

ARMSTRONG TEASDALE ADVISES CLIENT IN \$50 MILLION+ CORPORATE DEBT RESTRUCTURE

Corporate Services Partner [Calvin Matthews](#), Financial and Real Estate Services Partner Greg Deschler, and Corporate Services Partner Crystal Howard guided a client in a restructuring in excess of \$50 million that allowed the client to favorably part ways with the family of the deceased founder.

The restructuring involved negotiating a comprehensive, court-approved settlement agreement, which included the payoff of several debt obligations, the release of the related security agreement, the purchase and extinguishment of a warrant to purchase over 500,000 shares of common stock of the client's holding corporation, and the release of rights under multiple purchase agreements, including a stock purchase agreement. The negotiated settlement agreement price included approximately \$17 million of debt forgiveness to the client's benefit.

Simultaneously, Armstrong Teasdale represented the client on a \$2 million revolver and a \$44 million term loan, which provided a portion of the funds used for the settlement. In order to ensure that the CEO and CFO saw this restructuring through over the next several years, the lender set conditions around the CEO and CFO being employed for an agreed upon number of years. Armstrong Teasdale also represented the client in preparing the employment agreements for both the CEO and CFO. A lower monthly payment on the term loan was also negotiated if a keyman insurance policy on the CEO was obtained post-closing, and this was also accomplished.

Given the client leases dozens of locations, the lender sought landlord consents in connection with the financings. Financial and Real Estate Services Senior Associate [Patricia Beckerle](#) led the charge on these efforts.

The lender also sought assurances concerning the client's employee stock ownership plan (ESOP), and thanks to the ESOP experience of Corporate Services Partner [Scott Hunt](#), Armstrong Teasdale was able to handle this aspect of the restructuring also.

The team also relied upon Corporate Services Partner Phil Louis on the opinion

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E. Calvin Matthews, IV

Patricia B. Beckerle

Scott E. Hunt



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for the lender. Financial and Real Estate Services Senior Legal Assistants Matt Otey and Michelle Tierney also provided invaluable support.