



Special Situations

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STRADLEY
RONON

OVERVIEW

Global market volatility is the new normal. Unpredictable or deteriorating market conditions may lead to special situations that require unconventional thinking and innovative strategies.

Stradley Ronon attorneys have decades of experience marshaling the resources needed to provide creative solutions as we guide our clients through unique investment and business challenges across the full spectrum of capital structures. Our goal is to assist clients in maximizing investment opportunities, value or recovery; limiting potential loss or liability; and keeping reputations intact.



Our Capabilities

Stradley Ronon's special situations group uses our experience and creativity to guide clients through distressed transactions, challenging restructurings and other special situations during which sophisticated and sensitive legal issues arise. Our interdisciplinary group members regularly work in the alternative asset, hedge fund, investment management, lending, private equity, real estate and specialty asset markets and are attuned to the risks inherent in investing in these assets. From cutting-edge capital raises to complex restructurings, our attorneys are skilled

at executing these critical transactions expeditiously and cost effectively.

Our special situations team members are pulled from a diverse array of transactional and advisory disciplines spanning securities (including the '33 Act, the '34 Act and the '40 Act); corporate; litigation; finance and restructuring; bankruptcy, workouts and creditors' rights; mergers and acquisitions; white-collar defense, internal investigations and corporate compliance; SEC and FINRA enforcement; health care and insurance. This group works seamlessly to

quickly size up the situation and develop effective business and legal strategies to resolve challenging problems or capitalize on opportunities.

Our Experience

Our special situations group has worked with lenders and investors working in a wide range of industries, including consumers goods, transportation, financial services, health care and professional services, among others, in the areas listed:

- Acquisition and disposition of distressed assets

CLIENT SUCCESSES **Our representative matters include:**

Assisting a global private equity firm in managing a portfolio of distressed RMBS residual securities, including negotiating document access rights and repurchase of underlying mortgage loans for breach of representations and warranties.

Counseling a group of investors on formation and structuring of investment vehicle and acquisition of portfolio of scratch-and-ident residential mortgage loans from large national mortgage lender.

Counseling numerous investment firms and financial institutions on their rights and remedies under various investment contracts and instruments with a major investment bank in connection with its bankruptcy and restructuring.

Forming a distressed asset opportunity fund with hedge fund structure for the purpose of investing in distressed iconic sporting and lodging properties and related mortgage loans.

Forming a distressed asset opportunity fund with hedge fund structure for the purpose of investing in distressed MBS, ABS and CDO securities.

- Acquisition financing and distressed debt investing:
 - Challenged debt and equity investments
 - Debt financings
- Ancillary issues that impact distressed asset investors:
 - Credit default swaps
 - Derivatives
 - Interest rate derivatives
 - Licensing and other regulatory matters
 - Repos and securities lending programs
 - Tax
- Bankruptcy and workout matters:
 - Bankruptcy and workout counseling
 - Bankruptcy financing
 - Claim purchases
 - §363 plan of reorganization sales and acquisition of assets, including stalking horse bids
 - Debt restructuring
 - Debtor/creditor rights and remedies
 - Pre-bankruptcy forbearance arrangements
 - Dispute resolution
- Board/management disputes
- Defending against lender liability claims and professional liability claims
- Formation and structuring of investment vehicles and funds that acquire distressed assets, including hedge and private equity funds

- Fraud investigations
- The Investment Company Act of 1940, The Securities Act of 1933 and The Securities Exchange Act of 1934
- Partner disputes
- SEC and FINRA enforcement inquiries, internal investigations and examinations
- Side pocket investments, illiquid or troubled debt and equity investments
- Strategies to maximize return on distressed assets:
 - Bankruptcy
 - Contractual rights and remedies
 - Litigation
 - Restructuring distressed equity and debt transactions
- Structuring and documenting new debt financings and equity investments, including secured and unsecured financings; single-lender and syndicated loans; unitranche facilities; second lien, mezzanine and subordinated facilities; structured finance; and cross-border transactions
- Unique, asset-specific issues and risks:
 - Debt securities (ABS, RMBS, CMBS, CDOs)
 - Distressed businesses
 - Investor redemptions
 - Liquidating existing investments
 - Loans (mortgage loans, commercial loans)
 - Real estate

Our Clients

- Buyers and sellers of distressed businesses
- Corporate debtors
- Directors and officers in claims by competitors, shareholders and regulators
- Financial institutions
- Hedge funds and hedge fund advisers
- Investors and partners in financially troubled companies
- Limited liability companies
- Municipalities and government agencies
- Nonprofit and religious organizations
- Partnerships including individuals partners in partnership disputes
- Professionals, including accountants, architects, physicians and lawyers, as well as hospitals and financial institutions, in defending against professional liability claims
- Private equity funds and private equity firms, including leveraged buyouts
- Venture capital firms, including counseling regarding mezzanine financing of leveraged buy-outs or distressed debt, and strategies for exit

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In debt and equity securities of companies undergoing financial distress, operating difficulties or significant restructuring, both directly and indirectly through investments in funds with similar investment strategies.

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Representing a global mutual fund complex in connection with its distressed loan trading program, including negotiating and documenting trades.

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Representing several substantial financial institution creditors in the Lehman Brothers bankruptcy in the filing, trading and settlement of claims.

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Representing the financial guarantors of special revenue obligation bonds in the restructuring of over \$2 billion of debt relating to a casino owned and operated by a Native American tribal nation in the state of Connecticut.

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Representing the loan trustee, on behalf of the bondholders, in a Section 363 sale, pursuant to U.S. Bankruptcy Court order, of substantially all of the assets of a holding company active within the oil and gas sector that built elevating support vessels that facilitated well intervention activities and work-over services to the offshore oil and gas industry.

For more information on our Special Situations practice,
visit www.stradley.com/specialsituations.



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ABOUT STRADLEY RONON

For more than 95 years, Stradley Ronon has helped private and public companies – from small businesses to Fortune 500 corporations – achieve their goals. With nine offices and more than 200 attorneys, Stradley Ronon is proud to help companies manage their legal challenges and grow their businesses.

www.stradley.com

LOCATIONS

Pennsylvania
Washington, D.C.
New York
California
New Jersey
Illinois
Delaware



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