

Publicly Traded Oil & Gas Company

Bankruptcy Advisory Services

A publicly traded oil and gas exploration and production company acquired producing properties from multiple sellers with the proceeds of a \$100 million bond offering. The publicly traded company filed for Chapter 11 bankruptcy protection after the acquisition dates.

Solvency Analysis

- The acquiring company formed a litigation trust to pursue a claim of insolvency, seeking to avoid certain of its acquisitions as fraudulent transfers under federal law and/or pursuant to state law.
- The primary issue being litigated was whether the acquirer was solvent at the acquisition dates.
- Participated on a team of experts hired by one of the sellers to perform a solvency analysis.
- The solvency analysis was based on multiple audited reserve reports, the seller's audited financial statements, the investment bankers underwriting reports, and guideline transactions.
- The seller prevailed, as the acquirer was unable to prove insolvency at the acquisition dates.

Post-Bankruptcy Litigation

A fast-food restaurant chain acquired another chain with a bridge loan in a \$400MM leveraged buyout. The borrower filed Chapter 11 bankruptcy post-acquisition and sued the lender for failure to issue replacement financing and for diminution in the value of retained assets.

- Participated on a team of experts hired by the lender to address the two primary issues in the case:
 - Did the borrower follow its acquisition plan?
 - What was the value of the borrower's post-bankruptcy retained assets?
- Performed a valuation of certain post-bankruptcy assets.
- Determined the borrower did not follow its acquisition plan to sell assets and did not provide support for the value of significant portions of its retained assets.
- The borrower settled the case in favor of the lender.

Enterprise Valuation

A casino, golf, and hotel resort had insufficient cash flow to service its debt and pay vendors and decided to file Chapter 11. The Debtor joined with the senior secured bondholders to file a joint Plan of Reorganization.

- The Plan called for a cramdown of all lenders and for giving the senior secured bondholders a minority equity interest in exchange for offering new notes.
- The original minority interest shareholders issued a competing Plan.
- Participated on a team of experts hired by the Debtor to provide an enterprise valuation under the Plan.
- The competing Plan incorporated a differing enterprise valuation.
- The court accepted the Debtor's enterprise valuation and confirmed its Plan of Reorganization.