

Introduction to Corporate Restructuring

Corporate Restructuring 105: Tronox Bankruptcy Case Study

Using the Tronox Disclosure Statement, Plan of Reorganization, and Plan Support Agreement; analyze a real bankruptcy plan and model including rights offering, exit financing, allocation of recoveries between bonds and other GUCs and formation of post reorganization litigation trust

Case Study Overview:

- Secured Creditors /Debtor planned 363 sale
- Unsecured creditors challenge plan/sale
- Creditor Replacement DIP
- Kerr Mcgee spin-off litigation (EPA claims other)

Valuation and Recoveries:

- Plan Projections
- Establishing Plan Value
- Pre-money and post money valuation
- Recovery allocations
- Waterfall
- Rights offering and exit financing
 - Allocation of rights and backstop shares
 - Bond and Claim equivalent value per \$1,000
 - Recoveries including cost of rights
 - Recovery sensitivities
- Post reorg value/ When Issued trading
- Post reorg EPA Fraudulent Transfer litigation