



The Heyman Center on Corporate Governance
Benjamin N. Cardozo School of Law
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Benjamin N. Cardozo School of Law · Yeshiva University
The Samuel and Ronnie Heyman Center on Corporate Governance

Perspectives on Corporate Restructurings

The Impact of Hedge Funds in Corporate Restructuring Transactions

March 5, 2007

Benjamin N. Cardozo School of Law
55 Fifth Avenue at 12th Street
New York, New York

Perspectives on Corporate Restructurings

The Impact of Hedge Funds in Corporate Restructuring Transactions

Today, corporate restructuring negotiations are more complex and acrimonious than ever before. Gone are the days when banks worked with a company in distress to minimize losses and help the company fix its business. Now, hedge funds play the role of the new banks while, at the same time, purchasing debt, claims and equity at all levels of the capital structure. The market for trading distressed debt and securities is mature and liquid, enabling hedge funds to trade in and out of a restructuring to take profits. This trading dynamic makes it difficult for company managers and advisors to know the true incentives of their stakeholders, and, often after a company believes it has reached a deal with its stakeholders, hedge funds will trade out, bringing new parties to the table and forcing a renegotiation of the deal. Eager for a way out, managers are now looking to private equity funds to rescue their companies.

Private equity funds are flush with money and willing to acquire companies with the aid of significant debt. Managers and private equity funds get to know each other throughout the corporate restructuring process, and, when managers tire of endless negotiations and litigation with hedge funds, they put their companies up for sale, looking to private equity funds to be a white knight.

This is the new paradigm in corporate restructuring transactions, but who wins? Is this what chapter 11 was intended to create? Is the debtor-in-possession still in control of the process? Are companies being harmed by the hedge fund and private equity investors or helped by the increased liquidity?

To explore and understand this complex area of law, business and finance, The Samuel and Ronnie Heyman Center on Corporate Governance at the Benjamin N. Cardozo School of Law in New York City invites you to attend Perspectives on Corporate Restructurings: The Impact of Hedge Funds in Corporate Restructuring Transactions, a conference featuring leading experts in the corporate restructuring field.

To attend, please e-mail heymancenter@yu.edu, call the registration line at (212) 790-0257, or register online at www.heyman-center.org. There is no registration fee for this conference. Application for New York CLE pending.

March 5, 2007

12:30 p.m.

Speaker

Welcome

Eric J. Pan, Director of The Samuel & Ronnie Heyman Center on Corporate Governance, Benjamin N. Cardozo School of Law

12:40 p.m.

Speaker

Introduction: How the Emergence of Hedge Funds is Changing the Dynamics of Corporate Restructurings

Jonathan S. Henes, Kirkland & Ellis LLP

1:00 p.m.

Moderator

Panel

Has the Chapter 11 Debtor Been Possessed by Hedge Funds and Other Distressed Investors?

J. Gregory Millmoe, Skadden, Arps, Slate, Meagher & Flom LLP

Timothy Coleman, The Blackstone Group

Chaim J. Fortgang, Silver Point Capital Advisors, LLC

David Pauker, Goldin Associates, LLC

2:45 p.m.

Coffee

3:00 p.m.

Moderator

Panel

Private Equity and the Back End of the Deal: Risks and Rewards of Corporate Restructurings

Gary T. Holtzer, Weil, Gotshal & Manges LLP

Howard M. Levkowitz, Tennenbaum Capital Partners, LLC

David S. Kurtz, Lazard Freres & Co. LLC

James A. Mesterharm, AlixPartners, LLP

4:45 p.m.

Coffee

5:00 p.m.

Speaker

Keynote Address: The Role of Hedge Funds and Private Equity Funds in Corporate Restructuring Transactions

Harvey R. Miller, Greenhill & Co., LLC

6:15 p.m.

Reception