

# 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.

## Attorneys

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## Related Practices

Asset-Based Lending  
Certified Capital Company Finance (CAPCOs)  
Conventional Secured and Unsecured Debt Finance  
Corporate Finance and Securities  
Credit and Liquidity Enhancement of Securities  
Credit Tenant Loan Finance  
Cross-Border Institutional Private Placements  
Derivatives 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