



Finn Dixon & Herling Hosts Webinar on Debt Amendments, Exchanges of Debt For Equity, New Junior Sub Debt and Senior Equity Infusions

Related Attorneys

Henry P. Baer, Jr.

Christopher H. Craig

Brett W. Dixon

Charles J. Downey III

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RESTRUCTURING BALANCE SHEETS

On March 4, 2009, Finn Dixon & Herling hosted a webinar on Debt Amendments, Exchanges Of Debt For Equity, New Junior Sub Debt and Senior Equity Infusions.

More than ever, companies and their lenders and investors are evaluating equity values at portfolio companies and considering a variety of alternatives to restructure balance sheets and debt/equity arrangements. Parties are considering, among other potential transactions:

- Debt amendments
- Debt forgiveness or exchange for equity
- New rounds of “rescue capital,” including junior subordinated debt or senior equity financing issued to existing investors
- Purchases of outstanding debt of portfolio companies

Proper consideration and structuring of each of these transactions is crucial to avoid unintended consequences. Our panelists discuss, among other things:

- Typical structures
- Creditors’ rights pitfalls, such as potential recharacterization of new debt as equity and equitable subordination
- Understanding fraudulent conveyance and voidable preference risk
- Lender liability concerns
- Structuring to minimize cancellation of indebtedness income, NOL limitations and other adverse tax consequences
- Taking advantage of significant income deferral opportunities as part of the economic stimulus legislation
- Corporate law concerns, including proper disclosure, reducing the risk of fiduciary duty claims against directors, and addressing the concerns of objecting stockholders

Panelists:

- Henry P. Baer, Jr. (Bankruptcy/Creditors’ Rights Partner, Finn Dixon & Herling)
- Christopher H. Craig (Lending Partner, Finn Dixon & Herling)
- Brett W. Dixon (Tax Partner, Finn Dixon & Herling)
- Leon Szlezinger (Managing Director, Recapitalization & Restructuring Group, Jefferies & Co., Inc.)

- Moderator: Charles J. Downey III (Corporate Partner, Finn Dixon & Herling)

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