

Second Lien Financings



The firm represents banks and institutional investors in the purchase of second lien obligations. The second lien obligation is a hybrid of senior and subordinated debt with unique characteristics. Holders of second lien obligations expect to exercise greater rights than holders of subordinated debt, but understand that the holders of the first lien will impose some limitations on the freedom of action following a borrower default.

The firm's representation of second lien investors brings to bear the experience of seasoned finance attorneys who are familiar with the expectations of this market from a number of perspectives.

Second lien obligations are frequently found in leveraged transactions in which the second lien obligation is expected to be senior to subordinated debt in the capital structure of a borrower. Representation of investors in second lien loans requires recognition of the contractual limitations on rights of the second lien holders, which are expected by first lien holders. We make clients aware of the balance of competing interests of the first and second lien holders in insolvency and workout proceedings and regularly call upon bankruptcy and insolvency practitioners to provide dynamic support to attorneys counseling second lien investors.

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Related Practices

Asset-Based Lending
Certified Capital Company Finance (CAPCOs)
Conventional Secured and Unsecured Debt Finance
Corporate Finance and Securities
Corporate Trustee Transactions
Credit and Liquidity Enhancement of Securities
Credit Tenant Loan Finance
Cross-Border Institutional Private Placements
Derivative Transactions
Federal Government Finance
Mezzanine Finance
Private High Yield
Private Investment in Public Entities (PIPEs)
Project Finance
Public-Private Partnerships
Real Estate Finance
Real Estate Investment Trusts

(REITs)

Rule 144A and Other Exempt Offerings

SEC and Stock Exchange Compliance

SEC Registered Offerings (Debt and Equity)

Secondary Market Transactions

Secondary Offerings

Sports Finance

Utility Finance