



The Education Committee of the
National Federation of Municipal Analysts

ADVANCED SEMINAR
on
BANKRUPTCY AND WORKOUTS

October 15 & 16, 2009
Hotel Marlowe
Cambridge, Massachusetts

PROGRAM

Thursday, October 15

7:30-8:00 a.m. *Registration and Continental Breakfast*

8:00-8:05 a.m. *Opening Remarks*

Jeffrey B. Burger, Senior Analyst, Standish Mellon Asset Management, Seminar Chairman

8:05-9:30 a.m. *Preservation of Value in Municipal Insolvencies: Chapter 9, Alternatives, and Techniques to Maximize Recovery*

When confronted by a municipality in straitened financial circumstances, what are the things a municipal analyst or institutional bondholders should consider to maximize recovery, and what are their avenues to influence the outcome? Historically, should they encourage the municipality to file Chapter 9 bankruptcy, or consider state law mechanisms for adjustment of debt? How can investors involve themselves in the process and make sure their goals are addressed? What factors should they watch for or try to utilize? What constituencies should they try to work with?

Moderator: *Ginny Housum, VP, Wells Fargo Municipal Special Accounts Group*

Speakers: *Mike C. Buckley, Partner, Reed Smith LLP ; Richard H. Moche, Member, Mintz Levin, Cohn, Ferris, Glovsky & Popeo, P.C.; Harry Spence, Professor at the Harvard Graduate of Education and Lecturer at the Harvard Kennedy School (Receiver for the City of Chelsea) ; Geoffrey Buswick, Managing Director, Standard & Poor's*

9:30 – 9:45 a.m. *Break*

9:45 – 11:00 a.m.

Navigating the Universe of Hospital Defaults: Black Holes; Blue Skies; Super Novas; and Infinity

For most analysts, the one sector where they are likely to see a financial problem is in healthcare. The number of covenant violations is not insignificant; the need for waivers and forbearance agreements is not rare; the hastily arranged merger or affiliation adds some confusion to understanding the credit outlook; and bankruptcy filings remain a possibility that can't be ignored. It is those moments where the analyst runs back to the bond documents to see what leverage they have or to contemplate what provisions they wished they had fought for. It is also at those times that the competencies of the distressed hospital management and board can make the difference between survival and liquidation. And it is then when having access to an effective turn-around management team can be critical. Using case studies, this session will review the ingredients necessary for successfully navigating these troubled situations, including what key provisions to look for in bond documents, practical strategies for dealing with hospital management and the board, and effective turn-around management.

Moderator/Speaker: *Ann-Ellen Hornidge, Member, Mintz Levin*

Speakers: *Guy Sansone, Managing Director, Alvarez & Marsal; Robert R Fanning, Jr., former COO of St Vincent's Catholic Medical Center; Derek Wolff, Senior Analyst, Nuveen Asset Management Research*

11:00—11:15 am

Break

11:15–12:30 pm

Distress in the Land Secured Sector-How Much for that Sandy Soil?

The *Bond Buyer* recently reported that Florida CDDs accounted for approximately 69% of muni defaults in the first half of 2009. This panel will give an update on the land secured sector and discuss lessons learned from current and past workout situations in 'dirt'.

Moderator: *Scott Andreson, VP, Hartford Investment Management Company*
Panelists: *Bill Oliver, SVP, AllianceBernstein; Warren Bloom, Shareholder, Greenberg Traurig; Bill Huck, Managing Director, Stone & Youngberg, and CEO, S&Y Capital Group.*

12:30-2:15 p.m.

Luncheon Speaker –Hon. Erik P. Kimball, United States Bankruptcy Court, Southern District of Florida

2:15- 3:15 p.m.

Bond Insurance and Other Counterparty Risks: The Unforeseen Consequences

Financial and ratings problems at the bond insurers and other counterparties rippled through the market in sometimes unanticipated ways. This panel will discuss how issuers and investors have dealt with the fallout resulting from bond insurer and other counterparty downgrades. This panel will also touch on how investors have had to change their credit approach, how they value securities and what they look for today that they might have taken for granted only a few years ago.

Moderator: *Patrick Early, Municipal Analyst, Wells Fargo Advisors*
Speakers: *Jeffrey Kaufmann, VP, AIG Investments; Renee Boicourt, Managing Consultant, Lamont Financial; Debra Sloan, Assistant Deputy Treasurer, Partners Healthcare*

3:15-3:30 p.m.

Break

3:30-4:45 p.m.

The Automaker Bankruptcies: What Happened to Bondholders Once the Government Stepped In? Could Municipal Bondholders Suffer a Similar Fate?

The federal intervention in the Chrysler and GM bankruptcies was unprecedented. Secured bondholders found their standing in the capital stack to be not-so-secure, while unsecured creditors experienced a disparity of outcomes among the different debt classes. Our panel brings together speakers with direct experience in both cases to discuss the treatment of bondholders in these high-profile filings and the possible implications for the municipal bond market.

Introduced by: *Sheila May, VP, Wellington Management*

Moderator/Speaker: *Mark Berman, Partner, Nixon Peabody*

Speakers: *Tom Lauria, Partner, White and Case; Eric Wise, Partner, Gibson Dunn & Crutcher LLP; Lois R. Lupica, Maine Law Foundation Professor of Law.*

5:00-6:00 p.m.

Cocktail Reception Sponsored by Mintz Levin

Friday, October 16

8:00-8:30 a.m.

Continental Breakfast

8:30-9:45 a.m.

What's it Worth?! A Reality Check on Valuation

For some municipal analysts, their worst nightmare is realized when the portfolio manager confronts them with the dreaded question "What's it worth?" The panel will explore valuation methods that buyers and sellers of distressed and defaulted municipals consider when determining what the bond is "worth" from a credit or collateral perspective. It will also consider the role that valuation plays in a bankruptcy context in determining recovery values for claimholders in "secured" transactions.

Moderator: *Jeff Wilson, Managing Director, Saybrook Advisors*

Speakers: *David Cleary, Partner, Dewey & LeBoeuf; Joe Bridy, Partner, Hamlin Capital Management; Scott Bayliss, Managing Director, Saybrook Advisors*

9:45-11:00 a.m.

The Impact of Airline Bankruptcies on Airports

The airline sector has been adversely impacted rising fuel prices, the economic downturn, heightened security measures, and increased competition. These factors have led a significant number of airlines to file bankruptcy over the past several years. The panel will discuss these bankruptcies and what impact they have had on US airports and the municipal bonds that have been issued to finance their capital projects. The panel includes an airline analyst, an attorney that specializes in airport financings, and a representative from an airline.

Moderator: *Eric Friedland, Chief Credit Officer, Public Finance, Fitch Ratings*
Speakers: *David Y. Bannard, Partner, Foley and Lardner LLP; Justine Fisher, VP, Goldman Sachs High Yield Research; Christina Cassotis, SH&E Vice President, Leader Airport Services*

11:00 – 11:15 a.m. Break

11:15-12:45 p.m. ***What Were We Thinking? Case Studies of Deals Gone Bad***

The transaction looked good when it was put together. It had attributes that should have led to success. Soon after closing, things started going wrong. Revenues weren't coming in as forecast and problems that emerged made the plan and its execution look much less rosy. Could some of these problems have been spotted at the front end? The panel will look at the Sports Museum of America, New York and the Clare, a CCRC in Chicago.

Moderator: *Natalie R Cohen, President, National Municipal Research*
Speakers: *Dean Lewallen, President, DTL Analytic Services; William P. Smith, Partner, McDermott, Will and Emery; Aaron Applebaum, Research Analyst, Capital Research*

12:45 p.m. ***Seminar Adjourns***

The views expressed at the Advanced Seminar are those of the speakers alone and do not necessarily represent those of the National Federation of Municipal Analysts.

EDUCATION CO-CHAIRS

Jeffrey B. Burger, Standish Mellon Asset Management
Patrick Early, Wells Fargo

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