How do the most experienced distressed dealmakers find competitive advantage in the current climate in distressed investing? While low interest rates and excess liquidity may be creating an atmosphere of “amend and extend” for large companies, this is not always the case for those in the lower- to middle-market. Distressed companies in these sectors are grappling with limited access to capital and the need to restructure their business by either divesting assets or selling the entire company. What is driving these decisions and who is in the best position to benefit from them?

Recently, the M&A Advisor brought together a group of esteemed professionals to talk about the “state of affairs” in the distressed investing market. Panelists discussed the relevancy of traditional versus new approaches to managing the issues related to distress and restructuring. Among the topics, panelists discussed:

- The role of the playbook and its relevancy in managing transactions
- Consortiums – do they play a positive role or are they representative of collusion?
- The challenges – and the new opportunities – related to dealing with labor unions
- Challenges related to retaining key management in distressed organizations
- How Chapter 11 is evolving to be much less about rehabilitating the company in a traditional sense and more of a means to implementing that transaction which is planned outside of bankruptcy

Panelists shared a wealth of useful information, ranging from their experiences in helping companies preserve value and negotiate with counterparties to general observations about the changes taking place in the world of restructuring. We would like to thank the following panelists for their insightful contributions:

- **Peter Kaufman** – Moderator – President, Gordian Group
- **Joe Geraghty** – Senior Managing Director, Conway MacKenzie
- **Larry Lattig** – President, Mesirow Financial Consulting
- **Kathryn Coleman** – Partner, Hughes Hubbard Reed
- **Steve Shimshak** – Partner, Paul, Weiss, Rifkind, Wharton & Garrison LLP
- **William (Bill) Repko** – Senior Advisor and Co-Founder of Restructuring and Debt Advisory Group, Evercore Partners

Our panelists’ observations are set out in the following pages of this transcript.
Panel Discussion

Peter Kaufman: A lot of, if not all, restructurings seem to be following a playbook that may or may not work any more. Do too many dealmakers follow the traditional playbook? Katie can you kick this off by defining what the playbook is? Do you think this approach emphasizes process over substance? Are there potentially better approaches?

Kathryn Coleman: Playbook can mean different things to different people. If we’re talking about the process of how you organize a big deal with a lot of constituents, obviously you need some kind of organizational template. Otherwise, it will descend into chaos.

I think what Peter is really talking about is a rote way of looking at transactions. Are we, as an industry, in danger of falling into that, particularly in the more middle market deals? Now, obviously, there is no playbook for a GM. If there was, you'd have to throw it out, as it clearly happened there. There may not be a playbook for a lot of the larger cases, but a lot of us deal with middle market (however you define that) cases.

I’m saying this mostly as a company-side lawyer, but the danger I see there is that the case is predetermined by the senior secured lender or by the bondholders who are coming in and saying, “We’re going to hopscotch our position and become the debtor in possession (DIP) lender.”

What is happening in a lot of cases where there isn’t huge access to liquidity and it's not a big company that has a lot of options in terms of financing, you’ve got one option in terms of financing and that option is telling you, “Here’s what your DIP is going to say. Here’s what your DIP budget is. You’ll notice that the DIP budget only extends to letting you sell the company in 60 to 90 days, and that’s what’s going to happen here.”

“And oh, by the way, you have to send us, as the lender’s counsel, a copy of every pleading you’re going to file and we have to be happy with it before we’re going to allow you to file it, otherwise we’ll declare your DIP in default. And your plan has to be satisfactory to us otherwise, again, you won’t have any financing.” That’s enormously constraining, obviously, for companies.

Larry Lattig: Is that really the golden rule?

Kathryn Coleman: It absolutely is. In the past, companies have been able to look to creditors’ committees and look to judges to some extent to say, “Help us out here.” There’s really a limit to what the judge can do, because he or she cannot force the lender to lend, and then you've got no financing. Again, I’m not talking about the mega cases where there’s an opportunity for somebody else to come in and do the financing, but I think that’s a real danger. I’d be interested in the other’s opinions.

Steve Shimshak: It’s been an interesting evolution and I agree with a great deal of what you’ve said. With the degree of sophistication among lenders now, including secondary holders, if you want to talk about the rote drill or the playbook from the company side and from the creditor’s side, it involves an intense analysis of the capital structure, finding out where value is and where value ends, and beginning to implement decisions based on that essential evaluation analysis.

Chapter 11 is evolving to be much less about rehabilitating the company in a traditional sense – solving operational problems – and more as a means to implementing that transaction which is planned outside of
bankruptcy and in which the levers that you’re talking about – access to capital – particularly in the Chapter 11, become very critical factors.

There have also been some independent influences that have accelerated this process. Obviously, the limitations on the exclusive period mean that cases have to move much more quickly through bankruptcy. That adds additional impetus to having everything solved outside.

I think you’re right, too, that there are increasing circumstances where some constituencies are having to play catch-up. So often when you’re doing this recapitalization analysis and you’re seeing where value breaks off, you have a hard time convincing senior lenders that those constituencies have to be dealt with, thought about or whatever. Then you just play it out as the case evolves. Whether they organize through a creditors committee or by other means, they have to be dealt with.

Joe Geraghty: The lens that I look at it, in terms of traditional or non-traditional and whether or not you’re going to go by the standard playbook, in part is really driven off of a liquidity outlook. We spend a lot of time at Conway MacKenzie in the middle market/lower middle market, and liquidity is often times not there. So as a best practice, you do want somebody to anchor the situation for you, whether or not it’s out of court negotiating a deal with the buyer or otherwise the creditors to come and anchor it. Then you build what you need around it, and what you need to effectuate the transaction.

In terms of best practices, the deal’s really got to hold together, either to attract the transaction and the capital or otherwise get it effectuated. Our efforts are focused on making sure things hold together from the business plan, that the improvements that are necessary to further the business, and of course, speed to try to get something done in these middle-market deals.

Everybody has a different view on speed, but the fact of the matter is that you really have to have not only your Plan A, which is rolled out, but then your Plan B, your Plan C, and your Plan D with regard to iterations on that. As we look at traditional/non-traditional, anything is non-traditional in the middle- or lower-middle market space.

Peter Kaufman: My view of the playbook is that an awful lot of professionals in big and middle-market cases will process the case on an absolute priority basis, where there’s a waterfall value. My colleagues and I at Gordian have a religious aversion to that. We believe that old equity has been marooned on the island in a certain point in time. They used to have value; they may have value tomorrow. So I’m all about throwing that playbook out and being consistent with all fiduciary obligations, whatever they are, fighting for old equity to give value.

Larry Lattig: Peter, if I can just comment on this thing. I think back when Bill was writing DIP laws, they were lot more liberal. And today, the sources have decided that they can make more demands than ever before, and most of those are associated with timing. It’s all timing related. It’s not necessarily the right thing to do, not necessarily the right timing, but if they don’t set a time frame, they’re afraid of running amuck, and there have been numerous examples of running amuck over a long period of time. I’m the first guy to say, “You’ve got to stop this train,” but in some cases, it wouldn’t get done without it.

Bill Repko: Katie, there actually was a playbook at GM. It was sort of along the lines of the old song, “How did you go bankrupt?” “Slowly and gradually, and then very suddenly.” The way I interpreted the issue was
really to revolve around situations, one of which we’re involved in now, that are extraordinarily complicated –
we have five banking syndicates; three in Europe, two in Asia, different collateral, different positions. A set of
bondholders whose indentures are not written in English, and at least two countries and other parties provide
working capital.

We don’t know what the outcome is going to be, but if we didn’t have a very defined process, it would
degenerate into absolute chaos. That’s not to say that creativity and alternative Plans A, B, C and D go out the
window, but if you don’t stay on the stepping stones, you’re liable to get deep into the mire.

**Kathryn Coleman:** I think that’s true. To add one more thing to what Peter said, going back to something that
Steve said, which is that I think the distinction is that old equity often might have some value, but there needs
to be time to let that value develop; that’s what Chapter 11 debtors don’t have anymore. Not only do they not
have it because of the financing structures that I talked about, but also as Steve mentioned, the limitation on
exclusivity to 18 months no matter what.

In the retail cases, or anybody that has a lot of leases, you also have to look at the 270-day absolute maximum
without the consent of the landlord for extending leases. No longer can you go through an entire cycle and see
what happens, and see if that value develops.

So now we’re having lenders and creditors come in on day one of the case and say, “The value is X,” and
it ain’t very high, and you’re never going to be able to get more than that. Even if you could get the judge to
believe you, the arguments of, “Yes, but we’re doing these things, and that value is going to increase and there
will be more value not only, obviously for creditors who get it first, but maybe for old equity,” there’s just not
time for that to develop anymore.

**Peter Kaufman:** It’s not easy. There’s a lot of magic and creativity required.

**Steve Shimshak:** But on the playbook point, I think to reduce it to something very simple and anecdotal –
when cases used to file, you would look at the newly filed case and try to figure out where the opportunity
was for you in that case. Was there a way for you to get into the case? Should you go pitch the creditor’s
committee? What should you do?

Now when you hear about a filing, you’re reading in most cases about a story that has already happened.
You’re reading about the players who are already involved, and have already executed the transaction. I think
that’s a significant evolution.

**Peter Kaufman:** But I think that’s a good thing. One of our axioms is that companies that go into Chapter 11 to
find a solution don’t do nearly as well as companies that go in to implement a solution. I think that’s actually a
good thing for the client, although it may not be that great for the profession.

**Joe Geraghty:** You’re right, Peter. The bankruptcy process, in part, is just a means to the ends, the heavy
lifting, and being able to structure that deal outside to efficiently run it through. That’s really, I think, where the
professionals are making a lot of hay on the front end and being able to efficiently do it, which is, I think, very
important for the business.
Again, if you look at a middle-market business, or a low to middle-market business, you don’t have the luxury and time as a big corporation to be able to convince customers that you’re going to get out on the other end, or be able to convince your suppliers to continue to work with you in that process. So, a story and a solution going in is really paramount to having a successful transaction.

Larry Lattig: I have to say that I think your comments about old equity are way beyond the dark side. I think they’re way beyond that, because I don’t know how you restructure a company without gaining some sort of leverage with your creditors, your union, or whatever. I don’t know how you can justify gaining leverage on behalf of somebody that’s way down in absolute priority.

Peter Kaufman: We do it in pretty much every case. The next topic we’re going to talk about is the art and science of consortium. There’s an increasing use of consortium, which I’m going to ask Steve to define. Group bids and 363 sales, Kodak and Nortel, are two examples. How is this process best managed on the buy-side? How is it best managed by the sell-side in management? Is there potential to either create a bidder where none would have existed, and/or to create problems in respect to collusion? Is one person’s consortium another person’s collusion?

Steve Shimshak: You could just say yes to all of those questions. Everyone who has been involved in doing 363 sales over the years knows that there are basically two mantras that get repeated. One is – the transaction has to maximize value. If you’ve ever participated in a 363 auction on the bidder’s side, you’re beaten over the head with that as the auction goes into its third or fourth day of endless rounds and delays for bidders to see if they can come up with the money and the like, but it’s all under the objective of maximizing value.

The other mantra that is repeated all the time is – don’t collude, we can’t have collusion. Collusion is going to lead to a reduced purchase price. That’s very strictly enforced through the non-disclosure agreement (NDA) at the level of the company where they impose restrictions on your ability to talk to other bidders, or to talk about your own transaction to anyone other than potential investors in your transaction.

But it’s also there in the bankruptcy code through Section 365(n) and some very unhelpful case law which is intended to illuminate the entire problem growing out of the Trap Rock decision in the Second Circuit which says, you can’t have an agreement that fixes or limits the price, but there’s nothing wrong with having an agreement that affects the price. So, clients are very uncertain about what this means when they’re trying to formulate their bidding strategy. You have to be very strict in telling them what to do and what not to do.

But over the last two years we have seen two very significant examples, admittedly in a specialized area, the sale of intellectual property, the sale of patents where industry players who would ordinarily in a 363 context, because of issues of scale and the complexities of the underlying assets which often involve, among them, the potential for cross-licensing arrangements where they’ve already committed to cross-license and those things actually become depressors of value, where they have said, “Let’s try and come together in some other fashion to bid for this asset. Let’s form a group. Let’s form an entity that the group will invest in, and the entity will acquire the assets. Instead of competing against each other, we’ll bid together through that entity.”

Peter Kaufman: Steve, I think you’ve just laid out exactly why every one of these situations is collusion.

Steve Shimshak: I’m going to convince you that it’s not. Nortel is a good example. In Nortel, you had two industry giants; Google and Apple, who were going to be bidding against each other. Then you had a group of
other companies, none of which had the scale to put together its own bid to compete with these industry giants. But by working in combination, they had the opportunity to take the assets away from those industry giants, and from Nortel’s perspective and the creditors perspective, to increase the purchase price.

So, if the consortium was not allowed to form, you would have actually had a result where the sale would have probably gone at a lower price. None of those individual members of the consortium alone had the ability to bid at the level of an Apple or a Google, and because of the cross-licensing arrangements that I indicated earlier, they were going to have problems even if they could compete in terms of their ability to split the asset.

Peter Kaufman: *Steve, when was the consortium formed in that case, before or after?*

Steve Shimshak: It was formed before, well before.

Peter Kaufman: *Isn’t that a problem? I’ll tell you why. I know there are lawyers and people who represent senior secured creditors or the poor unsecured creditors who want to see maximum value here. Now before we’ve had any bidding, before we’ve had a stalking horse bid, now we have a group of bidders who get together to consort.*

Steve Shimshak: Certainly in the Nortel situation, Nortel knew who was going to be coming to that auction, and Nortel was fully aware of the coalescence of the consortium, and actually encouraged it, because they were going to actually have four – Intel was an independent bidder as well – they were going to have a complement of four bidders, each with the economic power to potentially win the auction.

As it turned out, as the auction was ongoing, the bidding got to the level that two consortiums ended up being formed; Intel and Google combined with each other, and Apple and Rock Star combined with each other. It took the bidding to five times the level that had been in the original stalking horse bid. So one would say, “Risk of collusion? What risk?” You ended up with a tremendous auction result.

Peter Kaufman: *That feels to me like a very results-oriented test of collusion. What if they banded together and they hadn’t been able to do it? I’ll leave that thought hanging.*

Steve Shimshak: I do want to talk about the other side, very briefly, because we then had the alternative. We had a pool of assets in Kodak that people said was worth $2.6 billion and ended up being sold for $500 million. You had two consortiums in that case that had formed before the auction. The auction lasted on and off for four or five months. Perhaps with the benefit of the experience of Nortel, they decided not to bid each other up. There were some problems in the perception of the asset value, too. Kodak had heavily licensed some of these underlying assets and, under the bankruptcy code, those licenses were going to stick. So there were depressors of value in there.

But in the end, you had a result where the two consortiums had to combine to get to the purchase price that was going to be acceptable to the creditors, because at that point they were saying, “If we can’t hit a certain level or a certain number, we’ll just try to reorganize around the intellectual property ourselves and become, in effect, what’s in the intellectual property world, a troll – going out there both offensively licensing and defensively suing people for infringement.

So, there, one would say, “It turned out one fifth of the value. Maybe the consortium wasn’t a good idea,” but
then the response is, “Compared to what?” How were those assets going to move? It was the only way, in the end, that they were going to move.

Overall, my observation would be that debtors and constituents are becoming more flexible about this. These rules aren’t iron clad anymore, although one could argue that they never really were. We were talking beforehand about the experience with liquidators who used to combine all the time when they were liquidating companies, but I think we’re going to see more of this.

Larry Lattig: I’m not sure there’s a real difference between consortiums and colluding. Anybody who ever did a retail liquidation; I’ve seen retail liquidations where there were four bidders, and three of them included Al Cohen. That’s just the way it works – they’ve been doing it for years. If you're going to get the best price, you need to either stop it and keep it under control, or you need to allow it to begin with.

Peter Kaufman: Is there a difference between big cases and small and medium-sized cases in what we’re talking about?

Bill Repko: Yes. Before you get there, let me add to what Larry said. The retail DIP loans that we were doing, they were obviously difficult ones; they were very big. When you had your mystery shoppers go out and come back and tell you exactly what they would buy the merchandise for, it made for a very liquid and very successful fundraising occasion for retailers that otherwise were in huge trouble finding capital.

Joe Geraghty: The input that I have on this is on a smaller case or a lower- to middle-market. We’re involved in one right now where we do have intellectual property (IP). The question that we’re going to wrestle with, as the debtor, is at what point in time, as we’re going through our process to solicit the prospective buyers, will we try to start to match them up a little bit.

Because the intellectual property elements of it could cover up different elements of the business unit. Interested buyers are interested in a certain element of a business unit, but some of the IP was affiliated with another business unit. So, we’re going to have to, I think, make a decision about bringing the buyers together really in the spirit of trying to generate the highest invest value.

Kathryn Coleman: To Peter’s question, is there a difference in the big cases versus the middle market cases? In a middle market case, sometimes you’re thrilled if you have two bidders, and in that situation, obviously, if your only two bidders end up combining, regardless of whether the price goes up or down – presumably it will go down – I think you’ve got a problem.

What we’re hearing here is that the stricture in 363 of the code is against a sale price controlled by an agreement among potential bidders at such sale. It doesn’t say the sale price had to be lower; it just says it had to be “controlled by.”

In all of these situations, I don’t know if the agreement is determined. I know there’s an art to negotiating these agreements in forming one of these consortiums where there are outs and each party is within a collared amount. But in a case where there are very few potential bidders at all, I think everybody really ought to be careful.
Peter Kaufman: More and more cases seem to be involved in organized labor. What are the implications for people trying to do deals? What are the best practices for dealing with unions and for advising management regarding unions?

Kathryn Coleman: Okay, I want to talk about management and sensitize everybody in this discussion to the fact that it’s a similar issue problem with existing management. Sometimes, of course, existing management isn’t popular with anybody, with any constituent, and should go – that’s not what I’m talking about. I’m talking about the difficulties since the Bankruptcy Abuse Prevention and Consumer Protection Act of 2005 (BAPCPA) of figuring out a way that you can keep existing management if you want to, because it’s become incredibly difficult.

You can’t have a pre-petition agreement that you think you’re going to be able to assume, because some combination of your creditors and the US trustee are not going to let you assume most agreements that are acceptable to management, even if they’re not particularly rich. Then you’ve got the struggle, post-petition, of trying to convince people to stay. If you’re brutally honest with them, as the debtor’s counsel and say, “Nothing that you did prior to filing is going to stick, and we’re going to have to come up with some plan. Then we’re going to have to go get approval from the U.S. Trustee, the judge, and the creditors.” A lot of the first reaction that you get is, “What am I still doing here talking to you?”

It’s also a very difficult ethical challenge, I think, particularly for the lawyers. I’ve come to the conclusion that what I should really do at the beginning of every engagement, whether we’re going into Chapter 11 or not, is to tell management that they should really get their own counsel. They don’t each need their own lawyer, but I think they need their own counsel, because they’re not my clients, but I feel an ethical obligation to them. I know that they don’t know about this, generally speaking, not having been through this before, and I do. It’s not really ethical for me representing the company to say, “You guys don’t worry about it. Just stick around; we’ll negotiate something once we file and we’ll get it taken care of,” because I don’t have any ability to assure that. Steve, what do you think?

Steve Shimshak: I agree. I’ve been in situations where management has gotten their own counsel. I’d like to think in every situation it was because I recommended it, but I can’t be that generous to myself. But they’ve been very astute about that, and we’ve seen in other contexts the problems of debtor’s counsel getting caught up in the interest of people who are associated with the process, whether it’s management or advisors. There’s been a lot of blowback on that.

Larry Lattig: This is like every other atrocity that’s addressed by government media; a swing from one side to the absolute extreme on the other side. It is very tough to keep management.

Steve Shimshack: Then the acronym for this is KERP, a Key Employee Retention Program. With the 2005 amendments to the bankruptcy code, there was enormous focus on changing the standards that applied to the ability to retain management, to incentivize management to stay through a retention program. The alternative is the KEEP, which is the incentive program. Rather than paying them to stay, you pay them to achieve measurable objectives. In the spirit of the reform, the cases now have been examining whether a KEEP is really a disguised KERP and whether the KERP standard should apply.
The 2005 amendments were pretty rough on individual debtors. There was heavy impetus from the lending industry and what were portrayed as reforms introduced into individual bankruptcies, whether Chapter 7 or Chapter 13. I think many judges who deal with those cases every day say, “Well, the same thing was done in 2005 for management in a Chapter 11 case, and we are going to enforce those standards.” You’re seeing the judges taking a very jaundiced look at some of these programs.

**Peter Kaufman:** As I mentioned before, we usually only really represent boards and old equity, but we’ve made two exceptions in the last year. We’re representing the TWU, which is the largest union in America, and the Bakery Confection Union of Hostess. We had huge success, under the circumstances, for the TWU in American by preaching what we preach to our board’s directors, which is, you need options and optionality.

Unions talk about following a rote playbook – instead of viewing them with some creativity and some options, we’ve been, knock on wood, really successful so far. There, we encouraged the union to negotiate with Americans on a new deal, and not let it go to the judge to decide on an 1113 hearing if their contract should be thrown out, and simultaneously negotiate with potential acquirers, including US Air, to try and play them off each other, create a spirit of competition, and try to elevate their status in the case maybe beyond where it by all rights should have been. That’s worked out really well for them. That was a brave new world for our client, and I think it’s worked out really well.

**Joe Geraghty:** Peter, that’s some great insight in there. From our point of view, as we do the restructuring and/or potential transactions, the union is a constituent. On the front end, you’ve got to have discussions with them or otherwise support, or you’re going to have it on the back end. It’s necessary to get something done.

From the best practices standpoint, what I see that has been successful is that really, you have to recognize them of course and get them into the process. The second issue where I’ve seen success on is in terms of looking at their bargaining agreement. To the extent it’s not workable, it’s not workable and a deal can’t get formed around that, but then you peel back and say, “What are really the essentials?”

You’ve got the price of labor and the volume of labor. On the price of labor you’re not going to get much headway, but in terms of the volume of labor, amending work rules, and getting the union to agree to being on the post-transaction as flexible as possible with the production assets that you have, there’s some real headway on that one.

At the end of the day, maybe to Peter’s point, unions, I think, are becoming somewhat more pragmatic with the focus on maintaining jobs. Whether or not you’re able to push retirees and their benefits off the table potentially. But the critical element is really knowing what ultimately are their hot issues. Clearly, going in, price and trying to modify price is a significant no-go.

**Larry Lattig:** If someone asked me, “What do you see as opportunities for 2013, 2014 and beyond?” I would have said, “Find out every company that uses organized labor, because management cannot live with a cost that they can’t control.”

**Peter Kaufman:** Yes, but I think that it’s time for a new paradigm in labor/management relations. The old existing playbook, historically, like what American Airlines did – they paid themselves hundreds of millions of
dollars before filing and then blamed labor for everything, has got to go. And, labor has to be realistic about being more of a partner and not simply, “You told us you were going to give us this, and now even though you can’t afford it, we still demand this.” I think there’s a need and room for a new paradigm in how they relate to each other, but that’s probably for another conference.

Executive Summary

Based on the discussions shared by these panelists, companies who do not have access to capital and refinancing as a means to address their challenges face a complicated road as they navigate the issues related to bankruptcy and restructuring. This is a universe where all parties involved must be very well apprised of the black-and-white guidelines established by bankruptcy laws, as well as how/where to deal with gray areas such as the definition of consortiums and collusion. As the panelists pointed out, the best results are gained when constituents are able to collaborate in the best sense of the word to drive the best possible outcome for all parties. Understandably, hard decisions must be made. But it is worth it for debtors and creditors to carefully consider those areas where they can reach a palatable compromise.
“What’s Working Now?” Best Practices of the Best Distressed Dealmakers

To Watch Extended Interviews with the Faculty Members Click on the Photos Below

Kathryn Coleman, Partner, Hughes Hubbard Reed
Joe Geraghty, Senior Managing Director, Conway MacKenzie
Peter Kaufman, Moderator, President, Gordian Group

Larry Lattig, President, Mesirow Financial Consulting
William (Bill) Repko, Senior Advisor and Co-Founder of Restructuring and Debt Advisory Group, Evercore Partners
Steve Shimshak, Partner, Paul, Weiss, Rifkind, Wharton & Garrison LLP

To View the “What’s Working Now?” Best Practices of the Best Distressed Dealmakers Click on the Photo Below
Faculty Profiles

**Peter S. Kaufman** is the President of Gordian Group. Mr. Kaufman has been at Gordian Group since 1990. Prior to joining the firm, he was the founding Co-chairman of the Committee on Investment Banking of the American Bankruptcy Institute (ABI). With Henry Owsley, Gordian Group’s Chief Executive Officer, he is the co-author of the definitive work in the field, Distressed Investment Banking: To the Abyss and Back. Additionally, Mr. Kaufman has been profiled by The Deal, where he is consistently ranked as one of the 10 leading national investment bankers in financial restructurings. He is national TV’s go-to authority for restructuring and bankruptcy views. Prior to joining Gordian Group, Mr. Kaufman was a founding member of First Boston Corporation’s Distressed Securities Group. As an investment banker and attorney, he has more than 25 years of experience solving complex financial challenges. Mr. Kaufman received a B.A. with honors in History and Art History from Yale College (where he won letters in varsity lacrosse). He also received a J.D. from the University of Virginia School of Law, where he graduated in the top quarter of his class.

**Joe Geraghty** is a Senior Managing Director at Conway McKenzie. He specializes in turnaround and crisis management, insolvency and bankruptcy matters, mergers and acquisitions, operational reviews and interim executive management. He has directed, managed and led the restructuring and turnaround of companies with sales ranging from lower middle market to over $1 billion in revenues. Industry specialization includes manufacturing firms, firms supporting the automotive, aerospace and paper industries as well as, textile, quick serve restaurants, healthcare, construction, contracting, service and technology firms. Mr. Geraghty has over twenty three years of financial and operational experience. Prior to joining Conway MacKenzie, he was Chief Financial Officer and General Manager of a privately owned $150 million machining, foundry and packaging company and Director of Internal Audit for a $300 million international manufacturer of valves and pumps. At the accounting firm of Ernst & Young, he was a Senior Accountant, working with clients in manufacturing and healthcare. He was also employed as an accountant with General Motors Corporation. Mr. Geraghty is a Certified Public Accountant and has a Bachelor of Science in Business Administration from the University of Dayton. He is a Certified Turnaround Professional and is a member of the Turnaround Management Association, American Institute of Certified Public Accountants, Association of Insolvency and Restructuring Advisors and TriState Association for Corporate Renewal. Board Member of Dayton and Montgomery County Port Authority.
Larry H. Lattig is President of Mesirow Financial Consulting, LLC, one of the nation’s leading financial advisory service firms. He has over 30 years of experience advising creditors’ committees in bankruptcies, lenders in workout situations, companies and creditors in liquidations, buyers and sellers in mergers and acquisition transactions, and parties in financing and financial transactions. Mr. Lattig has worked extensively on restructuring plans with financial institutions, including Homeland Holdings Corp., Linc Capital, Inc., FINOVA Capital Corporation and BankVest Capital Corporation. He has also advised companies in the restructuring of Trans World Airlines, Inc., Adesta Communications, Inc. (Adesta LLC), and various companies in other industries. He has served as chief restructuring officer in a number of public and private companies in both bankrupt and out-of-court restructurings. He has served as a Litigation Trustee appointed by a Federal Bankruptcy Court for litigation associated with a Plan of Reorganization. Mr. Lattig had held numerous corporate executive positions, including treasurer, chief financial officer, vice president of mergers and acquisitions, vice president of strategic marketing, vice president of investor relations, chief operating officer and president in both private and NYSE listed public companies. Mr. Lattig has written articles for several industry publications and has been a featured speaker at industry conferences. Mr. Lattig has served as a speaker in the areas of treasury, high tech, consumer finance, automotive, airlines, corporate governance and the obligations of officers and directors in troubled companies.

Kathryn Coleman is a Partner in Hughes, Hubbard & Reed’s New York office, is a member of the Corporate Reorganization Group, and has over 25 years experience representing companies restructuring their financial affairs, both in and out of court. Ms. Coleman has advised clients on, and litigated at the trial and appellate levels, the significant legal issues inherent in modern restructuring and financial practice, including contested plan confirmation, prepackaged plans, credit bidding, exclusivity, use of cash, debtor-in-possession financing, valuation, adequate protection of security interests, and cash collateral usage. Ms. Coleman frequently speaks on bankruptcy law and distressed investing, participating in programs sponsored by Practising Law Institute, the American Bankruptcy Institute, California Continuing Education of the Bar, the American Bar Association, the Pacific Bankruptcy Law Institute, the Western Mountains Bankruptcy Law Institute, and the Norton Bankruptcy Litigation Institute. Ms. Coleman graduated magna cum laude from Pomona College. She earned her J.D. from U.C. Berkeley’s Boalt Hall School of Law.
Stephen J. Shimshak is a Partner in Paul Weiss’s Bankruptcy and Corporate Reorganization Department. Steve Shimshak’s practice includes U.S. and foreign insolvency proceedings, as well as restructurings and workouts involving debtors, creditors (including financial institutions, industry players and others), court-appointed liquidators, trustees, asset purchasers and private equity investors. Recent engagements include representation of Citigroup in connection with MF Global, Lehman Brothers, Tribune, Chrysler and Enron; Bicent Holdings and its affiliates, (owner and operator of a portfolio of electric generation plants and power industry services businesses) in connection with their pre-arranged Chapter 11 cases; Oak Hill, in the restructuring of Southern Air through a pre-arranged Chapter 11 case; Ericsson in a series of asset purchases from Nortel, including Rockstar Bidco Consortium’s $4.5 billion patent acquisition; and Major League Baseball in the Texas Rangers Chapter 11 case. Steve was appointed a fellow of the American College of Bankruptcy in 2008 and is regularly recognized as a leading bankruptcy and corporate restructuring lawyer in New York by peer review organizations Chambers USA, Best lawyers in America, Legal 500 and others.

William Repko is a Senior Advisor and a Co-Founder of the Evercore Partners’ Restructuring and Debt Advisory Group with 36 years of relevant experience. Prior to joining Evercore, Mr. Repko served as chairman and head of the Restructuring Group at J.P. Morgan Chase, where he focused on providing comprehensive solutions to clients’ liquidity and reorganization challenges. Mr. Repko entered the workout banking world in 1980 at Manufacturers Hanover Trust, which after a series of mergers became part of J.P. Morgan Chase. Notable clients include General Motors, MGM Mirage, Swift Transportation, Danaos, TORM, United Airlines, Enron, WorldCom, Chrysler, IBM, Waste Management, Goodyear, El Paso, Kmart, Texaco, Federal Mogul, Southern California Edison and Lucent Technologies. Mr. Repko has been named to the Turnaround Management Association (TMA)-sponsored Turnaround, Restructuring and Distressed Investing Industry Hall of Fame. Mr. Repko has a B.S. from Lehigh University.
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