

CBFL SEMINAR SERIES

Leveraged Transactions and Intercreditor Agreements

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Mika Lehtimäki is a full-time research associate at the Centre for Banking & Finance Law. Prior to joining the Centre, Mika completed his Masters degree at the University of Helsinki, and his M.Jur (Distinction) as well as his M.St at the University of Oxford. He completed his DPhil in Oxford in 2020.

Mika has extensive experience, on partner level, of M&A, corporate and financial transactions law and he has worked for a number of years in European cross-border arrangements. He has been ranked throughout 2011-2019 as a leading Banking and Finance and M&A lawyer by Chambers Global and Europe, IFLR1000 and Legal 500. He has advised private equity and hedge funds, financial institutions and corporates in numerous financial and corporate transactions and is a specialist in structuring and negotiating several types of cross-border arrangements.

He is also engaged in the work of combining financial law and regulation with game theory and computer science. Mika has been an associate editor of the Oxford Business Law Blog. He has also earlier acted as the Co-governor of the Oxford Financial Law Discussion Group.

**Thursday 7 January 2021, 4.00 PM TO 5.45 PM (SGT)
via Zoom**

ABOUT THE SEMINAR

Leveraged buy-out (LBO) transactions are corporate acquisitions financed with multiple layers of debt and equity and form a large subset of the leveraged finance markets. The data suggests that a vast majority of distressed leveraged transactions are restructured without using statutory insolvency procedures and are governed by extensive contractual packages. This runs contrary to the prevailing academic views. The presentation will examine how intercreditor agreements (ICAs) used in LBOs deal with the risk of the strategic creditor actions of distressed debtor groups, deal with the financial agency costs in multi-layered financing structures and create a controlled bargaining space for resolution of financial distress. The approach taken combines very practical financial contracting with legal and economic theory.

The presentation will set out certain recent empirical findings as to how the ICAs resolve the theoretical problems connected to insolvency and resolution of financial distress. The focus is on creditor priorities, dealing with changes in the capital structure, creditor control in financial distress and enforcement and distressed disposals clauses. It will explain how contractual solutions for dealing with financial distress in corporate finance are both theoretically and practically feasible and deal with the most pressing risks for strategic actions and enable effective restructuring. These solutions do not necessitate resorting to the statutory procedures. Creditors can, therefore, optimise the restructuring and creditor recoveries on the debtor group level, achieving a 'Coasian bargain', and offer an option of single or multi-entry point enforcement for the controlling creditor group. The employed capital structures and the ICA restructuring provisions also enable, in some cases, the parties to alleviate the so-called 'debt overhang' problem. The presentation concludes by setting up strategies how to achieve an optimal game-theoretical scenario to deal with distress scenarios.

REGISTRATION



Register at <https://bit.ly/3pDFar9> OR scan the QR code
Registration Fee: S\$120.37 (including 7% GST)
Complimentary for full-time academic staff and students

Closing date: Tuesday 5 January 2021, 12 noon (SGT)
For enquiries, please contact Nur Fazirah at rescle@nus.edu.sg



Public CPD Points: 1.5
Training Level: Foundation
Practice Area: Banking and Finance

Participants who wish to obtain CPD Points are reminded that they must comply strictly with the Attendance Policy set out in the CPD Guidelines. For this activity, this includes logging in at the start of the webinar and logging out at the conclusion of the webinar in the manner required by the organiser, and not being away from the entire activity for more than 15 minutes. Participants who do not comply with the Attendance Policy will not be able to obtain CPD Points for attending the activity. Please refer to <http://www.sileCPDcentre.sg> for more information.