The Reemergence of Distressed Exchanges in Corporate Restructurings

Edward I. Altman*

Brenda Karlin**

Abstract

In 2008, bondholders of ailing companies were affected by a reemergence of an important corporate restructuring strategy, known as a Distressed Exchange. Thirteen companies in 2008 completed this desperate attempt to avoid a formal bankruptcy filing – about twice as many as any single year in the last 25 years, involving twice as much in dollar amount than in the entire prior history (1984-2007). The recovery rate to bondholders participating in distressed exchanges over the last 25 years is significantly higher than recoveries on other, more dramatic types of default – namely payment defaults and bankruptcies. But, there is no guarantee that a distressed exchange will permanently immunize the firm from further distress, with almost 50% of all companies completing distressed exchanges prior to 2008 ultimately filing for bankruptcy.

March 2009

Key Words: Distressed Exchange, Corporate Bankruptcy, Defaults, Recoveries at Default

* Edward I. Altman is the Max L. Heine Professor of Finance at the NYU Salomon Center, Stern School of Business and Director of the Center's Research Program in Credit and Fixed Income Debt Markets.

** Brenda Karlin is a research associate at the NYU Salomon Center, Stern School of Business.

Please do not quote without permission from authors. All correspondence should be sent to ealtman@stern.nyu.edu; (212-998-0709). The authors would like to thank Viral Acharya, Sanjiv Das, Max Holmes and Harvey Miller for their valued comments and Abhimanyu Gupta for his computational assistance

The Reemergence of Distressed Exchanges in Corporate Restructurings

Introduction

The year 2008 saw the prominent reemergence of a classical restructuring mechanism known as a distressed-exchange (DE). This tactic is usually an attempt by an ailing firm to avoid bankruptcy by proposing a fundamental change in the contractual relationship between a debtor and its various creditor classes and is "voluntarily" agreed upon by a sufficient percentage (usually 90% or more) of relevant creditor claims. While the most common and dramatic DE involves a substitution of lower priority equity securities for debt claims, DEs can also result from a reduction of the effective interest rate on the debt, a subordination of claims, an extension of time to repay the debt or a package of new securities that has a total value that is less than the face value of the original debt claim. An added, critical component is that the original claim is selling at a distressed price at the time of the DE announcement, usually below 70 cents on the dollar. The resulting situation is still labeled as a DE even if the price of the existing debt increases after the announcement.

The first instances of DEs in the modern high-yield bond era were the so-called "3(a)9 exchange," championed by Drexel Burnham Lambert in the 1980's. These exchanges were particularly attractive to the distressed firms because they did not require SEC review and could be accomplished quickly, usually in less than a month. A second critical element was that the exchange was tax-free, even if the new securities had a combined value of less than the original claim. This tax-free exemption changed in the early 1990's, when the reduction in debt was considered a taxable event. This revised tax ruling is still in effect, regardless if the company is in a distressed condition. Hence, there is little incentive for a highly solvent firm to exchange its debt for equity and reduce its leverage when the consequences would be a meaningful increase in taxes. As such, these exchanges will usually only take place when a firm is desperately trying to avoid an even

more costly bankruptcy and also usually where it has sufficient tax-loss credits to offset the taxable exchange.

In a preliminary discussion of DEs (Altman & Karlin, 2009), we proposed that it was time to revisit this tax ruling since the deleveraging of corporate America is a meaningful objective. Very soon after, we learned that the economic stimulus legislation that passed Congress in February 2009, contained important relief for companies seeking to restructure its debt by deferring most cancellation of debt “income” in 2009 and 2010 until 2014 and then amortized over a five-year period from 2014-2018. For a more detailed description of this new legislation, see Kirkland & Ellis (2009), including whether it may pay for a company to take advantage of this tax deferral while in bankruptcy.

While a few earlier studies, e.g. Gilson, John & Lang (1990), showed that out-of-court restructurings were considerably less costly than bankruptcies to the debtor firm, in many cases the DE was followed by a bankruptcy anyway. Our own results, discussed below, show that out of 57 DEs completed prior to 2008, at least 26 (46%) were followed by a bankruptcy filing, and the majority of others resulted in a change of ownership of the debtor (i.e., were acquired).

Implications of DEs

DEs have important implications to credit markets. For one, just about all instances of DEs are now categorized as a “default” in the calculations of default rates – including our own calculations. There is still some debate, however, as to whether the entire debt issue involved in a DE should be counted as a default or just the amount that is actually tendered in the exchange. Another debatable issue is on what date the debt should be considered in default – when the DE is announced or when it is completed. This is particularly relevant for the computation of the recovery rate on the default event. Our policy is to count a DE that has, in fact, been accepted by the requisite proportion of claimants, at the time the announcement of the tender offer took place, unless there were changes in the terms of the exchange, or other material events took place, as in the case of

GMAC (discussed below). In addition, we only count the amount of claims that are tendered, not the total outstanding amount of the debt issue.

Distressed Exchange Defaults in the CDS Market

Another important consequence of a completed distressed exchange was that it was possible, but not likely, to trigger a default event in the credit default swap (CDS) market. This was known as a MOD-R (modified restructuring) default. Ever since this market began developing in the late 1990's, a recurring ambiguity has been whether a distressed exchange or other significant negative firm development would trigger a default and unwinding of the transaction. Evolving formalization of CDS contracts by ISDA have reduced these controversies resulting in certain guidelines. And, as of April 2009, DEs will not be considered a default event, eliminating one possible negative event that could be constituted a default and triggering a payout. This change constitutes a reduction in the insurance potential of a CDS hedging contract.

In the past, triggers for DEs that changed the terms of existing debt included an equity for debt swap, a drop in coupon, extension of maturity or creation of contractual subordination, but only if (a) it is within the context of the existing bond or loan (i.e. same CUSIP), (b) in a form that binds all holders of the obligation and (c) is "voluntary" in that only investors who accept and tender their bonds are subject to what the issuer proposes (ISDA, 2003). Hence, there was no default event even if those not accepting have their priority subordinated vis-à-vis those accepting. In the case of the GMAC in 2008, whereby less than 60% were bound by the exchange, a CDS default was not triggered. The same was true in all of the 2008 distressed exchanges. The corporate market has not experienced any distressed exchanges that triggered a default in the CDS market in recent years, although it has been observed in the sovereign market (e.g., Argentina). Outside of a prepackaged Chapter 11, US corporations found it extremely difficult to affect an exchange which will qualify as a default under ISDA guidelines. As noted above, a proposal to eliminate a "modified exchange" as a default trigger in CDS contracts was

adopted in order to avoid confusion and costly lawsuits. Therefore, only a failure to pay interest or a bankruptcy will qualify after March 2009.

The distinction between a default in the primary market, and what investors believe will be their ultimate recovery, versus what triggers a payout in the CDS market, helps to explain why CDS spreads are tighter recently for many distressed credits than are those spreads in the bond market. Other reasons for tighter spreads are liquidity and funding differences but it is difficult to isolate each factor.

Distressed Exchanges in 2008

To say that we observed a resurgence in the incidence of DEs in 2008 is really a gross understatement. Indeed, the number of DEs in 2008 (13) was almost double the number of any year since 1984 (Figure 1). The amount of DEs ($29.7 billion) was more than twice the total amount of the years 1984-2007 combined! Firms appear to be scrambling to avoid bankruptcy like never before, and due to their significant tax-loss credits, they are not concerned about the taxable nature of the debt reductions.[1] In addition, since debtor-in-possession (DIP) loans and equity infusions are constrained due to the credit crisis, the usual benefits of bankruptcy have been lessened and the prospect of liquidation in bankruptcy has heightened. Creditors, on the other hand, are less likely to resist a DE tender because the likely recovery after a DE is greater than either in bankruptcy reorganization or in liquidation. Of course, initial DE proposals can be challenged by creditors in the hope that the debtor will sweeten the offer. We saw several instances of that in 2008, the most publicized of which was the recently completed GMAC exchange. If the DE goes through despite some proportion that is not tendered, those not tendering will continue to have a claim of full face value should a bankruptcy subsequently occur.

[1] Debt forgiveness which gives rise to income may be offset by net operative losses (NOLs) in an out-of-court restructuring. In a bankruptcy, debt forgiveness is generally excluded from income regardless if any NOLs are relevant, but at the end of the year, the debtor must still generally reduce any available favorable tax attributes by the amount of the excluded debt forgiveness. The same tax treatment may be accomplished out of bankruptcy if the debtor is deemed to be "insolvent" immediately before the debt forgiveness – the amount is limited to the amount of insolvency. New legislation, however, defers any taxes regarding certain debt forgiveness income incurred in 2009 and 2010.

The saga of the 2008 GMAC/Residential Capital (second instance of the latter) exchange has been exceptional for several reasons. First, it involved the US government in a material way and also is, by far, the largest DE in history. The initial DE offer was a complicated package of cash, new debt and preferred stock that was advertised as needing a tender of 75% of the outstanding debt amounts of both GMAC and Residential Capital (ResCap) – a subsidiary of GMAC. The 75% was the amount supposedly necessary for the Federal Reserve to grant GMAC status as a bank holding company, thereby giving it access to the FED's discount window and its low cost debt borrowings.

It appeared that the 75% was not going to be achieved, although the bank holding company status was formally announced, subject to the requisite amount of new equity capital to be raised – ostensibly in the equity for debt swap from the DE. When it became obvious that the 75% was not going to be achieved, the US government trumped that requirement by investing $5 billion directly in preferred stock of GMAC and loaning an additional $1 billion to GM for the purpose of that firm's purchase of additional preferred securities. Hence, the 75% exchange was not necessary and GMAC accepted the 59% of GMAC bonds tendered as well as the 39% tendered to ResCap. De-facto, the usual 90% requirement, or even the 75% stated in the objective, was not relevant and the DE was achieved.

The irony of the GMAC DE is that all creditors, those that tendered and those that did not, were pleased with the exchange since the prices on all existing bonds spiked significantly due to the enormous equity "bailout" infusion of the government. The upfront premium on the CDS of the remaining GMAC bonds also dropped dramatically from about 44% as of the day before the firm won Federal Reserve (actually the equity infusion) approval to become a bank holding company, to about 10.5% on January 2, 2009. Most of the drop occurred after the announced equity infusion on December 29, 2008. Bond prices increased by about 30 points after that announcement.

DEs in 2008 amounted to about 21% of the defaulted issuers (13 of 63) but as much as 59% of the dollar amount of defaults[2]. These statistics attest to the domination of 2008 in the DE phenomenon. For the period 1984-2008, however, DEs only accounted for about 7.2% of all defaulting issuers and 10.0% of all default dollar amounts (Figure 1).

---

[2] For a detailed report on defaults in 2008, please see Altman & Karlin (2009),

Figure 1. High Yield Bond Distressed Exchange (D/E) Default and Recovery Statistics, 1984-2008

Year	D/E Defaults ($)	Total Defaults ($)	% D/E Defaults to Total $	D/E Defaults (# Issuers)	Total Defaults (# Issuers)	% D/E Defaults to Total # Issuers	D/E Recovery Rate[a]	All Default Recovery Rate[a]	Difference Between D/E & All Default Recovery Rate
2008	**29,735.11**	**50,168.95**	**59.3**	**13**	**63**	**20.6**	**52.21**	**42.50**	**9.71**
2007	146.83	5,473.00	2.7	1	19	5.3	85.17	66.65	18.52
2006	0.00	7,559.00	0.0	0	0	0	n/a	n/a	n/a
2005	6861.00	36,209.00	18.0	1	34	2.9	78.61	62.96	15.65
2004	537.88	11,657.00	4.6	5	39	12.8	58.05	57.72	0.33
2003	1,034.94	38,451.00	2.7	7	86	8.1	78.52	45.58	32.94
2002	764.80	96,858.00	0.8	3	112	2.7	61.22	25.30	35.92
2001	1,267.60	63,609.00	2.0	5	156	3.2	33.12	25.62	7.50
2000	50.00	30,295.00	0.2	1	107	0.9	77.00	26.74	50.26
1999	2,118.40	23,532.00	9.0	6	98	6.1	65.39	27.90	37.49
1998	461.10	7,464.00	6.2	2	37	5.4	17.34	40.46	(23.12)
1997	0.00	4,200.00	0.0	0	0	0.0	n/a	n/a	n/a
1996	0.00	3,336.00	0.0	0	0	0.0	n/a	n/a	n/a
1995	0.00	4,551.00	0.0	0	0	0.0	n/a	n/a	n/a
1994	0.00	3,418.00	0.0	0	0	0.0	n/a	n/a	n/a
1993	0.00	2,287.00	0.0	0	0	0.0	n/a	n/a	n/a
1992	0.00	5,545.00	0.0	0	0	0.0	n/a	n/a	n/a
1991	76.00	18,862.00	0.4	1	62	1.6	31.30	40.67	(9.37)
1990	1,044.00	18,354.00	5.7	7	47	14.9	43.15	24.66	18.49
1989	548.90	8,110.00	6.8	6	26	23.1	44.53	35.97	8.56
1988	390.30	3,944.00	9.9	3	24	12.5	28.40	43.45	(15.05)
1987	33.60	7,486.00	0.4	2	15	13.3	40.70	66.63	(25.93)
1986	114.80	3,156.00	3.6	4	23	17.4	47.68	36.60	11.08
1985	323.30	992.00	32.6	2	19	10.5	55.04	41.78	13.26
1984	100.10	344.00	29.1	1	12	8.3	44.12	50.62	(6.50)
Totals/ Averages	**$45,653.83**	**$455,860.95**	**10.0%**	**70**	**979**	**7.2%**	**52.31[b]**	**42.32[b]**	**9.99**

[a] Weighted-average recovery rates for each year.

[b] Arithmetic average of the weighted-average annual recovery rates; only those years with DEs counted. The arithmetic average of each individual DE (70) for the entire sample period was 46.52% and the average for the non-DE defaults (875 observations) was 37.25%.

Source: Authors' compilation from the NYU Salomon Center Master Default Database

Recovery Rates on Distressed Exchanges

Since DEs are not as dramatic a testimony to the firm's distressed status as to a bankruptcy or non-payment of cash interest on the debt, one might expect that the recovery rate on DE defaults will be higher than other, more serious, distressed situations. Indeed, the data backs this up. Figure 1 shows that the arithmetic average recovery rate on all DE defaults was 52.3% for the period 1984-2008 compared to 42.32% for all defaults and 37.3% for all non-DE defaults (Figure 2). In 2008 alone, DEs recovered 52.2% while non-DE defaults recovered only 27.1%.

In Figure 2, we calculate a difference in means test between the arithmetic average recovery rate (49.1%)[3] on the 70 DEs over the period 1984-2008 compared to the average recovery rate on all non-DE defaults (37.3%) over the same period. We found that given the above, the DE recovery rate is significantly higher (t = 5.76) at the one percent confidence level. It is not surprising that bondholders will choose, in many instances, to accept a recovery with certainty from a DE, rather than take the chance of holding out for an uncertain, and likely lower recovery in bankruptcy. Our results do not include data for situations when a DE offer is rejected. It is safe to assume, however, that most of these scenarios would be associated with a subsequent bankruptcy petition. Investors still must decide, given the completion of a DE, whether to hold on to the new set of securities from the exchange or to sell as quickly as feasible. We can safely say that if a bankruptcy takes place subsequent to a DE, that the default recovery after bankruptcy will be considerably lower than had the investor sold immediately after the DE, perhaps by about 20%. What we do not know is the likely positive average return on those situations when a bankruptcy is permanently avoided after the DE.

[3] The average of the annual weighted average DE recovery rates was 52.3% (Figure 1).

Figure 2. Difference in Means Test Between Recovery Rates: All Non-Distressed Exchange Defaults vs. Distressed Exchanges (D/E), 1984-2008

	All Defaults Excluding D/E	Distressed Exchanges
Sample Size	2060	147
Mean Recovery Rate	37.25	49.11
Standard Deviation	25.66	24.01
Variance	658.44	576.38
t-test[a]	5.75836	

[a]

$$t = \frac{\bar{X}_T - \bar{X}_C}{\sqrt{\frac{var_T}{n_T} + \frac{var_C}{n_C}}}$$

Source: Authors' compilation from NYU Salomon Center Master Default Database

Subsequent Performance of DE Firms

An important follow-on question to the DE restructuring strategy is the subsequent performance of the firm and its securities. We have assessed this by tracking the firms which completed a DE prior to 2008,[4] separating them into several categories as of March 2009, including (1) still operating, (2) acquired, and (3) bankrupt (Chapter 11 or 7). Obviously, a DE that results in a subsequent bankruptcy proved to be an unsuccessful restructuring, and the DE merely delayed the eventual demise of the firm.

The subsequent fate of 57 DEs is listed in Appendix A. Of the 57, 26 (45.6 %) eventually went bankrupt (20 Chapter 11 reorganizations and six Chapter 7 liquidations). The time from the completion of the DE to bankruptcy ranged from less than one month to 18 years, with the median being about two years. Seventeen (30.0 %) DE firms were eventually acquired, while 11(19.3 %) were still operating in 2009. We could not find subsequent date on three firms. In conclusion, almost half of our DE sample declared bankruptcy subsequent to the exchange and the remaining are still operating as a going concern in 2009, in one form or another.

[4] We have not tracked the 13 DE firms in 2008 since their DE is too recent to assess as to their ultimate fate.

The Trend of DEs Distressed Exchanges

We expect DEs to continue without abatement in 2009 due to the sheer record number of distressed companies as well as changes in the Bankruptcy Code in 2005 that made it more difficult to reorganize successfully (i.e., emerge as a going concern at the end of the reorganization process). As noted earlier, we observed an unprecedented appetite in 2008 to restructure out-of-court rather than risk bankruptcy and liquidation.[5] No doubt, the difficulty in raising DIP and exit-financing impacted the decision to file for bankruptcy. Indeed, prior to 2008, our statistics (Altman and Hotchkiss, 2005) found that as much as 60-65% of large Chapter 11s in the 20 years prior to 2008 were successful in emerging - - although a non-significant number (about 200) ultimately filed again - - the "Chapter 22" phenomenon (Altman et al, 2009).

In addition to the lack of Chapter 11 financing of late, the new Bankruptcy Code of 2005 clearly has tilted the negotiating process toward favoring creditors. As Miller (2009) pointed out, creditors had strong lobbyists arguing their point of view in the discussions leading up to the new Code while debtors did not. Leases are now more difficult to reject and certain claims, e.g., swaps and securities, are now exempt from the "automatic stay." Additionally, creditors can now wait for the exclusivity period to run-out after 20 (18+2) months and then propose their own reorganization plan. All of these factors encourage debtors to try to restructure out-of-court hence the expected strong showing of distressed exchanges in 2009 and 2010 - - years when one can expect pressures on many companies to be severe, and the new legislative ruling that any taxes on the reduction of debt can be deferred.

CONCLUSION

---

[5] In 2008 and through February 2009, there were 22 Chapter 11s that were converted to Chapter 7 liquidations (New Generation Research, 2009), approximately 10% of all large (greater than $100 million in liabilities) Chapter 11 filings in the three-year period 2006-2008.

The purpose of this study is to highlight the reemergence of a type of distressed restructuring strategy known as a distressed exchange. The combination of an elevated fear of liquidations in bankruptcy, sizeable net operating losses to offset debt forgiveness taxes, and increased aggressiveness on the part of corporate advisors, has motivated a significant increase in distressed exchange activity in 2008. Indeed, DEs in 2008 were about twice the number of any year in the past and the almost $30 billion in debt forgiveness this past year is about twice the total amount in all of the prior years in our sample period (1984-2007) combined. Stay tuned, since we expect the trend in DEs in the near future to equal or actually exceed the high number and amount in 2008.

References

E. Altman and B. Karlin (2009), Defaults and Returns in the High-Yield Bond Market: The Year 2008 in Review and Outlook in 2009, *NYU Salomon Center Special Report*, February 13.

E. Altman, T. Kant and T. Rattanaruengyot (2009), "Post-Chapter 11 Bankruptcy Performance: Avoiding Chapter 22," *NYU Salomon Center Working Paper*, February.

S. Gilson, K. John and L. Long (1990), "Troubled Debt Restructurings: An Empirical Study of Private Reorganization of Firms in Default," *Journal of Financial Economics*, 27:315.

Kirkland and Ellis (2009), "Economic Stimulus Legislation Provides New Deferral Rules for Debt Cancellation Income," New York, February.

H. Miller (2009), Keynote Address, *2009 Daily Bankruptcy Review Restructuring & Turnaround Summit*, New York, February 12.

Appendix A
Subsequent Development of Distressed Exchanges (1984 – 2007)

This Table shows the subsequent performance of firms that went through a Distressed Exchange prior to 2008

Issuer Name	Distressed Exchange Date	Subsequent Development	Bankruptcy Date (if Applicable)	Years from Distressed Exchange to Bankruptcy
@Track Communications	2/15/2001	Chapter 11	2/2/2004	3.00
Abraxas Petroleum Corp.	11/1/1999	Still Operating	NA	NA
Advantica Restaurant Group, Inc.	3/1/2002	Still Operating	NA	NA
After Six, Inc.	8/28/1989	Chapter 7	2/26/199	3.50
Aircoa Hospitality Services	9/15/1990	Acquired	NA	NA
Alamosa Holdings, Inc.	9/12/2003	Acquired	NA	NA
Alpine Group	9/14/1989	Still Operating	NA	NA
American Cellular Corp.	7/15/2003	Acquired	NA	NA
American Telecasting, Inc.	5/13/1998	Acquired	NA	NA
AMF Bowling Worldwide, Inc.	6/28/1999	Chapter 11	7/3/2001	2.08
Anchor Advanced Products, Inc. (Moll Industries)	8/8/2000	Acquired - Subsequent Chapter 11	9/19/2002	2.08
Charter Communication	8/24/2005	Chapter 11	3/27/2009	3.58
Continental Global Group, Inc.	10/4/2004	Acquired	NA	NA
Dailey International, Inc.	5/21/1999	Chapter 11	5/28/1999	0.02
Darling Delaware Co.	9/15/1990	Still Operating	NA	NA
Dart Drug Stores, Inc.	7/1/1987	Chapter 7	8/10/1989	2.08
Focal Communications Corp.	10/31/2001	Chapter 11	12/19/2002	1.17
Forstmann & Co.	8/14/1990	Chapter 11	9/22/1995	5.08
Foster Wheeler Ltd.	9/22/2004	Still Operating	NA	NA
G & G Retail, Inc.	3/18/2004	Chapter 11	1/15/2006	1.83

Appendix A (continued)

Gaylord Container Corp.	3/4/2002	Acquired	NA	NA
General Defense Corp.	2/1/1988	Acquired	NA	NA
Golden Ocean Group Ltd.	9/20/1999	Chapter 11	1/14/2000	0.33
Hall-mark Electronics Corp .	3/1/1990	Acquired	NA	NA
Harborside Healthcare Corp.	4/6/2001	Acquired	NA	NA
Heafner Tire Group, Inc.	3/26/2002	Acquired	NA	NA
Home Group Funding, Inc.	1/15/1991	Acquired	NA	NA
International Controls Corp.	6/15/1990	Cannot find information	NA	NA
Iron Age Holdings Corp.	12/2/2003	Chapter 7	1/22/2007	3.08
J. Crew Group, Inc.	5/8/2003	Still Operating	NA	NA
JL French Automotive Castings, Inc.	8/24/2004	Chapter 11	2/10/2006	1.50
Jordan Industries, Inc.	2/24/2004	Still Operating	NA	NA
Kane Industries, Inc.	1/1/1990	Chapter 11	3/18/1994	4.17
Kenai Corp	10/15/1984	Cannot find information	NA	NA
Metropolitan Broadcasting	10/12/1989	NA	NA	NA
Miramar Marine Corp.	12/5/1989	Chapter 11	4/15/1991	1.33
Na-Churs Plant Food	5/1/1986	Still Operating	NA	NA
New World Pictures, Inc.	8/12/1988	Acquired	NA	NA
North Atlantic Holding Co.	5/9/2007	Still Operating	NA	NA
NTEX, Inc.	5/17/2001	Still Operating	NA	NA
Oak Industries	3/29/1985	Acquired	NA	NA
Ponderosa, Inc.	12/6/1989	Acquired - Subsequent Chapter 11	10/22/2008	18.83
Roma Restaurant Holdings, Inc. – Romacorp Inc.	7/1/2003	Chapter 11	11/6/2005	2.33
Savin Corp	2/1/1986	Chapter 11 and subsequently acquired	12/14/1993	7.83

Appendix A (continued)

Service Control Corp.	7/15/1989	Acquired	NA	NA	
Specialty Foods Acquisition Corp.	6/10/1999	Chapter 11	9/18/2000	1.25	
Sunbeam Corp.	2/1/1988	Chapter 11	2/20/1988	0.05	
Telesystem International Wireless, Inc.	7/6/2001	Chapter 7	NA	NA	
Texas International Co.	8/22/1985	Chapter 11	4/26/1988	2.67	
Tultex Corp.	5/13/1999	Chapter 7	12/3/1999	0.58	
UbiquiTel, Inc.	2/21/2003	Acquired	NA	NA	
Univision Holdings, Inc.	2/1/1990	Acquired	NA	NA	
Western Union Telegraph Co.	11/1/1987	Chapter 11	2/4/1993	5.25	
Wickes, Inc.	2/27/2003	Chapter 7	1/20/2004	0.92	
Wilshire Financial Services Group, Inc.	11/13/1998	Chapter 11	3/3/1999	0.33	
XM Satellite Radio, Inc.	1/28/2003	Acquired	NA	NA	
Zapata Corp	11/1/1986	Still	NA	NA	
Average				3.00	years
Mean				2.08	years
Median				18.83	years
Maximum				0.02	years
Minimum					