

## TMA honors exemplary service to recession-battered companies

The past 12 months have hardly proved a natural setting for turnaround success stories. Highly over-leveraged companies struggled under multiple tranches of crushing debt; the credit markets remained icy; the BAPCPA contributed new challenges; and companies were forced to repeatedly reevaluate their projections as the markets fell ever-further.

Despite that, there were some companies that found their way out of the deep, dark woods, and the Turnaround Management Association is giving a well-deserved salute to the professionals whose persistence and creativity got them there.

“This year TMA selected a handful of turnaround professionals who performed an exemplary service in guiding companies, both large and small, through this difficult environment, saving both companies and jobs in the process,” said Mette H. Kurth, chair of the TMA’s 2009 Awards Committee and a partner with Arent Fox LLP in Los Angeles. The winners of this year’s Turnaround of the Year and Transaction of the Year awards “exemplify the ability of turnaround professionals to apply unique solutions and tools to overcome complex and challenging situations. They also represent the significant results that can be achieved by using well-executed, textbook turnaround management techniques to transform a troubled company of any size in a variety of industries.”

Taking home the prize during the Oct. 8 keynote luncheon at the TMA Annual Convention in Phoenix, in the Large Company Turnaround category (\$300 million or greater in revenue) will be Wellman Inc., a South Carolina-based manufacturer of resins used in plastic beverage bottles and food packaging. Jonathan S. Henes, of Kirkland & Ellis LLP, who led the turnaround team, said Wellman’s turnaround was no easy feat, as chronicled in the Feb. 17, 2009, issue of *News & Comment* (see p. 4-5). Wellman teetered on the edge of liquidation for just under one year. No fewer than 20 amendments were made to the DIP loan; the plan of reorganization was amended three times; and the company was stripped down to its very core assets. In the end, it was only through the perseverance, creativity, and negotiating of counsel, lenders and management that Wellman emerged as a company

poised to survive the economic downturn — and thrive when the downturn finally lifts.

In approving Kirkland’s final fee application on April 23, 2009, Chief Judge Stuart M. Bernstein (Bankr. S.D.N.Y.) said, “As far as I’m concerned, this case is a poster child for what Chapter 11 is supposed to be. The debtors started out with three operating plants, continued with its core business, sold one as a going concern to a third party, and mothballed the third.”

Judge Bernstein went on to say that during a panel discussion about Chapter 11 with House Judiciary Committee staffers in early April, he used the case as an example of how Chapter 11 can and should work.

The other recipients of this year’s Turnaround of the Year awards are:

- **Midsize Company Turnaround** (revenue between \$50 million and \$300 million): Gerber Plumbing Fixtures LLC, a family-owned plumbing manufacturer and distributor to the trade, in Lincolnwood, Ill. The turnaround team included: Mitchell B. Rasky, team leader, The PrivateBank; Steven Buford, Bank of America; Robert Corsentino, The PrivateBank; and Michael Werner, CEO, Globe Union Group Inc.
- **Small Company Turnaround** (revenue of \$50 million or less): Greenville, S.C.-based Commercial Foodservice Repair Inc., a provider of on-site installation, repair and maintenance of equipment for convenience stores, restaurants and other retailers. Kurt Herwald of Chandelle Advisors Limited led the turnaround team.

Transaction of the Year Awards for individuals whose teams have orchestrated the non-operational restructuring with the greatest impact:

- **Large Company Transaction** (\$300 million or greater in revenue at time of transaction): Interstate Bakeries Corp., a Kansas City, Mo.-based baker and distributor. The transaction team included: Robert A. Campagna, primary financial advisor, Alvarez & Marsal North America LLC; J. Eric Ivester, counsel, Skadden, Arps, Slate, Meagher & Flom LLP; and Lloyd A. Sprung, lead banker, Miller Buckfire & Co. LLC.
- **Midsize Transaction** (revenue between \$50 million and \$300 million): Lyman Lumber Co., a residential building materials supplier located in Excelsior, Minn. The transaction team co-leaders were: James L. Baillie of Fredrickson & Byron PA and Michael Knight of Alliance Management. ■