

Law Debenture Trust Company of New York

Summer 2009 Bulletin

NEWS: We are pleased to announce that on June 3, 2009 we were named as successor trustee in the **General Motors** bankruptcy restructuring. In addition the U.S. Trustee appointed us as a full voting member to the Official Committee of Unsecured Creditors. We are very excited that we have been selected to join this group and participate in this high profile and historic event.

Other new successor appointments include successor trustee for the cable TV operator **Charter Communications**, Second Lien Loan Administrator for both the golf shaft maker **True Temper** and specialty foam manufacturer **Foamex**, and successor trustee for the newsprint and paper producer **Abitibowater**.

We have also been appointed as trustee on new debt issuances by **HCA**, **Nokia**, **Akerys Holdings**, and **Nielsen**.

Our escrow business continues to progress as secured lending arrangements and holdback escrows are often needed in connection with a merger or acquisition are entrusted with us.

MARKET SPOTLIGHT: ESCROWS

All too often we either hear or read about transactions that are structured between two or more principals without providing for use of an independent escrow agent. In this day of corporate defaults, bankruptcies, and alike, funds or property that are thought to be held outside the reach of creditors can often wind up becoming commingled and legally available to settle claims. When this occurs the time and energy required to correct the wrong can become overwhelming, expensive and, at times, even hopeless. A situation could arise if a company filed for bankruptcy and left investors scrambling to recover monies that were deposited by them, let's say in connection with a tax-advantaged like-kind exchange. These arrangements are very common, short-term in nature and considered low-risk. If the company failed to establish a trust, a court could rule that the funds held belonged to the estate and could thereby be allocated among its creditors. Establishing qualified escrow accounts supported by a trust structure would help define the segregation of funds and give some level of protection to the investors .

Law Debenture has the expertise to help craft, support and service any form of escrow arrangement from the simple indemnity holdback to transactions involving complex structures. For more information on our escrow service, please contact Joe Conti, Managing Director at 646-747-1255 or joseph.conti@lawdeb.com.

STAFF CHANGES AND NEW APPOINTMENTS: We are pleased to announce that Remo J. Reale joined the Trust Company as an Assistant Vice President-Trust Administration, Compliance and Control. Remo brings with him more than twenty six years of experience in the corporate trust field. He holds an MBA in finance from Rutgers University and has an undergraduate degree in finance from St. John's University.

Also, Ms. Ellen St. George joined the organization as Controller. Ellen has eleven years of experience in the financial services field. Prior to coming to Law Debenture Ellen worked at Capital Management LLC where she was the comptroller. She has an undergraduate degree in economics from The American University and is a Certified Public Accountant.

FINALLY.... For more information about Law Debenture Trust Company of New York, and Law Debenture in general, please visit our Website at www.lawdeb.com, or contact us at (212)750-6474.