



Dear Financial Executive:

The distressed securities marketplace remains at an all-time high. In 2002, bankruptcies continued to surge even as the economy started to improve. Through the first three quarters, business bankruptcies held steady at about **10,000 filings per quarter**, according to statistics from the American Bankruptcy Institute. Moreover, according to BankruptcyData.com, **6 of the 15 largest bankruptcies** filed since 1980 occurred in 2002, including Kmart, Worldcom, Global Crossing, United Airlines and Adelphia Communications.

**What are lenders and workout managers doing to successfully work out troubled loans?** To help you stay ahead in this vital and rapidly changing arena, Financial Research Associates is proud to present **Advanced Commercial Loan Workout Techniques**. Please join us March 27-28, 2003 at the New York Helmsley Hotel in NYC to learn the nuts and bolts of successful workouts from top professionals.

In session after session with the country's most experienced turnaround and bankruptcy experts, you will learn :

- Asset-based vs. cash flow loans
- Workout decision points
- How to get your fair share under a POR (Plan of Reorganization)
- When to sue and when not to sue
- Which jurisdictions more easily allow debtors to circumvent the Bankruptcy Code
- "Must have" deal points
- What controls a lender can get in a debt to equity loan
- What providers of DIP financing need to make good decisions
- Case studies of high-profile bankruptcies
- Calculating bad debt reserves
- When and how to perform a field exam

This leading-edge seminar will answer **all** your questions about the newest workout strategies, and you won't want to miss it. It's easy to register: Complete the registration form on the back of this brochure and mail it to us, or fax it to us at (360) 892-5168, or call our customer service department at (800) 280-8440, or register online at [www.frallc.com](http://www.frallc.com). This conference is sure to sell out quickly, so save your space now!

I'll see you in New York!

Sincerely,

**Mard Naman**, Conference Director  
Financial Research Associates

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NVST® is one of the world's largest portals for investors, advisors, and entrepreneurs, providing online access to venture capital and merger & acquisition opportunities. NVST's complete suite of M&A and valuation products includes online databases, publications and software. With three online databases reporting on the completed transactions of public and private companies, NVST provides key financial information, purchase ratios, analysis and more on over 11,000 deals. The complete line of NVST publications feature over 20 different books, which focus on business valuations, industry outlooks, completed transactions, takeover speculations and mergers and acquisitions.



As the only weekly newsletter in the industry to follow deals from inception to completion, Private Placement Letter is able to provide comprehensive and timely information on privately placed debt and convertibles. Every issue contains scores of hard-to-find information including spotlights on buyers and sellers, reports on structures and prices, and analysis of the most current private placement deals. For more information, call 800-607-4463, visit us online at [www.tfibcm.com](http://www.tfibcm.com) or e-mail [shari.rosenblum@tfn.com](mailto:shari.rosenblum@tfn.com)



"High Yield Weekly, published by Dow Jones Newsletters, covers issuers of high yield debt, including pricing and major events in the junk bond market:

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High Yield Weekly helps you spot investment opportunities and foretell dire situations about to transpire. It tracks many companies headed for Chapter 11 before the filings occur. For a free trial, contact [djnewsletters@dowjones.com](mailto:djnewsletters@dowjones.com) or visit [www.djnewsletters.com](http://www.djnewsletters.com)



BondWeek (BW) focuses specifically on the taxable fixed income and credit markets. Each weekly issue of BondWeek includes breaking news and analysis of asset- and mortgage-backed securities, investment grade and high yield corporates, agency and government bonds. Regular features include investment strategies, emerging trends, interest rate analysis and forecasts, economic regulatory developments and new technology – and how they will affect the U.S. and overseas bond markets. For a free trial subscription please call 212.224.3800 and mention this code T05777 or visit our website at [www.bondweek.com](http://www.bondweek.com)



Loan Market Week (LMW) provides the latest news on the U.S. corporate loan syndication and trading markets each week. Coverage includes: news and analysis of trends in both the primary and secondary loan markets, borrowing strategies from CFOs and treasurers, people moves and related legislation from regulatory agencies. For a free trial subscription please call 212.224.3800 and mention this code T05777 or visit our website at [www.loanmarketweek.com](http://www.loanmarketweek.com).



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### Bank Loan Report

Delivering the most accurate information available on the \$1 trillion US loan marketplace, Bank Loan Report is the leader in providing news and data for the syndicated loan marketplace. Essential industry facts including breakdowns of closed deals, informative profiles of significant investors as well as secondary trading pricing data is included in each weekly issue.

### High Yield Report

Filled with timely, detailed and precise information on the \$250 billion below-investment grade market, investors and investment bankers turn to High Yield Report confident they are reading the news that is indispensable.

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Each weekly issue presents complete coverage of pending and ongoing deals as well as insights into industry trends, strategies and the firms and people involved in mergers, acquisitions, restructures and bankruptcies.

### Private Placement Letter

Private Placement Letter is the only weekly publication that follows deals from inception to completion. A wealth of hard to find information, league tables, analyses of current deals and an annual survey providing an in-depth look at top investors makes this essential reading.

# Advanced Commercial Loan Workout Techniques



Financial Research Associates  
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Santa Cruz, CA 95062

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- Yes! Register me for the Advanced Commercial Loan Workout Techniques conference at the \$1695 rate.  
 Please call me; I'm interested in a group discount for my team.  
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## TOP TEN REASONS TO ATTEND THIS GREAT INDUSTRY EVENT

1. See high-profile industry heavyweights who will give you up-to-the second information on the benefits and drawbacks of advanced workout strategies.
2. Hear about new opportunities in turnarounds, bank debt trading, liquidations and bankruptcies.
3. Learn the newest techniques in field auditing and fraud detection.
4. Hear 30 speakers who are on the cutting edge of knowledge and innovation in loan workouts and turnarounds.
5. Compare the benefits of asset-based loans to cash-flow loans.
6. Explore the hidden lien issues that can get in your way.
7. Hear the latest market trends in liquidations and defaults.
8. Find out when to use—and when not to use—litigation to increase your recovery.
9. Learn the keys to successful DIP lending.
10. Enjoy networking opportunities with the "Who's Who" in the industry.

Financial Research Associates, LLC proudly presents

**March 27-28, 2003**

New York Helmsley Hotel  
New York City, NY

**Advanced**

# Commercial Loan Workout Techniques

Learn Workout and Restructuring Strategies Used by Experienced Pros!



**Financial**Research  
Associates, LLC

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## Our Outstanding Speaking Faculty Includes:

**Margaret Anderson**  
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WACHOVIA SECURITIES

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**Keith J. Shapiro**  
GREENBERG TRAURIG, P.C.

**Leonard Goldberger, Esquire**  
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**Stephen G. Moyer**  
IMPERIAL CAPITAL, LLC

**Ralph C. Palma**  
FLEETBOSTON FINANCIAL

**Steven R. Gerbsman**  
GERBSMAN PARTNERS/INTERNET  
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**Peter S. Kaufman**  
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JP MORGAN CHASE

**William Derrough**  
JEFFRIES & COMPANY, INC

**Jim Mercadante**  
MORGAN, LEWIS & BOCKIUS, LLP

**Thomas Hays III**  
NACHMAN HAYS BROWNSTEIN

**Jonathan Alter**  
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**Leslie Plaskon**  
PAUL, HASTINGS, JANOFFSKY & WALKER, LLP

**Elizabeth R. Borow**  
ERNST & YOUNG CORPORATE FINANCE

**Jesse Austin III**  
PAUL, HASTINGS, JANOFFSKY & WALKER, LLP



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Financial Research Associates, LLC proudly presents

**Advanced**

# Commercial Loan Workout Techniques

## Learn Workout and Restructuring Strategies Used by Experienced Pros!

### Hear About the Most Advanced Workout Techniques in the Turnaround Management Industry!

- Innovative and advanced workout loan structures
- What's the efficiency of the bank debt trading market?
- Litigation strategies and the legal and regulatory issues bankers need to know
- How to deal with critical vendor payments and other first day matters
- Step-by-step case studies of what crisis managers really do
- How to convert debt to equity in a workout
- Successful DIP (debtor in possession) lending
- Market trends in liquidations and defaults
- Advanced valuation techniques
- Proactive management, field audits and fraud detection
- Case studies of high-profile bankruptcy cases
- How to resolve tricky inter-creditor issues
- Carving up the pie: Getting your share under a Plan of Reorganization

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**March 27, 2003**

7:45 AM

### **Registration and Continental Breakfast**

8:30 AM

### **Chair's Welcome and Opening Remarks**

8:45 AM

### **How to Acquire a Company in Bankruptcy**

**Leonard Goldberger, Esquire, Partner**  
WHITE & WILLIAMS

**J. Scott Victor, Managing Director**  
SSG CAPITAL ADVISORS LP

9:30 AM

### **What's the Efficiency of the Bank Debt Trading Market? Can it be Improved?**

Buying and trading bank loans is a thriving business these days. Is the market efficient and accurate as to value? This session will examine the efficiency of the bank debt trading market from the perspectives of the buyers, sellers and intermediaries.

Moderator:

**Stephen G. Moyer, Director of Research**  
IMPERIAL CAPITAL, LLC

Panelists:

**Jay Lifton, Vice President**  
JPMORGAN CHASE

**Richard Maybaum, Managing Director**  
TALEK INVESTMENTS

**Elizabeth R. Borow, Director**  
ERNST & YOUNG CORPORATE FINANCE

10:15 AM - Refreshment and Networking Break

10:30 AM

### **How to Deal With Critical Vendor Payments and Other First Day Matters**

In bankruptcies, there is sometimes an attempt to railroad "critical vendor" motions on the first day past an unprepared creditors' committee and secured lenders. These motions are often accompanied by little evidence of actual necessity and may allow debtors to easily circumvent the Bankruptcy Code. This session will inform you of the latest legal developments and give you strategies for dealing with critical vendor motions.

- What is the Doctrine of Necessity and how is it applied?
- What are the implications of the recent CoServ decision from the Northern District of Texas?
- Which jurisdictions more easily allow debtors to circumvent the Bankruptcy Code?

**Keith J. Shapiro, Co-Chair, National Reorganization, Bankruptcy and Restructuring Practice**  
GREENBERG TRAURIG, P.C. and  
*Chairman of the Board*  
AMERICAN BANKRUPTCY INSTITUTE

**Thomas Hays III, Principal**  
NACHMAN HAYS BROWNSTEIN

11:00 AM

### **What Does a Crisis Manager Really Do?**

Step by step case studies of what a crisis manager or turnaround specialist does from the moment he is called in.

- How to select a turnaround team
- Can this company be saved?
- Turnaround or liquidation: the deciding factors
- Control issues
- How to follow the cash
- Implementing a recovery plan

**Deborah Midanek, Principal**  
GLASS & ASSOCIATES

**Steven R. Gerbsman, Principal**  
GERBSMAN PARTNERS/INTERNET RECOVERY GROUP

**Greg L. Segall, Managing Director**  
CHRYSALIS CAPITAL PARTNERS

**Tim Pruban, Principal**  
FOCUS MANAGEMENT

12:00 Noon - Luncheon for speakers and delegates

1:15 PM

### **Innovative and Advanced Workout Loan Structures**

In this session, you'll learn the latest techniques the experts use to structure workouts, including:

- Results-based negotiation
- "Must have" deal points
- Workouts: Asset-based vs. cash flow loans
- Pre-reorganization exchange offers and other out-of-court restructures
- Successful workout structures
- Workout decision points
- Managing a company through a 13-week cash flow structure

**Thomas Donnelly, Senior Vice President, Loan Workout Group**  
GE CAPITAL

**Thomas Thompson, Vice President**  
CHANIN CAPITAL PARTNERS

**Ralph C. Palma, Senior Vice President, Managed Assets**  
FLEETBOSTON FINANCIAL

**Tim Pruban, Principal**  
FOCUS MANAGEMENT

2:15 PM

### **Litigation Strategies and Regulatory/Legal Issues: What Bankers Need to Know**

- Venues for bankruptcy (Chapter 11) filings: Is Delaware on the way out and Texas, Illinois and Virginia in?
- When to sue and when not to sue
- Litigation strategies in bankruptcy: how do claims impact creditors and debtors?
- How to use litigation to increase the size of recovery
- Corporate Governance: Who can be on the Board of Directors during a workout?

**Keith J. Shapiro, Co-Chair, National Reorganization, Bankruptcy and Restructuring Practice**  
GREENBERG TRAURIG, P.C. and  
*Chairman of the Board*  
AMERICAN BANKRUPTCY INSTITUTE

**Peter S. Kaufman**, *Managing Director*  
GORDIAN GROUP LP

**Jonathan Alter**, *Partner*  
BINGHAM MCCUTCHEM, LLP

**3:00 PM**

### **Exchange Transactions –Converting Debt to Equity in a Workout**

Conversion transactions are being employed more often as part of the workout solution. As a condition of the exchange (usually the distressed company gives the lender stock), the lender may forgive all or part of the debt. This type of event can happen either in or out of bankruptcy. These transactions raise many important questions we will answer in this session.

- How do you do a valuation of the distressed company?
- How is the stock going to be registered?
- Is the stock transferable? How?
- What are the special issues doing debt to equity in bankruptcy vs. out of bankruptcy?
- A lender may be subject to equitable subordination and lose their senior lending position. How do you prevent this from happening?
- What are the shareholders' rights in a debt to equity loan?
- What controls can the lender get over the company? Can it pick board members?

**Jim Mercadante**, *Partner*  
MORGAN, LEWIS & BOCKIUS, LLP

**Matthew Berk**, *Director*  
WACHOVIA SECURITIES

**3:45 PM Refreshment Break**

**4:00 PM**

### **The Keys to Successful DIP Lending**

Debtor in Possession loans are generally made at the beginning of a bankruptcy period (most often part of the first day orders), and can be paramount to a company's survival.

Although DIPs are usually made by the existing lending group to protect their loans, borrowers can sometimes benefit from a competitive process involving third party DIP providers.

- What do providers of DIP financing need to make a good decision?
- Why would a company use an outside lending institution to provide its DIP financing?
- How do the various bankruptcy jurisdictions differ in their treatment of DIP loans? Is there still an advantage to Delaware?
- What are the market trends and innovative DIP structures?
- What are the major DIP deals of the past six months?
- What is the step-by-step process of obtaining DIP financing?

*Moderator:*

**William Derrough**, *Managing Director*  
JEFFRIES & COMPANY, INC

*Panelists:*

**Thomas Thompson**, *Vice President*  
CHANIN CAPITAL PARTNERS

**Greg Walker**, *Senior Vice President*  
FOOTHILL CAPITAL

**Jim Hogan**, *Senior Vice President*  
GE CAPITAL NATIONAL RESTRUCTURING GROUP

**Leslie Plaskon**, *Partner*  
PAUL, HASTINGS,  
JANOFSKY & WALKER, LLP

**5:00 PM - Day One Adjourns**

## **March 28, 2003**

**8:30 AM**

### **Chair's Welcome and Recap of Day One**

**8:45 AM**

### **Market Trends in Liquidations and Defaults**

A detailed look at liquidations and defaults, from appraisal to disposition of assets. Which industries are liquidating at the highest rate today? What are the industry-specific default trends? How can you maximize value? This session will explore these trends in:

- Energy companies
- The computer industry
- Telecom
- Dot-coms, biotech
- Airlines

And explore...

- How dramatically rising insurance premiums threaten trucking and construction industries
- The impact of asbestos litigation

**Jonathan Reich**, *Co-President*  
MICHAEL FOX INTERNATIONAL

**J. Scott Victor**, *Managing Director*  
SSG CAPITAL ADVISORS LP

**Deborah Midanek**, *Principal*  
GLASS & ASSOCIATES

**9:30 AM**

### **Case Studies: Turnaround Specialists from High Profile Cases**

Learn from high-profile bankruptcy cases as our restructuring and bankruptcy experts examine in detail the bankruptcies of several of the following companies:

- PGE
- Enron
- US Airways, United Airlines
- Kmart
- Others

*Moderator:*

**Tom Lumsden**, *Senior Managing Director*  
FTI CONSULTING

*Panelists:*

**Jonathan Alter**, *Partner*  
BINGHAM MCCUTCHEM, LLP

**Steven Panagos**, *Managing Director*  
KROLL ZOLFO COOPER

**10:15 AM Refreshments and Networking Break**



10:30 AM

### Resolving Sticky Inter-Creditor Issues

How do you deal with problems and tensions between creditors, whether between different classes (e.g. senior and subordinated) of debt or within the same class?

- Special purpose entities
- Off-balance issues
- Subordinated debt issues
- Syndicated loan issues
- Issues when one lender is in multiple places in the lending structure

Moderator:

**Ralph C. Palma**, *Senior Vice President, Managed Assets*  
FLEETBOSTON FINANCIAL

Panelists:

**Matthew Berk**, *Director*  
WACHOVIA SECURITIES

**Jim Mercadante**, *Partner*  
MORGAN, LEWIS & BROCKIUS, LLP

11:15 AM

### Carving Up the Pie: Getting Your Fair Share Under a Plan of Reorganization

- Lien perfection, tax liens and hidden lien issues: How they can get in your way

**Jesse Austin III**, *Partner*  
PAUL, HASTINGS, JANOFSKY & WALKER, LLP

**Jonathan Alter**, *Partner*  
BINGHAM MCCUTCHEN, LLP

12:00 Noon - Luncheon for Speakers and Delegates

1:15 PM

### Pro-Active Management: How to Spot Early Warning Signs in Troubled Companies and Effectively Use Field Audits in Fraud Detection

- Cash management
- P&L and balance sheet review
- What should lenders look at?
- Broken covenant issues
- Calculating bad debt reserves
- When and how to perform a field exam

**Margaret Anderson**, *Senior Associate*  
ALIXPARTNERS

**Bob Paschalidis**, *Assistant Vice President*  
GE CAPITAL

**Kelly Cappas**, *Principal*  
FOCUS LENDING SERVICES GROUP

2:15 AM

### Post-Reorganization/Restructuring: Valuation Techniques

How do you predict the equity valuation in public markets? Who's the best expert in the valuation of public securities?

**William Derrough**, *Managing Director*  
JEFFRIES & COMPANY, INC

3:00 PM Conference ends

## Important Information

### Four Ways To Register:

- ✉ Mail: **Financial Research Associates**  
16311 NE 91st Street  
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- ☎ Fax: 360-892-5168
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- 🌐 Online: [www.frallc.com](http://www.frallc.com)

### FEES AND PAYMENTS:

The fee for attendance at the conference on Advanced Commercial Loan Workout Techniques is . . . . . \$1695.

Please make checks payable to Financial Research Associates, LLC, and write code B158 on your check. You may also pay by Visa, MasterCard, or American Express. Purchase orders are also accepted. Payments must be received no later than March 20, 2003.

Group discounts are available. For more information, please call 800-280-8440.

### DATE AND VENUE:

March 27-28, 2003  
The New York Helmsley Hotel  
212 East 42nd Street  
New York, NY 10017  
Phone (800) 221-4982 or (212) 490-8900  
[www.helmsleyhotels.com](http://www.helmsleyhotels.com)

**ACCOMMODATIONS:** If you need overnight accommodations, please contact the hotel and let them know you are attending Financial Research Associates' Advanced Commercial Loan Workout Techniques conference to obtain the conference discount rate for rooms. Reservations need to be made by March 5, 2003 for the discounted rate.

**CANCELLATIONS:** If you cancel four weeks or more in advance of the conference you can expect a full refund or voucher. Cancellations occurring two to four weeks prior to the conference date receive a \$200 refund or a full voucher to another FRA event. If you cancel any time after March 13h 2003, you will receive a voucher, which can be used at any FRA event within the calendar year.

Note: Speakers and agenda subject to change without notice. In the event of a speaker cancellation, every effort to find a suitable replacement will be made.

## Whom Will You Meet at This Cutting-Edge Forum?

### Investment Community members including:

- Investment Bankers
- Merchant and Commercial Bankers
- Hedge Funds
- Pension Funds
- Mutual Funds
- Buyout Specialists
- Private Equity Firms
- Venture Capital Firms
- Vulture Funds

### You Will Also Meet:

- Restructuring Directors
- Turnaround Specialists
- Crisis Managers
- Distressed Debt Traders
- Bankruptcy Specialists
- High-Yield Security Specialists
- Fixed-Income Underwriters
- Lenders
- Financing Experts
- Valuation Experts
- Traders
- Attorneys
- Accountants