

Special Report

Successful Restructurings – 2007

Debtor	Restruct. Firm	Lead Counsel	Comments
Calpine Corporation	Lisa Donahue Barry Folse AlixPartners LLP New York, NY, and Dallas TX Kenneth Buckfire Samuel Greene Miller Buckfire New York, NY	Richard M. Cieri David R. Seligman Marc Kieselstein Kirkland & Ellis LLP New York, NY, and Chicago, IL	One of the country's largest "clean energy" power suppliers, Calpine's 274 debtors confirmed a stand-alone Chapter 11 plan within two years of filing. Unsecured creditors projected to be paid almost 100 cents on the dollar. Calpine's case was one of the ten largest in history, with over \$18 billion of funded debt in a complex capital structure, a \$5 billion DIP, and involved myriad complex financing, energy, cross-border, regulatory, and related issues.
Dana Corporation	Ted Stenger Ken Hiltz AlixPartners New York, NY	Corinne Ball Jones Day New York, NY	Cost reductions of \$450 million. Settlement of \$1.5 billion of OPEB liability for \$800 million. Elimination of \$1.7 billion of bond debt. Debtors raised \$790 million from plan sponsor and existing creditors and \$2 billion in exit financing. Plan to deliver 72-86 percent of recovery to unsecured creditors.
Granite Broadcasting Corporation	David Hilty J.P. Hanson Houlihan Lokey Howard & Zukin New York, NY	Ira Dizengoff Akin Gump Strauss Hauer & Feld New York, NY	Successful restructuring of one of the largest minority-owned television broadcast companies in the U.S. with approximately \$640 million of debt. Confirmed plan provided a recovery to every level of capital structure, despite secured creditors not receiving payment in full. Plan was confirmed over the vehement opposition of the preferred shareholders.
Home Products International, Inc. and Home Products International-North America, Inc.	Howard Korenthal Steve Courtade Ray Przytula Richard Schluter MorrisAnderson & Associates, Ltd Chicago, IL	Ronald Barliant Kathryn Pamentier Randall Klein Alice Owings Goldberg Kohn et al. Chicago, IL	Consensual plan of reorganization, confirmed within 75 days of Chapter 11 filing, converted \$116 million of bondholder debt to equity, paid trade debt in full, and approved a \$50 million exit facility and \$25 million convertible note rights offering. Results included closure and consolidation of manufacturing facilities, improvement of expected EBITDA by \$15 million from negative \$5 million pre-petition to an expected \$10 million post-confirmation, and saving of 500 of 700 jobs.
Remy International	Alan Holtz AlixPartners New York, NY	Doug Bartner Fred Sosnick Shearman & Sterling New York, NY	Emerged from an unprecedented pre-packaged bankruptcy 59 days after filing. Company was strengthened through a comprehensive restructuring of its commercial arrangement with GM. A non-core division was sold, trade creditors paid, and debt reduced by \$360 million.
Reynaldo's Mexican Food Manufacturer, Inc.	Bradley Sharp Matt Sorenson Matt Braun Tania Kingsbury Development Specialists, Inc. Los Angeles, CA	Ed Green Geoff Goodman Keith Owens Foley & Lardner Chicago, IL	Successful turnaround of Los Angeles-based manufacturer of ethnic food. In three months, the company was returned to positive cash flow and in 6 months the company was sold. Five bidders were qualified for the auction and the resulting sale created enough value to pay unsecured creditors in full with interest.
Saint Vincent Catholic Medical Centers (SVCMC)	Guy Sansone Alvarez & Marsal New York, NY	Deryck A. Palmer Cadwalader, Wickersham & Taft LLP New York, NY	Successful restructuring of renowned healthcare institution that was facing cash burn of more than \$100 million per year. The hospital system emerged from bankruptcy in September 2007 – cash positive, with annual EBITDA of more than \$60 million. Creditors received an initial 75-cent cash distribution, with a path to 100 cents recovery.
Solutia Inc.	Todd Snyder Jared Dermont Rothschild New York, NY	Richard M. Cieri Jonathan S. Henes Kirkland & Ellis LLP New York, NY	Successor to Monsanto, faced significant environmental, toxic tort, and retiree legacy liabilities. Reallocated over \$100 million in legacy liabilities, acquired \$250 million former joint venture, and achieved trial victories regarding claims that unsecured notes were secured and secured notes were entitled to assert claims for post-confirmation original issue discount.
Tanner & Haley	William Creelman Dennis I. Simon XRoads Solutions Group LLC Santa Ana, CA	Joel H. Levitan Dechert LLP Philadelphia, PA	Sold worldwide residences to travel club that offered: "free" memberships to former members of debtor effectively granting replacement memberships from bankrupt entity into going concern; and employment to debtor's employees. Result was near transparent transition from doom to ideal.
Winner Steel, Inc.	Richard Caruso Huron Consulting Group Chicago, IL	No bankruptcy filed	Steel manufacturer refinanced debt, improved operations, and sold assets while facing a cyclical downturn and working capital shortages. \$130 million of new financing obtained, trade supplier relations improved, operations returned to profitability, EBITDA improved, resulting in sale in 2007.