



**CAPITAL RESTRUCTURING PERSPECTIVES**  
*Quarterly Update*  
*Third Quarter 2018*



RESTRUCTURINGS • MERGERS, ACQUISITIONS & DIVESTITURES • CAPITAL PLACEMENTS

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# Q3 2018 Highlights

## November 2018

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 third quarter of 2018 which include:

- Moody's and S&P reported speculative-grade default rates of 3.1% and 2.7%, respectively, in Third Quarter 2018. Moody's forecasts that the default rate will fall slightly by year-end, with defaults expected to be highest in the media and retail sectors.
- Per S&P/LSTA, the default rate has gradually increased from an 18-month low of 1.4% at the end of July 2017, but it remains inside the 3.1% historical average. Market consensus is calling for the default rate to hit 2.3% in the 12 months ending September 2019.
- The ratio of debt downgrades to upgrades has historically shown to be a leading indicator of default rates. The downgrade/upgrade ratio is currently 1.78x (18.5% down, versus 10.4% up), up from 1.59x at the start of the year. The current levels are the highest the S&P Index has tracked since the start of 2010. Even when the default rate peaked, the ratio of downgrades to upgrades was not this reported high.
- Concerning signals continue to exist in the credit markets. Firstly, when assessing credit quality, more than half of the loan market is made up of riskier borrowers (B+ or lower). In contrast, in 2007, only 32% were B+ or lower. Secondly, 79% of the outstanding market is now covenant-lite.
- The amount of loans coming due over the next four-year period are down 35% since the start of the year, with the need to refinance diminishing as heavy volume in prior quarters have whittled away near-term maturities. The volume of loans maturing in 2019 has declined to just \$8.6 billion, from \$77 billion when reported in 2016, according to LCD. Similarly, the amount coming due in 2020 is now just \$29.8 billion from \$141.3 billion when reported in 2016. Not until 2022 do maturities really start to ramp up, to roughly \$128 billion.
- Leverage continues to creep higher in syndicated deals by issuers with \$50 million of EBITDA and less. Total debt/EBITDA multiples were 5.55x in the first three quarters of 2018, versus 5.38x in 2017.
- After touching post-crisis lows of L+359 in the first quarter, single-B spreads widened to L+378 in second quarter, and again to L+411 in the third quarter. The latest quarter-over quarter change was the largest increase since the first quarter of 2016. For single-B spreads, the average is at a two-year high, while double-B spreads are at their highest level in a year.

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

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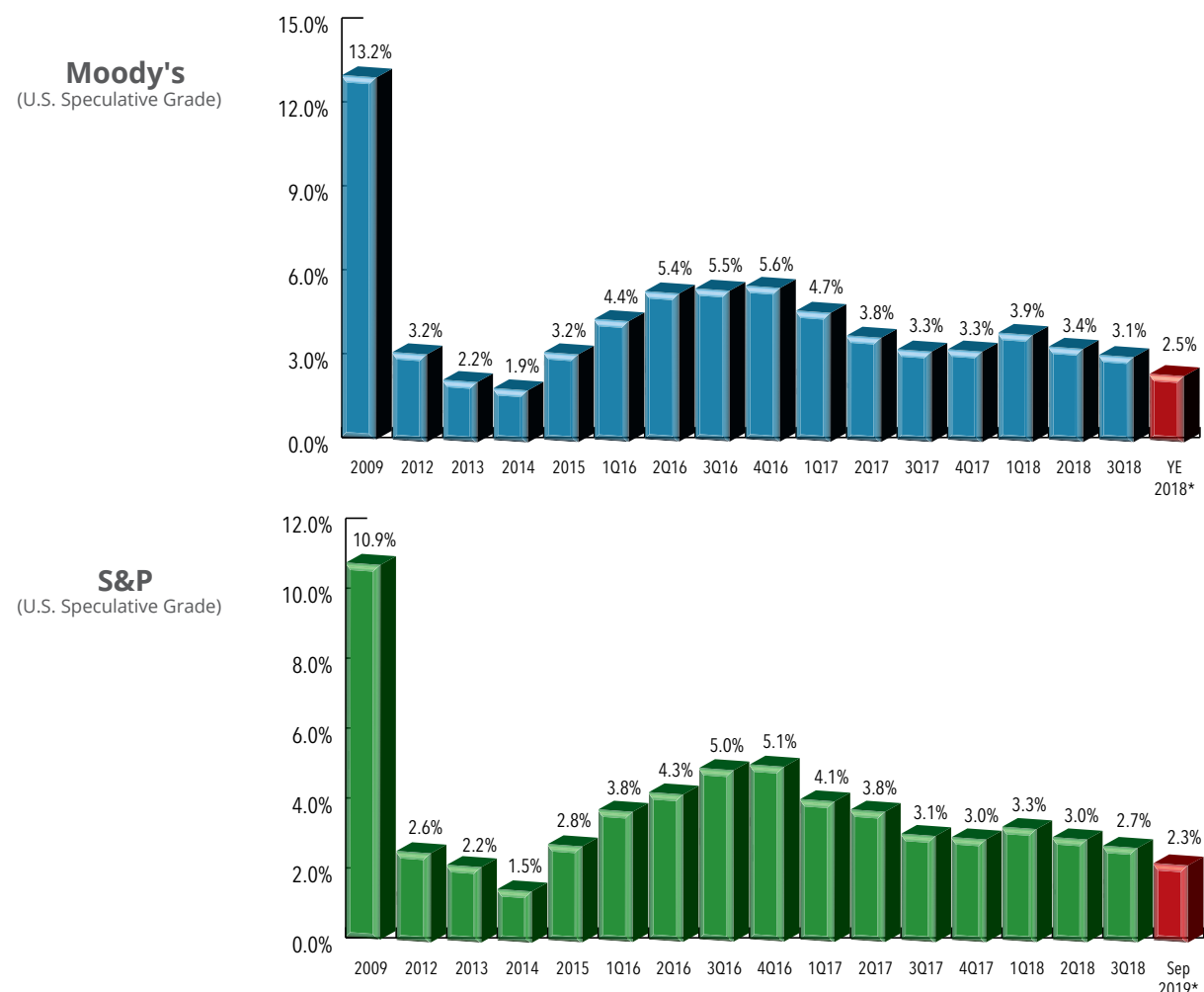
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# ..| Perspectives

**Defaults and Distress:** As shown in the chart below, Moody's and S&P reported speculative-grade default rates of 3.1% and 2.7%, respectively, in Third Quarter 2018. Moody's forecasts that the default rate will fall slightly by year-end, with defaults expected to be highest in the media and retail sectors.

## Comparative Default Rates



\*Forecast for both Moody's and S&P; for the S&P forecast the S&P/LSTA estimate has been used  
Note: 2014 defaults rates from Moody's and S&P exclude EFH

Per S&P/LSTA, the default rate has gradually increased from an 18-month low of 1.4% at the end of July 2017, but it remains inside the 3.1% historical average. Market consensus is calling for the default rate to hit 2.3% in the 12 months ending September 2019.

Strong operating results of borrowers tracked by the S&P/LSTA Index, helped drive down debt-to-EBITDA ratios to a weighted average of 5.44x. That is down roughly half a turn from both the 2Q17 reading and the five-year average, and marks the lowest leverage since 2007, according to LCD.

The ratio of debt downgrades to upgrades has historically shown to be a leading indicator of default rates. The downgrade/upgrade ratio is currently 1.78x (18.5% down, versus 10.4% up), up from 1.59x at the start of the year. The current levels are the highest the S&P Index has tracked since the start of 2010. Even when the default rate peaked, the ratio of downgrades to upgrades was not this reported high.

Concerning signals continue to exist in the credit markets. Firstly, when assessing credit quality, more than half of the loan market is made up of riskier borrowers (B+ or lower). In contrast, in 2007, only 32% were B+ or lower. Secondly, 79% of the outstanding market is now covenant-lite.

## ..|| Perspectives *(cont)*

**Maturity Wall:** This chart represents a snapshot of current loan maturities by year per the S&P/LSTA Leveraged Loan Index. The amount of loans coming due over the next four-year period are down 35% since the start of the year, with the need to refinance diminishing as heavy volume in prior quarters have whittled away near-term maturities. The volume of loans maturing in 2019 has declined to just \$8.6 billion, from \$30.8 billion when reported at the end of 2017, and from \$77 billion when reported in 2016, according to LCD. Similarly, the amount coming due in 2020 is now just \$29.8 billion, down from \$57.9 billion when reported at year-end 2017, and from \$141.3 billion when reported in 2016. Not until 2022 do maturities really start to ramp up, to roughly \$128 billion, then to \$212 billion in 2023, and to \$321 billion in 2024.

**Leveraged Lending Perspectives:** Leverage continues to creep higher in syndicated deals by issuers with \$50 million of EBITDA and less. Total debt/EBITDA multiples were 5.55x in the first three quarters of 2018, versus 5.38x in 2017.

After touching post-crisis lows of L+359 in the first quarter, single-B spreads widened to L+378 in second quarter, and again to L+411 in the third quarter. The latest quarter-over quarter change was the largest increase since the first quarter of 2016. For single-B spreads, the average is at a two-year high, while double-B spreads are at their highest level in a year.



## Recent Representative Transaction

### Sale of Portfolios of Mortgage Loans



*Sell Side Advisor*

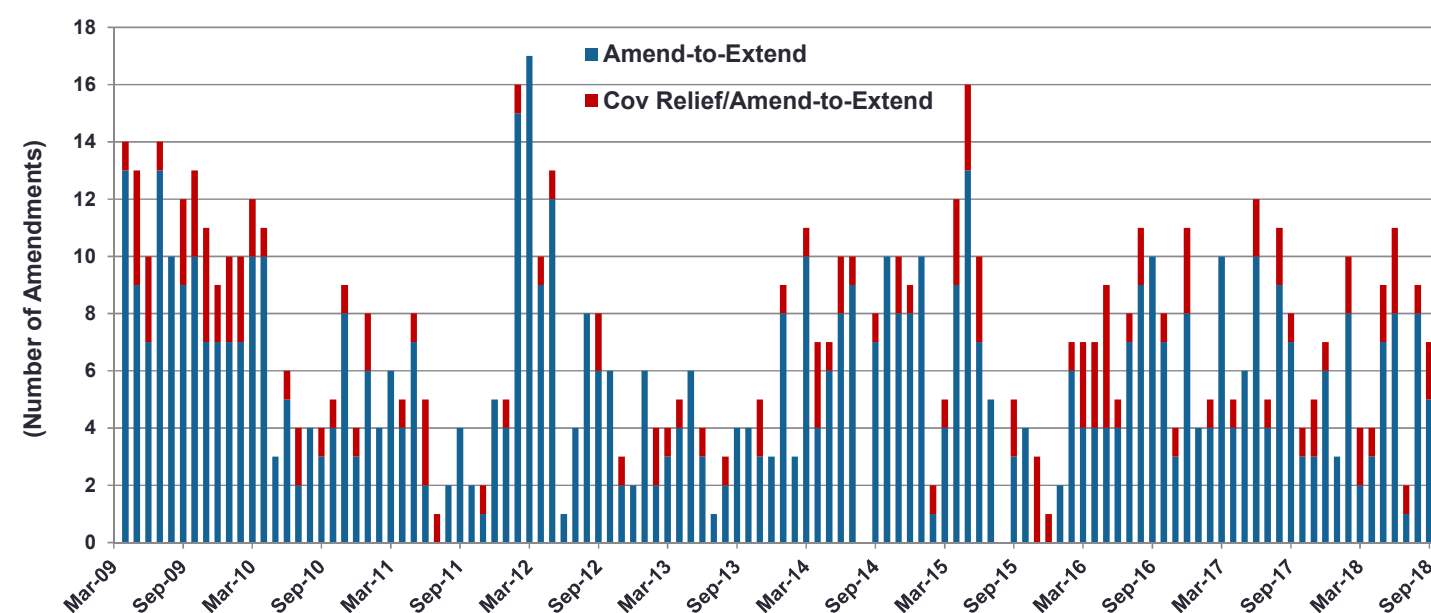
During 3Q2018, SOLIC Capital Advisors represented the plan trustee of The Taylor, Bean & Whitaker Plan Trust in the closing for sale of multiple pools of performing and non-performing first lien and second lien residential mortgage loans through competitive sale processes. The Trust was established to effectuate the liquidation of the assets held by, and the distribution of proceeds to the beneficiaries of the Taylor, Bean & Whitaker Plan Trust.



## Distressed Market Indicators

### Count of Amend & Extend by Month

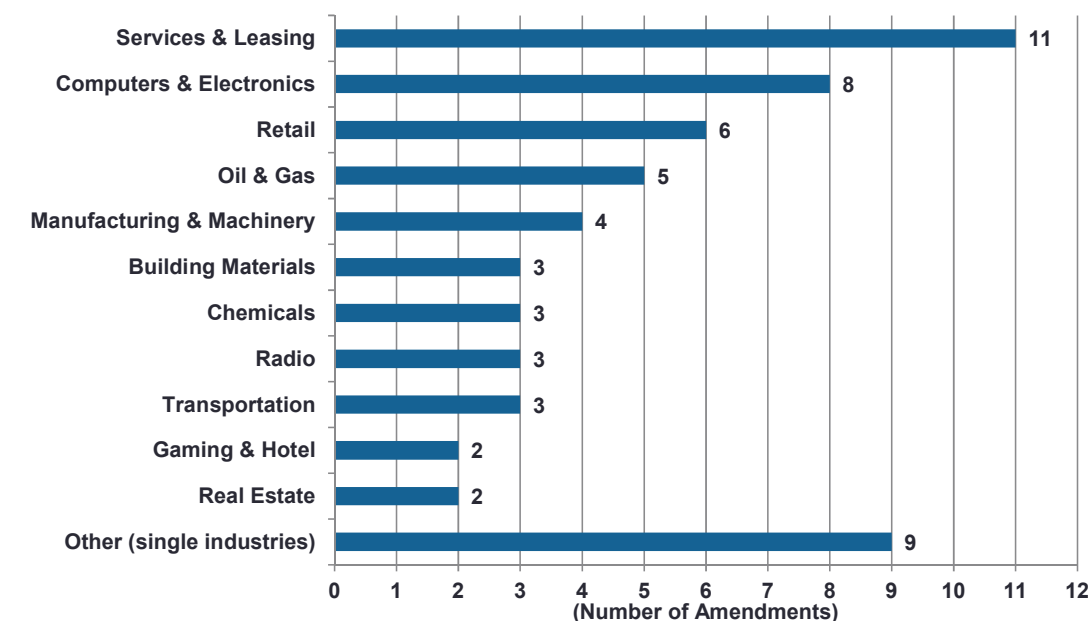
Eighteen (18) amend-to-extends were observed during the Third Quarter 2018, maintaining the higher end of similar activity observed during recent quarters.



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

### Amend & Extend by Industry – YTD September 2018

Amend & Extend activity through the Third Quarter 2018 was spread across a variety of industry sectors. Significant A&E activity was observed in the Retail sector during Third Quarter 2018 - including The Container Store, Party City, Sears, and Stein Mart.

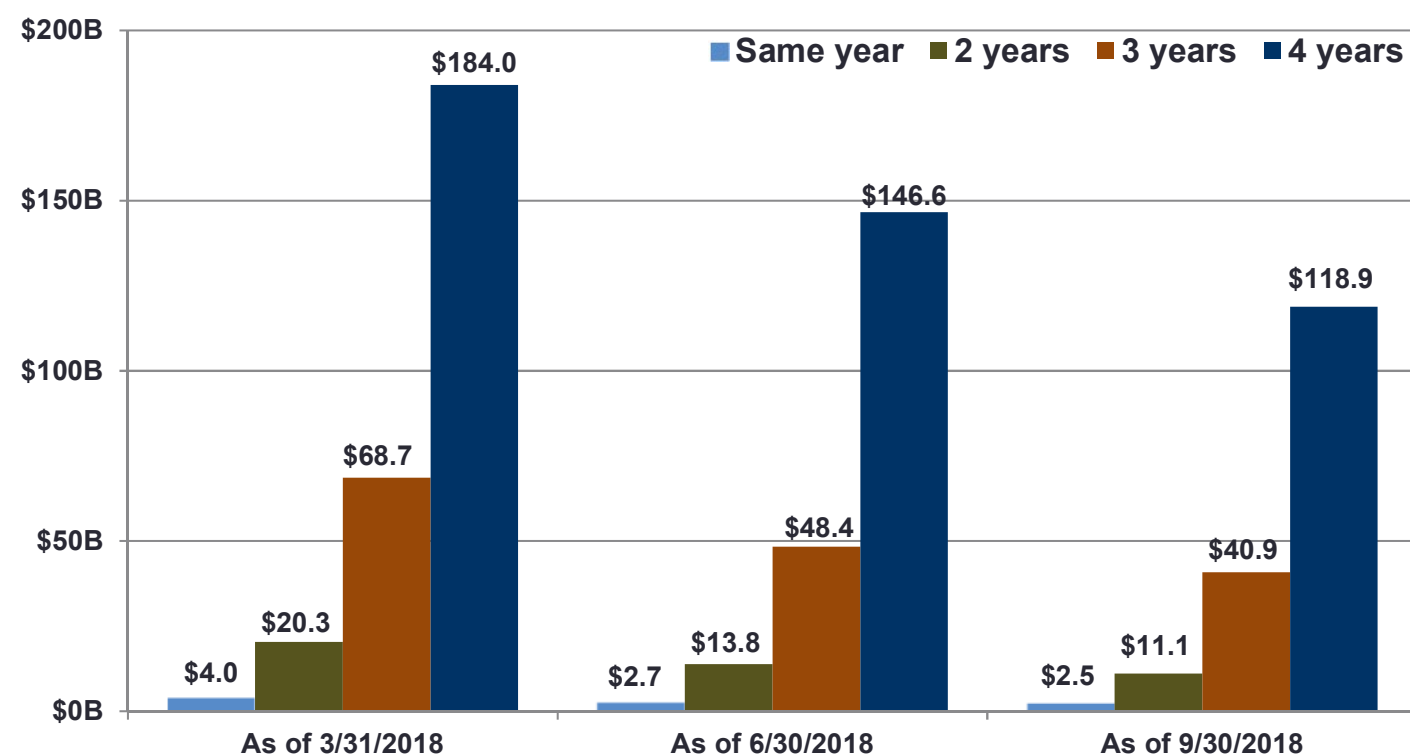


Source: LCD, an offering of S&P Global Market Intelligence

## Distressed Market Indicators (cont)

### Cumulative Maturity Wall

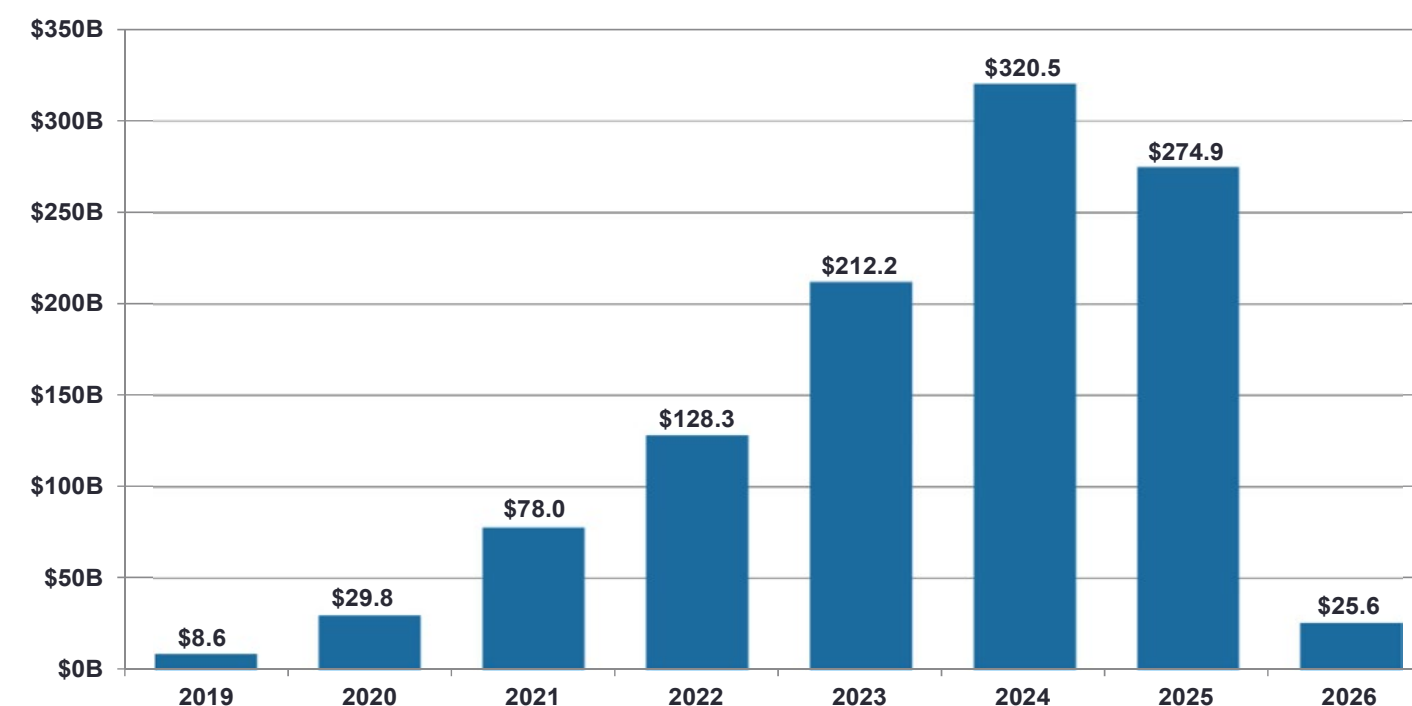
The amount of loans coming due over the next four-year period are down 35% since the start of the year, with the need to refinance diminishing as heavy volume in prior quarters have whittled away near-term maturities.



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 only \$8.6 billion maturing in 2019 and peak maturities soaring to \$321 billion in 2024.

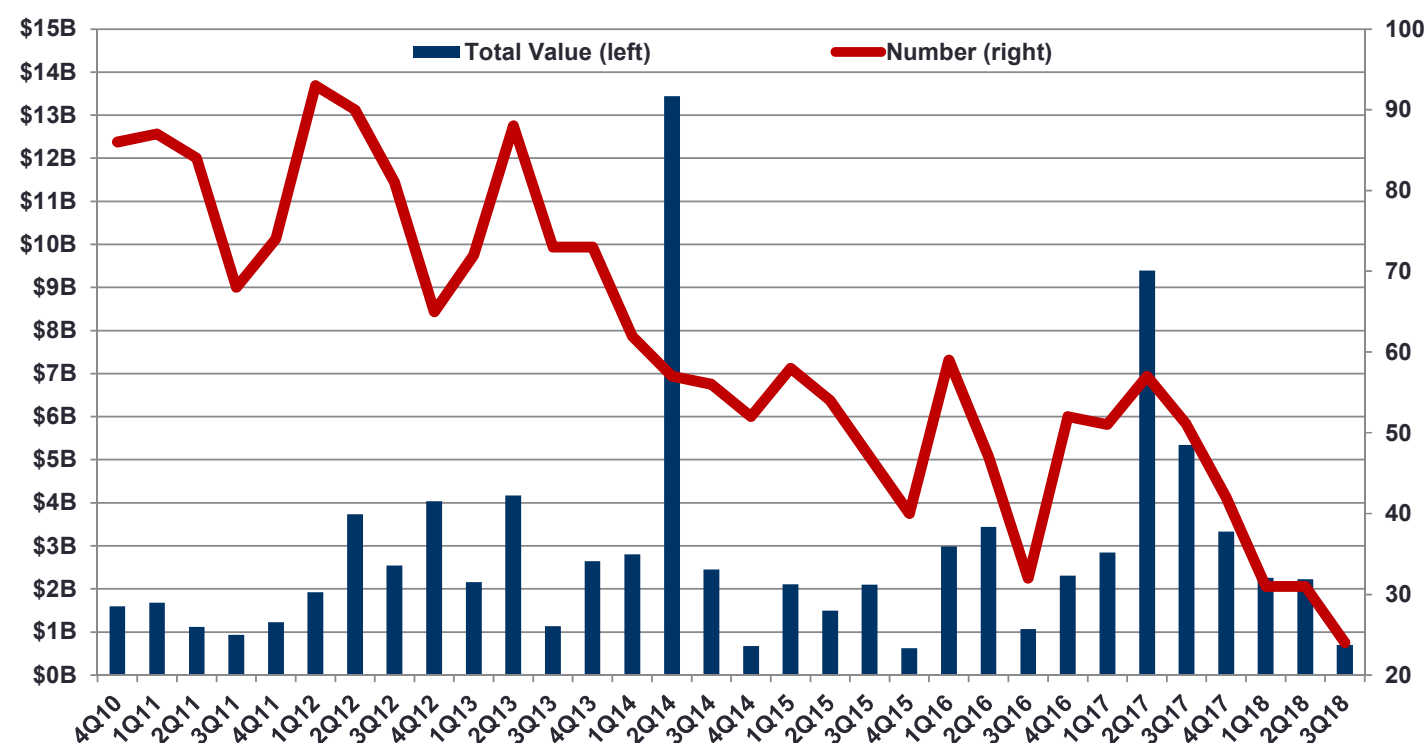


Source: S&P/LSTA Leveraged Loan Index  
S&P/LSTA Leveraged Loan Index consists of all loans that are in the index, namely Term loans (both amortizing and institutional), acquisition loans (after they are drawn down) and bridge loans, and senior secured

## Distressed Market Indicators (cont)

### DIP Financings

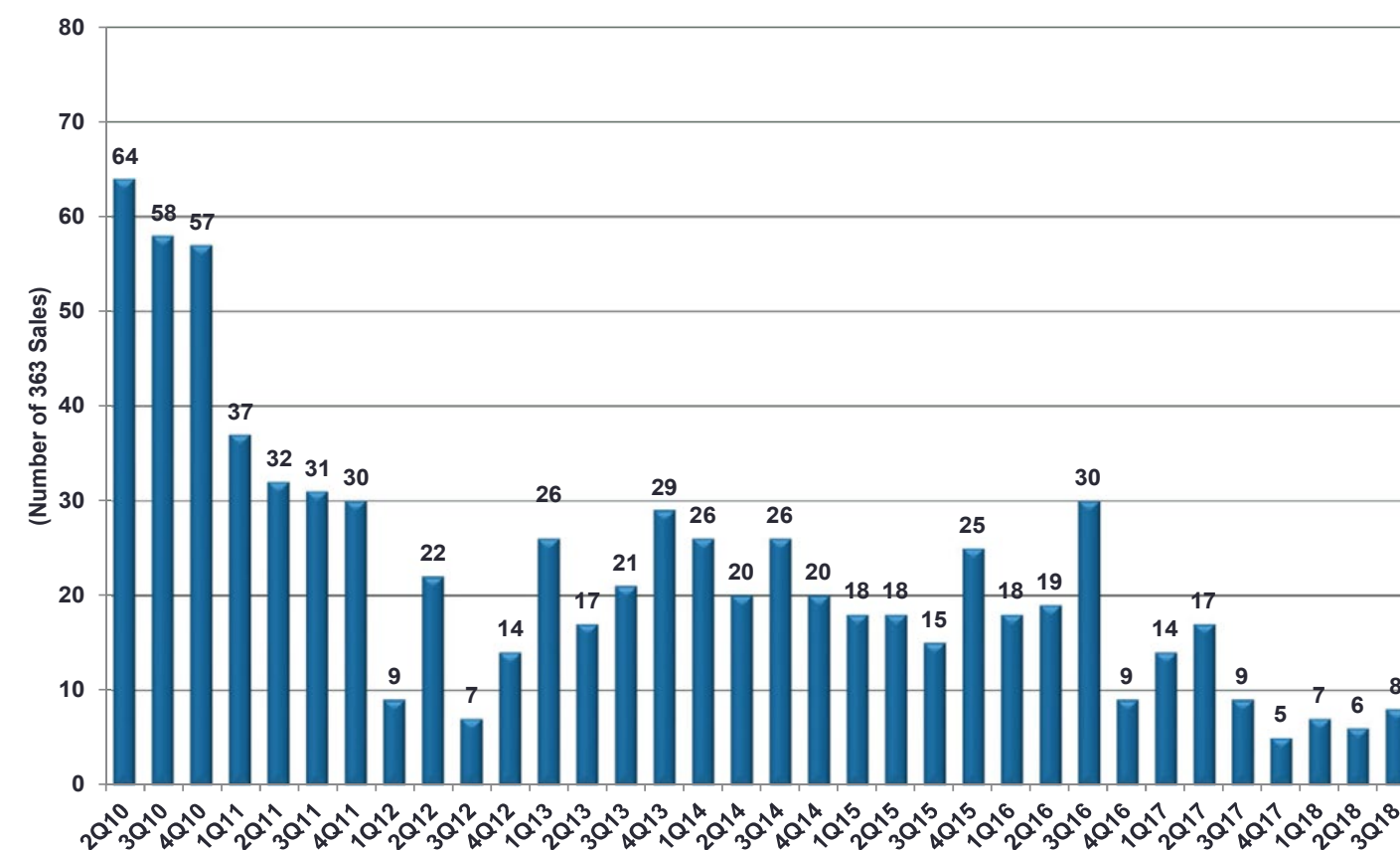
The volume of DIP financings was just under \$1.0 billion in Third Quarter 2018, given the absence of larger financings observed in previous quarters. The largest DIPs included Verity Health System's \$185 million loan from Ally Bank, and Samuels Jewelers' \$110 million revolving credit facility from Wells Fargo and Gordon Brothers Finance.



Note: 2Q14 and 2Q17 surges due to Energy Future Holdings' DIP issuance  
Source: The Deal

### Section 363 Sales

Section 363 asset sale activity remained steady with eight completed transactions - and 35 announced transactions - during the Third Quarter 2018.



Source: The Deal

## Select Bankruptcies

212 companies (including their affiliated entities that filed) with over \$10 million of aggregate debt filed for bankruptcy during the Third Quarter 2018 across a variety of sectors. Filings included:

Debtor Name	Petition Date	Liabilities	Assets	Industry	Jurisdiction
Big Apple Energy, LLC	8/27/2018	\$10,000,001 to \$50 million	\$10,000,001 to \$50 million	Electric Power Generation, Transmission and Distribution	New York Eastern
Orthopaedic and Neuro Imaging, LLC	8/22/2018	\$10,000,001 to \$50 million	\$0 to \$50,000	Offices of Physicians	Maryland
Richmond Health Facilities - Kenwood GP, LLC	7/6/2018	\$10,000,001 to \$50 million	\$0 to \$50,000	Other Ambulatory Health Care Services	Texas Northern
Safe Haven Health Care, Inc.	8/10/2018	\$10,000,001 to \$50 million	\$10,000,001 to \$50 million	Psychiatric and Substance Abuse Hospitals	Idaho
Seasons Lakewood LLC	9/16/2018	\$10,000,001 to \$50 million	\$500,001 to \$1 million	Grocery Stores	New York Eastern
Timberlands Healthcare, LLC	7/24/2018	\$10,000,001 to \$50 million	\$0 to \$50,000	Medical and Diagnostic Laboratories	Texas Western
Visiting Nurse Association of the Inland Counties	8/15/2018	\$10,000,001 to \$50 million	\$1,000,001 to \$10 million	Nursing Care Facilities (Skilled Nursing Facilities)	California Central
1 Global Capital LLC	7/27/2018	\$100,000,001 to \$500 million	\$100,000,001 to \$500 million	Nondepository Credit Intermediation	Florida Southern
Aralez Pharmaceuticals US Inc.	8/10/2018	\$100,000,001 to \$500 million	\$100,000,001 to \$500 million	Pharmaceutical and Medicine Manufacturing	New York Southern
Brookstone Stores, Inc.	8/2/2018	\$100,000,001 to \$500 million	\$50,000,001 to \$100 million	Other General Merchandise Stores	Delaware
Heritage Home Group LLC	7/29/2018	\$100,000,001 to \$500 million	\$100,000,001 to \$500 million	Household and Furniture Manufacturing	Delaware
J & M Sales Inc.	8/6/2018	\$100,000,001 to \$500 million	\$100,000,001 to \$500 million	Clothing Stores	Delaware



Debtor Name	Petition Date	Liabilities	Assets	Industry	Jurisdiction
RM Chevys LLC	8/5/2018	\$100,000,001 to \$500 million	\$50,000,001 to \$100 million	Restaurants and Other Eating Places	Delaware
Samuels Jewelers, Inc. and John J. Carney, Esquire	8/7/2018	\$100,000,001 to \$500 million	\$100,000,001 to \$500 million	Jewelry, Luggage, and Leather Goods Stores	Delaware
Seton Medical Center	8/31/2018	\$100,000,001 to \$500 million	\$100,000,001 to \$500 million	General Medical and Surgical Hospitals	California Central
St. Vincent Medical Center	8/31/2018	\$100,000,001 to \$500 million	\$100,000,001 to \$500 million	General Medical and Surgical Hospitals	California Central
The Falls at Elk Grove, LLC	7/16/2018	\$100,000,001 to \$500 million	\$50,000,001 to \$100 million	Real Estate	Utah
Washington Inventory Service	7/2/2018	\$100,000,001 to \$500 million	\$1,000,001 to \$10 million	Other Support Services	Delaware
Curae Health Inc.	8/24/2018	\$50,000,001 to \$100 million	\$10,000,001 to \$50 million	General Medical and Surgical Hospitals	Tennessee Middle
Verity Health System of California, Inc.	8/31/2018	\$500,000,001 to \$1 billion	\$500,000,001 to \$1 billion	General Medical and Surgical Hospitals	California Central

### Summary (including affiliated entities)

Liabilities	Number of Filings (3Q18)
Less than \$10,000,000	719
\$10,000,000 to \$100,000,000	149
\$100,000,001 to \$500,000,000	61
\$500,000,001 to \$1 Billion	2
Over \$1 Billion, but less than \$10 Billion	0
Over \$10 Billion	0
<b>Total Filings</b>	<b>931</b>

Source: Federal Judiciary



## Select DIP Financings

Seven (7) DIP financings over \$25 million were announced during the Third Quarter 2018, in a wide range of industry sectors including three in retail and two in healthcare.

Debtor Name	Industry	DIP Date	Amount (\$ mil-lions)	Margin Over LIBOR	Term/Length of Agreement (months)	Upfront Fee
Brookstone Holdings Corp.	Retail	8/2/2018	\$30.0	1,025	12	1.50%
Heritage Home Group LLC <sup>[1]</sup>	Construction	7/29/2018	\$98.0	0	5	1.00%
J & M Sales Inc.	Retail	8/6/2018	\$100.0	750	3	1.00%
Little River Healthcare Holdings LLC <sup>[2]</sup>	Healthcare	7/24/2018	\$42.0	0	5	1.25%
Nordam Group Inc.	Automotive	7/22/2018	\$45.0	550	9	-
Samuels Jewelers Inc.	Retail	8/7/2018	\$110.0	150	7	-
Verity Health System of California Inc.	Healthcare	8/31/2018	\$185.0	450	12	1.25%

[1] Implied margin over 3-month LIBOR as a result of prime rate pricing

[2] Implied margin over 3-month LIBOR as a result of fixed rate pricing

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



Pricing of DIPs during the Third Quarter 2018 reflect slightly more favorable pricing for lenders in the \$25-\$100 million range of the DIP financing market, driven by the Brookstone and J&M Sales DIPs.

### Summary Comparison

	Margin Over LIBOR	Term/Length of Agreement (months)	Upfront Fee
Third Quarter 2018:			
Mean (\$100MM+)	450	7	1.13%
Median (\$100MM+)	450	7	1.13%
Mean (\$25-\$100MM)	896	8	1.25%
Median (\$25-\$100MM)	883	7	1.25%
Third Quarter 2017:			
Mean (\$100MM+) *	424	16	n/a
Median (\$100MM+) *	325	16	n/a
Mean (\$25-\$100MM)	392	4	1.13%
Median (\$25-\$100MM)	325	4	1.13%

\* There was only one DIP financing greater than \$100MM. Therefore this represents DIP financing information for Toys 'R' Us Inc.

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

## Section 363 Sales

Thirty-five (35) Section 363 sales were announced during the Third Quarter 2018, including GenOn Energy (\$314 million) and FirstEnergy Solutions (\$140 million) in the Energy space, as well as several transactions related to Brookstone (Retail) and Neighbors Legacy Holdings (Healthcare).

Date Announced	Target	Buyer	Industry	Deal Value (\$ in millions)
7/26/2018	<b>550 Seabreeze Development LLC</b>	<b>Magna Hospitality Group LC</b>	<b>Leisure - Lodging</b>	<b>\$38.6</b>
Description	Magna Hospitality Group LC acquisition vehicle MHF Properties VI LLC is the stalking-horse bidder to acquire Las Olas Ocean Resort owner 550 Seabreeze Development LLC for 38.6 million.			
7/13/2018	<b>A. Jaffe Inc. - certain assets</b>	<b>Parag Diamonds Inc.</b>	<b>Metals</b>	<b>\$5.2</b>
Description	Parag Diamonds Inc., doing business as Paramount Gems, through its subsidiary Paramount Jewels LLC has agreed to acquire certain assets from A. Jaffe Inc. for \$5.2 million.			
9/21/2018	<b>A-1 International Inc.</b>	<b>Need It Now Delivers LLC</b>	<b>Transportation</b>	<b>\$0.3</b>
Description	Palm Beach Capital Partners LLC-backed Need It Now Delivers LLC, through its subsidiary WDS Logistics LLC has agreed to acquire A-1 International Inc. for \$0.35 million.			
7/16/2018	<b>ActiveCare Inc.</b>	<b>BioTelemetry Inc.</b>	<b>Manufacturing; Healthcare - Medical Devices</b>	<b>\$3.8</b>
Description	BioTelemetry Inc., through its affiliate Telcare LLC has agreed to acquire ActiveCare Inc. for \$3.75 million.			
8/24/2018	<b>BK Racing LLC - NASCAR Cup Series charter and certain other assets</b>	<b>Front Row Motorsport Inc.</b>	<b>Leisure - Gaming</b>	<b>\$2.1</b>
Description	Front Row Motorsport Inc. has won approval to acquire NASCAR Cup Series charter, intellectual property, titled vehicles and certain other assets from BK Racing LLC for \$2.08 million.			
9/28/2018	<b>Brookstone Holdings Corp. - building</b>	<b>Brady Sullivan Properties LLC</b>	<b>Retail</b>	<b>\$6.1</b>
Description	Brady Sullivan Properties LLC has agreed to acquire Brookstone Holdings Corp.'s New Hampshire building for \$6.1 million.			



Date Announced	Target	Buyer	Industry	Deal Value (\$ in millions)
8/24/2018	<b>Brookstone Holdings Corp. - intellectual property assets</b>	<b>Authentic Brands Group LLC</b>	<b>Retail</b>	<b>\$50.0</b>
Description	Leonard Green & Partners LP, Lion Capital LLP and General Atlantic LLC-backed Authentic Brands Group LLC has agreed to acquire the intellectual property assets from Brookstone Holdings Corp. for \$50 million in cash.			
8/31/2018	<b>Brookstone Holdings Corp. - U.S. and foreign IP assets</b>	<b>Bluestar Alliance LLC</b>	<b>Retail</b>	<b>\$56.4</b>
Description	Bluestar Alliance LLC has agreed to acquire the U.S. and foreign IP assets from Brookstone Holdings Corp. for \$56.35 million (previously \$43 million) in cash.			
9/5/2018	<b>Chromatin Inc.</b>	<b>S&amp;W Seed Co.</b>	<b>Agriculture; Healthcare - Biotechnology</b>	<b>\$23.0</b>
Description	S&W Seed Co. has agreed to acquire Chromatin Inc. for \$23 million.			
7/20/2018	<b>Color Spot Holdings Inc.</b>	<b>Wells Fargo Bank NA</b>	<b>Agriculture</b>	<b>\$74.0</b>
Description	Wells Fargo Bank NA has agreed to acquire Color Spot Holdings Inc. for \$74 million.			
8/14/2018	<b>ECS Refining Inc. - certain IT asset inventory and intangible assets</b>	<b>Dynamic Lifecycle Innovations</b>	<b>Environmental Services</b>	<b>n/a</b>
Description	Dynamic Lifecycle Innovations has agreed to acquire certain IT asset inventory and intangible assets of ECS Refining Inc. for an undisclosed sum.			
7/23/2018	<b>Enduro Resource Partners LLC - trust related assets</b>	<b>Coert Holdings 1 LLC</b>	<b>Energy - Oil production - Natural Gas Distribution</b>	<b>\$44.0</b>
Description	Coert Holdings 1 LLC has won approval to acquire trust related assets of Enduro Resource Partners LLC for \$44 million.			

## Section 363 Sales (cont)

Date Announced	Target	Buyer	Industry	Deal Value (\$ in millions)
7/18/2018	<b>Firestar Diamond Inc. - Navy Exchange assets</b>	<b>Unique Designs Inc.</b>	<b>Metals</b>	<b>\$7.0</b>
Description	Unique Designs Inc. has agreed to acquire Firestar Diamond Inc.'s Navy Exchange assets, including inventory, IP and assigned contracts for \$6.99 million.			
7/10/2018	<b>FirstEnergy Solutions Corp. - retail and wholesale load-serving business</b>	<b>Exelon Corp.</b>	<b>Energy</b>	<b>\$140.0</b>
Description	Exelon Corp., through its subsidiary Constellation NewEnergy Inc. has agreed acquire the retail and wholesale load-serving business from FirstEnergy Corp. for \$140 million in cash.			
7/17/2018	<b>Gawker Media LLC - certain assets</b>	<b>BDG Media Inc.</b>	<b>Internet - New Media</b>	<b>\$1.4</b>
Description	BDG Media Inc., through its affiliate BDG GMGI Acquisition Inc. has agreed to acquire certain assets of Gawker Media LLC for \$1.35 million.			
8/21/2018	<b>GenOn Energy Inc. - Choctaw energy facility</b>	<b>Entergy Mississippi Inc.</b>	<b>Energy</b>	<b>\$314.0</b>
Description	Entergy Corp., through its subsidiary Entergy Mississippi Inc. has agreed to acquire Choctaw energy facility from GenOn Energy Inc. for \$314 million.			
8/30/2018	<b>Heritage Home Group LLC - certain assets</b>	<b>Investor Group - multiple investors</b>	<b>Construction - Furniture fixture</b>	<b>\$38.5</b>
Description	HHG IPCo LLC, a consortium of Authentic Brands Group LLC and SB360 Capital Partners LLC has agreed to acquire certain assets from Heritage Home Group LLC for \$38.5 million previously for \$22 million).			
7/29/2018	<b>Heritage Home Group LLC - luxury brands business</b>	<b>RHF Investments Inc.</b>	<b>Construction - Furniture fixture</b>	<b>\$17.5</b>
Description	Hickory Chair LLC, a newly formed entity of RHF Investments Inc. has agreed to acquire the luxury brands business from Heritage Home Group LLC for \$17.45 million in cash.			



Date Announced	Target	Buyer	Industry	Deal Value (\$ in millions)
8/21/2018	<b>Interview Inc.</b>	<b>Singleton LLC</b>	<b>Media - Magazines</b>	<b>\$1.5</b>
Description	Singleton LLC has agreed to acquire Interview Inc. for \$1.5 million in cash.			
8/9/2018	<b>Lockwood Holdings Inc. - certain U.S. assets &amp; Singapore inventory</b>	<b>Lockwood Holdco LLC</b>	<b>Manufacturing; Energy</b>	<b>\$20.0</b>
Description	Lockwood Holdco LLC has agreed to acquire certain U.S. assets & Singapore inventory of Lockwood Holdings Inc. for \$20 million.			
7/20/2018	<b>Mid-Atlantic Energy Concepts Inc.</b>	<b>Schaedler Yesco Distribution Inc.</b>	<b>Construction</b>	<b>\$1.5</b>
Description	Schaedler Yesco Distribution Inc. has won approval to acquire Mid-Atlantic Energy Concepts Inc., doing business as Atlantic Energy Concepts, for \$1.525 million.			
8/29/2018	<b>Neighbors Legacy Holdings Inc. - Bellaire, Yorktown, Odessa, Midland, Texarkana and Paris facilities</b>	<b>Greater Texas Emergency Centers LLC</b>	<b>Healthcare</b>	<b>n/a</b>
Description	Greater Texas Emergency Centers LLC has agreed to acquire Neighbors Legacy Holdings Inc.'s Bellaire, Yorktown, Odessa, Midland, Texarkana and Paris facilities for an undisclosed sum.			
8/29/2018	<b>Neighbors Legacy Holdings Inc. - Brownsville, Eastside and Harlingen facilities</b>	<b>Tenet Business Services Corp.</b>	<b>Healthcare</b>	<b>n/a</b>
Description	Tenet Business Services Corp. has agreed to acquire Neighbors Legacy Holdings Inc.'s Brownsville, Eastside and Harlingen facilities for an undisclosed sum.			
7/12/2018	<b>Neighbors Legacy Holdings Inc. - Houston assets</b>	<b>Altus Healthcare Management Services Inc.</b>	<b>Healthcare</b>	<b>\$32.0</b>
Description	Altus Healthcare Management Services Inc., through its affiliates Altus Health Systems Opco LLC and Altus Health System Realty LLC has agreed to acquire Neighbors Legacy Holdings Inc.'s Houston-area centers for \$32 million.			

## Section 363 Sales (cont)

Date Announced	Target	Buyer	Industry	Deal Value (\$ in millions)
8/29/2018	<b>Neighbors Legacy Holdings Inc. - Lubbock, Orange, Port Arthur, Beaumont, Amarillo and McAllen facilities</b>	<b>Exceptional H.C. Inc.</b>	<b>Healthcare</b>	<b>n/a</b>
Description	Exceptional H.C. Inc. has agreed to acquire Neighbors Legacy Holdings Inc.'s Lubbock, Orange, Port Arthur, Beaumont, Amarillo and McAllen facilities for an undisclosed sum.			
8/23/2018	<b>Neighbors Legacy Holdings Inc. - NEC Mueller Emergency Center LP</b>	<b>AEC ER 4 LLC</b>	<b>Healthcare</b>	<b>n/a</b>
Description	AEC ER 4 LLC has agreed to acquire NEC Mueller Emergency Center LP from Neighbors Legacy Holdings Inc. for an undisclosed sum.			
7/13/2018	<b>Neighbors Legacy Holdings Inc. - non-Houston assets</b>	<b>Fostre Inc.</b>	<b>Healthcare</b>	<b>\$5.0</b>
Description	Fostre Inc. has agreed to acquire non-Houston assets from Neighbors Legacy Holdings Inc. for \$5 million.			
9/17/2018	<b>Pachanga Inc.</b>	<b>Fika Acquisitions LLC</b>	<b>Food - Beverage</b>	<b>n/a</b>
Description	Fika Acquisitions LLC, a company formed by Apfel Holdings LLC has agreed to acquire Pachanga Inc., doing business as FIKA, from Lars Akerlund, founder and CEO of Fika for an undisclosed sum.			
9/4/2018	<b>Peninsula Airways Inc.</b>	<b>Wexford Capital LP</b>	<b>Automotive - Aerospace; Transportation</b>	<b>\$6.0</b>
Description	Wexford Capital LP, through its affiliate PenAir Acquisition LLC has agreed to acquire Peninsula Airways Inc., doing business as PenAir, for \$6 million.			
8/5/2018	<b>RM Holdco LLC</b>	<b>Z Capital Group LLC</b>	<b>Retail - Restaurants</b>	<b>\$46.8</b>
Description	Z Capital Group LLC, through its affiliate FM Restaurants (PT) LLC has agreed to acquire RM Holdco LLC for \$46.75 million in cash.			



Date Announced	Target	Buyer	Industry	Deal Value (\$ in millions)
7/20/2018	<b>Sancilio Pharmaceuticals Co. Inc.</b>	<b>Micelle BioPharma Inc.</b>	<b>Healthcare - Pharmaceuticals</b>	<b>\$19.6</b>
Description	Micelle BioPharma Inc. has agreed to acquire Sancilio Pharmaceuticals Co. Inc. for \$19.6 million.			
7/23/2018	<b>Sancilio Pharmaceuticals Co. Inc. - Ocean Blue assets</b>	<b>K.D. Pharma Bexbach GmbH</b>	<b>Healthcare - Pharmaceuticals</b>	<b>\$2.5</b>
Description	K.D. Pharma Bexbach GmbH has agreed to acquire Ocean Blue Line assets from Sancilio Pharmaceuticals Co. Inc. for \$2.5 million.			
9/18/2018	<b>Sasco Hill Brands LLC</b>	<b>Luxury Leather Brands LLC</b>	<b>Internet; Retail</b>	<b>\$2.9</b>
Description	Luxury Leather Brands LLC has agreed to acquire Sasco Hill Brands LLC for \$2.85 million.			
9/16/2018	<b>Seasons Corporate LLC</b>	<b>SKNY LLC</b>	<b>Retail - Supermarkets</b>	<b>\$12.0</b>
Description	SKNY LLC has agreed to acquire Blue Gold Equities LLC, doing business as Seasons, for \$12 million.			
8/29/2018	<b>Toys 'R' Us Inc. - ground lease properties in La Mesa, California</b>	<b>Wing Avenue Investment LLC</b>	<b>Real Estate</b>	<b>\$11.0</b>
Description	Wing Avenue Investment LLC has agreed to acquire Toys 'R' Us Inc.'s ground lease properties in La Mesa, California, for \$11 million.			

Source: The Deal



## Amend & Extend Deals

Eighteen (18) Amend & Extend deals were announced during the Third Quarter 2018, with one-half of these locking in for extended periods (longer than 24 months).

Name	Amend Deal Date	S&P Loan Rating	Moody's Loan Rating	Extension
Aerojet Rocketdyne	9/20/2018	NR	NR	27 months
Blue Bird Body Company	9/13/2018	NR	B2	21 months
Container Store	9/14/2018	B	B2	24 months
Gladstone Investment	9/4/2018	NR	NR	21 months
Ingevity	8/7/2018	NR	NR	15 months
KinderCare Education LLC	9/6/2018	B-	B2	30 months
Leidos Holdings (Amend 4/18)	8/6/2018	BBB-	Ba1	24 months
Leidos Holdings (RC/TLA 6/16)	8/6/2018	BBB-	Ba1	24 months
Mercury Systems	9/28/2018	NR	NR	15 months
Party City Holdings Inc.	8/2/2018	NR	NR	36 months
Sealed Air Corp.	7/19/2018	BBB-	Baa3	48 months
Sears Holdings Corp.	8/31/2018	CCC-	Caa1	4 months
Sequential Brands Group Inc.	8/10/2018	NR	NR	25 months
SiteOne Landscape Supply	8/2/2018	BB	B2	30 months
Stein Mart	9/18/2018	NR	NR	43 months
Strategic Education Inc.	8/1/2018	NR	NR	37 months
Trecora Resources	7/31/2018	NR	NR	45 months
WEX Inc.	8/17/2018	BB-	Ba3	24 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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