

WITH A DEEP UNDERSTANDING OF THE SENSITIVITY THAT GRIPS PUBLIC AGENCIES IN FISCAL DURESS, WE HELP CLIENTS GET ON THE ROAD TO RECOVERY.



MICHAEL A. SWEET

Chair, Municipal Debt Restructuring & Bankruptcy Practice Group

Michael advises clients experiencing financial distress on strategies for avoiding bankruptcy as well as represents clients in bankruptcy matters. He has been retained by and provided counseling to local governments on issues related to potential Chapter 9 bankruptcy filings, including the City of Richmond, and has written and spoken extensively on this topic. A skilled litigator, he represents debtors, creditors and creditors' committees, and trustees in bankruptcy cases throughout California. He is a member of the California Bankruptcy Forum, Bay Area Bankruptcy Forum and the Insolvency Section of the State Bar of California.

Facing a difficult financial climate, more public agencies are coming to Meyers Nave to help with the "how," "what if" and "now what" surrounding debt restructuring or reorganization, and, as a last resort, Chapter 9 bankruptcy proceedings. We respond immediately and stay at our clients' sides throughout the process, from helping to restructure municipal obligations to representing our clients in bankruptcy proceedings. We also counsel clients on their rights as creditors when their developers or vendors go bankrupt.

What sets Meyers Nave apart is our deep bench experience in the many disciplines of public law. We know firsthand what public agencies face when confronting financial hardships, including the political and economic factors. We provide an efficiency, in both cost and services, so our clients can see the light at the end of the tunnel.

Drawing from various practice groups, our team brings to the table a wide range of expertise in tax structures, the Brown Act, pension reform, bonds, environmental liabilities, and crisis management.

We offer clients services to facilitate the restructuring of municipal debt through workouts, pension reform and other opportunities. We also represent local governments as well as private clients in court both as creditors and debtors in bankruptcy proceedings.

Our restructuring and insolvency attorneys have experience in dealing with the rights of secured creditors and lienholders, the treatment of executory contracts and unexpired leases, the purchase and sale of assets, mergers and acquisitions, claim resolution and litigation, and the prosecution and defense of avoidance actions.

RECOVERY PLANS

Our team helps clients formulate a sound plan so distressed financial situations no longer seem daunting and overwhelming. We identify appropriate remedies that are unique

to each clients' situation, putting clients on the road to recovery in the most responsible and expedient manner possible. We evaluate market trends and risks as well potential streams of revenue that will bolster their financial health.

Key to an effective recovery plan is ensuring that our clients' staff understands and can follow through on the process, meeting scheduled repayments on all bonds, notes and municipal securities, valuating swaps for disclosure purposes and monitoring credit risks and exposure levels. We also advise clients on strategies for renegotiating their contracts, selling assets and setting minimal staffing levels to help them establish financial stability.

GOVERNMENT DEBT RESTRUCTURING

When public agencies and private clients come to us to restructure current obligations and to develop alternatives for financing future operations and capital projects, we understand that they hope to avoid a bankruptcy, and we may have only a narrow window to get their finances back on track.

Our approach is guided by the history, needs and culture of our public and private entities. Alternatives we may consider with our client include the following.

- Sale, lease, or development of under-utilized assets
- Increasing efficiencies in delivering of public services

Municipal Debt Restructuring & Bankruptcy Services

- Debt restructuring/reorganizing
- Recovery plans
- Municipal workouts
- Creditor and debtor rights
- Bankruptcy proceedings (chapters 7, 9 and 11): preferences, fraudulent conveyances, claims objections and plan confirmation
- Taxation
- Public policy
- Election law
- Employee and retiree benefit plans
- Pension obligations and reform
- Union negotiations
- Healthcare
- Mediation
- Litigation
- Crisis management
- Bond refinancing
- Real property development and acquisition financings
- Environmental liabilities

- Negotiating with creditors to reschedule bonded indebtedness, longterm leases and other obligations
- Obtaining approvals, permits, and assistance from other governmental agencies
- Building support in the community for the steps necessary to lead the agency to financial strength

PENSION REFORM

Many pension plans today are no longer sustainable and are draining public agency funds. We help our cash-strapped clients reform their pension programs to stabilize their finances.

As a full-service law firm, we bring in our labor and employment attorneys to help agencies reform and reduce their benefit programs, to negotiate and reach agreements with unions, and to defend agency actions when necessary. Our attorneys have a proven track record of helping public agencies create blueprints for fiscal sustainability, including changes in the areas of healthcare, retiree healthcare and retiree benefits, by reaching equitable settlements.

BANKRUPTCY

We approach each potential bankruptcy as a unique situation, analyzing the pros and cons of every option to devise a strategy that may involve filing for bankruptcy protection via Chapters 7, 9 or 11. As legal counsel, we are skilled in preparing the necessary pleadings and representing our clients in the courtroom and at the bargaining table.

We explain to our clients what is required in filing as well as how such an action may affect their operations. We obtain protection from creditors while developing and negotiating a plan for adjusting debts.

CREDITOR'S RIGHTS

In addition to budget shortfalls, many of our public agency clients are increasingly finding themselves in the creditor's position in insolvency proceedings when developers or vendors go bankrupt. Our attorneys have the knowledge to advise clients on potential pitfalls and how to maximize the possibility for a meaningful recovery.

For example, the City of Pittsburg was faced with an multimillion dollar project abandoned by the bankrupt developer in the heart of Old Town Pittsburg. We represented the City and its redevelopment agency in extensive negotiations with competing interests of the bank that resulted in the Redevelopment Agency owning the project free and clear, with construction completed last year.

CRISIS MANAGEMENT

Since public agencies undergoing financial duress are subject to intense scrutiny, we work hard to help our clients regain public confidence. By teaming with our Crisis Management Practice Group, we respond quickly to implement clear, straightforward public policies. Many of our clients have sought our services in this area, notably the City of Bell in the aftermath of a scandal in which top employees were receiving grossly inflated salaries and the City of San Bruno after a devastating and tragic pipeline explosion last year.