New York Law Firm of the Year for four consecutive years

RESTRUCTURING AND BANKRUPTCY
Our Restructuring and Bankruptcy practice provides comprehensive services in all aspects of restructurings and bankruptcy matters from the first signs of financial distress to the filing and resolution of a Chapter 11 case.

Many clients have been affected by the credit and liquidity crisis in the U.S. economy since 2007, resulting in an increased need to understand and respond quickly to the challenges of restructuring and bankruptcy issues.

Whether a company finds itself facing cash flow issues, declining revenues, imminent debt maturities, covenant defaults, or is considering filing for Chapter 11, Simpson Thacher is adept at identifying and implementing unique and innovative solutions that best meet our clients’ challenges.
MARKET KNOWLEDGE AND EXPERIENCE

When a company is facing cash flow issues, declining revenues or imminent debt maturities, it may seek to refinance its debt obligations, restructure its balance sheet or even consider filing for Chapter 11. When weighing its options, it is critical to have counsel who understands the relevant issues and complexities and can act quickly and effectively to address these challenges.

Simpson Thacher has long enjoyed a premier role as counsel to both banks and issuers across the entire spectrum of financing transactions. In addition to our highly-regarded banking and high yield capital markets practices, we have advised sponsors on countless leveraged buyout transactions, including the five largest completed leveraged buy-out transactions in history.

This experience has provided us with an in-depth knowledge of leveraged capital structures and a unique perspective in understanding the restrictions and constraints that arise from covenants, subordination provisions and inter-creditor provisions, as well as how they interrelate.

Through our experience and understanding of financings at all levels of the capital structure, we have an unparalleled versatility in dealing with the complex issues that arise with restructuring and reorganization matters. We are adept at developing unique and pragmatic solutions that best meet the needs of our clients, whether through out-of-court transactions or with the assistance of courts or arbitration panels to protect assets or resolve pending litigation.

UNDERSTANDING DIVERSE PERSPECTIVES

We offer our clients an understanding of the legal and commercial issues faced by all parties involved in a restructuring or bankruptcy matter. A hallmark of our practice generally is the wide variety of parties we represent. Our restructuring and bankruptcy practice has experience representing debtors, secured and unsecured lenders, sovereign entities, DIP and exit facility lenders, official creditors’ committees, equity holders, investors, acquirers, trustees, receivers, major suppliers and manufacturers.

Our lawyers are regularly called upon to advise a company before any signs of financial distress. We routinely counsel management teams and boards of directors on viable options for enhancing or modifying a
company’s debt and corporate structure to mitigate the risk of bankruptcy. In addition, our lawyers actively counsel both sponsors and portfolio companies on restructuring alternatives, including equity injections.

The business interests of our clients cover almost every industry, including airline, automotive, cable and telecommunications, consumer products, energy and infrastructure, healthcare, manufacturing, real estate, retail, steel and textile. The Firm’s broad experience from diverse perspectives provides the foundation for sophisticated, efficient approaches to our clients’ needs and objectives in light of existing commercial and economic realities.

**COMPREHENSIVE APPROACH TO OUR CLIENTS’ NEEDS**

A client’s needs and objectives may shift as market conditions change. For example, a company seeking to refinance a single tranche of debt may be forced to complete a comprehensive restructuring of its balance sheet in light of current market conditions. Our ability to structure innovative and pragmatic solutions – no matter what the situation – sets us apart from other firms. Because our bankruptcy and restructuring practice is complemented by the skills and experience of attorneys across the Firm’s practice groups, we offer a comprehensive approach to addressing our clients’ needs.

Our lawyers have experience in both litigation and transactional matters. This excellence across practice areas, including banking, capital markets, mergers and acquisitions, private equity, structured finance, project finance, derivatives, tax, executive compensation and employee benefits, intellectual property, litigation and arbitration, allows our attorneys to respond quickly and efficiently to our clients’ goals and priorities.
We offer our clients transactional and litigation expertise across the continuum of matters that arise in the context of restructuring, reorganization and bankruptcy.

DEBT AND OTHER BALANCE SHEET RESTRUCTURINGS

Simpson Thacher is at the forefront of advising sovereign entities, corporate clients and banks and financial institutions, as their lenders, on new and innovative ways to manage capital markets exposures to meet the challenges of today’s complex financing environment. Our understanding of the securities laws and business dynamics involved across the capital structure enables us to tailor restructuring alternatives to meet the objectives of our clients and maximize the benefits to other constituencies that may be involved, including investors, debtholders and lenders.

The breadth of the Firm’s experience and unparalleled market knowledge enable us to help our clients respond quickly and effectively to changing market conditions through tender offers, loan buybacks, exchange offers, refinancings, consent solicitations, and other out-of-court balance sheet restructurings. We adeptly guide clients through the many issues that arise with liability management matters due to the intersection of securities, banking, bankruptcy and tax laws. For example, where a company seeks to exchange debt for bank loans, securities laws considerations arise and there may be
additional registration requirements. Because the risk of litigation increases when out-of-court efforts fail and the company is forced to file for bankruptcy, it is essential that the board of directors be informed and engaged, and authorize key strategic decisions. Our attorneys regularly counsel boards of directors and board committees and ensure that our clients understand and effectively address these requirements.

Our recent representations include restructurings for, among others, Hovnanian Enterprises, Neff Corp., American Media Inc., NXP Semiconductors, iStar Financial and Sealy Corporation and several similar transactions for foreign issuers.

**BANKRUPTCY AND OUT-OF-COURT RESTRUCTURINGS**

**Senior Lender Representations**

Simpson Thacher has a long-established practice of representing senior lenders, as creditors, in complex Chapter 11 cases and out-of-court restructurings. These representations frequently involve resetting covenants, taking new collateral and negotiating with holders of securities or loans at each level of the capital structure. We have also advised a variety of senior lenders in project finance workouts in the United States and abroad. As a result of our deep understanding of the banking industry based on our representation of major banking clients over many years, we are able to work effectively with banks and financial institutions to facilitate expeditious and favorable results.

Our recent representations of senior lenders or agents for senior lenders include out-of-court workouts or Chapter 11 proceedings for Chrysler, General Motors, Charter Communications, R.H. Donnelley, Simmons Bedding, Station Casinos, Six Flags, Dayco Mark IV Automotive, Sirva, Adelphia Communications, BHM Technologies, Centennial Health Care, Delphi Corporation, Federal-Mogul Corporation, Interstate Bakeries Corporation, NRG Energy, RCN Corporation and Sunbeam Corporation, among many others.
“[W]orld renowned as ‘wonderful at complex matters.’”

THE LEGAL 500 U.S. 2008

SPOTLIGHT ON

MOTOR COACH INDUSTRIES

With the assistance of a multidisciplinary team of Simpson Thacher attorneys, Motor Coach Industries completed a financial restructuring of its debt obligations and emerged from bankruptcy in seven months following its Chapter 11 filing. The centerpiece of the plan of reorganization was a $200 million investment by funds managed by Franklin Mutual Advisers, LLC, which also converted their existing third lien secured debt into common stock and are now the company’s majority shareholders. When the United States Bankruptcy Court for the District of Delaware confirmed the pre-negotiated plan of reorganization, it was the culmination of several months of effort among Simpson Thacher and the company and followed months of litigation challenging the plan by the company’s unsecured creditors, as well as litigation to compel the plan funder to consummate the plan. In addition to the contested confirmation hearing, Simpson Thacher lawyers successfully litigated contested critical vendor and customer program motions. Despite the challenging economic environment, we worked with the company to obtain $230 million in exit financing from certain of the company’s existing lenders, including $75 million in senior secured credit from GE Capital and an additional $155 million second lien term loan provided by affiliates of or funds managed by holders of its existing term debt.

Company/Debtor Representations

Simpson Thacher represents corporations and their majority stockholders in connection with out-of-court restructurings and workouts and as debtors in Chapter 11 proceedings in a wide range of industries. Out-of-court transactions involve new capital raises, credit facility amendments, bond exchanges and consents, debt for equity swaps and sales of assets or business lines. In-court proceedings involve the full panoply of operational and balance sheet restructuring initiatives. The breadth of our practice gives us an appreciation of and perspective on the commercial and market considerations of all the parties involved in any bankruptcy or restructuring matter, permitting us to better serve our clients.

Current debtor engagements include Motor Coach Industries and Qimonda North America and Qimonda Richmond, LLC, subsidiaries of the global semiconductor enterprise Qimonda AG.

Sovereign Entity and Government Representations

Simpson Thacher has extensive experience in restructuring transactions involving governments and government-owned entities. For more than 30 years, Simpson Thacher has had a strong presence in Latin America and we have represented varied clients, including in litigation, with respect to the restructuring of sovereign debt in Argentina, Brazil, Chile, the Dominican Republic, Peru, Mexico and Venezuela, among others.
Pre-Packaged and Pre-Negotiated Bankruptcies

Simpson Thacher regularly advises our clients on pre-packaged bankruptcies by negotiating a plan of reorganization that must be voted on by stakeholders before the company files its petition for bankruptcy or pre-negotiated bankruptcies where key creditors may sign lockup agreements agreeing to support a plan of reorganization once the company is in bankruptcy. These solutions may shorten and simplify the bankruptcy process and, in turn, save the company money in both legal and accounting fees, as well as eliminating the negative business complications of an extended bankruptcy proceeding. Should the pre-packaged or pre-negotiated bankruptcy include the sale of a security or an exchange offer, attorneys from our preeminent capital markets practice are able to counsel our clients through the securities law issues that arise in these situations.

“Simpson Thacher has a high-caliber [bankruptcy] operation — they understand us but also know the whole market. Nothing gets past them.”

CHAMBERS USA 2007 - QUOTING A CLIENT

“insightful, practice approach”

CHAMBERS GLOBAL 2009
Debtor-in-Possession/Exit Financing
We routinely represent lenders who provide Chapter 11 debtor-in-possession (DIP) and exit financing. By leveraging the experience of the Firm’s internationally-recognized banking and finance practice group, we are able to provide insight into the often complicated legal and financial relationships among constituencies at different levels of the capital structure. Through our in-depth understanding of the securities laws, our lawyers have developed innovative and novel equity exit strategies. When necessary, our litigators adeptly guide clients through hearings and other court proceedings.

We have been involved in some of the largest DIP and exit financings in the country, including, among others, representing the DIP lender or agent banks in the DIP or exit facilities for Lyondell Chemical Company, Calpine Corp., Owens Corning and Mirant North America, LLC.

DISTRESSED Mergers and Acquisitions
We routinely advise clients regarding investment or acquisition opportunities in connection with distressed entities and assets. The Firm’s bankruptcy and restructuring practitioners have extensive mergers and acquisitions experience, including representing financial and other institutions, private equity firms and hedge funds on investments, acquisitions and dispositions of distressed assets. In addition, we have advised numerous strategic and financial bidders on the
acquisition of troubled companies and their assets, both through bankruptcy plans of reorganization and Section 363 asset sales.

Our recent representations include, among others, the representations of Lehman Brothers in the sale of most of its North American investment banking and capital markets businesses to Barclays Capital, C&S Wholesale Grocers in its acquisition of substantially all of the assets of the Fleming Companies, Owens-Illinois in its acquisition of Consumers Packaging, The Quadrangle Group in its acquisition of Protection One and Vestar Capital Partners in its acquisition of Bidermann Industries.

DISTRESSED FUNDS
Simpson Thacher has an exceptional level of experience in organizing private equity funds and hedge funds and has represented numerous sponsors of such funds as well as lead investors. Our experience covers U.S. as well as non-U.S. funds with various investment strategies, including distressed assets. Regardless of the type of client served, the Firm commonly plays a lead role in structuring such funds to avoid unnecessary regulation and taxes and to reflect the legal and structural demands of the marketplace. We further advise our clients on compliance with applicable legal and regulatory requirements and have also assisted our clients in negotiating and structuring spin-outs and strategic investments in fund managers, securitization vehicles and investments in hedge funds using derivative instruments and structured finance techniques.
“[T]he cream of the crop’ in New York litigation”

EUROMONEY BENCHMARK LITIGATION SURVEY 2008

SPOTLIGHT ON
ADELPHIA COMMUNICATIONS

Simpson Thacher has represented Wachovia Bank, National Association and Wachovia Capital Markets, LLC in connection with the bankruptcy proceedings and related litigation involving Adelphia Communications Corporation and its affiliates. We represented Wachovia’s interests as the administrative agent bank in one of Adelphia’s largest syndicated pre-petition credit facilities and played a leading role in the negotiations that resulted in confirmation of a plan of reorganization providing for full payment of the secured lenders with interest, and the creation of litigation indemnification funds to pay the banks’ costs in related litigation. The Firm is also defending Wachovia and acting as one of the lead defense firms in connection with multi-billion dollar claims asserted on behalf of the debtors against Adelphia’s pre-petition banks and investment banks. These claims, now pending in the District Court, include causes of action for aiding and abetting fraud and breach of fiduciary duty, breach of contract, negligent misrepresentation, fraudulent conveyance, preferential transfers, equitable relief and violations of various federal statutes. The defendants recently obtained dismissal of the equitable and bankruptcy-related claims seeking billions in damages.

DISTRESSED REAL ESTATE

Because we have one of the most sophisticated and diversified real estate practices among major U.S. law firms, Simpson Thacher is uniquely qualified to advise clients on all aspects of distressed real estate matters, including financings, recapitalizations, acquisitions, dispositions, investments, developments, loan purchases, restructurings and workouts. We have represented clients in virtually every type of commercial real estate transaction, including financial institutions, mortgage and mezzanine lenders, private equity firms, REITs and other real estate companies. We regularly advise on the range of issues that exists in today’s marketplace given the dislocation of the real estate markets as a result of the credit and liquidity crisis and have a practical approach to finding innovative solutions for our clients.

BANKRUPTCY LITIGATION

While we excel at finding creative out-of-court solutions to the most challenging restructuring and bankruptcy matters, when circumstances demand, our bankruptcy litigators have the experience and sophistication necessary to take cases from discovery through trial and appeal.

Simpson Thacher is home to an extensive bankruptcy litigation practice covering every facet of bankruptcy law, including disputes over plan confirmation, creditors’ rights, lender liability and equitable subordination claims, collateral issues arising out of mass tort-related
bankruptcies and lawsuits by stakeholders alleging violations of contract rights in restructuring matters.

Our practice includes the representation of debtors and creditors in all facets of bankruptcy and bankruptcy-related litigated disputes. We routinely represent the agents for pre-petition secured lenders in major bankruptcies. In addition to representing the interests of secured creditors generally, we frequently litigate fraudulent conveyance, preferential transfer, equitable subordination or disallowance, and recharacterization claims brought against lenders. We also regularly represent private equity and other clients in connection with claims involving their current or former portfolio companies. These representations involve the same types of avoidance and subordination claims as our secured lender work and, frequently, breach of fiduciary duty claims.

Our distinguished trial and bankruptcy lawyers have worked closely in representing key players in many of the largest and most complicated reorganizations of the last decade, including Calpine, Enron, Federal-Mogul, Adelphia, Pacific Gas & Electric, High Voltage Engineering Corp., United Air Lines, Delta Air Lines and Mirant. Our multi-disciplinary approach enables us to bring an unparalleled level of quality and expertise to each of our bankruptcy litigation representations.

SPOTLIGHT ON
IRIDIUM LLC

Simpson Thacher represented JPMorgan Chase Bank, as administrative and collateral agent for the various syndicate members (including a number of hedge funds), in connection with litigation related to the bankruptcy of satellite telecommunications company Iridium LLC. We achieved outcomes for JPMorgan in its effort to recover two pieces of collateral pledged as security for an $800 million loan provided by Motorola Inc., which Motorola claimed had been released prior to Iridium’s bankruptcy, and the reserve capital call obligations of Iridium’s members, totaling $243 million, which the members claimed had not been properly pledged to JPMorgan.
OUR GLOBAL PRESENCE

Simpson Thacher advises clients worldwide on restructuring matters that cross legal and geographical borders. Our U.S. offices in New York, Houston, Washington, D.C., Palo Alto and Los Angeles work in tandem with our offices in Beijing, Hong Kong, London, Seoul and Tokyo to provide global capabilities for our clients.

In particular, our Latin American practice has been a leader for over 30 years in some of the largest and most complex restructurings that have occurred in this area, including in Argentina, Brazil, Chile and Peru. We routinely advise a range of Latin American clients from sovereign issuers and corporate clients in connection with restructurings through global exchange offers, tender offers and consent solicitations for prepackaged plans of reorganization. The Firm opened our São Paulo office in 2009 to support our growing Latin American practice.

The lawyers from all of our offices and across practice areas work seamlessly as a fully integrated team to complete international and cross-border transactions on behalf of our clients. Our worldwide offices are staffed with attorneys who possess the necessary language skills to effectively represent our clients. With over 850 lawyers operating out of eleven offices worldwide, Simpson Thacher offers the experience, excellence and the global presence our clients demand.

For additional information about our restructuring and bankruptcy practice, or any other practice area, please contact a representative of our Firm at one of our offices listed on the back cover.
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