

EXERCISE

RESTRUCTURING SUPPORT AGREEMENTS

Background

You represent a distressed company that's undergoing a prenegotiated bankruptcy. You've been working with the client to negotiate and prepare its Chapter 11 Plan. You've started working on a Restructuring Support Agreement (RSA) that you hope to have signed by a majority of creditors before filing the client's bankruptcy petition.

You want to go over a few issues with the client, so you schedule a call with the company's general counsel. Before the call, you get a message from the GC telling you that they're not entirely sure what an RSA is or how it fits into the overall prenegotiated bankruptcy process.

Instructions

Come prepared to discuss what you'll tell the client, being sure to cover:

- What an RSA is and what it's for.
- An RSA's main provisions.
- Who signs the agreement and how many approvals you hope to get.
- The process and timing of signing and filing an RSA.
- How the agreement could be terminated.