

Credit Crisis Solutions Group

The housing and subprime lending meltdown and resulting credit crisis continue to develop, resulting in significant challenges and opportunities. Analysts estimate eventual write-downs of affected investments may approximate one trillion dollars, with some suggesting possible losses as high as two trillion dollars. Major financial institutions have come under intense financial pressure or been forced into bankruptcy or insolvency. Waves of litigation and investigations have swept over the financial industry, and numerous new regulations and laws have been proposed or enacted at the local, state and federal levels. The Credit Crisis Solutions Group of Katten Muchin Rosenman LLP offers creative legal solutions to clients navigating this critical period of market uncertainty. Specifically, the Group is able to help clients successfully execute transactions through the multidisciplinary skills of its Distressed Asset Team, and to respond to lawsuits and investigations related to such transactions through the deep experience of its Credit Crisis Litigation Team.

Distressed Asset Team

The Distressed Asset Team of the Credit Crisis Solutions Group leverages the firm's expertise in structured finance and securitization, distressed debt trading, bankruptcy, real estate, financial services, corporate, public finance, tax and ERISA matters to help clients successfully execute transactions and capitalize on opportunities related to the ongoing credit crisis. The Distressed Asset Team advises parties on transactions involving:

- Opportunity fund investments in distressed residential mortgage-backed/asset-backed securities (RMBS/ABS) or whole loans by hedge funds, private equity funds or other entities.
- Restructuring of collateralized debt obligations (CDOs) and collateralized loan obligations (CLOs) and liquidating warehouse arrangements; issuance and underwriting of resecuritization (Re-REMIC) bonds; and development of loss mitigation strategies for institutions experiencing RMBS and CDO write-downs.
- Foreclosures; acquisitions (including taking deeds) in lieu of foreclosure; workouts, modifications and restructurings of commercial mortgage loans; sales and acquisitions of defaulted and near-defaulted commercial loans and loan pools; state court-contested receiverships of distressed real estate; and negotiation and enforcement of rights of subordination in tranching and securitized debt.
- Restructurings of tax-exempt auction rate securities and related interest rate swaps in connection with failed auctions and downgrades of monoline insurers.
- Purchase and sale of bank loans to domestic and international companies experiencing financial distress; acquisition of trade claims against chapter 7 and 11 debtors arising from defaulted trade receivables; and negotiation of accounts receivable put programs.
- Acquisition, holding and sale of subprime securities by employee benefit plans subject to ERISA requirements.
- Turnaround and failed loan situations, including pre-bankruptcy consensual debt restructurings, workouts of troubled loans, bankruptcy reorganizations, liquidations, receiverships and assignments for the benefit of creditors.
- Debtor-in-possession and plan financings and acquisitions of troubled companies or their assets.



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Credit Crisis Litigation Team

The Credit Crisis Litigation Team of the Credit Crisis Solutions Group focuses on all aspects of litigation and investigations related to the subprime meltdown and credit crisis, and includes attorneys from Katten's financial services litigation, structured finance and securitization, securities litigation, bankruptcy, real estate litigation and white collar criminal and civil litigation practices. The members of the Credit Crisis Litigation Team have a winning record of successfully handling numerous investigation and litigation matters related to the credit crisis, including the following:

- Internal and governmental investigations into the valuation of mortgage-backed securities, trading practices, risk disclosures and whether subprime lenders engaged in predatory lending practices or violated securities laws.
- Various types of claims involving derivatives, valuations and claims by counterparties relating to credit derivatives and swaps sold in connection with RMBS and CDOs.
- Class action lawsuits and shareholder derivative actions concerning disclosures made in connection with the purchase or sale of securities involving investments based upon subprime loans, such as RMBS or CDOs.
- Real estate, bankruptcy, environmental and ERISA claims and investigations related to subprime loans and securities, RMBS, ABS and CDOs.
- Class action lawsuits against financial institutions alleging consumer fraud or predatory lending practices.
- Inquiries and investigations of mortgage lenders, brokers and insurers by state regulators, attorneys general and the Department of Housing and Urban Development on issues involving the Real Estate Settlement Procedures Act (RESPA), the Truth in Lending Act (TILA), the Fair Credit Reporting Act (FCRA), the Fair and Accurate Credit Transactions Act (FACTA), the Home Ownership and Equity Protection Act (HOEPA), the Equal Credit Opportunity Act (ECOA) and the Gramm-Leach Bliley Act.
- Lawsuits against mortgage originators and sellers of subprime loans, seeking to enforce contractual repurchase obligations.
- Claims against corporate directors and officers in connection with governmental and private civil litigation, including claims regarding improper accounting and abusive and improper lending practices.

About the Firm

Founded in 1974, Katten Muchin Rosenman LLP is a full-service law firm with more than 650 attorneys in locations across the United States and an affiliate in London. The firm's business-savvy professionals provide clients in numerous industries with sophisticated, high-value legal services, with a focus on corporate, financial services, litigation, real estate, commercial finance, intellectual property and trusts and estates. Among our clients are a wide range of public and private companies, including nearly a third of the Fortune 100, as well as a number of government and nonprofit organizations and individuals. For additional information, visit www.kattenlaw.com.

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