

ABC 2.0

The Assignment for the Benefit of Creditors (“ABC”) vs ABC 2.0?

- The ABC is an increasingly popular state alternative to federal bankruptcy.
 - The ABC is Quicker and is Less expensive.
 - The distressed company (“Assignor”) ‘chooses’ an Assignee to sell assets and distribute net proceeds.
 - The Assignment is by contract, affording flexibility.
 - There is no U.S. Trustee or official committees as well as no court involvement in some states.
 - However, “As-Is,” minimal reps and lack of bankruptcy protections for buyers, which is why the ABC 2.0 is an excellent alternative.
 - The ABC 2.0 is an exclusive insurance that will be an added benefit to the ABC and affords the buyer with certain protections.
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Why the Add on ABC 2.0 Insurance?

- Insurance fills the risk gaps and provides a menu of analogous protections to a bankruptcy for buyers.
 - Peace of mind that the value of the deal will not be eroded after the close.
 - Available AON-brokered Rep and Warranties insurance, as well as other protection insurance.
 - Available AON-brokered Contingency Liability insurance for successor liability and fraudulent transfer.
 - Insulation against pending or existing regulatory, IP, environmental or tax risks through available AON-brokered insurance.
 - Buyer-side policy pays the buyer directly for losses and can be used to supplement or replace the seller’s escrow/indemnification cap.
 - Increases a buyer’s predictability of and overall value of a deal.
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Who needs it?

- Buyer(s) or seller to sidestep (insure against) deal breaking issues.
 - Distressed sellers looking to attract buyers and increase competitive bids with stapled insurance.
 - VC, P/E M&A firms or any other purchaser desiring insurance for the “Asset” purchase.
 - Investment banks, financial advisors and deal lawyers.
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- 27.2 Billion in transactional liability last year.
- 34 former practicing M&A, tax and litigation lawyers.
- #1 transaction liability insurance provider in industry by limits placed and policies written.



- A leading Assignee for the Benefit of Creditors in the United States.
- Called upon when a company must make the hard decision between filing a bankruptcy or considering an ABC.
- Assignee for both private and public companies.



- Nation’s leading corporate restructuring boutique.
- Assignees’ and buyers’ counsel in ABCs.