



OFFICER NEWSLETTERS

From the Chair

Debra Kuptz, AlixPartners

Dear Colleagues:

By now I hope the word of our great new membership opportunity has reached all of you. Our special pricing for new members was instituted especially for all of the Network participants whose practices are most local or regional and who are unsure that the benefits of IWIRC membership are worth the cost. At \$100, the answer can only be a resounding YES! The value is clear particularly when you consider our focus this year on building the visibility of the IWIRC brand and its members. An improved website directory, regional meetings, expanded leadership opportunities and continued financial support to the Networks are all tactics to help our members get more from their membership and drive their own professional development. Join us today.

We are in the midst of the Woman of the Year in Restructuring award selection process. We have received some great nominations and I am looking forward to announcing this year's recipient(s) shortly. Providing recognition to members is one of the key purposes of a professional organization. We must be willing to stand up and applaud our colleagues who have done an outstanding job, either on a specific case or year after year, because there is a halo affect that benefits all of us in the organization enjoy increased stature. The WOYR award will be presented at a luncheon during the ABI Winter Leadership meeting (Dec 3 – 5) in La Quinta, California. If you will be there, please plan to come to the lunch to congratulate the 2009 recipient.

The IWIRC Fall Conference was a terrific event. Kudos to the Program Committee! Once again we provided numerous opportunities for members to network and learn from each other. In addition, we had a panel presentation from folks who work at the FDIC, SIPC and a former accountant from the SEC. It was interesting to hear their perspectives on how these agencies intersect with the bankruptcy reorganization process. We also heard a compelling presentation about how social networking tools can help us develop and keep an edge in the markets that our important to us. It's a topic we will continue to hear more about. In the meantime, be sure to join IWIRC's LinkedIn page!

Finally, each of our committee directors (and vice directors) are working on their strategic plans for 2010. From the discussions I know there will be many opportunities to get involved in new projects. If you are looking for more engagement with IWIRC, reach out to a committee and let them know of your availability. I believe it will be a very rewarding year as we find ways to expand, improve and grow.

Best to you all,
Debra Kuptz



Debra Kuptz, Chair

Q&A: MEMBER SPOTLIGHT

A Virtual Coffee with Lynn Hiestand

By Kari Coniglio

Two of IWIRC's members, N. Lynn Heistand and Sheryl Seigel, were recently featured in *American Lawyer* for their significant roles in the Nortel bankruptcy. Toronto based Nortel Networks Corp. ("Nortel"), a telecommunications equipment manufacturer, sought bankruptcy protection in Canada and in the United States in January 2009. Lynn generously provided us with insight on her experience in the Nortel case and we are looking forward to our next "virtual coffee" with Sheryl Seigel to obtain her views.

N. Lynn Heistand ("Lynn") is a long-time partner of Skadden, Arps, Slate, Meagher & Flom LLP & Associates ("Skadden"). After graduating *magna cum laude* from Georgetown University Law School, Lynn clerked for the Honorable Pierce Lively in the Sixth Circuit Court of Appeals. After joining Skadden, Lynn quickly proved herself to be a bright lawyer and capable leader and was made partner in 1988. In 1990, after spending nearly a decade practicing as a corporate mergers and acquisitions attorney, Lynn helped establish Skadden's Corporate Restructuring practice group. Itching for a new challenge, in early 2004 Lynn set her sights on the establishment of an international insolvency practice in Europe. Today Lynn is co-leader of Skadden's corporate restructuring practice in Europe, a position that enables her to be involved in the world's largest and most significant insolvency proceedings.

Lynn, who typically represents corporate debtors, represented the stalking horse bidder in the Nortel case. In an unusual turn of events, Lynn's client was out bid and an alternative bidder was named the purchaser of Nortel's assets. The unexpected is however not new to Lynn. Since moving to Europe, Lynn has had the exciting challenge of learning aspects of all European insolvency regimes. These regimes have sale processes different to the unique "363" process found in the United States Bankruptcy Code (the "Bankruptcy Code") – unlike the procedure in the United States, most European countries do not have transparent sale processes. Lynn's European clients are often troubled by the open process when acting as purchasers in US bankruptcies.

Beyond the differences between the Bankruptcy Code and the various European insolvency regimes, Lynn has had to adjust to cultural differences since her move to London. For example, the British are not particularly comfortable with the directness Americans, such as Lynn, often exert. Europeans in general are also not on the same fast pace as Americans. Although the cultural differences provide an added challenge to Lynn's career, she manages to take control of situations so it is hard to treat her differently for long. Lynn, who defines herself more as a business advisor than a lawyer, has embraced these challenges and is truly enjoying herself and her European practice.

Years of success have not caused Lynn to forget her roots. Lynn remembered a senior associate that helped her identify the attorneys to work with to get great experiences and ultimately get ahead in her career. Lynn also recalls working with Harvey Pitt, former chair of the Securities Exchange Commission, who taught Lynn substance and the value of client service, but more importantly, helped her realize that she really loved what she did. Now as a partner and leader, Lynn recognizes that some women do not understand the importance of mentoring other young women. Thus, Lynn does more than her share to keep an eye out for young female attorneys and help prevent them from falling through the cracks. By singing praises of worthy women, Lynn has opened doors to further opportunities for them.

When asked what advice she could pass on to young female professionals of IWIRC, Lynn responded, “You can’t be risk adverse and be successful.” Thus, she advises to never be afraid to try something for fear of failure. Lynn further recommends taking advantage of every opportunity presented, getting as much work as you can, and never being afraid of “too much work.” This can do attitude, coupled with her ability to “keep all the balls in the air” and learn quickly are the keys to her success.

When not practicing law or mentoring young professionals, Lynn enjoys her free time by traveling around Europe and participating in various causes. Next April Lynn will be hiking to the Himalayas as part of the “Girls-Get-Tough! Hike to the Himalayas” event to raise money for the Wellbeing of Women (WOW) organization. WOW is a not-for-profit organization invested in finding solutions for all health problems affecting women, funding grants for medical research, awarding fellowships and providing reliable information on women’s health issues. Anyone interested in donating to the cause or learning more about Lynn’s participation may do so by clicking on the following link: <http://www.justgiving.com/LynnHiestand>

GUEST ARTICLE

Look Before You Jump: Why Communications Are Critical to A Successful Transaction

By Jennifer Mercer, Van Meter Consultants

Remember Enron, Worldcom and the other darlings of Wall Street that imploded taking billions of dollars, jobs, and retirement accounts down with them? Our collective shock and awe startled us awake and we all felt the need to more closely examine our expectations of, and relationships to “Corporate America.” In response to this, corporate reputation became the task of many PR teams. Transparency was the order of the day.

But, as is human, our attention waned as we became more obsessed with the war on terror and getting America “back on track.” Unfortunately, this resulted in being blindsided again—the collapse of our banks, the demise of the American auto industry, the loss of our homes—and again we ask, how did this happen and why weren’t we prepared?

It is fair to say that even with the most extensive planning, some crises come without warning—forces of nature, swine flu, airline disasters, and the like. With the appropriate planning, these crises can be dealt with effectively, without reputational harm. But what about the corporate crises that come without warning as a result of extenuating macroeconomic, or other forces? How can corporations protect themselves from reputational erosion?

Proactively open the lines of communication, tell the truth, and invite questions.

John R. Boken, Senior Managing Director of restructuring advisory firm Zolfo Cooper LLC, believes that an integrated communications strategy is essential to any transaction process, particularly when dealing with a crisis. At the outset of each assignment, Zolfo Cooper impresses upon its clients that timely and straightforward communications with all key constituencies are critical to gaining cooperation and generating support. “Transactions, particularly restructurings, generate uncertainty among key stakeholders such as employees, customers, vendors and creditors,” says Mr. Boken. “A focused communications strategy helps to manage and mitigate the potential risks associated with that uncertainty. Skilled communications professionals can help senior management teams develop and implement strategies that convey crucial information in a balanced, constructive manner.”

The goal of most restructurings is a healthy operating entity that can compete effectively in an evolving marketplace while fulfilling its obligations to all of its critical constituents such as employees, customers, vendors, and creditors. Garnering support from each of these groups is critical to meeting that goal. Communications professionals can help a Company clarify the problem and describe the proposed solution in laymen's terms.

"A proactive communications strategy - especially at the time of key events such as the chapter 11 filing, bar date mailings and solicitation of votes on a plan of reorganization - can make a substantial difference in preserving a debtor's operations and maintaining, as much as possible, a business-as-usual atmosphere throughout a chapter 11 case," explains Natasha M. Labovitz a Partner with leading law firm, Kirkland & Ellis, LLP.

Business-as-usual is one of the most powerful messages a company can impart to its constituents during a restructuring. This message, however, differs from case to case. In some instances this means that, to the outside world, nothing will change at all; products and services will continue to be bought and sold just as before and the financial restructuring will be resolved without affecting day-to-day operations. In other cases, business will continue in the ordinary course but there are operational changes on the horizon in the form of store closures, layoffs, and management or ownership changes. These nuances are watched closely by the media and often interpreted without the benefit of expertise.

Over the last few years, corporate bankruptcies have risen dramatically and garnered extensive media attention. Still, the average person does not know the difference between bankruptcy and liquidation and immediately assumes the worst upon hearing the words "Chapter 11." And, while a company's in-house PR team or agency of record may be very skilled, professionals who understand the legal and financial processes involved in a restructuring are invaluable.

These professionals work as advisors to the Company in unison with its legal and financial advisory team. Through the examination and understanding of the legal strategy, the communications advisor can develop an in-depth communications program that touches all of a Company's internal and external audiences and addresses each audience's concerns. Ms. Labovitz, who has worked on some of the largest U.S. bankruptcies on both the debtor and creditor sides, notes how communicating to all audiences is a critical aspect of a restructuring, "Having a clear, consistent message - which can make all the difference in terms of maintaining vendor, customer and employee confidence - requires coordination among the company and all of its professionals."

Often times, companies think they can handle the coordination of the communications efforts themselves. And, in some situations, this approach works. More often than not, however, the internal resources are already so strained that creating, coordinating and implementing a restructuring communications program falls by the wayside. Unfortunately, this places the Company in a position of reacting thereby losing control of its message forcing constituents to make assumptions and ultimately seek information from unreliable sources. In addition, the tactic of repurposing another Company's communications documents has become a popular approach. Unfortunately, this often results in the creation of a communications program that is not applicable or effective.

As a transactional communications expert I often hear, "PR is expensive," or "We don't think anyone will notice." These are fair and understandable points, except for the fact that the damage of a 'no comment' approach will be far more expensive. In addition — someone always notices. We live in a 24-hour news cycle world and bankruptcy is a hot button issue. Bottom line, we live in a culture that loves drama, real and imagined. When something happens in Corporate America that can be perceived as negative, it will be.

The solution? Companies undergoing a transaction, crisis or other major shift should be proactive and tell their story or someone else will. This is not to say that trade secrets and proprietary information should be provided. The goal of a transactional

communications program should be to provide information as it relates to each audience by addressing these basic questions:

What happened?
What is the impact to me?
How do you plan to deal with it?
What are the immediate next steps?

Delivering bad news is not easy. Human nature is such that we don't want to be judged harshly or disappoint. Our current media environment only reinforces this fear. Being forthright mitigates fear and speculation, giving the Company the breathing room it needs to affect a successful transaction.

NETWORK NEWS

Chicago Network

The Chicago Network is co-hosting the Women's Group Year-End Celebration with the Turnaround Management Association Chicago/Midwest chapter. The event is on Wednesday, November 4, 2009 from 5:30 pm to 8:00 pm at the Union League Club, 65 West Jackson Boulevard, Chicago, Illinois. This celebration of the conclusion of our "Leading & Succeeding" program series features a tantalizing tasting of Champagnes and Chocolates. In addition, the Chicago Network would like you to save the date for their annual High Tea. High Tea, hors d'oeuvres, and holiday networking will take place on December 10, 2009 from 4:30 pm to 6:30 pm at the Four Seasons, 120 East Delaware Place, Chicago. There will be a special performance by the Chicago Children's Choir with all net proceeds from the event benefiting the choir.

MEMBER NEWS

KCC introduced KCC Public Securities Services, a suite of services designed to help clients administer complex transactions involving publicly traded securities. In addition, KCC recently expanded its New York offices which include the Public Securities Services team, restructuring consulting teams, business development team members and administrative-support staff.

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Bridge Associates LLC-- 6
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Sheppard, Mullin, Richter & Hampton LL-- 5
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Vinson & Elkins LLP-- 7
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Contributing members generously provide an additional \$50 when paying their annual dues to provide additional support for IWIRC:

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Did you know we have 192 members with 5 to 9 years of membership? IWIRC was founded in 1994 and we are proud to honor our 25 members that have 15 years of membership:

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