

Bankruptcy Attorneys Log On For Help Scoring Plan Support

By JACQUELINE PALANK

Companies trying to emerge from bankruptcy must first get creditors to vote in favor of their exit plan - a task that can be time consuming. But now, bankruptcy attorneys can get help on this arduous task with just a click of a button.

The Altman Group, a proxy solicitation firm, last week launched the first-ever online archive of more than 140 bankruptcy ballots that were used in bankruptcy cases such as Enron Corp. and Winn-Dixie Stores Inc. to provide bankruptcy lawyers with examples that they can draw from as they work on their current cases.

Steven Horowitz, an Altman managing director and the archive's creator, said the resource was something he could have used in his days as a bankruptcy attorney at Stroock & Stroock & Lavan LLP.

Horowitz was assigned to the Planet Hollywood bankruptcy case when he first started at the law firm in the late 1990s. Attorneys searched the case files of past clients to find templates for various orders and first-day motions, but they could only find one case in the firm's records that was similar enough to be a useful reference.

"Since then, I've thought about what would be useful for lawyers - in this case, a ballot," Horowitz said. "They don't have to reinvent the wheel."

Companies in Chapter 11 protection are required to submit plans detailing how they'll repay creditors or liquidate their assets. The company must send out ballots to its creditors to vote on the plan before the bankruptcy court can approve it.

The Altman Group, which distributes ballots and tabulates votes for companies currently in Chapter 11, now offers ballots from past bankruptcy cases organized by the different creditor classes. The archive includes ballots for bondholders and personal-injury creditors in asbestos bankruptcies. It also has examples of letters soliciting creditors' support for a plan of reorganization or liquidation.

Jim Millar, counsel in WilmerHale's bankruptcy and commercial department, said ballots are not simple documents asking creditors for a yes or no vote.

"There can be different elections on the ballot," he said. Ballots, for example, can ask creditors to vote on liability releases for non-debtors or even seek out investments from creditors. Ballots may also ascertain whether creditors intend to back a company's Chapter 11 plan or a rival proposal.

Glenn Siegel, a partner in Dechert LLP's business restructuring and reorganization practice, said example ballots give bankruptcy attorneys a chance to see how the wording of a ballot affected the outcome in their colleagues' cases. At the same time, the ballot samples can help attorneys meet their duty to word ballots clearly.

"The ballot is the indication from the creditor as to what they're accepting or not," Siegel said.

If a bankruptcy court does not feel that the ballot accurately conveys the gist of an exit plan and how creditors will be treated, the court may not confirm the plan.

Millar said the archive not only benefits lawyers but also the companies they represent.

"At the end of the day, it's a time and money saver," he said. "Once you have the substance of the plan in place, having things that save time are helpful because it saves money for the debtors." **DBR**

ACTIVE BONDS

Active Bankrupt Bond Price Indications

The following table of bankrupt companies' bonds shows recent price indications for the issues listed.

Issuer	Description	Latest Session	Previous Session	Chg.
Calpine Corp.	7.75% Nts-9	109.00	109.00
Dana Corp.	5.85% Nts-15	73.00	71.25	1.750
Delphi	6.55% Nts-06	59.00	57.00	2.000
Dura Automotive	8.625% Nts-12	16.00	16.38	-0.375
Movie Gallery	11% Nts-12	15.00	15.00
Sea Containers Ltd.	10.5% Nts-12	64.50	65.13	-0.625
Solutia	11.25% Nts-09	98.50	98.50
Solutia	7.375% Nts-27	96.50	96.50

Source: The High Yield Advantage, 617.261.9700, advantagedata.com

Composite high yield bond price indications are compiled from various market sources, some of which may make a market in or have financial interest in the issues for which prices are provided. PRICES ARE INDICATIVE ONLY. The information contained herein does not represent a solicitation to sell or buy the underlying issues. Dow Jones shall not be held liable for any reason for any errors or omissions, delays or inaccuracies in the indications or any decision made in reliance upon the indications. Dow Jones shall not be liable to any person for any loss of business revenues or lost profits or for any indirect, special, consequential or exemplary damages whatsoever, whether in contract, tort or otherwise, arising in connection with the indications, even if Dow Jones has been advised of the possibility of such damages. Dow Jones makes no warranty whatsoever, express or implied, including specifically any warranty of merchantability or fitness for a particular purpose with respect to the indications and specifically disclaims any such warranty.