

Overview

Insolvency financing or debtor-in-possession financing is a complex feature of many restructurings and workouts. In addition, financing of an insolvency proceeding can involve a myriad of competing interests and often involves strategic issues, including positioning for ownership or other tactical goals.

Dentons' lawyers have significant experience in financing distress situations on behalf of lenders, borrowers and competing stakeholders. This experience includes bridge loans and financing to exit insolvency proceedings. The global reach of Dentons enables such parties to deal with complex enterprises in multiple jurisdictions.

Represented on the ground by professionals in the world's major financial centers, Dentons has the integrated insolvency and financing experience to achieve your investment and strategic goals.

Representative Experience

- **American Hospice Management Holdings LLC:** Represented American Hospice Management Holdings LLC and 11 related entities in their Chapter 11 proceedings in Delaware. Dentons' representation included a successful auction, which resulted in an increase of almost 60% over the stalking horse bid, approval of \$9 million cumulative sale of the company's assets in six states in three separate transactions, as well as a comprehensive settlement of a \$5.5 million claim with the Medicare program, enabling buyers to settle any successor liability issues and avoid operating under a Corporate Integrity Agreement. Prior to the sale approval, Dentons also advised American Hospice in securing debtor-in-possession funding.
- **Breed Technologies, Inc.:** Representation of the creditors' committee in Breed Technologies in negotiating the revised terms of the DIP agreement and the ultimate restructuring of a company that manufactures air bags and steering wheels for the "Big Three" US automobile manufacturers.
- **Crystallex International Corporation (CCAA/US):** Advising as Counsel to Tenor Capital Management as DIP lender to Crystallex International Corporation in its CCAA/Chapter 15. Crystallex is a Canadian-based mining company with a US\$3.6 billion claim against the Bolivarian Republic of Venezuela in relation to its investment in the Las Cristinas gold project located in Bolivar Sate, Venezuela. The dispute is pending before the Additional Facility of the World Bank's International Center for Settlement of Investment Disputes. The Crystallex DIP provided by Tenor was the subject of litigation to the Supreme Court of Canada.
- **Energia Overseas:** Representing a Russian reorganization sponsor and Chapter 11 debtor-in-possession funder for Sea Launch that resulted in Sea Launch shedding over US\$2 billion in debt and migrating with regulatory approvals in several steps from Delaware to Switzerland.
- **NW Missouri Biofuels:** Represented a debtor-in-possession, who owns a biofuels plant, and obtained approval of a sale of that plant pursuant to Section 363 of the US Bankruptcy Code.
- **Medican Holding Ltd.:** Advising in their proceedings under the Companies' Creditors Arrangement Act. This matter involved the restructuring of a number of operating entities and real estate development projects through the innovative use of project-related debtor-in-possession facilities and a chief restructuring officer CRO to supplement management.
- **Solarwatt AG:** Advising on a successful restructuring in the context of a protective shield proceeding as a debtor-in-possession within a three month period from the filing for insolvency until the termination of the insolvency proceeding. Work involved drafting and proposing a restructuring plan including the reorganization of the

company's performance and finances; implementing the restructuring concept via a capital reduction to zero with a subsequent cash and capital increase; and applying the new provisions to the insolvency plan procedure. In addition, we recently advised the company on the successful acquisition of the distribution units of the Centrosolar brand in Europe, which reflects the sustainability of this restructuring and is an opportunity for Solarwatt to extend further its market position in Europe and its portfolio.

- **Wickes Lumber Creditors' Committee:** Representation of the Official Creditors' Committee in this Chapter 11 case, which owned various lumber yards throughout the US. The case began with a fight over DIP financing, which the Committee stated would lead to an immediate liquidation of these lumber yards. After two rival DIP financing proposals were obtained from bondholders, our team negotiated a favorable DIP financing that allowed for a normal spring inventory build-up and a reasonable marketing timeframe for the business as a going concern. We then obtained permission for the Committee's financial advisor to play a leading role in the marketing efforts. Going concern sales of the assets were obtained at very attractive prices. The Committee prosecuted suits against directors, officers, principal shareholders and certain affiliates of Wickes Lumber and insurers leading to favorable settlements. What could have been a case with no distribution for unsecured creditors ended up with a distribution to them of more than 21 percent.