



LOAN WORKOUT

Drawing on our substantial experience in the banking litigation, real estate litigation and bankruptcy practice areas, Riker Danzig's Loan Workout Group is without parallel in handling troubled loans for clients. Our group focuses on three principal areas of expertise: loan documentation and real estate, bankruptcy and creditor's rights, and lending litigation. The attorneys in the Loan Workout Group have extensive experience in handling "problem" loans from the time of identifying the problem to ultimate disposition, including asset searches, settlement, refinancing, restructuring, or litigation, and any bankruptcy aspects that may arise.

Our multidisciplinary team approach gives our clients the advantage of obtaining the counsel of attorneys with expertise in several disciplines, as well as the ability to draw on the knowledge of attorneys from the tax, environmental and corporate departments, if the need arises. Over the past several years, the team's attorneys have handled scores of matters in a coordinated and cost-efficient manner. Through frequent consultation between the groups on particular matters, much time and expense is saved. For example, if a loan initially appears to be susceptible to a restructuring, our loan documentation and real estate attorneys will begin the documentation process in close consultation with our bankruptcy and creditors' rights and lending litigation lawyers, so that each of these teams may quickly move into action with knowledge of the matter in the event the restructuring is not consummated and the matter requires bankruptcy or litigation action.

As a result of the firm's representation of many of New Jersey's lending institutions, as well as major money center lenders having troubled loans in the state, the Loan Workout Team's New Jersey lawyers have accumulated vast experience in handling every imaginable issue that may arise in a troubled real estate loan. Riker Danzig has served as counsel to lenders in hundreds of foreclosure actions, assisted lenders in acquiring title in consensual deed-in-lieu transactions to a large number of troubled real estate projects including office buildings, partially complete condominium projects, hotels/restaurants and subdivisions, and successfully navigated lenders through the difficult seas of the bankruptcy courts in order to obtain favorable treatment in reorganization or, more often, to have the automatic stay lifted in frivolous proceedings.

Further, we have done a substantial amount of work for the Resolution Trust Corporation in the workout area, including carrying out legal audits of failed financial institutions, prosecuting claims under fidelity bonds, working-out

and collecting on defaulted loans, obtaining assets, and handling transactional work. In this regard, we have assisted a number of RTC staff attorneys and loan analysts in such projects. One such situation involved the global settlement and restructuring of six separate major projects of related entities controlled by the same principals totaling approximately \$60 million of defaulted loans. Through the coordinated efforts of our lending litigation and loan documentation and real estate attorneys, the matter was successfully resolved through a settlement plan that included the taking of deeds-in-lieu of foreclosure, the holding of deeds in escrow, negotiation and agreements with third party purchasers and foreclosure actions where necessary to remove junior encumbrances. This conclusion was arrived at after lengthy, painstaking negotiation, which also had to take into account the impact the settlement might have on pending claims against the institution's fidelity bond, which the firm was also handling, and upon an ongoing major criminal investigation of the principals of the borrowers.