



TMA International NEWS

First Quarter 2010

- TMA-UK President plans for progress 2
 - TMA Europe Conference . . . 4
 - New European regional administrator 4
 - TMA-Germany annual conference 5
 - Restructuring law changes in Germany 6
 - TMA-UK advances educational program 7
 - News from TMA headquarters 8
-

A message from TMA's VP of International Relations



Increasing TMA's influence worldwide

by Alan Tilley

It was a great honor to be asked to become TMA Vice President of International Relations. TMA is an important and influential vehicle in promoting change for the better in the conduct of restructuring and turnaround on a global scale. And the development of effective legislation and process to effect change and preserve value for all stakeholders is an important factor in the evolution of the world's economies.

TMA differs from most professional organizations. It is cross-professional and serves not to promote just one profession's objectives, but to act as a forum for a diverse stakeholder group.

This cross-fertilization of ideas coupled with a strong core philosophy and code of ethics makes TMA a powerful driver of change, and it is this that attracted me to TMA when I joined the UK Chapter in 2003.

Since then, we have seen a considerable evolution of both legislation and the processes by which professionals

manage change globally. TMA has played some part in encouraging this outside of North America.

In Europe, I am aware of our organization's influence in France, Germany, Italy and the United Kingdom. No doubt, similar influences are being brought to bear in other countries. By encouraging local networking events and regional conferences, I believe we can further this influence in the years ahead.

I look forward to meeting as many of you as possible in established TMA affiliates this year and also to assist in the formation of new affiliates. A main element of TMA international strategy is the development of membership outside of North America based on a network of strong affiliates. I will do all I can to further this objective. 

Alan Tilley is a principal of Bryan Tappy & Tilley LLP specializing in international and European cross-border turnaround and restructuring. He was TMA-UK President 2005/6 and has served on the TMA International Committee since 2004.

New TMA-UK president outlines plans for progress

TMA-UK's new president, Bryan Green, CEO of Gordon Brothers Europe, took office on the first of this year. He immediately reached out to the affiliate's members and its sponsors with this communication.

Dear Members and Sponsors:



TMA-UK
President
Bryan Green

From 1st January 2010, I am proud to have taken over the presidency of TMA-UK, one of the most successful non-North American "chapters" of TMA International, a worldwide organization dedicated to corporate renewal, with some 10,000 members worldwide.

First established in 2000, the UK section of this organization

has gone from strength to strength, with a

35% increase in membership over the last 12 months alone.

So what is it that makes TMA so successful?

TMA stands for Turnaround Management Association, not Turnaround Managers Association.

This is an important distinction. As such, we are not a trade association, but are the only international organization in the UK that is truly representative of all the stakeholders in the turnaround and corporate recovery markets. In addition to interim managers, this also includes the clearing banks, trade and credit insurers, asset-based lenders, insolvency practitioners, lawyers, recruitment agencies and even the TUC [Trades Union Congress].

We already have many strong links within these sectors of the community—with both individual and corporate representatives from these organizations within our current membership. But it is my aim during my two-year presidency to develop stronger and more formal relationships with these groups.

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To this end, I have identified a TMA-UK board director with portfolio responsibility to develop relationships and enhanced channels of communication with each of these stakeholder groups. This will be of benefit to all of our membership. We already have a reputation as being a “Broad Church” organization, and this can only be reinforced through these strengthened links.

For our membership, we will continue to provide access to a range of professional innovative thinkers through our regular networking and educational events (now CPD-accredited), where there are plenty of opportunities to share information and best practice and to build collaborative and reciprocal working relationships. We hold over 35 events per year throughout the UK, which, based on previous experience, attract over 2000 key professionals.

We will also continue to produce our Turnaround Guide—the industry directory of the key players in the turnaround market, which was issued to 8,000 professionals across the UK and Europe last year. This acts as a great source of companies and individuals with expertise and technical knowledge and ensures that our membership is widely recognized for the role they play and can offer to the marketplace.

In the wider business community, TMA-UK continues to provide credible and creative solutions to businesses of all sizes. We contribute to policy debate and development that shape the future direction of the corporate recovery industry, through our website, which attracted 130,000 users last year—a staggering 240% increase on two years ago—and through our external PR.

To enhance this role, I am delighted to announce the appointment of John Willcock, editor of *Global Turnaround Magazine*, to the TMA-UK Board. John will be joined on the board by David Bryan of Bryan, Tappy and Tilley.

Thanks must go to Tyrone Courtman who steps down from the presidency role, but will remain on the Board of Directors. Tyrone has done much to strengthen and develop the association in the last two years and remains committed to TMA-UK and its mission to promote professional standards and contribute to policy debates and developments that affect the corporate recovery industry.

This is an exciting time to be involved in our industry, and to be involved with TMA-UK.

I wish you all a happy and prosperous New Year.

Bryan Green

President TMA (UK) 

2010 TMA Europe Conference to be held in Berlin



Promising to be the major conference on European restructuring this year, the 2010 TMA Europe Conference will be held June 10-11 in Berlin at the Concorde Hotel.

Lars Westpfahl of TMA Germany is chairman of the event, which will include as speakers a lineup of many of Europe's leading restructuring professionals. Recent significant developments and opportunities have put the restructuring market in a particularly interesting position, which will make for lively discussions throughout the conference.

Preceding the conference, TMA will hold a regional workshop on June 10 for potential new East European affiliates, followed by a TMA European Presidents' meeting.

Please note the date, and watch for more information on the TMA website. Anyone interested in participating as a conference speaker, sponsor or delegate can contact Pauline North at secretariat@tma-org.uk. 

Regional administrator chosen for TMA European affiliates

As part of TMA strategy to strengthen European regional networking and to assist in developing new TMA affiliates, Pauline North has been appointed to provide regional administration support for all TMA European affiliates.

Currently TMA-UK's Administration Executive, North will transition to her regional function in February and March, while training her local successor.

Since assuming the position of TMA-UK administrator in 2005, North has played an important role in developing the UK affiliate from 100 members to the current level of

more than 300. She has also played an important part in the administration of the 2008 and 2009 European conferences in Paris and Amsterdam.

North brings to the position of European regional administrator considerable practical experience in managing professional organizations, as well as in-depth knowledge of TMA. 



Pauline North

TMA-Germany's annual conference focuses on financial crisis, recovery

TMA Germany held its third annual conference in Berlin with an active participation of members and guests on November 19 and 20, 2009.

Peer Steinbrück, former Minister of Finance, Member of the Bundestag, presented a seminar paper entitled "Learning from the crisis: On the way to a new global finance order." He gave an especially exciting insight into the political backgrounds behind the current financial and economic situation.



Peer Steinbrück (right) fields questions during a discussion led by Kolja von Bismarck (left).

A lively discussion followed, led by Kolja von Bismarck, during which Steinbrück answered questions and exchanged opinions on the subject of his paper with conference participants.

"From the intensive care unit to rehabilitation—the German economy in autumn 2009" was the subject of a speech by Prof. Dr. Christoph M. Schmidt, RWI, member of the board of experts for the investigation of overall economic development.

The seminar paper entitled "Reform of the finance regulation: Repetition danger averted?" drew an impressive picture of the assessment from the perspective of economic science. It was presented by Prof. Dr. Jan-Pieter Krahen, leader of the centre for Financial Studies at the Goethe Universität Frankfurt am Main and a member of the commission on reform of the international finance architecture.

In addition, some thought-provoking debates developed during the Expert Panel on the Financial Market, moderated by Dr. Frank Nikolaus. In this setting, panelists voiced and clarified their varying perceptions on the topic. 🌐



Prof. Dr. Christoph Schmidt shares his perspective on the German economy with conference participants.



TMA-Germany President Dr. Frank Nikolaus moderates the conference's Expert Panel on the Financial Market.



Participants in TMA-Germany's 2009 Annual Conference enjoy a gala dinner.

New German government plans changes to legal restructuring regime

by Dr. Lars Westpfahl, Partner and Riaz K. Janjua, LL.M. (LSE), Principal Associate, Freshfields Bruckhaus Deringer LLP, Hamburg

Ever since German debtor companies (*Schefenacker* and *Deutsche Nickel*) decided to migrate their center of main interests from Germany to the United Kingdom and use an English company voluntary arrangement (CVA) for a successful restructuring of their balance sheets, certain shortcomings of the German restructuring regime have become the subject of a wider public debate.

The main criticism of practitioners and legal scholars points to the lack of transparency and the predictability of the in-court restructuring process in Germany.

To begin with, there is no special regime for the reorganization of group companies under German law, let alone a substantive consolidation.

Even though German bankruptcy courts and practitioners in practice seek pragmatic solutions, there is a risk of several bankruptcy courts being seized and multiple bankruptcy administrators being appointed throughout a group of companies. A centralized administration of the estate would simplify the process and enhance the possibilities of a going-concern restructuring.

Unlike in U.S. Chapter 11, debtor-in-possession status is only granted in very limited circumstances. Normally a bankruptcy administrator is appointed by the German bankruptcy court.

Given that creditors have limited or no influence in the appointment process, there is a great deal of uncertainty as to whether the nominee, for example, has the necessary sector expertise and sufficient skills to deal with complex cross-border issues or is willing to implement a going-concern plan of reorganization.

While successful in-court restructurings, such as the drug store chain “Ihr Platz,” have shown that Chapter-11 style reorganizations in Germany are feasible, it has emerged that the process for restructurings by means of a German plan of reorganization needs further improvement.

In this respect, it has turned out as a major throwback that the equity interests of an insolvent debtor—though worthless—cannot be wiped out, and a debt-for-equity swap cannot be forced upon the shareholders without their consent.

Further, since the German legislator abolished a statutory exemption from taxation of restructuring gains, there is great uncertainty as to whether the tax authorities will exercise their discretion to forebear and finally waive tax claims resulting from such gains following a balance sheet reorganization.

In addition, the German plan of reorganization has proven to be vulnerable to legal remedies of dissenting creditors, causing uncertain delay to the final confirmation of the plan.

In light of the aforesaid and as a reaction to the world economic crisis and the increased number of corporate bankruptcies, the German legislator has taken a number of steps to cure these shortcomings.

The German Federal Ministry of Justice has commissioned two working groups that are considering possibilities to facilitate insolvencies of group companies and the advantages of out-of-court restructuring proceedings.

As a reaction to the Lehman bankruptcy, the German Federal Ministry of Economic Affairs is currently working on a bill for a special insolvency regime for banks and financial institutions.

The German Federal Ministry of Economic Affairs is currently working on a bill for a special insolvency regime for banks and financial institutions.

Further to these efforts, the political parties forming the new German government have envisaged in their coalition agreement to introduce certain legislative changes. These would provide *inter alia* for the possibility of an in-court debt-for-equity swap, introduce an out-of-court restructuring regime and reform the process for the appointment of bankruptcy administrators.

These suggested legislative changes, at least in part, result from a detailed proposal that was submitted to the political parties by TMA-Germany. 



Recognized as one of the leading restructuring and insolvency lawyers in Germany, Dr. Lars Westpfahl, Freshfields Bruckhaus Deringer, advises domestic and international financial institutions and opportunity funds on the restructuring of

their debtors. He has worked on many of the market-leading restructurings in Germany, including *Ihr Platz*, *Schefenacker*, *Schieder*, *Conergy*, *TMD Friction*, *Honsel* and *Kion*. In the shipping sector, he is working on the restructuring of the Chilean shipping line *CSAV*, the German shipping line *Hapag-Lloyd* and one of the largest fund originators based in Hamburg.



Riaz Janjuah, Freshfields Bruckhaus Deringer, is a senior associate within the finance practice group and specializes in domestic and cross-border insolvencies and restructurings. He has been active on a number of German restructurings, including the shipping restructurings of *CSAV*, *Hapag-Lloyd* and a global shipping container company based in the Mediterranean, as well as the restructurings of *Aleris*, *Crest Nicholson*, *Conergy*, *Honsel*, *Schefenacker*, *Ihr Platz* and attempted restructuring of *Schieder Möbel*.

TMA-UK education initiative making progress

by David Hole

In a previous edition of TMA International News, David Hole and Dominic Reibold of TMA-UK reported on their affiliate's education initiative to deliver a Continuing Professional Development (CPD) certification program called "Fundamentals in Turnaround Management." Following is an update on their progress.

The "Fundamentals of Turnaround Management" is a one-day program structured in defined and complementary sessions.

Morning sessions clarify definitions of turnaround, essential diagnostics, best practices and decision-making criteria past versus current situations.

Afternoon sessions focus on strategy formulation leading into implementation. The content deals with fundamental issues, **but** from different perspectives. Turnaround models,

concepts and frameworks are based upon three approaches—quantitative, experiential and people/process—and reinforce that "one size does not fit all" scenarios. Every situation will be at different points of the decline curve. Four stages of turnaround are discussed and summarized in a turnaround process map.

The next delivery of the program is scheduled for April 29 and June 24, 2010, in London (see www.tma-uk.org for booking details).

The program has now been delivered eight times in the UK since March 2009, mainly

out of London at a venue close to the Bank of England provided by the program sponsors, Pitman's Solicitors. The only certification program delivered by a UK turnaround association, "Fundamentals of Turnaround Management" is building momentum and respect in the market place for the turnaround profession.

The common denominators of the program's success relate to six of its characteristics:

1. Small groups of 10 to 15 delegates with 10 to 40 years of business experience.
2. Niche knowledge
3. A highly interactive and intimate program delivered via case study, video, group learning and feedback.
4. Accelerated networking opportunities
5. For newcomers to the turnaround industry, the offer of a free year's membership included in the price and a discount for current members.
6. The program has been designed by practitioners who can empathize with queries raised by the delegates.

There appears to be a win-win scenario for the delegates and TMA-UK. New memberships are encouraged, and delegates have a readymade platform to continue their learning via TMA-UK. They also receive a signed, laminated certificate of training. For TMA-UK, this has been a main driver of new membership in the past 12 months, accelerating total UK membership to levels previously not seen. With more members, more sponsors are attracted, and it becomes a virtuous circle for TMA-UK to take more initiatives.

In November 2009, the program announced the addition of Mark Blayney as a facilitator and trainer. Blayney is a former director of TMA-UK and has more than 20 years experience as a turnaround practitioner.



Mark Blayney is a facilitator and trainer for TMA-UK's "Fundamentals of Turnaround Management" program.

Delegate feedback on the program is continually monitored. Some favorable comments mention:

- "Depth and breadth of knowledge"
- "Theory and practice mix"
- "Content and networking"
- "Case studies and frameworks"
- "Group dynamics and facilitators knowledge"
- "Good materials and holistic approach"

Turnaround Education in the UK market

Generally, the provision of business turnaround education is fairly limited to private suppliers, business schools, TMA-UK, in-house professional service firms, various insolvency suppliers and other professions/associations. It is a niche market, and numbers are relatively small compared to mainstream accountancy and law training.

I've also heard of a post-graduate diploma in business turnaround being offered in the UK. The offerings are diverse, and the spectrum is at one end pure insolvency; at the other, mainstream business school material.

Can business turnaround be taught?

There are those who question whether business turnaround can be taught. In any profession worth its name, there are a number of elements that practitioners need to have, which I would characterize as:

- a personal appetite and aptitude for the work;
- the practical and personal skills to undertake the work and deal with the circumstances that you will find yourself in;
- the analytical tools and experience to undertake the job and make the right decisions; and

- the specialist body of knowledge to do so correctly and successfully.

It seems to me the answer is that there is a body of technical, financial, commercial and legal knowledge needed for turnarounds that can be taught and tested by way of exams; and there is a reasonable level of practical experience that is obviously needed before someone can really be judged to be a professional who is fit to go out and practice. It also, therefore, seems to me that the turnaround profession, if it is to be a real profession in the UK, will inevitably need to move towards the introduction of a formal qualification.

Currently, there is no Certified Turnaround Professional (CTP) program in the UK or indeed in Europe, but I'm confident that a European platform will be developed. A good friend of mind says "If you want to eat an elephant you eat it one small piece at a time!" The initiatives that TMA-UK are currently exploring will no doubt form the foundation of a European certification offering.

What's next for TMA-UK education

For TMA-UK, I believe the message is simple: "Mending broken businesses and saving corporate value contributes to getting UK plc back on its feet." One cornerstone strategy of this is to be associated with the provision of high-quality turnaround and restructuring training.

As TMA-UK education director, my vision is:

- Keep it broad church
- Continue to increase the quality of education delivered by TMA-UK
- Education is available to all
- Maintain a high mix of practical versus theory
- Taught by practitioners

- Relevant case studies interactively delivered
- Two levels of outcome for the delegate:
 - Firstly, "Certified Turnaround Professional" resulting in CTP, as experienced in the United States, and for those who wish to take their learning to the highest level
 - Secondly, an intermediate offering, "Certificate of Proficiency in Turnaround Management" resulting in CPTM

I am currently in discussion with the TMA-UK board of directors to introduce an intermediate offering. Working closely with Tyrone Courtman (Immediate TMA-UK past president), this will either be in the format of a rolling platform of programs or a boot camp environment.

The boot camp would be a mixture of a week's case study and seminar on the accounting, business and valuation aspects of corporate restructuring to improve the participants' understanding of companies in distress, the workout industry, and the professionals involved in it. The class would be taught by TMA members who are experienced professionals in their various industries. 



David Hole is Director of Education for TMA-UK and CEO of Greenfield Restructuring Services Limited Alexander Business Consulting.



Dominic Reibold is a director of Global Talent Implementation Ltd. Minerva Training Associates and of TMA-UK.

News from TMA Headquarters

David Gergen, Ron Insana to speak at 2010 Spring Conference

The 2010 TMA Spring Conference will take place April 20-22 at the Sheraton Hotel & Towers in New York City.

Keynote Sessions



- **David Gergen**
CNN Senior Political Analyst
A trusted advisor to four presidents and both political parties, Gergen offers a bipartisan analysis of the Obama administration, Congress and the 2010 midterm elections and change in America.



- **Ron Insana**
CNBC Senior Analyst
A financial journalist with experience running his own hedge fund, Ron Insana offers clear insight and perspective on the ever-changing status of the economy.

- **Bankruptcy judges panel**

A panel of esteemed bankruptcy judges will offer their insights on today's legal landscape.

Educational Sessions

- Financial industry meltdown
- Middle market financing trends
- Large and complex financing trends
- Real estate
- Challenges of out-of-court restructurings
- Global/cross-border trends
- Healthcare restructurings

Advanced Educational Session

"The Current State of the Equity Markets: Trends and Implications for Turnaround Management" (Additional fee)

For more details and to register, visit turnaround.org. 

New education resources offered

TMMA is now entering the second year of its bold education initiative, making the association the leading education resource for the corporate restructuring community. Whether online, on-demand or live education, the TMAccess initiative offers invaluable professional development opportunities.

Visit turnaround.org (Career Development) to learn about live conferences, live webinars (ten

offered in 2010), recorded webinar archives, audio/video recorded conference proceedings and more.

E-learning versions of the popular Troubled Loan Workouts and 13-week Cash Flow courses will launch in early 2010, providing on-demand access to industry knowledge. The 2010 edition of the Troubled Loan Workouts Reference Guide will be available for sale in March. 

News from TMA Headquarters

2010 Distressed Investing Conference recordings available

If you missed the live event or a concurrent session, you can relive the dynamic presentations by industry experts at the 2010 TMA Distressed Investing Conference through these recordings. Consider ordering one, or more, or all of them.

A full set of seven sessions in the formats available and listed below is only \$199 USD. These are available as downloads through link provided at purchase.

Audio, video, PowerPoint—\$85 USD each

- **“Circuit City’s Perfect Storm”**
This session explores the legal, financial and operational issues that preceded Circuit City’s hemorrhage in Chapter 11.
- **“Meet the Money”**
Panelists representing a wide spectrum of capital providers offer relevant insights and a lively discussion on the credit markets and what deals can get done today.
- **“Fix It or Dump It: That is the Question”**
This session provides an analysis of key factors that should be weighed in deciding to fix a company and addresses the steps involved in moving forward in the turnaround process.
- **“Where are the Banks Going?”**
A multidisciplinary panel addresses the current bank environment, including capital, operating issues and regulatory environment for the banking industry.
- **“Deal Autopsy: Lessons Learned”**
The most brilliantly conceived transactions can sometimes go off the rails for

reasons that are unanticipated, as well as for those that might have been predicted. A panel of experts share their experiences of rim shots, air balls, and victories that almost were.

- **“Industry Trends: Who Will Benefit From and Who Will Labor Under the Economic Recovery”**

The nascent economic recovery will not treat everyone equally. A panel of experts explores this idea further by highlighting the evolving prospects for such industries as technology, retail, commodities, durable goods, travel and hospitality and media and entertainment.



- **“2010: A Real Estate Odyssey”**
An open discussion on how to: forecast expectations as to how the market will evolve over the next year; understand strategies retailers and other tenants can undertake to help survive; invest strategically in real estate; gauge what lenders are looking for to invest in real estate transactions

Also available are instant downloads, including PowerPoint slides, of selected sessions from the TMA 2009 Annual Convention in Phoenix. Visit [Recorded Conference Proceedings](#) in the Career Development part of our website for recording descriptions and how to order any or all of them. 