MARSHALL STEVENS

BANKRUPTCY, REORGANIZATIONS, & RESTRUCTURING CONSULTING



As a recognized national valuation and advisory firm, Marshall & Stevens provides sophisticated analyses and expert testimony in bankruptcy, insolvency, and reorganization situations.

Debtors Will Need To:

- **Take Stock**: Identify problem areas, implement cash management procedures, and halt outgoing payments.
- **Reorganize**: Negotiate out of court, if possible, and consider options for turnaround. In some cases, a reorganization through Chapter 11 of the Bankruptcy Code may provide the best protection and outcome.
- **Engage Counsel / Advisors**: Involve legal, financial advisors and accounting professionals early.

Creditors Should Plan For:

- **Assessment**: Request relief to resume collections (as necessary), request notices on case proceedings, and review the Schedule of Assets and Liabilities (SOALs) to understand potential recovery.
- **Negotiation**: Maximize recovery solutions with the debtor.
- **Litigation**: Appoint counsel, prepare to submit a Proof of Claim (as necessary), and analyze and understand the debtor's Plan of Reorganization.

Our financial advisors, accountants and restructuring consultants are engaged to assist with reorganization, case administration, preference recovery, litigation support, liquidation, investigation, negotiation, and expert witness testimony to a wide range of clients and industries.

Our team of financial advisors, accountants and restructuring professionals assist distressed companies, secured and unsecured creditors, trustees, and other stakeholders with:

- Advising Creditors / Creditor Committees
- Bankruptcy Taxation
- Corporate Reorganization
- Debt Restructuring and Loan Workout
- Expert Testimony
- Preferential Transfers
- Fraudulent Conveyances
- Insolvency Analysis
- Liquidation

Valuation Services

Our specialists are engaged to provide independent Fairness Opinions and Solvency Opinions as well as valuations for the sale of assets, forgiveness of debt (tax reporting), collateral lending, and insurance placement, and preparation of the new opening day balance sheet for compliance with Fresh Start Accounting (ASC 852).

Fairness Opinions and Solvency Opinions

Down round financings, debt for equity swaps, and sale of divisions or assets leave shareholders and debt holders wondering if they are being unfairly diluted or replaced at something other than fair market value.

- A Fairness Opinion from an independent party provides a greater defense against claims from concerned shareholder or others that a Fairness Opinion from the party whose fees were contingent upon the financing of the restructuring.
- Debt holders and shareholders will want to be assured that the recapitalized entity can service its financial obligations. A Solvency Opinion from an independent party provides greater assurance to the debt holder and shareholders than an opinion of solvency from the party whose fees were contingent upon the financing of the restructuring.

Corporate Headquarters: 213.612.8000

Forgiveness of Debt Studies (IRC Section 108): an opinion of value of the business enterprise and the extent of its solvency relative to the subsequent debt outstanding to determine what portion of the debt forgiven (if any) is taxable.

Net Operating Loss Carryforward and Built-In Gain Studies (IRC Section 382): an opinion of the market value of the business enterprise to determine net operating loss carry forward limitations and the impact of built-in gains (or losses).

Reorganization Value / Corporate Recapitalization Studies (IRC Section 368): an opinion of the market value of the business enterprise(s) for reorganization/ recapitalization.

Fresh Start Accounting Valuation: ASC 852 – Reorganizations: restatement of the company's balance sheet, similar to the purchase price allocation analysis provided under FASB ASC 805 – Business Combinations.

Financial Instrument Valuations

- Debt and Equity Securities: FASB ASC 320
- Equity Compensation: FASB ASC 718 (IRC Section 409A)
- Derivatives & Hedging: FASB ASC 815
- Investment Companies: FASB ASC 946

Restructuring Advisory Practice Forensic and Contract Compliance Action Services

Contract Rejection Evaluation

- Supplier contracts;
- Real property agreements;
- Management service contracts; and
- Employment contracts.

Claims Assessment

- Contract rejection claims;
- POC to source document reconciliations;
- Unliquidated claims quantification;
- Damage measurement;
- Lending transaction assessment – sale v. financing; and effective rate of interest; value exchange; and
- § 506(a) Level value of secured claims.

Shared Services and Affiliates Transactions

- Shared Services Agreements – fairness, structure; and
- Transfer pricing value.

Restructuring Advisory Practice Forensic and Recovery Action Services

Compliance Procedures and Reviews

- Compliance with internal policies and contacts; and
- Compliance with regulations, laws and contractual agreements.

Recovery Actions

- Forensic investigation in books/records to support Actions;
- Badges of Fraud assessment;
- Insolvency Valuation and Assessment;
- Recharacterization factors;
- New value and ordinary course of business analysis; and
- Rule 26 reports, disclosures and related expert witness testimony

Note: Members of the M+S Team have testified to all of the aforementioned Matters in U.S. Bankruptcy Courts and State/Federal Court Proceedings as Trustee, Receiver Examiner Expert Witness and Financial Advisor.

Restructuring Advisory Practice Financial Modeling and Cost Containment Assessment Services

Financial Forecasting and Model Development

- 13-Week cash flow/treasury management tools;
- Pro Forma model presentation;
- Strategic and longer term financial projection modeling; and
- DCF Modeling and Capital Cash Flow Methodology

Cost Containment and SG&A Assessment Services

- Internal administrative and financial headcount and staffing studies;
- Technical, manufacturing and operational department and administrative support department process improvement;
- Right sizing of functional departments
- Outside contractor cost of service evaluations.

Fair Value Assessment For Plan of Reorganization and Fair Value Reporting

- Enterprise valuations; Reorganization value assessments;
- Secured claim appraisals;
- Management equity incentive compensation plan valuations;
- Purchase price allocation valuations; and
- Asset impairment valuations

EXPERTISE IN ACTION

Founded in 1932, Marshall & Stevens provides valuation consulting, transaction advisory, and litigation support services. The firm's specialists are relied upon by businesses, investors, and advisors for analyses utilized in complex transaction and legal matters.

From the boardroom to the courtroom, Marshall & Stevens delivers clarity, independence, and results.

NEED ASSISTANCE OR WANT TO LEARN MORE?

CONTACT FORM:

Scan the QR Code or click HERE to fill out our contact form and a specialist from our team will connect with you soon.

BANKRUPTCY & RESTRUCTURING WEBPAGE:

To learn more about our Bankruptcy & Restructuring services and practice specialists, scan the QR Code or click HERE to visit our website.