

Having a borrower in distress: what can a lender do?

Protecting your rights, knowing your options and taking the right actions.



Agenda

February 17, 2010 – Howard Johnson Hotel

9.00 – 9.30 *Welcome Coffee and Registration*

9.30 – 9.45 **Introduction – Antonis Ioannides**

9.45 – 10.30 **Patterns of a corporate crisis – Alexander Flatz**

1. Stages of a crisis – theory vs. practice. Has anyone seen a strategic crisis or an operative crisis?
We typically deal with liquidity crises these days
2. Patterns of a crisis. The good news - there are patterns which recur frequently. The bad news – mostly patterns of a worst case
3. Behavioural patterns Owners; Management; Banks; Advisors
4. Challenges for the stakeholders
 - Understanding the value (of business and collateral. Where does the value break?)
 - Understanding the behaviour
 - Understanding the viability of the business
 - Understanding the options
5. Valuable characteristics of advisors and bankers in crises
 - not to believe unless issues are reliably evidenced,
 - develop synthesis out of analysis; facts are useless unless you interpret them correctly
 - not to refrain from judgments.

10.30 – 11.15 **Having a borrower in distress and how to deal with it. Know your legal rights, options and deadlines. – Andrei Burz-Pinzaru**

1. Things you should know about your borrowers **prior** to any insolvency related events
2. Preventing insolvency:
 - Voluntary reorganisation versus insolvency reorganisation
 - Inter-creditor agreements (legal or conventional); recent legal developments (“*concordatul preventiv*”)
 - Insolvency “claw-back” risks in respect of pre-insolvency arrangements
3. Being creditor to an insolvent borrower: a focus on observation periods and reorganization plans
 - Observation period:

- Who manages your borrower?
 - Permitted payments
 - Lending new funds
- Reorganisation plans
 - Who can have the initiative and when – preservation of rights
 - Reaching a majority for approving/rejecting a plan
 - Threats for the banks
4. Insolvency “hidden” threats – a few examples
 - The bank is 1st rank secured creditor...or is it?
 - The bank is the largest creditor and therefore has the final word in the creditors’ assembly...or maybe not?
 - How “final” is the final creditors’ list?

11.15 - 11.30 *Coffee break*

11.30 - 12.30 **Restructuring best practices - Andrew Grimstone**

1. Value of robust information
2. Debtors vs. creditors dynamics (do’s and don’ts)
3. Managing the lenders (syndicated/multiple bilateral loans)
4. UK -EU case studies
5. Top tips for achieving a consensual restructuring

12.30 – 13.30 *Lunch*

This conference is of interest to professionals from corporate lending departments, syndication departments, restructuring/workout departments. The in-house lawyers counselors will benefit as well from this event.

Speakers:



Antonis Ioannides – Financial Advisory Partner – Introduction

Antonis is a Partner in Transaction Support Services. He has professional services experience with Deloitte London and has also spent time with Deloitte Cyprus. During the last three years he has focused on cross-border Financial Services acquisition projects where he has personally led many significant acquisition assignments for listed Greek Targets investing in the Balkans, Ukraine, Turkey, Poland, Egypt and the Middle East.



Alexander Flatz – Director Reorganization Services, Central Europe

Alexander leads the Restructuring service team within Financial Advisory department in the Czech Republic and as such, specializes mainly in the distressed M&A advisory services, financial restructurings, restructuring planning, restructuring controlling, independent business reviews, etc.

Andrei Burz-Pinzaru – Legal Services Partner



Andrei has over 10 years advisory experience in corporate finance, banking and capital markets (including three years investment banking background). Worked either lenders' or borrowers' side on loan and security documentation in bilateral / syndicated loans, real estate finance, one LMBO, debt restructuring & loan workouts, in aggregate value close to EUR 2 billion. Contributor to the drafting of Romanian mortgage lending law, mortgage bonds and securitisation laws and the related securities/banking regulations.



Andrew Grimstone – Partner, Reorganization Services, United Kingdom

Andrew has been leading large and complex Business Reorganisation and Corporate Finance assignments for over 15 years. These have involved the investigation and assessment of corporate groups, acquisition targets and divestment candidates for the purposes of advising creditor groups, investing institutions and corporate clients.

