2014 TMA Annual Awards

Recognizing excellence in turnaround management and corporate restructuring

2014 TMA

Chairman's Award

Alan Tilley

Alan Tilley, principal of Bryan Mansell & Tilley, will receive the 2014 TMA Chairman's Award during a special ceremony on Tuesday morning. Tilley will be honored for his outstanding leadership by fostering the growth and stature of TMA and the corporate restructuring industry, as well as having distinguished himself as a leader in the industry.

Tilley is a founding principal of Bryan, Mansell and Tilley LLP. He has significant expertise in operational and financial turnaround and cross border restructuring, managing the complex issues in preserving enterprise value in the zone of insolvency and identifying new sources of capital for viable businesses emerging from distress. He is a frequent speaker on European cross border restructuring and Consensual Creditors Compositions and has written several articles on the subjects.

Contents

Turnaround and Transaction of the Year Awards

Since 1993, the Turnaround Management Association has honored excellence through its annual awards program, recognizing outstanding achievement in the following categories:

Turnaround of the Year Awards

The award is presented to TMA members who have played a role in the most successful turnaround in the following categories:

Mega Company
Company revenue at the onset of the turnaround was $1 billion (USD) or greater.

Large Company
Company revenue at the onset of the turnaround was between $300 million (USD) and $1 billion (USD).

Mid-size Company
Company revenue at the onset of the turnaround was between $50 million and $300 million (USD).

Small Company
Company revenue at the onset of the turnaround was less than $50 million (USD).

International Company
Company has significant cross border operations.

Pro Bono
Organization would be unable to attain restructuring assistance without pro bono support.

Non-Profit
Entity operates under non-profit structure.

Transaction of the Year Awards

The award is presented to TMA members who have played a role in the most impactful transaction (non-operational restructuring) in the following categories:

Mega Company
Company revenue at the onset of the transaction was $1 billion (USD) or greater.

Large Company
Company revenue at the onset of the transaction was between $300 million (USD) and $1 billion (USD).

Mid-size Company
Company revenue at the onset of the transaction was between $50 million and $300 million (USD).

Small Company
Company revenue at the onset of the transaction was less than $50 million (USD).

2014 Turnaround and Transaction Awards Committee

Michael C. Appel, *Chair*
Appel Associates LLC

Bernadette M. Barron, CTP
Barron Business Consulting

Mary Ann Domuracki
Financo Inc.

Vincent J. Harper
M&T Bank

Mary Jo Heston
Lane Powell PC

Harold J. Kessler
BlackBriar Advisors LLC

Morten Kucey
SB Capital Group LLC

Jennifer M. Meyerowitz
Epiq Systems Inc

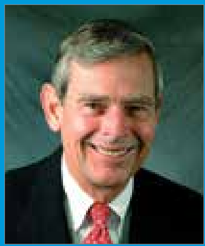
Peter A.S. Pfeiffer
McGladrey LLP

Edward J. Sanz, CTP
Anderson Bauman Tourtellot Vos & Co.

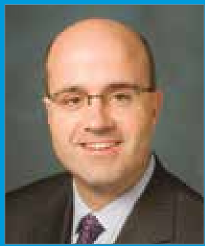
Anu R. Singh, CTP
Kaufman Hall

MEGA COMPANY

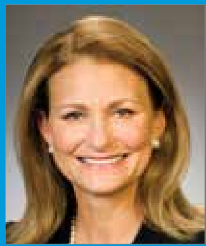
Turnaround of the Year



Albert A. Koch, CTP
AlixPartners, LLP



James A. Mesterharm
AlixPartners, LLP



Rebecca A. Roof
AlixPartners, LLP

Jeffery Stegenga
Alvarez & Marsal

Christopher R. Donoho III
Hogan Lovells US LLP

Eastman Kodak Company / Kodak Alaris Holdings Ltd.

During the 20th century, Kodak had been one of the most-recognized names in the world. At its peak, the company employed more than 144,000, but by year-end 2011, after years of decline in its core film business, Kodak was already a much smaller company, with 17,000 employees, annual sales of $6 billion, $4.7 billion in assets, and over $7 billion in liabilities. At the time of its Chapter 11 filing, on January 19, 2012, Kodak's business encompassed a broad portfolio of consumer and commercial products and services, and considerable intellectual-property assets.

For years, Kodak had faced a secular decline in its iconic film business brought on initially by the rise in digital cameras and exacerbated further by the proliferation of digital-image technology employed in mobile phones and tablets, resulting in reduced revenues and profitability. The company's own expansion into digital technologies required significant investment to reach scale and profitability. Kodak also had significant pension and other post-employment benefit (OPEB) obligations to employees and retirees (who outnumbered active employees by more than three to one). Certain of these pension funds, most notably in the UK, were severely underfunded.

For a number of years, Kodak had been supplementing its operational cash flows with successful patent licensing, supported by active infringement litigation, but even this source of cash flow became constrained due to unfavorable legal rulings and aggressive tactics by larger and well-capitalized defendants. When the company filed for bankruptcy, the strategic objectives for the restructuring were: (i) to bolster liquidity, (ii) to focus on the company's core business lines, (iii) to monetize non-strategic intellectual property, and (iv) to resolve legacy liabilities fairly. The bottom-line objective was to enable Kodak to make significant progress toward becoming a sustainable, profitable business, and to secure the support of creditors for its plan of reorganization and eventual emergence from bankruptcy.

The Kodak turnaround team successfully obtained $950 million of initial debtor-in-possession (DIP) financing for the company upon its filing and quickly began to execute a global turnaround of the business. In rapid succession, money-losing and non-core businesses and assets were exited or divested, including Kodak Gallery, the company's online photo-sharing and -storage unit; new strategies and cost reduction actions were implemented for remaining businesses; additional capital was raised; and liabilities were resolved.

The turnaround professionals, working hand-in-hand with Kodak:

- Reduced its legacy liabilities by a total of approximately $3 billion.

- Reached a consensual settlement agreement with the committee of U.S. retirees in October 2012 to permanently eliminate $1.2 billion in OPEB liabilities, which had hampered the company with annual cash costs of $110 million.

- Sold Kodak's digital-imaging patent portfolio in a complex, highly structured transaction to a consortium of buyers for $527 million.

- Refinanced the company's initial DIP facility in March 2013 with a new $848 million DIP term loan provided by certain second-lien lenders, which also provided for the option to convert up to $654 million of the new DIP loans into five-year exit financing.

- Led extensive operational-restructuring and profitability-enhancement work, resulting in an annual EBITDA improvement of over $300 million, including the rejection/renegotiation of a large number of unprofitable contracts and leases, the wind-down of unprofitable and non-core businesses, significant consolidation of remaining business lines, and streamlining of corporate and R&D functions.

- Developed a long-range business plan, built a "clean-sheet design" for corporate-overhead functions and R&D resources for the smaller, reorganized company, and

MEGA COMPANY

Turnaround of the Year

Leon Szlezinger
Jefferies LLC

David Kurtz
Lazard Freres & Co LLC

Dennis F. Dunne
Milbank, Tweed,
Hadley and McCloy LLP

Andrew G. Dietderich
Sullivan &
Cromwell LLP

Pauline K. Morgan
Young Conaway
Stargatt & Taylor LLP

Eastman Kodak Company / Kodak Alaris Holdings Ltd.

reduced global headcount by 29 percent through emergence.

- Reached a settlement with New York State related to prepetition environmental liabilities in June 2013, funded with a $49 million trust.

- Conducted a successful $406 million equity-rights offering to unsecured creditors under the company's plan of reorganization and raised approximately $900 million in exit financing to fund remaining cash needs associated with the company's emergence. The outcome of these efforts allowed for the full repayment of the initial and refinanced DIP-financing facilities, and full repayment of remaining prepetition second-lien notes, which had traded as low as 60 cents on the dollar in 2012.

- Commenced a sale process for the company's consumer (Personalized Imaging) and scanner (Document Imaging) businesses in the fall of 2012, and ultimately negotiated an extraordinary win-win settlement with Kodak's U.K. Pension Plan (KPP) in April 2013. The agreement resulted in a spin-off of those businesses to the KKP in exchange for the release of all of the company's worldwide obligations to the KPP (including the waiver of its $2.8 billion bankruptcy claim) and a $325 million cash payment from the KPP to Kodak. Working together, Kodak, the KPP, and their turnaround teams overcame a host of seemingly insurmountable hurdles to finalize this settlement in a matter of weeks.

The first set of challenges around the KPP settlement transaction involved obtaining U.S. bankruptcy and U.K. regulatory approval. Kodak and the KPP were operating under an extremely tight timetable, leaving no room for a months-long auction process. The parties, assisted by the Official Committee of Unsecured Creditors, convinced the U.S. Bankruptcy Court that Kodak's sale to the KPP was the only viable path to emergence and would result in a value that could not be matched by any other potential bidder.

Persuading the U.K. Pensions Regulator was perhaps an even more daunting task. Rather than receive cash for its claim, the KPP would pay $325 million in plan assets to Kodak and receive in return businesses that it would have to own and operate to obtain recovery. The KPP secured approval by demonstrating that those businesses were stable, cash-producing assets that would generate higher benefits to the pensioners than any other alternative. Thereafter, to obtain member approvals, the KPP and its advisors undertook a town-hall-style roadshow across the U.K., explaining the transaction and ultimately receiving overwhelming pensioner support (through votes on behalf of greater than 95 percent of the liabilities).

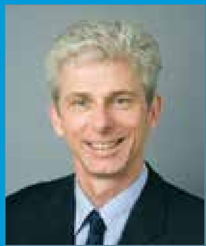
Even after the deal was approved, the parties faced a second set of challenges. To start, the KPP had never run a business before. It needed to rely on a team of advisors in 33 countries to develop and execute an operation plan for the businesses, now known as Kodak Alaris. Equally challenging, the businesses had been fully integrated with the rest of Kodak for decades, raising a host of issues on how to separate employees, operations, finances, and intellectual property.

In the end, the transaction created extraordinary value. It avoided Kodak's liquidation, avoided the U.K.'s Pension Protection Fund for those KPP members voting in favor, preserved thousands of jobs, and created two profitable businesses: a reorganized Kodak, owned by U.S. creditors, and Kodak Alaris, owned by the KPP. It stands as one of the most innovative, unusual, and successful deals ever consummated in the history of cross border insolvency.

The reorganized Kodak emerged on September 3, 2013, with a right-sized capital structure and an annuity-based business model that well-positions the company to be a long-term leader in the commercial-imaging industry. Kodak's operational EBITDA improved by over $375 million from 2012 to 2013, from a loss of $215 million in 2012 to a positive $160 million in 2013. The company subsequently relisted on the New York Stock Exchange on January 8, 2014.

LARGE COMPANY

Turnaround of the Year



Hugh Sutcliffe
Brookfield Asset Management

Longview Fibre Paper and Packaging

Longview Fibre had strong timber resources and a pulp manufacturing business. The company's timber resources were excellent, but the manufacturing business was inefficient and not profitable. Effectively, the timber business had been subsidizing the manufacturing business for years.

Brookfield acquired Longview Fiber Paper and Packaging Inc. in 2007 for CAD 114 million and announced its sale for CAD 1.065 billion in July 2013 to KapStone Paper and Packaging. Brookfield earned CAD 1.143 billion net profit from the sale, a 10x multiple of invested capital and a 69.6 percent gross IRR for its limited partners.

Brookfield surfaced value by instituting a multiyear operational turnaround focused on rationalizing the manufacturing footprint, optimizing product mix, focusing on value creation, emphasizing safety and environmental performance, and upgrading the management team. This turnaround increased EBITDA by 400 percent, from CAD 41 million to CAD 163 million through the LTM period ended June 2013.

Brookfield's first step in the turnaround was separating the timber business from the manufacturing business; the standalone manufacturing business was renamed Longview Fiber Paper and Packaging Inc.

Brookfield deployed senior executives to oversee the operational restructuring at Longview. Brookfield recruited a new operating management team and ensured the new operating team's interests were aligned with the success of the company. The Brookfield operations team also focused on retaining effective employees and provided training for all employees to upgrade their professional and technical skills.

Through due diligence, Brookfield determined how value was created in the business, concluding that increasing efficiency of the manufacturing process was required. Shortly after acquisition, Brookfield shut down four paper mills and all non-core box plants. To add value to Longview's sales and marketing practices, Brookfield worked with the management team to develop an EBITDA margin model, which provided the ability to understand and communicate margins by product, customer, and machine. Based on the results of the margin model analysis, Brookfield reduced the number of paper products produced from 200 to 70. To reduce overhead, Brookfield also reduced Longview's headcount from 2,400 in 2006 to 1,770 in 2013.

To instill a safety-first culture, Brookfield provided training programs to increase workplace safety awareness. Brookfield made safe working practices a prerequisite at Longview by implementing job specific safety protocols. Brookfield also focused on changing the culture at Longview, emphasizing the importance of a safe workplace through increasing employee awareness.

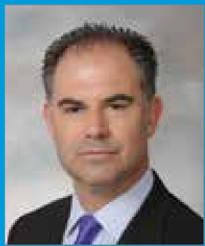
To promote better cash management, Brookfield reduced inventories and increased mill production and productivity. Brookfield also decreased operating costs through fast return of discretionary capital. Brookfield instituted both short- and long-term maintenance and discretionary capital plans, identifying and prioritizing positive net present value. Brookfield reinvested over CAD 52 million of cash flow in discretionary projects with a payback of less than one year directly linked to sustainable increases in EBITDA.

Brookfield added new management operating systems to improve production efficiencies and margins. Brookfield also implemented a new accounting system to replace the paper ledger. Brookfield encouraged a team approach to strategic positioning, increasing communications between production, marketing, and fiber sourcing personnel to optimize the product and customer mixes.

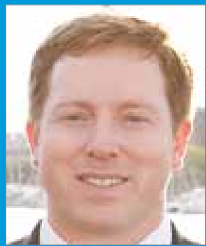
Brookfield's turnaround strategy for Longview was holistic, focusing on all areas of the business to establish a highly motivated team responsible for producing high-quality products, utilizing the most efficient cost structure. Brookfield added value by establishing a successful long-term business that generates attractive risk-adjusted returns.

MID-SIZE COMPANY

Turnaround of the Year



Brian F. Cassady
Black Management Advisors



Patrick Murray
The Ridgevale Group

Fansteel, Inc.

Over the past 30 months, Fansteel has experienced a substantial transformation from near death to a growing, profitable manufacturer of highly engineered, world-class aerospace and industrial components. Led by Interim CEO Brian Cassady of Black Management Advisors, Fansteel management and its advisors successfully stabilized the company under terribly challenging conditions, and they continue to lead the company toward continued improvement in performance and profitability.

Founded in 1907, Fansteel is only one of a handful of manufacturers globally that has the expertise and capacity to produce critical, highly complex light alloy sand castings that meet the stringent design and performance demands of major OEMs and the U.S. Department of Defense.

In September 2011, after three years under the leadership of an underperforming CEO, weakening operations and a disastrous acquisition of a competitor led Fansteel's Board of Directors to terminate Fansteel's CEO and retain Cassady.

Within days of evaluating the crisis situation at Fansteel, it was immediately apparent that reported profits and cash flow had been supported for years by millions of dollars of accounting gimmickry, one-time transactions, and an unsustainable reliance on a few lucrative contracts. Operational weaknesses included a dysfunctional management team and business practices, flawed pricing strategies and adverse business mix, inefficient manufacturing, wasteful spending practices, and significant leverage and inadequate liquidity management, among many other things.

To address these weaknesses, Cassady and his team immediately began to implement a comprehensive turnaround strategy. Fansteel has undergone an impressive turnaround over the past 2½ years, resulting in dramatic increases in financial and operational performance. The strong results created a foundation for growth and allowed the company to finance the acquisition of a $20 million distressed foundry businesses in Germany in the fourth quarter.

Among its many accomplishments, Fansteel has realized:

- 12 percent sales growth: The company generated sales of $101.3 million for 2013 versus $90.7 million for 2012
- 139 percent improvement in gross margins, from 5.7 percent in 2012 to 13.6 percent in 2013
- A return to profitability: EBITDA improved to $8.8 million from an EBITDA loss of $0.1 million

The turnaround continued to gain momentum in the first quarter of 2014 due to the cumulative impact of continuous improvement efforts. Q1 2014 sales were $31.2 million, a 29 percent increase from Q1 2013, with organic growth of $2.5 million. Gross margins improved to 17.2 percent from 12.9 percent and EBITDA improved by 71 percent to $3.8 million over the same period.

What's more, the company estimates that is has preserved at least 340 full-time, permanent positions as a result of this turnaround, and played a significant role in providing continued economic activity in the geographic regions and industries where it operates, as well as playing a small but critical role in ensuring the military readiness of the U.S. Department of Defense. Fansteel is proud to be core to the U.S. military's mission and remains committed to serving as a vital member to its supply chain.

SMALL COMPANY

Turnaround of the Year

Randall Jackson
Lladnar Consulting

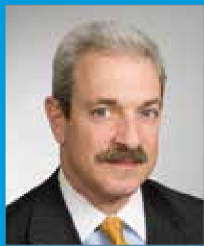
Mark Barbeau
Renovo Capital

David Hull
Renovo Capital

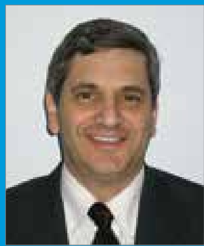
Michael Manos
Renovo Capital

Matthew Tarver
Renovo Capital

Todd Bernier
The PrivateBank



Robert Corsentino
The PrivateBank



Mitchell Rasky
The PrivateBank

Renwood Mills, LLC

The turnaround of Renwood Mills (formerly known as Midstate Mills) was a comprehensive restructuring effectuated through both a complex balance sheet restructuring and the execution of an operationally focused strategy. The process of milling flour is straightforward, but the ability to transition an 80-year old business into a new, leaner organization would prove to be more difficult.

However, with a loyal employee base, new executive leadership, a trusting supplier base, and a hands-on approach employed by ownership, the company has materially outperformed initial expectations. In less than 12 months, the company restructured around its core product lines and customer base, transforming from negative cash flow to near-record levels of profitability.

Midstate Mills, a family-owned flour mill based in Newton, North Carolina, marketing its Southern Biscuit brand of flour, has been a mainstay in North and South Carolina kitchens since 1935. A series of missteps predicted by a failed growth strategy had put that long-standing tradition of excellence in jeopardy.

In 1999, Midstate built a second milling facility utilizing 100 percent debt financing. In 2007, an acquisition resulted in the loss of the mill's main customer. The resulting lost volume precluded the second mill from obtaining profitability, ultimately leading to the decision to sell the facility at a significant loss. Subsequently, due to a lack of controls, the company incurred a sizable hedging loss and undertook an untimely discretionary capex project, straining liquidity and ultimately alienating its local farm supply base.

After an extended period of significant strain, during which the company hired a financial advisory firm, defaulted on its senior debt, and failed to raise debt or equity capital, three grain suppliers filed an involuntary Chapter 7 petition against the company in January 2013.

The debtor successfully petitioned the court to convert the case from a Chapter 7 to a Chapter 11 and used the automatic stay to allow its lender to finalize a loan sale with Renovo Capital. Renovo executed a foreclosure and Article 9 sale, giving the company its only ability to continue as a going concern. The transactions closed on February 19, 2013.

Renovo's partners, including one serving as an interim CEO, along with a new CFO, immediately implemented a 100-day plan focused on operational changes and asset utilization strategies to immediately stabilize the company and begin creating shareholder value.

Management focused on a host of issues, including cutting excessive costs in SG&A, implementing financial controls to understand costs and price new business, creating tools to monitor hedge and grain positions, exiting unprofitable business lines, monetizing underutilized assets, repairing relationships with existing customers, mining for new business, and, most importantly, restoring relationships with farmers through a "next-day pay program" to instill trust and ensure delivery of the lowest cost wheat to restore profitability. The company held a meet-and-greet event called "Biscuit Day" and invited local farmers to have a biscuit and meet the new management team.

Now 16 months into the turnaround, the company continues to generate near-record profits, has maintained approximately 90 full-time jobs in an area still experiencing unemployment of more than 12 percent, created a marketplace for local farmers to sell their wheat, and saved an 80-year old brand for future generations to enjoy.

NON-PROFIT

Turnaround of the Year

Matthew S. Thiede
O'Keefe

Elim Christian Services

Elim Christian Services found itself in unchartered waters in August 2012 when its lender demanded an immediate pay-down of its 2007 series public bond to achieve an 80 percent loan-to-value (LTV) ratio required by the lender for a letter of credit extension to credit enhance the bond indenture. Elim signed a short-term extension with its lender and engaged O'Keefe to help evaluate its options and secure long-term financing needed to fulfill its mission, while preserving its foundation assets.

The turnaround team for Elim overcame multiple complex issues that could have impeded securing long-term financing dearly needed for the non-profit to continue its mission to "equip individuals with special needs to achieve their highest God-given potential."

Elim is a recognized leader in the field of special education, providing assistance to students and adults with severe disabilities, including autism. In fiscal year 2013, Elim provided special education to over 490 students and adults in Chicago and hundreds of others internationally through an outreach program.

Elim faced a perfect storm in the fall of 2012 when its credit facility matured: real estate values plummeted during the recession, and fears were rising regarding the financial stability of the state of Illinois, which provided 80 percent of Elim's funding. Elim was unable to raise millions of dollars in donations to pay down the bonds to acceptable LTV ratios. Few lenders were in the financial position to refinance tax-free facilities, and even fewer would novate or refinance Elim's SWAP exposure at the time its lender decided to exit the relationship.

O'Keefe analyzed Elim's historical financial performance from 2009 through year-to-date 2013 and its 2014 fiscal year budget, as well as its collateral. O'Keefe determined that Elim possessed enough collateral to restructure its credit facility. However, O'Keefe quickly learned that Elim had insufficient cash flow with its current debt service requirements and unfunded capital expenditure plans due to the first mandatory redemption payment on the bond occurring in fiscal year 2013.

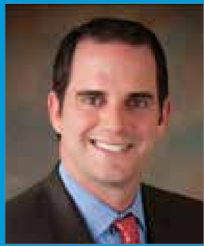
O'Keefe worked with Elim's executive team to identify over $600,000 in committed cost savings, capital expenditure deferrals, and incremental revenue opportunities for the remainder of fiscal year 2013 and identified further restructuring opportunities to be recognized in 2014. O'Keefe negotiated a one-year extension with the lender after it decided to exit the relationship, allowing Elim the time to execute its restructuring plan and refinance with a new lender. While the organization executed the restructuring plan, the executive team worked with O'Keefe to develop a five-year delevering plan focused on freeing up cash flow from operations, preserving the foundation assets, and liquidating pledged real estate properties. Campaign efforts focused on paying down Elim's debt over the upcoming five years.

In November 2013, Elim closed with a new lender by refinancing the 2007 public bond offering with a fixed rate, tax-free direct purchase bond; financing the SWAP liability with a fixed rate term loan; and obtaining a secured line of credit. During this time period, educational services were not interrupted for the over 490 students and adults attending Elim, nor were any of the 456 jobs shed due to the restructuring. Elim now has a financial road map to complement its mission for many years to come.

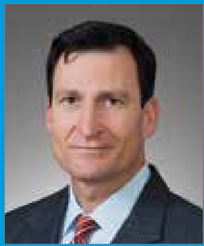
MEGA COMPANY

Transaction of the Year

Jasmine Ball
Debevoise & Plimpton LLP

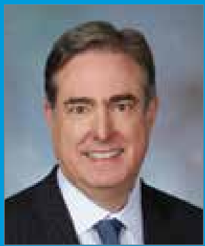


Anthony J. Jackson
Deloitte CRG



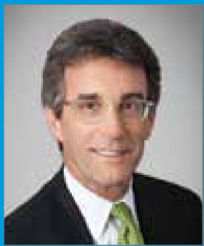
John Little, CTP
Deloitte CRG

Kevin M. Carmody
McKinsey & Company

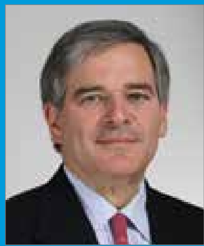


Neal D. Mollen
Paul Hastings LLP

Homer D. Parkhill
Rothschild Inc.



Stephen Karotkin
Weil, Gotshal & Manges LLP



Alfredo R. Perez
Weil, Gotshal & Manges LLP

AMR Corporation

AMR Corporation's simultaneous emergence from Chapter 11 and merger with US Airways will likely be the final destination for consolidation of the large U.S. domestic airlines. AMR's principal subsidiary is American Airlines.

Pursuant to AMR's plan of reorganization and merger with US Airways, AMR's creditors will be satisfied in full (with interest), and AMR's common shareholders will receive an extraordinary recovery, a result unprecedented in any previous airline Chapter 11 case. Indeed, as of April 9, 2014, AMR shareholders owned more than 40 percent of the stock of the new merged entity, valued in excess of $10 billion.

This extraordinary transaction was created through a comprehensive and collaborative effort spearheaded by AMR's management, Board of Directors, and advisors, which included Weil, Gotshal & Manges LLP, Rothschild Inc., McKinsey RTS, Deloitte CRG, Paul Hastings, and Debevoise & Plimpton. These parties focused on maximizing value through an operational restructuring that positioned AMR to evaluate strategic options and identify the emergence strategy that would maximize recoveries for stakeholders, while providing the greatest opportunity for long-term success.

Before its Chapter 11 filing on November 29, 2011, AMR was the only major hub and spoke domestic airline to have avoided a formal restructuring. With 3,400 daily flights, it was the third-largest domestic airline, having been surpassed in size by both United and Delta, which had grown via mergers after their bankruptcies. However, due to rising labor costs, an oversized fleet of outdated aircraft, and enhanced competition resulting from industry consolidation, AMR had no alternative but to seek relief under Chapter 11 to right-size its business, operating costs, and capital structure to assure long-term viability.

During its restructuring, AMR encountered many logistical, structural, and economic challenges. These ranged from keeping planes flying to negotiating a complex merger and reorganization plan resulting in unprecedented recoveries for AMR's economic stakeholders. The exceptional efforts to meet these challenges ranged from the simple—flying cross-country to hand-deliver checks to ensure delivery of refreshments to Admiral's Clubs—to the complex—striking a deal with the U.S. Department of Justice that resolved antitrust concerns and enabled the merger and plan to be consummated. The transaction team collaborated with the debtors in these efforts, which included:

- Maintaining operational continuity by guaranteeing access to critical goods and services
- Renegotiating executory contracts to extend key relationships and assure future savings
- Restructuring and modernizing its aircraft fleet
- Negotiating key agreements with its labor unions
- Addressing thousands of claims filed in the Bankruptcy Court
- Formulating a long-term business plan to evaluate strategic options
- Negotiating and implementing a fully consensual plan and merger that was overwhelmingly supported by all economic stakeholders

Throughout its restructuring, AMR maintained its global operations without disruption and returned the airline to profitability. After reaching a settlement with the DOJ to address antitrust concerns, AMR emerged from Chapter 11 as a new merged entity, American Airlines Group (AAG), constituting the largest airline in the world and delivering unprecedented returns to creditors and legacy shareholders.

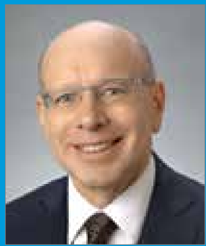
The merger of AMR and US Airways catapulted AAG into a position where it is a prime competitor in the marketplace. With a fleet of 1,511 mainline and regional aircraft embarking on 6,700 daily flights serving over 330 destinations in 50 countries, the new AAG will serve both businesses and leisure travelers with greater efficiency and a newly upgraded fleet.

LARGE COMPANY

Transaction of the Year

Justine A. Mannering
Business Development Asia LLC

Rafael X. Zahralddin
Elliott Greenleaf

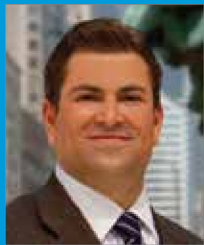


Selig D. Sacks
Foley & Lardner LLP

Jeffrey D. Prol
Lowenstein Sandler LLP

Matt Beresh
Mackinac Partners LLC

Keith A. Maib
Mackinac Partners LLC



Aaron L. Hammer
Sugar Felsenthal Grais & Hammer LLP

Robert S. Brady
Young Conaway Stargatt & Taylor LLP

AgFeed Industries, Inc & AgFeed USA, LLC

AgFeed Industries was a $400 million, publicly traded hog and feed production agribusiness in the U.S. and China. The company was a top 20 producer in both markets.

In 2011, fraud and accounting irregularities were discovered in AgFeed's China operations, which led to a delisting, an SEC enforcement investigation, shareholder lawsuits, substantial legal and investigation costs, and an inability to access additional capital. Concurrently, throughout 2012, AgFeed USA was embattled in legal disputes with its exclusive packer, Hormel Foods. These disputes resulted in an $8 million arbitration settlement awarded to Hormel, which triggered defaults under AgFeed USA's credit facilities with Farm Credit Services of America (FCSA) and a severe liquidity crisis.

In February 2013, Mackinac Partners was engaged as restructuring advisors, and, shortly thereafter, Keith Maib of Mackinac was appointed chief restructuring officer (CRO).

Mackinac immediately established a rapport with FCSA, delivering credible cash projections and action plans. Mackinac led the effort to evaluate the company's reorganization prospects versus a sale of the company and advised the board to commence separate sales processes for the USA and China operations. Due to historical reporting deficiencies and the inability to provide audited financial statements, the company could not complete a proxy solicitation to obtain shareholder approval. As a result, the decision was made to seek approval for the transaction(s) under Section 363 of the U.S. Bankruptcy Code.

Business Development Asia (BDA) was engaged by the company to sell the U.S. business and to continue to seek options for the Chinese business. Young Conaway Stargatt and Taylor was engaged as bankruptcy counsel, and Foley & Lardner continued as the company's corporate counsel.

Following three months of due diligence, the team had negotiated a stalking horse bid for AgFeed's U.S. operations, which was sufficient only to pay FCSA in full. Between the filing and auction, Mackinac developed a creative solution resulting in a higher and better bid for the U.S. assets from a consortium of pork producers and incorporating a wind down of nearly half the hog inventory. The result was a robust auction and a 25 percent increase in purchase price.

The increased purchase price generated additional liquidity, without which the company could not have completed the sale of the Chinese operations. These operations were plagued by perceptions of fraud, inaccurate financial data, and the lack of environmental, tax, and regulatory compliance and necessitated a sale to a Chinese operator who could transact with capital outside China.

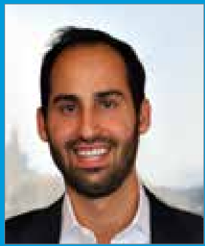
Only one qualified bidder emerged, further adding to the risk of closing such a complicated sale. Mackinac placed two of its Mandarin-fluent team members in the company's China headquarters, which contributed significantly to the successful management of the sale process. The sale marked the first-ever sale of the Chinese operations of a U.S. debtor to a Chinese buyer. This sale completed a highly successful orderly liquidation of all AgFeed assets.

Once the plan of reorganization is confirmed, it will result in a 100 percent recovery to all secured and unsecured creditors and significant recovery to equity constituencies.

MID-SIZE COMPANY

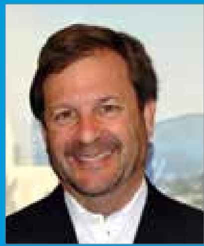
Transaction of the Year

Travis Haynes
Balmoral Funds LLC



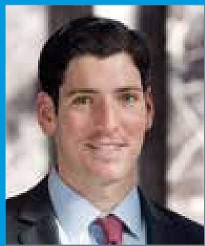
Robin Nourmand
Balmoral Funds LLC

David Shainberg
Balmoral Funds LLC



Jonathan Victor
Balmoral Funds LLC

Stephen Krawchuk
Crystal Financial LLC



Timothy Lawlor
Crystal Financial LLC

Rebecca Tarby
Crystal Financial LLC

Intelligent Global Pooling Systems (iGPS)

Founded in 2006, iGPS is the United States' first and only company to rent, or pool, plastic shipping pallets. Prior to filing bankruptcy, it served 100+ manufacturers, including Kraft, Perdue, and SC Johnson, and 2,000+ retailers, including Costco, Wal-Mart, and Kroger's. iGPS owns more than 6 million pallets.

Customers appreciate the benefits of renting more durable pallets vs. purchasing their own, resulting in returnable-container market growth to $3.6 billion by 2012. Plastic pallets have gained market share due to quality, weight, safety, and sustainability advantages, despite being more expensive than traditional wooden pallets. Indeed, plastic pallets have grown from 1 percent of this market in 2000, to 7.4 percent in 2012.

To capitalize on this, iGPS raised more than $800 million ($550 million of equity; $250 million of bank debt) through 2009. During this time, iGPS signed major volume contracts with PepsiCo, General Mills, and Kraft, contributing to unprecedented growth.

The company, however, made material missteps in managing growth, including issuing many pallets before securing appropriate reverse logistics. As a result, the company lost more pallets than anticipated. Once the degree of attrition was recognized, iGPS' lenders withdrew $100 million of liquidity, and its equity investors stopped infusing capital. Running low on pallets, iGPS had to retrench, terminating otherwise profitable contracts to service less profitable customers whose contracts could not be terminated. Amidst these challenges, a well-capitalized competitor embarked on a massive PR and legislative campaign to defame iGPS pallets, and iGPS's pallet supplier refused to honor its warranty obligations, leading to protracted litigation.

Facing these challenges, in addition to management issues and the business' capital intensive nature, iGPS had difficulty attracting buyers. Balmoral Funds was introduced to iGPS in February 2013 by Houlihan (iGPS' investment banker) and by late April signed an agreement to become the stalking-horse bidder. The company's fractious bank group, however, failed to authorize a countersignature, terminated negotiations, and in May moved to liquidate the company. Despite the setback, Balmoral worked to salvage the deal. After the CRO executed massive layoffs and WARN notices just before iGPS' imminent liquidation, Balmoral, supported with a $12 million DIP and $20 million exit financing commitment from Crystal Financial, successfully executed a complex strategy that involved:

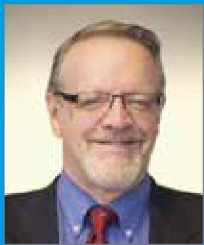
- Forming a joint venture with One Equity Partners (the Balmoral joint venture) to acquire the prepetition debt and become the stalking horse (and ultimately, winning) bidder on June 4, 2013
- iGPS filing bankruptcy on that same day
- Navigating a contentious court process
- Balancing competing case interests
- Solving supply/vendor issues
- Establishing/implementing a turnaround plan

In addition to the operational issues facing the Balmoral joint venture, recapitalizing iGPS' debt posed certain unique underwriting challenges for Crystal. Knowing the investors would realize $650 million in losses, Crystal worked diligently to understand the true value of the company's assets and to underwrite a newly devised business model.

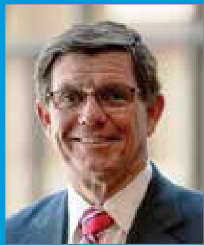
Working in tandem, Balmoral and Crystal maximized recovery to iGPS's creditors, saved jobs, preserved the company as a go-forward entity, and set iGPS on a new path to success with a better strategy and healthier capital structure.

SMALL COMPANY

Transaction of the Year



Gayle Bush
Bush Strout & Kornfeld LLP



Gene R. Baldwin, CTP
Deloitte CRG

Rob Carringer, CTP
Deloitte CRG

Michael Juniper, CTP
Deloitte CRG

Matthew Farrell
Renovo Capital

TC Global Inc (dba Tully's Coffee Shops)

When does the highest bid not win a company out of bankruptcy? In the case of Tully's Coffee Shops in the Pacific Northwest, a bankruptcy judge blessed the choice of management and creditors to pick what they determined to be quality over quantity.

A group led by actor Patrick Dempsey, known for his role as "McDreamy" in the television show *Grey's Anatomy*, paid $9.15 million for the 47 coffee shops owned by Tully's and licenses to 75 other franchises in the U.S. and Asia out of Bankruptcy Court. Dempsey's group, Global Baristas, LLC, won over a joint bid by a strategic industry player and a Filipino company named AgriNurture that totaled $10.56 million.

The case is a model for what modern bankruptcy law can provide for under Section 363 of the U.S. Bankruptcy Code regarding sale of assets. Not only did the original bid end up being more than doubled, but the sale price also made all creditors whole. More importantly, the company's nearly 500 employees were retained, compared to promises by another buyer to consider their applications, and the company's leases and supplier agreements were kept intact. So sometimes what the judge in this case called a "fantastic result" isn't always dependent on choosing the highest bidder.

This retail bankruptcy filing and subsequent 363 sale may appear to be a typical cycle through Bankruptcy Court at first glance. But, a closer look reveals critical maneuvers that led to this successful turnaround and bankruptcy sale:

- Detailed financial assessment led to the development of a business turnaround plan everyone supported
- Careful store closings combined with key employee communication led to the company's first profits in years
- Creative DIP financing secured by future credit card receipts allowed the company to survive during the bankruptcy process
- A strong sale process produced multiple qualified bidders
- A detailed auction process yielded a 100 cent outcome that survived a contested sale hearing

Although the process produced a great result, the case was not without large obstacles. Prior to the filing, the transaction team called more than 60 potential buyers and lenders to provide a DIP loan to the company; none was comfortable with the significant losses, lack of assets, and the company's small size.

The team received a term sheet for a DIP loan, but the lender declined to pursue. A purchase IOI was also received, but the potential buyer revised the terms, placing unachievable requirements that ultimately required the team to file bankruptcy without a DIP loan.

The day of filing, the company's distributor cut off shipments and continued to short-ship throughout the case. After filing, the company's main credit card processor threatened to stop accepting credit cards and apply all reserves to their outstanding balance. This would have cratered TC Global as most of its liquidity is from credit card receipts.

The coffee shops appear to be operating smoothly and Global Baristas has evaluated some additional opportunities to expand locally and internationally. In late 2013, a rift appeared publicly between Dempsey and his partners in Global Baristas, resulting in Dempsey withdrawing. Dempsey brought the public into the battle for Tully's and kept the focus on employees, product, and future growth. It will be interesting to watch how Tully's fares without the public image of Dempsey affixed to each cup of coffee it sells.

Carl Marks Student Paper Competition

Held for an 11th consecutive year, the Carl Marks Student Paper Competition recognizes outstanding student achievement in the field of corporate renewal, as well as provides research that may offer new insight into the profession and expand TMA's university outreach. The program establishes building blocks for future relationships with those students who have submitted papers, some of whom may eventually enter the industry full-time.

Students enrolled in an MBA program or equivalent business-related master's degree program at an accredited university at the time their paper was written are eligible to enter the competition. Both individual and team-written papers are accepted.

Only papers completed between May 31, 2013, and May 31, 2014, were eligible for review. The competition judges evaluated papers based on established criteria, including relevance to issues pertinent to corporate distress, financial restructuring, and reorganization; well-written, clearly constructed, and thorough treatment of the subject; originality of the subject and its interpretation; and depth and quality of analysis.

First Place: Case Analysis

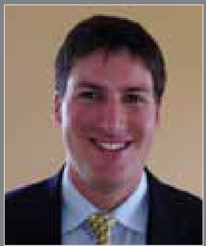
The American Airlines Bankruptcy

The AMR Corporation, parent company of American Airlines, filed for Chapter 11 on November 29, 2011, in the U.S. Bankruptcy Court for the Southern District of New York. While the actual day of the filing surprised the financial markets, the bankruptcy itself was expected, given the turmoil the airline industry had endured.

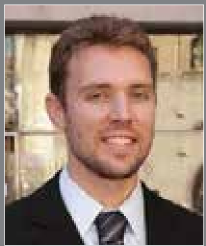
This paper describes the events leading up to AMR's bankruptcy, analyzing the company's cost structure and Z-scores, and then focuses on the plan of reorganization. It analyzes the ownership structure of the new company and payouts based on the price of the new company. It then briefly describes the merger and determines that the outsized returns for the bondholders and shareholders were really the result of the merger and not necessarily the bankruptcy process. In conclusion, the paper argues that even though this bankruptcy was a strategic move to reduce labor costs, the decision to enter bankruptcy was the right choice for AMR.

2014 Winners

New York University–Stern

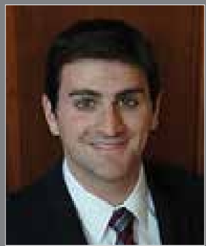


Connor Lynagh



Darryl Pinkus

Andrew Ralph



Michael Sutcliffe

Carl Marks Student Paper Competition

2014 Carl Marks Student Paper Competition Committee

James L. Nichols
Eide Bailly LLP

Robert D. Katz, CTP
Executive Sounding
Board Associates LLC

Nancy A. Peterman
Greenberg Traurig LLP

Luke D. Snyder, CTA
Gavin/Solmonese LLC

Elizabeth Tashjian
University of Utah
David Eccles School of Business

Second Place: Case Analysis

Lyondellbasell

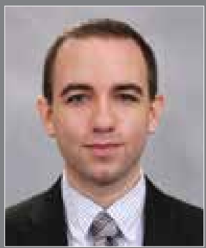
Lyondellbasell was formed from the merger of Lyondell Chemical and Basell Polyolefins in 2007 in a leveraged buyout (LBO) that created the third-largest independent chemical company in the world. However, one year after the deal closed, the collapse of the global economy and the company's high debt load resulted in the firm filing for Chapter 11 bankruptcy. The causes of the bankruptcy and the resulting reorganization are illustrative of many of the large LBO deals done at the end of the credit bubble. The +250 percent equity price return of the reorganized Lyondellbasell, the involvement of private equity firms in the reorganization, and novel legal efforts to claw back value from pre-merger equityholders all present interesting areas of analysis in this case.

2014 Winners

New York University–Stern

Raphael Charbit

Daniel Reagan



Justin Siken

Butler-Cooley Excellence in Teaching Award

Established in 2004 with a grant from the John Wm. Butler Foundation, Inc., the Butler-Cooley Excellence in Teaching Awards Program honors teachers who have demonstrated their capacity to change the outcome of students' lives and the communities where they teach. The program is named in honor of Leslie Bender Butler and Cindy Butler Cooley, relatives of a past TMA chairman who collectively have spent more than 50 years as teachers, and recognizes the central role that teaching has in the life of the association.

2014 Winners

Michael Guarraia
8th Grade Science Teacher
Arbutus Middle School
Arbutus, Maryland

Working as a senior engineer for Lockheed Martin, Michael Guarraia made the decision to leave engineering and obtain his master's degree in teaching. Upon graduation, he was hired by Baltimore County Public Schools and placed at the lowest performing middle school in the district. Within three years, Guarraia received several accolades from internal and external sources, including recognition at two Baltimore County Public Schools award ceremonies and being named an Amgen Fellow by the National Science Teachers Association.

Guarraia's next career step was becoming department chair at nearby Arbutus Middle School. He worked tirelessly to improve the existing antiquated science pedagogy. By identifying professional development opportunities for the teachers he supervises, Guarraia was able to improve instruction across the science department. In two years, student performance increased 1.2 percent, an impressive achievement when compared to other departments.

Michelle P. Feeney, principal at Arbutus Middle School, asserts, “Mr. Guarraia is a focused and high-energy teacher who engages his students through his love and enthusiasm for science. He works closely with the members of this department to ensure that they feel supported and that they incorporate best practices in science instruction for their students. He is an outstanding teacher leader.”

In addition to his role as chair, Guarraia manages two engineering focused programs at the school. The first is an afterschool program called the Kinetic Sculpture Race Team, in which students design, build, and race a human-powered vehicle that must also be a work of art. Guarraia manages this program to motivate students to pursue engineering careers and to inspire learning by doing.

The second program Guarraia manages is designed for students who typically underperform in a traditional academic setting. The goal is to spark student interest in skilled trades, such as carpentry. Guarraia recognizes that while college is a wonderful opportunity for many students, it is not the only pathway to a rewarding and successful career. The program uses an overarching project to integrate core academic subjects in an engaging manner. The latest student project involved constructing a full scale medieval siege weapon designed to hurl a ten-pound projectile 1,000 feet.

Guarraia summarizes his teaching philosophy in four words: Kids learn by doing. He works tirelessly to make sure students are actively engaged in constructing meaning from bell to bell. To start, Guarraia identifies a measurable and achievable learning objective and lays out a path for students to achieve success. His lesson plans focus on the 5E model: engagement, exploration, explanation, extension, and evaluation.

In the classroom, Guarraia inspires engagement by presenting a problem that students must solve collaboratively during an experiment. For example, students may be given three pipe cleaners and asked to create a model for each of the three types of galaxies. These exercises require students to be actively engaged in the content in a meaningful and enjoyable manner.

Guarraia creates opportunities for exploration by providing students more control in the learning process, allowing them to make meaningful connections to the content. After the exploration stage, students are better able to understand and provide their own explanations for science concepts.

Next, to provide a more authentic context for new knowledge, students must understand and appreciate its application. Extension provides an opportunity for students to consider how new knowledge fits into the world around them. Finally, students must be evaluated on this new knowledge.

The 5E model gets students excited about science as a potential career choice. Guarraia recognizes that science is a field that is constantly evolving, requires selfless collaboration, and can result in tremendous benefits to both humanity and the natural world.

Guarraia maintains a positive attitude toward his students, interacting with them as an interested adult who listens to their academic and social needs. His classroom climate is positive and supportive while maintaining high levels of academic expectations.

Butler-Cooley Excellence in Teaching Award

Brian McDowell
6th, 7th & 8th Grade Science Teacher
Mason County Middle School
Maysville, Kentucky

Ten years ago, Brian McDowell left an effective suburban school to teach in his hometown in Kentucky, just outside of Appalachia. He discovered that the students lacked experience with activities that prompted scientific thinking. To meet this need, McDowell started creating "A Place for Inquiry" nature trail just outside the school.

After receiving a Toyota Tapestry Grant, McDowell created a dinosaur trackway. The trackway simulates a plant eater and meat eater walking toward one another and interacting. Students are asked to collect evidence by developing observations, taking measurements, and making inferences about the trackways. The activity initiates dynamic discussion and debate in the classroom.

McDowell also created a bird blind in cooperation with a zoologist from

Miami University. Standing behind the blind, students can observe and analyze different behaviors of local birds or, using pictures and video, determine trends in the classroom.

Miami University Zoology professor David E. Russell, Ph.D., comments, "The most important part of education at any age is the enthusiasm and excitement brought to the subject by the teacher. With his use of the bird blind and banded birds, [McDowell] is an educator who makes kids want to do science. It's fun and rewarding."

Most recently, McDowell created an authentic Martian Landscape. Students engineer Lego Mindstorm robots into rovers that will collect Martian soil and return it back to earth. Next, students create an experimental design and collect evidence necessary to determine if life is possible on Mars.

McDowell has worked with his colleagues to create a bone assemblage, stratigraphy column, rock cycle garden, flagpole shadow study, and a composting site. When McDowell started at Mason County Middle School, cookbook labs and worksheets were the dominant strategies. Now, on a nice day, it is not uncommon to find most students outside practicing inquiry skills along the trail. The inquiry trail has become a place to challenge students' scientific thinking.

Each year, McDowell and his students embark on an exploration of science and its mysteries, wonder, and questions. He strives to take his students to the margins whenever possible. The margins are areas in nature and society where diversity exists, where life is often riskier for the inhabitants, and where species, ideas, and actions have the freedom to flourish. This approach fosters excitement, spontaneity, and improvisation, prompting students to take risks.

The communication of a student's work from the margins is different from standard classroom practice. When students make claims, they must support that claim with evidence. Questions such as "How do you know?" and "What is the evidence?" spark scientific thinking. As students become more comfortable with this thought pattern, the class engages in thoughtful analysis, critique of methods, and general skepticism daily.

To evaluate student work, all investigations are accompanied by writing prompts that push students to share the scientific thinking behind actions taken during class. After a margins experience, reflection upon these writing prompts during self-evaluation promotes growth. McDowell also utilizes concept mapping to evaluate students, which allows for multiple correct answers.

The local community has positively benefited from McDowell's work. Since the creation of the inquiry areas, there has been a significant increase in students who choose STEM-related college majors (science, technology, engineering, and mathematics). The community has several STEM-related businesses that struggle to recruit talent due to their eastern Kentucky location. McDowell is working daily to change that by growing STEM talent.

In addition to helping the community, McDowell works with education professionals to help them on the path to become National Board Certified. McDowell became certified in 2011 and enjoys sharing his experiences with other education professionals to help them grow into accomplished teachers.

McDowell uses active learning methods to keep students engaged and excited about the earth sciences. He has found success by focusing on inquiry, discovery, and scientific thinking.

2014 Butler-Cooley Excellence in Teaching Award Judges

Lillian H. Degand
Golden Apple Fellow 1994
Golden Apple Foundation

Carl Helming
Founding Principal
Helming & Company PC

Dave Jones, PsyD
Teacher, Pleasant Ridge School

Dr. Linda M. Wallinger
Consultant in Educational Policy, Planning, Practice, and Leadership
Retired Assistant Superintendent, Virginia Department of Education

Cheryl D. Watkins
Instructional Support Leader
Chicago Public Schools, Network 11

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