

## Index

- Absolute priority. *See* Rule of absolute priority
- Acquisitions:  
Home Products International, 47, 188, 189–192
- Adequate assurance, 25
- Adequate protection, 103–104, 166–167
- Administrative costs, 53–54, 109, 212–213
- A&E Products Group LP, 193
- AES Corporation, 93
- Agreements, subordination. *See* Subordination agreements
- A.H. Robins, 123
- AIG, 17, 20, 185
- Airline bailout, 78
- Allowance of claims, 107
- Ambac Financial Group, Inc., 18
- Amendment of indenture, 196–197
- American Commercial Lines, LLC, 183
- Ames, 194
- Analysis, bottom-up, 28–29
- Anchor Hocking Plastics, 121
- Anglo Energy, 85
- APB 25, 41, 42
- Appreciation, 181, 182
- Asset impairment charges, 139–141
- Assets:  
cash-pay, 95  
sales, 104, 120, 124–125  
separate and salable, 146
- Asset value, 86–87
- Assurance, adequate, 25
- Attorneys. *See* Professionals, bankruptcy
- Attorneys, 54–66, 119, 153
- Augie/Restivo Baking Co.* test, 160
- Austin Products, 191
- Automatic stay, 103
- Autotrain Corp.* test, 160
- Avoidance powers, 105–106
- Bailouts:  
airline, 78  
cash, 85, 184–186, 226
- Bank debt, outstanding, 8, 9
- Bankers, investment, 24–25
- Bank of America, 185
- Bankruptcy:  
and COD income, 96  
expediting, 115–116  
expenses, 53–63  
filing district, 101  
types of, 100  
uncontrolled, 122
- Bankruptcy Abuse Prevention and Consumer Protection Act (BAPCPA), 4, 22–26, 65, 206
- Bankruptcy Code, 22  
Section 101, 106–107  
Section 105, 110  
Section 109, 100  
Section 301, 100  
Section 303, 100  
Section 304, 25  
Section 361, 103–104, 165  
Section 362, 103, 127, 165  
Section 363, 72, 104, 120, 125, 165  
Section 364, 108, 165, 215  
Section 365, 105, 204–205, 206  
Section 502, 107, 164  
Section 503, 53, 72–73, 106, 109, 126, 209  
Section 506, 114, 127, 165  
Section 507, 53, 104, 109, 112, 167  
Section 510, 39, 108, 127–128, 158  
Section 521, 107  
Section 541, 103  
Section 544, 105, 106, 118, 128, 164, 165, 210  
Section 545, 105  
Section 546, 105, 106, 165, 206

- Bankruptcy (*Continued*)  
Section 547, 105–106, 110, 118, 128, 164, 165  
Section 548, 105, 128, 161–162, 165, 210  
Section 553, 107  
Section 727, 100  
Section 1102, 53, 102, 115, 124, 198  
Section 1110, 108  
Section 1111, 127, 165  
Section 1112, 111, 211  
Section 1121, 71, 109, 115, 124, 126, 198  
Section 1122, 39, 168  
Section 1123, 39, 125  
Section 1125, 111, 116  
Section 1126, 83, 113, 115, 124, 198  
Section 1129, 39, 111, 113, 115, 134–135, 165, 169, 199  
Bankruptcy Reform Act of 1978, 4, 99  
Banks, 3, 9, 117–118  
BAPCPA. *See* Bankruptcy Abuse Prevention and Consumer Protection Act (BAPCPA)  
Bear raiders, 17, 18  
Bear Stearns, 17, 18, 20, 45, 185  
Below-investment-grade bonds. *See* Junk bonds  
Below-market leases, 147  
Berkshire Hathaway, 36, 185  
Best interests test, 113, 135, 148, 199  
Big boy letters, 214  
Bishop's Reports, 156  
Blocking positions, 211, 213, 214  
Bloomberg Financial Services, 155  
Board of directors, 88  
Bond debt, outstanding, 8  
Bonuses, 59–65  
Bottom-up analysis, 28–29  
Bradlees, Inc., 46, 192, 193, 194  
Breakup fee, 125  
Buffet, Warren, 36, 38  
Bullet loan, 181  
Bunny bonds. *See* Payment in kind (PIK) bonds  
  
Caldor Corporation, 46, 191  
Call options, 18  
Campeau Corporation, 12, 44–45  
Cancellation of debt (COD) income, 73, 74, 95–96, 222  
Capital asset pricing model (CAPM), 34  
Capital expenditures, 137–138  
Capital infusions, 184–186  
Capitalization rate, 142  
Capital markets, 17, 44–46  
Capital structure, 38–39  
Case studies:  
distressed securities, 177–186  
GMAC, 178–181  
Home Products International, 187–202  
Kmart, 203–224  
large cases, 184, 203–224  
MBIA, 178–181  
performing loans likely to remain performing loans, 178–182  
small cases, 182–183, 187–202  
Cash bailouts, 85, 184–186, 226  
Cash-flow valuation, 134–136  
Cash-out mergers, 84  
Cash-pay assets, 95  
CDS (credit default swaps), 3, 18, 49  
Cerberus Capital Partners, L.P., 79, 179  
Chapter 7, 22, 100, 123  
Chapter 11. *See also* Plan of reorganization (POR)  
administration of case, 103–108  
advantage over voluntary recapitalization, 121  
average time to remain in, 123  
beneficial elements in U.S. system, 226–228  
contents of reorganization plan, 111–112  
conventional (*see* Conventional reorganizations)  
converted to Chapter 7, 123  
and debtors, 25  
fees charged by professionals, 55–57  
financing a debtor in, 108  
influence on all reorganizations, 82–84  
large cases, 184, 203–224  
lease assignments, 146–147  
leverage factors, 125–129  
management compensation and entrenchment, 71–73  
need for speed in reorganization, 72  
NOL preservation motions, 76  
parties involved in, 101–103  
prepackaged (*see* Prepackaged reorganization plans)  
principle documents filed, 151–154  
professionals, 103

- relation between time and number of legal firms retained, 66–67
- reluctance to use, 121–122
- reorganization plan, 109–116
- review of, 99–116
- small cases, 182–183
- tax disadvantages, 95–98
- threats to control of business, 122
- types of, 120–125
- uncontrolled, 122–123
- voluntary *versus* involuntary petitions, 100–101
- Chapter 15, 25–26
- Chapter 22, 115
- Chapter 33, 115
- Chase Venture Capital Associates, 187
- Cheung Kong Holdings, 38
- CIT, 17
- Citigroup, 17, 128
- Claims:
  - allowance of, 107
  - creditor's, 107
  - defined, 106–107
  - impaired, 113–115, 211, 213
  - purchasing, 214–215
  - secured, 107, 117–118
  - subordinated securities, 220
- Classification risk, 168–169
- CLOs (collateralized loan obligations), 3
- Collateral, 117, 118
  - risks associated with, 165–168
  - valuation of, 127
- Collateralized loan obligations (CLOs), 3
- Common stock, 85, 91
- Communication methods, 18
- Comparable acquisition multiple, 144
- Comparable company valuation method, 144, 200
- Comparable deal multiple, 144
- Compensation, management, 71–73
- Competition, 32
- Complexity, 30
- Consent solicitations, 82
- Consideration, 171–173
- Consolidation, 129, 159–161, 210
- Contracts:
  - employment, 23
  - executory, 23, 104–105
  - seniority, 93
- Contractual rights, 87–88, 91
- Control, 42, 122, 172, 195–196
- Control securities, 42, 86
- Control vulture investors, 119
- Conventional reorganizations, 83, 120, 121–123. *See also* Plan of reorganization (POR)
- Corporate bond debt, 9
- Corporate capital structures, 8–9
- Corporate credit market debt, 10
- Costs:
  - administrative, 53–54, 109, 212–213
  - replacement, 127
  - uncontrolled, 54, 87, 169–170
- Countrywide, 185
- Covanta, 21, 38, 180
- Cram down provision, 113, 115, 119, 121, 221
- Cram down risk, 168–169
- Credit cycle, 6
- Credit default swaps. *See* CDS (credit default swaps)
- Credit-enhanced companies, 186
- Credit markets, 6, 7, 8, 10
- Creditor's, 22
  - claim, 107
  - corporate, 78–82
  - cost of restructurings, 86–87
  - litigation trust, 220
  - postpetition, 121
  - prepetition, 121
  - rights of, 87–88
  - secured, 102, 109, 126–128
  - unsecured, 102–103, 110, 119, 128–129
- Creditors' committee, 24, 102, 211
- Credit risk, 3, 38–39, 157
- Credit support, 161–163, 191
- Critical vendors, 110, 118–119, 128, 163–164
  - Kmart, 206–207
- Cross-border cases, 25–26
- Daily Bankruptcy Review*, 155
- Darden Restaurants, Inc., 142
- Deal expenses, 53–69
- Debt, 4–6, 8
- Debt exchanges, 73
- Debtor, 22, 82, 101, 103
  - defined, 25
  - feasibility, 53–54, 225
  - financing in Chapter 11, 108

- Debtor-in-possession (DIP), 40, 86, 100, 103, 164
  - Bear Stearns, 45
  - Kmart, 215–218
  - lenders, 108, 121
  - and leverage, 128
- Debt-to-assets ratios, 12
- Deemed consolidation, 159, 210
- Default, 196–197
- Deferred tax asset, 148
- Depreciation, 137–138
- Deregulation, 9
- Derivatives accounting, 49
- Derivatives market, 3
- Designation rights, 205
- Direct costs of distress, 86
- Disallowance risk, 158
- Discipline, 33
- Disclosure statement, 111
- Discounted cash flow (DCF), 28, 143
- Discount rate, 142, 143
- Distressed instruments, 93
- Distress investing:
  - changed environment, 3–26
  - differences from LBO investing, 40
  - five basic truths of, 77–88
  - risks, 157–170
  - understanding, 27–42
- Documents, financial, 151–154
- Drexel Burnham Lambert, 12, 44–45
- Due diligence, 133, 151–156, 160
- Earnings, 29
- Earnings-base valuation, 131–136
- EBITDA (earnings before interest, taxes, depreciation, and amortization), 11, 40, 136
- EBITDAR, 141, 142
- EBIT (earnings before interest and taxes), 40
- Edgar, 153
- Efficient market hypothesis (EMH), 28, 29–32
- Employment contracts, 23
- Enron, 91, 128, 159
- Enterprise value (EV), 142, 144
  - Home Products International, 199–200
  - risks, 165–168
- Entrenchment, management, 71–73
- Equilibrium, 30–31, 34
- Equitable subordination, 127–128, 158–159
- Equity Group Investments, LLC (EGI), 187, 195
- ESL Investments, Inc., 213, 214, 220
- Evans Products, 123
- Exchange offers, 82, 84
- Exchanges, voluntary, 82–83
- Exclusivity. *See* Period of exclusivity
- Executory contracts, 23, 104–105
- Expenditures, capital, 137–138
- Expenses:
  - administrative, 53–54, 109
  - deal, 53–69
  - determinants of, 67–68
  - interest, 141–142
  - noncash, 137
  - priorities in Chapter 11, 109–111
  - rent, 141–142
- External forces, 32–34
- Fair and equitable standard, 39
- Fair value, 139, 141
- Fair value accounting, 41–42, 49
- Fannie Mae, 17, 20, 185
- Feasibility, 53–54, 225, 226
- Feasibility test, 113, 115
- Federal Bankruptcy Rule 3001, 214
- Federal Reserve Board, 45
- Federal Reserve National Shared Credit, 15
- Federated Department Stores, 12
- Fees, 53
  - breakup, 125
  - charged by professionals in Chapter 11 cases, 56–57
  - excessive, 68–69
  - legal, 67
  - retention, 58
  - topping, 125
- Financial Accounting Standards Board (FASB), 17
  - Statement 109, 148
  - Statement 123, 41, 42
  - Statement 133, 17
  - Statement 157, 17
- Financial advisers, 54–66, 68, 119. *See also* Professionals, bankruptcy
- Financial distress:
  - capital infusions into companies, 184–186
  - case studies, 177–186
  - causes of, 43–52
  - principle documents filed, 151–154

- Financial innovation, 3–4
- Financial Institutions Reform, Recovery and Enforcement Act (FIRREA), 11
- Financial meltdown of 2007–2008, 4, 16–22
- First City Bancshares, 92
- Fixed multiple enterprise value (FMEV), 142
- Fleet Capital Corporation, 193
- Fleming Companies, Inc., 68, 163, 206–207
- Foote, William C., 51
- Ford Motor Credit Company, 17
- Foreclosure sales, 128
- Forest City Enterprises, 19–20, 21, 38, 179, 181
- Form 10-K, 152, 154
- Forum shopping, 101, 117, 128
- Fraudulent conveyance risk, 161–163
- Fraudulent transfers, 24, 209–210
- Freddie Mac, 17, 20, 185
- Freeze-out mergers, 84
- Fulcrum security, 51, 214
  
- GAAP EBITDA, 136
- GAAP performance, 48–51
- Gantz, Joe, 195
- GDP (gross domestic product), 4–5, 13
- General Electric, 17, 185
- Gibson Greetings, Inc., 6
- GMAC (General Motors Acceptance Corporation), 17, 20–21, 31–32, 78–79
  - case study, 178–181
- Going concern, 17
  - Home Products International, 199–202
  - Kmart value, 206
  - valuation of, 134–143
- Goldman Sachs, 17, 185
- Government, U.S., 20, 34, 185
- Graham, Benjamin, 37
- Gramm-Leach-Bliley Act, 3
- Great Risk Shift, The* (Hacker), 35
- Green shoe, 190
- Growth, 38, 142, 143
  - by acquisitions, 189–192
- Guarantees, intercorporate, 129
  
- Hacker, Jacob S., 35
- Haynes International, 183
- Hedge funds, 3
- High-yield market, 11
- Holdout problem, 93–94
  
- Home Products International, Inc.:
  - amendment of indenture, 196–197
  - case study, 187–202
  - cash and noncash charges, 140
  - deterioration of operating performance, 46–48
  - early years, 188
  - fight for control, 195–196
  - files for prepackaged Chapter 11, 197–198
  - going-concern and liquidation valuations, 199–202
  - implementation of Chapter 11, 199
  - indenture, 81
  - liquidation analysis, 149
  - measures of liquidity, leverage and credit support, 191
  - operating results, 192
  - public comparable multiple analysis, 145
  - retail industry problems, 192–194
  - speed in reorganization, 183
  - statement of operations, 139
  - subordination agreements, 108
  - treatment of impaired classes, 198
  - utilization of reserves, 140
- impaired claims, 95, 113–114, 114–115, 213
  - Home Products International, 198
  - Kmart, 211, 213, 221
- Impairment, 139, 141
- Indenture, 80–81, 94
  - Home Products International, 196–197
  - trustee, 214–215
- Indubitable equivalent, 182
- Inflation risk, 157
- Innovation, 3–4, 12, 33
- Insolvency, 88, 96
- Intel Corporation, 137
- Intercorporate credit support risk, 161–163
- Intercorporate guarantees, 129
- Interest, unmaturing, 107
- Interest expense, 141–142
- Internal Revenue Code (IRC):
  - Section 108, 74
  - Section 354, 74
  - Section 382, 76, 86, 147–148, 221
  - Section 368(a), 74
  - Section 1257(a), 74
  - Section 1275(a), 75
- Internet, 18
- Intrinsic value expense method, 41–42

- Investment bankers, 24–25  
Investments:  
    and control, 42  
    risk, 35, 157  
*Investments* (Sharpe), 31  
Investment value, 84  
Investors, 85, 119  
    Kmart, 218–222  
Involuntary Chapter 11 petitions, 100–101
- JPMorgan Chase, 17, 20, 185  
JRT Acquisition, Inc., 195  
Judge, 117  
Junk bonds, 4, 6–12, 13, 45
- KERPs (key employee retention plans), 4, 24,  
    72–73, 126  
    Kmart, 208–209  
Kmart, 184, 194  
    administrative costs, 212–213  
    blocking positions, 211, 213  
    buying claims, 214–215  
    case study, 203–224  
    critical vendors, 110, 163, 206–207  
    debtor-in-possession financing, 215–218  
    deemed consolidation, 159  
    fraudulent transfers, 209–210  
    going-concern value, 206  
    investment performance after  
        reorganization, 222–224  
    plan of reorganization and plan investors,  
        218–222  
    subsidiary guarantees and substantive  
        consolidation, 210–211  
    unexpired leases, 204–206
- Law firms, 66–67  
LBOs. *See* Leveraged buyouts (LBOs)  
Leases, unexpired, 23, 141–142, 146–147,  
    204–206  
Lehman Brothers Holdings, 17, 18  
Leverage, 191  
    and creditors, 127–128, 128–129  
    factors in Chapter 11, 125–129  
Leveraged buyouts (LBOs), 8, 14, 39–40, 84,  
    133  
Leveraged loan markets, 4, 6, 12–16  
Liabilities, 51–52, 94–95  
Liability reserve, 138  
Lien, 107, 113, 128  
Liquidation, 100, 123, 124–125, 148–149  
Liquidation value, 127, 199–202  
Liquidity, 11–12, 191, 203  
Loan Pricing Corporation (LPC), 15  
Loans, 12–16, 178–182  
Loan Syndication and Trading Association,  
    14  
London Interbank Offered Rate (LIBOR), 14  
Look-back period, 128
- Management, 117  
    compensation and entrenchment, 71–73  
    Kmart, 208–209  
Management buyouts (MBOs), 40, 84, 133  
Mandatory recapitalization techniques, 84  
Market, 4, 27–29, 226  
Market participant, 29  
Market price, 30–31, 121  
Market risk, 34, 35, 157  
Market value, 172  
Mark-to-market accounting, 14, 17, 19, 49  
Mark-to-market losses, 48–51  
MBIA, Inc., 18, 19–20, 21, 31–32, 95  
    case study, 178–181  
    mark-to-market losses, 48–51  
    and zero coupon bonds, 91  
Mergers and acquisitions, 14  
Merrill Lynch, 17, 185  
Metromedia, 6  
Mezzanine finance market, 8  
Micron Technology, 137  
Milken, Michael, 45  
Mission Insurance Group, 180, 183  
Mobile Steel, 158  
Modern capital theory (MCT), 77  
Momentive Performance Materials Inc., 91  
Money market funds, 9  
Money payment, 78–82, 91  
Morgan Stanley, 17  
Mortgage-backed securities, 45  
Mutual funds, 171
- Nabors Industries, 183  
Necessity of payment document, 110  
Net asset value (NAV), 31, 37  
Net operating losses (NOLs), 73, 147–148  
    Kmart, 221  
    preserving, 75–76  
Net present value (NPV), 77  
Newell Company, 191

- New value exception, 111
- Noncash expense, 137
- Noncontrol investors, 85
- Noncontrol vulture investors, 119
- Off-balance-sheet contingent liabilities, 51–52
- Office of the U.S. Trustee, 102
- OMPIs. *See* Outside passive minority investors (OPMIs)
- Operating lease expenses, 141–142
- Operating performance, 46–48
- Operational risk, 157
- Original-issue below-investment-grade bonds, 4
- Original issue discount (OID), 73, 75, 96
- Outside passive minority investors (OPMIs), 27–28, 77, 119, 144, 157
  - and investment risk, 36–38
- Pacific Gas & Electric, 184
- Passive investors, 85
- Payment in kind (PIK) bonds, 9
- Perfection of security interest risk, 164–165
- Performance, operating, 46–48
- Performing loans, 95
  - case study, 178–182
- Period of exclusivity, 22–23, 71–72, 82, 109, 123, 126, 208
- Perpetual preferred stocks, 185
- Petro-Lewis Corporation, 92, 93
- Phar-Mor, 86
- Plan of reorganization (POR), 4, 103, 109–116. *See also* Chapter 11
  - acceptance of, 112–115
  - confirmation, 113–115
  - contents, 111–112
  - conventional (*see* Conventional reorganizations)
  - creditor committees, 24
  - direct costs, 86–87
  - fair and equitable standard, 39
  - Kmart, 203–224
  - large cases, 184, 203–224
  - parties involved, 117–119
  - period of exclusivity, 22–23, 82
  - preferences, 23–24
  - prepackaged (*see* Prepackaged reorganization plans)
  - reclamation claims, 25
  - risk, 168
  - small cases, 182–183, 187–202
  - speed, 183
  - tax claims, 24
  - types of investors, 85
  - uncontrolled professional costs, 169–170
  - workout process, 117–129
- Plastics, Inc., 191, 193, 194
- Political disadvantages, 73–76
- Postpetition creditors, 121
- Preferences, 23–24
- Preferred stock, 85, 185
- Prepackaged reorganization plans, 23, 83–84, 115–116, 120, 123–124. *See also* Plan of reorganization (POR)
  - Home Products International, 188, 197–198
  - small cases, 183–184
- Prepetition creditor, 121
- Present value, 142
- Price, 30–31, 34, 181
- Principle of equitable subordination, 127–128
- Priorities, 109–111, 129, 158–165
- Productivity, 33
- Professionals, bankruptcy, 103, 119
  - fees, 53, 68–69
  - Kmart, 211
  - uncontrolled costs, 54, 87, 169–170
- Protection, adequate, 103–104, 166–167
- Public Access to Court Electronic Records (PACER), 153–154
- Public comparable multiple, 144, 145
- Public Service Company of New Hampshire, 93, 184
- Put options, 18
- Ragir, Meyer and Norma, 188
- Reasonably equivalent value, 162
- Recapitalizations, 74–76, 84, 121
- Recession, 12
- Reclamation claims, 25, 118
- Regulation, government, 33
- Rent expenses, 141–142
- Reorganization plan. *See* Plan of reorganization (POR)
- Reorganization risk, 157
- Reorganizations, 100
- Reorganization value, 172, 180

- Replacement cost, 127  
Rescap, 21  
Reserve Funds, 17  
Residual rights, 87–88  
Resolution Trust Corporation (RTC), 11  
Resource conversion activities, 134, 135  
Resource conversion valuation, 146–148  
Restructuring charges, 138–139  
Restructuring system:  
    beneficial elements in U.S. system,  
        226–228  
    goals, 228–229  
    ideal, 225–231  
    suggested reforms, 229–231  
Retail industry, 192–194  
Revenue Reconciliation Act of 1990, 74  
Revolvers, 14–15  
Rights, 87–88  
Risk, 157–170  
    associated with alteration of priorities,  
        158–165  
    building fortunes by avoiding, 35–36  
    classification, 168–169  
    collateral, 165–168  
    cram-down, 168–169  
    credit, 3, 38–39, 157  
    critical vendor payments, 163–164  
    enterprise valuation, 165–168  
    fraudulent conveyance, 161–163  
    intercorporate credit support, 161–163  
    investment, 35  
    market, 34, 35, 157  
    perfection of security interest, 164–165  
    reorganization, 168  
    substantive consolidation, 159–163  
    types of, 34–38  
    uncontrolled professional costs, 169–170  
Risk-reward ratio, 34–35  
RJR Nabisco, 12  
Rule 1145, 85  
Rule of absolute priority, 39, 82, 100, 111,  
    115, 123  
Runoffs, 21  
  
Sales, 104, 120, 124–125  
Samstock, LLC, 187, 191  
SEC Rule 144, 85  
Secured claim, 107, 117–118  
Secured creditors, 102, 109, 126–128  
Securities, 45, 74, 84–86, 96  
Securities Act of 1939 Section 3(a)  
    exemption, 97  
Selfix, Inc, 46, 188, 189. *See also* Home  
    Products International, Inc.  
Seniority, distressed instruments, 78, 93  
Separate and salable assets, 146  
Seymour Sales Corporation, 190  
Sharpe, William F., 31  
Short selling, 17, 18  
Shutters, Inc., 188  
SIVs (structured investment vehicles), 3  
Special purpose entities (SPEs), 49  
Stalking horse bidder, 104, 125  
Stand-alone entity, 41–42  
Starbucks Corporation, 142  
Statement of Financial Accounting Standards  
    (SFAS) 133, 49  
Stock, 85, 185  
Stock-for-debt exception, 73, 75  
Stock options, 41  
Storage Acquisition Company, LLC, 188,  
    195, 197  
Structural subordination, 129  
Structured investment vehicles (SIVs), 3  
Subordination agreements, 107–108,  
    127–128, 158–159, 220  
Subsidiary guarantees, 210–211  
Substantive consolidation, 210–211  
Substantive consolidation risk, 159–163  
Syndicated loan market, 12–16  
  
Tamor Corporation, 189–190, 193  
TARP. *See* Troubled Asset Relief Program  
    (TARP)  
Taxes, 24, 73–76, 95–98  
Tenex Corporation, 190  
Tennant, James R., 188, 195  
Term loans, 15  
Texaco, 123  
Texas Instruments, 137  
Third Avenue Management, LLC, 47, 183,  
    185, 197, 213, 214  
Third Avenue Trust, 220  
Third Avenue Value Fund, 180, 187, 193,  
    197, 222–224  
Time, 30–32, 66–67, 126, 142  
Time to maturity, 93  
Toggle switches, 91  
Topping fee, 125  
Tort liabilities, 51–52

- Toyota Industries Corporation, 38  
Trade claims, 118  
Trade vendors, 4  
Transfer agent, 215  
Transfers, fraudulent. *See* Fraudulent transfers  
Triyar Capital, LLC, 195  
Troubled Asset Relief Program (TARP), 20, 185  
Trust, 220, 221  
Trustee, bankruptcy, 101, 117, 214–215  
Trust Indenture Act (TIA) of 1939, 80  
Trust preferred obligations, 220
- Underwriting, credit, 9  
Uniform Commercial Code financing statement, 164  
United Airlines Corporation, 148  
United Nations Commission on International Trade Law (UNCITRAL), 25  
United States Code:  
  USC 11, 99  
  USC 28, 101, 117  
Universal Fraudulent Transfer Code, 128  
Unmatured interest, 107  
Unsecured creditors, 102–103, 107, 109, 110, 119, 128–129, 210  
USG Corporation, 51–52, 95, 184  
Utilities, 25
- Valuation, 39–40  
  cash-flow or earnings-based, 134–136  
  collateral, 127  
  going concern, 134–143  
  how to analyze, 133–149  
  liquidation, 148–149  
Valuation multiple, 142–146  
Value, 84, 127  
Vendors. *See* Critical vendors  
Volatility, 6  
Voluntary Chapter 11 petitions, 100–101  
Voluntary exchanges, 82–83, 91–98  
Voluntary recapitalization, 84, 121
- Wachovia Bank, 17, 185  
Washington Mutual, 17, 185  
Wealth generation, 134  
Weiss, Lawrence A., 86  
Wells Fargo, 185  
Whitman, Martin J., 187, 193, 222  
Williams, John Burr, 84  
Winslow, James, 188  
World-Com, 209
- Yield, 181  
Zell, Sam, 187  
Zero coupon bonds, 91, 95, 181  
Zone of insolvency, 88