



## **CAPITAL RESTRUCTURING PERSPECTIVES**

*Quarterly Update  
Second Quarter 2020*



*RESTRUCTURING • INVESTMENT BANKING • DISTRESSED ASSET SUPPORT SERVICES*

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## Q2 2020 Highlights

**August 2020**

To the Friends and Clients of SOLIC Capital Advisors (“SCA”):

We are pleased to share with you the *SOLICconnect* Capital Restructuring Perspectives quarterly update which includes perspectives relevant to restructuring and bankruptcy professionals, attorneys, workout groups, distressed debt investors, and other interested parties in the capital restructuring space.

In this edition, we provide perspectives on the restructuring market during the second quarter of 2020 which include:

- At the end of Second Quarter 2020 Moody's and S&P reported default rates of 7.3% and 5.3%, respectively. According to Moody's, companies with eroding liquidity will push defaults higher in 2021 while debt recoveries will be lower than during previous recessions. Default rates in 2021 are forecast to rise to 10.5% (Moody's: July 2021) and 12.5% (S&P: March 2021).
- Notable in the second quarter was that the default rate of the S&P/LSTA Leveraged Loan Index edged past its long-term historical average for the first time in more than five years. June 2020's defaults brought the second quarter total U.S. leveraged loan default amount tracked by S&P/LSTA to the highest quarterly volume since 1Q09.
- On a three-month rolling calculation, the downgrade count of loan facilities in the S&P/LSTA Leveraged Loan Index outpaced the rate of upgrades by a substantial 43 to 1 in May 2020, before slowing from this record level to 18 to 1 in June 2020. During the 2008 financial crisis the three-month rolling count in favor of downgrades peaked at just 8 to 1.
- The fallout from this pace of downgrades is multi-faceted. CLOs are exceeding their structural limits for lower-rated debt at a significant rate. The repricing of downgraded companies' debt, and the increasing challenge for refinancing of lower-quality loans will make traditional funding more prohibitive for these issuers while the ratings quality mix of the leveraged loan market continues to worsen.
- This downgrade cycle has also further worsened the ratings mix of the leveraged loan market, with the share of issuers rated B- or lower climbing to 33.8% as of late June 2020, the highest reading ever. This stood at just 10% five years ago. Loans whose issuers are rated CCC, CC, or C — a particular pain point for CLOs — make up a record 11% of the Index, significantly higher than the 2.9% of the market five years ago.
- Numerous amendments have afforded issuers added financial flexibility, some of which required new sponsor capital, and a range of options to help borrowers preserve cash, including PIK interest, delaying amortization payments, and reclassifying historical prepayments. Lenders and private equity sponsors have negotiated covenant holidays, new loans, and other creative solutions to weather disappearances of revenue.
- For the first time since the depths of the Great Recession in 2009, the second quarter produced more secured high yield bond issuance (\$54.8 billion) than institutional loan volume (\$44.4 billion), with loans accounting for 45% of the total as retail investors flock to fixed-rate assets as the asset class of choice within leveraged finance. For reference, the mix in 2Q19 was \$70.3 billion of institutional loans and \$20.8 billion of secured high-yield bonds, for a share split at 77%/23%.
- Spread to maturity of issuers rated B+ or B narrowed to L+481 by Q2 quarter-end, versus L+739 in March 2020, while BB-/BB issuers had an average of L+338, down from L+458 in March 2020. With that said, both cohorts are roughly 80 bps wider than their 2019 average.
- During the quarter, SOLIC Capital Advisors served as Chief Restructuring Officer and Chief Financial Officer for Dimensional Dental, a Dental Services Organization (“DSO”) operating in the East Coast and Michigan. SOLIC professionals orchestrated the sale of 16 dental practices in New Jersey to PG Dental Management II LLC, a portfolio company of TriSpan LLC. Our professionals developed and implemented a competitive solicitation process, engaged with prospective acquirers, provided valuation support and structured and negotiated the terms of the sale transaction.

We welcome your comments and hope you find our *SOLICconnect* report informative.

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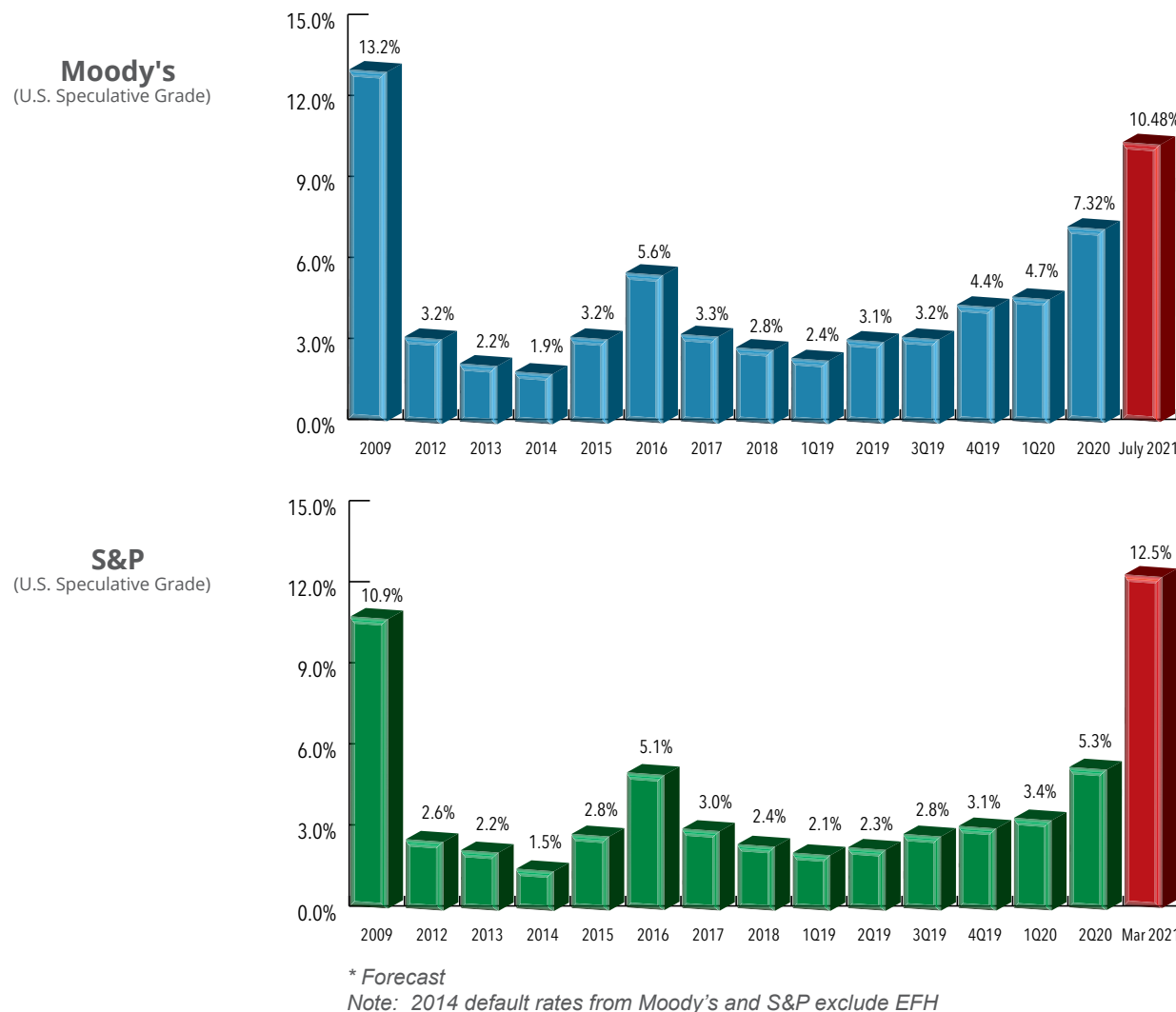
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# Perspectives

**Defaults and Distress:** As shown in the chart below, at the end of Second Quarter 2020 Moody's and S&P reported default rates of 7.3% and 5.3%, respectively. According to Moody's, companies with eroding liquidity will push defaults higher in 2021 while debt recoveries will be lower than during previous recessions. Default rates in 2021 are forecasted to rise to 10.5% (Moody's: July 2021) and 12.5% (S&P: March 2021).

## Comparative Default Rates



Notable in the second quarter was that the default rate of the S&P/LSTA Leveraged Loan Index edged past its long-term historical average for the first time in more than five years. Cracks formed along similar fault lines in portfolios of private debt providers as for large-cap loans. Among the weakest pockets are those credits with direct exposure to the consumer. June 2020's defaults brought the second quarter total U.S. leveraged loan default amount tracked by S&P/LSTA to the highest quarterly volume since 1Q09.

On a three-month rolling calculation, the downgrade count of loan facilities in the S&P/LSTA Leveraged Loan Index outpaced the rate of upgrades by a substantial 43 to 1 in May 2020, before slowing from this record level to 18 to 1 in June 2020. During the 2008 financial crisis the three-month rolling count in favor of downgrades peaked at just 8 to 1.

The fallout from this pace of downgrades is multi-faceted. CLOs are exceeding their structural limits for lower-rated debt at a significant rate. The repricing of downgraded companies' debt, and the increasing challenge for refinancing of lower-quality loans will make traditional funding more prohibitive for these issuers while the ratings quality mix of the leveraged loan market continues to worsen. Rising downgrades typically precede a period of rising defaults as has historically been the case.

This downgrade cycle has also further worsened the ratings mix of the leveraged loan market, with the share of issuers in the S&P/LSTA Leveraged Loan Index rated B- or lower climbing to 33.8% as of late June 2020, the highest reading ever. This stood at just 10% five years ago. Loans whose issuers are rated CCC, CC, or C — a particular pain point for CLOs — make up a record 11% of the Index, significantly higher than the 2.9% of the market five years ago.

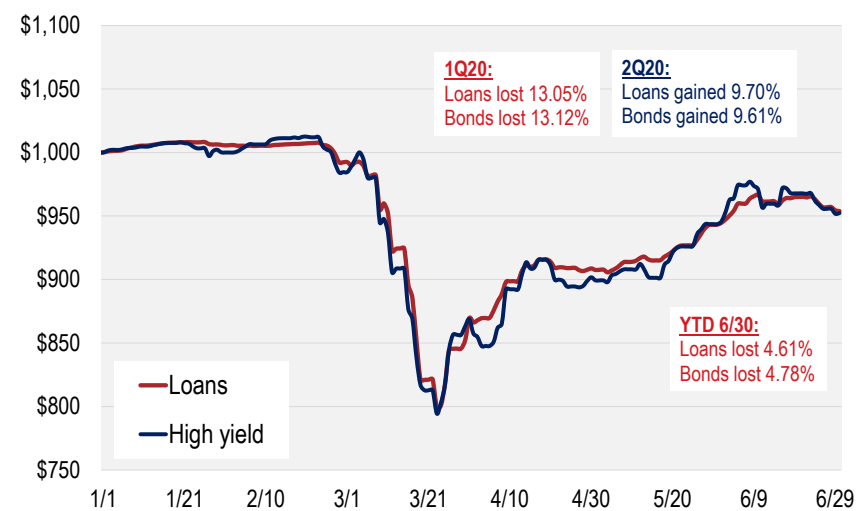
While the crisis might not yet be reflected in loan default activity to any significant degree, the impact of the recent ratings damage is expected to unfold in rising default rates.

In another pandemic-era transformation of the market, conversations between lenders and private equity sponsors have changed markedly. The crisis is testing relationships between lenders and sponsors. Numerous amendments have afforded issuers added financial flexibility, some of which required new sponsor capital, and a range of options to help borrowers preserve cash, including PIK interest, delaying amortization payments, and reclassifying historical prepayments. Lenders and private equity sponsors have negotiated covenant holidays, new loans, and other creative solutions to weather disappearances of revenue.

# ..|| Perspectives

## Recent Representative Transaction

### Loans Rebound in 2Q20 After a Devastating March (Growth of \$1,000: YTD 2020)



Sources: LCD, an offering of S&P Global Market Intelligence; Bank of America Merrill Lynch

**Capital Markets:** The debt capital markets demonstrated a significant recovery in the second quarter of 2020, abetted by what was largely implicit Fed support, as reflected above. The second quarter recovery partially offset the large Q1 drop-off in values that commenced with the onset of COVID-19 in March. While both loans and bonds experienced price recoveries in Q2 partially offsetting the sharp drop-off in pricing that occurred at the end of Q1, pricing on both loans and bonds remained down through YTD Q2 2020.

For the first time since the depths of the Great Recession in 2009, the second quarter produced more secured high yield bond issuance (\$54.8 billion) than institutional loan volume (\$44.4 billion), with loans accounting for 45% of the total as retail investors flock to fixed-rate assets as the asset class of choice within leveraged finance. For reference, the mix in 2Q19 was \$70.3 billion of institutional loans and \$20.8 billion of secured high-yield bonds, for a share split at 77%/23%.

Issuers continue to scramble for liquidity, drawing on existing revolvers during the quarter, in lieu of actual new issuance. LCD identified \$315.5 billion in revolver drawdown activity from early March to late June 2020, with corporates looking to term out those borrowings to preserve financial flexibility in what remains a highly uncertain environment for the balance of 2020.

Spread to maturity of issuers rated B+ or B narrowed to L+481 by Q2 quarter-end, versus L+739 in March 2020, while BB-/BB issuers had an average of L+338, down from L+458 in March 2020. With that said, both cohorts are roughly 80 bps wider than their 2019 average.



*16 Dental Practices in New Jersey have been acquired by*

**PG DENTAL MANAGEMENT II LLC**

Chief Restructuring Officer / Chief Financial Officer

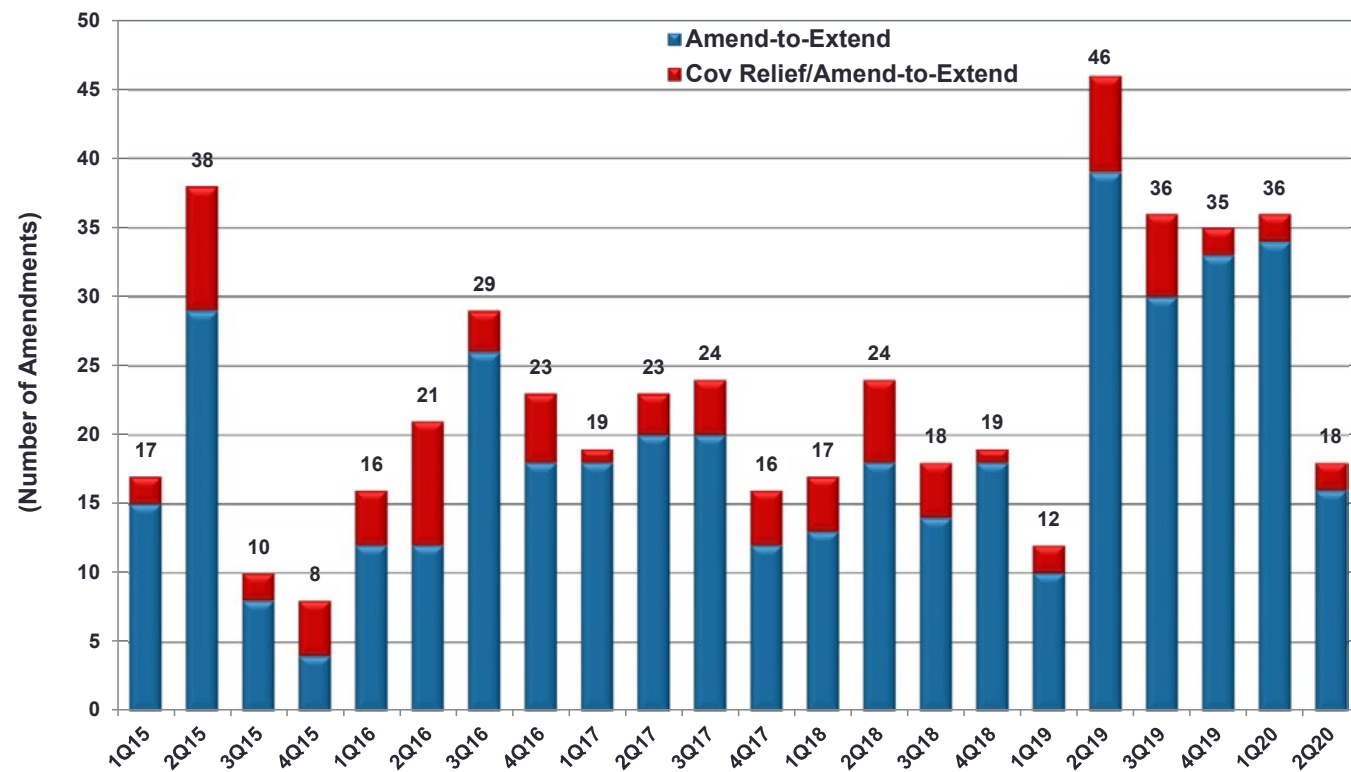
Dimensional Dental Management, LLC (“Dimensional Dental”) is a Dental Services Organization (“DSO”) operating in the East Coast and Michigan. The Company’s network of supported practices offered numerous dental care and dental services, as well as specialized dental treatments.

SOLIC professionals, in connection with serving as Chief Restructuring Officer and Chief Financial Officer for Dimensional Dental, orchestrated the sale of 16 dental practices in New Jersey to PG Dental Management II LLC, a portfolio company of TriSpan LLC. Our professionals developed and implemented a competitive solicitation process, engaged with prospective acquirers, provided valuation support and structured and negotiated the terms of the sale transaction.

## Distressed Market Indicators

### Count of Amend & Extend by Quarter

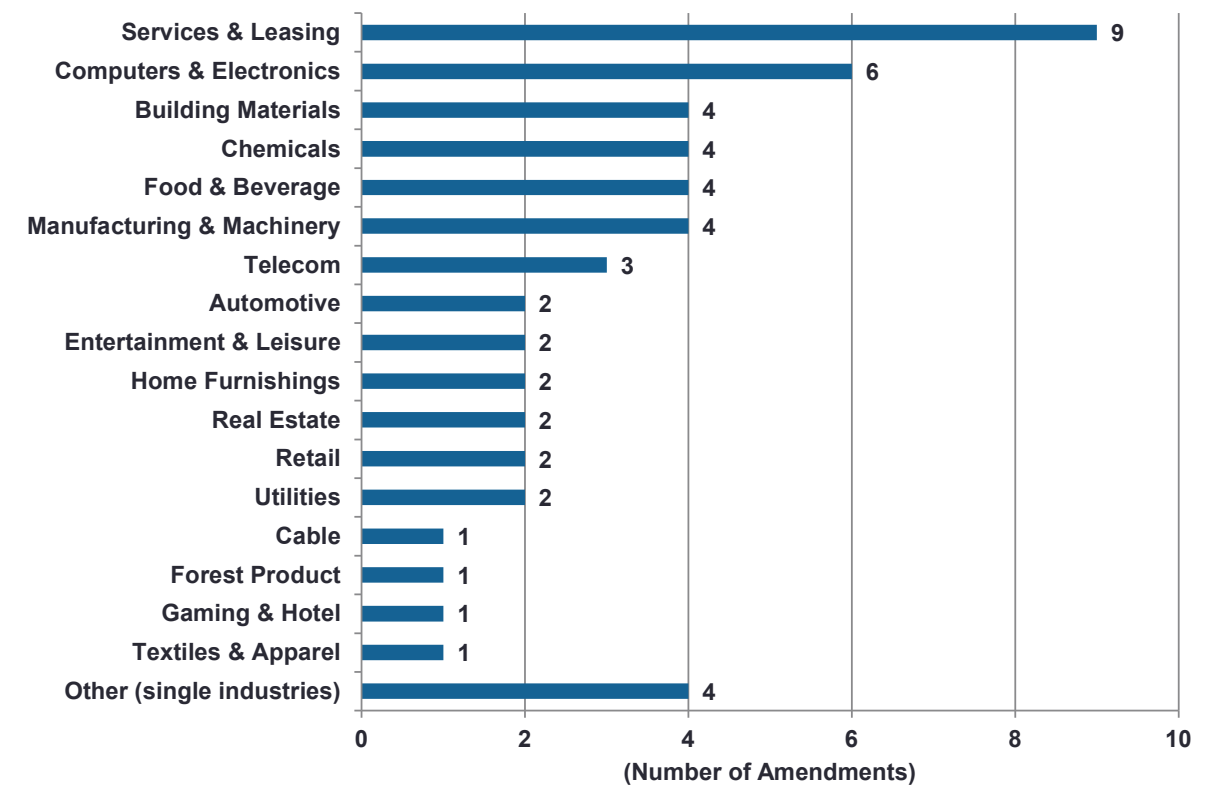
Eighteen (18) amend-to-extends were observed during the Second Quarter 2020, declining to activity levels most recently observed during 2018, with one-quarter (22%) of these extending for at least 36 months.



Source: LCD, an offering of S&P Global Market Intelligence

### Amend & Extend by Industry – First Half 2020

Amend & Extend activity during Second Quarter 2020 was spread across a variety of industry sectors with the highest number observed in the Building Materials (3) and Food & Beverage (3) sectors.

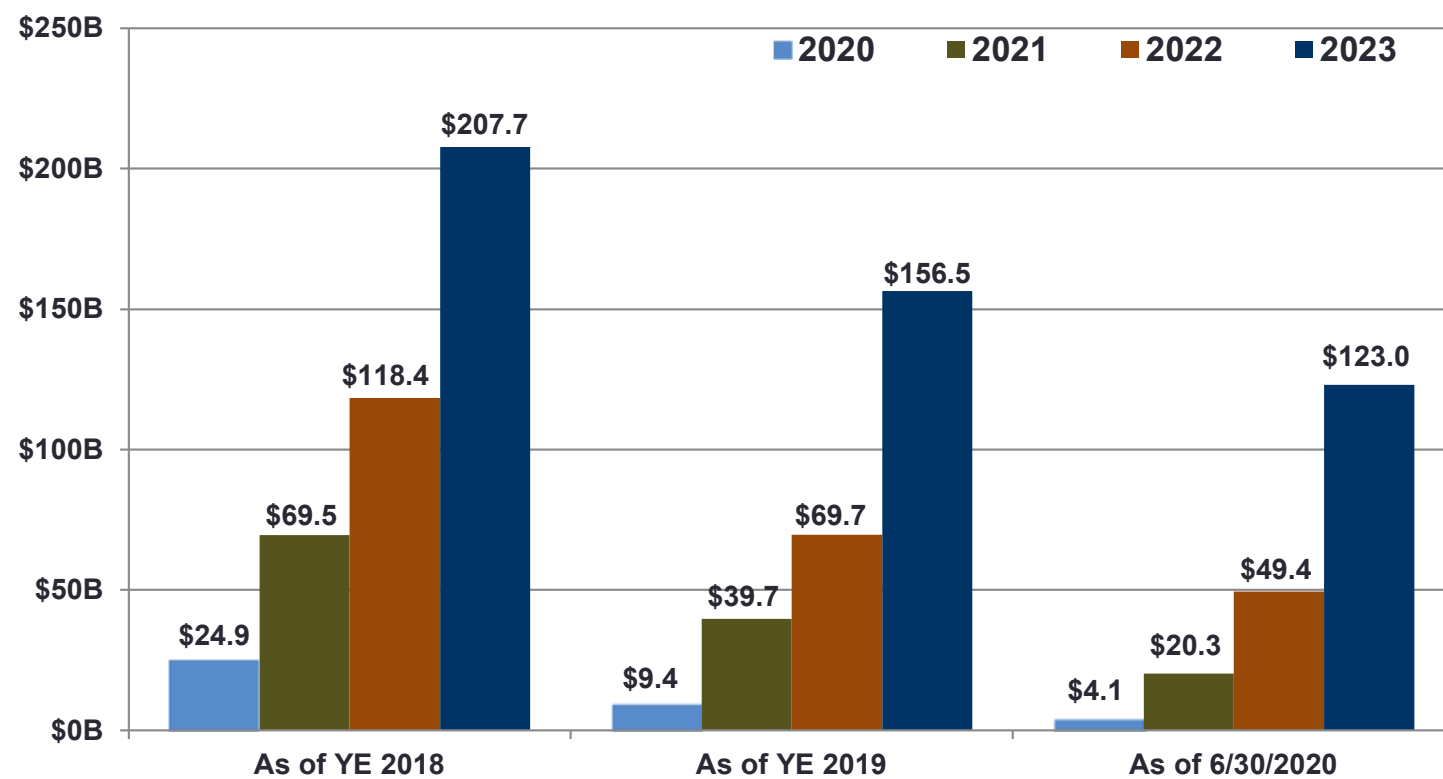


Source: LCD, an offering of S&P Global Market Intelligence

## Distressed Market Indicators (cont)

### Cumulative Maturity Wall

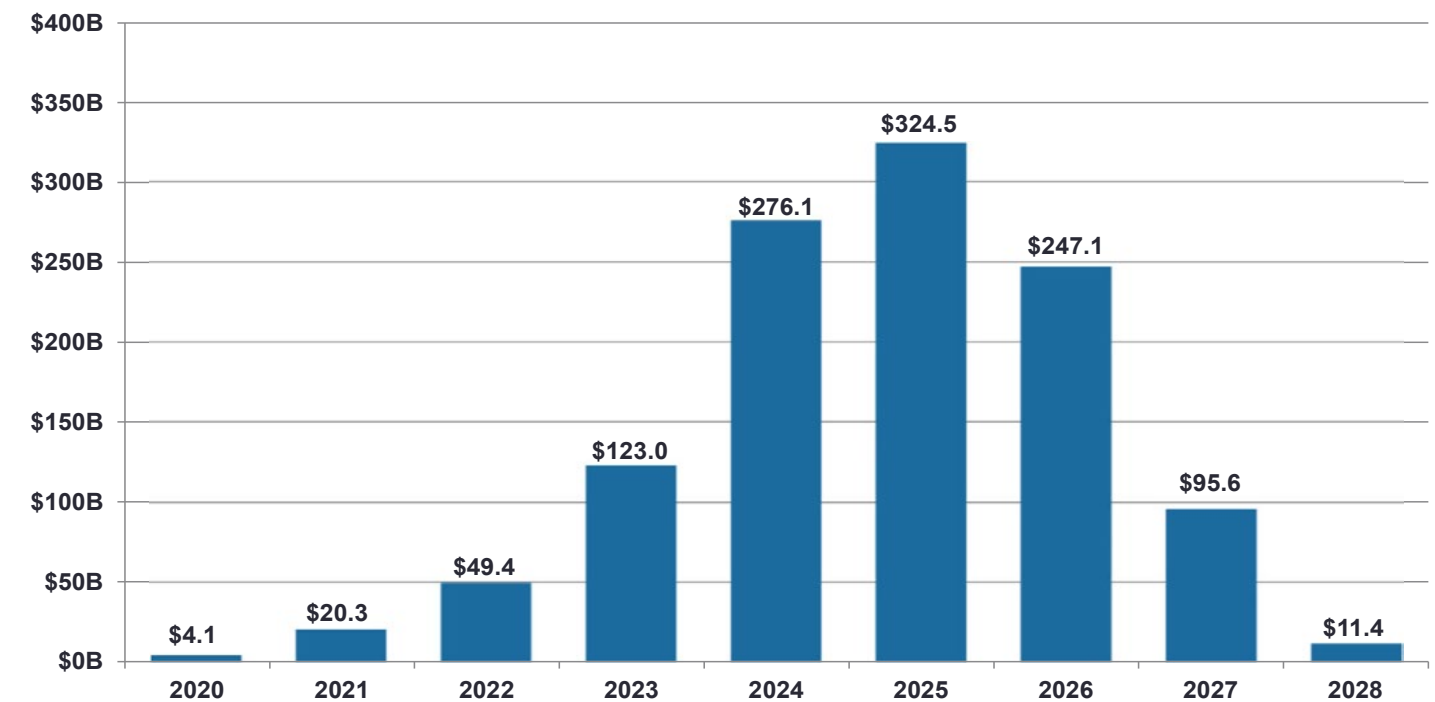
The amount of loans set to mature in the next several years remains negligible, with just under \$25 billion due before year-end 2021. The maturity wall for 2022, meanwhile, has fallen by about one-half from the end of 2018, with \$49.4 billion of leveraged loans set to come due as reported as of 6/30/2020, versus \$118.4 billion reported at the end of 2018.



Source: S&P/LSTA Leveraged Loan Index  
S&P/LSTA Leveraged Loan Index consists of all loans that are in the index, namely Term loans (both amortizing and institutional), acquisition loans (after they are drawn down) and bridge loans, and senior secured

### Current Loan Maturities by Year

This chart represents a snapshot of current loan maturities by year per the S&P/LSTA Leveraged Loan Index. Borrowers continue to chip away at the maturity wall, with maturities ramping up sharply to \$276 billion in 2024 and \$325 billion in 2025, according to LCD.

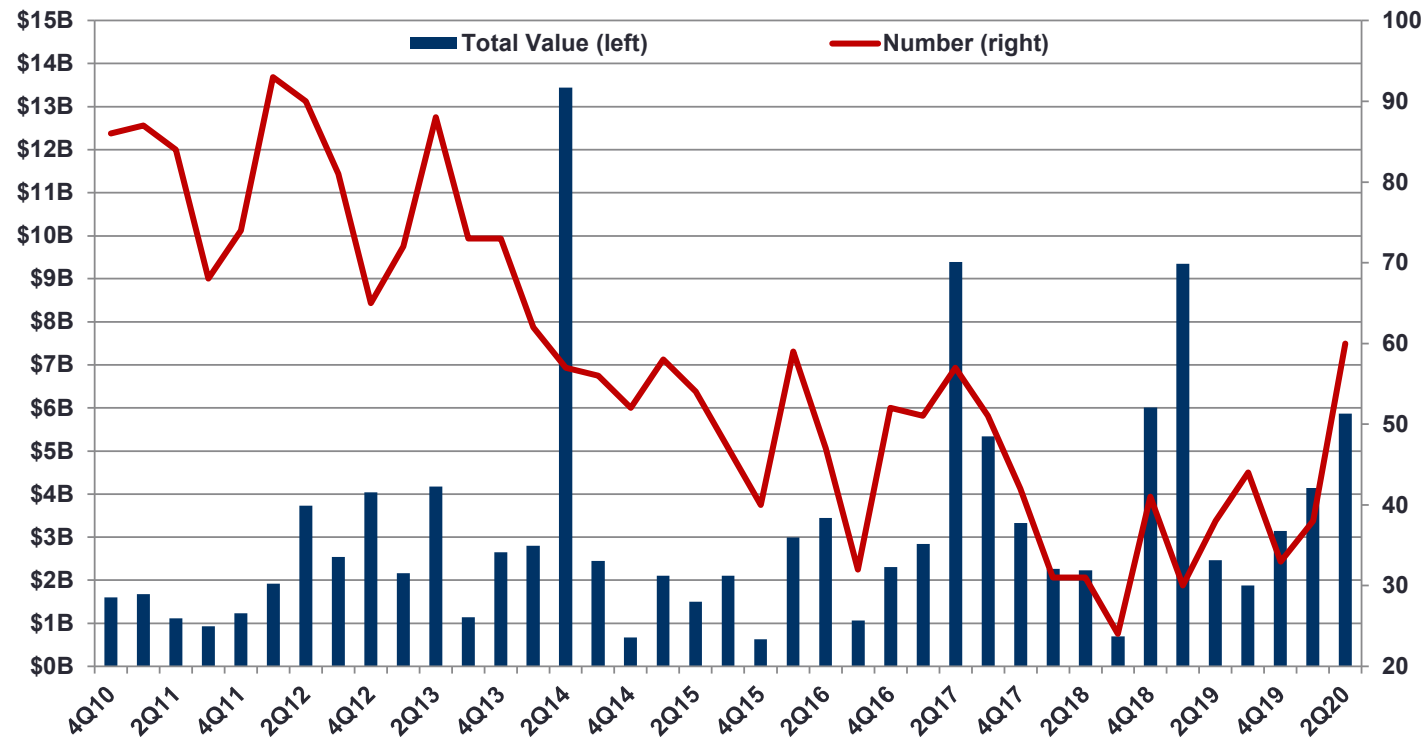


Source: S&P/LSTA Leveraged Loan Index  
S&P/LSTA Leveraged Loan Index consists of all loans that are in the index, namely Term loans (both amortizing and institutional), acquisition loans (after they are drawn down) and bridge loans, and senior secured

## Distressed Market Indicators (cont)

### DIP Financings

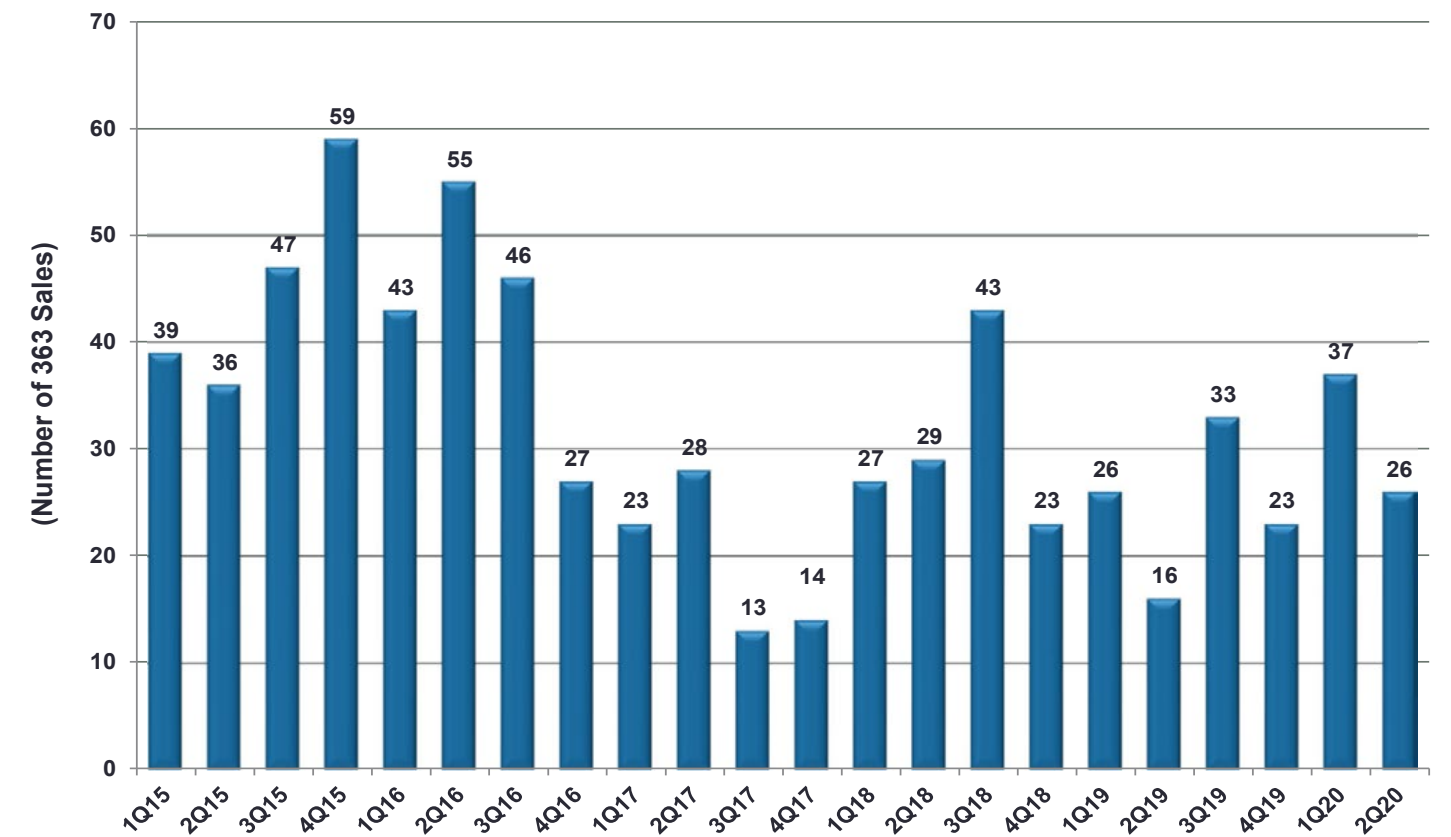
The volume of DIP financings reached \$5.9 billion in Second Quarter 2020, in excess of the activity observed during previous four quarters with The Deal reporting sixty (60) DIP financings during the quarter, a level not seen since early 2014. JC Penney (\$900 million), Neiman Marcus (\$675) and 24 Hour Fitness (\$500 million) accounted for over one-third (35%) of this total.



Note: 2Q14 and 2Q17 surges due to Energy Future Holdings' DIP issuance  
Sources: LCD, an offering of S&P Global Market Intelligence, The Deal, and PACER

### Section 363 Sales

According to The Deal, twenty-six (26) Section 363 sales were announced and/or closed during the Second Quarter 2020, continuing a similar level of activity observed during the past year.



Source: The Deal



# Select Bankruptcies

Chapter 11 business bankruptcy filings increased 26% in the first half of this year as more companies sought protection from creditors during the coronavirus pandemic. Bankruptcy filings during the Second Quarter 2020 were across a variety of industry sectors with a number of these in the health care, retail, and energy sectors. Filings included:

Debtor Name	Petition Date	Liabilities	Assets	Industry	Jurisdiction
Compassionate Homecare, Inc.	05/04/2020	\$10,000,001 to \$50 million	\$10,000,001 to \$50 million	Home Health Care Services	Massachusetts
National Medical Imaging, LLC	06/12/2020	\$10,000,001 to \$50 million	\$10,000,001 to \$50 million	Medical and Diagnostic Laboratories	Pennsylvania Eastern
Gold's Gym International, Inc.	05/04/2020	\$50,000,001 to \$100 million	\$50,000,001 to \$100 million	Amusement and Recreation	Texas Northern
The Roman Catholic Diocese of Syracuse, NY	06/19/2020	\$50,000,001 to \$100 million	\$10,000,001 to \$50 million	Religious Organizations	New York Northern
American Addiction Centers, Inc.	06/20/2020	\$100,000,001 to \$500 million	\$100,000,001 to \$500 million	Mental Health and Substance Abuse Facilities	Delaware
Jason Industries, Inc.	06/24/2020	\$100,000,001 to \$500 million	\$100,000,001 to \$500 million	Plastics Product Manufacturing	New York Southern
Lonestar Prospects, Ltd.	06/09/2020	\$100,000,001 to \$500 million	\$100,000,001 to \$500 million	Nonmetallic Mineral Mining and Quarrying	Texas Northern
Longview Power, LLC	04/14/2020	\$100,000,001 to \$500 million	\$100,000,001 to \$500 million	Electric Power Generation, Transmission & Distribution	Delaware
Permico Midstream Partners LLC	05/04/2020	\$100,000,001 to \$500 million	\$100,000,001 to \$500 million	Oil and Gas Extraction	Texas Southern
The LASIK Vision Institute, LLC	05/29/2020	\$100,000,001 to \$500 million	\$10,000,001 to \$50 million	Outpatient Care Centers	Delaware
True Religion Apparel, Inc.	04/13/2020	\$100,000,001 to \$500 million	\$100,000,001 to \$500 million	Clothing Stores	Delaware
Tuesday Morning, Inc.	05/27/2020	\$100,000,001 to \$500 million	\$100,000,001 to \$500 million	Home Furnishings Stores	Texas Northern
Libbey Glass Inc.	06/01/2020	\$500,000,001 to \$1 billion	\$100,000,001 to \$500 million	Glass and Glass Product Manufacturing	Delaware

Debtor Name	Petition Date	Liabilities	Assets	Industry	Jurisdiction
Stage Stores, Inc.	05/10/2020	\$500,000,001 to \$1 billion	\$500,000,001 to \$1 billion	Department Stores	Texas Southern
Templar Energy LLC	06/01/2020	\$500,000,001 to \$1 billion	\$100,000,001 to \$500 million	Oil and Gas Extraction	Delaware
24 Hour Fitness USA, Inc.	06/15/2020	\$1,000,000,001 to \$10 billion	\$1,000,000,001 to \$10 billion	Amusement and Recreation	Delaware
Akorn, Inc.	05/20/2020	\$1,000,000,001 to \$10 billion	\$1,000,000,001 to \$10 billion	Pharmaceutical and Medicine Manufacturing	Delaware
Centric Brands Inc.	05/18/2020	\$1,000,000,001 to \$10 billion	\$1,000,000,001 to \$10 billion	Apparel Merchant Wholesalers	New York Southern
Diamond Offshore Drilling, Inc.	04/26/2020	\$1,000,000,001 to \$10 billion	\$1,000,000,001 to \$10 billion	Support Activities for Mining	Texas Southern
General Nutrition Corporation	06/23/2020	\$1,000,000,001 to \$10 billion	\$1,000,000,001 to \$10 billion	Health and Personal Care Stores	Delaware
J. C. Penney Company, Inc.	05/15/2020	\$1,000,000,001 to \$10 billion	\$1,000,000,001 to \$10 billion	Department Stores	Texas Southern
J. Crew Inc.	05/04/2020	\$1,000,000,001 to \$10 billion	\$1,000,000,001 to \$10 billion	Clothing Stores	Virginia Eastern
Neiman Marcus Group Ltd LLC	05/07/2020	\$1,000,000,001 to \$10 billion	\$1,000,000,001 to \$10 billion	Clothing Stores	Texas Southern
Quorum Health Resources, LLC	04/07/2020	\$1,000,000,001 to \$10 billion	\$1,000,000,001 to \$10 billion	General Medical and Surgical Hospitals	Delaware
Sable Permian Resources, LLC	06/25/2020	\$1,000,000,001 to \$10 billion	\$1,000,000,001 to \$10 billion	Oil and Gas Extraction	Texas Southern
Whiting Petroleum Corporation	04/01/2020	\$1,000,000,001 to \$10 billion	\$1,000,000,001 to \$10 billion	Oil and Gas Extraction	Texas Southern
Chesapeake Energy Corporation	06/28/2020	\$10,000,000,001 to \$50 billion	\$10,000,000,001 to \$50 billion	Oil and Gas Extraction	Texas Southern
Dollar Rent A Car, Inc.	05/22/2020	\$10,000,000,001 to \$50 billion	\$10,000,000,001 to \$50 billion	Automotive Equipment Rental and Leasing	Delaware
Frontier Communications Corporation	04/14/2020	\$10,000,000,001 to \$50 billion	\$10,000,000,001 to \$50 billion	Wireless Telecommunications Carriers	New York Southern
Intelsat US LLC	05/14/2020	\$10,000,000,001 to \$50 billion	\$10,000,000,001 to \$50 billion	Satellite Telecommunications	Virginia Eastern

Source: Federal Judiciary



## Select DIP Financings

Twenty-six (26) DIP financings over \$30 million were announced during the Second Quarter 2020 across a range of industry sectors, including 10 in the retail/consumer/leisure sector.

Debtor Name	Industry	DIP Date	Amount (\$ mil-lions)	Margin Over LIBOR	Term/Length of Agreement (months)	Upfront Fee
24 Hour Fitness Worldwide Inc.	Leisure	6/15/2020	\$500.0	1,000	12	4.00%
AAC Holdings Inc.	Healthcare	6/21/2020	\$62.5	-	9	-
Advantage Holdco Inc.	Automotive	5/27/2020	\$34.7	800	-	-
APC Automotive Technologies	Automotive	6/6/2020	\$140.0	300	4	-
Centric Brands Inc. <sup>[1]</sup>	Consumer	5/18/2020	\$435.0	705	12	1.69%
Creative Hairdressers Inc.	Consumer	4/23/2020	\$40.7	-	-	2.00%
Exide Holdings Inc.	Manufacturing	5/19/2020	\$40.0	1,000	6	3.50%
Frontier Communications Corp.	Telecommunication	5/15/2020	\$460.0	325	12	-
GNC Holdings Inc. <sup>[2]</sup>	Retail	6/24/2020	\$475.0	1,068	6	-
Hornbeck Offshore Services Inc.	Energy	5/19/2020	\$75.0	1,250	6	2.50%
J. Crew Group Inc	Retail	5/22/2020	\$400.0	800	6	-
J.C. Penney Co. Inc.	Retail	5/16/2020	\$900.0	1,175	6	-
Libbey Glass Inc. <sup>[3]</sup>	Manufacturing	6/1/2020	\$220.0	219	6	-
LSC Communications Inc.	Services	4/13/2020	\$100.0	675	6	1.75%
Neiman Marcus Group Ltd. LLC	Retail	5/7/2020	\$675.0	1,275	-	4.00%
NorthEast Gas Generation LLC	Energy	6/18/2020	\$40.0	600	6	-
Old Time Pottery Inc.	Retail	6/28/2020	\$32.3	150	-	-
Pyxus International Inc.	Agriculture	6/15/2020	\$206.7	1,025	6	3.25%

Debtor Name	Industry	DIP Date	Amount (\$ mil-lions)	Margin Over LIBOR	Term/Length of Agreement (months)	Upfront Fee
Quorum Health Corp.	Healthcare	4/7/2020	\$100.0	1,000	6	-
Rubie's Costume Co. Inc.	Manufacturing	6/1/2020	\$50.0	-	-	-
Sable Permian Resources LLC	Energy	6/25/2020	\$150.0	500	-	-
SkillSoft Corp.	Technology	6/15/2020	\$60.0	750	3	3.00%
Techniplas LLC <sup>[4]</sup>	Manufacturing	5/7/2020	\$155.0	939	-	-
True Religion Apparel Inc.	Retail	4/13/2020	\$37.4	-	6	-
Tuesday Morning Corp.	Retail	5/27/2020	\$100.0	300	6	2.00%
Unit Corp.	Energy	5/23/2020	\$36.0	650	4	2.75%

Noticeable increase in pricing for \$100MM+ financings was observed during 2Q20.

### Summary Comparison

	Margin Over LIBOR	Term/Length of Agreement (months)	Upfront Fee
<b>Second Quarter 2020:</b>			
Mean (\$100MM+)	754	7	2.78%
Median (\$100MM+)	800	6	2.63%
Mean (\$30-\$100MM)	743	5	2.56%
Median (\$30-\$100MM)	750	6	2.63%
<b>Second Quarter 2019:</b>			
Mean (\$100MM+)	550	8	3.00%
Median (\$100MM+)	610	8	2.58%
Mean (\$30-\$100MM)	802	7	1.86%
Median (\$30-\$100MM)	848	7	1.83%

[1] Represents the weighted average of two facilities with a margin over LIBOR of 650 and 800

[2] Represents the weighted average of two facilities with a margin over LIBOR of 900 and 1300

[3] Represents the weighted average of two facilities with a margin over LIBOR of 110 and 350

[4] Represents the weighted average of two facilities with a margin over LIBOR of 475 and 1050

Sources: LCD, an offering of S&P Global Market Intelligence, The Deal, Debtwire, and PACER

## Section 363 Sales

According to *The Deal*, twenty-six (26) Section 363 sales were announced and/or closed during the Second Quarter 2020, continuing a similar level of activity observed during the past year.

Date Announced	Target	Buyer	Industry	Deal Value (\$ in millions)
6/29/2020	<b>Advantage Holdco Inc. - nine U.S. airports operations in New York</b>	<b>Sixt Rent A Car LLC</b>	<b>Business services</b>	<b>\$6.5</b>
Description	Sixt Rent A Car LLC has agreed to acquire Advantage Holdco Inc. - nine U.S. airports operations in New York from Advantage Holdco Inc. for \$6.5 million.			
6/29/2020	<b>Advantage Holdco Inc. - six U.S. airports operations in Southeast and Texas</b>	<b>Orlando Rentco LLC</b>	<b>Business services</b>	<b>na</b>
Description	Basin Street Partners LLC-backed Orlando Rentco LLC has agreed to acquire six U.S. airports operations in Southeast and Texas from Advantage Holdco Inc., a portfolio company of Catalyst Capital Group Inc. for an undisclosed amount.			
5/21/2020	<b>Akorn Inc.</b>	<b>Wilmington Savings Fund Society FSB</b>	<b>Healthcare - Pharmaceuticals</b>	<b>\$1,050.0</b>
Description	Wilmington Savings Fund Society FSB has agreed to acquire Akorn Inc. for \$1.05 billion.			
6/11/2020	<b>Ample Hills Holdings Inc.</b>	<b>Schmitt Industries Inc.</b>	<b>Food</b>	<b>na</b>
Description	Schmitt Industries Inc. has agreed to acquire Ample Hills Holdings Inc. for an undisclosed amount.			
5/20/2020	<b>Art Van Furniture Inc. - inventory and operating assets of Levin brands</b>	<b>Investor Group - Levin Furniture LLC &amp; Levin Trucking LLC</b>	<b>Retail - Furniture</b>	<b>\$25.8</b>
Description	An investor group including Levin Furniture LLC and Levin Trucking LLC has agreed to acquire inventory and operating assets of Levin brands from Art Van Furniture Inc. for \$25.79 million.			
6/22/2020	<b>Borden Dairy Co.</b>	<b>New Dairy Opco LLC</b>	<b>Food</b>	<b>\$306.5</b>
Description	New Dairy Opco LLC has agreed to acquire Borden Dairy Co. from Acon Investments LLC and Grupo LALA SAB de CV for \$306.5 million.			



Date Announced	Target	Buyer	Industry	Deal Value (\$ in millions)
4/23/2020	<b>Creative Hairdressers Inc.</b>	<b>HC Salon Holdings Inc.</b>	<b>Retail - Consumer and household products</b>	<b>na</b>
Description	HC Salon Holdings Inc. has agreed to acquire Creative Hairdressers Inc. for an undisclosed amount.			
6/18/2020	<b>CTL Transportation LLC</b>	<b>Service Transport Co.</b>	<b>Transportation</b>	<b>\$9.0</b>
Description	Service Transport Co. has acquired CTL Transportation LLC from Comcar Industries Inc. for \$9 million.			
5/4/2020	<b>Dura Automotive Systems LLC</b>	<b>Investor Group - Bardin Hill &amp; Charlton Group Inc.</b>	<b>Automotive - Manufacturing</b>	<b>\$66.3</b>
Description	An investor group including Bardin Hill Investment Partners LP and Charlton Group Inc. has agreed to acquire Dura Automotive Systems LLC from Patriarch Partners LLC for \$66.25 million.			
5/19/2020	<b>Exide Holdings Inc.</b>	<b>Investor Group - Axar Capital Management LP, Blue Torch Capital LP &amp; Mackay Shields LLC</b>	<b>Manufacturing</b>	<b>\$430.0</b>
Description	An investor group including Axar Capital Management LP, Blue Torch Capital LP and Mackay Shields LLC has agreed to acquire Exide Holdings Inc. for \$430 million.			
5/26/2020	<b>FoodFirst Global Restaurants Inc. - 45 restaurant locations</b>	<b>GPEE Lender LLC</b>	<b>Food</b>	<b>\$30.0</b>
Description	GPEE Lender LLC, a joint venture of Earl Enterprises Inc. and GP Investments Ltd., has agreed to acquire 45 restaurant locations from FoodFirst Global Restaurants Inc. for \$30 million.			
5/11/2020	<b>Freedom Oil &amp; Gas Inc.</b>	<b>Sendero Resources LLC</b>	<b>Energy - Oil production &amp; Natural Gas exploration</b>	<b>na</b>
Description	Sendero Resources LLC has agreed to acquire Freedom Oil & Gas Inc. for an undisclosed amount.			
4/28/2020	<b>GenCanna Global USA Inc.</b>	<b>MGG Investment Group LP</b>	<b>Agriculture</b>	<b>\$75.0</b>
Description	MGG Investment Group LP has agreed to acquire GenCanna Global USA Inc. for \$75 million.			

## Section 363 Sales (cont)

Date Announced	Target	Buyer	Industry	Deal Value (\$ in millions)
6/3/2020	<b>GGI Holdings LLC</b>	<b>TRT Gym Asset Holdings LLC</b>	<b>Leisure - Recreation</b>	<b>na</b>
Description	TRT Gym Asset Holdings LLC has agreed to acquire GGI Holdings LLC for an undisclosed amount.			
6/24/2020	<b>GNC Holdings Inc.</b>	<b>Harbin Pharmaceutical Group Co. Ltd.</b>	<b>Retail</b>	<b>\$760.0</b>
Description	Harbin Pharmaceutical Group Co. Ltd. has agreed to acquire GNC Holdings Inc. for \$760 million.			
5/6/2020	<b>John Varvatos Enterprises Inc.</b>	<b>Lion/Hendrix Cayman Ltd.</b>	<b>Retail - Clothing</b>	<b>\$95.5</b>
Description	Lion Capital LLP-backed Lion/Hendrix Cayman Ltd. has agreed to acquire remaining stake in John Varvatos Enterprises Inc. for \$95 million.			
5/18/2020	<b>Massachusetts Coastal Railroad LLC</b>	<b>Coastal Rail LLC</b>	<b>Transportation</b>	<b>\$1.0</b>
Description	Coastal Rail LLC has agreed to acquire Massachusetts Coastal Railroad LLC from San Luis & Rio Grande Railroad Inc. for \$0.95 million.			
6/26/2020	<b>CT Transportation LLC</b>	<b>Bulk Transport Co. East Inc.</b>	<b>Transportation</b>	<b>\$15.0</b>
Description	Bulk Transport Co. East Inc., a subsidiary of TFI International Inc., has agreed to acquire CT Transportation LLC from Comcar Industries Inc. for \$15 million.			
6/26/2020	<b>MCT Transportation LLC</b>	<b>Contract Freighters Inc.</b>	<b>Transportation</b>	<b>\$5.0</b>
Description	Contract Freighters Inc. has agreed to acquire MCT Transportation LLC from Comcar Industries Inc. for \$5 million.			
5/27/2020	<b>PQ New York Inc.</b>	<b>LPQ USA LLC</b>	<b>Retail - Restaurants</b>	<b>\$3.0</b>
Description	LPQ USA LLC has agreed to acquire PQ New York Inc. from PQ Licensing SA for \$3 million.			



Date Announced	Target	Buyer	Industry	Deal Value (\$ in millions)
6/24/2020	<b>Proteus Digital Health Inc.</b>	<b>Otsuka Pharmaceutical Co. Ltd.</b>	<b>Healthcare - Pharmaceuticals</b>	<b>\$15.0</b>
Description	Otsuka Pharmaceutical Co. Ltd., a subsidiary of Otsuka Holdings Co. Ltd., has agreed to acquire Proteus Digital Health Inc. for \$15 million.			
4/3/2020	<b>Rudy's Barbershop Holdings LLC</b>	<b>RBS Salon Holdings Inc.</b>	<b>Retail - Consumer and household products</b>	<b>\$1.9</b>
Description	RBS Salon Holdings Inc., an affiliate of Tacit Capital LLC, has agreed to acquire Rudy's Barbershop Holdings LLC from Northwood Ventures LLC and Partnership Capital Growth LLC for \$1.85 million.			
4/22/2020	<b>Southern Foods Group LLC - certain assets in Hawaii</b>	<b>Logix Capital Inc.</b>	<b>Retail - Food</b>	<b>\$7.0</b>
Description	Logix Capital Inc. through its affiliate MGD Acquisition LLC has agreed to acquire certain assets in Hawaii from Southern Foods Group LLC for \$7 million.			
5/29/2020	<b>Southland Royalty Co. LLC - San Juan Basin assets</b>	<b>Morningstar Operating LLC</b>	<b>Energy - Oil production</b>	<b>\$53.3</b>
Description	Morningstar Operating LLC has agreed to acquire San Juan Basin assets from Southland Royalty Co. LLC for \$53.3 million.			
5/7/2020	<b>Techniplas LLC</b>	<b>Techniplas Acquisition Co. LLC</b>	<b>Manufacturing</b>	<b>\$105.0</b>
Description	Techniplas Acquisition Co. LLC has acquired Techniplas LLC for \$105 million.			
6/23/2020	<b>Templar Energy LLC</b>	<b>Tapstone Energy LLC</b>	<b>Energy - Exploration</b>	<b>na</b>
Description	Tapstone Energy LLC has agreed to acquire Templar Energy LLC from Ares Management LP and Bain Capital LLC for an undisclosed amount.			

Source: *The Deal*



## Amend & Extend Deals

*Eighteen (18) Amend & Extend deals were announced during the Second Quarter 2020, with about one-half (56%) of these locking in for extended periods (24 months or longer).*

Name	Amend Deal Date	S&P Loan Rating	Moody's Loan Rating	Extension
Apogee Enterprises Inc.	4/6/2020	NR	NR	10 months
Babcock and Wilcox Co.	5/14/2020	NR	NR	24 months
BJ's Restaurants Inc.	6/15/2020	NR	NR	12 months
Brand Energy & Infrastructure Services	4/17/2020	B-	B3	32 months
CSM Bakery (Add-on 2nd Lien 8/14)	6/15/2020	CC	Caa3	6 months
CSM Bakery (Add-on 8/14)	6/15/2020	CC	Caa3	18 months
Ennis-Flint	4/13/2020	NR	NR	15 months
Forterra	6/17/2020	B	B1	44 months
General Nutrition Centers Inc.	5/18/2020	B-	Ba3	3 months
Goodyear Tire & Rubber Co.	4/17/2020	NR	NR	48 months
Internet Brands	6/12/2020	B	B2	24 months
M/I Homes Inc.	6/30/2020	NR	NR	24 months
Parsley Energy LLC	4/27/2020	NR	NR	24 months
Salem Communications Corp.	4/7/2020	NR	NR	22 months
Terex Corporation	4/23/2020	BB+	Ba2	12 months
The Chefs Warehouse	5/28/2020	B-	B2	36 months
Univision Communications Inc.	6/8/2020	B	B2	37 months
Warner Music Group	4/3/2020	NR	NR	27 months

*Source: LCD, an offering of S&P Global Market Intelligence*



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 **NOTES**

**Notes**

- Sources: S&P, Moody's, The Deal, and others as indicated.
- The charts and graphs used in this report have been compiled by SOLIC Capital Advisors solely for purposes of illustration.

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