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Client Advisory

October 1, 2008

IDENTIFYING OPPORTUNITIES AND RISKS AMID THE FINANCIAL CRISIS

The financial market crisis is immense in the scope of those it will affect - offering great opportunity for some, and bringing great risk for others. The federal government's response, whether in the proposed Troubled Asset Relief Program (TARP), through a resurrected variant of the recently defeated Emergency Economic Stabilization Act, or through other new legislation, is still in play.

No one yet knows exactly what the government's response will be, or even if the government will intervene. Certain conclusions already can be reached. Do you know how this will affect you, or what your opportunities will be?

McKenna Long & Aldridge LLP for more than 30 years has offered industry-leading advice to our clients in the area of financial restructurings. Our financial restructurings and loan workout group has focused on problem debt resolution consistently through good times and bad, not just when the front-end transactional market recedes. We have advised clients through many capital markets cycles and understand our clients' needs in responding to and succeeding within those cycles.

In order to best position our clients in this new and unique environment, we have teamed our financial restructuring group with our government contracts, governmental affairs and private equity practices - offering an unparalleled group to advise our clients in navigating the challenges and opportunities of both the distressed capital markets and governmental intervention. Whatever the impact on you, we can help.

One way or another, the government will acquire struggling institutions and problem assets. It will need expert advice and problem assets will need to be resolved.

Asset managers, loan servicers, and investment advisory firms, among others, all have an opportunity to assist the government. Those who know how to contract and manage relationships with governmental agencies will thrive in this environment. Those who do not will flounder.

- The government will need help: asset resolution, valuation, acquisition, servicing and

CONTACTS

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disposition.

- Many of the assets are complex securities and derivatives requiring special expertise to understand, let alone manage.
- How will you qualify to be hired? Can you get the audience you need?

Private equity will become king.

Whether through disposition by the government or sales by struggling financial institutions, massive amounts of distressed real estate-related positions will be sold into the private sector. Significant capital has been raised and is waiting for these opportunities. McKenna Long & Aldridge has advised its clients for decades, nationally and internationally, in problem loan portfolio acquisitions and structuring private equity formations.

- Are you positioned to optimize investment opportunities in government dispositions?
- Do you know how to navigate within a complex government process such as this?
- Are you in position to diligence and price what you are buying? Are your people trained to maximize asset resolution?

Sellers will need to be savvy and well-advised.

If you are a seller of distressed assets into the private sector, the play will quickly become intense. Those with a well-structured approach will succeed, others will falter.

- If you own problem assets, begin dealing with them early. Do you know how to reposition and optimize asset portfolio value for maximum sale execution?
- Do you know how to design the sales process to achieve success?
- If you are a seller under whatever legislation is passed, do you know how to navigate the waters of selling to a governmental agency?

Many companies will need to restructure or reorganize - Regulations will be broadened and rules will be rewritten.

The impact of these events will reach beyond the financial services industry.

- Market liquidity is vanishing. What can you do to get ready?
- How do you survive? Can you renegotiate your credit lines?
- Are you prepared to deal with regulatory changes affecting your company?

There will be governmental investigations.

In this heated business environment, the government will be seeking to hold companies and individuals accountable.

- How do you stay off the target list and what do you do if you find yourself on it?
- How do you prepare for the spot light?
- What do you do if you are investigated?

These are extraordinary times - anticipating what is coming next will be the key to your success. You will need extraordinary legal counsel and advisory services. McKenna Long & Aldridge stands ready to provide you all of these services - Stay Ahead of the Curve.

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