



The Education Committee of the
National Federation of Municipal Analysts
ADVANCED SEMINAR
ON
BANKRUPTCY AND WORKOUTS
IN THE TAX-EXEMPT MARKET

October 9-10, 2003
Hotel Marlowe
Cambridge, Massachusetts

PROGRAM

Thursday, October 9

7:45-8:15 a.m. *Registration and Continental Breakfast*

8:15-8:30 a.m. *Opening Remarks*
Eric Friedland, FSA, NFMA Education Committee Chairman

8:30-9:45 a.m. *ABC's of Bankruptcy, Foreclosure, and Receivership*
This panel will provide a general overview of the bankruptcy process as well as alternatives to bankruptcy such as foreclosure, receivership, and assignments for the benefit of creditors, in each case from the point of view of holders of municipal securities. Topics will include: pre-bankruptcy planning; property of the estate and the automatic stay; cash collateral; sales of assets in chapter 11; chapter 11 plan negotiation and confirmation; state court foreclosure; federal and state court receivership; and, assignments for the benefit of creditors.

Speakers: *Erik P. Kimball, Esq., Akerman Senterfitt*
John C. Tishler, Esq., Waller Lansden Dortch and Davis

9:45-11:00 a.m. *Why Get Pennies When You Can Get Full Dollars: Structuring Bond Deals for Optimal Recovery*
The legal structure of a transaction absolutely does make a difference in determining the outcome for bondholders in a work-out or bankruptcy. The legal rights of bondholders can directly affect whether bondholders get full recovery or cents on the dollar. With more and more "fallen angels" in the corporate market as well as distressed project financings, these issues are as

pressing as ever. This panel will explore in detail some of the optimal structures, including collateral (both mortgages and liens on gross revenues), strict financial covenants, and bondholder control. Panelists will share several distressed credit case studies where the structure – good and bad -- materially affected bondholder recovery.

Moderator: *Tom Weyl, Director of Municipal Research, Eaton Vance*

Speakers: *Steve Renn, Managing Director, AMBAC*
Ann-Ellen Hornidge, Esq., Mintz Levin Cohn Ferris
Glovsky and Popeo

11:00-11:15 a.m. ***Break***

11:15-12:30 p.m. ***I'm Caught in a Cross Fire I Don't Understand "A Workout Simulation"***
This panel will simulate a workout with active participation from the conference attendees. The discussion will focus on important issues to consider such as board conflicts, problems with bond documents, conflicts within bondholder committees, and covenant violations as early warning signals.

Moderator: *William Hogan, Director Public Finance Group, CIFG*

Speakers: *Steve Rofsky, First VP, AMBAC*
Barnett Sherman, VP, Portfolio Manager, Van Kampen Investments
Susan Storey, Managing Director, Getzler Henrich

12:30-2:00 p.m. ***Luncheon*** - *Sponsored by Mintz Levin Cohn Ferris Glovsky and Popeo and Saybrook Investments*

2:00- 3:15 p.m. ***Before the Roof Falls In: Protecting Your Multifamily Asset***
Experts will explain the first steps a municipal bondholder must be sure to take in order to preserve the only asset backing up their investment. Discussion will center on how to legally take charge, substitute a Managing Agent, stabilize a declining rent roll and force foreclosure before the project worsens.

Moderator: *Don Cirillo, VP, Director of Surveillance, Radian Asset Assurance*

Speakers: *Daniel J. Cohen, First Vice President, CB Richard Ellis*
Richard H. Moche, Esq., Mintz Levin Cohn Ferris
Glovsky and Popeo

3:15-3:30 p.m. ***Break***

3:30-4:45 p.m.

Alternatives to Bankruptcy

Bankruptcy is a federal pathway for the courts to reorganize profit-making and certain tax-exempt corporations out of insolvency. But states also have powers to intervene in tax exempt units to reorganize debt and operations. Some examples involve state take-over of the local unit, appointment of a receiver, oversight boards and other control mechanisms. This panel will explore how bondholders and bonds might be affected by these non-bankruptcy solutions to debt and management work-out

Moderator: *Natalie Cohen, Director, FSA*

Speakers: *David Berman, Professor of Political Science, Arizona State University*
Susan Bass Levin, New Jersey Commissioner of the Department of Community Affairs
Mark Abramowitz, Assistant Manager, Securities Evaluations, Standard & Poor's

5:00-6:30 p.m.

Cocktail Reception - Sponsored by Mintz Levin Cohn Ferris Glovsky and Popeo and Saybrook Investments

Friday, October 10

8:00-8:30 a.m.

Continental Breakfast

8:30-9:45 a.m.

Responsibilities and Liabilities of Professionals in Defaulted Transactions

The list of paid professionals associated with a bond deal is lengthy: underwriters, underwriter's counsel, feasibility consultants, bond counsel, trustees, etc. What happens when a deal goes sour and it appears that one or more of these parties was negligent...or worse? What's the best course of action for bondholders? Does it always pay to sue? This panel will discuss investors' options and the likelihood of recovery.

Moderator: *Judith Harvey, VP, Senior Analyst, American Express*

Speakers: *J. Michael Rediker, Esq., Haskell Slaughter Young & Rediker*
Warren S. Bloom, Esq., Nabors, Giblin & Nickerson

9:45-11:00 a.m.

Healthcare Bankruptcy Issues

An in-depth discussion of the issues surrounding health care bankruptcies from the legal, operator and bondholder's perspective. Topics to be address include treatment of government payables/receivables, role of the stakeholders (Board of Directors to doctors to debt holders) as well as the benefits and pitfalls of restructuring healthcare debt via a bankruptcy.

Moderator: *Beth Ware, Senior Municipal Analyst, Columbia Management Advisors*

Speakers: *Tom Singleton, President, Cambio Health Solutions*
Wendy Hagenau, Esq., Powell Goldstein Frazer & Murphy

11:00-11:15 a.m. ***Break***

11:15-12:45 p.m. ***The Impact of Federal Bankruptcy Law Upon Airline Special Facility Debt***
A panel of three nationally recognized attorneys plus a workout specialist who specialize or are actively involved in bankruptcy law will discuss the impact of the U.S. Bankruptcy Code upon tax-exempt Airline Special Facility Debt. Timely issues to be covered include: (a) differences in potential investor recovery that derive from the pledge of different legal structure; (b) the enforceability of lease agreements and relet provisions; (c) bondholder claims on pledged indenture funds; and (c) the force and effectiveness of cross default provisions linking Special Facility Agreements to Airport Use and Lease Agreements.

Moderator: *Gerry Lian, VP, Morgan Stanley Investment Management*

Speakers: *William W. Kannel, Esq., Mintz Levin Cohn Ferris Glovsky and Popeo*
David L. Dubrow, Esq., Arent Fox Kintner Plotkin & Kahn
William P. Smith, Esq., McDermott, Will & Emery
Jeffrey M. Wilson, Managing Director, Saybrook Capital

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.

SEMINAR CO-CHAIRMEN:

Eric Friedland, FSA
Judi Harvey, American Express

NATIONAL FEDERATION OF MUNICIPAL ANALYSTS

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REGISTRATION:

Registration for the seminar is \$450, which includes all seminar materials, two continental breakfasts, one luncheon and the cocktail reception. Firms sending three or more registrants to the seminar may deduct \$50 per person. Please make checks payable to the NFMA and send to: NFMA, P.O. Box 14893, Pittsburgh, PA 15234. The registration deadline is September 17, 2003. Cancellations will not be accepted after September 17, 2003; however, substitutions may be made with advanced notice to the NFMA. Please call Lisa Good, Executive Director, at 412-341-4898 with any questions.

HOTEL:

The Hotel Marlowe, <http://www.hotelmarlowe.com/>, 25 Edwin H. Land Blvd., Cambridge, MA, has been selected as the site of the Advanced Seminar. A block of rooms has been set aside for seminar attendees for the nights of October 8 and 9. The group rate is \$219/night single or double, \$279/night for studio suites and \$379/night for executive suites. Subject to availability, the group rate will be charged for rooms reserved two days before and two days after the meeting. Individuals should call the hotel directly at (617) 868-8000 or (800) 825-7040 and request the National Federation of Municipal Analysts' group rate. *The room block will be closed on **September 17**. Reservations received after the cut-off date will be accepted on a space availability basis.*

ATTIRE:

Business casual is acceptable for the seminar.

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