZR”), including time-based and performance-based stock options, restricted stock units (“RSUs”), performance stock units (“PSUs”), market-based stock units (“MSUs”), restricted stock awards, stock grants, or a combination of awards. Forfeitures are recognized in the period in which they occur.

Performance Incentive Plans

In July 2017, we adopted the Caesars Entertainment Corporation 2017 Performance Incentive Plan, (the “2017 Incentive Plan”) upon approval of the Company’s stockholders and, upon adoption, awards are no longer granted under the Caesars Entertainment Corporation 2012 Performance Incentive Plan, as amended, (the “2012 Incentive Plan”). As of December 31, 2019, there were approximately 2 million options outstanding under the 2012 Incentive Plan, which will expire between years 2022 and 2025. As of December 31, 2019, there were less than a million RSUs outstanding under the 2012 Incentive Plan.

The 2017 Incentive Plan allows for the granting of equity-based awards for directors, employees, officers and consultants or advisers who render services to Caesars Entertainment or its subsidiaries. Under the 2017 Incentive Plan, a total of 25 million shares of our common stock have been authorized for issuance. No options have been granted under the 2017 plan. RSUs granted under the 2017 Incentive Plan generally vest ratably over four years. PSUs vest over three years and MSUs cliff vest over three years. The number of unissued common shares reserved for future grants under the plan is 8 million as of December 31, 2019.

During November and December 2019, certain employees were terminated under the VSP (See Note 11). As a result of separation agreements, including those under the VSP, certain equity awards of the 43 participants were modified to decrease the requisite service period and, in some cases, allow for immediate vesting and issuance of shares of our common stock. As a result of these

CAESARS ENTERTAINMENT CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

modifications, we accelerated all unvested compensation expense for the modified awards and recorded incremental stock-based compensation of approximately \$2 million based on the fair value of the modified awards.

Caesars Entertainment Stock Option Activity

	Shares	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term (years)	Aggregate Intrinsic Value (in millions)
Outstanding as of December 31, 2018	8,360,365	\$ 10.63	2.8	\$ —
Exercised	(5,550,720)	8.51		
Forfeited	(45,544)	8.65		
Expired	(616,351)	15.74		
Outstanding as of December 31, 2019	<u>2,147,750</u>	<u>14.67</u>	<u>2.8</u>	<u>9</u>
Vested and expected to vest as of December 31, 2019	<u>2,147,750</u>	<u>14.67</u>	<u>2.8</u>	<u>9</u>
Exercisable as of December 31, 2019	<u>1,516,588</u>	<u>8.71</u>	<u>3.7</u>	<u>8</u>

Caesars Entertainment Stock Option Exercises

<i>(Dollars in millions)</i>	Years Ended December 31,		
	2019	2018	2017
Option Exercises:			
Number of options exercised	5,550,720	746,332	1,249,640
Cash received for options exercised	\$ 47	\$ 6	\$ 8
Aggregate intrinsic value of options exercised	\$ 17	\$ 3	\$ 7

Caesars Entertainment Restricted Stock Unit Activity

During the year ended December 31, 2019, we granted RSUs to employees of Caesars Entertainment with an aggregate fair value of \$45 million. Each RSU represents the right to receive payment in respect of one share of the Caesars Entertainment's common stock. The following table summarizes the activity of Caesars Entertainment's RSUs during the year ended December 31, 2019.

	Units	Weighted Average Fair Value ⁽¹⁾
Outstanding as of December 31, 2018	13,455,092	\$ 11.51
Granted	5,228,512	8.77
Vested	(8,087,020)	10.76
Forfeited	(2,264,434)	10.58
Outstanding as of December 31, 2019	<u>8,332,150</u>	<u>10.77</u>

⁽¹⁾ Represents the weighted average grant date fair value of RSUs, which is the share price of our common stock on the grant date.

The fair value of RSUs vested during the years ended December 31, 2019, 2018, and 2017, was \$85 million, \$72 million, and \$29 million, respectively.

Caesars Entertainment Performance Stock Unit Activity

The Company granted approximately 1.2 million PSUs in 2019 and 1.6 million PSUs in 2018 that are scheduled to vest in three equal tranches over a three-year period. On each vesting date, recipients will receive between 0% and 200% of the granted PSUs in the form of CEC common stock based on the achievement of specified performance service conditions. Based on the terms and conditions of the awards, the fair value of the PSUs was initially set equal to the quoted market price of our common stock on the date of grant. The grant date fair value is reassessed at each reporting date to reflect the market price of our common stock until a mutual understanding of the key terms and conditions of the awards, between the Company and recipient, is achieved. The following table summarizes the activity of Caesars Entertainment's PSUs during the year ended December 31, 2019.

CAESARS ENTERTAINMENT CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

	Units	Weighted Average Fair Value ⁽¹⁾
Outstanding as of December 31, 2018	1,466,183	\$ 6.79
Granted	1,166,336	8.71
Vested	(676,923)	10.34
Forfeited	(501,933)	9.19
Outstanding as of December 31, 2019	1,453,663	13.60

⁽¹⁾ Grant date fair value, for which compensation expense of these unvested awards is measured, has not been achieved. This represents the quoted market price of our common stock on the dates indicated.

Caesars Entertainment Market-Based Stock Unit Activity

In 2019, the Company granted approximately 703 thousand MSUs that are scheduled to cliff vest in three years. On the vesting date, recipients will receive between 0% and 200% of the granted MSUs in the form of CEC common stock based on the achievement of specified market and service conditions. Based on the terms and conditions of the awards, the grant date fair value of the MSUs was determined using a Monte-Carlo simulation model. Key assumptions for the Monte-Carlo simulation model are the risk-free interest rate, expected volatility, expected dividends and correlation coefficient. The effect of market conditions is considered in determining the grant date fair value, which is not subsequently revised based on actual performance. The aggregate value of MSUs granted during December 31, 2019 was \$9 million.

	Units	Weighted Average Fair Value ⁽¹⁾
Outstanding as of December 31, 2018	—	\$ —
Granted	702,761	12.63
Vested	(81,832)	12.63
Forfeited	(186,008)	12.63
Outstanding as of December 31, 2019	434,921	

⁽¹⁾ Represents the fair value determined using a Monte-Carlo simulation model.

The fair value of MSUs vested during the year ended December 31, 2019 was \$1 million.

Unrecognized Compensation Cost

As of December 31, 2019, there was \$84 million of total unrecognized compensation cost related to Caesars Entertainment stock-based compensation plans, which is expected to be recognized over a remaining weighted-average period of 1.8 years.

Composition of Stock-Based Compensation Expense (All Plans)

<i>(In millions)</i>	Years Ended December 31,		
	2019	2018	2017
Corporate expense	\$ 69	\$ 60	\$ 36
Property, general, administrative, and other	19	19	7
Total stock-based compensation expense	\$ 88	\$ 79	\$ 43

Note 17 — Deferred Compensation and Employee Benefit Plans

Deferred Compensation

On December 6, 2018, we adopted the Caesars Entertainment Corporation Executive Supplemental Savings Plan III (“ESSP III”) and the Caesars Entertainment Corporation Outside Director Deferred Compensation Plan, effective January 1, 2019. These plans

CAESARS ENTERTAINMENT CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

are unfunded, non-qualified deferred compensation plans. Payment obligations pursuant to the plans are unsecured general obligations of the Company and affiliates of the Company employing participants in the ESSP III. The liability as of December 31, 2019 was \$1 million which was recorded in Deferred credits and other liabilities. There was no liability as of December 31, 2018 as the plans were not effective.

Deferred Compensation Plans

As of December 31, 2019, certain current and former employees of Caesars, and our subsidiaries and affiliates, have balances under: (i) the Harrah's Entertainment, Inc. Executive Supplemental Savings Plan, (ii) the Harrah's Entertainment, Inc. Executive Supplemental Savings Plan II, (iii) the Park Place Entertainment Corporation Executive Deferred Compensation Plan, (iv) the Harrah's Entertainment, Inc. Deferred Compensation Plan, and (v) the Harrah's Entertainment, Inc. Executive Deferred Compensation Plan (collectively, the "existing deferred compensation plans"). These plans are deferred compensation plans that allow certain employees an opportunity to save for retirement and other purposes.

Each of the plans is now frozen and is no longer accepting contributions. However, participants may still earn returns on existing plan balances based upon their selected investment alternatives, which are reflected in their deferral accounts. The total liability recorded in Deferred credits and other liabilities for these plans was \$53 million as of December 31, 2019 and 2018.

Trust Assets

CEC is a party to a trust agreement (the "Trust Agreement") and an escrow agreement with respect to all five of the existing deferred compensation plans (the "Escrow Agreement"), each structured as so-called "rabbi trust" arrangements, which holds assets that may be used to satisfy obligations under the existing deferred compensation plans above. Amounts held pursuant to the Trust Agreement and the Escrow Agreement were approximately \$88 million and \$99 million as of December 31, 2019 and 2018, respectively, and have been reflected within Deferred charges and other assets on the Balance Sheets.

Savings and Retirement Plan

We maintain a defined contribution savings and retirement plan that allows employees to make pre-tax and after-tax contributions. Under the plan, participating employees may elect to contribute up to 50% of their eligible earnings (subject to Internal Revenue Service ("IRS") rules and regulations). Participating employees become vested in matching contributions on a pro-rata basis over five years of credited service. Prior to January 1, 2018, participating employees were eligible to receive a company match of 50% up to 6% of eligible earnings that the individual elected to contribute with an individual cap of \$600. During 2018, the company match was the greater of 25% up to 6% of earnings that the individual elected to contribute with no cap or 50% up to 6% of eligible earnings that the individual elected to contribute with an individual cap of \$600. Beginning January 1, 2019, the match increased to 50% up to 6% of eligible earnings that the individual elects to contribute with no individual cap (subject to further limitations for certain higher-salaried employees). Our contribution expense for this plan was \$26 million, \$14 million, and \$7 million for the years ended December 31, 2019, 2018, and 2017, respectively.

Pension Commitments

We have a defined benefit plan for employees of our London Clubs International subsidiary that provides benefits based on final pensionable salary. The plan is no longer accepting participants or employee contributions. The assets of the plan are held in a separate trustee-administered fund, and death-in-service benefits, professional fees, and other expenses are paid by the pension plan. Annual contributions are made as required. We account for this plan under the immediate recognition method, under which actuarial gains and losses are recognized in our Statements of Operations in the year in which the gains and losses occur rather than deferring them into Other comprehensive income/(loss) and amortizing them over future periods. Any such amounts are recorded in the fourth quarter of each year, and during 2019 and 2018, we recognized a gain of \$3 million and \$19 million, respectively. These amounts do not reflect current compensation costs and are recorded outside of Income from operations, within Other income/(loss) on our Statements of Operations.

As of December 31, 2019 and 2018, total plan assets were \$213 million and \$180 million, respectively, with projected benefit obligations totaling \$242 million and \$217 million, respectively, resulting in a net pension liability of \$29 million and \$37 million, respectively, which is recorded within Deferred credits and other liabilities on our Balance Sheets. As of December 31, 2019, our estimated long-term expected return on assets for this plan is 4.2% with a 2.0% discount rate. For the year ended December 31, 2019, we contributed \$6 million to the plan, which we expect to remain consistent annually.

CAESARS ENTERTAINMENT CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Multi-employer Pension Plans

The Company contributes to a number of multi-employer defined benefit pension plans under the terms of collective bargaining agreements that cover its union-represented employees. The risks of participating in these multi-employer plans are different from a single-employer plan in the following respects:

- i. Assets contributed to the multi-employer plan by one employer may be used to provide benefits to employees of other participating employers.
- ii. If a participating employer stops contributing to the plan, the unfunded obligations of the plan may be borne by the remaining participating employers.
- iii. If the Company chooses to stop participating in some of its multi-employer plans, the Company may be required to pay those plans an amount based on the underfunding of the plan, referred to as a "withdrawal liability."

CAESARS ENTERTAINMENT CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Multi-employer Pension Plan Participation

Pension Fund	EIN/Pension Plan Number	Pension Protection Act Zone Status ⁽¹⁾		FIP/RP Status ⁽³⁾	Contributions (In millions) ⁽²⁾			Surcharge Imposed	Expiration Date of Collective Bargaining Agreement ⁽⁴⁾
		2019	2018		2019	2018	2017		
Southern Nevada Culinary and Bartenders Pension Plan ⁽⁵⁾	88-6016617/001	Green	Green	No	\$ 26	\$ 25	\$ 19	No	May 31, 2023
Legacy Plan of the National Retirement Fund ⁽⁶⁾⁽⁸⁾	13-6130178/001	N/A	N/A	N/A	—	—	9	N/A	N/A
Adjustable plan of the National Retirement Fund ⁽⁷⁾	13-6130178/002	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Legacy Plan of the UNITE HERE Retirement Fund ⁽⁵⁾⁽⁸⁾	82-0994119/001	Red	Red	Yes	16	15	—	No	February 29, 2020
Adjustable Plan of the UNITE HERE Retirement Fund ⁽⁵⁾⁽⁹⁾	82-0994119/002	Green	Green	N/A	N/A	N/A	N/A	N/A	February 29, 2020
Central Pension Fund of the IUOE & Participating Employers ⁽¹⁰⁾	36-6052390/001	Green	Green	No	6	6	5	No	March 31, 2021
Western Conference of Teamsters Pension Plan	91-6145047/001	Green	Green	No	5	5	4	No	Various up to March 31, 2024
Local 68 Engineers Union Pension Plan ⁽⁵⁾⁽¹¹⁾	51-0176618/001	Yellow	Yellow	Yes	1	1	1	No	April 30, 2020
NJ Carpenters Pension Fund	22-6174423/001	Yellow	Yellow	Yes	—	—	—	No	April 30, 2020
Painters IUPAT	52-6073909/001	Yellow	Yellow	Yes	1	1	1	No	Various up to June 30, 2021
Other Funds					2	2	1		
Total Contributions					\$ 57	\$ 55	\$ 40		

⁽¹⁾ Represents the Pension Protection Act zone status for applicable plan year beginning January 1, except where noted otherwise. The zone status is based on information that the Company received from the plan administrator and is certified by the plan's actuary. Among other factors, plans in the red zone are generally less than 65% funded, plans in the yellow zone are between 65% and less than 80% funded, and plans in the green zone are at least 80% funded. All plans detailed in the table above utilized extended amortization provisions to calculate zone status.

⁽²⁾ Comparability to periods prior to the Effective Date are affected by the consolidation of CEOC LLC in 2017.

⁽³⁾ Indicates plans for which a financial improvement plan ("FIP") or a rehabilitation plan ("RP") is either pending or has been implemented.

⁽⁴⁾ The terms of the current agreement continue indefinitely until either party provides appropriate notice of intent to terminate the contract.

⁽⁵⁾ Employer provided more than 5% of the total contributions for the plan years ended 2018 and 2017. As of the date the financial statements were issued, Forms 5500 were not available for the 2019 plan year.

⁽⁶⁾ CEC contributed to the National Retirement Fund ("NRF") under multiple collective bargaining agreements ("CBAs"). Effective January 1, 2015, the NRF split into two separate plans, the Legacy Plan of the NRF and the Adjustable Plan of the NRF.

⁽⁷⁾ CEC contributes a single contribution to the NRF, the Trustees of which allocate such contribution between the two plans. The contribution amount reflected to the Legacy Plan is the aggregate contribution made to the NRF before such allocation between the Legacy Plan and the Adjustable Plan.

⁽⁸⁾ Effective January 1, 2018, the NRF Fund spun-off a portion of the Fund and a number of contributing employers, including CEC, into a new multiemployer pension fund, the HEREIU Pension Fund. The HEREIU Pension Fund consists of two separate plans, the Legacy Plan of the HEREIU Pension Fund and the Adjustable Plan of the HEREIU Pension Fund. CEC no longer contributes to the NRF.

⁽⁹⁾ CEC makes a single contribution to the HEREIU Pension Fund, the Trustees of which allocate such contribution between the Legacy Plan and the Adjustable Plan. The contribution amount reflected to the Legacy Plan is the aggregate contribution made to the HEREIU Pension Fund before such allocation between the Legacy Plan and the Adjustable Plan.

⁽¹⁰⁾ Plan years begin February 1.

⁽¹¹⁾ Plan years begin July 1.

In 2017, we reached an agreement with Hilton Hotels Corporation, whereby CEC received \$12 million in exchange for assuming responsibility of a 31.75% funding liability of the Hilton Hotels Retirement Plan. These proceeds have been used to make quarterly contributions, of which \$2 million has been contributed for the year ended December 31, 2019 and \$5 million for the year ended December 31, 2018. Once the proceeds are depleted, future contributions will be expensed as incurred. Remaining proceeds of \$3 million are recorded within Accrued expenses and other liabilities and \$1 million is recorded within Deferred credits and other liabilities on our balance sheet as of December 31, 2019.

Note 18 — Income Taxes

The effect on the income tax provision and deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date. We have provided a valuation allowance on certain foreign and state net operating losses (“NOLs”), and other federal, state, and foreign deferred tax assets. NOLs and other federal, state, and foreign deferred tax assets were not deemed realizable based upon the Company’s recent history of taxable losses.

On December 22, 2017, the U.S. government enacted comprehensive tax legislation commonly referred to as the Tax Cuts and Jobs Act (the “Tax Act”). The Tax Act makes broad and complex changes to the U.S. tax code that affected our year ended December 31, 2017, including, but not limited to (i) reducing the U.S. federal corporate tax rate, (ii) changing rules related to uses and limitations of net operating loss carryforwards created in tax years beginning after December 31, 2017, (iii) bonus depreciation that will allow for full expensing of qualified property, (iv) generally eliminating U.S. federal income taxes on dividends from foreign subsidiaries, and (v) a one-time transition tax on the mandatory deemed repatriation of cumulative foreign earnings accumulated post 1986 through 2017 that were previously deferred from U.S. income taxes.

The SEC staff issued Staff Accounting Bulletin No. 118 (“SAB 118”), which provides guidance for the accounting of the effects of the Tax Act. SAB 118 provides a measurement period that should not be extended past a year from the enactment date for companies to complete the accounting of the Tax Act under ASC Topic 740, *Income Taxes* (“ASC 740”). Companies that do not complete the accounting under ASC 740 for the tax effects of the Tax Act must record a provisional estimate of the tax effects of the Tax Act. If a provisional estimate cannot be determined, a company should continue to apply ASC 740 based on the tax laws in effect immediately before the enactment of the Tax Act.

As of December 31, 2018, the Company completed the accounting for the tax effects of the Tax Act. During the year ended December 31, 2017, the Company made a reasonable estimate of the effects on the existing deferred tax balances and accrued a provisional income tax benefit of approximately \$1.2 billion in the period ended December 31, 2017. The amount of the estimated income tax benefit was (i) \$797 million related to the net deferred tax benefit of the corporate rate reduction and (ii) \$442 million related to the net deferred tax benefit of deferred tax assets which were realizable due to the changing rules related to uses and limitations of net operating loss carryforwards created in tax years beginning after December 31, 2017. During the year ended December 31, 2018, the Company revised its estimate of the effects on the existing deferred tax balances as of December 31, 2017, and accrued an additional provisional income tax benefit of \$82 million. The total amount of the revised estimated income tax benefit is (i) \$710 million related to the net deferred tax benefit of the corporate rate reduction, (ii) \$569 million related to the net deferred tax benefit of deferred tax assets, which are now realizable due to the changing rules related to uses and limitations of net operating loss carryforwards created in tax years beginning after December 31, 2017, and (iii) \$42 million relating to the net deferred tax benefit of state deferred tax assets, which are now realizable due to the changing rules related to interest expense disallowance for those states which conform to the Tax Act.

The Tax Act also includes provisions for Global Intangible Low-Taxed Income (“GILTI”), which imposes taxes on foreign income in excess of a deemed return on tangible assets of foreign corporations. Companies are allowed to make an accounting policy election of either (i) account for GILTI as a component of income tax expense in the period in which the Company is subject to the rules (the “period cost method”), or (ii) account for GILTI in the Company’s measurement of deferred taxes (the “deferred method”). The Company has elected the period cost method.

Effective January 1, 2018, we adopted ASU 2016-16, *Income Taxes (Topic 740)*, which provides amended guidance regarding intra-entity transfers of assets other than inventory and requires the recognition of any related income tax consequences when such transfers occur.

In January 2019, we adopted ASU 2018-02 *Income Statement—Reporting Comprehensive Income (Topic 220)*, which allows for a reclassification from accumulated other comprehensive income to retained earnings effectively eliminating the stranded tax effects resulting from the Tax Act. The adoption of this standard had no effect on our financial statements.

We file income tax returns, including returns for our subsidiaries, with federal, state, and foreign jurisdictions. We are under regular and recurring audit by the IRS and various state taxing authorities on open tax positions, and it is possible that the amount of the liability for unrecognized tax benefits could change during the next 12 months.

CAESARS ENTERTAINMENT CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Components of Income/(Loss) Before Income Taxes

<i>(In millions)</i>	Years Ended December 31,		
	2019	2018	2017
United States	\$ (1,272)	\$ 205	\$ (2,374)
Outside of the U.S.	(67)	(22)	4
	<u>\$ (1,339)</u>	<u>\$ 183</u>	<u>\$ (2,370)</u>

Income Tax Benefit

<i>(In millions)</i>	Years Ended December 31,		
	2019	2018	2017
United States			
Current			
Federal	\$ (2)	\$ (9)	\$ 148
State	(1)	(1)	(7)
Deferred			
Federal	131	170	1,835
State	22	(39)	23
Outside of the U.S.			
Current	(7)	(9)	(4)
Deferred	(2)	9	—
	<u>\$ 141</u>	<u>\$ 121</u>	<u>\$ 1,995</u>

Allocation of Income Tax Benefit

<i>(In millions)</i>	Years Ended December 31,		
	2019	2018	2017
Income tax benefit applicable to:			
Income from operations	\$ 141	\$ 121	\$ 1,995
Other comprehensive income/(loss)	12	3	—

Effective Income Tax Rate Reconciliation

	Years Ended December 31,		
	2019	2018	2017
Statutory tax rate	21.0 %	21.0 %	35.0 %
Increases/(decreases) in tax resulting from:			
State taxes, net of federal tax benefit	2.5	4.0	5.2
Valuation allowance	(9.9)	(70.4)	(17.1)
Foreign income taxes	(1.3)	2.3	(0.1)
Deferred tax benefit from changes in federal tax law	—	(44.7)	52.1
Stock-based compensation	(1.8)	4.7	(0.2)
Acquisition of CEOC	—	—	36.7
Reserves for uncertain tax positions	0.5	4.4	(4.6)
Current tax benefit from change in CGP operating agreement	—	—	2.4
Impairment of goodwill	(0.3)	4.7	—
Nondeductible transaction costs	—	6.6	(25.0)
Other	(0.1)	1.3	(0.2)
Effective tax rate	<u>10.6 %</u>	<u>(66.1)%</u>	<u>84.2 %</u>

CAESARS ENTERTAINMENT CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Temporary Differences Resulting in Deferred Tax Assets and Liabilities

<i>(In millions)</i>	As of December 31,	
	2019	2018
Deferred tax assets:		
State net operating losses	\$ 415	\$ 420
Federal net operating loss	409	485
Foreign net operating loss	16	16
Compensation programs	46	81
Allowance for doubtful accounts	40	41
Self-insurance reserves	8	10
Accrued expenses	41	45
Federal tax credits	82	70
Financing obligations	2,479	2,445
Golf course properties' obligation	35	35
Investment in non-consolidated affiliates	5	5
Other debt-related items	66	—
Deferred revenue	39	42
Leases	62	66
Other	16	—
Subtotal	3,759	3,761
Less: valuation allowance	1,436	1,302
Total deferred tax assets	2,323	2,459
Deferred tax liabilities:		
Depreciation and other property-related items	2,360	2,567
Other debt-related items	—	95
Intangibles	497	496
Prepaid expenses	23	20
Other	—	1
Total deferred tax liabilities	2,880	3,179
Net deferred tax liability ⁽¹⁾	\$ 557	\$ 720

⁽¹⁾ The net deferred tax liability above is reflected in the Balance Sheets as follows: Deferred income tax asset of \$2 million; Deferred income tax liability of \$555 million; Accrued Expenses and other current liabilities - Liabilities held for sale of \$4 million.

Management assesses the available positive and negative evidence to estimate if sufficient future taxable income will be generated to use the existing deferred tax assets. Due to ongoing losses from operations, we project that future reversals of taxable temporary differences are not sufficient to provide adequate taxable income to realize our deferred tax assets. Accordingly, we have a valuation allowance against the federal, state and foreign deferred tax assets that are not projected to be realizable.

As of December 31, 2019 and 2018, we had federal NOL carryforwards of \$2.5 billion and \$2.6 billion, respectively. These NOLs will begin to expire in 2030. In addition, we had federal general business tax credits and research tax credit carryforwards of \$82 million, which will begin to expire in 2029.

NOL carryforwards for our domestic subsidiaries for state income taxes were \$8.6 billion and \$9.0 billion as of December 31, 2019 and 2018, respectively. Due to the Company's recent history of taxable losses, it is more likely than not that the benefit from certain state NOL carryforwards will not be realized. Accordingly, we have provided a valuation allowance on the deferred tax assets relating to these NOL carryforwards which will not more likely than not be realized. These state NOLs will begin to expire in 2021.

NOL carryforwards for our foreign subsidiaries were \$84 million and \$91 million as of December 31, 2019 and 2018, respectively. Due to the Company's recent history of taxable losses, it is more likely than not that the benefit from certain foreign NOL carryforwards will not be realized. Accordingly, we have provided a valuation allowance on the deferred tax assets relating to these NOL carryforwards which will not more likely than not be realized. These foreign NOLs do not expire.

CAESARS ENTERTAINMENT CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Reconciliation of Unrecognized Tax Benefits

<i>(In millions)</i>	Years Ended December 31,		
	2019	2018	2017
Balance as of beginning of year	\$ 169	\$ 162	\$ 115
Additions based on tax positions related to the current year	37	—	113
Additions for tax positions of prior years	25	13	1
Reductions for tax positions for prior years	(18)	(5)	(92)
Acquisition of OpCo	—	—	67
Settlements	—	(1)	—
Effect of changes in federal tax law	—	—	(42)
Balance as of end of year	\$ 213	\$ 169	\$ 162

We classify reserves for tax uncertainties within Accrued expenses and other current liabilities and Deferred credits and other liabilities in our Balance Sheets, separate from any related income tax payable or Deferred income taxes. Reserve amounts relate to any potential income tax liabilities resulting from uncertain tax positions as well as potential interest or penalties associated with those liabilities.

We accrue interest and penalties related to unrecognized tax benefits in income tax expense. During 2019, we increased our accrual by \$2 million. During 2018, we increased our accrual by \$2 million, and during 2017, we increased our accrual by \$2 million (including the interest from OpCo unrecognized tax benefits acquired in 2017). There was an accrual for the payment of interest and penalties of \$10 million, \$8 million, and \$5 million as of December 31, 2019, 2018, and 2017, respectively. Included in the balances of unrecognized tax benefits as of December 31, 2019 and 2018 was approximately \$143 million and \$145 million, respectively, of unrecognized tax benefits that, if recognized, would impact the effective tax rate. There were \$78 million unrecognized tax benefits as of December 31, 2017 that, if recognized, would impact the effective tax rate.

We file income tax returns, including returns for our subsidiaries, with federal, state, and foreign jurisdictions. We are subject to exam by various state and foreign tax authorities. As of December 31, 2019, the tax years prior to 2015 are not subject to examination for U.S. income tax purposes and for most of the state or foreign income tax jurisdictions as the statutes of limitations have lapsed.

We believe that it is reasonably possible that the unrecognized tax benefits liability will not materially change within the next 12 months. Audit outcomes and the timing of audit settlements are subject to significant uncertainty. Although we believe that adequate provision has been made for such issues, there is the possibility that the ultimate resolution of such issues could have an adverse effect on our earnings. Conversely, if these issues are resolved favorably in the future, the related provision would be reduced, thus having a favorable impact on earnings.

Note 19 — Related Party Transactions

We may engage in transactions with other companies, owned or controlled by affiliates of our significant owners, in the normal course of business. We believe such transactions are conducted at fair value and are immaterial to our financial statements. Significant transactions with related parties are described in the table below.

CAESARS ENTERTAINMENT CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

<i>(In millions)</i>	Years Ended December 31,		
	2019	2018	2017
Transactions with Sponsors and their affiliates			
Reimbursements and expenses	\$ —	\$ —	\$ 34
Expenses paid to Sponsors' portfolio companies	—	—	3
Transactions with Horseshoe Baltimore			
Management fees	9	10	3
Reimbursements and allocated expenses	6	5	16
Transactions with CEOC			
Shared services allocated expenses to CEOC	—	—	312
Shared services allocated expenses from CEOC	—	—	71
Management fees incurred	—	—	33
Octavius Tower lease revenue	—	—	26
Other expenses incurred	—	—	9

Transactions with Sponsors and their Affiliates

The members of Hamlet Holdings LLC were comprised of individuals affiliated with Apollo Global Management, LLC and affiliates of TPG Capital LP (collectively, the "Sponsors") and were significant shareholders. On the Effective Date, we entered into a "Termination Agreement" with the Sponsors and their affiliates, pursuant to which certain agreements terminated. We reimbursed \$34 million to the Sponsors on the Effective Date, included in the table above, related to CEOC's pre-emergence expenses that were paid by the Sponsors. Due to reductions in ownership percentage of the Company starting on the Effective Date, we are no longer controlled or significantly influenced by the Sponsors. Amounts paid prior to the Effective Date to the Sponsors' portfolio companies with which we engage in transactions are included in the table above. We believe such transactions were conducted at fair value.

Transactions with Horseshoe Baltimore

As described in Note 2, upon our deconsolidation of Horseshoe Baltimore effective August 31, 2017, Horseshoe Baltimore, which remains 44.3% owned by us, is now held as an equity method investment and considered to be a related party. These related party transactions include items such as casino management fees, reimbursement of various costs incurred by CEOC LLC on behalf of Horseshoe Baltimore, and the allocation of other general corporate expenses. A summary of the transactions with Horseshoe Baltimore subsequent to the deconsolidation is provided in the table above.

Transactions with CEOC

As described in Note 1, upon its filing for reorganization under Chapter 11 of the Bankruptcy Code and its subsequent deconsolidation, transactions with CEOC were no longer eliminated in consolidation and were considered related party transactions for Caesars. A summary of these transactions is provided in the table above. However, subsequent to CEOC's emergence on the Effective Date, CEOC's successor, OpCo immediately merged with and into CEOC LLC, which is a wholly owned subsidiary of CEC. The following activities, to the extent that they continue subsequent to the Effective Date with CEOC LLC, are eliminated.

Prior to the effective date, pursuant to a shared services agreement, CEOC provided Caesars with certain corporate and administrative services, and the costs of these services were allocated to Caesars. In addition, certain services were provided to CEOC by CEC. Among the services provided were coverage for insurance such as worker's compensation and employee medical. Caesars Enterprise Services, LLC ("CES"), a subsidiary of CEC, began providing certain services including corporate and administrative services and costs were allocated to CEOC. Additionally, we paid CEOC management fees for certain of our properties, lease payments associated with certain properties and royalty fees for use of certain brands.

Until the Effective Date, the total estimated cost for Caesars Rewards was accrued by CEOC with expenses allocated to our properties; on the Effective Date, administration of Caesars Rewards is managed by CEC.

CAESARS ENTERTAINMENT CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Due from/to Affiliates

Amounts due from or to affiliates for each counterparty represent the net receivable or payable as of the end of the reporting period primarily resulting from the transactions described above and are settled on a net basis by each counterparty in accordance with the legal and contractual restrictions governing transactions by and among Caesars' consolidated entities.

As of December 31, 2019 and December 31, 2018, Due from affiliates, net was \$41 million and \$6 million, respectively, and represented transactions with Horseshoe Baltimore.

CAESARS ENTERTAINMENT CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Note 20 — Segment Reporting

We view each property as an operating segment and aggregate such properties into three regionally-focused reportable segments: (i) Las Vegas, (ii) Other U.S. and (iii) All Other, which is consistent with how we manage the business. These segments include the following properties:

Las Vegas	Other U.S.	All Other
Bally's Las Vegas	Bally's Atlantic City ⁽¹⁾	<u>Managed Properties</u> ⁽¹⁾
Caesars Palace Las Vegas ⁽²⁾	Bluegrass Downs ⁽²⁾	Caesars Dubai
The Cromwell	Caesars Atlantic City ⁽¹⁾	Caesars Windsor
Flamingo Las Vegas	Caesars Southern Indiana ⁽¹⁾	Harrah's Ak-Chin
Harrah's Las Vegas	Harrah's Atlantic City	Harrah's Cherokee
The LINQ Hotel & Casino	Harrah's Council Bluffs ⁽¹⁾	Harrah's Cherokee Valley River
The LINQ Promenade	Harrah's Gulf Coast ⁽¹⁾	Harrah's Resort Southern California
Paris Las Vegas	Harrah's Joliet ⁽¹⁾	Horseshoe Baltimore ⁽³⁾
Planet Hollywood Resort & Casino	Harrah's Lake Tahoe ⁽¹⁾	Kings & Queens Casino
Rio All-Suite Hotel & Casino ⁽⁴⁾	Harrah's Laughlin ⁽¹⁾	
	Harrah's Louisiana Downs ⁽¹⁾	<u>International</u> ⁽¹⁾
	Harrah's Metropolis ⁽¹⁾	Alea Glasgow
	Harrah's New Orleans	Alea Nottingham
	Harrah's North Kansas City ⁽¹⁾	Caesars Cairo
	Harrah's Philadelphia ⁽¹⁾	Emerald Casino Resort ⁽⁵⁾
	Harrah's Reno ⁽¹⁾⁽⁶⁾	The Empire Casino
	Harveys Lake Tahoe ⁽¹⁾	Manchester235
	Hoosier Park	Playboy Club London
	Horseshoe Bossier City ⁽¹⁾	Ramses Casino
	Horseshoe Council Bluffs ⁽¹⁾	Rendezvous Brighton
	Horseshoe Hammond ⁽¹⁾	Rendezvous Southend-on-Sea
	Horseshoe Tunica ⁽¹⁾	The Sportsman
	Indiana Grand	
	Tunica Roadhouse ⁽¹⁾⁽⁷⁾	

⁽¹⁾ These properties were not consolidated with CEC prior to the Effective Date with the exception of Horseshoe Baltimore, which was consolidated in the Other U.S. region prior to deconsolidation.

⁽²⁾ Bluegrass Downs ceased operations on October 1, 2019.

⁽³⁾ As of December 31, 2019, Horseshoe Baltimore was 44.3% owned, and was deconsolidated and held as an equity-method investment effective August 31, 2017.

⁽⁴⁾ Rio was sold on December 5, 2019 and Caesars continues to operate the property under a lease for an initial term of two years.

⁽⁵⁾ In May 2019, we entered into an agreement to sell Emerald Casino Resort. As of December 31, 2019, the property's assets and liabilities were classified as held for sale.

⁽⁶⁾ In December 2019, we entered into an agreement to sell Harrah's Reno, contingent upon the Merger.

⁽⁷⁾ Tunica Roadhouse ceased gaming operations in January 2019. Hotel operations continued until it closed in January 2020.

In addition to our properties listed above, other domestic and international properties, including Harrah's Northern California, are authorized to use the brands and marks of Caesars Entertainment Corporation.

The results of each reportable segment presented below are consistent with the way management assesses these results and allocates resources, which is a consolidated view that adjusts for the effect of certain transactions between reportable segments within Caesars. We recast previously reported segment amounts to conform to the way management assesses results and allocates resources for the current year. Net revenues are presented disaggregated by category for contract revenues separate from other revenues by segment.

CAESARS ENTERTAINMENT CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

“All Other” includes managed, international and other properties as well as parent and other adjustments to reconcile to consolidated Caesars results.

Condensed Statements of Operations - By Segment

<i>(In millions)</i>	Year Ended December 31, 2019				
	Las Vegas	Other U.S.	All Other	Elimination	Caesars
Casino	\$ 1,149	\$ 3,053	\$ 246	\$ —	\$ 4,448
Food and beverage ⁽¹⁾	1,017	576	25	—	1,618
Rooms ⁽¹⁾	1,177	401	3	—	1,581
Management fees	—	—	60	(1)	59
Reimbursed management costs	—	2	210	—	212
Entertainment and other	437	183	54	(4)	670
Total contract revenues	<u>3,780</u>	<u>4,215</u>	<u>598</u>	<u>(5)</u>	<u>8,588</u>
Real estate leases ⁽²⁾	139	10	1	—	150
Other revenues	—	—	4	—	4
Net revenues	<u>\$ 3,919</u>	<u>\$ 4,225</u>	<u>\$ 603</u>	<u>\$ (5)</u>	<u>\$ 8,742</u>
Depreciation and amortization	\$ 495	\$ 455	\$ 71	\$ —	\$ 1,021
Income/(loss) from operations	560	525	(467)	—	618
Interest expense	(330)	(572)	(468)	—	(1,370)
Other income/(loss) ⁽³⁾	(1)	1	(587)	—	(587)
Income tax benefit ⁽⁴⁾	—	—	141	—	141

<i>(In millions)</i>	Year Ended December 31, 2018				
	Las Vegas	Other U.S.	All Other	Elimination	Caesars
Casino	\$ 1,104	\$ 2,889	\$ 254	\$ —	\$ 4,247
Food and beverage	975	571	28	—	1,574
Rooms	1,117	399	3	—	1,519
Management fees	—	—	63	(3)	60
Reimbursed management costs	—	2	200	—	202
Entertainment and other	411	175	45	(3)	628
Total contract revenues	<u>3,607</u>	<u>4,036</u>	<u>593</u>	<u>(6)</u>	<u>8,230</u>
Other revenues	146	11	5	(1)	161
Net revenues	<u>\$ 3,753</u>	<u>\$ 4,047</u>	<u>\$ 598</u>	<u>\$ (7)</u>	<u>\$ 8,391</u>
Depreciation and amortization	\$ 582	\$ 501	\$ 62	\$ —	\$ 1,145
Income/(loss) from operations	716	434	(411)	—	739
Interest expense	(327)	(556)	(463)	—	(1,346)
Loss on extinguishment of debt	—	—	(1)	—	(1)
Other income ⁽³⁾	3	2	786	—	791
Income tax benefit ⁽⁴⁾	—	—	121	—	121

CAESARS ENTERTAINMENT CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Year Ended December 31, 2017

<i>(In millions)</i>	Las Vegas	Other U.S.	All Other	Elimination	Caesars
Casino	\$ 864	\$ 1,188	\$ 116	\$ —	\$ 2,168
Food and beverage	700	274	8	—	982
Rooms	872	201	1	—	1,074
Management fees	—	—	15	(3)	12
Reimbursed management costs	1	1	46	—	48
Entertainment and other	300	84	24	(3)	405
Total contract revenues	2,737	1,748	210	(6)	4,689
Other revenues	165	10	5	(1)	179
Net revenues	\$ 2,902	\$ 1,758	\$ 215	\$ (7)	\$ 4,868
Depreciation and amortization	\$ 420	\$ 186	\$ 20	\$ —	\$ 626
Income/(loss) from operations	549	199	(211)	—	537
Interest expense	(65)	(153)	(555)	—	(773)
Gain on deconsolidation of subsidiary	—	31	—	—	31
Restructuring and support expenses	—	(177)	(1,851)	—	(2,028)
Loss on extinguishment of debt	(4)	(13)	(215)	—	(232)
Other income ⁽³⁾	4	1	90	—	95
Income tax benefit ⁽⁴⁾	—	2	1,993	—	1,995

⁽¹⁾ As a result of the adoption of ASC 842, as of January 1, 2019, revenue generated from the lease components of lodging arrangements and conventions are no longer considered contract revenue under ASC 606, Revenue from Contracts with Customers. A portion of these balances relate to lease revenues under ASC 842. See Note 10 for further details.

⁽²⁾ Real estate leases revenue includes \$71 million of variable rental income for the year ended December 31, 2019.

⁽³⁾ Amounts include changes in fair value of the derivative liability related to the conversion option of the CEC Convertible Notes and the disputed claims liability as well as interest and dividend income.

⁽⁴⁾ Taxes are recorded at the consolidated level and not estimated or recorded to our Las Vegas and Other U.S. segments.

Adjusted EBITDA - By Segment

Adjusted EBITDA is presented as a measure of the Company's performance. Adjusted EBITDA is defined as revenues less operating expenses and is comprised of net income/(loss) before (i) interest expense, net of interest capitalized and interest income, (ii) income tax (benefit)/provision, (iii) depreciation and amortization, and (iv) certain items that we do not consider indicative of its ongoing operating performance at an operating property level. Included in Adjusted EBITDA is property rent expense of \$12 million for the year ended December 31, 2019, related to certain land parcels leased from VICI.

In evaluating Adjusted EBITDA you should be aware that, in the future, we may incur expenses that are the same or similar to some of the adjustments in this presentation. The presentation of Adjusted EBITDA should not be construed as an inference that future results will be unaffected by unusual or unexpected items.

Adjusted EBITDA is a non-GAAP financial measure commonly used in our industry and should not be construed as an alternative to net income/(loss) as an indicator of operating performance or as an alternative to cash flow provided by operating activities as a measure of liquidity (as determined in accordance with GAAP). Adjusted EBITDA may not be comparable to similarly titled measures reported by other companies within the industry. Adjusted EBITDA is included because management uses Adjusted EBITDA to measure performance and allocate resources, and believes that Adjusted EBITDA provides investors with additional information consistent with that used by management.

CAESARS ENTERTAINMENT CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Year Ended December 31, 2019

<i>(In millions)</i>	Las Vegas	Other U.S.	All Other	Elimination	Caesars
Net income/(loss) attributable to Caesars	\$ 229	\$ (46)	\$ (1,378)	\$ —	\$ (1,195)
Net loss attributable to noncontrolling interests	—	—	(3)	—	(3)
Income tax benefit ⁽¹⁾	—	—	(141)	—	(141)
Other (income)/loss ⁽²⁾	1	(1)	587	—	587
Interest expense	330	572	468	—	1,370
Depreciation and amortization	495	455	71	—	1,021
Impairment of goodwill	—	27	—	—	27
Impairment of tangible and other intangible assets	380	11	50	—	441
Other operating costs ⁽³⁾	22	22	92	—	136
Stock-based compensation expense	8	10	70	—	88
Other items ⁽⁴⁾	3	2	69	—	74
Adjusted EBITDA	<u>\$ 1,468</u>	<u>\$ 1,052</u>	<u>\$ (115)</u>	<u>\$ —</u>	<u>\$ 2,405</u>

Year Ended December 31, 2018

<i>(In millions)</i>	Las Vegas	Other U.S.	All Other	Elimination	Caesars
Net income/(loss) attributable to Caesars	\$ 392	\$ (122)	\$ 33	\$ —	\$ 303
Net income/(loss) attributable to noncontrolling interests	—	2	(1)	—	1
Income tax benefit ⁽¹⁾	—	—	(121)	—	(121)
Loss on extinguishment of debt	—	—	1	—	1
Other income ⁽²⁾	(3)	(2)	(786)	—	(791)
Interest expense	327	556	463	—	1,346
Depreciation and amortization	582	501	62	—	1,145
Impairment of goodwill	—	17	26	—	43
Impairment of tangible and other intangible assets	—	26	9	—	35
Other operating costs ⁽³⁾	52	21	82	—	155
Stock-based compensation expense	8	10	61	—	79
Other items ⁽⁴⁾	4	5	103	—	112
Adjusted EBITDA	<u>\$ 1,362</u>	<u>\$ 1,014</u>	<u>\$ (68)</u>	<u>\$ —</u>	<u>\$ 2,308</u>

CAESARS ENTERTAINMENT CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Year Ended December 31, 2017

<i>(In millions)</i>	Las Vegas	Other U.S.	All Other	Elimination	Caesars
Net income/(loss) attributable to Caesars	\$ 484	\$ (103)	\$ (749)	\$ —	\$ (368)
Net loss attributable to noncontrolling interests	—	(7)	—	—	(7)
Income tax benefit ⁽¹⁾	—	(2)	(1,993)	—	(1,995)
Gain on deconsolidation of subsidiary	—	(31)	—	—	(31)
Restructuring and support expenses	—	177	1,851	—	2,028
Loss on extinguishment of debt	4	13	215	—	232
Other income ⁽²⁾	(4)	(1)	(90)	—	(95)
Interest expense	65	153	555	—	773
Depreciation and amortization	420	186	20	—	626
Other operating costs ⁽³⁾	25	3	37	—	65
Stock-based compensation expense	4	3	36	—	43
Other items ⁽⁴⁾	9	7	74	—	90
Adjusted EBITDA	<u>\$ 1,007</u>	<u>\$ 398</u>	<u>\$ (44)</u>	<u>\$ —</u>	<u>\$ 1,361</u>

⁽¹⁾ Taxes are recorded at the consolidated level and not estimated or recorded to our Las Vegas and Other U.S. segments.

⁽²⁾ Amounts include changes in fair value of the derivative liability related to the conversion option of the CEC Convertible Notes and the disputed claims liability as well as interest and dividend income.

⁽³⁾ Amounts primarily represent costs incurred in connection with development activities and reorganization activities, and/or recoveries associated with such items, including acquisition and integration costs, contract exit fees (including exiting the fully bundled sales system of NV Energy for electric service at our Nevada properties), lease termination costs, regulatory settlements, weather related property closure costs, severance costs, gains and losses on asset sales, demolition costs, and project opening costs.

⁽⁴⁾ Amounts include other add-backs and deductions to arrive at Adjusted EBITDA but not separately identified such as professional and consulting services, sign-on and retention bonuses, business optimization expenses and transformation expenses, litigation awards and settlements, permit remediation costs, and costs associated with CEO's restructuring and related litigation.

Condensed Balance Sheets - By Segment

As of December 31, 2019

<i>(In millions)</i>	Las Vegas	Other U.S.	All Other	Elimination	Caesars
Total assets	\$ 13,138	\$ 8,509	\$ 6,829	\$ (3,131)	\$ 25,345
Total liabilities	5,896	5,730	11,519	(11)	23,134

As of December 31, 2018

<i>(In millions)</i>	Las Vegas	Other U.S.	All Other	Elimination	Caesars
Total assets	\$ 13,987	\$ 8,565	\$ 6,046	\$ (2,823)	\$ 25,775
Total liabilities	5,730	5,143	11,267	297	22,437

CAESARS ENTERTAINMENT CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Note 21 — Quarterly Results of Operations (Unaudited)

<i>(In millions, except per share amounts)</i>	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Total
2019					
Net revenues	\$ 2,115	\$ 2,222	\$ 2,236	\$ 2,169	\$ 8,742
Income/(loss) from operations	240	269	(68)	177	618
Net loss	(218)	(315)	(360)	(305)	(1,198)
Net loss attributable to Caesars	(217)	(315)	(359)	(304)	(1,195)
Basic loss per share	(0.32)	(0.47)	(0.53)	(0.45)	(1.77)
Diluted loss per share	(0.32)	(0.47)	(0.53)	(0.45)	(1.77)
2018					
Net revenues	\$ 1,972	\$ 2,119	\$ 2,185	\$ 2,115	\$ 8,391
Income from operations	125	282	232	100	739
Net income/(loss)	(34)	29	111	198	304
Net income/(loss) attributable to Caesars	(34)	29	110	198	303
Basic earnings/(loss) per share	(0.05)	0.04	0.16	0.29	0.44
Diluted earnings/(loss) per share ⁽¹⁾	(0.05)	0.02	0.05	(0.15)	(0.25)

⁽¹⁾ The Company identified an error in the computation of Diluted earnings per share ("EPS") in the financial statements for the year ended December 31, 2018 and the second, third, and fourth quarters within the fiscal year. The Company did not reverse the changes in fair value of the CEC Convertible Notes, net of tax, from Net income/(loss) attributable to Caesars for the purpose of calculation of Diluted EPS. Diluted EPS of \$0.04 for the second quarter of 2018 has been corrected to Diluted EPS of \$0.02, Diluted EPS of \$0.14 for the third quarter of 2018 has been corrected to Diluted EPS of \$0.05, Diluted EPS of \$0.25 for the fourth quarter of 2018 has been corrected to Diluted loss per share of \$0.15, and Diluted EPS of \$0.41 for the year ended December 31, 2018 has been corrected to Diluted loss per share of \$0.25. See Note 14.

Fourth Quarter of 2019: Impairment of goodwill and other intangible assets was recognized (see Note 7).

Third Quarter of 2019: Related to the sale of Rio, impairment of land and buildings was recognized (see Note 6).

Fourth Quarter of 2018: Impairment of goodwill was recognized (see Note 7). Impairment of tangible and other intangible assets was recognized (see Note 6 and Note 7). Change in the fair value of derivative component of the convertible notes was recognized (see Note 8).

Third Quarter of 2018: Centaur's results are consolidated with CEC subsequent to the acquisition on July 16, 2018. See Note 4.

ITEM 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

None.

ITEM 9A. Controls and Procedures

a. Disclosure Controls and Procedures

We maintain disclosure controls and procedures designed to provide reasonable assurance that information required to be disclosed in reports filed under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), is recorded, processed, summarized, and reported within the specified time periods and accumulated and communicated to our management, including our principal executive officer and principal financial officer, as appropriate, to allow timely decisions regarding required disclosures.

Our management, with the participation of our Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) or 15d-15(e) promulgated under the Exchange Act) as of December 31, 2019. Based on these evaluations, our CEO and CFO concluded that our disclosure controls and procedures required by paragraph (b) of Rules 13a-15 or 15d-15 were effective as of December 31, 2019, at a reasonable assurance level.

b. Management's Report on Internal Control Over Financial Reporting

Our management is responsible for establishing and maintaining effective internal control over financial reporting as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act. This system is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with U.S. GAAP. Because of the inherent limitations of internal control over financial reporting, including the possibility of collusion or improper management override of controls, misstatements due to error or fraud may not be prevented or detected on a timely basis.

Our management performed an assessment of the effectiveness of our internal control over financial reporting as of December 31, 2019, utilizing the criteria discussed in the "Internal Control - Integrated Framework (2013)" issued by the Committee of Sponsoring Organizations of the Treadway Commission. The objective of this assessment was to determine whether our internal control over financial reporting was effective as of December 31, 2019. Based on management's assessment, we have concluded that our internal control over financial reporting was effective as of December 31, 2019.

The effectiveness of our internal control over financial reporting has been audited by Deloitte & Touche LLP, an independent registered public accounting firm, as stated in its report, which is included herein.

c. Changes in Internal Control Over Financial Reporting

We have commenced several transformation initiatives to automate and simplify our business processes. These are long-term initiatives that we believe will enhance our internal control over financial reporting due to increased automation and integration of related processes. We will continue to monitor and evaluate our internal control over financial reporting throughout the transformation.

There have not been any other changes in our internal control over financial reporting during the three months ended December 31, 2019, that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the stockholders and the Board of Directors of
Caesars Entertainment Corporation:

Opinion on Internal Control over Financial Reporting

We have audited the internal control over financial reporting of Caesars Entertainment Corporation and subsidiaries (the "Company") as of December 31, 2019, based on criteria established in *Internal Control - Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2019, based on criteria established in *Internal Control - Integrated Framework (2013)* issued by COSO.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated financial statements as of and for the year ended December 31, 2019, of the Company and our report dated February 25, 2020, expressed an unqualified opinion on those financial statements.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Report on Internal Control Over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ DELOITTE & TOUCHE LLP

Las Vegas, Nevada
February 25, 2020

ITEM 9B. Other Information

None.

PART III

ITEM 10. Directors, Executive Officers, and Corporate Governance

We incorporate by reference the information appearing under the captions “Proposal 1 - Election of Directors,” “Executive Officers,” “Section 16(a) Beneficial Ownership Reporting Compliance,” “Corporate Governance and Board Matters—Code of Ethics,” and “Corporate Governance—Board Composition and Nomination Process” in our definitive Proxy Statement for our 2020 Annual Meeting of Stockholders (the “Proxy Statement”); provided that if the Proxy Statement is not filed on or before April 29, 2020, such information will be included in an amendment to this Form 10-K filed on or before such date.

ITEM 11. Executive Compensation

We incorporate by reference the information appearing under the captions “Executive Compensation Matters” and “Compensation Committee Report” in the Proxy Statement; provided that if the Proxy Statement is not filed on or before April 29, 2020, such information will be included in an amendment to this Form 10-K filed on or before such date.

ITEM 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

We incorporate by reference the information appearing under the caption “Security Ownership” in the Proxy Statement; provided that if the Proxy Statement is not filed on or before April 29, 2020, such information will be included in an amendment to this Form 10-K filed on or before such date. The information under Part II, Item 5, “Market for the Registrant’s Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities—Equity Compensation Plan Information” of this Form 10-K is also incorporated herein by reference.

ITEM 13. Certain Relationships and Related Transactions, and Director Independence

We incorporate by reference the information appearing under the captions “Certain Relationships and Related Party Transactions” and “Corporate Governance and Board Matters—Director Independence” in the Proxy Statement; provided that if the Proxy Statement is not filed on or before April 29, 2020, such information will be included in an amendment to this Form 10-K filed on or before such date.

ITEM 14. Principal Accounting Fees and Services

We incorporate by reference the information appearing under the caption “Audit-Related Matters” in the Proxy Statement; provided that if the Proxy Statement is not filed on or before April 29, 2020, such information will be included in an amendment to this Form 10-K filed on or before such date.

PART IV

ITEM 15. Exhibits, Financial Statement Schedules

- (a) 1. Financial statements of the Company (including related notes to consolidated financial statements) filed as part of this report are listed below (see Item 8):

Report of Independent Registered Public Accounting Firm.

Consolidated Balance Sheets as of December 31, 2019 and 2018.

Consolidated Statements of Operations for the Years Ended December 31, 2019, 2018, and 2017.

Consolidated Statements of Comprehensive Income/(Loss) for the Years Ended December 31, 2019, 2018, and 2017.

Consolidated Statements of Stockholders' Equity/(Deficit) for the Years Ended December 31, 2019, 2018, and 2017.

Consolidated Statements of Cash Flows for the Years Ended December 31, 2019, 2018, and 2017.

2. Financial statement schedules of the Company as follows:

Schedule I—Condensed Financial Information of Registrant Parent Company Only as of December 31, 2019 and 2018 and for the Years Ended December 31, 2019, 2018, and 2017.

We have omitted schedules other than the ones listed above because they are not required or are not applicable, or the required information is shown in the financial statements or notes to the financial statements.

3. Exhibits

Exhibit Number	Exhibit Description	Filed Herewith	Incorporated by Reference			
			Form	Period Ending	Exhibit	Filing Date
2.1	Amended and Restated Agreement and Plan of Merger, dated as of July 9, 2016, between Caesars Acquisition Company and Caesars Entertainment Corporation.	—	8-K	—	2.1	7/11/2016
2.2	First Amendment to Amended and Restated Agreement and Plan of Merger, dated as of February 20, 2017, by and between Caesars Entertainment Corporation and Caesars Acquisition Company.	—	8-K	—	2.1	2/21/2017
2.3	Third Amended Joint Plan of Reorganization, filed with the United States Bankruptcy Court for the Northern District of Illinois in Chicago on January 13, 2017, at Docket No. 6318.	—	S-4/A	—	2.6	6/5/2017
2.4	Purchase and Sale Agreement, dated July 11, 2018, by and between Caesars Octavius, LLC and Octavius Propco LLC.	—	8-K	—	2.1	7/12/2018
2.5	Purchase and Sale Agreement, dated July 11, 2018, by and between Chester Downs and Marina, LLC and Philadelphia Propco LLC.	—	8-K	—	2.2	7/12/2018
2.6	Agreement and Plan of Merger, dated as of June 24, 2019, by and among Caesars Entertainment Corporation, Eldorado Resorts, Inc. and Colt Merger Sub, Inc.	—	8-K	—	2.1	6/25/2019
2.7	Amendment No. 1 to Agreement and Plan of Merger.	—	8-K	—	2.1	8/16/2019

Exhibit Number	Exhibit Description	Filed Herewith	Incorporated by Reference			
			Form	Period Ending	Exhibit	Filing Date
3.1	Second Amended and Restated Certificate of Incorporation of Caesars Entertainment Corporation, dated February 8, 2012.	—	10-K	12/31/2011	3.7	3/15/2012
3.2	Amendment, dated October 6, 2017, to the Second Amended and Restated Certificate of Incorporation of Caesars Entertainment Corporation, dated February 8, 2012.	—	S-8	—	4.2	10/6/2017
3.3	Amendment, dated October 6, 2017, to the Second Amended and Restated Certificate of Incorporation of Caesars Entertainment Corporation, dated February 8, 2012.	—	S-8	—	4.3	10/6/2017
3.4	Amendment, dated October 6, 2017, to the Second Amended and Restated Certificate of Incorporation of Caesars Entertainment Corporation, dated February 8, 2012.	—	S-8	—	4.4	10/6/2017
3.5	Bylaws of Caesars Entertainment Corporation, dated March 28, 2019.	—	10-Q	—	3.1	5/2/2019
3.6	Certificate of Amendment to the Second Amended and Restated Certificate of Incorporation of Caesars Entertainment Corporation, dated July 2, 2019.	—	8-K	—	3.1	7/2/2019
3.7	Certificate of Amendment to the Second Amended and Restated Certificate of Incorporation of Caesars Entertainment Corporation, dated July 2, 2019.	—	8-K	—	3.2	7/2/2019
4.1	Indenture, dated as of October 6, 2017, between Caesars Entertainment Corporation and Delaware Trust Company, as trustee, relating to the 5.00% Convertible Senior Notes due 2024.	—	8-K	—	4.1	10/13/2017
4.2	Indenture, dated October 16, 2017, by and among CRC Escrow Issuer, LLC, CRC Finco, Inc. and Deutsche Bank Trust Company Americas, as trustee.	—	8-K	—	4.1	10/16/2017
4.3	Supplemental Indenture, dated December 22, 2017, by and among Caesars Resort Collection, LLC, the subsidiary guarantors party thereto, CRC Finco, Inc. and Deutsche Bank Trust Company Americas, as trustee.	—	8-K	—	4.1	12/22/2017
4.4	First Supplemental Indenture, dated November 27, 2019 between Caesars Entertainment Corporation and Delaware Trust Company, as trustee.	—	8-K	—	4.1	11/29/2019
10.1	Credit Agreement, dated as of December 22, 2017, by and among Caesars Resort Collection, LLC, the other borrowers from time to time party thereto, the lenders party thereto, and Credit Suisse, AG, Cayman Islands Branch, as administrative agent.	—	8-K	—	10.1	12/22/2017
10.2	Escrow Agreement, dated October 16, 2017, by and among CRC Escrow Issuer, LLC, CRC Finco, Inc., Deutsche Bank Trust Company Americas, as escrow agent and Deutsche Bank Trust Company Americas, as trustee.	—	8-K	—	10.1	10/16/2017
10.3	Caesars Entertainment Corporation Amended and Restated Escrow Agreement, dated as of December 12, 2016, between Caesars Entertainment Corporation and Wells Fargo Bank, N.A.	—	8-K	—	10.19	10/13/2017
†10.4	Amendment and Restatement of Harrah's Entertainment, Inc. Executive Deferred Compensation Plan, effective August 3, 2007.	—	10-Q	6/30/2007	10.69	8/9/2007

Exhibit Number	Exhibit Description	Filed Herewith	Incorporated by Reference			
			Form	Period Ending	Exhibit	Filing Date
†10.5	Amendment and Restatement of Harrah's Entertainment, Inc. Deferred Compensation Plan, effective as of August 3, 2007.	—	10-Q	6/30/2007	10.70	8/9/2007
†10.6	Amendment and Restatement of Park Place Entertainment Corporation Executive Deferred Compensation Plan, effective as of August 3, 2007.	—	10-Q	6/30/2007	10.71	8/9/2007
†10.7	Amendment and Restatement of Harrah's Entertainment, Inc. Executive Supplemental Savings Plan, effective as of August 3, 2007.	—	10-Q	6/30/2007	10.72	8/9/2007
†10.8	Amendment and Restatement of Harrah's Entertainment, Inc. Executive Supplemental Savings Plan II, effective as of August 3, 2007.	—	10-Q	6/30/2007	10.73	8/9/2007
†10.9	First Amendment to the Amendment and Restatement of Harrah's Entertainment, Inc. Executive Supplemental Savings Plan II, effective as of February 9, 2009.	—	8-K	—	10.2	2/13/2009
†10.10	Second Amendment to the Amendment and Restatement of the Caesars Entertainment Corporation Executive Supplemental Savings Plan II (fka Harrah's Entertainment, Inc. Executive Supplemental Savings Plan II), effective as of November 5, 2014.	—	10-K	12/31/2014	10.48	3/16/2015
†10.11	Caesars Entertainment Corporation Second Amended and Restated Executive Deferred Compensation Trust Agreement, dated as of December 12, 2016, between Caesars Entertainment Corporation and Wells Fargo Bank, N.A.	—	8-K	—	10.20	10/13/2017
10.12	Lease (CPLV), dated as of October 6, 2017, by and among CPLV Property Owner LLC, Desert Palace LLC, Caesars Entertainment Operating Company, Inc. and CEOC, LLC, relating to the CPLV Facilities.	—	8-K	—	10.1	10/13/2017
10.13	First Amendment, dated December 26, 2018, to Lease (CPLV), dated October 6, 2017, by and among CPLV Property Owner LLC, Desert Palace LLC and CEOC, LLC.	—	8-K	—	10.1	12/26/2018
10.14	Lease (Non-CPLV), dated as of October 6, 2017, by and among the entities listed on Schedules A and B thereto and CEOC, LLC, relating to the Non-CPLV Facilities.	—	8-K	—	10.2	10/13/2017
**10.15	Fourth Amendment, dated December 26, 2018, to Lease (Non-CPLV), dated October 6, 2017, by and among the entities listed on Schedules A and B thereto and CEOC, LLC.	—	8-K	—	10.2	12/26/2018
10.16	Lease (Joliet), dated as of October 6, 2017, by and between Harrah's Joliet Landco LLC and Des Plaines Development Limited Partnership, relating to the Joliet Facilities.	—	8-K	—	10.3	10/13/2017
**10.17	First Amendment, dated December 26, 2018, to Lease (Joliet), dated October 6, 2017, by and between Harrah's Joliet Landco LLC and Des Plaines Development Limited Partnership.	—	8-K	—	10.3	12/26/2018
10.18	Trademark License Agreement, dated as of October 6, 2017, between Caesars License Company, LLC and Desert Palace LLC.	—	8-K	—	10.4	10/13/2017

Exhibit Number	Exhibit Description	Filed Herewith	Incorporated by Reference			
			Form	Period Ending	Exhibit	Filing Date
10.19	Golf Course Use Agreement, dated as of October 6, 2017, by and among Rio Secco LLC, Cascata LLC, Chariot Run LLC, Grand Bear LLC, Caesars Enterprise Services, LLC, CEOC, LLC and, solely for purposes of Section 2.1(c) thereof, Caesars License Company, LLC.	—	8-K	—	10.5	10/13/2017
10.20	Management and Lease Support Agreement, dated as of October 6, 2017, by and among Desert Palace LLC, Caesars Entertainment Operating Company, Inc., CEOC, LLC, CPLV Manager, LLC, Caesars Entertainment Corporation, CPLV Property Owner LLC, and solely for certain articles and sections named therein, Caesars License Company, LLC and Caesars Enterprise Services, LLC relating to the CPLV Facilities.	—	8-K	—	10.6	10/13/2017
10.21	First Amendment, dated December 26, 2018, to Management and Lease Support Agreement, dated as of October 6, 2017, by and among Desert Palace LLC, CEOC, LLC, CPLV Manager, LLC, Caesars Entertainment Corporation, CPLV Property Owner LLC, and solely for certain articles and sections named therein, Caesars License Company, LLC and Caesars Enterprise Services, LLC.	—	8-K	—	10.5	12/26/2018
10.22	First Amendment, dated December 26, 2018, to Management and Lease Support Agreement, dated as of October 6, 2017, by and among CEOC, LLC, the entities listed on Schedule A and Schedule B thereto, Chester Downs and Marina, LLC, Non-CPLV Manager, LLC, Caesars Entertainment Corporation, Philadelphia Propco LLC, and solely for certain articles and sections named therein, Caesars License Company, LLC and Caesars Enterprise Services, LLC.	—	8-K	—	10.6	12/26/2018
10.23	Management and Lease Support Agreement, dated as of October 6, 2017, by and among CEOC, LLC, the entities listed therein, Non-CPLV Manager, LLC, Caesars Entertainment Corporation and solely for certain articles and sections named therein, Caesars License Company, LLC and Caesars Enterprise Services, LLC relating to the Non-CPLV Facilities.	—	8-K	—	10.7	10/13/2017
10.24	Management and Lease Support Agreement, dated as of October 6, 2017, by and among Des Plaines Development Limited Partnership, Joliet Manager, LLC, Caesars Entertainment Corporation, Harrah's Joliet Landco LLC and solely for certain articles and sections named therein, Caesars License Company, LLC and Caesars Enterprise Services, LLC relating to the Joliet Facilities.	—	8-K	—	10.8	10/13/2017
10.25	First Amendment, dated December 26, 2018, to Management and Lease Support Agreement, dated as of October 6, 2017, by and among Des Plaines Development Limited Partnership, Joliet Manager, LLC, Caesars Entertainment Corporation, Harrah's Joliet Landco LLC and solely for certain articles and sections named therein, Caesars License Company, LLC and Caesars Enterprise Services, LLC.	—	8-K	—	10.7	12/26/2018
10.26	Right of First Refusal Agreement, dated as of October 6, 2017, between Caesars Entertainment Corporation and VICI Properties L.P.	—	8-K	—	10.9	10/13/2017
10.27	Second Amended and Restated Right of First Refusal Agreement, dated as of December 26, 2018, by and between Caesars Entertainment Corporation and VICI Properties L.P.	—	8-K	—	10.8	12/26/2018

Exhibit Number	Exhibit Description	Filed Herewith	Incorporated by Reference			
			Form	Period Ending	Exhibit	Filing Date
10.28	Tax Matters Agreement, dated as of October 6, 2017, between Caesars Entertainment Corporation, CEOC, LLC, VICI Properties Inc., VICI Properties L.P. and CPLV Property Owner LLC.	—	8-K	—	10.10	10/13/2017
10.29	Credit Agreement, dated as of October 6, 2017, among Caesars Entertainment Operating Company, Inc., CEOC, LLC, the lenders party thereto, Credit Suisse AG, Cayman Islands Branch, as Administrative Agent, Credit Suisse Securities (USA) LLC and Deutsche Bank Securities Inc., as Joint Lead Arrangers, Credit Suisse Securities (USA) LLC, Deutsche Bank Securities Inc., Barclays Bank PLC, Citigroup Global Markets Inc., Goldman Sachs Bank USA, JPMorgan Chase Bank, N.A., Morgan Stanley Senior Funding, Inc. and UBS Securities LLC, as Joint Bookrunners and Credit Suisse Securities (USA) LLC as Syndication Agent and Documentation Agent.	—	8-K	—	10.11	10/13/2017
10.30	Amendment No. 1, dated April 16, 2018, among CEOC, LLC, the lenders named therein and Credit Suisse AG, Cayman Islands Branch, as administrative agent and as collateral agent.	—	8-K	—	10.1	4/16/2018
10.31	Second Amended and Restated Omnibus License and Enterprise Services Agreement, dated as of October 6, 2017, among Caesars Entertainment Operating Company, Inc., Caesars Growth Properties Holdings, LLC, Caesars Entertainment Resort Properties LLC, Caesars License Company, LLC, Caesars World LLC and Caesars Enterprise Services, LLC.	—	8-K	—	10.12	10/13/2017
10.32	Amendment to Unit Purchase Agreement, dated May 8, 2018, among Caesars Entertainment Corporation and Clairvest GP Manageco, Inc.	—	10-Q	6/30/2018	10.2	8/1/2018
*10.33	Second Amendment to Unit Purchase Agreement, dated July 15, 2018, among Caesars Entertainment Corporation, Clairvest GP Manageco, Inc., Centaur Holdings, LLC, and each of the Persons listed on Schedule 1 of the Unit Purchase Agreement, dated November 16, 2017.	—	10-Q	6/30/2018	10.3	8/1/2018
10.34	Assignment Agreement, dated July 15, 2018, among Caesars Entertainment Corporation, Caesars Resort Collection, LLC, Clairvest GP Manageco, Inc. and Centaur Holdings, LLC.	—	10-Q	6/30/2018	10.4	8/1/2018
†10.35	Contribution Agreement, dated as of October 6, 2017, between Caesars Entertainment Corporation and Hamlet Holdings LLC.	—	8-K	—	10.13	10/13/2017
*10.36	Unit Purchase Agreement between the Persons Listed on Schedule 1, Clairvest GP Manageco, Inc., Centaur Holdings, LLC, and Caesars Entertainment Corporation, dated as of November 16, 2017.	—	10-K	12/31/2017	10.42	3/8/2018
*10.37	Purchase and Sale Agreement by and between Vegas Development LLC, a Delaware limited liability company and Eastside Convention Center, LLC, a Delaware limited liability company as Buyer, effective date November 29, 2017.	—	10-K	12/31/2017	10.43	3/8/2018
*10.38	Amended and Restated Lease by and among Claudine Propco, LLC, a Delaware limited liability company, and Harrah's Las Vegas, LLC, a Nevada limited liability company, dated December 22, 2017.	—	10-K	12/31/2017	10.44	3/8/2018

Exhibit Number	Exhibit Description	Filed Herewith	Incorporated by Reference			
			Form	Period Ending	Exhibit	Filing Date
10.39	First Amendment, dated December 26, 2018, to Amended and Restated Lease, dated December 22, 2017, by and between Claudine Propco, LLC and Harrah's Las Vegas, LLC.	—	8-K	—	10.4	12/26/2018
*10.40	Put-Call Right Agreement dated as of December 22, 2017 by and among Claudine Propco, LLC, a Delaware limited liability company and Vegas Development Land Owner, LLC, a Delaware limited liability company and 3535 LV Newco, LLC, a Delaware limited liability company.	—	10-K	12/31/2017	10.45	3/8/2018
*10.41	Incremental Assumption Agreement No. 1, dated as of December 18, 2017 relating to the Credit Agreement dated as of October 6, 2017, among Caesars Entertainment Operating Company, Inc. and CEOC, LLC, as borrower and the Lenders party thereto from time to time and Credit Suisse AG, Cayman Islands Branch, as administrative agent for the Lenders and collateral agent for the Secured Parties.	—	10-K	12/31/2017	10.46	3/8/2018
*10.42	First Amendment to Lease (Non-CPLV), dated as of December 22, 2017 by and among the entities listed on Schedules A and B thereto and CEOC, LLC, relating to the Non-CPLV Facilities.	—	10-K	12/31/2017	10.47	3/8/2018
*10.43	Purchase and Sale Agreement, by and between, Harrah's Las Vegas, LLC, as Seller, and Claudine Property Owner, LLC, as Buyer, dated November 29, 2017.	—	10-K	12/31/2017	10.48	3/8/2018
*10.44	Guaranty of Lease dated December 22, 2017, by and between Caesars Resort Collection, LLC and Claudine Propco LLC.	—	10-K	12/31/2017	10.49	3/8/2018
*10.45	Amended and Restated Right of First Refusal Agreement, dated as of December 22, 2017, by and between Caesars Entertainment Corporation and VICI Properties L.P.	—	10-K	12/31/2017	10.50	3/8/2018
10.46	Settlement and Forbearance Agreement, dated as of August 15, 2016, among Caesars Entertainment Operating Company, Inc., on behalf of itself and each of the debtors in the Chapter 11 Cases, Caesars Entertainment Corporation and Frederick Barton Danner.	—	8-K	—	99.1	8/17/2016
*10.47	Purchase and Sale Agreement and Joint Escrow Instructions by and between Rio Properties, LLC and IC 3700 Flamingo Road Venture LLC, dated September 20, 2019.	—	10-Q	9/30/2019	10.1	11/5/2019
*10.48	Form of Lease Agreement between IC 3700 Flamingo Road LLC and Rio Properties, LLC.	—	10-Q	9/30/2019	10.2	11/5/2019
10.49	Guaranty by Caesars Resort Collection, LLC for the benefit of IC 3700 Flamingo Road Venture LLC, dated September 20, 2019.	—	10-Q	9/30/2019	10.3	11/5/2019
†10.50	Caesars Entertainment Corporation Management Equity Incentive Plan, as amended and restated on November 29, 2011.	—	S-1/A	—	10.78	12/28/2011
†10.51	Caesars Entertainment Corporation 2012 Performance Incentive Plan.	—	S-1/A	—	10.89	2/2/2012
†10.52	Amendment No.1 to the Caesars Entertainment Corporation 2012 Performance Incentive Plan.	—	8-K	—	10.1	7/25/2012
†10.53	Amendment No. 2 to the Caesars Entertainment Corporation 2012 Performance Incentive Plan.	—	8-K	—	10.1	5/20/2015

Exhibit Number	Exhibit Description	Filed Herewith	Incorporated by Reference			
			Form	Period Ending	Exhibit	Filing Date
†10.54	Amendment No. 3 to the Caesars Entertainment Corporation 2012 Performance Incentive Plan.	—	8-K	—	10.1	5/20/2016
†10.55	Amendment No. 4 to the Caesars Entertainment Corporation 2012 Performance Incentive Plan.	—	10-Q	6/30/2016	10.3	8/2/2016
†10.56	Form of Caesars Entertainment Corporation 2012 Performance Incentive Plan Nonqualified Option Award Agreement.	—	SC-TO-I	—	(d)(3)	7/25/2012
†10.57	Form of Caesars Entertainment Corporation 2012 Performance Incentive Plan Nonqualified Option Award Agreement (Replacement Options).	—	SC-TO-I	—	(d)(4)	7/25/2012
†10.58	Form of Caesars Entertainment Corporation 2012 Performance Incentive Plan Restricted Share Award Agreement.	—	10-K	12/31/2012	10.84	3/15/2013
†10.59	Form of Caesars Entertainment Corporation 2012 Performance Incentive Plan Restricted Stock Unit Award Agreement.	—	8-K	—	10.1	7/2/2013
†10.60	Form of Caesars Entertainment Corporation 2012 Performance Incentive Plan Restricted Stock Unit Award Agreement.	—	8-K	—	10.1	1/9/2015
†10.61	Form of Indemnification Agreement entered into by Caesars Entertainment Corporation and Richard Broome, Timothy Donovan, Eric Hession, Thomas Jenkin, Robert Morse, Les Ottolenghi, and Christian Stuart.	—	S-1/A	—	10.75	11/16/2010
†10.62	Form of Indemnification Agreement entered into by Caesars Entertainment Corporation and Thomas Benninger, Michelle Bushore, Juliana Chugg, Denise Clark, Keith Cozza, Monica Digilio, John Dionne, Christopher Holdren, James Hunt, Jan Jones Blackhurst, Courtney Mather, James Nelson and Tony Rodio.	—	10-K	—	10.64	3/8/2018
†10.63	Form of Caesars Entertainment Corporation Management Equity Incentive Plan Stock Option Grant Agreement.	—	SC-TO-I	—	(d)(7)	7/25/2012
†10.64	Form of Amendment to Caesars Entertainment Corporation Management Equity Incentive Plan Stock Option Grant Agreement.	—	SC-TO-I	—	(d)(8)	7/25/2012
†10.65	2009 Senior Executive Incentive Plan, amended and restated December 7, 2012.	—	10-K	12/31/2012	10.90	3/15/2013
†10.66	Caesars Entertainment Corporation Omnibus Incentive Plan, dated November 14, 2012.	—	10-K	12/31/2012	10.91	3/15/2013
†10.67	Form of Cash Award Agreement under 2012 Performance Incentive Plan.	—	8-K	—	10.1	5/27/2016
†10.68	Form of Restricted Stock Unit Award Agreement (July 2016 Retention Awards) under 2012 Performance Incentive Plan.	—	8-K	—	10.4	7/6/2016
†10.69	Form of Cash Award Agreement (July 2016 Retention Awards) under 2012 Performance Incentive Plan.	—	8-K	—	10.5	7/6/2016
†10.70	Employment Agreement dated February 5, 2015, between Caesars Entertainment Corporation, Caesars Enterprise Services, LLC, and Mark Frissora.	—	10-K	12/31/2014	10.106	3/16/2015

Exhibit Number	Exhibit Description	Filed Herewith	Incorporated by Reference			
			Form	Period Ending	Exhibit	Filing Date
†10.71	Amendment No. 1 to Employment Agreement, made as of August 4, 2015, between Caesars Entertainment Corporation, Caesars Enterprise Services, LLC and Mark Frissora.	—	10-Q	6/30/2015	10.5	8/6/2015
†10.72	Amendment No. 2 to Employment Agreement, made as of February 5, 2015, by and among Caesars Entertainment Corporation, Caesars Enterprise Services, LLC, Caesars Acquisition Company and Mark Frissora.	—	8-K	—	10.1	7/6/2016
†10.73	Third Amendment to the Employment Agreement between Caesars Enterprise Services, LLC and Mark Frissora, dated February 5, 2015 and effective as of March 8, 2017.	—	10-Q	3/31/2017	10.2	5/2/2017
†10.74	Separation Agreement, dated November 1, 2018, by and between Caesars Entertainment Corporation and Mark Frissora.	—	10-K	12/31/2018	10.88	2/22/2019
†10.75	Amendment to Separation Agreement, dated December 21, 2018, by and between Caesars Entertainment Corporation and Mark Frissora.	—	10-K	12/31/2018	10.89	2/22/2019
†10.76	Employment Agreement, made as of November 10, 2014, by and between Caesars Enterprise Services, LLC and Eric Hession.	—	8-K	—	10.2	11/12/2014
†10.77	Amendment No. 1 to the Employment Agreement between Caesars Enterprise Services, LLC and Eric Hession, dated November 10, 2014 and effective as of March 8, 2017.	—	10-Q	3/31/2017	10.3	5/2/2017
†10.78	Form of Employment Agreement between Caesars Entertainment Operating Company, Inc., and Thomas M. Jenkin (assigned by Caesars Entertainment Operating Company, Inc. to Caesars Enterprise Services, LLC on October 1, 2014).	—	8-K	—	10.1	1/9/2012
†10.79	Amendment No. 1 to the Employment Agreement between Caesars Enterprise Services, LLC and Thomas Jenkin, dated January 3, 2012 and effective as of March 8, 2017.	—	10-Q	3/31/2017	10.4	5/2/2017
†10.80	Employment Agreement made as of April 2, 2009 by and between Caesars Entertainment Operating Company, Inc. and Timothy R. Donovan (assigned by Caesars Entertainment Operating Company, Inc. to Caesars Enterprise Services, LLC on October 1, 2014).	—	10-K	12/31/2012	10.87	3/15/2013
†10.81	Amendment No. 1 to the Employment Agreement between Caesars Enterprise Services, LLC and Timothy R. Donovan, dated April 2, 2009 and effective as of March 8, 2017.	—	10-Q	3/31/2017	10.5	5/2/2017
†10.82	Employment Agreement, dated August 8, 2018, between Caesars Enterprise Services, LLC and Robert J. Morse.	—	8-K	—	10.1	8/13/2018
†10.83	Employment Agreement, by and between Caesars Enterprise Services, LLC and Anthony P. Rodio, dated as of April 15, 2019.	—	8-K	—	10.1	4/17/2019
†10.84	Employment Agreement dated January 18, 2016 between Caesars Enterprise Services, LLC and Les Ottolenghi.	—	10-K/A	12/31/2018	10.118	4/26/2019
†10.85	Amendment No. 1 to Employment Agreement dated January 18, 2016 between Caesars Enterprise Services, LLC and Les Ottolenghi, effective as of March 8, 2017.	—	10-K/A	12/31/2018	10.119	4/26/2019

Exhibit Number	Exhibit Description	Filed Herewith	Incorporated by Reference			
			Form	Period Ending	Exhibit	Filing Date
†10.86	Separation Agreement and General Release dated November 15, 2019 between Caesars Enterprise Services, LLC and Les Ottolenghi.	X				
†10.87	Separation Agreement and Release effective October 18, 2019 between Caesars Enterprise Services, LLC and Janis L. Jones Blackhurst.	X				
†10.88	Amendment No. 2 to Employment Agreement, effective as of April 29, 2019, by and between Caesars Enterprises Services, LLC and Eric Hession.	—	10-Q	—	10.4	5/2/2019
†10.89	Separation Agreement, dated November 26, 2018, by and between Caesars Enterprise Services, LLC and Robert J. Morse.	—	10-K	12/31/2018	10.97	2/22/2019
†10.90	Restricted Stock Unit Award Agreement by and between Mark Frissora and Caesars Entertainment Corporation, dated March 23, 2016.	—	8-K	—	10.2	7/6/2016
†10.91	Restricted Stock Unit Award Agreement by and between Mark Frissora and Caesars Acquisition Company, dated June 29, 2016.	—	8-K	—	10.3	7/6/2016
†10.92	Letter Agreement, dated as of October 6, 2017, between Caesars Enterprise Services, LLC and Timothy R. Donovan.	—	8-K	—	10.17	10/13/2017
†10.93	Amended and Restated Letter Agreement, dated January 29, 2018, between Timothy R. Donovan and Caesars Enterprise Services, LLC.	—	8-K	—	10.1	2/2/2018
†10.94	Caesars Entertainment Corporation 2017 Performance Incentive Plan.	—	S-8	—	4.6	10/6/2017
†10.95	Amendment No. 1 to Caesars Entertainment Corporation 2017 Performance Incentive Plan.	—	8-K	—	10.1	4/6/2018
†10.96	Form of Caesars Entertainment Corporation 2017 Performance Incentive Plan Restricted Stock Unit Award Agreement.	—	S-8	—	4.7	10/6/2017
†10.97	Form of Caesars Entertainment Corporation 2017 Performance Incentive Plan Restricted Stock Unit Award Agreement by and between Mark Frissora and Caesars Entertainment Corporation.	—	S-8	—	4.8	10/6/2017
†10.98	Form of Caesars Entertainment Corporation 2017 Performance Incentive Plan Performance Stock Unit Award Agreement.	—	8-K	—	10.2	4/6/2018
†10.99	Form of Caesars Entertainment Corporation 2017 Performance Incentive Plan Performance Stock Unit Award Agreement by and between Mark Frissora and Caesars Entertainment Corporation.	—	8-K	—	10.3	4/6/2018
†10.100	Form of Board Member Stock Grant Agreement.	—	8-K	—	10.4	4/6/2018
†10.101	Caesars Entertainment Corporation Executive Supplemental Savings Plan III.	—	S-8	—	4.1	12/13/2018
†10.102	Caesars Entertainment Corporation Outside Director Deferred Compensation Plan.	—	S-8	—	4.2	12/13/2018
†10.103	Form of Cash Award Agreement under the Caesars Entertainment Corporation 2017 Performance Incentive Plan.	—	10-K	12/31/2018	10.111	2/22/2019

Exhibit Number	Exhibit Description	Filed Herewith	Incorporated by Reference			
			Form	Period Ending	Exhibit	Filing Date
†10.104	Form of Amendment to Cash Award Agreement under the Caesars Entertainment Corporation 2017 Performance Incentive Plan.	—	10-K	12/31/2018	10.112	2/22/2019
†10.105	Caesars Acquisition Company 2014 Performance Incentive Plan.	—	***8-K	—	10.1	4/6/2014
†10.106	Form Nonqualified Option Award Agreement under the Caesars Acquisition Company 2014 Performance Incentive Plan.	—	***8-K	—	10.2	4/16/2014
†10.107	Form Restricted Stock Award Agreement under the Caesars Acquisition Company 2014 Performance Incentive Plan.	—	***8-K	—	10.3	4/16/2014
†10.108	Form Restricted Stock Unit Award Agreement under the Caesars Acquisition Company 2014 Performance Incentive Plan.	—	***8-K	—	10.4	4/16/2014
†10.109	Amended and Restated Limited Liability Company Agreement of Caesars Enterprise Services, LLC.	—	****8-K	—	99.1	5/21/2014
†10.110	Voting and Support Agreement, dated as of June 24, 2019, by and between Caesars Entertainment Corporation and Recreational Enterprises, Inc.	—	8-K	—	10.1	6/25/2019
14	Code of Business Conduct and Ethics, February 1, 2018.	X				
21	List of Subsidiaries	X				
23	Consent of Deloitte & Touche, LLP, independent registered public accounting firm.	X				
31.1	Certification of Principal Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.	X				
31.2	Certification of Principal Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.	X				
32.1‡	Certification of Principal Executive Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.	—				
32.2‡	Certification of Principal Financial Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.	—				
99.1	Gaming and Regulatory Overview.	X				
101.INS	XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.	X				
101.SCH	XBRL Taxonomy Extension Schema Document.	X				
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document.	X				
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document.	X				
101.LAB	XBRL Taxonomy Extension Label Linkbase Document.	X				
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document.	X				

- † Denotes a management contract or compensatory plan or arrangement.
- ‡ Furnished herewith.
- * Schedules and exhibits have been omitted pursuant to Item 601(b)(2) of Regulation S-K. The Registrant agrees to furnish supplementally to the Securities and Exchange Commission a copy of any omitted schedule or exhibit upon request.
- ** Confidential treatment has been requested with respect to the omitted portions of Exhibits 10.32 and 10.34 pursuant to Rule 24b-2 promulgated under the Exchange Act which portions have been filed separately with the Securities and Exchange Commission.
- *** Filed by Caesars Acquisition Company.
- **** Filed by Caesars Entertainment Operating Company, Inc.

ITEM 16. Form 10-K Summary

None.

CONDENSED FINANCIAL INFORMATION OF REGISTRANT PARENT COMPANY ONLY
 CAESARS ENTERTAINMENT CORPORATION
 CONDENSED BALANCE SHEETS

<i>(In millions)</i>	As of December 31,	
	2019	2018
Assets		
Current assets		
Cash and cash equivalents	\$ 184	\$ 457
Receivables, net	24	21
Prepayments and other current assets	7	5
Intercompany receivables	20	20
Total current assets	235	503
Deferred charges and other assets	114	128
Investment in subsidiary	3,980	4,199
Total assets	\$ 4,329	\$ 4,830
Liabilities and Stockholders' Equity		
Current liabilities		
Accounts payable	\$ —	\$ 1
Accrued expenses and other current liabilities	10	7
Interest payable	14	14
Intercompany payables	21	20
Total current liabilities	45	42
Long-term debt	1,091	1,119
Deferred credits and other liabilities	1,062	419
Total liabilities	2,198	1,580
Total stockholders' equity	2,131	3,250
Total liabilities and stockholders' equity	\$ 4,329	\$ 4,830

See accompanying Notes to Condensed Financial Information.

CONDENSED FINANCIAL INFORMATION OF REGISTRANT PARENT COMPANY ONLY
CAESARS ENTERTAINMENT CORPORATION
CONDENSED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME/(LOSS)

<i>(In millions)</i>	Years Ended December 31,		
	2019	2018	2017
Net revenues	\$ 2	\$ 2	\$ 2
Operating expenses			
Corporate expense	40	33	88
Other operating costs	31	10	24
Total operating expenses	71	43	112
Loss from operations	(69)	(41)	(110)
Interest expense	(63)	(55)	(18)
Gain/(loss) on interests in subsidiaries	(457)	(316)	776
Restructuring and support expenses	—	—	(1,842)
Other income/(loss)	(604)	726	85
Income/(loss) from operations before income taxes	(1,193)	314	(1,109)
Income tax benefit/(provision)	(2)	(11)	741
Net income/(loss)	(1,195)	303	(368)
Other comprehensive income/(loss), net of income taxes	—	(30)	6
Comprehensive income/(loss)	\$ (1,195)	\$ 273	\$ (362)

See accompanying Notes to Condensed Financial Information.

CONDENSED FINANCIAL INFORMATION OF REGISTRANT PARENT COMPANY ONLY
CAESARS ENTERTAINMENT CORPORATION
CONDENSED STATEMENTS OF CASH FLOWS

<i>(In millions)</i>	Years Ended December 31,		
	2019	2018	2017
Cash flows provided by/(used in) operating activities	\$ (281)	\$ (138)	\$ 1,504
Cash flows from investing activities			
Payments to acquire investments	—	—	(700)
Proceeds from the sale and maturity of investments	17	—	—
Cash flows provided by/(used in) investing activities	17	—	(700)
Cash flows from financing activities			
Debt issuance and extension costs and fees	(28)	—	—
Repayments of long-term debt	—	(2)	—
Taxes paid related to net share settlement of equity awards	(28)	(22)	—
Proceeds from the issuance of common stock	47	6	—
Repurchase of common stock	—	(311)	—
Other financing	—	(2)	—
Cash flows used in financing activities	(9)	(331)	—
Net increase/(decrease) in cash, cash equivalents, and restricted cash	(273)	(469)	804
Cash, cash equivalents, and restricted cash, beginning of period	457	926	122
Cash, cash equivalents, and restricted cash, end of period	\$ 184	\$ 457	\$ 926

See accompanying Notes to Condensed Financial Information.

CONDENSED FINANCIAL INFORMATION OF REGISTRANT PARENT COMPANY ONLY
CAESARS ENTERTAINMENT CORPORATION
NOTES TO CONDENSED FINANCIAL INFORMATION

1. Background and basis of presentation

These condensed parent company financial statements have been prepared in accordance with Rule 12-04, Schedule 1 of Regulation S-X, as the restricted net assets of Caesars Entertainment Corporation and its subsidiaries exceed 25% of the consolidated net assets of Caesars Entertainment Corporation and its subsidiaries (the "Company"). This information should be read in conjunction with the Company's consolidated financial statements included elsewhere in this filing.

2. Restricted net assets of subsidiaries

Certain of the Company's subsidiaries have restrictions on their ability to pay dividends or make intercompany loans and advances pursuant to financing arrangements and regulatory restrictions. The amount of restricted net assets the Company's consolidated subsidiaries held as of both December 31, 2019 and 2018 was approximately \$2.1 billion and \$3.2 billion, respectively. Such restrictions are on net assets of Caesars Entertainment Corporation and its subsidiaries. The amount of restricted net assets in the Company's unconsolidated subsidiaries was not material to the financial statements.

3. Commitments, contingencies, and long-term obligations

For a discussion of the Company's commitments, contingencies, and long-term obligations under its senior secured credit facilities, see Note 11 and Note 12 of the Company's consolidated financial statements.

SIGNATURES

Pursuant to the requirements of Section 13 of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

CAESARS ENTERTAINMENT CORPORATION

February 25, 2020

By: _____ /s/ TONY RODIO
Tony Rodio
Chief Executive Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant in the capacities and on the dates indicated.

Signature	Title	Date
/s/ THOMAS BENNINGER Thomas Benninger	Director	February 25, 2020
/s/ JAN JONES BLACKHURST Jan Jones Blackhurst	Director	February 25, 2020
/s/ JULIANA L. CHUGG Juliana L. Chugg	Director	February 25, 2020
/s/ DENISE M. CLARK Denise M. Clark	Director	February 25, 2020
/s/ KEITH COZZA Keith Cozza	Director	February 25, 2020
/s/ JOHN DIONNE John Dionne	Director	February 25, 2020
/s/ JAMES HUNT James Hunt	Director Chairman of the Board	February 25, 2020
/s/ DON KORNSTEIN Don Kornstein	Director	February 25, 2020
/s/ COURTNEY MATHER Courtney Mather	Director	February 25, 2020
/s/ JAMES L. NELSON James L. Nelson	Director	February 25, 2020
/s/ TONY RODIO Tony Rodio	Chief Executive Officer and Director	February 25, 2020
/s/ ERIC HESSION Eric Hession	Executive Vice President and Chief Financial Officer	February 25, 2020
/s/ KEITH A. CAUSEY Keith A. Causey	Senior Vice President and Chief Accounting Officer	February 25, 2020

SEPARATION AGREEMENT AND GENERAL RELEASE

This Separation Agreement and General Release (this “**Agreement**”) is made and entered into on November 15, 2019 (the “**Signature Date**”), by and between Caesars Enterprise Services, LLC (the “**Company**”) and Les Ottolenghi (“**Executive**”) (each a “**Party**” and collectively, the “**Parties**”).

WHEREAS, Executive and the Company entered into that certain Employment Agreement, (the “**Employment Agreement**”), dated January 18, 2016, as amended March 8, 2017 (a copy of which is attached hereto as Exhibit A, and is incorporated by reference).

WHEREAS, Executive’s last day of employment with the Company is November 15, 2019 (the “**Date of Termination**”).

WHEREAS, the Parties now enter into this Agreement for the purposes of resolving all claims of any kind that Executive has or might have against the Company and the “**Released Parties**” (as defined herein), through the date this Agreement is executed by all Parties, including, without limitation, those claims arising out of or relating in any way to Executive’s employment by or termination from employment with the Company.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and in consideration of the mutual promises set forth herein, the Parties agree that the foregoing recitals are true and correct and are incorporated herein as if fully set forth, and further agree as follows:

1. **Monetary Consideration by the Company.** In consideration for Executive’s entering into and signing this Agreement and complying with its terms, the Company agrees, upon satisfaction of the conditions identified herein, as follows:

- a. The Company will pay to Executive, as salary continuation pay, 78 weeks’ pay (minus standard payroll deductions) (“**Salary Continuation**”), which totals \$930,187.50 before standard payroll deductions, with the first installment to commence no later than the first regular payroll date following the date the ADEA Release (as defined below) becomes effective and irrevocable (the “**Release Effective Date**”). The first installment shall be a “catch-up” payment equal to Executive’s base salary rate for the period of time following the Separation Date through the date such first installment is paid, and the balance of the severance shall be paid in regular installments payable according to the normal payroll practices of the Company. Executive understands and agrees all

benefits will cease on the Separation Date except, if applicable, subsidized COBRA benefits for the Salary Continuation period. If Executive elects to continue applicable benefits under COBRA during the Salary Continuation period, Executive will continue to be required to pay the then-applicable required employee contribution for said benefits (“**COBRA Subsidy**”). Executive will not be eligible to contribute to the 401(k) Plan, or any other retirement or deferred compensation plans, and no paid time off or vacation will be earned or accrued. If Executive dies prior to the expiration of the Salary Continuation period, Executive (or Executive’s estate, as applicable) will receive a lump sum payment for the remainder of the Salary Continuation period in a final paycheck within thirty (30) days after the Company receives notice. If Salary Continuation ceases for any reason, the COBRA Subsidy shall also cease as of the effective date that Salary Continuation ceases. All Salary Continuation shall be deposited in accordance with Executive’s direct deposit instructions on file with the Company and in accordance with the Company’s regular payroll practices in effect at the time.

- b. The outstanding equity awards covering shares of common stock of Caesars Entertainment Corporation held by the Executive and unvested as of the Separation Date granted under the Caesars Entertainment Corporation 2012 and 2017 Performance Incentive Plans, each as set forth on Exhibit B, Schedule A attached hereto, will immediately vest in full upon the Release Effective Date (at target level with respect to performance-vesting restricted stock awards) and any stock options that are vested and outstanding as of the Release Effective Date shall remain exercisable for a period of up to 120 days following the Separation Date, but in no event beyond the original term of such options; provided that such awards will be settled in accordance with the terms of the applicable award agreement and incentive plan. Notwithstanding the foregoing, (A) any outstanding stock options covering shares of common stock of Caesars Entertainment Corporation that vest based on performance shall not be accelerated and shall be cancelled as of the Termination Date; and (B) any outstanding Caesars Entertainment Corporation restricted stock units granted during 2018 that vest in respect of performance conditions shall remain outstanding and be paid out in accordance with the terms of the applicable award agreement and incentive plan;
- c. Executive’s outstanding cash retention award granted under the Caesars Entertainment Corporation 2017 Performance Incentive Plan, pursuant to that certain Form of Cash Award Agreement, by and between Caesars Entertainment Corporation and Executive, dated December 12, 2018, as amended, shall accelerate and vest upon the Release Effective Date, and shall be paid in a single lump-sum within thirty (30) days of the Release Effective Date;
- d. The Company will pay Executive a pro rata bonus for fiscal year 2019 based on actual performance and services through the Separation Date, payable in a single lump-sum at

the same time annual bonuses are paid to active officers. If Executive dies prior to the date of payout, the bonus will be paid to Executive's estate; and

- e. The Company will provide Executive with outplacement support in accordance with the terms of the Caesars Enterprise Services, LLC Severance Pay Program, as amended.

All payments under this Section will be subject to any required withholding of federal, state and local taxes pursuant to any applicable law or regulation, and the Company will be entitled to withhold any and all such taxes from amounts payable under this Section. Executive agrees that the payments and benefits listed in this Section 1 shall constitute the entire monetary consideration provided to Executive under this Agreement, and that Executive will not seek any further compensation for any other money owed including, without limitation, any damage, costs, or attorneys' fees in connection with the matters encompassed in this Agreement.

Executive understands that the consideration described in this Section is not automatically provided to every employee, and it is in addition to anything to which Executive already is entitled. Executive further acknowledges that none of the payments or benefits described in this Section will be paid or provided to Executive if he chooses to revoke this Agreement.

2. **Complete Release of All Claims.** In consideration for the promises set forth in this Agreement, Executive for himself, his heirs, representatives, attorneys, executors, administrators, successors, relatives, and assigns, knowingly and voluntarily releases and forever discharges the Company, its parent entities, owners, affiliates, subsidiaries, divisions, predecessors, insurers, reinsurers, successors, and assigns, and their current and former employees, attorneys, officers, directors and agents thereof, both individually and in their representative capacities, and their employee benefit plans and programs and their administrators and fiduciaries (collectively referred to throughout the remainder of this Agreement as "**Released Parties**"), of and from any and all claims, known and unknown, asserted or unasserted, contingent or actual, which the Executive has or may have against the Released Parties as of the date Executive executes this Agreement, including, but not limited to, any alleged violation of all common law, public policy, contract, tort (whether negligent or intentional), or other claims of any kind, whether under asserted under federal, state or local law, as well as all claims Executive might have under or pursuant to inter alia, the Age Discrimination in Employment Act (ADEA); the WARN Act; Title VII of the Civil Rights Act of 1964; Sections 1981 and 1983 of the Civil Rights Act of 1866; the Americans With Disabilities Act (ADA), as amended; the Family and Medical Leave Act; the Fair Labor Standards Act; the Fair Credit Reporting Act; the Equal Pay Act, the Occupational Safety and Health Act; the Employee Retirement Income Security Act of 1974 (ERISA); Nevada statutes on Compensation, Wages and Hours, Nev. Rev. Stat. Chapter 608; Nevada statutes on Employment Practices, Nev. Rev. Stat. Chapter 613; Nevada Occupational Safety & Health statutes; any other federal, state or local law, rule, regulation, or ordinance; and any claim for costs, fees, or other expenses including attorneys' fees incurred in these matters.

Notwithstanding the foregoing, Executive understands that nothing contained in this Agreement limits Executive's ability to file a charge or complaint with the U.S. Equal Employment Opportunity Commission, the National Labor Relations Board, the Occupational Safety and Health Administration, the Securities and Exchange Commission or any other federal, state or local governmental agency or commission ("**Government Agencies**"). However, to the maximum extent permitted by law, Executive agrees that if such an administrative claim is made, Executive shall not be entitled to recover any individual monetary relief or other individual remedies.

2.1 No Other Pending Claims. Executive represents and affirms that, prior to signing this Separation Agreement, Executive has not filed or pursued any complaints, charges, or lawsuits of any kind with any court, governmental or administrative agency, arbitrator, or other forum against the Company or any of the other Released Parties, asserting any claims whatsoever. Executive represents and warrants that he has been granted all leave (paid or unpaid) to which he was entitled under the federal Family and Medical Leave Act and any similar state or local law and that he has not been discriminated or retaliated against due to the exercise of rights, if any, under the federal Family and Medical Leave Act or any similar state or local law.

2.2 Claims Not Released. Executive is not waiving any rights Executive may have to: (a) Executive's own vested accrued employee benefits under the Company's health, welfare, or retirement benefit plans as of the Separation Date; (b) benefits and/or the right to seek benefits under applicable workers' compensation and/or unemployment compensation statutes; (c) pursue claims which by law cannot be waived by signing this Agreement; and/or (d) enforce this Agreement.

2.3 Provisions Related to Sexual Harassment Claims. Notwithstanding the general release of all claims, known or unknown, freely and expressly given by Executive in this Agreement, Executive represents, warrants and agrees that Executive has not raised, nor ever had, claims involving sexual harassment or sexual abuse while employed by the Company, and the compensation in this Agreement has no relation to sexual harassment or sexual abuse.

3. Cooperation Required. Executive agrees that, as requested by the Company, Executive will cooperate fully with the Company or its representatives in any investigation, proceeding, administrative review or litigation brought against the Company or any Released Party by any government agency or private party pertaining to matters occurring during Executive's employment with the Company or any Released Party. If Executive incurs out-of-pocket expenses in assisting the Company or any affiliate at its request, the Company will mail to Executive a reimbursement check for those expenses within fifteen (15) days after it receives a request for payment, along with satisfactory written substantiation of the claimed expenses.

4. Agreement Not to Seek or Accept Future Employment. Executive agrees that, because of circumstances unique to the termination, Executive is not qualified for reemployment

with the Company, or any subsidiaries or affiliates of either the Company or Caesars Entertainment Corporation (collectively, “Caesars”) or Eldorado Resorts, Inc. or any subsidiaries or affiliates of Eldorado Resorts, Inc. (collectively, “Eldorado”) prior to the later of (i) the end of the Salary Continuation period, and (ii) the anticipated closing date of its merger with Caesars. For the purposes of clarification, this provision does not apply to any business entity that is not owned by, a subsidiary of, or affiliated with Caesars or Eldorado as of the date Executive executes this Agreement. Executive further agrees that in the event Executive does apply for such employment with Caesars or Eldorado, Executive’s application may be rejected legitimately and lawfully solely because Executive breached this promise.

5. **Neutral Reference.** Executive will not direct any prospective employers to contact any Company employee or manager. Rather, Executive will direct any prospective employers to contact “**The Work Number,**” an automated third-party service that the Company uses for employment verification at (800) 367-5690 or www.theworknumber.com. The prospective employer must provide the Company’s number (10587). The prospective employer should be able to verify Executive’s dates of service, job title, salary, and current employment status. Information regarding eligibility for rehire will not be provided. Company will exercise good faith efforts to provide only this information but, due to the size and number of employees at the Company, and due to the confidential nature of this settlement, Company is not responsible for statements made by Company personnel if prospective employers contact anyone at Company individually instead of The Work Number. Notwithstanding the foregoing, Executive may use Anthony Rodio as a reference and may direct any prospective employers to contact Mr. Rodio.

6. **Return of Company Property, Confidentiality and Non-Disparagement.**

6.1 **Return of Company Property.** Executive has returned or will return to the Company within five (5) business days of the Separation Date, all Company property including but not limited to credit cards, mobile telephone(s), computer(s), portable devices, keys, building passes, security passes, access or identification cards, thumb drives, equipment, supplies, records, files, handbooks, guidelines, materials, documents, and all other property belonging to the Company, whether in physical or electronic form, and all copies thereof. The deletion or removal of any Company records, files, documents, information or data shall be a breach of this Agreement.

6.2 **Confidentiality of Agreement.** Executive understands, acknowledges, and agrees that, unless disclosure is otherwise required by applicable law or regulation including disclosure(s) required by any gaming regulatory authority, the fact or content of this Agreement, and all the terms contained herein, are confidential and shall not be disclosed by Executive to any person or entity by Executive except that Executive may discuss the terms of this Agreement with Executive’s spouse, attorney, and tax advisor rendering professional services regarding the consideration provided to Executive pursuant to this Agreement, provided that each such individual agrees to keep such information strictly confidential and disclose it to no other person. Executive agrees that if any such individual to whom Executive discloses information regarding the terms of this Agreement then discloses such information to any other person, Executive will be personally

liable for such disclosure as a breach of this Agreement. Executive affirms that Executive has not made any prior disclosures that, if made after the Signature Date, would have violated this confidentiality obligation.

Executive further understands that this Agreement does not limit Executive's ability to disclose information to any gaming regulator upon the request of the gaming regulator or communicate with any Government Agencies or otherwise participate in any investigation or proceeding that may be conducted by any Government Agency, including providing documents or other information, without notice to the company. Nothing in this Agreement is intended to or will prevent Executive from communicating directly with, cooperating with, or providing information (including trade secrets) in confidence to, any federal, state or local government regulator (including, but not limited to, the U.S. Securities and Exchange Commission, the U.S. Commodity Futures Trading Commission, or the U.S. Department of Justice) for the purpose of reporting or investigating a suspected violation of law, or from providing such information to Executive's attorney or in a sealed complaint or other document filed in a lawsuit or other governmental proceeding.

6.3 Confidentiality of Business Information. Executive agrees the Company and Released Parties are engaged in a highly competitive gaming, entertainment, and hospitality business (hereafter the "**Business of the Company**"). The Business of the Company has required and continues to require the expenditure of substantial amounts of money and the use of skills developed over a long period of time. As a result of these investments of money, skill and time, the Company and Released Parties have developed during Executive's employment, and will continue to develop, certain valuable business information, trade secrets, and Confidential Business Information (as defined in Section 6.3.2 below), that are peculiar to the Business of the Company and the disclosure and/or use of which would cause the Company and Released Parties great and irreparable harm. Executive acknowledges that by virtue of Executive's position and in the course of Executive performing Executive's duties and responsibilities, Executive gained intimate knowledge of and access to the Company's business information and became specifically and generally acquainted with the Company's operations and relationships. Executive further acknowledges that such information and relationships are and will remain highly valuable to the Company and that, for this reason, Executive shall not disclose the Company's business information without the express written consent of an authorized representative of the Company.

6.3.1 Handling Confidential Business Information. Executive agrees to promptly deliver to the Company the originals and all copies, in whatever medium, of all such Confidential Business Information in Executive's possession, custody or control. In consideration of the compensation and other items of benefit provided for in this Agreement, Executive agrees not to, at any time, either during Executive's employment or thereafter, divulge, post, use, publish, or in any other manner reveal, directly or indirectly, to any person, firm, corporation or any other form of business organization or arrangement and keep in the strictest confidence any Confidential Business Information, except (i) with the express written consent of the Company's CEO or General

Counsel, (ii) to the extent that any such information is in or becomes in the public domain other than as a result of Executive's breach of any of obligations, or (iii) where required to be disclosed by court order, subpoena or other government process (including but not limited to disclosure(s) required by any gaming regulatory authority) and in such event, provided that Executive notifies the Company in writing within three (3) days of receiving such order, subpoena, or process, cooperates with the Company in seeking an appropriate protective order and in attempting to keep such information confidential to the maximum extent possible.

6.3.2 Confidential Business Information Defined. "Confidential Business Information" as used in this Agreement means any and all confidential and/or proprietary knowledge, data, or information of the Company or any Subsidiary or Affiliate, including, without limitation, any: (A) food and beverage procedures, recipes, finances, financial management systems, player identification systems (Caesars Rewards), pricing systems, organizational charts, salary and benefit programs, and training programs, (B) trade secrets, drawings, inventions, methodologies, mask works, ideas, processes, formulas, source or object codes, data, programs, software source documents, data, film, audio and digital recordings, works of authorship, know-how, improvements, discoveries, developments, designs or techniques, intellectual property or other work product of the Company or any Affiliate, whether or not patentable or registrable under trademark, copyright, patent, or similar laws; (C) information regarding plans for research, development, new service offerings and/or products, marketing, advertising, and selling, distribution, business plans, business forecasts, budgets, and unpublished financial statements, licenses, prices, costs, suppliers, customers, or distribution arrangements; (D) non-public information regarding or collected from employees, suppliers, customers, clients, suppliers, vendors, agents, and/or independent contractors of the Company or any Subsidiary or Affiliate; (E) concepts and ideas relating to the development and distribution of content in any medium or to the current, future, or proposed business opportunities, products or services of the Company or any Subsidiary or Affiliate; or (F) any other information, data, or the like that is designated as confidential or treated as confidential by the Company or any of its Subsidiaries or Affiliates.

6.4 Defend Trade Secrets Act. Under the Defend Trade Secrets Act of 2016, Executive will not be held criminally or civilly liable under federal or state trade secret law for the disclosure of a trade secret that: (i) is made (a) in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney; and (b) solely for the purpose of reporting or investigating a suspected violation of law; or (ii) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal.

6.5 Non-Disparagement. Executive agrees not to criticize, denigrate, or otherwise disparage Caesars, any other Released Party, Eldorado or any of Caesars or Eldorado's products, processes, policies, practices, services, standards of business conduct, officers, directors, senior executives or employees and will not disrupt Caesar's or Eldorado's businesses in any manner. Nothing in this section, however, shall prohibit Executive from providing truthful information in compliance with any lawful subpoena or court order or otherwise complying with directives given

by entities or individuals authorized by law to compel information from Executive regarding the Company or any of the Released Parties, in each case, pursuant to applicable law that cannot be waived by agreement.

7. **Consequence of Executive's Breach.** Executive understands and acknowledges that the Executive's obligations set forth in this Agreement, including the confidentiality, return of Company property and non-disparagement obligations set forth in Section 6 and its subsections above, and Executive's post-employment obligations, terms and conditions set forth in Section 10 of the Employment Agreement ("**Restrictive Covenants**") are an important, material part of the consideration Executive is giving to the Company in this Agreement and that it would be very difficult for the Company to quantify the effect of a breach of these provisions or the Restrictive Covenants, and that, accordingly, injunctive relief is an appropriate remedy for any breach of these provisions or the Restrictive Covenants, whether by Executive or by any person to whom Executive or Executive's agent or agents have divulged information regarding the terms of this Agreement. Additionally, if the Company receives evidence that Executive has breached any material provision of this Agreement, including, without limitation, the confidentiality, return of Company property and non-disparagement obligations set forth in this Agreement, or the Restrictive Covenants, Executive's Salary Continuation pay, COBRA Subsidy and any other payments under Section 1 of this Agreement shall cease and the Company's covenants hereunder shall be deemed null and void in their entirety.

8. **Dispute Resolution.** Any dispute arising in connection with the validity, interpretation, enforcement, or breach of this Agreement; under any statute, regulation, ordinance or the common law; or otherwise arising between Executive, on the one hand, and the Company or any of its Subsidiaries or Affiliates, on the other hand, the Parties, shall be submitted to binding arbitration before the American Arbitration Association ("**AAA**") for resolution. Such arbitration shall be conducted in Las Vegas, Nevada, and the arbitrator will apply the law of the State of Nevada, including federal law as applied in the State of Nevada. The arbitration shall be conducted in accordance with the AAA's Employment Arbitration Rules, as modified by the terms set forth in this Agreement. The arbitration will be conducted by a single arbitrator, who shall be an attorney who specializes in the field of employment law and shall have prior experience arbitrating employment disputes. The Company will pay the fees and costs of the Arbitrator and/or the AAA, except that Executive will be responsible for paying the applicable filing fee not to exceed the fee that Executive would otherwise pay to file a lawsuit asserting the same claim in court. The arbitrator shall not have the authority to modify the terms of this Agreement except to the extent that the Agreement violates any governing statute, in which case the arbitrator may modify the Agreement solely as necessary to not conflict with such statute. The Arbitrator shall have the authority to award any remedy or relief that a court in Nevada could grant in conformity with the applicable law on the basis of claims actually made in the arbitration. The Arbitrator shall render an award and written opinion which shall set forth the factual and legal basis for the award. The award of the arbitrator shall be final and binding on the Parties, and judgment on the award may be confirmed and entered in any state or federal court located in Clark County, Nevada. The arbitration shall be conducted on a strictly confidential basis, and Executive shall not disclose the existence of a claim, the nature of a claim, any documents, exhibits, or information exchanged or presented in connection with any such a claim, or the result of any arbitration (collectively, "**Arbitration Materials**"), to any third

party, with the sole exception of Executive's legal counsel, who Executive shall ensure adheres to all confidentiality terms in this Agreement. In the event of any court proceeding to challenge or enforce an arbitrator's award, the Parties hereby consent to the exclusive jurisdiction of the state and federal courts in Clark County, Nevada and agree to venue in that jurisdiction. The Parties agree to take all steps necessary to protect the confidentiality of the Arbitration Materials in connection with any such proceeding, agree to file all confidential information, including but not limited to Confidential Business Information, under seal to the extent possible, and agree to the entry of an appropriate protective order encompassing the confidentiality terms of this Agreement. Each party agrees to pay its own costs and fees in connection with any arbitration of a dispute arising under this Agreement, and any court proceeding arising therefrom, regardless of outcome. To the extent any dispute is found not to be subject to this arbitration provision, both Executive and the Company hereby waive their respective rights to trial by jury. **EXECUTIVE ACKNOWLEDGES THAT EXECUTIVE HAS CAREFULLY READ THIS SECTION 8, VOLUNTARILY AGREES TO ARBITRATE ALL DISPUTES, AND HAS HAD THE OPPORTUNITY TO REVIEW THE PROVISIONS OF THIS SECTION WITH ANY ADVISORS AS EXECUTIVE CONSIDERED NECESSARY. BY SIGNING THIS SEPARATION AGREEMENT, EXECUTIVE SIGNIFIES EXECUTIVE'S UNDERSTANDING AND AGREEMENT TO THIS SECTION.**

9. **409A Provisions.** Notwithstanding anything herein to the contrary, this Agreement is intended to be interpreted and applied so that the payment of the benefits set forth herein either shall either be exempt from the requirements of Section 409A of the Code or shall comply with the requirements of such provision. Notwithstanding any provision in this Agreement or elsewhere to the contrary, if Executive is a "specified employee" within the meaning of Section 409A of the Code as of the Separation Date, any payments or benefits due upon a termination of Executive's employment under any arrangement that constitutes a "deferral of compensation" within the meaning of Section 409A of the Code and which do not otherwise qualify under the exemptions under Treas. Regs. Section 1.409A-1 (including without limitation, the short-term deferral exemption and the permitted payments under Treas. Regs. Section 1.409A-1(b)(9)(iii)(A)), shall be delayed and paid or provided within thirty (30) days following the earlier of (i) the date which is six (6) months after Executive's separation from service (as defined in Section 409A of the Code and the regulations and other published guidance thereunder) for any reason other than death, and (ii) the date of Executive's death. Notwithstanding anything in this Agreement or elsewhere to the contrary, distributions upon termination of Executive's employment may only be made upon a "separation from service" as determined under Section 409A of the Code and such date shall be the Separation Date for purposes of this Agreement. Each separately identified amount to which Executive is entitled under this Agreement or otherwise shall be treated as a separate payment for purposes of Section 409A of the Code. In addition, to the extent possible under Section 409A of the Code, any series of installment payments under this Agreement shall be treated as a right to a series of separate payments. In no event may Executive, directly or indirectly, designate the calendar year of any payment to be made under this Agreement or otherwise if such designation would constitute a "deferral of compensation" within the meaning of Section 409A of the Code. All reimbursements and in-kind benefits provided under this Agreement shall be made or provided in accordance with the requirements of Section 409A of the Code. To the extent that any reimbursements pursuant to this Agreement or otherwise are taxable to Executive, any

reimbursement payment due to Executive shall be paid to Executive on or before the last day of Executive's taxable year following the taxable year in which the related expense was incurred; provided, that, Executive has provided the Company written documentation of such expenses in a timely fashion and such expenses otherwise satisfy the Company's expense reimbursement policies. Reimbursements pursuant to this Agreement or otherwise are not subject to liquidation or exchange for another benefit and the amount of such reimbursements that Executive receives in one taxable year shall not affect the amount of such reimbursements that Executive receives in any other taxable year. Notwithstanding any of the foregoing to the contrary, the Company and its officers, directors, employees, agents, and representatives make no guarantee or representation that the payments or benefits provided under this Agreement comply with, or are exempt from, the provisions of Section 409A of the Code, and none of the foregoing shall have any liability or other obligation to indemnify or hold harmless Executive or any beneficiary of Executive for any Tax, additional tax, interest or penalties that Executive or any beneficiary of Executive may incur in the event that any provision of this Agreement, or any amendment or modification thereof, or any other action taken with respect thereto, is deemed to violate any of the requirements of Section 409A of the Code.

10. Knowing and Voluntary Waiver/ADEA Waiver. Executive represents, warrants and agrees that Executive has carefully read and fully understands all of the provisions of this Agreement, knowingly and voluntarily agrees to all of the terms set forth in this Agreement, and knowingly and voluntarily intends to be legally bound by all of the terms set forth in this Agreement. Executive has been advised by the Company to consider the terms of this Agreement and consult with an attorney of Executive's choice prior to executing this Agreement. **Executive agrees that by signing this Agreement, Executive waives any claims Executive may have under the Age Discrimination in Employment Act of 1967 (the ADEA) up to Signature Date (the "ADEA Release").** Executive has, if Executive wishes, twenty-one (21) days to consider this Agreement prior to signing it, and seven (7) days after the Signature Date to revoke Executive's signature (the "**Revocation Expiration Date**"). Any revocation within this seven (7) day period must be submitted, in writing via US Mail (registered or certified; return receipt requested) or via email (with a copy to follow US Mail), to Corporate Human Resources, 1 Caesars Palace Drive, Las Vegas, Nevada 89109, mheidke@caesars.com, and state, "I hereby revoke my acceptance of our Separation Agreement and General Release." For this revocation to be effective, the written notice must be received by Corporate Human Resources no later than the close of business on the seventh (7th) calendar day after the Signature Date. If Executive revokes this Agreement, it shall not be effective or enforceable and Executive will not receive the consideration stated herein. This Agreement does not prevent Executive from raising an age discrimination claim arising from facts and events occurring after the Revocation Expiration Date.

The termination of Executive's employment is the result of Executive's decision to participate in Caesars Entertainment Corporation 2019 Voluntary Severance Program. Attachment "A" to this Agreement is a schedule reflecting the job titles and ages of all persons who did and did not participate in the program.

11. Miscellaneous.

11.1 Medicare Beneficiary Reporting. This Agreement requires a release of all claims, including personal injury claims. Therefore, the Company may report the amount of this settlement in the quarter following the settlement date to the Centers for Medicare and Medicaid Services (CMS). Please consult Section 111 of the Medicare, Medicaid and SCHIP Extension Act of 2007 and the CMS User Guide for additional information on the reporting requirements.

11.2 Attorneys' Consultation, Fees and Costs. Executive has been advised by the Company to consider the terms of this Agreement and consult with an attorney of Executive's choice prior to executing this Agreement. The Parties agree that each shall bear its own attorney's fees and costs in connection with the negotiation and execution of this Agreement.

11.3 Transfer of Claims. Executive has not transferred or assigned, or purported to transfer or assign, to any person or entity, any claim described in this Agreement.

11.4 Governing Law. This Agreement shall be governed by, construed in, and enforced exclusively in accordance with the laws of Nevada without regard to its conflict of laws provisions. Any action, suit or proceeding involving this Agreement shall be initiated solely in the state or federal courts located in Las Vegas, Nevada.

11.5 Attorney's Fees. In the event of any action, suit or proceeding in connection with this Agreement, the prevailing party shall be entitled to recover its actual and reasonable attorney's fees in connection therewith.

11.6 No Admission of Wrongdoing. The Parties have entered into this Agreement solely to resolve any disputed claims that may exist between them. Neither the fact of this Agreement nor any of its parts shall be construed as an admission of wrongdoing or liability.

11.7 Severability. Should any provision in this Agreement be determined to be invalid, the validity of the remaining provisions shall not be affected thereby, and the invalid provision shall be deemed not to be part of this Agreement, and all remaining provisions shall remain valid and enforceable.

11.8 Entire Agreement. This Agreement sets forth the entire agreement between the Parties and supersedes any prior agreements between the Parties pertaining to the subject matter of this Agreement, except that the claw-back provisions set forth in Section 5 of the Employment Agreement and Article 10 and Section 8, as applicable, of the Caesars Entertainment Corporation 2012 and 2017 Performance Incentive Plans and the Restrictive Covenants in the Employment Agreement shall remain in full force and effect as set forth therein, and are incorporated into this Agreement as though fully set forth. In addition, Section 10(c) of the Employment Agreement is modified such that "Competitive Business" shall mean MGM Resorts International, Las Vegas Sands Corporation, Wynn Resorts, Boyd Gaming Corporation, and Penn National Gaming and any other casino, casino/resort, casino/hotel, internet gaming, other gaming venture or entity, in each case, with more than 10,000 employees and headquartered in Las Vegas, Nevada, in exchange for the Executive's agreement to double the time period set forth in Sections 10(d) and 10(e) in which the Executive is prohibited from soliciting any employees or service providers or existing or

prospective customer, client, supplier or vendor of the Company or its subsidiaries or affiliates without the prior written permission of the Company. Executive has previously executed a Confidentiality Agreement, the terms of which will likewise survive the execution of this Agreement. To the extent any conflict exists between provisions contained in this Agreement and Section 10 of the Employment Agreement or the Confidentiality Agreement, the provision that is more protective of the Company shall control to the extent such provision is enforceable by law. If Executive violates any of the provisions of the Confidentiality Agreement or set forth in Section 10 of the Employment Agreement, such violation will constitute a breach of this Agreement, and shall be subject to the provisions of Section 7 of this Agreement.

11.9 Neutral Interpretation. The Parties have both participated in the negotiation and preparation of this Agreement. The provisions of this Agreement shall not be construed for or against a Party because such Party's counsel drafted this Agreement, and all rules of construction in this regard are hereby waived.

11.10 No Representations. The Parties acknowledge that, except as expressly set forth herein, no representations of any kind or character have been made by any other party or that party's agents, representatives, or attorneys to induce the execution of this Agreement. The Parties further agree that Executive has not relied upon any advice whatsoever from the Company or its attorneys.

11.11 No Modification or Waiver. No modification or waiver of the terms of this Agreement shall be effective unless it appears in a writing signed by all Parties to this Agreement.

11.12 Successors. This Agreement shall be binding upon the Parties, and their heirs, representatives, executors, administrators, successors, and assigns, and shall inure to the benefit of each and all of the Released Parties, and to their heirs, representatives, executors, administrators, successors, and assignees.

11.13. Counterparts. This Agreement may be executed in one or more counterparts including, without limitation, facsimile and electronic counterparts, each of which shall be deemed an original and together shall constitute one and the same instrument.

11.14. Clawback. Notwithstanding anything to the contrary contained herein: if, at any time after Executive's termination from employment or services with the Company, the Company determines in its discretion that the Company had grounds to terminate the Executive for "cause" (as defined in the Employment Agreement) or if the Company receives evidence that Executive has breached its obligations under this Agreement, including, without limitation, the confidentiality, return of Company property and non-disparagement obligations set forth in this Agreement or the Restrictive Covenants, then Executive's Salary Continuation pay, COBRA Subsidy and any other payments under Section 1 of this Agreement shall cease and (a) any outstanding, vested or unvested, earned or unearned portion of an award covering shares of common stock of Caesars Entertainment Corporation that is held by Executive may, at the Company's discretion, be canceled without payment therefor and (b) the Company, in its discretion, may require

the Executive, to forfeit and pay over to the Company, on demand, all or any portion of the Salary Continuation pay or other compensation paid or payable hereunder and any compensation, gain or other value (whether or not taxable) realized on the vesting, payment or settlement of any award covering shares of common stock of Caesars Entertainment Corporation.

[Signatures appear on the following page.]

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be signed and effective as of the Signature Date.

CAESARS ENTERPRISE SERVICES, LLC

By: /s/ Monica Digilio
Name: Monica Digilio
Title: Executive Vice President and
Chief Human Resources Officer

Executive:

/s/ Les Ottolenghi
Les Ottolenghi

Attachment A

SCHEDULE TO RELEASE & SEPARATION AGREEMENT

The following is a listing of the ages and job titles of persons within Caesars Services Enterprises LLC who did and did not participate in Caesars Entertainment Corporation 2019 Voluntary Severance Program.

EXHIBIT B

Schedule A

Caesars Entertainment Corporation Equity Awards Subject to Acceleration

<i>Award Type</i>	<i>Grant Date</i>	<i>Number of Unvested Shares</i>
Restricted Stock Unit (RSU)	October 6, 2017	88,624
Restricted Stock Unit (RSU)	April 2, 2018	30,865
Performance Stock Unit (PSU)	March 28, 2019	52,630
Restricted Stock Unit (RSU)	March 28, 2019	62,298

Schedule B

Caesars Entertainment Corporation Equity Awards Remaining Outstanding and Paid Out in Accordance With the Terms of the Applicable Award Agreement and Incentive Plan

<i>Award Type</i>	<i>Grant Date</i>	<i>Number of Unvested Shares</i>
Performance Stock Unit (PSU)	April 2, 2018	31,636

SEPARATION AGREEMENT AND RELEASE

THIS SEPARATION AGREEMENT AND RELEASE (this "Separation Agreement") is entered into effective as of the date on which Executive signs this Separation Agreement (the "Effective Date"), by and between Caesars Enterprise Services, LLC, with offices at One Caesars Palace Drive, Las Vegas, Nevada 89109 (together with its successors and assigns, the "Company") and Janis L. Jones Blackhurst ("Executive"). All terms not defined in this Separation Agreement shall have the same meanings as those set forth in the Employment Agreement (as defined below).

RECITALS

WHEREAS, Executive's employment under her Employment Agreement, dated February 28, 2008, by and between the Executive and Harrah's Operating Company, Inc., as amended (the "Employment Agreement") is terminated by the Company without Cause (as defined in the Employment Agreement) effective as of September 30, 2019, which is also Executive's last day of employment ("Termination Date") and the Company and Executive acknowledge and agree that the termination of Executive's employment hereunder constitutes a "separation from service" within the meaning of Section 409A (as defined below); and

WHEREAS, Executive and the Company have determined to provide for the termination of Executive's employment with the Company on the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the foregoing recitals, the mutual promises contained herein, and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties hereto agree as follows:

1.1 Executive will be paid for all hours worked through the Termination Date, less regular withholdings and deductions;

1.2 Executive is entitled to any stock and/or equity awards that were fully vested at the time of Executive's Termination Date. Such vested equity awards held by Executive shall be administered and managed according to the terms, conditions and provisions of the equity compensation plan and award agreement under which they were granted;

1.3 Executive will be reimbursed for reasonable expenses incurred but not paid prior to the Termination Date conditioned upon submission of those expenses by the Termination Date;

1.4 Executive acknowledges that any applicable D&O insurance policy or indemnification agreement, by their terms and to the extent provided therein, will continue to cover claims that arose prior to the Termination Date in the same manner and as if Executive were still employed; and

1.5 Executive and Company understand and acknowledge that the payments and benefits recited in subparagraphs 1.1-1.4 above shall not be conditioned upon any of the promises or covenants contained in this Separation Agreement, including, but not limited to, the Release (as defined below), nor do such payments and benefits represent consideration for Executive's entering into this Separation Agreement.

2. Consideration. Executive acknowledges and agrees that the payments and benefits paid or granted to Executive under this Separation Agreement represent good, valuable, and sufficient consideration for signing this Separation Agreement and the Release, and exceed any amounts or interests to which Executive otherwise would be entitled. Executive acknowledges and agrees that except as specifically provided in this Separation Agreement, the Company shall have no other obligations or liabilities, monetary or otherwise, to Executive following the Effective Date and that the payments and benefits contemplated herein constitute a complete settlement, satisfaction, and waiver of any and all claims Executive may have against the Company.

(a) Severance. Subject to Section 2(c) below, in consideration of, and subject to and conditioned upon (i) Executive's execution of the General Release of Claims attached hereto as Exhibit B (the "Release") no sooner than the Termination Date and on or prior to October 22, 2019 and non-revocation of the ADEA Release (as defined in the Release), and (ii) Executive's continued compliance with the terms and conditions of the Release, this Separation Agreement and the Sections in the Employment Agreement identified in Section 4 ("Survival"):

i. The Company shall pay to Executive an amount equal to eighteen (18) months of Executive's Base Salary (the "Severance Amount"), payable during the period ending on the eighteenth (18)-month anniversary of the Termination Date ("Severance Period"). Unless terminated early due to Executive's breach of this Separation Agreement or the terms of her Employment Agreement that survive termination of employment, the Severance Amount will be paid in equal installments minus applicable withholding and pursuant to the Company's regular payroll practices; provided that any portion of the Severance Amount payable during the period commencing on the Termination Date and ending on the six (6)-month anniversary of the Termination Date shall be paid in a lump sum, plus interest at a rate equal to the short-term applicable federal rate then in effect, on the six (6)-month anniversary of the Termination Date;

ii. The outstanding equity awards covering shares of common stock of Caesars Entertainment Corporation held by the Executive and unvested as of the Termination Date granted under the Caesars Entertainment Corporation 2012 and 2017 Performance Incentive Plans, each as set forth on Exhibit A attached hereto, will immediately vest in full (at the target level with respect to the restricted stock units granted during 2019 that vest in respect of performance conditions) upon the date the ADEA Release becomes effective and irrevocable (the "Release Effective Date") and any stock options that are vested and outstanding as of the Release Effective Date shall remain exercisable through the second anniversary of the Termination Date but in no event beyond the original term of such options; provided that such awards will be settled in accordance with the terms of the applicable award agreement and incentive plan. Notwithstanding the foregoing, (A) any outstanding stock options covering shares of common stock of Caesars Entertainment Corporation that vest based on performance shall not be accelerated and shall be cancelled as of the Termination Date; and (B) any outstanding Caesars Entertainment Corporation restricted stock units granted during 2018 that vest in respect of performance conditions shall continue to be governed by the terms of the applicable award agreement and incentive plan;

iii. The Company shall pay Executive a pro rata bonus for fiscal year 2019 based on actual performance and services through the Termination Date, payable in a single lump-sum at the same time annual bonuses are paid to other active officers; and

iv. Executive's outstanding cash award in the amount of \$250,000 under the Caesars Entertainment Corporation 2017 Performance Incentive Plan, pursuant to that certain Form of Cash Award Agreement, by and between Caesars Entertainment Corporation and Executive, dated March 20, 2019, as amended, shall accelerate and vest upon the Release Effective Date, and shall be paid in a single lump-sum within thirty (30) days of the Release Effective Date;

(b) Group Health Insurance. Executive shall remain eligible to participate in the Company's group health insurance plan in accordance with the terms and conditions of Section 7 of the Employment Agreement.

(c) Withholding. All payments under Section 2 will be subject to any required withholding of federal, state and local taxes pursuant to any applicable law or regulation and the Company shall be entitled to withhold any and all such taxes from amounts payable under Section 2.

3. Release of Claims.

(a) Executive, for Executive, Executive's spouse, and each of Executive's heirs, beneficiaries, representatives, agents, successors, and assigns (collectively, "Executive Releasors"), irrevocably and unconditionally releases and forever discharges the Company, each and all of its predecessors, parents, Subsidiaries, Affiliates, divisions, successors, and assigns (collectively with the Company, the "Company Entities"), and each and all of the Company Entities' current and former officers, directors, employees, shareholders, representatives, attorneys, agents, and assigns (collectively, with the Company Entities, the "Company Releasees"), from any and all causes of action, claims, actions,

rights, judgments, obligations, damages, demands, accountings, or liabilities of any kind or character, whether known or unknown, whether accrued or contingent, that Executive has, had, or may have against them, or any of them, by reason of, arising out of, connected with, touching upon, or concerning Executive's employment with the Company, Executive's separation from the Company, and Executive's relationship with any or all of the Company Releasees, and from any and all statutory claims, regulatory claims, claims under the Employment Agreement, and any and all other claims or matters of whatever kind, nature, or description, arising from the beginning of the world up through the Effective Date (as defined below) (collectively, the "Released Claims"). Executive acknowledges that the Released Claims specifically include, but are not limited to, any and all claims for fraud, breach of express or implied contract, breach of the implied covenant of good faith and fair dealing, interference with contractual rights, violation of public policy, invasion of privacy, intentional or negligent infliction of emotional distress, intentional or negligent misrepresentation, defamation, libel, slander, or breach of privacy; claims for failure to pay wages, benefits, deferred compensation, commissions, bonuses, vacation pay, expenses, severance pay, attorneys' fees, or other compensation of any sort; claims related to stock options, equity awards, or other grants, awards, or warrants; claims related to any tangible or intangible property of Executive that remains with the Company; claims for retaliation, harassment or discrimination on the basis of race, color, sex, sexual orientation, national origin, ancestry, religion, disability, medical condition, marital status, gender identity, gender expression, or any other characteristic or criteria protected by law; any claim under Title VII of the Civil Rights Act of 1964 (Title VII, as amended), 42 U.S.C. §§ 2000e, *et seq.*, the Civil Rights Act of 1991, the Civil Rights Act of 1866, the Family and Medical Leave Act ("FMLA"), 29 U.S.C. §§ 2601, *et seq.*, the Fair Labor Standards Act ("FLSA"), 29 U.S.C. §§ 201, *et seq.*, the Equal Pay Act, 29 U.S.C. § 206(a) and interpretive regulations, the Americans with Disabilities Act ("ADA"). 42 U.S.C. §§ 12101, *et seq.*, the Consolidated Omnibus Budget Reconciliation Act of 1986 ("COBRA"), the Occupational Safety and Health Act ("OSHA") or any other health and/or safety laws, statutes, or regulations, the Uniformed Services Employment and Reemployment Rights Act ("USERRA"), 38 U.S.C. §§ 4301-4333, the Employee Retirement Income Security Act of 1974 ("ERISA"). 29 U.S.C. §§ 301, *et seq.*, the Immigration Reform and Control Act of 1986, 8 U.S.C. §§ 1101, *et seq.*, or the Internal Revenue Code of 1986, as amended (the "Code"), the Worker Adjustment and Retraining Notification Act; all claims arising under the Sarbanes-Oxley Act of 2002 (Public Law 107-204), including whistleblowing claims under 18 U.S.C. §§ 1513(e) and 1514A; the Nevada Wage and Hour Laws, NEV. REV. STAT. § 608.005, *et seq.*, the Nevada Fair Employment Practices Act. NEV. REV. STAT. § 613.310 *et seq.*, and any and all other foreign, federal, state, or local laws, common law, or case law, including but not limited to all statutes, regulations, common law, and other laws in place in Clark County, Nevada. Executive understands that nothing contained in this agreement limits Executive's ability to file a charge or complaint with the U.S. Equal Employment Opportunity Commission, the National Labor Relations Board, the Occupational Safety and Health Administration, the Securities and Exchange Commission or any other federal, state or local governmental agency or commission (government agencies). Executive further understands that this Separation Agreement does not limit Executive's ability to communicate with any government agencies or otherwise participate in any investigation or proceeding that may be conducted by any government agency, including providing documents or other information, without notice to the Company. This Separation Agreement does not limit Executive's right to seek a judicial determination of the validity of the release of Executive's rights under the Age Discrimination in Employment Act. Notwithstanding the foregoing, this release by Executive shall not include any claims with respect to (i) payments or benefits due under this Separation Agreement, (ii) any rights to indemnification or coverage under D&O insurance policies, (iii) vested employee benefits, and (iv) claims which cannot be released under applicable law.

(b) Executive acknowledges that there is a risk that after the execution of this Separation Agreement, Executive will incur or suffer damage, loss, or injury that is in some way caused by or connected with Executive's employment with the Company or its Subsidiaries or Affiliates or Executive's separation from the Company or its Subsidiaries or Affiliates, and any relationship with or membership or investment in the Company Releasees, but that is unknown or unanticipated at the time of execution of this Separation Agreement. Executive specifically assumes that risk and agrees that this Separation Agreement and the Released Claims apply to all unknown or unanticipated, accrued or contingent claims and all matters caused by or connected with Executive's employment with the Company or its Subsidiaries or Affiliates and/or Executive's separation from the Company or its Subsidiaries or Affiliates, as well as those claims currently known or anticipated. Executive acknowledges and agrees that this Separation Agreement constitutes a knowing and voluntary waiver of any and all rights and claims Executive does or may have as of the Effective Date. Executive acknowledges that Executive has waived rights or claims pursuant to this Separation Agreement in exchange for consideration, the value of which exceeds payment or remuneration to which Executive otherwise would be entitled.

(c) To the extent permitted by law, Executive agrees never to file a lawsuit or other adversarial proceeding with any court or arbitrator against the Company or any other Company Releasee asserting any Released Claims. Executive represents and agrees that, prior to signing this Separation Agreement, Executive has not filed or pursued any complaints, charges, or lawsuits of any kind with any court, governmental or administrative agency, arbitrator, or other forum against the Company or any of the other Company Releasees, asserting any claims whatsoever. Executive understands and acknowledges that, in the event Executive files an administrative charge or commences any proceeding with respect to any Released Claim, or in the event another person or entity does so in whole or in part on Executive's behalf, Executive waives and is estopped from receiving any monetary award or other legal or equitable relief in connection with any such proceeding.

(d) Executive represents and warrants that Executive has not assigned, transferred, or permitted the subrogation of any of Executive's rights, claims, and/or causes of action, including any claims referenced in this Separation Agreement, or authorized any other person or entity to assert any such claim or claims on Executive's behalf, and Executive agrees to indemnify and hold harmless the Company against any assignment, transfer, or subrogation of said rights, claims, and/or causes of action.

(e) The Company hereby acknowledges that it is not aware of any claims or causes of action that it may have against Executive as of the execution of this Separation Agreement.

4. Survival. The following Sections of the Employment Agreement shall remain in full force and effect following the Termination Date: Section 12 ("Non-Competition Agreement"). Section 13 ("Confidentiality"). Section 14 ("Injunctive Relief"). Section 15 ("Post Employment Cooperation"). Section 16 ("Release"), and Section 24 ("Notices").

5. Tax Liability. Executive expressly acknowledges that neither the Company nor its attorneys have made any representations to Executive regarding the tax consequences of the consideration provided to Executive pursuant to this Separation Agreement. It is the intention of the parties to this Separation Agreement that no payments made under this Separation Agreement be subject to the additional tax on deferred compensation imposed by Section 409A of the Code and Department of Treasury regulations and other interpretive guidance issued thereunder ("Section 409A"), but the Company does not guarantee that any such payment complies with or is exempt from Code Section 409A. Notwithstanding any provision of this Separation Agreement to the contrary, if the Company and Executive determine that any compensation or benefits payable under this Separation Agreement may be subject to Section 409A, the Company shall work in good faith with Executive to adopt such amendments to this Separation Agreement or adopt other policies and procedures (including amendments, policies and procedures with retroactive effect), or take any other actions, that the Company determines are necessary or appropriate to avoid the imposition of taxes under Section 409A, including without limitation, actions intended to (a) exempt the compensation and benefits payable under this Separation Agreement from Section 409A, and/or (b) comply with the requirements of Section 409A; provided, however, that this Section 5 shall not create an obligation on the part of the Company to adopt any such amendment, policy or procedure or take any such other action, nor shall the Company have any liability for failing to do so and provided, further, that any such amendments shall endeavor to preserve to the maximum extent permissible the economic benefits of this Separation Agreement. If Executive is a "specified employee" within the meaning of Section 409A of the Code, any payments or benefits due under this Separation Agreement that constitutes a "deferral of compensation" within the meaning of Section 409A of the Code and which do not otherwise qualify under the exemptions under Treas. Regs. Section 1.409A-1 (including, without limitation, the short-term deferral exemption and the separation pay plan exemption), shall be delayed and paid or provided on the earlier of (i) the date which is six (6) months after Executive's separation from service (as defined in Section 409A of the Code and the regulations and other published guidance thereunder) for any reason other than death, and (ii) the date of Executive's death; provided, that such payments shall be made in a lump-sum amount equal to the cumulative amount that would have otherwise been payable to Executive during such period (without interest). Each payment made under this Separation Agreement will be treated as a separate payment for purposes of Code Section 409A and the right to a series of installment payments under this Separation Agreement is to be treated as a right to a series of separate payments. To the extent permitted under Section 409A, any separate payment or benefit under this Separation Agreement or otherwise shall not be deemed "nonqualified deferred compensation" subject to Section 409A to the extent provided in the exceptions in Treasury Regulation Section 1.409A-1(b)(4), Section 1.409A-1(b)(9) or any other applicable exception or provision of Section 409A.

2. Confidentiality. Subject to applicable law, Executive will keep this Separation Agreement (including attachments) and its terms (other than the fact that Executive's employment was terminated on the Separation Date) confidential and will not disclose such information to anyone other than Executive's immediate family and professional

advisors and the Company's professional advisors, each of whom must, as a condition to the disclosure, agree to keep the information confidential. Subject to applicable law, Executive will be responsible for any breach of this Section by Executive's immediate family members and professional advisors, such as attorney and tax advisors. Notwithstanding the foregoing, this Separation Agreement does not prohibit Executive from (a) providing truthful testimony in response to compulsory legal process, (b) communicating with, participating or assisting in any investigation or inquiry by a governmental agency acting within the scope of its statutory or regulatory jurisdiction, or (c) or disclosing information to any gaming regulator upon the request of the gaming regulator. Subject to applicable law, if Executive violates this Section, the Company's obligation to make any further payments under this Separation Agreement shall cease and, subject to applicable law, Executive shall be obligated to repay any amounts already paid by the Company under the terms of this Separation Agreement.

3. Knowing/Voluntary Waiver. Executive acknowledges that Executive (a) has carefully read this Separation Agreement and the Employment Agreement; (b) is competent to manage Executive's own affairs; (c) fully understands the Separation Agreement's and Employment Agreement's contents and legal effect, and understands that Executive is giving up any legal claims Executive has against any of the Company Releasees as set forth in Section 3(a); (d) has been advised to consult with an attorney of Executive's choosing prior to signing this Separation Agreement, if Executive so desires; and (e) has chosen to enter into this Separation Agreement freely, without coercion, and based upon Executive's own judgment, and that Executive has not relied upon any promises made by any of the Company Releasees, other than the promises explicitly contained in this Separation Agreement.

4. Arbitration.

(a) Executive and the Company agree that any dispute, controversy or claim, however significant, arising out of or in any way relating to Executive's employment with or termination of employment from the Company, including without limitation any dispute, controversy or claim arising out of or in any way relating to any provision of this Separation Agreement (including the validity, scope and enforceability of this arbitration clause), to the fullest extent authorized by applicable law, shall be submitted to final and binding arbitration before a single neutral arbitrator in accordance with the rules of JAMS pursuant to its Employment Arbitration Rules and Procedures, which are available at <http://www.jamsadr.com/rules-employment-arbitration/>, and the Company will provide a copy upon Executive's request, as the exclusive remedy for resolving any and all such disputes.

(b) The tribunal will consist of a sole neutral arbitrator selected by mutual agreement of the parties (or, absent such mutual agreement, in accordance with the rules of JAMS) and the place of arbitration will be Las Vegas, Nevada. Each party shall be entitled to all types of remedies and relief otherwise available in court (subject to the limitations set forth herein). The parties agree that any arbitration pursuant to this Separation Agreement shall be brought on an individual, rather than class, collective, or representative basis, and waive the right to pursue any claim subject to arbitration on a class, collective, or representative basis.

(c) The parties to this Separation Agreement hereby expressly and irrevocably submit themselves to the personal jurisdiction of the Superior Court of the State of Nevada (the "**Superior Court**") for the purpose of compelling arbitration pursuant to this Separation Agreement and for the purpose of any judicial proceedings seeking to confirm, modify or vacate any arbitration award.

(d) To the extent required by applicable law, the fees of the arbitrator and all other costs that are unique to arbitration shall be paid by the Company initially. Each party shall be solely responsible for paying its own further costs for the arbitration, including, but not limited to, its own attorneys' fees and/or its own witnesses' fees. The arbitrator may award fees and costs (including attorneys' fees) to the prevailing party where authorized by applicable law.

(e) WAIVER OF TRIAL BY JURY OR COURT. EXECUTIVE AND THE COMPANY UNDERSTAND THAT BY AGREEING TO ARBITRATE ANY ARBITRATION CLAIM, THEY WILL NOT HAVE THE RIGHT TO HAVE ANY ARBITRATION CLAIM DECIDED BY A JURY OR A COURT, BUT SHALL INSTEAD HAVE ANY ARBITRATION CLAIM DECIDED THROUGH ARBITRATION.

(f) WAIVER OF OTHER RIGHTS. EXECUTIVE AND THE COMPANY WAIVE ANY CONSTITUTIONAL OR OTHER RIGHT TO BRING CLAIMS COVERED BY THIS SEPARATION AGREEMENT OTHER THAN IN THEIR INDIVIDUAL CAPACITIES. EXCEPT AS MAY BE PROHIBITED BY LAW, THIS WAIVER INCLUDES THE ABILITY TO ASSERT CLAIMS AS A PLAINTIFF OR CLASS MEMBER IN ANY PURPORTED CLASS OR REPRESENTATIVE PROCEEDING.

(g) The parties acknowledge that they are entering into this arbitration provision voluntarily, and are represented by counsel. If any part of this arbitration provision is deemed unenforceable, it is entirely severable from the rest and shall not affect or limit the validity or enforceability of the remainder of the provision, or the Separation Agreement.

5. Miscellaneous.

(a) This Separation Agreement may be executed in counterparts, each of which shall be deemed an original, and both of which together shall constitute one and the same instrument. The section headings in this Separation Agreement are provided for convenience only and shall not affect the construction or interpretation of this Separation Agreement or the provisions hereof.

(b) This Separation Agreement shall not in any way be construed as an admission that the Company, Executive, or any other individual or entity has any liability to or acted wrongfully in any way with respect to Executive, the Company, or any other person.

(c) This Separation Agreement shall not be construed against either Party, and no consideration shall be given or presumption made on the basis of who drafted the Separation Agreement or any particular provision hereof or who supplied the form of this Separation Agreement. In construing the Separation Agreement, (i) examples shall not be construed to limit, expressly or by implication, the matter they illustrate, (ii) the connectives "and," "or," and "and/or" shall be construed either disjunctively or conjunctively so as to construe a sentence or clause most broadly and bring within its scope all subject matter that might otherwise be construed to be outside of its scope; (iii) the word "includes" and its derivatives means "includes, but is not limited to" and corresponding derivative expressions, (iv) a defined term has its defined meaning throughout the Separation Agreement, whether it appears before or after the place where it is defined, and (v) the headings and titles herein are for convenience only and shall have no significance in the interpretation hereof.

(d) The parties agree that each of the Company Releasees is an intended third-party beneficiary of Section 3 of this Separation Agreement and shall have the authority to enforce the provisions applicable to it, her, or Executive in accordance with the terms of hereof.

(e) This Separation Agreement shall be governed, construed, performed, and enforced in accordance with its express terms, and otherwise in accordance with the laws of the State of Nevada.

(f) The Company shall reimburse Executive for reasonable legal fees and expenses incurred in connection with the negotiation of this Separation Agreement, in an amount not to exceed five thousand dollars (\$5,000).

(g) The Company shall assign its rights and obligations under this Separation Agreement to any successor to all or substantially all of the business or the assets of the Company (by merger or otherwise).

(h) Assignment.

(i) This Separation Agreement cannot be assigned by either party hereto, except with the written consent of the other. Any assignment of this Separation Agreement by either party shall not relieve such party of its or his or her obligations hereunder.

(ii) The Company may elect to perform any or all of its obligations under this Separation Agreement through a subsidiary or affiliate. Notwithstanding any such election, the Company's obligations to Executive under this Separation Agreement will continue in full force and effect as obligations of the Company, and the Company shall retain primary liability for their performance.

2. Entire Agreement. Except as otherwise specifically provided herein, this Separation Agreement constitutes the entire agreement of the parties with respect to the subject matter hereof, contains all the covenants, promises, representations, warranties, and agreements between the Parties with respect to Executive's separation from the Company and all positions therewith; provided, however, that nothing in this Separation Agreement shall supersede the Sections in the Employment Agreement identified in Section 4 ("Survival") of this Separation Agreement. Any modification of this Separation Agreement will be effective only if it is in writing and signed by Executive and the Chief Executive Officer or General Counsel of the Company.

IN WITNESS WHEREOF, the parties hereto have executed this Separation Agreement and Release on this 10 day of October, 2019 .

CAESARS ENTERPRISE SERVICES, LLC

By: /s/ Monica S. Digilio
Monica S. Digilio
Executive Vice President
Chief Human Resources Officer

Executive:

/s/ Janis L. Jones Blackhurst
Name: Janis L. Jones Blackhurst

EXHIBIT A

Caesars Entertainment Corporation Equity Awards Subject to Acceleration

<i>Award Type</i>	<i>Grant Date</i>	<i>Number of Unvested Shares</i>
Restricted Stock Unit (RSU)	October 6, 2017	56,515
Restricted Stock Unit (RSU)	April 2, 2018	21,606
Restricted Stock Unit (RSU)	March 28, 2019	40,184
Performance Stock Unit (PSU)	March 28, 2019	20,092
Performance Stock Unit (PSU)	March 28, 2019	13,856



CAESARS
ENTERTAINMENT

**Code of Business
Conduct and Ethics**

FEBRUARY 2018

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We work in one of the most highly regulated and closely watched industries on earth. And we are the leader in that industry. Our very name means leader. Working at Caesars Entertainment means to expect nothing less than the very best behavior from ourselves and from one another.

We are the stewards of Caesars Entertainment's reputation. To help guide our actions, we have adopted this Code of Business Conduct and Ethics. This Code sets clear expectations for each of us in conducting Caesars Entertainment's business consistent with the highest standards of ethics and responsibility.

This Code applies to all of our directors, officers and employees and demands that each of us do the right thing – follow the law, treat customers, co-workers and other people with respect and demonstrate honesty and integrity in all things we do.

Please review this Code carefully. If you have any questions or are unsure how to handle an issue, reach out. Reach out to your manager or to our Chief Compliance Officer or someone on that team. We also have a confidential, toll-free hotline to ask questions or report potential violations.

Thank you for your commitment to our company and our culture.

General Standards

This Code of Business Conduct and Ethics contains general guidelines for conducting the business of Caesars Entertainment Corporation (with its affiliates and subsidiaries, “Caesars Entertainment” or the “Company”) consistent with the highest standards of business ethics.

Here is what we expect of everyone:

- honest and ethical conduct, including ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
- full, fair, accurate, timely and understandable disclosure in reports and documents that Caesars Entertainment files with, or submits to, the United States Securities

and Exchange Commission (the “SEC”), and in other public communications made by Caesars Entertainment;

- compliance with all applicable laws, rules and regulations;
- prompt internal reporting to an appropriate person or persons identified in this Code of violations of the Code; and
- accountability for adherence to this Code.

What Does “Applicable Laws” Mean?

Follow the rules. Remember, US laws apply to you regardless of where you work. We operate in five countries and must follow the local law as well as US law.



All directors, officers and employees must fully disclose any situation that reasonably could be expected to give rise to a conflict of interest or the appearance of one.

Conflicts of Interest

All directors, officers and employees must fully disclose any situations, including situations involving immediate family members, that reasonably could be expected to give rise to a conflict of interest or the appearance of one. Conflicts should be disclosed to your immediate supervisor or the General Counsel or someone on his team.

What is a conflict of interest?

A conflict of interest exists when your private interest, or the private interest of one of your family members, interferes, or appears to interfere, in any way with the interests of the Company as a whole. The following are examples of situations (applicable to both you and your family member) that may present a conflict of interest:

- employment by, service as a director of or the provision of any services to a company that is one of the Company's material customers, suppliers or competitors, or a company whose interests could reasonably be expected to conflict with the Company's interests;
- receipt of personal benefits or favors (other than nominal benefits or favors) as a result of your position with the Company;
- a significant financial interest (ownership or otherwise) in any company that is one of the Company's material customers, suppliers or competitors; and
- any loan or guarantee of personal obligations from, or any other financial transaction with, any company that is one of the Company's material customers, suppliers or competitors (other than loans from commercial lending institutions in the ordinary course of business).



Employees are prohibited from taking (or directing to a third party) a business opportunity discovered through the use of the Company's property, information or position.

Corporate Opportunities

Employees of the Company owe a duty to the Company to advance its legitimate interests when the opportunity arises.

Employees are prohibited from taking (or directing to a third party) a business opportunity discovered through the use of the Company's property, information or position. In general, employees may not use corporate property, information or position for personal gain or compete with the Company, but ownership of a financial interest in a competitor that is not a significant financial interest is not considered to be competing with the Company.

Any employee that discovers a business opportunity that is in one of the Company's lines of business must first present the business opportunity to the General Counsel, or his designee, before pursuing the activity in his individual capacity. If the General Counsel, or his designee, as the case may be, waives the Company's right to pursue the opportunity, then you may do so in your individual capacity.



Confidentiality

In the course of the Company's business, directors, officers and employees may gain confidential information, including non-public information, that might be of use to competitors or harmful to the Company or its customers, if disclosed. You should maintain the confidentiality of information entrusted to you by the Company or its customers, except when disclosure is authorized or legally mandated.

Caesars Entertainment does not tolerate any form of harassment or bullying in any of our workplaces.

Harassment and Bullying

Harassment is an action, conduct or behavior that is viewed as unwelcome, humiliating, intimidating or offensive by the recipient. Bullying is repeated verbal, physical, social or psychological abuse by a person or group of people at work. *Caesars Entertainment does not tolerate any form of harassment or bullying in any of our workplaces.*

You must never engage in actions or behaviors that involve harassment or bullying. You are expected to be inclusive, collaborative and supportive. It is important that you consider the implications of your behaviors, and support your coworkers to speak up and raise concerns. *Our Code of Business Conduct supports a culture where we treat all of our employees with respect.*

Caesars Entertainment is governed and abides by each country's laws and regulations regarding the fair and proper treatment of others. Harassment and bullying are illegal in many countries and may lead to penalties for individuals and for Caesars Entertainment. *Always act in accordance with the highest ethical and legal standards.*

Always

- Treat everyone with respect and dignity in line with Corporate Code of Commitment.
- Speak up if you are uncomfortable or upset with someone's comments or behaviors, and talk it through. (Be mindful that workplace harassment and bullying should not be confused with constructive feedback or coaching on work performance or work-related behavior of an individual or group for development.)
- Feel comfortable speaking up, even if the behavior is not directed at you.
- Encourage and insist on a workplace free of harassment and bullying.

Never

- Behave in a way that is offensive, insulting, intimidating, malicious or humiliating.
- Make jokes or comments about a person's race, gender, ethnicity, religion, sexual preference, age, physical appearance or disability.
- Engage in sexual harassment.
- Distribute or display offensive material, including inappropriate pictures or cartoons.

Where to go for help

- Supervisor or manager
- Human Resources representative
- Group Legal representative
- Compliance & Ethics Hotline

You may not take unfair advantage of any person or entity.

Competition and Fair Dealing

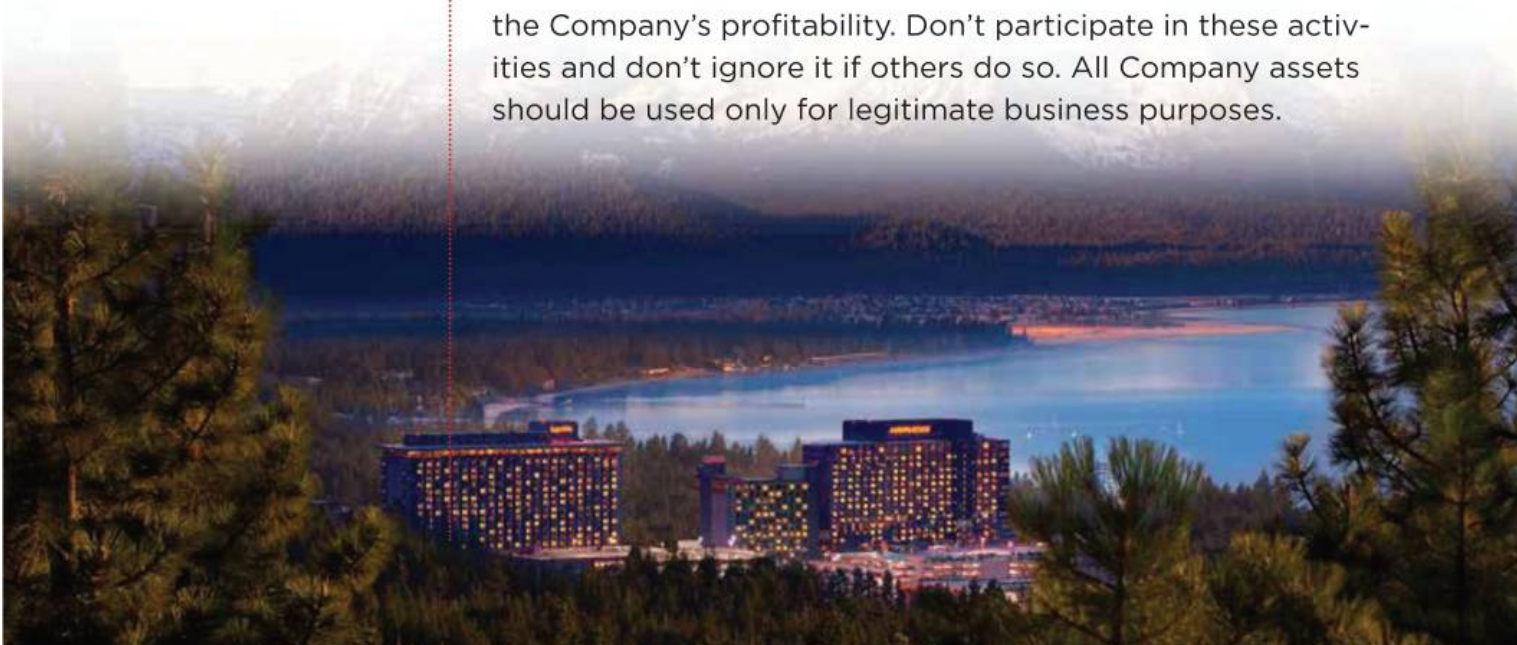
All directors, officers and employees are obligated to deal fairly with the Company's customers, suppliers and competitors. You may not take unfair advantage of any person or entity through manipulation, concealment, abuse of privileged information, misrepresentation or any other unfair dealing or practice.

Company Records

Our senior leaders have implemented policies to ensure that all Company records are complete, accurate and reliable in all material respects. Company records include, but are not limited to, bookkeeping information, payroll, e-mails, accounting and financial data, measurement and performance records, electronic data files and all other records maintained in the course of our business. You are responsible for understanding and complying with the Company's document retention policy. Please refer to the Company's document retention policy for more information about Company records.

Company Assets

You should protect the Company's assets employed by or entrusted to you, and ensure their efficient and responsible use. Theft, carelessness and waste have a direct impact on the Company's profitability. Don't participate in these activities and don't ignore it if others do so. All Company assets should be used only for legitimate business purposes.



Materially inaccurate, incomplete or untimely reporting will not be tolerated and can severely damage the Company and cause legal liability.

Accuracy of Financial Reports and other Public Communications

It is our policy that our public disclosures be accurate and complete in all material respects regarding our business, financial condition and results of operations. Materially inaccurate, incomplete or untimely public reporting will not be tolerated and can severely damage the Company and cause legal liability.

Each director, officer or employee of the Company, to the extent involved in the Company's disclosure process, is required to be familiar with the Company's disclosure controls and procedures applicable to him or her so that the Company's public reports and documents filed with the SEC comply in all material respects with the applicable federal securities laws and SEC rules. In addition, each such person having direct or supervisory authority regarding these SEC filings or the Company's other public communications concerning its general business, results, financial condition and prospects should, to the extent appropriate within his or her area

of responsibility, consult with other Company officers and employees and take other appropriate steps regarding these disclosures with the goal of making full, fair, accurate, timely and understandable disclosure.



To the extent you are involved in the Company's disclosures, you must:

- familiarize yourself with the disclosure requirements applicable to the Company, as well as the business and financial operations of the Company; and
- not knowingly misrepresent, or cause others to misrepresent, facts about the Company to others, whether within or outside the Company, including to the Company's independent auditors, governmental regulators and self-regulatory organizations.

We are responsible for implementing and maintaining an adequate internal control structure and procedures for financial reporting, including without limitation disclosure controls and procedures. You should be on guard for, and promptly report, evidence of improper public reporting.



What Does Disclosure Mean?

Don't be cute. We should use plain language to communicate with regulators, markets, customers and investors. That applies when the news is good and even when it isn't. We will never communicate false or misleading information to the media, to our auditors or anyone else, and we will never direct or allow a colleague to do so.

Each of us has an obligation to comply with the laws of the cities, states and countries in which the Company operates.

Compliance with Laws and Regulations

Each of us has an obligation to comply with the laws of the cities, states and countries in which the Company operates. The Company will not tolerate any activity that violates any laws, rules or regulations applicable to it. This includes, without limitation, laws covering the gaming industry, commercial bribery and kickbacks, copyrights, trademarks and trade secrets, information privacy, illegal political contributions, antitrust prohibitions, foreign corrupt practices, offering or receiving gratuities, environmental hazards, employment discrimination or harassment, occupational health and safety, false or misleading financial information or misuse of corporate assets.



You are strictly prohibited from recommending, “tipping” or suggesting that anyone else buy or sell our stock or other securities.

Compliance with Trading Laws

You are strictly prohibited from trading in the Company’s stock or other securities, or the stock or other securities of any other company, while in possession of material, nonpublic information about the Company or the other company. In addition, you are strictly prohibited from recommending, “tipping” or suggesting that anyone else buy or sell our stock or other securities, or the stock or securities of any other company, on the basis of material, nonpublic information. For more information, please refer to the Company’s securities trading policy and procedures.



Fair Disclosure

The Company’s policy is to provide timely, materially accurate and complete information in response to public requests (media, analysts, etc.), consistent with the Company’s obligations to maintain the confidentiality of competitive and proprietary information and to prevent selective disclosure of market-sensitive financial data. In connection with our public communications, the Company is required, and its policy is, to comply with Regulation FD (which stands for “fair disclosure”) under the federal securities laws. For more information, please contact the Law Department. Directors, officers and employees who are authorized to speak to the media must be aware of the requirements of Regulation FD and must make every effort to ensure that the Company’s public disclosures comply with those requirements.

If you become aware of any violation of this Code, you must notify your "Policy Contact" promptly.

Reporting Violations and Accountability

The Board of Directors has the authority to interpret this Code in any particular situation. If you become aware of any violation of this Code, you must notify your "Policy Contact" promptly. "Policy Contact" means (a) for directors and executive officers of the Company, the General Counsel or his designee (unless the General Counsel or such designee is the subject of the potential violation, in which case the Policy Contact is the Chief Financial Officer), and (b) for other employees of the Company, your immediate supervisor or the General Counsel or his designee. If you do not feel comfortable reporting the conduct in question to your Policy Contact, or do not get a satisfactory response, you may contact any member of the Board of Directors.

Any questions relating to how these policies should be interpreted or applied should be addressed to the General Counsel or designee. If you are unsure of whether a situation violates this Code, you should discuss the situation with your Policy Contact.

Your obligations:

- notify the appropriate Policy Contact promptly of any existing or potential violation of this Code; and
- not retaliate against any director, officer or employee of the Company for reports of potential violations that are made in good faith.

Our procedures to enforce this Code:

- all Policy Contacts will ensure that the General Counsel or his designee is notified promptly of any reports not made to the General Counsel or designee directly. In the case of violations or alleged violations involving the General Counsel or his designee, the Chief Financial Officer will take on this role;
- the General Counsel or his designee will take action to investigate any violation reported as he or she determines to be appropriate;
- the General Counsel will report each violation and alleged violation involving a director or an executive officer to the Chair of the Audit Committee. In the case of violations or alleged violations involving the General Counsel, the Chief Financial Officer will take on this role. To the extent he or she deems appropriate, the Chair of the Audit Committee may participate in any investigation of a director or executive officer. After the conclusion of an investigation of a director or executive officer, the conclusions shall be reported to the Audit Committee;
- the Audit Committee may conduct any additional investigation of a matter as it deems necessary. If the Audit Committee determines that a director or executive officer has violated this Code, it will report its determination to the Board of Directors;
- in the event a violation of this Code has occurred, the Company will take disciplinary or preventive action as it determines to be appropriate, up to and including dismissal or, in the event of criminal or other serious violations of law, notification of the SEC or other appropriate law enforcement authorities; and
- all questions and reports of known or suspected violations of the law or this Code will be treated with sensitivity and discretion. The Company will protect each director's, officer's and employee's confidentiality to the extent possible consistent with the law and our need to investigate reports. The Company strictly prohibits retaliation against a director, officer or employee who, in good faith, seeks help or reports known or suspected violations.

*You are
responsible
for your own
actions.*

Waivers

Each of the Board of Directors (in the case of a violation by a director or executive officer) and the General Counsel or his designee (in the case of a violation by any other person) may, in its or his discretion, waive any violation of this Code. Any waiver for a director or an executive officer will be disclosed as required by SEC and Nasdaq rules.

Compliance Policy

This Code is not intended to amend or replace the Company's Compliance Policy or any other company codes of conduct and you will be required to comply with the terms of this Code, the Compliance Policy and any other Company codes of conduct.

Conclusion

This Code contains general guidelines for conducting the business of the Company consistent with the highest standards of business ethics. Please contact the Law Department with any questions about these guidelines. You are separately responsible for your own actions. If you engage in conduct prohibited by the law or this Code, you will be deemed to have acted outside the scope of your relationship with the Company and may be subject to disciplinary action, including possibly termination or removal from your position.

CAESARS ENTERTAINMENT CORPORATION
LIST OF SUBSIDIARIES
As of February 25, 2020

Name	Jurisdiction of Incorporation
1300 WSED, LLC	Delaware
1301 WSED, LLC	Maryland
1400 WSED, LLC	Delaware
3535 LV Corp.	Nevada
3535 LV Newco, LLC	Delaware
AC Conference Holdco., LLC	Delaware
AC Conference Newco., LLC	Delaware
Aster Insurance Ltd.	Bermuda
Bally's Las Vegas Manager, LLC	Delaware
Bally's Park Place, LLC	New Jersey
Baluma Holdings S.A.	Bahamas
Benco, LLC	Nevada
BL Development, LLC	Minnesota
Boardwalk Regency LLC	New Jersey
Burlington Street Services Limited	England/Wales
BV Manager, LLC	Delaware
CA Hospitality Holding Company, Ltd.	British Virgin Islands
Caesars Asia Limited	Hong Kong
Caesars Bahamas Investment Corporation	Bahamas
Caesars Bahamas Management Corporation	Bahamas
Caesars Baltimore Acquisition Company, LLC	Delaware
Caesars Baltimore Investment Company, LLC	Delaware
Caesars Baltimore Management Company, LLC	Delaware
Caesars Dubai, LLC	Delaware
Caesars Enterprise Services, LLC ⁽¹⁾	Delaware
Caesars Entertainment Japan, LLC	Delaware
Caesars Entertainment UK Ltd.	United Kingdom
Caesars Entertainment Windsor Limited	Canada
Caesars Growth Bally's LV, LLC	Delaware
Caesars Growth Baltimore Fee, LLC	Delaware
Caesars Growth Cromwell, LLC	Delaware
Caesars Growth Harrah's New Orleans, LLC	Delaware
Caesars Growth Partners, LLC	Delaware
Caesars Growth PH Fee, LLC	Delaware
Caesars Growth PH, LLC	Delaware
Caesars Growth Quad, LLC	Delaware
Caesars Hospitality, LLC	Delaware
Caesars Interactive Entertainment New Jersey, LLC	Delaware
Caesars Interactive Entertainment, LLC	Delaware
Caesars International Hospitality, LLC	Delaware
Caesars Korea Holding Company, LLC	Delaware
Caesars Korea Services, LLC	Delaware
Caesars License Company, LLC	Nevada
Caesars Linq, LLC	Delaware

Name	Jurisdiction of Incorporation
Caesars Massachusetts Investment Company, LLC	Delaware
Caesars Mayfair Limited	England and Wales
Caesars Nevada Newco LLC	Nevada
Caesars New Jersey, LLC	New Jersey
Caesars Octavius, LLC	Delaware
Caesars Ontario Holding, Inc.	Canada
Caesars Palace LLC	Delaware
Caesars Palace Realty LLC	Nevada
Caesars Parlay Holding, LLC	Delaware
Caesars Resort Collection, LLC	Delaware
Caesars Riverboat Casino, LLC	Indiana
Caesars Trex, Inc.	Delaware
Caesars World International Corporation (S) PTE, Ltd.	Singapore
Caesars World International Far East Limited	Hong Kong
Caesars World, LLC	Florida
Caesars World Marketing LLC	New Jersey
Caesars World Merchandising, LLC	Nevada
California Clearing Corporation	California
Casino Computer Programming, Inc.	Indiana
CBAC Borrower, LLC	Delaware
CBAC Gaming, LLC ⁽²⁾	Delaware
CBAC Holding Company, LLC	Delaware
Centaur Acquisition, LLC	Indiana
Centaur Colorado, LLC	Delaware
Centaur Holdings, LLC	Delaware
CEOC, LLC	Delaware
CH Management Company, Ltd.	Hong Kong
Chester Downs and Marina LLC	Pennsylvania
Chester Facility Holding Company, LLC	Delaware
Christian County Land Acquisition Company, LLC	Delaware
CIE Growth, LLC	Delaware
Corner Investment Company, LLC	Nevada
CPLV Manager, LLC	Delaware
CR Baltimore Holdings, LLC ⁽³⁾	Delaware
CRC Finco, Inc.	Delaware
Cromwell Manager, LLC	Delaware
Dagger Holdings Ltd.	England
Des Plaines Development Limited Partnership ⁽⁴⁾	Delaware
Desert Palace, LLC	Nevada
Eastside Convention Center, LLC	Delaware
Emerald Safari Resort (Pty) Limited ⁽⁵⁾	South Africa
Entertainment RMG Canada, Inc.	Canada
Flamingo CERP Manager, LLC	Nevada
Flamingo Las Vegas Operating Company, LLC	Nevada
GB Investor, LLC	Delaware
Giles Road Developer, LLC	Delaware
Golden Nugget Club Limited	England/Wales
Grand Casinos of Biloxi, LLC	Minnesota

Name	Jurisdiction of Incorporation
Grand Casinos, Inc.	Minnesota
Harrah South Shore Corporation	California
Harrah's Arizona Corporation	Nevada
Harrah's Atlantic City Operating Company, LLC	New Jersey
Harrah's Atlantic City Propco, LLC	Delaware
Harrah's Bossier City Investment Company, LLC	Louisiana
Harrah's Chester Downs Investment Company, LLC	Delaware
Harrah's Chester Downs Management Company, LLC	Nevada
Harrah's Illinois LLC	Nevada
Harrah's Interactive Investment Company	Nevada
Harrah's Iowa Arena Management, LLC	Delaware
Harrah's Las Vegas, LLC	Nevada
Harrah's Laughlin, LLC	Nevada
Harrah's Management Company	Nevada
Harrah's NC Casino Company, LLC	North Carolina
Harrah's New Orleans Management Company, LLC	Nevada
Harrah's North Kansas City LLC	Missouri
Harrah's Operating Company Memphis, LLC	Delaware
Harrah's Shreveport/Bossier City Investment Company, LLC	Delaware
Harveys BR Management Company, Inc.	Nevada
Harveys Iowa Management Company, LLC	Nevada
Harveys Tahoe Management Company, LLC	Nevada
HBR Realty Company, LLC	Nevada
HCAL, LLC	Nevada
HET International 1 B.V.	The Netherlands
HET International 2 B.V.	The Netherlands
HLV CERP Manager, LLC	Nevada
Hole in the Wall, LLC	Nevada
Homerun Russia, LLC	Russia Federation
Hoosier Park, LLC	Indiana
Horseshoe Cincinnati Management, LLC	Delaware
Horseshoe Entertainment	Louisiana
Horseshoe Gaming Holding, LLC	Delaware
Horseshoe GP, LLC	Nevada
Horseshoe Hammond, LLC	Indiana
HP Dining & Entertainment, LLC	Indiana
HP Dining & Entertainment II, LLC	Indiana
HTM Holding, LLC	Nevada
Inter Casino Management (Egypt) Limited	Isle of Man
Jazz Casino Company, LLC	Louisiana
JCC Fulton Development, LLC	Louisiana
JCC Holding Company II, LLC	Delaware
JGB Vegas Retail Lessee, LLC ⁽⁶⁾	Nevada
Joliet Manager, LLC	Delaware
Laughlin CERP Manager, LLC	Nevada
Laundry Newco, LLC	Delaware
LCI (Overseas) Investments (Pty) Ltd.	South Africa
Lifeboat, Inc.	Louisiana

Name	Jurisdiction of Incorporation
London Clubs (Overseas) Limited	England/Wales
London Clubs Brighton Limited	England/Wales
London Clubs Glasgow Limited	Scotland
London Clubs Holdings Limited	England/Wales
London Clubs International Limited	England/Wales
London Clubs Leeds Limited	England/Wales
London Clubs LSQ Limited	England/Wales
London Clubs Management Limited	England/Wales
London Clubs Manchester Limited	England/Wales
London Clubs Nottingham Limited	England/Wales
London Clubs Poker Room Limited	England/Wales
London Clubs South Africa Limited	England/Wales
London Clubs Southend Limited	England/Wales
London Clubs Trustee Limited	England/Wales
MVCE Middle East, LLC ⁽⁷⁾	Dubai
New Centaur, LLC	Delaware
New Gaming Capital Partnership	Nevada
New Robinson Property Group, LLC	Delaware
Non-CPLV Manager, LLC	Delaware
Ocean Showboat, Inc.	New Jersey
Octavius/Linq Intermediate Holding, LLC	Delaware
Parball LLC	Nevada
Parball Newco, LLC	Delaware
Paris CERP Manager, LLC	Nevada
Paris Las Vegas Operating Company, LLC	Nevada
Parlay Solutions, LLC ⁽⁸⁾	Delaware
PHW Las Vegas, LLC	Nevada
PHW Manager, LLC	Nevada
PHWCUP, LLC	Delaware
PHWLIV, LLC	Nevada
Pier at Caesars LLC	New Jersey
Playboy Club (London) Limited	England/Wales
Players Bluegrass Downs, LLC	Kentucky
Players Holding, LLC	Nevada
Players International, LLC	Nevada
RFCZ (UK) Ltd. ⁽⁹⁾	England
RFCZ Korea Corporation	Republic of Korea
Rio CERP Manager, LLC	Nevada
Rio Properties, LLC	Nevada
Robinson Property Group LLC	Mississippi
Roman Entertainment Corporation of Indiana	Indiana
Roman Holding Company of Indiana, LLC	Indiana
Romulus Risk and Insurance Company, Inc.	Nevada
Sharp Dressed Man Las Vegas, LLC	Nevada
Sharp Dressed Man Manager, LLC ⁽¹⁰⁾	Nevada
Showboat Atlantic City Operating Company, LLC	New Jersey
Southern Illinois Riverboat/Casino Cruises, LLC	Illinois
Sterling Suffolk Racecourse, LLC ⁽¹¹⁾	Massachusetts

Name	Jurisdiction of Incorporation
The Caesars Foundation	Nevada
The Quad Manager, LLC	Delaware
The Sportsman Club Limited	England/Wales
Tunica Roadhouse LLC	Delaware
Vegas Development Land Owner, LLC	Delaware
Windsor Casino Limited	Canada

- 1 69% CEOC, LLC; 31% Caesars Resort Collection, LLC
- 2 75.8% CR Baltimore Holdings, LLC; 24.2% third party shareholders
- 3 58.51% Caesars Baltimore Investment Company, LLC; 41.49% third party shareholders
- 4 80% Harrah's Illinois LLC; 20% third party shareholder
- 5 70% LCI (Overseas) Investments Pty Ltd.; 30% third party shareholders
- 6 8.65% GB Investor, LLC; 91.35% third party shareholder
- 7 49% Caesars Dubai LLC; 51% third party shareholder
- 8 50% Caesars Parlay Holdings, LLC; 50% third party shareholder
- 9 50% Caesars Korea Holding Company, LLC; 50% third party shareholder
- 10 50% Caesars Hospitality, LLC; 50% third-party shareholder
- 11 4.09% Caesars Massachusetts Investment Company, LLC; 95.91% third party shareholders

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in Registration Statement Nos. 333-182385, 333-204343, 333-211766, 333-220865, 333-220872, and 333-228792 on Form S-8, Registration Statement No. 333-216636 on Form S-4, and Registration Statement No. 333-180116 on Form S-3 of our reports dated February 25, 2020, relating to the financial statements of Caesars Entertainment Corporation and the effectiveness of Caesars Entertainment Corporation's internal control over financial reporting appearing in this Annual Report on Form 10-K for the year ended December 31, 2019.

/s/ DELOITTE & TOUCHE LLP
Las Vegas, Nevada
February 25, 2020

I, Tony Rodio, certify that:

1. I have reviewed this annual report on Form 10-K of Caesars Entertainment Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 25, 2020

By: _____

/s/ TONY RODIO

Tony Rodio
Chief Executive Officer

I, Eric Hession, certify that:

1. I have reviewed this annual report on Form 10-K of Caesars Entertainment Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 25, 2020

By:

/s/ ERIC HESSION

Eric Hession

Executive Vice President and Chief Financial Officer

Certification of Principal Executive Officer

Pursuant to 18 U.S.C. § 1350, as created by Section 906 of the Sarbanes-Oxley Act of 2002, the undersigned officer of Caesars Entertainment Corporation (the "Company"), hereby certifies, to such officer's knowledge, that:

- (i) the accompanying Annual Report on Form 10-K of the Company for the year ended December 31, 2019 (the "Report") fully complies with the requirements of Section 13(a) or Section 15(d), as applicable, of the Securities Exchange Act of 1934, as amended; and
- (ii) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: February 25, 2020

By: _____ /s/ TONY RODIO

Tony Rodio
Chief Executive Officer

The foregoing certification is being furnished solely to accompany the Report pursuant to 18 U.S.C. § 1350, and is not being filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and is not to be incorporated by reference into any filing of the Company, whether made before or after the date hereof, regardless of any general incorporation language in such filing.

Certification of Principal Financial Officer

Pursuant to 18 U.S.C. § 1350, as created by Section 906 of the Sarbanes-Oxley Act of 2002, the undersigned officer of Caesars Entertainment Corporation (the "Company"), hereby certifies, to such officer's knowledge, that:

- (i) the accompanying Annual Report on Form 10-K of the Company for the year ended December 31, 2019 (the "Report") fully complies with the requirements of Section 13(a) or Section 15(d), as applicable, of the Securities Exchange Act of 1934, as amended; and
- (ii) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: February 25, 2020

By: _____ /s/ ERIC HESSION

Eric Hession

Executive Vice President and Chief Financial Officer

The foregoing certification is being furnished solely to accompany the Report pursuant to 18 U.S.C. § 1350, and is not being filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and is not to be incorporated by reference into any filing of the Company, whether made before or after the date hereof, regardless of any general incorporation language in such filing.

GAMING REGULATORY OVERVIEW

General

The ownership and operation of casino entertainment facilities is subject to comprehensive regulation under the laws, rules and regulations of each of the jurisdictions in which we operate. Gaming laws and regulations are based upon public policies designed to ensure that gaming and other related activity is conducted honestly, competitively and free of criminal and corruptive elements. The continued growth and success of gaming is dependent upon public confidence, and gaming laws protect gaming consumers and the viability and integrity of the gaming industry, including prevention of cheating and fraudulent practices. Gaming laws may also be designed to protect and maximize state and local revenues derived through taxation and licensing fees imposed on gaming industry participants and enhance economic development and tourism. To accomplish these public policy goals, gaming laws establish procedures to ensure that participants in the gaming industry meet certain standards of character and fitness, or suitability. In addition, applicable laws require gaming industry participants to:

- Establish and maintain responsible accounting practices and procedures;
- Maintain effective controls over their financial practices, including establishment of minimum procedures for internal fiscal affairs and the safeguarding of assets and revenues;
- Maintain systems for reliable record keeping;
- File periodic reports with gaming regulators; and
- Maintain strict compliance with various laws, regulations and required minimum internal controls pertaining to gaming and related activity.

Typically, regulatory environments in the jurisdictions in which we operate are established by statute and are administered by a regulatory agency or agencies with interpretive authority with respect to gaming laws and regulations and broad discretion to regulate the affairs of owners, managers, and persons/entities with financial interests in gaming operations. Among other things, regulatory authorities in the various jurisdictions in which we operate:

- Adopt rules and regulations under the implementing statutes;
- Make appropriate investigations to determine if there has been any violation of laws or regulations;
- Enforce gaming and finance laws and impose disciplinary sanctions for violations, including fines and penalties;
- Review the character and fitness of participants in gaming operations and make determinations regarding their suitability or qualification for licensure;
- Grant licenses for participation in gaming operations;
- Collect and review reports and information submitted by participants in gaming operations;
- Review and approve transactions, such as acquisitions or change-of-control transactions of gaming industry participants, securities offerings and debt transactions engaged in by such participants; and
- Establish and collect fees and/or taxes.

Licensing and Suitability Determinations

Gaming laws require us, each of our subsidiaries engaged in gaming operations, certain of our directors, officers and employees, and in some cases, our stockholders and holders of our debt securities, to obtain licenses or findings of suitability from gaming authorities. Licenses or findings of suitability typically require a determination that the applicant qualifies or is suitable. Gaming authorities have very broad discretion in determining whether an applicant qualifies for licensing or should be deemed suitable. Subject to certain administrative proceeding requirements, the gaming regulators have the authority to deny any application or limit, condition, restrict, revoke or suspend any license, registration, finding of suitability or approval, or fine any person licensed, registered or found suitable or approved, for any cause deemed reasonable by the gaming authorities. Criteria used in determining whether to grant a license or finding of suitability, while varying between jurisdictions, generally include consideration of factors such as:

- The financial stability, integrity and responsibility of the applicant, including whether the operation is adequately capitalized in the jurisdiction and exhibits the ability to maintain adequate insurance levels;
- The quality of the applicant's casino facilities;
- The amount of revenue to be derived by the applicable jurisdiction through operation of the applicant's gaming facility;
- The applicant's practices with respect to minority hiring and training; and
- The effect on competition and general impact on the community.

In evaluating individual applicants, gaming authorities consider the individual's reputation for good character and criminal and financial history and the character of those with whom the individual associates.

Many jurisdictions limit the number of licenses granted to operate gaming facilities within the jurisdiction, and some jurisdictions limit the number of licenses granted to any one gaming operator. Licenses under gaming laws are generally not transferable unless the transfer is approved by the requisite regulatory agency. Licenses in many of the jurisdictions in which we conduct gaming operations are granted for limited durations and require renewal from time to time. There can be no assurance that any of our licenses or any of the above mentioned contracts will be renewed.

Most jurisdictions have statutory or regulatory provisions that govern the required action that must be taken in the event that a license is revoked or not renewed.

In addition to us and our direct and indirect subsidiaries engaged in gaming operations, gaming authorities may investigate any individual or entity having a material relationship to, or material involvement with, any of these entities to determine whether such individual is suitable or should be licensed as a business associate of a gaming licensee. Certain jurisdictions require that any change in our directors or officers, including the directors or officers of our subsidiaries, must be approved by the requisite regulatory agency. Our officers, directors and certain key employees must also file applications with the gaming authorities and may be required to be licensed, qualified or be found suitable in many jurisdictions. Gaming authorities may deny an application for licensing for any cause which they deem reasonable. Qualification and suitability determinations require submission of detailed personal and financial information followed by a thorough investigation. The burden of demonstrating suitability is on the applicant, who must pay all the costs of the investigation. Changes in licensed positions must be reported to gaming authorities and in addition to their authority to deny an application for licensure, qualification or a finding of suitability, gaming authorities have jurisdiction to condition, limit, or disapprove of a change in a corporate position.

If gaming authorities were to find that an officer, director or key employee fails to qualify or is unsuitable for licensing or unsuitable to continue having a relationship with us, we may be required to sever all relationships with such person. In addition, gaming authorities may require us to terminate the employment of any person who refuses to file appropriate applications.

In many jurisdictions, stockholders or holders of our debt securities may be required to file an application, be investigated, and qualify or have his, her or its suitability determined. For example, under Nevada gaming laws, each person who acquires, directly or indirectly, beneficial ownership of any voting security, or beneficial or record ownership of any non-voting security or any debt security in a public corporation which is registered with the Nevada Gaming Commission (the "Commission"), such as Caesars Entertainment Corporation, may be required to be found suitable if the Commission has reason to believe that his or her acquisition of that ownership, or his or her continued ownership in general, would be inconsistent with the declared public policy of Nevada, in the sole discretion of the Commission. Any person required by the Commission to be found suitable shall apply for a finding of suitability within 30 days after the Commission's request that he or she should do so and, together with his or her application for suitability, deposit with the Nevada Gaming Control Board (the "Board") a sum of money which, in the sole discretion of the Board, will be adequate to pay the anticipated costs and charges incurred in the investigation and processing of that application for suitability, and deposit such additional sums as are required by the Board to pay final costs and charges.

Furthermore, any person required by a gaming authority to be found suitable, who is found unsuitable by the gaming authority, shall not be able to hold directly or indirectly the beneficial ownership of any voting security or the beneficial or record ownership of any nonvoting security or any debt security of any public corporation which is registered with the gaming authority, such as Caesars Entertainment Corporation, beyond the time prescribed by the gaming authority. A violation of the foregoing may constitute a criminal offense. A finding of unsuitability by a particular gaming authority impacts that person's ability to associate or affiliate with gaming licensees in that particular jurisdiction and could impact the person's ability to associate or affiliate with gaming licensees in other jurisdictions.

Many jurisdictions also require any person who acquires beneficial ownership of more than a certain percentage of our voting securities and, in some jurisdictions, our non-voting securities, typically 5%, to report the acquisition to gaming authorities, and gaming authorities may require such holders to apply for qualification or a finding of suitability. Most gaming authorities, at least allow an "institutional investor" to apply for a waiver that allows the "institutional investor" to acquire, in most cases, up to 15% of our voting securities without applying for qualification or a finding of suitability. An "institutional investor" is generally defined as an investor acquiring and holding voting securities in the ordinary course of business as an institutional investor, and not for the purpose of causing, directly or indirectly, the election of a majority of the members of our board of directors, any change in our corporate charter, bylaws, management, policies or operations, or those of any of our gaming affiliates, or the taking of any other action which gaming authorities find to be inconsistent with holding our voting securities for investment purposes only. An application for a waiver as an institutional investor requires the submission of detailed information about the company and its regulatory filings, the name of each person that beneficially owns more than 5% of the institutional investor's voting securities or other equivalent and a certification made under oath or penalty for perjury, that the voting securities were acquired and are held for investment purposes only. Even if a waiver is granted, an institutional investor generally may not take any action inconsistent with its status when the waiver was granted without once again becoming subject to the foregoing reporting and application obligations. A change in the investment intent of an institutional investor must be reported to certain regulatory authorities immediately after its decision.

Notwithstanding, each person who acquires directly or indirectly, beneficial ownership of any voting security, or beneficial or record ownership of any nonvoting security or any debt security in our company may be required to be found suitable if a gaming authority has reason to believe that such person's acquisition of that ownership would otherwise be inconsistent with the declared policy of the jurisdiction.

Generally, any person who fails or refuses to apply for a finding of suitability or a license within the prescribed period after being advised it is required by gaming authorities may be denied a license or found unsuitable, as applicable. The same restrictions may also apply to a record owner if the record owner, after request, fails to identify the beneficial owner. Any person found unsuitable or denied a license and who holds, directly or indirectly, any beneficial ownership of our securities beyond such period of time as may be prescribed by the applicable gaming authorities may be guilty of a criminal offense. Furthermore, we may be subject to disciplinary action if, after we receive notice that a person is unsuitable to be a stockholder or to have any other relationship with us or any of our subsidiaries, we:

- pay that person any dividend or interest upon our voting securities;
- allow that person to exercise, directly or indirectly, any voting right conferred through securities held by that person;
- pay remuneration in any form to that person for services rendered or otherwise; or
- fail to pursue all lawful efforts to require such unsuitable person to relinquish his voting securities, including, if necessary, the immediate purchase of said voting securities for cash at fair market value.

Although many jurisdictions generally do not require the individual holders of debt securities such as notes to be investigated and found suitable, gaming authorities often retain the discretion to do so for any reason, including but not limited to, a default, or where the holder of the debt instruments exercises a material influence over the gaming operations of the entity in question. Any holder of debt securities required to apply for a finding of suitability or otherwise qualify must generally pay all investigative fees and costs of the gaming authority in connection with such an investigation. If the gaming authority determines that a person is unsuitable to own a debt security, we may be subject to disciplinary action, including the loss of our approvals, if without the prior approval of the gaming authority, we:

- pay to the unsuitable person any dividend, interest or any distribution whatsoever;
- recognize any voting right by the unsuitable person in connection with those securities;
- pay the unsuitable person remuneration in any form; or

- make any payment to the unsuitable person by way of principal, redemption, conversion, exchange, liquidation or similar transaction.

Certain jurisdictions impose similar restrictions in connection with debt securities and retain the right to require holders of debt securities to apply for a license or otherwise be found suitable by the gaming authority.

Under New Jersey gaming laws, if a holder of our debt or equity securities is required to qualify, the holder may be required to file an application for qualification or divest itself of the securities. If the holder files an application for qualification, it must place the securities in trust with an approved trustee, which trust shall be effective but not operative, pending the gaming regulatory authorities' consideration of interim authorization. If the gaming regulatory authorities approve interim authorization, and while the application for plenary qualification is pending, such holder may, through the approved trustee, continue to exercise all rights incident to the ownership of the securities. If the gaming regulatory authorities deny interim authorization, the trust shall become operative and the trustee shall have the authority to exercise all the rights incident to ownership, including the authority to dispose of the securities and the security holder shall have no right to participate in casino earnings and may only receive a return on its investment in an amount not to exceed the actual cost of the investment (as defined by New Jersey gaming laws). If the security holder obtains interim authorization but the gaming authorities later find reasonable cause to believe that the security holder may be found unqualified, the trust shall become operative and the trustee shall have the authority to exercise all rights incident to ownership pending a determination on such holder's qualifications. However, during the period the securities remain in trust, the security holder may petition the New Jersey gaming authorities to direct the trustee to dispose of the trust property and distribute proceeds of the trust to the security holder in an amount not to exceed the lower of the actual cost of the investment or the value of the securities on the date the trust became operative. If the security holder is ultimately found unqualified, the trustee is required to sell the securities and to distribute the proceeds of the sale to the applicant in an amount not exceeding the lower of the actual cost of the investment or the value of the securities on the date the trust became operative and to distribute any remaining proceeds to the state. If the security holder is found qualified, the trust agreement will be terminated.

Following the Reclassification, the Certificate of Incorporation of Caesars Entertainment Corporation contains provisions establishing the right to redeem the securities of disqualified holders if necessary to avoid any regulatory sanctions, to prevent the loss or to secure the reinstatement of any license or franchise, or if such holder is determined by any gaming regulatory agency to be unsuitable, has an application for a license or permit denied or rejected, or has a previously issued license or permit rescinded, suspended, revoked or not renewed. The Certificate of Incorporation also contains provisions defining the redemption price and the rights of a disqualified security holder.

Many jurisdictions also require that manufacturers and distributors of gaming equipment and suppliers of certain goods and services to gaming industry participants be licensed and require us to purchase and lease gaming equipment, supplies and services only from licensed suppliers.

Violations of Gaming Laws

If we or our subsidiaries violate applicable gaming laws, our gaming licenses could be limited, conditioned, suspended or revoked by gaming authorities, and we and any other persons involved could be subject to substantial fines. Further, a supervisor or conservator can be appointed by gaming authorities to operate our gaming properties, or in some jurisdictions, take title to our gaming assets in the jurisdiction, and under certain circumstances, earnings generated during such appointment could be forfeited to the applicable jurisdictions. Furthermore, violations of laws in one jurisdiction could result in disciplinary action in other jurisdictions. As a result, violations by us of applicable gaming laws could have a material adverse effect on our financial condition, prospects and results of operations.

Reporting and Recordkeeping Requirements

We are required periodically to submit detailed financial and operating reports and furnish any other information about us and our subsidiaries which gaming authorities may require. Under federal law, we are considered a financial institution subject to the Bank Secrecy Act of 1970 (otherwise known as "Title 31") and other financial regulations, and are required to record and submit detailed reports of certain currency transactions, including Currency Transaction Reports for amounts involving greater than \$10,000 at our casinos, Suspicious Activity Reports if the facts presented so warrant, and state and/or federal tax reports at certain thresholds. Some jurisdictions require us to maintain a log that records aggregate cash transactions in the amount of \$3,000 or more. In addition, certain jurisdictions require logging, reporting, and/or review of transactions and winning wagers over certain amounts. For example, in Nevada, any sports wager above \$5,000 must be logged; in Indiana, any sports wagering win of \$600 or more must be checked for outstanding child support obligations. We are required to maintain a current stock ledger which may be examined by gaming authorities at any time. We may also be required to disclose to gaming authorities upon request the identities of the holders of our debt or other securities. If any securities are held in trust by an agent or by a nominee, the record holder may be required to disclose the identity of the beneficial owner to gaming authorities. Failure to make such disclosure may be grounds for finding the record holder unsuitable. Gaming authorities may also require certificates

for our stock to bear a legend indicating that the securities are subject to specified gaming laws. In certain jurisdictions, gaming authorities have the power to impose additional restrictions on the holders of our securities at any time.

Review and Approval of Transactions

Substantially all material loans, leases, sales of securities and similar financing transactions by us and our subsidiaries must be reported to, or approved by, gaming authorities. Neither we nor any of our subsidiaries may make a public offering of securities without the prior approval of certain gaming authorities if the securities or the proceeds therefrom are intended to be used to construct, acquire or finance gaming facilities in such jurisdictions, or to retire or extend obligations incurred for such purposes. Such approval, if given, does not constitute a recommendation or approval of the investment merits of the securities subject to the offering. Changes in control through merger, consolidation, stock or asset acquisitions, management or consulting agreements, or otherwise, require prior approval of gaming authorities in certain jurisdictions. Entities seeking to acquire control of us or one of our subsidiaries must satisfy gaming authorities with respect to a variety of stringent standards prior to assuming control. Gaming authorities may also require controlling stockholders, officers, directors and other persons having a material relationship or involvement with the entity proposing to acquire control, to be investigated and licensed as part of the approval process relating to the transaction.

Certain gaming laws and regulations in jurisdictions we operate in establish that certain corporate acquisitions opposed by management, repurchases of voting securities and corporate defense tactics affecting us or our subsidiaries may be injurious to stable and productive corporate gaming, and as a result, prior approval may be required before we may make exceptional repurchases of voting securities (such as repurchases which treat holders differently) above the current market price and before a corporate acquisition opposed by management can be consummated. In certain jurisdictions, the gaming authorities also require prior approval of a plan of recapitalization proposed by the board of directors of a publicly traded corporation which is registered with the gaming authority in response to a tender offer made directly to the registered corporation's stockholders for the purpose of acquiring control of the registered corporation.

Because licenses under gaming laws are generally not transferable, we may not grant a security interest in our gaming licenses, and our ability to grant a security interest in any of our gaming assets is limited and may be subject to receipt of prior approval from gaming authorities. A pledge of the stock of a subsidiary holding a gaming license and the foreclosure of such a pledge may be ineffective without the prior approval of gaming authorities in certain jurisdictions. Moreover, our subsidiaries holding gaming licenses may be unable to guarantee a security issued by an affiliated or parent company pursuant to a public offering, or pledge their assets to secure payment of the obligations evidenced by the security issued by an affiliated or parent company, without the prior approval of certain gaming authorities.

Some jurisdictions also require us to file a report with the gaming authority within a prescribed period of time following certain financial transactions and the offering of debt securities. Certain gaming authorities reserve the right to order such transactions rescinded.

Certain jurisdictions require the implementation of a compliance review and reporting system created for the purpose of monitoring activities related to our continuing qualification. These plans require periodic reports to senior management of our company and to the regulatory authorities.

Certain jurisdictions require that an independent audit committee oversee the functions of surveillance and internal audit departments at our casinos.

License Fees and Gaming Taxes

We pay substantial license fees, contributions to responsible gaming programs, and taxes in many jurisdictions, including the counties, cities, and any related agencies, boards, commissions, or authorities, in which our operations are conducted, in connection with our casino gaming operations, computed in various ways depending on the type of gaming or activity involved. Depending upon the particular fee or tax involved, these fees and taxes are payable either daily, monthly, quarterly or annually. License fees and taxes are based upon such factors as:

- a percentage of the gross revenues received;
- the number of gaming devices and table games operated; and
- franchise fees for riverboat casinos operating on certain waterways.

In many jurisdictions, gaming tax rates are graduated with the effect of increasing as gross revenues increase. Furthermore, tax rates are subject to change, sometimes with little notice, and we have recently experienced tax rate increases in a number of

jurisdictions in which we operate. A live entertainment tax is also paid in certain jurisdictions by casino operations where entertainment is furnished in connection with the selling or serving of food or refreshments or the selling of merchandise.

Operational Requirements

In many jurisdictions, we are subject to certain requirements and restrictions on how we must conduct our gaming operations. Our operating licenses may also be subject to requirements governing third-party operations on our gaming properties. In many jurisdictions, we are required to give preference to local suppliers and include minority-owned and women-owned businesses in construction projects to the maximum extent practicable.

Some jurisdictions also require us to give preferences to local residents for employment and to minority-owned and women-owned businesses in the procurement of goods and services. Certain of our management or services agreements with Native American tribes require us to give preferences to tribal members. Some of our operations are subject to restrictions on the number of gaming positions we may have, the minimum or maximum wagers allowed by our customers, and the maximum loss a customer may incur within specified time periods.

Our land-based casino in New Orleans operates under a casino operating contract (the "COC") with the State of Louisiana by and through the Louisiana Gaming Control Board, which assumed the regulatory authority, control and jurisdiction from the Louisiana Economic Development Control Board pursuant to Louisiana Revised Statute 27:31. The COC was recently renegotiated to extend the term by thirty years to 2054. Under Louisiana state law, our New Orleans casino is subject to restrictions on the number of hotel rooms, the amount of meeting space within the hotel and how we may market and advertise the rates we charge for rooms.

In Mississippi, we are required to include adequate parking facilities (generally 500 spaces or more) in close proximity to our existing casino complexes, as well as infrastructure facilities, such as hotels, that will amount to at least 25% of the casino cost. Amendments to the Mississippi gaming regulations impose additional non-gaming infrastructure requirements on new casino projects in Mississippi.

To comply with requirements of Iowa gaming laws, we (through Harveys BR Management Company, Inc.) have entered into a management agreement with Iowa West Racing Association, a non-profit organization that is the licensee, with regard to the operation of Horseshoe Casino Council Bluffs. Further, Iowa West Racing Association and Harveys Iowa Management Company LLC have entered into an operating agreement and in reliance on that agreement, the Iowa Racing and Gaming Commission has issued a license to Iowa West Racing Association as a qualified sponsoring organization to conduct gambling games and to Harveys Iowa Management Company LLC to operate gambling games at Harrah's Council Bluffs Casino & Hotel, which was an excursion gambling boat, but is now a full-service, land-based casino. Both the management agreement at Horseshoe Casino Council Bluffs and the operating agreement at Harrah's Council Bluffs Casino & Hotel are for specific terms with certain options to extend.

The United Kingdom Gambling Act of 2005 which became effective in September 2007, replaced the Gaming Act 1968, and removed most of the restrictions on advertising. Though the 2005 Act controls marketing, advertising gambling is now controlled by the Advertising Standards Authority through a series of codes of practice. Known as the CAP codes, the codes offer guidance on the content of print, television and radio advertisements.

Indian Gaming

The terms and conditions of management contracts and the operation of casinos and all gaming on Indian land in the United States are subject to the Indian Gaming Regulatory Act of 1988, (the "IGRA"), which is administered by the National Indian Gaming Commission, (the "NIGC"), the gaming regulatory agencies of tribal governments, and Class III gaming compacts between the tribes for which we manage casinos and the states in which those casinos are located. IGRA established three separate classes of tribal gaming-Class I, Class II and Class III. Class I includes all traditional or social games solely for prizes of minimal value played by a tribe in connection with celebrations or ceremonies. Class II gaming includes games such as bingo, pulltabs, punchboards, instant bingo and non-banked card games (those that are not played against the house) such as poker. Class III gaming includes casino-style gaming such as banked table games like blackjack, craps and roulette, and gaming machines such as slots and video poker, as well as lotteries and pari-mutuel wagering. Harrah's Ak-Chin and Harrah's Resort Southern California (Rincon) provide Class II gaming and, as limited by the tribal-state compacts, Class III gaming. Harrah's Cherokee currently provides only Class III gaming.

IGRA prohibits all forms of Class III gaming unless the tribe has entered into a written agreement or compact with the state that specifically authorizes the types of Class III gaming the tribe may offer. These compacts may address, among other things, the manner and extent to which each state will conduct background investigations and certify the suitability of the manager, its officers, directors, and key employees to conduct gaming on tribal lands. We have received our permanent certification from the Arizona Department of Gaming as management contractor for the Ak-Chin Indian Community's casino, a Tribal-State Compact Gaming Resource Supplier Finding of Suitability from the California Gambling Control Commission in connection with management of

the Rincon San Luiseno Band of Indians casino, and have been licensed by the relevant tribal gaming authorities to manage the Ak-Chin Indian Community's casino, the Eastern Band of Cherokee Indians' casino and the Rincon San Luiseno Band of Indians' casino, respectively. In addition, we provide advisory services under an agreement with the Buena Vista Rancheria of We-Muk Indians of California tribe for their casino operated in Ione, California.

IGRA requires NIGC approval of management contracts for Class II and Class III gaming as well as the review of all agreements collateral to the management contracts. Management contracts which are not so approved are void.

Management contracts can be modified or canceled pursuant to an enforcement action taken by the NIGC based on a violation of the law or an issue affecting suitability.

Indian tribes are sovereign with their own governmental systems, which have primary regulatory authority over gaming on land within the tribes' jurisdiction. Therefore, persons engaged in gaming activities, including the company, are subject to the provisions of tribal ordinances and regulations on gaming. These ordinances are subject to review by the NIGC under certain standards established by IGRA. The NIGC may determine that some or all of the ordinances require amendment, and that additional requirements, including additional licensing requirements, may be imposed on the management company. The possession of valid licenses from the Ak-Chin Indian Community, the Eastern Band of Cherokee Indians and the Rincon San Luiseno Band of Indians, are ongoing conditions of our agreements with these tribes.

Riverboat Casinos

In addition to all other regulations applicable to the gaming industry generally, some of our riverboat casinos are also subject to regulations applicable to vessels operating on navigable waterways, including regulations of the U.S. Coast Guard and/or inspection and oversight by a third-party inspector. These requirements set limits on the operation of the vessel, mandate that it must be operated by a minimum complement of licensed personnel, establish periodic inspections, including the physical inspection of the outside hull, and establish other mechanical and operational rules.

Racetracks

With the acquisition of Centaur on July 16, 2018, we acquired Hoosier Park Racing & Casino (renamed Harrah's Hoosier Park) which offers standardbred racing in Anderson, Indiana, and Indiana Grand Racing & Casino which offers thoroughbred racing in Shelbyville, Indiana. The properties are regulated by the Indiana Horse Racing Commission for racing and the Indiana Gaming Commission for the gambling games. We operate slot machines and live horse racing at a racetrack in Bossier City, Louisiana. We own a combination harness racetrack and casino in southeastern Pennsylvania licensed by the Pennsylvania Gaming Control Board and the Pennsylvania Horse Racing Commission. In addition to laws and regulations affecting the slot machine and other gaming operations at these tracks, there exist extensive laws and regulations governing the operation of racetracks and the horse races that are run at those tracks. Regulation of horse racing is typically administered separately from our other gaming operations, with separate licenses and license fee structures. Gaming or racing regulations may limit or dictate the number of days on which races may be or must be held.

Internet

In recent years, Caesars Interactive Entertainment, LLC has entered into license agreements with third parties for the use of the World Series of Poker brand on online gaming websites in Italy and France. In addition, the State of Nevada legalized real money online internet poker within the State. The Nevada Gaming Commission adopted regulations and established licensing requirements for the operation of real money online internet poker in the State of Nevada. Caesars Interactive Entertainment, LLC obtained the appropriate licenses in Nevada, and pursuant to a relationship with a third-party software provider, operation of its real money website began in September 2013. The State of New Jersey also legalized real money online internet gaming within the State. The New Jersey regulators adopted regulations and established licensing requirements for the operation of real money online internet gaming in the State of New Jersey. Caesars Interactive Entertainment New Jersey, LLC, a wholly owned subsidiary of Caesars Interactive Entertainment, LLC, obtained a casino license and was issued an Internet Gaming Permit. In conjunction with two third-party platform providers, operation of its real money websites began in November 2013. Several states, including Nevada and New Jersey, have also authorized internet-based sports wagering; we and our partners continue to monitor these and other domestic markets for points of entry.

The gaming and other laws and regulations to which we are subject could change or could be interpreted differently in the future, or new laws and regulations could be enacted. For example, in 2018, the U.S. Department of Justice (the "DOJ") reversed its previously-issued opinion published in 2011, which stated that interstate transmissions of wire communications that do not relate to a "sporting event or contest" fall outside the purview of the Wire Act of 1961 (the "Wire Act"). The DOJ's updated opinion, which is the subject of ongoing litigation in federal court, stated instead that the Wire Act was not uniformly limited to gaming relating to sporting events or contests and that certain of its provisions apply to non-sports-related wagering activity. Any such

material changes, new laws or regulations, or material differences in interpretations by courts or governmental authorities could adversely affect our business and operating results.