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Present

*Twelfth Annual Conference on*

# Distressed Investing

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## *Maximizing Profits in the Distressed Debt Market*

*"We have made this the distressed market industry event for cutting-edge information and networking opportunities."*

J. Andrew Rahl, Jr., Anderson Kill & Olick PC and  
Hugh M. Ray, Andrews & Kurth., Co-Chairs

- ❖ Valuation Workshop: Mirant
- ❖ Market Overview
- ❖ Opportunities in Imploding Hedge Funds
- ❖ Taking Advantage of Financial Restatements
- ❖ Evaluating and Trading Bank Debt
- ❖ The Effect of the New Code on Distressed Investors
- ❖ Industry Overview: Finding Value in Airlines & Auto Suppliers
- ❖ Investors Roundtable

*Keynote Address: Wilbur L. Ross*

**"Successfully Managing Unions and Pensions in Troubled Legacy Industries"**

**Situation Reports: Interstate Bakeries and Owens Corning**

*Keynote Address: Arthur B. Newman*

**Winner of the 2005 Harvey R. Miller Outstanding Achievement Award for Service to the Restructuring Industry: "My Advice to Distressed Investors"**

The Essex House Hotel • New York City • November 28-29, 2005

*Don't miss Andy Rahl's wine tasting featuring a Tour of Burgundy*

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### DEBEVOISE & PLIMPTON LLP

**Debevoise & Plimpton LLP** has been an active participant in major corporate restructurings since 1980. We regularly represent debtors, creditors, controlling shareholders, lenders and other investors in Chapter 11 cases, out-of-court restructurings and pre-packaged and pre-negotiated bankruptcies. Our senior lawyers, seven partners and one counsel, have decades of experience advising clients in all aspect of domestic and international restructurings, and work in integrated teams with tax, litigation, mergers and acquisitions, corporate finance, real

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With over 600 engagements completed **Glass & Associates, Inc.** is a leader in corporate turnaround management. Glass's team of seasoned

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**Mesirow Financial Consulting** is one of the nation's leading full-service financial advisory consulting

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Our goal is to add value at every stage of the consulting process. Mesirow Financial Consulting professionals have the analytical skills and depth and breadth of experience to see nuances, clarify complex issues at play and identify opportunities in the most challenging situations. Our commitment is to use our knowledge and experience to empower our clients, providing them with a clear understanding of their options and the ability to take decisive action. Contact: consulting@mesirowfinancial.com • Telephone: (877) MFC-4200 • www.mesirowfinancial.com



**Sonnenschein Nath & Rosenthal LLP**, with over 600 lawyers in nine U.S.

cities and trans-border representations throughout Europe, Asia and Latin America, serves the legal needs of many of the world's largest and best-known businesses, nonprofits and individuals. Its Bankruptcy & Restructuring Group represents a number of high-profile clients, including the Official Committees of Unsecured Creditors in both the UAL Corp. and Federal-Mogul Corporation bankruptcies. Sonnenschein also regularly represents Chapter 11 debtors, official and unofficial committees, secured and unsecured creditors, equity holders, indenture trustees and asset acquirers.

**SKADDEN  
ARPS  
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FLOM LLP**

**Skadden Arps Slate Meagher & Flom LLP's** worldwide corporate restructuring practice has played a key role in some of the most widely publicized matters involving troubled companies in recent years. From retail and telecommunications to steel and energy, these engagements represented an expansive array of global industries in which Skadden served

corporations and their principal creditors and investors by providing value-added legal solutions in troubled company M & A, financial, and restructuring situations. With 13 strategically located international offices, Skadden also participates in numerous cross-border restructurings throughout Asia, Australia Europe and the Middle East. Our partners have been recognized by Chambers Global and Chambers USA in their annual lists of the leading restructuring practices worldwide and in the Americas and by Global Counsel Magazine in its annual list of the top ten worldwide restructuring lawyers. Within the Americas, Skadden is one of only three firms to have four or more partners recognized in the K & A Register, the peer-group listing of the top restructuring attorneys and financial advisors in the United States and our lawyers have been included by Turnarounds and Workouts in every annual list of the top dozen restructuring lawyers and top young restructuring lawyers since the rankings were first compiled in 1997.



**Stutman Treister & Glatt PC** is a firm of 34 attorneys, all of whom specialize in business reorganization, bankruptcy, and insolvency law. Since 1948, the firm has been a national leader in the bankruptcy and reorganization field and remains one of the preeminent firms in its field. Members of

the firm have served and continue to serve as counsel to bondholders, bondholder committees, hedge funds, distressed investors and equity committees. The firm also is nationally renowned for its highly sophisticated and complex debtor practice. The collective experiences associated with this diverse reorganization practice allows Stutman Treister & Glatt to provide exceptional legal services and expertise to its clients in complex transactions.

**WEIL, GOTSHAL & MANGES LLP** **Weil Gotshal & Manges LLP**

Our Business Finance & Restructuring Department is the world's most recognized and broadly-based bankruptcy and business reorganization practice. We serve a wide range of constituencies: debtors, creditors, equity holders, committees and potential purchasers of troubled companies or their assets. International in scope, the Department is involved in virtually every major Chapter 11 reorganization case in the United States and in major national and international out-of-court debt restructurings encompassing every major industry. The firm was named Law Firm of the Year 2004 for US Bankruptcy (Chambers Global Awards 2005).

## Renaissance American Management, Inc.

# BeardGroup

7:30

## Registration and Continental Breakfast (Registration for the Conference will continue for those not attending the Valuation Workshop.)

8:00

### Valuation Workshop: Mirant

In the prior seven years we have presented a Valuations Workshop as part of this conference. We looked at Flagstar, Boston Chicken, Singer, Finova, Arch Wireless, U.S. Airways, and last year, airlines in general with a focus on UAL. None of them had an Equity Committee, which Mirant does have. The valuation arguments in Mirant have been heated to say the least, not just between debt and equity but with management. The presence of an Equity Committee has created an interesting dynamic with the Judge in the case arbitrating the value of the company. The efforts of all parties to date have managed to move all securities up in value, making this one of the big winners of the year. Is it possible that a merger with former bankrupt debtor NRG could keep the post-reorg equity rising?

In Mirant, Management and its consultants at Blackstone came out with a Disclosure Statement that was consistent with the valuations of the Corporate Creditors Committee and its consultants at Miller Buckfire and PA consulting as well as the (subsidiary) Magi Creditors Committee and its consultants at Houlihan Lokey. After 30 trial days, the court issued a preliminary letter ruling setting forth what items in the Debtor's business plan/model should be changed and re-run. On 6/30/05, the court suggested that it viewed valuation in the \$10.5-\$11.5 billion range. The Equity Committee has a significantly different view of the issues and 'valuation technology' applied in the case. As we go to press, there is a Valuation Implementation Committee (VIC) attempting to re-run the models in accordance with the court's direction. The market's quick reaction to the VIC's findings which came out in September was to send all Mirant securities higher. While there is still no official agreement among the parties, how far away can a deal be when there are so many winners in all tranches of securities?

**Stuart C. Gilson, PhD., Panel Moderator**

**Steven R. Fenster Professor**

**HARVARD UNIVERSITY**

**GRADUATE SCHOOL OF BUSINESS ADMINISTRATION**

**Timothy R. Coleman, Financial Consultant to the Debtor**

*Senior Managing Director*

**THE BLACKSTONE GROUP**

**Paul Silverstein, Creditors Committee Counsel**

*Partner*

**ANDREWS & KURTH LLP**

**Anders J. Maxwell, Financial Consultant to the Equity Committee**

*Managing Director*

**PETER J. SOLOMON COMPANY**

9:40

## Workshop Ends

9:50

### Co-Chairs Welcome

**J. Andrew Rahl, Jr.**

*Partner, Head of the Bankruptcy and Restructuring Practice Group*

**ANDERSON KILL & OLICK, PC**

**Hugh M. Ray**

*Partner, Chair of the Bankruptcy & Restructuring Group*

**ANDREWS & KURTH LLP**

10:00

### The Year in Review:

#### The Good, The Bad, and The Volatile

It was a stock & bond picker's market. Much to like, and much to avoid in a market still driven by commodities. This inveterate investor will take you on a reflective discussion through the highs and lows of the year in individual credits. Always informative and sometimes even prescient, year in and year out he is always one of the highlights of the conference.

**Steven L. Gidumal**

*Portfolio Manager*

**VIRTUS CAPITAL MANAGEMENT LLC**

10:30

### Profitably Evaluating and Trading Bank Debt

Bond debt trading is typically transacted through liquid markets or trading desks with diligence research consisting of evaluating publicly available information.

Bank debt deals, on the other hand, include large public companies all the way down to small private companies. For large bank debt issuers the process of evaluating and trading their bank debt is substantially similar to that of bonds. For smaller bank debt issuers diligence typically consists of signing a confidentiality agreement and reviewing the bank's physical file at their office. Lack of recent financial information is fairly common putting the buyer in a riskier position. This session will lead you through the pitfalls of buying bank debt:

- Reviewing all facets of the security and loan agreements
- Avoiding improperly perfected liens
- Understanding the lack of standardization of documentation
- Preparing for the lack of liquidity of smaller loans:

The restructuring dialogue

**Deborah Hicks Midanek, Panel Moderator**

*Principal*

**SOLOMON GROUP, INC.**

**Patrick E. Flynn**

*Senior Vice President/Distressed Debt Group*

**GE COMMERCIAL FINANCE**

**David McReynolds**

*Principal*

**SIGNATURE CAPITAL PARTNERS LLC**

**11:15**

## **The Effect on Bonds of Restating the Financial Statement**

The number of companies who have had to restate their financials has become legion: HealthSouth, Key Energy, Saks, Fedders, Medquest, United Rentals, HealthSouth, Bally's, Offshore Logistics and Key Energy etc. Some of these companies are either incipient or active restructurings and others are not. All of them, however, violated the financial reporting covenants in their public indentures, in most cases accompanied by severe price declines. What does it all mean? Can bondholders accelerate their obligations even if no payment or other default is in prospect? What should noteholders expect to receive from a consent solicitation to waive the default? What are the signs of an incipient restructuring as distinguished from a temporary technical default? And what about the right to claim call premiums and make-whole payments? Topics our panel will discuss could include:

- When Goodwill restatements may be meaningful
- Tax rate changes may be hiding lower earnings
- The restatement of historical cash flows may change investors' perceptions
- Restatements may have already been discounted by the market
- What restatements may be hiding in merger accounting
- When too many one-time write-downs are masking a real problem

In this hypothetical situation, a turnaround manager has been hired to restructure a company in an effort to avoid filing a bankruptcy. Soon after the CRO arrived on the job, the CFO sheepishly admits that all is not well with the last two financial statements and that the next one is going to be late. What is to be done?

### **Van E. Conway, Panel Moderator**

*President*

**CONWAY MACKENZIE & DUNLEAVY**

### **Sharon F. Manewitz**

*Managing Director, Special Situations*

**TIAA-CREF**

### **Glenn B. Rice**

*Partner*

**OTTERBOURG STEINDLER HOUSTON & ROSEN PC**

### **R. Scott Williams**

*Portfolio Manager*

**HAWK MANAGEMENT**

**12:00**

## **Luncheon for All Delegates and Speakers**

When the Plaza closed, we had to find a new venue for this conference and are happy to be at the beautiful Essex House. Luncheon space, however, is limited to 150, so you must reserve a place when you register for the conference. First come, first served.

**1:10**

## **Opportunities in Imploded Hedge Funds**

Are hedge funds flush with cash or over-extended in illiquid assets? Are the hunters on the verge of becoming hunted? Are these funds vulnerable to rising interest rates? Are they affected by rising energy prices? In a post-Katrina world do they face risks they haven't thought about managing? This session will address these intriguing issues and others and analyze hedge funds for their restructuring potential: How are hedge funds different from other commercial enterprises. Where exactly are the assets? Are "Funds of Funds" really hedged? Can they be restructured under Chapter 11? Has anybody learned anything from Long Term Credit? How are hedge funds affected by the new Bankruptcy Code?

### **Ronald L. Fein, Panel Moderator**

*Partner*

**STUTMAN TREISTER & GLATT PC**

### **James L. Freeman**

*CEO*

**FREEMAN & CO. LLC**

### **Steven D. Kaufman**

*Principal*

**FREEMAN & CO. LLC**

### **Henry F. Owsley**

*Managing Director*

**GORDIAN GROUP LLC**

**Counsel to hedge funds and the director of a fund of funds have been invited to join this panel.**

**1:55**

## **Late Breaking News**

Business has been relatively slow in the distressed market of late, but \$70 oil and the new Code should make a difference. We can be fairly certain that by the time of the conference, there will have been a spate of filings. What remains to be seen is how wide-spread the economic carnage will be. As we go to press, the U.S. consumer is still in denial. By November 28 heating season will be well upon us in the northeast and northern mid-west. Will anybody be surprised by \$15 natural gas? This session, always important, will be more timely than ever.

### **David M. Powlen, Panel Moderator**

*Senior Vice President*

**MESIROW FINANCIAL CONSULTING**

### **Martin J. Bienenstock**

*Partner, Co-Head of Restructuring Practice*

**WEIL GOTSHAL & MANGES LLP**

### **Thomas M. Mayer**

*Partner*

**KRAMER LEVIN NAFTALIS & FRANKEL LLP**

### **Todd R. Snyder**

*Managing Director*

**ROTHSCHILD, INC.**

**2:40**

## **Networking Break**

2:55

### **Situation Report: Interstate Bakeries: The "Twinkie" Bankruptcy**

Interstate Bakeries Corporation and certain of its affiliates ("IBC") are facing a plethora of challenges in their Chapter 11 cases, which were filed in September 2004. IBC is the largest wholesale baker and distributor of fresh baked bread and sweet goods in the United States, producing, marketing, and distributing goods under well known brand names, such as Wonder®, "Hostess®," and "Dolly Madison®." As a part of its restructuring, IBC is reviewing every aspect of its financial performance and business operations. Overlaying these efforts, IBC is saddled with over 500 union contracts with over 16 national unions and numerous local bargaining units. Further, IBC faces a number of challenges in its financial reporting obligations, having been unable to finalize its FY 2004 financial statements and facing restatement of certain previously filed statements as well as a formal SEC investigation. Despite these challenges, IBC is in the unusual position that its equity continues to trade at a significant price per share and is represented by an official committee. Panelists will discuss the filing of the case, the transition to operations in the Chapter 11 environment, and the issues facing IBC that must be addressed to emerge from Chapter 11.

#### **Ronald B. Hutchison, Panel Moderator**

*Chief Financial Officer and Executive Vice President*

#### **INTERSTATE BAKERIES CORPORATION**

#### **J. Eric Ivester, Counsel for IBC**

*Partner*

#### **SKADDEN, ARPS, SLATE, MEAGHER & FLOM LLP**

#### **Kenneth A. Rosen, Counsel for IBC's Official Committee of Creditors**

*Member of the Firm*

#### **LOWENSTEIN SANDLER PC**

#### **D. Farrington Yates, Equity Committee Counsel**

*Partner*

#### **SONNENSCHN NATH & ROSENTHAL LLP**

3:40

### **Situation Report: Owens Corning**

The Third Circuit has thrown a spanner into the works of substantive consolidation and sent Owens Corning back into the throes of creditor class struggle. Mark this round for the banks. Ultimately this will be one of the most important issues in bankruptcy decided by the Supremes: how to determine substantive consolidation. In the short run, this clarifies the choice of Delaware as a venue: Debtors wanting to avoid consolidation have a set of powerful friends in the Third Circuit. Conversely, big companies who want the option of consolidation will now have reason to search for a more friendly venue.

#### **James F. Conlan, Debtor's Counsel, Panel Moderator**

*Partner*

#### **SIDLEY AUSTIN BROWN & WOOD**

#### **John B. Berringer**

*Partner*

#### **ANDERSON KILL & OLICK PC**

Joel Klein

*Executive Vice President*

#### **PPM AMERICA, INC.**

4:15

### **The CLE Ethics Hour: Is Justice Blind in the Bankruptcy Court, or, is Venue Shopping and Venue Vending Corrupting the Process?**

The April issue of *Turnarounds & Workouts* announced in a lead article: "Bankruptcy Courts Are Not Corrupt". That it had to be said is a lot like Nixon saying, "I am not a crook." UCLA law professor, Lynn LoPucki's *Courting Failure: How Competition for Big Cases is Corrupting the Bankruptcy Courts* has caused something of a stir in the distressed market. Most practitioners, even those critical of the courts, would prefer the word "bias" to corruption. (There is a legal politesse even among vultures.) The professor's beef is recidivism in the Southern District of New York. (After the new Code goes into effect, every debtor's counsel in the country will have to go into Chapter 11 with contingency plans for 22s and 33s, so that will not be an issue any more.) The main issue is "venue vending" and "venue shopping". Many feel that a successful restructuring should not depend on the real estate law of "location, location, location". Many deny that the problem exists. The late-breaking news on this is the recent decision by the Third Circuit discussed in the previous session. This no-holds-barred session will adhere to the Rules of Queensbury which include: "A man (or woman) hanging on the ropes in a helpless state, with toes off the ground, shall be considered down."

#### **John P. Brincko, Panel Moderator**

*President and CEO*

#### **BRINCKO ASSOCIATES, INC.**

#### **Steven R. Gross**

*Partner*

#### **DEBEVOISE & PLIMPTON LLP**

#### **Harold L. Kaplan**

*Chairman of the Firm and Co-Head of Corporate Restructuring  
and Financial Institutions Practice*

#### **GARDNER CARTON & DOUGLAS LLP**

#### **J. Andrew Rahl, Jr.**

*Partner, Head of the Bankruptcy and Restructuring  
Practice Group*

#### **ANDERSON KILL & OLICK, PC**

#### **Hugh M. Ray**

*Partner, Chair of the Bankruptcy & Restructuring Group*

#### **ANDREWS & KURTH LLP**

5:15

### **Conference Adjourns for Andy Rahl's Wine Tasting**

## Wine Tasting for All Delegates and Speakers

Sponsored by:



**Anderson Kill & Olick is pleased to host its annual wine tasting for all speakers and delegates. Andy Rahl is a Burgundy enthusiast and is pleased to offer these selections. Here are his comments:**

It is both a great pleasure and a great challenge for us to offer to you an in-depth look at the wines of Burgundy at our annual wine tasting this year. A great pleasure because Burgundy has long been my favorite wine region (I used to say, "The main reason I drink Bordeaux is to remind myself how great Burgundy is"). As the English wine critic Michael Broadbent once wrote, red Burgundy at its best is "incomparable", and few would question Burgundy's status as coequal in stature with red Bordeaux, whichever of the two you might personally prefer.

Red Burgundy is made entirely from Pinot Noir. It is more pleasing to drink young than most other great red wines. It attains great elegance and complexity with age, and it has a much shorter curve to maturity than red Bordeaux (see below). The single most interesting thing about red Burgundy (and white as well) is that, even though the top Burgundy vineyards are for the most part directly adjacent to each other in one nearly continuous slope in the heart of the region which is known as the 'Gold Coast' ("Cote d'Or"), the top vineyards display remarkable differences from each other as you travel along the slope. As for white Burgundy, which is made entirely from Chardonnay, I would guess that it would get a plurality of votes as the greatest white wine region of all.

Burgundy also is for many the most complex and confusing wine region. The individual vineyards themselves often are parceled out to many different producers, each of whom makes a different wine. This means that, in addition to vintages and vineyards, one also has to understand the differences between the producers who are located in each separate vineyard. In one extreme case, Clos Vougeot, there are more than 80 different owners of vines and more than 40 different, distinct Clos Vougeot wines made in each vintage. Further compounding this complexity is that quantities in general are very small by Bordeaux standards.

Another challenge is that, like the boutique wineries in America, it is not unusual for a producer to make only a few hundred cases of a particular wine. It is extremely hard to find wines in enough quantity for a large tasting such as ours. This, combined with a vineyard classification hierarchy established in 1933 with reference to both quality and location, and the fact that Burgundy wines are among the most fragile in terms of their susceptibility to damage from heat and other adverse storage conditions, makes it extremely difficult to get a true picture of what Burgundy wine is all about.

To help deconstruct the Burgundy puzzle, as of press time, we have secured enough of the following five wines which we will present, along with one or two others still to be acquired, at our tasting:

### 1985 Bonnes Mares, Domaine Leroy

Bonnes Mares is one of the great vineyards of Burgundy and a personal favorite of mine. It is a Grand Cru, which is the highest classification in the Burgundy system and it is one of the best of them. Bonnes Mares is located in the village of Chambolle Musigny, which is known for the elegance and complexity of its wines. Of equal importance is that the producer of this wine, Domaine Leroy, was at that time in 1985 a negociant who was consistently making some of the greatest wines in Burgundy. This wine was recently released from their cellars and it should be an extraordinary experience. The 1985 vintage was an excellent one which is showing extremely well right now and this example should be at or near the peak of its drinkability.

### 1996 Romanee Saint Vivant, Domaine Louis Jadot

Romanee Saint Vivant is one of six Grand Cru vineyards in the village of Vosne Romanee, or Vosne, which in turn is thought by many to be the greatest wine producing village in all of Burgundy. Romanee Saint Vivant is known for its elegance and complexity and good examples augment these qualities with a piercing spiciness that is unique to wines from Vosne. Domaine Louis Jadot is widely distributed in America and also is one of the great Burgundy producers. Finally, 1996 is a surpassingly great vintage for red Burgundy. While by no means fully mature like the 1985 Bonnes Mares, this should illustrate well the attractive drinkability which a great Burgundy can display even when it is only partially mature, while still demonstrating its impressive future potential.

### 2000 Chambolle Musigny Les Cras, Domaine Roumier

Les Cras is a Premier Cru vineyard in the town of Chambolle Musigny where Bonnes Mares is also located. As a premier cru, which is the second highest Burgundy classification, it is a somewhat smaller scaled wine than Bonnes Mares and is even more elegant. If I had to pick the single best winemaker in Burgundy today, my choice probably would be Domaine Roumier. His version of Les Cras, of which there are several other producers, is simply textbook red Burgundy at its very best. The 2000 vintage initially was considered only a good, commercial vintage, but it has now become apparent that the best examples of this vintage, which certainly include the wines of Domaine Roumier, are much better than that. Still relatively young, it will be interesting to see how this wine compares with the 1996 Romanee Saint Vivant which, relatively speaking, should be at about the same level of maturity as this wine.

### 2001 Corton Charlemagne, Domaine Louis Latour

Corton Charlemagne is a Grand Cru vineyard in the village of Corton in the Cote de Beaune in Burgundy. Corton Charlie, as some people call it, is generally acknowledged to be one of the four greatest white wine vineyards in all of Burgundy. Legend has it that the vineyard was a favorite of the Emperor Charlemagne; while no one knows if this is really true, it is believed that the vineyard was first planted about the time of his reign. Louis Latour is one of the top producers of white Burgundy and many people consider his Corton Charlemagne to be his finest, and certainly his most consistent, white wine. There is little doubt that Latour is one of the three or four best growers of Corton Charlemagne from year to year. The 2001 vintage, while still young, is rated very good to excellent for white Burgundy and is expected to be an early maturing vintage, which makes it appropriate to drink even at four years of age.

### 2001 Batard-Montrachet, Domaine du Coeur

Batard Montrachet is another of the four greatest white wine vineyards in Burgundy. Its style generally is fuller and more expansive than the other three, including Corton Charlemagne. In that regard, some examples resemble more the big buttery style of California Chardonnay than most other white Burgundies generally do. Unlike the other four producers represented in this tasting, who are all among the most respected and prominent winemakers in Burgundy, Domaine du Coeur is a very small, new and little known winemaker which buys grapes from other growers and then vinifies, bottles and cellars its wines. My personal view is that they are doing an outstanding job and, in this wine, have created a spectacularly intense and well made example of Batard Montrachet.

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*Outstanding Young Restructuring Lawyers*

*For all Delegates and Speakers*

*Hosted in their Offices by*

**SKADDEN, ARPS, SLATE, MEAGHER & FLOM LLP**

*4 Times Square (Broadway between 42nd & 43rd) 37th Floor*

**George A. Davis**

WEIL, GOTSHAL & MANGES LLP

**WEIL GOTSHAL & MANGES**

**New York**

Recent debtor representations include IMPATH, Bethlehem Steel, Sunbeam, and Carmike Cinemas. Represented GECC in US Airways, Delta, Independence Air, Tower Automotive, and senior noteholders in the Kaiser Aluminum restructuring.

**Andrew Goldman**

WILMER CUTLER PICKERING HALE AND DORR LLP

**WILMER CUTLER**

**New York**

Lead counsel to Kmart for all postconfirmation litigation and wind down work; counsel to PSINet; counsel to creditors' committees in ANC Rental and in first Discovery Zone Chp. 11; counsel to Broadwing Commun. In numerous telecom cases; counsel to Lufthansa.

**Mark F. Hebbeln**

GARDNER CARTON & DOUGLAS

**Chicago**

Counsel to indentures trustees and bondholders in over \$5.6 billion of defaults, including United Sir Lines, Mirant Corporation, Kaiser Aluminum, Atlas Air, National Century, HealthSouth, Jacobson Stores, Pacific Gas and Electric, and International Utility Structures.



**Jonathan S. Henes**

KIRKLAND & ELLIS LLP

**KIRKLAND & ELLIS**

**New York**

Currently representing Solutia and its subsidiaries and a \$2 billion chemical company in their Chp. 11 cases. Represented Cornestone Propane in its successful Chp. 11 reorganization. Represented Briggs & Stratton in purchase of the assets of Murray, Inc.

**Marshal S. Huebner**

DAVIS POLK & WARDWELL

**DAVIS POLK & WARDWELL**

**New York**

Lead restructuring counsel for Delta Airlines. Represent co-arrangers of Adelphia's \$8.8 billion exit financing; lead counsel to JP Morgan and Citigroup on Adelphia's \$1.5 billion multi-tranche DIP facility. Counsel to BofA as agent on \$1 billion Loral credit.

**Susheel Kirpalani**

MILBANK, TWEED, HADLEY & MCCLOY LLP

**MILBANK TWEED HADLEY & MCCLOY**

**New York**

Represents creditors' committees in Enron, RCN, Safety-Kleen, Teligent, Avis Europe plc; Joint Provisional Liquidators of FLAG Telecom; Deutsche Bank Securities as cred. In Mirant; Goldman Sachs as investor; AIG and CIGNA as creditors in Parmalat SpA.

**Gregory O. Lunt**

LATHAM & WATKINS LLP

**LATHAM & WATKINS**

**Los Angeles**

Representations include Consolidated Freightways, Dex Holdings, Cricket Communications, NorthPoint Communications Group, Mattel in acquisition of Purple Moon Media, Divine in acquisition of assets of Intira, and Yesmail in acquisition of assets of Netcentives.

**Brett H. Miller**

OTTERBOURG

OTTERBOURG, STEINDLER, HOUSTON & ROSEN, PC

**OTTERBOURG STEINDLER HOUSTON & ROSEN**

**New York**

Currently represents the creditors' committees in US Airways, Hawaiian Airlines, and Aloha Airlines. Represents the creditors in Avianca Airlines, ATA, Loral Space & Communications, Tower Automotive, and WestPointStevens.

**Timothy R. Pohl**

SKADDEN, ARPS SLATE MEAGHER & FLOM

**SKADDEN ARPS SLATE MEAGHER & FLOM**

**Chicago**

Lead counsel to American National Power in out of court restructuring. Lead counsel to McLoed USA and ITC Deltacom in ongoing restructurings. Lead counsel to acquirors of Covanta Energy, Sun World Intl., and Smarte Carte. Lead counsel to DIP lenders to Solutia and Northwestern Corp.

**Russell C. Silberglied**

RLF RICHARDS LAYTON & FINGER A PROFESSIONAL CORPORATION

**RICHARDS LAYTON & FINGER**

**Wilmington**

Counsel to pre-petition bank group in Cone Mills. Counsel to Teleglobe in multi-billion lawsuit against Bell Canada. Extensive and complex litigation in Mariner Post Acute. Debtor's counsel in Sun Healthcare and Genesis Health Ventures.

**Mark Somerstein**

KELLEY

DRYE

**KELLEY DRYE & WARREN**

**New York**

Creditors' committee counsel in Atlas Air Worldwide Holdings; special counsel to creditors' committee in Worldcom; special litigation counsel to liquidating trustee in Polaroid; counsel to PBGS in UAL and US Airways, and HSBC in Mirant, Loral, Pegasus, and ABFS

**Eric D. Winston**

STUTMAN TREISTER & GLATT

**STUTMAN TREISTER & GLATT**

**Los Angeles**

Represented several creditors holding in excess of \$1 billion of senior unsecured claims against Enron Corp. in connection with the confirmation of Enron's plan of reorganization. Represented the entity in Hawaiian Airlines as co-proponent of plan of reorganization.

**Tuesday, November 29, 2005**

**7:30**

**Continental Breakfast**

**8:00**

**The Effect of the New Code on Distressed Investors**

Some have suggested that it is like changing the rules of the Monopoly game. Everybody just learns the new rules and keeps on playing. Others are not so sanguine. From the way the Creditors' Committee will operate to speed imposed on the process, to use a basketball metaphor, this could be going from a four corners offense to the fast break. But if you are holding paper in a company affected by a turn in the economy (or a massive storm) that requires time to repair, what is a poor distressed investor to do?

**John Wm. Butler, Jr., Panel Moderator**

*Partner and Co-Practice Leader,*

*Corporate Restructuring Department*

**SKADDEN ARPS SLATE MEAGHER & FLOM LLP**

**Marcia Goldstein**

*Partner, Co-Head of Restructuring Practice*

**WEIL GOTSHAL & MANGES LLP**

**Gary Katz**

*Director*

**DELAWARE STREET CAPITAL**

**James H.M. Sprayregen**

*Partner, Head of Restructuring*

**KIRKLAND & ELLIS**

**9:00**

**Networking Break**

**9:15**

**Successfully Managing Unions and Pensions in Troubled Legacy Industries**

For years the steel industry was a topic at this conference and the theme was always the same: steel cannot be restructured unless something can be done to reduce capacity (cut jobs) and cut retirees' pensions and healthcare and the steelworkers will not be moved. Then a curious thing happened. Wilbur Ross started buying steel companies. A lot of us thought he had too much money to invest and had lost his sense. He proved his doubters wrong. How did he do it? What are the lessons? Can the same strategy be applied to airlines and auto suppliers?

**Wilbur L Ross**

*Chairman & CEO*

**W.L. ROSS & CO. LLC**

**9:45**

**Airline Industry Update: The Pension Fund Is Just Sitting There, but the Unions Are Not**

"From an investor's perspective you have to have a deep pocket and a strong stomach to want to put in the time & energy to restructure a legacy airline," says one of the largest distressed investors in the market. He goes on to say: "The question is how the pension issues are being resolved or might be resolved and what the implications are for other companies (not just airlines) that have significant pension issues that need to be dealt with in order to get in a position to compete with low cost carriers.... As an investor in troubled companies, I would like to hear more about how these issues are handled with the unions and the other large claimants against the legacy carriers."

Much (if not most) of the securities available for investment by distressed buyers are backed by aircraft collateral. As a result, distressed investors and others need to understand their rights under Section 1110 and related provisions of the Code. There are a variety of unresolved issues concerning these provisions and several are the subject of recent or ongoing litigation in UAL.

As we go to press, Delta and Northwest have filed Chapter 11. Northwest mechanics are on strike. By the time of the conference, the federal government may have made some pronouncements on these large pension programs.

**Richard F. Hahn, Special Aircraft Counsel to Delta, Panel Moderator**

*Partner*

**DEBEVOISE & PLIMPTON**

**Thomas J. Allison, Consultant to Air Jamaica**

*Managing Director*

**HURON CONSULTING GROUP**

**Christopher Beers**

*Vice President & Counsel*

**GENERAL ELECTRIC COMMERCIAL AVIATION SERVICES LLC**

**George A. Davis, Consultant to GECC and GECAS in US Airways and Delta**

*Partner*

**WEIL GOTSHAL & MANGES LLP**

**Carole Neville, Creditors' Committee Counsel in UAL**

*Partner*

**SONNENSCHN NATH & ROSENTHAL LLP**

**Renaissance American Management, Inc.**

**BeardGroup**

**10:30**

### **Situation Report: Auto Suppliers**

Some of us are old enough to remember when "what's good for General Motors is good for the country". You don't see too many billboards to that effect any more. In fact, it was probably more of a milestone in business history than noted when GM and Ford bonds were downgraded to junk. That our last remaining industrial capacity was declared to be on the ropes seems to have had a momentary effect on the hedge funds and everybody else just shrugged. There are billions of dollars in bonds involved. What is a distressed investor to do? Where are the opportunities? Where is the value? This panel will bring you up to date on the industry, the suppliers, with a particular look at valuation issues that will segue into the next session.

#### **Shaun K. Donnellan, Panel Moderator**

*President*

**GLASS & ASSOCIATES, INC.**

#### **Richard M. Cieri**

*Partner*

**KIRKLAND & ELLIS**

#### **John C. DiDonato**

*Principal*

**GLASS & ASSOCIATES, INC.**

#### **Seth Palatnik**

*Managing Director*

**HURON CONSULTING GROUP**

**11:15**

### **Investors Roundtable**

This is your opportunity to match your wits against some of the savviest investors in the distressed market in this popular inter-active session. In this forum we've rounded up four top portfolio managers to share their ideas, views and approaches to their market. After the panelists tell you their views on some of the hottest topics and investment opportunities in the distressed market, they will open the floor to questions. Last year's panel focused on troubles in the airline industry and the peaking of the steel industry. Two years ago they warned of trouble at Ford and in the auto market. We'll review how last year's panel did and learn what new industries they view as trouble spots or opportunities for a turnaround.

The panelists will discuss their views of the recent bankruptcies of Delta and Northwest.

#### **Steven L. Gidumal, Panel Moderator**

*Portfolio Manager*

**VIRTUS CAPITAL**

#### **John Brecker**

*Principal*

**LONGACRE CAPITAL MANAGEMENT LLC**

#### **Gary Hinds**

*General Partner*

**DELTEC CAPITAL LP**

#### **Judy K. Mencher**

*Principal*

**DDJ CAPITAL MANAGEMENT**

**12:00**

### **The Harvey Miller Awards Luncheon**

Presentation of the Harvey R. Miller Outstanding Achievement Award for Service to the Restructuring Industry to Arthur Newman of The Blackstone Group.

When we inaugurated this award four years ago, we decided to limit it to one a year so that the honoree could give a Keynote Address, and the event would be one of the highlights of the conference. As a result, there has been no category inflation. Each one of the recipients could have been the first. This year is no exception. Art Newman has been one of the standouts in the industry. In presenting the award, Harvey Miller will share with us his always-cogent observations on the State of the Restructuring Industry, and tell a few stories about working with Art Newman going all the way back to Eastern Airlines. Art Newman will give "My Advice to Distressed Investors".

#### **Harvey R. Miller**

*Vice Chairman*

**GREENHILL & CO.**

#### **Arthur B. Newman Award Recipient**

*Senior Managing Director*

**THE BLACKSTONE GROUP**

*Arthur Newman is the Senior Managing Director and Head of the Restructuring and Reorganization Advisory Group at The Blackstone Group. He has been involved in many of the largest restructurings in the country going back to Eastern Airlines. Prior to joining Blackstone, Mr. Newman was head of restructuring at Chemical Bank and before that was with Ernst & Young. He received a BS and MBA from Rutgers.*

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#### **Previous Recipients of the Harvey Miller Award:**

**2002 Steven F. Cooper**

**2003 Wilbur L. Ross**

**2004 Jay Alix**

**1:45**

**Conference Adjourns**

Dear Colleague:

The world is a different place than it was when I started writing this letter. From one draft to the next, the price of oil kept going up, then Katrina hit. News of this change has not gotten to Wall Street just yet, at least not to the equities market. So let's don't tell them and watch them behave like lemmings one more time. When the price of crude oil *falls* a dollar to \$65 and *that's* good enough news to send the Dow up a hundred points, it's time to buy some puts.

People in the equities market believe all that nonsense about the "inflation adjusted price" of crude oil. Now they are saying the price is nowhere near the "inflation adjusted price" of \$97 a barrel when oil was first discovered in Pennsylvania. As **Hugh Ray**, would say, "You can laminate that and put it in your wallet". We are delighted to welcome Hugh as a new co-chair for this conference. Something that he says in the course of these two days will make you laugh every time you think about it. Remember that you heard it at our **Twelfth Annual Conference on Distressed Investing**.

The new Bankruptcy Code will be in effect by the time of this conference so that will be the under-lying theme of the conference, with a special focus on its affect on distressed investing.

We have a great faculty. Andy Rahl is taking us on a wine tour of Burgundy after a fabulous three years of the top chateaux in Bordeaux. The Honors banquet will be great fun. This is a must-attend conference. Except for our other conferences, they don't get any better than this. Not even close.

Cordially,



**David M. Henderson**

President

**RENAISSANCE AMERICAN MANAGEMENT, INC.**

*P.S. When I got Alice's artwork for the Vulture Fund funnies, I sent her an e-mail saying, isn't Ludwig missing some legs and a set of wings? She answered back: "Daddy, don't you see this is a new mutant variety which is why the German Social Democrats are so worried. They have banned the only effective pesticides."*

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**Suggested Dress:** Business Casual

**Registration Form:**

**Distressed  
Investing 2005**

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**Please RSVP for the Following Events:**

Luncheon on Monday, November 28 at 12:00 PM

Yes  No

Honors Banquet on Monday, November 28 at 7:00 PM

Yes  No

Honors Luncheon on Tuesday, November 29 at 12:00 PM

Yes  No

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