



## **FIVE STEPS TO SUCCESSFUL PUBLIC SECURITIES MANAGEMENT DURING CHAPTER 11**

Tightened credit markets, complex capital structures, and the accelerated timeframes of today's bankruptcies require professionals to have a well-executed strategy to reach out to public securities holders as creditors. The involvement of public-securities holders in bankruptcy requires debtors and their professionals to enlist necessary support and expertise to navigate key case milestones – including plan solicitation, ballot tabulation and plan distributions. Taking a proactive approach to dealing with the administrative challenges of public securities in Chapter 11 cases can result in a smoother, more efficient outcome.

As debtors and their professionals administer the challenges of reaching out to public-securities holders, their action plan should include the following steps to steer clear of potential obstacles.

### **Conduct Research to Establish Channels of Communication**

Research and identify the securities issues involved at the onset of the case to open a dialogue with all parties to enhance communication and channel information to owners.

### **Keep Public-Securities Holders Informed**

Distribute case notices to securities holders, including NOL Notices and Notices of Commencement, to share critical information throughout the case.

### **Customize Balloting Procedures and Corporate Actions**

Develop and implement customized solicitation/voting procedures for securities holders, as well as special treatment elections and rights offering procedures.

### **Map Out Solicitation Procedures for Domestic and International Securities**

Be prepared to navigate the back offices of domestic and overseas banks, brokerage firms and depositories to ensure maximum participation by public-securities holders.

### **Lay the Groundwork to Facilitate Distributions**

Understand the operations and capabilities of depositories and the street when conducting plan distributions to securities holders.

*For additional insight on the public securities process within corporate restructuring, Jonathan Carson, former restructuring attorney and managing director/co-founder of Kurtzman Carson Consultants, and David M. Sharp, director of KCC's public securities services, are available as news sources and guest speakers. KCC also offers its expertise on various corporate restructuring-related topics with MCLE-accredited programs such as "A Practical Guide to Corporate Restructuring" and "Rights Offerings for Public Securities in Chapter 11 Proceedings" at law schools, law firms and industry conferences.*

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